

The **Ordinary Meeting** of  
**Bayside Council**  
will be held in the Rockdale Town Hall, Council Chambers,  
Level 1, 448 Princes Highway, Rockdale  
on **Wednesday 9 May 2018** at **7:00 pm**

**UNDER SEPARATE COVER ATTACHMENTS**

**8 REPORTS**

- 8.1 Operational Plan 2017/18 - Progress Report 31 December 2017
  - 1 Operational Plan 2017/18 – Progress Report 31 December 2017
- 8.2 Presentation of the Audited financial reports for the former City of Botany Bay Council for period ended 9 September 2016
  - 1 Former City of Botany Bay Council Audited Financial Reports for period ended 9 September 2016

# **Operational Plan 2017/18 Progress Report 31 December 2017**



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# 1 About the Operational Plan

## 1.1 Integrated Planning & Reporting overview

The Operational Plan is part of Council's Integrated Planning and Reporting framework. The Operational Plan is developed having regard to the Community Strategic Plan and the Delivery Program. Accordingly, it is read in conjunction with those documents since the Delivery Program shows Council's response to the community's long term goals, identified through community engagement and documented in the Community Strategic Plan. It is a statement of commitment to our community from Council and identifies the actions our organisation will take to achieve their aspirations.

In preparing the Delivery Program, the Council is accounting for its stewardship of the community's long term outcomes, outlining how it intends to achieve these outcomes during its term of office and what its priorities will be. Council has an important role to play in delivering, advocating for and partnering other agencies to achieve local outcomes.

The Delivery Program is linked to the Long Term Financial Plan and Asset Management Strategy. These are developed to address the community's concerns about the condition of assets and the Council's financial challenge of renewing assets to deliver community priorities while continuing to provide services at current levels.

The Delivery Program is designed as the single point of reference for activities undertaken throughout the organisation for the four years.

All plans, projects, activities, funding and resource allocations are directly linked to the Delivery Program.

The Council's one year Operational Plan sits within the Delivery Program. It spells out the annual actions and projects that will be undertaken by the Council in the year ahead to work towards achieving the commitments made in the four year Delivery Program.

The diagram below shows the relationship of the annual Operational Plan to the Delivery Program and the Community Strategic Plan, and the supporting service and performance plans.



## 1.2 The framework in transition

The Proclamation for the Bayside Council has changed the timing of the adoption of these strategic plans. The Proclamation has meant that the requirement in the Local Government Act for Bayside Council to have a delivery program and community strategic plan will be fulfilled by the delivery programs and community strategic plans of the former councils until a new program and plan is prepared by the new council after its first election in September 2017.

Accordingly Bayside Council will be preparing a new delivery program covering the period from 1 July 2018 to 30 June 2021. A three-year outlook period will ensure that the Council returns to a consistent reporting schedule by July 2021. The Council is also required to review its ten year Community Strategic Plan by 1 July 2018.

This progress report informs the community on the status of actions and capital works projects of the composite Operational Plans of the two former councils.

## 1.3 How to read this document

This document is structured on the four themes being informed by the Community Strategic Plan and Delivery Programs of the two former councils. The themes are:

- Diverse, active, healthy and inclusive communities
- Liveable, accessible and vibrant neighbourhoods
- Sustainable and valued natural environment
- Trusted, effective and informed leadership

Detailed within each of our four themes are sub themes and under each sub theme there are a set of actions and activities that will be undertake in 2017/18.

Each area seeks to have actions and activities that will help achieve the themes developed from the two previous plans and activities necessitated by the merger. Each action has a six month milestone and an annual target and indicates which managerial position has primary responsibility for its delivery.

This progress report provides the status of each action and project as at 31 December 2017.

The performance against each action and project is colour coded as follows:



Completed – Target 100% met



On Track – Nearing completion



Delayed – Behind schedule



On Hold – Not being undertaken at this time

## 1.4 Abbreviations

The abbreviations in the document are as follows:

Full Title	Abbreviation
Manager Airport Business Unit	MBU
Manager Certification	MCE
Manager City Infrastructure	MCI
Manager City Works	MCW
Manager Community Capacity Building & Engagement	MBE
Head Communications & Events	HCE
Manager Compliance	MCO
Manager Development Services	MDS
Manager Executive Services	MES
Manager Finance	MFE
Manager Governance & Risk	MGR
Manager Information Technology	MIT
Manager Library & Customer Services	MLC
Manager Parks & Open Space	MPS
Manager People & Organisational Culture	MPC
Manager Procurement	MPT
Major Projects Delivery Director	MPD
Manager Property	MPR
Manager Recreation & Community Services	MRC
Manager Strategic Planning	MSP
Manager Waste & Cleansing	MWC

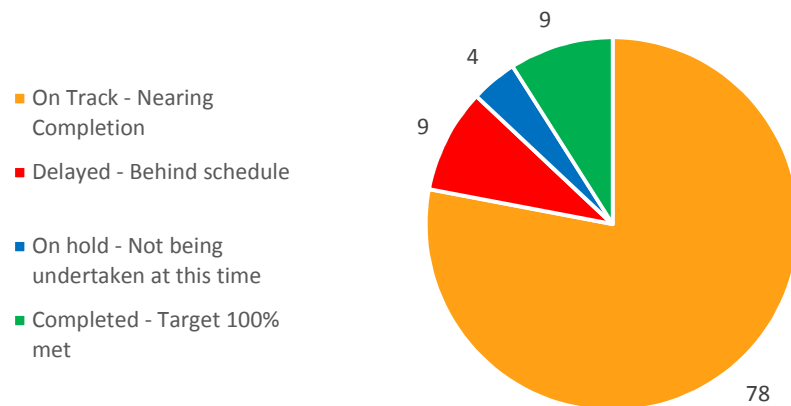
## 2 Overall Performance

### 2.1 Key Operational Achievements

The following are selected achievements for the six months to 31 December 2017.

The composite Operational Plan 2017/18 includes 219 actions across four themes. Of these, 9% have been completed, 78% are on track for completion, 9% are behind schedule and 4% are on hold.

Operational Plan - Progress



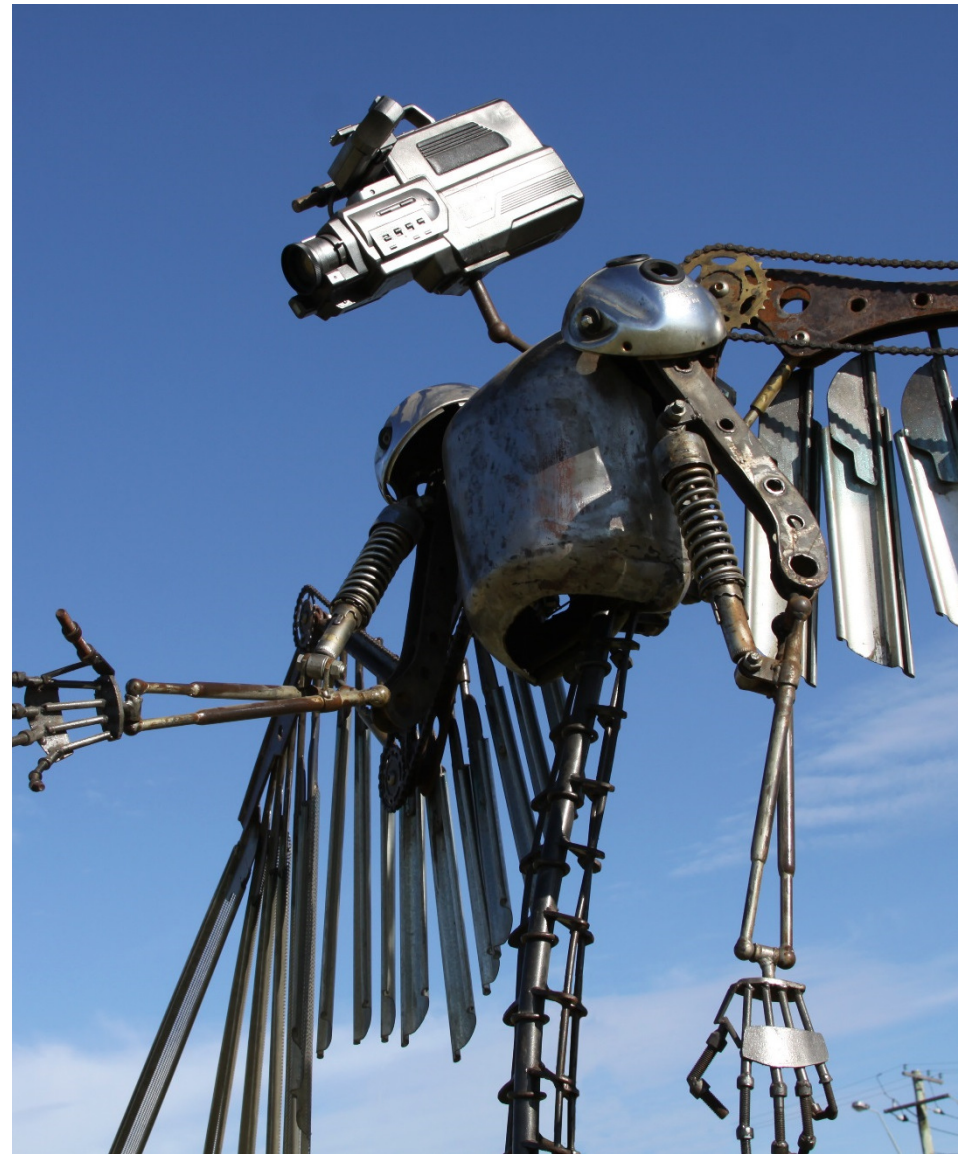
### Diverse, active, healthy and inclusive communities

- Disability Inclusion Action Plan adopted and strategies for implementation identified.
- 15 major events held from June to December 2017, including a Multicultural Fair, A Taste of Mascot, Carols by the Sea and New Year's Fireworks Display.
- Active participation in collaborating with local service providers to deliver service delivery models in-line with FAC's (Family & Community Services) Early Intervention Reform Program.
- Community Grants Program delivered and Financial Assistance Program administered.
- Long Day Care centres held a number of family events throughout the year with increased family participation.
- 90% utilisation of Council's (Before and After School Care/Vacation Care) Centres.
- 111 Education and Care service visits to Family Day Care Educators.
- Installation of synthetic field at Bicentennial Park (South) completed.
- Refurbished Eastgardens Library and Customer Service Centre opened 21 October 2017.
- Established a data centre service to enable improved mobility and ubiquitous access from any location.
- Home Library Services harmonised across the Council area.



## Liveable, accessible and vibrant neighbourhoods

- Bayside Arts Festival delivered promoting Bayside as a cultural hub.
- Over 60,000 Recycling calendars and Waste Services guides printed and delivered from December 2017.
- Implemented a Waste Services App for residents to access all information and lodge online requests in real time.
- Public Domain Cleaning Program undertaken and improved with increased resources.
- Brighton Le Sands Masterplan Briefing Paper and Project Plan prepared.
- Continued partnership with St George Housing Interagency to conduct research on affordable housing policies.
- Representations made to Sydney Alliance and the Minister for Planning in support of NSW Government policy to facilitate affordable housing across NSW.
- Draft policy prepared to extend footway trading to Bayside East in accordance with Council's policy.
- Parking study completed for Rockdale and commenced for Mascot to assess feasibility of public carpark projects.
- Local History and Museum services delivered including Ron Rathborne Local History Prize, 2 talks at Mascot Library and George Hanna Memorial Museum.





## Sustainable and valued natural environment

- Works undertaken to protect grey headed flying fox habitat through the implementation of the Priority Species Management Plan.
- Program implemented and environmental schedules in place for waterways, wetlands and Gross Pollutant Traps inspections and cleaning.
- Implementation of Council's Waste Avoidance Resource Recovery Strategy (WARRS) 2017/18 nearing completion.
- \$178,000 received in funding through the NSW Environment Protection Authority's 'Waste Less, Recycle More' Waste and Resource Recovery initiative to develop a multi-functional waste campaign, for implementation in 2018/19.
- Commenced Community Sustainability Program with eleven workshops held by December 2017.



## Trusted, effective and informed leadership

- New Bayside website launched providing centralised online services for the community, including paying of rates.
- Successfully supported NSW Electoral Commission during the September 2017 Local Government Elections.
- Councillor development program established and delivered in accordance with the Office of Local Government guidelines.
- Councillor attendance at professional and networking opportunities including eight induction sessions; one LGNSW Workshop; one LGNSW Annual Conference.
- Two Audit Committee meetings held in August and November 2017.
- Purchase of medium and heavy plant undertaken in accordance with the newly developed Purchasing Program.
- 100% of Organisational Structure implemented.
- Workforce Strategy developed and approved.
- Work Health & Safety Policy developed.
- Performance Management system implemented.
- Co-Location Project of Council staff 100% implemented.



## 3 Operational Plan 2017/18 themes

### 3.1 Diverse, active, healthy and inclusive communities

At Bayside Council we understand that communities work best when they are diverse, healthy, active and inclusive. We work to support our communities through our social planning processes, which ensure that the specific needs of the community are considered by Council when planning and scheduling projects and activities.

We recognise and celebrate our community's diversity with events and activities that bring people together - from Citizenship Ceremonies and Multicultural Fairs to the Bayside Arts Festival and New Year's Eve Fireworks.

We understand that the community seeks opportunities to participate in active and passive recreation and we support that through a commitment to the continuous upgrading and improvement of parks and sporting facilities, playgrounds and natural environments.





We work closely with NSW Government agencies like the Departments of Health and Family Community Services to identify opportunities to work with communities to improve health outcomes, and deliver a range of services to our senior residents.



Through our libraries we deliver opportunities for life-long-learning, from Mums and Bubs Story Time to classes where young people teach our older residents to use new technology.

Community safety is everybody's business. Bayside Council has a comprehensive Community Safety Program which includes the use of CCTV cameras in response to illegal dumping and anti-social behaviour, Community Safety audits of council facilities and public spaces and the establishment of the Local Emergency Management Committee to support our Emergency Services.




**An inclusive community that celebrates diversity**





Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
711.1	Develop Bayside Council Reconciliation Action Plan to provide a framework of practical actions to build respectful relationships and create opportunities with our Aboriginal community.	Working Party established to determine scope and develop Reconciliation Action Plan.	Reconciliation Action Plan <b>drafted</b> .	MBE	Scoping and community engagement commenced.	
711.2	Review and develop Bayside Placed Based Social Plan (including Aging, Disability, Youth, CALD, Families and Children plans).	Community engagement and demographic analysis conducted, and plans drafted.	Social Plan adopted and implementation commenced.	MBE	First draft of Social Plan complete.	
711.3	Implement the Disability Inclusion Action Plan.	Disability Inclusion Action Plan Adopted Plan adopted strategies for implementation identified.	Disability Inclusion Action Plan implemented.	MBE	Disability Inclusion Action Plan adopted and strategies for implementation identified.	
711.4	Maintain Strategic Reference Groups to enable community input into Council decision making and replace previous Council Advisory Committees.	Strategic Reference Groups promoted, established and supported.	Strategic Reference Groups maintained and supported in accordance with Terms of Reference.	MBE	Strategic Reference Groups were suspended in favour of Advisory Committees.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
711.5	Organise and promote Sister City events and activities as directed by Council.	Sister City events identified.	Sister City Events held as required.	MES	No Sister City events were held during this time, however, in the past six months there have been a number of Cultural Events such as flag raising ceremonies to recognise and honour various national days.	
711.6	Citizenship Ceremonies conducted and presided over by the Mayor – to recognise our diversity and acknowledge our newest citizens.	Conduct 6 ceremonies, each with 100 to 120 candidates attending, totalling 700 new citizens.	12 ceremonies per year each with 100 – 120 candidates attending - totalling 1400 new citizens.	HCE	Council has completed the number of Ceremonies requested by the Department of Immigration.	







### Cultural and community events that promote a sense of belonging


Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
712.1	Co-deliver the Georges River and Bayside (GRAB) Arts and Cultural Forum – promoting and supporting our local arts community.	1 GRAB Forum delivered, providing opportunities for local artists to partner with their council to develop creative initiatives.	2 GRAB Forums delivered, providing opportunities for local artists to partner with their council to develop creative initiatives.	MBE	GRAB Forum delivered on the topic of 'How to have an online presence as an artist.'	





Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
712.2	Deliver Bayside Arts Festival and partner with community organisations to deliver a wide range of community events including Seniors Month and Youth Week activities.	Partner with community organisations and NSW and federal agencies to deliver Community Events which promote a sense of belonging and build capacity within our communities.	Deliver Bayside Arts Festival and Partner with community organisations and NSW and federal agencies to deliver Community Events which promote a sense of belonging and build capacity within our communities.	MBE	Planning of the Arts Festival, Seniors Festival and Youth Festival has commenced.	
712.3	Deliver an inclusive Bayside Council Events Program which adds value to our community and City, activates public spaces and invigorates town centres.	15 major events scheduled from June to December 2017; including a Multicultural Fair, A Taste of Mascot, Carols by the Sea and New Year's Fireworks Display.	Complete and deliver all major events as directed by Council.	HCE	All events successfully implemented including a Multicultural Fair, A Taste of Mascot, Carols by the Sea and New Year's Fireworks Display.	
712.4	Funding opportunities for events identified and pursued.	Bayside Garden Competition and Carols by the Sea.	2 events attract annual sponsorship	HCE	Funding secured for both events.	
712.5	Develop and publish Council's events calendar – providing quarterly updates to the community.	Publish 2 calendar updates for distribution to the community.	Publish 4 calendar updates per year and for distribution within the community.	HCE	2017 calendar updates published.	




**Accessible and affordable community facilities**






Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
713.1	Develop a business case for condition inspections and monitoring using mobility in the enterprise asset management system.	Review practices and technology.	Complete business case.	MCI	Current practices reviewed.	
713.2	Undertake inspections of Council buildings and facilities from Asset Management Strategy.	Develop inspection program for the whole Bayside LGA.	Programmed inspections complete.	MCI	Program developed and inspections commenced.	
713.3	Rehabilitation program and minor modifications in Council buildings including painting, pointing, roofing, and electrical.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	
713.4	Harmonise processes for asset condition monitoring.	Review practices and asset information.	Undertake a gap analysis and prepare project plan.	MCI	Condition information research underway.	
713.5	Complete the Property and Buildings 2017/18 Special Rate Variation Program.	Progress the Property and Buildings 2017/18 Special Rate Variation Program.	Complete the Property and Buildings 2017/18 Special Rate Variation Program.	MPD	Property and Buildings 2017/18 Special Rate Variation program progressed and well underway.	
713.6	Review utilisation and promote community facilities to encourage increased use and align with Council strategies.	Collate existing usage data and identify strategies to promote increased use.	Develop an implementation plan for approved strategies.	MPR	Working groups established to investigate the best use of Council's community facilities. Examining options of aligning the fees and charges to neighbouring Councils to encourage increased utilisation.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
713.7	Work with Department of Education (DoE) to explore opportunities for shared used facilities	Continue to collaborate with DoE on the Shared Use Facilities working party	Shared Use Facilities working party attended and policy drafted.	MBE	No meetings of the shared use working party were held in the first half of the year, due to program being under review.	







### Developing strong, healthy and supportive communities




Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
714.1	Work with key stakeholders including Family and Community Services (FACS), South East Sydney Local Health District (SESLHD), community partners and NGOs to map existing services and identify gaps.	2 Planning workshops held with key partners.	Service map developed and targets set in partnership with key stakeholders.	MBE	1 Planning workshop held. Targeted initiatives identified for inclusion in Community Strategic Plan.	
714.2	Collaborate with local service providers to deliver enhanced service delivery models in-line with FACS' Early Intervention Reform Program.	Actively participate on and facilitate community forums and Interagencies.	Actively participate on forums and Interagencies to advocate for enhanced service delivery.	MBE	Actively participated in over 15 local and interagency forums.	

Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
714.3	Partner with local and NSW stakeholders to advocate on behalf of the community and deliver local health initiatives.	3 local health initiatives developed and delivered.	6 local health initiatives developed and delivered.	MBE	Local health initiatives delivered including CARDRE (group of people working together) training, a Community Wellness project (in partnership with South East Sydney Community Connect) and, the 'Love your Mind', HSC Rescue mental health event (in partnership with St George Mental Health Interagency).	
714.4	Develop and implement a Community Capacity Building program with partners to support and celebrate our culturally diverse community through local and place based initiatives.	4 local, place based initiatives supported.	8 local, place based initiatives supported.	MBE	4 local place based initiatives were supported including: Love Your Mind, Mental Health & Wellbeing event in Rockdale Library; Focus on Ability Film Festival held to celebrate International Day of Disability in Eastlakes Community Centre and Rockdale Library; Migrant Information Day held in Rockdale Town Hall with over 400 community members participating.	
714.5	Co-deliver Connecting Communities program in partnership with South Eastern Sydney Local Health District (SESLHD) through Council's Memorandum of Understanding with SESSLHD, and using the Asset Based Community Development (ABCD) approach.	2 ABCD projects identified.	4 ABCD projects identified and delivered.	MBE	'Doing it Differently', Asset Based Community Development (ABCD) grants program commenced.	



Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
714.6	Administer Bayside Council's community grants and Financial Assistance programs.	Community grants program delivered and Financial Assistance programs administered as per Council's Financial Assistance Policy.	Community grants program delivered and Financial Assistance programs administered per Council's Financial Assistance Policy	MBE	Community Grants program delivered and Financial Assistance program administered.	
714.7	Develop a Bayside Council Volunteer Strategy which supports Council and partners in the recruitment, training and support of volunteers.	Volunteer survey conducted and strategy drafted.	Volunteer Strategy adopted and implemented.	MBE	Volunteer survey completed.	
714.8	Continuously monitor effectiveness of Council's direct services to ensure provision of best practice community outcomes.	Monitor direct service provision effectiveness	Monitor direct service provision effectiveness.	MRC	Continued provision of service to the community, in accordance with regulatory, legislative and funding requirements in children, aged and sports and recreation services across Bayside. Service reviews are currently being conducted across all Council's direct services.	
714.9	Implement the Community Recognition Strategy.	Scope of Strategy identified and strategy developed.	Strategy adopted and implemented.	MBE	Scope of Strategy identified.	
714.10	Support Bayside Youth through opportunities for representation on Bayside Council Strategic Reference Groups and through youth development activities delivered by Council and our partners.	Support Bayside Youth Strategic Reference Group.	On-going support of Bayside Youth Strategic Reference Group.	MBE	Council partners with local youth and youth organisations to support appropriate services and resources. Council facilitates youth development activities through partnerships with Police & Community Youth Clubs (PCYC).	















Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
714.11	Support local youth through provision of and support for youth drop-in activities and school holiday activities, providing a soft-entry point for Youth Service providers.	Weekly Youth drop-in sessions and School Holiday activities held and well attended.	Drop-in sessions and Holiday activities held and well attended.	MBE	62 young people attended the July Holiday Program. 49 young people attended the October Holiday Program. 3 weekly youth drop in sessions delivered in the communities of Eastlakes and Hillsdale.	
714.12	Support Seniors Groups and Associations to deliver relevant and popular services.	Deliver organisational training for Senior's groups.	Seniors group planning day held.	MBE	Organisational training commenced with 3 Seniors' groups.	
714.13	Manage and deliver a centre based program for the aged and people with a disability.	Deliver 2 programs twice weekly.	100% of programs delivered and well attended.	MRC	Centre based programs delivered to eligible community members – mixed group and men's group.	
714.14	Deliver home shopping service for the housebound.	150 grocery shops conducted.	300 grocery shops conducted.	MRC	208 grocery shops were conducted to eligible community members.	
714.15	Manage and operate Meals on Wheels program.	25 week service provision.	50 week service provision provided.	MRC	Service continues to operate and meet funding output - delivered meals 25 week service provision.	
714.16	Manage and operate Long Day Care Centres.	85% utilisation rate.	85% satisfaction as per Annual Survey.	MRC	Bayside Children's Service is currently operating at 93% overall utilisation rate, with vacancies taking place as a result of new enrolments and transitional placements across the service.	







Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
714.17	Increase family engagement in Long Day Care Centres.	Quarterly updates showing increased participation.	Annual measure of engagement met.	MRC	Long day Care Centres held a number of family events with an increased family participation throughout the year. The end of year celebrations had the highest participation.	
714.18	Manage and operate Family Day Care service.	108 Education & Care visits to FDC Educator.	216 Education & Care Visits to FDC Educator.	MRC	111 Education & Care service visits with an additional 12 contacts (above target).	
714.19	Manage and operate School Aged Care (Before and After School Care/Vacation care).	80% Utilisation Rating.	80 % utilisation of service.	MRC	90% Utilisation Rating met across Council's School Aged care program (above target).	

### Fostering a safe environment


Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
715.1	Develop Bayside Council Community Safety Plan, with a focus on external partnerships, addressing perceptions of safety and streamlining community reporting systems.	Bayside Council Community Safety Plan adopted.	Bayside Council Community Safety Plan implemented and progress reported to the community.	MBE	Draft Community Safety Plan completed.	
715.2	Develop and maintain key partnerships to reduce crime and improve community safety.	Partner with Police through Local Area Commands, and attend Family and Domestic Violence Interagencies.	Partner with local LACs, and attend Family and Domestic Violence Interagencies.	MBE	Active role continues in the Local Area Commands and the Family and Domestic Violence Interagencies.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
715.3	Deploy mobile CCTV cameras in accordance with Council's CCTV Camera Management Protocol, in response to identified illegal dumping hot-spots, reports of anti-social behaviours and requests from Police.	Mobile CCTV Cameras deployed within 5 working days in response to identified illegal dumping hot-spots, and as per the protocol in other cases.	Mobile CCTV Cameras deployed within 5 working days in response to identified illegal dumping hot-spots, and as per the protocol in other cases.	MBE	Mobile CCTV cameras deployed. Safer Streets funding secured for additional CCTV cameras for Wollie Creek and Brighton Le Sands.	
715.4	Undertake Safety Audit of all Council facilities once every three years or as required.	Identify and develop scope of audit program.	Undertake Safety Audits as per Safety Audit program.	MBE	Safety audits have commenced.	
715.5	Administer Council's Graffiti Removal Program in accordance with Council's policy.	Remove graffiti from Council and public facing property within 7 days, and remove offensive graffiti with 24 hours of reporting.	Remove graffiti from Council and public facing property within 7 days, and remove offensive graffiti with 24 hours of reporting.	MBE	Graffiti removed within the set timescales.	
715.6	Act in response to complaints that fall within the Acts & Regulations where Council has been appointed as the primary Regulatory Authority.	90% of complaints actioned within 72hrs of receipt.	90% of complaints actioned within 72hrs of receipt.	MCO	90% target achieved.	
715.7	Conduct food shop inspections and Scores on Doors program across all Bayside suburbs.	50% of food shop inspections conducted.	100% of food shop inspections conducted.	MCO	65% of the food shop inspection program completed (above target).	
715.8	Conduct minimum of 4 Food Handling Workshops with food businesses across our Local Government Area.	2 workshops held.	4 workshops held.	MCO	4 workshops planned for April and June 2018.	






Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
715.9	Regulate the use of the Footway Trading Policy.	Respond to requests for investigation of breaches of licence conditions within 72 hours.	Respond to requests for enforcement action within 72 hours.	MCE	Council received 6 complaints and all were responded to within 72 hours.	
715.10	Implement the Road Safety Program 2017/18 with annual matching funding from Roads and Maritime Services.	Deliver Road Safety programs including Child Restraint Fitting Days etc.	Prepare program for following year, and finalise current year's program.	MCI	Programs continuing.	
715.11	Implement Summer Program in Cook Park (increased regulatory presence on weekends and parking patrols and distribution of educational material promoting water safety and anti-littering).	Seasonal program commences December.	Seasonal program concludes February.	MCO	Seasonal Program commenced and 4 December weekend patrols undertaken.	
715.12	Enforce NSW Road Rules School Parking Patrol Program (376 parking patrols PA).	188 patrols.	376 patrols.	MCO	324 patrols completed with 301 fines issued for parking offences.	
715.13	Establish Bayside Local Emergency Management Committee and provide assistance to Emergency Agencies.	Bayside LEMC established.	Ongoing support provided.	MCW	Continued management and provision of ongoing support to Local Emergency agencies as required.	
715.14	Maintain the property database for Annual Fire Safety Statements.	Database maintained and updated.	Database maintained and updated.	MCE	Database maintained and updated.	








Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
715.15	Implement Fire Safety Program.	Draft prepared.	Completed.	MCE	Processes implemented and inspection program commenced; preparation of the draft policy commenced.	
715.16	Monitor the Swimming Pool Safety Inspection Program.	Inspections conducted and completed on demand and in accordance with legislation.	Inspections conducted and completed on demand and in accordance with legislation.	MCE	Inspections conducted and completed on demand and in accordance with legislation.	
715.17	Provide 12 children's immunisation clinics.	6 clinic days provided.	12 clinic days provided.	MCO	Immunisation program ceased due to lack of attendance.	
715.18	Undertake inspections of open space infrastructure and playgrounds from Asset Management Strategy.	Develop inspection program for the whole Bayside LGA.	Complete programmed inspections.	MCI	Program developed and inspections commenced.	
715.19	Implement Playground & Park Rehabilitation Program, including 2017/18 Special Rate Variation programmed playground upgrades.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	
715.20	Enforce the Companion Animal Act.	100% Dog attacks entered onto Council's reporting system within 72 hours.	100% Dog attacks entered onto Council's reporting system within 72 hours.	MCO	All dog attacks entered.	




Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
715.21	Promote and hold Community 'microchip days' to promote responsible pet ownership.	1 microchip day provided.	2 microchip days provided.	MCO	Microchip days deferred due to absence of community demand.	






### Encouraging active recreation and leisure

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
716.1	Undertake key site assessments for the Botany Leisure Centre, Botany Golf Course and Mutch Park Squash Centre and Amenities.	Scope of works determined.	Needs analysis completed.	MSP	Botany Aquatic Centre commenced.	
716.2	Review and consolidate Playground and Sports Field Infrastructure Strategies.		Strategies reviewed.	MSP	On hold pending appointment of staff resources.	
716.3	Develop Recreation policy and plans to identify, promote and support active recreation, leisure and sporting activities and initiatives delivered in our City.	Identify plans for promotion and implementation.	Plans implemented.	MSP	On hold pending appointment of staff resources.	
716.4	Implement the Parks Improvement Program for active recreation.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	
716.5	Implement Recreation policy and plans.	Policy and plans scoped.	Draft Policy and Plans developed.	MRC	Drafting of Policy commenced.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
716.6	Improve participation of all community groups in a range of active recreation, leisure and sporting opportunities.	Audit membership and participation rates in active recreation, leisure and sporting opportunity.	Develop and implement achievable targets for participation.	MBE	Audit process developed and underway.	
716.7	Review and monitor existing lease and licences over community and sporting facilities.	Reconcile existing lease and licence agreements over community and sporting facilities into one consolidated register.	Review existing lease and licence agreements and identify lease/licence principles that can improve future agreements issued.	MPT	Work commenced on standardising leases for community and sporting facilities, with the application of financial models for some of Council's sporting facilities.	
716.8	Manage and deliver Parks and Open Space bookings.	Ongoing management of requests for bookings delivered.	Bookings managed efficiently.	MRC	All requests relating to parks and open space bookings managed.	
716.9	Carry out scheduled works of Council's parks and reserves to ensure they are fit for purpose to meet the community's needs.	All parks and open space programs are delivered in line with parks schedule.	Completion of all annual Parks and Open Space works programs.	MPS	All scheduled works completed year to date.	
716.10	Undertake annual Sportsground renovations.	All annual renovation programs are to be delivered in line with annual schedules.	All works carried out as per annual schedule.	MPS	Turf renovations completed on active parks - aeration, fertiliser application and topdressing.	
716.11	Maintain Parks and Open Space lighting.	Parks and open space lighting maintained and fit for purpose.	Parks and open space lighting maintained and fit for purpose.	MPS	All scheduled works completed year to date.	
716.12	Install synthetic field at Bicentennial Park (South).	Construction commenced.	Complete construction.	MPD	Construction completed.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
716.13	Manage and maintain Botany Golf Course.	On-going management and maintenance as required.	Report on recommendations for future use of Botany Golf Course.	MRC	Botany Golf Shop and the Golf Course continued to be managed, maintained and supported to meet community needs.	

### Valuing lifelong learning opportunities

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
717.1	Deliver ongoing programs and events across all libraries to enhance life-long learning opportunities for the range of demographic groups within the community.	20 programs delivered including: Story time; Toddler time; Baby rhyme time; Book Week; Author talks; Chinese book groups; Local history talks; iPads for seniors training.	40 programs delivered.	MLC	724 sessions held with 18,954 participants. Programs included Early Literacy, Code Club, Book Clubs, Tech Help Training, Health and Wellbeing talks and author talks.	
717.2	Purchase books and media for libraries and develop a range of online services	Items for purchase identified.	Items purchased as planned.	MLC	Items purchased within budget.	
717.3	Provide an integrated library system across Bayside.	Refurbish Eastgardens Library with enhanced service model.	Refurbished Library & Customer Service Centre opened.	MLC	Refurbished Eastgardens Library and Customer Service Centre opened 21 October 2017.	
717.4	Implement Digital Technology Strategy.	Strategy identified.	Recommendations implemented.	MLC	Customer Experience priorities identified, to be implemented in 2018.	
717.5	Implement initiatives to enhance access to information through wireless technologies.	Infrastructure to support business mobility in place.	Public Wi-Fi delivered efficiently.	MIT	Established a data centre service to enable improved mobility and ubiquitous access from any desired location.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
717.6	Implement an online booking system.	Online booking system implemented.	Online booking system fully utilised.	MLC	Booking system harmonised across the Council area. New system still to be purchased.	●
717.7	Hold pop up libraries in target areas where a library does not currently operate.	2 pop up libraries held.	4 pop up libraries held.	MLC	Pop Up Libraries held at the following: Rockdale Library 1st Birthday Celebrations and Christmas Carols.	●
717.8	Develop Bayside Home Library Service.	Home Library Service promoted within the community.	Increased participation in HLS.	MLC	Home Library Service harmonised with deliveries across the Council area.	●
717.9	Develop Business Enterprise Hub.	Partner with Bayside Enterprise Centre to design a Business Enterprise Hub.	Seek funding for Business Enterprise Hub.	MLC	Alternate delivery method agreed. Developed partnership with Botany Enterprise Centre to deliver programs in the libraries supporting local business. 3 sessions were held with 41 participants.	●



### 3.2 Liveable, accessible and vibrant neighbourhoods

Our community want to live in areas where they can access good public transport, well maintained public domains and thriving shopping and business areas. Bayside Council works across the LGA to tackle illegal dumping and maintain a clean and safe environment. We advocate for an integrated, accessible and affordable transport system and are developing the Bayside Council Cycling Strategy.

We support our local business through our partnership with Botany Enterprise Centre to deliver Building Better Business Workshop Programs for local business operators and our town centre master plans which upgrade and regenerate our local shopping precincts.






We recognise that DA processing times can be improved and will investigate and implement opportunities to improve assessment processing times for development applications with a commitment to determine 90% of housing DAs within 40 days. At the same time we advocate for the strengthening of NSW Government policy to facilitate affordable housing across NSW.

We will continue to collaborate with the Department of Planning and Environment to deliver best community outcomes through the delivery of the NSW Government's Bayside West Priority Precincts incorporating Arncliffe, Banksia and Cooks Cove.




Importantly, in the midst of exciting new development we do not lose sight of the value of our heritage – delivering ongoing Local History and Museum Services and identifying opportunities to improve the management of our built heritage.








**A place to be proud of**






Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
721.1	Promote Bayside Council as a premier cultural hub.	Scope for Bayside Arts Festival identified and program developed.	Bayside Arts Festival delivered.	MBE	Bayside Arts Festival identified and program developed.	
721.2	Facilitate the implementation of the Public Art Policy across Council.	Work with Council's planning department to facilitate the implementation of Council's Public Art Policy in the DA process.	Public Art policy is implemented.	MBE	Public Arts Policy in development.	
721.3	Deliver maintenance to Council's civil networks and infrastructure, including footpaths and car parks.	All scheduled maintenance programs are to be completed as per proactive schedules, or as reactive maintenance.	Maintenance program delivered.	MCW	Civil asset maintenance delivered to road, kerb and gutter as per proactive schedule and reactive maintenance.	
721.4	Continuation of Street Tree planting program.	All trees planted in accordance with the Street Tree Masterplan.	All trees planted in accordance with the Street Tree Masterplan.	MPS	All scheduled works completed.	
721.5	Implement weed control program.	Ensure Council's weed control program is implemented.	Annual weed control program completed.	MPS	All scheduled works completed.	






**A clean City**







Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
722.1	Undertake Waste Management Services.	Deliver an efficient Domestic Waste Service in line with Statutory requirements.	Program delivered.	MWC	Domestic Waste Services conducted in line with statutory requirements. Services and tonnages for the first 6 months of 2017/18 include; Garbage & Organics bin: 21,159 tonnes; Recycling: 5,754 tonnes; Clean Up & Illegals: 3,748 tonnes; Street Litter: 1,145 tonnes; Public Place Litter Bins: 773 tonnes; Residential and Council Green-waste: 674 tonnes; Mattresses: 4,103; and Metals: 55 tonnes.	
722.2	Inform residents about Council's Domestic Waste and Clean Up Programs.	Develop and update information as required to inform the community of Councils Domestic Waste Services.	Clean up guides delivered and website maintained.	MWC	Over 60,000 Recycling Calendars and Waste Services Guides designed, printed and delivered. Information provided on Council's website. Delivered Waste Services App for residents to access all information and lodge online requests in real time.	
722.3	Undertake litter management campaigns and enforcement.	Undertake proactive and reactive litter enforcement.	100% enforcement.	MWC	Litter management and enforcement undertaken: re-labelld all public place bins with Council logos and new regulatory signage; upgrading all public place bins on Botany Road and Gardeners Road with larger 240L bin enclosures as opposed to 120L. The salvageable 120L enclosures re-painted and re-used in small reserves or parks that require smaller bins. Undertook various initiatives under the summer beachfront program.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
722.4	Deliver street sweeping program across the Bayside Council area.	100% of 6-month schedule complete (weather permitting).	100% 12-month schedule complete.	MCW	Mechanical and manual sweeping two times per month program.	
722.5	Undertake public Domain cleaning.	100% of 6 monthly scheduled works completed.	Program delivered.	MWC	Public Domain cleaning program improved overall with increased resources.	
722.6	Ascertain hotspots through mapping and analysing reported incidents of illegal dumping.	Ensure surveillance is strategically placed to maintain a clean City.	Analysis report completed.	MWC	'Hotspot' registry updated and an additional 18 solar powered cameras introduced. The Clean City Project: Illegal Dumping in Community Open Spaces received a Highly Commended Award in 2017 by Keep NSW Beautiful, demonstrating a significant reduction in dumping and financial cost.	
722.7	Investigate incidents of illegal dumping and enforce compliance.	100% reported incidents investigated.	100% of reported incidents investigated.	MCO	100% reported incidents investigated.	
722.8	Remove and dispose of illegally dumped materials throughout the City.	Remove and dispose of illegally dumped materials within 14 days after investigation proceedings.	Illegally dumped materials removed within timeframe.	MWC	All targets met and program conducted in partnership with the Sydney Regional Illegal Dumping (RID) squad.	


**Development for now and the future**

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
723.1	Identify and manage proposals for major development/urban renewal areas to ensure growth is appropriately scaled and located and delivers community benefits.	Develop status reports as required.	Status reports completed as required.	MSP	Comprehensive list of Planning Proposals and timeframes prepared.	
723.2	Revise and consolidate the Bayside Council Plan of Management to encompass all land under the ownership, management or care and control by Council.	Identify scope of project.	Plans of Management Revised.	MSP	On hold pending appointment of staff resources.	
723.3	Revise and consolidate the Bayside Council Development Contributions framework, including development of a Bayside Council VPA Policy.	No milestone scheduled.	No milestone scheduled.	MSP	Scope of Voluntary Planning Agreement (VPA) Policy prepared. Botany Bay Development Contributions Plan Review commenced.	
723.4	Contribute to the delivery of the NSW Government's Bayside West Priority Precincts incorporating Arncliffe, Banksia and Cooks Cove.	No milestone scheduled.	Collaborate with the Department of Planning & Environment to deliver best community outcomes.	MSP	Ongoing liaison with the Department of Planning & Environment.	
723.5	Finalise and implement the Brighton Le Sands Masterplan.	Concept scope completed.	Project completed.	MSP	Briefing paper and project plan prepared.	

Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
723.6	Develop a strategy for delivering the Wolli Creek Town Park.	Concept scope completed.	Masterplan completed.	MSP	Council resolved not to acquire 2 and 4 Guess Avenue. Planning proposal to remove Land Acquisition Reservation has commenced. Open space review has commenced.	
723.7	Finalise a Qualitative Risk Assessment of Botany Industrial areas.	Commence discussions with the Department of Planning & Environment on the drafting of DCP and LEP controls based on the recommendations of the Denison Street Land Use Safety Study Review of Planning Controls.	Draft DCP and LEP controls based on the recommendations of the Denison Street Land Use Safety Study Review of Planning Controls.	MSP	Review of available information being undertaken. Progress changes to planning controls in 2018.	
723.8	Comply with Council's obligations under the Development Agreement to progress the construction of the Arncliffe Youth Centre.	Monitor compliance of Council's obligations under the Development Agreement to progress the construction of the Arncliffe Youth Centre.	Compliance of Council's obligations under the Development Agreement.	MPD	Council's obligations under the development deed monitored and Project Control Group meetings commenced.	
723.9	Conduct research on affordable housing policies, strategies and initiatives of other councils.	Continued participation on relevant committee's and working parties.	Participation on relevant committees and working parties.	MBE	Continued partnership with the St George Housing Interagency to conduct research on affordable housing policies, strategies and initiatives.	
723.10	Advocate for the strengthening of NSW Government policy to facilitate affordable housing across NSW.	No milestone scheduled.	Actively participate on SSROC and relevant committees.	MSP	Representations made to Sydney Alliance and the Minister for Planning in support of affordable housing.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
723.11	Investigate public mapping of Council infrastructure projects.	Review existing system capabilities for public mapping.	Business case completed.	MCI	Business case completed and supported. Listed for future update release of the website.	
723.12	Investigate and implement opportunities to improve assessment processing times for development applications.	Demonstrated improvement in assessment processing times.	90% of Housing DAs determined within 40 days.	MDS	Improvement of DA turnaround times pending recruitment of staff.	
723.13	Assess and determine Development Applications (DAs) whilst monitoring customer satisfaction.	Undertake DA Customer Satisfaction Survey and compare to previous surveys.	Improvement in Customer satisfaction.	MDS	Consultant engaged to undertake DA customer satisfaction survey. Survey due to be carried out in April 2018.	
723.14	Deliver effective and competitive Complying Development Certification services to support the target of 90% of housing applications to be determined within 40 days for the City.	Number and percentage of certificates determined by Council within 40 days.	Number and percentage of certificates determined by Council within 40 days.	MCE	10 out of 11 (90.9%) of applications determined within 40 days.	
723.15	Deliver effective and competitive Construction Certificate Certification services to increase market share.	Council to have determined 15% of the market share of CCs.	Council to have determined 15% of the market share of CCs.	MCE	Marketing material received; Council increased market share to 12%.	
723.16	Harmonise processes for engineering permit applications.	Review application assessment process.	Implement improved and consistent approach.	MCI	Process assessment complete. Improvements made for consistency.	






Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
723.17	Respond to complaints relating to unauthorised development, uses or unsafe structures.	90% of complaints actioned within 72hrs of receipt.	90% of complaints actioned within 72hrs of receipt.	MCO	90% target achieved.	





### Integrated transport options

Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
724.1	Advocate for an integrated, accessible and affordable transport system.	No milestone scheduled.	Active representation and advocacy provided.	MSP	Ongoing.	
724.2	Plan for and advocate to minimise the impact of the proposed F6 / WestConnex.	No milestone scheduled.	No milestone scheduled.	MSP	Liaison with RMS and key stakeholders.	
724.3	Develop the transport infrastructure rehabilitation and renewal program.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	
724.4	Implement the Road Pavement and Transport Infrastructure Program.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	
724.5	Rehabilitation of regulatory and advisory traffic signage, line marking and traffic facilities, includes on road cycle ways.	Identify and rehabilitate line marking.	Identify and rehabilitate line marking.	MCI	Programs continuing.	
724.6	Develop Traffic & Road Safety Program for Transport Infrastructure.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	



Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
724.7	Develop the Bayside Cycling Strategy.	Expand on current Rockdale Strategy.	Bayside Cycling Strategy developed.	MSP	On hold pending appointment of staff resources.	

### Vibrant and economically viable shopping precincts

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
725.1	Implement Bayside Economic Strategy.	Work with BEC and local businesses to implement Bayside Council Economic Strategy.	Work with BEC and local businesses to implement Bayside Council Economic Strategy.	MBE	Working with Bayside Business Enterprise Centre has commenced.	
725.2	Administer Local Area Funds.	Status reports developed.	Status reports completed as required.	MSP	Status reports developed.	
725.3	Partner with Botany Enterprise Centre to deliver Building Better Business Workshop Programs for local business operators.	Deliver 2 Building Better Business Workshops.	Deliver 4 Building Better Business Workshops.	MBE	1 Building Better Business Workshop delivered in partnership with Advance Diversity Services. Others planned for 2018.	
725.4	Facilitate bridging programs for students between BEC, TAFE and business	Run 2 workshops for refugees and migrants studying English who wish to start their own business.	5 new businesses started within 12 months of receiving training.	MBE	1 Workshop delivered.	
725.5	Implement the Rockdale Town Centre Masterplan.	Activities associated with key sites within the Rockdale Town Centre to be reported on.	Activities associated with key sites within the Rockdale Town Centre to be reported on.	MSP	Urban design advice and design competition principles were incorporated into development assessment.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
725.6	Finalise concept design, scope and funding strategy for Arncliffe Thriving Town Centre.	Consultants engaged.	Draft concept design and scope confirmed.	MSP	Urban design principles incorporated into DCP and priority precinct DA awaiting DPE finalisation.	
725.7	Promote the use of footway trading in accordance with Council's policy.	Increase in the number of footway trading agreements.	Increase in the number of footway trading agreements.	MCE	Draft policy prepared to extend footway trading to Bayside east.	
725.8	Assess the feasibility of public car park projects for Mascot and Rockdale.	Compile feasibility study.	Feasibility Study completed.	MSP	Parking feasibility study completed for Rockdale area. Brief for Mascot area study commenced.	
725.9	Enforce timed parking in shopping centres and business districts throughout the Bayside Council area.	Conduct regular parking patrols of shopping centres and business centres.	Enforce timed parking in shopping centres and business districts as required.	MCO	1284 patrols completed with a target of 820 patrols.	

### Heritage that is valued and respected

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
726.1	Deliver ongoing Local History and Museum Services.	Local History and Museum programs and services identified.	Programs and services delivered.	MLC	Programs and services delivered, including Ron Rathborne Local History Prize, 2 talks at Mascot Library and George Hanna Memorial Museum.	
726.2	Identify opportunities to improve the management of heritage.	Opportunities identified.	Opportunities identified and actioned.	MSP	Advice provided on DAs and community enquiries. Rockdale interpretation plan and Botany Heritage study underway.	

### 3.3 Sustainable and valued natural environment





Our community has told us that a sustainable natural environment is important and we value the wonderful natural assets we have in the Bayside LGA.



We work hard to maintain and improve the health of our waterways, wetlands and beaches through programs like the Georges River and Cooks River Catchments River Health Monitoring Program, the extensive Gross Pollutant Trap (GPT) system and the stormwater drainage program. These programs are supported by a strong Biodiversity Strategy and a Priority Species Management Plan that recognises the importance of many of our migratory water birds among other creatures.

We work with the Flood Plain Committee to plan for the effects of climate change, and monitor our own energy and water consumption.




We inform and educate the community about environmental sustainability through a range of free workshops and events, and offer a recycling education program through 36 schools in the LGA.

#### Clean waterways and natural environments


Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
731.1	Implement Beach and Waterways Program.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	
731.2	Implement the Stormwater Drainage Program.	Program scope reviewed.	Program completed.	MCI	Program scope reviewed.	
731.3	Implement key priorities in Council's adopted Biodiversity Strategy to protect and enhance natural areas.	Concept scope completed.	Project completed.	MSP	Priority actions of restoration, assessment of impacts and community engagement underway.	
731.4	Coordinate the implementation of the Georges River Coastal Zone Management Plan.	Scope of works confirmed and underway.	Works completed.	MSP	Ongoing implementation of Management Plan actions.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
731.5	Implement the Georges River and Cooks River Catchments River Health Monitoring Program.	Seasonal monitoring.	Seasonal monitoring.	MSP	Monitoring underway.	
731.6	Water quality improvements to enhance. Riparian zones and waterway assets.	Concept scope completed.	Project completed.	MSP	Aquatic weed removal commenced. Liaison with State Government, Orica and Sydney Water to identify opportunities.	

### Thriving natural habitats

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
732.1	Implement Priority Species Management Plan.	Concept scope completed.	Project completed.	MSP	Works undertaken to protect grey headed flying fox habitat.	
732.2	Implement key priorities for inclusion in a Natural Areas Restoration Plan for Bayside Council.	Scope of work identified.	Natural Areas Restoration Plan developed and implementation commenced.	MSP	Contractor engaged and works commenced.	
732.3	Implement Riparian Buffer Revegetation.	Concept scope completed.	Project completed.	MSP	Weed control and planting along priority waterways commenced.	







### Environmental management

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
733.1	Develop an integrated water management needs analysis for Bayside Council.	Concept scope completed.	Project completed.	MSP	Water Strategy Management Committee established.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
733.2	Protect and restore the health of waterways and wetlands through planned Gross Pollutant Traps (GPTs) inspection and cleaning program.	Deliver Council's scheduled inspection and cleaning programs for GPT's and waterways.	Program implemented.	MCW	Environmental schedules in place for waterways, wetlands and GPTs. Program implemented.	
733.3	Plan for the effects of climate change on the floodplain with the Floodplain Management Committee.	Concept scope completed.	Project completed.	MSP	Terms of Reference prepared for Council adoption.	
733.4	Implement Council's Waste Avoidance Resource Recovery Strategy (WARRS) 2017/18.	Implement strategy and associated action plans.	Strategy completed.	MWC	Council's Draft WARR 2030 Strategy is nearing completion. It will align with both the Regional Strategy and Council's Community objectives. The Strategy is scheduled to be presented to Council by May 2018.	
733.5	Maintain the contaminated land management and recording system through the development process.	No milestone scheduled.	Recording system maintained and actioned as required.	MSP	Ongoing.	



**Sustainable and energy efficient practices**

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
734.1	Seek funding through the NSW Environment Protection Authority's 'Waste Less, Recycle More' Waste and Resource Recovery Initiative to develop a multi-functional waste campaigns.	Opportunities for funding sought and currently funded projects delivered.	Implement Campaign	MWC	Council received \$178,000 funding for 2018/19. Council also managing \$235,000 approved funds from previous periods to complete projects that are in progress. All projects tracking well.	
734.2	Program and offer interactive recycling education programs to 35 schools and at 6 community events p.a.	6 monthly program delivered.	Program delivered and completed.	MWC	49 school workshops were provided to in the first 6 months of 2017-18. Additionally, Council has provided 6 community workshops or conducted educational events.	
734.3	Implement community sustainability program of events and workshops.	7 events/workshops held.	15 events and workshops held.	MSP	11 workshops held.	
734.4	Develop user-friendly community resources to inform and educate the community on key local environmental issues.	Resources developed and distributed.	Resources developed and distributed.	MSP	Information provided on Council website. Educational brochures developed and distributed.	
734.5	Installation of water and energy efficiency and renewable energy initiatives. Refer CPP.	Concept Scope completed.	Project completed.	MSP	Briefs developed for energy and water projects. Procurement completed for solar installation.	
734.6	Monitor Council's energy and water usage for all of its sites.	Outcomes reported.	Outcomes reported.	MSP	All sites monitored.	

### 3.4 Trusted, effective and informed leadership

Our community has asked for trusted, effective and informed leadership. We work to deliver that in a number of ways. Council engages extensively with the community through community forums, strategic reference groups and our Have your Say community engagement platform. This ensures that we understand your views and consider them in our planning.

We provide accessible, timely and relevant information in ways to suit you – through our website and social media, newsletters and information at libraries and in the local press.

We work with you to develop our plans for the future through our Integrated Planning and Reporting process and report regularly on our progress towards achieving those plans.

We seek to continuously improve our customer service standards and improve your experience when dealing with us to pay your rates, lodge a DA or report a pothole.





Our commitment to local democracy is demonstrated by our delivery of civics training in local primary schools, live streaming of Council meetings and the development of an ongoing professional development program for individual Councillors.



Good leadership must be supported by a strong organisation. We are reviewing our procurement and asset management systems to ensure that the community gets the best value from their assets, and our business is supported by a strong, transparent financial management program outlined in our Long Term Financial Plan, and reported to the community quarterly.

Underpinning all that we do is a strong commitment to ethical governance, ensuring that robust and transparent policies, risk management plans and records management systems support the efficient delivery of our services.



Finally, we couldn't achieve what we do without a professional work environment that supports staff to deliver our services with policies and procedures that keep them safe, support their professional development and provide them with the technology they need to do their jobs to the best of their ability.


**An engaged and informed community**

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
741.1	Undertake responsive and accountable Integrated Planning and Reporting to deliver the community vision and needs.	Community Strategic Plan drafted following consultation with the community.	Community Strategic Plan adopted, Delivery and Operational plans drafted.	MBE	Extensive community engagement conducted to support the development of the draft Community Strategic Plan.	
741.2	Inform the community and stakeholders about Council business, news and activities via multimedia channels and maintain Council's image through positive media relations.	Community informed through multiple media channels including, but not limited to, producing 2 community newsletters; weekly media releases for local media; updating Council's social media and website with information and key messages.	4 community newsletters produced and community informed. Positive Council image promoted and enhanced to the community.	HCE	Continuing to meet expected deadlines for publications including the bimonthly Newsletter.	
741.3	Prepare and produce key documents in alternative formats and community languages.	Manage, edit and produce Council document as required.	Council document edited and produced for public exhibition in accordance with the determined time frames.	HCE	Continuing to meet demand for multicultural editorial requests.	
741.4	Hold 6 monthly Community Forums to inform the community of Council's progress.	1 Community Forum held.	2 Community Forums held.	MBE	No formal Community Forums have been held, however, Councillors have attended various community events listening to residents' concerns.	

Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
741.5	Implement a range of methods to engage the community including surveys, online and face to face methods as outlined in Council's adopted Communication & Community Engagement Strategy.	Surveys and community engagement activities conducted as required and reported to community.	Surveys and community engagement activities conducted as required and reported to community.	MBE	1 Pop Up engagement commenced in Southpoint Shopping Centre.	
741.6	Develop and maintain the 'Talking Bayside' Community Panel.	Minimum 250 participants recruited.	Minimum 500 participants recruited.	MBE	Recruitment for the 'Talking Bayside' panel will commence in 2018.	






### High customer service standards

Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
742.1	Provide excellence in customer service across Bayside Council community touchpoints.	Bayside Customer Service strategy adopted.	Bayside Customer Service strategy implemented.	MLC	Bayside Customer Service strategy yet to finalised, however, harmonisation of services completed with opening of new Eastgardens Library & Customer Service Centre.	
742.2	Analyse customer requests and complaints recorded in the Customer Request Management System.	2 reports to Executive Committee.	4 reports to Executive Committee.	MLC	2 reports to Executive Committee.	
742.3	Participate in the National Local Government Customer Service Network Benchmarking Program and report performance.	Continued participation in Program.	Program undertaken 3rd quarter, data evaluated and reported by end June 2018.	MLC	Participation in Program has continued.	




Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
742.4	Enhance the use of technology to provide increased service delivery and information services to the community.	New website launched with harmonised online services for the community including paying rates and invoices online, reporting graffiti and applying for 149, 603 and 121 ZP certificates.	Online services for the community increased to enable more transactions with and information from Council via its website.	MIT	New Bayside website launched which provides centralised online services for the community, including paying of rates and invoices, applying for certificates and reporting graffiti.	

### Supporting local democracy



Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
743.1	Support September 2017 Local Government Elections.	Support to NSWEC provided.	Not applicable for 2017/18.	MGR	Successfully supported NSW Electoral Commission.	
743.2	Conduct Councillor's induction following September 2017 elections.	Key elements delivered.	Complete program delivered.	MGR	Councillor development program established and delivered in accordance with Office of Local Government guidelines.	
743.3	Deliver an ongoing professional development program for individual Councillors.	3 professional development opportunities attended by Councillors.	6 professional development opportunities attended by Councillors.	MES	Councillor attendance at professional development and networking opportunities including 8 induction sessions; 1 LGNSW Workshop; 1 LGNSW Annual Conference.	
743.4	Implement new business paper system for Council and administration meetings.	New business paper system in place – Council meetings supported.	Business paper system supporting all relevant committees.	MGR	New system implemented, staff training ongoing. System expanded to other committees and meetings to enable consistency.	






Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
743.5	Harmonise sub-delegations to staff across the organisation.	Completed set of harmonised sub-delegations.	Not applicable for 2017/18.	MGR	Sub-delegations have been determined and are being rolled out to all applicable staff.	
743.6	Actively participate at the regional level on boards and forums such as the Mayoral Aviation Council and the SSROC to secure positive outcomes for the Bayside community.	Participation and attendance at meetings.	100% representation at meetings.	MES	Providing high level administrative and secretarial office support to the AMAC. Total hours of support averaging 13 hours per month.	
743.7	Participate in, and contribute to the NSW LGSA in communication and lobbying to the NSW Government on NSW wide industry issues.	Number of issues lobbied relevant to Bayside community.	100% representation of issues.	MES	Councillors attended November Southern Sydney Regional Organisation of Councils Annual General Meeting and the Stronger Communities Community Grant Funding Assessment Panel meeting.	
743.8	Harmonise access to Information policy, publication guide and procedures.	Publication guide completed.	Documents and processes harmonised.	MGR	Policy developed for adoption February 2018. Publication guide and procedures drafted for staff engagement.	
743.9	Investigate and implement avenues to promote active participation of residents in local democracy.	1 Civics Workshops held with new citizens, information promoting local democracy distributed at events and community engagement activities.	2 Civics Workshops held with new citizens, information promoting local democracy distributed at events and community engagement activities.	MBE	Council working with migrant resource centres to develop a number of workshops and materials to be distributed.	




Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
743.10	Educate local primary school students on the role of local government.	Civics training conducted with 6 primary schools.	Civics training conducted with 12 primary schools.	MBE	Civics training conducted with 6 primary schools.	
743.11	Improved response times to enquiries received from Councillors.	75% of enquiries responded to within timeframes. 25% of outstanding enquiries provided with reasons for delay in finalising.	100% of enquiries responded.	MES	Councillor request report for the 2nd quarter, due January 2018.	
743.12	Civic events attended by the Mayor and/or Councillor representative.	Number of Civic Events attended by the Mayor (or Councillor representative).	Number of Civic Events attended by the Mayor (or Councillor representative).	MES	Mayor or delegated representative hosted or attended 22 community; cultural and civic events.	








### Ethical Governance






Action Code	Action	6 Month Milestone - December 2017	Annual Target	Responsibility	Progress 31 December 2017	
744.1	Implement a single Electronic Document Records Management System (EDRMS) using a best practice Records Classification system.	Records classification system implemented.	Consolidated EDRMS established.	MGR	Planning commenced for rollout of consolidated EDRMS; state based records classification system in place at both former Councils and continues to be used.	
744.2	Consolidate hardcopy records to off-site storage and scan priority documents.	Project commenced.	Project finalised.	MGR	Identified all hard copy records across the 2 former council's digitation and archiving program commenced.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
744.3	Harmonise Council policies across the organisation.	Key governance, financial and procurement policies complete.	All existing policies of former councils reviewed.	MGR	Key governance, financial and procurement policies completed.	
744.4	Harmonise Enterprise Risk Management Policy, strategies, procedures and action plans.	Policy and strategies adopted; procedures developed.	Training program delivered; quarterly reporting established.	MGR	Enterprise Risk Management Policies and strategies adopted with risk registers harmonised across Council.	
744.5	Undertake risk analysis for all key business services and implement relevant action plans.	Risk analysis program adopted.	Completed for key business services.	MGR	Risk analysis program adopted for all strategic and operational risks. Strategic risks identified.	
744.6	Harmonise Business Continuity Plans.	BCP Review action plan developed and reported.	BCP complete.	MGR	BCP action plan developed and reported with timelines and milestones.	
744.7	Support local government regional organisations and other bodies with common interests.	Meetings attended.	Council involvement and support of organisations maintained.	MGR	Meetings of Southern Sydney Regional Organisation of Councils attended as scheduled.	


### Strong financial management






Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
745.1	Develop Bayside Council Long Term Financial Plan (LTFP).	LTFP framework developed.	LTFP adopted.	MFE	Framework developed and implementation time line established.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
745.2	Coordinate the implementation of Council's Productivity and Savings Program.	Early milestones achieved and future milestones planned.	Program complete and implemented.	MFE	Ongoing productivity and service improvements achieving savings through better service delivery.	
745.3	Prepare 2018/2019 and monitor the 2017/2018 Operational Budgets.	Budget performance monitored and reported quarterly.	Budget adopted.	MFE	1st quarter budget performance monitored and reported to Council in November.	
745.4	Review and implement Debt Recovery Policy.	Debt Recovery Policy implemented.	Debt Recovery Policy reviewed.	MFE	Review deferred to 3rd quarter.	
745.5	Maintain and review Council's Rating Structure.	No milestone scheduled.	Rating Structure reviewed and maintained.	MFE	As a merged Council, Bayside's Rating Structure cannot be altered until 2020. Rating Policy to be reviewed in the 3rd quarter.	
745.6	Ensure accurate processing of creditor payments.	Creditor payments processed through a single system.	Best practice payments process implemented.	MFE	All creditor payments for Bayside Council processed through one system from July 2017 in accordance with a reviewed and improved creditor process.	
745.7	Prepare Financial Statement in line with relevant legislation and policy.	Statement finalised, audited. A report to Council for adoption.	Draft Statement prepared.	MFE	Preparation of Bayside Financial Statements delayed to 3rd quarter due to delay in finalisation of the former City of Botany Bay 2015/16 Financial Statements.	
745.8	Migrate designated accounting functions from both former Councils to one system.	Number of functions transitioned for the start of 2017/18.	Planning in place for remaining functions to migrate.	MFE	Accounts payable, general ledger, budgeting, sundry debtors and treasury have been transitioned to a single system. Transition of remaining functions continue as programmed.	


Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
745.9	Establish an interim internal audit program.	Program approved and 'health checks' commenced.	4 completed 'health checks' reported.	MGR	Program approved by Risk & Audit Committee and health check program commenced.	
745.10	Hold 4 ordinary Audit Committee meetings.	2 meetings held.	4 meetings held.	MGR	Two meetings held, August and November 2017.	
745.11	Monitor and report implementation status of internal audit outcomes to Audit Committee.	2 quarterly reports completed.	4 quarterly reports completed.	MGR	Reports completed and reported to August and November.	
745.12	Develop an Internal Controls Framework.	Draft completed and adopted.	Framework reviewed and amended.	MGR	Project Plan developed and work commenced on internal control and processes.	
745.13	Review Council's property portfolio and investigate opportunities to improve financial sustainability and service delivery.	Investigate opportunities for property portfolio and report these to the Investment Strategy Working Group.	Investigate opportunities for property portfolio and report these to the Investment Strategy Working Group.	MPR	Profiling of property portfolio underway to improve its performance through upgrades; auditing of systems and processes underway.	






### Strong asset management

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
746.1	Supplier and staff education programs on procurement governance framework delivered.	50% supplier and staff education programs implemented.	a) Supplier education program delivered at least once per annum.  b) Staff education programs delivered twice per annum.	MPT	Education programs have been held for staff on: Code of Conduct; Supplier Relations; Procurement system use; Procurement policy and procedures. Mailing campaign to all suppliers regarding Council's Business Ethics, Procurement Policy and Terms of Supply.	







Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
746.2	Finalise asset specific management plans for critical assets (library, plant and equipment).	Draft plans prepared.	Plans adopted and reported.	MPT	Condition of Council's Property portfolio being ascertained to determine performance of Council's buildings and in turn the capital works and asset maintenance required.	
746.3	Purchase of medium and heavy Plant.	Procurement completed in line with adopted program.	Procurement completed in line with adopted program.	MPT	Purchasing program developed, undertaken in accordance with program.	
746.4	Purchase of light vehicle fleet.	Procurement completed in line with adopted program.	Procurement completed in line with adopted program.	MPT	Purchasing program developed, undertaken in accordance with program.	
746.5	Manage and maintain Council's fleet to ensure optimum performance.	Service and maintenance programs completed as scheduled.	Service and maintenance program delivered.	MCW	Fleet maintenance of Council heavy and light vehicles undertaken to the appropriate technical and environmental standards.	
746.6	Prepare designs for future Asset Development Projects.	Designs developed as asset development projects come on line.	Designs developed as asset development projects come on line.	MCI	Programs continuing.	







### Professional work environment

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
747.1	Implementation of Organisational Structure.	Organisational Structure approved. Consultation and implementation commenced.	100% of Organisational Structure implemented.	MPC	Organisational structure fully implemented.	



Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
747.2	Develop Organisational Culture, Climate and Engagement plan (OCCE).	Plan developed and 40% of OCCE plan implemented.	90% of OCCE plan implemented.	MPC	Plan developed, approved and 50% of the plan implemented. Corporate Values developed and implemented. Reward and Recognition program developed and implemented.	
747.3	Maintain and develop appropriate Human Resources Management Policies to attract, develop and retain a skilled and motivated workforce.	Policies, strategies and activities developed.	80% of policies, strategies and activities implemented.	MPC	20% of policies developed and approved.	
747.4	Develop Workforce Strategy and Plan to support the new local government entity.	Project Plan and Methodology Developed and approved.	Workforce Strategy and Plan developed and approved.	MPC	Workforce Strategy developed and approved.	
747.5	Implement Employee Engagement Strategy.	40% of the strategy implemented.	80% of the strategy implemented.	MPC	Strategy developed, approved and 50% implemented.	
747.6	Implement CIP (Core Infrastructure Project) to ensure that Bayside Council's IMT requirements are delivered in a cost effective, reliable, secure and timely manner.	Infrastructure migrated to data centre with new links in place.	Infrastructure operating to SLA levels	MIT	Data centre service established with expanded communication links to all Council work places. Service level agreements developed with a professional service provider resulting in improved cost effectiveness, reliability, security and response time.	





Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
747.7	Implement CAP (Core Applications Project) to ensure that Bayside Council has the systems and applications in place to support the delivery of services to the community in a timely and reliable manner.	Central applications completed including G/L, Payroll, ERDMS, Council Reporting system.	CRM and operations systems harmonised.	MIT	Consolidated General Ledger, new reporting system established. Consolidated payroll system and EDRMS projects commenced.	
747.8	Purchase and maintain stock to ensure efficient supply and service delivery to Council.	Stock inventory audited for efficiency and capability.	Efficient and timely supply delivered.	MCW	Efficient and timely supply delivered.	
747.9	Harmonise Work Place Health and Safety system. SWMS review and implementation of online incident notification system.	Strategy, policies and processes harmonised and implemented.	Workplace Health & Safety system developed and implemented.	MPC	Work Health & Safety Policy developed.	
747.10	Hold quarterly WH&S Committee Meetings to improve Workplace Safety	2 meetings held.	4 meetings held.	MPC	2 meetings held.	
747.11	WH&S inspections carried out in accordance with annual schedule.	45% of inspections carried out in accordance with annual schedule.	90% of inspections carried out in accordance with annual schedule.	MPC	45% of inspections carried out in accordance with annual schedule.	
747.12	Investigate and manage claims against the Council.	Investigations completed and quarterly reports to Audit Committee.	Investigations completed and quarterly reports to Audit Committee.	MGR	Investigations completed and reported to Council in August and November.	


Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
747.13	Identify and implement strategies to improve workers compensation management.	40% of long term worker's compensation claims closed.	60% of long term workers' compensation claims closed.	MPC	62.5% of long term worker's compensation claims closed.	
474.14	Implement staff and leadership training and development program.	Program developed and implemented.	90% of program delivered.	MPC	Staff and leadership training, and development program developed.	
747.15	Develop and implement a harmonised performance management system.	Performance management system developed and implemented.	Staff working with clearly outlined goals and objectives detailed in a work plan.	MPC	Performance management system implemented.	
747.16	Develop and implement Project Harmony - review and harmonisation of employee's terms and conditions.	Terms and conditions reviewed and mapped.	A Council Agreement signed between the parties and implemented.	MPC	Terms and conditions reviewed and mapped.	
747.17	Implement internal communication competency.	POC and Communication team's employees trained.	Intranet fully utilised as a tool for communication.	MPC	Training for POC staff is scheduled for June 2018.	
747.18	Human Resources Management policy harmonisation.	50% of the policies harmonised.	100% of the policies harmonised.	MPC	20% of policies developed and implemented.	

**Sydney Airport and Port Botany**

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
748.1	Manage the Airport Business Unit.	Contractual service delivery maintained.	Financial viability of Sydney Airport contract No. 3192 assessed.	MBU	Council met its contractual services with evidence of receiving no penalty points for non-delivery of services.	
748.2	Provide advocacy and representations on traffic issues and freight movements associated with the development and operations of Port Botany and Sydney Airport.	No milestone scheduled.	Active representation and advocacy provided.	MSP	Ongoing.	

**Planning for a new Council**

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
749.1	Review and refine operation of new corporate asset management, finance and procurement application system.	Review completed and systems harmonisation developed.	Systems harmonisation implementation commenced.	MGR	Program reviewed and harmonisation plan developed and commenced.	
749.2	Work in Partnership with staff to develop an accommodation strategy.	Consultation process developed and implemented.	Accommodation strategy implemented.	MPC	Co-Location project 100% implemented.	

Action Code	Action	6 Month Milestone – December 2017	Annual Target	Responsibility	Progress 31 December 2017	
749.3	Support and coordinate the implementation of the Service Review Framework for the new Council including the development of detailed service plans	Service review methodology developed in consultation with key internal stakeholders.	Service Review methodology implemented.	MES	Draft Service Review Framework to be prepared.	

## 4 Capital Works

### 4.1 Major Works

Council is committed to progressing a number of major community projects to provide quality and appropriate facilities which support community life in Bayside. Five of the key projects are:

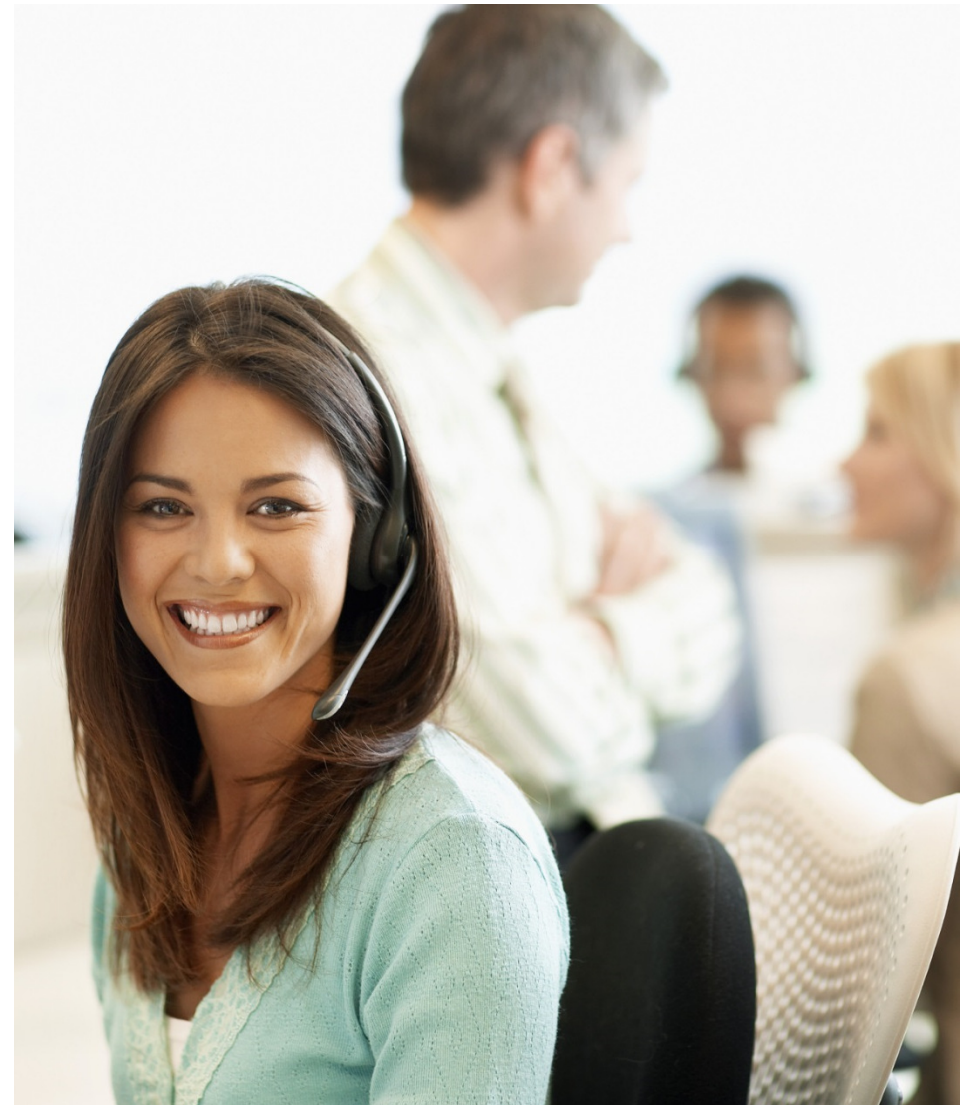
- Eastgardens Library and Customer Service Centre
- New Amenities Block at Booralee Park, Botany
- Mutch Park Skatepark
- Jellicoe Park
- Bicentennial Park South

#### **Eastgardens Library and Customer Service Centre**

Council is refurbishing the old library and then mayor's office to provide modernised facilities and enhanced experience for the public.

The renewed library will offer a contemporary services including self-service kiosks, a print management and PC booking system and a range of new activities and program for all age groups with additional community space including meeting rooms and study areas.

The customer service centre will give residents access to the full range of Council services where they can make an enquiry, pay fees and registrations, apply for a parking permit, pay rates or lodge development applications.



**New Amenities Block at Booralee Park, Botany**

Council is building a new sporting amenities block, replacing the old amenities block opposite Botany Aquatic Centre in Booralee Park. The project aims to provide safe facilities for the community and will include new public amenities, change rooms, canteen and storage areas.

Allocation: \$1.87M

Status: Completed. Opened 13 March 2018.

**Mutch Park Skatepark**

The Mutch Park Skatepark represents a unique style of plaza style skate elements, inspired by global and local precedents. The design is focused on participation, with provisions for all riders and skills levels. It also provides opportunity for the community to participate in the space beyond the skate function, with recreational grassland and landscaped spaces, lighting and integrated seating.

Allocation: \$2.2M

Status: Awaiting DA. Not commenced.

**Bicentennial Park South Synthetic Playing Field**

Like many Council's, Bayside is challenged with a limited supply of useable open space to meet the increasing demand for use of its open space for sport and recreational activities. The high wear and tear on existing natural turf playing fields combined with the impacts of wet weather limits the ability to maximise the use of these fields.

The project consists of the replacement of the existing turf playing field with a NSW of the FIFA Quality mark and/or FIFA 1 Star synthetic soccer field and which meets the requirements of Football NSW.

Allocation: \$1.7M

Status: Completed. Opened 19 January 2018.

**Jellicoe Park amenities, kiosk & park embellishment**

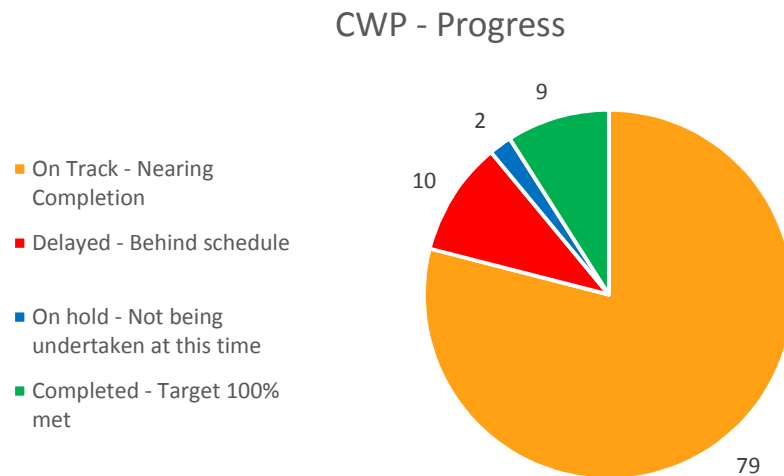
Council is building a new sporting amenities in Jellicoe Park. The project aims to provide safe facilities for the community and will include new public amenities, change rooms, canteen and storage areas. The project will also include a shade structure for the playground, a new fitness station, an upgrade to the existing connecting pathways and perimeter fencing.

Allocation: \$2M

Status: Under construction. Completion expected June 2018.

## 4.2 Capital Works Program 2017/18

The composite Capital Works Program includes 122 tasks, of which 11% have been completed, 96% are on track for completion, 12% are behind schedule and 3% are currently on hold.










## Key capital works achievements










The following are selected achievements for the six months to 31 December 2017:










- Arncliffe Pre-School – rehabilitation of buildings completed with a further stage identified.
- Council accommodation at Rockdale and Hillsdale completed.
- Eastgardens Library and Customer Service Centre completed.
- Jack and Jill Pre-School – access ramp and improvements completed.
- Old St David's Church, Arncliffe. Refurbishment completed.
- All active sports fields within the Local Government Area have been aerated/top dressed and all minor repairs completed.
- Seaforth Park Embellishment Stage 2 completed.
- Cahill Park playground and footpaths completed.
- Cook Park – Banks Street Carpark rehabilitation completed.
- Rehabilitation and minor improvements to carparks in local centres completed.






















## 4.2 Capital Works Program










Program	Sub-Program	Project Narration	Progress 31 December 2017	
Asset Planning & Systems	Asset Forward Planning	2-Dimensional Flood Study Review of the Bardwell Creek Drainage Catchment.	A grant funded project in conjunction with the Office of Environment and Heritage (OEH). Tenders invited and preferred consultant determined. OEH endorsed the project and preferred consultant on 19 February 2018. Work to commence shortly on the project.	
		Cooks River Crossing Cycleway Feasibility - contribution from Bayside to Inner West.	On track pending Inner West Grant approval.	
		Mascot Carparking Study - Mascot Town Centre precinct.	On track with scope of works underway. Expressions of Interest called in for consideration in March 2018.	
		Open Space and Recreation Needs Analysis - Key site assessments: Botany Leisure Centre; Botany Golf Course and Mutch Park Squash Centre and Amenities.	Botany Leisure Centre Project plan to be completed. Botany Golf Course and Mutch Park Squash Centre site investigations to be scheduled.	
		Prepare design for future asset development programs.	On track.	
	Asset Minor Works	For minor renewal projects outside the normal sub-programs but related to asset development.	On track, program of works has been identified and work instructions issued.	
		For small projects outside the normal sub-programs but related to asset development.	On track, program of works has been identified and work instructions issued.	










Program	Sub-Program	Project Narration	Progress 31 December 2017	
Beaches & Waterways	Foreshore Infrastructure	Asset Protection of the Sandringham Seawall.	On track.	
		Brighton Boardwalk Decking Rehabilitation Stage 2.	Deferred - Works deferred to review alternate materials to hardwood decking. Report commenced on alternative materials.	
		Cook Park Dune Restoration - Bestic to Rowley and Rowley to Bruce.	On track - Substantially completed.	
		Foreshore Access improvement - Riverside Drive.	On track - Construction works to commence April 2018.	
		Preliminary investigations for environmental seawall at Cahill Park.	On track.	
	Foreshore Swim Enclosures	Renewal of swimming enclosures including installation of piles, improving accessories, nets and associated infrastructure.	Renewal programs are ongoing and on track and maintained.	
Buildings	Building Renewal & Rehabilitation	AMAC Building - Construction of new lift.	Behind target - Future use of the building and subsequent requirement for lift to be resolved before proceeding.	
		Arncliffe Pre School - rehabilitation of buildings.	Complete - Further stage identified.	
		Bexley Oval amenities and kiosk.	On track.	











Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Booralee Park amenities and kiosk.	On track.	
		Botany Senior Citizens - construction of accessible toilet facilities.	Deferred.	
		Botany Town Hall - Construction of new lift.	On track.	
		Boulevard Car Park Repairs and Investigations.	On track.	
		Building audits (condition, performance, hazardous materials), including Childcare, Mascot Administration and Coronation Hall, etc.	On track - Program of investigations identified and project management plan approved.	
		Council accommodation – Hillsdale.	Completed.	
		Council accommodation – Rockdale.	Completed.	
		Eastgardens Library and Customer Service Centre.	Completed.	
		Energy saving actions - community buildings.	On track - works all scoped.	

Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Energy saving actions - general buildings	On track - lighting upgrade complete for Rockdale administration building and solar installation scoped.	
		General building rehabilitation - minor repairs	On track - Program of works has been identified and work instructions issued.	
		Jack and Jill Pre-School - access ramp and improvements.	Completed.	
		Jellicoe Park amenities, kiosk and park embellishment.	On track.	
		Kyeemagh Boat Ramp Reserve amenities.	On track.	
		Old St Davids Church, Arncliffe - refurbishment.	Completed.	
		Peter Depena Amenities.	On track.	
		Peter Depena Reserve South Toilets - demolition.	On track.	
		Rowland Park Amenities - renewal.	On track.	
		Scarborough Park amenities and kiosk - Production Avenue.	On track.	











Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Scarborough Park Toilets (Barton Street) – demolition.	Delayed - Toilets decommissioned. Demolition pending resolution of alternate storage associated with existing user group.	
		Scott Park amenities.	On track.	
		Tonbridge Reserve amenities and kiosk.	On track.	
		Wilson's Cottage heritage restoration.	On track.	
		Water saving actions - community buildings.	On track - projects all scoped and incorporated into tender.	
IT and Communications	Information Management	Implementation of the Information Management Strategy.	Project Plan prepared; Recruitment of Project Manager to be finalised in third quarter.	
Library Resources	Library Resources	Purchase of books and media.	On track.	
Open Spaces	Active Parks	Arncliffe Park, Synthetic playing surface.	On track.	
		Bicentennial Park synthetic surface.	On track	











Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Frys Reserve Cricket Nets renewal.	On track - Community engagement completed.	
		Hensley Athletic Field track surface assessments.	On track - Scope of the assessment under preparation.	
		Mutch Park - AFL playing field.	Cancelled.	
		Mutch Park skate facility.	Delayed pending DA approval.	
		Scarborough Infrastructure Renewal: (1) Austin field and (2) Scarborough Park at Production Lane.	On track - Subject to developer voluntary planning agreement payment.	
		Scarborough Park Cricket Nets renewal.	On track - Construction works well advanced and scheduled for completion end of March 2018.	
		Topsoil and minor repairs to sports field surfaces.	All active sports fields within the Local Government Area have been aerated / top dressed and all minor repairs have been actioned.	
	Cycleways	Cycleway diversions - Cook Park.	On track - Design complete issued for construction.	
		Rehabilitation of pavement, lines and signs for off-street cycleway, and cycle facilities – PROGRAM.	Rehabilitation program is delivered and ongoing for pavement lines and signs, off-street cycleways and cycle facilities as per a proactive schedule.	










Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Safety Audit of Cook Park Cycleway (Clareville Avenue to Bestic Street).	Deferred - Grant funding not approved.	
		Sanoni Cycleway - Cook Park.	On track - Design complete.	
	Natural Assets	Continuation of planting in accordance with Street Tree Masterplan.	Behind target - Plan prepared for issue at Lachal Avenue, Kogarah. Traynor Avenue, Kogarah. Oakdale Avenue, Kogarah. Moorefield Avenue, Kogarah. Civic Avenue, Kogarah. Annette Avenue, Kogarah. Fairway Avenue, Kogarah.	
		Street Trees Masterplan Civil Implementation - East.	On track and partly deferred.	
	Natural Environments	Bado-Berong Creek regeneration.	On track - Stage 1 works complete and Request for Quotation (RFQ) for Stage 2 distributed.	
		Bardwell Valley regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Bicentennial Ponds regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Binnamitalong Gardens regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Central Scarborough Park regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	









Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Coolibah Reserve regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Frys Reserve regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Hawthorne Street Natural Area regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Lady Robinsons Beach regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Northern Wetland Corridor regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 distributed.	
		Rehabilitation and protection of the environment and natural areas to enhance biodiversity.	On track - works undertaken for pest control, signage for natural areas, and aquatic weed control.	
		Sir Josephs Bank Park regeneration and rehabilitation - from environmental service order.	On track. Contractors continuing priority environmental restoration works on site.	
		Stotts Reserve regeneration.	On track - Stage 1 works complete and RFQ for Stage 2 was distributed.	
	Passive Parks	Arncliffe Park Embellishment.	On track.	
		Arthur Park Embellishment and Playground.	On track.	
















Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Bicentennial Park - Basketball courts.	On track.	
		Cahill Park masterplan Implementation - Cahill Park lighting, pathways and embellishment.	On track.	
		Eastlakes Reserve embellishment.	On track.	
		Foreshore Safety Fencing - development of standard design for future replacement.	Delayed.	
		Lever Street Reserve Embellishment and Playground.	On track.	
		Pine Park masterplan Implementation - Relocation of car parking and beachfront promenade.	On track.	
		Rehabilitation of open space and landscape infrastructure - (Sir Joseph Banks).	On track - Survey complete.	
		Rhodes Reserve Embellishment and Playground.	On track.	
		Rowland Park Embellishment and Playground.	On track.	
		Scarborough Park Central Embellishment.	On track.	

Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Seaforth Park - Embellishment stage 2.	Completed.	
	Playgrounds	Cahill Park playground and footpaths.	Completed.	
		Charles Daly Reserve Playground - renewal.	On track - Community engagement and concept design complete.	
		Gardiner Park embellishment.	On track.	
		Kingsgrove Avenue Reserve Playground - Renewal.	On track - Community engagement and concept design complete.	
		Pine Park playground.	On track.	
		Safety renewals program to meet compliance requirements - PROGRAM.	Delayed - Playground at Chapel Street, Rockdale vandalised requiring reprioritising of program.	
		Scott Park Playground - equipment replacement.	On track - Community engagement and concept design complete.	
		Shaw Street Reserve Playground - Renewal.	On track - Community engagement and concept design complete.	
		Yamba Woora Reserve Playground - Renewal.	On track - Community engagement and concept design complete.	

Program	Sub-Program	Project Narration	Progress 31 December 2017	
Plant, Fleet & Equipment	Fleet Replacement	Purchase of light vehicles in accordance with replacement program - SEPARATE REPORT.	The purchase of light vehicles is on track and in accordance with the replacement program.	
		Purchase of medium & heavy vehicles in accordance with replacement program - SEPARATE REPORT.	The purchase of heavy vehicles is on track and in accordance with the replacement program.	
Repayment of loans	Repayment of loans	Repay Ramsgate Beach loan.	On track.	
		Repay Wolli Creek loan.	On track.	
Roads & Transport	Bridges & Structures	Rehabilitation of Bridge piers and footings, deck, railings and ancillary items. Rehabilitation of Retaining walls including clearing weepholes annually. - PROGRAM.	On track - Assessment and design of retaining wall at Vernon Road, Bexley.	
	Car Parks	Alfred St Nth car park Ramsgate Beach.	On track.	
		Cook Park - Banks St - Carpark Rehabilitation.	Completed.	
		Rehabilitation and minor improvements to car parks in local centres - PROGRAM.	Complete - Stoney Creek Road / Kinsel Grove carpark resealed.	
	Kerb & Gutter	Reconstruction of sections of kerb and gutter - PROGRAM.	On track.	

Program	Sub-Program	Project Narration	Progress 31 December 2017	
	Pedestrian Access & Mobility	Undertake upgrades in various locations including kerb ramps, bus stops and pedestrian facilities – PROGRAM.	On track.	
	Road Pavements	Re-sheet and rehabilitation of local road pavements. Grant funds include the Australian Government's Roads to Recovery Program – PROGRAM.	On track.	
		Re-sheet and rehabilitation of regional road pavements. Grant funds provided under RMS regional road block grant and regional road repair fund – PROGRAM.	On track.	
	Street Lighting	Street lighting upgrades to improve traffic and road safety – PROGRAM.	On track.	
	Traffic & Road Safety	Installation of traffic devices as endorsed through the Bayside Traffic Committee, and urgent works – PROGRAM.	On track - Fontainebleau Street, Sans Souci and Wolli Creek Road, Banksia and Arncliffe issued for construction. Baxter Road, Mascot and Somerville Street, Arncliffe design complete.	
		Mascot Cycleway (partnership between City of Sydney Council, Department of Education and Bayside Council).	On track - Stage 1 works complete and RFQ for Stage 2 was distributed.	
		Rehabilitation of regulatory and advisory signs, linemarking and associated facilities including on-road cycleways.	On track - Program of works has been identified and work instructions issued.	
		Robinson Street on-road cycleway connection (Grand Parade to O'Connell Street).	On track.	

Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Wentworth Avenue / Baker Street / Page Street intersections.	On track.	
		Wolli Creek, road and frontage works (one - way circuit and Willis Street).	Consultants engaged in Q3 17/18 to progress design documentation.	
Stormwater Drainage	Drainage Infrastructure	Citywide Condition assessment of pipe drains and open drains.	Delayed. Scope of the assessment under preparation.	
		Excell Street drainage.	Delayed pending RMS approval.	
		Investigation of Flood Mitigation Options for the Cadia Street drainage sub-catchment.	Delayed.	
		Upgrade of drainage infrastructure at Arncliffe Park, Arncliffe in conjunction with synthetic sports field surface.	On track.	
	Water Quality	Servicing of Grease Pollution Traps and removal of collected materials.	Environmental schedules are in place for the servicing and maintenance of GPTs and removal of collected materials is ongoing and on track.	
Town Centres	Street Furniture	Street Furniture Asset Inventory and Condition Assessment.	On track - Program of investigations identified and project management plan approved.	
	Thriving Town Centres	Arncliffe, Banksia, Priority Precinct - Strategic Infrastructure Planning.	Delayed due to staff resourcing. To be progressed in fourth quarter 2017/18. Council awaits confirmation by the Minister for Planning as the work is funded by NSW Government.	

Program	Sub-Program	Project Narration	Progress 31 December 2017	
		Banksmeadow Town Centres rehabilitation.	On track.	
		O’Riordan Street - Underground overhead power.	On hold.	
		Swinbourne Street Town Centre - Planning and design only (construction by developers).	On track.	
		Town Centre Street Furniture - Repair and/or replacement of street furniture items.	Repair or replacement of Town Centre street furniture is currently ongoing and on track as per a proactive schedule.	

# Former City of Botany Bay Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the period to 9 September 2016

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*The former City of Botany Bay is committed to improving the total environment to allow all community members who live, work, or use the facilities in the Council area to enjoy and benefit from the services provided."*



## Former City of Botany Bay Council

### General Purpose Financial Statements

for the period to 9 September 2016

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#### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for the Former City of Botany Bay Council.
- (ii) Former City of Botany Bay Council is a body politic of NSW, Australia – being constituted as a local government area by proclamation and is duly empowered by the *Local Government Act 1993* (LGA).

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services and facilities, and to carry out activities appropriate to the current and future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
  - (iv) These financial statements were authorised for issue by the Council on 09 April 2018. Council has the power to amend and reissue these financial statements.
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## Former City of Botany Bay Council

### General Purpose Financial Statements for the period to 9 September 2016

#### Statement by Councillors and Management

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

The attached General Purpose Financial Statements for the former City of Botany Bay Council for the period 1 July 2015 to 9 September 2016

The former City of Botany Bay Council was amalgamated on 9 September with the former Rockdale City Council to form the Bayside Council by way of the Local Government (Bayside) Proclamation 2016.


This Statement by Councillors and Management is in respect of the former City of Botany Bay Council and is limited due to the significant breakdowns in administrative, financial and governance internal controls identified in the former Council.

The breakdown is evidenced by the NSW Independent Commission Against Corruption (ICAC) report 2016 on the former City of Botany Bay Council (Operation Ricco) which identifies overwhelming corruption and systemic failures in internal controls.

Whilst significant work has been undertaken to develop and implement a new internal control environment and to address the Independent Commission Against Corruption (ICAC) report on the former City of Botany Council within the new Council, this cannot correct the past failings of the former City of Botany Bay Council.

The current Council and Management of the newly formed Bayside Council cannot warrant the completeness and reliability of the financial statements as a whole as covered above.

Signed in accordance with a resolution of Council made on 14 March 2018.

  
Bill Saravinovski  
Mayor  
Liz Barlow  
Councillor  
Meredith Wallace  
General manager  
Matthew Walker  
Responsible accounting officer

## Former City of Botany Bay Council

## Income Statement

for the period to 9 September 2016

Budget <sup>1</sup>			Actual	Actual
1/7/15			1/7/15	1/7/14
to 9/9/16	\$ '000	Notes	to 9/9/16	to 30/6/15
<b>Income from continuing operations</b>				
<b>Revenue:</b>				
n/a	Rates and annual charges	3a	64,060 <sup>2</sup>	34,272
n/a	User charges and fees	3b	17,856	14,818
n/a	Interest and investment revenue	3c	3,250	2,178
n/a	Other revenues	3d	1,441	2,131
n/a	Grants and contributions provided for operating purposes	3e,f	9,925 <sup>3</sup>	7,522
n/a	Grants and contributions provided for capital purposes	3e,f	64,466	18,848
<b>Other income:</b>				
n/a	Net gains from the disposal of assets	5	127	14
n/a	Net share of interests in joint ventures and associates using the equity method	19	167	—
n/a	<b>Total income from continuing operations</b>		<b>161,292</b>	<b>79,783</b>
<b>Expenses from continuing operations</b>				
n/a	Employee benefits and on-costs	4a	37,305	27,868
n/a	Borrowing costs	4b	—	—
n/a	Materials and contracts	4c	39,767	22,531
n/a	Depreciation and amortisation	4d	8,477	5,564
n/a	Impairment	4d	124	—
n/a	Other expenses	4e	5,743	4,452
n/a	Net share of interests in joint ventures and associates using the equity method	19	—	340
n/a	<b>Total expenses from continuing operations</b>		<b>91,416</b>	<b>60,755</b>
n/a	<b>Operating result from continuing operations</b>		<b>69,876</b>	<b>19,028</b>
<b>Discontinued operations</b>				
n/a	Net profit/(loss) from discontinued operations	24	—	—
n/a	<b>Net operating result for the period</b>		<b>69,876</b>	<b>19,028</b>
n/a	<b>Net operating result attributable to Council</b>		69,876	19,028
n/a	<b>Net operating result attributable to non-controlling interests</b>		—	—
<b>Net operating result for the period before grants and contributions provided for capital purposes</b>				
n/a			5,410	180

<sup>1</sup> Original budget as approved by Council is not required for these financial statements

<sup>2</sup> Rates are recognised as revenue at the commencement of the rating years for the periods 1/7/15 to 30/6/16 and 1/7/16 to 30/6/17. No adjustments have been made for rates not earned during the period 10/9/16 to 30/6/17.

<sup>3</sup> Federal Assistance Grants (FAGs) are recognised as revenue upon their receipt or upon earlier notification that the grant has been secured. As such the revenue for FAGs includes the full grant allocation for the 15/16 and 16/17 years.

## Former City of Botany Bay Council

Statement of Comprehensive Income  
for the period to 9 September 2016

		Actual 1/7/15 to 9/9/16	Actual 1/7/14 to 30/6/15
\$ '000	Notes		
<b>Net operating result for the period</b> (as per Income Statement)		<b>69,876</b>	<b>19,028</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	(832)	40,992
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(832)</b>	<b>40,992</b>
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
<b>Total other comprehensive income for the period</b>		<b>(832)</b>	<b>40,992</b>
<b>Total comprehensive income for the period</b>		<b>69,044</b>	<b>60,020</b>
<b>Total comprehensive income attributable to Council</b>		<b>69,044</b>	<b>60,020</b>
<b>Total comprehensive income attributable to non-controlling interests</b>		<b>—</b>	<b>—</b>

## Former City of Botany Bay Council

Statement of Financial Position  
as at 9 September 2016

\$ '000	Notes	Actual 9/9/16	Actual 30/6/15
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	36,625	6,198
Investments	6b	55,000	50,561
Receivables	7	23,102	7,922
Inventories	8	301	261
Other	8	563	55
Non-current assets classified as 'held for sale'	22	—	—
<b>Total current assets</b>		<b>115,591</b>	<b>64,997</b>
<b>Non-current assets</b>			
Investments	6b	34,883	9,000
Receivables	7	—	292
Inventories	8	—	—
Infrastructure, property, plant and equipment	9	368,971	363,491
Investments accounted for using the equity method	19	1,611	1,444
Investment property	14	—	—
Intangible assets	25	266	—
<b>Total non-current assets</b>		<b>405,731</b>	<b>374,227</b>
<b>TOTAL ASSETS</b>		<b>521,322</b>	<b>439,224</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	15,524	13,363
Borrowings	10	—	—
Provisions	10	15,132	7,446
<b>Total current liabilities</b>		<b>30,656</b>	<b>20,809</b>
<b>Non-current liabilities</b>			
Payables	10	—	—
Borrowings	10	—	—
Provisions	10	3,744	537
<b>Total non-current liabilities</b>		<b>3,744</b>	<b>537</b>
<b>TOTAL LIABILITIES</b>		<b>34,400</b>	<b>21,346</b>
<b>Net assets</b>		<b>486,922</b>	<b>417,878</b>
<b>EQUITY</b>			
Retained earnings	20	325,683	255,807
Revaluation reserves	20	161,239	162,071
Council equity interest		486,922	417,878
Non-controlling equity interests		—	—
<b>Total equity</b>		<b>486,922</b>	<b>417,878</b>

## Former City of Botany Bay Council

Statement of Changes in Equity  
for the period to 9 September 2016

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling Interest	Total equity
<b>1/7/15 to 9/9/16</b>						
<b>Opening balance</b> (as per last year's audited accounts)		255,807	162,071	<b>417,878</b>	—	<b>417,878</b>
a. Correction of prior period errors	20 (c)	—	—	—	—	—
b. Changes in accounting policies (prior year effects)	20 (d)	—	—	—	—	—
<b>Revised opening balance (as at 1/7/15)</b>		<b>255,807</b>	<b>162,071</b>	<b>417,878</b>	—	<b>417,878</b>
<b>c. Net operating result for the period</b>		<b>69,876</b>	—	<b>69,876</b>	—	<b>69,876</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	—	(832)	<b>(832)</b>	—	<b>(832)</b>
<b>Other comprehensive income</b>		<b>—</b>	<b>(832)</b>	<b>(832)</b>	—	<b>(832)</b>
<b>Total comprehensive income (c&amp;d)</b>		<b>69,876</b>	<b>(832)</b>	<b>69,044</b>	—	<b>69,044</b>
e. Distributions to/(contributions from) non-controlling Interests		—	—	—	—	—
f. Transfers between equity		—	—	—	—	—
<b>Equity – balance at end of the reporting period</b>		<b>325,683</b>	<b>161,239</b>	<b>486,922</b>	—	<b>486,922</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council interest	Non-controlling Interest	Total Equity
<b>1/7/14 to 30/6/15</b>						
<b>Opening balance</b> (as per last year's audited accounts)		236,779	121,079	<b>357,858</b>	—	<b>357,858</b>
a. Correction of prior period errors	20 (c)	—	—	—	—	—
b. Changes in accounting policies (prior year effects)	20 (d)	—	—	—	—	—
<b>Revised opening balance (as at 1/7/14)</b>		<b>236,779</b>	<b>121,079</b>	<b>357,858</b>	—	<b>357,858</b>
<b>c. Net operating result for the period</b>		<b>19,028</b>	—	<b>19,028</b>	—	<b>19,028</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	—	40,992	<b>40,992</b>	—	<b>40,992</b>
<b>Other comprehensive income</b>		<b>—</b>	<b>40,992</b>	<b>40,992</b>	—	<b>40,992</b>
<b>Total comprehensive income (c&amp;d)</b>		<b>19,028</b>	<b>40,992</b>	<b>60,020</b>	—	<b>60,020</b>
e. Distributions to/(contributions from) non-controlling Interests		—	—	—	—	—
f. Transfers between equity		—	—	—	—	—
<b>Equity – balance at end of the reporting period</b>		<b>255,807</b>	<b>162,071</b>	<b>417,878</b>	—	<b>417,878</b>

## Former City of Botany Bay Council

Statement of Cash Flows  
for the period to 9 September 2016

Budget <sup>1</sup> 1/7/15 to 9/9/16				Actual 1/7/15 to 9/9/16	Actual 1/7/14 to 30/6/15
\$ '000			Notes		
<b>Cash flows from operating activities</b>					
<b><u>Receipts:</u></b>					
n/a	Rates and annual charges			46,508	33,974
n/a	User charges and fees			19,611	15,247
n/a	Investment and interest revenue received			2,322	618
n/a	Grants and contributions			74,476	26,485
n/a	Bonds, deposits and retention amounts received			1,705	1,709
n/a	Other			9,067	1,244
<b><u>Payments:</u></b>					
n/a	Employee benefits and on-costs			(36,203)	(28,694)
n/a	Materials and contracts			(36,364)	(22,927)
n/a	Bonds, deposits and retention amounts refunded			(928)	(1,228)
n/a	Other			(4,522)	(3,612)
n/a	<b>Net cash provided (or used in) operating activities</b>	11b		<b>75,672</b>	<b>22,816</b>
<b>Cash flows from investing activities</b>					
<b><u>Receipts:</u></b>					
n/a	Sale of investment securities			101,561	22,950
n/a	Sale of infrastructure, property, plant and equipment			364	87
<b><u>Payments:</u></b>					
n/a	Purchase of investment securities			(131,754)	(36,064)
n/a	Purchase of infrastructure, property, plant and equipment			(15,416)	(8,116)
n/a	Contributions paid to joint ventures and associates			–	(446)
n/a	<b>Net cash provided (or used in) investing activities</b>			<b>(45,245)</b>	<b>(21,589)</b>
<b>Cash flows from financing activities</b>					
Nil					
n/a	<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>30,427</b>	<b>1,227</b>
n/a	Plus: <b>cash and cash equivalents – beginning of year</b>	11a		6,198	4,971
n/a	<b>Cash and cash equivalents – end of the period</b>	11a		<b>36,625</b>	<b>6,198</b>
Additional Information:					
	plus: <b>Investments on hand – end of period</b>	6b		89,883	59,561
<b>Total cash, cash equivalents and investments</b>				<b>126,508</b>	<b>65,759</b>

<sup>1</sup> The original budget as approved by Council is not required for these financial statements

**Please refer to Note 11 for information on the following:**

- Non-cash financing and investing activities
- Financing arrangements
- Net cash flow disclosures relating to any discontinued operations

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

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n/a – not applicable

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies

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

Under Australian Accounting Standards (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

##### (a) Basis of preparation

###### (i) Background

These financial statements are general purpose financial statements, which have been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board,
- the *Local Government Act (1993)* and Regulation,
- the Local Government (Bayside) Proclamation 2016 and
- the Local Government Code of Accounting Practice and Financial Reporting (No.24).

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

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

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the not-for-profit sector (including local government) which are not in compliance with IFRSs, or
- (b) specifically exclude application by not-for-profit entities.

Accordingly, in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting

Standards, but has complied fully with Australian Accounting Standards.

Under the *Local Government Act (LGA)*, Regulation and Local Government Code of Accounting Practice and Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

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

There have been no new accounting standards adopted in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

###### (iv) Early adoption of accounting standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015, except for AASB2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities, which has reduced the fair value disclosures for Level 3 assets.

For summary information relating to the effects of standards with future operative dates refer further to paragraph (x).

###### (v) Basis of accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets, which are all valued at fair value,
- (ii) the write down of any asset on the basis of impairment (if warranted), and
- (iii) certain classes of non-current assets (eg. infrastructure, property, plant and equipment and investment property) that are accounted for at fair valuation.

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



## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (vi) Changes in accounting policies

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

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20 (d)].

##### (vii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

Accordingly this 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 Council and that are believed to be reasonable under the circumstances.

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

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

##### (i) Preparation of the financial statements on a going concern basis

AASB 101 states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

Whilst the former City of Botany Bay Council has been amalgamated into the Bayside Council from 9 September 2016, Council believes that the going concern basis for preparation of the financial statements for the period 1 July 2015 to 9

September 2016 is appropriate for the following reasons:

- The business of the Council is continuing through the Bayside Council
- The Local Government (Bayside) Proclamation 2016 ensures:
  - all relevant staff, assets, rights, liabilities and responsibilities of former councils are transferred to new councils
  - new councils can commence operations on day one with minimal disruption to the delivery of services, council operations and staff duties
  - any reference in any document to a former council is to be read as a reference to the new council, and that anything done by a former council before the amalgamation is taken to have been done by the new council.
- The former City of Botany Bay Council has not been liquidated nor has trading ceased.

(ii) Estimated fair values of infrastructure, property, plant and equipment,

(iii) Estimated remediation provisions.

Significant judgements in applying Council's accounting policies include the impairment of receivables.

##### (b) Revenue recognition

##### **Income recognition as a result of Council's amalgamation**

The former City of Botany Bay Council was amalgamated on 9 September 2016 with the former Rockdale City Council to form the new Bayside Council.

In accordance with the Australian Accounting Standards the former City of Botany Bay Council has had to recognise 100% of the rates revenue for the 2015/16 and 2016/17 rating years as control over assets acquired from rates is obtained at the commencement of the rating year/s or where earlier upon receipt of the rates.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

The former City of Botany Bay Council has also recognised 100% of the Federal Assistance Grants (FAGs) revenue received for the 15/16 and 16/17 financial years since grants are recognised upon receipt or upon earlier notification that the grant has been secured.

As a consequence, these financial statements include all the rates and FAGs revenue for the period from 1 July 2015 to 30 June 2017 but only expenditure obligations for the period 1 July 2015 to 9 September 2016.

Expenditure obligations for the period from 10 September 2016 to 30 June 2017 will be included in the future financial statements of the new Bayside Council for that period.

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it, and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

#### **Rates, Annual Charges, Grants and Contributions**

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates and annual levies 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.

Rates are recognised as revenue for the period 1 July 15 to 30 June 2017. No adjustments have been made to reverse (ie. not recognise) rates not earned during the period 10/09/2016 to 30/06/2017.

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3 (g).

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

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s94 of the *EPA Act 1979*.

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

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

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

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

##### User charges, fees and other income

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

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

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

##### Sale of infrastructure, property, plant and equipment

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

##### Interest and rents

Rental income is accounted for on a straight-line basis over the lease term.

Interest income from cash and investments is accounted for using the effective interest rate at the date that interest is earned.

##### Dividend income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

##### Other Income

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

##### (c) Principles of consolidation

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.

##### (i) The Consolidated Fund

In accordance with the provisions of section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's consolidated fund unless it is required to be held in the Council's trust fund.

The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the consolidated fund:

- General purpose operations

##### (ii) Interests in other entities

##### Subsidiaries

Council has no interest in any subsidiaries.

##### Joint ventures

Joint ventures represent operational arrangements where the joint control parties have rights to the net assets of the arrangement.

Any interests in joint ventures are accounted for using the equity method and are carried at cost.

Under the equity method, Council's share of the operation's profits/(losses) are recognised in the income statement, and its share of movements in retained earnings and reserves are recognised in the balance sheet.

Detailed information relating to Council's joint ventures can be found at Note 19 (a).

##### Associates

Council has no interest in any associates.

##### County councils

Council is not a member of any county councils.

##### Unconsolidated structured entities

Council has no interest in any unconsolidated structured entities.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (d) Leases

All leases entered into by Council are reviewed and classified on inception date as either a finance lease or an operating lease.

##### Finance leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

##### Operating Leases

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

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

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

##### (e) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes;

- cash on hand,

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

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into cash and cash equivalents for presentation of the Cash Flow Statement.

##### (f) Investments and other financial assets

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

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

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

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

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

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

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

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

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

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

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the 'loans and receivables' classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

##### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

##### Financial assets – reclassification

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

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

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

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

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

##### General accounting and measurement of financial instruments:

###### (i) Initial recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at 'fair value through profit or loss', directly attributable transactions costs.

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

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



## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (ii) Subsequent measurement

**Available-for-sale financial assets and financial assets at fair value through profit and loss** are subsequently carried at fair value.

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

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

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as **'available-for-sale'** are recognised in equity in the available-for-sale investments revaluation reserve.

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

##### Impairment

Council assesses at each balance date 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.

##### (iii) Types of investments

Council has an approved Investment Policy in order to invest in accordance with (and to comply with) section 625 of the *Local Government Act* and s212 of the LG (General) Regulation 2005.

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

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

##### (g) Fair value estimation – financial instruments

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

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

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

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

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

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

##### **(h) Receivables**

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

Receivables (excluding rates and annual charges) are generally due for settlement no more than 30 days from the date of recognition.

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

A provision for impairment (i.e. an allowance account) relating to receivables is established when objective evidence shows that Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

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

Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

##### **(i) Inventories**

##### **(i) Raw materials and stores, work in progress and finished goods**

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

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

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

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

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

##### **(ii) Land held for resale/capitalisation of borrowing costs**

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

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

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

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

##### **(j) Infrastructure, property, plant and equipment (I,PP&E)**

##### **Acquisition of assets**

Council's non-current assets are continually revalued (over a 5-year period) in accordance with the fair valuation policy as mandated by the Office of Local Government.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

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

- **Plant and equipment**  
(as approximated by depreciated historical cost)
- **Operational land** (external valuation)
- **Community land** (external valuation)
- **Land improvements**  
(as approximated by depreciated historical cost)
- **Buildings**  
(external valuation)
- **Other structures**  
(as approximated by depreciated historical cost)
- **Roads assets including roads, bridges and footpaths**  
(external valuation)
- **Stormwater drainage** (external valuation)
- **Library books**  
(as approximated by depreciated historical cost)
- **Other assets**  
(as approximated by depreciated historical cost)

##### Initial recognition

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

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

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

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

##### Subsequent costs

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

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

##### Asset revaluations (including indexation)

In accounting for asset revaluations relating to infrastructure, property, plant and equipment:

- increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve,
- to the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss,
- net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income Statement.

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water – Rates Reference Manual.

For all other assets, 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.



## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

##### Capitalisation thresholds, Depreciation and Revaluation

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

##### Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight-line method (or describe here any other methods Council uses) in order to allocate an asset's cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's I,PP&E include the amounts listed in the following table:

Asset Class	Capitalisation Threshold	Useful life	Valuation Methodology	Revaluation Methodology
<b>Land Assets</b>				
Community Land	100% capitalised	Not depreciated	Revaluation	Revalued 2016 by VG
Operational Land	100% capitalised	Not depreciated	Revaluation	Revalued 2016 by APV
Crown Land	100% capitalised	Not depreciated	Revaluation	Revalued 2016 by VG
<b>Plant &amp; Equipment</b>				
Office Equipment	>\$2,000	5 to 10 years	Historical Cost	N/A
Computer Equipment	>\$2,000	4 years	Historical Cost	N/A
Furniture & Fittings	>\$2,000	10 years	Historical Cost	N/A
Vehicles (general)	>\$2,000	5 years	Historical Cost	N/A
Heavy Plant/Road Making Equipment	>\$2,000	5 to 8 years	Historical Cost	N/A
<b>Buildings &amp; Land Improvements</b>				
Buildings	100% capitalised	6 to 195 years	Revaluation	Revalued 2016 by APV - short life/long life weighted average
Land Improvements	100% capitalised	20 to 40 years	Historical Cost	N/A
<b>Other Structures</b>	>\$2,000	10 to 40 years	Historical Cost	N/A
<b>Infrastructure Assets</b>				
Road Surface	>\$2,000	26 to 35 years	Revaluation	Revalued 2016 by APV
Road Base (Concrete/Standard)	>\$2,000	85 to 119 years	Revaluation	Revalued 2016 by APV
Street Furniture	>\$2,000	15 to 30 years	Revaluation	Revalued 2016 by APV
Traffic Management Assets	>\$2,000	30 to 114 years	Revaluation	Revalued 2016 by APV
Kerb & Gutter	>\$2,000	82 to 97 years	Revaluation	Revalued 2016 by APV
Stormwater Drainage	>\$2,000	80 to 97 years	Revaluation	Revalued 2016 by APV
Footpaths	>\$2,000	22 to 77 years	Revaluation	Revalued 2016 by APV
<b>Intangible Assets</b>				
Software Applications	>\$2,000	2 - 10 years	Historical Cost	N/A
<b>Library Books</b>	100% capitalised	10 years	Historical Cost	N/A
<b>Other Assets</b>	>\$2,000	10 to 40 years	Historical Cost	N/A

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

All asset residual values and useful lives are reviewed and adjusted (if appropriate) at each reporting date.

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

##### Disposal and derecognition

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

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

##### (k) Land

Land (other than land under roads) is in accordance with Part 2 of Chapter 6 of the *Local Government Act (1993)* classified as either operational or community.

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

##### (l) Land under roads

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

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

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

##### (m) Intangible assets

###### IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial

benefits through revenue generation and/or cost reduction are capitalised to software applications and systems.

Costs capitalised include external direct costs of materials and services, direct payroll and payroll-related costs of employees' time spent on the project.

Amortisation is calculated on a straight line bases over periods generally ranging from 2 to 5 years.

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

##### (n) Crown reserves

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

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

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

Representations are currently being sought across state and local government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

##### (o) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

Where an asset is not held principally for cash-generating purposes (for example infrastructure assets) and would be replaced if the Council was deprived of it, then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill and other intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

##### (p) Payables

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

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

##### (q) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

##### (r) Borrowing costs

Borrowing costs are expensed.

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.

##### (s) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

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

Provisions are not recognised for future operating losses.

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

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

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

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.

##### (t) Employee benefits

###### (i) Short-term obligations

Short-term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be wholly settled within the 12 months after the reporting period.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled and include recognition of associated on-costs.

All other short-term employee benefit obligations are presented as payables.

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

Wages and salaries, annual leave and vesting sick leave are all classified as current liabilities.

#### (ii) Other long-term obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be wholly settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

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

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

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

#### (iii) Retirement benefit obligations

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

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

#### Defined benefit plans

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

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

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

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

This scheme has been deemed to be a 'multi-employer fund' for the purposes of AASB 119.

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

The last valuation of the scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20/02/13 and covers the period ended 30/06/15.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

However the position is monitored annually and the actuary has estimated that as at 9 September 2016 the prior period deficit still exists.

Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 9 September 2016 was \$1,175,416.

The amount of additional contributions included in the total employer contribution advised above is \$616,721.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$360,252 as at 30 June 2016.

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

For this reason, no liability for the deficiency has been recognised in these financial statements.

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

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense as they become payable.

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

#### (iv) Employee benefit on-costs

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

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities accrued as at 09/09/16.

#### (u) Self-insurance

Council does not self-insure.

#### (v) Allocation between current and non-current assets and liabilities

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

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

#### Exceptions

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

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

#### (w) Taxes

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

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

#### Goods and Services Tax (GST)

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

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

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

#### (x) New accounting standards and Interpretations issued (not yet effective)

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016.

Council has not adopted any of these standards early.

These include the following standards that are anticipated will impact on local government:

**AASB 9 – Financial Instruments**

**AASB 15 – Revenue from Contracts with Customers and associated amending standards**

**AASB ED 260 – Income of Not-for-Profit Entities**

**AASB16 – Leases**

**AASB2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities**

**AASB 2014 – 10 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture**

**AASB 2014 – 3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]**

The full impact of the above standards has yet to be ascertained or quantified but will range from additional and/or revised disclosures to changes in how certain transactions and balances are accounted for.

#### (y) Rounding of amounts

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

#### (z) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

#### (aa) Disclaimer

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



## Former City of Botany Bay Council

## Notes to the Financial Statements

for the period to 9 September 2016

## Note 2(a). Council functions/activities – financial information

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget	Actual	Actual	Original budget	Actual	Actual	Original budget	Actual	Actual	Actual	Actual	Actual	Actual
	1/7/15 to 9/9/16	1/7/15 to 9/9/16	1/7/14 to 30/6/15	1/7/15 to 9/9/16	1/7/15 to 9/9/16	1/7/14 to 30/6/15	1/7/15 to 9/9/16	1/7/15 to 9/9/16	1/7/14 to 30/6/15	1/7/15 to 9/9/16	1/7/14 to 30/6/15	1/7/15 to 9/9/16	1/7/14 to 30/6/15
Governance	n/a	–	–	n/a	–	–	n/a	–	–	–	–	–	–
Administration	n/a	15,797	4,382	n/a	26,731	13,581	n/a	(10,934)	(9,199)	121	–	354,910	78,676
Public order and safety	n/a	826	1,177	n/a	3,030	1,342	n/a	(2,204)	(165)	–	–	–	–
Health	n/a	80	11	n/a	6	75	n/a	74	(64)	4	–	43	–
Environment	n/a	10,022	7,395	n/a	11,873	9,872	n/a	(1,851)	(2,477)	43	584	21,774	–
Community services and education	n/a	18,277	4,287	n/a	4,914	4,343	n/a	13,363	(56)	2,515	2,061	556	20,994
Housing and community amenities	n/a	464	386	n/a	3,163	2,219	n/a	(2,699)	(1,833)	28	68	1	47,957
Recreation and culture	n/a	37,460	2,294	n/a	12,923	11,372	n/a	24,537	(9,078)	119	230	280	90,888
Mining, manufacturing and construction	n/a	1,770	19,523	n/a	5,158	4,502	n/a	(3,388)	15,021	–	–	118	–
Transport and communication	n/a	12,012	1,888	n/a	9,447	4,535	n/a	2,565	(2,647)	3,002	1,140	141,017	199,265
Economic affairs	n/a	8,849	7,593	n/a	14,171	8,574	n/a	(5,322)	(981)	–	–	1,012	–
<b>Total functions and activities</b>	<b>n/a</b>	<b>105,557</b>	<b>48,936</b>	<b>n/a</b>	<b>91,416</b>	<b>60,415</b>	<b>n/a</b>	<b>14,141</b>	<b>(11,479)</b>	<b>5,832</b>	<b>4,083</b>	<b>519,711</b>	<b>437,780</b>
Share of gains/(losses) in associates and joint ventures (using the equity method)	n/a	167	–	n/a	–	340	n/a	167	(340)	–	–	1,611	1,444
General purpose income <sup>1</sup>	n/a	55,568	30,847	n/a	–	–	n/a	55,568	30,847	2,668	1,406	–	–
<b>Operating result from continuing operations</b>	<b>n/a</b>	<b>161,292</b>	<b>79,783</b>	<b>n/a</b>	<b>91,416</b>	<b>60,755</b>	<b>n/a</b>	<b>69,876</b>	<b>19,028</b>	<b>8,500</b>	<b>5,489</b>	<b>521,322</b>	<b>439,224</b>

1. Includes: rates and annual charges (incl. ex-gratia), untied general purpose grants and unrestricted interest and investment income.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 2(b). Council functions/activities – component descriptions

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

##### **GOVERNANCE**

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosure (e.g. GIPA), and legislative compliance.

##### **ADMINISTRATION**

Includes corporate support and other support services, engineering works, and any Council policy compliance.

##### **PUBLIC ORDER AND SAFETY**

Fire protection, animal control, beach control, enforcement of local government regulations, emergency services, other.

##### **HEALTH**

Includes immunisation, food control, health centres etc.

##### **ENVIRONMENT**

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

##### **COMMUNITY SERVICES AND EDUCATION**

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's services, including family day care; child care; and other family and children services.

##### **HOUSING AND COMMUNITY AMENITIES**

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

##### **RECREATION AND CULTURE**

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

##### **MINING, MANUFACTURING AND CONSTRUCTION**

Includes building control, quarries and pits, mineral resources, and abattoirs.

##### **TRANSPORT AND COMMUNICATION**

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

##### **ECONOMIC AFFAIRS**

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; commercial nurseries; and other business undertakings.



## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 3. Income from continuing operations

		Actual 1/7/15 to 30/6/17	Actual 1/7/14 to 30/6/15
\$ '000	Notes		
(a) Rates and annual charges			
Ordinary rates			
Residential		20,935	9,667
Business		31,434	16,167
Total ordinary rates		52,369	25,834
Special rates			
Parking		200	97
Main street		200	97
Total special rates		400	194
		Actual 1/7/15 to 9/9/16	Actual 1/7/14 to 30/6/15
\$ '000	Notes		
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		9,390	7,156
Stormwater management services		1,473	701
Section 611 charges		428	387
Total annual charges		11,291	8,244
TOTAL RATES AND ANNUAL CHARGES			
		64,060	34,272

In accordance with the Australian Accounting Standards the former City of Botany Bay Council has had to recognise 100% of the rates revenue for 2015/16 and 2016/17. No adjustments have been made for rates not earned during the period 10/09/2016 to 30/06/2017.

Prior year comparative balances are restated to align to current year disclosures.

Council has used 2013 year valuations provided by the NSW Valuer General in calculating its rates.

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 3. Income from continuing operations (continued)

		Actual	Actual
		1/7/15	1/7/14
\$ '000	Notes	to 9/9/16	to 30/6/15
(b) User charges and fees			
Specific user charges (per s.502 – specific ‘actual use’ charges)			
Nil			
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Inspection services		120	109
Planning and building regulation		1,465	1,596
Private works – section 67		529	308
Registration fees		128	6
Section 603 certificates		84	76
Total fees and charges – statutory/regulatory		2,326	2,095
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Advertising		165	188
B/A school fees		673	479
Contract services		8,849	6,942
Golf course		372	328
Hire and usage fees		1,424	1,663
Long Day Care		1,932	1,487
Meals on wheels		170	135
Rent and hire of property		67	64
Restoration charges		433	535
Road openings		258	113
Swimming centres		657	549
Other		530	240
Total fees and charges – other		15,530	12,723
TOTAL USER CHARGES AND FEES		17,856	14,818

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 3. Income from continuing operations (continued)

	Actual 1/7/15 to 9/9/16	Actual 1/7/14 to 30/6/15
\$ '000	Notes	
(c) Interest and investment revenue (including losses)		
Interest		
– Interest on overdue rates and annual charges (incl. special purpose rates)	153	126
– Interest earned on cash and investments (interest and coupon payment income)	2,968	2,048
Fair value adjustments		
– Fair valuation movements in investments (at fair value or held for trading)	129	4
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>	<b>3,250</b>	<b>2,178</b>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	153	126
General Council cash and investments	378	1,398
Restricted investments/funds – external:		
Development contributions		
– Section 94	2,719	654
<b>Total interest and investment revenue recognised</b>	<b>3,250</b>	<b>2,178</b>
(d) Other revenues		
Fines – parking	747	710
Legal fees recovery – other	208	12
GST recovery	–	991
Insurance claim recoveries	62	38
Sales – general	199	214
Other	225	166
<b>TOTAL OTHER REVENUE</b>	<b>1,441</b>	<b>2,131</b>

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 3. Income from continuing operations (continued)

	1/7/15 to 9/9/16 Operating	1/7/14 to 30/6/15 Operating	1/7/15 to 9/9/16 Capital	1/7/14 to 30/6/15 Capital
<b>\$ '000</b>				
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
Financial assistance	2,422 <sup>1</sup>	1,184	–	–
Pensioners' rates subsidies – general component	246	222	–	–
<b>Total general purpose</b>	<b>2,668</b>	<b>1,406</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Pensioners' rates subsidies:				
– Domestic waste management	105	121	–	–
Community care	2,520	2,075	–	–
Community centres	–	–	–	68
Heritage and cultural	148	115	–	48
Recreation	–	–	–	45
Street lighting	250	500	–	–
Transport (other roads and bridges funding)	768	140	1,875	500
Other	166	471	–	–
<b>Total specific purpose</b>	<b>3,957</b>	<b>3,422</b>	<b>1,875</b>	<b>661</b>
<b>Total grants</b>	<b>6,625</b>	<b>4,828</b>	<b>1,875</b>	<b>661</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	2,422	1,527	–	500
– State funding	4,037	3,301	–	161
– Other funding	166	–	1,875	–
	<b>6,625</b>	<b>4,828</b>	<b>1,875</b>	<b>661</b>

<sup>1</sup> Federal Assistance Grants (FAGs) are recognised as revenue upon their receipt or upon earlier notification that the grant has been secured. As such the revenue for FAGs includes the full grant allocation for the 16/17 year.

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 3. Income from continuing operations (continued)

		1/7/15 to 9/9/16 Operating	1/7/14 to 30/6/15 Operating	1/7/15 to 9/9/16 Capital	1/7/14 to 30/6/15 Capital
\$ '000					
<b>(f) Contributions</b>					
<b>Developer contributions:</b>					
<b>(s93 &amp; s94 – EP&amp;A Act, s64 of the LGA):</b>					
S 93F – contributions using planning agreements		–	–	3,274	–
S 94 – contributions towards amenities/services		–	–	59,317	18,187
<b>Total developer contributions</b>	17	<b>–</b>	<b>–</b>	<b>62,591</b>	<b>18,187</b>
<b>Other contributions:</b>					
Ex – gratia rates		3,035	2,397	–	–
RMS contributions (regional roads, block grant)		80	79	–	–
Other		185	218	–	–
<b>Total other contributions</b>		<b>3,300</b>	<b>2,694</b>	<b>–</b>	<b>–</b>
<b>Total contributions</b>		<b>3,300</b>	<b>2,694</b>	<b>62,591</b>	<b>18,187</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<b>9,925</b>	<b>7,522</b>	<b>64,466</b>	<b>18,848</b>

		Actual 1/7/15 to 9/9/16	Actual 1/7/14 to 30/6/15
\$ '000			
<b>(g) Restrictions relating to grants and contributions</b>			
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:</b>			
Unexpended at the close of the previous reporting period		54,325	38,613
<b>Add:</b> grants and contributions recognised in the current period but not yet spent:		64,037	19,421
<b>Less:</b> grants and contributions recognised in a previous reporting period now spent:		(6,411)	(3,709)
<b>Net increase (decrease) in restricted assets during the period</b>		<b>57,626</b>	<b>15,712</b>
<b>Unexpended and held as restricted assets</b>		<b>111,951</b>	<b>54,325</b>
<b>Comprising:</b>			
– Specific purpose unexpended grants		198	786
– Developer contributions		111,753	53,539
		<b>111,951</b>	<b>54,325</b>

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 4. Expenses from continuing operations

	Actual	Actual
	1/7/15	1/7/14
\$ '000	to 9/9/16	to 30/6/15
(a) Employee benefits and on-costs		
Salaries and wages	29,372	21,222
Travel expenses	88	121
Employee leave entitlements (ELE)	3,879	3,208
Superannuation	3,163	2,554
Workers' compensation insurance	1,337	504
Fringe benefit tax (FBT)	153	167
Training costs (other than salaries and wages)	156	92
<b>Total employee costs</b>	<b>38,148</b>	<b>27,868</b>
Less: capitalised costs	(843)	—
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>37,305</b>	<b>27,868</b>
Number of 'full-time equivalent' employees (FTE) at year end	305	324

#### **(b) Borrowing costs**

Nil

#### **(c) Materials and contracts**

Raw materials and consumables	20,316	12,635
Contractor and consultancy costs	21,526	8,646
Onerous contracts future losses	4,339	–
Auditors remuneration	480	54
Legal expenses:		
– Legal expenses: planning and development	1,914	1,089
– Legal expenses: amalgamation costs	538	–
– Legal expenses: ICAC investigations	1,369	–
– Legal expenses: other	1,161	107
<b>Total materials and contracts</b>	<b>51,643</b>	<b>22,531</b>
Less: capitalised costs	(11,876)	–
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>39,767</b>	<b>22,531</b>

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 4. Expenses from continuing operations (continued)

		Actual	Actual
		1/7/15	1/7/14
\$ '000	Notes	to 9/9/16	to 30/6/15

#### (c) Materials and contracts (continued)

##### Auditor remuneration

During the period, the following fees were incurred for services provided by the Council's Auditor:

##### Audit and other assurance services

Audit and review of financial statements: Council's Auditor

##### Remuneration for audit and other assurance services

##### Total Auditor remuneration

480	54
<b>480</b>	<b>54</b>
<b>480</b>	<b>54</b>

		Impairment costs		Depreciation/amortisation	
		Actual	Actual	Actual	Actual
		1/7/15	1/7/14	1/7/15	1/7/14
\$ '000	Notes	to 9/9/16	to 30/6/15	to 9/9/16	to 30/6/15

#### (d) Depreciation, amortisation and impairment

Plant and equipment		—	—	854	1,143
Office equipment		—	—	161	435
Furniture and fittings		—	—	104	—
Land improvements (depreciable)		—	—	198	—
Infrastructure:					
– Buildings *		—	—	2,263	1,757
– Other structures		—	—	1,168	153
– Roads		—	—	2,592	1,049
– Bridges		—	—	71	59
– Footpaths		—	—	429	575
– Stormwater drainage		—	—	322	245
Other assets					
– Library books		—	—	124	—
– Other		—	—	8	83
Asset reinstatement costs	9 & 26	—	—	—	65
Intangible assets	25	124	—	183	—
<b>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</b>		<b>124</b>	<b>—</b>	<b>8,477</b>	<b>5,564</b>

\* Prior year comparative balances are restated to align to current year disclosures.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 4. Expenses from continuing operations (continued)

	Actual 1/7/15 to 9/9/16	Actual 1/7/14 to 30/6/15
\$ '000	Notes	
(e) Other expenses		
Advertising	139	258
Bad and doubtful debts	137	59
Computer software charges	68	–
Contributions/levies to other levels of government		
– Department of planning levy	–	84
– Emergency services levy (includes FRNSW, SES, and RFS levies)	990	697
Councillor expenses – mayoral fee	47	39
Councillor expenses – councillors' fees	157	125
Councillors' expenses (incl. mayor) – other (excluding fees above)	125	97
Donations, contributions and assistance to other organisations (Section 356)	57	49
Electricity and heating	475	417
Insurance	938	335
Street lighting	1,202	1,059
Subscriptions and publications	191	172
Telephone and communications	603	649
Other	614	412
TOTAL OTHER EXPENSES	5,743	4,452

#### Note 5. Gains or losses from the disposal of assets

<b>Plant and equipment</b>			
Proceeds from disposal – plant and equipment		364	87
Less: carrying amount of plant and equipment assets sold/written off		(237)	(73)
<b>Net gain/(loss) on disposal</b>		<b><u>127</u></b>	<b><u>14</u></b>
<b>Financial assets *</b>			
Proceeds from disposal/redemptions/maturities – financial assets		101,561	22,950
Less: carrying amount of financial assets sold/redeemed/matured		(101,561)	(22,950)
<b>Net gain/(loss) on disposal</b>		<b><u>–</u></b>	<b><u>–</u></b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>		<b><u>127</u></b>	<b><u>14</u></b>



## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 6a. – Cash assets and Note 6b. – investments

		9/9/16 Actual Current	9/9/16 Actual Non-current	30/6/15 Actual Current	30/6/15 Actual Non-current
\$ '000	Notes				
<b>Cash and cash equivalents (Note 6a)</b>					
Cash on hand and at bank		22,625	–	6,198	–
Cash-equivalent assets <sup>1</sup>					
– Deposits at call		10,000	–	–	–
– Short-term deposits		4,000	–	–	–
<b>Total cash and cash equivalents</b>		<b>36,625</b>	<b>–</b>	<b>6,198</b>	<b>–</b>
<b>Investments (Note 6b)</b>					
– Managed funds		–	–	2,557	–
– Long term deposits		55,000	20,000	47,000	9,000
– NCD's, FRN's (with maturities > 3 months)		–	14,883	1,004	–
<b>Total investments</b>		<b>55,000</b>	<b>34,883</b>	<b>50,561</b>	<b>9,000</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>		<b>91,625</b>	<b>34,883</b>	<b>56,759</b>	<b>9,000</b>

<sup>1</sup> Those investments where time to maturity (from date of purchase) is < 3 mths.

**Cash, cash equivalents and investments were  
classified at year end in accordance with  
AASB 139 as follows:**

**Cash and cash equivalents**

<b>a. 'At fair value through the profit and loss'</b>	<b>36,625</b>	<b>–</b>	<b>6,198</b>	<b>–</b>
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**Investments**

<b>a. 'At fair value through the profit and loss'</b>				
– 'Held for trading' 6(b-i)	–	14,883	3,561	–
<b>b. 'Held to maturity' 6(b-ii)</b>	<b>55,000</b>	<b>20,000</b>	<b>47,000</b>	<b>9,000</b>
<b>Investments</b>	<b>55,000</b>	<b>34,883</b>	<b>50,561</b>	<b>9,000</b>

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 6b. investments (continued)

	9/9/16 Actual Current	9/9/16 Actual Non-current	30/6/15 Actual Current	30/6/15 Actual Non-current
<b>\$ '000</b>				
<b>Note 6(b-i)</b>				
<b>Reconciliation of investments classified as 'at fair value through the profit and loss'</b>				
Balance at the beginning of the year	3,561	–	2,493	–
Revaluations (through the Income Statement)	(4)	133	4	–
Additions	52,004	13,750	1,064	–
Disposals (sales and redemptions)	(54,561)	–	–	–
Transfers between current/non-current	(1,000)	1,000	–	–
<b>Balance at end of period</b>	<b>–</b>	<b>14,883</b>	<b>3,561</b>	<b>–</b>
<b>Comprising:</b>				
– Managed funds	–	–	2,557	–
– NCD's, FRN's (with maturities > 3 months)	–	14,883	1,004	–
<b>Total</b>	<b>–</b>	<b>14,883</b>	<b>3,561</b>	<b>–</b>
<b>Note 6(b-ii)</b>				
<b>Reconciliation of investments classified as 'held to maturity'</b>				
Balance at the beginning of the year	47,000	9,000	28,950	15,000
Additions	46,000	20,000	35,000	–
Disposals (sales and redemptions)	(47,000)	–	(22,950)	–
Transfers between current/non-current	9,000	(9,000)	6,000	(6,000)
<b>Balance at end of period</b>	<b>55,000</b>	<b>20,000</b>	<b>47,000</b>	<b>9,000</b>
<b>Comprising:</b>				
– Long term deposits	55,000	20,000	47,000	9,000
<b>Total</b>	<b>55,000</b>	<b>20,000</b>	<b>47,000</b>	<b>9,000</b>

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 6c. Restricted cash, cash equivalents and investments – details

	9/9/16 Actual Current	9/9/16 Actual Non-current	30/6/15 Actual Current	30/6/15 Actual Non-current
<b>\$ '000</b>				
<b>Total cash, cash equivalents and investments</b>	<b>91,625</b>	<b>34,883</b>	<b>56,759</b>	<b>9,000</b>
<b>attributable to:</b>				
External restrictions (refer below)	86,780	34,883	52,004	9,000
Internal restrictions (refer below)	4,794	–	4,686	–
Unrestricted	51	–	69	–
	<b>91,625</b>	<b>34,883</b>	<b>56,759</b>	<b>9,000</b>

1/7/15 to 9/9/16 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
-----------------------------	--------------------	------------------------------	--------------------------------	--------------------

## Details of restrictions

## External restrictions – included in liabilities

Nil

## External restrictions – other

Developer contributions – general	(A)	53,539	65,310	(7,096)	111,753
Specific purpose unexpended grants	(B)	786	127	(715)	198
Domestic waste management	(C)	2,409	10,741	(7,536)	5,614
Stormwater management	(C)	2,788	989	(1,561)	2,216
Mascot main street		501	200	–	701
Mascot parking rate		981	200	–	1,181
<b>External restrictions – other</b>		<b>61,004</b>	<b>77,567</b>	<b>(16,908)</b>	<b>121,663</b>
<b>Total external restrictions</b>		<b>61,004</b>	<b>77,567</b>	<b>(16,908)</b>	<b>121,663</b>

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

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

**C** Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 6c. Restricted cash, cash equivalents and investments – details (continued)

1/7/15 to 9/9/16 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
<b>Internal restrictions</b>				
Infrastructure replacement	100	—	—	100
Employee leave entitlements	1,200	—	—	1,200
Bonds and deposits	2,000	—	—	2,000
Asset replacement	200	—	—	200
Church Ave road widening	200	—	—	200
Domestic waste management	122	—	—	122
Mascot oval	80	—	—	80
Office equipment	100	—	—	100
O'Riordan St cables	210	—	—	210
Plant replacement	250	—	—	250
Public works	224	—	—	224
Childrens Services	—	108	—	108
<b>Total internal restrictions</b>	<b>4,686</b>	<b>108</b>	<b>—</b>	<b>4,794</b>
<b>TOTAL RESTRICTIONS</b>	<b>65,690</b>	<b>77,675</b>	<b>(16,908)</b>	<b>126,457</b>

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 7. Receivables

\$ '000	Notes	9/9/16 Current	9/9/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>Purpose</b>					
Rates and annual charges		19,124 <sup>1</sup>	—	1,439	133
Interest and extra charges		266	—	199	53
User charges and fees		1,833		2,228	440
Accrued revenues					
– Interest on investments		785	—	—	—
– Other income accruals		919	—	3,437	—
Net GST receivable		165	—	—	—
Other levels of government		—	—	588	—
Other debtors		10	—	31	106
<b>Total</b>		<b>23,102</b>	<b>—</b>	<b>7,922</b>	<b>732</b>
<b>Less: provision for impairment</b>					
User charges and fees		—	—	—	(440)
<b>Total provision for impairment – receivables</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>(440)</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>23,102</u></b>	<b><u>—</u></b>	<b><u>7,922</u></b>	<b><u>292</u></b>
<b>Externally restricted receivables</b>					
Domestic waste management		2,822	—	504	—
Stormwater management		443	—	31	—
Mascot Parking		90	—	—	—
Mascot Main Street		92	—	3	—
<b>Total external restrictions</b>		<b>3,447</b>	<b>—</b>	<b>538</b>	<b>—</b>
<b>Internally restricted receivables</b>					
Nil					
<b>Unrestricted receivables</b>		<b>19,655</b>	<b>—</b>	<b>7,384</b>	<b>292</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>23,102</u></b>	<b><u>—</u></b>	<b><u>7,922</u></b>	<b><u>292</u></b>

<sup>1</sup> The first of the four payment instalments for rates (and annual charges) income was 31/08/16. As at 9/9/16 there is a large outstanding debtor that reflects this timing difference between the financial reporting date & the remaining instalment payment dates.

**Notes on debtors above:**

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2015:8.50%).  
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 8. Inventories and other assets

\$ '000	Notes	9/9/16 Current	9/9/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>(a) Inventories</b>					
<b>(i) Inventories at cost</b>					
Stores and materials		262	–	179	–
Trading stock		39	–	82	–
<b>Total inventories at cost</b>		<b>301</b>	<b>–</b>	<b>261</b>	<b>–</b>
<b>(ii) Inventories at net realisable value (NRV)</b>					
Nil					
<b><u>TOTAL INVENTORIES</u></b>		<b><u>301</u></b>	<b><u>–</u></b>	<b><u>261</u></b>	<b><u>–</u></b>
<b>(b) Other assets</b>					
Prepayments		563	–	55	–
<b><u>TOTAL OTHER ASSETS</u></b>		<b><u>563</u></b>	<b><u>–</u></b>	<b><u>55</u></b>	<b><u>–</u></b>

#### Externally restricted assets

There are no restrictions applicable to the above assets.

#### Other disclosures

##### Inventory write downs

There were no amounts recognised as an expense relating to the write down of inventory balances held during the period.

Refer to Note 27. Fair value measurement for information regarding the fair value of other assets held.

Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

Note 9a. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2015					Asset movements during the reporting period							as at 9/9/2016				
	At cost	At fair value	Accumulated		Carrying value	Additions new assets	Carrying value of disposals	Depreciation expense	Other movements	Tfr to Intangible Assets (Note 25) *	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated		Carrying value
			depreciation	impairment											depreciation	impairment	
Plant and equipment	–	13,971	11,779	–	2,192	802	(254)	(854)	(37)	–	–	–	–	7,654	5,805	–	1,849
Office equipment **	–	12,835	10,918	–	1,917	248	–	(161)	(620)	(1,043)	–	–	–	1,328	987	–	341
Furniture and fittings	–	–	–	–	–	64	(6)	(104)	534	–	–	–	–	888	400	–	488
<b>Land:</b>																	
– Operational land	–	90,160	–	–	90,160	2,088	–	–	(313)	–	–	18,506	–	110,441	–	–	110,441
– Community land	–	58,460	–	–	58,460	2,220	–	–	–	–	(20,515)	–	–	40,165	–	–	40,165
Land improvements – depreciable	–	–	–	–	–	912	(159)	(198)	2,603	–	–	–	–	3,605	447	–	3,158
<b>Infrastructure:</b>																	
– Buildings *	–	94,678	44,228	–	50,450	1,212	(23)	(2,263)	(14,906)	–	–	1,771	–	58,187	21,946	–	36,241
– Other structures	–	4,249	433	–	3,816	1,579	–	(1,168)	10,426	–	–	–	–	19,281	4,628	–	14,653
– Roads	–	142,400	31,367	–	111,033	3,711	(20)	(2,592)	3,772	–	–	4,283	–	164,042	43,855	–	120,187
– Bridges	–	3,568	475	–	3,093	–	–	(71)	–	–	–	435	–	3,586	129	–	3,457
– Footpaths	–	28,073	11,060	–	17,013	1,694	–	(429)	–	–	(2,754)	–	–	28,170	12,646	–	15,524
– Stormwater drainage	–	32,288	9,247	–	23,041	1,595	–	(322)	17	–	(2,558)	–	–	32,587	10,814	–	21,773
<b>Other assets:</b>																	
– Library books	–	3,618	3,005	–	613	133	–	(124)	(71)	–	–	–	–	1,563	1,012	–	551
– Other	–	2,650	947	–	1,703	63	(210)	(8)	(1,405)	–	–	–	–	204	61	–	143
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.</b>	<b>–</b>	<b>486,950</b>	<b>123,459</b>	<b>–</b>	<b>363,491</b>	<b>16,321</b>	<b>(672)</b>	<b>(8,294)</b>	<b>–</b>	<b>(1,043)</b>	<b>(25,827)</b>	<b>24,995</b>	<b>–</b>	<b>471,701</b>	<b>102,730</b>	<b>–</b>	<b>368,971</b>

\* Prior year comparative balances are restated to align to current year disclosures.  
 \*\* Office Equipment as reported at 30/06/15 included Intangible Assets to the value of \$1.043M that have been transferred to Note 25 during the current reporting period.  
 Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).  
 Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 9b. Externally restricted infrastructure, property, plant and equipment

Council has no externally restricted infrastructure, property, plant and equipment.

#### Note 9c. Infrastructure, property, plant and equipment – current year impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

#### Note 10a. Payables, borrowings and provisions

\$ '000	Notes	9/9/16 Current	9/9/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>Payables</b>					
Goods and services – operating expenditure		661	–	3,878	–
Accrued expenses:					
– Salaries and wages		1,004	–	–	–
– Other expenditure accruals		2,846	–	515	–
Security bonds, deposits and retentions		10,155	–	8,450	–
Builders service and plan first levy payable		405	–	–	–
Other		453	–	520	–
<b>Total payables</b>		<b>15,524</b>	<b>–</b>	<b>13,363</b>	<b>–</b>
<b>Borrowings</b>					
Nil					
<b>Provisions</b>					
<b>Employee benefits:</b>					
Annual leave		3,287	–	2,857	–
Sick leave		486	–	512	–
Long service leave		4,063	353	4,036	537
Gratuities and other		50	–	41	–
<b>Sub-total – aggregate employee benefits</b>		<b>7,886</b>	<b>353</b>	<b>7,446</b>	<b>537</b>
<b>Other Provisions:</b>					
– Onerous Contracts		948	3,391	–	–
– Settlement and legal costs		2,398	–	–	–
– Reparation of City of Botany Bay Financial Controls		3,500	–	–	–
– Audit fees		400	–	–	–
<b>Total provisions</b>		<b>15,132</b>	<b>3,744</b>	<b>7,446</b>	<b>537</b>
<b><u>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</u></b>		<b><u>30,656</u></b>	<b><u>3,744</u></b>	<b><u>20,809</u></b>	<b><u>537</u></b>

#### (i) Liabilities relating to restricted assets

There are no restricted assets (external or internal) applicable to the above liabilities.



## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 10a. Payables, borrowings and provisions (continued)

	Actual 9/9/16	Actual 30/6/15
<b>\$ '000</b>		
<b>(ii) Current liabilities not anticipated to be settled within the next twelve months</b>		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employee benefits	6,120	5,911
Payables – security bonds, deposits and retentions	9,380	–
	<b>15,500</b>	<b>5,911</b>

#### Note 10b. Description of and movements in provisions

Class of provision	Opening balance as at 1/7/15	1/7/15 to 9/9/16				Closing balance as at 9/9/16
		Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	
Annual leave	2,857	1,936	(1,506)	–	–	3,287
Sick leave	512	–	(26)	–	–	486
Long service leave	4,573	578	(735)	–	–	4,416
Gratuities and other	41	9	–	–	–	50
Other Provisions:						
– Onerous Contracts	–	4,339	–	–	–	4,339
– Reparation of City of Botany Bay						
Financial Controls	–	3,500	–	–	–	3,500
– Audit fees	–	400	–	–	–	400
<b>TOTAL</b>	<b>7,983</b>	<b>13,160</b>	<b>(2,267)</b>	<b>–</b>	<b>–</b>	<b>18,876</b>

- a. Employee leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 9/9/16	Actual 30/6/15
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6a	36,625	6,198
Less bank overdraft	10	–	–
<b>Balance as per the Statement of Cash Flows</b>		<b>36,625</b>	<b>6,198</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		<b>69,876</b>	<b>19,028</b>
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		8,477	5,564
Net losses/(gains) on disposal of assets		(127)	(14)
Impairment losses recognition – I,PP&E		124	–
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as ‘at fair value’ or ‘held for trading’		(129)	(4)
Share of net (profits) or losses of associates/joint ventures		(167)	300
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		(14,448)	(3,142)
Increase/(decrease) in provision for doubtful debts		(440)	58
Decrease/(increase) in inventories		(40)	29
Decrease/(increase) in other assets		(508)	(55)
Increase/(decrease) in payables		(3,217)	911
Increase/(decrease) in other accrued expenses payable		3,335	–
Increase/(decrease) in other liabilities		2,043	331
Increase/(decrease) in employee leave entitlements		256	(190)
Increase/(decrease) in other provisions		10,637	–
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>75,672</b>	<b>22,816</b>

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 11. Statement of cash flows – additional information (continued)

\$ '000	Notes	Actual 9/9/16	Actual 30/6/15
<b>(c) Non-cash investing and financing activities</b>			
Nil			
<b>(d) Financing arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank overdraft facilities <sup>(1)</sup>		540	540
Credit cards/purchase cards		100	100
<b>Total financing arrangements</b>		<b>640</b>	<b>640</b>

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

#### **(ii) Secured loan liabilities**

Loans are secured by a mortgage over future years rate revenue only.

#### **(e) Bank guarantees**

Contract Performance Guarantee, Sydney Airport Corporation Ltd = \$400K

Contract Performance Guarantee, Robert McLucas = \$9K

#### Note 12. Commitments for expenditure

Nil

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 13a(i). Statement of performance measurement – indicators (consolidated)

\$ '000	Amounts 9/9/16	Indicator 9/9/16	Prior periods	
			30/6/15	30/6/14
Local government industry indicators – consolidated				
1. Operating performance ratio				
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	4,987	5.17%	0.82%	1.06%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	96,403			
2. Own source operating revenue ratio				
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	86,478	53.76%	66.94%	66.97%
Total continuing operating revenue <sup>(1)</sup>	160,869			
3. Unrestricted current ratio				
Current assets less all external restrictions <sup>(2)</sup>	25,364	1.67x	1.67x	1.25x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>	15,156			
4. Debt service cover ratio				
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	13,588	0.00x	0.00x	0.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	–			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	19,390	29.36%	5.07%	5.56%
Rates, annual and extra charges collectible	66,037			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	111,625	17.17 mths	13.2 mths	11.6 mths
Payments from cash flow of operating and financing activities	6,501			

## Notes

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

<sup>(2)</sup> Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

<sup>(3)</sup> Refer to Note 10(a).

<sup>(4)</sup> Refer to Note 10(a)(ii) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 14. Investment properties

\$ '000

Council has not classified any land or buildings as 'investment properties'.

#### Note 15. Financial risk management

##### Risk management

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

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

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

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

	Carrying value		Fair value	
	9/9/16	30/6/15	9/9/16	30/6/15
<b>Financial assets</b>				
Cash and cash equivalents	36,625	6,198	36,625	6,198
Investments				
– 'Held for trading'	14,883	3,561	14,883	3,561
– 'Held to maturity'	75,000	56,000	75,050	56,000
Receivables	23,102	8,214	22,183	8,214
<b>Total financial assets</b>	<b>149,610</b>	<b>73,973</b>	<b>148,741</b>	<b>73,973</b>
<b>Financial liabilities</b>				
Payables	15,524	13,363	15,524	13,363
<b>Total financial liabilities</b>	<b>15,524</b>	<b>13,363</b>	<b>15,524</b>	<b>13,363</b>

Fair value is determined as follows:

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

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 15. Financial risk management (continued)

\$ '000

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

#### (a) Market risk – price risk and interest rate risk

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>1/7/15 to 9/9/16</b>				
Possible impact of a 10% movement in market values	1,488	1,488	(1,488)	(1,488)
Possible impact of a 1% movement in interest rates	1,116	1,116	(1,116)	(1,116)
<b>1/7/14 to 30/6/15</b>				
Possible impact of a 10% movement in market values	25	25	(25)	(25)
Possible impact of a 1% movement in interest rates	595	595	(595)	(595)

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 15. Financial risk management (continued)

\$ '000

##### (b) Credit risk

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

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

A profile of Council's receivables credit risk at balance date follows:

		9/9/16 Rates and annual charges	9/9/16 Other receivables	30/6/15 Rates and annual charges	30/6/15 Other receivables
<b>(i) Ageing of receivables – %</b>					
Current (not yet overdue)		94%	39%	0%	6%
Overdue		6%	61%	100%	94%
		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>(ii) Ageing of receivables – value</b>					
Rates and annual charges	Other receivables	Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
Current	Current	17,814	1,583	–	425
< 1 year overdue	0 – 30 days overdue	1,310	929	739	71
1 – 2 years overdue	30 – 60 days overdue	–	1,169	157	283
2 – 5 years overdue	60 – 90 days overdue	–	60	393	779
> 5 years overdue	> 90 days overdue	–	237	283	5,524
		<b>19,124</b>	<b>3,978</b>	<b>1,572</b>	<b>7,082</b>
<b>(iii) Movement in provision for impairment of receivables</b>					
				9/9/16	30/6/15
Balance at the beginning of the year				440	440
+ new provisions recognised during the year				137	–
– amounts already provided for and written off this year				(577)	–
<b>Balance at the end of the year</b>				<b>–</b>	<b>440</b>

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 15. Financial risk management (continued)

\$ '000

##### (c) Liquidity risk

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

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

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

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
1/7/15 to 9/9/16									
Trade/other payables	10,155	5,369	–	–	–	–	–	15,524	15,524
Total financial liabilities	10,155	5,369	–	–	–	–	–	15,524	15,524
1/7/14 to 30/6/15									
Trade/other payables	8,450	983	983	983	983	983	–	13,363	13,363
Total financial liabilities	8,450	983	983	983	983	983	–	13,363	13,363

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities and interest rate structures.

The following interest rates were applicable to Council's borrowings at balance date:	9/9/16	9/9/16	30/6/15	30/6/15
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	15,524	0.00%	13,363	0.00%
	<u>15,524</u>		<u>13,363</u>	

#### Note 16. Material budget variations

In accordance with the Supplementary Code 24(a), this note is not applicable for "former Councils".



## Former City of Botany Bay Council

## Notes to the Financial Statements

for the period to 9 September 2016

## Note 17. Statement of developer contributions

\$ '000

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

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

## SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the period		Interest earned in period	Expenditure during period	Internal transfers (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	472	584	–	28	–	4,466	5,550	–
Traffic facilities	4,092	5,270	–	195	(1,045)	26,393	34,905	–
Open space	24,032	39,374	–	1,326	(4,100)	(26,393)	34,239	–
Community facilities	2,232	7,779	–	181	(62)	–	10,130	–
Other	22,596	6,310	–	952	(489)	(4,466)	24,903	–
<b>S94 contributions – under a plan</b>	<b>53,424</b>	<b>59,317</b>	–	<b>2,682</b>	<b>(5,696)</b>	–	<b>109,727</b>	–
<b>Total S94 revenue under plans</b>	<b>53,424</b>	<b>59,317</b>	–	<b>2,682</b>	<b>(5,696)</b>	–	<b>109,727</b>	–
S93F planning agreements	115	3,274	–	37	(1,400)	–	2,026	–
<b>Total contributions</b>	<b>53,539</b>	<b>62,591</b>	–	<b>2,719</b>	<b>(7,096)</b>	–	<b>111,753</b>	–

## Former City of Botany Bay Council

## Notes to the Financial Statements

for the period to 9 September 2016

## Note 17. Statement of developer contributions (continued)

\$ '000

## S94 CONTRIBUTIONS – UNDER A PLAN

## CONTRIBUTION PLAN S94

PURPOSE	Opening balance	Contributions received during the period		Interest earned in period	Expenditure during period	Internal transfers (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	472	584	–	28	–	4,466	5,550	–
Traffic facilities	4,092	4,366	–	190	(1,045)	26,393	33,996	–
Open space	24,032	36,030	–	1,310	(4,100)	(26,393)	30,879	–
Community facilities	2,232	6,707	–	177	(62)	–	9,054	–
Other	7,082	592	–	279	(114)	(4,466)	3,373	–
<b>Total</b>	<b>37,910</b>	<b>48,279</b>	<b>–</b>	<b>1,984</b>	<b>(5,321)</b>	<b>–</b>	<b>82,852</b>	<b>–</b>

## CONTRIBUTION PLAN - MASCOT PRECINCT

PURPOSE	Opening balance	Contributions received during the period		Interest earned in period	Expenditure during period	Internal transfers (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Other	15,514	5,662	–	673	(375)	–	21,474	–
<b>Total</b>	<b>15,514</b>	<b>5,662</b>	<b>–</b>	<b>673</b>	<b>(375)</b>	<b>–</b>	<b>21,474</b>	<b>–</b>

## CONTRIBUTION PLAN S94 PLAN 2016-2031

PURPOSE	Opening balance	Contributions received during the period		Interest earned in period	Expenditure during period	Internal transfers (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Traffic facilities	–	904	–	5	–	–	909	–
Open space	–	3,344	–	16	–	–	3,360	–
Community facilities	–	1,072	–	4	–	–	1,076	–
Other	–	56	–	–	–	–	56	–
<b>Total</b>	<b>–</b>	<b>5,376</b>	<b>–</b>	<b>25</b>	<b>–</b>	<b>–</b>	<b>5,401</b>	<b>–</b>

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 18. Contingencies and other assets/liabilities not recognised

\$ '000

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

#### LIABILITIES NOT RECOGNISED:

##### 1. Guarantees

###### (i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

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

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

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

###### (ii) Metropool and United Independent Pool

Council is a member of Metropool and United Independent Pool, a Joint Venture pool schemes providing liability insurance to local government.

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

The future realisation and finalisation of claims incurred but not reported to 9/09/2016 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) Other guarantees

Council has two contract performance limited guarantees to:

Sydney Airport Corporation Ltd, \$400K and Robert McLucas, \$9K

##### 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.

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 18. Contingencies and other assets/liabilities not recognised (continued)

\$ '000

##### LIABILITIES NOT RECOGNISED (continued):

##### 2. Other liabilities (continued)

##### (ii) ICAC investigation Operation Ricco

ICAC's investigation of allegations of fraud and corruption identified significant weakness in the former City of Botany Bay Council's internal controls. The systemic nature of the breakdown in governance may result in liabilities relating to past decisions or or actions which are unknown at reporting date.

Whilst some provision has been made there is also potential for future costs relating to resolving these matters.

##### (iii) Developer Contribution plans

Council levies section 94/94A contributions upon various developments across the Council area through the required contributions plans. Council may also enter into planning agreements under S93.

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

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

These future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

##### (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 bushland. As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

##### (iv) Potential land acquisitions due to planning restrictions imposed by Council (continued)

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

##### ASSETS NOT RECOGNISED:

##### (i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

##### (ii) Legal recoveries of fraud

Legal recovery actions are being progressed against persons for recovery of monies identified by the ICAC Operation Ricco and by Council as fraud against the former City of Botany Bay Council. Outcomes cannot be reliably measured at time of reporting resulting in a contingent asset relating to legal recoveries and insurance settlements.

##### (iii) Legal actions

Council has provided for some legal settlements but is currently defending these legal claims which are potential contingent assets if successful.

##### (iv) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau. Council's revenue recognition policy for such income is to account for it as revenue on receipt. Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

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

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 18. Contingencies and other assets/liabilities not recognised (continued)

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\$ '000

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##### **ASSETS NOT RECOGNISED** (continued):

##### **(v) Onerous Contracts**

The Council as part of Council's operations enters into contracts for the provisions of services. While some provision has been made in the accounts for Onerous Contracts, there is potential for further exposure to losses not already provided for.

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows:

##### Controlled entities (subsidiaries)

**Note 19(a)**

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

##### Joint ventures and associates

**Note 19(b)**

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

##### Joint operations

**Note 19(c)**

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

##### Unconsolidated structured entities

**Note 19(d)**

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

##### Subsidiaries, joint arrangements and associates not recognised

**Note 19(e)**

##### Accounting recognition:

(i) Subsidiaries disclosed under Note 19(a) and joint operations disclosed at Note 19(c) are accounted for on a 'line by line' consolidation basis within the Income Statement and Statement of Financial Position.

(ii) Joint ventures and associates as per Note 19(b) are accounted for using the equity accounting method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's share of net income		Council's share of net assets	
	Actual	Actual	Actual	Actual
	1/7/15 to 9/9/16	1/7/14 to 30/6/15	9/9/16	30/6/15
Joint ventures	167	(340)	1,611	1,444
Associates	—	—	—	—
<b>Total</b>	<b>167</b>	<b>(340)</b>	<b>1,611</b>	<b>1,444</b>

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 19. Interests in other entities (continued)

\$ '000

##### (a) Controlled entities (subsidiaries) – being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

##### (b) Joint ventures and associates

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

##### (a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	9/9/16	30/6/15
United Independent Pools	Joint Venture	Equity Method	219	217
Metropool	Joint Venture	Equity Method	1,392	1,227
<b>Total carrying amounts – material joint ventures and associates</b>			<b>1,611</b>	<b>1,444</b>

##### (b) Details

Name of entity	Principal activity	Place of business
United Independent Pools	Liability insurance & risk management	Penrith
Metropool	Liability insurance & risk management	Penrith

##### (c) Relevant interests and fair values

Name of entity	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	9/9/16	30/6/15	2016	2015	2016	2015	2016	2015
United Independent Pools	N/A	N/A	3%	3%	3%	3%	5%	3%
Metropool	N/A	N/A	15%	14%	15%	14%	11%	14%

##### (d) Summarised financial information for joint ventures and associates

	United Independent Pools		Metropool	
Statement of financial position	30/6/16	30/6/15	30/6/16	30/6/15
<b>Current assets</b>				
Cash and cash equivalents	171	1,554	28	100
Other current assets	4,177	4,473	5,998	4,662
<b>Total current assets</b>	<b>4,348</b>	<b>6,027</b>	<b>6,026</b>	<b>4,762</b>
<b>Non-current assets</b>	<b>8,539</b>	<b>5,761</b>	<b>16,408</b>	<b>15,491</b>
<b>Current liabilities</b>				
Financial liabilities (excl. accounts payable)	2,800	1,539	1,659	1,146
Other current liabilities	346	269	206	92
<b>Total current liabilities</b>	<b>3,146</b>	<b>1,808</b>	<b>1,865</b>	<b>1,238</b>
<b>Non-current liabilities</b>	<b>2,454</b>	<b>2,462</b>	<b>11,147</b>	<b>10,644</b>
<b>Net assets</b>	<b>7,287</b>	<b>7,518</b>	<b>9,422</b>	<b>8,371</b>
<b>Reconciliation of the carrying amount</b>				
Opening net assets (1 July)	7,517	6,906	8,371	8,327
Profit/(loss) for the period	(231)	611	1,050	44
<b>Closing net assets</b>	<b>7,286</b>	<b>7,517</b>	<b>9,421</b>	<b>8,371</b>
<b>Council's share of net assets (%)</b>	<b>3.0%</b>	<b>2.9%</b>	<b>14.8%</b>	<b>14.7%</b>
<b>Council's share of net assets (\$)</b>	<b>219</b>	<b>217</b>	<b>1,392</b>	<b>1,227</b>

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 19. Interests in other entities (continued)

\$ '000

##### (b) Joint ventures and associates (continued)

##### (d) Summarised financial information for joint ventures and associates (continued)

	United Independent Pools		Metropool	
	1/7/15 to 30/6/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/14 to 30/6/15
<b>Statement of comprehensive income</b>				
Income	8,551	8,696	3,590	3,341
Interest income	423	388	774	953
Other expenses	(9,205)	(8,472)	(3,314)	(4,250)
<b>Profit/(loss) for period</b>	<b>(231)</b>	<b>612</b>	<b>1,050</b>	<b>44</b>
Other comprehensive income	—	—	—	—
<b>Total comprehensive income</b>	<b>(231)</b>	<b>612</b>	<b>1,050</b>	<b>44</b>
<b>Share of income – Council (%)</b>	<b>-1.0%</b>	<b>2.9%</b>	<b>15.7%</b>	<b>89.7%</b>
<b>Profit/(loss) – Council (\$)</b>	<b>2</b>	<b>18</b>	<b>165</b>	<b>39</b>
<b>Total comprehensive income – Council (\$)</b>	<b>2</b>	<b>18</b>	<b>165</b>	<b>39</b>

##### (c) Joint operations

Council has no interest in any joint operations.

##### (d) Unconsolidated structured entities

Council has no unconsolidated structured entities

##### (e) Subsidiaries, joint arrangements and associates not recognised

All subsidiaries, joint arrangements and associates have been recognised in this financial report.



## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 9/9/16	Actual 30/6/15
<b>(a) Retained earnings</b>			
<b>Movements in retained earnings were as follows:</b>			
Balance at beginning of year (from previous years audited accounts)		255,807	236,779
a. Net operating result for the year		69,876	19,028
Balance at end of the reporting period		<u>325,683</u>	<u>255,807</u>
<b>(b) Revaluation reserves</b>			
<b>(i) Reserves are represented by:</b>			
– Infrastructure, property, plant and equipment revaluation reserve		161,239	162,071
<b>Total</b>		<u>161,239</u>	<u>162,071</u>
<b>(ii) Reconciliation of movements in reserves:</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– Opening balance		162,071	121,079
– Revaluations for the year	9(a)	(832)	40,992
– <b>Balance at end of year</b>		<u>161,239</u>	<u>162,071</u>
<b>TOTAL VALUE OF RESERVES</b>		<u>161,239</u>	<u>162,071</u>
<b>(iii) Nature and purpose of reserves</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.			
At the end of the reporting period, the amount held in the reserve related to the following asset classes:			
Land		68,373	70,382
Buildings		32,126	30,355
Roads, bridges, footpaths		51,992	50,028
Stormwater drainage		8,748	11,306
		<u>161,239</u>	<u>162,071</u>

#### (c) Correction of error/s relating to a previous reporting period

Council made no correction of errors during the current reporting period.

#### (d) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the period.

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 21. Financial result and financial position by fund

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\$ '000

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Council utilises only a general fund for its operations.

#### Note 22. 'Held for sale' non-current assets and disposal groups

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Council did not classify any non-current assets or disposal groups as 'held for sale'.

#### Note 23. Events occurring after the reporting date

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Events that occur between the end of the reporting period (9 September 2016) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

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

Accordingly, the 'authorised for issue' date is 09/04/18.

Events that occur after the reporting period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the reporting period**

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 9 September 2016.

##### **(ii) Events that provide evidence of conditions that arose after the reporting period**

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 9 September 2016 and which are only indicative of conditions that arose after 9 September 2016.

**Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.**

#### Note 24. Discontinued operations

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Council has not classified any of its operations as 'discontinued'.

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 25. Intangible assets

\$ '000	Actual 9/9/16	Actual 30/6/15
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
<b>Opening values:</b>		
Gross book value (1/7)	–	–
Accumulated amortisation (1/7)	–	–
Accumulated impairment (1/7)	–	–
<b>Net book value – opening balance</b>	<b>–</b>	<b>–</b>
<b>Movements for the period</b>		
– Transfer from Note 9 (Office Equipment)	1,043	
– Purchases	92	–
– Amortisation charges	(183)	–
– Impairment charges	(124)	–
– Gross book value written off	(1,368)	–
– Accumulated amortisation charges written off	806	–
<b>Closing values:</b>		
Gross book value (9/9/16)	313	
Accumulated amortisation (9/9/16)	(47)	
Accumulated impairment (9/9/16)	–	–
<b><u>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE 1</u></b>	<b><u>266</u></b>	<b><u>–</u></b>
<sup>1</sup> The net book value of intangible assets represent:		
– Software	266	–
	<b><u>266</u></b>	<b><u>–</u></b>

#### Note 26. Reinstatement, rehabilitation and restoration liabilities

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

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 27. Fair value measurement

\$ '000

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

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

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

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

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

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

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

**(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:**

		Fair value measurement hierarchy			Total
		Level 1	Level 2	Level 3	
1/7/15 to 9/9/16		Quoted	Significant	Significant	
		prices in	observable	unobservable	
		active mkts	inputs	inputs	
Recurring fair value measurements					
Financial assets					
Investments					
– 'Designated at fair value on initial recognition'	9/09/16	14,883	111,625	–	126,508
<b>Total financial assets</b>		<b>14,883</b>	<b>111,625</b>	<b>–</b>	<b>126,508</b>
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	9/09/16	–	7,654	–	7,654
Office equipment /Furniture & Fittings	9/09/16	–	1,328	–	1,328
Library Books	9/09/16	–	1,563	–	1,563
Operational Land	9/09/16	–	110,441	–	110,441
Community Land	9/09/16	–	–	40,165	40,165
Buildings	9/09/16	–	–	58,187	58,187
Other Structures	9/09/16	–	–	19,281	19,281
Roads	9/09/16	–	–	164,042	164,042
Bridges	9/09/16	–	–	3,586	3,586
Footpaths	9/09/16	–	–	28,170	28,170
Stormwater Drainage	9/09/16	–	–	32,587	32,587
Other Assets	9/09/16	–	–	204	204
Furniture & Fittings	9/09/16	–	888	–	888
Land Improvements	9/09/16	–	–	3,605	3,605
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	<b>121,874</b>	<b>349,827</b>	<b>471,701</b>

## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 27. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values: (continued)

		Fair value measurement hierarchy			
1/7/14 to 30/6/15		Level 1	Level 2	Level 3	Total
	Date of latest valuation	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
– Designated at fair value on initial recognition'	30/06/15	–	–	3,356	3,356
Total financial assets		–	–	3,356	3,356
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/15	–	2,192	–	2,192
Office equipment	30/06/15	–	1,917	–	1,917
Library Books	30/06/15	–	613	–	613
Operational Land	30/06/15	–	–	90,160	90,160
Community Land	30/06/15	–	–	58,460	58,460
Buildings *	30/06/15	–	–	50,450	50,450
Other Structures	30/06/15	–	–	3,816	3,816
Roads	30/06/15	–	–	111,033	111,033
Bridges	30/06/15	–	–	3,093	3,093
Footpaths	30/06/15	–	–	17,013	17,013
Stormwater Drainage	30/06/15	–	–	23,041	23,041
Other Assets	30/06/15	–	–	1,703	1,703
Total infrastructure, property, plant and equipment		–	4,722	358,769	363,491

## (2) Transfers between level 1 and level 2 fair value hierarchies

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

\* Prior year comparative balances are restated to align to current year disclosures.

## Former City of Botany Bay Council

### Notes to the Financial Statements

for the period to 9 September 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values

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

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

##### Infrastructure, property, plant and equipment (IPP&E)

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

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## Former City of Botany Bay Council

Notes to the Financial Statements  
for the period to 9 September 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3)

The following tables present the changes in level 3 fair value asset classes.

	Operational Land	Community Land	Buildings *	Total
<b>Opening balance – 1/7/14</b>	90,160	58,460	50,705	199,325
Purchases (GBV)	–	–	1,502	1,502
Depreciation and impairment	–	–	(1,757)	(1,757)
<b>Closing balance – 30/6/15</b>	<b>90,160</b>	<b>58,460</b>	<b>50,450</b>	<b>199,070</b>
Purchases (GBV)	–	2,220	1,212	3,432
Disposals (WDV)	–	–	(23)	(23)
Depreciation and impairment	–	–	(2,263)	(2,263)
Other movement	–	–	(14,906)	(14,906)
Revaluation increment	–	–	1,771	1,771
Revaluation decrement	–	(20,515)	–	(20,515)
Other movement - Transfer to Level 2	(90,160)	–	–	(90,160)
<b>Closing balance – 9/9/16</b>	<b>–</b>	<b>40,165</b>	<b>36,241</b>	<b>76,406</b>

	Other Structures	Roads	Bridges	Footpaths	Total
<b>Opening balance – 1/7/14</b>	3,256	72,150	3,034	15,313	93,753
Purchases (GBV)	713	3,299	–	264	4,276
Depreciation and impairment	(153)	(1,049)	(59)	(575)	(1,836)
FV gains – other comprehensive income	–	36,633	118	2,011	38,762
<b>Closing balance – 30/6/15</b>	<b>3,816</b>	<b>111,033</b>	<b>3,093</b>	<b>17,013</b>	<b>134,955</b>
Purchases (GBV)	1,579	3,711	–	1,694	6,984
Disposals (WDV)	–	(20)	–	–	(20)
Depreciation and impairment	(1,168)	(2,592)	(71)	(429)	(4,260)
Other movement	10,426	3,772	–	–	14,198
Revaluation Increment	–	4,283	435	–	4,718
Revaluation decrement	–	–	–	(2,754)	(2,754)
<b>Closing balance – 9/9/16</b>	<b>14,653</b>	<b>120,187</b>	<b>3,457</b>	<b>15,524</b>	<b>153,821</b>

\* Prior year comparative balances are restated to align to current year disclosures.

## Former City of Botany Bay Council

### Notes to the Financial Statements for the period to 9 September 2016

#### Note 27. Fair value measurement (continued)

\$ '000

#### (4). Fair value measurements using significant unobservable inputs (level 3) (continued)

The following tables present the changes in level 3 fair value asset classes. (continued)

	Land Improvements	Stormwater Drainage	Other Assets	Total
<b>Opening balance – 1/7/14</b>	–	20,032	899	20,931
Purchases (GBV)	–	1,024	868	1,892
Depreciation and impairment	–	(245)	(64)	(309)
FV gains – other comprehensive income	–	2,230	–	2,230
<b>Closing balance – 30/6/15</b>	<b>–</b>	<b>23,041</b>	<b>1,703</b>	<b>24,744</b>
Purchases (GBV)	912	1,595	63	2,570
Disposals (WDV)	(159)	–	(210)	(369)
Depreciation and impairment	(198)	(322)	(8)	(528)
Other movement	2,603	17	(1,405)	1,215
Revaluation Decrement	–	(2,558)	–	(2,558)
<b>Closing balance – 9/9/16</b>	<b>3,158</b>	<b>21,773</b>	<b>143</b>	<b>25,074</b>

#### (5). Highest and best use

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





## INDEPENDENT AUDITOR'S REPORT

### Former City of Botany Bay Council

To the Councillors of Bayside Council

#### Disclaimer of Opinion

I have audited the accompanying financial statements of the former City of Botany Bay Council (the former Council), which comprise the Statement by Councillors and Management, Income Statement and Statement of Comprehensive Income for the period 1 July 2015 to 9 September 2016, Statement of Financial Position as at 9 September 2016, Statement of Changes in Equity and Statement of Cash Flows for the period then ended and Notes to the Financial Statements comprising a summary of significant accounting policies and other explanatory information.

I do not express an opinion on the accompanying financial statements of the former Council. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

My disclaimer of opinion should be read in conjunction with the rest of this report.

#### Basis for Disclaimer of Opinion

Significant breakdowns in administrative, financial and governance internal controls have materially and pervasively impacted the reliability of financial reporting of the former Council. A significant fraud involving former management was also identified in the reporting period. The impact of the fraud on the financial statements remains unquantifiable, however the possible effects could be material and pervasive to the financial statements.

As a result, I do not have sufficient appropriate audit evidence, nor am I able to determine whether any adjustments may be necessary in respect of recorded or unrecorded transactions in the financial statements.

Councillors and management of Bayside Council have been unable to state in the Statement required under section 413(2)(c) of the *Local Government Act 1993* that the financial statements present fairly the financial performance and position of the former Council.

Where management and those charged with governance cannot provide written representation that the financial statements contain all transactions, Australian Auditing Standards require me to issue a disclaimer of opinion in my Independent Auditor's Report.

## **The Councillor's Responsibility for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors must assess the former Council's ability to continue as a going concern unless the former Council is dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

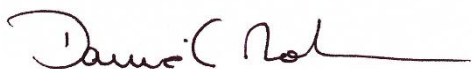
I am independent of the former Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.



David Nolan  
Director, Financial Audit Services

9 April 2018  
SYDNEY

Bill Saravinovski  
Mayor  
Bayside Council  
PO Box 21  
ROCKDALE NSW 2216

Contact: David Nolan  
Phone no: 02 9275 7377  
Our ref: D1802540/1689

9 April 2018

Dear Mayor

**Report on the Conduct of the Audit  
for the period 1 July 2015 to 09 September 2016  
Former City of Botany Bay Council**

I have audited the general purpose and special purpose financial statements of the former City of Botany Bay Council (the former Council) for the period ended 09 September 2016 as required by s415 of the *Local Government Act 1993* (the Act).

We expressed a disclaimer of opinion on the former Council's general purpose financial statements and special purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the period ended 9 September 2016 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with the audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

## **SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

The following significant matters came to our attention during the audit.

Our audit found:

- There was an inadequate system of internal controls to support accurate financial reporting, to mitigate the risk of fraud or to identify fraud
- Council did not maintain adequate accounting records as required by Section 412 of the Local Government Act 1993.

We note that the Statement by Councillors and Management attached to the financial statements is "limited due to the significant breakdowns in administrative, financial and governance internal controls identified in the former Council" and refers to the ICAC investigation which "identifies overwhelming corruption and systemic failures in internal controls".

As a result, a disclaimer of opinion was issued as I was unable to obtain sufficient appropriate audit evidence to issue an opinion on the financial statements.

## PERFORMANCE RATIOS

We have not included commentary on Performance Ratios in this report as the information in the financial statements is not reliable.

## OTHER MATTERS

### Legislative compliance

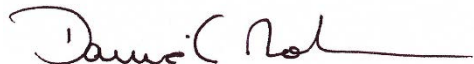
My audit procedures identified instances of non-compliance with legislation that will be reported in the management letter.

- Council did not maintain adequate accounting records as required by Section 412 of the Local Government Act 1993
- Council did not comply with Section 55 of the Local Government Act 1993 which requires tenders to be used for certain procurement.
- Council did not comply with Section 535 of the Local Government Act which requires Council approval by resolution of the 2015-16 golf coaching fees and golf course discounts.

### Adequate accounting records

The Council's:

- accounting records were not maintained, by the former Council management, in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- current staff were unable to provide all accounting records and information relevant to the audit.



David Nolan  
Director, Financial Audit Services

cc: Meredith Wallace, General Manager  
Jennifer Whitten, Chair of Audit and Risk Committee  
Tim Hurst, Acting Chief Executive of the Office of Local Government

# Former City of Botany Bay Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS

for the period to 9 September 2016

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*The former City of Botany Bay is committed to improving the total environment to allow all community members who live, work, or use the facilities in the Council area to enjoy and benefit from the services provided."*



## Former City of Botany Bay Council

### Special Purpose Financial Statements

for the period to 9 September 2016

Contents	Page
<b>1. Statement by Councillors and Management</b>	<b>2</b>
<b>2. Special Purpose Financial Statements:</b>	
Income Statement – Water Supply Business Activity	n/a
Income Statement – Sewerage Business Activity	n/a
Income Statement – Other Business Activities	3
Statement of Financial Position – Water Supply Business Activity	n/a
Statement of Financial Position – Sewerage Business Activity	n/a
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<b>4. Auditor's Report</b>	<b>9</b>

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#### Background

- (i) These 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.
  - (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.  
  
Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
  - (iii) For Council, the principle of competitive neutrality 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 more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
  - (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
-

## Former City of Botany Bay Council

### Special Purpose Financial Statements for the period to 9 September 2016

#### Statement by Councillors and Management

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

The former City of Botany Bay Council was amalgamated on 9 September with the former Rockdale City Council to form the Bayside Council by way of the Local Government (Bayside) Proclamation 2016


This Statement by Councillors and Management is in respect of the former City of Botany Bay Council and is limited due to the significant breakdowns in administrative, financial and governance internal controls identified in the former Council.

The breakdown is evidenced by the NSW Independent Commission Against Corruption (ICAC) report 2016 on the former City of Botany Bay Council (Operation Ricco) which identifies overwhelming corruption and systemic failures in internal controls.

Whilst significant work has been undertaken to develop and implement a new internal control environment and to address the Independent Commission Against Corruption (ICAC) report on the former City of Botany Bay Council within the new Council, this cannot correct the past failings of the former City of Botany Bay Council.

The current Council and Management of the newly formed Bayside Council cannot warrant the completeness and reliability of the Special Purpose Financial Report for the Airport Business Unit on the basis the Airport Business Unit was a central element of the ICAC (Operation Ricco) report.

**Signed in accordance with a resolution of Council made on 14 March 2018.**

  
 Bill Saravinovski  
 Mayor

  
 Liz Barlow  
 Councillor

  
 Meredith Wallace  
 General manager

  
 Matthew Walker  
 Responsible accounting officer

## Former City of Botany Bay Council

## Income Statement of Council's Other Business Activities

for the period to 9 September 2016

	Airport		Golf Course	
	Category 1		Category 1	
	Actual	Actual	Actual	Actual
	1/7/15	1/7/14	1/7/15	1/7/14
\$ '000	to 9/9/16	to 30/6/15	to 9/9/16	to 30/6/15
<b>Income from continuing operations</b>				
Access charges	—	—	—	—
User charges	8,849	6,942	355	328
Fees	—	—	—	—
Interest	—	—	—	—
Grants and contributions provided for non-capital purposes	—	—	—	—
Profit from the sale of assets	—	—	—	—
Other income	—	—	—	—
<b>Total income from continuing operations</b>	<b>8,849</b>	<b>6,942</b>	<b>355</b>	<b>328</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	5,084	3,217	633	530
Borrowing costs	—	—	—	—
Materials and contracts	9,060	5,349	252	246
Depreciation and impairment	27	29	7	18
Loss on sale of assets	—	—	—	—
Calculated taxation equivalents	208	—	—	—
Debt guarantee fee (if applicable)	105	—	—	—
Other expenses	—	—	—	—
<b>Total expenses from continuing operations</b>	<b>14,484</b>	<b>8,595</b>	<b>892</b>	<b>794</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(5,635)</b>	<b>(1,653)</b>	<b>(537)</b>	<b>(466)</b>
Grants and contributions provided for capital purposes	—	—	—	—
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(5,635)</b>	<b>(1,653)</b>	<b>(537)</b>	<b>(466)</b>
Surplus (deficit) from discontinued operations	—	—	—	—
<b>Surplus (deficit) from all operations before tax</b>	<b>(5,635)</b>	<b>(1,653)</b>	<b>(537)</b>	<b>(466)</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	—	—	—	—
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(5,635)</b>	<b>(1,653)</b>	<b>(537)</b>	<b>(466)</b>
Plus opening retained profits	1,518	3,171	56	522
Plus/less: prior period adjustments	—	—	—	—
Plus adjustments for amounts unpaid:				
– Taxation equivalent payments	208	—	—	—
– Debt guarantee fees	105	—	—	—
– Corporate taxation equivalent	—	—	—	—
Add:				
– Subsidy paid/contribution to operations	3,804	—	—	—
Less:				
– TER dividend paid	—	—	—	—
– Dividend paid	—	—	—	—
<b>Closing retained profits</b>	<b>—</b>	<b>1,518</b>	<b>(481)</b>	<b>56</b>
Return on capital %	n/a	n/a	n/a	n/a
Subsidy from Council	5,635	—	537	—



## Former City of Botany Bay Council

## Statement of Financial Position – Council's Other Business Activities

as at 9 September 2016

	Airport		Golf Course	
	Category 1		Category 1	
\$ '000	Actual 9/9/16	Actual 30/6/15	Actual 9/9/16	Actual 30/6/15
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	–	–	–	–
Investments	–	–	–	–
Receivables	1,012	1,518	–	–
Inventories	–	–	39	56
Contribution from Council's General Funds	3,327	–	–	–
Non-current assets classified as held for sale	–	–	–	–
<b>Total Current Assets</b>	<b>4,339</b>	<b>1,518</b>	<b>39</b>	<b>56</b>
<b>Non-current assets</b>				
Investments	–	–	–	–
Receivables	–	–	–	–
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	–	–	–	–
Investments accounted for using equity method	–	–	–	–
Investment property	–	–	–	–
Intangible assets	–	–	–	–
<b>Total non-current assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL ASSETS</b>	<b>4,339</b>	<b>1,518</b>	<b>39</b>	<b>56</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	–	–	–	–
Payables	948	–	–	–
Borrowings	–	–	–	–
Provisions	–	–	–	–
<b>Total current liabilities</b>	<b>948</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Non-current liabilities</b>				
Payables	–	–	–	–
Borrowings	–	–	–	–
Provisions	3,391	–	–	–
Other Liabilities	–	–	–	–
<b>Total non-current liabilities</b>	<b>3,391</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>4,339</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET ASSETS</b>	<b>–</b>	<b>1,518</b>	<b>39</b>	<b>56</b>
<b>EQUITY</b>				
Retained earnings	–	1,518	56	56
Revaluation reserves	–	–	–	–
Council equity interest	–	1,518	56	56
Non-controlling equity interest	–	–	–	–
<b>TOTAL EQUITY</b>	<b>–</b>	<b>1,518</b>	<b>56</b>	<b>56</b>

## Former City of Botany Bay Council

### Special Purpose Financial Statements

for the period to 9 September 2016

#### Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	6
2	Water Supply Business Best-Practice Management disclosure requirements	n/a
3	Sewerage Business Best-Practice Management disclosure requirements	n/a

## Former City of Botany Bay Council

### Notes to the Special Purpose Financial Statements

for the period to 9 September 2016

#### Note 1. Significant accounting policies

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

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, 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 (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation,
- the Local Government Proclamation (Bayside) 2016
- the Local Government Code of Accounting Practice and Financial Reporting.

For the Local Government Bayside Proclamation 2016 amalgamated the former City of Botany Bay Council with the former Rockdale Council effective 9 September 2016. These Special Purpose Financial Statements are the final statements for the former City of Botany Bay Council business activities.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 government policy statement, *Application of National Competition Policy to Local Government*.

The *Pricing and 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 standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

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

#### Category 1

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

##### a. Contract Services - Airport

##### b. Golf Course

#### Category 2

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

Nil

#### Monetary amounts

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

#### (i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector

## Former City of Botany Bay Council

### Notes to the Special Purpose Financial Statements

for the period to 9 September 2016

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

businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

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

##### Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first **\$482,000** of combined land values attracts **0%**. For that valued from \$482,001 to \$2,947,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,947,000, 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 each reported business activity.

While income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain or loss from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations, it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The 30% rate applied is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

##### Local government rates and charges

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

##### Loan and 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 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 when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

##### (iii) Return on investments (rate of return)

The policy statement requires that councils with category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

## Former City of Botany Bay Council

### Notes to the Special Purpose Financial Statements for the period to 9 September 2016

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

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Such funds are subsequently available for meeting commitments or financing future investment strategies.

The rate of return on capital is calculated as follows:

#### **Operating result before capital income + interest expense**

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##### **Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.99% at 09/09/16.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

#### **(iv) Dividends**

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



## INDEPENDENT AUDITOR'S REPORT

### Report on the Special Purpose Financial Statements

#### Former City of Botany Bay Council

To the Councillors of Bayside Council

#### Disclaimer of Opinion

I have audited the accompanying Special Purpose Financial Statements (the financial statements) of the former City of Botany Bay Council's (the former Council) Declared Business Activities, which comprise the Statement by Councillors and Management, Income Statement of Council's Other Business Activities for the period 1 July 2015 to 9 September 2016, Statement of Financial Position – Council's Other Business Activities as at 9 September 2016 and Notes to the Special Purpose Financial Statements comprising a summary of significant accounting policies and other explanatory information for the Business Activities declared by Council.

The Declared Business Activities of the former Council are:

- Contract Services – Airport
- Golf Course.

I do not express an opinion on the accompanying financial statements of the former Council's Declared Business Activities. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

My disclaimer of opinion should be read in conjunction with the rest of this report.

#### Basis for Disclaimer of Opinion

Significant breakdowns in administrative, financial and governance internal controls have materially and pervasively impacted the reliability of financial reporting of the former Council's Declared Business Activities. A significant fraud involving former management was also identified in the reporting period. The impact of the fraud on the financial statements remains unquantifiable, however the possible effects could be material and pervasive to the financial statements.

As a result, I do not have sufficient appropriate audit evidence, nor am I able to determine whether any adjustments may be necessary in respect of recorded or unrecorded transactions in the financial statements.

Councillors and management of Bayside Council have been unable to state in the Statement required under section 413(2)(c) of the *Local Government Act 1993* that the financial statements present fairly the financial performance and position of all of the former Council's Declared Business Activities.

Where management and those charged with governance cannot provide written representation that the financial statements contain all transactions, Australian Auditing Standards require me to issue a disclaimer of opinion in my Independent Auditor's Report.

## **Emphasis of Matter - Basis of Accounting**

I draw attention to Note (1) to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting (LG Code). As a result, the financial statements may not be suitable for another purpose.

## **The Councillor's Responsibility for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting, as it affects the Council's Declared Business Activities.

## **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

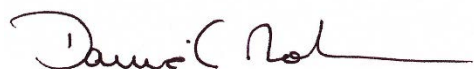
I am independent of the former Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.



David Nolan  
Director, Financial Audit Services

9 April 2018  
SYDNEY

# Former City of Botany Bay Council

## SPECIAL SCHEDULES

for the period to 9 September 2016

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*The former City of Botany Bay is committed to improving the total environment to allow all community members who live, work, or use the facilities in the Council area to enjoy and benefit from the services provided."*





## Former City of Botany Bay Council

### Special Schedules

for the period to 9 September 2016

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#### Special Schedules<sup>1</sup>

<b>Special Schedule 1</b>	Net Cost of Services	2
<b>Special Schedule 2(a)</b>	Statement of Long Term Debt (all purposes)	n/a
<b>Special Schedule 2(b)</b>	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
<b>Special Schedule 3</b>	Water Supply Operations – incl. Income Statement	n/a
<b>Special Schedule 4</b>	Water Supply – Statement of Financial Position	n/a
<b>Special Schedule 5</b>	Sewerage Service Operations – incl. Income Statement	n/a
<b>Special Schedule 6</b>	Sewerage Service – Statement of Financial Position	n/a
<b>Notes to Special Schedules 3 and 5</b>		n/a
<b>Special Schedule 7</b>	Report on Infrastructure Assets	4

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#### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the NSW Office of Water (NOW), and
  - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of the financial activities of specific services.

## Former City of Botany Bay Council

# Special Schedule 1 – Net Cost of Services

for the period to 9 September 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	–	–	–	–
<b>Administration</b>	26,731	9,278	6,519	(10,934)
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	812	–	–	(812)
Beach control	–	–	–	–
Enforcement of local government regulations	2,218	807	–	(1,411)
Animal control	–	19	–	19
Other	–	–	–	–
<b>Total public order and safety</b>	<b>3,030</b>	<b>826</b>	<b>–</b>	<b>(2,204)</b>
<b>Health</b>	<b>6</b>	<b>80</b>	<b>–</b>	<b>74</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	–	–	583	583
Other environmental protection	94	–	–	(94)
Solid waste management	9,059	9,439	–	380
Street cleaning	2,097	–	–	(2,097)
Drainage	623	–	–	(623)
Stormwater management	–	–	–	–
<b>Total environment</b>	<b>11,873</b>	<b>9,439</b>	<b>583</b>	<b>(1,851)</b>
<b>Community services and education</b>				
Administration and education	844	57	12,870	12,083
Social protection (welfare)	–	–	–	–
Aged persons and disabled	600	541	–	(59)
Children's services	3,470	4,809	–	1,339
<b>Total community services and education</b>	<b>4,914</b>	<b>5,407</b>	<b>12,870</b>	<b>13,363</b>
<b>Housing and community amenities</b>				
Public cemeteries	–	–	–	–
Public conveniences	226	–	–	(226)
Street lighting	1,202	–	–	(1,202)
Town planning	1,735	464	–	(1,271)
Other community amenities	–	–	–	–
<b>Total housing and community amenities</b>	<b>3,163</b>	<b>464</b>	<b>–</b>	<b>(2,699)</b>
<b>Water supplies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Sewerage services</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Former City of Botany Bay Council

Special Schedule 1 – Net Cost of Services (continued)  
for the period to 9 September 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Recreation and culture</b>				
Public libraries	1,771	178	—	(1,593)
Museums	86	—	—	(86)
Art galleries	—	—	—	—
Community centres and halls	—	—	—	—
Performing arts venues	—	—	—	—
Other performing arts	—	—	—	—
Other cultural services	—	—	—	—
Sporting grounds and venues	2,708	710	—	(1,998)
Swimming pools	1,095	685	—	(410)
Parks and gardens (lakes)	7,263	530	35,357	28,624
Other sport and recreation	—	—	—	—
<b>Total recreation and culture</b>	<b>12,923</b>	<b>2,103</b>	<b>35,357</b>	<b>24,537</b>
<b>Fuel and energy</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Agriculture</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Mining, manufacturing and construction</b>				
Building control	5,158	1,770	—	(3,388)
Other mining, manufacturing and construction	—	—	—	—
<b>Total mining, manufacturing and const.</b>	<b>5,158</b>	<b>1,770</b>	<b>—</b>	<b>(3,388)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	4,804	4,157	7,855	7,208
Urban roads – regional	—	—	—	—
Sealed rural roads (SRR) – local	—	—	—	—
Sealed rural roads (SRR) – regional	—	—	—	—
Unsealed rural roads (URR) – local	—	—	—	—
Unsealed rural roads (URR) – regional	—	—	—	—
Bridges on UR – local	—	—	—	—
Bridges on SRR – local	—	—	—	—
Bridges on URR – local	—	—	—	—
Bridges on regional roads	—	—	—	—
Parking areas	—	—	—	—
Footpaths	4,643	—	—	(4,643)
Aerodromes	—	—	—	—
Other transport and communication	—	—	—	—
<b>Total transport and communication</b>	<b>9,447</b>	<b>4,157</b>	<b>7,855</b>	<b>2,565</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	—	8,849	—	8,849
Other economic affairs	14,171	—	—	(14,171)
<b>Total economic affairs</b>	<b>14,171</b>	<b>8,849</b>	<b>—</b>	<b>(5,322)</b>
<b>Totals – functions</b>	<b>91,416</b>	<b>42,373</b>	<b>63,184</b>	<b>14,141</b>
<b>General purpose revenues <sup>(1)</sup></b>		<b>55,568</b>		<b>55,568</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	<b>—</b>	<b>167</b>		<b>167</b>
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>91,416</b>	<b>98,108</b>	<b>63,184</b>	<b>69,876</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As reported in the Income Statement

## Former City of Botany Bay Council

## Special Schedule 7 – Report on Infrastructure Assets as at 9 September 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings *												
	Buildings	1,314	1,314	383	340	14,614	19,620	55%	9%	15%	21%	0%
	Council Offices	1,836	1,836	247	316	3,575	7,732	0%	0%	20%	80%	0%
	Works Depot	116	116	58	241	2,586	4,310	0%	0%	81%	19%	0%
	Halls	1,234	1,234	461	238	10,038	18,803	0%	24%	54%	22%	0%
	Library	–	–	34	184	1,841	2,566	100%	0%	0%	0%	0%
	<b>Sub-total</b>	<b>4,500</b>	<b>4,500</b>	<b>1,183</b>	<b>1,319</b>	<b>32,654</b>	<b>53,031</b>	<b>25.2%</b>	<b>11.8%</b>	<b>34.2%</b>	<b>28.8%</b>	<b>0.0%</b>
Other structures **												
	Other structures ***	–	–	–	–	10,927	14,201	0%	33%	34%	33%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10,927</b>	<b>14,201</b>	<b>0.0%</b>	<b>33.0%</b>	<b>34.0%</b>	<b>33.0%</b>	<b>0.0%</b>
Roads												
	Sealed roads surface	1,830	1,830	447	753	11,969	27,959	0%	44%	24%	32%	0%
	Sealed roads structure	2,444	2,444	50	84	87,258	102,429	0%	44%	24%	32%	0%
	Bridges	–	–	–	2	3,456	3,586	100%	0%	0%	0%	0%
	Footpaths	448	448	631	1,867	15,524	28,170	0%	50%	46%	4%	0%
	Other road assets	–	–	–	37	4,355	7,827	0%	44%	24%	32%	0%
	Kerb and gutter	265	265	88	85	16,606	25,827	0%	21%	76%	3%	0%
	<b>Sub-total</b>	<b>4,987</b>	<b>4,987</b>	<b>1,216</b>	<b>2,828</b>	<b>139,168</b>	<b>195,798</b>	<b>1.8%</b>	<b>41.0%</b>	<b>33.6%</b>	<b>23.6%</b>	<b>0.0%</b>

Prior year comparative balances are restated to align to current year disclosures.

\* The Aquatic Centre has been disclosed below in Recreational Assets. When balancing to Note 9 this will effect asset class totals however overall Infrastructure total will balance.

\*\* Playground Equipment has been disclosed below in Recreational Assets. When balancing to Note 9 this will effect asset class totals however overall totals will balance.

\*\*\* Maintenance costs for Other Structures, Stormwater Drainage, and Playground Equipment were not seperated in the former BBC and are therefore not identifiable.

## Former City of Botany Bay Council

## Special Schedule 7 – Report on Infrastructure Assets as at 9 September 2016 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Stormwater drainage	–	–	–	562	21,773	32,587	7%	51%	36%	5%	1%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>562</b>	<b>21,773</b>	<b>32,587</b>	<b>7.0%</b>	<b>51.0%</b>	<b>36.0%</b>	<b>5.0%</b>	<b>1.0%</b>
Open space/recreational assets	Aquatic Centre	–	–	–	130	3,587	5,157	1%	3%	92%	4%	0%
	Playground Equipment	–	–	–	–	3,726	5,080	66%	25%	7%	2%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>130</b>	<b>7,313</b>	<b>10,237</b>	<b>33.3%</b>	<b>13.9%</b>	<b>49.8%</b>	<b>3.0%</b>	<b>0.0%</b>
	<b>TOTAL – ALL ASSETS</b>	<b>9,487</b>	<b>9,487</b>	<b>2,399</b>	<b>4,839</b>	<b>211,835</b>	<b>305,854</b>	<b>7.4%</b>	<b>35.7%</b>	<b>34.5%</b>	<b>22.2%</b>	<b>0.1%</b>

## Notes:

a Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

1	<b>Excellent</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Average</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Former City of Botany Bay Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the period to 9 September 2016

\$ '000	Amounts 9/9/16	Indicator 9/9/16	Prior periods	
			30/6/15	30/6/14
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals <sup>(1)</sup>	5,830	85.17%	150.86%	76.00%
Depreciation, amortisation and impairment	6,845			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	9,487	4.41%	4.64%	7.00%
Carrying value of infrastructure assets	214,993			
3. Asset maintenance ratio				
Actual asset maintenance	4,839	2.02	0.92	0.81
Required asset maintenance	2,399			
4. Capital expenditure ratio				
Annual capital expenditure	15,649	1.85	1.52	1.02
Annual depreciation	8,477			

## Notes

\* All asset performance indicators are calculated using the asset classes identified in the previous table.

<sup>(1)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.