

8.2. North Sydney Council Annual Report 2020/21

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ENDORSED BY: Shane Sullivan, Executive Manager Governance

ATTACHMENTS:

1. Annual Report 2020/21 [**8.2.1** - 190 pages]

PURPOSE:

The purpose of the Annual Report is to outline the achievements in implementing Year 3 of Council's *Delivery Program 2018/19-2021/22*, which contribute to the strategic outcomes in the *North Sydney Community Strategic Plan*. Council has an obligation to prepare an Annual Report in accordance with legislation.

EXECUTIVE SUMMARY:

Council's Annual Report for the financial year ended 30 June 2021 has been completed in accordance with section 428 of the *Local Government Act 1993*, the *Local Government (General) Regulation 2005 (Part 9, Division 7)*, the Office of Local Government's *Integrated Planning & Reporting Guidelines* and the Annual Report Checklist (Circular 21-16), issued 30 June 2021

The 'Our Performance' section details highlights and key achievements against the projects in the *Operational Plan 2020/21* (Year 3 of the *Delivery Program 2018/19-2021/22*). This year the Annual Report also includes the End of Term Report, which is mandatory in the year of a Local Government election, reporting against the Community Strategic Plan (this is also presented under separate cover, refer to item 8.3) and the State of the Environment Report.

In accordance with the requirements outlined in the Office of Local Government's *Pre-election Guide for Councils 2021* (Circular 21-30), Council's Annual Report 2020/21 will be presented as part of the business paper for this meeting and will be formally published on the Council website following the Council election 4 December 2021.

Following the conduct of the election, copies of the Annual Report 2020/21 will be made publicly available for viewing at Council's Customer Service Centre and Stanton Library as well as on the Council website. Copies will be provided to the North Sydney Heritage Centre and NSW State Library and a link provided to the Minister for Local Government, in accordance with statutory/record keeping requirements.

FINANCIAL IMPLICATIONS:

The Annual Report contains the Council's Audited Financial Statements, which were initially submitted to the Audit, Risk and Improvement Committee on 15 October 2021 and endorsed by the Council at its meeting of 25 October 2021 for the purposes of public exhibition. The Financial Statements are also presented under separate cover, refer to item 8.1.

Also, as required in the IPART Instrument, under section 508A of the Act, the Annual Report 2020/21 includes a report on expenditure funded by the additional income drawn from Year 2 of the three-year Special Rate Variation.

RECOMMENDATION:

THAT the Annual Report 2020/21 be received.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

5. Our Civic Leadership

5.1 Council leads the strategic direction of North Sydney

BACKGROUND

Council has a statutory obligation to prepare an annual report in accordance with section 428 of the *Local Government Act 1993* (the Act), the *Local Government (General) Regulation 2005 (Part 9, Division 7)*, the *Integrated Planning & Reporting Guidelines* (under section 406 of the Act) and the Annual Report Checklist (Circular 21-16), issued 30 June 2021. Council is required to report its achievements in implementing its Delivery Program and the effectiveness of the projects and actions in achieving the objectives.

The Annual Report must contain:

- a) a copy of Council's audited Financial Statements, prepared in accordance with the *Local Government Code of Accounting Practice and Financial Reporting*;
- b) a summary of performance/achievements in implementing the annual Operational Plan;
- c) a report on expenditure funded by additional income drawn from a Special Rate Variation, where applicable; and
- d) additional statutory requirements in the year of the ordinary Local Government elections, as detailed below, including the End of Term Report and State of the Environment Report.

CONSULTATION REQUIREMENTS

Community engagement is not required.

DETAIL

Council's Annual Report 2020/21 has been completed in accordance with section 428 of the Act, the *Local Government (General) Regulation 2005 (Part 9, Division 7)*, the Office of Local Government's *Integrated Planning & Reporting Guidelines* and Annual Report Checklist (Circular 21-16).

The objectives of the Annual Report are to:

- communicate our performance to the community;
- assess Council's progress against set targets and outcomes;
- describe Council's environmental, social, economic and governance performance; and
- meet legislative requirements.

Delivery Program/Operational Plan Performance

The 'Our Performance section of the Annual Report 2020/21 section details highlights and key achievements against the projects in the *Operational Plan 2020/21* (Year 3 of the *Delivery Program 2018/19-2021/22*). Council undertook 364 projects during Years 1 to 3 of the Delivery Program. As at 30 June 2021, 94% of projects were on track or completed, and 6% were delayed or not progressing. 182 projects have been completed, 159 projects were on track, 20 projects were delayed and carried over to 2020/21, two projects were not progressing and one project was discontinued.

Special Rate Variation

The Annual Report includes a report of expenditure versus Delivery Program for Year 2 of the three-year Special Rate Variation (which commenced 1 July 2019), in accordance with the requirements prescribed within IPART's approval instrument.

End of Term Report

This year the Annual Report also includes the *End of Term Report 2021*, which is mandatory in the year of a Local Government election (this is also presented under separate cover, refer to item #). The End of Term Report 2021 reports on the progress made in implementing the first three years of the ten-year Community Strategic Plan. Prepared in accordance with the Act and the *Integrated Planning & Reporting Guidelines*, it provides the incoming Council with a snapshot of progress to date towards achieving the community's vision for the North Sydney local government area. Effective from the next term of Council, this will instead be called a State of our City Report, presented to the incoming term rather than the outgoing term of Council.

State of the Environment Report

The 2020/21 Annual Report also includes the mandatory State of the Environment Report, with reports on the state of the environment in the local government area, identifying issues relevant to the environmental objectives established by the Community Strategic Plan. Effective from the new term of council, this reporting will no longer be required throughout the new cycle of Integrated Planning & Reporting.

Audited Financial Statements

The Annual Report contains the Audited Financial Statements. Following presentation to the Audit, Risk and Improvement Committee on 15 October 2021 a report was provided to Council at its meeting of 24 October 2021. At that meeting Council resolved the following:

1. *THAT Council note the attached draft Financial Statement for the Year ended 30 June 2021.*
2. *THAT Council authorise the completion of the "Statement of Councillors and Management" for the General Purpose Financial Statements noting that the final Audited Financial Statements may require amendment in accordance with advice provided by the Audit Office NSW Technical team; in particular in respect to the accounting treatment of Council Land improvement revaluation which remains subject to clarification.*

3. *THAT subject to finalisation of the auditor's report, in accordance with Section 418(1) of the Local Government Act both the audited financial reports and the auditors reports on the financial statements be reported to Councils meeting of 8 November 2021.*

The Financial Statements are also presented under separate cover, refer to item 8.1.

Copies of the Annual Report

The *Pre-election Guide for Councils 2021* notes the following:

The provisions in the Regulation relating to "electoral material" do not prevent the end-of term report being presented to the council or from being published on a council's website as part of the business papers of the meeting.

However, councils should be mindful of the requirements of the Regulation relating to "electoral material" when issuing the end of term report as a publication during the "regulated period".

In line with these requirements, Council's Annual Report 2020/21 be presented as a business paper at the final meeting of the outgoing Council and will be published on the Council website following the Council election 4 December 2021. As with the End of Term Report 2021, the Annual Report 2020/21 could be considered "electoral material" as it identifies the activities and the achievements of the council over the preceding year.

Following the election, copies of the Annual Report will be made publicly available for viewing at Council's Customer Service Centre and Stanton Library as well as on the Council website. Copies will be provided to the North Sydney Heritage Centre and NSW State Library and a link provided to the Minister for Local Government, in accordance with statutory/record keeping requirements.

NORTH SYDNEY COUNCIL ANNUAL REPORT 2020/21



progressive *vibrant* diverse



ACKNOWLEDGEMENT

North Sydney Council acknowledges the Guringai Tribe and Cammeraygal Clan as the traditional owners of this land.

For further information regarding the Annual Report, contact Council's Corporate Planning Coordinator on 9936 8270.

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November 2021

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INTRODUCTION

This *Annual Report* documents the performance of North Sydney Council for 2020/21 against the objectives in the *North Sydney Community Strategic Plan 2018-2028* and the actions identified in the *Delivery Program/Operational Plan 2020/21*. It identifies major projects and activities implemented to improve and enhance the quality of life of our residents. The report provides transparent information for all Council stakeholders.

Council's General Manager and Directors have reviewed the content of this *Annual Report*. Council adopted the Financial Statements at the Council Meeting on 8 November 2021 following a review by an independent external auditor.

The *Annual Report* is available on the Council's website www.northsydney.nsw.gov.au.

A hard copy version of the *Annual Report* can be viewed at Council's Customer Service Centre and Stanton Library, and printed copies are available on request.



OUR VISION

Shaping a progressive, vibrant and diverse North Sydney community.

MISSION AND VALUES

Mission

To be leading edge in serving the community of North Sydney by caring for its assets, improving its appearance and delivering services to its people in a financially, socially and environmentally responsible manner.

Values

- › Sustainability - equity, preservation, justice and precaution
- › Community service - efficiency, effectiveness and responsiveness
- › Open government - transparency and accountability
- › Ethical conduct - honesty and integrity
- › Justice - fairness and equity
- › Quality - innovation and excellence
- › Teamwork - cooperation and respect



YEAR IN REVIEW

MAYOR'S MESSAGE



Despite the ongoing challenges of the COVID-19 pandemic, Council delivered the majority of planned projects in our Operational Plan 2020/21. I am proud of the way Council responded and would like to acknowledge the efforts of the Council staff in maintaining productivity and flexibly adapting services throughout the year.

This was the second year of our Special Rate Variation which enabled us to deliver an ambitious program of essential infrastructure upgrades, as well as progressing major projects. Significantly, construction of the North Sydney Olympic Pool began, along with work on the Hume Street Plaza. This new area of open space in Crows Nest will provide welcome and much needed open space for residents, workers and visitors to the area.

We continued to focus on upgrading our village public domains particularly the Neutral Bay and Cremorne villages which have been disrupted by the recent B-Line bus works. The footpath along Military Road was upgraded through the year, returning trees, more seats, bins and garden beds. Council is preparing a Military Road Corridor Planning Study to set directions for the future.

Our vibrant and very popular markets at North Sydney, Kirribilli, Crows Nest and the Coal Loader continued, moving online when required by Public Health Orders. Council moved a number of events on line and took indoor events outdoors when permitted. Storytime in the parks and plazas was very well attended and appreciated by young families. It was wonderful to see our community embrace events when gatherings were permitted, with strong attendances at the Twilight Food Fair, the Sunset Series, Bark in the Park, the Coal Loader and North Sydney Oval fixtures.

Several new premium office towers are under construction in the CBD and new tenants including Nine media and Google have moved in. The NSW Government continued construction of the Metro stations at North Sydney and Crows Nest. While this has created disruption in these centres, the Metro will be a welcome transport option when completed.

We are not yet through the pandemic, but our wonderful community – including residents, businesses, the elected Council and staff, have remained resilient and I am confident that we will continue to adapt and thrive during the year to come. I'm pleased and proud to present Council's achievements for the 2020/21 financial year.

A handwritten signature in black ink that reads "Jilly Gibson". The signature is written in a cursive, flowing style.

Cr Jilly Gibson
Mayor of North Sydney

GENERAL MANAGER'S REPORT



The end of the 2020/21 Financial Year marked the last full financial year of the current 2017/18-2020/21 term of Council. I would like to thank the Councillors for their hard work and dedication. This Annual Report outlines the achievements for the 2020/21 financial year.

Despite the vast and significant impact COVID-19 has had, Council has managed to achieve some excellent outcomes for the community. We have closed and trialled the new Young St Plaza, commenced work on the Olympic Pool renovation, commenced the expansion of Hume Street Plaza and upgrade of the Primrose Park tennis courts and secured a State Heritage Listing for the Coal Loader. Work on the St Leonards Masterplan improvements continued, with a focus on the Tunks walkway, new lighting, seating and garden beds.

Throughout the financial year individual unit managers and staff have continued to adapt to the changing circumstances of the COVID-19 pandemic and evolving health orders. Essential services have been maintained throughout and community services, programs and events continued under revised formats where possible. In many cases, face-to-face programs were moved online ensuring the community had the opportunity to engage in a COVID-safe manner.

Council's foreshore parks and public spaces have been particularly popular and extremely heavily utilised for exercise and general recreation during periods of lockdown. I would like to acknowledge Council staff that have continued to attend work to ensure these areas are cleaned and maintained together with many others that quietly provide the many essential services that ensure North Sydney functions.

Council had a sound year financially, despite the challenges of the pandemic. After a significant net operating loss before capital gains and contributions of \$11.5 million in 2019/20 as a result of COVID-19, operating revenue and expenses have returned to a relatively balanced position (\$0.5 million loss) in 2020/21. This in part is attributable to the initial early recovery in the second half of the financial year prior to the Delta variant outbreak, and partly due to cost control measures implemented as part of Council's response.

Council has also maximised the opportunities available from capital funding programs from other Government sources resulting in a net operating result after capital grants and contributions flowing on to community equity of \$23.7 million, a \$28.8 million improvement on the preceding year.

Included in the Annual Report, is the End of Term Report. This report reviews the current state of the local government area and progress against the 2018-2028 Community Strategic Plan. In doing so it establishes the benchmark against a range of indicators as we transition to a new term of Council.

I am pleased to present the 2020/21 Annual Report to you.

A handwritten signature in black ink, appearing to read 'Ken Gouldthorp'. The signature is written in a cursive style and is positioned above the printed name.

Ken Gouldthorp
General Manager

FINANCIAL SUMMARY

This section provides a more detailed overview of the 2020/21 *Financial Statements* (see page 96). The Statements have been prepared in accordance with the Australian Accounting Standards and the NSW Local Government Code of Accounting Practice and Financial Reporting. The Statements were independently audited by the Audit Office of NSW and lodged with the Office of Local Government as required by s417(5) of the Local Government Act (NSW) 1993.

Highlights

- › Council recorded a net operating surplus after grants and contributions provided for capital purposes of \$23.7 million
- › excluding capital grants and contributions the result was a deficit of \$507,000
- › overall income increased by 18% to \$143.58 million
- › total expenditure decreased by \$6.6 million to \$119.87 million
- › capital expenditure in the year was \$32.2 million (including plant replacement)
- › total assets increased by 3.5% to \$1.33 billion
- › total liabilities increased by 8% to \$63.70 million
- › community equity has increased by \$40.35 million to \$1.27 billion

The \$23.7 million surplus for the year ending 30 June 2021 was driven by an increase in developer contributions and capital grants. Council's financial position as at 30 June 2021 remained sound. Council is committed to maintaining its long-term financial sustainability to deliver on the outcomes and strategies of the *North Sydney Community Strategic Plan*.

2020/21 Financial Results Overview (\$,000)

The following table presents a summary of financial results for 2020/21. For more detailed information, refer to the full Financial Statements (also available from Council's website).

Financial Results (\$,000)	2020/21
Total Income	143,578
Total Expenses	119,866
Net Operating Result	23,712
Operating Result before Capital Income	(507)
Total Assets	1,329,246
Total Liabilities	63,650
Net Assets	1,265,596
Total Cash, Cash Equivalents and Investments	111,179

Council made a net operating surplus (total operating result) of \$23.7 million, compared to a surplus of \$1.0 million forecast in the Original Budget and a revised budget surplus of \$2.3 million forecast in the March Quarterly Budget Review. Before grants and contributions provided for capital purposes the deficit was \$0.51 million, compared to a deficit of \$2.43 million forecast in the Original Budget and a revised budget deficit of \$10 million forecast in the March Quarterly Budget Review.

Net Operating Result (\$m)

North Sydney Council has achieved a net operating surplus in four of the last five years.

Net Operating Result (\$m)	2016/17	2017/18	2018/19	2019/20	2020/21
Operating Result before Capital Income	6.98	7.17	4.74	(11.51)	(0.51)
Net Operating Result	25	16	20.51	(5.13)	23.7

Income

Council's total income for 2020/21 was \$143.58 million, an increase of \$22.25 million year on year. The key driver of the increase was the receipt of \$12.9 million in developer contributions. Of this, \$11.8 million was driven by the contribution from Sydney Metro under a voluntary planning agreement in relation to the over station development at Crows Nest. This contribution was forecast to be received in late July 2021, but was actually received in June 2021. Grants to support the development of the North Sydney Olympic Pool, Hume Street Plaza at Crows Nest, acquisition of the Quarantine Boat Depot at Waverton and streetscape upgrades along the Military Road corridor at Cremorne and Neutral Bay generated significantly more revenue than expected. Revenue from user fees and charges was not as adversely affected by pandemic restrictions as had been forecast.

Income Source (\$m)	2016/17	2017/18	2018/19	2019/20	2020/21
Interest, Investment & Returns	3.56	2.65	2.41	1.97	1.37
Operating Grants & Contributions	6.69	4.49	5.55	6.00	5.45
Capital Grants & Contributions	18.48	8.63	15.77	6.38	24.22
Other Income	23.50	17.84	19.11	8.83	6.96
Other Revenue	N/A	N/A	N/A	8.82	8.39
Fees & Charges	29.81	33.21	33.69	28.26	31.17
Rates & Annual Charges	51.48	56.32	58.83	62.88	66.02
Total	133.52	123.13	135.37	121.33	143.58

Rates and annual charges were the highest income source, followed by fees and charges, other income and grants and contributions.

Expenses

Council's total expenditure for 2020/21 was \$119.87 million. Total expenditure decreased by \$6.6 million year on year. A fall in employee costs was due to a \$1.3 million reduction in the provision for employee leave entitlements, retirement of some long serving employees and a reduction in untaken leave. In addition there was a \$913,000 increment on revaluation of the Council's property portfolio.

The top three contributors to expenses in 2020/21 were employee benefits, materials and services, and depreciation and amortisation.

Expenses (\$m)	2016/17	2017/18	2018/19	2019/20	2020/21
Employee Benefits	41.37	41.01	44.99	46.19	42.90
Borrowing Costs	0.30	0.30	0.37	0.42	0.37
Materials & Services	34.16	36.73	36.80	43.82	44.12
Depreciation & Amortisation	18.69	19.13	22.11	29.35	27.52
Other Expenses	8.34	9.47	9.11	5.75	3.79
Loss Asset Disposal	5.20	0.69	1.48	0.92	1.16
Total	108.06	107.33	114.86	126.46	119.87

Our Financial Position is Sound

As at 30 June 2021, net assets totalled \$1.27 billion, including cash and investments of \$111.18 million, infrastructure, property, plant and equipment of \$1.15 billion.

The unrestricted current ratio provides a measure of the adequacy of working capital and the degree to which unrestricted current assets can satisfy the organisation's short-term commitments. As at 30 June 2021, Council's unrestricted current ratio was 2.82 times, above the industry benchmark of 1.5 times. This means that Council's unrestricted or internally restricted cash balance as at 30 June 2021 was 2.82 times the cash required to meet current liabilities at that date.

Key Financial Ratios

Council met or bettered the industry benchmark for all six of the financial performance indicators. Council was below the benchmark for two of the infrastructure performance ratios, however, both showed improvement versus last year.

More detail on the asset breakdown is available in the *Special Schedules Financial Report - Report on Infrastructure Assets as at 30 June 2021* in the *2020/21 Financial Statements*.

Financial performance ratios	Benchmark	2018/19	2019/20	2020/21
Operating Performance Ratio	>0%	3.34%	(6.76%)	1.30%
Own Source Operating Revenue Ratio	>60%	83.98%	89.80%	79.19%
Unrestricted Current Ratio	>1.5x	3.45x	2.82x	2.82x
Debt Service Cover Ratio	>2x	27.62	15.11x	19.32x
Rates, annual charges, interest & extra charges outstanding %	<5%	2.05%	2.90%	2.78%
Cash expenses cover ratio	>3mths	8.74mths	9.50mths	11.55mths

Infrastructure management performance ratios	Benchmark	2018/19	2019/20	2020/21
Building & Infrastructure Renewal Ratio	>=100	121.48%	79.33%	98.35%
Infrastructure Backlog Ratio	<2%	6.12%	4.01%	3.89%
Asset Maintenance Ratio	>100%	95.35%	97.95%	102.57%

Operating Performance Ratio: This ratio measures revenue raised and its coverage of operational expenses. A positive ratio indicates operating revenue covers operating expenditure and will help to fund proposed capital expenditure. After falling below the benchmark for the first time in many years in 2019/20, the ratio achieved the benchmark in 2020/21. Excluding capital grants and contributions, fair value adjustments and net losses from the disposal of assets, a \$1.5 million operating surplus was achieved. This was an improvement on what had been forecast, primarily because the impact of pandemic restrictions on revenue was not as substantial as predicted.

Own Source Operating Revenue Ratio: This ratio measures Council's reliance on external funding sources such as grants and contributions. At 79.19%, Council's result was above the industry benchmark of 60%.

Unrestricted Current Ratio: This measure of the adequacy of working capital and the degree to which unrestricted current assets can satisfy the organisation's short-term commitments. As at 30 June 2021, Council's unrestricted current ratio was 2.82 times above the industry benchmark of 1.5 times. For each \$1 owed, Council had \$2.82 to cover liabilities. This is a reflection of Council's ongoing capacity to meet its obligations for its unrestricted activities in the short term.

Debt Service Ratio: This ratio measures the availability of operating cash to service Council's borrowings. Excluding capital grants and contributions and non-cash items from the operating result, the net operating surplus was sufficient to cover annual interest payments 19.32 times.

Rates & Annual Charges Outstanding: This ratio assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts. The result at 2.78% is well within the benchmark of 5%.

Cash Expenses Cover Ratio: This ratio indicates the number of months Council can cover immediate expenses without additional cash inflow. In 2020/21 it exceeded the benchmark of >3 months.

Buildings and Infrastructure Renewal Ratio: This ratio shows whether assets are being renewed at the rate at which they are depreciating. This ratio failed to reach the benchmark in 2020/21 due to a one-off increase in depreciation of the North Sydney Olympic Pool complex prior to its closure for redevelopment. Council has an ongoing commitment to ensuring that sufficient funds are allocated to the renewal of infrastructure assets to offset their rate of depreciation.

Infrastructure Backlog Ratio: This ratio shows the asset renewal backlog as a proportion of the total value of Council's infrastructure. While improving slightly, this ratio remains above the benchmark. At 30 June 2021, Council's infrastructure backlog was estimated to be \$30.03 million, which represented 3.89% of the net carrying amount of our infrastructure.

Asset Maintenance Ratio: This ratio compares actual versus required annual asset maintenance. This ratio achieved the benchmark in 2020/21. This is an indication that sufficient funds were allocated to the maintenance of infrastructure to prevent the backlog from increasing.

Financial Strength: our net worth

Council's financial strength indicated by net assets (what we own less what we owe) has increased by \$40.35 million to \$1.27 billion.

Asset Management

Assets

99% of Council's total assets are comprised of:

- › cash and investments of \$111.18 million
- › infrastructure, property plant and equipment valued at \$1.15 billion
- › investment properties valued at \$54.79 million

Net Assets (\$m)	2016/17	2017/18	2018/19	2019/20	2020/21
Cash and Cash Equivalents	6,172	5,908	14,083	9,235	25,184
Investments	74,606	63,081	73,145	81,961	85,995
Receivables	10,223	8,684	6,417	6,728	10,574
Inventories	46	58	57	33	37
Assets Held For Sale	N/A	N/A	4,500	N/A	N/A
Prepaid Expenses	273	282	244	378	954
Infrastructure, Property, Plant and Equipment	892,742	1,013,603	1,019,274	1,099,318	1,149,586
Investment in Shorelink Library Network	33	13	10	20	28
Investment Property	97,623	97,740	95,512	92,758	54,786
Right of Use Assets	N/A	N/A	N/A	2,365	2,102
Total Assets	1,081,718	1,189,369	1,213,242	1,292,796	1,329,246

Liabilities

Council's liabilities include debt, amounts owed to suppliers and amounts owed to employees for leave entitlements. Our total liabilities at 30 June 2021 were \$63.7 million, an increase of \$4.7 million (8%).

Net Assets (\$m)	2016/17	2017/18	2018/19	2019/20	2020/21
Payables	20,309	20,697	20,767	22,015	24,527
Borrowings	9,500	9,500	8,911	8,100	7,254
Provisions	16,038	14,851	16,299	17,137	15,809
Income received in advance	1,844	1,233	2,613	-	-
Contract Liabilities	N/A	N/A	N/A	9,287	13,897
Lease Liabilities	N/A	N/A	N/A	2,399	2,163
Total Liabilities	47,691	46,281	48,590	58,938	63,650

Statement of Cash Flows

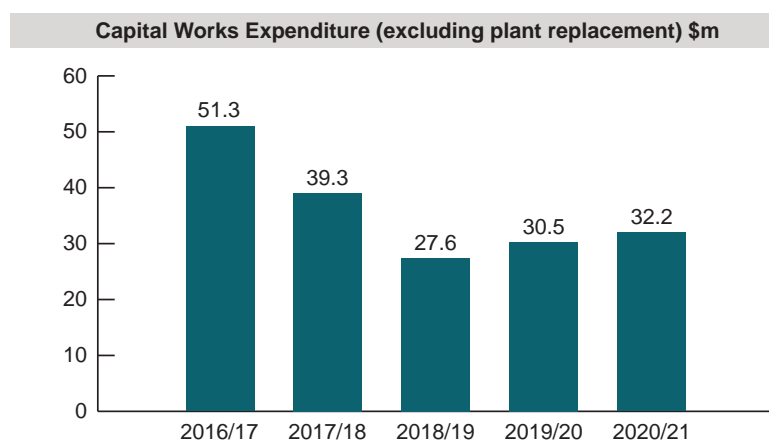
The Statement of Cash Flows shows Council's cash inflows and outflows. Our year ending cash and investments balance was \$111.197 million, \$20 million more than that of the previous year. This was largely due to the receipt of additional developer contributions.

Cash Balance (\$'000)	2019/20	2020/21
Cash and Cash Equivalents	9,235	25,184
Investments	81,961	85,995
Total Cash, Cash Equivalents and Investments	91,196	111,197

Capital Works Expenditure

Council has an extensive capital works program to renew, upgrade and provide new assets. Council spent \$32.2 million on capital works in 2020/21 (excluding plant replacement) compared to \$30.5 million in 2019/20.

The graph below shows total capital works expenditure over the last five years.



REPORT OF ACTIVITIES FUNDED BY THE SPECIAL RATE VARIATION (SRV)

On 14 May 2019, IPART advised that Council's SRV and minimum rate increase was **partially approved**, meaning that Council can increase both residential and business rates by 7% per annum, inclusive of the rate peg, for three years (i.e. until 30 June 2022).

The additional revenue enables Council to maintain existing service levels (including verge mowing, graffiti removal and the Precinct System) plus generate \$11.9 million total additional funds available over three years – an additional \$7.3m to address the condition 5 (very poor) assets and the remaining funds will enable the Council to undertake the additional capital works:

- › St Leonards Park Masterplan implementation
- › Public Domain upgrades in Neutral Bay, Cremorne, Kirribilli and McMahons Point villages
- › Playground upgrades in Sirius Street Reserve and Grasmere Children's Park
- › Walking trail upgrades in Primrose Park and Gore Cove to Smoothey Park

The table below outlines the forecasted SRV activity timeline:

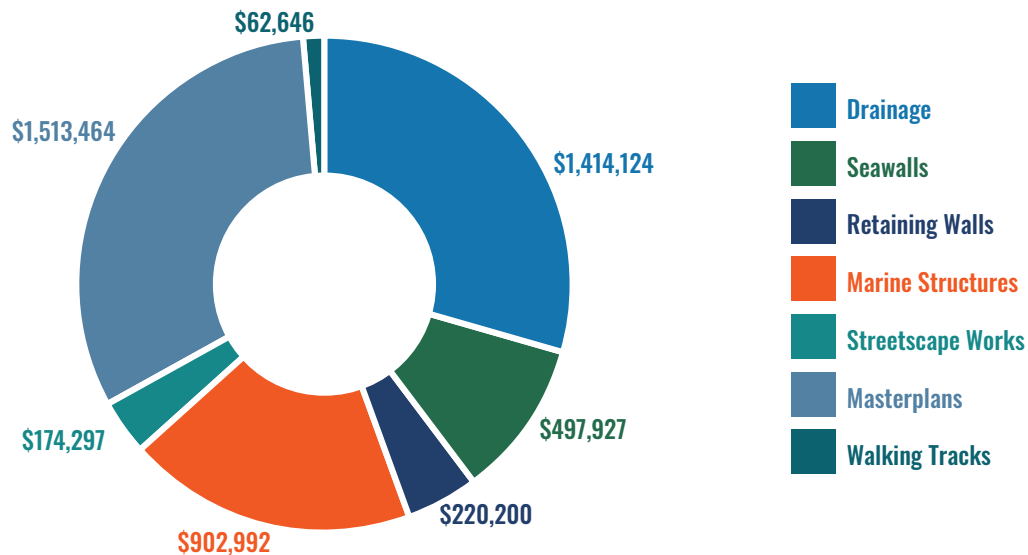
Program	Project Link	2019/20	2020/21	2021/22
Asset Renewals - Additional				
Drainage	2.1.1.07	●	●	●
Gross Pollutant Traps	2.1.1.13		●	●
Footpaths	2.1.1.05	●		●
Marine Structures	2.1.1.11	●	●	
Retaining Walls	2.1.1.09	●	●	●
Roads	2.1.1.08			●
Seawalls	2.1.1.10	●	●	●
Projects				
St Leonards Park Masterplan Implementation	2.2.1.10			●
Neutral Bay and Cremorne Village Upgrades	2.2.1.09	●	●	●
Kirribilli and McMahons Point Village Upgrades	2.2.1.12			●
Upgrade playground at Sirius Street Reserve	1.4.1.39	●		
Upgrade Fred Hutley Playground	1.4.1.55			●
Primrose Park Walking Track Upgrade	1.4.1.41		●	
Gore Cove to Smoothey Park Walking Track Upgrade	1.4.1.40			●

The SRV expenditure budget in 2020/21 was \$5,163,390. Actual expenditure was \$4,785,650. The proposed program for all SRV funded projects was delivered last year, except for seawall reconstruction, streetscape lighting upgrades and Primrose Park Walking Track, which will be delivered in 2021/22.

The table below outlines the actual expenditure in 2020/21 by category and activity:

Program	Project	SRV Budget (\$)	SRV Actuals (\$)
Asset Renewals			
Drainage	Drainage construction works	1,089,124	1,089,124
	Gas pollutant trap upgrades	325,000	325,000
	Drainage Total	1,414,124	1,414,124
Seawalls	Seawall reconstruction	600,000	497,927
	Seawalls Total	600,000	497,927
Retaining Walls	Stabilisation of retaining walls and rocks	220,200	220,200
	Retaining Walls Total	220,200	220,200
Marine Structures	Hayes Street boardwalk, Neutral Bay	207,043	207,043
	Sawmillers Reserve Wharf, McMahons Point	695,949	695,949
	Marine Structures Total	902,992	902,992
Projects			
Masterplans	Neutral Bay & Cremorne Public Domain Masterplan	500,000	313,464
	St Leonards Park Masterplan	1,200,000	1,200,000
	Masterplan Total	1,700,000	1,513,464
Walking Track Upgrades	Primrose Park Walking Track	90,000	62,646
	Walking Tracks Total	90,000	62,646
GRAND TOTAL		5,163,390	4,785,650

The chart below summarises total SRV funds spent by category in 2020/21.



OUR COMMUNITY



KEY DEMOGRAPHICS

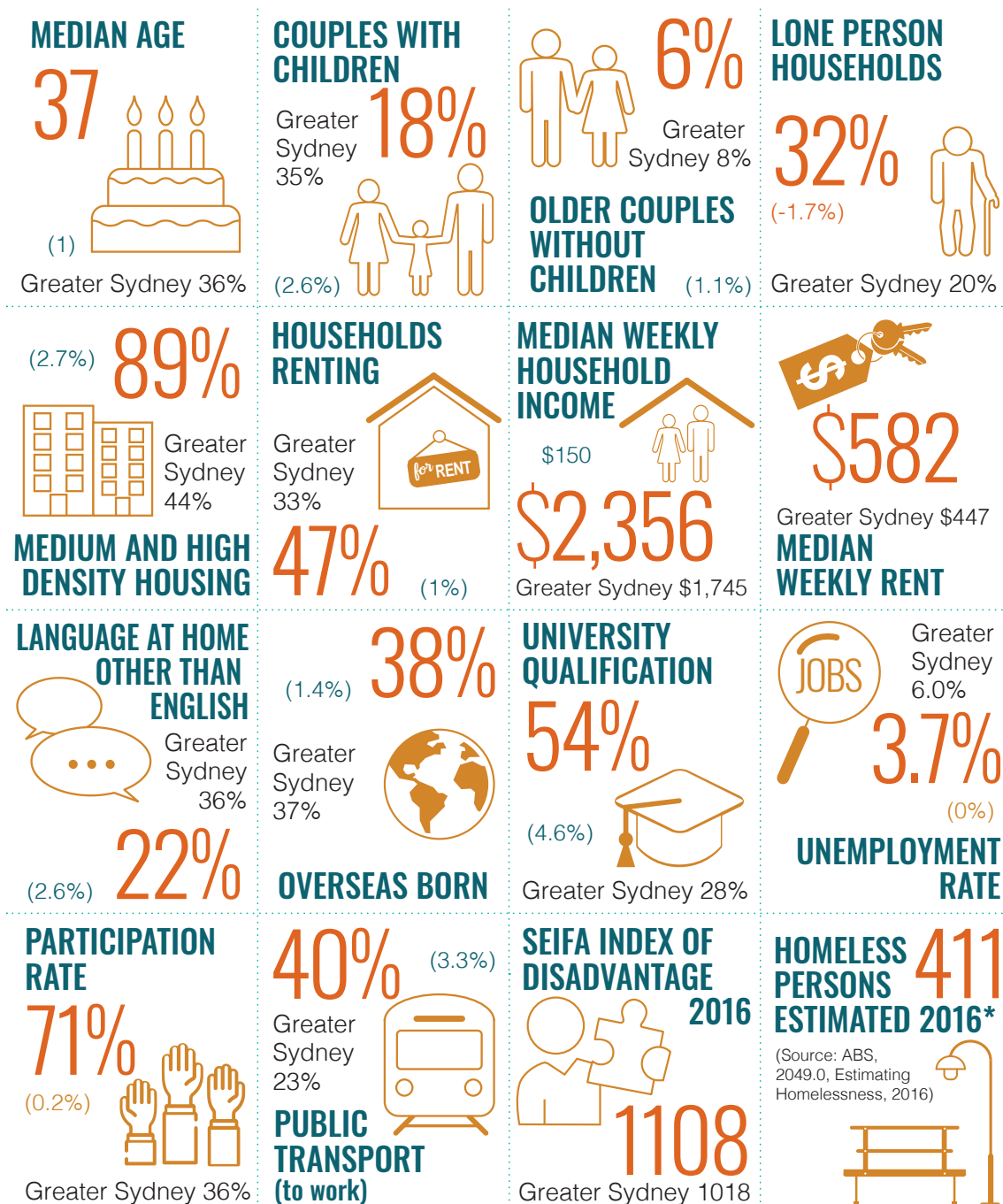
Below is a summary of key demographics for the North Sydney Local Government Area (LGA):

The Australian Bureau of Statistics estimated resident population at 30 June 2020 was **75,094** people. This is **an increase of 73** from the previous year.

The population is expected to increase to **84,422** people by 2036, **+7.8%**.

(This forecast is derived using Council records of current and planned residential development.)

Key: **North Sydney LGA Data Point** (increase % v 2011 census) (decrease v 0.2%) Greater Sydney %



(Source ABS 2016 Census of Population & Housing & The population experts, September 2018)

NORTH SYDNEY PROFILE

Location and Boundaries

The North Sydney Council area is in Sydney's inner northern suburbs, about three kilometres from the Sydney GPO. The LGA includes the suburbs of Cammeray, Cremorne, Cremorne Point, Crows Nest, Kirribilli, Kurraba Point, Lavender Bay, McMahon's Point, Milsons Point, Neutral Bay, North Sydney, St Leonards (part), Waverton and Wollstonecraft. It is bounded by Willoughby LGA in the north, Mosman LGA in the east, Port Jackson in the south and the Lane Cove LGA in the west.



In January 2020, Council adopted new ward boundaries which come into effect from 4 December 2021. Three Wards (Tunks, Victoria and Wollstonecraft) will convert to two Wards (Cammeray and St Leonards) with a total of 10 Councillors (five per Ward). The Mayor will be elected by the Councillors for a two-year term.

Key Features and History

The municipality of North Sydney was formed on 29 July 1890.

North Sydney incorporates the area north of the Sydney CBD, named by Captain Arthur Phillip after Viscount Sydney, Thomas Townsend, who was British Home Secretary at the time. The original inhabitants were the Guringai Tribe and Cammeraygal Clan.

The North Sydney area is now predominantly residential, with substantial commercial areas. Features include the North Sydney CBD, HMAS Waterhen, Admiralty House, Kirribilli House, May Gibbs' Nutcote Cottage, Luna Park, North Sydney Olympic Pool, North Sydney Oval, TAFE NSW Northern Sydney Institute (St Leonards Campus), Australian Catholic University (MacKillop Campus), Mater Hospital and the Sydney Harbour Bridge.

In 2016, 38% of the population was born overseas; 22% were from a non-English speaking background. The most common countries of birth are England 7.6%, New Zealand 3% and China 2.9%. The North Sydney population is expected to increase by 11.14% by 2036. The median age is currently 37, with the majority of the population falling into the young workforce, 25-34 age group.

The largest expected increase in persons between

2011 and 2036 is in the 75 to 79 category, which is expected to increase by 1,361, accounting for 3.4% of the total population.

The population is well educated compared to greater Sydney with 54% holding university qualifications.

Most households are family households. There is a high proportion of lone person households and couples without children. 15% of households are made up of couples with children, compared with 35% in Greater Sydney.

In 2016 the North Sydney population was living in 36,785 dwellings. There are 3,764 (10.2%) separate houses in North Sydney, 9,196 (25%) medium density dwellings, and 23,629 (64.2%) high density dwellings. Dwelling density is higher in North Sydney than in other parts of Sydney with 86.5% residing in medium or high-density dwellings compared to 40% in Greater Sydney.

It is expected the number of dwellings in North Sydney will grow from 37,260 in 2016 to 41,642 in 2026.

The largest increase in household type between 2016 and 2026 is forecasted to be in lone person households.

For more information about North Sydney's demographic characteristics, refer to the North Sydney community profile at <https://profile.id.com.au/north-sydney>



KEY CHALLENGES AND OPPORTUNITIES

There are considerable trends, challenges and opportunities that have the potential to impact North Sydney's strategic direction. These challenges are accounted for in the process of forward planning.

Challenges and opportunities were identified with residents through the *Community Strategic Plan* community engagement process. The COVID-19 pandemic is a recent challenge that has been added to this list.

Growing and Changing Population

North Sydney's population is expected to increase to over 84,000 people by 2036. The number of people aged over 65 will represent 17% of the population by 2036. It is forecasted that 30-34 year olds will be the largest age category. More households are likely to be single people or couples without children.

The major driver of population change in the North Sydney LGA is its attractiveness for young adults seeking inner city accommodation close to employment and entertainment. A large number of new dwellings, particularly in St Leonards, continues to drive population growth in the LGA. Council is focussing on meeting the needs of a growing and changing population, offering appropriately targeted support services to ensure that we adjust to the community's needs.

Greater Pressure on Natural Resources

There are many natural and human challenges that confront North Sydney and the region. These include pressure from population growth; increased demand for resources; diminishing capacity to send waste to landfill sites; and the potential impact of changes to our climate.

Council must collaborate with our partners to address our use of scarce resources such as water and energy to manage the long-term impacts of climate change such as extreme heat, drought, storms and floods.

Ageing Infrastructure

Most infrastructure in North Sydney was built in the early to mid-twentieth century. Roads, footpaths, drains and public buildings are coming to the end of their useful life requiring renewal or replacement.

The forecasted population growth will challenge Council to deliver infrastructure in the LGA that meets current and future community expectations whilst managing existing and future resources.

Moving in and around North Sydney

North Sydney is well serviced by public transport. Due to North Sydney's position in metropolitan Sydney's transport network there are many private motor vehicles travelling within and through the LGA. This leads to traffic congestion and impacts on pedestrian accessibility and amenity. There is a high demand for on-street parking around the commercial centres.

Our challenge is to advocate for improved roads and public transport, encourage greater use of public transport and walking or cycling as alternatives to car use. There is a need to balance the demand and supply of parking and to maximise the benefits of the Sydney Metro.

Remaining Competitive and Creating a Stronger Economy

The North Sydney economy is increasingly part of the global economy. There are over 15,000 businesses operating and around 60,000 people working in North Sydney. North Sydney is a major employment centre so has an employment capacity target of between 76,000 and 81,500 jobs by 2036.

North Sydney offers surrounding high amenity residential and mixed use precincts with specialist services and experiences. North Sydney CBD is a thriving office market. Macquarie Park has replaced the North Sydney CBD as the second largest office market in metropolitan Sydney. North Sydney CBD will benefit from higher proportions of jobs in professional, scientific and technical services, financial and insurance services, and information media and telecommunications.

St Leonards is increasing its health and education facilities evolving into a health and education precinct. St Leonards is a key employment centre in Greater Sydney. The new Metro station proposed at Crows Nest will provide further opportunity for renewal and activation.

Our challenge is to plan infrastructure for business, reinvigorate North Sydney CBD, and utilise all the opportunities that the education, medical, telecommunications and multimedia clusters offer to ensure North Sydney remains competitive and nationally significant.

Healthy, Safe and Connected Communities

Living within connected and safe communities and pursuing a healthier lifestyle are important. Our challenge is to deliver services directly and to collaborate with other government and community agencies in service delivery.

Housing that is Affordable and Diverse

The affordability of local housing places strain on households within North Sydney. Declining affordability can prevent low and moderate income earners from entering the property market over time. This increases the risk of our younger population moving to more affordable areas, which will contribute to increasing the older demographic in North Sydney.

Parents with children, couples without children, single people and others will continue to grow, requiring diverse housing options. Houses are becoming less affordable, so these groups are preferring to reside in smaller residences close to the city, shopping, schools and transport where they are less reliant on private motor vehicles rather than buying homes that are further away and more affordable.

Our challenge is to offer affordable and diverse choice in housing, through strategic forecasting and planning to meet the requirements of our community.

Growing Demand for Sport, Recreation and Open Space

The demand for open space, sporting and recreation facilities is increasing as our population grows. Our challenge is to meet our residential and visitor community demand for active and passive recreation spaces given the limited supply of land.

Greater Collaboration between all Stakeholders

Local government operates under a range of legislation that determines the functions Council undertakes on the community's behalf. Many of the aspirations within the *Community Strategic Plan* are beyond the scope of this legislation and are therefore beyond the direct influence of Council.

Our challenge is to partner and collaborate with other organisations, stakeholders and tiers of government to achieve the outcomes we have worked together to identify.

Growing Community Expectations and Remaining Financially Sustainable

Traditionally, councils focused their activities on collecting rubbish, maintaining roads and collecting rates to pay for these services. While recent Customer Satisfaction Surveys have shown that these and other traditional services, such as street cleaning, park maintenance and development assessment remain important, the list of services that the community believes are important for Council to provide has grown considerably. Council now provides childcare; runs events; provides a library and aquatic and sporting facilities.

North Sydney, like more Australian local government authorities, faces a shortage of funds, with the largest single demand on Council's resources being the renewal and maintenance of infrastructure. This leaves scarce resources for constructing new assets and expanding non-core services.

Council's challenge is to engage continually with the community to understand and manage expectations and optimise service delivery at an affordable cost to the community.

COVID-19

The impact of COVID-19, including emerging amendments to State legislation impacting local government financial arrangements and general economic conditions continues to raise significant risk to Council's cash flow and financial position going forward. The emerging and rapidly changing State legislation and policy response to COVID-19 raises substantial risk to Council's budget. Council's ability to maintain infrastructure and its long term financial sustainability will be impacted. Council will continue to monitor and respond to these emerging financial impacts.

In response to the recognised local government revenue impacts, a variation to the *NSW Local Government (State) Award* was made to help manage associated workplace arrangements. The variation, called the Splinter Award, applies to over 100 Councils (out of 124) including North Sydney Council and was developed with, and agreed by, all of the Unions representing NSW local government employees and LGNSW representing councils.

The measure recognises local government revenue is not isolated from the economic impacts occurring due to COVID-19 and that local government has deliberately been excluded from the majority of Federal and State COVID-19 financial relief measures.

AUSTRALIA DAY COMMUNITY AWARDS

Council calls for nominations for Australia Day Community Awards for a number of categories, and a ceremony to present these awards is held with the community on Australia Day annually. Thank you to these citizens that make a significant contribution to our community. In 2021, the award winners were:

Citizen of the Year: Jane Boyd, Musical Educator

Jane is a musical educator whose passion for music has contributed to the advancement of children's music education through her unique teaching programs which combine Dalcroze, Kodaly and Orff-Schulwerk methods. Jane has nurtured a love of music in countless budding musicians and the people close to them.

Second Citizen of the Year: Davie MacDonald and Zara the therapy dog

Davie and Zara are a Canine Court Companion Team that work with the Department of Justice NSW Victim Services. They supported people taking refuge at Bushfire Evacuation Centres during last year's devastating summer bushfires. Davie is a guide dog trainer, Rural Fire Service volunteer and member of the Hayberry Precinct Committee.

Young Citizen of The Year: Pratham Gupta

Pratham was the 2020 Captain of Cammeraygal High School where he helped shape the mentoring and peer support culture at the newly established school. He volunteers at the North Sydney Community Centre, fundraises for Jeans for Genes Day and takes part in Council's Youth-Councillor mentor program.

Community Group of the Year: Student Reference Group at Phoenix House Youth Services

This group of young people developed two outstanding social enterprise projects: the Cream Bean mobile café and the Fig Jam Podcast. These projects support, inspire and empower local young people to develop employment skills, create work experience opportunities, discuss important youth issues. This has been successful in facilitating active citizenship of young people in community life.

Environmental Citizen of The Year: Student Green Team, Monte Sant' Angelo Mercy College

The Student Green Team represent over 30 dedicated students who are passionate about protecting the natural environment. The students established a recycling and organic food waste collection program, reducing waste going to landfill from their school by 60%.



Australia Day Award winners

OUR COUNCIL



OUR COUNCILLORS

Mayor and Councillors 2020/21

Mayor of North Sydney Council



Mayor Jilly Gibson

Tunks Ward



Cr Tony Carr



Cr Stephen Barbour



Cr Dr Alanya Drummond

Victoria Ward



Deputy Mayor
Cr Kathy Brodie



Cr Jessica Keen



Cr MaryAnn Beregi

Wollstonecraft Ward



Cr Zoë Baker



Cr Ian Mutton



Cr Samuel Gunning

The Role of Council

Council operates under the *Local Government Act 1993* (LG Act). The Council is responsible for providing leadership, monitoring the performance of Council, overseeing the allocation of the Council's resources and determining policies of Council.

Electoral Representation

Local government elections to elect councillors and directly elect a Mayor have been held every four years in the past. From September 2017 the elected Council has comprised ten Councillors (including the popularly elected Mayor) across three wards. The next election is set for 4 December 2021. The elections were postponed from 2020 to 2021 by the Minister of Local Government due to the COVID-19 pandemic. In January 2020, Council adopted new ward boundaries which come into effect from 4 December 2021. Three Wards (Tunks, Victoria and Wollstonecraft) will covert to two Wards (Cammeray and St Leonards) with total of ten Councillors (five per Ward). The Mayor will be elected by the Councillors for a two year term.

The Mayor presides at meetings of the Council, carries out the civic and ceremonial functions of the civic office, exercises the policy making functions of the governing body of the Council between its meetings and any other functions that the Council determines.

The Mayor and Councillors employ and delegate the management and delivery of Council services to the General Manager. The responsibilities of Councillors, and the additional responsibilities of the Mayor are defined under the LG Act.

Mayor and Councillor Allowances, Fees and Expenses

Councillors are entitled to reimbursement for reasonable business expenses when attending conferences, seminars, meetings or functions. Approval to attend conferences and seminars is granted through resolution of the Council. Councillors are entitled to receive facilities such as a computer and printer/fax for Council business purposes, stationery and refreshments at Council and Committee meetings.

Councillors also receive an annual allowance set by the Local Government Remuneration Tribunal. The categorisation is based on population growth, operating revenue, services to greater Sydney and industrial, residential and commercial centres. Councillor allowances are paid in accordance with that categorisation. For the 2020/21 financial year Council was categorised as 'metropolitan medium'.

The allowances and fees paid in 2020/21 were:

Allowances and Fees	Amount (\$)
Mayor allowance	68,530
Councillors' fees and allowances	257,900
Total	326,430

Council's *Mayor and Councillor Facilities and Benefits Policy*, allowed for the following benefits to be paid to the Mayor and Councillors:

Councillor Expenses	Amount (\$)
Conferences and Seminars	368
Mobile Phones	4,507
Sundries	700
Printing & Stationery	955
Childcare	1,177
Sustenance – Councillors	2,867
Travelling – Taxis/Couriers/Etags/ Public transport	1,587
Total	12,161

Councillor Training and Attendance - LG Act s232

The Councillors and the Mayor did not attend any professional development in 2020/21.

Councillor Meeting Attendance

Councillor attendance at Council and Committee meetings, briefings and workshops are outlined in the table below.

Meetings	Ordinary Council Meetings	Extraordinary Council Meetings	Governance & Finance Committee	Legal & Planning Committee	Councillor Briefings
Total Meetings	10	3	4	3*	34
Mayor Gibson	10	3	4	2	34
Cr Baker	8	2	1	0	7
Cr Barbour	10	3	3	0	19
Cr Beregi	7	2	0	0	3
Cr Brodie	10	2	4	2	34
Cr Carr	7	2	2	1	8
Cr Drummond	10	3	3	2	33
Cr Gunning	6	2	0	0	0
Cr Keen	10	3	4	2	34
Cr Mutton	10	3	4	2	31

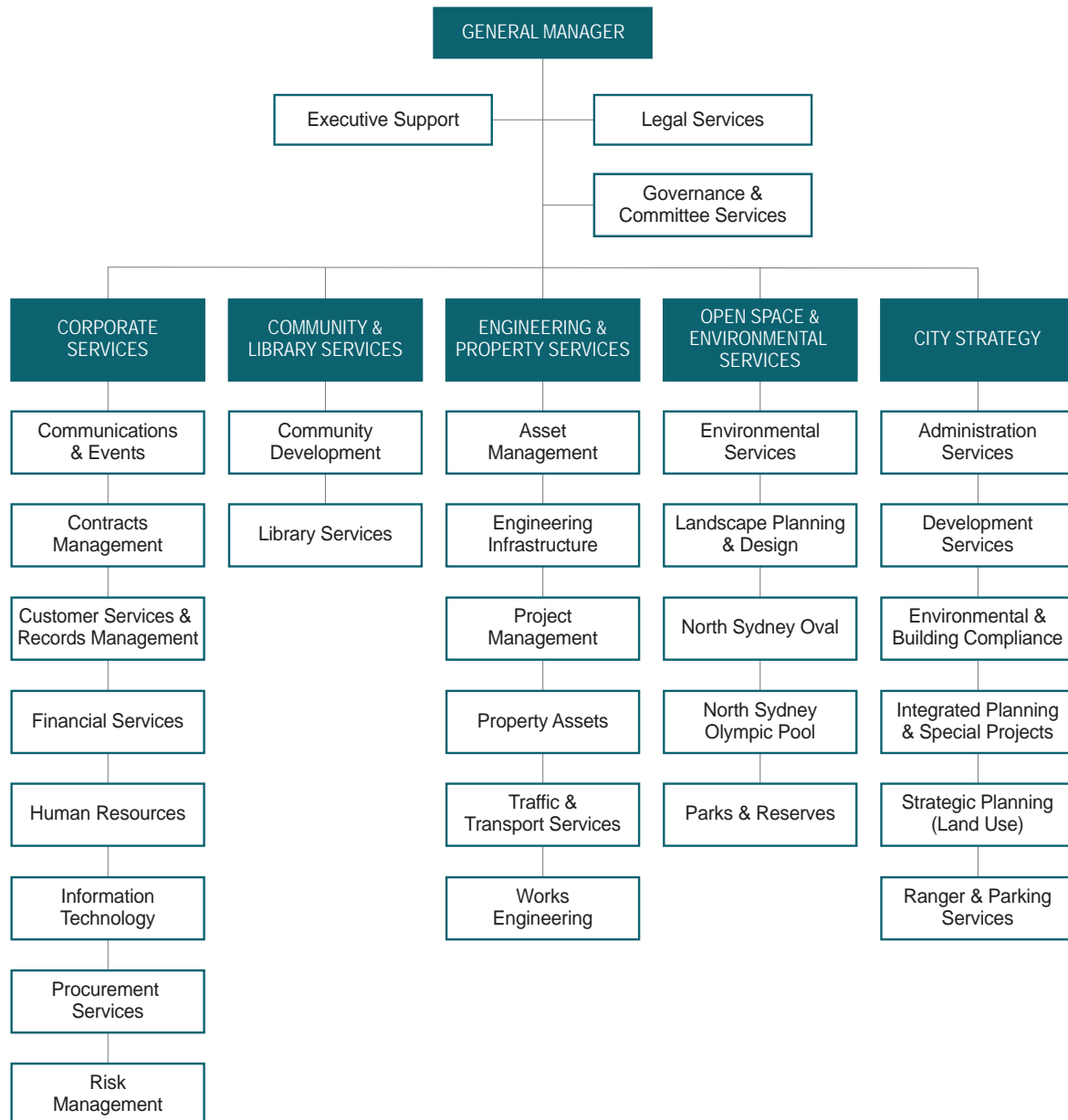
* Note: 1 scheduled Legal & Planning Committee meeting was cancelled prior to the meeting.



OUR ORGANISATION



ORGANISATION STRUCTURE



This organisational structure applied to the 2020/21 financial year. The organisational structure changed effective from 1 July 2021 following consolidation of the Governance functions. Refer to the Operational Plan 2021/22 or Council website for the new structure.

OUR WORKFORCE

Our Staff

Council is committed to recruiting, developing and retaining its staff. Planning for the needs of our current workforce and those of the future is a major focus for Human Resources Department. Council's *Workforce Management Strategy* outlines this commitment.

The aim of the strategy is to ensure we retain our staff, hold a strong position within the employment market and remain an employer of choice. employment market and remain an employer of choice.

Remuneration - Reg cl 217(1)(b) (i),(ii),(iii),(iv),(v)

The management executive ensures the remuneration review process remains transparent and equitable, and that managers are engaged in the process.

Council's performance review program focuses on individual and team performance that can be directly linked to the *Community Strategic Plan* strategic priorities, together with department and personal performance objectives.

The total remuneration including salary, superannuation and non-cash benefits paid to senior staff in 2020/21 was:

Staff	Total Remuneration including all benefits 2020/21 (\$)
Senior Staff (Directors)	1,785,258
General Manager	425,609
Total	2,210,867

Note: Total remuneration is the salary grossed up to include superannuation, motor vehicle use, associated FBT and non-cash benefit.

Staffing and Recruitment

Human Resource Management

Programs are in place to ensure equitable treatment of staff by recognising and rewarding superior performance, protecting health, safety and welfare and the provision of opportunities for training and development.

Council's Personal Performance Appraisal (PPA) system provides a means to appraise and improve organisation performance by linking and aligning individual, team, and organisation objectives and results. The program focusses on future development and identifies and rewards good performance and provides a means for managing underperformance.

Retaining and Attracting Employees

The number of full time equivalent (FTE) permanent staff decreased over the year from 394 to 386 employees.

Total Staff FTE

2016/17	389
2017/18	378
2018/19	399
2019/20	394
2020/21	386

Note: Data excludes 'employees' defined as casuals or agency resources who meet the ad hoc needs of relevant Council business.



Staff Turnover

In 2020/21 Council retained 88% of its workforce. Forty-five employees terminated their employment, a staff turnover rate of 12% for the year.

Permanent FTEs leaving the organisation

2016/17	2017/18	2018/19	2019/20	2020/21
16%	19%	12%	12%	12%

Note: Data excludes "employees" defined as casuals or agency resources who meet the ad hoc needs of relevant Council business. Includes full time, part time and casuals.

Joint Consultative Committee

The Joint Consultative Committee (JCC) consists of elected staff and senior management representatives. It is coordinated by the Human Resources Department and meets monthly. The JCC facilitates workplace reform to enhance the efficiency and productivity of Council.

Ensuring Equity and Diversity in Employment

Council is an Equal Employment Opportunity (EEO) employer committed to providing a workplace that is free from discrimination and harassment and provides equal employment opportunities for current and prospective employees. Our success depends on attracting and retaining the best people to support our community.

As part of our commitment to EEO, employee nominees are given the role of EEO Contact Officers, trained to deal with EEO issues and to assist people who have been harassed or discriminated against.

Due to the COVID-19 restrictions, E-Learning systems were used to promote the EEO program.

EEO Management Plan

North Sydney Council's Equal Employment Opportunity (EEO) Management Plan has been prepared in accordance with the requirements of the Local Government Act 1993 and reference to Council's Disability Inclusion Plan (DIAP). Council aims to provide a work environment that fosters fairness, equity, respect for social and cultural diversity, and is free from unlawful discrimination, harassment and vilification as determined by the legislation. The concept of equity and fairness encompasses all facets of employment, applying for a position, promotion or transfer, access to training and development, to equity in the provision of benefits to staff throughout their employment with Council.

The EEO Management Plan has five objectives each with performance indicators to show how Council is performing against each of the objectives:

- › Communication and Awareness
- › Policy, Practices, Evaluation and Reporting
- › Recruitment, Appointment, Promotion and Transfer Process
- › Learning and Development
- › Improved access for members of EEO Target Groups



The EEO Management Plan scorecard for Q4 2020/21 is summarised below:



STRATEGY/ACTION	PERFORMANCE INDICATORS	TARGET DATE	STATUS
OBJECTIVE 1 - COMMUNICATION & AWARENESS			
Communicate the EEO Management Plan to all employees	EEO Management Plan is available on the Intranet and hard copies distributed as required	March 2021	●
Promote Council as an EEO employer	EEO statements are included in all job advertisement and EEO information is available on the website	March 2021	●
Overview of EEO Management Plan is included in all Inductions	Workplace equity and diversity rights and obligations and EEO Management Plan objectives are included in all inductions	April 2021	●
Conduct training for all managers and supervisory staff on EEO principles and their extra responsibilities as managers and supervisors in relation to the appropriate legislation	All managers and supervisory staff complete training every two years	June 2021	●
Conduct training for all non-supervisory staff on EEO principles and their responsibilities under the relevant legislation	Managers updated when changes occur to legislation	As required	●
	All non-supervisory staff are trained annually via elearning	June 2021	●
Trained EEO Harassment Contact Officers; list kept up to date	Contact details on intranet / noticeboards Refresher training run biennially	June 2021	●
Actively promote inclusion and diversity through events and / or speakers	Include a guest speaker in the wellbeing program Organise a Taste of Harmony event for Harmony Day in March each year	June 2021	●
Develop a Hiring Manager guide for employing people with a disability (DIAP 2.5)	Guide developed and includes information on access to workplace adjustment services	June 2021	●
OBJECTIVE 2 - POLICY, PRACTICES, EVALUATION & REPORTING			
Collect EEO statistics of employees to enable comparison with LGA statistics and reporting to MANEX	Completion of EEO survey by new starters	Ongoing	●
	Data included in EEO Annual Report	June 2021	●
Invite comment and input during the development of EEO Management Plan from employees	Feedback from staff and JCC	February 2021	●
Monitor exit interviews to ensure there are no negative EEO issues impacting on staff	Number of issues identified, and correctional steps taken to remedy situations	Ongoing	●
Regularly review Human Resource policies and procedures to ensure they are non-discriminatory, are supportive to all employment groups equally and promote a friendly work atmosphere that is free from bullying and harassment. (DIAP 2.4)	Policies and procedures are regularly reviewed	Ongoing	●
	Staff involved in substantiated incidents provided counselling or disciplinary action undertaken	As required	●

STRATEGY/ACTION	PERFORMANCE INDICATORS	TARGET DATE	STATUS
Job evaluation and performance appraisal policies, procedure and practices ensure employees are paid fairly and equitably	Feedback from Employee Survey	June 2021	●
	Salary survey indicating comparative salaries for positions	Ongoing	●
	Substantiated raised addressed	As required	●
Annually report on EEO progress	EEO progress report included in Council's Annual Report	June 2021	●
OBJECTIVE 3 - RECRUITMENT, APPOINTMENT, PROMOTION & TRANSFER PROCESS			
Promote job vacancies through mediums to reach a range of diverse candidates (DIAP 2.2)	Record mediums against each role in SCOUT	Ongoing	●
	Data included in DIAP action plan reporting	2022	●
Ensure that EEO principles are included in Recruitment & Selection skills training for panel convenors and members	EEO principles are included in the Recruitment & Selection Skills training course	Ongoing	●
Ensure interviews for managers and supervisors include questions relating to EEO responsibilities	EEO questions are included in interview questions for supervisory/management positions	Ongoing	●
	Applicants not appointed to supervisory positions unless they demonstrate knowledge and/or understanding of EEO principles or complete training within 6 months of commencement	Ongoing	●
Ensure the recruitment and selection process is regularly reviewed	Regular review and updating of process and policy	Ongoing	●
	Monitoring shortlisting and appointments to ensure that EEO principles are applied	Ongoing	●
Monitor appointments, promotions and transfers to ensure the process is non-discriminatory	Number of substantiated complaints re non-compliance with EEO principles for appointments, promotions and transfers	Ongoing	●
	Position descriptions reflect clearly the qualifications, skills, and experience required for the job and do not include artificial barriers to recruitment of people in the EEO target group	Ongoing	●
	Proportion of appointments from EEO target groups is monitored and reported via EEO Annual Report	June 2021	●
Ensure that when opportunities to act in higher positions are available that they are assigned in accordance with EEO principles	Number of substantiated complaints re non-compliance via the EEO Annual report	June 2021	●
	Number of acting opportunities provided to EEO target groups via the EEO Annual report	June 2021	●
OBJECTIVE 4 - LEARNING & DEVELOPMENT			
Promote coaching & mentoring programs to support EEO target groups	Programs are identified and implemented	June 2021	●

STRATEGY/ACTION	PERFORMANCE INDICATORS	TARGET DATE	STATUS
EEO target groups have equitable opportunities for skill development and career progression	Training plans developed for staff as part of PPA setting	June 2021	●
	A process is developed to identify and remove barriers to career progression	June 2021	●
Examine all training courses and materials to ensure they are consistent with EEO principles	Assessment of all content	Ongoing	●
	Review employee training evaluations	Ongoing	●
Offer 'Job Application Skills' training – writing applications & interviews	Courses offered annually	June 2021	●
	Feedback from interview panels	Ongoing	●
Women's Leadership Program – developing emerging / new leaders	How many women involved	July 2021	●
	Feedback from employees	Ongoing	●
Career Transitioning for Matured Aged Workers	Staff take up	February 2022	●
	Feedback from employees	Ongoing	●
OBJECTIVE 5 - IMPROVED ACCESS FOR MEMBERS OF EEO TARGET GROUPS			
Provide opportunities for unpaid work experience placements to enhance employment opportunities (DIAP 2.7)	Number of work experience placements from disadvantaged groups	February 2022	●
As positions become available, ascertain if they are suitable for redesign for part-time employment, to suit employees who require increased workplace flexibility. (DIAP 2.3)	Number of positions that are redesigned for part-time employment. Each position to be assessed as it becomes vacant	Ongoing	●
Conduct awareness-raising sessions for managers and supervisors regarding EEO target groups (DIAP 4.7)	Number of sessions conducted	March 2021	●
	Number of eligible staff attending sessions	Ongoing	●
	Feedback regarding training	Ongoing	●
Using information gained in awareness-raising sessions, develop strategies to attract members of target groups to Council	Changes in statistics relating to target groups employed in Council	December 2021	●
Identify and implement a program for matured aged workers who wish to transition to retirement	Program identified and implemented	February 2022	●
Provision of an Employee Assistance Program. (DIAP 4.12 & 4.13)	Utilisation of the program - half yearly reporting	2021	●
Review and monitor accessibility to Council facilities and make recommendations to address barriers or obstacles – wheelchair access, hearing loops	Use Job Access to gain funding if necessary	Ongoing	●

CORPORATE GOVERNANCE

Our Community Strategic Plan

The *North Sydney Community Strategic Plan 2018-2028* outlines the strategic directions for the North Sydney community. Council tracks progress toward achieving the overall outcomes on a quarterly basis.

Ethical Decision Making

High Standards of Conduct

North Sydney has a culture that strongly values ethical behaviour, integrity, honesty and professionalism. On induction, all employees undertake training and are required to sign the *Code of Conduct*. Refresher training and awareness is provided for longer-serving employees. There were no instances of suspected or actual corrupt conduct reported during 2020/21.

New Legislation

Several new or amended items of legislation were introduced by other levels of government that substantially affected the operations of Council over the past 12 months, including temporary COVID-19 planning measures, review of the rating system and infrastructure contributions reform.

Financial Reporting

Audit, Risk & Improvement Committee (ARIC): This Committee independently reviews the objectivity and reliability of Council's financial information, and ensures Financial Statements are supported by appropriate management sign off on the adequacy of internal controls. A special meeting is also held to review Council's Annual Financial Statements.

Internal Audit: Council participates in the Northern Sydney Internal Audit Group with neighbouring councils.

External Audit: An Auditor General appointed by Council annually audits Council's Financial Statements to ensure they are true and fair and comply with applicable Australian Accounting Standards.

Governance & Finance Committee: Deals with the administrative and policy functions of Council, including responsibilities of financial oversight.

Legal & Planning Committee: Discusses strategic land-use policies; Reviews legal advice received by Council and consider Council's response following receipt of legal advice.

Accountability and Transparency

Council regularly informs the public on our performance, expenditure of funds, and of any significant issues that occur. Council does this through our annual and quarterly reporting.

Open Access to Information

Council is committed to complying with the Government Information (Public Access) Act 2009 (the GIPA Act). Under the GIPA Act there are four ways that information can be made available to the public. These are mandatory disclosure of 'open access information', proactive release of information, informal release of information, and through a formal access application.

In accordance with the GIPA Act, the following documents are available on Council's website, unless stated otherwise and are available for inspection free of charge at Council's Customer Service Centre, 200 Miller Street, North Sydney, during normal office hours:

- › *North Sydney Community Strategic Plan 2018-2028*
- › *Annual Financial Statements*
- › *Annual Report*
- › Annual reports of bodies exercising functions delegated by the local authority
- › any codes referred to in the *Local Government Act 1993*
- › Auditor's Reports
- › *Code of Meeting Practice*
- › the *Model Code of Conduct for Local Councils* prescribed under s440 (1) of the *Local Government Act 1993*.
- › Council, Committee and Reference Group meeting agendas, reports (business papers - excluding for matters considered when part of a meeting closed to the public) and minutes
- › Council's *Code of Conduct* - Councillors and Staff
- › Council's *Land Register* - available for inspection by appointment at Council's Customer Service Centre
- › Council's policy concerning the payment of expenses, and the provisions of facilities to councillors
- › departmental representative reports presented at a meeting of the Council in accordance with section 433 of the *Local Government Act 1993*

- › *EEO Management Plan*
- › *Council's Delivery Program; Operational Plans and Resourcing Strategy (Long Term Financial Plan, Asset Management Strategy and Workforce Management Strategy)*
- › register of current declarations of disclosures of political donations kept in accordance with s328A of the LG Act - online link to the Election Funding Authority website
- › *Register of Delegations*
- › register of graffiti removal work - available for inspection by appointment at Council's Customer Service Centre
- › *Register of Investments*
- › register of voting on planning matters
- › returns of the interest of Councillors, designated persons and delegates - available for inspection by appointment at Council's Customer Service Centre
- › *Schedule of Fees and Charges.*

Members of the public may purchase copies of these documents.

Other information that Council has available for inspection includes:

- › Environmental Planning Instruments, Development Control Plans and Plans made under s7.11 (formerly s94) of the *Environmental Planning and Assessment Act 1979* applying to land within the LGA
- › Local policies adopted by the Council concerning approvals and orders
- › *Plans of Management for Community Land.*

Information about development applications is available as follows:

- › Development applications (within the meaning of the *Environmental Planning and Assessment Act 1979*), lodgement documentation and determination is available on the Council's website online using the DA tracking system. Associated documents received in relation to a proposed development may be made available by lodgement of an informal access application.

Information not available on the Council website can be obtained by submitting an informal or formal request for the release of government information under the GIPA Act. Such requests are accepted unless there is an overriding public interest against disclosure.

Public Interest Disclosures (PID) - *PID Act 1994, s31; PID Regulation 2011, c14*

Councillors and Council staff are encouraged to report what they believe to be unethical conduct within the organisation.

Council is required under the *Public Interest Disclosures Act* to collect and report on information about public interest disclosures (PIDs).

No PIDs were made for the period 1 July 2020 to 30 June 2021.

Council has the *Internal Reporting - Public Interest Disclosures Policy* in place. This policy is available for public inspection at Council's Customer Service Centre, Stanton Library and via the website.

Record Keeping

Corporate documents are kept in a best practice electronic records management system.

Functions Delegated by Council to External Bodies - *Reg cl 217(1)(a6)*

Council did not delegate functions to any external bodies during 2020/21.

Controlling Interest in Companies - *Reg cl 217(1)(a7)*

Council holds a controlling interest in Nutcote Pty Ltd which is the trustee company for the Nutcote Trust.

Partnerships, Cooperatives and Joint Ventures - Reg cl 217(1)(a8)

Council was a party to the following partnerships, cooperatives and joint ventures:

Program	Description
Aboriginal Heritage Management Program	Joint Venture between Lane Cove, North Sydney, Manly, Ku-ring-gai, Pittwater, Ryde, Warringah and Willoughby councils and DPIE and NSW Heritage Office to manage and preserve Aboriginal heritage sites.
Joint Special Interest Group (SIG)	Joint SIG between Canada Bay, Gosford, Melton (Vic), Mosman, Newcastle, Noosa (Qld), North Sydney, Shellharbour, Tea Tree Gully (SA), Wellington (NSW), Wellington (SA) Councils and Avand and Civica to provide better integration of Civica – Authority and Advanced Data Integration - DataWorks applications in the areas of document storage and management and the control of names within the applications.
Metropolitan Public Libraries Association (NSW)	An organisation representing the concerns of sharing knowledge and bulk purchasing.
Northern Sydney Regional Organisation of Councils (NSROC)	An organisation representing the concerns of local government in the greater Sydney region.
Road Safety Program	North Sydney Council and Roads and Maritime Services jointly fund the position of a Road Safety Officer. The Road Safety Officer's role includes public education regarding road safety issues.
Shorelink	A library management network involving Lane Cove, Manly, Mosman and Stanton public libraries.
Statewide Mutual Insurance Pool	A cooperative designed to provide access to reasonably priced insurance.
James Milson Village	A community project providing accommodation for approximately 250 aged people on the lower North Shore. The Village is operated by the North Sydney Retirement Trust, ("the Trust").
Link Wentworth Housing: Community housing joint ventures	Community housing joint ventures. Two properties jointly owned with Link Wentworth Housing and Seven jointly owned with NSW Land & Housing Corporation (LAHC).

Purchasing Decisions

Purchasing decisions are made in compliance with s55 of the LG Act. Goods and services valued above \$150,000 over the life of the contract are subjected to a publicly advertised tender process and require approval by Council resolution. All successful and unsuccessful tenderers are notified in writing of the tender evaluation outcomes. Quotations are to be publicly advertised where expenditure will be greater than \$75,000 and less than \$150,000. For expenditure between \$25,000 and \$75,000, a minimum of three quotations is required. Providing the pricing is competitive, a supplier may be selected, and direct procurement may occur, where expenditure on a good, service or material will not exceed \$25,000 over the life of the contract.

All potential suppliers are treated impartially. All processes, evaluations and decisions are transparent, free from bias and fully documented in accordance with applicable policies and requirements. Any actual or perceived conflicts of interest are identified, disclosed and appropriately managed. Any information provided to Council by a supplier is treated as commercial-in-confidence and is not released unless authorised by the supplier or relevant legislation.

The total value of Council's major contracts (>\$150,000 each) awarded was \$69.75 million.

The following contracts and agreements over \$150,000 were awarded:

Contract Number	Contractor	Goods and Services Supplied	Amount (\$)
1-2021(1)	Ally Property Services Pty Ltd	Stormwater Drainage Construction Works	302,201
1-2021(1)A	Ezy Pave Pty Ltd	Stormwater Drainage Construction Works	551,523
10-2021	Regal Innovations Pty Ltd	Young Street Plaza Trail Closure - Neutral Bay	451,159
5-2021	Co-ordinated Landscapes	Field Gun And Tunks Way - St Leonards Park	1,157,078
6-2021	Lloyd Group Pty Ltd	Hume Street Park Expansion - Stage One	3,346,961
7-2021	Ezy Pave Pty Ltd	Military Road, Neutral Bay West Stage 2 Public	696,235
8-2021	Optimal Stormwater Pty Ltd	Smoothy Park GPT Construction	374,540
9-2021	Downer PipeTech Pty Ltd	Stormwater Drainage Relining Works	460,253
1-2021(2)	Stateline Asphalt Pty Ltd	Pavement Restoration Works - Regional Roads	744,441
12-2021	Shamrock Developments International	Seawall Restoration Works	928,410
13-2021	ADR Group Pty Ltd	Enf of Trip Facilities North Sydney Council	248,167
24-2020	Icon SI (Aust) Pty Ltd	North Sydney Olympic Pool - Refurbishment	53,522,731
1-2021(3)	Ezy Pave Pty Ltd	CBD Public Domain Upgrade Works	683,546
LGP308.3(5)	The Trustee for Troy Family Trust	Grasmere Childrens Park Playground Refurbishment	168,932
1-2021(4)	Ezy Pave Pty Ltd	Kirribilli Milson's Point 40 km-h HPPA - Stage 2	331,850
16-2021	The Trustee for Troy Family Trust	Forsyth Park Community Centre Playground	171,166
1-2021(8)	Shamrock Developments International	Kurraba Rd Pedestrian Crossing	198,260
1-2021(7)	Civotek Pty Ltd	Stormwater Drainage Construction Works	186,907
14-2021	Cox Architecture Pty Ltd	Holtermann Street Carpark Redevelopment	1,188,113
15-2021	Australian Training Company Limited	Horticultural Apprentice Employment Services	225,000
17-2021	Ezy Pave Pty Ltd	Primrose Park Tennis Court Refurbishment	1,749,819
20-2021	Landscapes Combined	Hodgson Lookout Landscape Upgrade	133,870
1-2021(5)	Ezy Pave Pty Ltd	Military Road LATM Solutions	460,755
1-2021(9)	Anzellotti Constructions Pty Ltd	Ernest St Active Transport Works	287,879
1-2021(9)A	Anzellotti Constructions Pty Ltd	Ernest St Active Transport Works	287,879
1-2021(10)	Shamrock Developments International	Miller St Popup Plaza Works	182,941
23-2021	Shamrock Developments International	Miller St Popup Plaza Works	213,600
LGP420(1)	Regal Innovations Pty Ltd	Burton St Temporary Pedestrian Plaza - Kirribilli	331,633
1-2021(12)	Civotek Pty Ltd	Ben Boyd Road Raised Pedestrian Crossing	159,950

Social Procurement

Council is committed to socially responsible procurement. All procurement practices are sustainable and strategically aligned with Council's goals:

- › achieving greater value for money across the community through the use of procurement;
- › ensuring all businesses have the same opportunity to tender for Council contracts;
- › enhancing partnerships with other councils and suppliers.

COMMUNITY ENGAGEMENT

Community engagement is integrated into all parts of Council's project and service delivery so that our community of stakeholders are kept informed. We engage with our stakeholders in three primary ways:

- › responding to specific requests for information and services
- › participating in multi-stakeholder relationships
- › conducting project-specific community engagement activities in accordance with Council's *Community Engagement Protocol*

Council communicates with the community through the *North Sydney News*, our community newsletter distributed to all households, various newsletter subscriptions, social media and Council's website. During 2020/21 an online information session program was introduced to enhance communication and engagement with stakeholders. Topics included tree regulations and canopy management, the North Sydney Olympic Pool Redevelopment, changes in DA lodgement and processing and the Primrose Park Tennis Courts refurbishment.

Council hosted numerous engagements in 2020/21, providing stakeholders the opportunity to provide input into a broad range of projects, services, and policies. Methods of engagement vary by project, depending on the decision type/level of impact in accordance with Council's *Community Engagement Protocol*. Major engagements included (not in any date/priority order):

- › Young St Plaza Pilot
- › Start-ups Ecosystem Mapping
- › Miller and Blues St Pavement Rectification Works
- › Draft Local Infrastructure Contributions Plan
- › Draft Public Domain Upgrade Masterplan for Kirribilli Village
- › Draft Public Domain Upgrade Masterplan for McMahons Point/Blues Point Road Village
- › Street Play Pilot Program
- › Precinct System Review
- › Ben Boyd Rd Renaming Survey

- › Draft Environmental Sustainability Strategy 2030
- › Draft St Leonards Park Plan of Management
- › Holtermann Street Carpark Redevelopment - functional needs analysis (initial phase)
- › amended Long Term Financial Plan
- › Draft Operational Plan & Budget 2021/22
- › Draft Fees & Charges Schedule 2021/22
- › Draft Community Grants & Subsidies 2021/22 (successful recipients)

In addition, Council conducted:

35 consultations for traffic and parking matters - including street intersection upgrades/improvements; Holt Ave, Rangers Rd and Florence St, Military Rd at Rangers Rd, Holt Ave, Spencer Rd, Cabramatta Rd, Macpherson St; Spofforth St

- › 3 consultations for walking, cycling and streetscape upgrade proposals - Kirribilli to Cremorne, Young Street and Ernest Street
- › 2 consultations for Council Policies (draft or amended) - Draft Restoration Works on Public Land Policy & Amended Guidelines and Draft Loan Borrowing Policy
- › 4 consultations regarding Planning Proposals, DCP amendments and/or Voluntary Planning Agreements - 27-57 Falcon Street, Crows Nest; Draft Amendment to NSDCP 2013 - Ward Street Precinct Masterplan; 173-179 Walker Street & 11-17 Hampden Street, North Sydney and Crows Nest Metro Over station Development
- › 4 joint strategic plans for Crows Nest Centre, Kirribilli Centre, North Sydney Community Centre, Primrose Park Art and Craft Centre
- › 2 landscape upgrades for Hodgson Lookout and Smoothery Park
- › 1 playground upgrade for Grasmere Children's Park
- › 1 proposed land swap between The Neutral Bay Club and Council

2021 Liveability Census

North Sydney Council participated as a Distribution Organisation in Place Score's 2021 Liveability Census, Australia's largest community-led social research project, outlining liveability trends, values and performance data. The Census was conducted between 28 March and 30 June 2021.

A sound baseline for the North Sydney LGA of 401 residents was established, sharing what matters most in their ideal neighbourhood (care factor/community values) and 380 residents rating the suburb in which they live (performance), achieving a 95% confidence level (+/- 5%), which is consistent with the sample size/confidence level of our periodic Customer Satisfaction Survey.

While the objective was not to rank LGAs, each is given a place experience (PX) score out of 100. North Sydney LGA achieved a PX score of 75/100, which is higher than the national average (68/100), every State and Territory (NSW 70/100) and City of Sydney (74/100).

The following table compares the results for North Sydney LGA with the National highest valued attributes:

Highest Valued Attributes	Nationally	North Sydney LGA
Elements of natural environment - natural features, views, vegetation, topography, water, wildlife	73%	78%
General condition of public open space - street trees, footpaths, parks	68%	72%
Walking/jogging/bike paths that connect housing to communal amenity - shops, parks	55%	48%

Score: North Sydney LGA Census results, Place Score 2021

Net Promoter Score (NPS)

NPS measures community loyalty via a single question and reported with a number from -100 to +100. North Sydney achieved a positive NPS of +48 indicating that most residents positively promote where they live, with only 11% detractors.

2020 Customer Satisfaction Survey

Council periodically conducts a representative telephone survey to measure satisfaction with services. The feedback informs our work plans, funding prioritisation and indicators in the Community Strategic Plan. The 2020 findings were reported to the Council in May 2020. Some of the Survey measures are used to report on the Sustainability Indicators in the End of Term Report 2021.

The mean score of residents' overall satisfaction with Council was 5.4 (83% satisfied) out of a possible 7, a 0.2 mean point score increase on 2016 (up from 5.2) and the highest ever result across the seven surveys conducted between 2004 and 2020.

The mean score of business overall satisfaction with Council was 5.0 (65% satisfied) out of a possible 7, a 0.3 mean point score increase on 2016.

STATUTORY INFORMATION



Access Applications - Government Information Public Access (GIPA) - Act s125(1)

The GIPA Act requires Council to report in detail on the handling of access applications. This statement is in accordance with the GIPA reporting requirements. Commentary on applications for information under GIPA can be found below.

Review of proactive release program

Council's program for the proactive release of information involves:

- › ongoing review of document registration standards in relation to online publishing of DA associated documentation in the Applications Tracking section of Council's website
- › ongoing review of document registration standards in relation to onsite public access perusal appointments
- › review of Council's *Access to Information Policy*
- › review of Council's *Publication Guide*
- › review of Council's *Public Registers*
- › review of Council's *Privacy Management Plan*
- › review of internal eLearning GIPA module
- › review of *Staff Reference Guide for Personal & Private information held by Council*

During 2019/20, we reviewed this program by:

- › updating Council's *Agency Information Guide*
- › ongoing consultation with key Council stakeholders
- › updated documentation to reflect staff realignment
- › updated documentation and templates to reflect changes in business practices
- › reviewed mandatory inhouse online training module for GIPA awareness
- › reviewed mandatory inhouse online training module for privacy principles
- › ongoing consultation and training provided to existing and newly appointed Council staff in public access practices in accordance with reviews of document registration practices
- › updating publication to online registers
- › undertaking internal auditor review of privacy management
- › reviewed departmental processing practices

As a result of this review, we released the following information proactively:

- › 919 responses to documented Informal Access to Information Applications
- › increased categories of DA associated information on the Applications Tracking section of the Council website including publication of submissions
- › online publishing of information referenced in Council's *Agency Information Guide*
- › continued Live Minutes of Council Meetings
- › continued online streaming of Council Meetings
- › online publishing of disclosure of interests

Number of access applications received

During 2020/21, Council received a total of 344 formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications received

During 2020/21, Council refused zero applications either wholly or in part because the information requested was information referred to in Schedule 1 to the GIPA Act.

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

(More than one decision can be made in respect to an access application. If so, a recording must be made in relation to each decision. This also applies to Table B.)

	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 or deny whether information is held	Application withdrawn
Media	-	-	-	-	-	-	-	-
Members of Parliament	-	-	-	-	-	-	-	-
Private sector business	59	-	-	-	-	-	-	-
Not for profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	20	-	-	-	-	-	-	-
Members of the public (other)	264	-	-	1	-	-	-	-

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

NOTE: The total number of decisions in Table B should be the same as Table A.

	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 or deny whether information is held	Application withdrawn
Personal information applications*	-	-	-	-	-	-	-	-
Access applications (other than personal information applications)	338	-	-	1	-	-	-	-
Access applications that are partly personal information applications and partly other	5	-	-	-	-	-	-	-

*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).

There were no invalid applications. The conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act, consideration was not used.

Table C: Other public interest considerations against disclosure: Matters listed in table s14 of the Act

There were no other public interest considerations against disclosure: Matters listed in table s14 of the Act.

Table D: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	344
Decided after 35 days (by agreement with applicant)	-
Not decided within time (deemed refusal)	-

There were no applications reviewed under Part 5 of the Act.

Companion Animal Management - Reg cl 217(1)(f)

During 2020/21 Council received 14 reports of alleged dog incidents. All attacks were reported to the Office of Local Government as required.

During this year Council rangers impounded four dogs and eleven cats. All four dogs were claimed and returned to their owners. Five cats were rehomed and six were euthanised due to untreatable sociability.

Council promotes desexing companion animals.

Council has a "no euthanasia policy" with our animal pound contractor, except for animals with untreatable diseases or anti-social animals that cannot be retrained and rehomed.

Council provides a significant number of off-lead areas for dogs to exercise and socialise. All Council parks and public reserves are declared off-leash except for the following:

- › all bushland areas including Balls Head and Berry Island
- › all playing fields when organised sporting events are in progress
- › St Leonards Ovals 1 and 2
- › Cremorne Reserve
- › Clark Park
- › Ancrum Street Park
- › the Coal Loader

In 2020/21 Council spent \$104,867 on companion animal management activities and promotions and received \$26,637 in companion animal registration funds.

Legal Proceedings and Costs - LG Act s428(e)

During 2020/21, Council incurred legal costs in relation to legal proceedings as follows:

Register of Appeals and Court Matters

Legal Proceeding	Cost (\$)	Status	Result
275 Alfred St, North Sydney Benmill Pty Ltd LEC 227590/18	130,833.18	Closed	Appeal upheld subject to conditions
12 Raymond St, Neutral Bay William and Olivia Northcott LEC 358115/18	-298.12	Closed	Appeal dismissed. Costs awarded to Council
8 Wonga Rd, Cremorne Michelle Jie Wang LEC 385659/18	-4,063.40	Closed	Settled and finalised, no orders sought against Council
55-61 Chandos St, St Leonards Tasktea Pty Ltd LEC 100913/19	- 41,176.04	Closed	Appeal upheld
67-69 Chandos St, St Leonards TWT Development Pty Ltd LEC 125653/19	- 51,914.64	Closed	Appeal upheld

Legal Proceeding	Cost (\$)	Status	Result
22-26 Spruson St, Neutral Bay Made Property Group Pty Limited LEC 229229/19	- 1,880.07	Closed	Appeal dismissed
3 Parker St, McMahons Point Brazete Investments Pty Ltd LEC 260634/19	- 45,143.53	Closed	Appeal upheld
5 Bay View St, Lavender Bay Yolenda Camuglia LEC 268493/19	- 6,278.55	Closed	Appeal upheld
21 Christie St, Wollstonecraft BCMA Investments LEC 298474/19 LEC 329322/19	- 25,990.79	Closed	Appeal upheld
66 Shellcove Rd, Neutral Bay Anne McCusker LEC 305102/19	- 62,142.22	Closed	Appeal dismissed
40 Brightmore St, Cremorne Connoisseur Property Holdings Pty Limited LEC 315224/19	-108,350.66	Closed	Proceedings discontinued
1/9 Tobruk Ave, Cremorne Richard Bryson LEC 316133/19	-8,747.40	Closed	Appeal upheld. Costs awarded to Council
13 Shellcove Rd, Kurraba Point MaryAnn Beregi LEC 329464/19	-3,529.90	Closed	Appeal discontinued
24 Cranbrook Ave, Cremorne Modog Pty Limited LEC 340894/19	-47,192.79	Closed	Appeal dismissed
27 Edward St, North Sydney Linda Jays LEC 354290/19	-18,904.08	Closed	Appeal dismissed
116 Blues Point Rd, McMahons Point Blues Point Hotel Property Pty Ltd and Blues Point Hotel Property No 2 Pty Ltd LEC 373973/19	-87,141.62	Closed	Appeal dismissed
111 Milson Rd, Cremorne Point Rosetta Stevens LEC 73040/20	-12,857.82	Closed	Appeal dismissed
55 Lavender St, Milsons Point LDC Opco Holding Company Pty Limited LEC 71383/20	-\$53,569.21	Closed	Appeal upheld
6 Johns St, McMahons Point Noakes Group Pty Limited LEC 122833/20	-\$83,966.01	Closed	Appeal upheld
37-39 Murdoch St, Cremorne Active Kids Group Pty Limited LEC 157515/20	-\$48,946.70	Closed	Appeal upheld
7 Carr St, Waverton David McCrae LEC 197275/20	-\$11,960.30	Closed	Appeal upheld
177-199 Pacific Hwy, North Sydney TPG Telecom Limited (formerly Vodafone Hutchison Australia Pty Limited) LEC 210569/20	-\$82,567.20	Closed	Appeal upheld
85 Kurraba Rd, Kurraba Point Proprietors of SP 16183 LEC 206622/20	-\$5,382.30	Closed	Appeal upheld
85 Kurraba Rd, Kurraba Point Proprietors of SP 16183 LEC 259686/20	-\$11,910.00	Closed	Proceedings discontinued

Legal Proceeding	Cost (\$)	Status	Result
58 Cowdroy Ave, Cammeray Renata Etherington LEC 277618/20	-\$38,882.27	Closed	Appeal Dismissed
61 Ernest St, Crows Nest TLB Trading Pty Ltd LEC 324022/20	-\$9,827.40	Closed	Proceedings discontinued
15 Richmond Ave, Cremorne Steve Laliotis LEC 328098/20	-\$24,200.00	Closed	Proceedings discontinued
62-64 Hayberry St, Crows Nest Dr Eric Lim LEC 332718/20	-\$6,963.32	Pending	N/A
5 Bay View St, Lavender Bay Yolenda Camuglia LEC 356210/20	-\$30,945.51	Pending	N/A
18 Illiliwa St, Cremorne Connoisseur Property Holdings Pty Limited LEC 356211/20	-\$90,548.65	Pending	N/A
6 John St, McMahons Point Stannards Marine Pty Ltd LEC 63136/21	\$128,009.93	Pending	N/A
101 Blues Point Rd, McMahons Point Peter Princi Architects LEC 75725/21	-\$3,485.90	Pending	N/A
17 Rowilson Pde, Cammeray Troy McGeachie LEC 89880/21	\$0.00	Pending	N/A
101 Blues Point Rd, McMahons Point Deric Pty Limited LEC 101973/21	-\$3,099.80	Pending	N/A
46 Burlington St, Crows Nest Eric Young Aun Lim LEC 123657/21	-\$10,424.15	Pending	N/A
35 Kurraba Rd, Neutral Bay (20-24 Bray St, North Sydney) Loyito Pty Ltd LEC 141523/21	-\$10,800.35	Pending	N/A
G01 to G07, 13 Eden St, North Sydney Myrtle 29 Pty Ltd LEC 168987/21	\$0.00	Pending	N/A
G01 to G06, 13 Eden St, North Sydney Myrtle 29 Pty Ltd LEC 168988/21	\$0.00	Pending	N/A
233-237 Military Rd, Cremorne Clusterduck Pty Ltd LEC 199168/21	\$0.00	Pending	N/A
Traffic Matter Matthew Williams DC 106191/2020 DC 106192/2020	-\$1,629.10	Pending	N/A
83 Mount St, North Sydney Little Vienna Pty Ltd (T/as Vienna Sandwiches) Local Court Matter	-\$7,103.25	Closed	Proceedings discontinued
12 Tobruk Ave, Cremorne Draincorp Pty Ltd Local Court Matter	\$0.00	Closed	Dismissed

Legal Proceeding	Cost (\$)	Status	Result
Dog matter Matthew Williams Local Court Matter	\$0.00	Closed	Guilty Plea
8 Levick St, Cremorne Michael Barnett Local Court Matter	\$0.00	Closed	Dismissed
12 Tobruk Ave, Cremorne Hunter Building Group Pty Ltd Local Court Matter	\$0.00	Closed	Proceedings discontinued
Traffic Matter Vassil Leon Vasseleou Local Court Matter	\$0.00	Closed	CAN Withdrawn
NCAT Matter - Privacy Complaint EIG NCAT 136495/20	\$140,393.00	Pending	N/A
NCAT Matter - Formal GIPA Review MaryAnn Beregi NCAT 142324/20	-\$13,435.40	Closed	Proceedings discontinued
NCAT Matter - Privacy Complaint Review EIG NCAT 80016/21	-\$50,263.85	Pending	N/A

Stormwater Management Services (Stormwater Management - LG Reg cl 217(1)(e))

Council has levied an annual charge for stormwater management services since July 2013. The following projects were completed using funds from this charge in 2020/21:

- › Bay Road, Waverton
- › Bells Avenue, Cammeray
- › Belmont Avenue, Wollstonecraft
- › Ben Boyd Road, Neutral Bay
- › Bent Street, Neutral Bay
- › Christie Street, Wollstonecraft
- › Crows Nest Road, Waverton
- › Doris Street, North Sydney
- › Gerard Lane, Cremorne
- › McKye Street, Waverton
- › Milson Road, Cremorne Point
- › Nicholson Street, Wollstonecraft
- › Priory Road, Waverton
- › Short Street, North Sydney
- › Spofforth Street, Cremorne
- › Warringa Road, Cammeray
- › Yeo Street, Neutral Bay

Grants and Donations - LG Act s356

\$883,110 was contributed or otherwise granted under s356 (financially assist others) by the Council in 2020/21. The specific categories are broken down in the table below:

Donations, contributions and assistance to other organisations (s356)	\$
Youth	21,873
Children and Families	143,269
Women	23,164
Older People	507,446
People with Disabilities	800
People from Culturally and Linguistically Diverse Backgrounds	2,400
Other	184,185
Total	883,110

Disability Inclusion Action Plan (DIAP) - *Disability Inclusion Act 2014 s13(1)*

Whilst COVID-19 impacted on some of Council's deliverables, it also provided opportunity to undergo works without impacting the public.

The following provides a summary of Council's outcomes in the past twelve months.

Liveable Communities

- › additional lighting installed in Primrose Park carpark to improve visibility and safety
- › window furnishings replaced at Neutral Bay Community Centre to improve access and functionality

Employment

- › all human resource policies and procedures were reviewed in Q3 2020/21 ensuring they met all legislative requirements
- › there will be a further review of the Anti-discrimination and EEO policy to create two specific documents
- › one position has moved to part time to assist with the transition to retirement. This action has also been included in the draft Age Management Plan currently being developed
- › EEO Awareness training held in the first half of the year and attended by 72 staff
- › Access to the Employee Assistance Program (EAP) Counselling Service for all Council staff
- › R U OK? Day was celebrated internally at Council

Systems and Processes

- › Ongoing use of site improve software to identify access barriers on Council's website and maintain compliance with WCAG 2.0 AA level
- › CMS accessibility function enabled to identify access barriers

Attitudes and Behaviours

- › a monthly staff casual dress day was introduced in 2020/21, supporting a local cause or calendar event, with specific focus on disability and access. Staff are encouraged to dress casually and donate funds

Council's DIAP will be updated by December 2021.

Carers Recognition Act 2010 (CR Act), s 8(2) Compliance

Carers and people being cared for are supported through service provision offered through our community centres.

The Crows Nest Centre provides in home support to people requiring additional assistance to enable them to remain living at home.

Information and advice is provided to carers and people requiring assistance by Council's Access and Inclusion Coordinator.

Swimming Pools Act 1992 (SP Act), s 22F(2) Swimming Pools Regulation 2018 (SP Reg) cl 23

Details of inspections of private swimming pools:

Number of inspections of tourist and visitor accommodation: 1 inspection.

Number of inspections of premises with more than two dwellings: 38 inspections.

Number of inspections that resulted in issuance of a certificate of compliance under s22D of the SP Act: 45 inspections.

Number of inspections that resulted in issuance of a certificate of noncompliance under cl 21 of the SP regulation: 25 inspections.

Planning Agreements under the Environmental Planning & Assessment Act 1979, s7.5(5)

Planning Agreements are legal documents created under the Environmental Planning and Assessment Act 1979 (EP&A Act) between developers and government agencies (including councils) for the provision of funds or works by the developer for infrastructure, services or other public amenities typically negotiated at the time of rezoning or during the assessment of a development application. They typically fund or deliver local infrastructure not envisaged under traditional local infrastructure contribution plans (s.7.11 and s.7.12 contributions plans).

Council entered into the following planning agreements during the 2020/21 financial year:

Parties	North Sydney Council and TWT Property Group P/L & Tildoan Pty Ltd
Date of Execution	17 September 2020
Land to which the VPA relates	23-35 Atchison Street, St Leonards
Description	Facilitates a monetary contribution of \$2.8m for the purposes of contributing to new open space within the precinct, a 5m wide land dedication to Oxley St as well as a embellishment works and provision of a 6m wide publicly accessible through-site link to improve pedestrian connectivity in the area.
Parties	North Sydney Council and Sydney Metro (TfNSW) and The Minister for Planning and Public Spaces
Date of Execution	16 June 2021
Land to which the VPA relates	Block bounded by 479-521 Pacific Highway and 14 Clarke Street, Crows Nest (location of Crows Nest Metro "over station development")
Description	Facilitates the payment of \$11.818m in monetary contributions comprising \$9.818m in monetary contributions which would ordinarily be required to be paid as part of the future development of the sites consistent with the State Significant Development Consent (approved December 2020 - ref SSD-9579) plus \$2m over and above this. This contribution may be expended on the acquisition, embellishment or maintenance of public facilities including public open space

The following planning agreements were entered into prior to the 2020/21 financial year, and are yet to be delivered.

Parties	North Sydney Council and Anson City Developments 1 (Australia) Pty Ltd
Date of Execution	25 June 2018
Land to which the VPA relates	617-621 Pacific Highway, St Leonards
Description	Facilitates the dedication to Council, two entire fitted out floors within the podium of a future development on the site for the purposes of an arts centre with an approximate value of \$16.5m.
Parties	North Sydney Council & Rozene Pty Ltd & Rosemate Pty Ltd
Date of Execution	26 July 2019
Land to which the VPA relates	575-583 Pacific Highway, St Leonards
Description	Facilitates a monetary contribution of \$4,095,803 for the purpose of contributing to new open space within the Precinct, a setback of 3m from the Pacific Highway frontage, except where significant features of the Marco building already exist, a restriction on building height to RL 102.3 along the southern boundary, shared with 567-573 Pacific Highway, and a restriction on building height to RL 116.5 along the north-western boundary.

Environmental Upgrade Agreements (EUAs) Act s54P(1)

There were no EUAs entered into during 2020/21.

Overseas visits by Councillors, Council staff or other persons representing Council - Reg cl 217(1)(a)

There were no overseas visits in 2020/21.

Recovery and Threat Abatement Plans - Fisheries Management Act 1994, s220ZT(2)

There were no Recovery and Threat Abatement Plans implemented in the North Sydney LGA during 2020/21.



OUR PERFORMANCE



PERFORMANCE AGAINST THE DELIVERY PROGRAM/OPERATIONAL PLAN 2020/21

Our performance is measured against the strategic directions, outcomes and strategies of the *Community Strategic Plan 2018-2028*. We assess how our activities to date, monitored via the annual Operational Plan have progressed towards our desired outcomes and our community's vision to ensure we are on track.

The *Community Strategic Plan 2018-2028* and *Delivery Program 2018/19-2021/22/Operational Plan 2020/21* comprise five key directions:

- › Our Living Environment
- › Our Built Infrastructure
- › Our Future Planning
- › Our Social Vitality
- › Our Civic Leadership

During 2018/19-2020/21 (years 1 to 3 of the Delivery Program), Council undertook 364 projects in line with these key directions. As at 30 June 2021 94% of projects were on track or completed and 6% of projects were delayed or not progressing. 182 were completed, 159 projects were on track, 20 projects were delayed and carried over to 2020/21 and three projects were discontinued or not progressing.

Performance Status

The following is a strategic summary of performance against the Delivery Program/Operational Plan 2020/21, this shows the status of projects and actions undertaken to deliver each objective in the Delivery Program.



DIRECTION 1: OUR LIVING ENVIRONMENT



Achievements against the Delivery Program

1.1 Protected and enhanced natural environment and biodiversity	<ul style="list-style-type: none"> the community responded very positively to the compost revolution program with 612 compost bin and worm farm orders over the period July 2018 to June 2021 Bushcare volunteer numbers were stable versus last year, with 45 active members participating in cleaning the 21 foreshore locations
1.2 North Sydney is sustainable and resilient	<ul style="list-style-type: none"> the Better Business Partnership and Cityswitch programs continued with online education forums there were 40 waste education workshops held over 2020/21 with very positive participant feedback Council worked with NSROC on regional waste strategies, implementing joint programs/activities, including photovoltaic system installation at McMahons Point and Forsyth Park Community Centre energy and water efficiency guidelines were developed for Council buildings Greenhouse Action Plan and Water Management Plan implementation involved energy and water saving initiatives across the Council, including a parks irrigation review, installation of photovoltaic systems and the renewal of the Council administration center's building management system preparation of a food waste only bin system trial is underway
1.3 Quality urban greenscapes	<ul style="list-style-type: none"> implementation of Council's Urban Forest Strategy continued the Street Tree Audit was completed in August 2020
1.4 Public open space and recreational facilities and services meet community needs	<ul style="list-style-type: none"> Council purchased the Quarantine Boat Depot on the Waverton Peninsula in 2020/21. This will increase open space available to the community following remediation. the next phase of the Hume Street Park open space project progressed in Crows Nest The project is running slightly behind schedule due to COVID-19 restrictions. It is expected to be delivered in November 2021. the Henry Lawson Steps upgrade was completed in Q3 2020/21 with positive community feedback Kurraba Reserve entry and fence restoration and the Primrose Park walking track were completed in Q4 2020/21 Anderson Park landscape upgrade was completed September 2020. Improvements included the east-west foreshore access path surface and edging; improved access to the memorial and installation of low planting at the base of the memorial fence and seating; upgraded park furniture; and a reduction in the slope gradient of the foreshore grassed area. small water craft storage facilities were installed at Sawmillers Reserve and are much appreciated by the community landscaping improvements were completed at Hayes Street beach with positive community feedback North Sydney Oval hosted national and domestic cricket, rugby league and union throughout the year. Staff are in discussions with Cricket NSW, NSW Rugby League and Rugby NSW to bring more regional events to the Oval

DIRECTION 2: OUR BUILT INFRASTRUCTURE



Achievements against the Delivery Program

2.1 Infrastructure and assets meet community needs

- Council carparks have been impacted by the COVID-19 lockdowns. Despite this, Council has undertaken some capital improvements including replacing carpark lights with LED sensor lights, painting and refurbishment of amenities.
- the transfer of the Ward St Carpark back to Council occurred in August 2020. At capacity this carpark transacts \$85-\$95k per week which is more than the other four carparks Council operates combined.
- Council staff responded to the building collapse at 133 Alexander St, Crows Nest in January 2021 and the retaining wall collapse at 2 French St, McMahons Point in March 2021
- redevelopment of the North Sydney Olympic Pool commenced February 2021. The 25m pool, grandstand and first level of the 50m pool concourse were demolished. The project is currently on track, however there is a foreshadowed delay raised by the builder driven by the COVID-19 construction lockdown.
- Council undertook property renewal projects in 2020/21 including Primrose Park Tennis Courts refurbishment, 1 James Place upgrade works, minor upgrades in Forsyth Park Community Centre, Crows Nest Community Centre and the Neutral Bay Community Centre

2.2 Vibrant centres, public domain, villages and streetscapes

- the Ward St Car Park public toilets were upgraded in 2020/21
- all projects identified in the B-Line Funding Agreement with TfNSW were completed as at June 2021. The trial closure of Young St and a creation of a plaza 2020/21. In June 2021 Council resolved the permanent road closure and plaza (with some modification) Construction is to commence Q2 2021/22, funded by the TfNSW B-Line funding deed.
- Council received significant positive feedback related to the Military Road Corridor Public Domain streetscape improvements.
- major maintenance works were completed along Willoughby Rd, including repairs to the sandstone capping, planter boxes, re-paving sections, and extensive cleaning of the outdoor dining areas

2.3 Sustainable transport is encouraged

- Council accepted funding offers for active transport projects in Ernest St and Young St. The Ernest St upgrade was endorsed by Council for construction in January 2022 following consultation
- the active transport intersection at Oxley and Albany Sts, Crows Nest was completed February 2020. Council received positive feedback particularly noting the improved overall pedestrian, vehicle and cyclist safety in the area
- Council continued to support the Safety Around Schools Program. A Road Safety Newsletter was sent to every primary school each term. New banners and signs for schools were developed. Two Child Car Seat programs were run over 2020/21 with a total of 107 applicants and 166 car seats checked, fitted or adjusted. Look stencils were installed in 94 locations across the LGA. In 2021 3,500 Road Safety Calendars were distributed. TfNSW road safety messaging was promoted on social media.
- Council representatives attended a series of *Northern Sydney Transport Infrastructure Strategy* workshops facilitated by NSROC during 2020/21, to frame transport planning strategic direction at a regional level

Achievements against the Delivery Program

2.4 Improved traffic and parking management

- the 2020/21 Local Area Traffic Management (LATM) Program implementation was completed
- in November 2020, Council resolved to advocate the State Government for traffic signals at Gerard and Macpherson Sts and letter to the Minister for Transport was sent in December 2020. Discussions with TfNSW are ongoing.
- grants were received for the Kirribilli and Milsons Point 40km/h High Pedestrian Activity Area in 2019/20 and 2020/21
- Federal Blackspot Funding was allocated to the Kurraba Rd pedestrian crossing upgrade, Ben Boyd Rd traffic calming, Lavender St pedestrian crossing upgrade and Morton St/Hazelbank Rd kerb extensions in 2020/21
- State Government funding was allocated to the trial closure of part of Miller St and trial closure of Burton St as part of the adopted Kirribilli Village Centre Masterplan
- a \$1.6m grant from TfNSW was awarded in Q3 2021/22 to upgrade 11 school pedestrian crossings in the LGA
- construction at Holt Ave commenced Q4 2020/21, works were delayed due to the COVID-19 construction pause. Expected completion of Holt Ave and Rangers Rd is Q2 2021/22.
- improvement works at Spencer Rd, Cabramatta Rd and Macpherson St will be completed 2021/22
- Area 11 consultation concluded Q2 2020/21 with no changes identified in the feedback. Parking changes in Areas 12, 13, and 19 east of Alexander St were implemented in Q2 2020/21.
- Bent St improvement consultation changes were implemented in Q3 2020/21



DIRECTION 3: OUR FUTURE PLANNING



Achievements against the Delivery Program

- | | |
|---|---|
| 3.1 Prosperous and vibrant economy | <ul style="list-style-type: none"> implementation of the <i>North Sydney Visitor Economy Strategy</i> (2019) was disrupted by COVID-19 and budget constraints. Council continued to support the Bondi to Manly Walk. planning partnerships with local hotels and restaurants for future regional and national events underway |
| 3.2 North Sydney CBD is one of NSWs pre-eminent commercial centres | <ul style="list-style-type: none"> the <i>Civic Precinct Planning Study</i> (2020), is one of the “place-based” studies identified in Council’s <i>Local Strategic Planning Statement</i> (LSPS) adopted March 2020. The Civic Precinct covers CBD north through to Falcon St, Crows Nest incorporating popular community facilities such as Stanton Library, St Leonards Park, the North Sydney Community Centre and local schools. The Study aligns local planning controls with the Greater Sydney Commission’s <i>North District Plan</i> (2018) and the LSPS, in the context of the Metro development. in response to COVID-19 restrictions, the NTH SYD program focused on a mix of low key events such as music in Brett Whiteley Place and activations such as chalk art and yarnbombing. The NTH SYD website design was refreshed and is due to re-launch in July 2021. A digital strategy was developed for 2021/22 implementation. the <i>North Sydney CBD Public Domain Strategy</i> implementation strategy was adopted Q2 2021/22 implementation of the Ward St Masterplan has been delayed by the impact of COVID-19 lockdowns on the office market |
| 3.3 North Sydney is smart and innovative | <ul style="list-style-type: none"> implementation of the <i>North Sydney Smart City Strategy</i> (2019) continued. As at 30 June 2021, of the total 38 actions for Year 2, 4 were completed, 14 were on track, 17 were delayed, and 3 were not progressing. a local Start Up Ecosystem Map has been developed and surveying undertaken preparation of a <i>Data Sharing Policy</i> is underway to improve data collection, sharing, analysis and decision making at Council |
| 3.4 North Sydney is distinctive with a sense of place and quality design | <ul style="list-style-type: none"> the draft amendments to the Local Environment Plan (LEP)/Development Control Plan (DCP) were adopted by Council Q1 2020/21 following public exhibition Council’s place based planning projects and studies include the Military Rd Corridor Planning Study, Civic Precinct Planning Study and Ward St Masterplan. These are reinforced by the LSPS. Council’s strategic planning framework was reviewed to incorporate the employment targets of the Greater Sydney Commission North District Plan. Planning instruments were amended to increase commercial floor space in the CBD. A broad framework was adopted by the NSW Government for St Leonards/Crows Nest in the 2036 Plan. the <i>North Sydney Local Housing Strategy</i> was adopted by Council in November 2019 and endorsed by the DPIE in March 2021 Council resolved September 2020, fund, from the Affordable Housing reserve, and work with Link Housing, to demolish 287 Miller St and construct modern self-contained studio apartments with specialist disability accommodation. The DA is currently under assessment |
| 3.5 North Sydney is regulatory compliant | <ul style="list-style-type: none"> Council assisted with implementation of Public Health Orders throughout the COVID-19 pandemic with free food safety inspections at food shops and provision of free COVID safety floor decals responsible companion animal ownership enforcement management strategies, policies and procedures are currently under review |

DIRECTION 4: OUR SOCIAL VITALITY



Achievements against the Delivery Program

4.1 North Sydney is connected, inclusive, healthy and safe

- additional lighting was installed in Primrose Park carpark to improve visibility and safety.
- minor upgrades were made to Neutral Bay Community Centre to improve access
- ongoing support provided to Crows Nest Centre and Early Ed to promote the NDIS
- translating and interpreting service contact number is available on all Council community information brochures. Language assistance links including the Migrant Quick Reference Guide are available on Council's website. Official NSW Government COVID-19, information in different languages available on the Ted Mack Civic Park noticeboards. The children's services in North Sydney brochure is available on the website in Chinese, Japanese, Korean, Hindi and Spanish.
- Council contributed to the Domestic Violence (DV) Network who distributed an online Community Workers DV support resource. A Religious Leaders Workshop on DV in April 2021 provided skills for religious leaders to direct victims of DV to the right services. The Crows Nest Safe Village Project organised workshops for workers, businesses and the community.
- Council attended six Lower North Shore Child and Family Interagency in 2020/21. Council co-delivered a series of workshops for parents and carers included the Fathers in Focus - Supporting Dads on their Parenting Journey forum in July 2020, Promoting Healthy Parenting in November 2020, Building Trust Between Parents and Kids - Strengthening Relationships in June 2021. The online Conversations with our Tweens - Sleep for Better Health, Resilience and Performance had over 200 participants

4.2 North Sydney is creative and home to popular events

- a wide range of creative programs included the Youth Visual Storytelling Project, Children's Online Creative Exhibition and Council's Artist Studio Programs
- *Project 2060: Homeward Bound* was held in March 2021. Artists and groups participated in a major collaborative curatorial initiative. Approximately 150 artworks were exhibited across the Coal Loader Chambers and Coal Loader Artist Studio, inTransit Art Space, Bridget Kennedy Project Space and the Inside Outside Sculpture Plinth, showcasing artists from Council's Artist Studio Programs, four member based groups from Primrose Park Arts & Craft Centre.
- preparation of the draft *North Sydney Public Masterplan* is underway, which will guide best practice public art principles and outcomes in line with Council's public art and strategic planning documents.
- COVID-19 limited in-person events in 2020/21. Twilight Food Fair proceeded with only two days cancelled due to weather, the Sunset Series and Bark in the Park had very high attendance rates attracting a regional audience
- a review of Stanton Library programs and events was completed in Q4 2019/20
- Council continued to support the fortnightly markets run by the Kirribilli Centre and the North Sydney Community Centre with waste disposal

4.3 North Sydney supports lifelong learning

- a successful program improving staff skills and confidence in addressing IT issues and customer requests implemented at Stanton Library
- the Library's *Collection Development Policy* was reviewed
- the updated Joint Strategic Plans for Crows Nest Centre, the Kirribilli Centre and North Sydney Community Centre were endorsed by Council in Q4 2020/21
- a new playground was constructed at Forsyth Park Community Centre
- funding was distributed to community groups in December 2020 for small scale volunteer events

Achievements against the Delivery Program

4.4 North Sydney's history is preserved and recognised

- temporary exhibitions including the art of Peter Kingston and the 40th Anniversary of Don Bank Museum were held in the Heritage Centre
- the Heritage Centre's permanent display was updated to include items donated by the Allan Willoughby estate. Conservation workshops were as part of the Heritage Festival, showing people how to care for family keepsakes and mementos.
- a tour of Council's archives and object store was offered as part of the Seniors Festival in Q3 2020/21
- conservation projects included the relocation of a horse trough, reconstruction of Henry Lawson Steps and the Ben Boyd plaques.
- a display celebrating the Live Poets Society who have met at Don Bank Museum for many years was held in Q1 and Q2 2020/21
- Don Bank Museum hosted the Fairytale Society Exhibition/conference and the Dark Stories Murder Mystery performance in Q4 2020/21
- a community heritage grant for the preservation needs assessment of the Luna Park Collection was acquitted in April 2020/21, with the next round of funding secured



DIRECTION 5: OUR CIVIC LEADERSHIP



Achievements against the Delivery Program

5.1 Council leads the strategic direction of North Sydney	<ul style="list-style-type: none"> • numerous submissions were made by Council in 2020/21 responding to the DPIE Review of temporary COVID-19 planning measures, Draft Exposure Bill as part of Rating System Review and subsequent IPART Review to set a Population Factor • Council's 2021/22 Revenue Policy was adopted in June 2021 • the amended Long Term Financial Plan was finalised June 2021 following public exhibition in conjunction with Council's 2021/22 Operational Plan & Budget • a strategic review of Council's property portfolio was undertaken in 2020/21. The Review outcomes, including the long term impacts of COVID-19 on Council's commercial property portfolio will be reported to Council in early 2021/22
5.2 Council is well governed and customer focused	<ul style="list-style-type: none"> • updating Committee and Reference Group Charters and reviewing Council's Committee and Reference Group meeting structure in line with the Community Strategic Plan structure will be undertaken in line with the council election December 4 2021
5.3 Community is informed and consulted	<ul style="list-style-type: none"> • community newsletter distribution increased with five distributed in 2020/21 • media enquiries from multiple traditional and new media sources covered a wide range of topics. • feedback regarding the way Council communicates with the community was very positive. • the use of video communication significantly expanded in 2020/21. Top performing social media videos received up to 20,000 views, extending social media reach significantly. • followers on Council's main Instagram and Facebook accounts grew by 19% in 2020/21. Followers on the Coal Loader Facebook page grew and the Coal Loader and Arts and Culture Instagram sites also had strong followings. • Council introduced its Online Information Sessions Program in September 2020 - see the community engagement section for more detail • the Precinct System Review progressed. The Stage 2 engagement outcomes and management responses to consultant's recommendations were reported to Council in June 2021. Council resolved to defer consideration of the report to the new term of Council
5.4 Council's service delivery is well supported	<ul style="list-style-type: none"> • an agile response to working from home and online learning and communication delivered in response to COVID-19 • implementation of the Information and Communication Technology (ICT) Foundations Program was completed leading to improved systems stability, backup and cost savings. • the IT Governance and Project Delivery Framework policies and methodologies were reviewed to ensure strong governance over all IT assets including information • the specification and tender process for the new Council website is underway • Council staff participated in resilient network meetings and workshops in 2020/21 • a comprehensive best practice review of Council's Procurement Manual and audit requirements was undertaken, supported by training for new staff and existing staff
5.5 Council is an employer of choice	<ul style="list-style-type: none"> • an online recruitment module was rolled out leading to substantial time savings in short-listing and communicating with candidates • the revised EEO Management Plan was endorsed by the Executive in 2020/21 - see page # for more detail • The staff health matters program continued in 2020/21

STATE OF THE ENVIRONMENT REPORT



STATE OF THE ENVIRONMENT REPORT

In accordance with section 404 of the Act, in the year of the local government election, the Annual Report must include a report as to the state of the environment in the local government area (known as the State of the Environment Report) in relation to the objectives for the environment established by the *North Sydney Community Strategic Plan 2018-2028*.

For detailed progress against the 'environmental' sustainability indicators and the outcomes and strategies of Direction 1: Our Living Environment of the Community Strategic Plan, refer to the *End of Term Report* section of this Annual Report.

The following provides a snapshot of the 'state of the environment' in the North Sydney LGA with key highlights from the 2017/18 to 2020/21 (not in any priority order):

Environment Reference Group

Reference Groups are an important part of Council's governance and community engagement framework. Our Environment Reference Group assists in the conduct of Council business focusing on a range of environmental sustainability issues. Membership comprises of individual citizens, representatives of community groups and organisations operating in the North Sydney LGA and Councillors.

Environment Levy

Following community consultation, Council sought initial approval in 2000 to introduce a special purpose levy, applicable to all rateable properties within the North Sydney LGA, to support the implementation of a range of environmental programs including bushland rehabilitation, habitat restoration, water conservation and water quality projects, energy efficiency and sustainable transport projects.

Climate Change

Council set its first greenhouse gas reduction targets in 2002 as part of the International Council for Local Environmental Initiatives' Cities for Climate Protection program and established its first *Greenhouse Action Plan* in the same year to provide strategic guidance to help Council prioritise and implement its greenhouse gas reduction activities to achieve its targets. As a result, Council achieved a 32% reduction in GHG across its operations by 2017 from 1996 levels, and an 18% reduction in community emissions. Council's target is to achieve 25% reduction versus 1996 levels by 2030.

In 2017 Council became a signatory to the Cities Power Partnership program to complement the work it was already undertaking to help meet its corporate and community greenhouse gas emission reduction targets.

On 22 July 2019, by unanimous vote, we became the 30th Australian Council to declare a climate emergency requiring immediate action by all levels of government. The Council did so noting the latest report of the Intergovernmental Panel on Climate Change 'Global Warming of 1.5 degrees Celsius' and the Federal Government's latest emissions data showed that we are increasing, not reducing, our carbon emissions.

Water Reuse and Reduction

Since 2008, Council has implemented a water reuse scheme at Cammeray golf course and five Council parks, 15 rainwater tanks with a total capacity of 643,250L have been installed at various Council facilities, regular audits and water efficiency upgrades are carried out at all of Council's facilities, and water consumption is monitored.

Council attained milestone 4 of the International Council for Local Environmental Initiative's Water Campaign to reduce Council water consumption, and our *Water Management Plan 2015-2020* provided direction for Council and the community water use and water pollution reduction.

Biodiversity Conservation

Council's *Bushland Plan of Management* and reserve-specific *Bushland Rehabilitation Plan* conserves and manages Council land, biodiversity and environment heritage in the North Sydney LGA. Protecting biodiversity at a local level is about protecting existing biodiversity and, to the extent that is possible, re-establishing local indigenous flora and fauna. Of note are the return of Long-nosed Bandicoots, Swamp Wallaby and Superb Lyre-bird to several North Sydney bushland reserves following decades of local extinction.



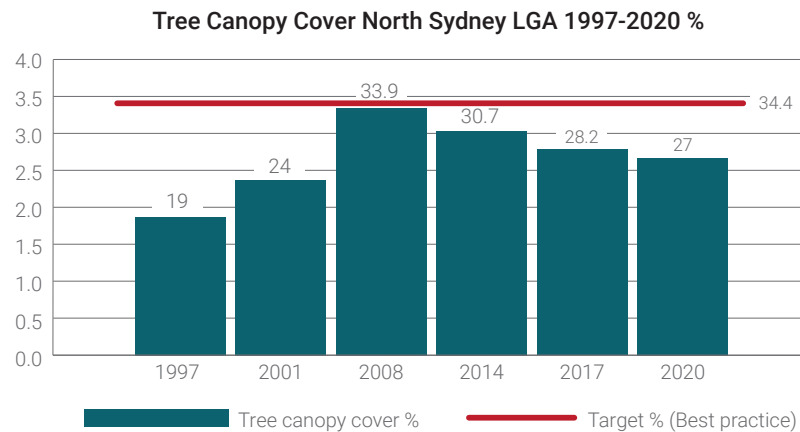
Above: Long-nosed Bandicoot (*Perameles nasuta*) recorded in Wollstonecraft foreshore bushland for the first time in 2020



Above: Swamp Wallaby (*Rufus bicolor*) is now a regular visitor in Tunks Park, Cammeray

Council's longstanding *Street Tree Strategy* provides the framework for our street tree management. It has for many years prioritised the planting of thousands of street trees to expand the LGA's urban canopy and shade provision while developing the ideal streetscape environment.

Privately owned land makes up more than 58% of the total land area in the North Sydney LGA. Much of the remainder is made up of hard surfaces like roads (16%) and heavily built up business districts with little room for trees. Council is doing its best to provide trees on public land having maintained 50% canopy cover for many years. Unfortunately, canopy cover on private land declined from over 31% in 2008 to 22% in 2020. The following table/graph shows changes in canopy cover over time within the North Sydney LGA.



Council's *Urban Forest Strategy* was reviewed in 2019. It provides an in-depth look at how our 'green infrastructure' is performing and how we can maximise its performance into the future by ensuring no net loss of canopy, valuing the urban forest as an integral component of urban infrastructure and maximising community awareness, understanding and appreciation of the value and benefits of the urban forest.

Sustainable Procurement

Council is committed to sustainable procurement and since 2017 includes mandatory sustainability criteria in all its tenders to help ensure goods, services, capital projects and/or processes minimise environmental and negative social impacts and achieve value for money. In 2019, Council introduced a *Single Use Plastics Policy* outlining its commitment to taking steps to phasing out single-use plastics for our operations, events, venues and Council owned properties. Single use items will be replaced with reusable alternatives where feasible and where single use items cannot be avoided, and reusable alternatives are not feasible, compostable alternatives be used.

Energy Savings

A range of energy saving projects have been undertaken at Council buildings, including energy audits, lighting upgrades, optimisation and upgrades of major building management systems and Council's vehicle fleet includes hybrid vehicles as well as e-bikes. In addition, Council installed 435kW solar photovoltaic (PV) across various Council facilities, and in 2019 commenced a renewable electricity supply contract for 30% of its electricity use.

Since 2018 Council has engaged more than 120 apartment buildings through its Futureproofing Apartments program resulting in average base building energy savings of 59%. Hundreds of residents have attended energy conservation and renewable energy workshops and events, and local business communities have been supported through networking, workshops and in-house consultations.

Sustainability Education

Council has developed a range of community education strategies on the importance of living more sustainably. Projects have included sustainability workshops, funding of schools' sustainability projects under Council's Eco-school Grants and the promotion of annual events including Sustainable House Day.

Council supports eight community gardens and allotments, and has established more than 120 local food gardens, through the Harvest North Sydney Program.

Coal Loader Centre for Sustainability

The Genia McCaffery Centre for Sustainability at the Coal Loader, Waverton, opened in 2011 is a 'grassroots' hub where the local community can learn how to reduce their ecological footprint. The Centre also showcases state of the art technologies for building, energy and water use.

The Coal Loader Platform opened in 2018, as public open space. The last main stage of the redevelopment of the Coal Loader Centre, the Platform is one of Sydney's largest publicly accessible green roof spaces. The concrete and sandstone platform structure is a multi-purpose recreational space with spectacular views of the harbour. The Platform has won the Parks and Leisure Australia's NSW Park of the Year and NSW Community Facility of the Year 2018 and the 2018 Australian Institute of Landscape Architect's NSW Cultural Heritage Award of Excellence; and was shortlisted for the 2018 Australian Urban Design Awards in the 'built projects - local and neighbourhood scale' category. In 2021 the Coal Loader was listed on the NSW Stage Heritage Register.

In 2021 the Coal Loader launched a cutting-edge augmented reality Sustainability app. The first of its kind in Australia, the app adds an exciting layer to the way in which visitors can interact with the site.

Resilient Sydney

Council is a proud participant in Resilient Sydney. Resilient Sydney is a collaboration of all 33 metropolitan councils of Greater Sydney to develop and implement a city-wide resilience strategy, published in 2018. The program commenced in 2015 and has been governed by a metropolitan steering committee of local governments, NSW Government, business and the community sector. Resilient Sydney is aligned to the global Resilient Cities Network, previously 100 Resilient Cities, pioneered by the Rockefeller Foundation.

The program works with global and local cities to share best practice in Sydney through networks of council leaders, resilience ambassadors and specialists. Actions include activities to provide better management and reporting of city-wide data, policy research, emergency response, social connections and community preparedness. Networks and campaigns work to increase equity and build capacity and knowledge for communities to benefit from resilience thinking and action.

Environmental Sustainability Strategy 2030

Sustainability is one of Council's eight core values. As such, equity, preservation, justice and precaution are important principles that help focus everything we do at Council. Relating specifically to environmental sustainability, Council commenced preparation of the *Environmental Sustainability Strategy 2030* to set new targets for Council's own operations, and the community to help achieve our environmental goals, including acting on Council's climate emergency declaration, protecting native plants and animals, looking after our waterways, reducing waste to landfill and using resources wisely.

The Strategy will build on Council's existing issue-specific plans that help Council and the community to reduce our environmental footprint. The first step in developing the Strategy was preparation of a *Environmental Sustainability Future Directions Paper*, which provided a comprehensive review of local, state, federal and international strategies, analyses and forecasting, as well as the rationale and analysis for proposed strategic environmental sustainability targets and actions to 2030.

Preparation of the detailed Strategy occurred in 2020/21 with the draft Strategy reported to Council in May 2021. Public exhibition occurred in June 2021. The Strategy was adopted in July 2021.

The key performance indicator graphs below show where Council is today and where Council is aiming to be in 2030.

CARBON FOOTPRINT

Where we want to be	How we are tracking
1. 100% of Council's electricity needs are met by renewable energy sources before 2030	
2. 100% carbon neutrality for Council operations achieved before 2030	
3. 65% greenhouse gas reduction of 1996 community emissions levels before 2030	

WATER CONSERVATION

Where we want to be	How we are tracking
4. 50% potable water use reduction in Council operations from the 2001/02 baseline before 2030	
5. 10% reduction in the North Sydney community's potable water use from the 2001/02 baseline before 2030	

WATER QUALITY

Where we want to be	How we are tracking
6. 70% compliance with the Australian and New Zealand guidelines for fresh and marine water quality at Council's water quality monitoring sites before 2030	
7. 90% of stormwater in North Sydney's catchments is treated by Stormwater Quality Improvement Devices before 2030	
8. 10% more material (3940t) is kept out of our waterways by Council's stormwater improvement programs than in 2019 (3582t) before 2030	

ENGAGEMENT IN SUSTAINABILITY

Where we want to be	How we are tracking
9. 12,000 annual participants in Council's environmental sustainability engagement activities before 2030	
10. 90% of participants in Council's environmental sustainability engagement activities are motivated and enabled to take actions to improve environmental sustainability outcomes before 2030	

URBAN ECOLOGY

Where we want to be

How we are tracking

11. 80% of bushland is in good condition before 2030	75% 2018	80% 2030
12. Maintain or increase number of locally native fauna and flora species found in North Sydney compared to 2010 levels until 2030	446 species or more 2010 - 2030	
13. 34.4% total canopy cover before 2030	28.2% 2017	34.4% 2030

RESCUE RECOVERY

Where we want to be

How we are tracking

14. 10% reduction in tonnes of waste generation per household from 2019/20 levels before 2030	0.358t 2019/20	10% 2030
15. 80% recycling rates for municipal solid waste before 2030	37% 2018/19	80% 2030
16. 70% waste diversion from landfill before 2030	39% 2018/19	70% 2030
17. Council's operations will be free of unnecessary single use plastics before 2025	62,646 items purchased 2018/19	0 items purchased 2025

SUSTAINABLE TRANSPORT

Where we want to be

How we are tracking

18. 85% of residents and workers travel to and from work using modes of transport other than sole occupant vehicles before 2030	Residents	80% 2016	85% 2030
	Workers	50% 2016	85% 2030
19. 25% of households have no motor vehicles before 2030	16.4% 2016	25% 2030	
20. 50% of new private vehicles purchased by North Sydney Council residents will be of non-internal combustion engine vehicles before 2030	0.7% 2018	50% 2030	
21. Reduce Council's passenger and commercial fleet by 10% based on 2019 levels before 2030	2019: 111 vehicles 2030: 100 vehicles		
22. All of Council's passenger and commercial fleet, excluding specialised and earth moving equipment, is electric before 2030	0% 2020	100% 2030	



END OF TERM REPORT

MAYOR'S MESSAGE

Despite the challenges of the COVID-19 pandemic, the 2018-2021 term has been highly productive and Council maintained its momentum to deliver the outcomes in the Community Strategic Plan.

Our vision for a vibrant and strong North Sydney commercial centre is coming to life. New premium office towers have been completed or are under construction, attracting tenants such as Nine Media and Google.

Early in our term, Council resolved to progress the redevelopment of the North Sydney Olympic Pool. The design achieved a good balance between preserving heritage features and adding much-needed additional facilities. Construction began in February 2021 and is expected to be complete by late 2022.

2019/20 was the first year of our three year Special Rate Variation which enabled us to commit to an ambitious program to upgrade essential infrastructure. I am pleased to report that customer satisfaction with infrastructure maintenance increased across most indicators over the term.

In our open space, we started the upgrades identified in the St Leonards Park Masterplan, including the Oval forecourt, cricket practice nets, and upgrading of the Tunks Way Walkway that traverses the park. The opening of the Coal Loader Platform in March 2019 brought a significant increase in visitors to the site. The platform hosted many regular events including the popular Artisan Market, Sunset Sessions and the North Sydney Art Prize. The Coal Loader was added to the State Heritage Register in June 2021.

Our parks were well used throughout the pandemic with people visiting them for exercise and recreation. We celebrated the 30th season of the Twilight Food Fair in Ted Mack Civic Park, while events such as Bark in the Park and Sunset Series were well attended. Events were swiftly and successfully moved online during the lockdown periods.

One of the greatest challenges of this term was the volume of NSW Government infrastructure works in the area. In particular, we have felt the impact of the B-Line, Metro stations, Warringah Expressway upgrade, Western Harbour Tunnel and Harbour Bridge projects. Council has worked diligently behind the scenes to ensure the best possible outcomes both during and after construction.

This End of Term Report is a concise overview of progress made towards the collective long term vision, outcomes and strategies for North Sydney community. I am proud to present it to you.



Cr Jilly Gibson
Mayor of North Sydney



OUR VISION

Shaping a progressive, vibrant and diverse North Sydney community.

OUR MISSION

To be leading edge in serving the community of North Sydney by caring for its assets, improving its appearance and delivering services to improve its people in a financially, socially and environmentally responsible manner.

OUR VALUES

Sustainability - equity, preservation, justice and precaution

Community service - efficiency, effectiveness and responsiveness

Open government - transparency and accountability

Ethical conduct - honesty and integrity

Justice - fairness and equity

Quality - innovation and excellence

Teamwork - cooperation and respect

ABOUT THE END OF TERM REPORT

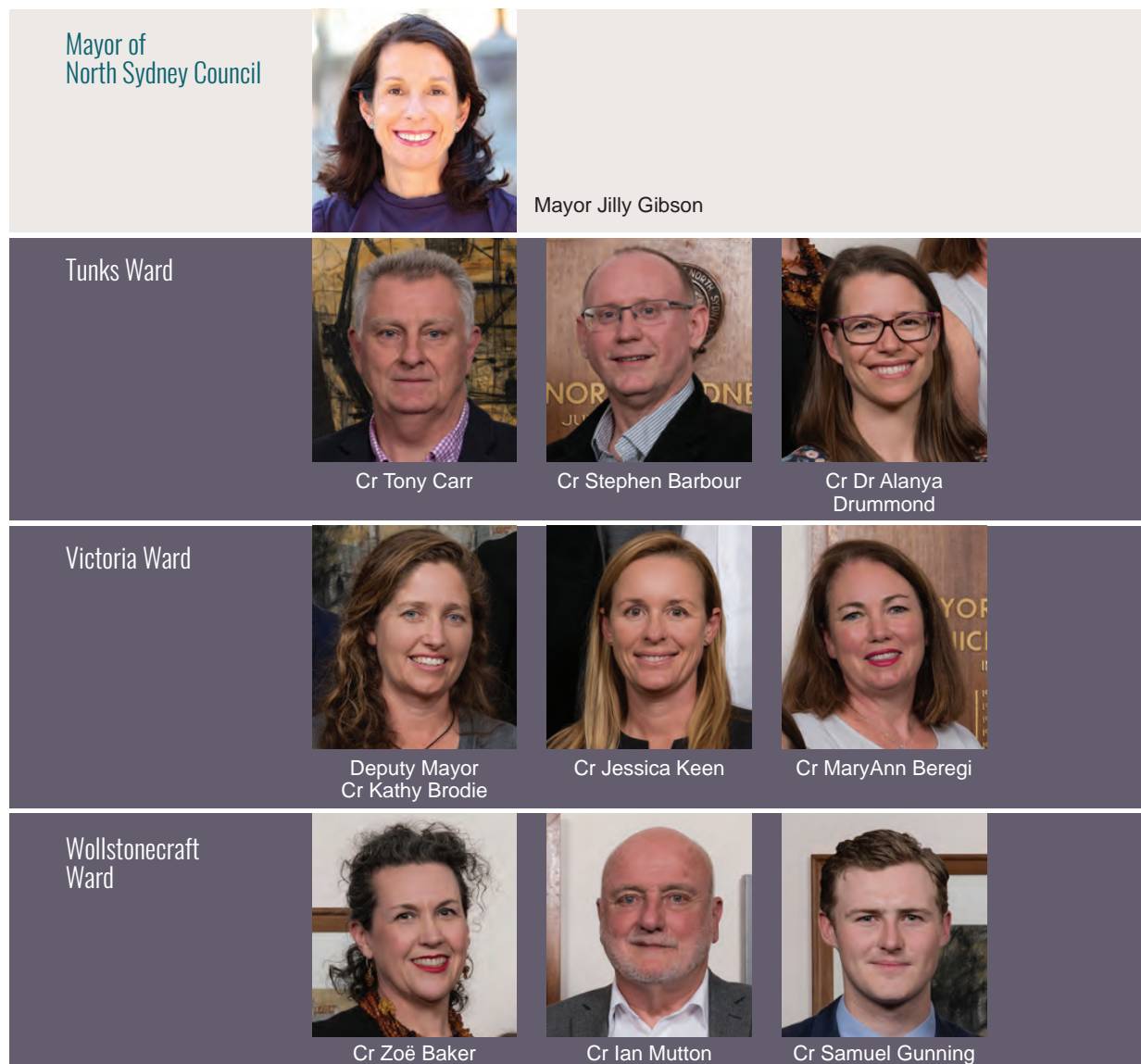
The *Community Strategic Plan 2018-2028* outlines the long term aspirational vision for the North Sydney community. While Council is the custodian of the plan, it is not wholly responsible for its implementation. Other partners, including state agencies, non-government organisations, businesses and community groups share this responsibility.

The End of Term Report 2021 reports on the progress made in implementing the first three years of the Community Strategic Plan. Prepared in accordance with the *Local Government Act 1993* and the *Integrated Planning & Reporting Guidelines*, it provides the incoming Council with a snapshot of progress to date towards achieving the community's vision for the North Sydney local government area.

This is the last time that NSW councils will be required to prepare an End of Term Report following a legislative amendment. Effective from the next term of Council, this will be named the State of our City Report, presented to the incoming term rather than the outgoing term of Council.

During the 2018-2021 Council term, North Sydney was governed by an elected Council comprising the popularly elected Mayor and 9 Councillors across the Tunks, Victoria and Wollstonecraft Wards.

Councillors for the 2018-2021 term are below:



Leadership and management of the Council is a collaborative effort between the Mayor, Councillors, the General Manager and staff. The General Manager, Ken Gouldthorp, is responsible for the day-to-day management of Council.

The Community Strategic Plan

The *North Sydney Community Strategic Plan 2018-2028* is Council's most important strategic document used to guide and inform its planning.

The CSP has five interrelated Directions. Each Direction details the desired outcomes addressing the community's aspirations for its future, detailed in the report. The Directions are listed below:

- Our Living Environment
- Our Built Infrastructure
- Our Future Planning
- Our Social Vitality
- Our Civic Leadership

The CSP must address all elements of the quadruple bottom line (QBL). That is social, environmental, economic and civic leadership (governance) sustainability elements.

Quarterly Reviews and the Annual Report

In addition to the End of Term Report, Council reviews and reports quarterly to the community on progress against the projects and actions in the annual Operational Plan and biannually against the performance against indicators in the Delivery Program.

The Annual Report is a statutory requirement which reports on Council's performance for the financial year of its term. The End of Term Report will be included as an appendix within the *2020/21 Annual Report*.

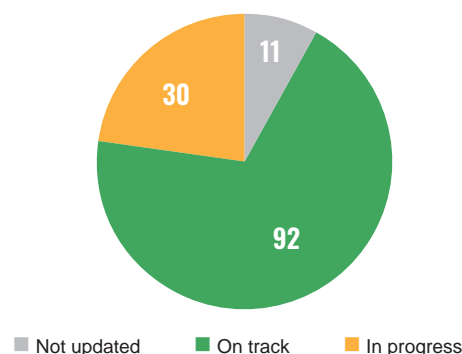
Progress Overview

The End of Term Report is divided into the five Directions of the CSP. It outlines by Direction where we want to be by 2028 and how we are progressing in achieving our objectives.

The report was prepared in-house. It reports on the indicators that had data available as at 30 June 2021.

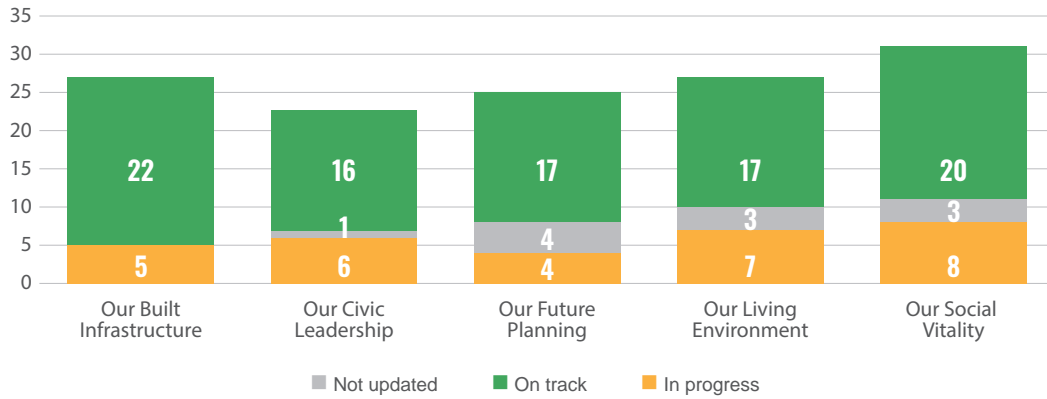
Of the total 133 indicators, 11 targets were not measured due to insufficient data availability. Of the 122 indicators measured, 75% (92) were on track and 25% (30) are in progress/target not yet met.

Overall Sustainability Indicator Result

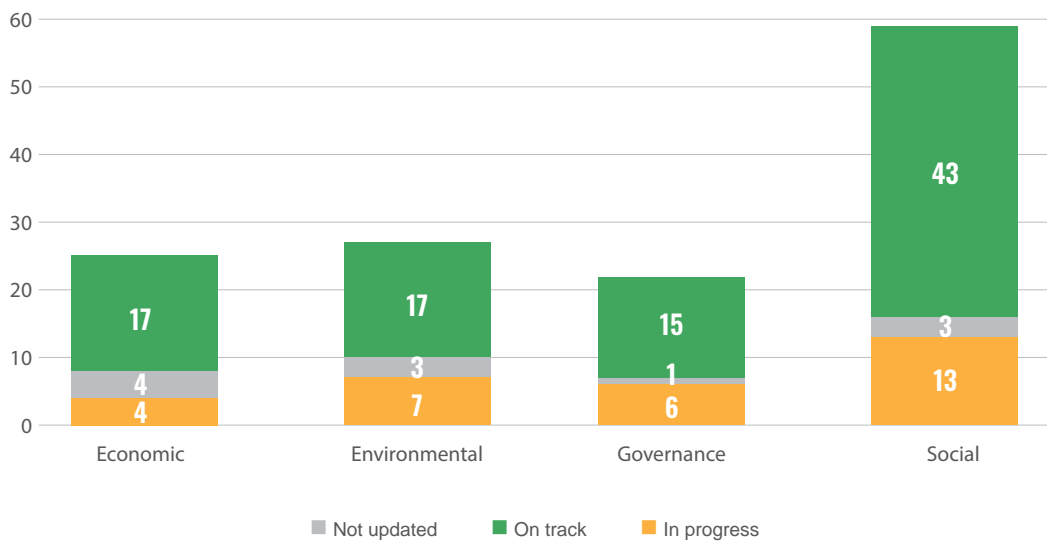


The indicators are shown below by Direction and by their link to the QBL.

Sustainability Indicators by Direction



Sustainability Indicators by QBL Link



Every effort has been made to ensure accuracy in processing, analysing and reporting the information provided. However, North Sydney Council gives no warranty that the information in this report contains no errors. Council shall not be liable for any loss or damage suffered consequent upon the use directly, or indirectly, of the information supplied in this publication.

The next section details highlights and achievements and the status of sustainability indicators by Direction.

PERFORMANCE SNAPSHOT



DIRECTION 1: OUR LIVING ENVIRONMENT

Where do we want to be by 2028?

- North Sydney is sustainable. The natural environment can sustain the effects of population growth, now and into the future.
- North Sydney's natural environment is defined by extensive bushland and the foreshore of Sydney Harbour, where foreshore access has been maximised.
- The North Sydney community actively looks after the environment for current and future generations ensuring that North Sydney remains clean and healthy. Participation in initiatives such as Bushcare, Streets Alive and community gardens has increased.
- North Sydney has built its resilience to natural hazards. North Sydney will reduce its environmental impact by making efficient use of energy and water resources; shifting towards renewable energy resources; conserving resources; and minimising waste.
- North Sydney's natural environment will be accessible to all, for a wide range of social and recreational opportunities that do not compromise environmental values.
- North Sydney will have a network of green spaces and corridors linking bushland, waterways and parks. Natural environments such as Balls Head, Berry Island, Tunks Park, Anderson Park, Cremorne Point Reserve and St Leonards Park are appealing and enjoyable. The Coal Loader Centre for Sustainability and its green roof platform is a hub for learning and meeting up with family and friends.
- Residents take advantage of North Sydney's many recreational opportunities. Access to recreational facilities has increased and supply better meets demand.
- Investigation of creative use of existing infrastructure to increase open space has resulted in premier new facilities, that balance residential lifestyle with user needs.

How are we progressing?

Outcome	Achievements/Highlights
1.1 Protected and enhanced natural environment and biodiversity	New Bushland Rehabilitation Plans were adopted in 2019/20 and are being implemented by staff, contractors and Bushcare groups.
	There are over 150 active Adopt-a-Plot and Wildlife Watch volunteers.
	Throughout the term, the <i>Native Havens</i> program supplied free local native plants, advice and ongoing visits and support to residents with havens on their private land.
	The condition of Council's bushland reserves continues to improve, particularly as wetter conditions help to drive germination and plant growth.
	There has been a 32% increase in volunteers in the HarbourCare Program since 2018/19, currently there are 52 volunteers. Over the past three years the number of sites has increased to 21 sites.
	Council continued to provide education programs for businesses and residents, including micro plastics beach audits and quarterly waster testing.
	During the pandemic, the Green Events program more than doubled its average number of participants to 76. The online workshop series was successful in attracting a new audience.

Outcome	Achievements/Highlights
1.2 North Sydney is sustainable and resilient	<p>Council prepared a <i>Coal Loader Platform Activation Strategy</i> (2018). The events program included Sunset Sessions, Artisan Markets, and private event hiring. There has been significant growth in visitors to the Coal Loader site. The site has won many awards in recent years, a testament to the vision, creativity and hard work that went into making the site a public asset that future generations can cherish. The site joined the State Heritage Register in 2021.</p> <p>In 2020, a new interpretive sign and sculptures were installed at Blues Point to promote marine biodiversity and water quality behaviours.</p> <p>Council continued to provide energy and water conservation community and business education programs, including the Better Business Program, CitySwitch for businesses and online education forums for residents.</p> <p>In July 2019, Council became the 30th Australian Council to declare a climate emergency requiring immediate action by all levels of government. The <i>Environmental Sustainability Strategy</i> (2021) was prepared following stakeholder engagement, setting targets for Council's own operations and the community to help achieve our environmental goals, including acting on Council's climate emergency declaration, protecting native plants and animals, looking after our waterways, reducing waste to landfill and using resources wisely and provides a roadmap to accelerate towards a carbon neutral future.</p> <p>Council adopted a <i>Single Use Plastics Policy</i> in 2019.</p> <p>There has been a reduction in recyclables collected from households due to the transition to digital/electronic communication, reducing paper usage. Similarly, the introduction of the container deposit scheme has significantly reduced beverage containers in the yellow bins.</p> <p>Approximately 10 water, energy and waste related community workshops/events were held each quarter over the last 3 years. Including composting and living with less. A total of 612 compost bins and worm farms were distributed to the community through Council's Compost Revolution Program.</p> <p>In 2018, the State Government banned the application of mixed waste organics outputs to land due to risks associated with contaminants. Previously waste collected from the North Sydney LGA was processed to generate compost for land application, resulting in a 62% recovery rate of materials otherwise destined to landfill. As a result, Council has no choice but to send all residual waste to landfill - waste to landfill has increased by 42% since 2016. Council is preparing for a food scraps trial in late 2021, targeting multi-unit dwellings encouraging them to divert food waste from landfill.</p> <p>There has been a significant decrease in greenhouse gas emissions by Council. Council installed a 95kW solar PV system and battery storage unit at Holtermann Street parking station in 2020/21. 35% renewal energy is now supplied to Council sites and street lights.</p> <p>Council continues to work cooperatively with NSROC on regional waste strategies, including joint programs and activities.</p>
1.3 Quality urban greenspaces	<p>Council implemented its <i>Street Tree Strategy</i> (2016), completing the street tree audit in 2020 and planting over 1500 new or replacement street trees over the term.</p> <p>Community awareness of Council's <i>Urban Forest Strategy</i> (2018) has increased. Council has retained a 50% canopy cover over public land and continues to increase planting on land under its jurisdiction. Current focus is on encouraging increased planting on private land.</p> <p>In early 2020, Council adopted significant amendments to the tree protection conditions in the Development Control Plan to reverse the trend of canopy loss.</p> <p>The community garden program doubled with four new sites added. These included Brightmore Reserve on Little Young Street and Anzac Park, bringing together 438 volunteers to produce an abundance of fruit and vegetables.</p> <p>There are over 160 Streets Alive sites across the LGA with approximately 380 volunteers.</p>

Outcome	Achievements/Highlights
1.4 Public open space and recreational facilities and services meet community needs	Robertson's Point Lookout at Cremorne Reserve was upgraded in 2019/20. Henry Lawson Steps were upgraded in 2020/21.
	The upgraded amenities block and wastewater system at Blues Point Reserve was reopened in July 2020.
	Soft landscape works and installation of furniture was completed at Tunks Park in 2020. The turf at Milson Park was upgraded ahead of schedule in 2019/20.
	The Forsyth Park oval playing surface was upgraded in 2019/20, including new irrigation, synthetic cricket pitch, turf and drainage.
	The Gadyan walking track at Berry Island was upgraded in 2019/20.
	In accordance with Council's <i>Playground Methodology</i> (2015), several playgrounds were upgraded, including Warringa Park completed in 2019/20, the custom designed playground at Sirius Street Reserve completed in 2019/20 and the St Thomas' Rest Park Playground completed in 2020/21 with new and refurbished play equipment. Consultation has been conducted for the Grasmere Children's Park upgrade. The draft <i>Playgrounds Plan of Management</i> was reported to Council early 2021.
	Plans of Management were prepared for St Leonards Park Bushland, Cremorne Reserve and Neighbourhood Parks in late 2020.
	Landscape improvements were completed at Hayes Street Beach in 2019/20.
	Foreshore works including pathways, park furniture, lawn grading and restoration of the memorial was completed in Anderson Park.
	The <i>Small Water Craft Storage Strategy</i> was adopted by Council in 2018. Storage was constructed at Sawmillers Reserve following community consultation. The Milson Park boat ramp was upgraded.
	The new video screen/scoreboard was installed at North Sydney Oval in 2020.
	The pandemic disrupted Oval operations in 2020/21. Despite this, the Oval hosted sporting events including the Women's WBBL tournament and mens T20 cricket matches. It remains the home ground for the North Sydney Bears, Northern Suburbs Rugby Union and the North Sydney District Cricket Club with home ground matches played at the Oval in 2020/21.
In 2019/20, Bon Andrews won Sportsground of the Year. Tunks Park placed second.	
Council was granted a temporary lease for the ex-Waverton Bowling Club site, in response Council consulted on preferred uses of the site. Further action has not yet commenced due to a land title claim.	
Council's support of Wendy Whiteley's Secret Garden continued.	
Council continued to advocate for the Sydney Harbour Highline project.	



Sustainability Indicators



CODE	INDICATOR	TARGET	ACTUAL	STATUS
EN01	% bushland under active management	100%	100%	●
EN02	Condition of bushland	100	100	●
EN03	Proportion of North Sydney with native vegetation	5%	5%	●
EN04	No. fauna species listed as threatened	4%	4%	●
EN05	No. fauna species listed as endangered	1%	1%	●
EN06	% participants satisfied with environmental education programs	80%	93%	●
EN07	No. participants in residential, school, community groups and business sustainability programs	2,601	2,562	●
EN08	% compliance with the Australian and New Zealand Environment Conservation Council (ANZECC) guidelines for water quality at Council's water quality monitoring sites	≥ 70%	67%	●
EN09	% decrease in electricity use by residents v 2016/17 levels	≥ 0%	0.3%	●
EN10	% decrease in electricity use by businesses v 2016/17 levels	≥ 12%	15%	●
EN11	% increase in residential recyclables collected v 2016/17 levels	95kg /person /capita	79kg /person /capita	●
EN12	increase in residential waste diverted from landfill v 2016/17 levels	100kg /person /capita	171kg /person /capita	●
EN13	% reduction in water use by residents v 2016/17 levels	≥ 0%	1%	●
EN14	% reduction in water use by businesses v 2016/17 levels	≥ -7%	NA	●
EN15	% households collecting waste water	≥ 0.00	NA	●
EN16	% reduction in water use by Council v 2016/17 levels	> 0%	10%	●
EN17	% reduction in greenhouse gas emissions generated by the community v 2016/17 levels	> 0%	1%	●
EN18	% reduction in greenhouse gas emissions generated by Council v 2016/17 levels	> 0%	15%	●
EN19	% increase in renewable energy generated by Council v 2016/17 levels	≥ 0%	202%	●
EN20	Megalitres of recycled water from rainwater tanks, stormwater harvesting or other recycling facilities at parks/open spaces, Council buildings and community facilities	≥ 29ml	30ml	●

CODE	INDICATOR	TARGET	ACTUAL	STATUS
EN21	% North Sydney which has tree cover	> 34%	27%	●
EN22	% users satisfied with Council's recreation facilities	≥ 82%	82%	●
EN23	% users satisfied with North Sydney Olympic Pool	≥ 83%	49%	●
EN24	% dwellings within walking distance of open space	≥ 90%	NA	●
EN25	% residents satisfied with the maintenance of parks, ovals and bushland areas	≥ 89%	91%	●
EN26	Residents per hectare	≥ 64.51	72	●
EN27	No. visitors to Coal Loader Centre for Sustainability	≥ 82,818	201,247	●





DIRECTION 2: OUR BUILT INFRASTRUCTURE

Where do we want to be by 2028?

- North Sydney has adequate infrastructure to support population growth. Our existing assets are well maintained and new assets are constructed to meet community needs. The community has pride in our assets.
- North Sydney Olympic Pool complex has been redeveloped, bringing improved facilities and services to meet community needs now and for generations to come.
- Our public domains are improved spaces for community use, adding to the vibrancy and diversity that North Sydney offers. The much valued 'village feel' of each of the smaller commercial centres has been enhanced.
- The way people move around North Sydney will have improved. North Sydney has integrated transport system that make it easy to get to and around the local government area. North Sydney has a wide choice of transport. People can cycle, walk, take public transport or drive a vehicle. Public transport is efficient offering a good alternative to cars. Car ownership will decrease as more people take up car share options. Bike share, whilst still a self-governed model, will be well maintained, well utilised and not perceived as an eye sore.
- Access to parking will always be important in an established area in which many of the buildings were built before cars were readily affordable. Strategies to provide efficient access to both on and off street parking will be continuously investigated.

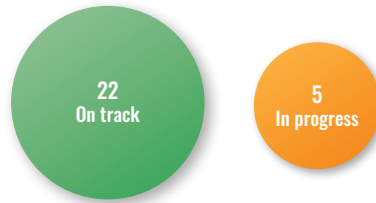
How are we progressing?

Outcome	Achievements/Highlights
2.1 Infrastructure and assets meet community needs	<p>All capital works programs committed to in the respective Asset Management Plans (per asset class) were completed annually, including increase asset renewal levels funded through the Special Rate Variation (SRV).</p> <p>Several major marine structure works programs were completed over the term, including the Sawmillers and Hayes Street boardwalk projects, completed Q2 2020/21. The Jeffrey Street Wharf and Lower Wycombe Road Jetty structures were completed in 2018/19. Tunks Park boat ramp resurfacing, completed 2018/19.</p> <p>The <i>Living Seawalls Program</i> partnership with Macquarie University and the Sydney Institute of Marine Science led to the installation of 'habitat tiles' on seawalls along Sawmillers Reserve and Bradfield Park which are now colonised by several species of fish; limpets, chitons, snails, oysters, barnacles, mussels and algae.</p> <p>Council negotiated close to \$20M cash and in-kind contributions from the State Government to upgrade the public domain along the Military Road Corridor following completion of the B-Line project. This include the planting of 180 new trees, including more than 80 mature trees planted to replace those removed in 2017 for the B-Line. 5,175m² of footpath paving has been upgraded in the Neutral Bay and Cremorne domain upgrades. Other streetscape improvements included new furniture, landscaping and decorative lighting.</p> <p>Public domain improvements along the Parraween Street carpark frontage were completed in April 2020.</p> <p>In 2020 the Ward Street Carpark transferred back to Council's control adding over 500 spaces to Council's car parking portfolio, significantly increasing fees and charges revenue.</p>

Outcome	Achievements/Highlights
	<p>Over the past 3 years, Council has received more than \$25M in grant funding for infrastructure works.</p> <p>Council participates in a joint regional local emergency management planning.</p> <p>Several major incidences occurred during the term, including a major storm event in November 2018 identified by the Bureau of Meteorology as a 100 year event, a building collapse at 133 Alexander Street, Crows Nest in January 2021 and a retaining wall collapse at French Street McMahons Point in March 2021. Council responded to each event.</p> <p>Council has commenced preparation of a Floodplain Risk Management Study & Action Plan, to better understand how flooding occurs in the LGA and to identify measures to improve the current flood situation.</p> <p>Council resolved in March 2019 to progress the redevelopment of the North Sydney Olympic Pool complex. Council has received \$15M in grant funding towards this project. The construction contract was awarded in December 2020. Construction commenced in February 2021 and is due to be completed by late 2022.</p>
2.2 Vibrant centres, public domain, villages and streetscapes	<p>Council progressed implementation of its <i>Public Amenities Strategy</i> (2018), including amenities upgrades in Alexander Street Carpark and Neutral Bay Community Centre.</p> <p>Council implemented the North Sydney CBD Upgrade Program including public domain works along the Pacific Highway and the old North Sydney Court House and Post Office precinct.</p> <p>Implementation of the <i>Education Precinct Public Domain Masterplan</i> (2014) included upgrades to Mount and Edward Streets including new street furniture, landscaping, raised crossings, paving and decorative lighting.</p> <p>The Grosvenor Street shared zone in Neutral Bay was completed in July 2020.</p> <p>New Paving and Public Domain were completed in Atchison Street St Leonards in 2020.</p> <p>The Mount Street Public Domain Upgrade was completed May 2019.</p> <p>The St Peters Park upgrade was completed in 2019 showcasing a public art centrepiece "Reflections" by Damian Butler.</p> <p>Council is preparing a Lighting Strategy to provide a strategic approach to public domain lighting through design principles.</p> <p>Council has partnered with Ausgrid to upgrade all street lighting across the LGA with LEDs.</p> <p>Footpath, lighting and landscape upgrades progressed along Willoughby Road and Burlington Street, Crows Nest, partially funded by the Crows Nest Mainstreet Levy.</p> <p>Council trialled the closure of a portion of Young Street, Cremorne to create a public plaza. In June 2021, Council resolved to proceed with a permanent road closure and plaza, adding much needed open space along the Military Road Corridor.</p> <p>Council undertook a <i>Zebra Pedestrian Crossing Audit</i> of all 82 zebra crossings in the LGA in 2019. Upgrades have commenced on crossings identified as not meeting lighting codes or standards.</p> <p>The St Leonards 'Breathing Wall' opened in June 2018 as part of the Mitchell Street Plaza upgrade. The double-walled structure is filled with nearly 6,000 plants, filtering out vehicle exhaust and volatile organic compounds to produce cleaner air. The project was a world first, which is subject to ongoing air quality testing by UTS.</p>
2.3 Sustainable transport is encouraged	<p>During the term, Council implemented the <i>Integrated Cycling Strategy</i> (2014), consulting a number of proposed walking, cycling and streetscape upgrade projects to complete Strategy's identified priority routes, including Ernest Street (completed 2020), Young Street and Kirribilli to Cremorne (currently on hold). Construction of the Ridge Street cycle path was completed 2020/21.</p>

Outcome	Achievements/Highlights
	<p>Bike rails were installed across the LGA, including at Neutral Bay Village Centre, Blue Street, North Sydney, Alexander Street, Crows Nest, and Cremorne. Older non-compliant rails were removed and/or replaced.</p> <p>Council collaborates with neighbouring LGAs to conduct monthly community activation events encouraging walking and cycling, including production of the Lower North Shore Cycling Map, and the annual Bike Brekkie events.</p> <p>Council continued to work with local schools to implement and improve walk and ride to school programs.</p> <p>A key concern raised in development of the CSP in 2017 were that bikes owned by bike share operators were littering the LGA. Council supports share bike usage, and now can manage share bikes on public land that pose obstruction/safety risk enabling Council to remove the poorly managed operators from the LGA over its term.</p> <p>Various transport initiatives and advocacy opportunities were pursued in accordance with Council's <i>Transport Strategy (2017)</i>, including active NSROC Transport Leadership Group membership, participation in the development of a <i>Northern Sydney Transport Infrastructure Strategy</i> and detailed submissions responding to the stages of the Western Harbour Tunnel and Beaches Link. Council participates in the North Sydney Integrated Transport Program (NSITP) with relevant state agencies to address the impact of the metro and proposed public space, transport and traffic changes.</p> <p>In April 2020, Council adopted its <i>40km/h and 10km/h Shared Zone Masterplan & Action Plan</i>, identifying opportunities to progressively implement 40km/h speed limit zones and 10km/h Shared Zones throughout the LGA.</p> <p>Road safety initiatives were rolled out over the term. The Road Safety Newsletter, road rule reminders, and promotion of the Be Bus Aware campaign received very positive feedback from schools. Slow down signs rolled were out in response to resident requests. Requests and positive feedback continued for the annual Road Safety Calendars. The child car seat program was run annually.</p> <p>Council continued to monitor advances in travel options ride share and car share schemes, adopting the <i>Taxi & Ride Sourcing Strategy</i> in March 2020. Council has installed 10 electric vehicle (EV) charging stations since 2018, at Alexander Street, Holtermann Street, Hume Street, Nicholson Street and Ridge Street carparks.</p>
2.4 Improved traffic and parking management	<p>Council implemented the <i>Integrated Traffic & Parking Strategy (2015)</i> through its suite of <i>Local Area Traffic Management Plans (LATMs)</i> and various parking restriction reviews.</p> <p>New and upgraded traffic, pedestrian and cycling facilities, included the projects below:</p> <ul style="list-style-type: none"> • Federal Blackspot Funding for the Kurraba Road pedestrian crossing upgrade, Ben Boyd Road traffic calming, Lavender Street pedestrian crossing upgrade and Morton Street/ Hazelbank Road kerb extensions in 2020/21 • State Government funding for pop-up public plazas and the trial partial closure of Miller Street (per the <i>North Sydney CBD Public Domain Strategy</i>) and Burton Street, Kirribilli in line with the <i>Kirribilli Village Centre Masterplan</i> adopted in 2021 • State Government funding was sourced to upgrade 11 pedestrian crossings outside schools across the LGA. <p>Council trialled street play under the State Government's Streets as Shared Spaces Program. Holding five events across the LGA in late 2020.</p> <p>Council's <i>Car Share Policy</i> governs management of car share programs across the LGA, the number of car spaces for car sharing was increased.</p>

Sustainability Indicators



CODE	INDICATOR	TARGET	ACTUAL	STATUS
S01	% residents satisfied with the maintenance of local roads and footpaths	≥ 71%	73%	●
S02	% businesses satisfied with maintenance of local roads and footpaths	≥ 70%	73%	●
S03	% residents satisfied with cleanliness of local roads and footpaths	≥ 81%	82%	●
S04	% businesses satisfied with cleanliness of local roads and footpaths	≥ 70 %	73%	●
S05	% roads in 'excellent' or 'good' condition	≥ 70%	72%	●
S06	% footpaths in 'excellent' or 'good' condition	≥ 28%	67%	●
S07	% drainage in 'excellent' or 'good' condition	≥ 68%	86%	●
S08	Tonnes of rubbish removed by Council pollution control devices	≥ 325t	539t	●
S09	% residents satisfied with accessibility and appearance of public areas	≥ 76%	73%	●
S10	% residents satisfied with the look and amenity of North Sydney	≥ 76%	88%	●
S11	% businesses satisfied with the look and amenity of North Sydney	≥ 78%	79%	●
S12	% workers taking public transport to work	≥ 36.2%	39.9%	●
S13	% workers walking or cycling to work	≥ 13.2%	12%	●
S14	% residents taking public transport to work	≥ 44%	48%	●
S15	% residents walking or cycling to work	≥ 7.4%	6.7%	●
S16	No. cars registered in North Sydney	< 23,265	24,877	●
S17	No. car share memberships in North Sydney	≥ 5,000	7,679	●
S18	% residents satisfied with pedestrian and cycle paths	≥ 54 %	52%	●
S19	Length of cycling paths (sufficient to improve the % of all trips in LGA made by walking and cycling)	≥ 254m	2,669m	●
S20	% residents satisfied with traffic flow throughout North Sydney	≥ 46%	63%	●

CODE	INDICATOR	TARGET	ACTUAL	STATUS
S21	% residents satisfied with parking provision	≥ 35%	46%	●
S22	% businesses satisfied with parking provision	≥ 33%	35%	●
S23	No. road traffic fatalities	0	0	●
S24	No. road traffic major injuries	< 46	27	●
S25	No. pedestrian fatalities	≤ 2	2	●
S26	No. pedestrian injuries	< 20	25	●
S27	No. traffic collisions within North Sydney per year	< 216	138	●





DIRECTION 3: OUR FUTURE PLANNING

Where do we want to be by 2028?

- North Sydney is a great place to do business. North Sydney has a reputation as a business location. North Sydney enjoys strong economic growth and balances it with environmental and social wellbeing.
- North Sydney encourages innovation and entrepreneurship. It has grown its local ecosystem. People, investment and businesses are attracted to North Sydney from throughout Australia and the world. North Sydney has digital networks that connect people to each other and to the information and services they need.
- The North Sydney CBD is prosperous and vibrant. It attracts businesses and visitors and forms a commercial hub for the region, NSW and Australia.
- Street life and night time economy are important elements of North Sydney's character. The economies of our village centres are dynamic and thriving, creating focal points for our communities.
- North Sydney is a prime tourist destination, with diverse attractions that highlight North Sydney's best features.
- North Sydney has a distinctive identity and heritage. Buildings, commercial centres and neighbourhoods are attractive and sustainable. They fit well with the surrounding built and natural environment. North Sydney preserves and protects its historic buildings and architecture.
- Many types of housing are available, meeting the differing needs of individuals and families, including being affordable.

How are we progressing?

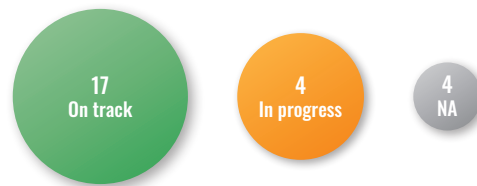
Outcome	Achievements/Highlights
3.1 Prosperous and vibrant economy	<p>Implementation of the <i>Economic Development Strategy</i> (2016) continued, including establishment of a dedicated economic development function.</p> <p>Business Network events were held quarterly between 2018 and 2020, transitioning online during the height of the pandemic, providing skills development and networking opportunities to support local small to medium enterprises.</p> <p>Council continued to distribute the <i>Business e-News</i> monthly.</p> <p>Following extensive stakeholder engagement, café and restaurant trading hours were extended and small bars permitted in Kirribilli and Milsons Point.</p> <p>Council adopted its first <i>Visitor Economy Strategy</i> (2019) following extensive stakeholder engagement, outlining the long-term vision and actions required to enhance the local visitor economy, with focus on increasing the length of stay of visiting friends and relatives and promotion of existing world-class tourism attractions and experiences.</p> <p>Council supports the <i>Bondi to Manly Walk</i>, hosting the launch event in December 2019.</p>

Outcome	Achievements/Highlights
<p>3.2 North Sydney CBD is one of NSW pre-eminent commercial centres</p>	<p>Council prepared a range of plans and studies to strengthen the competitiveness of the North Sydney CBD following extensive stakeholder engagement, including:</p> <ul style="list-style-type: none"> • <i>The North Sydney CBD Public Domain Strategy (2020)</i> which included the development of a <i>Place Book (2019)</i>, with the objective to create a more engaging and pedestrian focused CBD, offering a greater range of unique public spaces for workers, residents, students and visitors, underpinned by a comprehensive <i>CBD Transport Masterplan</i>. • The <i>Ward Street Masterplan (2019)</i> to deliver much needed public domain and amenity improvements to the North Sydney CBD including Miller Place a new 7,450m² public plaza outside the Metro Station and the closure of Miller St between Berry St and the Pacific Hwy, a knowledge and cultural hub and fine-grain “eat streets” to foster the emerging CBD 18-hour economy. This offers commercial growth opportunities and is expected to generate 5,000 additional jobs. The pandemic has delayed implementation. • The <i>Central Laneways Strategy (2017)</i> which will turn Denison, Mount, Hill, Spring and Little Spring Streets into pedestrian areas or shared zones. This work commenced with the opening of 100 Denison Street in 2020. • The <i>Civic Precinct & Surrounds Planning Study (2019)</i> which provides a planning framework, strengthening Council’s position in managing future development in the area incorporating popular community facilities such as Stanton Library, St Leonards Park, the North Sydney Community Centre and local schools. <p>Council participated in the North Sydney Integrated Transport Program (NSITP) with relevant State agencies to address the impact of the Metro arrival and proposed public space, transport and traffic changes.</p> <p>Commercial floorspace in the North Sydney CBD increased by 10,702sqm from July 2017 to January 2020 to 824,767sqm.</p> <p>The NTH SYD events program, part of the North Sydney CBD Marketing Campaign was moved online during the pandemic including live streamed music and tea-break trivia.</p> <p>The proportion of businesses satisfied with Council’s business processes declined by 8% between 2016 and 2020. Results were most favourable amongst accommodation providers, restaurants, and cafes.</p>
<p>3.3 North Sydney is smart and innovative</p>	<p>Council adopted the first <i>Smart City Strategy (2019)</i> for the LGA, setting out the vision, principles, and priorities which will guide Council’s digital transformation journey. The Strategy received Highly Commended at the AU/NZ Smart Cities Council Awards (2020). 12% of the 3-year Action Plan was completed, with 28% on-track/progressing and 40% behind schedule as at June 2021.</p> <p>Council continued to support the <i>North Sydney Innovation Network</i>, including Steering Committee representation.</p> <p>A research project commenced late 2020, mapping local start-ups and identifying their needs through the establishment of a local ecosystem. This included the inaugural Start-Ups Breakfast Networking Event in early 2021.</p> <p>Council partnered with Regional Development Australia and UTS to audit co-working spaces within the LGA, conducting a RoundTable event in 2020.</p>
<p>3.4 North Sydney is distinctive with a sense of place and quality design</p>	<p>Council adopted its <i>Placemaking Policy</i> in 2019, outlining its commitment and approach to placemaking.</p> <p>Council’s <i>Design Excellence Panel</i> continued to provide independent, expert advice from leading practitioners on major commercial, mixed use and residential development proposals, strategic planning matters and public domain designs.</p>

Outcome	Achievements/Highlights
	<p>Council reviewed its strategic plan-use planning framework to support the employment and housing targets of the Greater Sydney Commission's <i>North District Plan</i>. This included preparation, public exhibition, and adoption of the <i>North Sydney Local Strategic Planning Statement (2020)</i> and <i>Local Housing Strategy (2019)</i>, and initiated amendments to its <i>Local Environment Plan</i> and <i>Development Control Plan</i>. The <i>Local Strategic Planning Statement</i> sets the 20-year vision for land use in the LGA, the special character and values that will be preserved and how change will be managed in the future.</p> <p>Council's <i>Infrastructure Contributions Plan</i> was readopted in 2021, following reviews of its developer contributions framework.</p> <p>The first phase of the <i>Military Road Corridor Planning Study</i> progressed focusing on Neutral Bay. Following several stages of engagement with mixed feedback, it was adopted in 2021. The project provides a framework for ongoing discussion with landowners about the redevelopment of the Neutral Bay Town Centre. It promotes managed jobs and housing growth, while maintaining the much-loved village atmosphere. The project's next phase will focus on the Cremorne Village Centre.</p> <p>Council participated in the State Government's Priority Precinct planning process in St Leonards/ Crows Nest, advocating its planning principles for the area. Planning is underway to redevelop Holtermann Street carpark with public open space at ground level.</p> <p>Council led a community campaign in 2020 advocating to increase the public benefit and traffic improvements for the North Sydney community in the roll out of the State Government's <i>Western Harbour Tunnel and Beaches Link</i> project.</p> <p>Council implemented an electronic development application lodgement system in late 2019, gradually phasing out hard copy plans.</p> <p>Council met the State Government's requirement to prepare a community participation plan by updating its <i>Community Engagement Protocol</i> in 2019.</p>
3.5 North Sydney is regulatory compliant	<p>In accordance with its statutory functions, Council continued to regulate activities to minimise building impacts on the environment and public health.</p> <p>Council staff assisted with implementation of Public Health Orders throughout the pandemic, including food shop inspections at no cost and provision of free COVID-19 safety floor decals to cafes, restaurants, and takeaways.</p> <p>Council continued to implement its <i>Construction Works Management Strategy (2017)</i> for out of hours works.</p> <p>In accordance with its statutory functions, Council assisted with animal control, and promoted pet desexing through its companion animal owner's education program.</p> <p>Council provides numerous off leash areas for dogs.</p> <p>Parking patrols were harmonised across resident parking areas in 2019.</p>



Sustainability Indicators



CODE	INDICATOR	TARGET	ACTUAL	STATUS
EC01	Gross Regional Product growth in North Sydney	Baseline	\$21.4B	●
EC02	Investment in North Sydney	Baseline	\$2.54M	●
EC03	No. businesses by industry	≥ 15,278	16,384	●
EC04	Business entries	Baseline	591	●
EC05	Business exits	Baseline	334	●
EC06	Local estimates of unemployment (unemployment rate)	≤ 3.10%	4%	●
EC07	% residents working and living in North Sydney as a proportion of employed residents living in North Sydney	≥ 3 %	14%	●
EC08	Office and retail vacancy rates (CBD and local centres)	≤ 7 %	8%	●
EC09	% vacant A grade office space	< 8	8	●
EC10	Ratio of A grade office space to overall office space	Baseline	30%	●



CODE	INDICATOR	TARGET	ACTUAL	STATUS
EC11	Ratio of commercial to residential in mixed use zones	Baseline	NA	●
EC12	% businesses that feel North Sydney is a good place to do business	Baseline	88%	●
EC13	Net growth of commercial floor space	Baseline	821,132sqm	●
EC14	Dollar value of commercial construction	Baseline	\$684M	●
EC15	% residents satisfied with community involvement process with economic development	≥ 48%	40%	●
EC16	% businesses satisfied with Council's business processes	Baseline	55%	●
EC17	No. visitors (international and domestic)	> 256,189	252,056	●
EC18	No. major conferences (international and national)	Baseline	NA	●
EC19	Accommodation (commercial) - occupancy rates (last 5 years)	Baseline	68,039	●
EC20	Accommodation (commercial) - guest nights (last 5 years)	Baseline	828,717	●
EC21	Net growth of commercial floor space in the CBD	Baseline	855,308	●
EC22	% businesses engaged in knowledge sector	Baseline	NA	●
EC23	% employees engaged in knowledge sector	Baseline	NA	●
EC24	No. new small business start ups	Baseline	37	●
EC25	% of residents satisfied with the look and amenity of the public domain	Baseline	73%	●





DIRECTION 4: OUR SOCIAL VITALITY

Where do we want to be by 2028?

- North Sydney's social wellbeing continues to improve. Residents enjoy a good quality of life and the fantastic lifestyle that North Sydney offers. Community members have access to the information and support services they need.
- Our community centres are valued hubs providing a wide range of services including evening classes, playgroup and before and after school care. Stanton Library continues to provide high quality services to meet the community's changing cultural, recreational and educational needs.
- North Sydney is a place where people can learn, get together with others and feel like they belong. North Sydney is a place that values and celebrates its culture and diversity. North Sydney enables all people to participate fully in community life.
- Our education facilities are first class and cater for the growing demands of the local area. Education facilities are also used out of hours to maximise access to community facilities.
- North Sydney is a place where people feel safe and live free from crime.
- The residents of North Sydney live healthy lives. Residents have access to good quality medical care and support services, including assistance to age in place.
- North Sydney is known for its full calendar of events. From weekend markets to festivals there is always something happening that adds to North Sydney's vibrancy and colour.
- North Sydney is a hub for creativity. Arts and culture are encouraged. North Sydney offers a range of arts and cultural amenities that cater to all tastes.
- North Sydney's history and heritage is preserved, promoted and celebrated, including the rich Aboriginal heritage of the area.

How are we progressing?

Outcome	Achievements/Highlights
4.1 North Sydney is connected, inclusive, healthy and safe	<p>Council provides community information in a variety of languages. A translating and interpreting service is provided for all community information brochures.</p> <p>Council participated in the local Liquor Accord presenting on late night trading, New Year's Eve and Alcohol Free Zones.</p> <p>Improvements were made to community facilities including installation of solar powered lighting in the Primrose Park carpark improving visibility and safety. An upgrade of the playground at Forsyth Park Child Care Centre was completed in 2020/21.</p> <p>In accordance with Council's <i>Disability Inclusion Action Plan</i>, accessibility improvements were made at Primrose Park Art and Craft Centre and the Heritage Bus Shelter on the corner of Ridge and Miller Streets. Accessible signage was installed at the Council Chambers. International Day of People with Disability was celebrated annually.</p> <p>The annual North Sydney Seniors Festival continues to be popular. Council as part of the Aged and Disability Network prepare an annual program of diverse events. Council's Senior e-newsletter is distributed quarterly promoting services, news and upcoming events.</p>

Outcome	Achievements/Highlights
	<p>The Neutral Bay Centre has been revitalised. Historically, the Centre was run by the tireless work of volunteers. The increased demand for the Centre's space and resources called for additional help. Council temporarily provided support to facilitate a new program of classes and to form a new volunteer board to steer the Centre going forward.</p> <p>Council works with NSW Health and the Police to support vulnerable community members, including via the local case-coordination network chaired by St George Community Housing with representatives from Mission Australia, Sydney North Primary Health Network and NSW Police.</p> <p>Planet X Youth Centre is involved in the Healthy Relationship joint regional program. Evening family support sessions are coordinated for parents of young people at the local youth refuge. The main issues faced by local youth are low school attendance/absenteeism and struggles with studies, substance use, and family conflict.</p> <p>There are currently 24 Family Day Care educators operated by Council. There was no notable drop in enrolments during the pandemic. Parents appreciated the ability to work remotely without childcaring responsibilities, needing to retain the child's familiarity with the care environment to promote educational development.</p> <p>Council provides access to childcare through 10 of its community facilities. Not for profit services are prioritised, ensuring affordable service availability with high quality assessment outcomes through the National Child Care Quality Framework.</p> <p>Council fully or partially owns 25 properties with 130 tenancies for affordable housing. 68% of tenants are over 50 years of age, 45% have a disability and 20% of tenants have been there for more than 15 years.</p> <p>Council celebrated Harmony Week annually. Over 130 people attended the 2019 breakfast event with Dr Al Muderis and Antoinette Unwerra from the Asylum Seekers Centre. Roje Ndayambaje gave a moving poetic performance. In March 2021 Council held a COVID-19 safe event, with works by the Don Bank Writers-in-Residence and special guests, Hani Aden and Divya Venkataraman.</p> <p>Council raises awareness of LGBTQIA+ through its Welcome Here Project celebrating Pride Month, special Storytime sessions celebrating diverse families and identities and by broadcasting Drag Storytimes on Instagram to celebrate Mardi Gras.</p> <p>Council's annual <i>Lost Bird Found Project</i> raises the profile of mental health, connecting people with services. Council invited groups and community members to make their own birds and share messages of hope, distributed across the LGA for people to find.</p> <p>The long running Creating Wellbeing program continued. During the COVID-19 pandemic, the artist tutors posted packs to participants.</p> <p>Council is an active member of the Lower North Shore (LNS) Child and Family Interagency collaborating on the <i>Crows Nest Safe Village Project</i>. Council works with the LNS Domestic Violence Network, who organised a three-part Coercive Control and Domestic Abuse digital masterclass for the NSROC region.</p> <p>Feeling safe in North Sydney was one of the top satisfaction results in the 2020 <i>Customer Satisfaction Survey</i>.</p>
4.2 North Sydney is creative and home to popular events	<p>Council's <i>Arts & Cultural Strategic Plan</i> was finalised in 2019, with three key directions - to provide creative spaces and opportunities, enable creative expression and cultural experiences and support diversity and inclusiveness. The <i>Arts and Culture Guide</i> was produced annually in hard copy and digital formats.</p> <p>The <i>North Sydney Art Prize</i> is held biennially. In 2019, 115 finalists were selected from an incredible 411 entries. Selected works are exhibited across the Coal Loader site and surrounding parklands.</p>

Outcome	Achievements/Highlights
	<p>The exhibition <i>2060 Homeward Bound</i> held in March 2021 showcased the breadth of artist creativity in North Sydney through a series of small to large scale exhibitions. There were 150 works including installations, sculpture, new media, painting, drawing, printmaking, photography, textiles, basketry, paper making and contemporary jewellery across five Council venues. The exhibition attracted over 5,000 visitors to the LGA.</p>
	<p>Council supported artists to develop their professional practice by providing two low-cost studio programs and one artist in residency program.</p>
	<p>Council began preparation of the <i>Public Art Masterplan</i>, while more works were added to the <i>North Sydney Public Art Trail</i>.</p>
	<p>The <i>North Sydney Events Strategy</i> was adopted in late 2019, acknowledging the role Council plays in supporting local, regional and national/international events initiated by other third parties and outlining Council's commitment to support long -running community events, and to introduce new innovative events. New events over the term included the Spring Sounds on the Platform in 2020 and Christmas activations including 3D chalk art, duo music performances, roaming elves and giveaways across the villages.</p>
	<p>The Twilight Food Fair celebrated its 30th season in 2020/21.</p>
	<p>In 2020, in response to the pandemic, the Bradfield Bark event moved online expanding its audience reach with over 25,000 views. The short promotion video reached over 35,000 people with 8,200 views. Bark in the Park (formerly Bradfield Bark) was held May 2021 in St Leonards Park. The event followed a COVID-19 Safety Plan and included two arena performance spaces, 20 Mutt & Meow Market stalls, a kids art workshops, animal-themed face painting, live music and a selection of food stalls. The event attracted an estimated 5,000 attendees with their dogs. The post event video, shared on Council's facebook page, was viewed 18,200 times, reached 26,930 people, and received 92 likes.</p>
	<p>Council supports local markets providers through land management and waste disposal, including the long running Northside Produce Market, Crows Nest Markets, Kirribilli General Market and the Kirribilli Art, Design and Fashion Market. Council also hosts the Artisans Markets at the Coal Loader Centre for Sustainability. Some markets moved online during the height of the pandemic.</p>
	<p>NYE ticketing was introduced at Blues Point Reserve in 2018 to manage crowd numbers, following community consultation. Ticketing was expanded for 2019 and 2020 to other sites. In 2020 all ticketed sites were fully subscribed with positive feedback received from ticket holders and the Police. In 2021, the State Government took custodianship of the NYE fireworks, including management of vantage points and road closures in the LGA, supported by Council.</p>



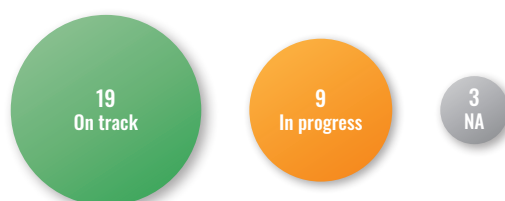
Outcome	Achievements/Highlights
4.3 North Sydney supports lifelong learning	<p>The Stanton Library App was launched in early 2020. eBook and Digital Magazine content is now accessible via the App.</p> <p>Social media campaigns were used to increase awareness of Library events, groups and programs including the 1,000 Books Before School early literacy program. The Storytime program moved online during the height of the pandemic, and in 2020/21 expanded to the Young Street Plaza. Click and Collect book bundles for children and teens and school holiday craft packs were well received. A program was developed for local schools by the Children's Librarians.</p> <p>Collection HQ was purchased with Shorelink to access collection statistics for library resource planning. Council's <i>Library Collection Development Policy</i> was reviewed.</p> <p>Sections of Stanton Library were refurbished, with new seating added to the first floor library study areas, the former staff meeting room converted to a bookable meeting room for customers and the Heritage Centre information desk redesigned.</p> <p>While Stanton Library membership has slightly reduced since 2014, satisfaction remains very high, with older residents the most satisfied.</p> <p>Planning for the CBD branch library identified in the <i>Stanton Library Masterplan (2015)</i> was included in the <i>Ward Street Masterplan</i>.</p> <p>Council celebrated the contribution of the numerous volunteers in its various programs and Precinct Committees through an annual event and social media campaign, showing a range of local volunteers and promoting volunteer opportunities. Analysis showed 21.5% of the North Sydney population reported performing voluntary work in 2016 versus 19.7% in 2011. This compares with 16.7% for Greater Sydney.</p> <p>Lifelong learning highlights over the term included U3A delivered by McMahons Point Community Centre, Planet X youth programs with Bradfield College, joint children's library programs with primary schools and support given to local high schools for symphony orchestras.</p>



Outcome	Achievements/Highlights
4.4 North Sydney's history is preserved and recognised	<p>Council continued to support the <i>Gai-marigal Festival</i> (formerly Guringai Festival) annually celebrating First Nations Peoples culture and heritage in the Northern Sydney region. The festival starts on Sorry Day and runs to the end of NAIDOC Week each year.</p> <p>Council supported <i>History Week</i> and the <i>Heritage Festival</i> annually with annual events attracting over 2,000 attendees.</p> <p>Council contributes monthly articles to the North Shore Living Magazine showcasing North Sydney's history and increasing awareness of the local history collection.</p> <p>10 historic walking route maps were produced and are available in hard copy and digital format.</p> <p>New signage and replacement graves were installed at Thomas Rest Park, the site of the first cemetery on Sydney's North Shore in 2020/21. In April 2021, 100 years of Rotary was celebrated in Australia with the unveiling of a plaque outside the Council Chambers. An interpretive sign about Ben Boyd was installed in Neutral Bay beside two original 1931 plaques.</p> <p>Council's historical collection was enhanced. The heritage database of 54,000 items is now accessible online, thanks to the digitisation program. Two historical image collection albums were created. Don Bank Museum's historic stove and newly-acquired Hallstrom fridge were professionally conserved. A preservation needs assessment of the Luna Park Collection was conducted in 2020/21 and significant historical possessions of Allan Willoughby of 98 Amherst Street, Cammeray were purchased for the Heritage Centre permanent collection.</p> <p>The art of local artist Peter Kingston was exhibited in Council's Art Transit Lounge in 2021.</p> <p>Current heritage items include 16,014 artworks, objects, photographs, 68 boxes of archaeological material, 6,732 monographs, research files and oral history recordings, 4,432 maps and plans and 2,720 archive boxes.</p>



Sustainability Indicators



CODE	INDICATOR	TARGET	ACTUAL	STATUS
S28	% residents who feel a sense of community in North Sydney and their neighbourhood	≥ 75 %	75%	●
S29	% households that have a broadband, dial-up or another type of internet connection	≥ 92 %	85%	●
S30	% residents self-reporting health as excellent or very good	≥ 86.4%	84.5%	●
S31	Life expectancy at birth: in years, for males and females separately	≥ 87.7	88	●
S32	% residents undertaking adequate physical activity	≥ 66.2%	70%	●
S33	Rates of the following diseases, per 100,000 population: 1. cardiovascular disease, 2. diabetes, 3. cancer, 4. respiratory disease	< 1,661	1,743	●
S34	% children in North Sydney in their first year of full time school who are developmentally on track in each Australian Early Development Index (AEDI) domain: 1. physical health and wellbeing, 2. social competence, 3. emotional maturity, 4. language and communication	≥ 0 %	5.4%	●
S35	% residents who feel safe in North Sydney	≥ 82%	90%	●
S36	Rate of the following offences per 100,000 residents in North Sydney: 1. assault - non domestic violence, 2. sexual, 3. assault - domestic violence, 4. robbery, 5. break and enter, 6. motor vehicle theft	< 406	375	●
S37	Ratio childcare places to population of children aged 0-5 years resident in North Sydney	0.6	0.88	●
S38	% residents satisfied with Council's provision of children's services	≥ 43	26	●
S39	Ratio aged care places per 1,000 older residents	≥ 0.2	0.125	●
S40	Dollar amount of financial support provided by Council to community groups to facilitate community goals	Baseline	\$842,000	●
S41	Median weekly household income (information only)	NA	\$2,272	●
S42	Index of Relative Socioeconomic Disadvantage (IRSD) score for North Sydney	≥ 1,104.8	1,105	●
S43	% residents who are employed	≥ 96%	96%	●
S44	Labour force participation rate (information only)	≥ 68%	71%	●
S45	% residents with tertiary qualifications	≥ 67%	78%	●

CODE	INDICATOR	TARGET	ACTUAL	STATUS
S46	Homeless count	Baseline	411	●
S47	% residents satisfied with the range of arts and cultural experiences in North Sydney	≥ 64 %	51%	●
S48	% residents satisfied with the range of public art in North Sydney	≥ 51 %	41%	●
S49	No. Council events held in North Sydney	Baseline	2,832	●
S50	Economic contribution of major events held in North Sydney	Baseline	NA	●
S51	% residents satisfied with Council run community events	≥ 74%	69%	●
S52	Ratio of primary school places to population of primary aged children resident in North Sydney	= 0.6	NA	●
S53	% residents satisfied with the availability of lifelong learning programs	Baseline	NA	●
S54	% residents who are an active member of Stanton Library	≥ 30.6%	24.3%	●
S55	% users satisfied with Stanton Library	≥ 67%	69%	●
S56	% adults in North Sydney involved in volunteering	≥ 19.7%	21.5%	●
S57	No. historical sites	Baseline	1,081	●
S58	No. Aboriginal cultural heritage sites	≥ 75	76	●





DIRECTION 5: OUR CIVIC LEADERSHIP

Where do we want to be by 2028?

- The community feels confident about the direction North Sydney is heading. Council plans by taking into account not just what the community needs now, but also what will be needed by generations to come.
- People in North Sydney feel they can have their say under Council's long-standing commitment to 'open government'. The community is actively involved in the future direction of North Sydney.
- The community trusts the way Council looks after North Sydney. The community looks to Council, along with many other organisations, to provide leadership and good governance.
- Council is an employer of choice, with a highly skilled and motivated workforce committed to providing the community with a high level of service.

How are we progressing?

Outcome	Achievements/Highlights
5.1 Council leads the strategic direction of North Sydney	<p>Council's periodic <i>Customer Satisfaction Survey</i> was conducted in March/April 2020, using a randomly selected representative sample of 400 residents and 200 businesses. Overall resident satisfaction with Council was extremely positive, with a mean (average) rating of 5 out of 7, a 0.2% increase from 2016, while satisfaction with facilities and services remained high. Business satisfaction with Council was extremely positive, with a mean rating of 5 out of 7, an increase from 4.7 in 2016. The 2020 Survey results will be used to inform the next review of the CSP.</p> <p>All statutory requirements for Integrated Planning and Reporting were undertaken in accordance with the <i>Local Government Act 1993</i> and <i>OLG Integrated Planning and Reporting Guidelines</i> (2013). A new reporting tool was introduced to improve the quarterly and annual reporting of Delivery Program/Operational Plan projects, increasing reporting efficiency and accuracy. Quarterly budget reviews monitor financial performance.</p> <p>Following extensive community consultation, Council's SRV application was partially approved by IPART in May 2019, enabling an increase rates over and above the annual rate page for 3 years to fund an advertised program of works including increased asset renewals.</p> <p>A strategic review of Council's property portfolio was conducted, exploring commercial opportunities for all Council land and building assets. The impact of the pandemic was modelled.</p> <p>Council actively participates in NSROC, which launched a 10 point plan including a focus on advocacy to change the NSW rating system. The General Manager is the Treasurer and Managers participate in the various Professional Officer Groups.</p> <p>Council prepared numerous submissions responding to local government reform. In 2020, following a submission, Council was reclassified from Metropolitan Small to Metropolitan Medium Council, acknowledging the high working population in the LGA, and the high concentration of school and educational institutions utilising Council facilities/infrastructure and services in addition to its residential population.</p> <p>A review of Council's corporate project management framework is underway.</p> <p>A grants register and protocol was developed for use by the whole organisation to administer and record grants.</p>

Outcome	Achievements/Highlights
	<p>After bettering the benchmark of 0% each year since 2013/14, the debt service ratio dropped in 2019/20. There were two main drivers - firstly, a revised assessment of the useful life of the North Sydney Olympic Pool complex prior to its closure for redevelopment resulted in \$6.2M depreciation costs. Secondly, the COVID-19 pandemic and restrictions impacted revenue over the last four months of the year. With ongoing revenue shortfalls, increased depreciation expense and Council's contribution to affordable housing at 287 Miller Street, Cammeray the ratio is forecast to be well below the benchmark again in 2020/21.</p>
<p>5.2 Council is well governed and customer focused</p>	<p>A new electronic business paper solution was implemented 2019/20 as a basis for preparation of all Council and Committee reports/business papers.</p> <p>Preparation of the induction program for the incoming term of Council is underway.</p> <p>Council's <i>Code of Conduct - Councillors & Staff</i> and <i>Code of Meeting Practice</i> were re-adopted in 2019, in line with the State Government issued Model Codes. Council introduced a Public Forum prior to Council meetings to streamline presentations by members of the public addressing Council reports.</p> <p>Council's <i>Customer Service Strategy</i> was prepared in 2019/20. The former CRM system was decommissioned for external customers and replaced by online forms, which are being progressively rolled out.</p> <p>Council's complaints handling framework was reviewed in 2018/19.</p> <p>A <i>Legislative Compliance Policy</i> and Register was adopted by Council late 2020.</p>
<p>5.3 Community is informed and consulted</p>	<p>The <i>External Communications Strategy</i> was endorsed by Council in 2019 following stakeholder engagement.</p> <p>Council's digital platforms, including social media sites and e-newsletters have had steady growth in followers on all platforms including Facebook, Instagram, Twitter, LinkedIn, as well as sub sites such as the Coal Loader Facebook page.</p> <p>Use of video communication was expanded, successfully enhancing Council communication. Examples include the Western Harbour Tunnel video which reached 13,070 people with 9,400 views. The Keep Cup video reached 17,000 people, with 7,724 views. The 2020 Day for People with Disability at the Coal Loader had 5,200 views.</p> <p>The <i>Corporate Standards Manual & Style Guide</i> was updated following staff consultation.</p> <p>The <i>Internal Communications Strategy</i> was reviewed in 2019/20.</p> <p>Council's <i>Community Engagement Protocol</i> was readopted in November 2019 to satisfy the legislative requirement under the <i>Environmental Planning and Assessment Act 1979</i>, and to meet pending changes to the <i>Local Government Act 1993</i>.</p> <p>The <i>Online Information Sessions Program</i> was launched in September 2020, increasing Council's use of online webinars.</p> <p>Review of the Precinct System commenced in late 2019, with the objective to ensure this long standing community engagement program remains fit for purpose as celebrates its 50th Anniversary.</p> <p>Council participated in the inaugural Australian Liveability Survey achieving a response rate of over 400 residents, enabling a sound baseline. The Survey results will be used to inform the next review of the CSP.</p>
<p>5.4 Council's service delivery is well supported</p>	<p>Council's ICT Foundations Program was implemented. This included replacement of the telephone system and all PCs, and an upgrade of the data centre which has delivered significant results for Council by decreasing maintenance costs, reducing downtime, removing redundant infrastructure, improving customer service speeds and enabling innovation. Meeting rooms were fitted with video conferencing to meet demand and reduce cost of hiring facilities and equipment.</p>

Outcome	Achievements/Highlights
	<p>The internal Information Security Working Group was reformed, with increased focus on cyber security and governance.</p> <p>Remote working, mobility and corporate system updates were carried out prior to and in response to changed arrangements driven by COVID-19.</p> <p>Council's <i>ICT Strategy</i> is under review by the reformed ICT Working Group represented by participants from across the organisation.</p> <p>User experience has been the focus with improved and expanded access to Council services via online forms an payments, and DA tracking/lodgement.</p> <p>Preparation of the new Council website is underway.</p> <p>A Record Management Review is underway. Digitisation of old Council records and hard copy files continues.</p> <p>Council's Crisis and Pandemic plans have driven the effective response to the pandemic.</p> <p>Council continue participation in the Resilient System Program, with Council's risk management assessment model showcased as the best practice example. Council also participated in the NSROC Resilience Professional Officers Group.</p> <p>A new online incident reporting and contractor management system was deployed in March 2020. This initiative is key to driving employee engagement and improve safety culture and leadership accountability across the organisation.</p> <p>Ongoing awareness training and support was provided for staff to ensure best practice procurement and contract management.</p> <p>Council's <i>Procurement Policy</i> and Manual was adopted by Council in 2020.</p> <p>Training between Council and Local Government Procurement on contracts. Remote training sessions held on consultancy and plant and equipment contracts. Reduction of paper usage achieved through electronic invoices, electronic review and approval shows Council's commitment to sustainability.</p> <p>Council's <i>Access to Information Policy</i> was readopted in 2020, enabling the release of submissions responding to advertised planning (DAs and planning proposals) and non-planning proposals. Council's <i>Privacy Management Plan</i> was reviewed in 2021.</p>
5.5 Council is an employer of choice	<p>A new staff induction and onboard program was introduced in 2019 receiving positive feedback. The new e-recruitment system implemented in 2020 streamlined onboarding systems and processes.</p> <p>Council continued its Health Matters Program for staff, providing free skin cancer checks, free flu shots and discounted wellbeing and fitness sessions.</p> <p>An Employee Satisfaction Survey was undertaken in 2018, with the next to be undertaken in 2021. Between 2019 to 2021, an action plan responding to the priority areas highlighted in the 2018 Survey was implemented, including a weekly staff eNewsletter, the Internal Communications Strategy, reinstatement of supervisory level meetings, reinstatement of Management meetings and General Manager forums.</p> <p>Contingency plans, highlighting training needs and knowledge retention strategies, were completed for all Departments in 2018.</p> <p>Preparation of an Age Management Plan is underway. In 2021, staff participated in a survey conducted by the University of Queensland to understand how different workplace experiences relate to job attitudes. The survey results will assist in developing the Plan.</p> <p>Council's <i>Equal Employment Opportunity Plan</i> was reviewed in 2021.</p> <p>The <i>Staff Policy Manual</i> was reviewed in 2020/21.</p>

Sustainability Indicators



CODE	INDICATOR	TARGET	ACTUAL	STATUS
G01	% residents aware of CSP	≥ 23%	31%	●
G02	% businesses aware of CSP	≥ 23%	24%	●
G03	% residents satisfied with North Sydney's strategic direction	≥ 51%	54%	●
G04	% businesses satisfied with North Sydney's strategic direction	≥ 56%	68%	●
G05	Amount grant funding or sponsorship received by Council	> \$4M	>\$11.6M	●
G06	Operating performance ratio	≥ 0	1.30%	●
G07	Rates and annual charges coverage ratio	5%	2.78%	●
G08	Unrestricted current ratio	≥ 1.5x	2.82x	●
G09	Building and Infrastructure Renewal Ratio	≥ 100%	98.35%	●
G10	Debt Service Ratio	> 2x	19.32x	●
G11	Broad Liabilities Ratio	< 60	NA	●
G12	% residents who feel Council operates under ethical, open, accountable and transparent processes	≥ 50%	63%	●
G13	% businesses who feel Council operates under ethical, open, accountable and transparent processes	≥ 58%	62%	●
G14	% residents satisfied with Council's community engagement processes	≥ 59%	47%	●
G15	% businesses satisfied with Council's community engagement processes	≥ 48%	42%	●
G16	% residents aware of Precinct System	≥ 45%	47%	●
G17	% residents satisfied with communications from Council	75%	68%	●
G18	% businesses satisfied with communications from Council	≥ 65%	57%	●
G19	% residents from countries where English is not their first language	Baseline	20.1%	●
G20	% residents satisfied with the overall performance of Council	84%	83%	●
G21	% businesses satisfied with the overall performance of Council	65%	65%	●
G22	% of employees that feel Council is a good place to work	Baseline	85%	●
G23	% of staff who understand how their job contributes to the overall success of Council	Baseline	90%	●

NEXT STEPS

The End of Term Report will be incorporated into the 2020/21 Annual Report, in accordance with statutory requirements.

Following the local government elections in September 2021, the new term of Council will review the CSP in consultation with community stakeholders. This report will inform the Plan's review by highlighting the areas where Council and/or other stakeholders will need to focus their efforts and prioritise resources. At the beginning of the Council term, the Councillors and staff will prepare a new set of targets.

The revised CSP will outline how Council will work with other organisations, state and federal government, non-government entities and the private sector to make progress on achieving the Directions.

To create the future North Sydney, Council involves everyone, including individuals, community groups, businesses and government agencies. The vision belongs to the whole community, not just Council. Successful collaboration between Council and its stakeholders is key to realising North Sydney's vision.



DATA SOURCES

Our Living Environment

Australian and New Zealand Environment Conservation Council Compliance Guidelines

Coal Loader visitor data collected at the centre

North Sydney Customer Satisfaction Survey 2020 v 2016

Our Built Infrastructure

2016 census quoted in <https://profile.id.com.au/north-sydney/car-ownership>

<http://economy.id.com.au/north-sydney/travel-to-work>

<http://economy.id.com.au/north-sydney/workers-travel-to-work>

https://roadsafety.transport.nsw.gov.au/statistics/interactivecrashstats/lga_stats.html?tblga=1

North Sydney Customer Satisfaction Survey 2020 v 2016

Our Future Planning

August 2020 Office Market Report – PCA

Commercial Market Update - July 2020 <https://www.corelogic.com.au/news/commercial-market-update-north-sydney-cityscope-july-2020#:~:text=Sales%20recorded%20in%20the%20most,the%20quarter%20to%20January%202020>.

<https://content.knightfrank.com/research/444/documents/en/north-shore-office-market-october-2020-7516.pdf> 1:3

<https://economy.id.com.au/north-sydney>

<https://economy.id.com.au/north-sydney/gross-product>

<https://economy.id.com.au/north-sydney/number-of-businesses-by-industry>

<https://economy.id.com.au/north-sydney/tourism-visitors-reason?Tourismtype=2>

<https://economy.id.com.au/north-sydney/unemployment>

<https://profile.id.com.au/north-sydney/workers>

January 2020 Office Market Report – PCA

North Sydney Customer Satisfaction Survey 2020 v 2016

Our Social Vitality

Aboriginal Heritage Office

http://www.healthstats.nsw.gov.au/Indicator/bod_self_age/bod_self_lhn_trend

<https://profile.id.com.au/north-sydney/employment-status>

<https://profile.id.com.au/north-sydney/internet-connection>

<https://profile.id.com.au/north-sydney/qualifications>

https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC13010

<https://www.aedc.gov.au/data/data-explorer>

North Sydney Council draft Children's Services Review

North Sydney Customer Satisfaction Survey 2020 v 2016

Our Civic Leadership

Economic Development Survey – Business Start ups

North Sydney Customer Satisfaction Survey 2020 v 2016

North Sydney Quarterly Budget Review Statement March 2021

This End of Term Report has been prepared in-house in accordance with legislative requirements.

For further information contact Council's Corporate Planning Coordinator.

North Sydney Council

200 Miller Street

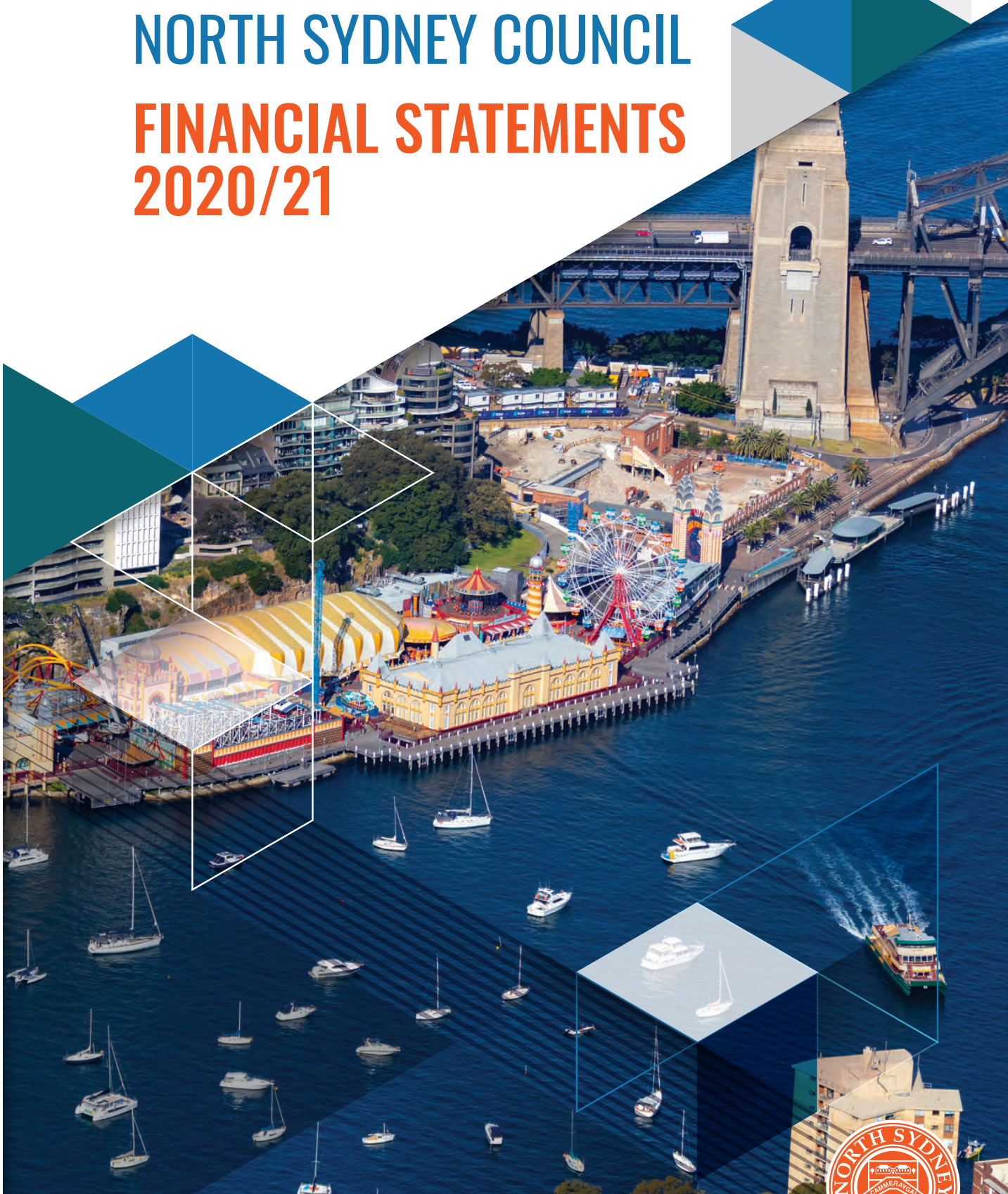
North Sydney NSW 2060

Telephone (02) 9936 8100

Email council@northsydney.nsw.gov.au

Website www.northsydney.nsw.gov.au

NORTH SYDNEY COUNCIL FINANCIAL STATEMENTS 2020/21



progressive *vibrant* diverse



North Sydney Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

*Shaping a progressive, diverse and vibrant North Sydney
community.*



North Sydney Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

Shaping a progressive, diverse and vibrant North Sydney community.



North Sydney Council

General Purpose Financial Statements

for the year ended 30 June 2021

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Overview

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

200 Miller Street
North Sydney NSW 2060

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

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

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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

North Sydney Council

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

North Sydney Council

General Purpose Financial Statements

for the year ended 30 June 2021

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

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

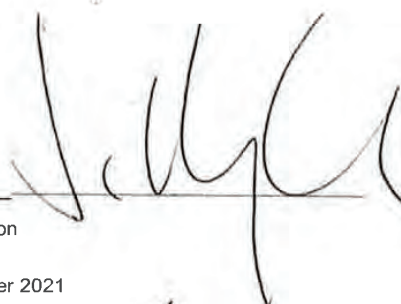
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder;
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board; and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

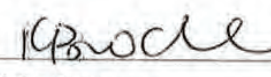
- present fairly the Council's operating result and financial position for the year; and
- accord with Council's accounting and other records.

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

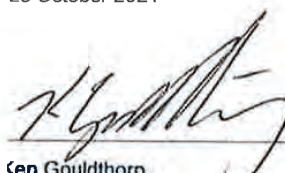
Signed in accordance with a resolution of Council made on 25 October 2021.



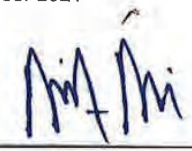
Jilly Gibson
Mayor
25 October 2021



Kathy Brodie
Councillor
25 October 2021



Ken Gouldthorp
General Manager
25 October 2021



Asif Ali
Responsible Accounting Officer
18 October 2021

North Sydney Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		23,712	(5,133)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>16,634</u>	<u>78,573</u>
Total items which will not be reclassified subsequently to the operating result		16,634	78,573
Total other comprehensive income for the year		16,634	78,573
Total comprehensive income for the year attributable to Council		40,346	73,440

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

North Sydney Council

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	25,184	9,235
Investments	C1-2	85,995	81,961
Receivables	C1-4	10,182	6,393
Inventories		37	33
Other		954	378
Total current assets		122,352	98,000
Non-current assets			
Receivables	C1-4	392	335
Infrastructure, property, plant and equipment	C1-5	1,158,194	1,099,318
Investment property	C1-6	54,786	92,758
Right of use assets	C2-1	2,102	2,365
Investments accounted for using the equity method		28	20
Total non-current assets		1,215,502	1,194,796
Total assets		1,337,854	1,292,796
LIABILITIES			
Current liabilities			
Payables	C3-1	24,527	22,015
Contract liabilities	C3-2	13,897	9,287
Lease liabilities	C2-1	303	303
Borrowings	C3-3	881	846
Employee benefit provisions	C3-4	15,560	15,963
Total current liabilities		55,168	48,414
Non-current liabilities			
Lease liabilities	C2-1	1,860	2,096
Borrowings	C3-3	6,373	7,254
Employee benefit provisions	C3-4	249	1,174
Total non-current liabilities		8,482	10,524
Total liabilities		63,650	58,938
Net assets		1,274,204	1,233,858
EQUITY			
Accumulated surplus	C4-1	827,825	804,113
IPPE revaluation reserve	C4-1	446,379	429,745
Council equity interest		1,274,204	1,233,858
Total equity		1,274,204	1,233,858

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

North Sydney Council

Statement of Changes in Equity

for the year ended 30 June 2021

	as at 30/06/21			as at 30/06/20		
	Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
\$ '000						
Opening balance at 1 July	804,113	429,745	1,233,858	813,480	351,172	1,164,652
Changes due to AASB 1058 and AASB 15 adoption	-	-	-	(4,234)	-	(4,234)
Restated opening balance	804,113	429,745	1,233,858	809,246	351,172	1,160,418
Net operating result for the year	23,712	-	23,712	(5,133)	-	(5,133)
Restated net operating result for the period	23,712	-	23,712	(5,133)	-	(5,133)
Other comprehensive income						
Gain (loss) on revaluation of infrastructure, property, plant and equipment	-	16,634	16,634	-	78,573	78,573
Other comprehensive income	-	16,634	16,634	-	78,573	78,573
Total comprehensive income	23,712	16,634	40,346	(5,133)	78,573	73,440
Closing balance at 30 June	827,825	446,379	1,274,204	804,113	429,745	1,233,858

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

North Sydney Council

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
66,745	Rates and annual charges		66,365	63,118
24,633	User charges and fees		34,312	28,459
1,335	Investment and interest revenue received		1,186	1,766
8,896	Grants and contributions		29,238	15,940
3,600	Bonds, deposits and retention amounts received		4,172	2,874
14,443	Other		19,394	22,209
<i>Payments:</i>				
(44,575)	Employee benefits and on-costs		(44,205)	(45,673)
(36,401)	Materials and services		(47,945)	(40,412)
(597)	Borrowing costs		(379)	(422)
(3,600)	Bonds, deposits and retention amounts refunded		(2,254)	(2,048)
(9,360)	Other		(7,139)	(13,053)
25,119	Net cash flows from operating activities	F1-1	52,745	32,758
Cash flows from investing activities				
<i>Receipts:</i>				
28,000	Sale of investment securities		29,060	53,540
–	Sale of real estate assets		–	4,500
–	Sale of infrastructure, property, plant and equipment		401	773
<i>Payments:</i>				
(33,743)	Purchase of investment securities		(33,000)	(62,361)
–	Purchase of investment property		(75)	(73)
(45,993)	Purchase of infrastructure, property, plant and equipment		(32,100)	(32,945)
(51,736)	Net cash flows from investing activities		(35,714)	(36,566)
Cash flows from financing activities				
<i>Receipts:</i>				
28,000	Proceeds from borrowings		–	–
<i>Payments:</i>				
(1,384)	Repayment of borrowings		(846)	(811)
–	Principal component of lease payments		(236)	(229)
26,616	Net cash flows from financing activities		(1,082)	(1,040)
(1)	Net change in cash and cash equivalents		15,949	(4,848)
2,000	Cash and cash equivalents at beginning of year		9,235	14,083
1,999	Cash and cash equivalents at end of year	C1-1	25,184	9,235
74,135	plus: Investments on hand at end of year	C1-2	85,995	81,961
76,134	Total cash, cash equivalents and investments		111,179	91,196

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

North Sydney Council

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North Sydney Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 25/10/2021. Council has the power to amend and reissue these financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment - refer Note C1-5
- (ii) estimated fair values of investment property – refer Note C1-6
- (iii) employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables – refer Note C1-4.
- (ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and/or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- (iii) Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Monies and other assets received by Council

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund.

Goods and Services Tax (GST)

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

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

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

A1-1 Basis of preparation (continued)

Volunteer services

Volunteer services are services received by Council from individuals or other entities without charge or for consideration significantly less than the fair value of those services. While the measurement of the revenue is at fair value, it is reasonable to assume it is calculated using a comparable hourly rate and the annual total of hours of voluntary services provided.

Volunteer services are not recognised as they would not be purchased if not donated. The quantum of the donated services would not be possible given the constraints on budgets and resources.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (i.e. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements, it is considered unlikely that any of these standards will have a material impact on Council's future financial performance, financial position or cash flows.

B Financial Performance
B1 Functions or activities
B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Our Living Environment	21,676	22,731	30,229	31,782	(8,553)	(9,051)	822	923	347,724	336,643
Our Built Infrastructure	41,012	35,011	19,253	17,143	21,759	17,868	9,806	6,145	579,859	617,227
Our Future Planning	12,011	11,826	13,694	14,943	(1,683)	(3,117)	17	941	169,327	130,271
Our Social Vitality	1,349	1,526	6,786	7,412	(5,437)	(5,886)	1,149	1,038	85,381	76,123
Our Civic Leadership	51,130	48,426	20,647	21,688	30,483	26,738	1,529	1,616	155,563	132,532
Other	16,400	1,807	29,257	33,492	(12,857)	(31,685)	16,345	1,714	-	-
Total functions and activities	143,578	121,327	119,866	126,460	23,712	(5,133)	29,668	12,377	1,337,854	1,292,796

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Our Living Environment

Encompasses but is not limited to bushland management, environmental sustainability, recreational facilities, tree preservation and community gardens.

Our Built Infrastructure

Encompasses but is not limited to asset management, land use planning, development and design, heritage preservation, streetscapes, compliance and traffic and transport planning.

Our Future Planning

Encompasses but is not limited to economic development, tourism and our commercial centres and shopping villages.

Our Social Vitality

Encompasses but is not limited to community services, arts and culture, access and safety, housing, health and wellbeing, recreational planning and volunteering.

Our Civic Leadership

Encompasses but is not limited to governance (i.e. how Council is managed).

B2 Sources of income**B2-1 Rates and annual charges**

\$ '000	2021	2020
Ordinary rates		
Residential	28,369	26,579
Business	17,237	16,464
Less: pensioner rebates (mandatory)	(147)	(147)
Less: pensioner rebates (Council policy)	(120)	(120)
Rates levied to ratepayers	45,339	42,776
Pensioner rate subsidies received	147	147
Total ordinary rates	45,486	42,923
Special rates		
Infrastructure levy	2,062	1,918
Environmental levy	2,314	2,153
Main street levies	496	482
Rates levied to ratepayers	4,872	4,553
Total special rates	4,872	4,553
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	15,053	14,802
Stormwater management services	574	572
Section 611 charges	67	69
Less: pensioner rebates (mandatory)	(42)	(44)
Less: pensioner rebates (Council policy)	(34)	(36)
Annual charges levied	15,618	15,363
Pensioner subsidies received:		
– Domestic waste management	42	44
Total annual charges	15,660	15,407
Total rates and annual charges	66,018	62,883

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government. Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance a rates payment.

B2-2 User charges and fees

\$ '000	Timing	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services (additional)	2	1,211	1,235
Total specific user charges		1,211	1,235
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Planning and building regulation	2	3,525	3,606
Regulatory / statutory fees	2	7,597	5,597
Section 10.7 certificates (EP&A Act)	2	306	277
Section 603 certificates	2	183	165
Total fees and charges – statutory/regulatory		11,611	9,645
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Swimming centres	1	638	1,924
Community centres / facilities	1	138	90
Domestic waste management – other	2	66	44
Family day care	2	225	177
Library	2	67	71
On street parking	2	8,743	8,772
Off street parking	1	4,033	2,899
Ovals	1	1,038	815
Planning and building regulation (non-statutory)	2	1,286	634
Public events	2	57	71
Reinstatements	2	1,802	1,541
Other	2	251	337
Total fees and charges – other		18,344	17,375
Total user charges and fees		31,166	28,255
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		5,847	5,728
User charges and fees recognised at a point in time (2)		25,319	22,527
Total user charges and fees		31,166	28,255

Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 14 days of the provision of the service or in some cases such as parking meter fees, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as permanent reserved parking spaces in parking stations, the fee is recognised on a straight-line basis over the expected life of the reservation.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B2-3 Other revenue

\$ '000	Timing	2021	2020
Advertising on Council infrastructure	1	1,070	1,074
Fines – parking	2	6,288	5,916
Fines – environmental and compliance	2	36	39
Credit card payment surcharge	2	87	81
Legal fees recovered	2	208	499
New Years Eve event revenue	2	33	356
Other	2	668	856
Total other revenue		8,390	8,821

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	1,070	1,074
Other revenue recognised at a point in time (2)	7,320	7,747
Total other revenue	8,390	8,821

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory 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 occurs first.

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	739	785	–	–
Financial assistance – local roads component	2	237	245	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	790	831	–	–
Financial assistance – local roads component	2	254	260	–	–
Amount recognised as income during current year		2,020	2,121	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Community Care	2	886	798	16	–
Environment Programs	2	428	501	92	–
Recreation and culture	2	226	185	3,629	523
Storm/flood damage	2	–	–	52	–
Town Planning	2	320	941	–	–
Transport for NSW contributions (regional roads, block grant)	2	703	703	–	–
Roads to Recovery	2	305	305	–	–
Other roads and transport	2	362	445	4,085	4,142
Other	2	199	–	–	–
Total special purpose grants and non-developer contributions – cash		3,429	3,878	7,874	4,665
Total special purpose grants and non-developer contributions (tied)		3,429	3,878	7,874	4,665
Total grants and non-developer contributions		5,449	5,999	7,874	4,665
Comprising:					
– Commonwealth funding		1,054	976	1,637	136
– State funding		3,959	4,552	6,221	4,529
– Other funding		436	471	16	–
		5,449	5,999	7,874	4,665

The timing column notation (above) identifies the revenue recognition pattern for material items of Council's revenue:

- (1) indicates income recognised under AASB 15 or AASB 1058 "over time",
 (2) indicates income recognised under AASB 15 or AASB 1058 "at a point in time".

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	F3					
Cash contributions						
S 7.4 – contributions using planning agreements		2	–	–	11,818	–
S 7.11 – contributions towards amenities/services		2	–	–	4,527	1,713
Total developer contributions – cash			–	–	16,345	1,713
Total developer contributions			–	–	16,345	1,713
Total contributions			–	–	16,345	1,713
Total grants and contributions			5,449	5,999	24,219	6,378
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			–	–	–	–
Grants and contributions recognised at a point in time (2)			5,449	5,999	24,219	6,378
Total grants and contributions			5,449	5,999	24,219	6,378

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	562	875	7,842	3,359
Add: Funds received and not recognised as revenue in the current year	350	361	5,730	7,842
Less: Funds received in prior year but revenue recognised and funds spent in current year	(429)	(674)	(3,358)	(3,359)
Unspent funds at 30 June	483	562	10,214	7,842

The majority of unspent grant funding at 30 June 2021 was received for the following projects which had not yet been completed:

- streetscape upgrades along the Military Road corridor in conjunction with the Northern Beaches B-Line Program;
- Hume Street Plaza additional open space in Crows Nest;
- upgrade of Primrose Park Tennis Courts in Cremorne;
- design of the proposed redevelopment of Holtermann Street Car Park in Crows Nest;
- acquisition of the former Quarantine Boat Depot at Waverton; and
- upgrades to traffic and pedestrian facilities under the Streets as Shared Spaces program.

Contributions

Unspent funds at 1 July	-	-	18,785	20,147
Add: contributions received and not recognised as revenue in the current year	-	-	16,277	1,807
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	-	-	(2,852)	(3,169)
Unspent contributions at 30 June	-	-	32,210	18,785

As at 30 June 2021, Council held \$32.2 million of unspent developer contributions levied under S7.11 or S7.4 of the Environmental Planning & Assessment Act, 1979. These funds will be utilised in future years to assist in the cost of providing local public infrastructure and facilities required as a consequence of development.

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include the accelerated review of Council's Local Environmental Plan and the provision of vacation care. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

continued on next page ...

B2-4 Grants and contributions (continued)

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community services throughout the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

Developer contributions

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

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

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

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-5 Other income

\$ '000	Notes	2021	2020
Fair value increment on investment properties			
Fair value increment on investment properties		913	–
Total fair value increment on investment properties	C1-6	913	–
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		5,011	5,914
Total Investment properties		5,011	5,914
Other lease income			
Room/Facility Hire		728	791
Leaseback fees - council vehicles		303	306
Total Other lease income		1,031	1,097
Total rental income	C2-2	6,042	7,011
Net share of interests in joint ventures and associates using the equity method			
Joint ventures		8	10
Total net share of interests in joint ventures and associates using the equity method		8	10
Total other income		6,963	7,021

B3 Costs of providing services**B3-1 Employee benefits and on-costs**

\$ '000	2021	2020
Salaries and wages	33,503	35,445
Employee leave entitlements (ELE)	4,720	6,300
Superannuation – defined contribution plans	3,241	3,331
Superannuation – defined benefit plan	819	826
Workers' compensation insurance	687	623
Fringe benefit tax (FBT)	248	186
Gratuities	401	437
Other	204	160
Total employee costs	43,823	47,308
Less: capitalised costs	(923)	(1,114)
Total employee costs expensed	42,900	46,194
Number of 'full-time equivalent' employees (FTE) at year end	379	392

Accounting policy

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme. However, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 18 for more information.

B3-2 Materials and services

\$ '000	Notes	2021	2020
Audit Fees	E2-1	81	86
Consultancy		759	1,635
Contractor costs:			
– Agency staff		1,415	1,147
– Cash collection		327	366
– Cleaning of Council properties		594	451
– Computer hardware and software maintenance		1,657	1,426
– Mowing		1,017	989
– Infrastructure maintenance		5,266	3,771
– Parking meter maintenance		943	881
– Parks, gardens and tree maintenance		1,832	1,873
– Property maintenance and management		3,468	4,370
– Public events		302	744
– Waste and recycling collection		6,815	6,620
– Waste and recycling disposal		4,108	3,880
– Other contractor costs		2,707	2,608
Infringement notice contract costs (SEINS)		829	792
Raw materials and consumables		3,994	4,258
Service costs (previously other expenses):			
– Bank charges		479	458
– Councillor and Mayoral fees and associated expenses	E1-2	333	261
– Electricity and heating		785	1,072
– Insurance		2,202	1,959
– Postage		318	376
– Staff training		302	324
– Staff travel expenses		242	244
– Street lighting		763	799
– Telephone and communications		415	314
– Other service costs		555	673
Legal expenses:			
– Legal expenses: planning and development		1,494	1,396
– Legal expenses: other		121	49
Total materials and services		44,123	43,822
Total materials and services		44,123	43,822

Accounting policy

Expenses are recorded on an accruals basis as the council receives the goods or services.

B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	2021	2020
Depreciation and amortisation		
Furniture and fittings	507	518
Office equipment	879	913
Land improvements (depreciable)	443	389
Plant and equipment	2,221	1,954
Infrastructure:		
– Buildings – specialised	2,778	2,756
– Buildings – non-specialised	30	30
– Footpaths	3,191	3,185
– Other structures	54	53
– Roads	5,975	5,673
– Stormwater drainage	1,953	2,013
– Swimming pools	2,791	6,552
– Other open space / recreational assets	1,259	1,217
– Other infrastructure	3,469	3,401
Right of use assets	263	263
Other assets:		
– Heritage collections	42	41
– Library books	364	393
Total depreciation and amortisation costs	26,219	29,351
Impairment / revaluation decrement of IPPE		
Other structures	1,305	–
Total gross IPPE impairment / revaluation decrement costs	1,305	–
Total IPPE impairment / revaluation decrement costs charged to Income Statement	1,305	–
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR IPP&E	27,524	29,351

Accounting policy**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-5 for IPPE assets.

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

Impairment of non-financial assets

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

Assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

B3-4 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables			
User charges and fees		4	160
Rental income		600	36
Total impairment of receivables	C1-4	604	196
Fair value decrement on investment properties			
Fair value decrement on investment properties		–	2,827
Total fair value decrement on investment properties	C1-6	–	2,827
Other			
Contributions/levies to other levels of government			
– Department of planning levy		281	276
– Emergency services levy (includes FRNSW and SES levies)		1,330	1,328
– Land tax		21	25
– State Treasury (share of net parking infringement revenue)		(54)	54
– Parking Space Levy		646	–
Donations, contributions and assistance to other organisations		962	1,049
Total other		3,186	2,732
Total other expenses		3,790	5,755

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Performance against budget

B4-1 Material budget variations

Council's original budget was adopted by the Council on 27/07/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
REVENUES				
User charges and fees	24,517	31,166	6,649	27% F
While the COVID-19 pandemic continued to impact revenue from user charges and fees in 2020/21, in some cases its effect was not as substantial as had been forecast in the original budget and this was the main reason for this variance. Actual revenue from on and off-street parking fees, some regulatory/ statutory fees and reinstatement fees greatly exceeded original budget forecasts. A delay in the closure of the North Sydney Olympic Pool for redevelopment allowed it to remain open for longer than expected and the resulting additional revenue also contributed to the variance.				
Operating grants and contributions	4,801	5,449	648	13% F
The actual amount of grants received often depends on decisions made by the State and Commonwealth Governments after the original budget was adopted. Subsequent to the adoption of the budget, additional funding was received from the State Government towards the accelerated review of Council's Local Environmental Plan. This, along with the receipt of several other minor grants which were not included in the original budget, was the reason for this variance.				
Capital grants and contributions	3,450	24,219	20,769	602% F
The \$22.8 million variance from budget for capital grants and contributions was due to:				
<ul style="list-style-type: none"> • the earlier than expected receipt of some developer contributions, most notably an \$11.8 million contribution from Sydney Metro in relation to the Crows Nest over station development; • the receipt of unbudgeted grant funding from the Federal Government under the Local Roads and Community Infrastructure Program which will be used to fund the upgrade of Primrose Park Tennis Courts, Grasmere Reserve Playground and East Crescent Street footpath; • the receipt of unbudgeted grant funding from the State Government under the Public Space Legacy Program which will be used to fund the acquisition of the former Quarantine Boat Depot at Waverton and the upgrade of St Leonards Park; • the receipt of unbudgeted grant funding from Transport for NSW towards a number of traffic, bicycle, pedestrian and streetscape facilities projects; • the recognition of grant funding from both the Federal and State Governments towards the redevelopment of North Sydney Olympic Pool; and • the recognition of grant funding from the State Government towards the Hume Street Plaza development in Crows Nest. 				
Other income	5,651	6,963	1,312	23% F
An unbudgeted \$913,000 fair value increment on Council's investment property portfolio and a less significant impact than was forecast in the original budget from the pandemic on property rental were the reasons for this variance.				
EXPENSES				
Borrowing costs	671	374	297	44% F
The Original Budget included the costs incurred in relation to a loan required to partially fund the redevelopment of the North Sydney Olympic Pool. As a consequence of the project commencing later than expected, the loan was not taken out in 2020/21 and this is the reason for this variance.				
Depreciation, amortisation and impairment of non-financial assets	22,020	27,524	(5,504)	(25)% U

B4-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----
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An amendment to the useful life of the North Sydney Olympic Pool complex prior to its closure for redevelopment resulted in the charging of additional depreciation costs above that forecast in the original budget and this, along with a \$1.3 million decrement on reevaluation the Other Structures class of infrastructure assets, was the reason for the unfavourable variance from budget for this item.

STATEMENT OF CASH FLOWS

Cash flows from operating activities	25,119	52,745	27,626	110%	F
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The receipt of significantly more revenue from grants and developer contributions than was originally forecast was the main reason for this variance. The impact of the pandemic on revenue from user charges and fees was not as substantial as was originally forecast and this also contributed to the variance.

Cash flows from investing activities	(51,736)	(35,714)	16,022	(31)%	F
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Delays in the commencement and/or completion of some capital projects resulted in lower than forecast outflows for the purchase of infrastructure and this was the reason for this variance.

Cash flows from financing activities	26,616	(1,082)	(27,698)	(104)%	U
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The deferral of the drawdown of a loan to fund the redevelopment of the North Sydney Olympic Pool complex was the reason for this variance.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	25,025	9,081
Cash-equivalent assets		
– Deposits at call	159	154
Total cash and cash equivalents	25,184	9,235

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand, deposits held at call with financial institutions and 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.

C1-2 Financial investments

\$ '000	2021 Current	2020 Current
Financial assets at fair value through the profit and loss		
NCD's, FRN's (with maturities > 3 months)	11,995	9,961
Total	11,995	9,961
Debt securities at amortised cost		
Long term deposits	74,000	72,000
Total	74,000	72,000
Total financial investments	85,995	81,961
Total cash assets, cash equivalents and investments	111,179	91,196

Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

C1-2 Financial investments (continued)

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

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

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

Financial assets through profit or loss

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

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

Council's financial assets measured at fair value through profit or loss comprise investments of FRNs and NCDs in the Statement of Financial Position.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021 Current	2020 Current
Total cash, cash equivalents and investments	111,179	91,196
attributable to:		
External restrictions	52,527	34,900
Internal restrictions	52,500	48,933
Unrestricted	6,152	7,363
	111,179	91,196

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund	10,526	8,019
External restrictions – included in liabilities	10,526	8,019

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – general	32,333	18,785
Domestic waste management	8,360	6,818
Environment levy	988	893
Mainstreet levies	96	–
Other specific purpose contributions	171	385
Waste and sustainability improvement funds	53	–
External restrictions – other	42,001	26,881
Total external restrictions	52,527	34,900

Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

Capital works	17,424	11,703
Community housing – capital purchases	963	963
Community housing – major maintenance	132	132
Deposits, retentions and bonds	12,715	10,804
Employees leave entitlement	7,905	8,569
I.T. hardware and software	516	299
Income producing projects	740	1,410
Insurance	62	77
Loan principal	–	24
Olympic Pool Redevelopment	9,920	13,089
Plant and vehicle replacement	2,123	1,863
Total internal restrictions	52,500	48,933

Total restrictions

105,027	83,833
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Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	1,470	276	1,495	237
Interest and extra charges	42	98	52	80
User charges and fees	2,390	–	1,173	–
Accrued revenues				
– Interest on investments	732	–	647	–
– Other income accruals	1,000	–	1,267	–
Government grants and subsidies	3,447	–	412	–
Net GST receivable	1,075	–	929	–
Outstanding infringements	882	–	704	–
Other debtors	17	18	8	18
Total	11,055	392	6,687	335
Less: provision of impairment				
User charges and fees	(873)	–	(294)	–
Total provision for impairment – receivables	(873)	–	(294)	–
Total net receivables	10,182	392	6,393	335

\$ '000	2021	2020
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 9)	294	197
+ new provisions recognised during the year	605	196
– amounts already provided for and written off this year	(26)	(99)
Balance at the end of the year	873	294

Accounting policy

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

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held); or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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C1-4 Receivables (continued)

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period													
	At 1 July 2020					At 30 June 2021								
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	12,226	-	12,226	6,365	2,123	-	-	-	(3,528)	-	-	17,186	-	17,186
Plant and equipment	17,599	(11,002)	6,597	1,079	385	(205)	(2,221)	-	291	-	-	18,262	(12,336)	5,926
Office equipment	19,640	(17,471)	2,169	143	83	-	(879)	-	865	-	-	20,731	(18,350)	2,381
Furniture and fittings	8,939	(6,354)	2,585	41	-	(26)	(507)	-	-	-	-	8,872	(6,779)	2,093
Land:														
- Operational land	153,661	-	153,661	-	-	-	-	-	-	35,470	-	189,131	-	189,131
- Community land	104,825	-	104,825	-	-	-	-	-	-	(1,944)	7,443	110,324	-	110,324
- Crown land	51,503	-	51,503	-	-	-	-	-	-	1,944	2,400	55,847	-	55,847
Land improvements – depreciable	15,191	(3,340)	11,851	227	71	-	(443)	-	17	-	-	15,506	(3,783)	11,723
Infrastructure:														
- Buildings – non-specialised	1,441	(457)	984	16	-	-	(30)	-	-	-	-	1,458	(488)	970
- Buildings – specialised	209,414	(82,237)	127,177	683	1,004	(23)	(2,778)	-	301	3,490	-	209,468	(79,614)	129,854
- Other structures	2,570	(200)	2,370	-	-	-	(54)	(1,305)	-	-	-	1,146	(135)	1,011
- Roads	352,219	(100,055)	252,164	4,683	1,672	(652)	(5,975)	-	527	-	-	357,397	(104,978)	252,419
- Footpaths	117,860	(38,773)	79,087	4,488	1,159	(651)	(3,191)	-	952	-	-	123,241	(41,397)	81,844
- Stormwater drainage	201,754	(56,627)	145,127	2,561	155	-	(1,953)	-	83	-	-	204,553	(58,580)	145,973
- Swimming pools	22,488	(16,541)	5,947	-	-	-	(2,791)	-	-	-	-	7,547	(4,391)	3,156
- Other open space / recreational assets	25,799	(8,257)	17,542	810	760	-	(1,259)	-	240	-	-	27,610	(9,517)	18,093
- Other infrastructure	229,239	(108,156)	121,083	2,994	188	-	(3,469)	-	249	-	-	232,671	(111,626)	121,045
Other assets:														
- Heritage collections	2,438	(987)	1,451	106	4	-	(42)	-	3	-	6,791	13,775	(5,462)	8,313
- Library books	2,326	(1,357)	969	300	-	-	(364)	-	-	-	-	2,143	(1,238)	905
Total infrastructure, property, plant and equipment	1,551,132	(451,814)	1,099,318	24,496	7,604	(1,557)	(25,956)	(1,305)	-	38,960	16,634	1,616,868	(458,674)	1,158,194

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

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C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	Asset movements during the reporting period											
	At 1 July 2019					At 30 June 2020						
\$ '000	Gross carrying amount restated	Accumulated depreciation restated	Net carrying amount	Additions renewals ⁽¹⁾	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount restated	Accumulated depreciation restated	Net carrying amount
Capital work in progress	7,324	-	7,324	4,239	-	-	(1,090)	-	-	12,226	-	12,226
Plant and equipment	17,277	(9,911)	7,366	1,760	(688)	(1,954)	-	-	-	17,599	(11,002)	6,597
Office equipment	19,445	(16,691)	2,754	251	(26)	(913)	49	-	-	19,640	(17,471)	2,169
Furniture and fittings	8,859	(5,836)	3,023	80	-	(518)	-	-	-	8,939	(6,354)	2,585
Land:												
- Operational land	153,661	-	153,661	-	-	-	-	-	-	153,661	-	153,661
- Community land	104,825	-	104,825	-	-	-	-	-	-	104,825	-	104,825
- Crown land	51,503	-	51,503	-	-	-	-	-	-	51,503	-	51,503
Land improvements – depreciable	18,522	(4,601)	13,921	252	-	(389)	55	(2,766)	-	15,191	(3,340)	11,851
Infrastructure:												
- Buildings – non-specialised	1,415	(427)	988	26	-	(30)	-	-	-	1,441	(457)	984
- Buildings – specialised	206,498	(78,827)	127,671	890	-	(2,756)	100	768	-	209,414	(82,237)	127,177
- Other structures	2,223	(89)	2,134	-	25	(53)	120	144	-	2,570	(200)	2,370
- Roads	329,828	(114,982)	214,846	4,824	(547)	(5,673)	246	(912)	37,592	352,219	(100,055)	252,164
- Footpaths	95,945	(34,898)	61,047	7,048	(521)	(3,185)	211	-	14,319	117,860	(38,773)	79,087
- Stormwater drainage	198,872	(70,460)	128,412	2,292	-	(2,013)	118	-	15,871	201,754	(56,627)	145,127
- Swimming pools	22,488	(9,989)	12,499	-	-	(6,552)	-	-	-	22,488	(16,541)	5,947
- Other open space/recreational assets	11,648	(7,258)	4,390	806	-	(1,217)	6	2,766	10,791	25,799	(8,257)	17,542
- Other infrastructure	225,151	(104,756)	120,395	3,274	-	(3,401)	185	-	-	229,239	(108,156)	121,083
Other assets:												
- Heritage collections	2,393	(946)	1,447	30	-	(41)	-	-	-	2,438	(987)	1,451
- Library books	2,331	(1,263)	1,068	294	-	(393)	-	-	-	2,326	(1,357)	969
Total infrastructure, property, plant and equipment	1,480,208	(460,934)	1,019,274	26,066	(1,762)	(29,088)	-	-	78,573	1,551,132	(451,814)	1,099,318

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

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C1-5 Infrastructure, property, plant and equipment (continued)

Accounting policy

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

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

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

When infrastructure, property, plant and equipment are acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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:

Plant and equipment	Years	Buildings	Years
Office equipment	3 to 10	Buildings	25 to 150
Computer equipment	3 to 8	Building components	
Furniture	5 to 10	Substructure	60 to 200
Vehicles	5	Superstructure	60 to 200
Other plant and equipment	5 to 10	Roof cladding	50 to 60
		Finishes	25 to 30
Transportation assets	Years	Fittings	25 to 30
Sealed roads: surface	18 to 40	Mechanical services	30 to 40
Sealed roads: structure	60 to 100	Other services	50 to 60
Sealed roads: formation	200		
Kerb and gutter	34 to 67	Other sport and recreation assets	Years
Footpaths	10 to 60	Playgrounds	15
Traffic facilities	70	Sports lighting	55
Street furniture	15 to 90	Park furniture	15 to 100
Bus shelters	50	Sport and fitness	5 to 55
		Swimming pools	20 to 200
Stormwater drainage assets	Years	Depreciable land improvements	Years
Drainage pipes	70 to 100	Depreciable land improvements	5 to 100
Drainage pits	80		
Culverts	70 to 100	Other	Years
Gross pollutant traps	40 to 50	Other Structures	25 to 50
Other infrastructure	Years	Library collection	5
Lighting	20 to 35	Heritage collection	10 to 100
Seawalls	110		
Marine structures	25 to 50		
Fences	20 to 80		
Retaining walls	90		

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

C1-5 Infrastructure, property, plant and equipment (continued)

Crown reserves

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

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

C1-6 Investment properties

Owned investment property

\$ '000	2021	2020
At fair value		
Opening balance at 1 July	92,758	95,512
Capitalised subsequent expenditure	75	73
Net gain/(loss) from fair value adjustments	913	(2,827)
Transfers from/(to) owner-occupied property (Note C1-5)	<u>(38,960)</u>	<u>–</u>
Closing balance at 30 June	<u>54,786</u>	<u>92,758</u>

Accounting policy

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

C2 Leasing activities

C2-1 Council as a lessee

Council does not have any material lease contracts over land and buildings, machinery or IT equipment.

Waste and recycling collection contract

On 1 July 2019, Council entered into a seven (7) year contract with URM Environmental Services Pty Ltd to provide the waste and recycling collection service.

Embedded within the contract is the lease of eight (8) garbage collection trucks dedicated specifically to the service. Under the terms of the contract, Council has the right to obtain substantially all of the economic benefits from these vehicles for the duration of the contract. This results in a right of use asset for Council. Information relating to the right of use asset and associated balances and transactions is provided below.

Extension options

The waste and recycling collection contract contains an option to extend by a further three (3) years to provide a degree of flexibility and certainty to Council's operations. The extension is at Council's discretion.

At reporting date, Council assesses if it is reasonably certain that the extension option will be exercised. At 30 June 2021, it is considered reasonably certain that the option will be exercised and the information below has been prepared on that assumption.

(a) Right of use assets

\$ '000	Waste Disposal Contract	Total
2021		
Opening balance at 1 July	2,365	2,365
Depreciation charge	(263)	(263)
Balance at 30 June	2,102	2,102
2020		
Depreciation charge	(263)	(263)
Balance at 30 June	2,365	2,365

(b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	303	1,860	303	2,096
Total lease liabilities	303	1,860	303	2,096

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C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2021					
Cash flows	303	1,211	909	2,423	2,163
2020					
Cash flows	303	1,211	1,211	2,725	2,399

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2021	2020
Interest on lease liabilities	67	74
Depreciation of right of use assets	263	263
	330	337

(e) Statement of Cash Flows

Total cash outflow for leases (principal and interest)	303	303
	303	303

(f) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land which is used for:

- land beautification
- dinghy storage
- boat ramps and jetties

The leases are generally between 1 and 5 years and require payments of a maximum amount of \$5,000 per year. The use of the right to use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

Accounting policy

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has estimated the standalone price of the right of use asset obtained from the waste collection contract. In making this estimate Council has maximised the use of observable information

At the lease commencement, Council recognises a right of use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right of use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right of use

C2-1 Council as a lessee (continued)

asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right of use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to commercial tenants and community groups as well as vehicles to Council employees. These leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer Note C1-9) and IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below.

\$ '000	2021	2020
(i) Assets held as investment property		
Investment property operating leases relate to properties leased to commercial tenants.		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below.		
Lease income (excluding variable lease payments not dependent on an index or rate)	5,011	5,914
Total income relating to operating leases for investment property assets	5,011	5,914
Operating lease expenses		
Direct operating expenses that generated rental income	2,082	2,338
Total expenses relating to operating leases	2,082	2,338
(ii) Assets held as property, plant and equipment		
PPE operating leases relate to vehicles leased to eligible employees and facilities leased to community groups.		
Lease income (excluding variable lease payments not dependent on an index or rate)	1,031	1,097
Total income relating to operating leases for Council assets	1,031	1,097

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C2-2 Council as a lessor (continued)

Reconciliation of IPPE assets leased out as operating leases

\$ '000	Plant & Equipment 2021	Plant & Equipment 2020
Opening balance as at 1 July	1,939	2,121
Additions renewals	193	927
Carrying value of disposals	(138)	(533)
Depreciation expense	(567)	(576)
Closing balance as at 30 June	1,427	1,939
\$ '000	2021	2020

(iii) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	4,043	5,064
1–2 years	3,113	3,800
2–3 years	1,955	2,974
3–4 years	1,469	1,990
4–5 years	1,243	1,646
> 5 years	9,295	10,328
Total undiscounted lease payments to be received	21,118	25,802

Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term.

During 2020 some of Council's rental property tenants were granted rent concessions related to Covid-19. Council has treated these concessions as a lease modification. Lease income from these leases, including the rent concessions related to Covid-19, will be recognised on a straight-line basis over the remaining term of the lease.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Prepaid rates	952	-	584	-
Goods and services	8,906	-	8,771	-
Accrued expenses:				
– Borrowings	49	-	54	-
– Salaries and wages	1,140	-	1,035	-
– Other expenditure accruals	279	-	436	-
Security bonds, deposits and retentions	12,715	-	10,804	-
Other	486	-	331	-
Total payables	24,527	-	22,015	-
Total payables	24,527	-	22,015	-

Current payables not anticipated to be settled within the next twelve months

\$ '000	2021	2020
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	8,700	5,359
Total payables	8,700	5,359

Accounting policy

Council measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Council comprise trade payables, bank and other loans.

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets) ⁱ	(i)	10,214	-	7,842	-
Unexpended operating grants (received prior to performance obligation being satisfied) ⁱⁱ	(ii)	312	-	177	-
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	171	-	385	-
Total grants received in advance		10,697	-	8,404	-
User fees and charges received in advance:					
DA Compliance Levy ⁱⁱⁱ	(iii)	1,405	-	-	-
Hoarding Permit fees	(iii)	534	-	123	-
Outdoor Dining fees	(iii)	56	-	110	-
Swimming Centre fees	(iii)	-	-	128	-
Work Zone Permit fees	(iii)	968	-	254	-
Rental income - investment properties	(iii)	171	-	142	-
Rental income - other	(iii)	66	-	88	-
Other	(iii)	-	-	38	-
Total user fees and charges received in advance		3,200	-	883	-
Total contract liabilities		13,897	-	9,287	-

(i) Council has received grants from both the Commonwealth and State Governments to fund a number of infrastructure upgrade or renewal projects. The funds received are under an enforceable contract which require Council to construct identified assets which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants and contributions received prior to the revenue recognition criteria in AASB 15 being satisfied as the performance obligations are ongoing.

(iii) The contract liability relates to user charges and fees received in advance prior to the revenue recognition criteria in AASB 15 being satisfied as the performance obligations are ongoing.

Contract liabilities relating to restricted assets**Externally restricted assets**

Unspent grants held as contract liabilities	10,526	-	8,019	-
Unspent contributions held as contract liabilities	171	-	385	-
Contract liabilities relating to externally restricted assets	10,697	-	8,404	-
Total contract liabilities relating to restricted assets	10,697	-	8,404	-
Total contract liabilities relating to unrestricted assets	3,200	-	883	-
Total contract liabilities	13,897	-	9,287	-

C3-2 Contract Liabilities (continued)**Revenue recognised that was included in the contract liability balance at the beginning of the period**

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	3,358	3,359
Operating grants (received prior to performance obligation being satisfied)	177	438
Operating contributions (received prior to performance obligation being satisfied)	252	236
User fees and charges received in advance	883	–
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,670	4,033

Accounting policy

When consideration is received from a customer or fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Loans – secured ¹	881	6,373	846	7,254
Total borrowings	881	6,373	846	7,254

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note D1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	8,100	(846)	–	–	–	–	7,254
Lease liability (Note C2-1b)	2,399	(236)	–	–	–	–	2,163
Total liabilities from financing activities	10,499	(1,082)	–	–	–	–	9,417

\$ '000	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	8,911	(811)	–	–	–	–	8,100
Lease liability (Note C2-1b)	–	–	–	–	2,399	–	2,399
Total liabilities from financing activities	8,911	(811)	–	–	2,399	–	10,499

(b) Financing arrangements

\$ '000	2021	2020
Total facilities		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	350	350
Total financing arrangements	850	850
Undrawn facilities		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	350	350
Total undrawn financing arrangements	850	850

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank subject to the notice period in accordance with the terms and conditions of the facility.

Accounting policy

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

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

C3-4 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	4,259	–	4,246	–
Sick leave	37	–	85	–
Long service leave	7,789	249	7,950	1,174
Gratuities	3,423	–	3,631	–
Other leave – RDO's	52	–	51	–
Total employee benefit provisions	15,560	249	15,963	1,174

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	10,818	11,732
	10,818	11,732

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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 team under policies approved by the Council.

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

\$ '000	Carrying value 2021	Carrying value 2020	Fair value 2021	Fair value 2020
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	25,184	9,235	25,184	9,235
Receivables	10,574	6,728	12,174	6,726
Investments				
– Debt securities at amortised cost	74,000	72,000	74,000	72,000
Fair value through profit and loss				
Investments				
– Held for trading	11,995	9,961	11,995	9,961
Total financial assets	121,753	97,924	123,353	97,922
Financial liabilities				
Payables	24,527	22,015	24,523	22,000
Loans/advances	7,254	8,100	7,254	8,100
Total financial liabilities	31,781	30,115	31,777	30,100

Fair value is determined as follows:

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

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

Council's Finance team manages the cash and investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's Investment Order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.

D1-1 Risks relating to financial instruments held (continued)

- **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 and investments.

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	899	913
Impact of a 10% movement in price of investments		
– Equity / Income Statement	1,111	996

(b) Credit risk

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

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

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required. There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	1,470	183	8	27	58	1,746
2020						
Gross carrying amount	1,495	144	8	27	58	1,732

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D1-1 Risks relating to financial instruments held (continued)

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	7,621	459	254	367	1,000	9,701
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	87.29%	9.00%
ECL provision	-	-	-	-	873	873
2020						
Gross carrying amount	4,550	129	123	108	380	5,290
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	77.40%	5.56%
ECL provision	-	-	-	-	294	294

(c) Liquidity risk ¹

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

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

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

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

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Trade/other payables	0.00%	12,715	-	-	-	12,715	23,575
Loans and advances	4.02%	-	1,159	5,793	1,448	8,400	7,254
Total financial liabilities		12,715	1,159	5,793	1,448	21,115	30,829
2020							
Trade/other payables	0.00%	10,804	-	-	-	10,804	21,431
Loans and advances	4.02%	-	1,159	5,793	2,607	9,559	8,100
Total financial liabilities		10,804	1,159	5,793	2,607	20,363	29,531

(1) A separate maturity analysis of lease liabilities is at Note 14. Leases

D2 Fair value measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through profit or loss		11,995	9,961	–	–	11,995	9,961
Total financial assets		11,995	9,961	–	–	11,995	9,961
Investment property							
Investment properties	C1-6	54,786	92,758	–	–	54,786	92,758
Total investment property		54,786	92,758	–	–	54,786	92,758
Infrastructure, property, plant and equipment							
Plant and equipment	C1-5	–	–	5,926	6,597	5,926	6,597
Office equipment		–	–	2,381	2,169	2,381	2,169
Furniture and fittings		–	–	2,093	2,585	2,093	2,585
Operational land		102,857	67,387	86,274	86,274	189,131	153,661
Community land		–	–	166,171	156,328	166,171	156,328
Land improvements – depreciable		–	–	11,723	11,851	11,723	11,851
Buildings – non-specialised		832	836	138	148	970	984
Buildings – specialised		42	47	129,812	127,130	129,854	127,177
Other structures		–	–	1,011	2,370	1,011	2,370
Roads		–	–	252,419	252,165	252,419	252,165
Footpaths		–	–	81,844	79,087	81,844	79,087
Stormwater drainage		–	–	145,973	145,127	145,973	145,127
Swimming pools		–	–	3,156	5,947	3,156	5,947
Other open space/recreation assets		–	–	18,093	17,542	18,093	17,542
Other infrastructure assets		–	–	121,045	121,083	121,045	121,083
Heritage collections		–	–	8,313	1,450	8,313	1,450
Library books		–	–	905	969	905	969
Total infrastructure, property, plant and equipment		103,731	68,270	1,037,277	1,018,822	1,141,008	1,087,092

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D2 Fair value measurement (continued)

Transfers between level 1 and level 2 fair value hierarchies

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

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Investment property

The market approach using level 2 inputs was used to value Council's investment properties.

Level 2 inputs:

- Quoted prices for similar assets in active markets
- Comparison of rate per square metre of floor area

The 2021 revaluations were based on Independent Assessments made by Ms Elise Wallace of Australis Advisory Group Pty Ltd. There has been no change to the valuation process during the reporting period.

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment, Furniture & Fittings

The cost approach using level 3 inputs was used to value Council's plant and equipment, office equipment and furniture and fittings.

Level 3 inputs:

- Depreciated historic cost
- Useful life

Operational Land

The market approach using level 3 inputs was used to value Council's operational land.

Level 3 inputs:

- Rate per square metre from the sales evidence available

Community Land

The market approach using level 3 inputs was used to value Council's community land.

Level 3 inputs:

- Inputs to Valuer General valuations, i.e. land area, land values.

Council completed a revaluation of the Community Land asset class as at 30 June 2021. The revaluation was based on independent assessments made by the NSW Valuer General.

Land Improvements - depreciable

The cost approach using level 3 inputs was used to value Council's depreciable land improvements.

Level 3 inputs:

- Unit rates
- Useful life
- Remaining life
- Residual value

Non specialised buildings

The cost approach using level 3 inputs was used to value Council's non specialised buildings.

Level 3 inputs:

- Components
- Cost
- Residual value
- Useful life
- Asset condition

D2 Fair value measurement (continued)

Specialised buildings

The cost approach using level 3 inputs was used to value Council's specialised buildings.

Level 3 inputs:

- Components
- Cost
- Residual value
- Useful life
- Asset condition

Other Structures

The cost approach using level 3 inputs was used to value Council's other structures

- Replacement cost
- Useful life
- Remaining life
- Residual value

Council completed a revaluation of the Other Structures asset class as at 30 June 2021. The revaluation was based on independent assessments made by Mr Colin McWilliam of McWilliam and Assoc. Pty Ltd.

Roads

The cost approach using level 3 inputs was used to value Council's road assets.

Level 3 inputs:

- Unit rates
- Useful life
- Remaining life
- Residual value

Footpaths

The cost approach using level 3 inputs was used to value Council's footpath assets.

Level 3 inputs:

- Unit rates
- Useful life
- Remaining life
- Residual value

Stormwater Drainage

The cost approach using level 3 inputs was used to value Council's stormwater drainage assets.

Level 3 inputs:

- Unit rates
- Useful life
- Remaining life
- Residual value

Swimming Pools

The costs approach using level 3 inputs was used to value Council's swimming pools.

Level 3 inputs:

- Components
- Cost
- Residual value
- Useful life
- Asset condition

Open Space/Recreation Assets

The cost approach using level 3 inputs was used to value Council's open space/recreation assets.

Level 3 inputs:

- Unit rates
- Useful life
- Remaining life
- Residual value

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D2 Fair value measurement (continued)

Other Infrastructure Assets

The cost approach using level 3 inputs was used to value Council's other infrastructure assets.

Level 3 inputs:

- Unit rates
- Useful life
- Remaining life
- Residual value

Heritage Collections

The cost approach using level 3 inputs was used to value Council's heritage collections.

Level 3 inputs:

- Replacement cost
- Useful life
- Remaining life
- Residual value

Council completed a revaluation of the Heritage Collections asset class as at 30 June 2021. The revaluation was based on independent assessments made by Mr Colin McWilliam of McWilliam and Assoc. Pty Ltd.

Library Books

The cost approach using level 3 inputs was used to value Council's library books.

Level 3 inputs:

- Depreciated historic cost
- Useful life

D2 Fair value measurement (continued)

\$ '000	Other infrastructure assets		Heritage collection		Library books		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	121,083	120,395	1,451	1,447	969	1,068	1,018,822	943,707
Recognised in other comprehensive income – revaluation surplus	–	–	6,791	–	–	–	16,634	78,573
Transfers from/(to) another asset class	–	–	–	–	–	–	3,490	–
Purchases (GBV)	3,431	4,089	113	45	300	294	27,124	27,368
Disposals (WDV)	–	–	–	–	–	–	(1,557)	(1,762)
Depreciation and impairment	(3,469)	(3,401)	(42)	(41)	(364)	(393)	(27,236)	(29,064)
Closing balance	121,045	121,083	8,313	1,451	905	969	1,037,277	1,018,822

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D2 Fair value measurement (continued)

Highest and best use

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

D3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

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

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

* For 180 Point Members, Employers are required to contribute 7% of salaries for the year ending 30 June 2021 (increasing to 7.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

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

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D3-1 Contingencies (continued)

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$818,704.33. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2020.

The amount of additional contributions included in the total employer contribution advised above is \$370,500. Council's expected contribution to the plan for the next annual reporting period is \$724,400.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2021 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

* excluding member accounts and reserves in both assets and liabilities.

Council's share of the 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 a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program. However, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

(ii) Statewide Limited

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

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June 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.

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) 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. At reporting date, it has not been

D3-1 Contingencies (continued)

possible to establish reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions.

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D3-1 Contingencies (continued)

(iii) Legal Claims

Council is the planning authority for its area under the Environmental Planning and Assessment Act 1979.

Pursuant to that Act, certain persons dissatisfied by a planning decision of the Council may appeal to the Land and Environment Court. It is the Court's normal practice in Class 1 proceedings that parties bear their own legal costs. In Class 4 proceedings, costs usually follow the event.

As at 30 June 2021, there were twelve (12) Land and Environment Court matters ongoing, one (1) District Court matter ongoing and two (2) NSW Civil and Administrative Tribunal matters ongoing. All known costs have been recognised but the amount of further costs cannot be known until the appeals are determined.

E People and relationships
E1 Related party disclosures
E1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. The KMP for North Sydney Council are the Mayor, Councillors, General Manager, Director Corporate Services, Director City Strategy, Director Community and Library Services, Director Engineering and Property Services and Director Open Space and Environmental Services.

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

	2021	2020
\$ '000		
Compensation:		
Short-term benefits (salaries, Mayoral Allowance, Councillors fees)	2,397	2,076
Post-employment benefits (superannuation)	149	142
Other long-term benefits (increase in employee leave entitlements)	30	36
Total	2,576	2,254

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2021	2020
---------	------	------

The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	68	44
Councillors' fees	258	203
Other Councillors' expenses (including Mayor)	7	14
Total	333	261

E2 Other relationships**E2-1 Audit fees**

\$ '000	2021	2020
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

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

Audit and review of financial statements	81	86
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Remuneration for audit and other assurance services**Total Auditor-General remuneration****Total audit fees**

81	86
81	86
81	86
81	86

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	23,712	(5,133)
Adjust for non-cash items:		
Depreciation and amortisation	26,219	29,351
Net losses/(gains) on disposal of assets	1,155	922
Adoption of AASB 15/1058	–	(4,234)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(94)	5
– Investment property	(913)	2,827
– Revaluation decrements / impairments of IPP&E direct to P&L	1,305	–
Share of net (profits)/losses of associates/joint ventures using the equity method	(8)	(10)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	(4,424)	(341)
Increase/(decrease) in provision for impairment of receivables	579	97
Decrease/(increase) in inventories	(4)	24
Decrease/(increase) in other current assets	(576)	(134)
Increase/(decrease) in payables	135	177
Increase/(decrease) in accrued interest payable	(5)	(6)
Increase/(decrease) in other accrued expenses payable	(52)	276
Increase/(decrease) in other liabilities	2,434	(1,188)
Increase/(decrease) in contract liabilities	4,610	9,287
Increase/(decrease) in provision for employee benefits	(1,328)	838
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	52,745	32,758

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	3,593	1,600
Computer equipment	1	36
Computer software	102	18
Infrastructure	6,248	5,581
Library books	12	67
Other structures	1,931	78
Parking meters	-	66
Plant and equipment	73	585
Total commitments	11,960	8,031
These expenditures are payable as follows:		
Within the next year	11,960	8,031
Total payable	11,960	8,031
Sources for funding of capital commitments:		
Unrestricted general funds	19	67
Section 7.11 and 64 funds/reserves	523	1,461
Unexpended grants	4,391	712
Externally restricted reserves	34	200
Internally restricted reserves	6,993	5,591
Total sources of funding	11,960	8,031

Details of capital commitments

Council has committed to a number of major capital projects, the most notable being the redevelopment of the North Sydney Olympic Pool complex, upgrade of Primrose Park Tennis Courts, Hume Street Plaza open space expansion and the design of the proposed Holtermann Street Car Park redevelopment in Crows Nest.

F3 Statement of developer contributions as at 30 June 2021

F3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Traffic Improvements	693	56	-	1	(395)	-	355	-
St Leonards Public Domain	852	-	-	2	-	-	854	-
Other Public Domain	489	33	-	1	-	-	523	-
North Sydney Public Domain	3,499	22	-	7	(10)	-	3,518	-
Open Space Increased Capacity	-	1,580	-	-	(2,215)	635	-	(6,025)
Open Space Acquisitions	5,395	797	-	26	-	322	6,540	6,667
Olympic Pool	-	297	-	-	-	(297)	-	(305)
Library Premises & Equipment	-	255	-	-	(5)	(243)	7	-
Library Acquisitions	127	84	-	-	(18)	-	193	-
Indoor Sports Centre	40	91	-	-	-	-	131	-
Community Centres	-	417	-	-	-	(417)	-	(337)
Child Care	1,676	617	-	4	(209)	-	2,088	-
Affordable Housing	3,431	-	-	7	-	-	3,438	-
Administration	656	155	-	2	-	-	813	-
S7.11 contributions – under a plan	16,858	4,404	-	50	(2,852)	-	18,460	-
S7.12 levies – under a plan	-	123	-	-	-	-	123	-
Total S7.11 and S7.12 revenue under plans	16,858	4,527	-	50	(2,852)	-	18,583	-
S7.4 planning agreements	1,927	11,818	-	5	-	-	13,750	-
Total contributions	18,785	16,345	-	55	(2,852)	-	32,333	-

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

F3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
NORTH SYDNEY PLAN 2004								
Administration	656	155	-	2	-	-	813	-
Affordable Housing	3,431	-	-	7	-	-	3,438	-
Indoor Sports Centre	40	91	-	-	-	-	131	-
Community Centres	-	417	-	-	-	(417)	-	(337)
Child Care	1,676	617	-	4	(209)	-	2,088	-
Library Premises & Equipment	-	255	-	-	(5)	(243)	7	-
Library Acquisitions	127	84	-	-	(18)	-	193	-
Olympic Pool	-	297	-	-	-	(297)	-	(305)
North Sydney Public Domain	3,499	22	-	7	(10)	-	3,518	-
Open Space Increased Capacity	-	1,580	-	-	(2,215)	635	-	(6,025)
Open Space Acquisitions	5,395	797	-	26	-	322	6,540	6,667
Other Public Domain	489	33	-	1	-	-	523	-
St Leonards Public Domain	852	-	-	2	-	-	854	-
Traffic Improvements	693	56	-	1	(395)	-	355	-
Total	16,858	4,404	-	50	(2,852)	-	18,460	-
S7.12 Levies – under a plan								
NORTH SYDNEY PLAN 2020								
Other	-	123	-	-	-	-	123	-
Total	-	123	-	-	-	-	123	-

F4 Statement of performance measures

F4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	2020	Indicators 2019	2018	Benchmark
1. Operating performance ratio						
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,542	1.30%	(6.59)%	3.34%	7.08%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	118,344					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions ¹	112,895	79.19%	89.80%	83.97%	89.35%	> 60.00%
Total continuing operating revenue	142,563					
3. Unrestricted current ratio						
Current assets less all external restrictions	69,381	2.82x	2.82x	3.44x	2.20x	> 1.50x
Current liabilities less specific purpose liabilities	24,628					
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation, amortisation and impairment ¹	28,135	19.32x	15.24x	27.61x	91.17x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,456					
5. Rates and annual charges outstanding percentage						
Rates and annual charges outstanding	1,886	2.78%	2.90%	2.05%	1.29%	< 5.00%
Rates and annual charges collectable	67,940					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	99,184	11.55 mths	9.50 mths	8.73 mths	6.69 mths	> 3.00 mths
Monthly payments from cash flow of operating and financing activities	8,584					

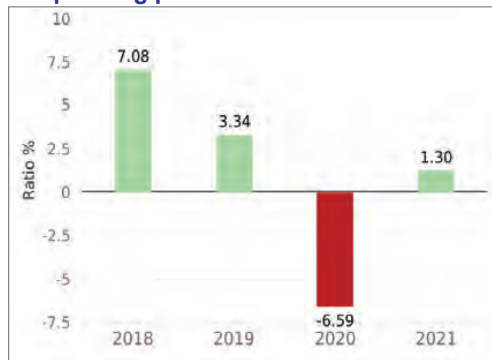
(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

G Additional Council disclosures (unaudited)

G1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2020/21 result

2020/21 ratio 1.30%

After falling below the benchmark for the first time in many years in 2019/20, this ratio achieved the benchmark in 2020/21. Excluding capital grants and contributions, fair value adjustments and net losses from the disposal of assets, a \$1.5 million operating surplus was achieved. This was an improvement on what had been forecast, largely because the impact of pandemic restrictions on revenue was not as substantial as had been predicted.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark (green)
Ratio is outside benchmark (red)

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2020/21 result

2020/21 ratio 79.19%

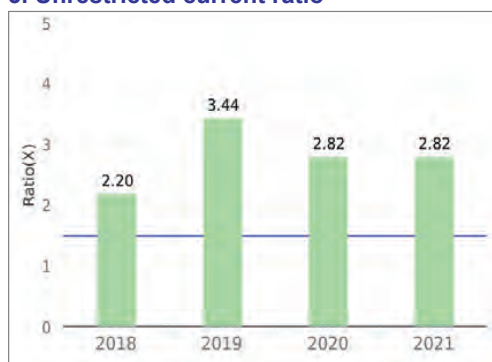
This ratio comfortably achieved the benchmark and has done so for many years. 79.19% of Council's operating revenue was derived from internal funding sources, i.e. other than from grants and contributions. The subsequent reliance on internal funding sources such as rates and user charges provides Council with a more than adequate level of fiscal flexibility.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark (green)
Ratio is outside benchmark (red)

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2020/21 result

2020/21 ratio 2.82x

This ratio achieved the benchmark and has done so for many years. This is a reflection of Council's ongoing capacity to meet its obligations for its unrestricted activities in the short term. As at 30 June 2021, for every \$1 of current liabilities to be funded from unrestricted or internally restricted cash, \$2.82 was available.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark (green)
Ratio is outside benchmark (red)

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2020/21 result

2020/21 ratio 19.32x

This ratio has achieved the benchmark every year since Council commenced a controlled borrowing program in 2015/16. Excluding non-cash items such as fair value adjustments, depreciation and net losses from the disposal of assets from the 2020/21 operating result, there was sufficient funds to cover annual loan interest payments 19.32 times.

Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

- Ratio achieves benchmark
- Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2020/21 result

2020/21 ratio 2.78%

Prior to 2018/19, overpaid rates were offset against outstanding rates when calculating uncollected rates and annual charges. This has not been the case for the last three years, resulting in a corresponding increase in this ratio. Nevertheless, it still comfortably achieved the benchmark, a reflection of the ongoing effectiveness of Council's recovery efforts.

Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

- Ratio achieves benchmark
- Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2020/21 result

2020/21 ratio 11.55 mths

This ratio comfortably achieved the benchmark and has done so for many years. At 30 June 2021, in the absence of any additional cash flows, Council has sufficient cash and funds invested in term deposits which could be redeemed, should the need arise, to continue paying for its immediate expenses for 11.55 months.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

- Ratio achieves benchmark
- Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
North Sydney Council

To the Councillors of the North Sydney Council

Opinion

I have audited the accompanying financial statements of North Sydney Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B4-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

27 October 2021
SYDNEY



Cr Jilly Gibson
Mayor
North Sydney Council
PO Box 12
NORTH SYDNEY NSW 2059

Contact: Unaib Jeffrey
Phone no: 02 9275 7450
Our ref: D2023760/1771

27 October 2021

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2021
North Sydney Council**

I have audited the general purpose financial statements (GPFS) of the North Sydney Council (the Council) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2021	2020	Variance
	\$m	\$m	%
Rates and annual charges revenue	66.0	62.9	4.9
Grants and contributions revenue	29.7	12.4	139
Operating result from continuing operations	23.7	(5.1)	565
Net operating result before capital grants and contributions	(0.5)	(11.5)	96

The Council's operating result from continuing operations (\$23.7 million income including depreciation and amortisation expense of \$27.5 million) was \$28.8 million higher than the 2019–20 result. This was primarily attributable to an increase in grant funding (\$17.3 million increase).

The net operating result before capital grants and contributions (\$0.5 million income) was \$12.0 million higher than the 2019–20 result. The movement in the current year was due to an increase in rates and annual charges and user charges and fees of approximately \$6.0 million and a decrease in expenditure (notably employee benefits and other expenses) of \$6.6 million.

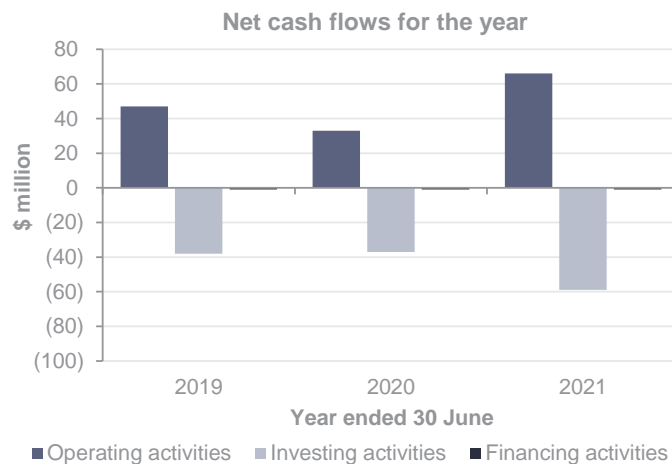
Rates and annual charges revenue (\$66.0 million) increased by \$3.1 million (4.9 per cent) in 2020–21 due to the Council's approved Special Rate Variation, which increased general rates revenue by 6.7 per cent in 2020–21.

User charges and fees revenue (\$31.2 million) increased by \$2.9 million (10.2 per cent) in 2020–21 primarily due to an increase in statutory and regulatory fees of approximately \$2.0 million. Additionally, a delay in the closure of the North Sydney Olympic Pool for redevelopment allowed it to remain open for longer than expected, resulting in additional revenue.

Grants and contributions revenue (\$29.7 million) increased by \$17.3 million (139 per cent) in 2020–21 primarily due to the earlier than expected receipt of developer contributions, most notably of \$11.8 million contribution from Sydney Metro in relation to the Crows Nest station development.

STATEMENT OF CASH FLOWS

- The Council reported an increase in cash from \$9.2 million at 30 June 2020 to \$25.2 million at 30 June 2021.
- Cash inflows from operating activities increased from \$32.8 million in the prior year 2019-20 to \$52.8 million in the current year, because of higher receipts from user charges and fees, grants and contributions.
- Cash outflows from investing activities decreased marginally from \$36.6 million in the prior year 2019-20 to \$35.7 million in the current year. The movement in the current year was mainly attributable to purchases of IPPE assets.
- The cash flows from financing activities have remained consistent over the last three years.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	111.2	91.2	<ul style="list-style-type: none"> External restrictions primarily include developer contributions of \$32.3 million, domestic waste management charges of \$8.4 million and specific purpose unexpended grants of \$10.5 million. The increase from the prior year was mainly due to increase in developer contribution receipts. Internal restrictions are due to Council policy or decisions for forward plans including the capital works program. The total amount primarily comprises capital works of \$17.4 million, deposits and bonds of \$12.7 million and the funds restricted for the Olympic Pool Redevelopment of \$9.9 million. The increase from the prior year was mainly due to increases in capital works funds and deposits and bonds by \$5.7 million and \$1.9 million respectively, offset by decreases in Olympic Pool Redevelopment funds by \$3.2 million.
Restricted cash and investments:			
• External restrictions	52.5	34.9	
• Internal restrictions	52.5	48.9	
• Unrestricted	6.2	7.4	

PERFORMANCE

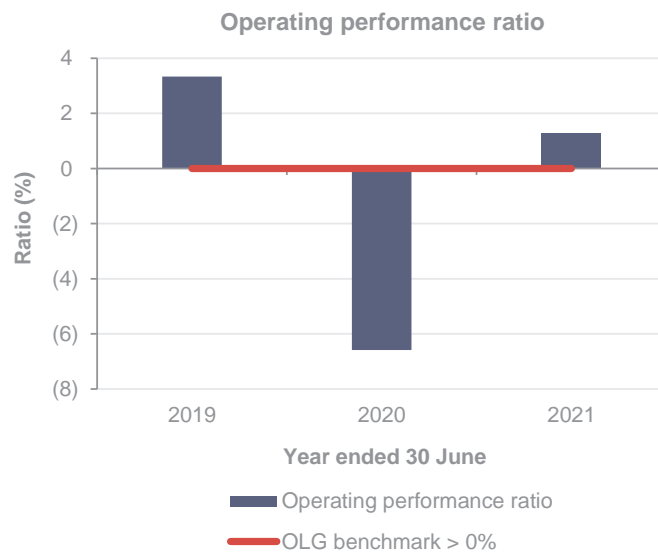
Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

Operating performance ratio

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

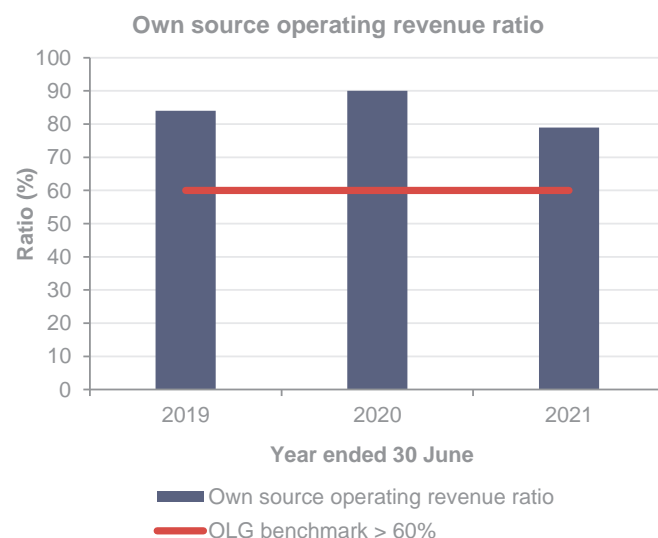
The Council met the OLG benchmark for the current reporting period. The ratio has stabilised in the current year as compared to the skewed ratio from the prior year which reflected a greater reduction in grant funding as well as certain commercial revenue streams arising from the COVID-19 pandemic as well as higher depreciation due to the impact of reassessing the useful lives of assets related to the North Sydney Olympic Pool.



Own source operating revenue ratio

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

The Council exceeded the OLG benchmark for the past three years. This ratio reflects that Council has a greater reliance on its own source revenue i.e., rates and annual charges and user charges and fees.

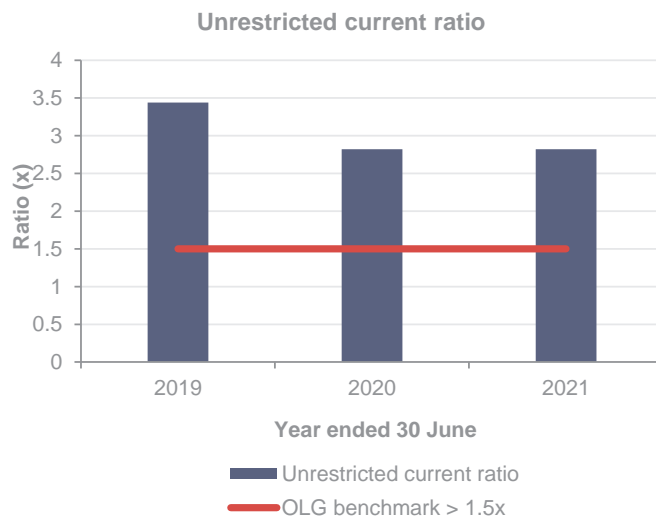


Unrestricted current ratio

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

The Council exceeded the OLG benchmark for the past three years.

This ratio indicates that Council currently has \$2.82 of unrestricted current assets available to service every \$1.00 of its unrestricted current liabilities.

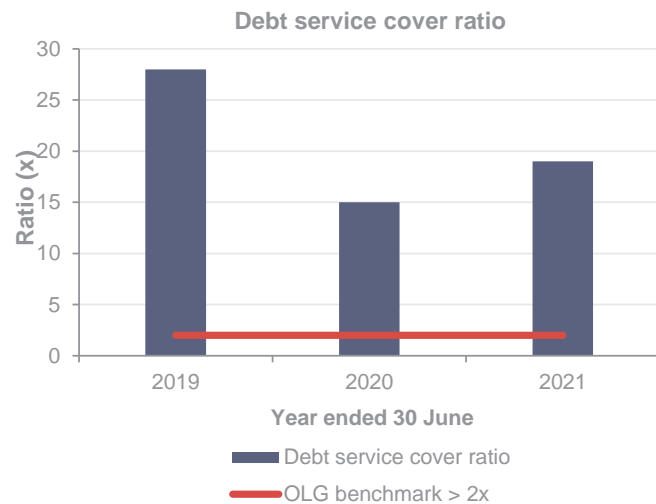


Debt service cover ratio

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

The Council exceeded the OLG benchmark for the past three years.

Council appears to be effectively monitoring its liquidity levels to ensure it can meet its borrowing costs when they fall due.

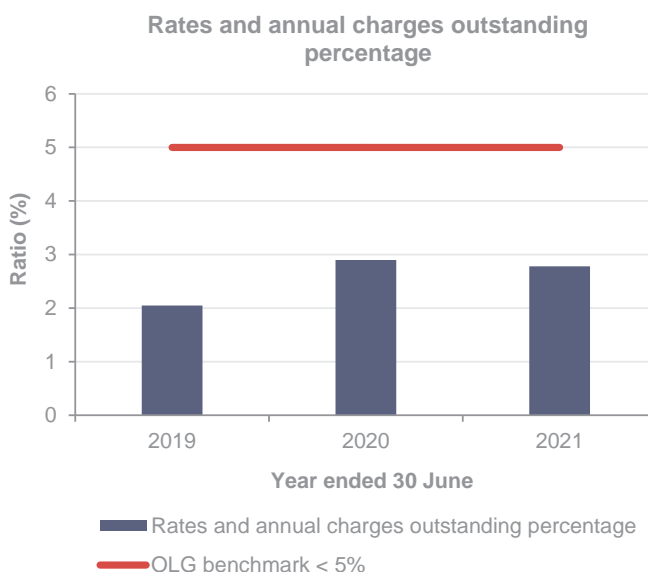


Rates and annual charges outstanding percentage

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

The Council exceeded the OLG benchmark for the past three years.

This ratio has been impacted primarily by the economic conditions resulting from the COVID-19 pandemic.

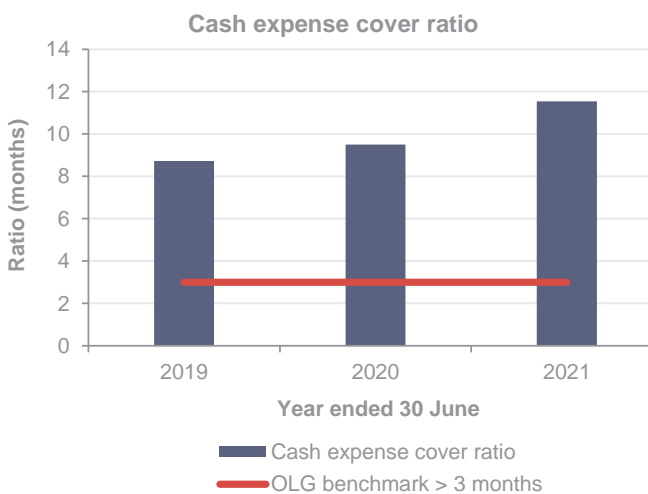


Cash expense cover ratio

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

The Council exceeded the OLG benchmark for the past three years.

This indicates that Council had the capacity to cover 11.5 months of cash expenditure without additional cash inflows at 30 June 2021.



Infrastructure, property, plant and equipment renewals

Council spent \$24.5 million on asset renewals in 2020-21 compared to \$26.1 million in the comparative prior year 2019-20. Asset renewals are defined as the replacement of existing assets as opposed to the acquisition of new assets.

A short-term benchmark of Council's strategic asset management is to assess the rate at which Council's assets are being renewed against the rate at which they are depreciating. In 2020-21, asset renewals of \$24.5 million represented 94 per cent of Council's \$26.0 million depreciation expense. This result was higher than the 2019-20 result of 90 per cent.

Asset renewals in 2020-21 were carried out in accordance with Council's capital works program and primarily related to road and footpath assets.

OTHER MATTERS

Impact of new accounting standards

AASB 1059 'Service Concession Arrangements: Grantors'

The Council's assessment has not identified any arrangements with private sector operators that should be classified as either service concession arrangements within AASB 1059, leases or outsourcing arrangements. As such, AASB 1059 did not have a material impact on Council's financial statements.

Legislative compliance

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

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



Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

cc: Mr Ken Gouldthorp, General Manager
Mr Ron Switzer, Chair of the Audit and Risk Committee
Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment

North Sydney Council

SPECIAL SCHEDULES
for the year ended 30 June 2021

*Shaping a progressive, diverse and vibrant North Sydney
community.*



North Sydney Council

Special Schedules

for the year ended 30 June 2021

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North Sydney Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation ¹			
Last year notional general income yield	a	48,530	51,765
Plus or minus adjustments ²	b	(131)	375
Notional general income	c = a + b	48,399	52,140
Permissible income calculation			
Or rate peg percentage	e	7.00%	7.00%
Or plus rate peg amount	i = e x (c + g)	3,388	3,650
Sub-total	k = (c + g + h + i + j)	51,787	55,790
Plus (or minus) last year's carry forward total	l	36	211
Less valuation objections claimed in the previous year	m	(1)	(153)
Sub-total	n = (l + m)	35	58
Total permissible income	o = k + n	51,822	55,848
Less notional general income yield	p	51,765	55,786
Catch-up or (excess) result	q = o - p	58	62
Plus income lost due to valuation objections claimed ⁴	r	153	-
Less unused catch-up ⁵	s	-	(35)
Carry forward to next year ⁶	t = q + r + s	211	27

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT
Special Schedule – Permissible income for general rates
North Sydney Council

To the Councillors of North Sydney Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of North Sydney Council (the Council) for the year ending 30 June 2022.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, Special Schedule 'Report on infrastructure assets as at 30 June 2021'.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

The scope of my audit does not include, nor provide assurance:

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



Unaib Jeffrey

Delegate of the Auditor-General for New South Wales

27 October 2021
SYDNEY

North Sydney Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost			2020/21 Actual maintenance \$ '000	2020/21 Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring to the satisfactory standard \$ '000	Estimated cost to bring to the service level of Council maintenance ^a \$ '000	Required maintenance \$ '000				1	2	3	4	5
Buildings	Buildings	539	539	2,840	2,782	130,824	210,926	66.7%	25.8%	6.0%	1.2%	0.3%
	Sub-total	539	539	2,840	2,782	130,824	210,926	66.7%	25.8%	6.0%	1.2%	0.3%
Other structures	Other structures	-	-	-	-	1,011	1,146	44.1%	55.9%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	1,011	1,146	44.1%	55.9%	0.0%	0.0%	0.0%
Roads	Sealed roads	1,073	1,073	1,475	1,430	189,171	260,872	34.5%	37.2%	22.2%	5.7%	0.4%
	Footpaths	472	472	2,172	2,343	81,844	123,241	30.7%	38.1%	24.7%	6.1%	0.4%
	Other road assets	509	509	139	154	63,248	96,525	19.8%	47.5%	28.1%	4.1%	0.5%
	Sub-total	2,054	2,054	3,786	3,927	334,263	480,638	30.6%	39.5%	24.0%	5.5%	0.4%
Stormwater drainage	Stormwater drainage	20,435	20,435	701	757	145,973	204,553	56.6%	29.6%	2.0%	1.8%	10.0%
	Sub-total	20,435	20,435	701	757	145,973	204,553	56.6%	29.6%	2.0%	1.8%	10.0%
Open space / recreational assets	Swimming pools	-	-	276	373	3,156	7,547	52.0%	27.4%	19.8%	0.8%	0.0%
	Other	69	69	979	883	18,093	27,610	35.2%	31.5%	30.5%	2.5%	0.3%
	Sub-total	69	69	1,255	1,256	21,249	35,157	38.8%	30.6%	28.2%	2.1%	0.2%
Other infrastructure assets	Other	6,933	6,933	1,289	1,403	121,045	232,671	10.2%	39.3%	36.8%	10.7%	3.0%
	Sub-total	6,933	6,933	1,289	1,403	121,045	232,671	10.2%	39.3%	36.8%	10.7%	3.0%
	Total – all assets	30,030	30,030	9,871	10,125	754,365	1,165,091	37.9%	35.0%	19.5%	5.0%	2.6%

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

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

North Sydney Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	2020	Indicators 2019	2018	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	22,429					
Depreciation, amortisation and impairment	22,805	98.35%	93.60%	121.48%	199.63%	>= 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard ²	30,030					
Net carrying amount of infrastructure assets	771,551	3.89%	4.01%	6.24%	6.77%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	10,125					
Required asset maintenance	9,871	102.57%	97.95%	95.35%	107.92%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	30,030	2.58%	2.60%	3.77%	4.10%	
Gross replacement cost	1,165,091					

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

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

(2) As there is no standard industry practice for identifying the estimated cost to bring assets to a satisfactory standard, Council has elected to use the estimated cost of fully renewing infrastructure assets assessed to be in category 5 (very poor condition) as the estimated cost to bring assets to a satisfactory standard.

North Sydney Council Report on infrastructure assets as at 30 June 2021

Buildings and infrastructure renewals ratio



Benchmark: — >= 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Buildings and infrastructure renewals ratio

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

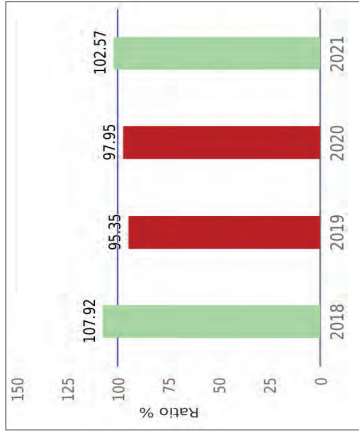
Commentary on result
20/21 ratio 96.35%

Prior to its closure for redevelopment, the useful life of the North Sydney Olympic Pool complex was revised. This necessitated the charging of additional depreciation across the last two reporting periods which resulted in this ratio falling slightly below the benchmark in 2019/20 and again in 2020/21. Council has an ongoing commitment to ensuring that sufficient funds are allocated to the replacement and renewal of our infrastructure assets to offset the rate at which they are depreciating.

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

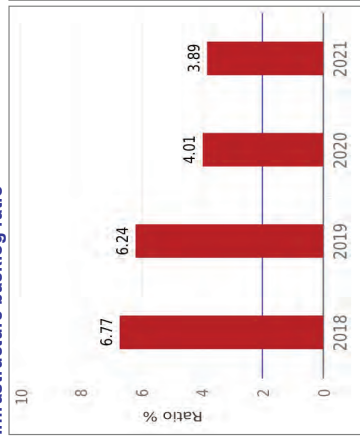
Ratio achieves benchmark

Ratio is outside benchmark

Commentary on result
20/21 ratio 102.57%

This ratio achieved the benchmark in 2020/21. This is an indication that sufficient funds were allocated to the maintenance of infrastructure to prevent the backlog from increasing.

Infrastructure backlog ratio



Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Infrastructure backlog ratio

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

Commentary on result
20/21 ratio 3.89%

While improving slightly, this ratio remains above the benchmark. At 30 June 2021, Council's infrastructure backlog was estimated to be \$30.03 million, which represented 3.89% of the net carrying amount of our infrastructure.

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result
20/21 ratio 2.58%

As at 30 June 2021, the cost to bring Council's infrastructure assets to the community's agreed service level was estimated to be \$30.03 million. This represented 2.58% of the gross replacement cost of our infrastructure.





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