

# **ATTACHMENT BOOKLET 1**

**ITEMS: 9.2, 9.5, 9.7, 10.1 AND 11.1**

**ORDINARY COUNCIL MEETING**

**TUESDAY 24 SEPTEMBER 2019**

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# General Purpose and Special Purpose Financial Reports

1 July 2018 to 30 June 2019

Draft  
6.9.19



northern  
beaches  
council

2019/510540

Annual Financial Statements

**Northern Beaches Council**

**FINANCIAL COMMENTARY 2018/19**

**INTRODUCTION**

This commentary provides the highlights of Council's 2018/19 Financial Statements. The Financial Statements are prepared by Council to provide information in relation to Council's financial performance and position. The Statements are prepared in accordance with Australian Accounting Standards, the NSW Local Government Act 1993, and the NSW Local Government Code of Accounting Practice and Financial Reporting (Update No 27).

The Financial Statements are made up of the following:

- General Purpose Financial Statements – pages 12 to 89
- Special Purpose Financial Statements – pages 90 to 102
- Special Schedules – pages 103 to 108

The General Purpose and Special Purpose Financial Statements are independently audited by the Auditor General, reported to Council, placed on public exhibition and lodged with the Office of Local Government.

**2018/19 SUMMARY RESULTS**

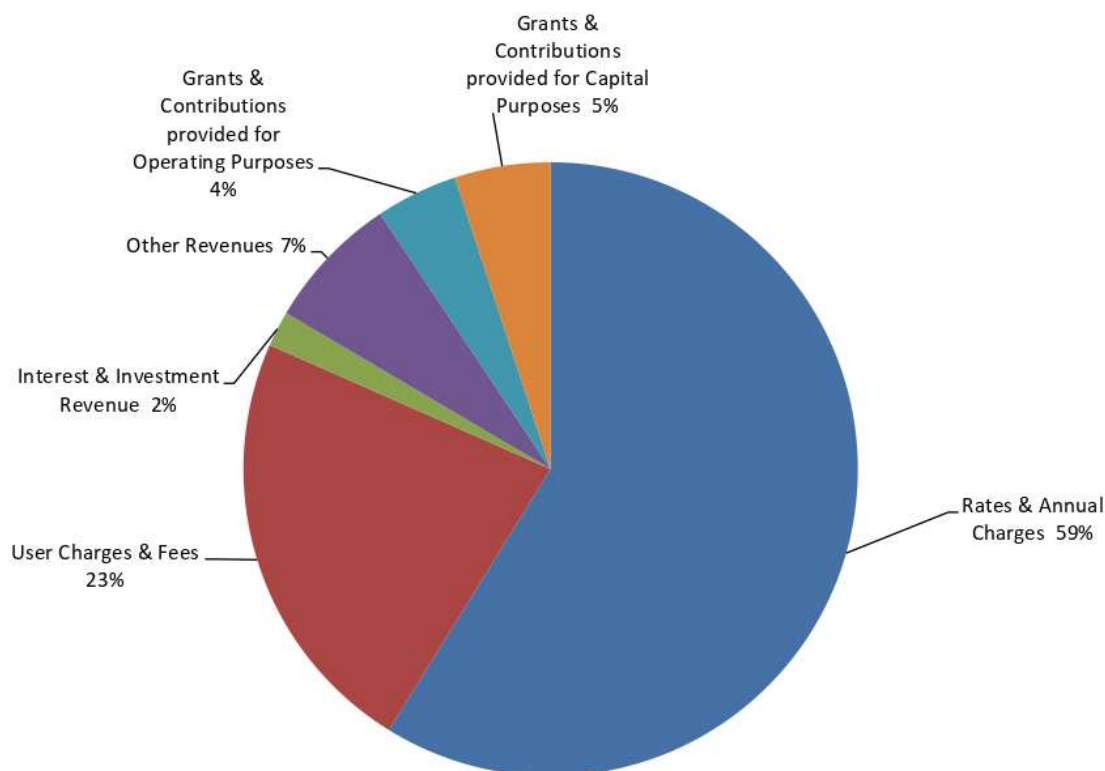
• Total Income from Continuing Operations	\$358.9m
• Total Expenses from Continuing Operations	\$330.9m
• Net Operating Surplus for the period	\$28.0m
• Net Operating Surplus for the period before Capital Grants and Contributions	\$9.9m
• New Capital Works	\$35.4m
• Capital Renewal Works	\$62.7m
• Non-cash Asset Dedications	\$4.5m
• Total Capital Expenditure	\$102.5m
• Total Assets	\$5,201.4m
• Total Liabilities	\$155.2m
• Net Assets	\$5,046.2m
• Unrestricted Current Ratio	2.6x
• Debt Service Cover Ratio	6.4x
• Building & Infrastructure Renewals Ratio	139.1%



Annual Financial Statements

Northern Beaches Council

**INCOME FROM CONTINUING OPERATIONS**



Income Items	30 June 2019 Actual (\$'000)
Rates & Annual Charges	211,058
User Charges & Fees	81,784
Interest & Investment Revenue	6,696
Other Revenues	25,641
Grants & Contributions provided for Operating Purposes	15,478
Grants & Contributions provided for Capital Purposes	18,111
Net gain from the disposal of assets	176
<b>Total Income from Continuing Operations</b>	<b>358,944</b>

Annual Financial Statements

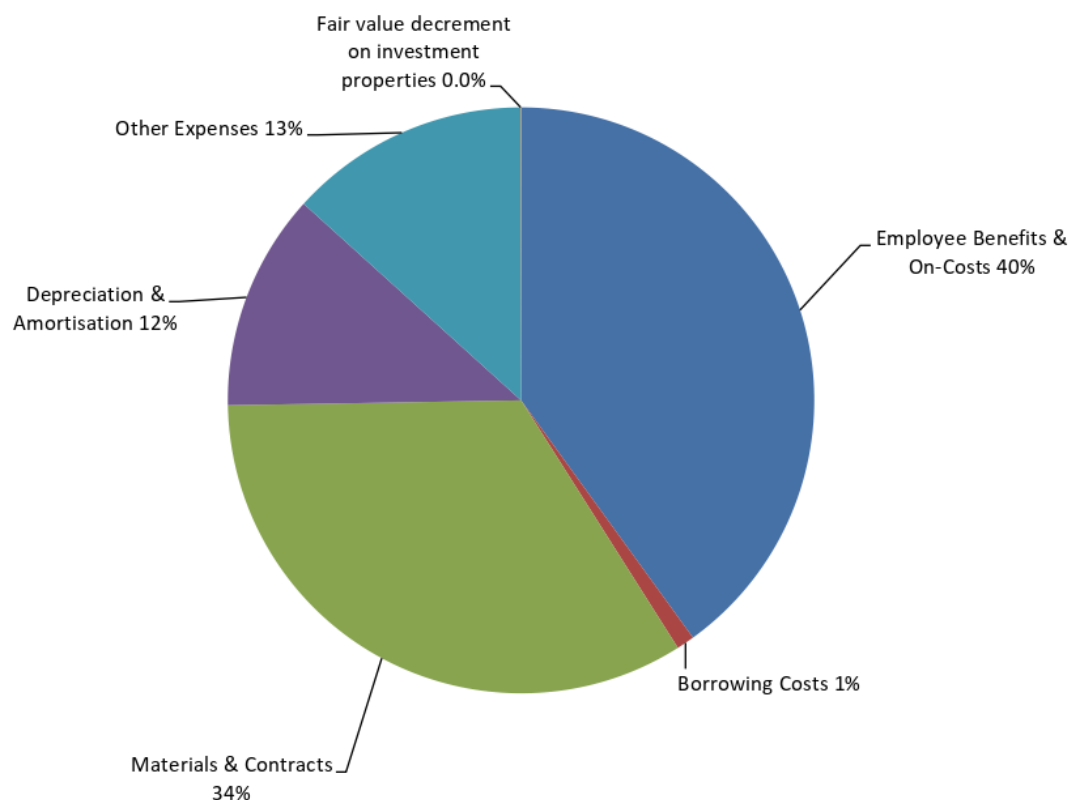
Northern Beaches Council

Year Ended 30 June 2019	Year Ended 30 June 2018	Incr/(Decr)		Details
\$'000	\$'000	\$'000	%	
211,058	211,679	(621)	-0.3%	<b>Rates &amp; annual charges</b>
Rates were \$161.7m and total Annual Charges were \$49.4m. Annual Charges for the period are predominantly represented by domestic waste charges. Income from domestic waste charges reduced by \$4.4m (8%) on the prior year, as efficiencies of the merger resulted in lower costs for the service. This includes a reduction in the domestic waste charge for the former Pittwater and Manly areas, freezing the charge for the former Warringah and issuing credits to customers who opted to move from a 120L waste collection service to the new standard 80L service in the later part of the financial year in preparation for the implementation of the new waste collection contract from 1 July 2019.				
81,784	79,785	1,999	2.5%	<b>User charges &amp; fees</b>
User charges & fees include \$22.2m in fees at the Kimbriki Waste & Recycling Centre, with the balance in fees charged by Council for the services it provides. Major items include Child Care Fees of \$12.2m, Parking Fees of \$13.3m, \$7.2m from the Manly Andrew Boy Charlton and the Warringah Aquatic Centres, \$5.3m in Planning & Building Regulation fees and \$5.7m from the Lakeside Caravan Park. During the year the Council ceased operating a commercial waste business. Lower development activity, reduced property transfers and fewer planning proposals resulted in a reduction in income. This was offset by additional income from parking stations and higher patronage at the Manly Andrew Boy Charlton Aquatic Centre.				
6,696	6,195	501	8.1%	<b>Interest and investment revenue</b>
Interest and investment revenue was higher than the previous financial year as a result of the receipt of round 2 of the Stronger Communities Fund grant (\$21.1m) in Dec 2017 and the timing of capital expenditure. Council's Cash and Investments at the end of the financial year totalled \$195.8m. Council's investment portfolio performed strongly over the financial period returning an average of 2.69%, compared to the bank bill benchmark return of 1.93%.				
25,641	25,331	310	1.2%	<b>Other revenues</b>
Other Revenues included \$2.8m raised through the Kimbriki Waste & Recycling Centre and \$22.8m from Council operations. Major items include \$7.7m in Parking Fines, \$8.5m from property leases and rent, \$1.214m in advertising income, \$0.18m Container Deposit Scheme income and \$1.1m for the non-cash first time recognition of Crown land assets. During the year the Council recovered \$0.1m in insurance claims (compared to \$0.32m in 2017/18). Lower development activity impacted rental income associated with road reserves for construction purposes.				
15,478	14,523	955	6.6%	<b>Grants &amp; contributions provided for operating purposes</b>
Significant items included: - \$0.537m receipt of for the natural disaster funding for damage resulting from the April 2015 East Coast Low - \$0.511m B-Line project contribution towards bus shelters - \$0.349m within Children's Services from the NSW Dept of Ed for legacy funding for long day care and vacation care - \$0.235m Advance payment of the 2019/20 pre-school grants in June 2019				
18,111	53,599	(35,488)	-66%	<b>Grants &amp; contributions provided for capital purposes</b>
Significant items in 2018/19 include: - \$1.573m (non-cash) Recognition of the fair value of land at Belrose TAFE purchased for \$1 - \$1.413m (non-cash) Numerous dedications of land and an amenities building associated with development - \$0.442m (non-cash) Material Public Benefit (MPB) s.7.11 contribution - \$1.250m B-Line Grant for the Dee Why Lagoon and Narrabeen pedestrian bridges from TfNSW - \$0.628m the Regional Road Repair Program - \$0.580m RMS Boating now' grant for the Church Point Masterplan Wharf extension - \$0.369m RMS Grants for traffic facilities and bike paths				
By comparison, in 2017/18 the Council received round 2 of the Stronger Communities Fund (\$21.1m), \$6.5 from RMS for B-Line projects and an asset dedication of \$7.3m for the Manly memorial hall.				
176	-	176	n/a	<b>Net gain from the disposal of assets</b>
Gains on disposal of assets were \$0.176m compared to a loss of \$0.4m in 2017/18. This was principally due to income received from the acquisition of Council land adjacent to the Manly Vale Public School development by the Department of Education for \$1.6m (less the asset book value of \$0.432m) and the sale of road reserves at locations including Brookvale, Dee Why, Freshwater, Clontarf and Whale Beach \$1.6m. This was offset by the transfer of 32 parcels of land on the Pittwater Western Foreshore to the National Parks and Wildlife Services at a book cost of \$2.9m.				
358,944	391,112	(32,168)	-8.2%	<b>TOTAL INCOME</b>

Annual Financial Statements

Northern Beaches Council

**EXPENSES FROM CONTINUING OPERATIONS**



Expense Items	1 July 2018 - 30 June 2019 Actual (\$'000)
Employee Benefits & On-Costs	132,461
Borrowing Costs	3,277
Materials & Contracts	111,563
Depreciation & Amortisation	39,629
Other Expenses	43,869
Fair value decrement on investment properties	120
<b>Total Expenses from Continuing Operations</b>	<b>330,919</b>

Annual Financial Statements

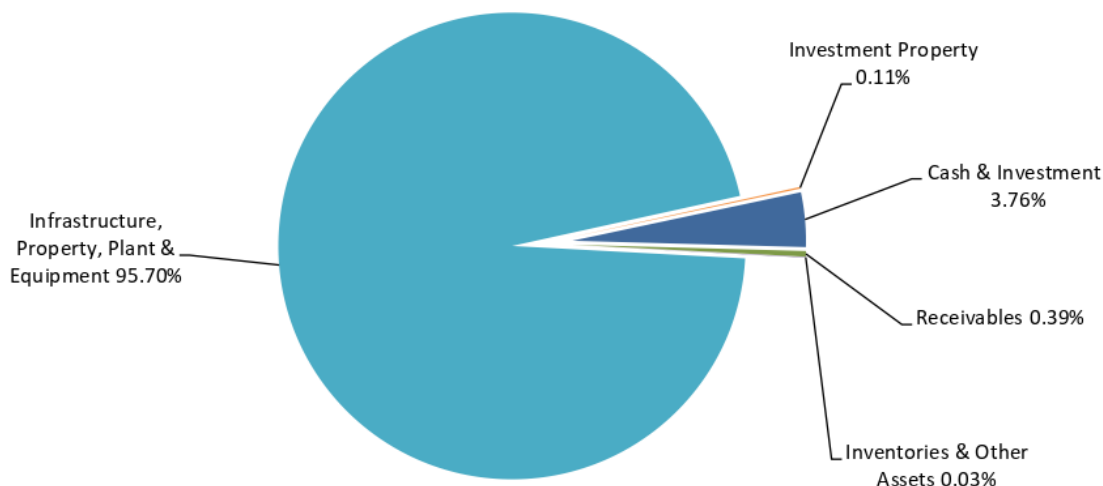
Northern Beaches Council

Year Ended 30 June 2019	Year Ended 30 June 2018	Incr/(Decr)		Details
\$'000	\$'000	\$'000	%	
132,461	124,306	8,155	6.6%	<b>Employee Benefits &amp; On-Costs</b>
Total Employee Benefits & On-Costs were \$132.461m compared to an original budget of \$134.415m and represent 40% of Council's Total Expenses from Continuing Operations. This included a 35% increase (\$3.8m) in employee leave entitlement primarily due to the impact of the falling Commonwealth bond rates which increased the value of future entitlements by \$1.8m.				
3,277	3,478	(201)	-5.8%	<b>Borrowing Costs</b>
Total Borrowing Costs were \$3.277m for the financial period compared to an original budget of \$3.572m. Borrowing Costs consist of interest on loans of \$1.737m and the amortisation of discounts for remediation liabilities for the Kimbriki Waste Landfill \$1.540m. The lower costs in comparison to 2017/18 were principally due to lower interest rates on variable loans.				
111,563	106,680	4,883	4.6%	<b>Materials &amp; Contracts</b>
Total Materials & Contracts were \$111.6m compared to an original budget of \$119m. This included \$11.1m in expenses at the Kimbriki Waste & Recycling Centre and \$100.1m relating to Council's operations. The major items within Council were \$14.862m in waste disposal costs, \$11.417m in waste collection costs and \$9.2m in maintenance & servicing. During the year the clearing of Narrabeen Lagoon was undertaken (\$0.9m).				
39,629	33,919	5,710	16.8%	<b>Depreciation &amp; Amortisation</b>
The revaluation of building assets in 2017/18 resulted in an increase in the depreciation expense for these assets (\$2m). The creation of new assets and renewal of a significant number of assets over the past 12 months also resulted in an adjustment to the depreciation for those existing assets to recognise their condition at their commissioning date.				
43,869	42,185	1,684	4.0%	<b>Other Expenses</b>
Other Expenses were \$43.9m for the financial period. Major items within this include \$7.757m Waste Levy, \$5.381m in electricity & heating, \$5.488m relating to the NSW Government Emergency Services Levy, \$3.021m in insurance costs and \$3.795m for street lighting. The most significant increase during the year was an additional \$1.2m for electricity and heating costs due to higher wholesale prices (28% increase to \$5.381m).				
120	1,685	(1,565)	-92.9%	<b>Fair value decrement on investment properties, Revaluation decrement of IPPE &amp; Net share of interests</b>
Fair value decrement on investment properties was \$0.120m for the financial period representing a reduction in the fair value of Council's three investment properties. There were no revaluation decrements or joint ventures and associates transactions in 2018-19.				
-	390	(390)	-100.0%	<b>Net Losses from the Disposal of Assets</b>
There was no net loss from the disposal of assets in 2018/19. Please refer to the income summary regarding the gain on the disposal of assets achieved in 2018/19.				
330,919	312,643	18,276	5.8%	<b>TOTAL EXPENSES</b>

Annual Financial Statements

Northern Beaches Council

ASSETS



Asset Items	30 June 2019 Actual (\$'000)
<b>Current Assets</b>	
Cash & Cash Equivalents	7,052
Investments	187,917
Receivables	18,972
Inventories	217
Other	1,272
<b>Total Current Assets</b>	<b>215,430</b>
<b>Non Current Assets</b>	
Investments	852
Receivables	1,159
Infrastructure, Property, Plant & Equipment	4,977,788
Investment Property	5,965
Other	175
<b>Total Non Current Assets</b>	<b>4,985,939</b>
<b>TOTAL ASSETS</b>	<b>5,201,369</b>

Annual Financial Statements

Northern Beaches Council

**ASSETS**

**Cash, Cash Equivalents and Investments**

Cash, Cash Equivalents and Investments totalled \$195.821m as at 30 June 2019. This represents a decrease of \$22.473m from the 2017/2018 balance. This is principally due to the delivery of capital projects funded through large grants including the Stronger Communities Fund and B-Line grants.

**Receivables**

Receivables totalled \$20.131m as at 30 June 2019. This was comparable to the 2017/18 balance of \$19.613m.

**Inventories**

Inventories totalled \$0.217m as at 30 June 2019 and are represented by stores, materials and trading stock. This was comparable to the 2017/18 balance of \$0.203m.

**Other Assets**

Other Assets are represented by Prepayments which totalled \$1.447m at 30 June 2019. This was comparable to the 2017/18 balance of \$1.375m.

**Infrastructure, Property, Plant and Equipment**

Infrastructure, Property, Plant and Equipment totalled \$4.978b as at 30 June 2019. This represents an increase of \$70.163m from the 2017/18 balance. During the financial year a full revaluation of transport assets (roads sealed, roads unsealed, bridges, footpaths and other road assets) and parks & recreation assets (other open space/recreational assets, swimming pools and other infrastructure) was undertaken, resulting in a \$12.8m increase in the value of the asset classes. This surplus is held in equity under the heading of IPP&E Revaluation Surplus.

The result was an adjustment to the values as follows:

		Prior to Revaluation \$'000	After Revaluation \$'000	Movement \$'000 %	
Transport assets	Gross Carrying Amount	852,203	886,314	34,111	
	Accumulated Depreciation	-82,021	-105,016	-22,995	
	<b>Total carrying value</b>	<b>770,182</b>	<b>781,298</b>	<b>11,116</b>	<b>1.4%</b>
Parks and recreation assets	Gross Carrying Amount	337,889	353,857	15,968	
	Accumulated Depreciation	-34,339	-48,594	-14,255	
	<b>Total carrying value</b>	<b>303,550</b>	<b>305,263</b>	<b>1,713</b>	<b>0.6%</b>
<b>Total</b>		<b>1,073,732</b>	<b>1,086,561</b>	<b>12,829</b>	<b>1.2%</b>

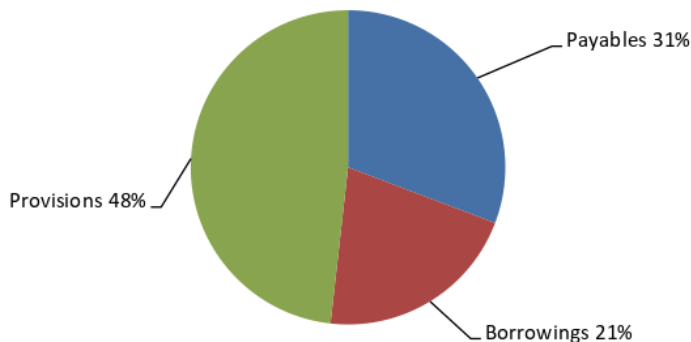
**Investment Property**

Council's investment properties total \$5.965m as at 30 June 2019. Council holds three investment properties located at Sydney Road Balgowlah, Condamine Street Balgowlah and Pittwater Road Brookvale. A revaluation was undertaken of Council's three investment properties which resulted in a reduction in the total fair value of \$0.120m which was debited to the Income Statement through the Fair Value Decrement on Investment Properties.

Annual Financial Statements

Northern Beaches Council

LIABILITIES



Liability Items	30 June 2019 Actual (\$'000)
<b>Current Liabilities</b>	
Payables	47,732
Borrowings	5,129
Provisions	33,586
<b>Total Current Liabilities</b>	<b>86,447</b>
<b>Non-Current Liabilities</b>	
Borrowings	27,490
Provisions	41,238
<b>Total Non-Current Liabilities</b>	<b>68,728</b>
<b>TOTAL Liabilities</b>	<b>155,175</b>

**Payables**

Payables totalled \$47.732m at 30 June 2019 which represented an increase of \$6.061m from the 2017/2018 balance, primarily due to a high volume of invoices in the June month due to the timing of capital expenditure projects including the domestic waste bin roll out and works in Dee Why town centre that were not yet due for payment. The principal components of the balance were Accounts Payable and Accrued Expenses of \$25.6m, Payments Received in Advance of \$4m and Deposits and Retentions of \$18m.

**Borrowings**

Borrowings totalled \$32.619m at 30 June 2019 which represented a decrease of \$4.964 from the 2017/2018 balance of \$37.583m due to the ongoing repayment of existing loans.

**Provisions**

Provisions totalled \$74.824m at 30 June 2019. This represents an increase of \$6.224m from the 2017/2018 balance and is principally the result of an increase in the Employee Leave Entitlements provision (\$4.3m) which included a \$1.8m increase due to the impact of reducing bond rates.



Annual Financial Statements

Northern Beaches Council

KEY PERFORMANCE INDICATORS

	2019	
Operating Performance	2.89%	✓
Own Source Operating Revenue	90.64%	✓
Unrestricted Current Ratio	2.65x	✓
Debt Service Cover Ratio	6.40x	✓
Rates & Annual Charges Outstanding Percentage	3.67%	✓
Buildings & Infrastructure Renewals Ratio	139.09%	✓
Infrastructure Backlog	1.32%	✓
Asset Maintenance Ratio	115.45%	✓
Cost to bring to agreed service level	1.10%	✓

**Operating Performance**

This ratio measures Council's achievement of containing operating expenditure within operating revenue. It is important to distinguish that this ratio is focusing on operating performance and hence capital grants and contributions, fair value adjustments and reversal of revaluation decrements are excluded. The benchmark is greater than 0%.

Council's Operating Performance Indicator at 2.89% is above the benchmark of 0%.

**Own Source Operating Revenue**

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Council's financial flexibility improves the higher the level of its own source revenue. The benchmark is greater than 60%.

Council's Own Source Operating Revenue Indicator at 90.64% is well above the benchmark of 60% highlighting Council's financial flexibility.

**Unrestricted Current Ratio**

The Unrestricted Current Ratio is specific to local government and is designed to represent a Council's ability to meet short term obligations as they fall due. Restrictions placed on various funding sources (e.g. Section 7.11 developer contributions, RMS contributions) complicate the traditional current ratio used to assess liquidity of businesses as cash allocated to specific projects is restricted and cannot be used to meet a Council's other operating and borrowing costs. The benchmark is greater than 1.5.

Council's Unrestricted Current Ratio of 2.65 reflects Council's sound financial position.

**Debt Service Cover Ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The benchmark is greater than 2.

Council's Debt Service Cover Ratio of 6.40 is above the benchmark of 2.



**Annual Financial Statements****Northern Beaches Council****Rates and Annual Charges Outstanding**

The purpose of this ratio is to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.

Council maintains low levels of outstanding rates and annual charges particularly given that it may allow aged pensioners, where in its opinion payment would cause hardship, to accrue rates and charges against their estate.

Council's rates and annual charges outstanding ratio of 3.67% is within the benchmark of under 5%.

**Building and Infrastructure Renewal Ratio**

The purpose of the Building and Infrastructure Renewal Ratio is to assess the rate at which these assets are being renewed against the rate at which they are depreciating.

Council's ratio of 139.09% is above the benchmark of 100% and represents the timing of the completion of projects and the Council's recent investment in the renewal of infrastructure assets.

**Infrastructure Backlog Ratio**

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

Council's Infrastructure Backlog Indicator is 1.32% which is below the benchmark of 2% indicating that Council does not have a comparatively significant infrastructure backlog.

**Asset Maintenance Ratio**

This ratio compares actual versus required annual asset maintenance. A ratio of above 1.0 indicates that the Council is investing enough funds within the year to stop the infrastructure backlog from growing. The benchmark is greater than 1.0.

Council's Asset Maintenance Ratio of 115.45% indicates that the level of expenditure on the maintenance of infrastructure assets is sufficient to prevent the infrastructure backlog from growing.

**Cost to Bring Assets to Agreed Service Level**

This ratio indicates the proportion of the gross replacement cost of Council's assets that have reached the intervention level set by Council based on the condition of the asset. This ratio is simply the sum of the outstanding renewal works, valued as the work will be undertaken, compared to the total replacement cost of Council's assets.

This ratio provides a meaningful snapshot of the proportion of outstanding renewal works compared to the total suite of assets that Council has under its care and stewardship. The use of the gross replacement cost as the denominator in this ratio provides a more stable measure over time and is easier for Councils to calculate with greater consistency year to year. Council's ratio of 1.10% indicates the cost to bring assets to agreed service levels are at a financially sustainable level.

**Annual Financial Statements**

## **Northern Beaches Council**

General purpose financial statements  
for the year ended 30 June 2019

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Annual Financial Statements

## Northern Beaches Council

### General purpose financial statements

for the year ended 30 June 2019

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These financial statements are general purpose financial statements of Northern Beaches Council and its controlled entity and are presented in the Australian currency.

Northern Beaches Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:  
725 Pittwater Rd  
DEE WHY NSW 2099

These financial statements were authorised for issue by the Council on 24 September 2019. Council has the power to amend and reissue the financial statements.

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 available on our website: [www.northernbeaches.nsw.gov.au](http://www.northernbeaches.nsw.gov.au).

#### PRINCIPAL PLACE OF BUSINESS

725 Pittwater Road  
Dee Why NSW 2099

#### OPENING HOURS

Monday to Friday  
8.30am - 5.00pm

#### CONTACT DETAILS

##### Mailing Address:

DX 9118  
Dee Why NSW 2099

**Telephone:** 02 9942 2111

**Facsimile:** 02 9971 4522

**Internet:** [www.northernbeaches.nsw.gov.au](http://www.northernbeaches.nsw.gov.au)

**Email:** [council@northernbeaches.nsw.gov.au](mailto:council@northernbeaches.nsw.gov.au)

#### OTHER INFORMATION

ABN: 57 284 295 198

#### AUDITORS

Audit Office of New South Wales

## Annual Financial Statements

**Northern Beaches Council****General purpose financial statements**

for the year ended 30 June 2019

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

The attached general purpose financial statements have been prepared in accordance with:

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

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

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

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

Signed in accordance with a resolution of Northern Beaches Council made on 24 September 2019.

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Michael Regan  
**Mayor**

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**Councillor**

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David Walsh  
**Responsible Accounting Officer**

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Ray Brownlee  
**Chief Executive Officer**

Annual Financial Statements

**Northern Beaches Council**

**Income Statement**

for the year ended 30 June 2019

Original Unaudited Budget 2019 \$'000	Notes	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>Income from continuing operations</b>			
<b>Revenue:</b>			
212,226 Rates and annual charges*	3a	211,058	211,679
79,338 User charges and fees*	3b	81,784	79,785
5,748 Interest and investment revenue*	3c	6,696	6,195
25,279 Other revenues*	3d	25,641	25,331
13,177 Grants and contributions provided for operating purposes*	3e,f	15,478	14,523
11,985 Grants and contributions provided for capital purposes	3e,f	18,111	53,599
<b>Other Income:</b>			
765 Net gain from the disposal of assets	5	176	-
<b>348,518 Total income from continuing operations</b>		<b>358,944</b>	<b>391,112</b>
<b>Expenses from continuing operations</b>			
134,415 Employee benefits and on-costs	4a	132,461	124,306
3,572 Borrowing costs	4b	3,277	3,478
110,724 Materials and contracts*	4c	111,563	106,680
35,386 Depreciation and amortisation	4d	39,629	33,919
43,696 Other expenses*	4e	43,869	42,185
- Net loss from the disposal of assets	5	-	390
- Revaluation decrement/impairment of IPPE	4d	-	987
- Fair value decrement on investment properties	10	120	684
- Net share of interests in joint ventures and associates using the equity method	15	-	14
<b>327,793 Total expenses from continuing operations</b>		<b>330,919</b>	<b>312,643</b>
<b>20,724 Operating result from continuing operations</b>		<b>28,025</b>	<b>78,469</b>
Operating Result from discontinued operations		-	-
<b>20,724 Net operating result for the period</b>		<b>28,025</b>	<b>78,469</b>
<b>20,724 Net result for the period</b>		<b>28,025</b>	<b>78,469</b>
Attributable to:			
20,631 - Council		27,893	78,305
93 - Non-controlling Interests		132	164
20,724		28,025	78,469
<b>Net operating result for the period before grants and contributions provided</b>			
<b>8,739 for capital purposes</b>		<b>9,914</b>	<b>24,870</b>

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

\* Items have been re-classified in accordance with the Local Government Code of Accounting Practice.

Annual Financial Statements

**Northern Beaches Council**

**Statement of Comprehensive Income**

for the year ended 30 June 2019

		Year Ended 30 June 2019	Year Ended 30 June 2018
	Notes	\$'000	\$'000
<b>Net result for the period - from Income Statement</b>		<b>28,025</b>	<b>78,469</b>
<b>Other Comprehensive Income</b>			
<i>Amounts that will not be reclassified subsequent to operating result</i>			
Gain on revaluation infrastructure property, plant and equipment	9	12,828	158,417
Total other Comprehensive Income for the period		12,828	158,417
<b>Total comprehensive income for the period</b>		<b>40,853</b>	<b>236,886</b>
Attributable to:			
- Council		40,721	236,722
- Non-controlling Interests		132	164

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

Annual Financial Statements

**Northern Beaches Council**

**Statement of Financial Position**

as at 30 June 2019

		Actual 2019 \$'000	Actual <sup>1</sup> 2018 \$'000
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	7,052	6,037
Investments	6b	187,917	208,886
Receivables	7	18,972	18,379
Inventories	8	217	203
Other	8	1,272	1,268
Non-current assets classified as held for sale		-	-
<b>Total current assets</b>		<b>215,430</b>	<b>234,773</b>
<b>Non-Current Assets</b>			
Investments	6b	852	3,371
Receivables	7	1,159	1,234
Infrastructure, property, plant and equipment	9	4,977,788	4,907,625
Investments accounted for using the equity method	15	-	-
Investment property	10	5,965	6,085
Intangible assets		-	-
Inventories	8	-	-
Other	8	175	107
<b>Total non-current assets</b>		<b>4,985,939</b>	<b>4,918,422</b>
<b>Total Assets</b>		<b>5,201,369</b>	<b>5,153,195</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	11	47,732	41,671
Borrowings	11	5,129	5,225
Provisions	12	33,586	29,502
<b>Total current liabilities</b>		<b>86,447</b>	<b>76,398</b>
<b>Non-current liabilities</b>			
Payables	11	-	-
Borrowings	11	27,490	32,358
Provisions	12	41,238	39,098
<b>Total non-current liabilities</b>		<b>68,728</b>	<b>71,456</b>
<b>Total Liabilities</b>		<b>155,175</b>	<b>147,854</b>
<b>Net assets</b>		<b>5,046,194</b>	<b>5,005,341</b>
<b>EQUITY</b>			
Accumulated Surplus	13	4,873,907	4,846,014
IPP&E Revaluation Surplus	13	171,245	158,417
Council Interest		5,045,152	5,004,431
Non-controlling equity interest		1,042	910
<b>TOTAL EQUITY</b>		<b>5,046,194</b>	<b>5,005,341</b>

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

<sup>1</sup> Comparatives have not been restated when initially applying AASB 9, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

Annual Financial Statements

**Northern Beaches Council**

**Statement of Changes in Equity**

for the year ended 30 June 2019

	Actual 2019				
	Accumulated Surplus	IPP&E Revaluation Surplus	Council Equity Interest	Non- controlling Interest	Total Equity
<b>Opening Balance</b>	4,846,014	158,417	5,004,431	910	<b>5,005,341</b>
<b>Restated Opening Balances</b>	<b>4,846,014</b>	<b>158,417</b>	<b>5,004,431</b>	<b>910</b>	<b>5,005,341</b>
Net Operating Result for the year	27,893	-	27,893	132	<b>28,025</b>
Gain (loss) on revaluation of Infrastructure, property, plant and equipment	-	12,828	12,828	-	<b>12,828</b>
<b>Total Comprehensive Income</b>	<b>27,893</b>	<b>12,828</b>	<b>40,721</b>	<b>132</b>	<b>40,853</b>
<b>Closing Balance</b>	<b>4,873,907</b>	<b>171,245</b>	<b>5,045,152</b>	<b>1,042</b>	<b>5,046,194</b>

	Actual 2018 <sup>1</sup>				
	Accumulated Surplus	IPP&E Revaluation Surplus	Council Equity Interest	Non- controlling Interest	Total Equity
<b>Opening Balance</b>	4,767,709	-	4,767,709	746	<b>4,768,455</b>
<b>Restated Opening Balances</b>	<b>4,767,709</b>	<b>-</b>	<b>4,767,709</b>	<b>746</b>	<b>4,768,455</b>
Net Operating Result for the period	78,305	-	78,305	164	<b>78,469</b>
Other Comprehensive Income	-	158,417	158,417	-	<b>158,417</b>
<b>Total Comprehensive Income</b>	<b>78,305</b>	<b>158,417</b>	<b>236,722</b>	<b>164</b>	<b>236,886</b>
<b>Closing Balance</b>	<b>4,846,014</b>	<b>158,417</b>	<b>5,004,431</b>	<b>910</b>	<b>5,005,341</b>

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

<sup>1</sup> Comparatives have not been restated when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*



Annual Financial Statements

Northern Beaches Council

Statement of Cash Flows

for the year ended 30 June 2019

Original Unaudited Budget 2019 \$'000	Notes	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts:</b>			
211,702 Rates and annual charges		212,012	210,164
79,144 User charges and fees		84,761	83,928
5,748 Investment revenue and interest		5,965	5,149
25,487 Grants and contributions		30,511	64,453
- Bonds, deposits and retentions received		5,537	5,837
25,279 Other		41,897	39,143
<b>Payments:</b>			
(134,690) Employee benefits and on-costs		(128,097)	(124,863)
(112,724) Materials and contracts		(114,018)	(117,678)
- Borrowing costs		(3,326)	(3,586)
- Bonds, deposits and retentions refunded		(4,967)	(4,990)
(44,501) Other		(55,503)	(52,970)
<b>55,445</b> Net cash provided from (or used in) operating activities	14(b)	<b>74,772</b>	<b>104,587</b>
<b>Cash flows from investing activities</b>			
<b>Receipts:</b>			
- Sale of investments		313,991	272,929
- Sale of investment property		-	-
2,415 Sale of infrastructure, property, plant & equipment		5,627	3,964
- Sale of non current assets held for resale		-	-
<b>Payments:</b>			
- Purchase of investment securities		(290,480)	(326,531)
(111,283) Purchase of infrastructure, property, plant and equipment		(97,931)	(68,297)
- Other		-	-
<b>(108,868)</b> Net cash provided from (or used in) investing activities		<b>(68,793)</b>	<b>(117,935)</b>
<b>Cash Flows from financing activities</b>			
<b>Receipts:</b>			
- Proceeds from borrowings and advances		-	-
<b>Payments:</b>			
(6,965) Repayment of borrowings and advances		(4,964)	(10,435)
- Finance lease liabilities		-	-
- Dividends Paid to Minority Interests		-	-
<b>(6,965)</b> Net cash provided from (or used in) financing activities		<b>(4,964)</b>	<b>(10,435)</b>
<b>(60,388)</b> Net increase/(decrease) in cash and cash equivalents		<b>1,015</b>	<b>(23,783)</b>
218,285 Cash and cash equivalents at beginning of reporting period		6,037	29,820
<b>157,897</b> Cash and cash equivalents at end of reporting period	14(a)	<b>7,052</b>	<b>6,037</b>

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

Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

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## Annual Financial Statements

# Northern Beaches Council

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 1 Basis of Preparation

These financial statements were authorised for issue by Council on 24 September 2019. 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 periods presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act (1993) (NSW) and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Northern Beaches Council is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### (a) New and amended standards adopted by Council

The following new standards were adopted during the year. There was no material impact on reported financial position, performance, or cash flows of the entity, although some additional disclosures have arisen:

- AASB 9 Financial instruments and associated amending standards
- AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments
- AASB 2014 - 1 Amendments to Australian Accounting Standards
- AASB 2014 - 7 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2014 - 8 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2016 - 6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017 - 3 Amendments to Australian Accounting Standards - Clarifications to AASB 4
- AASB 2016 - 5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions

#### (b) Historical cost convention

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

#### (c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

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

- (i) estimated fair values of investment properties - refer Note 10
- (ii) estimated fair values of infrastructure, property, plant and equipment - refer Note 9
- (iii) estimated asset remediation provisions - refer Note 12
- (iv) employee benefit provisions - refer Note 12

##### *Significant judgements in applying the Council's accounting policies*

- (i) Impairment of receivables  
Council has made a significant judgement about the impairment of a number of its receivables - refer Note 7

## Annual Financial Statements

## Northern Beaches Council

## Notes to the Financial Statements

for the year ended 30 June 2019

**Note 1 Basis of Preparation** (continued)**Monies and other assets received by Council***(a) The Consolidated Fund*

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

The Consolidated Fund has been included in the financial statements of Council.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- general purpose operations
- Kimbriki Environmental Enterprises Pty Limited

*(b) The Trust Fund*

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

**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 within the statement of financial position are stated inclusive of any applicable GST. The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the statement of financial position.

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

**New accounting standards and interpretations issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019. Northern Beaches Council's assessment of the impact of these new standards and interpretations relevant to them is set out on the following pages.

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

## Annual Financial Statements

### Northern Beaches Council

#### Notes to the Financial Statements

for the year ended 30 June 2019

##### Note 1 Basis of Preparation (continued)

###### *AASB 2014 – 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture.*

AASB2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. AASB2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.

AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The amendments address an acknowledged inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date is annual reporting periods beginning on or after 1 January 2022.

The Council holds an immaterial interest in the Premsure insurance pool, which is currently in wind up. As no sales or contributions with the joint venture are anticipated, this change is not expected to have an impact for Council.

###### *AASB 2015 – 10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.*

*AASB 2017 – 5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date is annual reporting periods beginning on or after January 2022.

###### *AASB16 Leases*

AASB16 will result in most of the operating leases of an entity being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may not be brought onto the Statement of Financial Position.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease.

Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges.

Whilst the impact of AASB16 has not yet been fully determined, Council is currently reviewing all of the operating leases to assess whether or not a Right of Use Asset exists.

The effective date is annual reporting periods beginning on or after 1 January 2019.

###### *AASB 15 Revenue from contracts with customers and associated amending standards*

AASB 15 introduces a five step process for revenue recognition with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

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

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. Council is still reviewing the way that income is measured and recognised to identify whether there will be a material impact arising from this standard.

The effective date is annual reporting periods beginning on or after 1 January 2019

Annual Financial Statements

## Northern Beaches Council

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 1 Basis of Preparation (continued)

##### *AASB 2018 - 4 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Public Sector Licensors*

This standard provides guidance for public sector entities who issue licences and primarily amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences.

The amendments to AASB 15 include:

- expanding the scope of AASB 15 to include non-contractual licences;
- guidance distinguishing a licence from a tax;
- guidance clarifying the types of licences issued by not-for-profit public sector licensors;
- guidance clarifying the application of the principles in AASB 15 to licences that are not within the scope of other Australian Accounting Standards; and
- providing recognition exemptions for short-term licences and licences issued for a low transaction price.

The amendments to AASB 16 clarify that licences that are in substance leases or contain leases, except licences of intellectual property, fall within the scope of AASB 16.

Council is awaiting further guidance from the Office of Local Government in relation to this amendment. The accounting treatment of these licences will not change at this point in time.

The effective date is annual reporting periods beginning on or after 1 January 2019

##### *AASB 1058 Income of Not-for-Profit Entities*

AASB 1058 supersedes all the income recognition requirements relating to Councils, previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

AASB 1058 applies when a Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the Council's objective is principally to enable the asset to further the council's objectives. In cases where the Council enters into other transactions, the Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

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

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

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), the Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised.

Prepaid rates received prior to the beginning of a rating period will now be recognised as a financial liability until the commencement of the rating period.

The effective date is annual reporting periods beginning on or after January 2019.



Annual Financial Statements

## Northern Beaches Council

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 1 Basis of Preparation (continued)

*AASB 2017 – 1 Amendments to Australian Accounting Standards – Transfers of Investment Property 2014-2016 Cycle and Other Amendments (AASB 1, AASB 128, AASB 140)*

This standard makes changes to the following standards:

- AASB1 - deletes some short-term exemptions for first-time adopters that were available only for reporting periods that have passed and to add exemptions arising from AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration*;
- AASB 128 - clarify that:
  - (i) a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture; and
  - (ii) an entity that is not an investment entity may elect to retain the fair value measurement applied by its associates and joint ventures that are investment entities when applying the equity method. This choice is available separately for each investment entity associate or joint venture; and
- AASB 140 - reflects the principle that an entity transfers a property to, or from, investment property when, and only when, there is a change in use of the property supported by evidence that a change in use has occurred.

The changes to AASB 1 and AASB 128 will have no impact for Councils.

The effective date is annual reporting periods beginning on or after January 2019.

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

This Standard amends AASB 1, AASB 16, AASB 117, AASB 1049 and AASB 1058 to provide a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases). The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases.

The effective date is annual reporting periods beginning on or after 1 January 2019.

This standard means that councils will be permitted but not required to fair value their right of use assets relating to peppercorn and other concessionary loans. The Council will continue to measure right-of-use assets at cost, as recommended by the Office of Local Government. As the accounting treatment for peppercorn leases will not change, this change will have no impact on the financial statements, however additional disclosures will be provided in relation to any below market-value leases.

*AASB 2018 – 1 Amendments to Australian Accounting Standards – Annual Improvements Cycle 2015 - 2017 Cycle*

This standard makes the following amendments to existing standards:

- AASB 3 - clarifies that an entity remeasures its previously held interest in a joint operation when it obtains control of the business
- AASB 11 - clarifies that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- AASB 112 - clarifies that an entity accounts for all income tax consequences of dividend payments according to where the entity originally recognised the past transactions or events that generated the distributable profits and
- AASB 123 - clarifies that an entity treats any borrowing originally made to develop a qualifying asset as part of general borrowings when the asset is ready for its intended use or sale.

The changes are not anticipated to have any impact for Council.

The effective date is annual reporting periods beginning on or after January 2019.

*AASB 2017 – 7 Amendments to Australian Accounting Standards – Long term Interests in Associates and Joint Ventures*

This standard amends AASB 128 to clarify that an entity is required to account for long-term investments in an associate or joint venture, which in substance for part of the net investment in the associate or joint venture the equity method is not applied, using AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128.

The changes are not anticipated to have any impact for Council.

The effective date is annual reporting periods beginning on or after January 2019.

## Annual Financial Statements

## Northern Beaches Council

## Notes to the Financial Statements

for the year ended 30 June 2019

**Note 1 Basis of Preparation** (continued)*AASB 1059 - Amendments to Australian Accounting Standards – Service Concession Arrangements - Grantors*

This standard provides guidance for public sector entities (grantors) who have entered into service concession arrangements with private sector operators.

AASB 1059 requires grantors to recognise a service concession asset and, in most cases, a corresponding liability on the statement of financial position. A control approach is used to assess the service concession arrangements in place. On initial recognition the asset is measured at current replacement cost based on AASB 13 Fair Value Measurement and existing assets of the grantors are reclassified at the date of transition. After initial recognition, the grantor accounts for the assets under either AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets.

The nature of the consideration given to the operator will affect whether the grantor applies either the 'financial liability' or the 'grant of right' model for the recognition of the liability.

The effective date is annual reporting periods beginning on or after 1 January 2020.

The Council has not entered into any service concession arrangements, therefore this change is not anticipated to have any impact for Council.

**New accounting standards adopted during the year**

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019. The standards which had an impact on reported position, performance or disclosures have been discussed in Note 13.



Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements  
for the year ended 30 June 2019

Note 2(a) Functions or activities

Functions/Activities	Income, expenses and assets have been directly attributed to the following functions or activities. Details of these functions or activities are provided in Note 2(b)													
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations			Total assets held (current & non-current)	
	Actual 2019	Actual 2018	\$'000	Actual 2019	Actual 2018	\$'000	Actual 2019	Actual 2018	\$'000	Actual 2019	Actual 2018	\$'000	Actual 2019	Actual 2018
Environment and Sustainability	3,085	2,987	35,050	32,317	(31,974)	(26,350)	595	372	810,859	810,349				
Waste and Cleansing	49,369	54,092	57,875	57,182	(8,508)	(3,090)	261	263	26,241	23,037				
Kimbrili Resource Recovery Centre	25,274	25,221	18,778	18,245	6,496	6,976	-	-	42,632	36,990				
Strategic Land Use Planning	1,172	1,435	6,249	5,129	(5,077)	(3,664)	115	91	32,794	36,259				
Development Assessment	3,355	3,615	6,635	6,571	(3,280)	(2,956)	-	-	-	-				
Environmental Compliance	10,386	10,879	13,109	11,892	(2,723)	(1,013)	-	-	187	-				
Parks and Recreation	3,625	2,849	35,648	34,195	(32,023)	(31,346)	620	111	361,366	337,823				
Children's Services	13,367	12,766	14,559	13,891	(1,192)	(1,095)	1,160	662	9,098	8,421				
Community, Arts and Culture	5,288	4,846	12,757	11,488	(7,469)	(6,642)	904	870	15,930	17,427				
Library Services	1,003	1,053	10,323	9,780	(9,320)	(8,727)	706	720	44,091	43,685				
Transport, Traffic and Active Travel	23,019	25,193	35,397	30,787	(12,378)	(5,594)	3,345	3,520	823,847	889,086				
Economic Development, Events and Engagement	1,120	895	10,243	8,702	(9,123)	(7,807)	-	72	390	459				
Property and Facilities	28,143	28,097	42,821	38,757	(14,478)	(10,660)	130	647	2,884,575	2,819,953				
Governance and Assurance Services	368	813	11,939	12,226	(11,571)	(11,413)	-	-	-	-				
Customer Services	1,093	1,127	3,497	3,329	(2,404)	(2,202)	-	-	-	-				
Corporate Support Services	17,396	45,602	16,230	18,168	1,166	27,434	2,445	25,013	149,061	129,706				
Total functions & activities	187,063	221,450	330,919	312,629	(143,856)	(91,179)	10,281	32,341	5,201,369	5,153,195				
Shares of gains or losses in associates & joint ventures using equity method	-	-	-	14	-	(14)	-	-	-	-				
General Purpose Income <sup>1</sup>	171,881	169,662	-	-	171,881	169,662	7,881	7,782	-	-				
Operating result for the financial period	358,944	391,112	330,919	312,643	28,025	78,469	18,162	40,123	5,201,369	5,153,195				

<sup>1</sup> As reported in the Income Statement

## Annual Financial Statements

# Northern Beaches Council

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 2(b) Components of functions or activities

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

#### Environment and Sustainability

This service protects and enhances the natural and built environments by delivering programs which preserve biodiversity, manage natural hazards and improve sustainability and resilience of our community. This includes management of Council's stormwater network.

#### Waste and Cleansing

This service manages the collection of waste and recyclables from households, cleaning of public places (beaches, parks, streets, centres and graffiti removal), street sweeping and the collection of dumped rubbish.

#### Kimbriki Resource Recovery Centre

This facility delivers sustainable waste management and recycling services to the community. It recycles 80% of waste received and also provides education on sustainability via the Eco House and garden.

#### Strategic Land Use Planning

The service prepares strategic plans and policies to sustainably manage growth and development on the Northern Beaches.

#### Development Assessment

This service assesses Development Applications in line with local and state planning controls. It also provides pre-lodgement meetings to assist applicants in the preparation of their applications.

#### Environmental Compliance

This service safeguards public health, safety and the natural environment through education, regulation and enforcement. This includes responding to issues relating to illegal land use, noise, water, food safety, parking and companion animal management as well as delivering public health programs.

#### Parks and Recreation

This service manages open space for sport, recreation and leisure, as well as public trees in streets. This includes developing and maintaining playgrounds, sportsfields, rockpools, golf courses, gardens and parks as well as Manly Dam and Narrabeen Lagoon. It also provides professional lifeguards at 21 beaches.

#### Children's Services

This service offers high quality professional care for children aged 0-11 years via six long day care centres, five vacation locations, two pre-schools, an occasional care centre and a network of family day carers.

#### Community, Arts and Culture

This service provides, supports and facilitates programs to build social capital and enhance the health and well-being of individuals and families in the community. It includes the Meals on Wheels service, the Street in Belrose, Manly, Mona Vale and Warringah Mall as well as a Hop, Skip and Jump bus service, programs for aged, people with disability and youth, Community centre bookings and arts and cultural events via a theatre, creative spaces, art gallery and museum.

#### Library Services

This service provides free access to the library collection as well as space for reading, study and recreation at Dee Why, Forestville, Glen Street in Belrose, Manly, Mona Vale and Warringah Mall as well as a Hop, Skip and Jump bus service. It also supports community libraries at Avalon, Terrey Hills, Seaforth, Harbord and Book Lovers' Club Northern Beaches in Narrabeen.

#### Transport, Traffic and Active Travel

This service maintains the road network, car parking areas/stations, footpaths, bus shelters, guard rails, bridges, causeways, retaining walls, pedestrian crossings, roundabouts and cycleways. It also delivers road safety programs to educate the community.

#### Economic Development, Events and Engagement

This service delivers community events, economic development and promotion and community engagement services.

#### Property and Facilities

This service manages Council's portfolio of community and civic buildings, including aquatic and recreation centres, holiday accommodation facilities and cemeteries. It also manages leases/licences of property and the cleaning of public toilets.

#### Governance and Assurance Services

This service supports the elected Council and provides functions including secretarial support for meetings, legal and internal audit services, complaints management, business continuity and risk management services.

#### Customer Services

This service provides front of house customer service centres for people attending Council in person at Avalon, Dee Why, Manly and Mona Vale as well as a call centre for people contacting Council by phone.

#### Corporate Support Services

This service supports the organisations to efficiently deliver services to the community by providing financial management, procurement, human resources management, technology and information systems, corporate planning and reporting and project management services to the organisation.

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3 Income from continuing operations

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(a) Rates &amp; annual charges</b>		
<b>Ordinary Rates</b>		
Residential	135,046	131,799
Farmland	14	14
Business	26,304	25,840
Less: Pensioner rebates	(2,014)	(2,108)
<b>Rates levied to ratepayers</b>	<b>159,350</b>	<b>155,545</b>
Pensioner rate subsidies received*	1,043	1,005
<b>Total ordinary rates</b>	<b>160,393</b>	<b>156,550</b>
<b>Special Rates</b>		
Business	1,277	1,291
<b>Total special rates</b>	<b>1,277</b>	<b>1,291</b>
<b>Annual Charges</b> (pursuant to s496, s501 & s611)		
Domestic Waste Management Services	48,923	53,310
Stormwater management services charge	874	874
Section 611 charges	199	197
Pensioner subsidies: Domestic Waste Management*	381	383
Less: Pensioner rebates	(989)	(926)
<b>Total Annual Charges</b>	<b>49,388</b>	<b>53,838</b>
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>	<b>211,058</b>	<b>211,679</b>

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

**Accounting policy for rates and charges**

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

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

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

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

\* Items have been re-classified in accordance with the Local Government Code of Accounting Practice.

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3 Income from continuing operations (continued)

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(b) User charges and fees</b>		
<b>User charges</b> (pursuant to s.502)		
Commercial Waste Management Services (non-domestic)	126	493
<b>Total user charges</b>	<b>126</b>	<b>493</b>
<b>Fees</b>		
Advertising Fees	858	837
Animal Registration	142	164
Aquatic Centres*	7,158	6,604
Caravan Park	5,726	5,677
Cemeteries	1,051	724
Child Care	12,198	11,832
Coastal Environmental Centre	230	220
Community Centres	2,127	2,046
Currawong State Park	356	368
Film Permits	118	126
Glen Street Theatre	1,511	1,245
Golf Courses*	1,806	1,739
Kimbriki Waste & Recycling Centre*	22,238	22,375
Leaseback Fees - Council Vehicle	780	786
Libraries	171	186
Parking Areas	13,300	11,802
Sportsfields and Reserves*	1,606	1,672
Planning and Building Regulation	5,328	6,142
Regulatory/ Statutory Fees	831	664
Restoration Charges	1,674	1,556
Road Inspections	450	409
Section 10.7 Certificates (EPA Act)	686	744
Section 603 Certificates (LG Act)	350	380
Other*	963	994
<b>Total fees</b>	<b>81,658</b>	<b>79,292</b>
<b>Total user charges and fees</b>	<b>81,784</b>	<b>79,785</b>

**Accounting policy for user charges and fees**

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

\* Items have been re-classified in accordance with the Local Government Code of Accounting Practice.

Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 3 Income from continuing operations (continued)**

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(c) Interest and investment revenue</b>		
Interest on financial assets measured at amortised cost		
- Overdue Rates & Annual Charges	471	487
- Cash and Investments	6,202	5,677
Fair Value Adjustments		
- Investments at fair value through profit and loss (FVTPL)	23	31
<b>Total interest and investment revenue</b>	<b>6,696</b>	<b>6,195</b>

**Accounting policy for interest and investment revenue**

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

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

**Note 3 Income from continuing operations** (continued)

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(d) Other revenues</b>		
Ex Gratia Rates	25	24
Commission & Agency Fees	15	40
Advertising Income	1,214	1,062
First Time Recognition of Asset (non-cash)	1,056	-
Health & Compliance Fines	245	509
Diesel Rebate	81	80
Other Revenues - Kimbriki	2,848	2,716
Insurance claims recoveries	97	320
Legal Fees Recovery - Rates & Charges (Extra Charges)	177	77
Legal Fees Recovery - Other	365	278
Other Fines*	399	698
Parking Fines	7,743	7,904
Recycling Income (Domestic)*	180	-
Rental Income - Investment Properties	319	316
Rental Income - Leased Council Properties	5,156	4,710
Rental Income - Other Council Properties	3,053	3,478
Sale of Stock - Aquatic Centres*	364	376
Sale of Stock - Glen Street*	166	128
Sale of Stock - Golf Courses*	302	286
Income/Sponsorship	55	97
Other Revenues*	1,781	2,232
<b>Total other revenue</b>	<b>25,641</b>	<b>25,331</b>

**Accounting policy for other revenue**

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

- Parking fines are recognised as revenue when received from NSW Revenue.
- Rental income is accounted for on a straight line basis over the lease term.
- Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of and rewards.
- Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

\* Items have been re-classified in accordance with the Local Government Code of Accounting Practice.

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3 Income from continuing operations (continued)

	Operating		Capital	
	Year	Year	Year	Year
	Ended	Ended	Ended	Ended
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
Financial Assistance - General Component				
- Relating to current year	2,756	2,716	-	-
- Prepayment received in advance for subsequent year	2,857	2,839	-	-
Financial Assistance - Local Roads Component				
- Relating to current year	1,113	1,091	-	-
- Prepayment received in advance for subsequent year	1,155	1,135	-	-
<b>Total general purpose</b>	<b>7,881</b>	<b>7,781</b>	<b>-</b>	<b>-</b>
<b>Specific purpose (tied)</b>				
Stronger Communities Fund	-	-	-	21,100
Child Care	1,160	913	-	-
Coast & Estuaries	-	59	193	402
Community Care	585	810	-	-
Community Centres	84	82	-	-
Environmental Programs	1,284	499	-	-
Heritage & Cultural	190	141	-	-
Library	207	233	498	486
LIRS Subsidy	559	695	-	-
Noxious Weeds	35	77	-	-
Recreation & Culture	6	-	508	165
Street Lighting	775	759	-	-
Transport (Roads to Recovery)	-	-	782	2,046
Transport (Other Roads & Bridges Funding)	827	615	2,497	3,260
Other	-	-	91	-
<b>Total specific purpose</b>	<b>5,712</b>	<b>4,883</b>	<b>4,569</b>	<b>27,459</b>
<b>Total grants</b>	<b>13,593</b>	<b>12,664</b>	<b>4,569</b>	<b>27,459</b>
<b>Grant revenue is attributable to:</b>				
- Commonwealth Funding	8,224	8,337	1,105	2,046
- State Funding	5,276	4,272	3,464	25,399
- Other	93	55	-	14
	<b>13,593</b>	<b>12,664</b>	<b>4,569</b>	<b>27,459</b>



Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3 Income from continuing operations (continued)

	Operating		Capital	
	Year	Year	Year	Year
	Ended	Ended	Ended	Ended
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>(f) Contributions</b>				
<b>Developer contributions:</b>				
<b>(s7.4 and s7.11 - EP&amp;A Act, s64 of the LGA):</b>				
<b>Cash contributions</b>				
- S 7.11 - contributions towards amenities/services	-	-	4,135	5,612
- S 7.12 - fixed development consent levies	-	-	3,855	3,896
- S 7.4 - contributions using planning agreements	-	-	-	1,036
<b>Non-cash contributions</b>				
Other developer contributions	-	-	442	-
<b>Total developer contributions</b>	<b>-</b>	<b>-</b>	<b>8,432</b>	<b>10,544</b>
<b>Other Contributions:</b>				
<b>Cash contributions</b>				
Bushfire Services	769	797	36	329
Recreation & Culture	319	274	582	351
RMS Contributions (Regional/Local, Block Grant)	725	709	1,419	525
Footpath	-	-	79	-
Community Services	-	47	-	6,771
Community Land*	72	32	8	-
<b>Non-cash contributions</b>				
Subdivision dedications (other than by s7.11)	-	-	1,573	-
Other*	-	-	1,413	7,620
<b>Total other contributions</b>	<b>1,885</b>	<b>1,859</b>	<b>5,110</b>	<b>15,596</b>
<b>Total contributions</b>	<b>1,885</b>	<b>1,859</b>	<b>13,542</b>	<b>26,140</b>
<b>Total grants and contributions</b>	<b>15,478</b>	<b>14,523</b>	<b>18,111</b>	<b>53,599</b>

**Accounting policy for grants and contributions**

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

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

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s7.4, s7.11 and s7.12 of the *Environmental Planning and Assessment Act 1979*.

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

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

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

\* Items have been re-classified in accordance with the Local Government Code of Accounting Practice.



Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

**Note 3 Income from continuing operations** (continued)

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(g) Unspent grants and contributions</b>		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
<b>Operating Grants</b>		
Operating grants recognised as income in the current period that:		
- have not been spent	912	930
Operating grants recognised in previous reporting periods that have been spent in the current reporting period	(1,764)	(2,966)
<b>Net increase/(decrease) in operating grants held as restricted assets during the current reporting period</b>	<b>(852)</b>	<b>(2,036)</b>
<b>Capital Grants</b>		
Capital grants recognised as income in the current period that:		
- have not been spent	2,042	21,747
Capital grants recognised in previous reporting periods that have been spent in the current reporting period	(10,261)	(4,709)
<b>Net increase/(decrease) in capital grants held as restricted assets during the current reporting period</b>	<b>(8,219)</b>	<b>17,038</b>
<b>Contributions</b>		
Contributions recognised as income in the current period that:		
- have not been spent	9,328	11,431
Contributions recognised in a previous reporting periods that have been spent in the current reporting period	(12,718)	(16,632)
<b>Net increase/(decrease) in contributions held as restricted assets during the current reporting period</b>	<b>(3,390)</b>	<b>(5,201)</b>
<b>Nature of unspent grants and contributions</b>		
<b>Closing balance unspent grants:</b>		
- Stronger Communities Fund	22,303	31,310
- New Council Implementation Fund	881	1,266
- Transport for NSW Bline projects	2,386	1,136
- Other grants	1,558	2,487
<b>Closing balance unspent grants - refer to Note 6c:</b>	<b>27,128</b>	<b>36,199</b>
<b>Closing balance unspent contributions</b>		
- Developer contributions	32,794	36,184
<b>Closing balance unspent grants - refer to Note 22:</b>	<b>32,794</b>	<b>36,184</b>

Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 4 Expenses from continuing operations**

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(a) Employee Benefits &amp; On-Costs</b>		
Salaries and Wages	106,370	101,203
Employee Termination Costs	1,011	503
Travelling	84	122
Employee Leave Entitlements (ELE)	14,900	11,077
Superannuation	11,697	10,782
Workers' Compensation Insurance	1,008	1,190
Fringe Benefit Tax (FBT)	716	634
Training Costs (other than Salaries & Wages)	1,306	1,452
Recruitment Costs	534	316
Other	1,208	967
<b>Total Employee Costs</b>	<b>138,834</b>	<b>128,246</b>
Less: Capitalised Costs	(6,373)	(3,940)
<b>Total employee costs expensed</b>	<b>132,461</b>	<b>124,306</b>

**Accounting policy for employee benefits and on-costs**

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

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

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

Council participates in a defined benefit plan under 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 17 for more information.

Workers compensation - Council is a self-insurer for workers compensation claims up to \$600,000. Claims above this amount are covered by an external insurance provider. 'Workers compensation insurance' includes all costs associated with self-insurance and the external policy - refer to Note 12 for more information.

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(b) Borrowing Costs</b>		
Interest on Loans	1,737	2,135
Amortisation of Discounts and Premiums		
- Remediation Liabilities	1,540	1,343
<b>Total borrowing costs expensed</b>	<b>3,277</b>	<b>3,478</b>

**Accounting policy for borrowing costs**

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

Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 4 Expenses from continuing operations (continued)**

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>\$ '000</b>		
<b>(c) Materials &amp; contracts</b>		
Raw Materials & Consumables:		
- Maintenance & Servicing*	9,191	8,365
- Minor Equipment	796	1,139
- Plant & Vehicle	2,234	2,736
- Other*	5,333	4,965
Contractor & Consultancy Costs:		
- Agency Personnel	6,999	5,479
- Bush Regeneration	4,028	3,689
- Cleaning	5,193	3,451
- Consultancy	533	1,293
- Coast & Waterways	895	758
- External Roadwork	4,057	2,106
- Garbage Collection	11,417	11,408
- Golf Course & Driving Range*	1,092	1,099
- Kimbriki Waste & Recycling Centre	11,112	11,300
- Land Use Planning*	925	460
- Lifeguard Services	1,164	1,125
- Natural Hazards & Floodplain Management*	1,842	431
- New Council Implementation Fund	284	831
- Parking	918	1,149
- Performance Fees	629	533
- Recycling	5,688	5,821
- NSW Revenue Fine Processing Fees	1,184	1,250
- Sportsfields & Vegetation*	3,022	3,071
- Stormwater	788	793
- Tree Works	3,363	3,839
- Waste Disposal	14,862	14,563
- Other*	10,139	11,310
Remuneration of Auditors: <sup>(1)</sup>		
- Audit Services	229	264
- Other Services	14	1
Legal Fees:		
- Planning & Development	1,628	1,367
- Other	2,498	2,245
Operating Leases:		
- Printers	285	259
- Other	92	121
Less: Capitalised Costs	(871)	(541)
<b>Total materials and contracts</b>	<b>111,563</b>	<b>106,680</b>

**Accounting policy for materials and contracts**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.  
Materials and Contracts expenses are recorded on an accruals basis as the Council receives the goods or services.

\* Items have been re-classified in accordance with the Local Government Code of Accounting Practice.

Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 4 Expenses from continuing operations (continued)**

**<sup>1</sup>. Auditors' remuneration**

Auditors of the Council - NSW Auditor General:

- a. During the period the following fees were paid or payable for services provided by the Auditor-General

(i) Audit and other assurance services	-	-
(ii) Audit and review of financial statements	229	264
<b>Total fees paid or payable to the Auditor-General</b>	<b>229</b>	<b>264</b>

- b. During the period the following fees were paid or payable for services provided by other auditors:

(i) Other non-assurance services	-	-
(ii) Other assurance services	14	1
<b>Total fees paid or payable for non-assurance services</b>	<b>14</b>	<b>1</b>

<b>Total remuneration of auditors</b>	<b>243</b>	<b>265</b>
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Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 4 Expenses from continuing operations (continued)**

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(d) Depreciation, Amortisation &amp; Impairment</b>		
<b>Depreciation and amortisation</b>		
Plant and Equipment	4,104	3,574
Office Equipment	2,006	1,504
Furniture & Fittings	42	76
Land Improvements (depreciable)	1,288	1,010
Infrastructure:		
- Buildings	8,239	5,645
- Roads Sealed	7,440	6,537
- Roads Unsealed	13	1
- Roads Other Assets	1,227	1,094
- Bridges	67	65
- Footpaths	878	773
- Stormwater Drainage	6,522	6,483
- Swimming Pools	438	435
- Open space/recreational assets	3,121	2,818
- Other Infrastructure	2,024	1,869
Other Assets:		
- Library Books	1,225	1,040
Tip Asset	995	995
<b>Total depreciation and amortisation</b>	<b>39,629</b>	<b>33,919</b>
<b>Revaluation decrement of IPPE</b>		
Infrastructure:		
- Buildings	-	987
<b>Total impairment costs charged to income statement (IPPE)</b>	<b>-</b>	<b>987</b>
<b>Total depreciation and impairment for IPPE</b>	<b>39,629</b>	<b>34,906</b>

**Accounting policy for depreciation, amortisation and impairment expenses**

**Depreciation and amortisation**

Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life utilising a short-life / long-life methodology. Useful lives are included in Note 9 for IPPE assets.

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

**Impairment of non-financial assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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.

**Impairment of financial assets**

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

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 4 Expenses from continuing operations (continued)**

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>(e) Other Expenses</b>		
Other Expenses for the period include the following:		
Advertising	916	887
Bad & Doubtful Debts	204	162
Bank Charges	865	921
Mayoral Fee	86	63
Councillors' Fees	445	326
Councillors' (include. Mayor) Expenses	133	138
Contributions/levies to other levels of government:		
- Planning Levy	654	639
- Waste Levy	7,757	8,359
- Emergency Services Levy	5,488	5,820
- Other Levies	134	127
Donations, contributions and assistance to other organisations (s356)	1,060	573
Data Services	567	758
Election Expenses	-	1,122
Electricity & Heating	5,381	4,201
Fair Value Adjustment Investment Properties	120	-
Insurance	3,021	2,885
Interest on Bonds & Deposits	110	74
IT Expenses	4,100	3,486
Land Tax	289	286
Management Fees	1,712	1,614
Membership Fees & Subscriptions	781	641
Postage	793	621
Stationery & Printing	1,046	729
Street Lighting	3,795	3,882
Telephone & Communications	1,053	1,063
Valuation Fees	506	522
Other	2,973	2,286
<b>Total other expenses</b>	<b>43,989</b>	<b>42,185</b>

**Accounting policy for other expenses**

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

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

**Note 5 Gain or loss from the disposal, replacement and de-recognition of assets**

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>Property (excl. Investment Property)</b>		
Proceeds from Disposal	3,308	1,515
less: Carrying Amount of Property Assets Sold	(3,285)	(374)
<b>Net gain/(loss) on disposal</b>	<b>23</b>	<b>1,141</b>
<b>Plant &amp; Equipment</b>		
Proceeds from Disposal	2,319	2,442
less: Carrying Amount of P&E Assets Sold	(1,274)	(1,794)
<b>Net gain/(loss) on disposal</b>	<b>1,045</b>	<b>648</b>
<b>Office Equipment &amp; Furniture</b>		
Proceeds from Disposal	-	-
less: Carrying Amount of OE&F Assets Sold	(5)	-
<b>Net gain/(loss) on disposal</b>	<b>(5)</b>	<b>-</b>
<b>Infrastructure</b>		
Proceeds from Disposal	-	7
less: Carrying Amount of Infrastructure Assets Sold	(887)	(723)
<b>Net gain/(loss) on disposal</b>	<b>(887)</b>	<b>(716)</b>
<b>Capital Work in Progress</b>		
Proceeds from Disposal	-	-
less: Carrying Amount of Capital Work in Progress	-	(1,463)
<b>Net gain/(loss) on disposal</b>	<b>-</b>	<b>(1,463)</b>
<b>Investments</b>		
Proceeds from Disposal	313,991	272,929
less: Carrying Amount of Investments Sold	(313,991)	(272,929)
<b>Net gain/(loss) on disposal</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) on disposal of assets</b>	<b>176</b>	<b>(390)</b>

**Accounting policy for disposal of assets**

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

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



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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 6(a) Cash and cash equivalents**

	Actual 2019 \$'000	Actual 2018 \$'000
Cash at Bank and on Hand	1,155	894
Deposits at Call	5,897	5,143
<b>Total Cash &amp; Cash Equivalents</b>	<b>7,052</b>	<b>6,037</b>

**Accounting policy for cash and cash equivalents**

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

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 6(b) Investments**

	Actual 2019		Actual 2018	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Financial Assets at fair value through:				
Profit and Loss - Held for Trading	-	852	-	871
Debt securities at amortised cost (2019)/held-to-maturity investments (2018)*	187,917	-	208,886	2,500
<b>Total</b>	<b>187,917</b>	<b>852</b>	<b>208,886</b>	<b>3,371</b>
<b>Financial Assets at fair value through Profit and Loss - held for trading:</b>				
- Other long-term financial assets	-	852	-	871
<b>Total</b>	<b>-</b>	<b>852</b>	<b>-</b>	<b>871</b>
Comprising of:				
Mortgage Backed Securities	-	852	-	871
	-	<b>852</b>	-	<b>871</b>
<b>Debt securities at amortised cost (2019)/held to maturity (2018)*</b>				
- Term deposits	187,917	-	208,886	2,500
<b>Total</b>	<b>187,917</b>	<b>-</b>	<b>208,886</b>	<b>2,500</b>

\*The financial assets have been classified under AASB 139 in 2018 and AASB 9 in 2019

Annual Financial Statements

## Northern Beaches Council

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 6(b) Investments (continued)

##### Accounting policy for investments

##### Accounting policy under AASB 9 - applicable from 1 July 2018

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

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

##### Financial Assets

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

##### Classification

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

- amortised cost
- fair value through profit and loss - FVTPL

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.

The Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

Interest income, impairment and gains or loss on derecognition 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 FVTPL.

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

The Council's financial assets measured at FVTPL comprise investments in NCDs and an investment in a mortgage backed security.

##### Accounting policy under AASB 139 - applicable for 2018 comparatives only

##### Classification

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

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

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

##### (b) Held-to-maturity investments

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

##### Recognition and de-recognition

Regular purchases and sales of investments are recognised on trade date: the date on which Council commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement. Investments are de-recognised when the rights to receive cash flows have expired or have been transferred, and Council has transferred substantially all the risks and rewards of ownership.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**NOTE 6(c) Restricted cash, cash equivalents and investments**

	Actual 2019		Actual 2018	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
<b>Total Cash, Cash Equivalents and Investments</b>	<b>194,969</b>	<b>852</b>	<b>214,923</b>	<b>3,371</b>
External Restrictions (refer below)	71,347	852	91,743	3,371
Internal Restrictions (refer below)	42,453	-	40,895	-
Unrestricted	81,169	-	82,285	-
	<b>194,969</b>	<b>852</b>	<b>214,923</b>	<b>3,371</b>
	2019 restricted cash \$'000		2018 restricted cash \$'000	
<b>External Restrictions - Included in Liabilities</b>				
Nil				
<b>External Restrictions - Other</b>				
Developer contributions - general (A)		32,794		36,184
Specific purpose unexpended grants (B)		3,944		3,611
Domestic waste management (C)		11,626		21,365
Stormwater management (C)		651		646
RMS contributions (D)		-		12
New council implementation fund (B)		881		1,266
Stronger communities fund (B)		22,303		31,310
<b>External Restrictions - Other</b>		<b>72,199</b>		<b>94,394</b>
<b>Total External Restrictions</b>		<b>72,199</b>		<b>94,394</b>

- A** Development contributions which are not yet expended for the provision of services and amenities in accordance with contribution plans (refer Note 22).
- B** Grants which are not yet expended for the purposes for which the grants were obtained
- C** Domestic Waste Management (DWM) cash surplus from operations is held as a restricted asset to fund future capital expenditure, including bin replacements and process improvements to the Domestic Waste collection business
- D** RMS contributions which are not yet expended for the provision of services and amenities in accordance with those contributions

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

NOTE 6(c) Restricted cash, cash equivalents and investments (continued)

	2019 restricted cash \$'000	2018 restricted cash \$'000
<b>Internal Restrictions</b>		
Balgowlah area improvements (A)	211	295
Mona Vale Cemetery reserve (B)	4,084	3,683
Deposits, retentions and bonds (C)	13,169	12,599
Employees leave entitlement (D)	6,809	6,181
Environmental levy (former Manly Council) (E)	1,907	1,827
Long Reef SLSC renewal (F)	-	79
Meals on Wheels (G)	270	230
Road Reserve (H)	-	-
Special rates variation (former Pittwater Council) (I)	4,903	4,509
Merger savings fund (J)	8,503	9,596
Tennis liaison trust fund (K)	275	283
Unexpended loans (L)	1,479	1,479
Manly Art Gallery (M)	723	720
Other (N)	120	134
<b>Total Internal Restrictions</b>	<b>42,453</b>	<b>41,615</b>
<b>Total Restrictions</b>	<b>114,652</b>	<b>136,009</b>

- A** Funds received through a special rate are set aside to be used on future capital works in Balgowlah around Sydney Road and Condamine Street.
- B** Any cash surplus from Mona Vale Cemetery operations is held as a restricted asset to fund future perpetual maintenance.
- C** 73% of deposits, retentions and bonds are held as restricted funds.
- D** 20% of the employee leave entitlement provision is set aside to fund extraordinary movements of staff.
- E** Unexpended funds received through the environmental component of the former Manly's rates are set aside to be used to fund various environmental programs around the Manly area.
- F** Monies set aside to fund capital works at Long Reef Surf Lifesaving Club.
- G** Any cash surplus from Meals on Wheels operations is held as a restricted asset to fund future expenses.
- H** In accordance with Section 43 (4) of the Roads Act (NSW) 1993, proceeds from the sale of public roads are set aside for the acquisition of land for public roads, and/or carrying out works on public roads.
- I** Funds received through a special rates variation are set aside to be used on major capital and infrastructure works, environmental projects, community facility improvements and the replacement of ageing infrastructure in the Pittwater area.
- J** Amalgamation savings achieved to 30 June 2018 and set aside to fund various future capital and operational projects.
- K** 70% of rental income from Mona Vale, Careel Bay, Elanora Park and Bayview Tennis Clubs is held as a restricted asset to be expended on future capital works and improvements at the Tennis Clubs.
- L** Balance of loan taken out by Council for a water detention tank at Manly Oval.
- M** Bequest to Council from Theodore Batten to fund future youth art award programs and artwork acquisitions.
- N** - Any cash surplus from the Bible Garden Public Reserve is held as a restricted asset to fund future maintenance at the site.  
- Rental income from the Café at Mona Vale Surf Club is held as a restricted asset to fund future maintenance and improvements.  
- cash set aside as a contribution towards the future replacement of pipeline and ongoing maintenance to the Scotland Island non potable emergency water supply.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 7 Receivables**

	Actual 2019		Actual 2018	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
<b>Purpose</b>				
Rates and annual charges	6,256	713	6,951	972
Interest and extra charges	656	446	245	262
User charges and fees	6,346	-	6,025	-
Accrued revenues:				
- Interest on Investments	2,334	-	2,221	-
Government Grants & subsidies	1,632	-	1,764	-
Net GST Receivable	2,468	-	1,745	-
<b>Total</b>	<b>19,692</b>	<b>1,159</b>	<b>18,951</b>	<b>1,234</b>
<b>less: Provision for impairment</b>				
User Charges & Fees	(720)	-	(572)	-
<b>Total provision for impairment - receivables</b>	<b>(720)</b>	<b>-</b>	<b>(572)</b>	<b>-</b>
<b>Total net receivables</b>	<b>18,972</b>	<b>1,159</b>	<b>18,379</b>	<b>1,234</b>

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7 Receivables (continued)

**Accounting policy for receivables**

**Recognition and Measurement**

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

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

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

**Impairment**

**Accounting policy under AASB 9 applicable from 1 July 2018.**

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, 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 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.

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 to the Council to actions such as realising security (if any held); or
- the financial assets (for non-rates debtors) is 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.

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, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

None of the receivables that have been written off is subject to enforcement activity.

Where 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.

**Accounting policy under AASB 139 - Applicable from 2018 comparatives only**

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.



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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 8 Inventories & other assets**

	Actual 2019		Actual 2018	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
<b>Inventories</b>				
<b>At cost:</b>				
Stores & materials	109	-	116	-
Trading stock	108	-	87	-
<b>Total inventories</b>	<b>217</b>	<b>-</b>	<b>203</b>	<b>-</b>
<b>Inventories not expected to be realised within the next 12 months</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>				
Prepayments	1,272	18	1,268	-
Other	-	157	-	107
<b>Total other assets</b>	<b>1,272</b>	<b>175</b>	<b>1,268</b>	<b>107</b>
<b>Total inventories &amp; other assets</b>	<b>1,489</b>	<b>175</b>	<b>1,471</b>	<b>107</b>

**Accounting policy for inventories and other assets**

**Stores, materials and trading stock**

Stores, materials and trading stock are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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Northern Beaches Council

Notes to the Financial Statements  
for the year ended 30 June 2019

NOTE 9 Infrastructure, property, plant & equipment

By asset class	At 30 June 2018					Movements during year					At 30 June 2019		
	Gross Carrying Amount \$'000	Accumulated Depreciation \$'000	Net Carrying Amount \$'000	Renewals \$'000	New Assets \$'000	Carrying Value of Disposals \$'000	Depreciation \$'000	Transfers \$'000	Revaluation Increments/(decrements) \$'000	Gross Carrying Amount \$'000	Accumulated Depreciation \$'000	Net Carrying Amount \$'000	
Capital Work in Progress	16,239	-	16,239	1,948	20,115	-	-	-	(16,066)	-	22,236	-	22,236
Plant & Equipment	28,826	15,508	13,318	346	20,577	(1,274)	(4,105)	-	-	44,096	15,233	28,863	
Office Equipment	18,417	12,356	6,061	-	2,107	(3)	(2,006)	-	-	20,491	14,332	6,159	
Furniture & Fittings	2,046	1,892	154	-	2	(2)	(42)	-	-	2,041	1,929	112	
Land:													
- Operational Land	439,669	-	439,669	-	-	-	-	210	-	439,879	-	439,879	
- Community Land	1,050,535	-	1,050,535	-	2,015	(3,285)	-	(210)	-	1,049,055	-	1,049,055	
- Crown Land	1,027,250	-	1,027,250	-	1,056	-	-	-	-	1,028,306	-	1,028,306	
- Land Under Roads	391	-	391	-	1,313	-	-	-	-	1,704	-	1,704	
Land Improvements - depreciable	9,969	2,619	7,350	301	3,841	-	(1,288)	-	-	14,110	3,906	10,204	
Infrastructure:													
- Buildings	628,794	160,015	468,779	9,397	2,935	(79)	(8,239)	-	-	639,613	166,820	472,793	
- Roads Sealed	527,130	45,621	481,509	10,105	1,148	(67)	(7,440)	(860)	(10,385)	524,382	50,372	474,010	
- Roads Unsealed	322	34	288	-	169	-	(13)	860	187	1,732	241	1,491	
- Bridges	11,633	603	11,030	101	57	(51)	(67)	(2,193)	213	12,451	3,361	9,090	
- Footpaths	86,932	10,072	76,860	1,917	6,314	(77)	(878)	-	7,862	104,264	12,266	91,998	
- Other Road Assets	206,764	19,648	187,116	1,992	3,725	(135)	(1,227)	-	13,238	243,485	38,776	204,709	
- Stormwater Drainage	942,365	143,355	799,010	6,783	1,062	(233)	(6,522)	-	-	949,913	149,813	800,100	
- Swimming Pools	28,995	3,047	25,948	1,623	-	-	(438)	-	(4,284)	27,242	4,393	22,849	
- Other Open Space/Recreational Assets	119,788	12,371	107,417	2,173	2,778	(14)	(3,121)	(2,453)	4,819	124,625	13,026	111,599	
- Other Infrastructure	171,375	15,510	155,865	7,594	3,787	(231)	(2,024)	4,646	1,178	202,062	31,247	170,815	
Other Assets:													
- Library Books	14,770	11,401	3,369	-	1,179	-	(1,225)	-	-	15,949	12,626	3,323	
- Other	4,535	-	4,535	-	21	-	-	-	-	4,556	-	4,556	
- Tip Asset	28,057	3,125	24,932	-	-	-	(995)	-	-	28,057	4,120	23,937	
<b>Total</b>	<b>5,364,802</b>	<b>457,177</b>	<b>4,907,625</b>	<b>44,280</b>	<b>74,201</b>	<b>(5,451)</b>	<b>(39,630)</b>	<b>(16,066)</b>	<b>12,828</b>	<b>5,500,249</b>	<b>522,461</b>	<b>4,977,788</b>	

Total capital expenditure was \$102.5 million.

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

NOTE 9 Infrastructure, property, plant & equipment (continued)

By asset class	At 30 June 2017					Movements during year					At 30 June 2018				
	Gross Carrying Amount \$'000	Accumulated Depreciation & Impairment \$'000	Net carrying amount \$'000	Renewals \$'000	New Assets \$'000	Carrying Value of Disposals \$'000	Depreciation and Impairment \$'000	Transfers \$'000	Revaluation Increments/ (decrements) \$'000	Gross Carrying Amount \$'000	Accumulated Depreciation & Impairment \$'000	Net carrying amount \$'000			
Capital Work in Progress	28,651	-	28,651	8,450	7,114	(1,463)	-	(26,513)	-	16,239	-	16,239	-	-	16,239
Plant & Equipment	27,401	14,700	12,701	5,576	91	(1,794)	(3,574)	318	-	28,826	15,508	13,318	-	-	13,318
Office Equipment	15,920	10,856	5,064	797	1,408	-	(1,504)	296	-	18,417	12,356	6,061	-	-	6,061
Furniture & Fittings	2,009	1,816	193	7	-	-	(76)	30	-	2,046	1,892	154	-	-	154
Land:															
- Operational Land	280,120	-	280,120	-	-	(58)	-	1,190	158,417	439,669	-	439,669	-	-	439,669
- Community Land	1,046,268	-	1,046,268	-	6,994	(316)	-	(2,411)	-	1,050,535	-	1,050,535	-	-	1,050,535
- Crown Land	1,027,250	-	1,027,250	-	-	-	-	-	-	1,027,250	-	1,027,250	-	-	1,027,250
- Land Under Roads	367	-	367	-	20	-	-	4	-	391	-	391	-	-	391
Land Improvements - depreciable	8,492	1,604	6,888	378	-	-	(1,010)	1,094	-	9,969	2,619	7,350	-	-	7,350
Infrastructure:															
- Buildings	542,366	86,353	456,013	10,249	8,503	(88)	(5,645)	734	(987)	628,794	160,015	468,779	-	-	468,779
- Roads Sealed	516,602	39,695	476,907	3,516	6,907	(19)	(6,537)	735	-	527,130	45,621	481,509	-	-	481,509
- Roads Unsealed	1,061	58	1,003	-	-	-	(1)	(714)	-	322	34	288	-	-	288
- Bridges	10,362	538	9,824	10	1,261	-	(65)	-	-	11,633	603	11,030	-	-	11,030
- Footpaths	78,717	9,706	69,011	972	7,738	(89)	(773)	1	-	86,932	10,072	76,860	-	-	76,860
- Other Road Assets	203,222	18,716	184,506	1,221	2,584	(71)	(1,094)	(30)	-	206,764	19,648	187,116	-	-	187,116
- Stormwater Drainage	936,458	137,106	799,352	4,134	2,524	(192)	(6,483)	(325)	-	942,365	143,355	799,010	-	-	799,010
- Swimming Pools	28,811	2,807	26,004	379	-	-	(435)	-	-	28,995	3,047	25,948	-	-	25,948
- Other Open Space/Recreational Assets	114,963	10,471	104,492	2,029	4,142	(93)	(2,818)	(335)	-	119,788	12,371	107,417	-	-	107,417
- Other Infrastructure	161,774	14,290	147,484	3,155	6,419	(171)	(1,869)	847	-	171,375	15,510	155,865	-	-	155,865
Other Assets:															
- Library Books	13,665	10,361	3,304	958	147	-	(1,040)	-	-	14,770	11,401	3,369	-	-	3,369
- Other	4,424	-	4,424	11	100	-	-	-	-	4,535	-	4,535	-	-	4,535
- Tip Asset	11,629	2,129	9,500	16,427	-	-	(995)	-	-	28,057	3,125	24,932	-	-	24,932
<b>Total</b>	<b>5,060,532</b>	<b>361,206</b>	<b>4,699,326</b>	<b>58,269</b>	<b>55,952</b>	<b>(4,354)</b>	<b>(33,919)</b>	<b>(25,079)</b>	<b>157,430</b>	<b>5,364,802</b>	<b>457,177</b>	<b>4,907,625</b>			

Note:

Refer to Note 20 Fair value measurement for information regarding the fair value of I.P.P & E.

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

NOTE 9 Infrastructure, property, plant & equipment (continued)

**Accounting policy for infrastructure, property, plant and equipment**

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

At balance date the following classes of IPP&E were stated at their fair value:

- Operational land (External Valuation).
- Buildings - Specialised/Non Specialised (Internal/External Valuation).
- Plant and equipment (as approximated by depreciated historical cost).
- Road assets - roads, bridges and footpaths (External Valuation)
- Drainage assets - (Internal Valuation)
- Community Land - (Valuer General/Internal Valuation)
- Other structures (External Valuation).
- Other assets (as approximated by depreciated historical cost).

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. Council has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For all asset classes, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

Increases in the carrying amounts arising on revaluation are credited to the revaluation surplus within the equity balance. 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 surplus directly in equity to the extent of the remaining surplus 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.

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 utilising a short-life / long-life methodology. Useful lives are as follows:

**Plant & Equipment**

Office Equipment	4 - 10	years
Office Furniture	10 - 20	years
Vehicles	5 - 8	years
Heavy Plant and Road Making Equipment	5 - 8	years
Other Plant and Equipment	5 - 15	years

**Other Equipment**

Playground Equipment	5 - 15	years
Benches, seats etc.	10 - 20	years
Park Structures - Masonry	50 - 100	years
Park Structures - Other Construction	20 - 40	years

**Buildings**

Buildings - Masonry	50 - 100	years
Buildings - Other	20 - 40	years

**Stormwater Drainage**

Drains	60 - 100	years
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**Transportation Assets**

Sealed Roads - Surface	15 - 40	years
Sealed Roads - Structure	75 - 200	years
Bridge - Concrete	100	years
Bridge - Other	100	years
Road Pavements	50 - 60	years
Kerb, Gutter & Paths	80	years

**Other Assets**

Library Books	5 - 15	years
Artworks	Indefinite	

The assets' useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

**Capitalisation Thresholds** - All items of infrastructure, property, plant and equipment are capitalised with the exception where the cost of acquisition is as follows:

Office Furniture	<	\$5,000
Office Equipment	<	\$5,000
Other Plant and Equipment	<	\$5,000

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

NOTE 9 Infrastructure, property, plant & equipment (continued)

**Land under roads**

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

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads. Any land under roads that was recognised before 1 July 2008 was derecognised at 1 July 2008 against the opening balance of retained earnings. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 - Property, Plant and Equipment.

**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 with Council's Income Statement.

**Rural Fire Service assets**

Under section 119 of the Rural Fires Act 1997, 'all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the Council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed'. Until such time as discussions on this matter have concluded and the legislation changed, Council will exclude these assets including plant and vehicles and depreciation charges within the financial statements.

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10 Investment properties

	Actual 2019 \$'000	Actual 2018 \$'000
<b>At Fair value</b>		
Opening Balance at 1 July	6,085	2,080
Net gain (loss) from fair value adjustment	(120)	(684)
Transfer (to) from inventories and owner occupied property	-	4,689
<b>Closing Balance at 30 June</b>	<b>5,965</b>	<b>6,085</b>
<b>(a) Amounts recognised in profit and loss for investment property</b>		
Rental income	319	316
Outgoings recovered	2	1
Net gain (loss) from fair value adjustment	(120)	(684)
Direct operating expenses from property that generated rental income	(26)	(24)
	<b>175</b>	<b>(391)</b>
<b>(b) Leasing Arrangements - Council as lessor</b>		
The investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows.		
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within 1 year	277	282
Later than 1 year but less than 5 years	333	171
Later than 5 years	120	-
<b>Total Minimum Lease Payments Receivable</b>	<b>730</b>	<b>453</b>

**Accounting policy for investment property**

Investment property, principally comprising buildings, that are held for long-term rental yields and are not occupied by the Council. Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Income Statement as part of other income.



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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**NOTE 11 Payables and borrowings**

	Actual 2019		Actual 2018	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
<b>Payables</b>				
Goods & services	9,214	-	499	-
Accrued expenses:				
- Borrowings	306	-	355	-
- Wages and salaries	519	-	338	-
- Other	15,525	-	17,726	-
Deposits & retentions	18,036	-	17,466	-
Government departments and agencies	106	-	-	-
Other Payables	54	-	786	-
<b>Total Payables</b>	<b>43,760</b>	<b>-</b>	<b>37,170</b>	<b>-</b>
<b>Income received in advance</b>				
Payments received in advance	3,972	-	4,501	-
<b>Total income received in advance</b>	<b>3,972</b>	<b>-</b>	<b>4,501</b>	<b>-</b>
<b>Borrowings</b>				
Loans - Secured <sup>(1)</sup>	5,129	27,490	5,225	32,358
<b>Total Borrowings</b>	<b>5,129</b>	<b>27,490</b>	<b>5,225</b>	<b>32,358</b>
<b>Total payables and borrowings</b>	<b>52,861</b>	<b>27,490</b>	<b>46,896</b>	<b>32,358</b>

**Notes:**

<sup>(1)</sup>Loans are secured over the income of Council

	Actual 2019		Actual 2018	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
<b>(a) Current payables not expected to be settled within the next 12 months</b>				
Deposits & Retentions	10,429	-	11,735	-
<b>Total</b>	<b>10,429</b>	<b>-</b>	<b>11,735</b>	<b>-</b>



Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**NOTE 11 Payables and borrowings (continued)**

**(b) Changes in liabilities arising from financing activities**

	2018 \$'000	Cash Flows \$'000	Non-cash changes \$'000			2019 \$'000
			Acquisition	Fair value changes	Other non- cash movement	
Loans:						
- secured	37,583	(4,964)	-	-	-	32,619
<b>Total liabilities from financing activities</b>	<b>37,583</b>	<b>(4,964)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,619</b>

	2017 \$'000	Cash Flows \$'000	Non-cash changes \$'000			2018 \$'000
			Acquisition	Fair value changes	Other non- cash movement	
Loans:						
- secured	48,018	(10,435)	-	-	-	37,583
<b>Total liabilities from financing activities</b>	<b>48,018</b>	<b>(10,435)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,583</b>

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**NOTE 11 Payables and borrowings (continued)**

**(c) Financing arrangements**

	Actual 2019 \$'000	Actual 2018 \$'000
<b>Total facilities</b>		
The amount of total financing facilities available to Council at the reporting date is:		
- Bank overdraft facility	500	1,000
- Corporate credit cards	150	150
	<b>650</b>	<b>1,150</b>
<b>Drawn facilities</b>		
The amount of financing facilities drawn down at the reporting date is:		
- Bank overdraft facility	-	-
- Corporate credit cards	35	30
	<b>35</b>	<b>30</b>
The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.		
<b>Undrawn facilities</b>		
The amount of undrawn financing facilities available to Council at the reporting date is:		
- Bank overdraft facility	500	1,000
- Corporate credit cards	115	120
	<b>615</b>	<b>1,120</b>

**Breaches and defaults**

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

**Security over loans**

Loans are secured over the income of Council

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**NOTE 11 Payables and borrowings (continued)**

**Accounting policy for payables and borrowings**

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

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

**Payables**

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

**Borrowings**

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

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

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

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

NOTE 12 Provisions

	Actual 2019		Actual 2018	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
<b>Provisions</b>				
<b>Employee benefit provisions</b>				
Annual Leave	10,086	-	10,006	-
Sick Leave	411	-	387	-
Long Service Leave	22,379	2,169	18,451	1,895
Other Leave	132	-	155	-
Gratuities	9	-	8	-
<b>Total - Aggregate employee benefits</b>	<b>33,017</b>	<b>2,169</b>	<b>29,007</b>	<b>1,895</b>
<b>Other Provisions</b>				
Self Insurance - Workers Compensation	569	1,324	495	998
Asset Remediation	-	37,745	-	36,205
<b>Total Provisions</b>	<b>33,586</b>	<b>41,238</b>	<b>29,502</b>	<b>39,098</b>
<b>Current Provisions not expected to be settled within the next 12 months</b>	<b>19,833</b>	<b>-</b>	<b>16,227</b>	<b>-</b>

The movement in each class of provision (excluding those relating to employee benefits) is presented in the table below.

(a) Description of and movement in provisions

	Self Insurance <sup>a</sup> \$'000	Asset Remediation <sup>b</sup> \$'000
At beginning of year	1,493	36,205
Amounts used	(409)	-
Additional Provisions	809	1,540
<b>TOTAL</b>	<b>1,893</b>	<b>37,745</b>

- a. Self Insurance Provisions represent both (i) Claims incurred but not reported and (ii) Claims reported and estimated as a result of Council being a self insurer for Workers Compensation Claims. Public Liability and Professional Indemnity claims are expensed as they meet the recognition criteria set out in AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Specific uncertainties relating to the final costs and the assumptions made in determining Provisions for Self Insurance include:

- Claims Escalation of 2.200% - 2.500% per annum and Bond Yields of 0.760% - 2.201% per annum over a 12 year period;
- All monetary amounts for past Workers Compensation Claims were indexed to bring them to "standardised" values at June 2019;
- Workers Compensation Claim payments projected into the future by the adopted actuarial model are in standardised values as at June 2019;

The last actuarial assessment of Workers Compensation claims was undertaken in July 2019 and was performed by David A Zaman Pty Ltd, Director David Zaman, BSc, FIA, FIAA, MBA.

- b. Asset Remediation Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore and remediate assets and/or activities as a result of past operations. Council is required by law to restore the present tip site at Kimbriki to passive open space at the end of its useful life. The projected cost of this restoration is \$145.8 million based on a Landfill Closure and Post Closure Management Evaluation of Costs Report and has been discounted to its present value at 4.26% per annum being the risk-free cost of borrowing to Council. An Evaluation of Costs for Landfill Closure and Post Closure Management was prepared by Mockinya Consulting in June 2018.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**NOTE 12 Provisions (continued)**

**Accounting policy for provisions**

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

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

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

**Employee Benefits**

**Short-term obligations**

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

**Other long-term employee benefit obligations**

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

**On-costs**

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

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

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

**Self-insurance**

Council has decided to self-insure for workers compensation for claims up to \$600,000. Claims above \$600,000 are covered by an external insurance provider. A provision for self-insurance has been made to recognise outstanding claims.

Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**NOTE 12 Provisions (continued)**

**Accounting policy for provisions (continued)**

**Asset Remediation - Provisions for close down and restoration and for environmental clean up costs**

**Restoration**

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down and restoration costs are a normal consequence of tip operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

**Rehabilitation**

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the reporting date. These costs are charged to the income statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in waste production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

**Note 13 Accumulated surplus, revaluation surplus, changes in accounting policies, and accounting estimates**

**(a) Nature and Purpose of Revaluation Surplus**

**Infrastructure, Property, Plant & Equipment Revaluation Surplus**

The infrastructure, property, plant & equipment revaluation surplus is used to record increments and decrements in the revaluation of non-current assets.

	Actual 2019 \$'000	Actual 2018 \$'000
Notes		
<b>Accumulated Surplus</b>		
<b>Movements in Accumulated Surplus were as follows:</b>		
Balance at beginning of period	4,846,014	4,767,709
Net Result for the period	27,893	78,305
<b>Balance at end of period</b>	<b>4,873,907</b>	<b>4,846,014</b>
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Surplus:</b>		
Balance at beginning of period	158,417	-
Gain / (loss) on revaluation 9	12,828	158,417
<b>Total</b>	<b>171,245</b>	<b>158,417</b>

**(b) Changes in accounting policy due to adoption of new Accounting Standards**

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

Council has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2017.

As part of the adoption of AASB 9, The Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

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

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

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

**Classification of financial assets**

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

- Measured at amortised cost
- Fair value through profit or loss

**Impairment of financial assets**

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



Annual Financial Statements

## Northern Beaches Council

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 13 Accumulated surplus, revaluation surplus, changes in accounting policies and accounting estimates (continued)

##### Classification of financial assets and financial liabilities

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

Financial assets	Classification under AASB 139	Classification under AASB 9	Carrying Amount under AASB 139 \$'000	Reclassification \$'000	Re- measurements \$'000	Carrying Amount under AASB 9 \$'000
Debt securities	FVTPL	FVTPL	871	-	-	871
Cash and cash equivalents	Loans and receivables	Amortised Cost	6,037	-	-	6,037
Term deposits (i)	Held to maturity	Amortised Cost	211,386	-	-	211,386
<b>Total financial assets under AASB 9 at 1 July 2018</b>			<b>218,294</b>	<b>-</b>	<b>-</b>	<b>218,294</b>
<b>Financial liabilities</b>						
Financial liabilities	Classification under AASB 139	Classification under AASB 9	Carrying Amount under AASB 139 \$'000	Reclassification \$'000	Re- measurements \$'000	Carrying Amount under AASB 9 \$'000
Secured bank loans	Other financial liabilities	Other financial liabilities	37,583	-	-	37,583
Trade Payables	Other financial liabilities	Other financial liabilities	499	-	-	499
Other Payables	Other financial liabilities	Other financial liabilities	36,671	-	-	36,671
<b>Total financial liabilities under AASB 9 at 1 July 2018</b>			<b>74,753</b>	<b>-</b>	<b>-</b>	<b>74,753</b>

Notes to table above:

- i. Reclassification from 'held to maturity' to amortised cost

Term deposits that would previously have been classified as 'held to maturity' are now classified at 'amortised costs'. Council intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of these assets.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 13      Accumulated surplus, revaluation surplus, changes in accounting policies and accounting estimates (continued)**

**(c) Changes in accounting policy - voluntary change**

No voluntary changes in accounting policy have been undertaken during the year.

**(d) Changes in accounting estimates**

No accounting estimates have been amended during the year.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 14 Statement of cash flows information**

	Notes	Actual 2019 \$'000	Actual 2018 \$'000
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	7,052	6,037
<b>Balances as per Statement of Cash Flows</b>		<b>7,052</b>	<b>6,037</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
Net Operating Result from Income Statement		28,025	78,469
Add:			
Depreciation and Amortisation		39,629	33,919
Revaluation Decrement		-	987
Decrease in Other Current Assets		-	135
Decrease in Receivables		-	555
Decrease in Equity Share in Joint Venture		-	14
Increase in Payables		8,715	-
Increase in Provision for Impairment of receivables		148	189
Increase in Provision for Leave Entitlements		4,284	-
Increase in Other Provisions		1,940	509
Loss on Disposal of Assets		-	390
Fair Value Adjustments to Investment Property		120	684
		82,861	115,851
Less:			
Increase in Other Current Assets		(72)	-
Increase in Receivables		(666)	-
Increase in Inventories		(14)	(11)
Decrease in Payables		-	(319)
Decrease in Accrued Interest Payable		(49)	(108)
Decrease in Other Accrued Expenses Payable		(2,020)	(2,334)
Decrease in Other Current Liabilities		(585)	(426)
Decrease in Leave Entitlements		-	(415)
Non Cash Contributions		(4,484)	(7,620)
Gain on Disposal of Assets		(176)	-
Fair Value Adjustments to Financial Assets through Profit and Loss		(23)	(31)
<b>Net Cash provided from (or used in) operating activities from Statement of Cash Flows</b>		<b>74,772</b>	<b>104,587</b>
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Non Cash Contributions - Land and Buildings		4,484	7,620
		<b>4,484</b>	<b>7,620</b>

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 15 Interests in other entities**

**Interests in subsidiary**

**(a) Composition of the Group**

	Principal place of business	Percentage % Owned 2019	Percentage % Owned 2018
<b>Subsidiary</b>			
Kimbriki Environmental Enterprises Pty Limited	Kimbriki Road, Ingleside, NSW	96.16%	96.16%

The percentage ownership interest held is equivalent to the percentage voting rights.

The financial position and performance Kimbriki Environmental Enterprises Pty Ltd is for the financial period ended 30 June 2019.

**Controlled entities with ownership interest of 50% or less**

Council does not have any subsidiaries with an ownership interest of less than 50%.

**(b) Significant restrictions relating to subsidiary**

Council is the majority shareholder in Kimbriki Environmental Enterprises Pty Limited (Company). The Company commenced operating its waste and recycling business on 1 July 2009 with a lease over the Council owned site for a period of 25 years. The one minority shareholder in the Company is Mosman Council.

The Shareholder Agreement requires that a Super Majority Consent of Shareholders (majority shareholder plus one other shareholder) is required for the following decisions:

- any decision of the company to require the Councils to subscribe for further Shares to fund the continuing operation of the Company.
- any decision of the shareholders in relation to any of the following matters:
  - any lease of the Kimbriki Facility from Northern Beaches Council;
  - any call offer in favour of Northern Beaches Council to purchase the Kimbriki Residential Properties (assuming the Company acquires them); and
  - any Collection Contract between the Company and Northern Beaches Council.

Further, an Extraordinary Majority Consent of Shareholders (majority shareholder plus two other shareholders) is required for any decision relating to:

- Constitution amendment: any amendment to the constitution documents of the Company;
- Liquidation: the liquidation of winding up of the Company;
- Capital reorganisation: any reorganisation, reclassification, reconstruction, consolidation or subdivision of the capital of the Company, including any buyback or redemption of Shares, or the creation of any different class of marketable securities in the capital of the Company;
- Significant investments: any agreement by the Company to purchase any asset, make any investment or otherwise commit to a project with a value in a single case, or any number of cases with the same vendor or other contracting party (or person associated with them) in any year with an aggregate value exceeding \$2,500,000;
- Bonus issue: the issue of any bonus shares in the capital of the Company; and
- Share offers: any issue of marketable securities in the capital of the Company, except where this agreement expressly permits otherwise.

Northern Beaches Council now holds the shares of the former Manly, Pittwater and Warringah Councils and for the purposes of the Shareholder Agreement is taken to hold the position of majority shareholder and two other shareholders.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 15 Interests in other entities (continued)**

**(c) Subsidiary with material Non-Controlling Interests (NCI)**

	Kimbriki Environmental Enterprises Pty Limited 30 June 2019	Kimbriki Environmental Enterprises Pty Limited 30 June 2018
% Ownership held by NCI	3.84%	3.84%
	<b>\$'000</b>	<b>\$'000</b>
Profit/(Loss) allocated to NCI	132	164
Accumulated NCI of subsidiary	1,088	956
<b>Summarised statement of financial position</b>		
Current assets	22,271	19,264
Non-current assets	20,662	17,726
Current liabilities	5,863	5,430
Non-current liabilities	8,726	6,657
Net assets	28,344	24,903
<b>Summarised statement of profit and loss and other comprehensive income</b>		
Revenue	35,410	35,400
Profit/(Loss)	3,442	4,262
Total Comprehensive Income	3,442	4,262
<b>Summarised statement of cash flows</b>		
Cash flows from operating activities	8,148	6,546
Cash flows from investing activities	(4,604)	(3,562)
Net increase / (decrease) in cash and cash equivalents	3,544	2,984

**Accounting policy for subsidiary**

Subsidiaries are all entities (including structured entities) over which the Council has control. Control is established when the Council is exposed to, or has rights to variable returns from, its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

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## Notes to the Financial Statements

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 15 Interests in other entities (continued)

##### (d) Consequences of changes in a Council's ownership interest in a subsidiary that do not result in a loss of control

###### Disposal of ownership interest

Council did not dispose of any ownership interest in a subsidiary during the period.

###### Acquisition of ownership interest

Council did not acquire additional ownership interest in a subsidiary during the period.

##### Associates and joint ventures

Council remains a member of the Premsure Insurance Pool but holds an immaterial interest in the Joint Venture.

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## Northern Beaches Council

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 16 Commitments

	Actual 2019 \$'000	Actual 2018 \$'000
<b>(a) Capital Commitments (exclusive of GST)</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
- Land & Buildings	4,110	616
- Plant & Equipment	1,759	1,210
- Infrastructure	10,649	8,832
<b>Total</b>	<b>16,518</b>	<b>10,658</b>

#### Description of Commitments

Contractual commitments for capital works currently being undertaken

#### (b) Non-cancellable Operating Lease Commitments

Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:

- Not later than one year	149	248
- Later than one year and not later than five years	312	288
- Later than five years	62	-
<b>Total</b>	<b>523</b>	<b>536</b>

#### Description of Leases

-Information Technology Equipment  
-Electric Vehicles  
-Solar Panels - Kimbriki



## Annual Financial Statements

# Northern Beaches Council

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 17 Contingencies

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

#### Contingent Liabilities

##### 1. Guarantees

##### (i) Superannuation

##### 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. Sufficient information is not available to account for the Scheme as a defined benefit plan in accordance with AASB119 because the assets to the Scheme are pooled together for all Councils. Further information is provided under d) below.

##### a) Description of the funding arrangements, including the method used to determine Council's rate of contributions and any minimum funding requirements.

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund. The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are 1.9 times employee contributions.

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40.0 million per annum from 1 July 2018 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2018. The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

##### b) Description of the extent to which Council can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan.

Each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

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

##### c) Description of any agreed allocation of a deficit or surplus on:

- i) Wind-up of the plan  
There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.
- ii) Council's withdrawal from the plan  
There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

##### d) Additional information under paragraph 34 of AASB119

- i) The plan is a defined benefit plan
- ii) The reasons why sufficient information is not available to enable the Council to account for the plan as a defined benefit plan is as follows:
  1. Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
  2. 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;
  3. Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
  4. The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors set out 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). As such we do not believe that there is sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.
- iii) The expected contributions of fee plan for the next annual reporting period are \$1,733,401.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 17 Contingencies (continued)**

- iv) Information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.

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

Employer reserves only*	\$millions	Asset Coverage
Assets	1,798.70	
Past Service Liabilities	1,784.20	100.80%
Vested Benefits	1,792.00	100.40%

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

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

Investment return	5.75% per annum
Salary inflation*	3.5% 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.

- v) An indication of the level of participation of Council in the plan compared with other participating entities.

Council's additional lump sum contribution per annum of \$1,004,000 as a percentage of the total additional lump sum contributions for all Pooled Employers (of \$40m each year from 1 July 2018 to 30 June 2021) is 2.51% which provides an indication of the level of participation of Council compared with other employers in the Pooled Employer subgroup.

**(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 of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Councils contributions to the pool and the result of insurance claims within each of the Fund Years. The future realisation and finalisation of claims incurred but not reported to 30 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.

**(iii) Workers Compensation**

Council has decided to self-insure for workers compensation for claims up to \$600,000. Claims above \$600,000 are covered by an external insurance provider. Council provides bank guarantees to the value of \$1,711,000 to secure its self-insurance licence for workers compensation. The guarantee is provided to the State Insurance Regulatory Authority.

**(iv) Other Guarantees**

Kimbriki Environmental Enterprises Pty Ltd has provided a Bank Guarantee in the amount of \$1,000,000 to the Environmental Protection Authority as a condition to the granting of a licence to operate a dry waste facility. The amount may be drawn down by the authority if licence conditions are not met. It is not expected that this amount will be drawn down.

Kimbriki Environmental Enterprises Pty Ltd has provided a Bank Guarantee in the amount of \$250,000 to Ku-Ring-Gai Council as a security for contract for acceptance of vegetation waste. It is not expected that this amount will be drawn down.

Kimbriki Environmental Enterprises Pty Ltd has provided a Bank Guarantee in the amount of \$190,000 to Sydney Water Corporation as a bonding for works for adjustment/deviation of a Sydney Water sewer main.

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## Northern Beaches Council

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 17 Contingencies (continued)

## 2. Other Liabilities

## (i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services. Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

## (ii) S7.11 and S7.12 Plans

Council has significant obligations to provide Section 7.11 and Section 7.12 infrastructure. It is possible that funds contributed may be less than the cost of this infrastructure requiring Council to borrow or use general revenue to fund the difference. (Refer Note 22).

## (iii) Legal Expenses

Council, the Sydney North Planning Panel and the Northern Beaches Local Planning Panel are ordinarily the planning consent authorities for the Northern Beaches local government area under the Environmental Planning & Assessment Act 1979. Pursuant to that Act, certain persons dissatisfied by a planning decision of the Council or the panels may appeal to the Land & Environment Court. In relation to a determination by a panel, Council is to be the respondent to the appeal but is subject to the control and direction of the panel in connection with the conduct of the appeal. The Act also provides an entitlement for any person to commence proceedings to remedy or restrain a breach of the Act in civil enforcement and judicial review proceedings. It is the Court's normal practice in Class 1 proceedings that parties bear their own legal costs. In class 4 (or judicial review) proceedings, costs usually follow the event.

At 30 June 2019, Council was party to 33 Class 1 appeals and 4 Class 4 appeals in the Land & Environment Court. All known costs have been recognised, however the amount of further costs cannot be known until the appeals are determined.

Council is involved in other litigation (including civil liability proceedings and Local Court prosecutions). Whilst these matters are unlikely to cost Council in excess of \$100,000 individually (subject to the comments below), the amount of further costs cannot be known until these proceedings are concluded.

## (iv) 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 Environmental Conservation. As a result, where notified in writing by the various owners, Council may be required to purchase these land parcels. At the reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions have not been possible.

## (v) Other

At the first meeting of Northern Beaches Council on 19 May 2016, the Administrator undertook to review the Manly Oval project and the Whistler Street project in light of community concerns. At the meeting on 23 August 2016, Council resolved to terminate the Development Deed with Built Development (Manly) Pty Ltd (Built) and Athas Holdings Pty Ltd (Athas). On 15 November 2016, Council provided notice of termination of the Development Deed for the Whistler Street project to Built and Athas. On 25 November 2016, Built and Athas provided to Council a notice under the Development Deed disputing the validity of the termination. Council entered into negotiations with Built and Athas regarding the Whistler Street project and the disputed termination under a Negotiations Deed. These negotiations were without prejudice. The negotiations came to an end without agreement, and Built and Athas provided Council with a letter dated 25 May 2017 terminating the Negotiations Deed effective on or about 25 June 2017. On 26 October 2017, Built and Athas lodged a claim in the Supreme Court of NSW for loss of profit, interest (pursuant to section 100 of the Civil Procedure Act 2005 (NSW)), costs, interest on costs and such further or other orders as the Court thinks fit.

Following Council's List Response to the claim being filed and served, the plaintiffs have filed and served an Amended Commercial List Statement to which Council has served a response. There has followed a series of interlocutory procedures and an adverse order against Council in relation to the interlocutory proceedings in which the Court struck out paragraphs of Council's Commercial List Response. However, Council appealed the decision to strike out paragraphs of Council's Commercial List Response and the costs order. Council was successful in its appeal and the plaintiffs were ordered to pay Council's costs of the strike out application and the appeal. The plaintiffs have served their evidence in chief and have filed and served a Further Amended Commercial List Statement (FACLS). Council has filed its Commercial List Response to the FACLS. Council will continue to defend the claim.

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## Northern Beaches Council

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 17 Contingencies (continued)

## Contingent Assets

## (i) Infringement Notices/Fines

Fines and Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau. Councils Revenue Recognition policy for such income is to account for it as revenue on receipt. Accordingly, at Year End, there is a potential asset due to Council not recognising issued but unpaid Infringement Notices.

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

## (ii) Building Commencements

There is still building activity that may have commenced without proper approval and payment of appropriate fees. However, investigations into unlawful works will address these in part, and where a Building Information Certificate is sought, all relevant fees are required to be paid that would have been due if works had been commenced lawfully, including construction certificates and development assessment fees.

## (iii) Premeasure Insurance Pool

At 30 June 2019, Council disclosed its continuing membership of the Premeasure Insurance Pool on Note 15, noting it holds an immaterial interest in the Joint Venture. It is known that some funds are held by the Pool and that they will be distributed to members upon closure of the Pool. Accordingly, at year end there is a potential asset of Council in the amount of the distribution from the Pool. However, there is no reliable basis upon which Council is able to determine the value of this potential asset.

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 18 Financial risk management**

**Risk Management**

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

The fair value of receivables, loans, investments and financial liabilities approximates the carrying value.

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital. Council's Financial Unit manages its cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with the Local Government Act & Ministerial Investment Order 625. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up and performance of the portfolio 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 these changes are caused by factors specific to individual financial instruments or their issuers, or factors affecting similar instruments traded in a market.
- Interest rate risk – the risk that movements in interest rates could affect returns.
- Liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- Credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

**(a) Market risk - price risk and interest rate risk**

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

	2019 \$'000	2018 \$'000
Impact of a 10% <sup>(1)</sup> movement in price of Investments		
- Equity	85	87
- Income Statement <sup>(2)</sup>	85	87
Impact of a 1% <sup>(1)</sup> movement in Interest Rates on Cash and Investments		
- Equity	1,950	2,174
- Income Statement <sup>(2)</sup>	1,950	2,174

**Notes:**

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents and FRNs.)

Recent market volatility has seen larger market movements for certain types of investments.

<sup>(2)</sup> Maximum impact.



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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 18 Financial risk management (continued)**

**(b) Credit risk**

Council's major receivables comprise Rates & Annual Charges and User Charges & Fees. The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

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 & Annual Charges which further encourages payment.

There are no significant concentrations of credit risk. The level of outstanding receivables is reported to Council quarterly and benchmarks are set and monitored for acceptable collection performance.

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

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

The profile of the Council's credit risk at reporting date was:

	Not Yet Due		Overdue Debts				Total
	\$'000	< 1 year \$'000	1-2 years \$'000	2-5 years \$'000	> 5 years \$'000	\$'000	
<b>Rates and Annual Charges</b>							
2019	-	4,161	418	1,352	1,038		6,969
2018	-	740	5,762	757	664		7,923

**Receivables - non- rates and annual charges**

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

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

		Not Yet Due		Overdue Debts				Total
		\$'000	< 30 days \$'000	30-60 days \$'000	60-90 days \$'000	> 90 days \$'000	\$'000	
2019	Gross carrying amount	10,877	483	194	258	2,070		13,882
	Expected loss rate (%)	0.35%	0.41%	5.67%	4.65%	31.74%		
	ECL provision	38	2	11	12	657		720

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 18 Financial risk management (continued)**

**(c) Liquidity risk**

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and by maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities can be drawn down in extenuating circumstances.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate on a 4 year renewal basis. The Finance Unit 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 cash flows.

	Due Within 1 Year	Due Between 1 and 5 Years	Due after 5 Years	Total Contractual Cash Flows	Carrying Values
<b>\$'000</b>					
<b>At 30 June 2019</b>					
Payables	43,656	-	-	43,656	43,656
Borrowings	5,129	18,221	9,269	32,619	32,619
<b>Total Financial Liabilities</b>	<b>48,785</b>	<b>18,221</b>	<b>9,269</b>	<b>76,275</b>	<b>76,275</b>

	Due Within 1 Year	Due Between 1 and 5 Years	Due after 5 Years	Total Contractual Cash Flows	Carrying Values
<b>\$'000</b>					
<b>At 30 June 2018</b>					
Payables	37,170	-	-	37,170	37,170
Borrowings	5,214	19,711	12,658	37,583	37,583
<b>Total Financial Liabilities</b>	<b>42,384</b>	<b>19,711</b>	<b>12,658</b>	<b>74,753</b>	<b>74,753</b>

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate	Balance \$'000	Weighted Average Interest Rate	Balance \$'000
Overdraft	-	-	-	-
Bank Loans - Fixed	5.3%	23,419	5.3%	27,537
- Variable <sup>(1)</sup>	3.0%	9,200	3.7%	10,046
		<b>32,619</b>		<b>37,583</b>

<sup>(1)</sup> The interest rate risk applicable to variable rate bank loans is not considered significant.



Annual Financial Statements

## Northern Beaches Council

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 19 Material budget variations

Council's original budget was adopted by Council on 26 June 2018 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, the weather, and by decisions made by the Council.

While these general purpose financial statements include the original budget adopted by Council, the Local Government Act requires Council to review its financial budget on a quarterly basis so it is able to manage the various variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results are explained below.

#### Revenues

##### 1 Investment Fees and Revenues

Original Budget	Actuals	Variance			
\$'000	\$'000	\$'000			
5,748	6,696	948	Variance	16%	

The increase was due to higher than anticipated investment balances as a result primarily of the receipt of additional grants and contributions for both capital and operational purposes and the timing of capital expenditure.

##### 2 Grants and Contributions provided for operating purposes

Original Budget	Actuals	Variance			
\$'000	\$'000	\$'000			
13,177	15,478	2,301	Variance	17%	

Council budgets conservatively for operating grants in order to avoid reliance on unsecured funding.

Significant increases included:

- \$0.537m for the natural disaster funding for damage resulting from the April 2015 East Coast Low
- \$0.511m for the B-Line project contribution towards bus shelters
- \$0.349m within Children's Services as the NSW Department of Education advised that the Legacy funding for long day care and vacation care would continue until June 2019 pending an external review of the funding
- \$0.235m advance payment of the 2019-20 pre-school grants in June 2019

##### 3 Grants and Contributions provided for capital purposes

Original Budget	Actuals	Variance			
\$'000	\$'000	\$'000			
11,985	18,111	6,126	Variance	51%	

Council budgets conservatively for capital grants in order to avoid reliance on unsecured funding.

Significant increases included:

- \$1.573m (non-cash) recognition of the fair value of land at Belrose TAFE purchased for \$1
- \$1.413m (non-cash) for numerous dedications of land and an amenities building associated with development
- \$1.250m B-Line Grant for the Dee Why Lagoon and Narrabeen pedestrian bridges from TfNSW
- \$0.628m for the Regional Road Repair Program
- \$0.580m RMS 'Boating now' grant for the Church Point Masterplan Wharf extension
- \$0.369m RMS grants for traffic facilities and bike paths

##### 4 Gains on Disposal of Assets

Original Budget	Actuals	Variance			
\$'000	\$'000	\$'000			
765	176	-589	Variance	-77%	

Council takes the conservative position to not budget for a gain or loss on sale of assets with the exception of planned plant and equipment sales.

The variance was principally due to the transfer of 32 parcels of land on the Pittwater Western Foreshore to the National Parks and Wildlife Services at a book cost of \$2.9m. Significant sales included the acquisition of Council land adjacent to Manly Vale Public School by the Department of Education for \$1.6m (less the asset book value of \$0.432m) and the sale of road reserves at locations including Brookvale, Dee Why, Freshwater, Clontarf and Whale Beach for \$1.6m.

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19 Material budget variations (continued)

Expenses

1 Depreciation

Original Budget	Actuals	Variance			
\$'000	\$'000	\$'000	\$'000	Variance	12%
35,386	39,629	4,243			

The revaluation of building assets resulted in an increase in the depreciation expense for these assets (\$2m). The creation of new assets and the renewal of a significant number of assets over the past twelve months also resulted in an adjustment to the depreciation for those existing assets to recognise their condition at their point of commissioning.

2 Fair value decrement on investment properties

Original Budget	Actuals	Variance			
\$'000	\$'000	\$'000	\$'000	Variance	n/a
0	120	120			

Due to the unpredictability of this adjustment, and its non-cash impact, Council does not budget for a gain on fair value for investment properties.

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

**Note 20 Fair value measurement**

Council measures the following assets and liabilities at fair value on a recurring basis.

- Infrastructure and property
- Investment property
- Financial assets

During the reporting period Council will measure non-current assets classified as held for sale at fair value on a non-recurring basis if their carrying amount is higher than their fair value and therefore the assets need to be written down to fair value. They are measured at the lower of their carrying amount and fair value less costs to sell. During the current reporting period, there were no assets measured at fair value on a non-recurring basis.

**Fair value hierarchy**

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 Council 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	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by Council

	Note	Level 2 Significant observable inputs \$'000		Level 3 Significant unobservable inputs \$'000		Total \$'000	
		2019	2018	2019	2018	2019	2018
<b>Recurring fair value measurements</b>							
<b>Financial assets</b>							
Investments							
- At fair value through profit or loss	6	852	871			852	871
<b>Investment Properties</b>							
Commercial Office and Retail	11	5,965	6,085			5,965	6,085
<b>Infrastructure, property, plant and equipment</b>							
Plant & Equipment	10			28,863	13,318	28,863	13,318
Office Equipment	10			6,159	6,061	6,159	6,061
Furniture & Fittings	10			112	154	112	154
Operational Land	10	439,879	439,669			439,879	439,669
Community Land	10			1,049,055	2,077,785	1,049,055	2,077,785
Crown Land	10			1,028,306		1,028,306	
Land Under Roads	10			1,704	391	1,704	391
Land Improvements - Depreciable	10			10,204	7,350	10,204	7,350
Buildings	10			472,793	468,779	472,793	468,779
Roads Sealed	10			474,010	481,509	474,010	481,509
Roads Unsealed	10			1,491	288	1,491	288
Other Road Assets	10			204,709	187,116	204,709	187,116
Bridges	10			9,090	11,030	9,090	11,030
Footpaths	10			91,998	76,860	91,998	76,860
Drainage Infrastructure	10			800,100	799,010	800,100	799,010
Swimming Pools	10			22,849	25,948	22,849	25,948
Other Open Space/Recreational Assets	10			111,599	107,417	111,599	107,417
Other Infrastructure	10			170,815	155,865	170,815	155,865
Library Books	10			3,323	3,369	3,323	3,369
Other	10			4,556	4,535	4,556	4,535
Tip Asset	10			23,937	24,932	23,937	24,932
<b>Total</b>		<b>446,696</b>	<b>446,625</b>	<b>4,515,673</b>	<b>4,451,717</b>	<b>4,962,369</b>	<b>4,898,342</b>

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

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20 Fair value measurement (continued)

Valuation Techniques

Level 3 Measurements

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 asset class fair values.

	Fair value (30/6/19) \$'000	Valuation Techniques	Unobservable inputs
<b>Infrastructure and Property</b>			
Community Land	1,049,055	Land values obtained from the NSW Valuer-General	VG value (price per square metre)
Crown Land	1,028,306	Land values obtained from the NSW Valuer-General	VG value (price per square metre)
Land Under Roads	1,704	Average municipal rate, determined by the NSW Valuer-General, after applying 90% discount to reflect restricted nature of asset	VG value (price per square metre)
Land Improvements - Depreciable	10,204	Replacement cost used to approximate fair value	Asset condition and remaining useful life
Buildings	472,793	Replacement cost used to approximate fair value	Asset condition and remaining useful life
Roads Sealed	474,010	Unit rates per m2 and length	Asset condition and remaining useful life
Roads Unsealed	1,491	Unit rates per m2 and length	Asset condition and remaining useful life
Roads Other Assets	204,709	Unit rates per m2 and length	Asset condition and remaining useful life
Bridges	9,090	Replacement cost used to approximate fair value	Asset condition and remaining useful life
Footpaths	91,998	Unit rates per m2 and length	Asset condition and remaining useful life
Drainage Infrastructure	800,100	Unit rates per m2 and length	Asset condition and remaining useful life
Swimming Pools	22,849	Replacement cost used to approximate fair value	Asset condition and remaining useful life
Other Open Space/Recreational Assets	111,599	Replacement cost used to approximate fair value	Asset condition and remaining useful life
Other Infrastructure	170,815	Replacement cost used to approximate fair value	Asset condition and remaining useful life

Annual Financial Statements

**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 20 Fair value measurement** (continued)

**Reconciliation of Movements**

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

	2019 \$'000	2018 \$'000
Balance at 1 July	4,399,348	4,355,369
Recognised in profit or loss - realised	(864)	(1,840)
Purchases	72,186	80,569
Sales	(3,308)	(1,154)
Depreciation	(31,257)	(26,730)
Other Movements	(210)	(5,879)
Revaluations	12,828	(987)
Balance as at 30 June	4,448,723	4,399,348

There are no transfers identified in the table above.

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21 Related party disclosures

Key management personnel

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

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

	Year Ended 30 June 2019 \$'000	Year Ended 30 June 2018 \$'000
<b>Compensation</b>		
Short-term benefits	2,410	2,168
Post-employment benefits	142	102
Other long-term benefits	60	55
Termination benefits	511	408
<b>Total</b>	<b>3,122</b>	<b>2,733</b>

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or a Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Amount of the transactions during the year \$'000	Outstanding balances including commitments at year end \$'000	Terms and conditions	Provisions for impairment of receivables related to the amount of outstanding balances \$'000
<b>2019</b>				
Community Grants & Contributions <sup>1</sup>	9	-	-	-
Lease Income <sup>2</sup>	3	-	-	-
Novated Leases <sup>3</sup>	15	-	-	-

2018

Community Grants <sup>1</sup>	5	-	-	-
Lease Income <sup>2</sup>	3	-	Payable monthly in advance	-
Purchase of IT equipment <sup>4</sup>	1	-	-	-
Funding of Building works for RFS <sup>5</sup>	230	-	-	-

<sup>1</sup> Council has provided funding to Manly Warringah Women's Resource Centre, a not-for-profit service which has a member of Council's KMP on the board

<sup>2</sup> Manly Warringah Women's Resource Centre leases a building from Council. A member of Council's KMP is on the board

<sup>3</sup> Council has entered into novated lease agreements for KMP and their family. These costs are recovered through payroll deductions.

<sup>4</sup> A KMP member purchased some minor IT equipment from Council

<sup>5</sup> Council provided funding for works to Davidson RFS building. A Council KMP member is President of the brigade

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21 Related party disclosures (continued)

Other related parties

Type of related party	Nature of the transaction	Amount of the transactions during the year	Outstanding balances including commitments at year end	Terms and conditions
2019		\$'000	\$'000	
Subsidiary - Kimbriki Environmental Enterprises Pty Limited	Tipping Fees	9,711	637	-
Subsidiary - Kimbriki Environmental Enterprises Pty Limited	Lease Income	2,885	-	Payable monthly on the 1st of each month
Subsidiary - Kimbriki Environmental Enterprises Pty Limited	Other Income	9	5	-

2018

Subsidiary - Kimbriki Environmental Enterprises Pty Limited	Tipping Fees	9,964	666	-
Subsidiary - Kimbriki Environmental Enterprises Pty Limited	Lease Revenue	2,984	-	Payable monthly on the 1st of each month
Subsidiary - Kimbriki Environmental Enterprises Pty Limited	Other Income	21	-	-



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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 22 Statement of developer contributions**

**(a) Summary of developer contributions**

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Community facilities	7,045	495	-	108	(855)	-	6,793	-
Drainage	5,625	524	442	72	(461)	-	6,202	-
Environmental programs (incl. drainage)	1,360	374	-	42	-	-	1,776	-
Library and recreation	(348)	-	-	-	-	-	(348)	-
Open space	11,997	1,723	-	254	(8,273)	-	5,701	-
Parking	2,021	-	-	56	-	-	2,077	-
Roads	(5,559)	526	-	(66)	(665)	-	(5,764)	-
Streetscape/transport	2,602	301	-	74	-	-	2,977	-
Traffic facilities	600	57	-	16	(40)	-	633	-
Other	(146)	135	-	3	(317)	-	(325)	-
<b>S7.11 Contributions - under a Plan</b>	<b>25,197</b>	<b>4,135</b>	<b>442</b>	<b>559</b>	<b>(10,611)</b>	<b>-</b>	<b>19,722</b>	<b>-</b>
<b>S7.12 Levies - under a Plan</b>	<b>9,932</b>	<b>3,855</b>	<b>-</b>	<b>308</b>	<b>(2,107)</b>	<b>-</b>	<b>11,988</b>	<b>-</b>
<b>Total Revenue Under Plans</b>	<b>35,129</b>	<b>7,990</b>	<b>442</b>	<b>867</b>	<b>(12,718)</b>	<b>-</b>	<b>31,710</b>	<b>-</b>
S7.11 not under Plans	136	-	-	-	-	-	136	-
S7.4 Planning Agreements	1,040	-	-	29	-	-	1,069	-
<b>Total Contributions</b>	<b>36,305</b>	<b>7,990</b>	<b>442</b>	<b>896</b>	<b>(12,718)</b>	<b>-</b>	<b>32,915</b>	<b>-</b>
Less: Land	(121)	-	-	-	-	-	(121)	-
<b>Total Cash Contributions</b>	<b>36,184</b>	<b>7,990</b>	<b>442</b>	<b>896</b>	<b>(12,718)</b>	<b>-</b>	<b>32,794</b>	<b>-</b>

**(b) Contributions - Under a plan**

S7.11 Contributions - Under a plan

Former Manly Council - Residential (2005 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Traffic facilities	470	36	-	13	-	-	519	-
Open space	610	374	-	39	(291)	-	732	-
Community facilities	(1,251)	64	-	-	(360)	-	(1,547)	-
Streetscape/transport	1,784	163	-	51	-	-	1,998	-
Environmental programs (incl. drainage)	422	243	-	14	-	-	679	-
<b>Total</b>	<b>2,035</b>	<b>880</b>	<b>-</b>	<b>117</b>	<b>(651)</b>	<b>-</b>	<b>2,381</b>	<b>-</b>

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements  
for the year ended 30 June 2019

Note 22 Statement of developer contributions (continued)

(b) Contributions - Under a plan (continued)

Former Manly Council - Manly Precinct/Commercial (2005 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Traffic facilities	84	21	-	2	-	-	107	-
Community facilities	(70)	24	-	-	-	-	(46)	-
Streetscape/transport	5	138	-	1	-	-	144	-
Environmental programs (incl. drainage)	636	131	-	19	-	-	786	-
<b>Total</b>	<b>655</b>	<b>314</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>991</b>	<b>-</b>

Former Manly Council - Other Precincts (2005 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Traffic facilities	7	-	-	-	-	-	7	-
Community facilities	(69)	-	-	-	-	-	(69)	-
Streetscape/transport	813	-	-	22	-	-	835	-
Environmental programs (incl. drainage)	276	-	-	8	-	-	284	-
<b>Total</b>	<b>1,027</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>1,057</b>	<b>-</b>

Former Manly Council - Parking (2005 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parking	1,905	-	-	53	-	-	1,958	-
<b>Total</b>	<b>1,905</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>1,958</b>	<b>-</b>

Former Manly Council - Manly Precinct (1999 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Open space	251	-	-	7	-	-	258	-
Library and recreation	19	-	-	-	-	-	19	-
<b>Total</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>277</b>	<b>-</b>

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements  
for the year ended 30 June 2019

Note 22 Statement of developer contributions (continued)

(b) Contributions - Under a plan (continued)

Former Manly Council - Other Precincts (1999 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Open Space	324	-	-	12	-	-	336	-
Library and recreation	(367)	-	-	-	-	-	(367)	-
<b>Total</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>(31)</b>	<b>-</b>

Former Manly Council - Parking (1999 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parking	116	-	-	3	-	-	119	-
<b>Total</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>-</b>

Former Manly Council - Tourist Developments (2005 plan)

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Open space	29	-	-	1	-	-	30	-
Environmental programs (incl. drainage)	26	-	-	1	-	-	27	-
<b>Total</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>-</b>

Former Pittwater Council - Contribution Plan Number 2 - Open space, bushland and recreation

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Open space	-	100	-	-	(27)	-	73	-
<b>Total</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>(27)</b>	<b>-</b>	<b>73</b>	<b>-</b>

Former Pittwater Council - Contribution Plan Number 3 - Public library services

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Community facilities	263	24	-	6	(158)	-	135	-
<b>Total</b>	<b>263</b>	<b>24</b>	<b>-</b>	<b>6</b>	<b>(158)</b>	<b>-</b>	<b>135</b>	<b>-</b>

Annual Financial Statements

Northern Beaches Council

Notes to the Financial Statements  
for the year ended 30 June 2019

Note 22 Statement of developer contributions (continued)

(b) Contributions - Under a plan (continued)

Former Pittwater Council - Contribution Plan Number 4 to 10 & 15 - Warriewood Valley and material public works

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	5,625	524	442	72	(461)	-	6,202	-
Roads	(5,559)	526	-	(66)	(665)	-	(5,764)	-
Open space	3,408	1,249	-	50	(435)	-	4,272	-
Community facilities	8,137	343	-	101	(261)	-	8,320	-
Other	(441)	66	-	(5)	(27)	-	(407)	-
<b>Total</b>	<b>11,170</b>	<b>2,708</b>	<b>442</b>	<b>152</b>	<b>(1,849)</b>	<b>-</b>	<b>12,623</b>	<b>-</b>

Former Pittwater Council - Contribution Plan Number 18 - Community service facilities

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Community facilities	35	40	-	1	(76)	-	-	-
<b>Total</b>	<b>35</b>	<b>40</b>	<b>-</b>	<b>1</b>	<b>(76)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Former Pittwater Council - Contribution Plan Number 19 - Village streetscape

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other	295	69	-	8	(290)	-	82	-
<b>Total</b>	<b>295</b>	<b>69</b>	<b>-</b>	<b>8</b>	<b>(290)</b>	<b>-</b>	<b>82</b>	<b>-</b>

Former Warringah Council - 2001 plan

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Traffic Facilities	39	-	-	1	(40)	-	-	-
Open Space	7,375	-	-	145	(7,520)	-	-	-
<b>Total</b>	<b>7,414</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>(7,560)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**Northern Beaches Council**

**Notes to the Financial Statements**

for the year ended 30 June 2019

**Note 22 Statement of developer contributions (continued)**

**S7.12 Contributions - Under a Plan**

Former Warringah Council - s7.12 contribution plan

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other	9,932	3,855	-	308	(2,107)	-	11,988	-
<b>Total</b>	<b>9,932</b>	<b>3,855</b>	<b>-</b>	<b>308</b>	<b>(2,107)</b>	<b>-</b>	<b>11,988</b>	<b>-</b>

**(c) Contributions - not under a plan**

Former Manly Council

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other	15	-	-	-	-	-	15	-
<b>Total</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>

Former Warringah Council

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	121	-	-	-	-	-	121	-
<b>Total</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>-</b>

**(d) S7.4 Contributions - Planning Agreements**

Purpose	Opening Balance	Contributions received during the year		Interest earned during year	Expended during year	Internal borrowings during the year	Held as Restricted Asset	Cumulative Internal borrowings (to)/from
		Cash	Non Cash					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other	1,040	-	-	29	-	-	1,069	-
<b>Total</b>	<b>1,040</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>1,069</b>	<b>-</b>

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Northern Beaches Council

Notes to the Financial Statements

for the year ended 30 June 2019

NOTE 23 Statement of performance measures - consolidated results

	Amounts		Benchmark	
	2019	2019	2018	
\$ '000	\$'000	Indicators	Indicators	
<b>1. Operating Performance</b>				
Total continuing operating revenue <sup>1</sup> excluding capital grants and contributions less operating expenses <sup>2</sup>	9,835	2.89%	7.97%	>0
Total continuing operating revenue <sup>1</sup> excluding capital grants and contributions	340,810			
<b>2. Own Source Operating Revenue</b>				
Total continuing operating revenue <sup>1</sup> excluding all grants and contributions	325,154	90.64%	82.58%	>60%
Total continuing operating revenue <sup>1</sup> inclusive of capital grants and contributions	358,744			
<b>3. Unrestricted Current Ratio</b>				
Current assets less all external restrictions	142,914	2.65x	3.09x	>1.5x
Current liabilities less specific purpose liabilities	53,948			
<b>4. Debt Service Cover Ratio</b>				
Operating Results <sup>1</sup> before capital excluding interest and depreciation/impairment/amortisation	52,741	6.40x	4.62x	>2x
Principal repayments (from the statement of cash flows) plus borrowing interest costs (from the income statement)	8,241			
<b>5. Rates and Annual Charges Outstanding Percentage</b>				
Rates and Annual Charges Outstanding	8,071	3.67%	3.85%	<5%
Rates and Annual Charges Collectable	220,136			
<b>6. Cash Expense Cover Ratio</b>				
Current period's cash and cash equivalents + term deposits	194,969	7.53 months	8.59 months	>3 months
Payments from cash flow of operating and financing activities	25,909			

Note:

<sup>1</sup> Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures and associates

<sup>2</sup> Excludes impairment/revaluation decrements, net loss on sales of assets, and net loss on share of interests in joint ventures and associates

**Annual Financial Statements**

**Northern Beaches Council**

Special purpose financial statements  
for the year ended 30 June 2019

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Annual Financial Statements

**Northern Beaches Council**

**Special purpose financial statements**

for the year ended 30 June 2019

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Note 1 - Significant accounting policies	101
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**Background**

The Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.

The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market particularly between private and public sector competitors. Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

For Council, the principle of competitive neutrality and public reporting applies only to declared business activities. These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and (b) those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

In preparing these financial reports for Council's self classified Category 1 businesses and ABS defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

## Annual Financial Statements

**Northern Beaches Council****Special purpose financial statements**

for the year ended 30 June 2019

**Statement by Councillors and Management**

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

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

- the NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*
- Division of Local Government Guidelines *"Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"*
- the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Northern Beaches Council made on 24 September 2019.

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Michael Regan  
**Mayor**

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**Councillor**

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David Walsh  
**Responsible Accounting Officer**

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Ray Brownlee  
**Chief Executive Officer**

Annual Financial Statements

Northern Beaches Council

Income Statement of Council's Other Business Activities

for the year ended 30 June 2019

	Children Services	Children Services	Kimbriki Environment Enterprises	Kimbriki Environment Enterprises
	Year Ended 30 June 2019	Year Ended 30 June 2018	Year Ended 30 June 2019	Year Ended 30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>				
Access charges	12,198	11,832	-	-
User charges	-	-	-	-
Fees	-	-	31,685	31,978
Interest	-	-	415	146
Grants and contributions provided for non capital purposes <sup>1</sup>	1,160	662	-	-
Profit from the sale of assets	-	-	4	-
Other income	9	22	3,306	3,276
<b>Total income from continuing operations</b>	<b>13,367</b>	<b>12,516</b>	<b>35,410</b>	<b>35,400</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	10,690	10,177	4,823	5,207
Borrowing costs	-	-	-	-
Materials and contracts	2,526	2,326	11,115	10,672
Depreciation, amortisation and impairment	124	111	1,672	1,268
Loss on sale of assets	-	-	-	47
Other expenses	1,192	1,297	14,358	13,944
Revaluation decrement of IPPE	91	1,150	-	-
<b>Total expenses from continuing operations</b>	<b>14,623</b>	<b>15,061</b>	<b>31,968</b>	<b>31,138</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(1,256)</b>	<b>(2,545)</b>	<b>3,442</b>	<b>4,262</b>
Grants and contributions provided for capital purposes	-	-	-	-
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(1,256)</b>	<b>(2,545)</b>	<b>3,442</b>	<b>4,262</b>
Surplus (deficit) from discontinued operations	-	-	-	-
<b>Surplus/(deficit) from all operations before tax</b>	<b>(1,256)</b>	<b>(2,545)</b>	<b>3,442</b>	<b>4,262</b>
Less: Corporate Taxation Equivalent (27.5%)* [based on result before capital]	-	-	(947)	(1,279)
<b>Surplus/(deficit) after tax</b>	<b>(1,256)</b>	<b>(2,545)</b>	<b>2,495</b>	<b>2,983</b>
Opening accumulated surplus	8,025	8,569	24,903	20,641
Adjustments for amounts unpaid	-	-	-	-
Add/Less: Allocation Adjustments Related to IPPE	863	717	-	-
Add/Less: Allocation Adjustments Related to Borrowings, Inventory, Liabilities and Receivables	(62)	-	-	-
Corporate taxation equivalent	-	-	947	1,279
Add:				
- Contribution to operations (excl asset reval & dep'n)	1,041	1,284	-	-
Less:				
- TER dividend paid	-	-	-	-
- Surplus dividend paid	-	-	-	-
<b>Closing accumulated surplus</b>	<b>8,611</b>	<b>8,025</b>	<b>28,345</b>	<b>24,903</b>
Return on Capital %	-14.2%	-31.0%	16.7%	24.0%
Subsidy from Council - If surplus is less than rate of return on IPPE @ 1.38%	1,378	2,658	-	-

\* 2017-18 Corporate Taxation Equivalent was 30%

<sup>1</sup> 2018-19 includes an early payment of \$235k for the 2019-20 preschool funding contribution

Annual Financial Statements

Northern Beaches Council

Income Statement of Council's Other Business Activities  
for the year ended 30 June 2019

	Glen Street Theatre Year Ended 30 June 2019 \$'000	Glen Street Theatre Year Ended 30 June 2018 \$'000	Certification Year Ended 30 June 2019 \$'000	Certification Year Ended 30 June 2018 \$'000
<b>Income from continuing operations</b>				
Access charges	-	-	-	-
User charges	-	-	-	-
Fees	1,511	1,277	1,149	1,072
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	492	367	112	308
<b>Total income from continuing operations</b>	<b>2,003</b>	<b>1,644</b>	<b>1,261</b>	<b>1,380</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	1,029	1,219	1,878	1,458
Borrowing costs	-	-	-	-
Materials and contracts	979	791	331	83
Depreciation, amortisation and impairment	86	96	-	-
Loss on sale of assets	-	-	-	-
Other expenses	378	375	382	404
Revaluation decrement of IPPE	-	1,752	-	-
<b>Total expenses from continuing operations</b>	<b>2,472</b>	<b>4,233</b>	<b>2,591</b>	<b>1,945</b>
<b>Surplus/(deficit) from continuing operations before capital amounts</b>	<b>(469)</b>	<b>(2,589)</b>	<b>(1,330)</b>	<b>(565)</b>
Grants and contributions provided for capital purposes	-	-	-	-
<b>Surplus/(deficit) from continuing operations after capital amounts</b>	<b>(469)</b>	<b>(2,589)</b>	<b>(1,330)</b>	<b>(565)</b>
Surplus (deficit) from discontinued operations	-	-	-	-
<b>Surplus/(deficit) from all operations before tax</b>	<b>(469)</b>	<b>(2,589)</b>	<b>(1,330)</b>	<b>(565)</b>
Less: Corporate Taxation Equivalent (27.5%)* [based on result before capital]	-	-	-	-
<b>Surplus/(deficit) after tax</b>	<b>(469)</b>	<b>(2,589)</b>	<b>(1,330)</b>	<b>(565)</b>
Opening accumulated surplus	7,790	9,605	-	-
Adjustments for amounts unpaid	-	-	-	-
Add/Less: Allocation Adjustments Related to IPPE	43	33	-	-
Add/Less: Allocation Adjustments Related to Borrowings, Inventory, Liabilities and Receivables	(141)	-	-	-
Corporate taxation equivalent	-	-	-	-
Add:				
- Contribution to operations (excl asset reval & dep'n)	383	741	1,330	565
Less:				
- TER dividend paid	-	-	-	-
- Surplus dividend paid (excl asset reval & dep'n)	-	-	-	-
<b>Closing accumulated surplus</b>	<b>7,606</b>	<b>7,790</b>	<b>-</b>	<b>-</b>
Return on Capital %	-5.6%	-30.7%	n/a	n/a
Subsidy from Council - If surplus is less than rate of return on IPPE @ 1.38%	585	2,705	n/a	n/a

\* 2017-18 Corporate Taxation Equivalent was 30%

Annual Financial Statements

Northern Beaches Council

Income Statement of Council's Other Business Activities

for the year ended 30 June 2019

	Aquatic Centres	Aquatic Centres	Parking Stations	Parking Stations
	Year Ended	Year Ended	Year Ended	Year Ended
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>				
Access charges	7,157	6,668	-	-
User charges	-	-	4,868	4,121
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	1	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	436	445	-	-
<b>Total income from continuing operations</b>	<b>7,594</b>	<b>7,113</b>	<b>4,868</b>	<b>4,121</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	5,505	4,785	529	534
Borrowing costs	438	521	197	-
Materials and contracts	1,355	1,332	472	655
Depreciation, amortisation and impairment	1,516	617	371	139
Loss on sale of assets	-	-	-	-
Other expenses	2,009	1,763	802	896
Revaluation decrement of IPPE	1,247	-	-	-
<b>Total expenses from continuing operations</b>	<b>12,070</b>	<b>9,018</b>	<b>2,371</b>	<b>2,224</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(4,476)</b>	<b>(1,905)</b>	<b>2,497</b>	<b>1,897</b>
Grants and contributions provided for capital purposes	-	-	-	-
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(4,476)</b>	<b>(1,905)</b>	<b>2,497</b>	<b>1,897</b>
Surplus (deficit) from discontinued operations	-	-	-	-
<b>Surplus/(deficit) from all operations before tax</b>	<b>(4,476)</b>	<b>(1,905)</b>	<b>2,497</b>	<b>1,897</b>
Less: Corporate Taxation Equivalent (27.5%)* [based on result before capital]	-	-	(687)	(569)
<b>Surplus/(deficit) after tax</b>	<b>(4,476)</b>	<b>(1,905)</b>	<b>1,810</b>	<b>1,328</b>
<b>Opening accumulated surplus</b>	<b>38,910</b>	<b>37,661</b>	<b>6,317</b>	<b>5,656</b>
<b>Adjustments for amounts unpaid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Add/Less: Allocation Adjustments Related to IPPE</b>	<b>298</b>	<b>366</b>	<b>886</b>	<b>230</b>
<b>Add/Less: Allocation Adjustments Related to Borrowings, Inventory, Liabilities and Receivables</b>	<b>1,478</b>	<b>1,500</b>	<b>589</b>	<b>570</b>
<b>Corporate taxation equivalent</b>	<b>-</b>	<b>-</b>	<b>687</b>	<b>569</b>
<b>Add:</b>				
- Contribution to operations (excl asset reval & dep'n)	1,713	1,288	-	-
<b>Less:</b>				
- TER dividend paid	-	-	-	-
- Surplus dividend paid (excl asset reval & dep'n)	-	-	(2,868)	(2,036)
<b>Closing accumulated surplus</b>	<b>37,923</b>	<b>38,910</b>	<b>7,421</b>	<b>6,317</b>
Return on Capital %	-9.2%	-4.4%	7.3%	6.1%
Subsidy from Council - If surplus is less than rate of return on IPPE @ 1.38%	5,647	3,193	-	-

\* 2017-18 Corporate Taxation Equivalent was 30%

Annual Financial Statements

Northern Beaches Council

Income Statement of Council's Other Business Activities

for the year ended 30 June 2019

	Sydney Lakeside Caravan Park	Sydney Lakeside Caravan Park
	Year Ended 30 June 2019	Year Ended 30 June 2018
	\$'000	\$'000
<b>Income from continuing operations</b>		
Access charges	-	-
User charges	5,728	5,821
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	1,121	993
<b>Total income from continuing operations</b>	<b>6,849</b>	<b>6,814</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	-	-
Borrowing costs	114	135
Materials and contracts	962	851
Depreciation, amortisation and impairment	141	181
Loss on sale of assets	-	-
Other expenses	2,037	2,020
Revaluation decrement of IPPE	-	4,372
<b>Total expenses from continuing operations</b>	<b>3,254</b>	<b>7,559</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>3,595</b>	<b>(745)</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>3,595</b>	<b>(745)</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus/(deficit) from all operations before tax</b>	<b>3,595</b>	<b>(745)</b>
Less: Corporate Taxation Equivalent (27.5%)* [based on result before capital]	(989)	-
<b>Surplus/(deficit) after tax</b>	<b>2,606</b>	<b>(745)</b>
Opening accumulated surplus	15,594	19,471
Adjustments for amounts unpaid	-	-
Add/Less: Allocation Adjustments Related to IPPE	311	74
Add/Less: Allocation Adjustments Related to Borrowings, Inventory, Payables and Receivables	254	602
Corporate taxation equivalent	989	-
Add:		
- Contribution to operations (excl asset reval & dep'n)		
Less:		
- TER dividend paid	-	-
- Surplus dividend paid (excl asset reval & dep'n)	(3,736)	(3,808)
<b>Closing accumulated surplus</b>	<b>16,018</b>	<b>15,594</b>
Return on Capital %	18.9%	-4.8%
Subsidy from Council - If surplus is less than rate of return on IPPE @ 1.38%	-	1,132

Annual Financial Statements

**Northern Beaches Council**

**Statement of Financial Position of Council's Other Business Activities**

as at 30 June 2019

	Actual 2019 Children Services  Category 1 \$'000	Actual 2018 Children Services  Category 1 \$'000	Actual 2019 Kimbriki Environment Enterprises  Category 1 \$'000	Actual 2018 Kimbriki Environment Enterprises  Category 1 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	-	-	2,246	2,633
Investments	-	-	18,297	14,366
Receivables	152	145	1,725	2,263
Inventories	-	-	2	2
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>152</b>	<b>145</b>	<b>22,271</b>	<b>19,264</b>
<b>Non-Current Assets</b>				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	8,861	8,213	20,660	17,726
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
<b>Total Non-Current Assets</b>	<b>8,861</b>	<b>8,213</b>	<b>20,660</b>	<b>17,726</b>
<b>Total Assets</b>	<b>9,013</b>	<b>8,358</b>	<b>42,931</b>	<b>36,990</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	402	333	4,830	4,307
Income received in advance	-	-	-	-
Borrowings	-	-	-	-
Provisions	-	-	1,032	1,123
<b>Total Current Liabilities</b>	<b>402</b>	<b>333</b>	<b>5,861</b>	<b>5,430</b>
<b>Non-Current Liabilities</b>				
Payables	-	-	8,615	6,552
Borrowings	-	-	-	-
Provisions	-	-	111	105
Other Liabilities	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>8,725</b>	<b>6,657</b>
<b>Total Liabilities</b>	<b>402</b>	<b>333</b>	<b>14,586</b>	<b>12,087</b>
<b>Net Assets</b>	<b>8,611</b>	<b>8,025</b>	<b>28,345</b>	<b>24,903</b>
<b>EQUITY</b>				
Accumulated surplus	8,611	8,025	28,345	24,903
IPP&E revaluation surplus	-	-	-	-
Council equity interest	8,611	8,025	28,345	24,903
Minority equity interest	-	-	-	-
<b>Total Equity</b>	<b>8,611</b>	<b>8,025</b>	<b>28,345</b>	<b>24,903</b>



Annual Financial Statements

Northern Beaches Council

Statement of Financial Position of Council's Other Business Activities

as at 30 June 2019

	Actual 2019 Glen Street Theatre Category 1 \$'000	Actual 2018 Glen Street Theatre Category 1 \$'000	Actual 2019 Certification Category 2 \$'000	Actual 2018 Certification Category 2 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	10	10	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>
<b>Non-Current Assets</b>				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	8,379	8,422	-	-
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
<b>Total Non-Current Assets</b>	<b>8,379</b>	<b>8,422</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>8,389</b>	<b>8,432</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	1	1	-	-
Income received in advance	782	641	-	-
Borrowings	-	-	-	-
Provisions	-	-	-	-
<b>Total Current Liabilities</b>	<b>783</b>	<b>642</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>				
Payables	-	-	-	-
Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>783</b>	<b>642</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>7,606</b>	<b>7,790</b>	<b>-</b>	<b>-</b>
<b>EQUITY</b>				
Accumulated surplus	7,606	7,790	-	-
IPP&E revaluation surplus	-	-	-	-
Council equity interest	7,606	7,790	-	-
Minority equity interest	-	-	-	-
<b>Total Equity</b>	<b>7,606</b>	<b>7,790</b>	<b>-</b>	<b>-</b>

Annual Financial Statements

Northern Beaches Council

Statement of Financial Position of Council's Other Business Activities

as at 30 June 2019

	Actual 2019	Actual 2018	Actual 2019	Actual 2018
	Aquatic Centres	Aquatic Centres	Parking Stations	Parking Stations
	Category 1	Category 1	Category 1	Category 1
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	5	51	-	-
Inventories	41	17	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>46</b>	<b>68</b>	<b>-</b>	<b>-</b>
<b>Non-Current Assets</b>				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	53,139	55,604	31,643	31,128
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
<b>Total Non-Current Assets</b>	<b>53,139</b>	<b>55,604</b>	<b>31,643</b>	<b>31,128</b>
<b>Total Assets</b>	<b>53,185</b>	<b>55,672</b>	<b>31,643</b>	<b>31,128</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	-	-	-	-
Income received in advance	73	64	-	-
Borrowings	1,500	1,500	610	589
Provisions	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,573</b>	<b>1,564</b>	<b>610</b>	<b>589</b>
<b>Non-Current Liabilities</b>				
Payables	-	-	-	-
Borrowings	5,250	6,750	4,187	4,797
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>5,250</b>	<b>6,750</b>	<b>4,187</b>	<b>4,797</b>
<b>Total Liabilities</b>	<b>6,823</b>	<b>8,314</b>	<b>4,797</b>	<b>5,386</b>
<b>Net Assets</b>	<b>46,362</b>	<b>47,358</b>	<b>26,846</b>	<b>25,742</b>
<b>EQUITY</b>				
Accumulated surplus	37,923	38,846	7,421	6,317
IPP&E revaluation surplus	8,512	8,512	19,425	19,425
Council equity interest	46,435	47,358	26,846	25,742
Minority equity interest	-	-	-	-
<b>Total Equity</b>	<b>46,435</b>	<b>47,358</b>	<b>26,846</b>	<b>25,742</b>

Annual Financial Statements

**Northern Beaches Council**

**Statement of Financial Position of Council's Other Business Activities**

as at 30 June 2019

	Actual 2019 Sydney Lakeside Caravan Park Category 1 \$'000	Actual 2018 Sydney Lakeside Caravan Park Category 1 \$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	-	-
Investments	-	-
Receivables	-	-
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>-</b>	<b>-</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	18,408	18,238
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total Non-Current Assets</b>	<b>18,408</b>	<b>18,238</b>
<b>Total Assets</b>	<b>18,408</b>	<b>18,238</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	247	117
Income received in advance	377	363
Borrowings	420	398
Provisions	-	-
<b>Total Current Liabilities</b>	<b>1,044</b>	<b>878</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Borrowings	1,346	1,766
Provisions	-	-
Other Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>1,346</b>	<b>1,766</b>
<b>Total Liabilities</b>	<b>2,390</b>	<b>2,644</b>
<b>Net Assets</b>	<b>16,018</b>	<b>15,594</b>
<b>EQUITY</b>		
Accumulated surplus	16,018	15,594
IPP&E revaluation surplus	-	-
Council equity interest	16,018	15,594
Minority equity interest	-	-
<b>Total Equity</b>	<b>16,018</b>	<b>15,594</b>

## Annual Financial Statements

### Northern Beaches Council

#### Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

##### Note 1 Significant accounting policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy reporting purposes follows:

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretation.

The disclosures in these special purpose financial statements have been prepared in accordance with the Local Government Act 1993 (NSW), the Local Government (General) Regulation 2005 and the Local Government Code of Accounting Practice and Financial Reporting.

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

The Statement of Financial Position includes notional assets/ liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

##### National Competition Policy

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

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

##### Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

**Children's Services** - Child Care, Pre-school and Long Day Care

**Kimbriki Environmental Enterprises Pty Limited** - Waste landfill and resource recovery management

**Glen Street Theatre** - Council's local theatre

**Parking Stations** - Whistler Street, Manly National, Manly Pacific, Peninsula Parking Station, PCYC in Dee Why, Church Point

**Aquatic Centres** - Manly Andrew "Boy" Charlton Swim Centre and Warringah Aquatic Centre

**Sydney Lakeside Caravan Park** - Permanent and short stay caravan park accommodation

##### Category 2

(where gross operating turnover is less than \$2 million)

**Certification** - Construction Certificate Certification activity of the Urban Development Approval Service (part of Council's Local Approval Service Unit)

##### Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

## Annual Financial Statements

### Northern Beaches Council

#### Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

#### Note 1 Significant accounting policies (continued)

##### (i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council nominated business activities and are reflected in the SPFS. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council nominated business activities (this does not include Council's non-business activities):

Corporate Income Tax Rate – 27.5%

Land Tax – The first \$629,000 of combined land values attracts 0%. From \$629,001 to \$3,846,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$3,846,000, a premium marginal rate of 2.0% applies.

Payroll Tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

##### Income Tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

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

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

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 27.5% is the equivalent company tax rate prevalent as at reporting date. No adjustments have been made for variations that have occurred during the year.

##### Local Government Rates & Charges

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

##### Loan & Debt Guarantee Fees

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

##### (ii) Subsidies

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

##### (iii) Return on Investments (Rate of Return)

The NCP policy statement requires that Councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field". Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

##### (iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

**Annual Financial Statements**

**Northern Beaches Council**

Special Schedules  
for the year ended 30 June 2019

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## Annual Financial Statements

**Northern Beaches Council****Special Schedules**

for the year ended 30 June 2019

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<sup>1</sup> Special Schedules are not audited



Annual Financial Statements

**Northern Beaches Council**

**Special Schedules**

for the year ended 30 June 2019

**Permissible income for general rates**

	2019/20				2018/19			
	Former Manly Council \$'000	Former Pittwater Council \$'000	Former Warringah Council \$'000	Northern Beaches Council \$'000	Former Manly Council \$'000	Former Pittwater Council \$'000	Former Warringah Council \$'000	Northern Beaches Council \$'000
<b>Notional general income calculation<sup>(1)</sup></b>								
Last year notional income yield	30,088	41,983	91,476	163,547	29,441	40,987	89,067	159,495
Plus/minus adjustments <sup>(2)</sup>	(64)	20	31	(13)	(29)	62	353	386
<b>Notional general income</b>	30,024	42,003	91,507	163,534	29,412	41,049	89,420	159,881
<b>Permissible income calculation</b>								
Special variation <sup>(3)</sup>	-	-	-	-	-	-	-	-
OR Rate peg	2.7%	2.7%	2.7%	-	2.3%	2.3%	2.3%	-
OR Crown land adjustment incl. rate peg	-	-	-	-	-	-	-	-
Less expiring special variations amount	-	-	-	-	-	-	-	-
Plus special variation amount	-	-	-	-	-	-	-	-
OR plus rate peg amount	811	1,134	2,470	4,415	676	944	2,057	3,677
OR plus crown land adjustment and rate peg amount	-	-	-	-	-	-	-	-
Sub-total	30,835	43,137	93,977	167,949	30,088	41,993	91,477	163,558
Plus or minus last year's carry forward total	1	(14)	16	3	1	2	-	3
Less valuation objections claimed in previous year	-	(10)	(15)	(25)	-	(36)	-	(36)
Sub-total	1	(24)	1	(22)	1	(34)	-	(33)
<b>Total permissible income</b>	30,836	43,113	93,978	167,927	30,089	41,959	91,477	163,525
Less notional income yield	30,835	43,103	93,962	167,900	30,088	41,983	91,476	163,547
Catch up or (excess) result	1	10	16	27	1	(24)	1	(22)
Plus income lost due to valuation objections claimed <sup>(4)</sup>	-	-	-	-	-	10	15	25
Less unused catch up <sup>(5)</sup>	1	-	-	1	-	-	-	-
Carry forward to next year <sup>(6)</sup>	-	10	16	26	1	(14)	16	3

%

%

%

## Annual Financial Statements

## Northern Beaches Council

## Special Schedules

for the year ended 30 June 2019

## Permissible income for general rates (continued)

## Notes

- <sup>1</sup> The 'notional general income' will not reconcile with rate income in the financial statements in the corresponding year. The statements exclude intra-entity transactions and are reported on an accrual accounting basis, which includes amounts that relate to prior years' rates income.
- <sup>2</sup> 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 (NSW).
- <sup>3</sup> The 'special variation percentage' is inclusive of the rate peg percentage and where applicable, the Crown land adjustment.
- <sup>4</sup> 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.
- <sup>5</sup> Unused catch-up amounts will be deducted if they are not caught up within two years. Usually, councils will have a nominal carry-forward figure. These amounts can be adjusted for when setting the rates in a future year.
- <sup>6</sup> 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 Act.

Annual Financial Statements

Northern Beaches Council

Special Schedules

for the year ended 30 June 2019

Report on infrastructure assets

Asset Class	Asset Category	Estimated cost to bring assets to the agreed level of service set by Council <sup>1</sup>		2018/19 Required annual maintenance		2018/19 Actual maintenance	Net carrying amount	Gross Replacement Cost (GRC)	Asset condition as % of gross replacement cost				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	1	2	3	4	5
<b>Buildings</b>		6,660	6,660	7,571	9,632	9,632	472,793	639,613	42.5%	46.4%	9.9%	1.1%	0.0%
<b>Roads</b>		10,084	10,084	6,884	9,658	9,658	474,010	524,382	47.8%	36.4%	12.4%	3.1%	0.3%
	Roads - Sealed	6	6	116	28	1,491	1,491	1,732	20.7%	66.8%	6.9%	5.7%	0.0%
	Roads - Unsealed	-	-	65	7	9,090	9,090	12,451	19.7%	79.6%	0.7%	0.0%	0.0%
	Bridges	696	696	1,709	2,183	2,183	91,998	104,264	28.3%	52.9%	17.6%	1.1%	0.1%
	Footpaths	3,463	3,463	2,591	2,843	2,843	204,709	243,485	4.7%	66.3%	26.4%	2.1%	0.5%
	Other Road Assets	14,249	14,249	11,365	14,719	14,719	781,298	886,314	33.3%	47.2%	16.7%	2.5%	0.3%
<b>Other Infrastructure</b>		2,788	2,788	5,013	4,899	4,899	170,815	202,062	13.3%	61.9%	22.6%	1.9%	0.3%
<b>Stormwater Drainage</b>		6,450	6,450	3,293	2,846	2,846	800,100	949,913	6.3%	67.6%	22.1%	3.3%	0.7%
<b>Open Space/Recreational Assets</b>		275	275	1,954	1,449	1,449	22,849	27,242	27.2%	32.9%	37.8%	1.9%	0.0%
	Swimming Pools	652	652	4,489	5,345	5,345	111,599	124,625	29.8%	57.2%	12.0%	0.7%	0.2%
	Other	927	927	6,443	6,794	6,794	134,448	151,867	29.3%	52.8%	16.6%	0.9%	0.1%
<b>Total Classes</b>	<b>Total - All Assets</b>	<b>31,074</b>	<b>31,074</b>	<b>33,685</b>	<b>38,890</b>	<b>38,890</b>	<b>2,359,454</b>	<b>2,829,769</b>	<b>24.6%</b>	<b>55.3%</b>	<b>17.4%</b>	<b>2.3%</b>	<b>0.4%</b>

Infrastructure Asset Condition Assessment		
Level	Condition	Description
1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

<sup>1</sup> Estimated cost to bring assets to the agreed level of service set by Council represents the sum of outstanding renewal works, valued as the work will be undertaken. Council will make future budgeting decisions in relation to these outstanding works with those decisions likely to be priorities in Council's forward plans based on social, economic, and environmental factors, including risk to the community. As the agreed service levels are yet to be determined in consultation with the community, the estimated cost to bring to a satisfactory standard has been used. 'Satisfactory' standard is defined within the technical ratings outlined in the Asset Management Plans for each asset class.

Annual Financial Statements

**Northern Beaches Council**

**Special Schedules**

for the year ended 30 June 2019

**Report on infrastructure assets**

**Infrastructure asset performance indicators – consolidated**

	2019 \$'000	Current Year indicators	2018	Benchmark
<b>1. Building and infrastructure renewals ratio</b>				
Asset renewals (renewals only for Infrastructure Assets)	41,685	139.09%	99.79%	>100%
Depreciation, amortisation and impairment	29,969			
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	31,074	1.32%	0.51%	<2%
Net carrying amount of infrastructure assets	2,359,454			
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance	38,890	115.45%	116.98%	>100%
Required asset maintenance	33,685			
<b>4. Cost to bring assets to agreed service level</b>				
Estimated cost to bring to an agreed level of service set by Council	31,074	1.10%	0.44%	
Gross replacement cost	2,829,769			



northern  
beaches  
council

# **Audit, Risk and Improvement Committee Charter**

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## Introduction

The Northern Beaches Council Audit, Risk and Improvement Committee (Committee) has been established to promote good corporate governance at Northern Beaches Council (Council). Good corporate governance supports Council's vision of delivering the highest quality service valued and trusted by the community, in an effective and efficient manner and with transparency and accountability.

The Committee has an important role in the governance framework by providing Council with independent oversight, objective assurance and monitoring of Council's audit processes, internal controls including fraud and corruption control, external reporting, risk management activities, compliance of and with Council's policies and procedures, governance processes and continuous improvement activities.

The Charter is based on the guidelines issued by the Chief Executive of the Office of Local Government pursuant to section 23A of the Local Government Act 1993 and is drafted in consideration of Part 4A of the Local Government Act 1993 as proposed by the Local Government Amendment (Governance and Planning) Act 2016.

## 1. Committee Objectives

The objective and focus of the Committee is to provide independent assurance and assistance to the Council on risk management, control, governance, internal audits, organisational performance and improvement and external accountability responsibilities.

Pursuant to Part 4A (428A) of the Local Government Amendment (Governance and Planning) Act 2016, the Committee must keep under review the following aspects of the Council's operations:

- (a) compliance
- (b) risk management
- (c) fraud control
- (d) financial management
- (e) governance
- (f) implementation of the strategic plan, delivery program and strategies
- (g) service reviews
- (h) collection of performance measurement data by Council
- (i) any other matters prescribed by the regulations

As part of this objective, the Committee will assess and advise whether there are adequate and effective systems of internal control in place throughout Council and will assist in the implementation of the internal and external audit plans. The Committee is also to provide information to the Council for the purpose of improving the Council's performance of its functions.

## 2. Authority

The Committee is established in accordance with Council's authority granted by section 355 of the Act. The Committee has no executive powers and must at all times recognise that primary responsibility for management of Council rests with the Council and the Chief Executive Officer, in accordance with the Act.

The Council authorises the Committee, within the scope of its role and responsibilities, to:

- (a) obtain any information it needs from any employee or external party (subject to their legal obligations to protect information);



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- (b) discuss any matters with the Chief Executive Officer, Head of Internal Audit, external auditor or other external parties (subject to confidentiality considerations);
- (c) request the attendance of any employee at Committee meetings; and
- (d) liaise with the Chief Executive Officer to obtain external legal or other professional advice considered necessary to meet its responsibilities.

### 3. Composition and Tenure

#### 3.1 Members (voting)

Members of the Committee, taken collectively, will have a broad range of personal qualities, skills and experience relevant to the operations of Northern Beaches Council.

At least one member of the Committee will have a strong financial management and/or audit background, with an understanding of accounting and auditing standards in a public sector environment. Legal, governance, risk management, administrative and business management skills and experience are desirable.

Membership of the Committee is by virtue of the appointed position; no delegates of the members are permitted. Only the members can vote on matters raised in the Committee meetings.

The Committee membership (voting) shall consist of:

- Three (3) Councillor members
- Four (4) independent external members (one of whom to be the Chairperson)

##### *(a) Councillor members:*

The three Councillor members of the Committee will be appointed by resolution of the Council, once every two years. The Council may also resolve to appoint alternative Councillor members to the Committee to attend meetings in the absence of one or more of the three Councillor members. The alternative Councillor members will have the same voting rights as the Councillor member being replaced.

##### *(b) Independent external members:*

The four independent external members will be appointed, by resolution of the Council, for a term of up to four years, after which they will be eligible for extension or re-appointment for one additional term following a formal review of their performance by Council. Due consideration will be given to ensuring the continuity of independent membership as part of this process. The independent external members can also be removed by resolution of Council.

##### *(c) Chair:*

The Chair will be elected by the majority of the Committee's voting members and must be one of the independent external members. The term of the Chair shall be for a period of not less than one year, after which the Chair may be eligible for re-appointment for an additional term following an election by voting Members.

In the case of resignation by the Chair, a suitable Chair shall be selected from the other current serving independent external members on the Committee.



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In the absence of the appointed Chair, the remaining current serving independent external members shall elect a Chair for the period of absence of the duly nominated Chair.

This role is an administrative role only with no authority to act or direct action on behalf of the Committee/ Council.

(d) *Vacancy:*

In the case of resignation from the Committee by an independent external member, the Council is to appoint another independent external member as soon as is practicably possible.

### **3.2 Attendees (non-voting)**

Council staff, internal audit service providers and external audit representatives may be invited to attend meetings, or part thereof, by the Committee Chair or Chief Executive Officer, to address any Agenda item.

## **4. Role and Responsibilities**

The responsibilities of the Committee may be revised or expanded by Council from time to time. The Committee may, at any time, consider any other matter it deems of sufficient importance to do so. In addition, at any time, an individual Committee member may request a meeting with the Chair of the Committee.

The following defined responsibilities are in accordance with the Office of Local Government model charter for Audit Committees as set out in the Internal Audit Guidelines issued by the Chief Executive of the Office of Local Government in September 2010, with consideration given to the requirements of Part 4A (428A) of the Local Government Amendment (Governance and Planning) Act 2016.

### **4.1 Risk Management**

- (a) Assess and advise whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud and corruption.
- (b) Assess and advise whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- (c) Assess and advise on the impact of the risk management framework on its control environment and insurance arrangements, including whether risk mitigation strategies are adequate and effective.
- (d) Assess and advise whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been periodically tested.
- (e) Assess and advise on the adequacy and effectiveness of Council's process and controls for managing its activities and risks.

### **4.2 Control Framework**

- (a) Assess and advise whether management has adequate internal controls in place, including over external parties such as contractors and advisors.
- (b) Assess and advise whether management has in place relevant policies and procedures, and if these are periodically reviewed and updated.



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- (c) Progressively assess and advise whether appropriate processes are in place to assess whether policies and procedures are complied with.
- (d) Assess and advise whether appropriate policies and procedures are in place for the management and exercise of delegations.
- (e) Assess and advise whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

#### **4.3 External Accountability**

- (a) Satisfy itself that the annual financial reports comply with applicable Australian Accounting Standards and are supported by appropriate management sign-off on the statements and the adequacy of internal controls.
- (b) Examine the external audit opinion, and assess and advise whether or not appropriate action has been taken in response to audit recommendations and adjustments.
- (c) Consider contentious financial reporting matters in conjunction with Council's management and external auditors.
- (d) Assess and advise on the processes in place designed to confirm financial information included in the annual report is consistent with the signed financial statements.
- (e) Satisfy itself that there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations.
- (f) Satisfy itself there is a performance management framework linked to organisational objectives and outcomes.

#### **4.4 Legislative Compliance**

- (a) Consider whether legal and compliance risks have been adequately addressed in Council's risk assessment and management arrangements.
- (b) Assess and advise on the effectiveness of Council's system for monitoring compliance with relevant laws, regulations and associated government policies.

#### **4.5 Internal Audit**

- (a) Act as a forum for communication between the Council, Chief Executive Officer, Directors, Internal Audit and External Audit.
- (b) Assess and advise on the internal audit coverage of the Strategic Internal Audit Plan and the Annual Internal Audit Plan, including consideration of the Enterprise Risk and Opportunity Management Strategy, make any recommendations for inclusion and/or prioritising projects and approve the Plan.
- (c) Consider the adequacy of internal audit resources so as to enable the Internal Audit function to fulfil its responsibilities, including completion of the approved Internal Audit Plan.
- (d) Examine all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices.
- (e) Monitor the acceptance and implementation of internal audit recommendations by management.
- (f) Periodically assess the Internal Audit Charter to ascertain whether appropriate organisational structures, authority, access and reporting arrangements are in place.
- (g) Periodically assess and advise on the performance of Internal Audit.
- (h) Participate in the selection of internal audit service providers, as required.



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- (i) Meet at least annually with the Head of Internal Audit and internal audit service providers, “in-camera”, without the presence of management.

#### 4.6 External Audit

- (a) Act as a forum for communication between the Council, Chief Executive Officer, Directors, Internal Audit and External Audit.
- (b) Examine the proposed external audit scope and approach, and assess and advise on the coordination of effort and elimination of duplication with Internal Audit.
- (c) Provide input and feedback on the financial statements and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided.
- (d) Examine all external plans and reports in respect of planned or completed external audits, and monitor management’s implementation of audit recommendations.
- (e) Consider significant issues raised in relevant external audit reports and better practice guides, and assess whether appropriate action is taken by management.
- (f) Meet at least annually with the external audit representative, “in-camera”, without the presence of management.





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#### **4.7 Continuous Improvement**

- (a) Assess and advise on the overall approach and arrangements in place that support management implementing a successful culture of continuous improvement.
- (b) Monitor improvement initiatives, programmes, projects and processes, including, but not limited to:
  - Implementation of the Strategic Plan, Delivery Program and strategies
  - Collection of performance measurement data
  - Service reviews
  - Benchmarking data
- (c) Assess Council's community survey results and provide advice to the Chief Executive Officer on Council's performance and improvement opportunities.

#### **4.8 Governance**

Assess and advise on the effectiveness of the organisation's governance arrangements.

#### **4.9 Responsibilities of Members**

Members of the Committee are expected to:

- (a) Understand the relevant legislative and regulatory requirements appropriate to Northern Beaches Council
- (b) Contribute the time needed to study and understand the papers involved
- (c) Apply good analytical skills, objectivity and good judgement
- (d) Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry
- (e) Meet the requirements as set out by this Charter; and
- (f) Abide by Council's Code of Conduct in performance of their duties on the Committee.

### **5. Reporting**

#### **5.1 Reporting Arrangements**

At the first Committee meeting after 30 June each year, the Head of Internal Audit will provide an Internal Audit Annual Report. The report will include commentary on the following performance related matters:

- (a) The approved Internal Audit Plan of the previous financial year showing the current status of each audit.
- (b) The performance of Internal Audit for the financial year as measured against agreed key performance measures.
- (c) Management's progress with the implementation of internal audit recommendations.

At the first Committee meeting of each calendar year, the Chair of the Committee will provide a draft Audit, Risk and Improvement Committee Annual Report to Council, for review and approval by the Committee.

The report will include details and commentary on the following elements relating to the previous calendar year:

- (a) Meetings held and member attendance



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- (b) Oversight of the Internal Audit function
- (c) Oversight of the activities of the external auditor
- (d) Oversight of the Enterprise Risk Management function
- (e) Oversight of general corporate governance arrangements
  
- (f) Key achievements
- (g) Key action points
- (h) Any other matters deemed to be of sufficient importance.

Following endorsement, the Committee shall table the Annual Reports to Council.

Confirmed Minutes of the Committee are to be reported to Council.

## **6 Administrative Arrangements**

### **6.1 Meetings of the Committee**

The Committee shall meet at least four times per year (quarterly). An additional meeting may be held to review and endorse the annual audited financial reports and external audit opinion.

The need for any additional meetings will be directed by the Chair, in consultation with the Chief Executive Officer, although the other Committee members may make requests to the Chair for additional meetings.

Where either Internal Audit Plan priorities change between meetings or new urgent issues arise, and where it is not possible to schedule an additional meeting, the Committee will be kept fully informed of all changes via email.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Charter.

### **6.2 Attendance at meetings and Quorums**

A quorum will consist of a majority of voting Committee members, including at least one independent member. Meetings will ordinarily be held in person, but can be by telephone or by video conference.

Attendance at Committee meetings will be in accordance with Clause 3 of this Charter – Composition and Tenure.

### **6.3 Secretariat**

Council will provide secretariat support to the Committee. The Secretariat will ensure the Agenda for each meeting and supporting papers are circulated, at least one week before the meeting, and ensure Minutes of the meetings are prepared and maintained.





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Draft minutes of ARIC meetings shall be circulated to each member within two weeks of the meeting being held for review prior to being published on Council's website as Unconfirmed. Minutes will be confirmed at the following Committee Meeting.

#### **6.4 Conflicts of Interest**

Council staff and members of the Committee will comply with the Northern Beaches Council Code of Conduct and the Act in relation to confidentiality, privacy and reporting as part of carrying out their functions as council officials. It is the personal responsibility of each council official to comply with the standards in the Code of Conduct and regularly review their personal circumstances with this in mind.

Committee members must complete an annual written declaration of conflicts of interest and declare any conflicts of interest at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or attendees at Committee meetings are deemed by the Committee to have a real or perceived conflict of interest, it may be appropriate that they be excluded from deliberations on the issue where the conflict of interest may exist.

#### **6.5 Decision Making**

The Committee is expected to make decisions by consensus however, if voting becomes necessary, then the details of the vote are to be recorded in the minutes.

Each member of the Committee shall be entitled to one vote only. In the case of an equality of votes on any issue the Chair shall have the casting vote.

Between meetings the Chair may circulate specific time-sensitive proposals by e-mail to members for adoption by the Committee. Members shall be given a set time – no less than 5 (five) days – in which to reply to indicate their agreement with a particular proposal. A member's failure to respond within the timeframe given shall be taken as a vote against the proposal. Any decision taken by the Committee by email is to be noted and minuted at the commencement of the next meeting.

As noted in the Role & Responsibilities section of this Charter, the Committee shall meet at least once per year, in camera, separately with the Head of Internal Audit, the internal audit service provider and external audit representative to receive feedback.

#### **6.6 Induction**

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

#### **6.7 Review of Internal Audit Performance**

The Committee will oversee an annual internal review of the performance of the Internal Audit function through the Internal Audit Annual Report and an independent review of the function during its term of office.

#### **6.8 Assessment Arrangements**

The Chair of the Committee shall initiate a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair. The results of this self-assessment will be included in the Committee Annual Report to Council.



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## **6.9 Charter Review**

The Committee will review its Charter annually to confirm it remains current, relevant and accurately reflects the Committee's composition, role and responsibilities. The Committee will approve any changes to the Charter and refer the Charter to Council for adoption.



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## 7 Document Control

Version	Date	Endorsed By	Summary of Changes	Author
1.0	9 August 2016	Council	New Charter	Internal Auditor
1.1	14 November 2017	Audit, Risk and Improvement Committee	Minor administrative amendment to reflect Councillors in membership composition. Committee objectives included as considered in the proposed Local Government Act 1993.	Head of Internal Audit
1.2	26 June 2018	Council	-	Head of Internal Audit
1.3	13 August 2019		<ul style="list-style-type: none"> <li>Alignment of Charter to the model Charter provided in the Guidelines issued by the Chief Executive of the Office of Local Government pursuant to section 23A of the Local Government Act 1993.</li> <li>Expanded responsibilities of the Committee aligned to Part 4A (428A) of the Local Government Amendment (Governance and Planning) Act 2016.</li> <li>Administrative amendments to remove instances of duplication and references to transition activities relating to amalgamation and to provide further clarity on the Committee's role and responsibilities.</li> </ul>	Head of Internal Audit

- Next review due August 2020.

# MINUTES

## COMMUNITY AND BELONGING STRATEGIC REFERENCE GROUP

held in the Guringai Room, Dee Why on

**WEDNESDAY 22 MAY 2019**

**Minutes of the Community and Belonging  
Strategic Reference Group  
held on Wednesday 22 May 2019  
in the Guringai Room, Dee Why  
Commencing at 6:03pm**

**ATTENDANCE:**

**Committee Members**

Cr Candy Bingham (Chair)	
Cr Penny Philpott	
Cr Kylie Ferguson	<i>Left the meeting at 6:56pm.</i>
Simon Moriaty	Community representative, Curl Curl Ward
Michelle Povah	Northern Beaches Child & Family Interagency
Samuel Wilkins	Community representative - Forest Ward, youth, arts & culture
Maria-Elena Chidzey	Community Northern Beaches Inc. (CNB), multi-cultural
Margaret Shonk	Community representative - Manly Ward, mental health

**Council Officer Contacts**

David Kerr	Director Community & Belonging
Kylie Walshe	Executive Manager Community, Arts & Culture
Robert van den Blink	Manager Community Development
Alicia Terry	Team Leader Arts & Cultural Development
Emma Boughton	Youth Development Officer
Annie Laing	Governance Officer

## 1.0 APOLOGIES

Apologies were received from Cr Sarah Grattan, Susan Watson, Tamzin Lee, Dee Robbins, Ros Marsh, Lorrie Morgan, Jennifer Wharton and Cathy Hockey.

## 2.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

M Chidzey declared a less than significant, non-pecuniary interest as she is employed by Community Northern Beaches Inc.

## 3.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

### 3.1 MINUTES OF COMMUNITY AND BELONGING STRATEGIC REFERENCE GROUP MEETING HELD 20 FEBRUARY 2019

#### DECISION

That the Minutes of the Community and Belonging Strategic Reference Group meeting held 20 February 2019, copies of which were previously circulated to all Members, are hereby confirmed as a true and correct record of the proceedings of that meeting.

***S Moriarty / M Povah***

## 4.0 UPDATE ON ACTIONS FROM LAST MEETING

Locations for the remainder of the meetings in 2019 will be alternated as follows:

- 21 August 2019 – Councillors Room, Manly
- 30 October 2019 – Guringai Room, Dee Why

## **5.0 AGENDA ITEMS**

### **5.1 COMMUNITY CENTRES STRATEGY - UPDATE**

#### **DISCUSSION**

Council staff addressed the meeting on this item and explained the delay in bringing back a draft version of this Strategy to the group.

Council's Strategic Planning Department are currently developing a Social Infrastructure Plan and have identified revised planning areas and demographic data. To ensure that there is consistency across Council strategic documents the consultant undertaking the draft Community Centres Strategy will incorporate this information into the draft Strategy.

Members also discussed the need for a new Organisational Booking System and were advised a tender had been accepted by Council and is expected to be implemented by December 2019.

### **5.2 COMMUNITY SERVICES HUB MODELS**

#### **DISCUSSION**

Council staff gave a presentation on this item. The presentation and research paper were provided with the Agenda.

It was confirmed that Council is considering a Request for Proposal for local organisations interested in being a part of the community service hub and not an Expression of Interest. This is a simpler process for organisations.

The following points were discussed:

- The importance of having organisations that complement one another with the potential to work together.
- Crows Nest Centre is a good example of a Council run Community Hub.
- Council involvement is necessary to ensure there is an independent body regardless of what model is chosen.

Staff advised that no comments were received regarding the draft Community Services & Development Policy during the 28 day exhibition period and will be presented to Council in June with no changes.

### **5.3 DRAFT ARTS AND CREATIVITY STRATEGY UPDATE**

#### **DISCUSSION**

Staff gave a presentation on this item. The presentation was distributed with the Agenda.

Members discussed the importance of promoting existing Council Arts and Cultural Services and requested the links to subscribe to Council newsletters, the links are:

- [Council News](#)
- [Council What's on](#)



- [Creative News](#)
- [Manly Art Gallery and Museum Newsletter](#)
- [Glen Street Theatre](#)

Members participated in a workshop to address the key challenges and discuss the draft principles of the proposed draft Cultural Policy. A summary of this workshop can be found at Attachment 1.

## 6.0 GENERAL BUSINESS

Items proposed for the meeting being held on 21 August 2019 are as follows:

- Children's Services - Reconciliation Action Plan
- Draft Community Centres Strategy
- Community Safety Plan

Cr Bingham thanked members for their valuable input into important Council projects and plans.

## SUMMARY OF ACTIONS

ITEM NO.	ACTION	RESPONSIBLE OFFICER	DUE DATE
	Community Grants Program to be discussed at the October Meeting.	Kylie Walshe	October
5.3	Provide links for Community, Arts and Culture newsletter to members.	Governance	

*The meeting concluded at 7:45pm*

**ATTACHMENT 1**

<b>Improved strategies for supporting and promoting existing Council Arts and Cultural services, programs and initiatives ie. MAG&amp;M, Glen St Theatre, Creative Space, Jazz Festival etc</b>	
Advertise Council Arts and Cultural Services via website and newsletters, posters in libraries	
Information - getting it out to everyone	
Improve promotions and awareness	
Arts communication strategy, eg. social media	
Creative a directory of artists and spaces	
Artists Camps	
Mentorships and/or scholarships	3
Support life music - spaces, finance, grants	
Lack of addressing live music in the strategy and support for music venues and groups	
Music, food, movies, games	
Live music	
Festival support - locations, eg. warehouse arts and music	
Using and improving space, ie. small spaces inviting schools to use for art	
Foreign films	
Glen St Theatre - more use, more diverse	

<b>Definition of the term 'culture' and 'cultural planning'</b>
Culture - comprises of activities that result in creative outputs which aim to entertain, challenge and promote the observer's wellbeing
Creative expression - mediums such as music, art, film, sport, festivals, activation, installations

<b>More support for specific spaces ie. aboriginal led cultural space, writers centre, music spaces and artists studios</b>	
Opportunities for children to exhibit their work	
Specific Spaces - warehouse style spaces, eg. Brookvale in amongst micro brewery	
Artists camps	2
More spaces eg. Libraries to hang art	
Use of other venues eg. Town hall, surf clubs	2
Youth Theatre - community based	
Art scholarships	
Manly Swim Centre - great place for sculpture display	

This is the final page of the Minutes comprising 128 pages  
numbered 1 to 128 of the Community and Belonging Strategic Reference Group meeting  
held on Wednesday 22 May 2019 and confirmed on Wednesday 21 August 2019

# MINUTES

## **PARTNERSHIP AND PARTICIPATION STRATEGIC REFERENCE GROUP**

held in the Guringai Room, Civic Centre, Dee Why on

**WEDNESDAY 15 MAY 2019**

**Minutes of the Partnership and Participation****Strategic Reference Group****held on Wednesday 15 May 2019****in the Guringai Room, Civic Centre, Dee Why****Commencing at 6:00pm****ATTENDANCE:****Committee Members**

Cr Sue Heins (Chair)	
Mayor Michael Regan	
Cr Kylie Ferguson	
Cr Penny Philpott	
Ina Vukic	Northside Enterprise
Antony Biasi	
John Buggy	Belrose Open Space Corridor Association
Denice Smith	
Chris Fulton	
Hannah Jamieson	

**Council Officer Contacts**

Melanie Gurney	Executive Manager Library Services
Kath McKenzie	Executive Manager Community Engagement and Communications
Kate Lewis	Business Performance Executive
Clarke Duddy	Manager Studio Production
Theo Stephens	Branch Manager Library Services
Olivia Greentree	Manager Communications
Andrew Grocott	Manager Community Engagement
Ximena Von Oven	Governance Officer

## 1.0 APOLOGIES

Apologies were received from Myriam Conrie, Steve McInnes, Caroline Glass-Pattison and Craig Susans.

## 2.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

There were no declarations of pecuniary or non-pecuniary conflicts of interest.

## 3.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

### 3.1 MINUTES OF PARTNERSHIP AND PARTICIPATION STRATEGIC REFERENCE GROUP MEETING HELD 13 FEBRUARY 2019

#### *D Smith / A Biasi*

The Minutes of the Partnership and Participation Strategic Reference Group meeting held 13 February 2019 were confirmed as a true and correct record of the proceedings of that meeting.

## 4.0 UPDATE ON ACTIONS FROM LAST MEETING

### 4.1 ACTION ITEMS

#### **Changes to Parking time on Pacific Parade**

Cr Heins sought clarification about the change in relation to the time period you can park outside the shops on Pacific Parade Dee Why, asking A Biasi whether he was seeking a longer time period or shorter. He said a longer time and recommended at least 30 mins.

#### **Grant Guru Update**

Council has purchased a licence to proactively seek grant funding opportunities for priority programs and projects in which Council is delivering to the community. The community will be able to use the search tool to identify state and federal grant opportunities. There is no cost for the community to use this service. A future Website will be available to the community in due course and SRG members will be notified when it is available.

*Note: The Grant Guru page on Council's website is now live and accessible through the following link <https://northernbeaches.grantguru.com.au/>*

## 5.0 AGENDA ITEMS

### 5.1 UPDATE ON LOCAL GOVERNMENT AREA ENTRY MARKERS

K Lewis and C Duddy joined the meeting and presented on this item. The following information was provided to the group:

- The Northern Beaches Identity was recently adopted and Council is in the process of designing and installing three Local Government Area Entry Markers (markers) at Spit

Bridge, Roseville Bridge and Mona Vale Road, Belrose.

- The purpose of the markers is to welcome people to the area and promote a sense of pride and belonging within our local community.
- The design and construction will reflect the extraordinary community and environment of the Northern Beaches and will be culturally sensitive.
- An amount of \$200,000 has been allocated from the New Council Implementation Fund for this purpose.
- Locations for the markers are on Roads Maritime Services (RMS) main roads and as such must meet RMS safety requirements and will require approval via the Northern Beaches Council Local Traffic Committee.
- Open tenders were sought for the design, supply and installation of the markers. The tender was promoted to local artists and suppliers on the Northern Beaches via the engagement register and existing suppliers.
- A Design Evaluation process was also implemented to ensure concepts would be within budget and meet the relevant design and technical specifications.
- Northern Beaches Council will work with the local community to determine suitable acknowledgement of traditional owners.
- The engagement process for finalising the design includes workshops with SRG members, councillors and relevant subject matter experts. The final design will be presented to Council for approval.

#### **Next Steps and Key Dates**

- SRG workshops will be held in July/August 2019 in order to involve members in the project and receive their input.
- Councillors will be briefed about the tender on 21 May 2019 and it will be presented at the Council Meeting on 28 May 2019.
- Pending confirmation the markers will be installed around December 2019/February 2020.

#### **5.2 'BE CONNECTED' DIGITAL LITERACY INITIATIVE - NORTHERN BEACHES LIBRARY SERVICE**

T Stephens presented on this item. The following information was provided to the group:

- Be Connected is a free Australian Government initiative which helps community members to gain more knowledge and skills with regards to online connectivity.
- Free interactive workshops will be held at Dee Why and Warringah Mall libraries. The workshops are designed to increase the confidence, skills and online safety of all community members.
- The Be Connected Biggest Morning Tea will be held at Northern Beaches Council Libraries from 10am to 4pm on the 23 May 2019. This event will help to raise money for Cancer Awareness and also promote the "Be Connected" program.

### 5.3 COMMUNICATIONS SURVEY REPORT

O Greentree and K Mckenzie presented on this item (presentation attached). The following information was provided to the group:

- The objective of the survey is to test satisfaction and effectiveness in regards to current Council's communication channels.
- Research has been undertaken to discover preferred communications channels and topics.
- The survey will help to inform and provide feedback to Council in the development of the Communications Framework.

### 5.4 TRENDS IN COMMUNITY ENGAGEMENT

*Note: Due to time constraints this item was deferred to the next meeting.*

## 6.0 GENERAL BUSINESS AND TOPICS FOR NEXT MEETING

### Supporting Rural Communities

- Cr Heins informed the group that councillors have been briefed on "Supporting Rural Communities in Drought". A Notice of Motion will be presented at the 28 May 2019 Council Meeting.
- The aim is to create awareness and gain knowledge on how Northern Beaches Council can help communities in need and are affected by the drought in NSW. Council has recently completed a number of solar power initiatives aimed at lowering emissions and the impact of the environment. As an example a pilot study was conducted to produce drinking water from air using sola hydro panels.
- Cr Heins requested SRG members submit additional ideas, information on how Northern Beaches Council can collaborate with communities affected by the drought.

### Topics For Next Meeting

- Busking
- Waste Bins

*The meeting concluded at 8:10pm*

This is the final page of the Minutes comprising 133 pages  
numbered 1 to 133 of the Partnership and Participation Strategic Reference Group meeting  
held on Wednesday 15 May 2019 and confirmed on Wednesday 14 August 2019



# MINUTES

## **PLACES FOR PEOPLE STRATEGIC REFERENCE GROUP**

held in the Coastal Environment Centre, Narrabeen on

**THURSDAY 16 MAY 2019**

**Minutes of the Places for People  
Strategic Reference Group  
held on Thursday 16 May 2019  
in the Coastal Environment Centre, Narrabeen  
Commencing at 6:00pm**

**ATTENDANCE:**

**Committee Members**

Cr Ian White (Chair)  
Cr Michael Regan  
Cr Stuart Sprott  
Stephen Pearse  
Jim Koopman  
Mark Lowe  
Merinda Rose  
Les Irwig  
Miranda Korzy  
Richard Michell  
Kelvin Millsom

Manly, Warringah and Pittwater Historical Society  
Northern Beaches Junior AFL Association, Manly Warringah  
Pittwater Sporting Union

**Council Officer Contacts**

Louise Kerr	Director Planning and Place
Andrew Pigott	Executive Manager Strategic & Place Planning
Vicki Blaskett	Manager, Business Operations
Will Wrathall	Team Leader Community Development
Scott Hedge	Acting Executive Manager Parks & Recreation
Sherryn McPherson	Governance Coordinator

## 1.0 APOLOGIES

That:

- A. Apologies were received from Councillor Bingham, Steven Lawler, Sita Mason, Suzanne Cairns, Maryann Novakovic and Caroline Ghatt.
- B. The Chair introduced and welcomed Louise Kerr, Director Planning and Place.

## ACTION

That group acknowledged the loss and express our condolences to Caroline Ghatt.

## 2.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

There were no declarations of pecuniary or non-pecuniary conflicts of interest.

## 3.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

### 3.1 MINUTES OF PLACES FOR PEOPLE STRATEGIC REFERENCE GROUP MEETING HELD 13 FEBRUARY 2019

**Kelvin Milson / Miranda Rose**

That the Minutes of the Places for People Strategic Reference Group meeting held 13 February 2019, copies of which were previously circulated to all members, are hereby confirmed as a true and correct record of the proceedings of that meeting with an administrative amendment to Attachment 2 - Workshop notes on "*Direction - Activate Centre During Winter*" to "*Direction - Activate Centre During Winter (for and against this item)*".

## 4.0 UPDATE ON ACTIONS FROM LAST MEETING

ITEM NO.	ACTION	NOTES	RESPONSIBLE OFFICER	DUE DATE
5.1	<b>MY PLACE: AVALON</b> That this item be brought back to the Places for People SRG in May 2019	Further traffic and urban design work to be completed prior to being presented.  This item will be brought back to the committee in August 2019.	A Newbery / A Pigott	Updated to August 2019
5.2	<b>Naming Northern Beaches Open Spaces and Facilities</b> That this item be brought back to the Places for People SRG in May 2019	Item 5.1 on the Agenda	V Blasket / A Pigott	Complete

## 5.0 AGENDA ITEMS

### 5.1 NAMING OUR PLACES AND PROVIDING MEMORIAL BENCHES

*Note: R Michell left the meeting at 7:01pm.*

V Blaskett and W Wrathell provided an update to the group in regard to the implementation of a Council Naming Policy for parks, reserves (including the facilities within these) and buildings. Council is required to adhere to the Geographical Names Board (GNB) Place Naming Policy and process for the naming of reserves and facilities including buildings, gardens, pools and infrastructure i.e. grandstands, pavilions.

A copy of the presentation provided to the group is circulated in the Minutes Attachment Booklet at Attachment 1.

The group split into two groups to discuss the following:

1. Review the draft Naming Policy and record responses to the following:
  - a. **Direction:** Do you think the direction of this draft Policy is appropriate? Why / why not?
  - b. **Implementation:** Can you foresee any issues with the implementation or application of the draft Policy or the individual principles? What might not work?
  - c. **Community's view:** How do you think the community might receive this draft Policy?
  - d. **What is missing?:** Is there anything that has not been covered in the draft? Anything else you would like considered?
2. Report back key points to group.

The development of a new Policy for naming our places and facilities dictates that the Council also determines the direction it wishes to take for the provision of memorial plaques particularly on furniture. There are over 550 memorials in our open space and it is becoming increasingly difficult to provide locations for the numerous requests received.

A review of the provision of memorial plaques in public open space has identified three concerns regarding plaques on benches:

1. Saturation of memorial plaques on our open space which impacts on the amenity and natural values of the landscape.
2. Memorial plaques are a visual reminder of death.
3. Memorial plaques placed at location of death by suicide and subsequent risks of suicide contagion.

There is various alternatives to memorials in public spaces with a large amount of groups, organisations, cemeteries and charities leading the way in other innovative options in addition to plaques.

The group split into two groups to discuss the following:

1. Noting the recommendations of the Northern Beaches Suicide Prevention Working Group that:
  - a. Council permit applications for trees and benches, where space allows and plantings are appropriate.
  - b. Council should not permit new applications for memorial plaques.

- c. Council encourage alternatives, such as a donation to a local charity, a private memorial ceremony or a memorial plaque at Mona Vale cemetery.
2. Consider and record responses to the following:
  - a. How do you think the community will react if Council does not permit new memorial plaques?
  - b. What other options could be considered to commemorate individuals and how might these be managed?
  - c. What might need to be considered regarding the management of the existing plaques and benches?
3. Report back key points to group.

A copy of the outcomes from the discussions formulated during the workshops are circulated in the minutes at Attachment 2.

## 5.2 LOCAL STRATEGIC PLANNING STATEMENT UPDATE

A Pigott provided an update to the group on this item and gave an overview of the Local Government area and the future precincts. A copy of the presentation Towards 2040 was circulated in the agenda at Attachment 2.

The group discussed the following issues during the presentation:

- B-Line extensions direct to Manly / Chatswood.
- Education on connectivity to and from the Northern Beaches.
- East West bus route - The road will include two dedicated bus lanes with dedicated bus stops and pull in lanes. The inclusion of a T3 lane is also being investigated to assist in effectively moving people.
- Additional parking stations at new public transport hubs to cater for commuters parking vehicles in surrounding areas.
- Business and employment centres, hubs and opportunities.
- New buildings co-inhabiting business and residential spaces.
- Key recreation areas.
- Residents working from home and available hot-desking to reduce traffic congestion.

A copy of the Northern Beaches Structure Plan and Draft Local Strategic Planning Statement is circulated with the minutes at Attachment 3.

## 6.0 GENERAL BUSINESS

Nil.

## SUMMARY OF ACTIONS

ITEM NO.	MEETING DATE	ACTION	RESPONSIBLE OFFICER	DUE DATE
1.0	16 May 2019	<b>APOLOGIES</b> That group acknowledged the loss and express our condolences to Caroline Ghatt.	A Pigott	Completed
5.1	16 May 2019	<b>MY PLACE: AVALON</b> That this item be brought back to the Places for People SRG in May 2019	A Newbery / A Pigott	Updated to August 2019

The meeting concluded at 8:14pm

This is the final page of the Minutes comprising 139 pages  
numbered 1 to 139 of the Places for People Strategic Reference Group meeting  
held on Thursday 16 May 2019 and confirmed on Thursday 15 August 2019



### Purpose of workshop

- Discuss draft Naming Policy and proposed direction
- Discuss provision of memorial plaques across the Northern Beaches

### Agenda

1. Naming Policy
  - Brief overview of draft
  - Small group discussion – then presenting back to main group
2. Memorial Plaques
  - Overview of current situation and requests
  - Overview of impact of memorials and others approaches to memorials
  - Recommendations of the Suicide Prevention Working Group
  - Small group discussion on memorial plaques and other commemorative options
3. What's next?





## Naming Policy – Overview

- Council resolved on December 2018 that:  
Council develop a Policy in relation to the naming of parks, reserves (including the facilities within these) and buildings and bring this back to Council for review.
- SRG Discussion 13 February 2019 - with a request from SRG to come back with a draft policy for consideration.
- Draft policy prepared taking SRG meeting comments into consideration.



## Draft Policy

- The draft policy endorses the adherence of Council to the Geographical Names Board (GNB) Place Naming Policy and process for the naming of reserves and facilities including buildings, gardens, pools and infrastructure i.e. grandstands, pavilions
- A set of principles (9) have been developed to support Council and staff in assessing and processing requests for naming or renaming of reserves and facilities.



## Small Group Discussion

1. In small groups review the draft Policy and record responses to the following:
  - a. **Direction:** Do you think the direction of this draft Policy is appropriate? Why/ why not?
  - b. **Implementation:** Can you foresee any issues with the implementation or application of the draft Policy or the individual principles? What might not work?
  - c. **Community's view:** How do you think the community might receive this draft Policy?
  - d. **What is missing?:** Is there anything that has not been covered in the draft? Anything else you would like considered?
2. Report back key points to group

Resources: Draft Policy and GNB summary sheet



## Memorial Plaques in open space

- Developing a Naming Policy requires rescinding all relevant policies - one former Council included the provision of memorial plaques with the Naming Policy.
- A review of the provision of memorial plaques in public open space has identified three concerns regarding plaques on benches:
  1. Saturation of memorial plaques on our open space which impacts on the amenity and natural values of the landscape;
  2. Memorial plaques are a visual reminder of death
  3. Memorial plaques placed at location of death by suicide and subsequent risks of suicide contagion.



## Saturation of open space

- Council has over 550 memorial plaques throughout the LGA.
- 36 of 54 requests were approved in 2017/ 18
- 26 of 48 requests approved so far in 2018/19
- Most popular area are headlands and foreshores. There is limited to no capacity for any more bench seats along these areas. E.g.
  - Mona Vale Headland - 9
  - Turrimetta Headland - 7
  - Marine Parade Walk (South Steyne to Shelly Beach) - 37



## Visual reminder of death

- Australian Government's *Mindframe* National Media Initiative - encourage responsible, accurate and sensitive representation of mental illness and suicide mass media – this includes avoiding any description of the method and location of suicide.
- Guidelines from *The Society for the Prevention of Teen Suicide* discourage public plaques
- As an ongoing visual reminder, a dedicated memorial can increase incidence of use of that location (*Headspace* 2015)
- Anniversaries of a person's death can also bring up old feelings of grief, sadness and loss and can be a time of increased risk for vulnerable young people.



## Memorial plaques - links to suicide

- Research suggests that creating a permanent memorial could lead to an increase in suicidal behaviour in others.
- Young people are over-represented in suicide figures.
- In 2016, 35.4% of deaths in the 15 – 24 year olds were attributed to suicide, compared to 1.8% for the overall population.
- There was an alarming increase of 20% in the rate of suicides for 15-24 year-olds from 2005 to 2015 and a further increase from 2016 to 2017
- Adolescents are more prone to suicide contagion – the spread of suicide from exposure to a suicidal event - the suicide of a friend being predictive of further incidences of suicide.



## Alternatives to memorials in public spaces

- Private memorial ceremony in a favourite location
- Donation to a local charity
- Participate in an event that raises awareness
- Request a memorial plaque in Manly or Mona Vale cemetery
- Have special areas in cemeteries:
  - Memorial for Missing People - Woronora Cemetery
  - Centre for Care & Wellbeing - Springvale Botanical Cemetery hosts support groups for widows, mothers who have lost children.
  - Hope and Sanctuary sculpture - Macquarie Park Cemetery and Crematorium providing a place for those who have lost loved ones to suicide.
  - "Ivy Vine" memorial - Waverly Cemetery. Cast bronze plaque shape of an ivy leaf. Can be used as individual settings or as a twin for two members of the family side by side.





## Others approach to memorials

- **Mosman Council (NSW)**

Aims to minimise the incidence of plaques and memorials in open space by only allowing a memorial plaque on benches for individuals who have contributed significantly to cultural, political or social aspects of the community.

- **Woollahra Council (NSW)**

Does not have a formal policy and does not allow memorial plaques. Community members can purchase a bench or a tree without a plaque.

- **Waverley Council (NSW)**

Do not allow memorial plaques nor do they accept donations for seats or trees.

- **Central Coast Council (NSW)**

Council will consider written applications for the placement of memorials on public reserves. Approval can only be given by Council resolution.



## Others approach to memorials

- **Holdfast Bay Council (SA)**

The Glenelg Seaside Memorial offers people a physical place to come to remember loved ones whose ashes have been scattered at Glenelg. Names will be added to the memorial four times a year and for a one-off \$1,500 payment to have a name permanently engraved on the memorial.

- **NSW National Parks & Wildlife Service**

- Memorials in Parks Policy - parks are areas set aside to conserve unspoiled landscapes, native plants and animals. Alternatives are encouraged to permanent monuments and plaques. Such alternatives include memorial donations, events and tree plantings.
- Consent will only be granted for "a commemorative plaque to mark a connection between a person and a park, or an event that is of national, State or National Park and Wildlife Service (NPWS) significance".

- **Black Dog Institute**

Does not recommend memorialising suicide in a public way.



## Northern Beaches Suicide Prevention Working Group

The following recommendations were made in July 2018:

1. Council permit applications for trees and benches, where space allows and plantings are appropriate.
2. Council not permit new applications for memorial plaques.
3. Council encourage alternatives, such as a donation to a local charity, a private memorial ceremony or a memorial plaque at Mona Vale cemetery.



### Small Group Discussion

Noting the recommendations of the Northern Beaches Suicide Prevention Working Group that:

1. *Council permit applications for trees and benches, where space allows and plantings are appropriate.*
2. *Council should not permit new applications for memorial plaques.*
3. *Council encourage alternatives, such as a donation to a local charity, a private memorial ceremony or a memorial plaque at Mona Vale cemetery.*

Consider and record responses to the following:

- a. How do you think the community will react if Council does not permit new memorial plaques?
- b. What other options could be considered to commemorate individuals and how might these be managed?
- c. What might need to be considered regarding the management of the existing plaques and benches?

Report back key points to group



Resources: Memorials in Open Space – Approaches and Alternatives Summary

## What next?

1. Draft Naming Policy - intending to present to Council in June 2019 for approval to be placed on public exhibition.
2. Intending to present a report regarding the future of memorial plaques to Council June 2019.



**Thank you**



**ATTACHMENT 2****Minutes from Naming Northern Beaches Council Open Spaces and Facilities Workshop 16 May 2019.**

Facilitated by Vicki Blaskett (Parks & Recreation) and Will Wrathall (Community, Arts & Culture)

**Activity 1.**

A draft policy position for the naming of reserves and facilities was presented to the meeting. The meeting broke into two groups and the following is a summary of the comments made regarding the proposed policy position:

***Question 1. Do you think the direction of this draft policy is appropriate? - Why/Why Not?***

- The names of individuals should only be approved if their contribution is exceptional
- Improve signage of how people contributed.
- People can be honoured by signage – while still alive too, rather than naming something after them.
- Clarity needed as Policy listed some of the GNB criteria in the policy but not all e.g. Two or more terms of office on governing local government council not listed. Which takes priority?
- All agree (in group) to policy position – especially for major locations
- Good that the Policy uses the GNB
- Gives good idea of geographic locations
- Respects current names
- Good common sense approach
- Problem with a large area or long beach – e.g. Manly where no official recognition of smaller parts e.g. Queenscliff, Nth Steyne, Sth Steyne.
- Requires a definition of what a Reserve is should

***Question 2: Can you foresee any issues with the implementation or application of the draft policy or the individual principles?***

- There are issues with naming places after people
- Need a strong policy and implementation process
- 20 years test / exceptional contribution for all naming after people
- There is a need for acknowledging community members in a new way? (other than place or facility name)
- Problem with big areas – e.g. North Narrabeen Reserve known as “Rat Park” but that name not on Satellite Navigation e.g. Coaster’s Retreat – The Basin is part of it and is also part of National Park.

***Question 3: How do you think the Community might receive this draft policy?***

Some members of the community will not like not being able to put resident’s names forward – but just as many will prefer new guidelines.

## Activity 2

The Northern Beaches Suicide Prevention Working Group has recommended that Council no longer permit any new memorial plaques on benches in our open spaces. A series of slides related to this recommendation was presented. The two groups made the following comments:

***Question 1: How do you think the Community will react if Council does not permit new memorial plaques?***

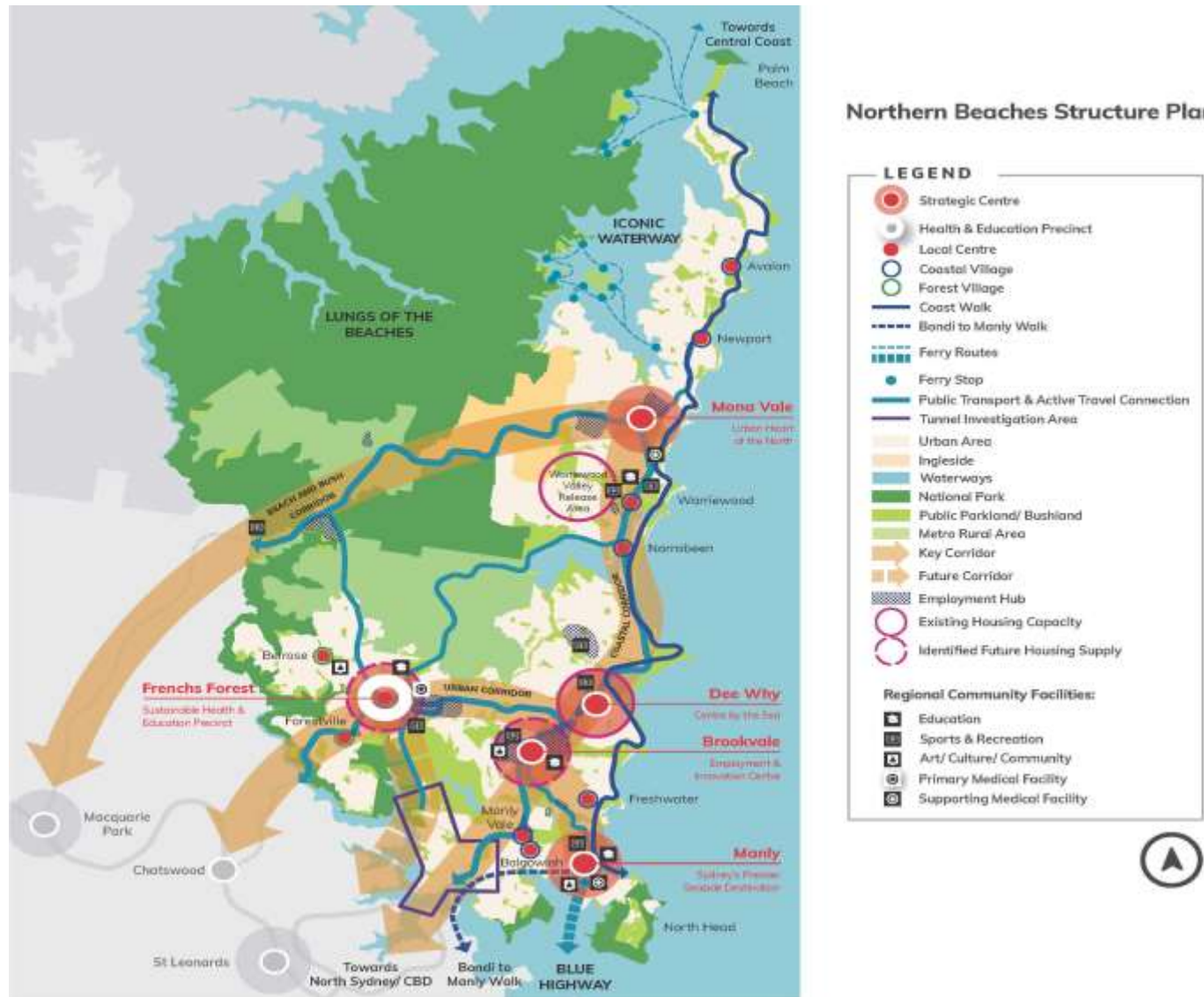
- Some will dismiss it as ridiculous without understanding the reasons
- Trees and benches even without a plaque can still be a focus for friends of young person – is it also a trigger?
- Memorial plaques should be for contributors to the community. Consider range of criteria for applicants to be measured against.

***Question 2: What other options could be considered to commemorate individuals and how might these be managed?***











- Trees, Council select sites.
- No plaques
- Consider a memorial sculpture like at other councils
- Plaques or leaves added to create sculpture
- Scholarship / memorial fund set up by Council – accumulate for young people, Arts, Science, Sport, Music
- Donate to pieces of equipment e.g. defibrillator, fitness equipment
- Hero wall - memorial for those who have contributed to our community.
- Develop book/ publications - collect stories about those who have contributed to our community

***Question 3: What might need to be considered regarding the management of the existing plaques and benches?***

- 10-year life for benches (+ plaque) after which the family can have them back or Council can chose to replace.



Northern Beaches Council – Draft Local Strategic Planning Statement – Plan on a page

Environment	Resilience	Efficiency	Infrastructure	Collaboration	People	Housing	Great Places	Connectivity	Jobs and Skills
									
P1 – Healthy and valued coast and waterways P2 – Protected and enhanced bushland and biodiversity P3 – Protected scenic and cultural landscapes P4 – Protected rural and remote communities P5 – Greener, more resilient urban environments P6 – A range of high quality open space for recreation	P7 – A high level of resilience to natural hazards and climate change	P8 – A low carbon, water wise council and community P9 – A sustainable built environment P10 – Low plastic consumption and waste	P11 – Infrastructure delivered together with jobs and housing growth	P12 – Strong partnerships with state agencies, councils, the community and other stakeholders to achieve better outcomes for the community	P13 – World class education facilities, including a university campus P14 – Community services and facilities that meet our changing needs P15 – An inclusive, healthy, safe and socially connected community P16 – Genuine engagement and co-operation with the Aboriginal Community P17 – A strong artistic, creative and innovative culture	P18 – Housing supply, choice and affordability in the right locations P19 – Increased social and affordable housing supply P20 – A clear direction for the future of Ingleside	P21 – Well designed centres and neighbourhoods that reflect our unique local character and lifestyle P22 – Heritage that is protected, conserved and celebrated	P23 – Frequent and efficient east / west public transport to Chatswood and Macquarie Park P24 – Frequent and efficient north / south public transport to North Sydney, and Sydney CBD including via the Beaches Link Tunnel P25 – Safe and convenient walking, cycling and local transport networks P26 – Repurposed road space to meet our changing needs P27 – An efficient urban freight network P28 – Embraced innovative and emerging technologies P29 – Safeguarded future transport corridors for mass transit	P30 – Jobs that match the skills and needs of our community P31 – Frenchs Forest as a sustainable health and education precinct P32 – Brookvale as a lifestyle and innovation hub P33 – Dee Why as a thriving cosmopolitan centre by the sea P34 – Manly as Sydney's premier seaside destination P35 – Mona Vale as a contemporary, urban heart of the north P36 – Safeguarded industrial and urban services land P37 – Innovative industry clusters P38 – A thriving, sustainable tourism economy P39 – A diverse evening and night time economy
Protection of the Environment	Environmental Sustainability		Partnership and Participation		Community and Belonging		Places for People		Transport Infrastructure and Connectivity
Vibrant Local Economy									
Good Governance									

# MINUTES

## **TRANSPORT AND TRAVEL STRATEGIC REFERENCE GROUP**

held in the Council Chambers, Manly Town Hall on

**THURSDAY 23 MAY 2019**

**Minutes of the Transport and Travel  
Strategic Reference Group  
held on Thursday 23 May 2019  
in the Council Chambers, Manly Town Hall  
Commencing at 6:00pm**

**ATTENDANCE:**

**Committee Members**

Cr Sarah Grattan (Chair)	
Mayor Michael Regan	
Cr Kylie Ferguson	
Andrew Chivers	
Wendy Dunnet	Newport Residents Association
John Hawkins	Bicycle NSW
Tessa Knox-Grant	Transport for NSW
Keith Povah	

**Council Officer Contacts**

Craig Sawyer	Executive Manager Transport & Civil Infrastructure
Philip Devon	Manager, Transport Network
Michelle Carter	Active Travel Officer
Robynann Dixon	Road Safety Officer
Karen Menzies	Road Safety Officer
Sherryn McPherson	Governance Officer

## 1.0 APOLOGIES

Apologies were received from Councillor Amon, Jorde Frangoples, Graeme Laughton, Susan Watson, Mary Whalan, Emma Tonkin, Richard Saunders, Victor Konijn, Craig Smith and Fiona Christianson.

## 2.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

There were no declarations of pecuniary or non-pecuniary conflicts of interest.

## 3.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

### 3.1 MINUTES OF TRANSPORT AND TRAVEL STRATEGIC REFERENCE GROUP MEETING HELD 21 FEBRUARY 2019

*John Hawkins / Kylie Ferguson*

That the Minutes of the Transport and Travel Strategic Reference Group meeting held 21 February 2019, copies of which were previously circulated to all Members, are hereby confirmed as a true and correct record of the proceedings of that meeting.

## 4.0 UPDATE ON ACTIONS FROM LAST MEETING

ITEM NO.	MEETING DATE / ITEM	ACTION	DUE DATE	OUTCOME / COMMENTS
4.1	21 February 2019 Update on the Parking Discussion Paper	Transport Network Team to start the community engagement in April on better management of parking issues and provide the group with engagement results.	Nov 2019	<ul style="list-style-type: none"> <li>Community engagement and stakeholder meetings are in progress.</li> <li>There will be five workshops scheduled in Manly.</li> <li>The Resident Parking Scheme will be reported back to Council in August 2019.</li> <li>The outcome will be presented to the group in November 2019.</li> </ul>
4.2	21 February 2019 Update on the Bike Plan	<ul style="list-style-type: none"> <li>Review the proposed cycling network mapping.</li> <li>Review the content of the Bike Plan document.</li> <li>Assist in further development of the plan once the initial consultation period closes.</li> <li>Transport and Travel Strategic Reference Group to receive an update on the final</li> </ul>	Aug 2019	<ul style="list-style-type: none"> <li>Outcomes of the review will be circulated to members separately.</li> <li>An update on the final draft Bike Plan was presented at the 23 May 2019 meeting.</li> <li>The outcome will be presented to the group in August 2019.</li> </ul>



		draft Bike Plan.		
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## 5.0 AGENDA ITEMS

### 5.1 NORTHERN BEACHES COUNCIL ROAD SAFETY PLAN

K Menzies presented the Bike Safety Plan. A copy of the presentation is attached to the minutes at Attachment 1.

The group discussed the following:

- Infrastructure and education.
- Policy change at state level around engineering and bike safety.
- People being accountable with the expectation people will make mistakes.
- State strategic oversight.

### 5.2 ACTIVE TO SCHOOLS/SAFER SCHOOLS PROGRAM UPDATE

R Dixon provided an update to the group on this item. A copy of the presentation provided to the group is at Attachment 2 of the minutes.

The group discussed the following:

- How much education do we need to provide as a result of the rangers fining people? Rangers will be playing a large part in promoting the Safety Scheme and educating the community on why they are being fined.
- 40klm speed limit, is there any more appetite to reduce the speed limits any further? This may be reviewed by the state in the future however achieving the 40klm speed limit has been a big achievement.
- Creating a platform for schools to communicate and share their in-house programs for safety.
- Statistics showing improvement for safety projects that have been implemented and how we can measure what schools are doing better with particular initiatives.
- A Road Safety Summit for schools to be incorporated into the Active Travel Project.
- Can Council assist in promoting the Kids and Traffic organisation by Macquarie University? The Kids and Traffic organisation assist with road safety guidelines which was released in May 2019. Council is no longer permitted to present at childcare centres, kindergartens and schools. However, Council can work with principals and Parents and Citizens (P & C) to assist with sharing information and creation of flyers/promotional materials.

## ACTION

That the Transport and Travel Strategic Reference Group encourages Council to organise a Road Safety Summit targeting schools within the area as a form of educating, networking, sharing safety initiatives to improve safety in the area.

### 5.3 STRATEGIC PROJECTS UPDATE

P Devon provided an update to the group on this item. A copy of the presentation provided to the group is at Attachment 3.

The group discussed the following:

- Improvement to transport from Northern Beaches to Chatswood.
- Frenches Forest Structure Plan; will this utilise a combined transport system as a priority and include hydrogen buses and electric buses? New transportation systems. This will be incorporated into the structure plan with the Hospital with additional services from/to Dee Why, Chatswood and Mona Vale.
- Drones - revolves around legislation. Requires a policy. Government with trial at Homebush - safety issue - working well before it is released - Interacting with public vehicles - looking at controlled environments to manage the interface.
- Movement of people. The road network can do a number of things, movement of people is the movement of people, not cars. Focusing on people and goods frees up the status quo on a more strategic view, for example, making more footpaths and bike lanes to move people in a different way.
- Improvements of walkway infrastructure to bus stops. The walkway infrastructure requires improvements to support orphaned bus stops and shelters. Council has created mapping against local bus stops which will be reviewed under the strategic view of the transport network not footpath network.
- Lighting on footpaths - Council is investigating the implementation of illuminating one side of footpaths and retaining trees on the other. New LED luminaires will be utilised to provide better lighting. Solar lighting is also being investigated however it is extremely expensive. The local government area would require approximately 9500 light bulbs which could save up to 70% on electricity as we are reducing from 250w to 70w.

## SUMMARY OF ACTIONS

ITEM NO.	MEETING DATE / REPORT TITLE	ACTION	RESPONSIBLE OFFICER	DUE DATE
4.1	21 February 2019 Update on the Parking Discussion Paper	Transport Network Team to start the Community engagement in April on better management of parking issues and provide the group with engagement results.	P Devon	November 2019
4.2	21 February 2019 Update on the Bike Plan	<ul style="list-style-type: none"> <li>Review the proposed cycling network mapping.</li> <li>Review the content of the Bike Plan document.</li> <li>Assist in further development of the plan once the initial consultation period closes.</li> <li>Transport and Travel Strategic Reference Group to receive an update on the final draft Bike Plan.</li> </ul>	P Devon	August 2019
5.1	23 May 2019 Active to Schools / Safer Schools Program update	That the Transport and Travel Strategic Reference Group encourages Council to organise a Road Safety Summit targeting schools within the area as a form of educating, networking, sharing safety initiatives to improve safety in the area.	R Dixon	TBA

*The meeting concluded at 7:15pm*

This is the final page of the Minutes comprising 157 pages numbered 1 to 157 of the Transport and Travel Strategic Reference Group meeting held on Thursday 23 May 2019 and confirmed on Thursday 22 August 2019.

# Road Safety Plan

Karen Menzies and Robynann Dixon  
Council Road Safety Officers



## Where does the Road Safety Plan fit in?



# Safe System Framework

- Aim to get towards zero death & serious injuries
- Based on 4 pillars of the safe system approach
  - Safe roads
  - Safe speeds
  - Safe vehicles
  - Safe people



## Main objectives

- Promote, encourage and raise community awareness that road safety is a shared responsibility and that the choices that people make and their behaviours can impact others on the road network.
- Identify factors of the safe system framework that council can support directly to improve road safety



## Benefits to the community

- Provide the community with a road safety plan framework that will outline and prioritise road safety programs and services needed in the area.
- Educate road users and raise community awareness that road safety is a shared responsibility.



# Thank you!

Any questions email:  
[roadsafety @northernbeaches.nsw.gov.au](mailto:roadsafety@northernbeaches.nsw.gov.au)



# Active to Schools/ Safer Schools

Robynann Dixon and Karen Menzies  
Council Road Safety Officers



## 1. Active to Schools

- **Goal:** increase active transport for school aged / young people
- **Completed:** survey schools on perception of safety around schools
- **To Do:** stakeholder workshops



## 2. Safer Schools

- **Goal:** improve pedestrian safety around the 80 local schools
- **Concerns:**
  - Traffic and parking congestion near schools at drop off and pick up times
    - safety risk for children
  - Preference for driving children to school
    - adds to congestion



### Safer Schools - actions

- **Ongoing**
  - prioritise and review pedestrian safety at the 80 local schools
- **Completed**
  - various education campaigns and infrastructure improvements



## Education campaigns, signs, flyers

- Campaigns: Walk/ ride safely to school
- Flyers: parking around schools
- Signs and banners: Slow down, park safely, Go 40



## Infrastructure improvements completed

### Improvements

- Pedestrian crossings
- Speed cushions prior to crossings
- Improved footpaths
- Pedestrian fencing
- Kerb blisters



### Schools

- Balgowlah Heights
- Balgowlah Boys
- St Mary's Manly
- Wheeler Heights



# Thank you!

Any questions, email:  
[roadsafety@northernbeaches.nsw.gov.au](mailto:roadsafety@northernbeaches.nsw.gov.au)

## Northern Beaches Transport Strategy – Transport Plans under development



Update on progress to date

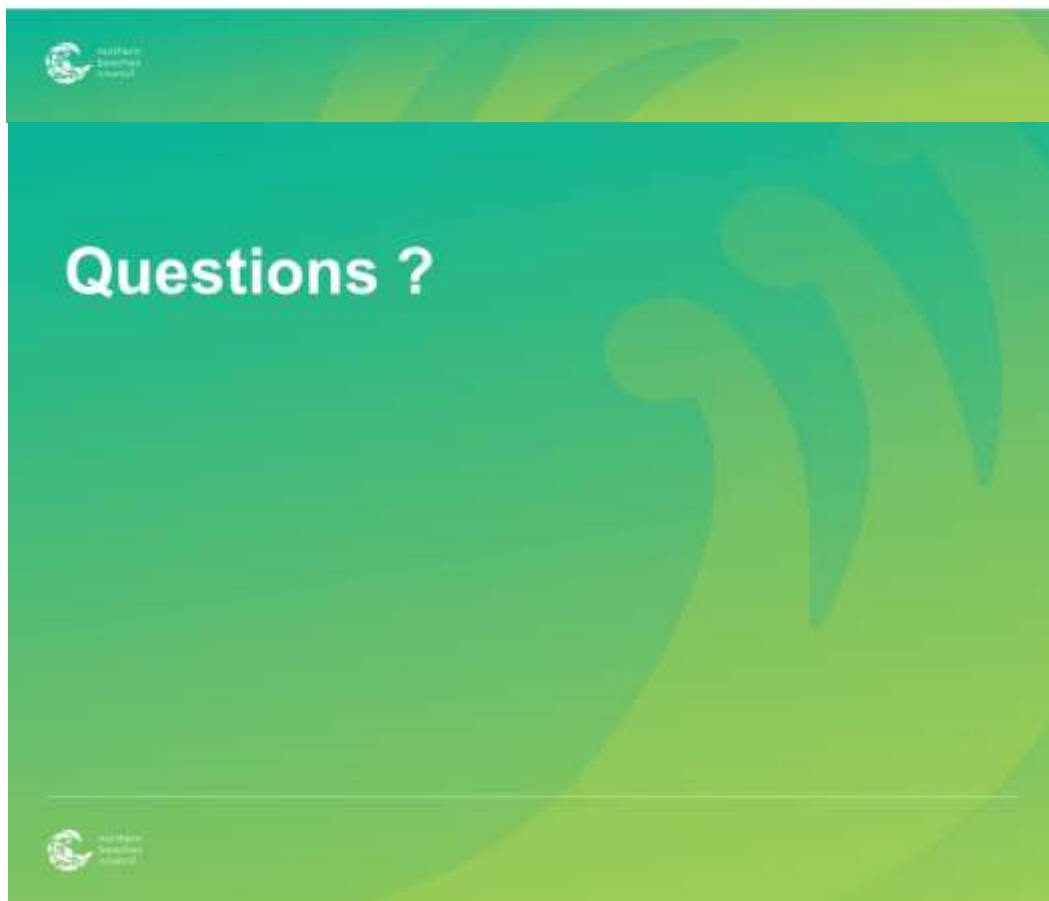


## Adopted Plan

- WALK was adopted by Council at the April meeting.
- Included with this was the draft delivery schedule and priority list

## What's Next

- Parking Plan – Discussion paper late June
- Bike Plan – Draft to go to July Meeting
- Road Safety Plan – Draft to go to July Meeting
- Public Transport Plan – late 2019
- Road Network Plan – early 2020
- Freight Plan – early 2020







# MINUTES

## ENVIRONMENT STRATEGIC REFERENCE GROUP

held in the Coastal Environment Centre, Narrabeen on

**THURSDAY 30 MAY 2019**



## MINUTES OF ENVIRONMENT

30 MAY 2019

**Minutes of the Environment  
Strategic Reference Group  
held on Thursday 30 May 2019  
in the Coastal Environment Centre, Narrabeen  
Commencing at 6:00pm**

**ATTENDANCE:****Committee Members**

Cr Alex McTaggart (Chair)

Cr Natalie Warren (*arrived 6:45pm*)

Cr Stuart Sprott

Roberta Conroy

Bayview Church Point Residents Association

Tom Hazell

David Tribe

Anthony Petrolo

Nigel Howard

Jacqueline Marlow

Friends of Narrabeen Lagoon Catchment

Billy Bragg

Scott Markich

**Council Officer Contacts**

Adrian Turnbull

Acting Executive Manager Natural Environment and Climate

Kara Taylor

Senior Sustainability Officer

Monique Nichols

Senior Sustainability Officer

Geraint Breese

Senior Environment Systems Officer

Melanie Thomas

Climate Change Adaption Officer

Ximena Von Oven

Governance Officer



## ACKNOWLEDGEMENT OF COUNTRY

*Cr McTaggart acknowledged the traditional custodians of the land on which the meeting gathered, and paid respect to Elders past and present.*

### 1.0 APOLOGIES

Apologies were received from Cr Pat Daley, Alan Jones, Sophie Scott and Todd Dickinson

### 2.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

There were no declarations of pecuniary or non-pecuniary conflicts of interest.

### 3.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

#### 3.1 MINUTES OF ENVIRONMENT STRATEGIC REFERENCE GROUP MEETING HELD 9 MAY 2019

#### DECISION

That the Minutes of the Environment Strategic Reference Group meeting held 9 May 2019, copies of which were previously circulated to all members, are hereby confirmed as a true and correct record of the proceedings of that meeting.

*Adopted unanimously*

### 4.0 UPDATE ON ACTIONS FROM LAST MEETING

#### 4.1 ACTIONS FROM PREVIOUS MEETING

#### DISCUSSION

Actions from the previous meeting were reviewed. The following actions have been completed:

- J Grove to email carbon and water aspirations and commitments of the Draft Northern Beaches Environment SRG members for review
- Council to review references to and the impacts of population growth within the Draft Northern Beaches Environment Strategy
- Establish a special interest briefing on the Development of a Draft Northern Beaches Council Bushland Policy.

#### NOTE:

Cr McTaggart addressed SRG member request with regards to Council staff presenting to the Environment SRG about how the Environment Centres managed by Northern Beaches Council operate. This topic will be recorded in the action log to be discussed at a future meeting.

#### ACTION

That Council staff provide a presentation on the operations of the Manly Environment Centre and Coastal Environment Centre at a future meeting.

## 5.0 AGENDA ITEMS

### 5.1 CLIMATE CHANGE ACTION PLAN WORKSHOP

#### DISCUSSION

Kara Taylor, Senior Sustainability Officer introduced Monique Nichols Senior Sustainability Officer and Melanie Thomas Climate Change Adaptation Officer to the group. A presentation on this topic was provided. Members participated in a workshop to address the following points:

- Scope of the action plan - Members agreed that mitigation and adaption should be included in the plan
- Timeframe and resourcing of the action plan
- Review of previously identified actions
- Identify gaps and other actions
- Feedback with regards to key topics that fall into the Climate Change theme : water, energy, resilience and waste

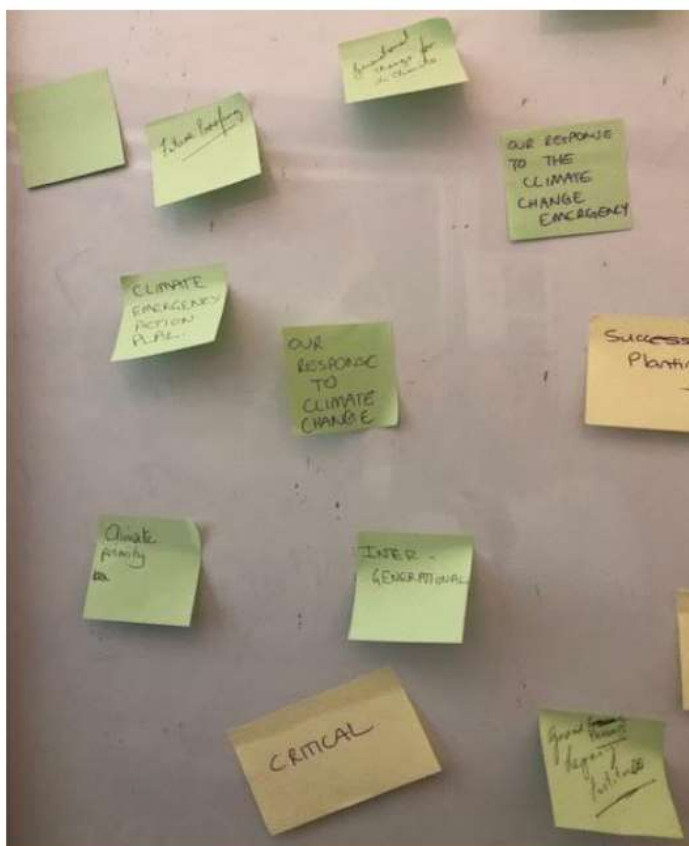
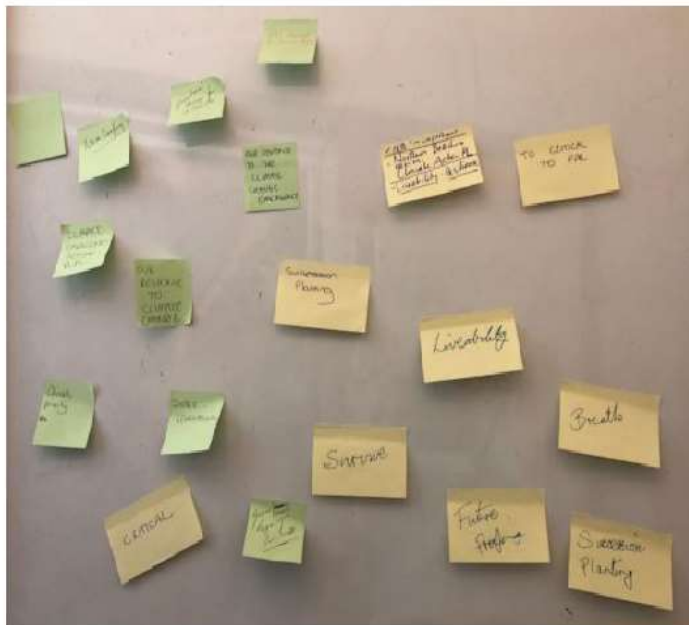
#### Next Steps

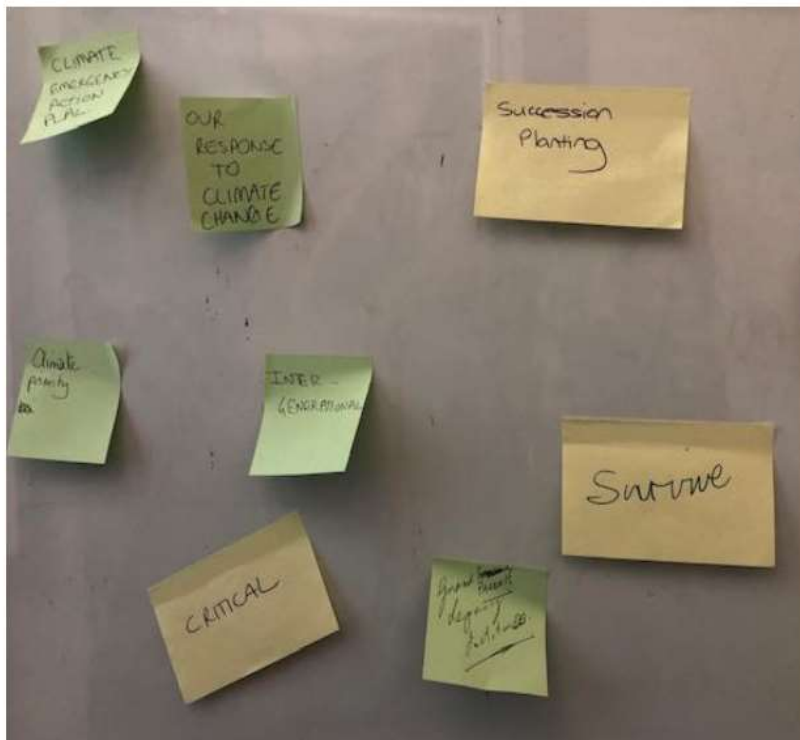
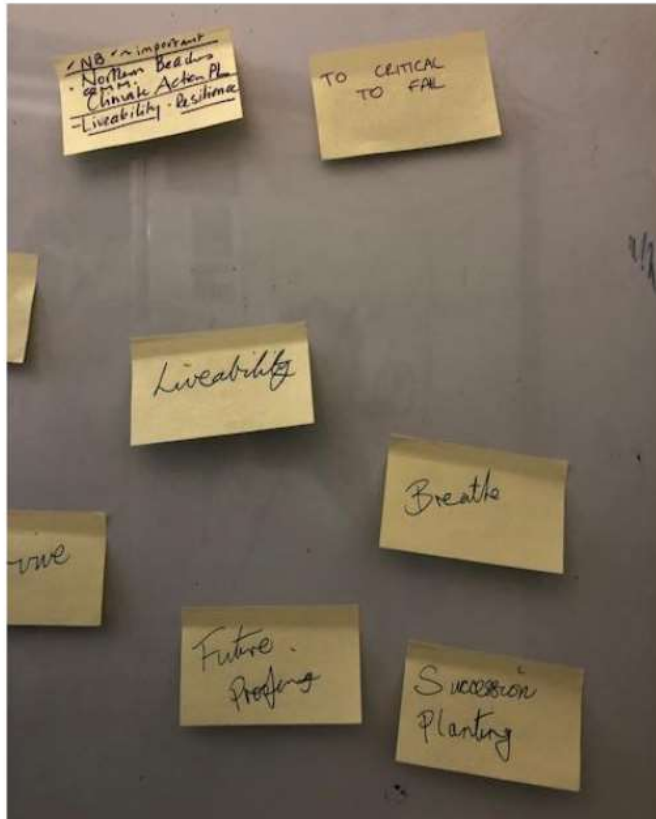
- Internal workshops
- Development of a Draft Action Plan
- Review Plan
- Finalise Plan
- Implement Actions

#### NOTE:

Cr Warren arrived to the meeting at 6:46pm

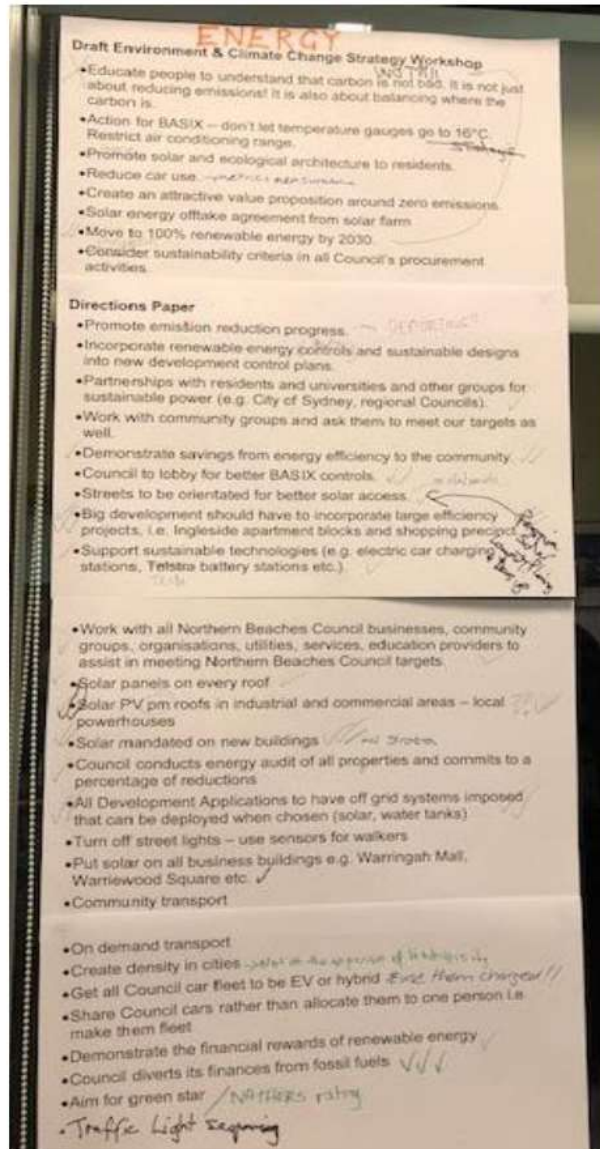
## WORKSHOP INFORMATION







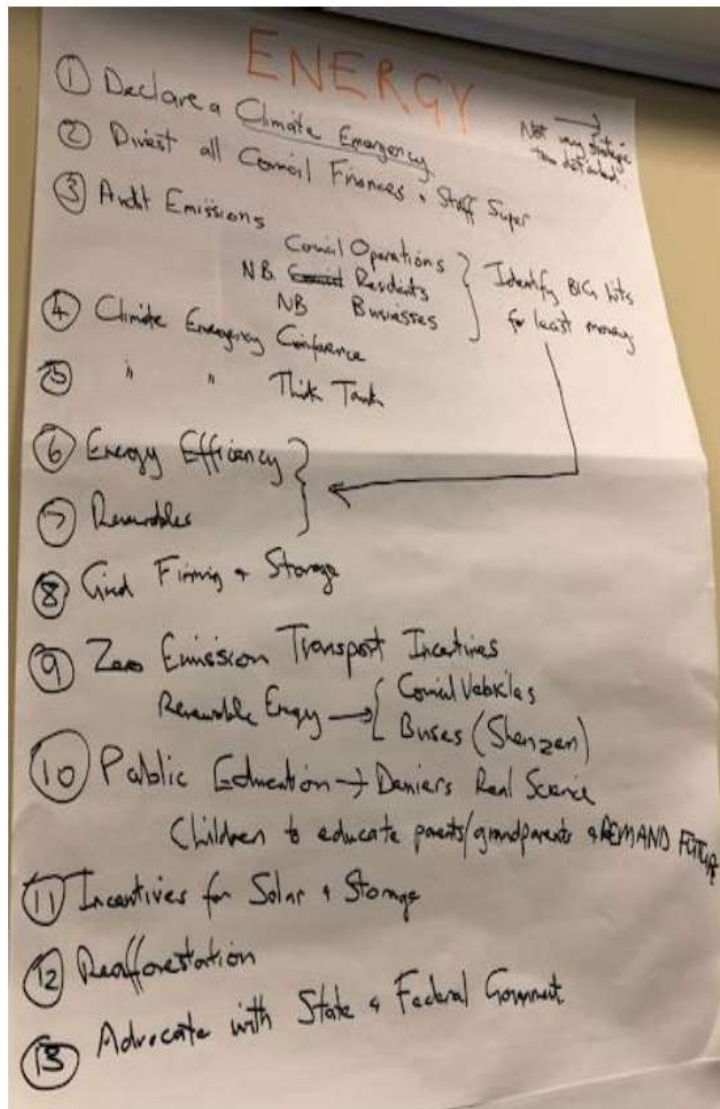
## Energy





MINUTES OF ENVIRONMENT

30 MAY 2019



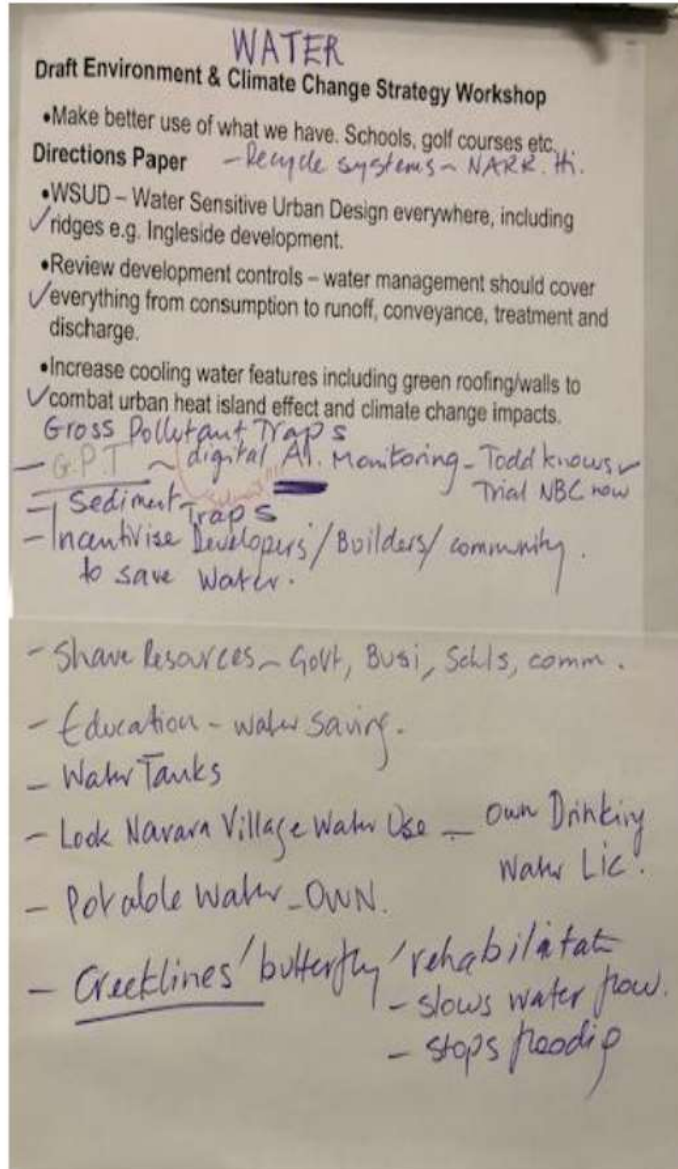




MINUTES OF ENVIRONMENT

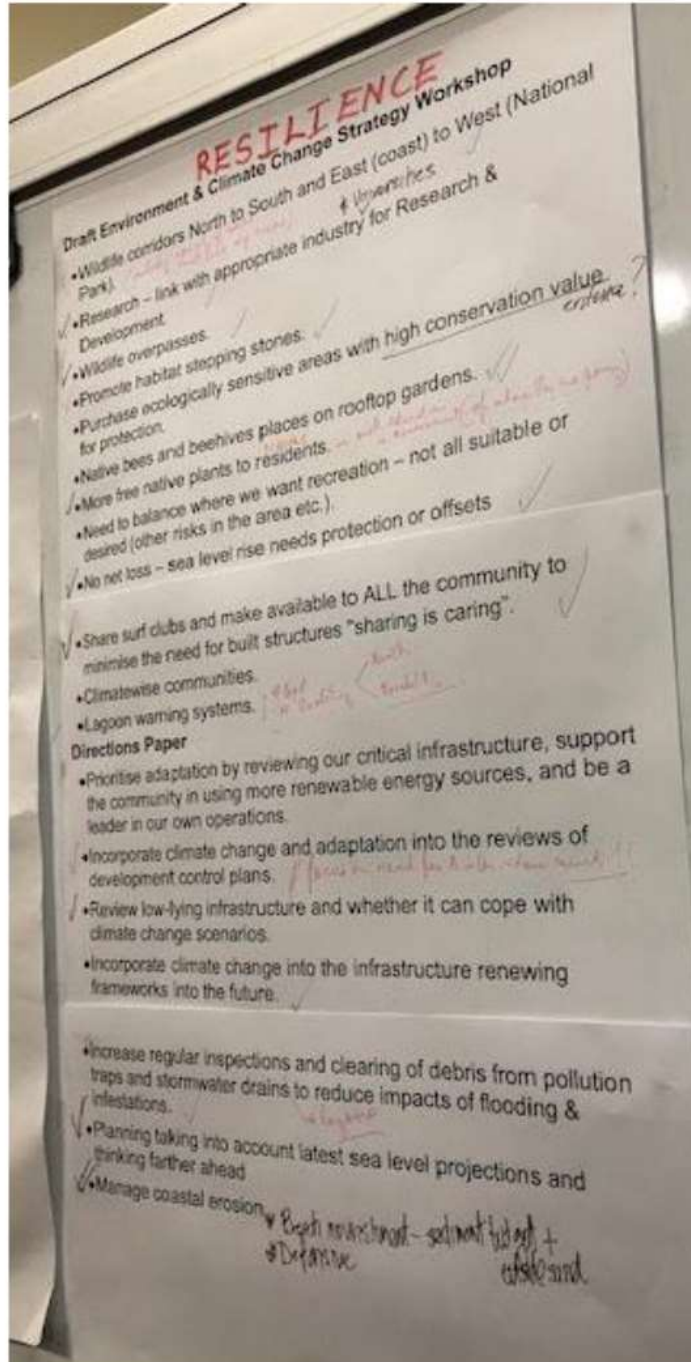
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Water





## Resilience





## Waste

**WASTE**  
Draft Environment & Climate Change Strategy Workshop

- Reduce single use plastic – at the source – need a measure and a timeframe.
- All containers included in container deposit legislation.
- No helium balloons in the Northern Beaches Council – kills ocean animals. *no plastic straws*
- Share resources between businesses.
- Ban the dog waste bags – reducing plastic waste. *OR BIO DEGRADABLE*

**Directions Paper**

- Support all efforts on making Northern Beaches plastic free.
- Develop a plastic free strategy *not Ridge Comprehensive!*
- Reduce and avoid single use packaging *for people!*
- Work with the community and business to reduce/remove plastics in their areas of influence
- *LOOK HOW TO MAKE IT VALUES FROM WASTE* *EL. JUNKY BAGS, BLUE BAGS, GLASS COVERS*

- Establish a food composting system at Kimbriki for municipal food waste *OR COMPOSTING*
- Facilitate more effective and widespread container recycling depots
- Find a better way to deal with bulky goods waste and extend recycling *Ask Billy!!*
- More kerb-side clean ups → *Recycle kerbside clean ups*  
*Not just compost + bulky*
- Incentives for apartments to compost

*SIDE WINDS WASTE CONFERENCE PROPOSITION 8 WASTE – see attached*

*TUB GRINDER*

- Reduce consumption

*Pyrolysis*

*Noona will like what I think about this*

## 5.2 NORTHERN BEACHES WATER MANAGEMENT POLICY

### DISCUSSION

Adrian Turnbull Acting Executive Manager Environment and Climate and Geraint Breese Senior Environment Systems Officer provided a presentation in relation to this topic. The following points were highlighted:

- Purpose of the Draft Water Management Policy
- Policy Focus is to manage the potential impacts of development. It will strategically align with the Community Strategic Plan and the Local Strategic Planning Statement (which is currently being drafted). This policy will also help inform the development of the Northern Beaches Local Environment (LEP) and Development Control Plan (DCP)
- The big driver of the Northern Beaches Water Management Policy is to have consistent guidelines for development across the Northern Beaches, simplifying and improving the application and assessment process.
- SRG members were requested to provide feedback on the following principles of the Draft Northern Beaches Water Management Policy in order to confirm if outcomes are clear, concise or if further principles should be included.

#### Principles

- Minimise the risk to public health and safety
- Reduce the risk to life and property from any flooding and groundwater damage.
- Climate change will inform decisions for future water infrastructure
- Water sensitive urban design measures will be integrated into the built form to maximise liveability and reduce the impacts of climate change e.g. urban heat island effect and intensified rainfall events
- Wherever possible, water courses are to be conserved or restored to their natural state
- Protect the ecological and recreational condition of our beaches, lagoons, waterways, wetlands and surrounding bushland
- Reduce the consumption of potable water by encouraging water efficiency, the reuse of water and use of alternative water sources
- Protect Council stormwater drainage assets during development works and to ensure Council's drainage rights are not compromised by development activities

SRG members raised the following points:

- Include water quality to protect the environment
- Implement a circular water policy and system
- Water Management Policy should be drafted in a way that there is one policy oriented to administrate the public domain and another one for the private domain
- Recommend including reference to "Development" in the title to clarify the intent of the policy
- Are industrial buildings covered in the policy

### 5.3 UPDATE ON ADDITIONAL COUNCIL MATTERS

#### DISCUSSION

A Turnbull provided the following update:

##### Draft Bushland & Biodiversity Management Policy

A special workshop was held 9 May 2019. SRG members provided feedback about key principles and the way bushland and biodiversity can be managed into the future. Information received will be incorporated into the Draft Bushland & Biodiversity Management Policy. The draft policy will be presented to Council and placed on public exhibition for further comment.

##### Draft Environment and Climate Change Strategy

Draft text has been finalised and will be reported to Council for public exhibition in July

##### Collaroy- Narrabeen Coastal Protection Works

Northern Beaches Council will provide financial assistance to private residents who construct approved coastal protection works. A web-based application package for residents seeking to access these funds has been developed.

Coastal protection works for the Collaroy car park has been approved. Works will be completed by September 2019.

##### Bronze Partner status in the NSW Government Sustainability Program

Sustainability Advantage is the NSW Government's core sustainability program which helps organisations understand sustainability and strengthen their performance. Northern Beaches Council joined the program in October 2016.

Council has been recognized by achieving a bronze status for its work demonstrating sustainability leadership.

### 5.4 SHOREBIRD FLOATING ROOST TRIAL

#### DISCUSSION

A Turnbull addressed the meeting on this item. Information was provided with regards to The Shorebird Floating Roost trial project. Birdlife Australia will assess on the method's effectiveness before implementing their own trial. Council will continue to liaise with Birdlife Australia until full results of the trial are available

### 5.5 NORTHERN BEACHES COUNCIL STRATEGIC COASTAL DUNE MANAGEMENT PLAN

#### DISCUSSION

A Turnbull provided an update on this item. The following points were discussed:

- Northern Beaches Council commissioned the Dune Condition and Vegetation Assessment to assist with dune management. Assessment provided consistent approach to measuring the condition of all dunes on the Northern Beaches.
- External consultant is being engaged to assist with the preparation of the Strategic Coastal

#### Dune Management Plan.

- The plan will highlight priorities and actions for dune management to effectively prioritise and allocate resources across all Northern Beaches dunes.
- Relevant sections of Council will participate in a workshop to identify key criteria and priorities for dune management.
- A draft Plan will be completed by September 2019 and will be provided to members of the SRGs for comment.

### **5.6 INTRODUCTION TO COUNCIL'S OTHER STRATEGIC REFERENCE GROUPS**

#### **DISCUSSION**

The Environment Strategic Reference Group noted the report.

### **6.0 GENERAL BUSINESS**

The following items were discussed:

- Awareness with regards to improving retention of existing volunteers
- Implementation of a Council's volunteer website so people can be informed about how to volunteer
- Proposed Northern Beaches Link Tunnel - Carbon Impact of the Incoming Works. SRG member circulated important information regarding this topic
- Biodiversity Connectivity Plan

#### **ACTION**

Cr Stuart and Cr Warren to prepare a Mayoral Minute regarding a Biodiversity Connectivity Plan

#### **SUMMARY OF ACTIONS**

<b>ITEM NO.</b>	<b>ACTION</b>	<b>RESPONSIBLE OFFICER</b>	<b>DUE DATE</b>
4.1	That Council staff provide a presentation on the operations of the Manly Environment Centre and Coastal Environment Centre at a future meeting	Council staff	Future Meeting

*The meeting concluded at 8:15pm*

This is the final page of the Minutes comprising 14 pages numbered 1 to 14 of the Environment Strategic Reference Group meeting held on Thursday 30 May 2019 and confirmed on Thursday 29 August 2019





# MINUTES

## **EXTRAORDINARY ENVIRONMENT STRATEGIC REFERENCE GROUP MEETING STRATEGIC REFERENCE GROUP**

held in the Flannel Flower Room, Dee Why on

**TUESDAY 13 AUGUST 2019**

MINUTES OF EXTRAORDINARY ENVIRONMENT STRATEGIC  
REFERENCE GROUP MEETING

13 AUGUST 2019

**Minutes of the Extraordinary Environment Strategic Reference Group  
Meeting****Strategic Reference Group****held on Tuesday 13 August 2019****in the Flannel Flower Room, Dee Why****Commencing at 6:00pm****ATTENDANCE:****Committee Members**

Cr Alex McTaggart (Chair)

Cr Natalie Warren

Cr Pat Daley

Cr Stuart Sprott

Sophie Scott

Roberta Conroy

Bayview Church Point Residents Association

Alan Jones

Tom Hazell

David Tribe

Anthony Petrolo

Nigel Howard

Viktorija McDonnell

Curl Curl Lagoon Committee

Jacqueline Marlow

Friends of Narrabeen Lagoon Catchment

Billy Bragg

Scott Markich

**Council Officer Contacts**

Todd Dickinson

Executive Manager Natural Environment and Climate Change

James Leigh

Acting Executive Manager Environment and Climate Change

Jacqui Grove

Manager Environment Resilience and Climate Change

Christopher Munro

Manager Bushland and Biodiversity

Ed McPeake

Manager Greener Communities

Brendan Smith

Team Leader Biodiversity and Planning

Kara Taylor

Senior Sustainability Officer

Ximena Von Oven

Governance Officer



## ACKNOWLEDGEMENT OF COUNTRY

*Cr McTaggart acknowledged the traditional custodians of the land on which the meeting gathered, and paid respect to Elders past and present.*

### NOTE:

The Chairperson introduced Cr Bingham to the SRG members. Cr Bingham attended the meeting as an observer.

T Dickinson, Director Environment and Sustainability introduced the following Northern Beaches Council's staff to the group: James Leigh, Acting Executive Manager Environment and Climate Change, Jacqui Grove, Manager Environment Resilience and Climate Change, Christopher Munro, Manager Bushland and Biodiversity, Ed McPeake, Manager Greener Communities, Brendan Smith, Team Leader Biodiversity and Planning and Kara Taylor, Senior Sustainability Officer.

## 1.0 APOLOGIES

Marita Mcrae

## 2.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

There were no declarations of pecuniary or non-pecuniary conflicts of interest.

## 3.0 UPDATE ON ACTIONS FROM LAST MEETING

Nil

### NOTE:

Cr McTaggart provided an overview of the aim and topics of today's Environment SRG meeting.

## 4.0 AGENDA ITEMS

### 4.1 UPDATE ON STRATEGIES AND POLICIES FOR THE AUGUST COUNCIL MEETING

#### Draft Bushland and Biodiversity Policy Review

C Munro, Manager Bushland and Biodiversity, provided a presentation to the SRG members on this topic. The following topics were highlighted:

- Relevant plans, policies and legislation
- Consultation undertaken:
  - Workshop with the Environment SRG on 9 May 2019
  - Internal consultation with Council departments
- Policy Statement – Council aims to protect, enhance and restore the local bushland and biodiversity and the unique value it has on the Northern Beaches.
- 4 keys policy areas were discussed:
  - Strategic land-use planning

- Assessment of development activities
- Management of bushland areas on public land
- Management of invasive species

SRG members raised the following points:

- Program of ongoing engagement with owners of private land owner (aboriginal land) topic should be included in the Draft Bushland and Biodiversity Policy
- Identify any future wild life corridors

Next Steps

- The Draft Bushland and Biodiversity Policy will be presented at the 27 August Council Meeting afterwards will be placed on public exhibition.

NOTE:

Cr Warren, V McDonnell and S Markich arrived at 6:14pm

**DECISION**

*A Jones/ V McDonnell*

That the Draft Bushland and Biodiversity Policy be presented to Council on 27 August and be placed on public exhibition for a period of at least 28 days.

***Adopted unanimously***

Draft Northern Beaches Environment And Climate Change Strategy 2040

Jacqui Grove, Manager Environment Resilience and Climate Change thanked the group for their assistance in the development of the strategy and briefed the group with regards to this topic. The following points were highlighted:

- The strategy is Northern Beaches Council's plan for a healthy and diverse natural environment that is respected, supported and celebrated.
- The Strategy is built around 3 major directions:
  - Protect, Create and Live
- The Strategy includes the goals, commitments, aspirations and strategies that were developed with input and feedback from stakeholders, including Council's Environment SRG, and the community through workshops and focus groups.
- The goals and commitments in the Strategy will be delivered through the development of ten action plans; the first of which is the Climate Change Action Plan.
- Northern Beaches Council will evaluate how are we tracking against the goal and commitments of the Draft Northern Beaches Environment and Climate Change Strategy 2040 and a thorough review will be done every 4 years.

Members were provided with a copy of the Draft Northern Beaches Environment and Climate Change Strategy 2040 document and provided comments during the meeting. These comments were captured and where possible have been addressed in the draft document for public exhibition. Information will be forwarded back to the group regarding the status of these comments.

Next Steps

- The Draft Northern Beaches Environment and Climate Change Strategy 2040 will be presented to Council at the August 2019 Council meeting for public exhibition.
- Following the public exhibition the Draft Northern Beaches Environment and Climate Change Strategy 2040, submissions will be reviewed and considered and the strategy will be presented to Council for adoption.

Cr McTaggart requested SRG members to send any submission to T Dickinson or himself directly

**DECISION**

*T Hazell/V McDonnell*

That the draft Environment and Climate Change Strategy be presented to Council and be placed in public exhibition for a period of at least 28 days.

***Adopted unanimously***

**DECISION**

*A Jones/ S Markich*

That the SRG notes that 935 jurisdictions around the world have declared a “climate change emergency” on the need to reduce carbon emissions and calls on Northern Beaches Council to follow.

***Adopted unanimously.***

**Abstained: Cr Daley**

**DECISION**

*A Jones/ N Howard*

That the Environment SRG acknowledges that population growth will make out difficult to achieve many of the targets in the Environment and Climate Change Strategy.

***Adopted unanimously***

Barriers to Solar Uptake

Ed McPeake, Manager Greener Communities provided a presentation on this topic. The following points were discussed:

- Northern Beaches Council undertook a community engagement process during May and June to determine the local barriers to solar panel installation.
- Community surveys, review of the existing “Our Energy Future” program, review of recent research into solar barriers and community and businesses workshops were held.
- The findings from the Community Survey were provided that noted the main barriers were cost, lack of knowledge about the different systems and technology, planning controls/policies and lack of confidence in solar power suppliers/installers.
- Proposed actions to address barriers
- Proposed residential solar targets

**DECISION***N Howard/ V McDonnell*

That the Environment SRG notes that the Northern Beaches has 12.6 % of available homes fitted with solar and proposes that Northern Beaches Council adopts a target of 50 % of suitable premises with solar by 2030.

***Adopted unanimously***

**5.0 GENERAL BUSINESS**

The following question was raised:

Will an update on the Environment Centres be presented to the Environment SRG? Yes

*The meeting concluded at 8:36pm*

This is the final page of the Minutes comprising 6 pages  
numbered 1 to 6 of the Extraordinary Environment Strategic Reference Group  
held on Tuesday 13 August 2019 and confirmed on Thursday 29 August 2019

## LGA Entry Marker Design and Engagement Summary

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August 2019

### Introduction and Background

As part of embedding the Northern Beaches identity, Council is working towards installing three Entry Markers at Mona Vale Road, Belrose, Roseville Bridge and Spit Bridge. (Attachment 1 details the creation of the Northern Beaches Identity)

The Markers are subject to concurrence with RMS requirements and will be submitted to Traffic Committee for formal approval once the recommended design has been finalised.

The costs for design, fabrication and installation are funded from the New Council Implementation Fund (NCIF). The allocated funds are restricted to use for Entry Markers and cannot be allocated towards other operational or capital works projects.

As part of the project planning, the Partnership and Participation SRG was involved in determining the engagement approach. This was discussed at their meetings in September 2018 and May 2019 (refer Attachment 2)

### Engagement Approach

**Community Engagement:** The engagement approach had been determined by the Partnership and Participation SRG at their meetings in September 2018 and May 2019. All SRG members, including Councillors, invited to participate in a special SRG Workshop. The participants of the workshop then formed a working group for subsequent workshops and communications. Four of the six SRG groups were represented.

**Subject Matter Experts (staff):** The following teams were involved including: Design Studio, Traffic and Roads Management, Parks and Reserves (Landscape Design & Maintenance), Urban Design, Arts & Culture, Sign Shop and Tourism. In addition we have the expertise provided by the contractors from Singleton Moore Signs

**Engagement with local Aboriginal Groups:** Council is working on establishing an Aboriginal communities group for the Northern Beaches. This group has met several times in the past few months.

Whilst early days, the group was presented with some options for acknowledgment. At this stage the draft acknowledgment wording for the Markers is: *"Recognising Traditional Custodians"*. If the wording changes in the future Council have committed to updating the text on the Markers as required.

### SRG Workshop 1 – 25 July 2019

On 25 July 2019 a special SRG workshop was organised to gain input to the design of the LGA Entry Markers. All SRG members and Councillors were invited to participate.

In total 9 participants, including 3 Councillors, attended the session.

The project background and scope was explained including the special considerations (refer Attachment 5).

The Contractors Singleton Moore Signs (SMS) explained the 3 initial concept designs and the materials used. There was open discussion on each design. Each participant completed feedback on each concept and nominated a preference.

### Workshop 1 – Draft Designs



The SRG feedback was consolidated, along with Specialist input, and a number of revised designs were produced. Attachment 3 includes the detailed feedback from Workshop 1.

Workshop Suggestion	Response
Make the logo larger	The size of the logo was increased to maximum size within the overall design and style guidelines
Make the acknowledgment text larger	The acknowledgment text has also been increased and aligned to meet style guidelines.
Concept design 2 would look better with curved edges	Design concept 2 was amended to reflect SRG input to soften the edges. This resulted in a design that was progressed to final variation stages.
Use corten rather than the faux timber	Corten was considered across all designs. The technical restrictions required to create the frame shape for 2 and 3 ruled this out. Corten as the base for Concept 2 was carried forward in the final variation evaluation.
Have different colours at each site	The adopted Council main colour palette was explored for design concept 2 variations. To embrace unity across the Northern Beaches, and simplify maintenance and replacement process, the same colour design is recommended across all 3 locations. The selected aqua colour was the preferred choice.

In addition to the above suggestions, many other design variations were drafted and considered by the design teams and subject matter experts

The answers to the comments from workshop 1 were addressed during workshop 2.

The modified Concept Design 2, based on SRG input, was selected as the recommended shape.

A number of variations in material and colours were considered and presented at the second SRG workshop.



## SRG Workshop 2 – 19 August 2019

A follow up workshop was organised for the 9 initial workshop participants on the 19 August. Five of the original group attended and the remaining 4 were contacted separately. The SRG workshop reviewed the 5 variations of the recommended design detailed below.



The discussion covered a wide range of questions and feedback. These are detailed in the table below. Attachment 4 includes the detailed results.

Comment	Response
Shape	The final design concept 2 and subsequent variations were based on feedback from the SRG working group and subject matter experts.
Colour Choice. Different at each location	At the suggestion of the SRG working group a range of materials and colour choices were considered. However based on adopted brand guidelines, expert input and SRG feedback – the aqua colour was the preferred choice.  To embrace unity across the Northern Beaches, and simplify maintenance and replacement process, the same colour design is recommended across all 3 locations.
Technical design	The technical design, materials and construction will be determined by the SMS engineering team to ensure the structure meets RMS requirements including safety and frangibility.
Rear of sign	The SRG working group discussed options for the rear of the sign including “Thank you for visiting, alternate design, logo, council URL etc. Given that the rear of the sign will only be visible at the Spit Bridge location and the suggestions were generally not supported by the working group, the recommendation is to leave plain.
If the marker is damaged – how long will the replacement take?	The repair will depending on the damage however a replacement Marker is likely to take 4-6 weeks for replacement. The Markers will be listed as a Roads Asset and will be maintained by that team.



Comment	Response
Won't the white panel attract graffiti?	The painted surfaces will be treated with an anti-graffiti coating making it easier to remove. Reporting and removal of graffiti is an ongoing maintenance activity. In addition the landscaping surrounding the Markers may detract graffiti along with the prominent and visible locations. Cameras may be considered if required.
Many signs in Belrose seem to turn green. How will council clean / maintain the Marker?	The Marker will be treated with an anti-graffiti coating this also prevents mould and protects the surface. The Marker will be included on the asset register and a maintenance schedule determined for cleaning.
Aboriginal Acknowledgement	The acknowledgement statement is being discussed by the various local Aboriginal communities. This is a complex topic given the history on the Northern Beaches. At this stage a simple generic statement is being recommended. However this can be updated at a later stage if required.
Can we light the marker?	We are considering soft glow LED illumination of the logo elements. Lighting is subject to RMS and Traffic Committee input. At this stage given site constraints we are proposing main power connections at two locations, Spit and Roseville Bridges, and solar power at the Mona Vale Road site.
Should we include the words "welcome"	There was lengthy discussion on this topic with differing views ie purpose, position, locals vs tourists etc. The SRG felt that the words were implicit and not required on the marker. In addition the words are rarely used in metropolitan areas but more prevalent in Country towns.
What size footing will it have? How high can it be?	The footing will be determined by the engineering team to meet RMS requirements and will be concrete with frangible attachments. The maximum recommended height is 150mm.
What type of landscaping will there be?	The draft landscape designs are shown on the design images. The exact landscaping will be tailored to the site and likely to be more formal at the Spit bridge. Council's landscape team are working with SMS and RMS to coordinate an approach. The plants will be low lying natives to minimise maintenance and avoid impact on the Marker.
Is the frame hollow and open? Can animals get stuck inside?	The Marker frame is hollow inside to ensure safety requirements are met, however the frame is sealed. Animals will not be able to enter inside the structure.
The black won't stand out at night/ in shade	The main black upper panel was replaced with white as suggested. The bottom panel was a choice between corten and black powder coated metal. After lengthy discussion the majority of the working group selected the black panel as the preferred choice. One comment stated that 'in the dark / shade the white upper panel will look like its floating – which is great'.
Can we streamline the sub frame?	SMS have taken on board this suggestion to streamline the inner sub frame.

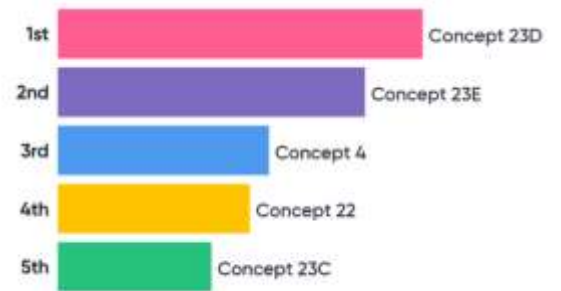
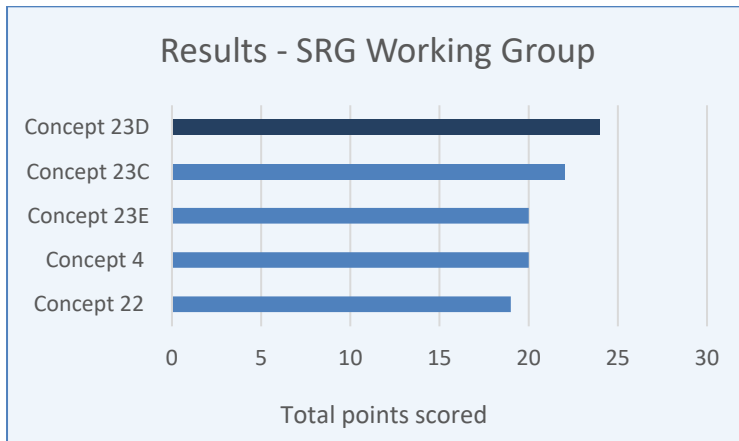
## Results:

The participants were asked to rank the 5 designs and the results are shown below:

*Results from Online Survey after the workshop:*

*Online results completed at the Workshop*

Please rank your preferred design choice (using Menti.com)



## Final Design (draft landscaping concept)



## Next Steps - Revised Timeline

Milestone	Date
Open Tender	30 Mar – 30 April 2019
Council endorsed Tenderer	28 May 2019
Phase 1 – Refine designs, engage & final design	July – Sept 2019
SRG workshop/s (inc Councillors)	July / Aug 2019
Council Approval of final design	24 September 2019
Traffic Committee approval	1 October 2019
Phase 2 - Fabricate	Oct - Nov 2019 (TBC)
Phase 3 - Install	Dec 2019 (TBC)

## **Attachment 1: Background – Creating the Northern Beaches Identity**

- Created in 2017 in collaboration with our community
- [Creating the Identity together](#) (video)
- 2000+ community members involved
- Key input from the Implementation Advisory Group (IAG) and Local Representative Committees (LRCs)
- The consultation process
  - Targeted community workshops & interviews - ie youth, Businesses, IAG and LRC and indigenous representatives
  - Community Advisory Panel and Staff Ambassador Group
  - Manly Daily advertisements inviting residents to partake in the process
  - Online survey to test and refine creative elements
  - Pop ups at Manly Food and Wine Festival, Warriewood Markets, Frenchs Forest Organic Markets, Avalon Village and Dee Why.

## **Attachment 2 – SRG Engagement Approach Input**

### ***Feedback from Participation and Partnerships SRG (Sept 2018)***

Comment	Response
What about Wharves?	The Wharves will be phase 2 along with Place and Suburb markers.
How will we acknowledge Traditional Owners?	We will work with the local community to determine suitable acknowledgment. This is complex in our area
Comments on Community Engagement approach	<ul style="list-style-type: none"> <li>• Mixed views on level of community input: Community already input on the brand – not interested, others will love to know about it, huge impact</li> <li>• Community should be asked for feedback not just choose an option</li> <li>• Anyone could join an SRG, the SRGs should be involved in the process</li> <li>• Why do we need to consult – they are replacements</li> <li>• Just do it</li> </ul>
Why are staff involved in the design?	The RFT needs to be assessed. The scope needs to meet a range of criteria that needs Specialist input.
Design:	Everyone has a different view – will be hard to get everyone to agree. Do something that people are going resonate with
Funding	Make community fully aware of where the money has come from
Will they look like the coast walk signage and tie in?	No, they are separate design process that needs to meet many mandatory RMS requirements.

### ***Feedback from Participation and Partnerships SRG (May 2019)***

A project update was provided including internal specialist working group and an update on the tender procurement process. The appointment of a successful tenderer will be determined at the May 2019 Council meeting.

The members were asked for feedback on the engagement timeline, workshop outline, criteria for assessing designs and attendees.

It was agreed that all SRG members, including Councillors, would be invited to a special workshop in July. The group suggested that only one evening workshop would be necessary.

### Attachment 3 – SRG Design Workshop 1 Feedback

Design 1 Comments		
Like	Change	General
The curves	The angular line at the top is distracting, it takes the eye away from the logo	The material is overused - I would like to see powder coated steel and one of our colours and a coloured logo
The cleanliness. The fact that is appears to address the considerable structural constraints	The lack of "welcoming" colour. Too rigidly perpendicular (which is addressed in designs 2 & 3) Any sub wording is unreadable.	Should be just "welcome" and why not bookend with the culture & heritage "hand" and happiness (lips) elements.
The curved metal.	larger text - Indigenous message	reverse message on white logo on black
Acknowledgment of traditional owners	White logo on black. Will the text be legible?	Unfussy, feels like it fits with the broader contemporary (+ traditional) design elements of infrastructure / housing on the Northern Beaches. Very conservative. Is it too bland? Safe. Not exciting. Does this reflect the beaches values?
Corten profiled slats are interesting but to shape the elevation and section is in my view "trying too hard"	Simplify. Change the curve to an angled line - curve fights continuity of design.	Wording on the back page - idea is inclusion: The people of the Northern Beaches welcome you to this (our) place and acknowledge the traditional owners of this land (just a start)
Cleanliness of the design. Not too complicated. Clarity of the NB logo.	Consider using colour in the slatted areas.	
Corten (rust) look is appealing. Anti-Graffiti technology.	Rectangle is not a natural look.	The welcome message should be welcoming and inclusive.
Clean and bold. The look will change with sun and light.		Whilst I am a supporter of, and understand, the traditional owners message, the region is more than the traditional owners. I do not find the sign particularly welcoming.
Like the aboriginal welcome	Too boxy. Change the black & white to colours eg green @ MV road. Blue @ Spit & purple @ Roseville	Add a farewell on the back - Thank you for visiting.

Design 2 Comments		
Like	Change	General
the logo but much larger	the colour and enlarge the logo. The design is too angular	the angles do not reflect the Northern Beaches
cleanliness. Addresses the considerable constraints more welcoming that design 1 because it is less rigidly perpendicular	like the suggestion of a partial vignette (bottom to top or top to bottom) of a colour on the current black panel.	Should be just "welcome" and why not bookend with the culture & heritage "hand" and happiness (lips) elements.
like the inside aqua coloured area	Curved edges would go with logo. Replace the timber look panel with the same blue.	Agree - explore options ie use of gradients of selected colours.
Acknowledgment of traditional owners. White logo on black.	Remove trim and make the remainder larger. Black logo on white? Better visibility in-situ? Size/ legibility of text.	Looks like a trophy/ award. With some minor design changes this is the strongest option. Has energy. Boldest option. Challenges. It grows on you.
Most elegant design. Frame is unnecessary though. I like the justification from one man that the void created by the frame - shows the country beyond	Base as a material that is "of the earth". I think corten qualifies for this.	Corten is more natural. Just the inside elements are quite strong.
Like the void space, the 2 contracting areas.	Consider using colour other than black behind the logo or in textured area.	Vary the underside colour depending on location. Colours for each area - Blue for spit, Green for Mona Vale Rd etc. This design is my favourite.
The aqua teal colour in the design. Anti-graffiti technology.	Shape looks like a trophy. Not a natural look.	Blue colours?
	It is the angular shape which I do not like.	Looks like a Perspex trophy. Will age.

I like the void space.	Don't like the black. Prefer the blue for spit, green MV road, yellow/ black or something else relevant.	Thank you for visiting on the back.
------------------------	--	-------------------------------------

Design 3 Comments		
Like	Change	General
This is the most appealing shape due to the curves	the lack of colour. the logo needs to be much larger	possible reverse the b/w ie logo white on black. Slats coloured from the palette
Cleanliness. Addresses the considerable constraints. More welcoming than design 1 and perhaps more than design 2.		Should be just "welcome" and why not bookend with the culture & heritage "hand" and happiness (lips) elements.
Like the acknowledgement. Looks like a sailboat Like that the edges aren't sharp	White logo on black. Looks too much like shutters.	Is the edge sharp?
Simplicity of colours / textures / finishes	white logo on black.	Doesn't feel representative of the Northern Beaches, Biz, resident, visitor, community. Feels like it focuses too much on the nautical aspect. Dated. One dimensional.
I think the graphics are obvious and ubiquitous.	materiality concerns me	is the material durable?
I like the shape of the sign.	The slats look a bit dated. Consider without slats.	
Corten (rust) colour. A bit of a wave shape. Sail shape.		Again. Welcome message needs to be welcoming and inclusive.
The frame loses me. Looks like wood but not. Least liked.	The design would work with the frame outline for the internal for option 2.	
Like the reflection of the sails. Please make worked larger.	don't like the aboriginal words. NB needs to be larger.	Thank you for visiting.

#### Other discussion items:

- Lengthy discussion re Aboriginal heritage, history, clans and language.
- Discussion re cleaning of Markers ie slats by high pressure hose.
- Mixed views on use of colour. Felt it would date quickly. Not recommended by contractor nor Design team. Referred to the adopted Style Guide.
- Discussion on including thank you for visiting on the back. Not generally supported by group.

#### Workshop feedback

- Contractors have done a good job with a tight, constraining brief. Well-presented and opportunity for open discussion.
- All good process.

#### Further Design Variations to be explored:

##### Amend Design 1:

- white on black
- softer edges / or angular (not mixed)

##### Amend Design 2:

- round off hard edges of the angles
- change background to black logo on white background
- change lower panel to corten / colour / black
- make logo and words bigger

##### Amend Design 3:

- graduate the slats width from top to bottom
- change panel from white to black

- change slats to Corten
- smooth edges of top left corner
- Make logo and words bigger



**Results from Workshop 1 feedback forms**

<b>Design 1</b>	A	B	C	D	E	F	G	H	I	Average
1. The design is timeless	3	5	4	3	2	4	2	4	2	3.22
2. The design is sympathetic with the environment	3	4	4	4	3	3	3	3	3	3.33
3. The overall design reflects the Northern Beaches identity	1	2	3	3	2	2	3	3	2	2.33
4. The logo should be larger within the overall design	5	3	3	1	1	2	4	4	5	3.11
5. This design appeals to me	3	2	4	3	2	3	3	3	2	<b>2.78</b>
<b>Design 2</b>	A	B	C	D	E	F	G	H	I	Average
1. The design is timeless	2	5	4	3	3	4	2	3	3	3.22
2. The design is sympathetic with the environment	2	5	4	2	3	3	2	3	4	3.11
3. The overall design reflects the Northern Beaches identity	2	4	3	1	3	3	2	2	3	2.56
4. The logo should be larger within the overall design	5	3	5	1	2	2	3	4	4	3.22
5. This design appeals to me	1	5	3	2	3	4	2	2	3	<b>2.78</b>
<b>Design 3</b>	A	B	C	D	E	F	G	H	I	Average
1. The design is timeless	2	4	3	2	1	2	3	2	4	2.56
2. The design is sympathetic with the environment	1	5	4	2	1	3	4	4	4	3.11
3. The overall design reflects the Northern Beaches identity	1	4	3	2	2	3	4	3	5	3.00
4. The logo should be larger within the overall design	5	2	4	1	1	2	3	3	3	2.67
5. This design appeals to me	2	5	4	2	1	2	3	2	5	<b>2.89</b>
<b>Show of hands First Preference</b>										
Design 1	1									
Design 2	4.5									
Design 3	3.5									
	<b>9</b>									

#### **Attachment 4 – SRG Design Feedback Workshop 2 and online survey**

Design Variations of Concept 2	First	Second	Third	Fourth	Fifth	Total	Average
Concept 4 (View)	5	4	6	4	1	20	2.9
Concept 22 (View)	5	8	0	4	2	19	2.7
Concept 23C (View)	0	12	6	4	0	22	3.1
<b>Concept 23D (View)</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>24</b>	<b>3.4</b>
Concept 23E (View)	5	4	9	0	2	20	2.9

Number Pts first = 5, fifth = 1

#### **Comments**

1. Fabricated steel RHS sub frame could be simplified. Create a more elegant profile by deleting the "stub" sub frame. As per sketch.
2. I have preferenced the bright metal frame exterior surface with green interior surface because (in situ) this optimises the visibility of the sign shape and impact. The black frame exterior only stands out when viewed in limbo because it is the most stark against a bright, pale background. To make as close as possible assessment of the how the signs will stand out on location, compare the 'WARRINGAH ROAD' mock-ups: the black frame exterior shape loses much of its impact when against a dark foliage background. (Being able to look at the various mock-ups, side-by-side on screen, has been a big help in assessing what will best stand out in practice.)
3. Concept 23D has too much black and I prefer the wood/lighter colour base in the first few options. I don't feel black is a welcoming colour for people seeing this as the come into the area.  
Please consider changing the blue colour depending on area as previously suggested. eg blue at spit, green at Mona vale rd etc.

#### **Attachment 5 - Design Constraints and Considerations**

- Display the Northern Beaches Identity
- In-line with the adopted Brand and Style Guide
- Locations on RMS managed roads, some in high speed areas (60, 70 & 90km/hr)
- Safety requirements –Signs placed close to a State controlled road need to be **frangible**. A structure is frangible if it breaks, distorts, or yields on impact so as to present a minimum hazard.
- Cost – funded from NCIF for this purpose
- Installation - Traffic Management Plan (main road lane closures required)
- Technical requirements – construction, materials, durability
- Site constraints –remote, set back, underground & overhead site analysis, height, location dimensions and space
- Maintenance requirements, environmental impacts and resistant to vandalism/graffiti.
- Structural design & certification for all structural elements ie base slab, plinth/ footings etc.
- Landscaping – remote bush area, ongoing landscape maintenance, in keeping with site

# SINGLETON MOORE SIGNS

## Northern Beaches Council

Final Design - Preliminary Construction & Landscape Drawings  
16th September 2019

Issue 1



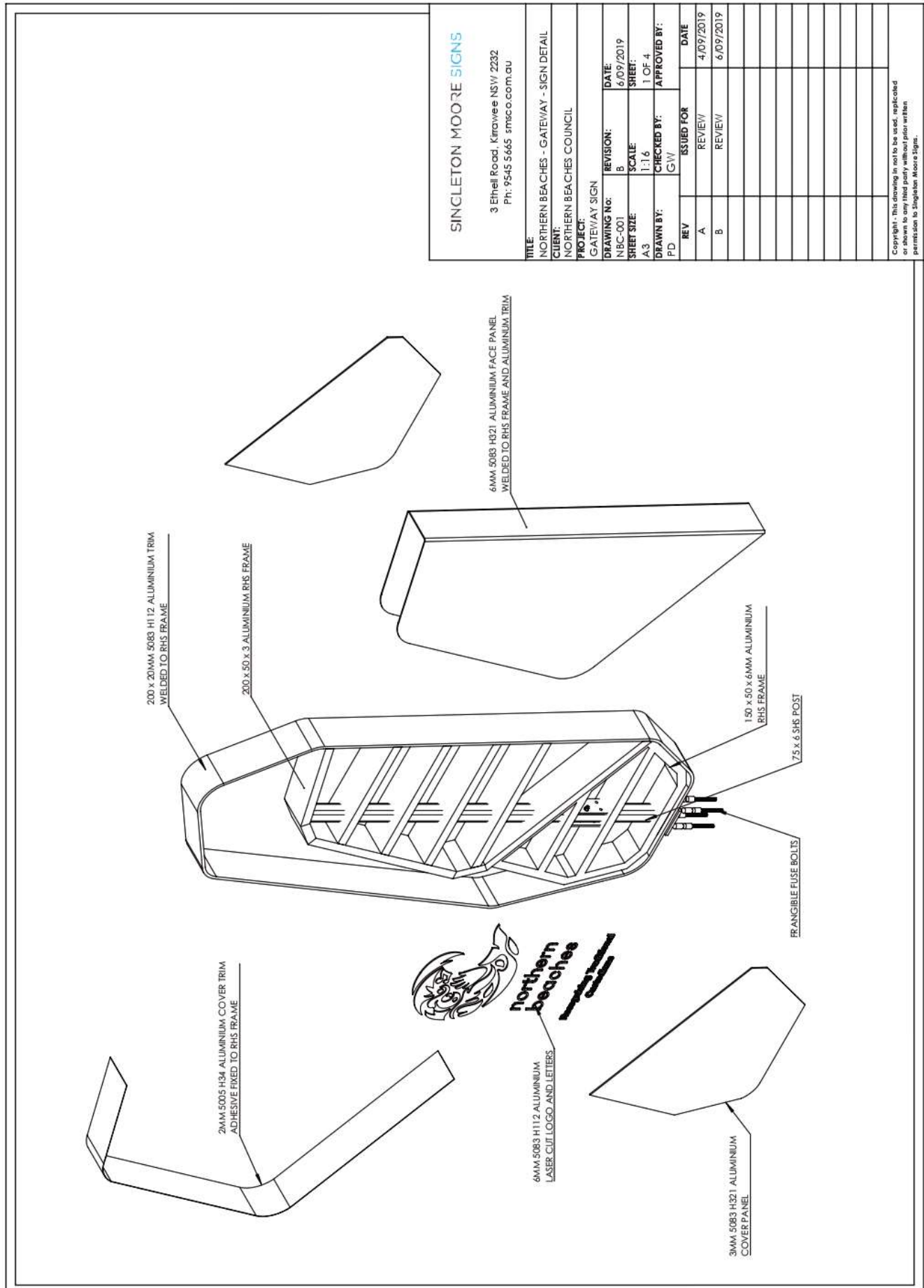
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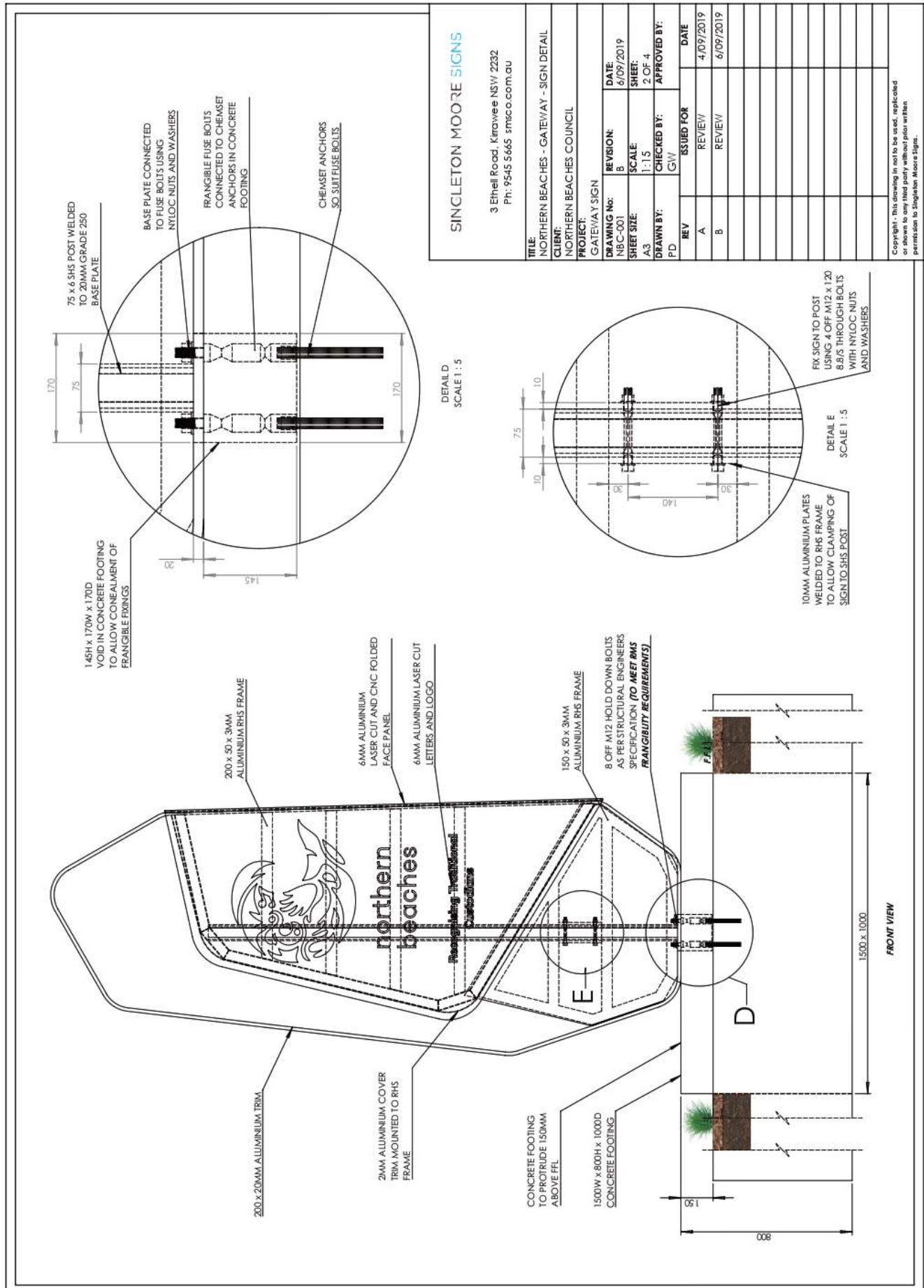


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3 Ethell Road Kirrawee





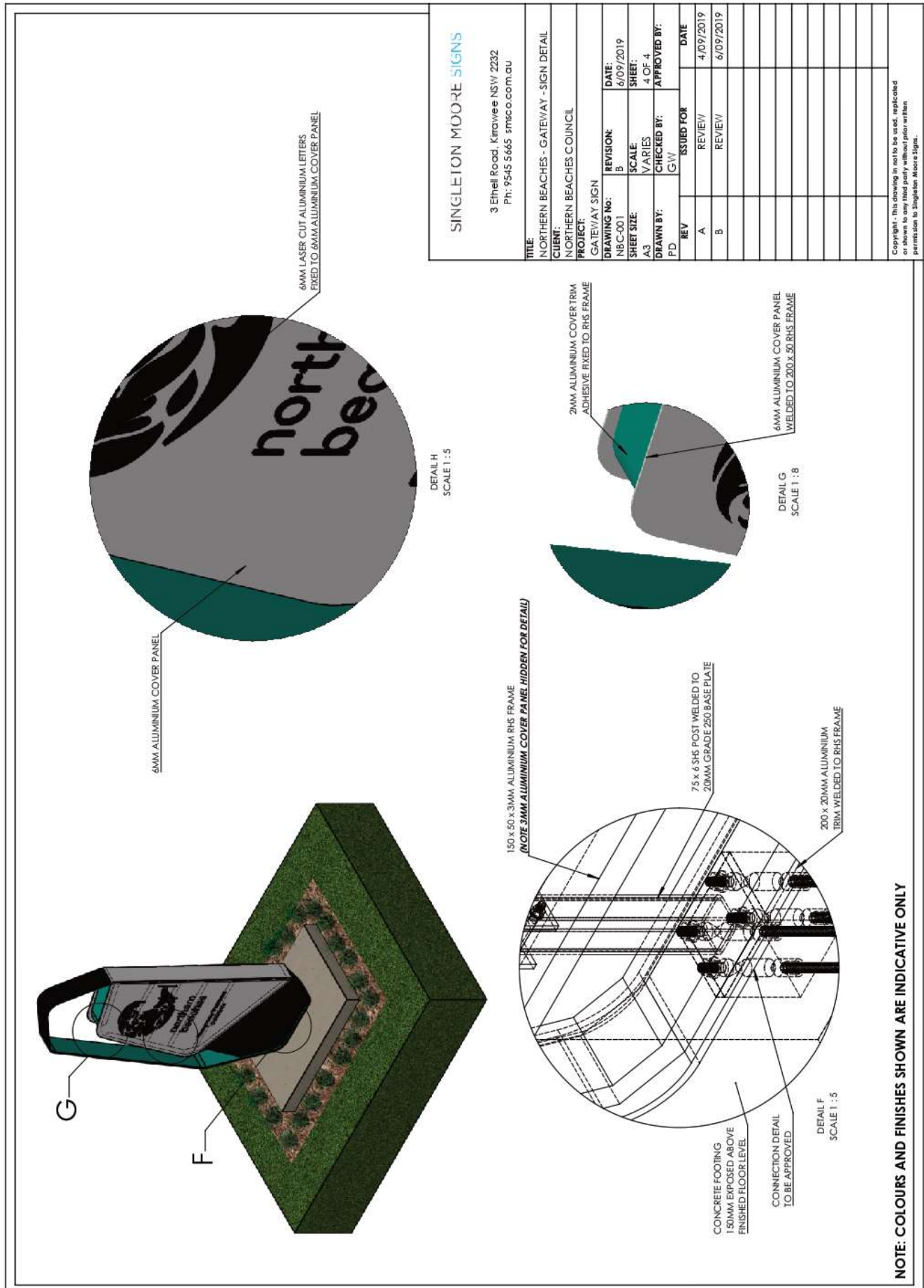


3 Ethell Road, Kirrawee NSW 2232  
Ph: 9545 5665 [smsco.com.au](http://smsco.com.au)

[illegible]

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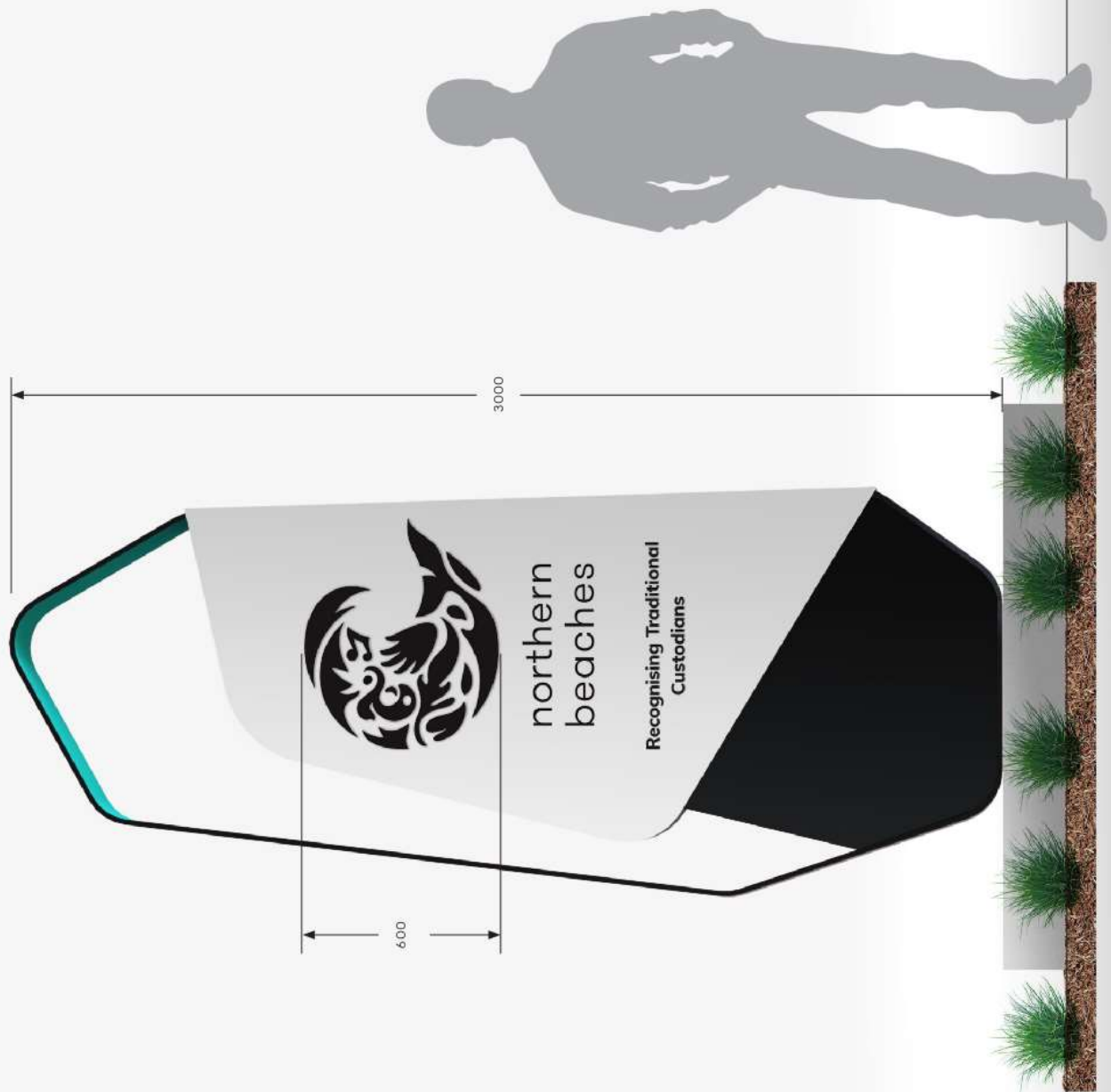








Final Design



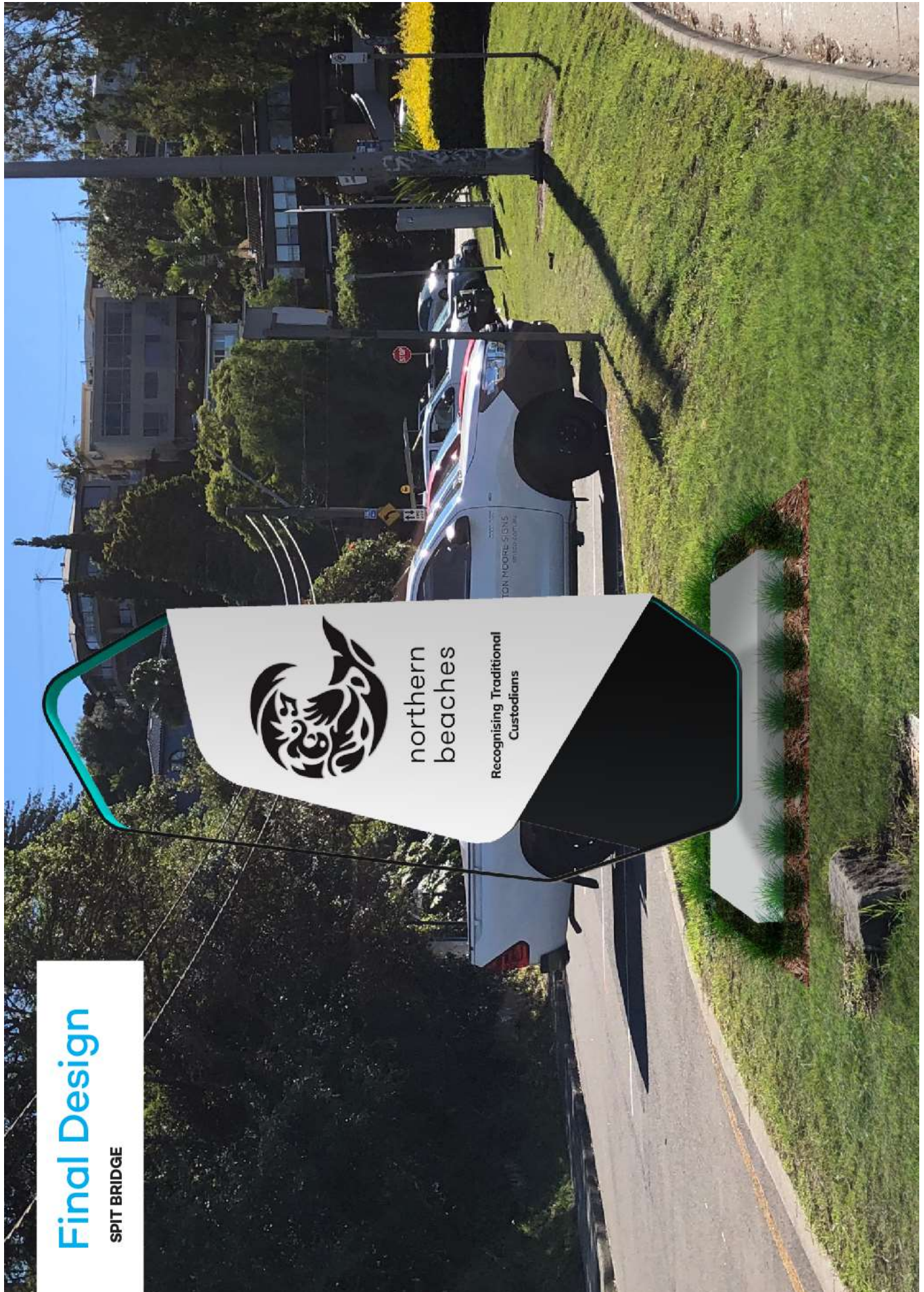




**Final Design**

MONA VALE ROAD

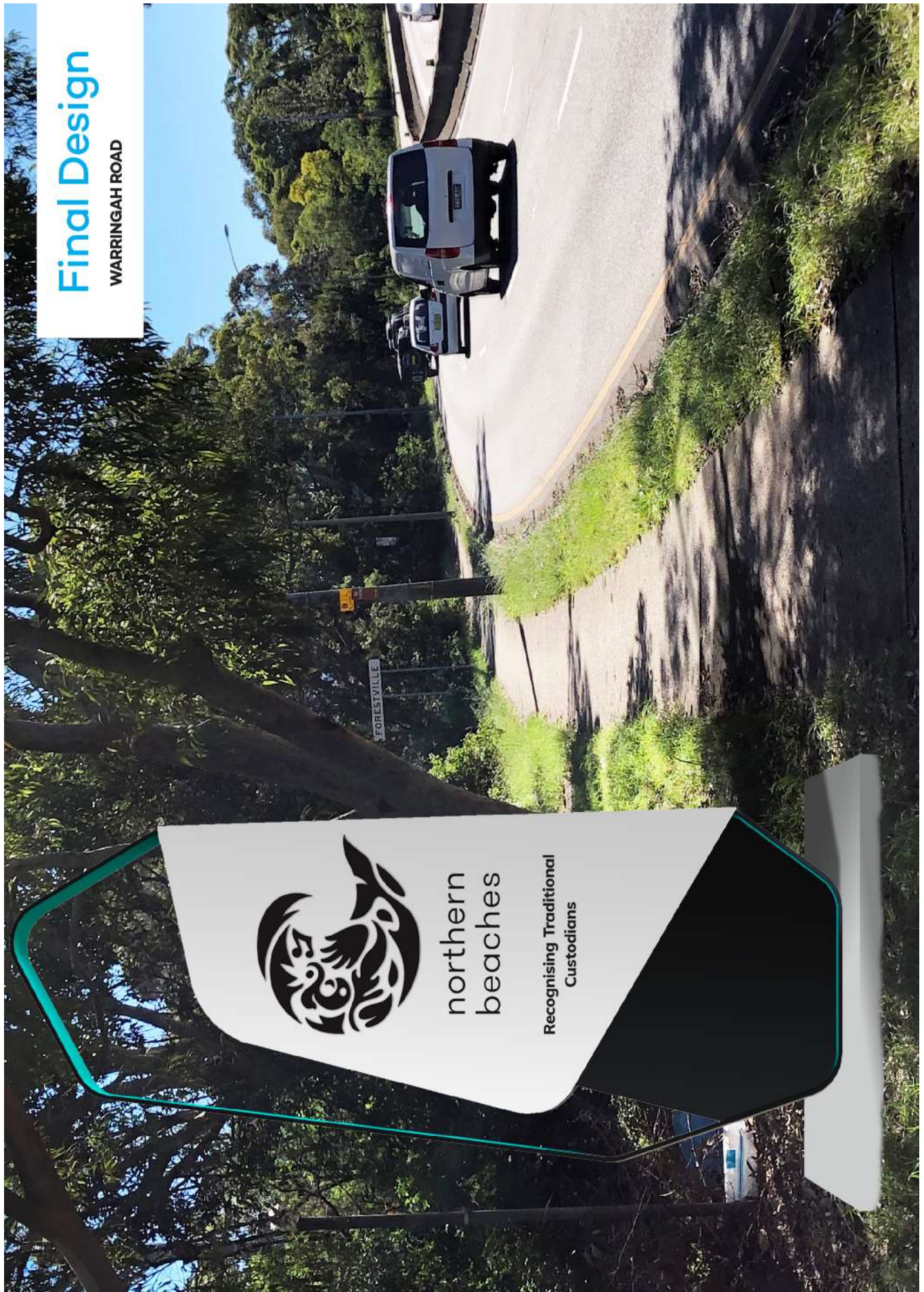




**Final Design**

SPIT BRIDGE









Protect. Create. Live  
Draft Northern Beaches Environment  
and Climate Change Strategy 2040

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## Acknowledgment of Country

We acknowledge the traditional owners of this land and elders past, present and future. We recognise Aboriginal people as the original custodians of the Northern Beaches.

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## Message from the Mayor

We are extremely fortunate on the Northern Beaches to have a natural environment that features rare flora and fauna, coastal beaches, harbours, lagoons, catchments, waterways and extensive bushland.



All of this literally on our doorsteps, or in our backyards. It is undeniably what makes us special, supports our health and active lifestyles, connects us and is what we value most about our region. It supports a diverse economy, including a rich tourism and recreation industry.

Our built environment is improving the way we get around with better bike paths, rapid bus networks and greener buildings. Look around and you will see more and more rooftops supporting solar panels, more people carrying keep cups and more electric vehicles on our roads.

Our environment is in many ways amazing and diverse, but it still faces a host of challenges. Population growth and accompanying development, consumption patterns and the adverse effects of climate change all pose threats to our environment.

The Protect. Create. Live – Environment and Climate Change Strategy was developed with extensive consultation with the community, and reflects its values. It provides a roadmap for how we can shape a bright environmental future by addressing the challenges and embracing opportunities. It will guide planning decisions, policy making and identifies strategies for helping improve and protect our environment.

This strategy includes:

- Protecting the environment that we have, the health of our waterways and beaches, the diversity in our plants and animals and the extent of our bushland.
- Creating a sustainable built environment that connects people together and with the outdoors.
- Helping people to make sustainable living choices everyday, like reducing car use, purchasing green energy and producing less waste.

Northern Beaches Council will act as a role model for our community by adopting ambitious corporate commitments and driving change in our community.

This strategy will guide our community to act now to tackle the challenges our environment faces and protect it in the long term. It will protect our extraordinary nature, create a better built environment and a brighter future.



Michael Regan, Mayor





## Summary

Protect. Create. Live – Northern Beaches Environment and Climate Change Strategy 2040 is our plan for a healthy and diverse natural environment that is respected, supported and celebrated. It defines key strategies for how we live well in the built and natural environment.

The unique natural environment of the Northern Beaches stretches over 254km<sup>2</sup> from Port Jackson to Broken Bay and Pittwater, and out to Middle Harbour and Cowan Creek. Our land and water environments are home to diverse and rich flora and fauna and are a key part of the identity of the Northern Beaches.

We are committed to delivering real reductions in the way we use our resources, improvements in how we protect and access our natural areas and how we build and design our neighbourhoods. We have included commitments and aspirations for the whole community to work towards together to focus our efforts, keep us on track and measure our progress.

The strategy is built around three major directions:





## Vision

The community developed Shape 2028 Northern Beaches Community Strategic Plan with a clear focus on the environment as shown in the community outcomes:

*“We aspire to protect the natural and built environment from the risk and impacts of global and local pressures”*

*“We aspire to be leaders in managing our resources sustainably and for the long term ensuring that development is balanced with our lifestyle and environment”*

This strategy, including our goals, commitments, aspirations and strategies, were developed with input and feedback from stakeholders, including Council's Environment Strategic Reference Group, and the community through workshops and focus groups. The commitments we have chosen are ambitious, and our

aspirations even more so, as they need to drive the urgent action needed to address the challenges our environment faces. The commitments were selected to help us reach our goals. They are memorable, meaningful and measurable and act as indicators for their respective themes.



### Strategy Time Line



## Commitments

Our commitments are ambitious but achievable. We will aim to meet these by the years listed, if not before. The Protect. Create. Live. commitments are for our entire Northern Beaches Community to work towards together.

## Aspirations

Our aspirations are where we would ideally like to be and aim to accelerate action and inspire innovation wherever possible

**"A healthy environment goes hand in hand with economic growth and jobs, and is an indispensable foundation for sustainable development."**

**EUROPEAN UNION COMMISSIONER KARMENU VELLA**

Council will use this strategy to direct our future planning, actions and resources. It will direct our efforts in advocacy and partnerships with key agencies to deliver the community's aspirations for a more sustainable future.

To realise our vision we need everyone to take action and do their bit. Council will work closely with our community, our key partners and stakeholders to protect, create and live in our extraordinary Northern Beaches.



## Our Strategic Line of Sight

The environment and our effects on the environment don't stop at our local government boundaries, we therefore have a responsibility to also consider international, Federal and State Government targets in what we do locally. This strategy aligns with the following:





## Our Plans

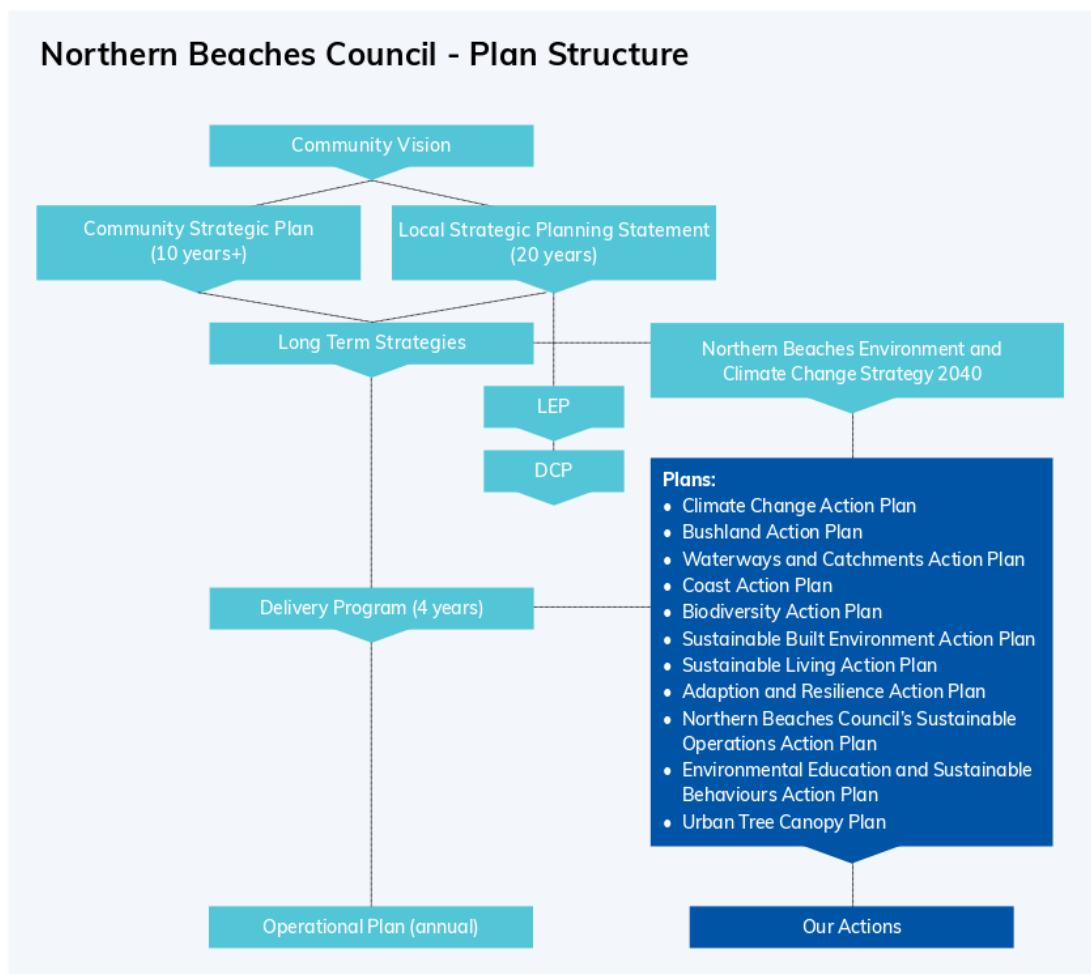
This strategy provides a long-term vision (20 years) for the environment on the Northern Beaches.

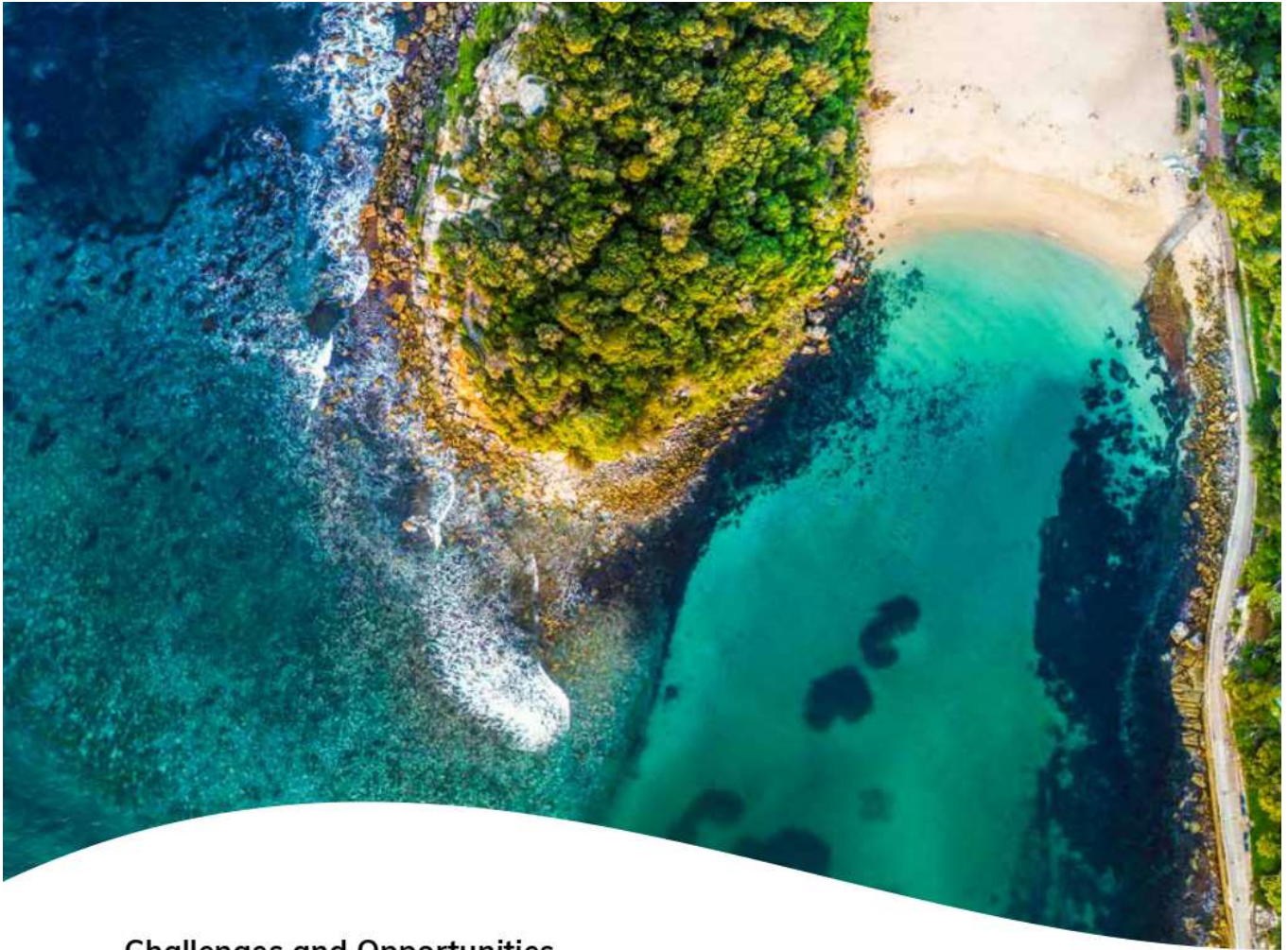
It will be supported by short term action plans (4 years) which will provide more specific detail on what will be done to achieve the goals, commitments and aspirations in this strategy.

Our new planning framework provides a platform for achieving our community's vision for the Northern Beaches – 'a safe, inclusive and connected community that lives in balance with our extraordinary coastal and bushland environment'.

This strategy will help us deliver the Protection of the Environment and the Environmental Sustainability

community outcomes within Shape 2028 – The Northern Beaches Community Strategic Plan. The strategy has also been developed to help us deliver the sustainability objectives of the Paris Agreement, the Greater Sydney Region Plan and priorities of the North District Plan; the United Nations Sustainable Development Goals and the Resilient Sydney Strategy. It aligns with our new Local Strategic Planning Statement which bridges the gap between Regional, District and Local Plans and informs our strategic land use planning and development controls.





## Challenges and Opportunities

Our environment faces a range of challenges, many of which are global challenges, with threats that we must actively manage locally. Our climate is changing rapidly, our cities are growing and technology is transforming the way we live, work and play. We have access to more information than ever before and with this diverse opportunities to do things differently, to do them better.

### Climate Change

Climate change is already affecting the way we live. It will continue to impact both our natural environment and the liveability of the Northern Beaches and demands urgent local and global action. We must take the opportunity to work collaboratively with the community and key stakeholders to accelerate action to reduce risks and address long term predicted effects of climate change, including impacts from sea level rise




and frequency of extreme weather events, bushfires, coastal storms, floods and drought.

Climate change is affecting biodiversity and water quality as ecosystems respond to increased temperatures. Heatwaves will impact public health, and we may see changes to insurance premiums and maintenance and repair costs.

## Impacts of Climate Change



Adapted from NCCARF Coastadapt infographic

<p>The climate has already changed. More change is unavoidable as it is locked in to the climate system from past emissions.</p>	<p> <b>1°C</b> Oceans around Australia have warmed by around 1°C since 1910</p>	<p> <b>0.19m</b> Increase in global average sea level between 1901 and 2010</p>	<p> There has been a decline of around 11% in April-October rainfall in the southeast of Australia since the late 1990's</p>
--	--	--	---

Adapted from Australian Government, 2015 and BOM 2018



## Climate Change Mitigation

Greenhouse gas emissions drive climate change with emissions being generated through electricity and gas usage, transport choices and waste generation. As a community the Northern Beaches contributes almost 2 million tonnes of emissions from these sources annually.

Our first priority as a community is to commit to mitigating the future impacts of climate change by reducing our emissions. We will do this by changing the way we live, how we develop and by adopting creative solutions.

It is also important that we think about the emissions created in producing and transporting the food we eat, clothes we wear etc. and we aim to reduce over consumption and waste of food (IPCC, 2019).

Australia signed the Paris Agreement in 2015 and committed to limit global temperature increase by the end of the century to 2°C and strive to limit it to a 1.5°C increase. To do this we need drastic and immediate change (IPCC, 2018).

At a local level on the Northern Beaches we acknowledge the seriousness of this task. We believe it is imperative that we put significant local effort into reducing our emissions to prevent more severe climate change. This is reflected in each section and every theme of this strategy, within the ambitious commitments and even more so in our aspiration to strive to achieve net zero emissions by 2030.

## Climate Change Adaptation

The global nature of climate means that we are already experiencing change and that some level of change is unavoidable (IPCC, 2018). Past emissions remain in the atmosphere for decades and during this time continue to cause temperature increase, essentially locking future change into the system.

“Climate change adaptation helps individuals, communities, organisations and natural systems to deal with those consequences of climate change that cannot be avoided.”

-AUSTRALIAN GOVERNMENT, 2019

It is critical we prepare for the changes already locked into the system. We do this by being prepared for what is to come and adapting the way we design and build our structures today. These buildings, roadways, stormwater pipes, seawalls etc. will stand for the next 50 to 100 years, so they need to be able to withstand the future impacts.

## Population Growth

Like the rest of Sydney, the Northern Beaches is growing. By current trends, an extra 39,000 people will call the Northern Beaches home over the next 20 years. It is expected that our population increase will come from residential expansion, as there are large numbers of older children (late teens, twenties and even thirties) expected to leave home over the coming years, and from in-bound migration, most notably from overseas, as well as areas to the south (profile.id, 2019).

Each year the Northern Beaches attracts nearly 3 million domestic and international visitors. Visitors are enticed here by the area's natural beauty and are an important part of our economy.

We know that development can put significant pressure on our environment. This includes the impacts that come from increasing consumption and an expanding urban footprint. We need to make sure that we manage any growth so it occurs in the right locations and is supported by sustainable infrastructure. If we don't change the way we live, in particular the amount we as individuals and collectively as a community consume, then we will not be able to achieve our goals and commitments in this strategy.

To address this challenge, we need to:

- plan for local jobs;
- ensure housing is both suitable and sustainable;
- provide suitable supporting infrastructure;
- protect our natural environment.

Our transport network remains a key infrastructure challenge. You can view the community's aspirations to reduce trips by car, increase trips by public transport and in turn reduce our carbon emissions from transport by 30% in our Move: Northern Beaches Transport Strategy.

Where growth is needed, we will design our new houses, offices, industries and public infrastructure to be sustainable and resilient and to create liveable communities that integrate the built and natural environment.

## The Relationship Between Adapting to Climate Change and Emissions Reduction

Climate change mitigation means reducing or avoiding greenhouse gas emissions to minimise the rate and magnitude of climate change

Climate change adaptation means taking steps to prepare and respond to the effects of the changing climate

### Ways to Mitigate

#### Enhancing Energy Efficiency Lighting

uses 8-15% of the average Australian household electricity. Switching to LED's can significantly reduce energy usage

#### Increased Uptake of Renewable Energy

19% of Australia's electricity came from renewable sources in 2018

#### Improvements in Industrial Processes

For example improved maintenance and operation of boilers can reduce energy use by up to 5% in steam, hot water and process heating systems

#### Increased Uptake of Sustainable Transport

21% of people in Sydney usually travelled to work by public transport in 2016

#### Enhancing Carbon Sinks

A carbon sink is anything that absorbs more carbon than it release. Bushland, soils, oceans and the atmosphere can act as carbon sinks



Environmentally-responsible building design



Mangrove and saltmarsh planting and restoration of catchments



Water Conservation



Urban Growing

### Ways to Adapt

#### Changing The Use Of Land

Can protect buildings and infrastructure from existing and new hazards and can allow for changes in the landscape

#### Upgrading or Hardening the Design of Buildings and Infrastructure

CSIRO work on wind design standards for all new housing can reduce the risk of damage from wind by 50-80%

#### Adjusting Activities and Lifestyle

To manage increasing heat some sporting organisations are changing the time games are played, to avoid the heat in the middle of the day

#### Emergency and Business Continuity Planning

Even without factoring in climate change, the total economic cost of natural disasters in Australia is forecast to rise to \$23 billion annually by 2050

#### Increasing Community

**Understanding of Climate Risks:** To build capacity in the community to adapt to the changing climate

Some actions can have mitigation and adaptation benefits





## Influences

Our environment faces a range of challenges, many of which are global challenges, with threats that we must actively manage locally. Our climate is changing rapidly, our cities are growing and technology is transforming the way we live, work and play. We have access to more information than ever before and with this diverse opportunities to do things differently, to do them better.

### Politics and globalisation

Global politics, megatrends and financial movements can have strong influences locally. Climate change policies and pledges, carbon pricing and financial trade markets are some examples that have the potential to impact the ability to successfully deliver this strategy.

Federal and State government policy changes impact our ability to meet our local commitments. Council will advocate on behalf of the community to deliver our commitments.

### Technological Change

Driverless cars and electric vehicles are on their way. Smart city advances are fast tracking decentralised power grids, intelligent building management, and transforming how we communicate. Drones and remote mapping technologies are already being used to manage our natural areas.

We already have access to large amounts of data and this continues to grow. Technological innovations are transforming rapidly and we have an opportunity to respond and adopt these to make smarter decisions and allocate resources more efficiently.



### Council's ability to influence

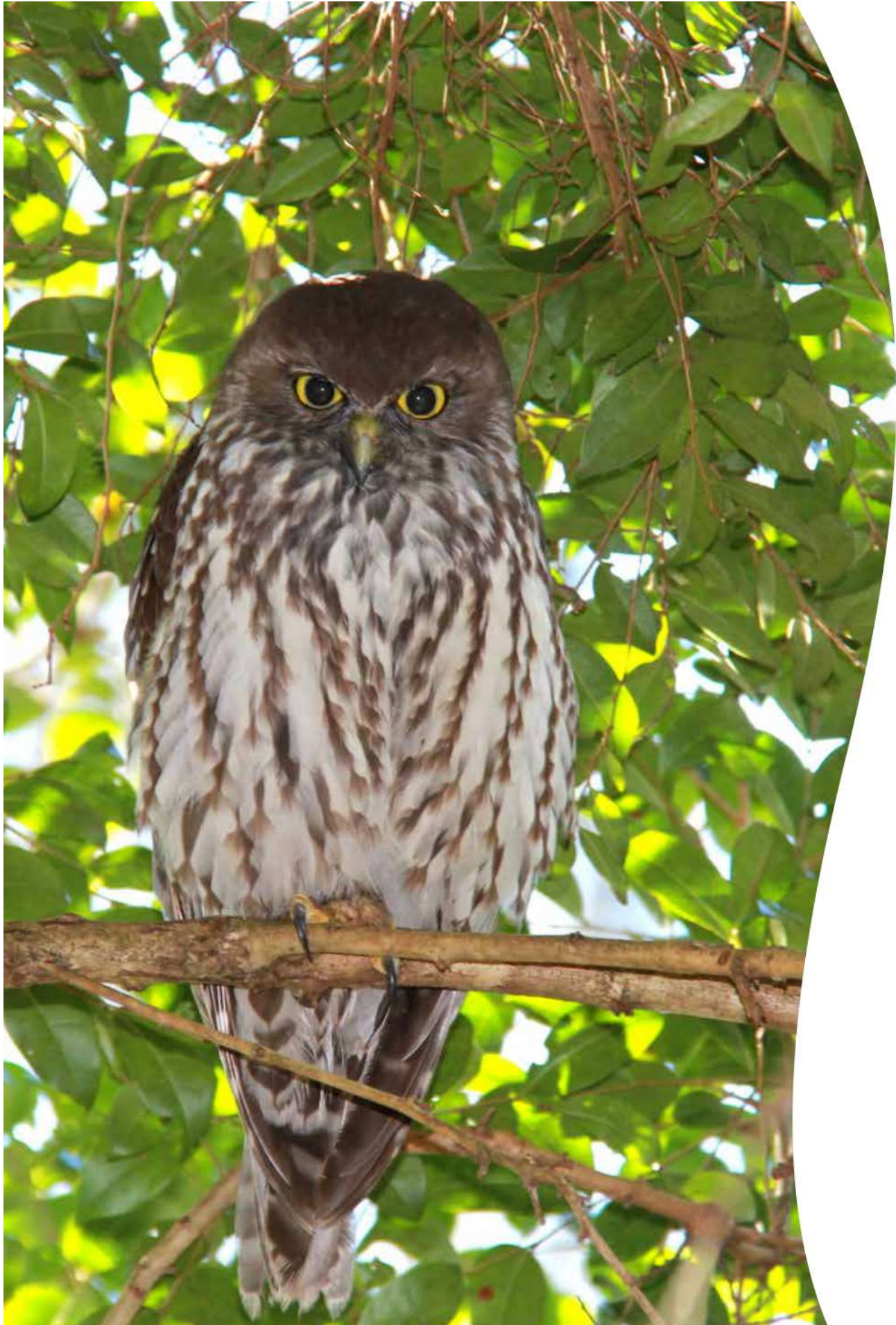
The level of influence Northern Beaches Council has varies. However Council can play a key role in our community to reduce barriers, influence people's attitudes and transform behaviours to facilitate change. Council will use these guiding principles to maximise our impact and drive the change needed to achieve our goals:

- **Advocacy:** Council will lobby and advocate on behalf of our community to ensure that local, state and federal policies reflect and enforce the efforts needed to tackle climate change and protect our environment
- **Education:** Council will work to educate the community on our extraordinary natural environment, how climate change and the way we live impacts it and why it is important that it is actively protected and enhanced
- **Leading by example:** Council will embed sustainability in our own business practices. We will trial new technologies and approaches and facilitate and accelerate uptake in our community. Council will undertake projects to reduce emissions and support and enable our community to do the same
- **Key levers:** Council will use the key levers of the Local Strategic Planning Statement, Local Environment Plan, Asset Management Strategy and our Long Term Financial Plan to ensure we meet the commitments in this strategy
- **Funding:** Council will deliver the strategy as a priority across its diverse portfolio. This will be done with consideration for quadruple bottom line responsibilities to balance the environmental, social, economic and governance outcomes. Council will seek opportunities to access grant funding and leverage external sources of funds to increase our impact
- **Engagement and collaboration:** Council will engage and collaborate with our local environment groups, volunteers, stakeholders, the community and other change makers to leverage the great work they are doing to amplify the collective impact. This will include embracing innovation and motivating and inspiring the community to achieve behaviour change

It will take mobilising our entire community to achieve the goals, commitments and aspirations in this plan. Collaboration, engagement and education has been incorporated throughout the themes to ensure the natural environment is protected, valued and enjoyed by our community, and the community is motivated, inspired and supported to live more sustainably.







## **Protect:** **Our Natural Environment**

The natural environment is key to our Northern Beaches bush and beach identity and is made up of our bushland, waterways and catchments, coastline and marine waters. A healthy environment is vital to our everyday lives and contributes to our lifestyle and quality of life.

Our natural environment is under pressure every day in many ways, from pollution, development and invasive species. It is vital that we act now to avoid future impacts from climate change, and take steps to build resilience for the changes that are already coming.

We will drive behaviour change to protect our environment through our Environment Centres and programs and use planning controls to achieve environmentally sensitive developments.

We are the custodians of our ecosystems, our plants, animals and waterways. It is up to us to protect their abundance, extent, diversity and quality. If we do this we will protect our natural environment for its intrinsic value and ensure that future generations will be able to enjoy living, hiking, biking and paddling in our extraordinary nature.



## Theme 1: Bushland



### Background

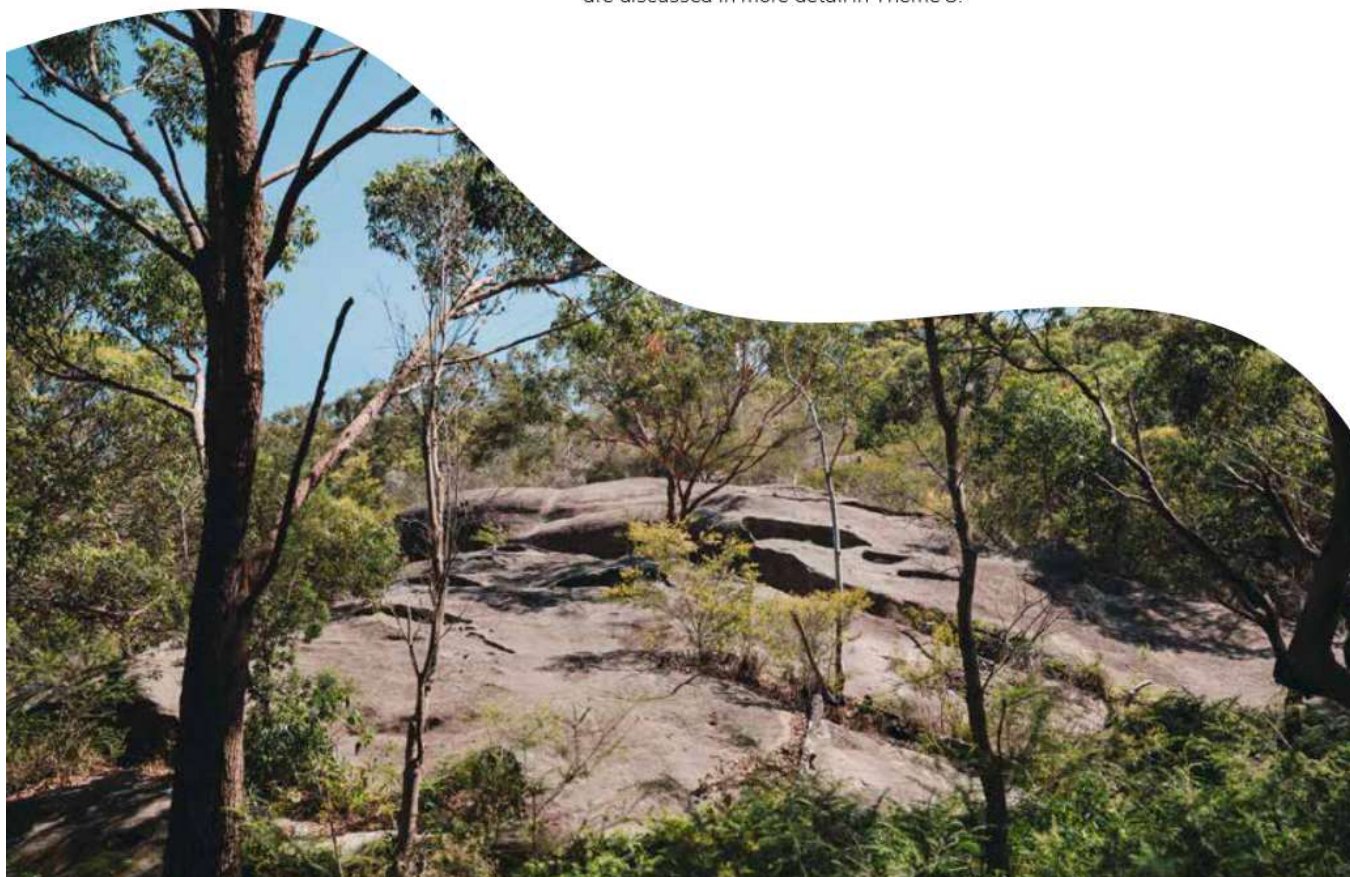
Our bushland is made up of many native plant communities which together cover 155km<sup>2</sup> of the Northern Beaches. The bushland is vital habitat for our native animals from the threatened Eastern Pygmy Possums and Powerful Owls, to the more common Ring Tail Possum and Swamp Wallaby. The plants in bushland areas clean our air and together with the soil, filter the water running into our waterways and act as our very own carbon sink.

Our bushland is under continual pressure from existing and expanding development. Development is reducing the amount of bushland we have and increasing the fragmentation of what remains. Climate change is also predicted to put stress on our bushland from more extreme weather

events such as storms, heat waves and changes in rainfall patterns leading to drought and bushfires.

Council manages 17km<sup>2</sup> of this bushland and a further 114km<sup>2</sup> is in the local national parks. The remainder of our bushland is found in state government owned land, schools, golf courses and in private ownership. With ownership in both public and private hands being able to balance competing priorities means it is important that Council works with our community and key stakeholders to realise our goals.

Council also needs to balance bushland management with the need to protect people and property from bushfire. This balance is important as about 1 in 5 properties in the area are affected by bushfire. Natural hazards including bushfire are discussed in more detail in Theme 8.





### Our goal

Protect and enhance the extent and quality of all bushland to preserve its unique value for future generations



### We aspire to achieve...

No net loss of bushland

### We are committed to...

- Maximising the retention of bushland
- Improving the quality of existing bushland
- Improving the connectivity of wildlife corridors
- Balancing bushland protection with the need for responsible bushfire management

### We will...

- Work to protect existing bushland and enhance its ecological value using best practice restoration techniques
- Protect our bushland and its associated biodiversity through strategic land-use planning and development controls
- Capture quality baseline data on our bushland and continue to monitor and report to the community
- Actively engage in partnerships, research and innovation opportunities to improve the way we do things
- Improve and manage sustainable recreational access whilst protecting environmentally sensitive lands
- Consider scenic and cultural landscapes and heritage in strategic land-use planning, development controls and when undertaking works
- Motivate, inspire, educate and support our community and stakeholders to value, protect and enhance our bushland, including facilitating environmental volunteering
- Work to prevent unlawful actions, such as illegal clearing and dumping, and reduce pollution by implementing enforcement and compliance activities to protect the bushland from destruction
- Promote more wildlife friendly gardens



## Theme 2: Waterways and Catchments



### Background

Waterways and adjacent riparian areas support a variety of aquatic and terrestrial life, provide habitat and breeding grounds for many aquatic plants and animals and are an essential part of larger ecosystems. They are also an important part of the scenic landscape of our region.

The Northern Beaches' waterways are a mix of creeks, wetlands, lagoons, estuaries, groundwater and constructed waterways. We have seven major catchments that drain to our coastal lagoons, directly onto the beaches or into North Harbour, Middle Harbour and Pittwater.

Our lagoons, creeks and wetlands support Threatened Ecological Communities as well as a broad range of plants and animals. These include endangered species such as the Hairy Pipefish and the Bush Stone Curlew, as well as a number of migratory birds protected by international agreements.

Our waterway systems, including natural creek lines, the constructed stormwater network and all the associated structures used to be seen as just a way to take away nuisance water, the faster the better. This saw a preference for straightening creek lines and lining the channels with concrete. The increased speed of flow carries pollutants, including litter and plastics, from

gutters and roads to natural creek lines to waterways and to the ocean.

Now we value our waterways for their part in local and regional ecosystems, contribution to our own standard of living, and their aesthetic value. We want to restore our waterway systems to as natural a condition as we can. Allowing our waterways to meander and slow down the flow of water improves the water quality entering our receiving waters - our lagoons, harbours and beaches, as well as providing riparian and in-stream habitat.

There are significant challenges to balance the protection of our waterways with development while also considering the impact of flooding and erosion in these areas. Flooding and prolonged periods of drought from climate change will alter the natural flow patterns of our waterways. Through mitigation, we are doing our bit to reduce future climate change and protect our waterways. We need to embrace Water Sensitive Urban Design principles to improve the ability of urban environments to capture, treat and reuse stormwater. Bringing water into our environment also helps to cool our urban areas and reduce the impacts of the increased heat waves that we expect with our changing climate.





### Our goal

Our catchments and waterways will be healthy and resilient; valued and enjoyed by our community. They will be protected and enhanced as an integrated system; connecting built, natural and cultural elements.



### We aspire to...

Improve the condition of all our waterways

### We are committed to...

- Protecting our receiving waters and riparian areas
- Protecting and improving the condition of creeks and riparian vegetation
- Minimising threats to aquatic ecosystems
- Reducing the impact of urban runoff on our waterways
- Actively working to remove single use plastics and other litter from our network

### We will...

- Prioritise and implement works to improve our impacted waterways, including activities to minimise the impact of the natural environment on people and property
- Progressively improve our stormwater network so that we discharge to our waterways in an environmentally sensitive way without increasing risks to the community
- Protect our waterways with strategic land-use planning and development controls including water sensitive urban design
- Integrate the management of our waterway systems so that they better protect receiving environments
- Balance the way we manage our waterways to consider both improving the condition as well as minimising impacts of natural hazards
- Capture quality baseline data on our waterways and continue to monitor and report to the community
- Actively engage in partnerships, research and innovation opportunities to improve the way we do things
- Improve and manage sustainable recreational access whilst protecting environmentally sensitive lands
- Ensure scenic and cultural landscapes and heritage are considered in strategic land-use planning, development controls and when undertaking works
- Motivate, inspire, educate and support our community and stakeholders to value, protect and enhance our catchment and waterways
- Work to prevent unlawful actions, such as illegal discharges, by implementing enforcement and compliance activities to protect waterways from pollution and destruction

## Theme 3: Coast



### Background

We are the Northern Beaches and our iconic coastline, stretching from Manly to Palm Beach and round to Pittwater and Middle Harbour, is a large part of our identity. It is where we choose to spend a lot of our free time. We fish, swim, surf, snorkel, and paddle in our waters and trek, run and picnic along the coastal beaches and walkways. The coastal area includes the natural and built foreshore, our beaches, dunes, rocky headlands, cliffs, intertidal areas, marine waters, harbours, estuaries, and reefs.

Our 80km of iconic open coastline and 24 ocean beaches support five aquatic reserves, four intertidal protection areas as well as two national surfing reserves. It draws visitors from all over the world, which boosts our local economy.

History has shown us how susceptible our coastline is to erosion. Climate change is expected to bring more damaging coastal storms as well as a higher sea level. We need to manage current risks to the coast and mitigate future climate change by making more sustainable choices. Natural hazards including coastal erosion are discussed in further detail in theme 8.

Development on the coast needs to prepare for the changes we know are coming, as well as the other impacts on our coast like water quality and loss of dune vegetation.



### Our goal

Protect and enhance our unique coast and its processes to support a healthy natural environment and provide excellent recreation, views and amenity.



80km	Coastline
24	Ocean beaches
27	Coastal and public rock pools
36km	Coastal walkway
5	Aquatic Reserves
2	National Surfing Reserves
4	Intertidal Protected Areas

### We aspire to...

Ensure our coastal environment, amenity and processes are protected into the future

### We are committed to...

- Our beaches have the highest water quality rating
- Maintaining our beaches, headlands and rockpools to a high level of community satisfaction
- Maximising retention of natural coastal habitat and improve the quality of coastal vegetation
- Reducing the impact of urban runoff on the coast
- Actively working to remove single use plastics and other litter from our coast

### We will...

- Preserve the natural character from human activity using policy and strategic land-use planning and development controls
- Reduce pollution entering our coastal environment using best practice source controls, treatment measures and better detection systems
- Improve the condition of our coastal and marine environment using regeneration and habitat enhancement techniques
- Create inclusive opportunities for our community to enjoy the coast, by delivering high quality, sustainable, resilient and appropriate facilities whilst protecting environmentally and culturally sensitive lands
- Actively engage in partnerships, research and innovation opportunities to improve the way we do things
- Motivate, inspire, educate and support our community and stakeholders to value, protect and enhance our coastline
- Work to prevent unlawful actions, such as illegal clearing and development, by implementing enforcement and compliance activities to protect our coastline from damage
- Work to allow coastal processes to naturally shape the coastal environment through our policies, strategic land use planning and development controls



## Theme 4: Biodiversity



### Background

The Northern Beaches is home to an extensive diversity of plants, animals and microorganisms, living throughout our terrestrial, aquatic and marine environments. Together they form our rich biodiversity and make up complex ecosystems of soil, water, air, plants and animals that interact together.

**“I can’t imagine anything more important than air, water, soil, energy and biodiversity. These are the things that keep us alive”.**

DAVID SUZUKI

Biodiverse, healthy ecosystems provide the foundation for all life to thrive; they clean the air, the water and provide fertile soil. They also distribute fresh water, regulate the climate, provide pollination and pest control and reduce the impact of natural hazards (IPBES, 2019).

Both our natural and urban areas have their place in enhancing biodiversity and supporting an increasing number of threatened and endangered species on the Northern Beaches. Whilst our natural areas are critical in supporting most of our local biodiversity and threatened species, urban habitats including parks, tree lined streets and even our backyards act as wildlife corridors and contribute to connectivity of biodiversity across the Northern Beaches. The endangered Swift Parrot feeds on winter flowering street trees like the Swamp Mahogany before flying to Tasmania to breed; the Eastern Bentwing-bat has chosen many of our larger stormwater pipes as a winter roosting spot with the females migrating to maternity caves far from the Northern Beaches during the warmer months. We have the only known breeding population of Little Penguins in mainland NSW.

To protect our biodiversity we need to consider and protect each different scale, from the tubeworms which process nutrients in our estuaries, to reducing foxes and cats hunting our native wildlife.

Natural areas cover almost half of the Northern Beaches including 350 bushland reserves, three national parks and 80km of coastline. At a landscape scale we need to increase connections between our natural areas. Bringing nature into our streets and suburbs will improve their character and liveability, encourage connection with nature and improve attractiveness of active travel.

Development, pollution and invasive species, both plants and animals, are constantly increasing the pressures on our local biodiversity (IPBES, 2019). Climate change impacts including increased temperatures, drought and bushfires are predicted to impact the variety of our local native species. Some of our plants require fire to germinate their seeds. Too frequent fire prevents them growing enough to flower and set seed, which could significantly alter our natural bushland and diminish the diversity of fauna it supports. Elevated water temperatures can increase the frequency of algal blooms in our waterways and change the species able to survive in our aquatic reserves.

We need to mitigate future climate change by taking action now to reduce our emissions. Development needs to be coordinated to protect core bushland areas, support and enhance wildlife corridors and allow natural waterways to meander through our suburbs. Invasive species need to be removed and suppressed to prevent them from competing with native species.

It will require a community wide effort and careful and considered planning to ensure we protect and enhance our extraordinary local biodiversity.



### Our goal

Protect our local native plants and animals, and restore our ecosystems so they are healthy, resilient and valued by our community.

540	Native animal species
1,460	Native plant species
48	Plant community types
60	Threatened species
13	Threatened Ecological Communities
50	Wildlife Protection Areas

### Did you know?

We have an "Area of Outstanding Biodiversity Value" protecting our little penguins, the only mainland colony of little penguins in NSW.



### We aspire to...

Maintain our local native plant and animal species, populations and communities

### We are committed to...

- Maximising retention and ecological condition of key habitats
- Reducing the impact of invasive species
- Improving the connectivity of wildlife corridors
- Improving biodiversity in the urban environment

### We will...

- Prioritise high value conservation sites and implement on-ground works, such as bush regeneration and invasive species control, to protect our biodiversity and enhance the ecological value and function of our environment
- Prepare and implement a strategic approach to biodiversity land management and use this to inform our strategic land use planning and development controls
- Capture good quality baseline data and continue to monitor and report to the community
- Actively engage in partnerships, research and innovation opportunities to improve the way we do things
- Motivate, inspire, educate and support our community and stakeholders to protect and enhance our biodiversity
- Work to prevent unlawful actions, such as illegal clearing and development, by implementing enforcement and compliance activities to reduce the loss of biodiversity
- Consider the impacts of climate change on biodiversity and understand pathways for adaption





## **Create**

### **A Sustainable Built Environment**

The way we create our built environment influences how we move around, how comfortable our homes and workspaces are, the amount of resources we use and the liveability of our neighbourhoods. Our built structures typically remain in the environment for a long time and account for approximately one quarter of our carbon emissions (ASBEC, 2016).

Development is a constant pressure of urban living. We have the opportunity to use our land use planning instruments and controls to design and build our neighbourhoods well so they fit within our natural environment, rather than damage or destroy it, and reduce resource use. To do this Council will need to work closely with the community, other levels of government and key stakeholders so that we are all working towards the same goals. If we get this right from the start it will reduce our water and energy use, reduce the impact of climate change, reduce noise, light and air pollution and can complement our natural environment.

Electricity and transport together are responsible for 85% of our community's carbon emissions on the Northern Beaches. Transitioning to renewable energy, building more efficient homes and workplaces, greening our suburbs and changing the way we move around are key strategies to reducing our impact on the environment.

## Theme 5: Sustainable Built Environment



### Background

It is important that we design our neighbourhoods so they are liveable and function well, encourage active travel and integrate with our natural environment. We also need to build our homes, offices and infrastructure as sustainably as we can because they will be around for the next 50 to 100 years. Our existing buildings and homes can be renovated and retrofitted to reduce our environmental footprint.

Designing and building our neighbourhoods, homes and workplaces right will improve our overall community resilience. It will mean better connected places for us to move around. We will be better prepared to live with the climate change impacts of increased heat stress, storms and rising sea levels.

With electricity consumption responsible for 56% of our community emissions, it is great to see that our community has already begun the switch to renewable energy. By the end of 2018 our community had installed over 8,500 individual solar installations, which together reduces over 37,000 tonnes of carbon emissions each year. We need to continue to make this transition away from energy sources that create emissions whilst also reducing the total amount we use.

After electricity, travel is our next biggest emission reduction challenge and supporting different transport options

is key for us to achieve our commitments and aspirations. We need to plan our cities to reduce the need to travel and in turn improve liveability and connectedness and support our local economies. We will do this by implementing the Move: Northern Beaches Transport Strategy 2038 which includes more specific and detailed goals, commitments, aspirations and strategies.

Urgent action is needed to address the challenges and acknowledge the scale and longevity of influence the structures being built today will have on our environment.



By 2020 three major volume home builders will offer carbon-neutral homes



It costs on average \$20k more to build a zero energy home, and utility bill savings will pay back the cost in 10yrs

(CRC Low Carbon Living, 2019)



A 5kW solar PV system in Sydney will have a payback period of 4-5 years

(Alternative Technology Association, 2018)

### The Carbon Budget

We are using more resources than nature can regenerate – built-up land, crops, grazing, fishing – and releasing more carbon dioxide than bushland can sequester

(GLOBAL FOOTPRINT NETWORK, 2018)





### Our goal

Our homes, work places, buildings, infrastructure and neighbourhoods are designed, built and maintained with low environmental footprints, to improve liveability and support community resilience.

### We aspire to achieve...

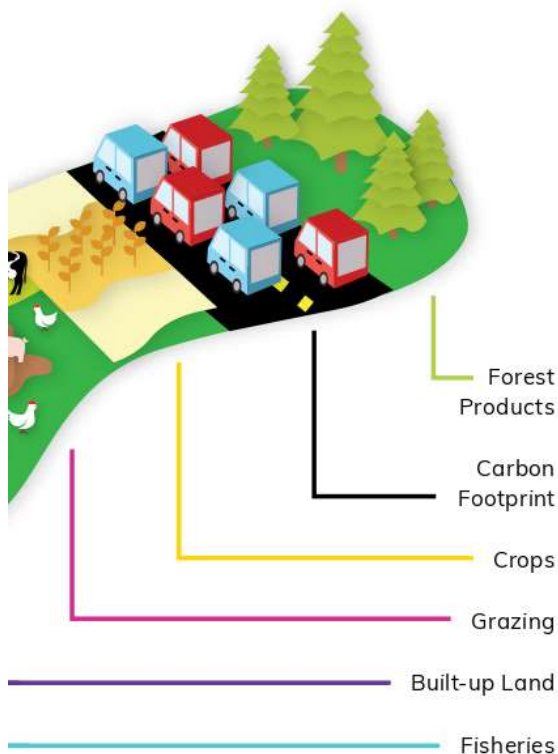
All new buildings being net zero emissions by 2030

### We are committed to...

- Reducing resource consumption in our community
- 50% of suitable premises with solar panels installed by 2030

### We will...

- Support and encourage renovations, retrofits and refurbishments to lower energy and water use in our community, including driving conversion to renewable energy, especially solar panels
- Help our community to understand the benefits of building sustainably
- Improve local planning controls to ensure residential and non-residential buildings and infrastructure are sustainably designed and built
- Encourage state and federal government to rapidly drive down emissions and water use through actions such as better building standards for residential and non-residential buildings and relevant infrastructure; eg. increasing BASIX, implementing standards for non-residential development and best practice infrastructure delivery
- Implement the Northern Beaches Move Transport Strategy to improve travel infrastructure, public transport, mass transit, and community behaviour
- Actively engage in partnerships, research, innovation and investigate potential for incentives to provide opportunities for our residents and businesses to increase uptake of sustainable choices to reduce their footprint
- Seek out, support and encourage precinct scale solutions to reducing resource use



## Theme 6: Green Neighbourhoods



### Background

A green neighbourhood is made up of a network of green spaces, urban waterways, natural systems and semi-natural systems including parks, creeks, native bushland, wetlands, private gardens and tree lined streets that connect communities to the natural landscape. These components are identified by the NSW Government Architect as "Green Infrastructure" and collectively make up what is known as the green and blue grids.

"Increased use of green infrastructure and other ecosystem-based approaches can help advance sustainable urban development while reinforcing climate change mitigation and adaptation."

INTERGOVERNMENTAL SCIENCE-POLICY PLATFORM  
ON BIODIVERSITY AND ECOSYSTEM SERVICES

Green infrastructure complements other infrastructure, surrounds and connects buildings, streets and utilities and is as crucial as transport, culture and communications. It also helps us cool our urban areas as every 10% increase in tree canopy can reduce land surface temperatures by over 1°C (Resilient Sydney, 2018).

This strategy, along with the Draft Northern Beaches Urban Tree Canopy Plan 2019 is key to delivering and protecting green infrastructure and expanding the green grid, including our urban tree canopy.

We are lucky to have one of the highest tree canopy coverage rates in Sydney, but according to 2020 Vision we are also losing it in the highest percentage rates too. We want to turn this around and create a better quality green grid through the Northern Beaches, incorporate green infrastructure into our buildings and bring water into our public spaces.

#### Green Infrastructure and the green and blue grid

An urban green and blue grid helps to improve the quality of our urban environment and also helps to adapt and mitigate the effects of climate change. Well designed and planned green infrastructure helps to absorb flood water, cool the urban environment, clean the air, provide spaces for local food production, provide habitat for plants and animals as well as space for recreation, sport and leisure.

Council supports the NSW Government's draft Greener Places Policy which identifies Green

Infrastructure as being as crucial to our neighbourhoods as transport, cultural and communications infrastructure. This policy identifies the need to plan and design green infrastructure as a three dimensional envelope that surrounds and connects buildings, streets and utilities. It can frame and shape the growth of sustainable communities by promoting access to open space, nature, culture and sport, which will improve the appeal to visitors and the quality of life for all (Government Architect, 2018).





### Our goal

The built environment integrates nature and connects our community through green and blue networks to support active travel and healthy lifestyles. We design our community around nature.



Every 10% increase in tree canopy can reduce land surface temperatures by 1°C



The canopy cover for street trees in the Northern Beaches is 39%

### We are committed to...

- Increasing the existing urban tree canopy to expand the local green grid
- Planting a minimum of 5,000 trees each year
- Ensuring development integrates and supports the surrounding natural environment

### We will...

- Identify, design and deliver priority local green grid corridors, connections and shared uses. We will integrate this into our planning instruments
- Support, encourage and enable green infrastructure development through our planning instruments and regulations
- Implement relevant tree plans and strategies such as the Draft Northern Beaches Council Urban Tree Canopy Plan 2019 to protect and enhance our urban trees. Key directions in the plan include protecting urban trees, maintaining tree canopy covers, improving tree health and diversity and inspiring the community to protect and enhance urban trees
- Work to minimise disruption from trees to utilities and other community services
- Select tree canopy species that compliment the local natural environment





## **Live**

### **Sustainably in our Environment**

The way we live in our environment is changing rapidly in response to many factors including climate change, globalisation and new technologies. We have ever increasing access to data and information, our cities are getting smarter and this is opening up new opportunities like remote working and localising power generation and ownership.

We have the chance now to use these advances to help us make positive changes to the way we choose to live in our environment. Smarter everyday actions and habits collectively have the potential to significantly reduce our environmental footprint.

Northern Beaches Council as an organisation is committed to sustainability and addressing climate change and wants to take up the challenge to improve the way we do things and reduce our environmental footprint. We signed up to the Cities Power Partnership and pledged to actively help residents to move towards renewable energy and reducing emissions. We are promising our own corporate goals, commitments and aspirations so that we can understand the challenges at an individual business level and share our knowledge to help our community to do the same. We will do this through maximising the effectiveness of our environment centres and other education and capacity building activities with the wider community, including schools, local residents and businesses to help them meet their commitments.

Climate change is also bringing rapid, complex environmental change. It is predicted to increase the impacts of natural hazards so it is important that we are prepared for what is to come and so we can recover quickly when difficult conditions arrive.

## Theme 7: Sustainable Living



### Background

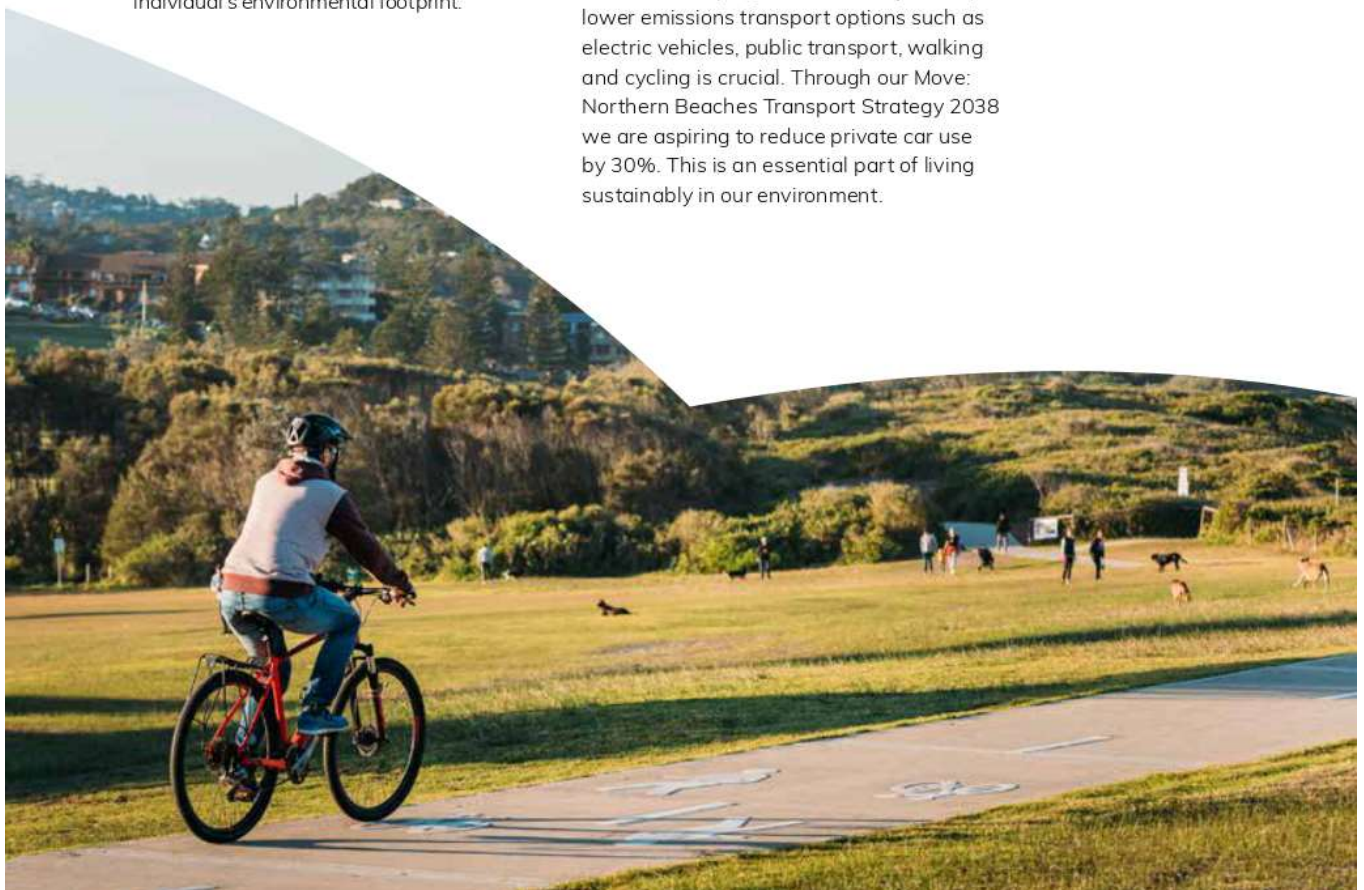
Everyday we make many choices about the way we live in our environment, that result in us consuming energy and water, and producing waste. The amount we use and consume is set to rise as the Northern Beaches population grows and climate change impacts increase.

Australians have one of the world's largest ecological footprints per capita. If the rest of the world lived like we do in Australia, we would need over three and a half earths to sustain our demands on nature (Global Footprint Network, 2019).

We know that on average larger households, with more people and larger spatial footprints, produce more emissions. Owning and driving more petrol and diesel powered cars, taking long-haul overseas flights and meat consumption significantly increase an individual's environmental footprint.

As the Northern Beaches becomes home to more people we need to balance the pressures that come with this by reducing our consumption and making our everyday choices sustainable ones. This will be done by making walking and cycling more attractive, safe options; by bringing more renewable energy powered transport onto our roads. We need to switch off our heaters, put our jumpers on and drink from reusable bottles and coffee cups. Our waste needs to be reduced by using our food scraps and green waste to make compost and mulch and more of our waste needs to be recycled. Making these simple everyday changes will reduce the running costs of our homes and businesses and at a community scale will add up to make a big difference.

With transport making up 30% of our emissions, helping our community take up lower emissions transport options such as electric vehicles, public transport, walking and cycling is crucial. Through our Move: Northern Beaches Transport Strategy 2038 we are aspiring to reduce private car use by 30%. This is an essential part of living sustainably in our environment.



### Our goal

Our community is actively working towards being energy, water, waste and transport smart so that we meet net zero carbon emissions by 2050.



6,900 hrs

Over 200 bushcare volunteers who do 6,900hrs work each year



19.2K

Each year our community generates over 19,200 garbage trucks of waste



9,330

Uses 9,330 olympic swimming pools of drinking water each year

Our commitment to net zero emissions by 2050 aligns us with the Paris Agreement and NSW Government objectives

### We aspire to achieve...

Net zero emissions in our community by 2030

### We are committed to...

- Reducing carbon emissions in our community by more than half by 2040
- Net zero emissions by 2050
- Maintaining or reducing overall drinking water use in our community by 2040
- Diverting 85% of waste from landfill by 2040
- Reducing the rate of waste generation per person by 2040.
- Reducing single use plastics

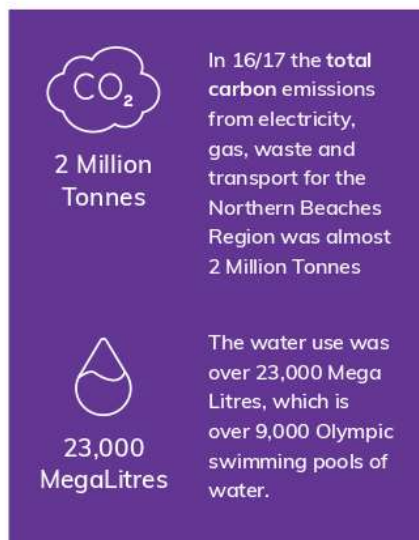
### We will...

- Motivate, inspire, support and encourage our community to reduce their waste production, energy and water use, and other consumption, food, long distance travel etc., through engagement, education and incentives. To do this we will:
  - review and maximise Council's Environment Centres and other programs to deliver the goals and commitments in the strategy; and
  - support community groups to deliver sustainable living choices
- Minimise the use of single use plastic
- Support innovative solutions to reduce waste and minimise waste transport
- Reduce waste to landfill through service delivery, including diverting food and green waste to composting, and provision of recycling alternatives and educating the community in ways to minimise waste production at home and maximise recycling
- Drive water efficiency and reuse in our community, including through reuse of grey, black and stormwater
- Implement the Northern Beaches Move Transport Strategy to accelerate our transition to low emissions vehicles and increase our active travel trips
- Actively engage in partnerships, research and innovation opportunities to improve uptake of sustainable living choices
- Council will lobby and advocate on behalf of our community to ensure that local, state and federal policies reflect and enforce the efforts needed to help our community transition to living more sustainably

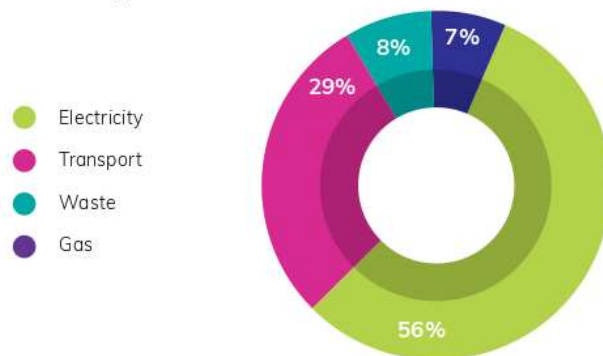


“Net zero carbon is when the amount of carbon dioxide emissions released on an annual basis is zero or negative.”

WORLD GREEN BUILDING COUNCIL

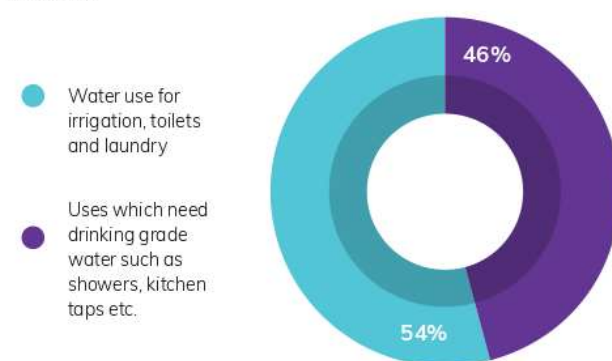


Carbon emission in the Northern Beaches by resource type



Reductions targeting electricity and transport should deliver higher emissions reductions

Drinking water consumption on the Northern Beaches



Finding alternate sources for this water will reduce our drinking water use





## Theme 8: Adaptation and Resilience



### Background

Adaptation and resilience is about responding to the impacts of climate change and natural hazards. Our region will be exposed to various climate change impacts such as sea level rise, more intense storms and flooding, leading to increased risks to buildings and infrastructure, heat waves and increased bush fire risk (CSIRO and BOM 2015, NARCLIM, 2016). We will also see impacts on the diversity of our plants and animals (IPBES, 2019). These impacts will influence the way we live, play in and experience our natural environment and need to be balanced with ecological needs.

While Council and the community will do their bit to mitigate future climate change, managing or 'adapting to' expected future risks and changes already locked into the system will help to minimise the extent of impacts. By implementing adaptation measures we will:

- Increase social, economic and environmental resilience to the impacts to climate change across all sectors
- Increase our capacity to recover quickly from disruptions
- Improve community safety and wellbeing
- Ensure the built environment, especially critical infrastructure, is resilient to natural disasters and climate change influences
- Enhance financial advantages and performance
- Ensure a sustainable balance between human activity and the natural environment

The effects of climate change are broad and therefore strategies which address adaptation and resilience are also included in other sections of this strategy.

“It is about being prepared for what is to come.”

ROB, COMMUNITY FOCUS GROUP



## Our goal

To build resilience in our community and our natural and built environments, so we are prepared for and can adapt to climate change and natural hazards.



1 in 5 properties in the Northern Beaches are potentially affected by flooding



The number of extreme heat days in Sydney are set to rise from an average of 3 to 11 per year



Pre-planning can reduce disaster recovery costs by a factor of 10

## Natural Hazards

are "those elements of the physical environment, harmful to man and caused by forces extraneous to him." More specifically, it includes all atmospheric, hydrologic, geologic and bushfire phenomena that, because of their location, severity, and frequency, have the potential to affect humans, their structures, or their activities adversely. (New York: Oxford University Press, 1978)

## We aspire to...

Reduce the risk of natural hazards and climate change to our community and our environment

## We are committed to...

- Understanding and actively managing risks from bushfires, coastal erosion and inundation and flooding in the community
- Public infrastructure designed, constructed and maintained to address climate change
- The community being prepared, educated and resilient to natural hazards and climate change

## We will...

- Undertake community education and engagement to improve preparedness and resilience
- Drive innovation and research to be leaders in natural hazard management and climate change mitigation and adaptation
- Continually incorporate best available climate change and natural hazard knowledge and practices into our strategic land use planning, development controls, construction and operations
- Collect good quality, meaningful data and leverage local knowledge to support and enable decisions
- Enhance our approach to how we manage natural hazards
- Advocate, collaborate and network with stakeholders to represent the needs of our community and environment and leverage outcomes from regional approaches and projects. This includes active involvement in regional initiatives such as Resilient Sydney, and implementing the Resilient Sydney Strategy
- Maintain and enhance, strong collaboration with emergency services and relevant agencies
- Build our skills and capacity to respond during a natural hazard emergency to reduce the impact and facilitate recovery
- Improve our community's connectedness and their access to information to empower them to make appropriate decisions during an event.
- Continue to identify properties affected by natural hazards to ensure strategies are in place to reduce their impact



## Northern Beaches Council Operations



“If Council can do it, it  
shows it is possible.”

COMMUNITY FOCUS GROUP

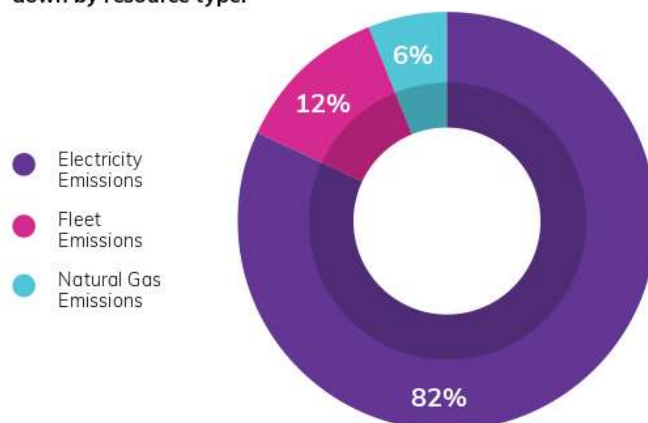
Northern Beaches Council as an organisation is responsible for approximately 2% of the emissions in our area. While this may not seem like a significant amount, it is important that Council acts as a best practice leader by lowering its corporate environmental footprint. Council will learn from experience what it takes to operate more sustainably and use this knowledge to help lead our community to do the same. To do this Council has set our commitments to stretch further than those for the community.

Council will drive the change within our community to do the same by using our influence where it is most significant. Council will meet our commitments by using:

- Community Strategic Plan
- Planning instruments - the Local Strategic Planning Statement, Local Environment Plan and Development Control Plan
- The Asset Management Strategy and subsequent Asset Management Plans
- Long Term Financial Plan; and
- Collaboration, engagement and education to motivate and mobilise our community.

For larger, more diverse issues and challenges, we will advocate and lobby state and federal agencies for policy change.

**Northern Beaches Council's  
carbon emissions broken  
down by resource type.**



Reductions targeting electricity consumption should deliver higher emissions reductions





### Our goal

To work towards being a net zero emissions and water wise organisation through innovation and efficient resource use. We will drive change within our community.

### We aspire to achieve ...

Net zero emissions by 2030.

### We are committed to...

- A 60% reduction in carbon emissions by 2040
- Net zero emissions by 2045
- A 10% reduction in our drinking water use by 2040
- Diverting 85% of waste from landfill by 2040
- 90% recycling of construction waste by 2040
- All suitable sites being powered by renewable electricity by 2030
- Increasing the frequency of everyday sustainable behaviours in our community
- Increasing the number of environmental volunteers
- Delivering our environmental education programs and facilities to a high level of community satisfaction

### We will...

- Regularly monitor, report and publicise our sustainability initiatives
- Reduce carbon emission from our operations by using alternative processes, different ways of working, products and vehicles
- Monitor our waste generation and minimise waste, maximise recycling and reduce waste to landfill
- Build the capacity of staff to support and implement initiatives
- Strongly and consistently consider sustainability criteria in all Council's procurement activities, including electricity contracts and investments
- Actively seek opportunities for capture of water and wastewater and find ways to reuse it
- Reduce drinking water use by continually improving the way we use water, especially for irrigation and our swimming pools
- Retrofit Council buildings to make them use less energy and water and incorporate green infrastructure. Examples include solar panels and efficient lighting, appliances, air conditioning, and pool water heating
- Make Council buildings and other assets connected and automated to be smarter and more efficient
- New builds and infrastructure to be exemplars of best practice in sustainability and embrace innovation
- Lobby and advocate on behalf of our community to ensure that local, state and federal policies reflect and enforce the efforts needed to help our community transition to living more sustainably

## Implementing the Strategy



Protect, Create,  
Live – the  
Northern Beaches  
Environment and  
Climate Change  
Strategy 2040 will  
be implemented  
by Council in  
partnership with key  
stakeholders and  
the community.

The strategy will be supported by 11 action plans:

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Climate Change

---

Environmental Education and Sustainable Behaviours

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Bushland

---

Waterways and Catchments

---

Coast

---

Biodiversity

---

Sustainable Built Environment

---

Sustainable Living

---

Adaptation and Resilience

---

Northern Beaches Council's Sustainable Operations

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Urban Tree Canopy Plan (draft 2019)

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These action plans will be short term (4 years) and will guide our Delivery Program and Operational Plans. They will include specific projects and actions that Council will undertake to deliver the high level strategies in this document and drive us towards achieving our commitments.

It is clear a variety of tools will be needed in the action plans including innovation and research, strategic land use planning and development controls, on-ground works, compliance, collaboration, education and engagement for behaviour change.

This last two points are important; Council alone cannot achieve the goals, commitments and aspirations in this strategy, as many of the actions needed to achieve them fall beyond the direct control of local government. As a Council we will need to play a strong collaboration and advocacy role

to bring relevant stakeholders together to deliver our outcomes.

Implementation of this strategy across the diverse operations of Council will consider the quadruple bottom line principles of sustainability to deliver equally on environmental, social, governance and economic outcomes. We will endeavour to deliver this strategy within our existing resources in line with the Long Term Financial Plan. We will seek opportunities to leverage external sources of funds where we can.

Council will be evaluating our progress against the goals, commitments and aspirations in this strategy annually. A detailed assessment, report and review will be completed every two to four years. This will allow us to adapt the commitments, aspirations and goals in light of fast paced changes in the market, knowledge, technology, science as well as federal and state policies.

## Moving Forward

We will work closely with our community and stakeholders to deliver the strategies in this document. Importantly we will track our progress and report this to the community on a regular basis.

We will tackle the challenges of climate change, population growth, globalisation, technological advancement and funding head on to meet our goals, commitments and aspirations.

In delivering the Protect. Create. Live – Northern Beaches Environment and Climate Change Strategy 2040 we will:

- Protect our environment;
- Create homes, work places and neighbourhoods to support growth sustainably; and
- Live sustainably in our environment.





## Glossary

Name	Definition
<b>Amenity</b>	Refers both to the desirable or useful feature of a facility of a building or place as well as the pleasantness or attractiveness of that place.
<b>BASIX</b>	Is a performance based regulatory scheme that delivers energy and water efficiency outcomes in line with the requirements of the Building Code of Australia. BASIX applies to all new residential buildings and to alterations and additions with a cost of works more than \$50,000.
<b>Biodiversity</b>	The variety of species and ecosystems and the ecological processes that they are part of.
<b>Bushland</b>	Refers to the land which supports remnant vegetation or land which is disturbed but still retains a predominance of the original vegetation and structure.
<b>Carbon Footprint</b>	The amount of carbon emitted by an individual or organisation in a given period of time, or the amount of carbon emitted during the manufacture of a product.
<b>Carbon Neutral</b>	Refers to achieving net zero carbon dioxide emissions by balancing carbon emissions with carbon removal (often through carbon offsetting) or simply eliminating carbon emissions altogether (the transition to a "post-carbon economy").
<b>Corridors</b>	Areas of land that provide connectivity between habitats and enable species movement and genetic exchange
<b>Ecological condition</b>	The state of ecological systems, which includes their physical, chemical and biological characteristics and the processes and interactions that connect them
<b>Ecosystem</b>	A biological community of interacting organisms and their physical environment.
<b>Local Green Grid</b>	The Northern Beaches' local green grid forms part of the Greater Sydney Green Grid and is composed of four layers: the hydrological or blue grid; the ecological grid; the recreational grid; and the agricultural grid.
<b>Net Zero Emissions Building</b>	A highly efficient building that is fully powered from on-site and/or off-site renewable energy sources and offsets
<b>Net Zero Emissions</b>	(As for carbon neutral) refers to achieving net zero carbon dioxide emissions by balancing carbon emissions with carbon removal (often through carbon offsetting) or simply eliminating carbon emissions altogether (the transition to a "post-carbon economy").
<b>Our Community Emissions</b>	In this strategy we have included emissions from electricity and gas use, transport and waste production for people living in the entire Northern Beaches Local Government Area in the community emissions profile. It does not include the emissions produced in the manufacture, growing or transport (the life cycle) of products we purchase or consume.
<b>Resilience</b>	In this strategy refers primarily to the capacity of our social and ecological systems to absorb stresses and maintain function. It also refers to the ability to adapt, reorganise and evolve to leave our systems better prepared for future impacts of climate change.
<b>Strategic land</b>	Use planning and development controls – This refers to the various policies and plans which direct the way we undertake development and plan future growth. Such documents include the Community Strategic Plan, Local Strategic Planning Statement, Local Environment Plan, Development Control Plan and policies.
<b>Sustainable</b>	A responsible interaction with the environment to avoid depletion or degradation of natural resources and allow for long-term environmental quality.

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