



**COUNCIL MEETING**

**ATTACHMENTS UNDER SEPARATE COVER**

**7.00 PM, TUESDAY 19 NOVEMBER 2019**

Waverley Council  
PO Box 9  
Bondi Junction NSW 1355  
DX 12006 Bondi Junction  
Tel. 9369 8000  
E-mail: [info@waverley.nsw.gov.au](mailto:info@waverley.nsw.gov.au)

## ATTACHMENTS UNDER SEPARATE COVER

### **CM/7.1/19.11      Annual Report 2018-19**

1	Annual Report 2018-19 .....	2
---	-----------------------------	---

### **CM/7.2/19.11      Audited 2018–19 Financial Statements**

1	Audited Annual Financial Statements 2018-19.....	122
2	Changes made to the draft financial statements.....	228





# WAVERLEY COUNCIL ANNUAL REPORT

---

## 2018–19







# CONTENTS

<b>Preface</b>	<b>04</b>	<b>Part 3: Meeting our Additional Statutory Requirements</b>	<b>91</b>
<b>Our Performance Snapshot</b>	<b>05</b>	Amount of rates and charges written off during the year	92
<b>Mayor's Message</b>	<b>06</b>	Mayoral and Councillor fees, expenses and facilities	92
<b>General Manager's Message</b>	<b>08</b>	Councillor induction training and ongoing professional development	93
<b>Part 1: Waverley Council Overview</b>	<b>09</b>	General Manager and Senior Staff Remuneration	93
Our Community Vision	10	Report on Infrastructure Assets	94
Our Local Government Area (LGA) Map	11	Government Information (Public Access)	97
Waverley - Our Local Government Area	12	Public Interest Disclosures	100
The Elected Council	14	Compliance with the Companion Animals Act and Regulation	101
Council Committees	15	Amount incurred in legal proceedings	102
Our Mayor and Councillors	16	Progress against Equal Employment Opportunity (EEO) Management Plan	105
Our Organisation	20	Progress report - Disability Inclusion Action Plan 2018–19	109
Our Planning Framework	21	Swimming pool inspections	115
External bodies exercising Council functions	23	Works undertaken on private land	115
Partnerships and Cooperation	24	Recovery and threat abatement plans	115
Our Financial Snapshot	25	Voluntary Planning Agreements	116
Performance Ratios	27	Contracts awarded by Council	118
Awards received	31	Report on Special Rate Variation	119
Grants and Donations awarded	32		
Grants received	36		
Sponsorships received	37		
<b>Part 2: Delivery Program Achievements</b>	<b>39</b>		
Arts and Culture	40		
Community Services and Well-being	44		
Recreation and Open Spaces	50		
Local Economy	56		
Planning, Development and Heritage	60		
Transport, Pedestrians and Parking	64		
Buildings and Infrastructure	68		
Sustainable Environment	72		
Sustainable Waste	76		
Corporate Leadership & Engagement	80		
Knowledge and Innovation	86		

# PREFACE

## PURPOSE OF THIS ANNUAL REPORT

This Annual Report documents Council's performance during the 2018–19 financial year in relation to the principal activities detailed in the Delivery Program 2018–21 and Operational Plan 2018–19.

## THE ANNUAL REPORT IS MADE UP OF FOUR PARTS:

### Part 01.

Is an overview of Council

### Part 02.

Provides details of Council's performance against the Delivery Program 2018–21

### Part 03.

Provides additional reporting information required by legislation

### Part 04.

Contains Council's audited financial statements

The first three parts are published in one volume. Part four is published separately.

This report is prepared in accordance with Section 428 of the Local Government Act 1993 and the Office of Local Government Integrated Planning and Reporting Guidelines for Local Government in NSW.

# OUR PERFORMANCE SNAPSHOT

The Waverley Community Strategic Plan 2018–2029 is built around 11 themes.

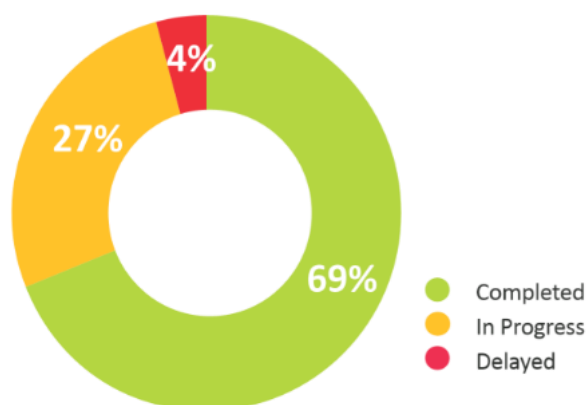
- Theme 1: Arts and Culture
- Theme 2: Community Services and Well-being
- Theme 3: Recreation and Open Spaces
- Theme 4: Local Economy
- Theme 5: Planning, Development and Heritage
- Theme 6: Transport, Pedestrians and Parking
- Theme 7: Buildings and Infrastructure
- Theme 8: Sustainable Environment
- Theme 9: Sustainable Waste
- Theme 10: Corporate Leadership and Engagement
- Theme 11: Knowledge and Innovation

The Delivery Program and Operational Plan are structured around these themes. Sitting beneath the themes are the strategies Council will implement to move in the direction set out in Waverley Community Strategic Plan 2018–2029, and Council's reporting tracks progress in delivering these. Below is a summary of overall progress in implementing the actions in the Operational Plan 2018–19.

## OVERALL PERFORMANCE

**Council's overall performance for 2018–19 in meeting targets set out in the Operational Plan 2018–19.**

In 2018–19, 69 per cent of the actions in the Operational Plan were completed, 27 per cent are in progress and four per cent were delayed.

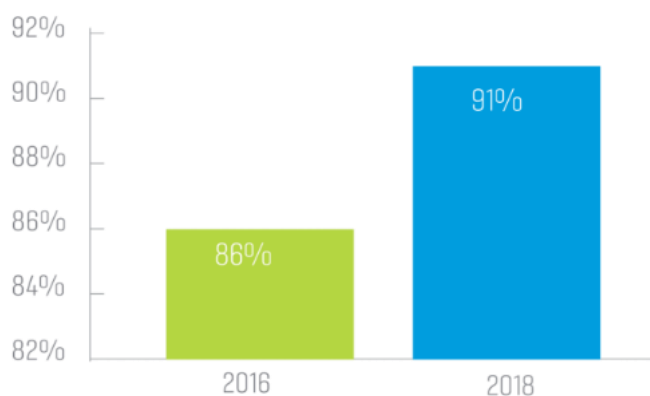


## COMMUNITY SURVEY 2018

In 2018, Council engaged Micromex Research to undertake a community survey to measure community satisfaction with services offered by Council.

In 2018, the overall community satisfaction with Council's performance was 91 per cent, an increase by five percentage points from 2016.

## OVERALL COMMUNITY SATISFACTION WITH COUNCIL'S PERFORMANCE



The mean ratings of Council's performance are significantly higher than Micromex NSW LGA benchmarks which are based on similar community surveys undertaken by other councils across NSW.

NSW LGA brand scores	Metro Benchmark	Regional Benchmark	All of NSW Benchmark	Waverley Council
Mean ratings	3.45	3.22	3.31	3.73

# MAYOR'S MESSAGE



**Paula Masselos**

**Mayor of Waverley  
(25 September 2019–present)**

We would like to take this opportunity to celebrate Waverley Council's achievements in 2018–19 as we work towards a stronger future for our community.

Our Council is committed to positioning Waverley as a world-leader in knowledge and innovation and a provider of top-rate facilities for our residents and visitors.

Many of our major projects progressed in 2018–19 and a highlight has been the work undertaken in the Bondi Pavilion Restoration and Conservation Project. In April, we lodged the Development Application (DA) for the project based on a detailed design developed by our consultant heritage architects and informed by community feedback.

We will continue to listen to what the community wants on this project to deliver a Pavilion that is both a community hub and a cultural centerpiece for Bondi.



**John Wakefield**

**Mayor of Waverley  
(1 July 2018–25 September 2019)**

In June 2019, we began our Marks Park Landscape and Playground Upgrade to improve access to the park and its facilities, stop erosion of the park embankments and improve the play experience at the playground.

We are very proud of this project, most significantly our new accessible pathway around the perimeter of the park and new accessible lookout point at Mackenzies Point. The project also includes a new stair connection between the park and the Point, new native plantings to stabilise the park slopes, and of course, of our beautiful new playground.

We are very proud to be restoring the heritage Boot Factory at Mill Hill, Bondi Junction, for future community use. The Boot Factory is such an important building in the history of our community and our restoration will ensure this its history is preserved for future generations.

Council is improving amenities at our two most popular beaches: Bondi and Bronte. A new major public toilet and shower facility will be built at the southern end of Bondi Beach off the promenade and the Bronte Beach amenities block will be restored.

Parking continued to be a major focus in 2018–19, and we proudly introduced several initiatives to make parking fairer for all. The biggest change we implemented was switching off parking meters in the Bondi Junction CBD after 6pm and at Bondi Beach after 7pm year-round. We also removed the \$1 fee for the first hour of parking at Eastgate and the \$45 fee for the first residential parking permit. Our 15-minute "drop-in" zones in Bondi Beach, Bondi Junction and Charing Cross have also been a big hit. We will continue to work hard to get things done and to make Waverley more livable and more beautiful.

**Paula Masselos and  
John Wakefield,  
Current and Former Mayors of  
Waverley**





# 8 GENERAL MANAGER'S MESSAGE



Waverley Council has a guardianship role for our local government area: we provide services and amenity to the community, we care for the environment and help keep the area clean, and we contribute to keeping residents and visitors safe. We also work in partnership with community organisations, businesses, NGOs and other layers of government to shape outcomes and support investment in our community.

The 2018–19 financial year has been a busy one. Alongside the delivery of a range of capital projects and services and various infrastructure upgrades, the organisation has had a major focus on rebuilding its capability, processes and systems following on from previously proposed amalgamation proposals. This work is focused on improving customer service, asset management and financial and operational management – How effectively and efficiently we deliver services and look after the community's assets. This work continues with system and process enhancements and service reviews programmed in 2019–20.

Council's financial position remains strong and stable, with a net operating surplus of \$7.5 million

for the 2018–19 year. Our cash and investments amount to \$179 million as at 30 June 2019. Council has a very small infrastructure backlog compared with the industry benchmarks and continues to work to upgrade existing assets and create new amenity for residents and visitors. We are adding to the organisation's capability to analyse the efficiency and effectiveness of its business operations and to provide robust advice to the elected Council on how to ensure future financial sustainability.

Some project highlights during this year include:

- Waverley Cemetery Coastal Walk was reopened in November 2018, after significant storm damage in 2016. The project included reopening a section of the much-used Coastal Walk as well as a viewing platform. The project was recognised by winning a Waverley Heritage and Design Award earlier this year.
- In April 2019, Council started a major asset renewal project at North Bondi which replaces the stormwater culvert and promenade between Ramsgate Avenue and the water, new ramps and stairs down to the children's pool as well as remediation works to the pool itself.
- In April 2019, Council lodged a Development Application for the Bondi Pavilion Restoration and Conservation project. This followed many rounds of community consultation to arrive at an agreed project design.
- Last year, 46 footpath projects were completed, with 11,300m<sup>2</sup> of concrete footpath reconstructed and 29 roads were resheeted across Waverley.

Our varied services touch many people in our community. Some 'snapshots include' over 16,000 people attending our Seniors Centre and 513,000 visits to Waverley Library with 387,432 book loans. Grants totaling \$114,841 enabled groups and individuals to deliver an impressive range of 'small' community, cultural, environmental and streetscape improvement projects. A total of 43 initiatives engaged Waverley's community in projects as diverse as mental health first aid, solar power installation and native habitat protection in schools. We also received a total of 874 development applications across the year.

**Ross McLeod**  
General Manager



# Part 01.

## WAVERLEY COUNCIL OVERVIEW

Annual Report 2018–2019



# OUR COMMUNITY VISION

Waverley: connecting the city and the sea.

A welcoming and cohesive community that  
celebrates and enhances our spectacular coastline,  
vibrant places, and rich cultural heritage.

# OUR LOCAL GOVERNMENT AREA

Waverley LGA consists of four wards as outlined here:





12

# WAVERLEY – OUR LOCAL GOVERNMENT AREA



## OUR LOCAL GOVERNMENT AREA:

**9.2km<sup>2</sup>**

## OUR DWELLINGS AND BUSINESSES:



**31,564**  
dwellings



**39,132**  
registered businesses

## MEDIAN AGE

**35 years**

- 16 per cent of our residents are 0–14 years old
- 9.2 per cent are 15–24 years old
- 62.1 per cent are 25–64 years old
- 12.7 per cent are more than 65 years old

## OVERSEAS BORN RESIDENTS

**38.4%**

## OUR SUBURBS:

Bondi Beach, Bondi Junction, North Bondi, Bronte, Dover Heights, Queens Park, Rose Bay, Tamarama, Vaucluse and Waverley

## OUR ATTRACTIONS:

Bondi, Bronte and Tamarama Beaches, Bondi Pavilion, Bronte House, Waverley Cemetery, the Coastal Walk, Bondi Junction, Margaret Whitlam Recreation Centre, Bronte Gully and Dudley Page Reserve



# POPULATION



## TOTAL POPULATION

**74,114**

## PROJECTED POPULATION 2031

**80,100**

## POPULATION DENSITY

**77.99**

persons per hectare

## ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

**274**



## LANGUAGES

68.8 per cent of us speak English at home while 20.9 per cent speak a language other than English

Russian is spoken by 2.2 per cent of our residents, 2.1 per cent speak Spanish, 1.9 per cent Portuguese, 1.8 per cent French and 1.7 per cent Italian



## JEWISH COMMUNITY

Waverley's Jewish community of

**10,076**

residents makes up 15.1 percent of our total population

# EDUCATION

13

## NUMBER OF SCHOOLS

**17** (including both primary and secondary)

73 per cent of our residents aged over 15 years have completed year 12 schooling or equivalent

44.5 per cent of our residents aged over 15 years have a Bachelor or higher degree compared to 24.1 per cent for Greater Sydney

20 per cent of young people aged 15–24 years attended an educational institution including high school and/or a higher education facility, such as TAFE or university

# HOUSING

## AVERAGE HOUSEHOLD SIZE



**2.3** people

## RENTING HOUSEHOLDS

**43%**

## MEDIAN WEEKLY RENT

**\$620**

## SINGLE PERSON HOUSEHOLDS

**24.7%**



# ECONOMY



**\$4.36 billion**  
gross regional product

More than  
**27,546**  
jobs in Waverley

## MEDIAN TOTAL INCOME/WEEK

for Waverley families in 2016 was

**\$2,300** compared to \$1,482 for Greater Sydney

## HIGH EMPLOYMENT SECTORS

Retail trade, Healthcare and Social Assistance, Accommodation and Food Services, Education and Training, and Professional Scientific and Technical Services

**79.9%** of Waverley properties are connected to the internet

Sources: ABS Census 2016, Economy.Id, Australian Business Registry Data

Annual Report 2018–19

# THE ELECTED COUNCIL

Council has 12 elected members comprising a Mayor and 11 Councillors. The last local government election was held on 9 September 2017. Councillors are elected by Ward (a geographical area). Waverley has four Wards - Bondi, Waverley, Hunter and Lawson. The position of Mayor is elected by the Councillors every two years. The position of Deputy Mayor is elected annually. The role of the elected Council is to set the strategic direction for the Council, ensure financial sustainability, review the performance of the Council and to provide effective civic leadership to the community.

The responsibilities of Councillors are defined in the *Local Government Act (1993)* and include to:

- Be an active and contributing member of the governing body
- Make considered and well-informed decisions as a member of the governing body
- Participate in the development of the integrated planning and reporting framework
- Represent the collective interests of residents, ratepayers and the local community
- Facilitate communication between the local community and the governing body
- Uphold and represent accurately the policies and decisions of the governing body

- Make all reasonable efforts to acquire and maintain the skills necessary to perform the role of a councillor.

Council encourages the members of the community to attend meetings of Council. All meetings are open to the public and usually take place on the third floor of the Council Chambers. Members of the public can address Council on any issue included on the Agenda for the meeting. Council meetings are usually held on the third Tuesday of the month. Council's two Standing Committees, the Operations and Community Services Committee and the Strategic Planning and Development Committee, usually meet on the first Tuesday of each month, except in January.

To improve accessibility for the public Council live streams all Council meetings and meetings of its Standing Committees.



# COUNCIL COMMITTEES



Council convenes and supports several advisory and consultative committees. These committees tackle broad local issues and provide a forum for discussion among Council representatives, local agencies and community members. These committees include:

- Community Safety Advisory Committee
- Environmental Sustainability Advisory Committee
- Multicultural Advisory Committee
- Waverley Access Committee
- Waverley Audit Committee
- Waverley Business Forum
- Waverley Cycling Advisory Committee
- Waverley Housing Advisory Committee
- Waverley Public Art Committee
- Waverley Surf Life Saving Club Committee
- Waverley Traffic Committee



**SALLY BETTS**

Liberal Party of Australia  
Hunter Ward

**Represented Waverley  
Council on:**

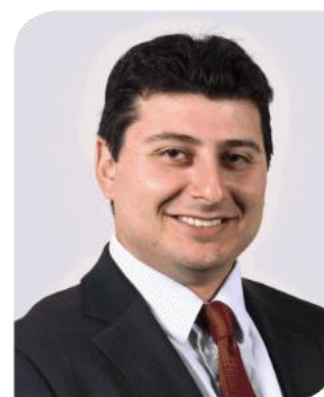
- Operations and Community Services Committee
- Strategic Planning and Development Committee

**STEVEN LEWIS**

Australian Labor Party  
Hunter Ward

**Represented Waverley  
Council on:**

- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Audit Committee

**WILL NEMESH**

Liberal Party of Australia  
Hunter Ward

**Represented Waverley  
Council on:**

- Environmental Sustainability Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Housing Advisory Committee
- Waverley Surf Life Saving Club Committee



# OUR MAYOR AND COUNCILLORS

(July 2018–September 2019)



**JOHN WAKEFIELD**  
**MAYOR**

(1 July 2018–25 September 2019)

**Australian Labor Party**

Bondi Ward

**Represented Waverley  
Council on:**

- Environmental Sustainability Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Business Forum
- Waverley Traffic Committee



**DOMINIC WY KANAK**  
**DEPUTY MAYOR**

(1 July 2018–25 September 2019)

**Greens**

Bondi Ward

**Represented Waverley  
Council on:**

- Community Safety Advisory Committee
- Multicultural Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Business Forum
- Waverley Housing Advisory Committee
- Waverley Surf Life Saving Club Committee



**LEON GOLTSMAN**

**Liberal Party of Australia**

Bondi Ward

**Represented Waverley  
Council on:**

- Environmental Sustainability Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Access Committee



**ANGELA BURILL**  
Liberal Party of Australia  
Lawson Ward

**Represented Waverley  
Council on:**

- Community Safety Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Public Art Committee



**ELAINE KEENAN**  
**DEPUTY MAYOR**  
(25 September 2019–present)  
Greens  
Lawson Ward

**Represented Waverley  
Council on:**

- Environmental Sustainability Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Access Committee
- Waverley Public Art Committee



**PAULA MASSELOS**  
**MAYOR**  
(25 September 2019–present)  
Australia Labor Party  
Lawson Ward

**Represented Waverley  
Council on:**

- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Multicultural Advisory Committee
- Waverley Public Art Committee
- Waverley Surf Life Saving Club Committee



**TONY KAY**  
Liberal Party of Australia  
Waverley Ward

Represented Waverley  
Council on:

- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Traffic Committee



**GEORGE COPELAND**  
Greens  
Waverley Ward

Represented Waverley  
Council on:

- Environmental Sustainability Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Audit Committee
- Waverley Housing Advisory Committee



**MARJORIE O'NEILL**  
Australian Labor Party  
Waverley Ward

Represented Waverley  
Council on:

- Community Safety Advisory Committee
- Operations and Community Services Committee
- Strategic Planning and Development Committee
- Waverley Surf Life Saving Club Committee



# OUR ORGANISATION

## OUR VISION

Connect, Create and Celebrate our People, Places and Partnerships.

## OUR MISSION

Wow! This is Waverley.

## OUR VALUES

Together, Responsible, Engaging, Creative.

## COUNCIL IS MADE UP OF FIVE DIRECTORATES:

1

GENERAL  
COUNSEL

2

FINANCE

3

PLANNING,  
ENVIRONMENT AND  
REGULATORY

4

COMMUNITY,  
ASSETS AND  
OPERATIONS

5

CUSTOMER SERVICE  
AND ORGANISATION  
IMPROVEMENT

# OUR PLANNING FRAMEWORK

All councils in NSW are required to conduct their business based on an Integrated Planning and Reporting framework.

The framework allows NSW councils to draw various plans together, understand how they interact and get the maximum leverage from their efforts by

planning holistically and sustainably for the future. The framework ensures long-term planning for the future with a commitment to the community having a say in what happens in the area.

The framework requires Council to take a long-term approach to decision making which considers

the Quadruple Bottom Line, social, economic, environmental and civic leadership, and the Social Justice Principles of equity, access, participation and rights. The diagram below shows the framework hierarchy:





# THE COMMUNITY STRATEGIC PLAN: WAVERLEY COMMUNITY STRATEGIC PLAN

The Community Strategic Plan is the highest-level plan that identifies the community's main priorities and aspirations for the future and the broad strategies for achieving these. While Council has a custodial role in initiating, preparing and maintaining the plan on behalf of the residents of Waverley, it is not wholly responsible for its implementation. Other

partners such as State and Federal Governments and community groups may also be engaged in delivering the long-term community outcomes of this plan.

Waverley Community Strategic plan 2018–2029 has a long-term outlook and covers a 11-year period. It is reviewed every four years and

addresses social, environmental, economic and civic leadership matters in an integrated manner.

## DELIVERY PROGRAM AND THE RESOURCING STRATEGY

The Delivery Program is the point where the community's goals in the Community Strategic Plan are systematically translated into actions that Council will deliver. The Delivery Program is the elected Council's statement of commitment to the community. Priorities and actions are set to the goals and strategies in the Community Strategic Plan and appropriate methods to measure the success of the Delivery Program are identified. The Operational Plan sits under the

Delivery Program and lists all the actions that Council will undertake and the annual operating budget to be applied during the year to achieve its strategic goals.

To carry out the activities in the Delivery Program, the Resourcing Strategy sets out how time, money, assets and people will be allocated. Council has prepared four resourcing strategies to support the delivery of the Community Strategic Plan.

It consists of the:

- Long Term Financial Plan—Fifth version (LTFP5.1)
- Strategic Asset Management Plan—Fifth version (SAMP5)
- Environment Action Plan—Fourth version (EAP4)
- Workforce Plan—Third version.



# EXTERNAL BODIES EXERCISING WAVERLEY COUNCIL FUNCTIONS

In accordance with a direction issued by the Minister for Planning on the 22 June 2018, the Waverley Development Assessment Panel was re-named the Waverley Local Planning Panel (WLPP).

WLPP determines significant development applications (DAs) in the Waverley LGA. This includes DAs where there are numerous objections or a conflict of interest.

The WLPP also provides advice to Council on planning proposals.

The WLPP is directed to exercise its function by the Minister for Planning in the Local Planning Panels Direction – Development Applications (February 2018) and in the Local Planning Panels Direction – Planning Proposals (November 2018).

WLPP is made up of a pool of planning experts and meets monthly.

Councillors are no longer involved in the decision-making process for determining DAs, allowing them more time to focus on strategic planning issues, such as the planning controls that underpin DA decisions. WLPP meets on the last Wednesday of the month. Meetings are held at Council Chambers. In 2018–19, the panel had 11 meetings.



# PARTNERSHIPS AND COOPERATION

- Council is a member of the Southern Sydney Regional Organisation of Councils (SSROC) which is an association of local councils in the south eastern area of Sydney. SSROC provides a forum for the councils to deal with issues they have in common, particularly those that cross boundaries. Key issues under consideration include planning, environment, transport, community development, urban design, sustainability and local government management.
- Waverley Library has a collaborative partnership with five SSROC libraries for the purchase of materials. Council's Library Services share a document delivery van with all libraries in the Sydney metropolitan area.
- Council participates in the Eastern Region Local Government Aboriginal and Torres Strait Islander Forum, a coalition of six councils: Bayside Council, City of Sydney Council, Inner West Council, Randwick City Council, Waverley Council and Woollahra Municipal Council.
- Council is a member of the Sydney Coastal Councils Group which includes councils located on Sydney's coastline and aims to promote coordination on issues relating to the urban coastal environment and waterways.
- Council, in conjunction with Woollahra Municipal Council and Randwick City Council, runs

the three-Council Regional Environment Program which undertakes significant projects to achieve meaningful reductions in energy, water and waste across the Eastern Suburbs, including Solar my School, enabling the uptake of electric vehicles and Compost Revolution.

- Council and Woollahra Municipal Council are in partnership to share resources and workforces through the Alexandria Integrated Facility works depot and are in partnership to construct a new State Emergency Service facility to jointly serve their communities.
- The Waverley Community Living Program (WCLP) provides independent living skills development and transition to independent living for adults with a mild intellectual disability. WCLP is a registered service under the National Disability Insurance Scheme.
- Council partners with 17 community organisations to provide key services to the Waverley area and regionally through the provision of funding and/or subsidised accommodation. These include children's services, youth services, outreach and homelessness services, housing support, drug and alcohol services and domestic violence support.



*Dover Heights*

- Council jointly coordinates the Eastern Sydney Aged and Disability Interagency Network with Randwick City Council. Council co-ordinates the Homelessness Coalition and is an active member of the Eastern Sydney Homelessness Assertive (outreach) Collaboration ESHAC. The headspace regional youth mental health service is supported by Waverley Council and Randwick City Council.
- Council partners with the Bondi and Districts Chamber of Commerce to host the Waverley Business Forum, Bondi Winter Magic and the Waverley Local Business Awards.
- Council is a member of the Cities Power Partnership (CPP) which consists of more than 100 councils from across Australia working together to tackle climate change.



# OUR FINANCIAL SNAPSHOT

Council's financial position as at 30 June 2019 was sound.

## HIGHLIGHTS

# \$141m

total income from continuing operations

# \$133.5m

total expenses from continuing operations

# \$7.5m

net operating result for the year

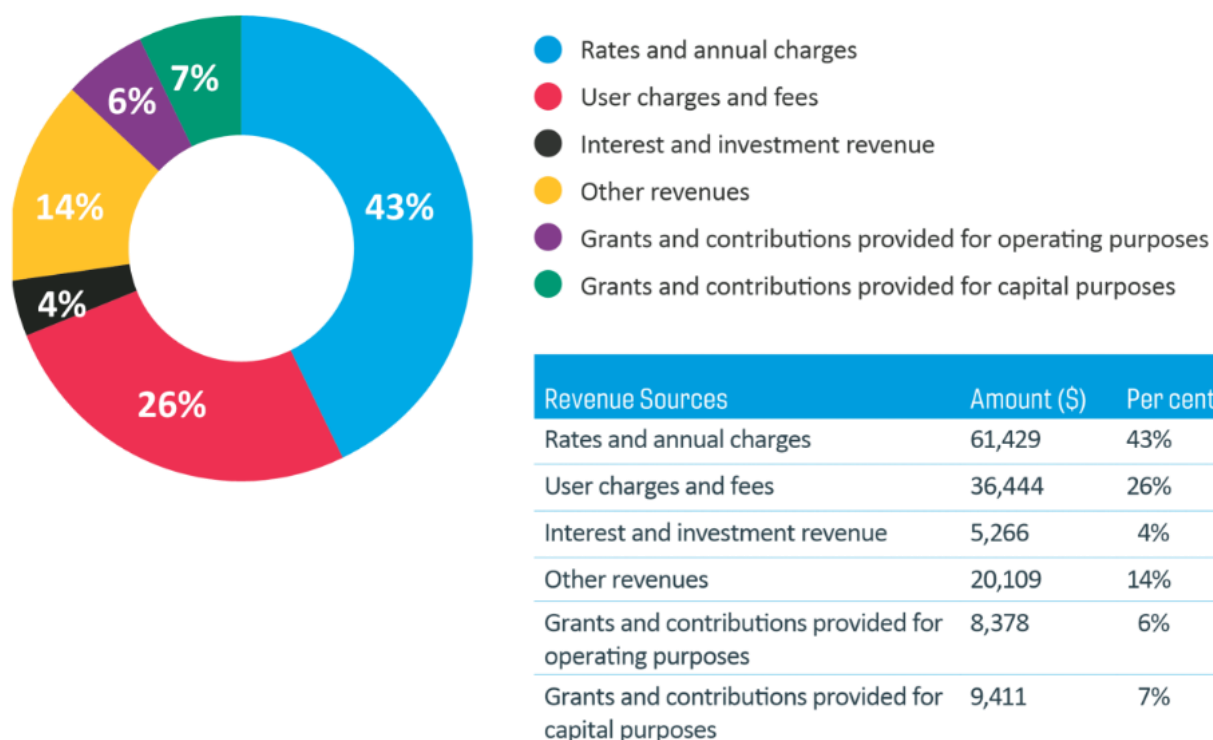
# \$1.2b

net assets

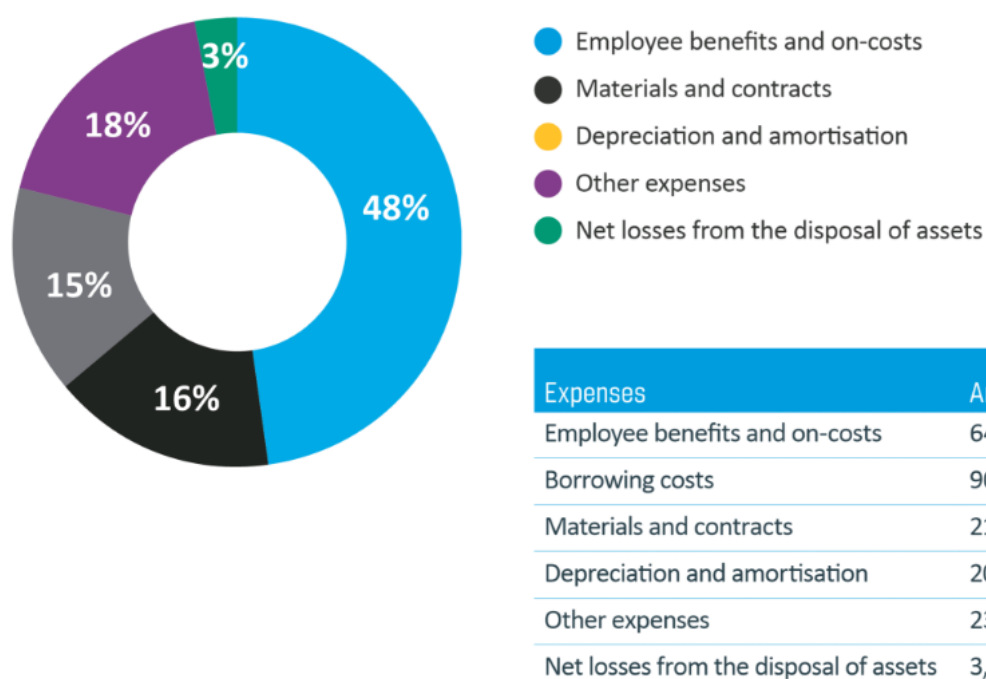


26

## SOURCING OUR REVENUE ('000)



## IDENTIFYING OUR EXPENSES ('000)



# PERFORMANCE RATIOS

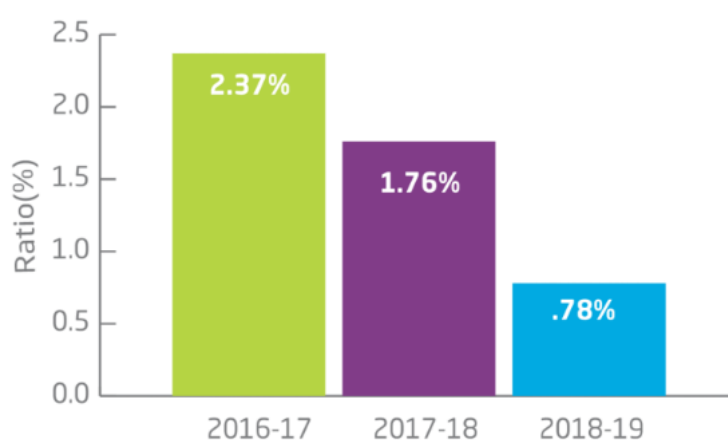
## CASH AND INVESTMENTS

Council's Cash and investments amounts to \$179 million on 30 June 2019.

## OPERATING PERFORMANCE RATIO

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

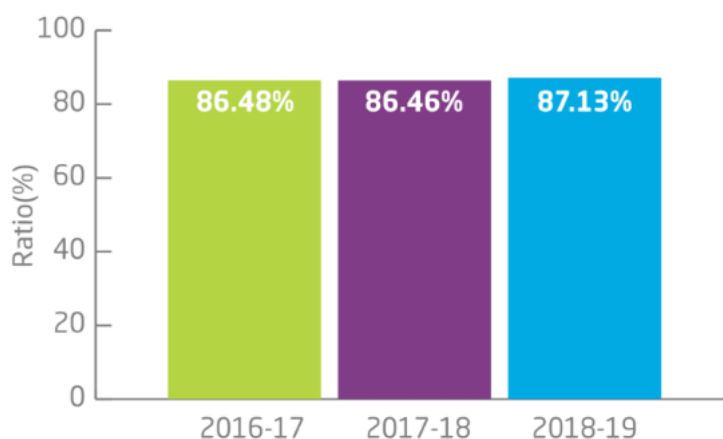
Council's operating performance ratio of .78 per cent reflects a surplus in operating revenues over operating expenses and exceeded the Office of the Local Government (OLG) benchmark of greater than zero per cent. Council's operating performance ratio has remained positive in the last three years as increases in adjusted operating revenues exceeded increases in costs.



## OWN SOURCE OPERATING REVENUE RATIO

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Council's own source operating revenue ratio of 87.13 per cent reflects a low level of reliance on externally sourced grant revenue and exceeded the OLG benchmark of greater than 60 per cent. The ratio has remained relatively stable above the benchmark of 60 per cent over the last three years.

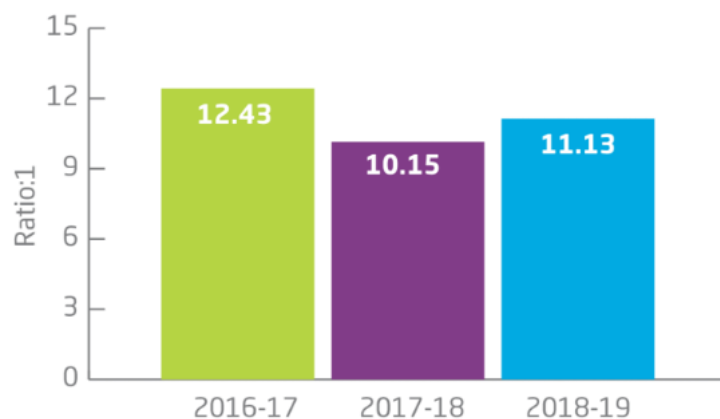


## UNRESTRICTED CURRENT RATIO

This ratio is used to assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

This ratio indicates that Council currently has \$11.13 of unrestricted assets available to service every \$1.0 of its unrestricted current liabilities.

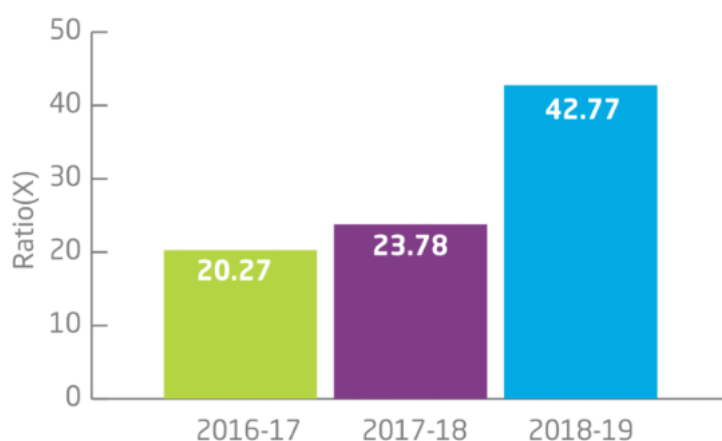
This reflects an operating buffer for use in Council's operations and exceeded the OLG benchmark of greater than 1.5 times.



## DEBT SERVICE RATIO

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.

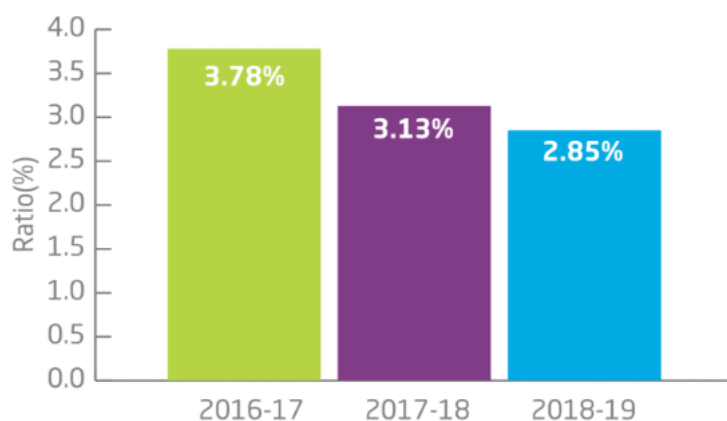
Council has a debt service ratio of 42.77 times exceeded OLG benchmark of greater than two times. The ratio highlights Council's comparatively low level of debt and debt servicing costs.



## RATES AND ANNUAL CHARGES OUTSTANDING RATIO

The ratio is used to assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

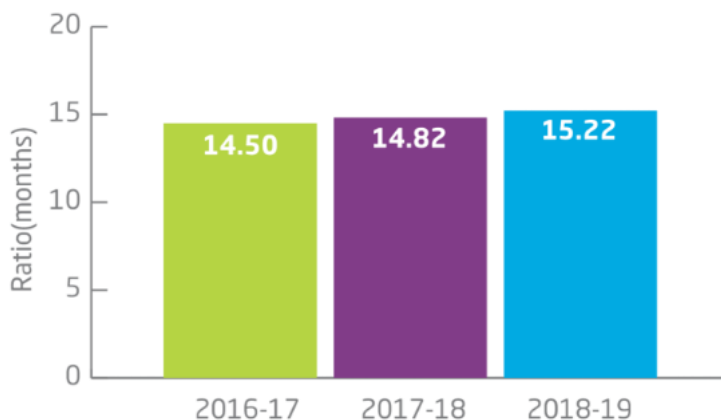
Council's rates and annual charges outstanding ratio of 2.85 per cent met the OLG benchmark of less than five per cent.



## CASH EXPENSE COVER RATIO

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

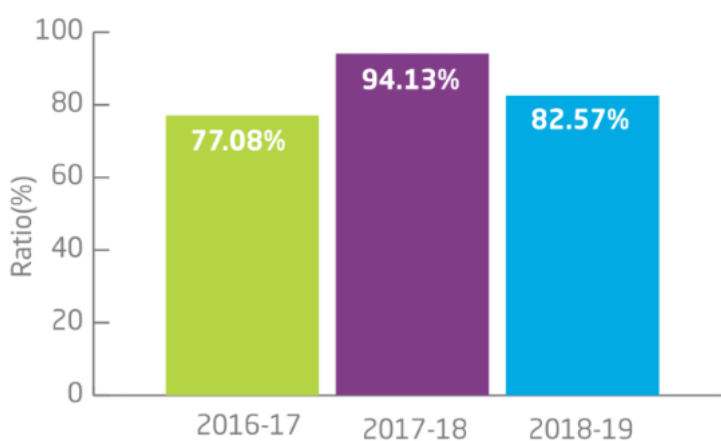
Council's cash expense cover ratio of 15.22 months exceeded the OLG benchmark of greater than three months.



## BUILDINGS AND INFRASTRUCTURE RENEWAL RATIO

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

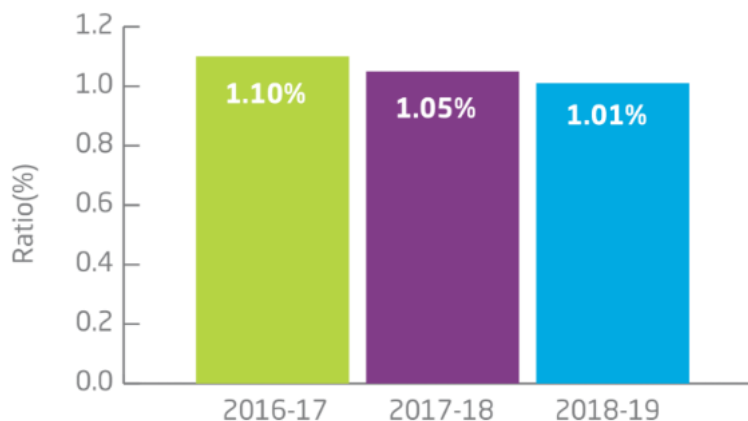
Council's infrastructure assets upgrades and renewals are carried out as per its Strategic Asset Management Plan (SAMP) and ensure sufficient spending to upkeep its assets to the community satisfactory level.



## INFRASTRUCTURE BACKLOG RATIO

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

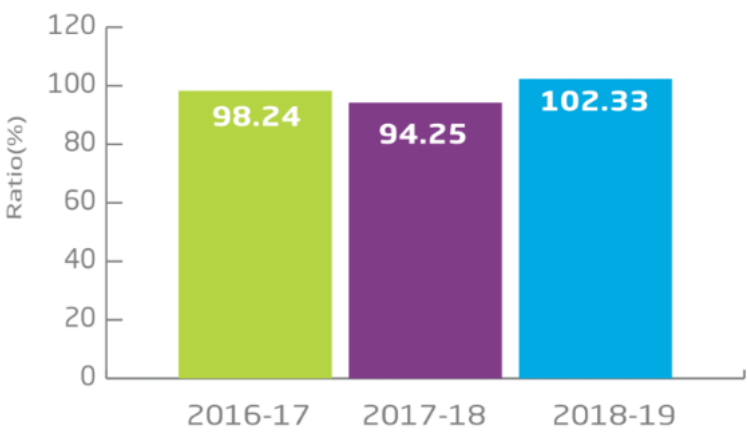
This ratio shows that Council has a small proportion of infrastructure backlog and compares favourably with the industry benchmark of less than two per cent.



ASSET MAINTENANCE RATIO

This ratio compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.

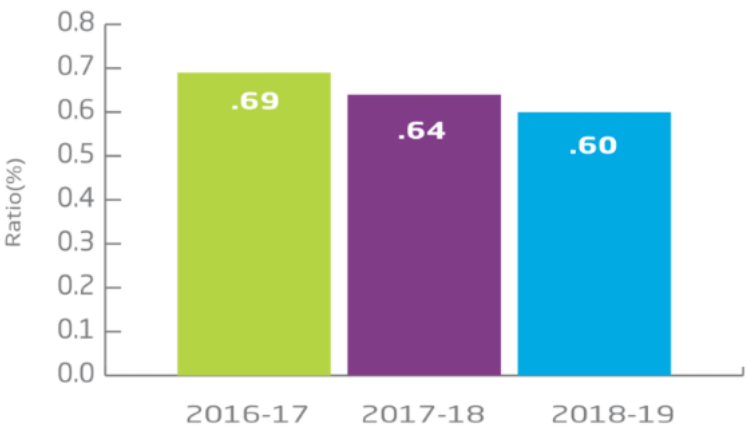
This ratio indicates Council's spending on asset maintenance is sufficient to stop the infrastructure backlog growing.



COST TO BRING ASSETS TO AGREED SERVICE LEVEL

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

This ratio shows that Waverley Council has a small proportion of outstanding infrastructure upgrade and renewal works as compared to the total value of its assets.





# AWARDS RECEIVED

Council received awards in recognition of innovative and outstanding performance across a range of areas including outstanding environmental leadership, heritage and design and management challenge. The awards included:

Type	Category	Project/Location
Australasian Management Challenge 2019	Third Place	Waverley Warriors
Banksia Government Award	Banksia Government Award Finalists	Solar My School, Three-Council Regional Environment Program
Cities Power Partnership Awards	Renewable Energy Achievement Award Winner	Solar My School, Three-Council Regional Environment Program
Local Government NSW (LGNSW) Environmental Excellence Awards	Climate Change Action Award	Solar My School, Three-Council Regional Environment Program
Local Government Professionals Excellence Awards	Environmental Leadership and Sustainability Winner	Solar My School, Three-Council Regional Environment Program
Local Government Professionals Excellence Awards	Highly Commended - Community Partnership and Collaboration (Population over 60,000)	Solar My School, Three-Council Regional Environment Program
NSW Environment and Heritage Green Globe Awards	Climate Change Leadership Award	Three-Council Regional Environment Program
Waverley Heritage and Design Awards	Public Domain Award	Waverley Cemetery Coastal Walk

32

# GRANTS AND DONATIONS AWARDED

In 2018–19, Council awarded a range of community and small grants and donations amounting to \$583,033.

Grants/Donations Awarded	Amount(\$)
<b>Total Grants/Donations</b>	<b>583,033</b>
<b>Community Grants*</b>	<b>330,140</b>
Waverley Action for Youth Services (WAYS) Youth and Family	77,836
Beaches Outreach Program (BOP)	51,588
Holdsworth Community Centre (Junction House)	40,295
Wayside Chapel Foundation (Norman Andrews House)	39,666
Bondi Toy Library	22,142
The Junction Neighbourhood Centre	19,794
Randwick Waverley Community Transport	19,086
Eastern Area Tenants Service (EATS)	18,724
Australian Kiteflyers Society Inc.	15,360
Sculpture by The Sea	11,833
Bondi Beach Cottage	8,431
Waverley Bondi Beach Band	4,428
Bondi Beach Playgroup	957
* Community Grants are provided to enable the delivery of services that support the needs of children, women and families; young people and their families; tenants and people who are homeless; people with disability and older people; neighbourhood centres and outreach services.	
<b>Surf Club Grants</b>	<b>88,949</b>
Tamarama Surf Life Saving Club	32,486
Bondi Surf Bathing Life Saving Club	18,821
Bronte Surf Life Saving Club	18,821
North Bondi Surf Life Saving Club	18,821



Small grants support a range of projects including community projects, cultural projects, creative streets projects and environmental projects.

Small Grants		114,841
Recipient	Purpose	Amount
Community Projects		52,990
Bondi Beach Cottage	Data collection upgrade	4,280
Eastern Area Tenants Service	Re-develop website	4,000
Bondi Before and After School Care	Refurbishment	3,000
Clovelly Public School	Aboriginal Flag and Pole	3,000
City East Community College	Mentor Program	3,000
Eastern Suburbs Cricket Club	History Project	3,000
Francis Street Playgroup	Bondi Beach Playgroup	3,000
Pound Paws	Bondi Dog Day	3,000
National Council of Jewish Women of Australia	Cuddle Bundles	3,000
Soccajoey's Foundation	Next Step Waverley Community Program	3,000
St Mary's Child Care Centre	Sustainable Garden	3,000
Waverley Action for Youth Services (WAYS) Youth and Family	A WAYS Safe Summer	3,000
Waverley Historical Society	Historical Local Bus Tours	2,500
Waverley Historical Society	Bondi Road Exhibition	2,200
Bondi Beach Cottage	Mothercraft Information Support Sessions	2,000
Waverley Old Boys Football Club	Charity Soccer Competition	1,690
Individual on behalf of volunteers	Hewlett Street Communal Garden	1,500
Headspace Bondi Junction	Young trainer-Mental Health First Aid for Youth	1,320
Individual representing garden volunteers	Reviving Waverley Park Communal Garden	1,000
Prince of Wales Hospital	Strategies for ageing well	1,000
Shepherd Centre for Deaf Children	In the shoes of a deaf child	1,000
Waverley Community and Seniors Association	Seniors Christmas celebrations	500

Small Grants		114,841
Recipient	Purpose	Amount
Cultural Projects		38,381
Sculpture by the Sea	Tactile Tours	5,000
Sculpture by the Sea	Sculpture by the Sea Mayoral Art Prize	5,000
Sculpture by the Sea	Sculpture by the Sea provision of transport service	4,050
Flickerfest	Flickerfest International Short Film Festival	3,500
Bondi Cinema Club	Bondi Cinema Club	3,000
Ella Dreyfuss	Under Twenty-Seven	3,000
Friends of Waverley Pavilion	Salty Arts Festival	3,000
Rose Bay College Music Ensemble Program Parents and Citizens Association	Salty Arts Festival	3,000
The House that Dan Built	Toy Choir Workshops	3,000
Merran Hughes	Salty Arts Festival	2,949
Gary Carsley and Renjie Teoh	The Pavilion of Clear Memory	2,882
Creative Street Projects		3,600
Levi Menaker	Graffiti prevention	2,600
Caroline Evans	Griffith Avenue Street Garden	1,000
Environmental Projects		19,870
Clovelly Public School Parents and Citizens	Solar my School	3,000
Bondi Beach Public School Parents and Citizens	Solar Power Project	3,000
Dover Heights Preschool	The Secret World of the Sun/ Solar Panels	3,000
H2O Laundry and Dry Cleaning	Solar panels	3,000
Rose Bay Secondary College	Garden Mulcher	2,870
Reddam House	Reduce Waste, Promote Recycling	2,500
Rose Bay Secondary College	Native habitat regeneration	2,500
Financial Assistance and Small Grants for Events		40,271
Avviso Public Relations	Ocean Lovers Festival	16,435
The Bondi Association for Arts and Music	Latin American Festival	12,450
Variety Club	Bondi to Batt Reef Bash	9,146
Flickerfest	Flickerfest event advertising	2,240

Venue Hire Grants*		8,832
Recipient	Purpose	Amount
Solace NSW	Fortnightly support meeting for people impacted by bereavement	1,680
VAST Training (Volunteer and Service Training)	Fortnightly training for volunteers and staff who work with people who are frail aged or have disabilities	1,600
Soccajoeys Foundation	Soccer workshops for children with intellectual disabilities	1,472
Russian Speaking Jewish Community Association (RSJCA)	Pilates and Zumba classes for the RSJCA, helping to improve their physical and social well-being	1,000
Marine Discovery Centre	Eight bookings a year for marine education activities for children	640
Computer Pals Club for Seniors	Monthly and quarterly club committee meetings and tutoring members on how to use computers	620
Waverley Action Youth Service	Quarterly Bondi Live Youth Music Project music concerts for local youth	600
Eastern Suburbs Branch of NSW Justices Association	Monthly meeting a forum for discussing matters that impact the delivery of Justice of Peace services	500
NSW Council for Intellectual Disability	Monthly meeting of the East Sydney Speak Up Group made of people living with intellectual disabilities in the community	420
Inner Sydney Regional Council for Social Development	Bi-monthly inter council meeting providing information, advocacy and support services to organisations, groups and residents in the frail aged/disability sector	300
* The Venue Hire Grant Program aims to support groups that provide identifiable social, recreational and cultural benefits to Waverley's community. The grant covers venue hire fees.		



# GRANTS RECEIVED

In 2018–19, Council received a range of grant funding including:

Grant Category	Purpose	Amount (\$)
Office of Local Government	Stronger Communities Fund	2,000,000
Office of Local Government	Financial Assistance Grants	1,959,027
Transport for NSW	Bondi Junction Cycleway	1,638,590
Commonwealth Commonwealth Department of Education Inclusion Support Program and NSW Department of Education	Program and Salary Grant for Early Education	207,469
Department of Infrastructure, Regional Development and Cities	Road To Recovery (R2R)	197,124
State Library	Library Per Capita Grant	175,239
Transport for NSW	State Grant Capital	170,500
Environment Protection Authority	Environmental Education/Litter Prevention Round 3/Combating Illegal Dumping: Clean-up and Prevention	165,838
Commonwealth	Seniors Program	92,800
Transport for NSW	Flood Study	73,875
NSW Environment Protection Authority	Contribution to 3 Council Program - Compost Revolution project	60,000
Ausgrid	Power 2U Solar my School	55,367
NSW Youth Opportunities Program	Innovating Work Experience Project	45,850
NSW Department of Family and Community Services	Family Support Program	42,521
NSW Department of Family and Community Services	Community Sector Development Funding	41,233
Commonwealth	Developing plans of management for Crown Reserves	30,000
NSW Department of Planning and Environment	State Grant	29,355
Commonwealth	Community Workers Program	26,038
Office of Environment and Heritage NSW	Monumental Restoration Structural Works	16,700
Revolution Apps	Compost Revolution Program Grant	13,996
Commonwealth Department of Education	Australian Apprenticeships Incentives Program	10,250
NSW Department of Industry	Elsa Dixon Aboriginal Employment Program	10,000
Revolution Apps	Environment Action Plan State Grant	2,859
NSW Youth Week Grant	Youth Week	1,827

# SPONSORSHIPS RECEIVED

Sponsor	Project	Amount (\$)
Mark and Evette Moran	Nib Literary Award	30,000
Bondi Junction RSL Sub-branch	Nib Literary Award	2,000
North Bondi RSL Sub-branch	Nib Literary Award	500
Rose Bay RSL Sub-branch	Nib Literary Award	500
Urban Growers	2018 Garden Awards - Prizes	\$1200 package
Pepo Botanic Design	2018 Garden Awards - Prizes	\$500 voucher
Bunnings Warehouse	2018 Garden Awards - Prizes	\$400 voucher
Honeysuckle Garden	2018 Garden Awards - Prizes	\$350 voucher
Dulux	2018 Garden Awards - Prizes	\$250 voucher
Yates	2018 Garden Awards - Prizes	Four garden pack worth \$60 each(\$240)
Gertrude and Alice Bookstore	Nib Literary Award	Two gift cards worth \$100 each
Growspace	2018 Garden Awards - Prizes	\$200 voucher
Sunlite Mitre 10	2018 Garden Awards - Prizes	\$179 power tool
Three Blue Ducks	2018 Garden Awards - Prizes	\$150 voucher and book
Garden Clinic	2018 Garden Awards - Prizes	Two Graham Ross Membership \$120





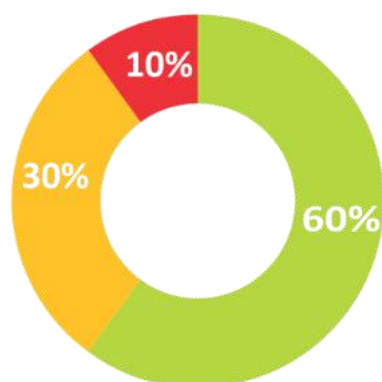
# Part 02.

## **DELIVERY PROGRAM ACHIEVEMENTS**



# ARTS AND CULTURE

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress
- Delayed

In 2018–19, 60 per cent of the actions in the Arts and Culture theme were completed, 30 per cent are in progress and 10 per cent were delayed.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**95% of people are satisfied with cultural, recreational and entertainment events**

**98% of people are satisfied with library services**

**95% of people are satisfied with valuing and preservation of cultural heritage**

Source: Waverley Community Satisfaction Survey 2018



# YEAR IN REVIEW

41

## FESTIVAL OF THE WINDS

Festival of the Winds is one of the largest and best known kite festivals in the world. In September 2018, the festival celebrated its 40th anniversary in Bondi and attracted a crowd of approximately 80,000 people.

The festival featured aerial shows, professional kite-flying, live performances, food stalls, kite making and craft workshops, jumping castles, face painting, art exhibitions and an amateur kite flying competition.

## MARK AND EVETTE MORAN NIB AWARD

The Mark and Evette Moran Nib Literary Award is Council's annual celebration of the best in Australian research and writing. In 2018, Council received 176 entries for the award with more than 49 per cent of the entries from women authors. The People's Choice Award received 577 votes.

- Helen Lewis won the Mark and Evette Moran Nib Literary Award for her non-fiction work *The Dead Still Cry Out*.
- Bri Lee won the People's Choice Award for *Eggshell Skull*
- Ben McKelvey won the Military History Prize for *The Commando: The life and death of Cameron Baird, VC, MG*.

## BONDI FEAST

Bondi Feast is a fringe-style winter festival, celebrating the best in home-grown theatre, comedy, cabaret and circus, housed at the iconic Bondi Pavilion for two weeks. In July 2018, more than 5,000 people attended the Bondi Feast Fringe Theatre, an increase of 67 per cent from 2017–18.



This year's edition featured a festival garden, boutique parlour tent, performances including cabaret, dance and comedy and a pop-up kitchen from MasterChef Callan Smith.

## THE ENCHANTED GARDEN

The Enchanted Garden, an exhibition targeted towards young families and children, attracted 3,000 visitors in January 2019. The project included works by prominent Australian artists Tully Arnot, Mylyn Nguyen, Trevor Smith, ChiliPhilly, Mark Etherington, David Lawrey, Jaki Middleton, Rosie Deacon and Emily Crockford.

The well-attended public program included free weekly story times and a special storytime commissioned from a children's theatre maker. The program concluded with an after dark crochet event, 40 people participated in the event.

## OCEAN LOVERS FESTIVAL

Council supported the Ocean Lovers Festival, a conservation and environmental event which ran from 11 to 14 April 2019, with an estimated audience of 15,000.

Ocean Lovers Festival seeks to build awareness of the global plight of oceans in a fun and accessible way, through a festival featuring sporting and cultural events.

Marine conservation and sustainability were the driving themes, highlighting global alliances and local best practice in the area of marine conservation. The festival featured practical demonstrations of solutions to waste recycling and reduction of plastics in everyday living, including reuse of plastics removed from ocean.





Highlights of the event included:

- Waste No More art exhibition at Bondi Pavilion Gallery
- Australian film and conservation legend George Miller, an Ocean Lovers Ambassador, opened a three-day film program featuring family friendly, fun surf, ocean wildlife films and impact environmental films, through collaborations with the Prince Albert II of Monaco Foundation, Mission Blue and exceptional local filmmakers including the team from Blue The Film and The Map to Paradise
- Celebrity tag team surfing event, Surfrider Foundation Gromfest and an Ocean Lovers lap of Bondi organised by festival ambassador and ironwoman, Lizzie Welborn
- Marina Debris' 'Trashion' Parade
- Guinness Book of Record attempt for the greatest number of swim caps recorded on a beach.

## BONDI BEACH LATIN AMERICAN FESTIVAL

Council supported the Bondi Beach Latin American Festival organised at Bondi Pavilion in March 2019, approximately 1,000 people attended.

The festival featured Latin American crafts, art, traditional food, clothing, folkloric performances, Latin dance lessons, music and dance performances on multiple stages.

## WAVERLEY YOUTH ART PRIZE

The Waverley Youth Art Prize, awarded by Council, is open to young artists aged nine to 18. In 2018, the theme Best in Show was inspired by the Chinese Year of the Dog and our relationship with animals.

The Prize was awarded to Emanuel School Year 11 student, Adena Sheps. All entries were placed on exhibition at Waverley Library.

## CREATIVE AND LEARNING EVENTS AT THE LIBRARY

Waverley Library hosted creative programs and learning activities throughout the year.

Creative activities implemented include:

- Three-dimensional printed ceramics
- Vallerstein Trio International Women's Day Concert
- Tote Bag Upcycling workshop
- Author talks, including Debbie Malone, Dina Davis, Sandy Macken, Shira Sebban, Sketchflash
- Collage Making

Learning opportunities included:

- The relaunch of Techtime and Tech Playground
- Unveiling Local History talk
- A Food and Mood Workshop
- Stronger for Longer Seniors Event
- Hollywood Studios lecture
- New after-school STEM programs, Messy Science and Blockly Games
- Higher Secondary English
- Business Study lectures and the Law Week lecture series.



Nib Awards.



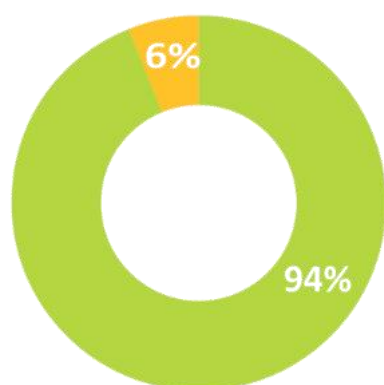
Ocean Lovers Festival.





# COMMUNITY SERVICES AND WELL-BEING

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress

In 2018–19, 94 per cent of the actions in the Community Services and Well-being theme were completed and six per cent are in progress

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

- 94% of people report being satisfied with facilities and services for older people**
- 91% of people are satisfied with facilities and services for people with disabilities**
- 92% of people are satisfied with early education and child care services**
- 59% of people are satisfied with social and affordable housing**
- 90% of people are satisfied with venues and rental properties**
- 65% of people feel connected in Waverley**
- 93% of people feel safe during the day**
- 77% of people feel safe at night**

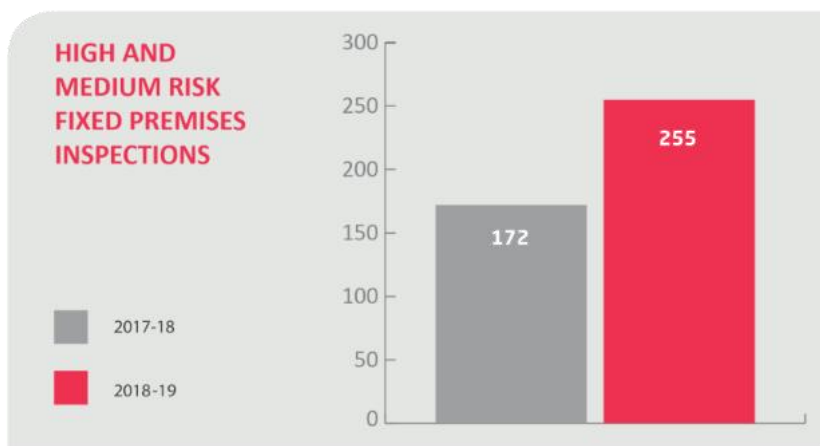
Source: Waverley Community Satisfaction Survey 2018



# YEAR IN REVIEW

## FOOD SAFETY INSPECTIONS

The number of food premises categorised as high risk category and high and medium risk category reduced by four per cent in 2018–19 compared to the previous year. Five officers were appointed under the Food Act 2003.



In 2018–19, Council undertook 255 inspections for high and medium risk fixed premises in comparison to 172 inspections in 2017–18.



Of the total inspections held in 2018–19, 28 businesses received five star rating, 29 businesses received four star rating and 42 received three star rating. In 2017–18, 15 businesses received five star rating, 14 received four star rating and 15 received three star rating.

## MILL HILL COMMUNITY HUB

The Commonwealth Home Support Program (CHSP) funding for programs at Mill Hill Community and Seniors Centre has been extended until 2022. In response to changing needs and expectations, new programs were trialed as part of service enhancements for seniors.

A comprehensive program review resulted in a Wellness and Reablement Plan informing the NSW Department of Health of the centre's approach and activities. Various initiatives with a wellness focus were organised, including a healthy eating and nutrition project in partnership with the NSW Health Promotion Unit and a project with the Community College to assist seniors in using digital technology.

A comprehensive review and update of policies and procedures of the Waverley Community Living Program, an NDIS approved service providing support to people with intellectual disability, were completed to prepare for a safeguarding and quality assessment visit.

Waverley Community Living Program organised a drought relief fund raiser in February 2019 to support farmers, raising \$2,000.

## PROGRAMS FOR CHILDREN, FAMILIES AND YOUNG PEOPLE

Bronte Early Education Centre and Waverley Family Day Care participated in the Federal Government Assessment and Rating process. The centre received an

Exceeding Quality rating and Family Day Care a Meeting Quality rating. These results confirmed high quality education and care within Council's Children and Family services.

### Partnership events and activities

A range of partnership activities were implemented with the community and other organisations to ensure children, families and young people are resilient, safe and empowered. These programs were developed in consultation with relevant stakeholders, and in response to their issues, needs and ideas.

- Youth Mental Health First Aid courses were held in July and November 2018, in partnership with South East Sydney Local Health District, 27 sports and surf club volunteers attended. These courses provide volunteers with skills to recognise young people who might be struggling with their mental health and strategies to support them
- A Principal's Symposium on early intervention for school refusal was held in partnership with Randwick City Council and NSW Department of Education and Centre 360 in August 2018. Approximately 60 teaching staff from 15 schools across the Eastern Suburbs Region and practitioners from seven child youth and family support agencies participated
- As part of a larger Innovative Work Experience Project, 50 local young people participated in Council's Creative Careers Youth Forum in June 2019, part funded through the NSW Family and Community Services Youth Opportunities Program

- Approximately 90 parents of children starting kindergarten in 2020 attended the Transition to School Forum held at Rose Bay Secondary College in May 2019. The forum is a partnership event with Woollahra Municipal Council and local primary schools
- A partnership was established with Waverley Youth and Family (WAYS), Totem Skateboarding and Bondi Skateriders to host a Skate Jam event in May 2019 at the Bondi skate bowl. More than 50 young people participated in workshops and events
- Council partnered with Randwick City Council, the Education Centre Against Violence, other member organisations of the Eastern Suburbs Domestic Violence Network and the Child and Family Interagency to deliver the Working Together Against Domestic Violence Interagency forum in October 2018. The forum was attended by approximately 70 people from community services organisations and programs, to increase capacity to collaborate effectively for safe and responsive action and support families experiencing domestic violence.

Other popular workshops explored themes such as children's communication and language development, cyber safety, safe internet usage, water safety and talking with teens around challenging teenage issues.

### COMMUNITY EDUCATION

In 2018–19, Council organised and implemented a range of community initiatives:

- In October 2018, Council supported a pre-Invictus game event. Resonating with Council's Disability Inclusion Action Plan, 'You are defined by what you can do' was the theme
- In March 2019, Family Day Care held a conference for 30 educators working in the community to enhance their knowledge and confidence around themes such as indigenous perspectives in early childhood and meaningful play
- The annual 'Welcome to Waverley' information and support evening for new families was held in March 2019, 28 participants including Families and Children's services educators participated in Council's three-part emotional health and wellbeing program for parents in June 2019
- Council partnered with City of Sydney and Randwick City Council to hold a Regional Disability Expo in June 2019 at Sydney Town Hall. Approximately 50 stall holders and 700 people participated.

### SOCIAL SUSTAINABILITY FRAMEWORK

Council prepared a discussion paper on Social Sustainability 'Consolidation and Renewal' to guide the development of Council's social actions in response to demographic change and social reforms. The paper will facilitate input and engagement with internal and external partners.

### SOCIAL AND AFFORDABLE HOUSING TENANTS

In 2018, demographic analysis and research were undertaken to





Local Hero Awards.

identify housing needs in the LGA. As a new initiative, Council's housing tenants were included in the NSW Federation of Community Housing Providers' satisfaction survey. The overall satisfaction rating for tenants in Council's programs was 92 per cent, with 89 per cent of respondents reporting that their housing provides security and stability in their lives and supports their health and wellbeing. A large proportion of respondents, 91 per cent reported feeling safe in their home, 86 per cent happy in their neighbourhood, and 81 per cent connected to their family, friends and community.

### COMMUNITY GARDEN

Following successful implementation of a gardening project at Wayside Chapel Opposite Shop on Warners Avenue and Niblick Street, the Local Connections Program held community gardening activities at Waverley Community Garden,

Hewlett Street Shared Garden, Dickson Lane, Waverley Park and Palmerston Avenue.

The Waverley Tri-Annual Garden Awards were held in November 2018, with 27 entries. The event was held at Bronte House and received positive feedback from all involved. Council's Waverley Community Garden won the Shared Garden category.

### VOLUNTEER MANAGEMENT INITIATIVES

In May 2019, 100 people attended Council's annual Volunteer Celebration and Local Hero Awards to acknowledge the contribution of the volunteers that enhance the activities and services Council provides, and the local people working hard to make a difference to the community. Audrey and Peter McCallum were presented with a Best of the Best plaque, to

acknowledge their exceptional contribution through multiple services and activities over an extended period of time.

A new volunteer management software was implemented to support and enhance volunteer initiatives in Waverley.

### RECONCILIATION ACTION PLAN

Prepared in consultation with key stakeholders, Council's draft Innovate Reconciliation Action Plan 2019–21 was submitted to Reconciliation Australia for endorsement.

In acknowledgement of National Reconciliation Week, a screening of *We Don't Need a Map* was held at the Bondi Pavilion Theatre in May 2019. The film was hosted by Lola Forester, a Yuibera/Australian South Sea Islander Woman, local resident and well-known broadcaster, and introduced by Brendan Fletcher, a



writer and producer of the film, 80 people attended.

The annual Pauline McLeod awards for Reconciliation and primary school art/high school film competitions were held through the Eastern Region Local Government Aboriginal and Torres Strait Islander forum. More than 150 people attended the ceremony at Woollahra Municipal Council. Waverley had five local schools contribute artworks and was well represented in the winners. Waverley nominees Auntie Pearl Martin, Richard Davies and Azar Muhammed won awards for their work in Reconciliation in the region.

Council received funding for one additional trainee through the NSW Department of Industry's Elsa Dixon Aboriginal Employment Program,

and the four current trainees continued in their second year of the program.

## DIVERSITY AND INCLUSION INITIATIVES

A Migrant Employment Expo was held in November 2018 at TAFE NSW, Randwick, in partnership with the Inner and Eastern Sydney Migrant Interagency. The expo provided information about local employment opportunities for people from migrant and refugee backgrounds. More than 100 people attended.

The Walk for Respect was held in March 2019 with performances by Haitians in Australia and Mi-kaisha Masella and included an inspiring speech by Dr Stepan Kerkyasharian.

Three brave speakers - an asylum seeker, a child of a holocaust survivor and a refugee, shared their personal stories of loss and hope over a meal at a well-received Refugee Week event in June 2019, 45 people attended.

Council partnered with the Department of Premier and Cabinet to facilitate access to the beach for Seniors and people with disability, to celebrate the Royals' visit to Waverley in October 2018.

Other initiatives included a beach wheelchair booking system, an easy to read format of the Disability Inclusion Action Plan and procurement of a disability awareness learning program for managers.



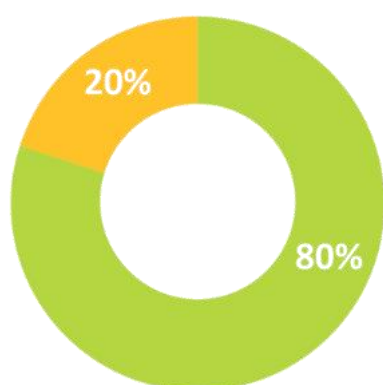






# RECREATION AND OPEN SPACES

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



Completed

In Progress

In 2018–19, 80 per cent of the actions in the Recreation and Open Spaces theme were completed and 20 per cent are in progress.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**80% of people are satisfied with the quality of parks, sporting and recreational facilities and open spaces**

**76% of people are satisfied with accessibility to parks, sporting and recreational facilities and open spaces**

Source: Waverley Community Satisfaction Survey 2018



# YEAR IN REVIEW

51

## WAVERLEY CEMETERY COASTAL WALK

The Waverley Cemetery Coastal Walk was reopened at Bronte in October 2018, following wild storms in June 2016 that forced the closure of the coastal walk and parts of the cemetery, both of which have now been remediated to withstand future storm events.

The restoration works cost more than \$4.26 million and have restored the structural integrity of the site. The works included a sea wall built over igneous dykes and within tidal zones. A feature of the coastal walk is the new lookout near the cemetery gully.

## WILLIAMS PARK AND HUGH BAMFORD RESERVE PLAN OF MANAGEMENT

Council began preparing the Plan of Management (POM) for Williams Park and Hugh Bamford Reserve at North Bondi. The POM and Masterplan will provide strategic and operational direction for the design and management of the space for 10 years.

Discussions on ongoing management of rock carvings were held with La Perouse Local Aboriginal Land Council. The Land Council will continue to be involved in the development and implementation of the Plan of Management.

Community engagement began in April 2019 and a vision for the park

and reserve was drafted based on feedback. The vision sets the tone for all future works and practices within the parks.

The 10 key initiatives which the POM proposes in the Masterplan include:

- Golf-free days and time slots in morning and evening
- Redevelopment of Golf and Diggers Club building as a Council asset for lease to operators
- Grass walking route through Williams Park
- Military Road footpath and improved crossing points
- New coastal lookout to Hugh Bamford Reserve
- Improved pedestrian entry points from Military Road to both parks



Waverley Cemetery Coastal Walk Opening.







- Improved planting along cliff edge
- Nature play areas to Hugh Bamford Reserve
- Half court near Club building for community use
- Improved planting to Military Road

The proposed changes from the from the Master Plan are illustrated in the map.

## OPEN SPACE AND RECREATION STRATEGY

Council began preparing the Open Space and Recreation Strategy, to inform long-term planning, management and development direction of open space and recreation areas within the Waverley LGA.

It will include a priority program of additional Plans of Management that require review or drafting in order to comply with the new Crown Land Management Act 2016. Heritage information relating to open Spaces, including the CSIRO memorial, will be revised as part of this study.

In February and March 2019, Council received 212 responses to the initial community and stakeholder engagement. These views are key considerations for the development of the Strategy.

## PARKS AND PLAYGROUND UPGRADES

### Marks Park Upgrade

Designs works for Marks Park and the Coastal Walk fitness stations were completed and construction commenced in June 2019. Works at Marks Park include:



Clarke Reserve Park improvements.

- Continuous access path: a footpath providing step-free access to park facilities, which will link the playground, amenities block, seats and coastal viewpoints
- Stair connection between the Park and Mackenzies Point: a formal stair access from the park to the coastal walk and lookout
- New accessible lookout point for access to coastal views, providing a similar experience to Mackenzies Point for all park visitors
- Embankment stabilisation: a new native landscape planting to stabilise the embankment and prevent erosion
- New playground upgrade to replace old equipment and expand the play experience.

The works at the Coastal Walk include:

- Three new fitness stations replacing old equipment between Tamarama and Marks Park, offering a range of exercise options
- New furniture between Tamarama Park and Bondi, including bins, seats and drinking fountains.

### Clarke Reserve Park and Playground Upgrade

Following community consultation and development of concept plans for the Clarke Reserve Park and Playground Upgrade, Council received grant funding of \$100,000 from the NSW Government's Stronger Communities Fund in February 2019.

Community consultation was held in April and May 2019 to identify how this additional funding should be spent to improve the reserve. The feedback reflected a range of views, with no clear community preference.

Council endorsed the following improvements:

- Plant six new shade trees around the playground and remove two existing Banksias
- Expand the playground play experience by including equipment in addition to the multi-play piece
- Repair the rubber soft fall edging to ensure the surface achieves Australian Standards for safety, noting that the central rubber soft fall will not be replaced
- Install a drinking fountain with dog drinking bowl alongside the path at the entrance to the reserve

- Install permanent signage that identifies Clarke Reserve as a 24/7 dog on-leash area and that dogs are prohibited from being within 10m of any play equipment
- Install an overlapping garden barrier at the entrance to the playground to further deter dogs from entering the play space
- Provide the community with a management plan showing how Council will assess the effectiveness of the garden barrier over the next 12 months
- Re-locate 80 metres of garden bed adjacent to the coastal fence on the western side and replace with turf.

#### **Barracluff Park Upgrade**

Annual playground safety audits initiated in February 2018 identified

issues with equipment pieces at Barracluff Park, which were beyond their serviceable life and required removal. Council consulted the community from April to June 2019 on the proposed park upgrades, which included:

- Increasing the target age range for play equipment and experiences
- Increased seating, picnic settings, and drinking fountains
- Improving access to the playground and through the park
- Adding dynamic fitness equipment
- Adding casual sporting facilities for senior children and young people
- Adding park lighting

Council received 128 submissions on the proposed upgrades. The design concept was further

developed in response to the consultation and the amended designs now consider:

- Inclusion of more play experiences for younger children to better suit current demographics
- Removal of tennis table and reduction of tennis rebound wall size, reflective of projected use
- Addition of netball and investigation of multiple goals (basketball and netball) to allow for more users, while minimising area of hard surfacing
- The circulation path along Warners Avenue will be included in the revised concept. The circulation path wrapping around the oval will be deferred until the completion of the Waverley Council Open Space and Recreation Strategy.



Marlborough Reserve Playground Upgrade.



## GRANTS FOR PLAYGROUNDS/RECREATION FACILITIES

In February 2019, Council received funding from the Stronger Communities Fund—Tied Grants program for the following projects to a total value of \$2 million.

Project	Progress Comment
North Bondi Surf Life Saving Club Upgrade	The Development Application was submitted and is awaiting approval. The project is funded by Council (\$500,000), North Bondi Surf Life Saving Club (\$500,000), NSW Government (\$500,000) and Federal Funds (\$500,000)
Bronte Surf Life Saving Club Upgrade	Tender assessments for Head Consultant, Design Services are in progress. Council has committed \$12,000 for a probity advisor
Clarke Reserve Playground Upgrade and fencing	Community was consulted in April and May 2019 to identify how additional NSW Government funding should be spent to improve Clark Reserve. The community feedback reflected a range of views and no clear community preference on how the funding should be allocated. Council endorsed improvements for implementation
Marlborough Reserve Playground Upgrade	Design concept plans for park and playground improvement were prepared and placed on public consultation in May 2019, 31 responses were received. Amendments were made to the design based on community feedback received. A public meeting will be held to present the amended plans to the community
Varna Park Playground Upgrade	Repair and replacement works were identified. New signs were installed in the park as a priority
Waverley Park – Upgrade of cricket facilities	Eastern Suburbs Cricket Club was provided \$50,000 for purchase of portable outdoor nets and associated equipment. In agreement with the Club, \$20,000 was allocated to a feasibility study into the proposed Indoor Cricket Net Facility at Waverley Park
Bondi Beach playground upgrade	Audited the existing equipment to prioritise repairs and replacement works. Officers met with Councillors and residents on site to seek feedback on the existing playground and ideas for improvements. Council is currently seeking quotes for refurbishment of existing items.

## LAUNCH OF BONDI TO MANLY WALK

The Bondi to Manly Walk was established through the cooperation of the City of Sydney, Mosman, North Sydney, Northern Beaches, Waverley and Woollahra Councils, Property NSW, the Office of Environment and Heritage, the Sydney Harbour Federation Trust, and Bondi to Manly Walk Supporters.

Representatives from all three levels of government announced a historic partnership in November 2018 to create a single walking track from Bondi Beach to Manly Beach.

The 80 kilometre Walk will link all the existing coastal and harbourside walking tracks and paths between Bondi Beach and Manly Beach. Once completed, it will be an internationally significant multi-day walking track.

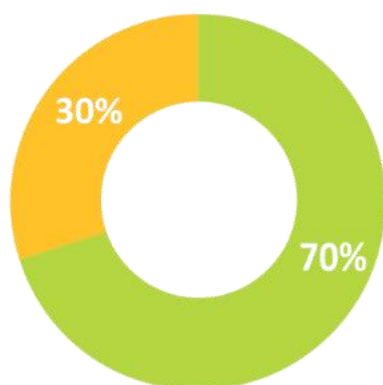
Directional signage will be installed along an agreed coastal and harbourside walking track.





# LOCAL ECONOMY

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



● Completed  
● In Progress

In 2018–19, 70 per cent of the actions in the Local Economy theme were completed and 30 per cent are in progress.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**34,000 active businesses in Waverley**

**28,000 jobs**

**Professional, Scientific & Technical services (20.9%), Rental, Hiring and Real Estate Services(12.9%) and Construction (9.4%) business sector economy**

**49% of people are satisfied with management of natural and cultural attractions and local amenity**

**\$1,262.8million income from visitor economy**

Sources: ABR data, Economy. Id, Waverley Community Satisfaction Survey 2018

# YEAR IN REVIEW

57

## WAVERLEY BUSINESS FORUMS

Three events were held this year:

- In June 2019, performance and resilience coach Vashti Whitfield shared a journey of adversity and resilience, 110 people attended.
- In April 2019, four female entrepreneurs shared their tips for success, 150 people attended. The speakers were:
  - Dr Kate Adams, co-owner Bondi Vet Hospital
  - Rosanna Iacono, Strategist and Managing Partner, The Growth Activist
  - Elizabeth Meryment, journalist and editor, Eastern Suburbs glossy magazine
  - Charlie de Haas, Clean Treats Factory and Charliesballs NKED brand

- In October 2018, a discussion on startups and small business was held, 200 people attended. The panel included:
  - Brent Annells, Founder of Bower Garage
  - Lynsey Fraser, Director and Founder of Social Media Training agency FloSocial
  - Phil Stubbs, Director and Principal Trainer, Media School Sydney
  - Phil Brown, Strategist, The Growth Activist

## PROPERTY COUNCIL OFFICE MARKET REPORT

Council commissioned the Property Council of Australia to measure, analyse and publish information about office space in Bondi Junction for a three-year period beginning in 2019. Below is a summary of the report.

	Total Market	A Grade	B Grade	C Grade
Total Stock (sqm)	88,740	52,766	29,598	6,376
Total Vacancy (sqm)	2,132	0	1,441	691
Total Vacancy Factor (%)	2.4%	0%	4.9%	10.8%
Future Supply (sqm)	407	407	0	0
Australian Non-CBD Office Vacancy (%)	9.1%	7.9%	9.3%	11.8%
Australian CBD Office Vacancy (%)	8.3%	6.5%	11.4%	12.0%

	Grade definitions (for existing buildings)
Grade A	High quality office building including: <ul style="list-style-type: none"> <li>• High quality views, outlook and natural light</li> <li>• High quality access from an attractive street setting</li> <li>• High quality amenities</li> <li>• High quality presentation and maintenance</li> </ul>
Grade B	Good quality office building with a good standard of finish and maintenance
Grade C	Adequate quality office space
Grade D	Poor quality office space with minimal technical services that generally do not meet the requirements of Grade C buildings

Source: Property Council of Australia

Bondi Junction recorded the lowest vacancy in the six months to January 2019, compared to all NSW markets tracked. A-Grade stock accounts for 59 per cent of the total and is fully occupied.

## VACANCY AUDIT

The business vacancy audit represents a survey of ground floor commercial usage and measures existing vacancies. Council undertakes the audit twice a year.

The audit is generally accepted as an accurate indicator of the economic health in a commercial centre. Ground floor activity exists in those areas where it can be sustained by adequate visitations, dollar spend, good infrastructure and is easily accessible.

The key findings were:

Commercial Centre	Occupancy %
Charing Cross	92.2
Macpherson Street	93.5
Bondi Road	94.3
Bronte Beach	100
Rose Bay	94.1
Bondi Junction	91.4
Bondi Beach	95.5
Waverley (average)	94.4

Waverley Occupancy Rates, February 2019

### GROUND LEVEL BUSINESS MIX FOR WAVERLEY(%)



## THE TENANCY MIX FOR BONDI JUNCTION AND BONDI BEACH

### Bondi Junction

There were 363 occupied businesses in Bondi Junction in July 2018. This dropped to 340 in February 2019.

### GROUND LEVEL MIX BONDI JUNCTION(%)



### Bondi Beach

There were 334 occupied businesses in Bondi Beach in July 2018. This increased to 340 in February 2019 with new businesses added due to the redevelopment of Pacific Bondi Beach.

### GROUND LEVEL MIX BONDI BEACH(%)





## SUSTAINABLE VISITATION STRATEGY

The draft Sustainable Visitation Strategy was placed on public exhibition in October and November 2018, with 229 responses received. The community feedback helped to inform the final strategy adopted by Council in March 2019.

The Strategy recommends a visitation framework for Waverley for the next 5 years; one that is built on collaboration and consensus from community, government and industry. It also introduces the concept of sustainable tourism as a basis for decision-making within the LGA; one that is committed to making a low impact on the environment and local culture, while supporting future employment for local people.

The Strategy responds to the local economy goals in Waverley's Community Strategic Plan 2018–2029, ensuring that tourism supports the local economy and local amenity.

## EASY TO DO BUSINESS

The Easy to do Business program was launched in May 2019 in partnership with Service NSW, to simplify the process for locals establishing or changing their cafe, small bar or restaurant. The program makes it faster for business owners to set up their business in Waverley by making it easier to complete the required applications and by streamlining and designing simpler forms via an online business portal. It helps remove the duplication of dealing with multiple regulations and agencies so businesses can open their doors faster.

In May 2019, 25 businesses in the Waverley LGA were supported through the program.



## MASTERCLASS

Council partnered with Chambers of Commerce to deliver a masterclass for local businesses. Council supports delivery and choice of topics that align with business needs. On average, 15 to 20 businesses attend the masterclass. The first class was held in February 2019 and has been operating monthly since. Topics covered include:

- How to master Facebook Ads with Flo Social
- Beyond the email - marketing automation with Active Campaign
- Why purpose matters for every business with Rosanna from the Growth Activists
- Mastering Sales with Phil Lee

## BRIGHTEST AND BEST LOCAL BUSINESSES

The 2018 Waverley Brightest & Best Local Business Awards was launched in August 2018, with awards presented in November 2018.

The awards recognise, promote and acknowledge the contributions of businesses in Waverley.

Hunter Labour Hire won the Business of the Year award and the award for Professional Services.

Brenda Miley from Let's Go Surfing was named Business Person of the Year and Let's Go Surfing also won the award for Specialised Business.

There were 2,224 nominations, with 330 finalists shortlisted.



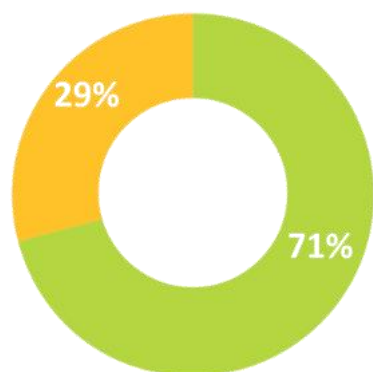
The 2018 Waverley Brightest & Best Local Business Award

60



# PLANNING, DEVELOPMENT AND HERITAGE

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



● Completed  
● In Progress

In 2018–19, 71 per cent of the actions in the Planning, Development and Heritage theme were completed and 29 per cent are in progress.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**67% of people are satisfied with Council's planning controls**

**89% of people are satisfied with protection and conservation of heritage items and places**

**83% of people agree there is urban vitality and a good lifestyle quality in Waverley**

**40% of people agree that new commercial buildings are helping to preserve an attractive urban landscape and protect heritage**

**94% of people agree that new residential buildings are helping to preserve an attractive urban landscape and protect heritage**

Source: Waverley Community Satisfaction Survey 2018

# YEAR IN REVIEW

61

## WAVERLEY LOCAL STRATEGIC PLANNING STATEMENT

In June 2019, Council endorsed the Draft Waverley Local Strategic Planning Statement (WLSPS) and Local Housing Discussion Paper for public exhibition. The documents were placed on public exhibition from July 2019.

The WLSPS sets out:

- The 20-year vision for land use in the local area
- The special characteristics which contribute to local identity
- Shared community values to be maintained and enhanced
- How growth and change will be managed into the future.

The WLSPS will be used to guide the comprehensive review of the Waverley Local Environment Plan (WLEP) and the Waverley Development Control Plan (WDCP). To inform the update of the WLEP and WDCP, a range of strategies including the Local Housing Strategy, Village Centres Strategy and Urban Forest Strategy are being prepared.

The broader comprehensive review of the WLEP and WDCP is divided into six phases. Phase one commenced in 2018 with a Health Check which included a comprehensive review of WLEP 2012 and other relevant policies. The Health Check was completed in September 2018.

The second phase involved the preparation of the draft WLSPS.

Phases three to six involve the finalisation of the WLSPS, and the preparation of a new WLEP and WDCP, which will be implemented in 2019–21.

## WAVERLEY HERITAGE AND DESIGN AWARDS

The 2019 Waverley Heritage and Design Awards were announced in April 2019, followed by an exhibition of the nominations and winning entries at the Waverley Library Gallery, from 2 to 23 May, as part of the Australian Heritage Festival.

There were eight commendations:

- St Catherine's School, Junior Administration School
- St Catherine's School with Lucas Stapleton Johnson and Lateral Projects
- Moreton Manor (formally Scarba House)
- Design 5 Architects and 30 Wellington Street, Bondi CO-AP won the Commendation for Heritage Conservation
- Waverley Cemetery Coastal Walk won the Public Domain Award
- The Doll's House, 16 Cables Place, Waverley and Lucy Shannon, Urban Rhetoric Pty Ltd won the Commendation for Emerging Architect
- Panorama House, 31A Yanko Avenue, Bronte won award for Contemporary Design and Living Screen House
- 18 Wallis Parade, North Bondi, CPlusC Architectural Workshop won the award for Outstanding Contemporary Design.

## WAVERLEY LOCAL HOUSING STRATEGY

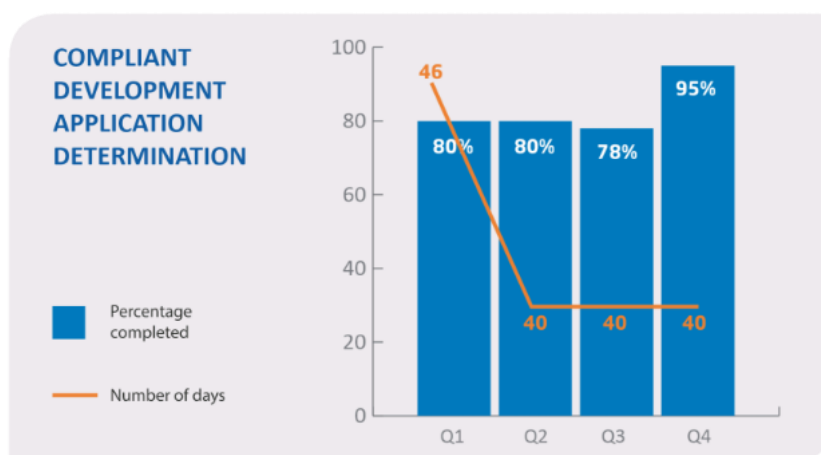
The Waverley Local Housing Discussion Paper is a precursor to the *Waverley Local Housing Strategy* and provides a snapshot of issues, trends, drivers and opportunities for housing supply in Waverley. The report comprises a local trends analysis, a demand forecast, a supply assessment and recommendations.

Based on initial testing, a draft housing target of 3,461 dwellings to 2036 was developed, 1250 of these dwellings are already in supply pipeline. An additional 2,211 need to be provided to 2036.

Dwelling capacity analyses of the current planning controls show there is capacity to accommodate this target. Further work will be undertaken to identify the most suitable areas to accommodate new development. Public consultation of the Local Housing Discussion paper commenced in the fourth quarter and the feedback received will inform the Housing Strategy finalisation.



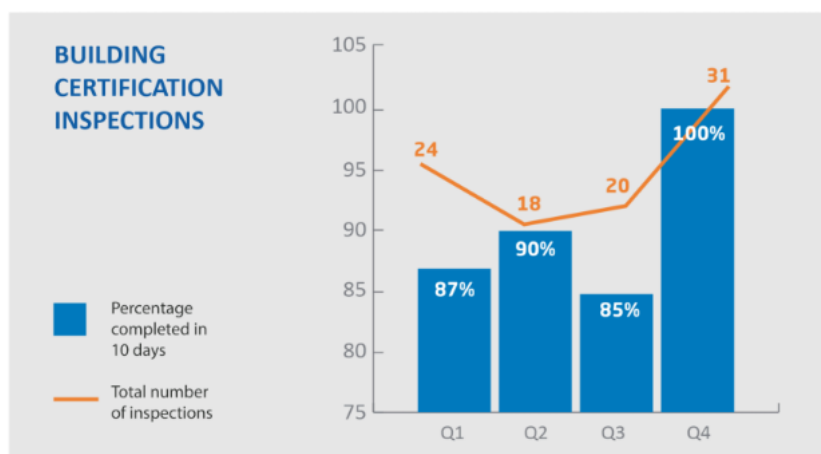
62



The target set for DA determination in 2018–19 was 80 per cent of LEP and DCP compliant applications are completed within 40 days.

All applications required to be referred to the Design Excellence Panel and Waverley Development Assessment Panel (now the Waverley Local Planning Panel) were referred. Feedback and comments provided were used in the assessment and determination of relevant applications, to ensure high quality building and design outcomes were achieved.

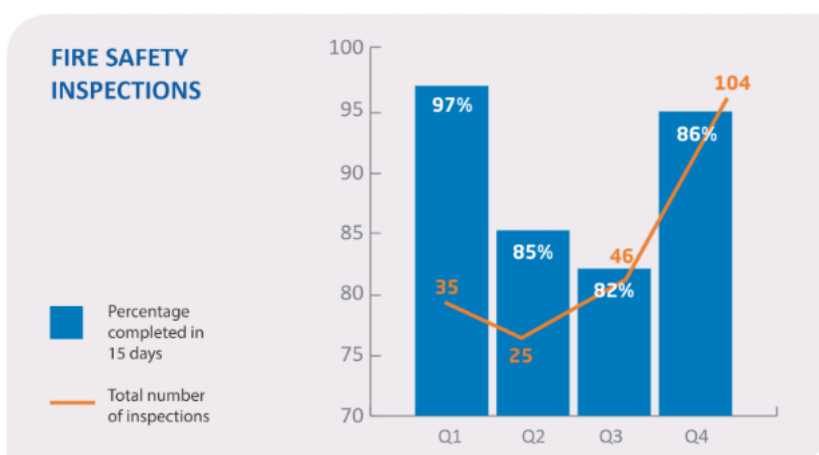
- In Q1, 80 per cent of LEP and DCP compliant DAs were determined within 46 working days
- In Q2, 80 per cent of LEP and DCP compliant DAs were determined within 40 working days
- In Q3, 78 per cent of LEP and DCP compliant DAs were determined within 40 working days
- In Q4, 95 per cent of LEP and DCP compliant DAs were determined within 40 working days. The small drops in Q1 and Q3 were due to staffing constraints.



A total of 93 building certification inspections were completed and 91 per cent were done in 10 working days.

The target set for 2018–19 was for 80 per cent of building certification inspections to be undertaken within 10 working days.

- In Q1, 24 inspections were completed and 87 per cent were undertaken within 10 working days
- In Q2, 18 inspections were completed and 90 per cent were undertaken within 10 working days
- In Q3, 20 inspections were completed and 85 per cent were undertaken within 10 working days
- In Q4, 31 inspections were completed and 100 per cent were undertaken within 10 working days



In 2018–19, the target was for 80 per cent of fire safety inspections to be undertaken within 15 working days.

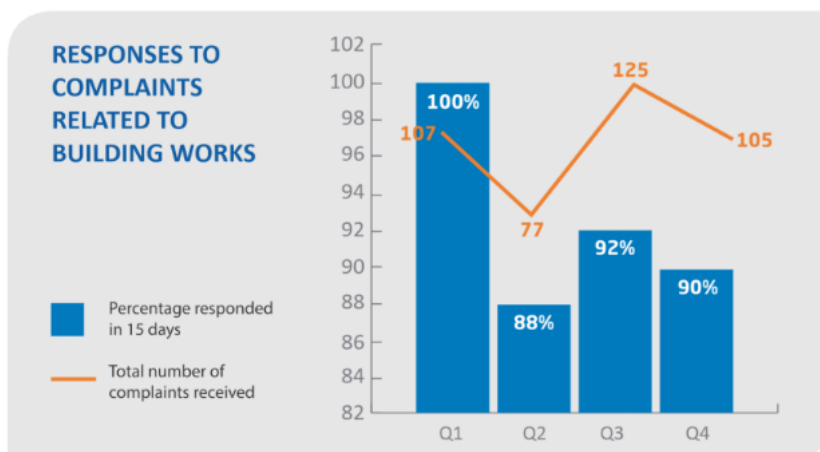
- In Q1, 35 inspections were completed and 97 per cent were undertaken within 15 working days

- In Q2, 25 inspections were completed and 85 per cent were undertaken within 15 working days

- In Q3, 46 inspections were completed and 82 per cent were undertaken within 15 working days

- In Q4, 104 inspections were completed and 86 per cent were undertaken within 15 working days

In 2018–19, 210 inspections were completed, with 88 per cent undertaken within 15 working days.



The target set for 2018–19 was for 80 per cent of complaints regarding illegal development or use of buildings to be responded to within 15 working days.

- In Q1, 107 complaints of illegal use and development were received and 100 per cent were responded to within 15 working days

- In Q2, 77 complaints of illegal use and development were received and 88 per cent were responded to within 15 working days

- In Q3, 125 complaints of illegal use and development were received and 92 per cent were responded to within 15 working days

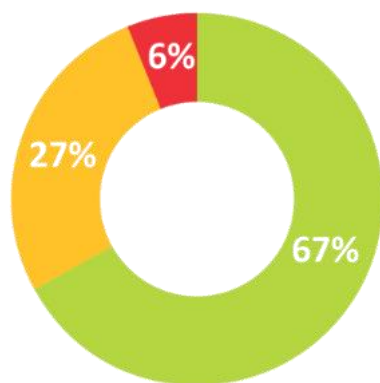
- In Q4, 105 complaints of illegal use and development were received and 90 per cent of these were responded to within 15 days.

Of the 414 complaints of illegal use and development received, 93 per cent were responded to within 15 days.



# TRANSPORT, PEDESTRIANS AND PARKING

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress
- Delayed

In 2018–19, 67 per cent of the actions in the Transport, Pedestrians and Parking theme were completed, 27 per cent are in progress and six per cent were delayed.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**80% of people state that Waverley's road, pedestrian and road network meet their needs**

**65% of people feel Waverley is a safe area for pedestrians**

**25% of people feel that Waverley is safe for bicycle riders**

**50% of people are satisfied with parking management**

Source: Waverley Community Satisfaction Survey 2018



# YEAR IN REVIEW

## BONDI JUNCTION CYCLEWAY AND STREETScape UPGRADE

The Bondi Junction Cycleway and Streetscape Upgrade will provide a separated cycleway through the Bondi Junction commercial centre, linking Oxford Street, Syd Einfeld Drive and Bondi Road to an existing cycleway that runs along the northern side of Centennial Park.

It will link Bondi Road to York Road via Bronte Road, Spring Street and Denison Street, connecting the cycleway to the city via the existing cycling infrastructure. When complete, it will form part of a continuous separated bike path from Bondi Road to the Harbour Bridge.



Bondi Junction Cycleway and Streetscape Upgrade.

The project is a priority route driven by Council and the NSW Government with funding predominately provided by Transport for NSW.

The Review of Environmental Factors (REF) for the project was completed in May 2019. The REF examined and considered all matters affecting or likely to affect the environment as part of this project implementation.

Construction will be completed in stages to minimise disruption for drivers, cyclists, pedestrians, residents and businesses.

## SCHOOL SAFETY PROGRAMS

In response to community concerns about pedestrian and vehicle conflict along Arden Street, Council engaged consultants to undertake a safety review of Arden Street between Macpherson Street and the LGA boundary at Varna Street.

Community consultation was held in April and May 2019 on the proposed

treatments and priorities identified as part of the safety review, 145 community responses were received.

The treatments included:

- Kerb buildouts at the signalised pedestrian crossing
- Formalisation of a new school bus zone and existing STA bus zone to current standards
- Extension of west-side Arden Street kerb between the signalised crossing and Varna Street
- Upgrade the crossing to a wombat crossing and relocate it from the intersection without impacting the nearby trees
- Narrow the travel lane, upgrade the narrow footpath on the east side of Arden Street immediately outside the school and create a shared path for walking and cycling to and from school on the west side of Arden Street.

Walk Safely to School Day was held on 17 May 2019. Council worked

with schools and parents of Bondi, Bronte and Clovelly Public Schools to encourage students to walk to school.

## RIDE TO SCHOOL AND WORK DAYS

Ride2School is a nationwide program delivered by Bicycle Network and designed to encourage students to ride to school.

The 2019 Ride2School was held on 22 March. Council supplied a bike mechanic at local primary schools for free bike tune ups to prepare students for the event.

National Ride2Work day was held on 17 October 2018. Council organised a breakfast at Oxford Street Mall for people riding to work.

Twenty Council staff participated in Biketober 2018. Staff made 181 trips, cycling 2,205 kilometres and saving around 19 kilograms of carbon dioxide emissions.

## BRONTE CUTTING TRIAL

The objectives of the Bronte Cutting Pedestrian Link Project are to enhance the unique character of the Bronte Coastal Walk and to establish a seamless pedestrian connection to the cutting, which does not have a pedestrianised walkway. Until now, pedestrians and traffic have shared the road, resulting in conflict and safety issues between cars and people.

Council approved a pilot project in September 2018, involving removal of 20 car spaces along the eastern side of the car park, to create a pedestrian footpath connection, linking the existing footpath in the Bronte Cutting and the Coastal Walk at Calga Reserve.

Council consulted with the community and other relevant stakeholders from November 2018 to January 2019 to communicate options for the future and seek feedback on the pilot. The consultation reached more than 500 people, with 85 per cent of respondents expressing support for the temporary footpath.

The trial will continue until a cost-efficient permanent solution is adopted.

## NOTTS AVENUE SAFETY AND STREETSCAPE UPGRADE

Council consulted the community in March and April 2019 to understand the use and required improvements for Notts Avenue, 94 per cent of respondents nominated safety as a priority. Other suggestions for improvement included amenity, traffic volumes and speed, road surface and parking, shaded spaces, lighting and wayfinding signage.



Notts Avenue Safety and Streetscape Upgrade.

The community feedback informed the concept design preparation in May 2019. Recommendations include:

- Proposed 10 kilometre per hour shared zone for Notts Avenue, including the removal of all existing kerb, gutter, footpaths and installation of paving throughout the space
- Extending the 40 kilometre per hour area on Campbell Parade to Francis Street
- No right-hand turns in and out of Notts Avenue
- Slight reduction in parking spaces to allow for garden beds and small trees to soften the space

Council consulted the community again during May and June on the concept designs. Overall, 98.3 per cent of respondents supported the plan. Of the 120 people who completed the online survey, 69.7 per cent said they liked the plan with no changes, 28.6 per cent said they liked the plan with changes and 1.7 per cent of people said they

did not like the plan. The proposed changes include:

- Remove parking altogether
- Keep the right-hand turn
- Keep all parking
- Make Notts Avenue a 'No Access' area for cars - residents and businesses only

Detailed design preparation is under way.

## PAUL STREET BIKE ROUTE

Identified in the BikePlan 2013, the Paul Street bicycle route will directly connect the Bondi Junction-to-Bondi Beach bike route along Old South Head Road with the Bondi Junction-to-Bronte Beach route through Waverley Park. This route is identified as a secondary route from Rose Bay to Waverley Link.

The community was consulted from February to April 2019 on the proposal to formalise the route.

Council proposed to use on-road pavement markers to formalise the mixed traffic route, and install



regulatory signage, path markings and pedestrian/bike lantern covers at the pedestrian crossing signals.

Bicycle warning signs and a new ramp from Paul Street North to the proposed shared path were included to address potential conflict points.

The majority of responses were supportive of the route. Council adopted the proposal in May 2019.

## TICKETLESS PARKING

Council operates three off-street car parks in Bondi Junction – at Eastgate, Hollywood Avenue and the Ron Lander Centre at Waverley Library.

The installation of a ticketless parking system will provide better service to customers, who will no longer need to obtain a ticket on entry. Other benefits include:

- No need to validate tickets or scan pass cards
- Reduction in lost ticket disputes, as the system records all vehicle entry times
- Free grace period is recorded fairly and equitably
- A sustainable and cost-saving alternative to paper tickets
- More accurate reporting on usage and occupancy

- Additional security measures at exit gates.

The business case for ticketless parking was completed and the tender process to install access control technology is being finalised.

A supplier for mobile phone parking technology was selected. Mobile phone parking roll out is being introduced to all metered areas of Waverley. A staged roll out is planned across the metered areas of Bondi Beach, Bondi Junction and Bronte.

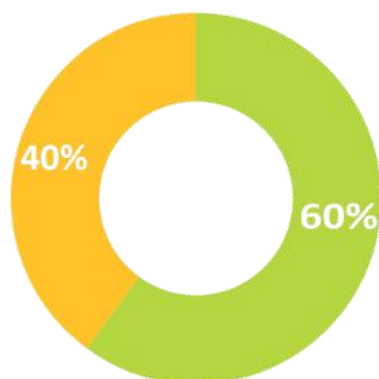






# BUILDINGS AND INFRASTRUCTURE

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress

In 2018–19, 60 per cent of the actions in the Buildings and Infrastructure theme were completed and 40 per cent are in progress.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**78% of people are satisfied with maintenance of road network**

**79% of people are satisfied with maintenance of footpaths**

**80% of people are satisfied with cleansing of public toilets**

**91% of people are satisfied with condition of Council buildings**

Source: Waverley Community Satisfaction Survey 2018

# YEAR IN REVIEW

69

## STORMWATER LEVY

Council adopted the Stormwater Levy in June 2018 for implementation from 1 July 2019. The stormwater management service charge (the levy) will help Councils raise income to improve stormwater systems in urban areas.

The levy is capped in the legislation at \$25 per property for residential properties and \$12.50 for lots in a strata scheme. Commercial properties will be charged at \$25 per 350m<sup>2</sup> of impervious surface area per property. A minimum charge of \$5 will be applied to strata commercial property when the levy calculation is less than \$5.

Revenue raised will allow Council to cover the costs of implementing projects in relation to capacity and water quality, works arising from the Catchment Flood Study and the structural renewal of Bondi Promenade and sea walls.

The expected annual revenue from the Stormwater Levy is approximately \$530,000.

## ROAD, FOOTPATHS AND KERB AND GUTTER

Council undertook a range of renewal projects across the Local Government area including road re-sheeting, footpath reconstructions, kerb and gutter replacements.

Council completed more than 93 renewal projects, costing more than four million dollars, as part of its Strategic Asset Management Plan, which ensures that Council meets the service levels set by the community. This year, Council constructed six kilometres of footpath and re-sheeted seven and a half kilometres of roadway.

## SEVEN WAYS STREETSCAPE UPGRADE

The Seven Ways Streetscape Upgrade will enhance the amenity and quality of the public domain, plaza, green space and streetscape at Seven Ways, a Bondi community village centre at the intersection of Glenayr Avenue, Warners Avenue and Blair Street, Bondi, to support local businesses and residents' social and open space needs.

In May 2019, the concept design was placed on public exhibition. There were 142 community responses, with more than 90 per cent approval.

The top issues raised were concerns around traffic, safety, pedestrians, buses and cyclists, with suggestions to review the current traffic, road and safety arrangements. Other suggestions were for the inclusion of public art, more play spaces, amenities like a bubbler, dog poles, bins and lighting, and space activation through art and performances.

## BONDI PAVILION RESTORATION AND CONSERVATION PROJECT

In September 2018, the community was consulted on the proposed concept designs for the Bondi Pavilion Restoration and Conservation Project. Council received 111 survey responses and 568 email submissions during the consultation period. A number of changes were made to the concept designs based on the feedback and the amended concept design was adopted by Council in November 2018.

Council lodged its development application (DA) in April 2019 and made it available for public and stakeholder input in April and May.

The key features of the restoration include:

- Restoration of the original Spanish-style terracotta tiles
- Removing the modern addition of the glass bubble to restore the original symmetry of the building



Seven Ways Streetscape Upgrade.

- Additional amenities on the Northern Courtyard, accessible from the internal courtyard and the walkway between the Pavilion and the Surf Lifesaving Club
- A tourism office
- A Bondi Story Room, a flexible cultural space
- Flexible commercial space, with capacity for larger tenancies along the front of the Pavilion
- Improved community facilities.

The DA is being assessed by independent assessment officers, heritage consultants and the Office of Environment and Heritage.

## SURF CLUB PARTNERSHIP PROJECTS

In August 2018, Council endorsed The Probity Guidelines: Capital Projects Partnerships, a good practice framework for maintaining the probity and integrity of Council in direct negotiations and delivery of Council buildings and infrastructure with external project partners—whether they contribute funding towards the project or not.

In 2019, Council entered into partnership agreements with Bronte, North Bondi and Bondi Bathers Surf Life Saving Clubs (SLSCs)

and began the process of entering an agreement with Tamarama SLSC.

The Bronte project will include redeveloping the existing surf club and associated community facilities. It aligns with Council and the club's strategic plans and will result in significant improvements to amenities, provide better lifeguard facilities, improve workplace health and safety requirements and ensure the longevity of the building.

Council, in partnership with North Bondi SLSC, is proposing to redevelop the existing storage space below the Promenade near Ramp 6 on Bondi Beach. The proposed redevelopment will include expansion of the existing storage space and development of two new spaces to house an Advanced Response Lifesaving Facility, with storage facilities for North Bondi SLSC.



Bondi Pavilion Restoration and Conservation Project.



## SOUTH BRONTE AMENITIES AND COMMUNITY CENTRE UPGRADE

In July 2018, Council engaged the community to understand how the South Bronte Amenities and Community Centre is used, what the community liked and what could be improved. Based on feedback, the architects Panovscott developed three floorplan options for the upgrade, as part of the Bronte Park and Beach Plan of Management 2017.

In November and December 2018, the community was engaged on the concept designs for the centre and in May and June 2019, the final concept design for the upgrade was completed and placed on community consultation. The design includes:

- Additional outdoor showers
- Additional shower in the female amenities
- Additional wash basins in male and female amenities
- Larger female, male and family/ accessible amenities

- Exposed stonewall incorporated into the design
- Functional and accessible interiors and roof terrace
- Light and airy internal spaces.

The feedback received will be used to finalise designs, before the lodgement of the Development Application.

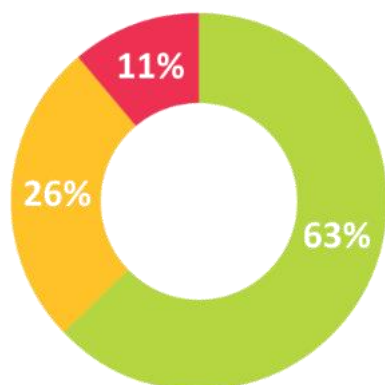


South Bronte Amenities and Community Centre upgrade.



# SUSTAINABLE ENVIRONMENT

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress
- Delayed

In 2018–19, 63 per cent of the actions in the Sustainable Environment theme were completed, 26 per cent are in progress and 11 per cent were delayed.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**Local renewable energy capacity of 2570KW**

**52% of community is aware of climate change impact**

**23.9% of LGA in canopy and shrub cover**

**'Good' rating for Bondi, Bronte and Tamarama beach assessments**

Source: Waverley Community Satisfaction Survey 2018; Council data



## YEAR IN REVIEW

### ELECTRIC VEHICLE CHARGING POINTS

A joint agreement was signed between Waverley Council, Woollahra Municipal Council, Randwick City Council and electric vehicle (EV) charging provider JET Charge to install on-street charge stations in six key locations.

Charge stations will be located at:

- Queen Elizabeth Drive, Bondi Beach
- Spring Street, Bondi Junction
- Kiaora Place Shopping Centre, Double Bay
- Coogee Beach
- Randwick Community Centre
- Silver Street car park, Randwick.

This tri-Council project will help address lack of access to electric vehicle charging infrastructure and support the transition to zero emissions vehicle transport. Powered by 100 per cent renewable energy, the charge stations will provide open source level 2 AC charge, which suits all models of electric vehicles.

EV charge point installation commenced, with the Bondi Beach point installed and operational.

### WAVERLEY COUNCIL'S GREENHOUSE GAS EMISSIONS

In 2018–19, Council achieved a two and a half per cent reduction in carbon dioxide emissions compared to 2017–18. Council's CO<sub>2</sub> emissions for 2018–19 amounted to 5,138 tonnes. This is a 35 per cent reduction compared to the 2003–04 baseline year of 7,849 tonnes. This means Council has achieved its 30 per cent reduction by 2020 target a year early.



Building Futures Program.

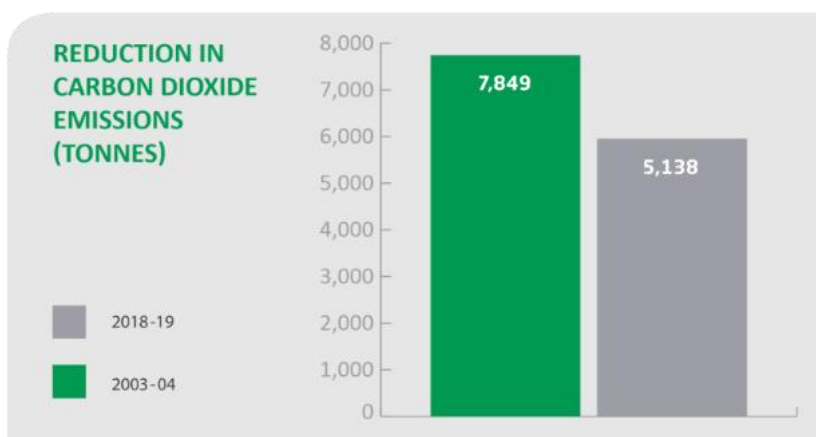
LED lighting upgrades were completed at six of Council's most energy intensive buildings, including Waverley Library, Margaret Whitlam Recreation Centre, Customer Service Centre, Alexandria Integrated Facility, Waverley Early Education Centre, and Mill Hill Community Centre.

This has reduced electricity demand across these six sites by 20 per cent (53MW), and is projected to reduce Council's annual electricity consumption by 334MW, a seven per cent reduction from Council's total annual electricity demand.

An agreement was signed with AusGrid to upgrade approximately 500 LED streetlights. This will result in reducing greenhouse gas emissions by approximately 137 tonnes of CO<sub>2</sub>e per annum, 21 street lights were upgraded in 2018–19.

### BUILDING FUTURES PROGRAM

Ten Bondi Junction buildings participated in the Building Futures Program. Projects delivered included lighting efficiency retrofits and cost-effective carpark carbon monoxide monitoring and ventilation solutions.





Nine capacity-building and knowledge-sharing workshops were organised for strata stakeholders, including a Saving Energy in Strata workshop, and an eight-part Building Management training series. Ten buildings implemented energy saving activities.

On average, buildings are expected to save more than \$10,000 a year on electricity bills with a payback period of two and a half years (some projects paying off in as little as a few months). This is forecast to reduce carbon emissions by 533 tonnes a year.

Round two of the project commenced in May 2019.

WATER SAVING INITIATIVES

The NSW Government introduced water restrictions in June 2019. The restrictions are coordinated and managed by Sydney Water, while Council communicates with residents and provides tips on how to reduce their water use.

The capacity of Waverley Park groundwater harvesting system was doubled to reduce reliance on drinking water for irrigation and other uses. The groundwater reuse system was upgraded and supplies nine megalitres of non-potable water annually. The system captures groundwater seepage at the park and filters water to irrigate Waverley Oval, sports fields and ornamental gardens and provide water for toilets at the Margaret Whitlam Recreation Centre.

THE SYSTEM STORES AROUND 50,000 LITRES OF WATER IN AN UNDERGROUND TANK, MAINTAINING OPEN SPACE IN THAT AREA OF THE PARK.

During the year, a number of leaks identified by the digital leak detection system were rectified including a major leak at Bondi Pavilion.



In 2018-19, 83.88 tonnes of pollutants were removed from Gross Pollutants Traps in Waverley.

- In Q1, 22.3 tonnes of pollutants were removed
- In Q2, 18.4 tonnes
- In Q3, 23.7 tonnes and
- In Q4, 19.5 tonnes.

In 2019, pollution from a major sewer overflow in South Bondi catchment was pumped into stormwater tanks and sewer. Stormwater tanks were pumped to sewer and disinfected. A significant pollution event at Bondi was prevented.

SOLAR MY SCHOOL

The Solar My School program is part of the three-Council Regional Environment Program (Waverley Council, Randwick City Council

and Woollahra Municipal Council), and was developed to increase uptake of renewable energy in the Eastern Suburbs and reduce carbon community greenhouse gas emissions and meet local environmental targets.

In 2018-19, 13 schools and child care/family day care centres participated in the Solar My School Program

The Solar My School project won multiple awards including Cities Power Partnership Renewable Energy Achievement Award, Local Government NSW Environmental Excellence Climate Change Action Award and Local Government Professionals Excellence Environmental Leadership and Sustainability Award.

	Solar	Clean energy	Computers powered	Cost Savings	CO2 emissions avoided
Bondi Public School	23 kW	31 MWh/pa	151/pa	\$5,785/pa	27 tonnes/pa
Bronte Family Day Care	2kW	4MWh/pa	18/pa	\$600/pa	3 tonnes/pa
Bronte Public School	30kW	44 MWh/pa	220/pa	\$6,030/pa	39.16 tonnes/pa
Clovelly Public School	63 kW	78 MWh/pa	390/pa	\$13,000/pa	69 tonnes/pa
Galilee Primary	40 kW	76 MWh/pa	381/pa	\$13,565/pa	68 tonnes/pa
Kesser Torah College	99 kW	131 MWh/pa	665/pa	\$16,000/pa	117 tonnes/pa
Moriah College	98kW	130 MWh/pa	1,900/pa	\$24,000/pa	116 tonnes/pa
St Catherine's School	99 kW	146 MWh/pa	730/pa	\$20,710/pa	130 tonnes/pa
St Charles Primary	60 kW	73 MWh/pa	366/pa	\$15,411/pa	65 tonnes/pa
St Clare's College	99 kW	95 MWh/pa	476/pa	\$14,491/pa	85 tonnes/pa
St Mary's Child Care Centre	15 kW	19 MWh/pa	93/pa	\$4,318/pa	17 tonnes/pa
Waverley College	80 kW	107MWh/pa	535/pa	\$12,505/pa	95 tonnes/pa
Waverley Public School	30 kW	41 MWh/pa	204/pa	\$5,575/pa	36 tonnes/pa

Solar My School: Solar capabilities of schools (kW: Kilowatt; MWh: Megawatt-hours; pa-per annum)

## LIVING CONNECTIONS PILOT PROGRAM

The Living Connections program links habitat corridors to enable bird species such as the Superb Fairy-wren and New Holland honeyeater to move freely and have access to shelter and food. Habitat mapping conducted by Council identified potential to link the coastal habitat corridor at Bronte and Tamarama with fragmented habitat pockets that are dotted up towards Waverley and Centennial Park.

Council piloted the program in Bronte and Tamarama with seven households. Forty residents were engaged and asked to report on birds spotted in their garden, at the beginning of the program and two years later. This program is assisted by NSW Government Environmental Trust Program.

A total of 20 garden assessments were conducted, and suitable plants delivered. Two workshops were organised, 36 people participated. The workshops aim to increase

awareness about local biodiversity and how to help create native havens. Council will also run the program on land it owns in the area.

## RENEWABLE ENERGY AGREEMENT TO CUT EMISSIONS AND COSTS

Council joined 17 other NSW councils in signing a renewable energy power purchase agreement, resulting in approximately 30 per cent of Council's electricity being supplied from renewable energy from 1 July 2019.

Council will purchase renewable energy from the Moree Solar Farm project until 2030, with the balance supplied as regular grid electricity by Origin Energy for the next three years. Around 440,000 Megawatt-hours of renewable energy will be supplied to 18 councils over the life of this agreement.

## BIODIVERSITY AND RESTORATION PLANS

Council's Biodiversity Action Plan - Remnant Sites is being implemented with bush regeneration works at Waverley Cemetery boardwalk, Tamarama Gully, Hugh Bamford Reserve, Eastern Reserve, Diamond Bay and York Road.

Bronte and Tamarama restoration plans are continuing. New area is being revegetated at North Bronte gully and Thomas Hogan stairs area was terraced and revegetated.

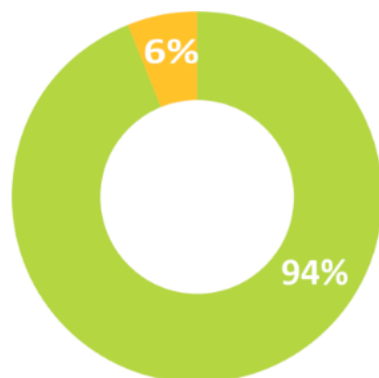
Council received grant funding of \$5,000 from the Office of Environment and Heritage Saving Our Species program. Bush regeneration works are continuing at Loombah cliffs to protect and facilitate the growth of the threatened species plant of *Acacia terminalis* subsp. *terminalis*.

In January 2019, there were 12 individual *Acacia terminalis* subsp. *terminalis* plants or seedlings germinated from the seedbank in this location.



# SUSTAINABLE WASTE

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress

In 2018–19, 94 per cent of the actions in the Sustainable Waste theme were completed and six per cent were delayed.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

- 85% of people are satisfied with green waste services for their property**
- 77% of people are satisfied with kerb, gutter and street cleaning**
- 72% of people are satisfied with removal of dumped rubbish from roadside areas**
- 98% of people are satisfied with garbage collection services for their property**
- 93% of people are satisfied with recycling services for their property**
- 94% of people are satisfied with on-call household collection**

Source: Waverley Community Satisfaction Survey 2018



# YEAR IN REVIEW

77

## COMPOST REVOLUTION

Council delivered 358 compost bins and worm farms to residents equating to diversion from landfill of 410 tonnes. Since the Compost Revolution program was implemented, 2,477 tonnes of food waste were diverted from landfill.

Eight composting and worming workshops were organised at various locations, with a total of 218 people attending.

Fifty per cent of Council's red bin waste is converted into a compost product through mechanical bioreactor treatment (MBT).

## RETURN AND EARN

Return and Earn is part of the NSW Government's goal of reducing litter volume in NSW by 40 per cent by 2020. In June 2018, a Reverse Vending Machine (RVM) was installed behind the Bondi Pavilion.

Consumers receive a 10-cent refund for every eligible container deposited.

More than one million drink containers were cashed at the Bondi Beach (RVM) since June 2018. The one-millionth container was deposited in December 2018.



Solar Bins.

As of June 2019, a total of 2,673,106 cans and bottles were returned for recycling. Council is currently working with Tomra-Cleanaway to look at future locations for the RVM.

### WEEKLY VOLUME FOR 25 WEEKS



## LITTER REDUCTION PROGRAMS

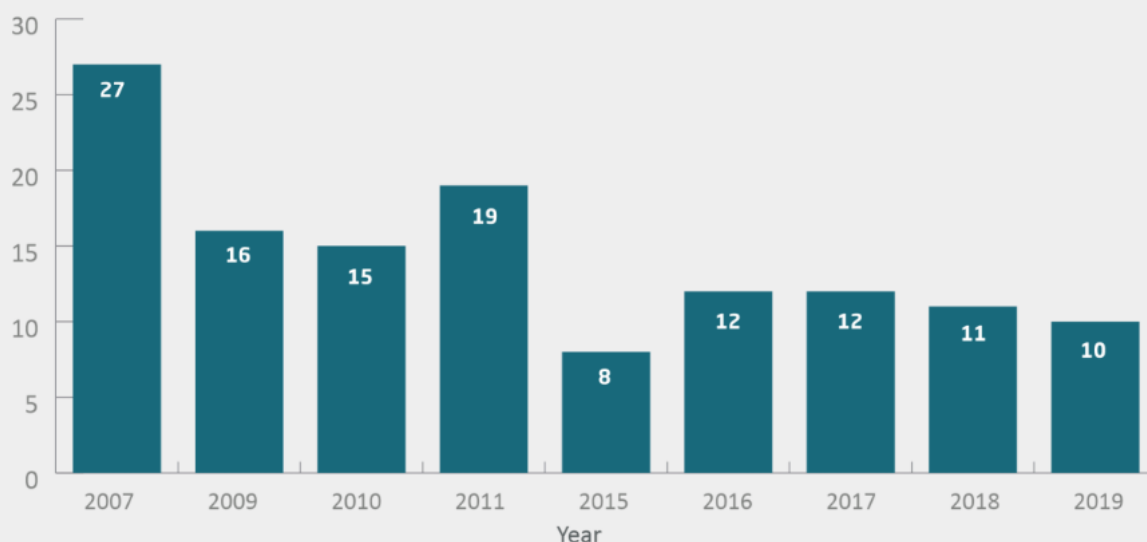
My Street is Your Street is a civic pride movement for illegal dumping prevention.

Council participated in Sydney Regional Illegal Dumping Squad (RID Squad) to patrol, educate, and enforce illegal dumping across the LGA. Eight clean-up notices and three verbal clean-up notices were issued. RID squad and Council are actively patrolling and reducing illegal dumping in Waverley.

A community garden was installed on Warners Avenue and Niblick Street to reduce illegal dumping. Raised garden beds were installed, along with smaller 'wine barrel' planters along the fence and between the raised garden beds, resulting in reduction in dumping.

Litters audits were conducted at Bondi, Bronte and Tamarama beaches.

**BONDI BEACH AVERAGE LITTER COUNT COMPARISONS TO PREVIOUS YEARS RESULTS**



There has been a trend of litter reduction over the past 12-years at Bondi Beach. The average litter count on the beach per 48 square metres reduced to 10 in 2019 from 27 in 2007.

The following table and figures illustrate the average litter counts by beach and day.

Site			Average litter count			Percent of micro-size and old cigarette butt in count	
			No. # (count)	Volume (litres)	Most littered item	Micro size items	Old cigarette butts
1	Bondi	Weekdays	11	0.3L	Microplastics	45%	16%
		Weekends	9	0.2L	Microplastics	39%	18%
2	Bronte	Weekdays	8	0.2L	Microplastics	28%	17%
		Weekends	7	0.1L	Old cigarette butts	32%	14%
3	Bronte	Weekdays	8	0.1L	Microplastics	32%	24%
		Weekends	7	0.1L	Microplastics	34%	17%

The most littered beach was Bondi, followed by Bronte and then Tamarama. Beach walls had the highest accumulation of litter, the centre second and the foreshore was the least littered area of all beaches. All beaches were littered more on weekdays and had the same trend in litter source.

## PROBLEM WASTE STATIONS

Two problem waste stations were delivered through a Memorandum of Understanding with Rose Bay Secondary School and Waverley College, to trial problem waste collection points at schools. An E-waste day was held, and problem waste stations are in place at the Waverley Library on Denison Street and Council's Customer Service Centre on Spring Street.

## WASTE PROCESSING

In October 2018, the NSW Environment Protection Authority (EPA) announced a regulatory change that suspended the practice of applying processed mixed waste organic material to land for mine site rehabilitation until further controls can be considered.

Councils received a notice from the EPA that the mixed waste organic output (MWO) produced through the Veolia Mechanical and Biological Treatment (MBT) plant must not be placed in the mine site until further testing and verification of the MWO quality can be achieved. This will significantly reduce diversion rates.

The MWO produced from the Waverley community is currently being stockpiled.

Following the announcement, Council staff worked closely with contractors and the EPA to confirm processing arrangements for general waste, to ensure that contract requirements continue to be met and the principles of responsible, best practice waste management are applied.

Council's waste and recycling collection services will continue as usual. However, waste diversion from landfill rates for general waste collected in 2018 will be temporarily affected by the change in regulation.

## PLASTIC FREE BONDI

In October 2018, internationally acclaimed artist Marina DeBris and marine scientist and model Laura Wells launched Plastic Free Bondi, a campaign that aims to reduce single-use plastic in Bondi.

Plastic Free Bondi program was completed with the 50 per cent of businesses targeted reached, and an online platform created for obtaining resources and educational material for businesses. Other aspects of the Litter Prevention Program such as new infrastructure, enforcement patrols, and engagement events were implemented.

Council's internal events guidelines now include a ban on single-use plastics for internal events, meetings, workshops and training. Waste Management guidelines for outdoor events (including a ban on single-use plastics at outdoor events) are currently being implemented.

## WASTE REDUCTION PROGRAMS

Five reuse and repair workshops and events were organised. Workshops topics included Reusable Nappies, Recycled Materials Musical Instruments, Fabric Wrapping, and Electronic Repairs. A Clothing Swap event was held.

New bin signages, bin audits and educational materials were provided to 22 Multi-Use Developments and 20 Department of Housing buildings. Recycling bags were purchased and delivered for each apartment.

A training session was provided to building managers on effective waste management and how to increase recycling. Strata managers joined a working group with Council. A strata by-law was created for waste management in the common space on properties. A strata waste by-law was updated to include induction of new tenants in waste practices.



Community Garden at Warners Avenue

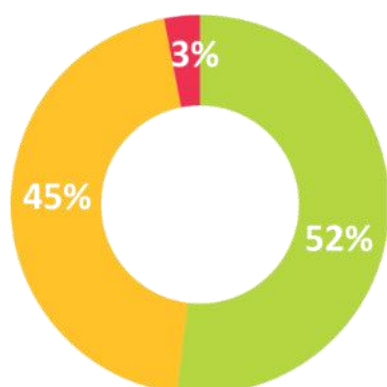


80



# CORPORATE LEADERSHIP AND ENGAGEMENT

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress

In 2018–19, 52 per cent of the actions in the Corporate Leadership and Engagement theme were completed, 45 per cent are in progress and three per cent were delayed.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**73% of people are satisfied with opportunities to participate in decision making**

**77% of people are satisfied with Council decision making**

**91% of people are satisfied with Council services**

Source: Waverley Community Satisfaction Survey 2018

# YEAR IN REVIEW

81

## CORRUPTION PREVENTION

The *Public Interest Disclosure Act 1994* sets in place a system to encourage people in the public sector to report serious wrong-doing without fear of reprisal.

Council supports and encourages its staff to report serious wrong-doing in the organisation and this year Council appointed 12 new Public Interest Disclosure Officers (PID Officers). Reports on the following matters can be made:

- Corrupt conduct
- Serious maladministration
- Serious and substantial waste of public money
- Breaches of the Access to Information legislation; or
- A breach of pecuniary interest requirements.

The NSW Ombudsman provided training for all Public Interest Disclosure Officers to ensure they are suitably equipped to receive reports.

## ORGANISATIONAL DEVELOPMENT PROGRAMME

In October 2018 following consultation with Council, the General Manager commenced an organisation development programme and consultation on a high-level structure change proposal. The Programme outlined a realigning of the organisation addressing capability, capacity, systems and processes, culture, probity and structure.



Council Chambers

This proposal was released for staff consultation and set out a broad direction for the organisation. Staff provided feedback and a Decision Paper was released in December 2018 confirming the Programme and structure at a high level.

Following a competitive recruitment process, the senior staff positions were filled in April 2019. A number of process and system focused work streams were initiated. In 2019–20, the second phase of the Organisational Development Programme will continue with structural design changes in some departments and process driven changes aimed at enhancing collaboration and communication within departments and the

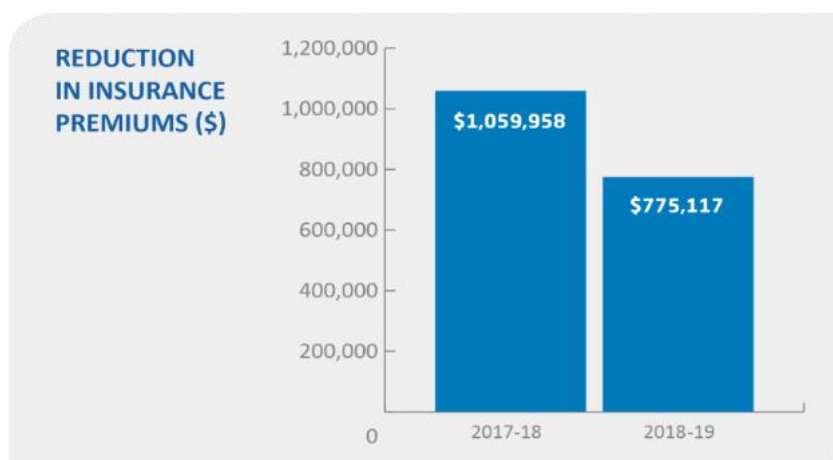
broader organisation.

## RISK INITIATIVES

Council undertook procurement for all its insurance policies to ensure value for money. A new insurance broker was appointed, with higher liability limits, improved insurance coverage and a considerable saving in a number of premiums.

In 2018–19, the insurance premiums (excluding workers compensation) reduced to \$775,117 in comparison to \$1,059,958 in 2017–18.

Risk profiles are being prepared for multiple Council departments, with the intention of expanding



to all operations. Risk categories assessed include business operations, finance, property, community, reputation, information technology, environment, compliance and safety.

## COMMUNITY ENGAGEMENT

Council engaged with the Waverley community on 46 strategic issues in 2018–19, including:

- Bondi Pavilion Restoration and Conservation Project
- Campbell Parade upgrade
- South Bronte Amenities and Community Centre upgrade
- Bronte Cutting Pedestrian Link Project
- Waverley Sustainable Visitation Strategy
- Waverley Cultural Plan and
- Waverley Alcohol Free Zone Review.

Community feedback received during consultations was used to inform the finalisation of these projects.

Community Engagement guidelines were prepared to ensure engagement activities reflect all

segments of the community and all staff are encouraged to promote inclusive, best practice engagement. An organisation-wide marketing and communications strategy was prepared and implemented.

## PRECINCTS

Seventy precinct meetings including four Combined Precincts' meeting were held. This year, the Combined Precincts undertook a strategic planning process to:

- Review past activities and processes, including publicity and promotion, effective advocacy and building community capacity
- Plan activities and set priorities to

ensure effectiveness

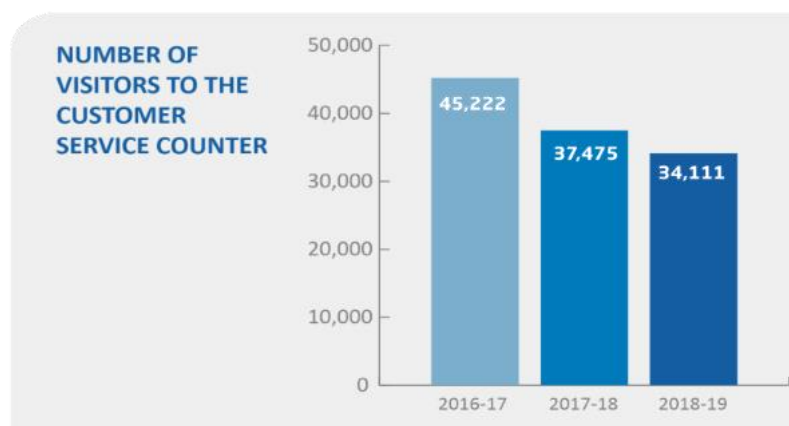
- Develop a strategic plan that suits respective precinct area, which reflects the issues the residents of that precinct want to focus on
- Consider other proposed models of operation for Precincts.

Individual Precinct strategic plans are being developed by Precinct Committees in conjunction with Council. These plans focus the work of each Precinct for the coming year. Alternative models of Precinct system were explored with the current model endorsed and an additional Combined Precinct meeting was agreed for inclusion.

Two training sessions were organised for Precinct Executive Committee members on topics including chairing meetings, social media and advocacy.

## CUSTOMER SERVICE IMPROVEMENTS

An After-Hours Service was implemented in December 2018, giving residents the ability to report urgent issues and receive information outside Council business hours. All calls are received by operators who can transfer







Live Streaming.

urgent issues to an On-Call Council officer and log other issues in the request system for action on the next business day.

From December 2018 to June 2019, 740 calls were received by the after-hours service. Of these, 25 per cent were transferred to On-Call officers, with the remainder logged in the request system, resolved by the operators or transferred to the relevant agency. Operators receive ongoing training to ensure the information they provide is accurate and up to date.

There has been a reduction in number of visitors to the Customer Service Centre. This is due to the increase in customer email requests.

In 2018–19, 73,000 calls were handled at the Call Centre and 30,000 service requests logged;

45 customers served per day by the Concierge during peak periods.

Almost 45 per cent of all Customer Service Centre visits were parking permit queries and 24 per cent were planning and development enquiries. More than 3,700 residents paid their rates at the centre, a decrease of seven and a half per cent from last year, with an increase in online and phone payment options.

The Customer Service team received more than 11,500 emails and either logged the request for service in the request system or responded within 48 hours.

Council took part in the Digital Driver Licence trial launched by Service NSW, which allows customers to download their drivers licence to their phones. The concierge assisted

customers in using the DA Tracker on the Council website to track development applications.

## LIVE STREAMING

Council introduced live streaming for Council and Council committee meetings as part of Waverley Council's commitment to open, transparent and accountable decision making.

In the last 12 months, the audience for live streaming has increased steadily, leading to better community awareness of Council's decision-making processes and promoting the integrity and accountability of decision-makers and Council.

## CODE OF MEETING PRACTICE

In December 2018, the NSW Government introduced a Model Code of Meeting Practice; a framework for the rules of conduct for council and council committee meetings in NSW. The Code is comprised of mandatory and non-mandatory provisions.

At its meeting in April 2019, Council adopted a draft Code of Meeting Practice based on the government's model code. Following public exhibition, the Code of Meeting Practice was endorsed by Council in June 2019.

The new code includes a set of eight principles to inform the way in which meetings are conducted and to prescribe meeting rules that are consistent with these principles. Part of the adoption of the new code is a trial of Public Forums before each Council meeting, to allow members of the public to address the Council on matters of public importance not listed on the meeting agenda for the night.

## BUSINESS/SERVICE IMPROVEMENTS

Council reviewed the Commercial Waste Management Service. The service review involved operation and granular analysis of operating costs, demand and market analysis, labour costs and review of commercial waste collection, transportation and disposal. The review identified cost efficiency gains and improved pricing structure as areas for improvement.

## CODE OF CONDUCT

Council adopted three new Codes of Conduct and a new Procedure for the Administration of the Code of Conduct based on the model documents issued by the Office of Local Government.

These codes apply to Council Committee Members and other Council Officials, Councillors and Staff.

The new Codes of Conduct include:

- A greater emphasis on the 'obligations during meetings' to expand on changes to the Local Government Act about councillor misconduct
- New standards relating to discrimination and harassment, bullying, work health and safety, access to information and maintenance of council records
- New rules governing the acceptance of gifts including mandatory reporting
- A new ongoing disclosure requirement for councillors and designated persons requiring disclosure of new interests within three months of becoming aware of them
- A new requirement for councillors to disclose in their returns of interests whether they are a property developer or a close associate of a property developer

Training for Council staff and other council officials continues to be arranged as part of the rollout.

## WORK HEALTH AND SAFETY

Council engaged an independent consultant to conduct a wide-ranging audit and cultural assessment of Council's Work Health and Safety systems, which included behavioural observations in council workplaces.

A Safety Culture Survey was conducted which provided staff with an opportunity to comment on Work Health and Safety practices and procedures. Interviews and focus group discussions were organised to gain a deeper understanding into attitudes to safety issues.

A significant Work Health and Safety improvement was the introduction of an online event notification and reporting software to replace a paper-based system, to allow immediate notification of injuries in the workplace. This has increased awareness of safety issues, leading to a growing number of hazards and near misses being reported.





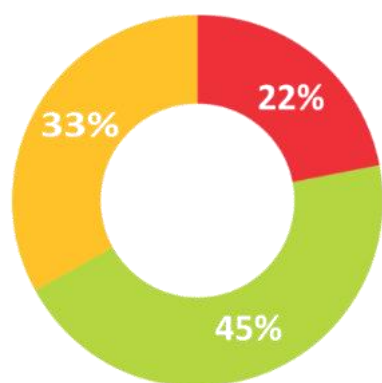




# KNOWLEDGE AND INNOVATION

Progress against Operational Plan activities

## PROGRESS AGAINST OPERATIONAL PLAN ACTIVITIES



- Completed
- In Progress
- Delayed

In 2018–19, 45 per cent of the actions in the Knowledge and Innovation theme were completed, 33 per cent are in progress and 22 per cent were delayed.

## 11 YEAR COMMUNITY STRATEGIC PLAN

These are indicators that measure our progress against the goals for Waverley. Everyone has a role in achieving these goals, whether they are a government department, business or resident in Waverley.

**36% of community is aware of benefits of smart city technology**

**55% community is satisfied with availability of digital resources**

Source: Waverley Community Satisfaction Survey 2018

# YEAR IN REVIEW

## BOOT FACTORY REMEDIATION PROJECT

In October 2017, Council resolved to investigate the restoration and adaptive reuse of the old Boot Factory in Spring Street. Three projects were initiated as a result:

- A Heritage Conservation Strategy to inform restoration of the building and forecourt, and investigation of State Heritage listing
- Boot Factory Restoration Project, comprising the design and construction of the building and forecourt restoration
- A Knowledge and Innovation Strategy to build partnerships and support local creative and professional science and technology industries

The Heritage Assessment report was presented to Council in September 2018. Independent heritage expertise found that the building does not meet the threshold for listing on the State Heritage Register and further work in this regard is not recommended.

The Boot Factory is an important local heritage building and its retention and adaptive reuse as the centre of the Knowledge and Innovation Hub will be actively pursued in accordance with current Council resolutions.

Council commissioned an upgrade options analysis, including information on how the building can be restored and refurbished to comply with the Conservation Management Strategy.

Council then commissioned the report *Rebooting the Boot Factory*, analysing the options for the activation of the building. A preliminary business case for the Boot Factory was prepared, examining these options.

## SMART CITIES STRATEGY 2023

The Smart Waverley Strategy 2023 is designed to transition Waverley as a community, and Council as an organisation, into the future of smart technology. The principles of Smart Cities are based on the integration of our physical and digital environments.

The use of smart technology and data delivers seamless access to services and information, sustainable ways of managing community assets and public spaces and a greater level of inclusion and transparency for the community.

The draft strategy was placed on public exhibition in April 2019.

The strategy outlines the framework for how Waverley will integrate the smart cities approach. The framework reflects best practice models used in the United Kingdom, European Union and United States. It includes three key elements of smart cities at Waverley:

- Initiatives that Council has delivered that require further digital integration
- Initiatives planned that are yet to be delivered
- Innovative initiatives that align future trends with our community needs.

## ACCESS TO EMERGING TECHNOLOGIES AND COLLECTIONS

Waverley Library received a NSW Public Library Infrastructure Grant of \$41,000 in 2018, which supported projects including:

- Upgrade of meeting spaces
- Audio visual equipment at the Theatre and training room
- Installation of large smart screens in three study rooms.

Screen sharing capability is provided through cabled and wireless technology for multiple user access.

An iPad lending scheme was established, enabling access to electronic resources the Library subscribes to. This includes an on-demand film streaming service and Road to IELTS, an online program that features 120 hours of intensive work on vocabulary, reading, writing, listening and speaking. Two 3D printers were also purchased.

A new subscription service means the library now receives 10 copies of five of the latest best-selling titles each month, reducing waiting times for library members.

### PUBLIC WI-FI

Council has 70 Wi-Fi access points across the LGA. In 2018–19, there were 413,413 Wi-Fi sessions with 144,715 users. The average user duration was 1hr: 8m: 57 secs.

### WASTE MANAGEMENT SYSTEM

The Sustainable Waste Strategy sets actions to design and implement data management and reporting infrastructure for waste and recycling on collection vehicles.

In January 2019, Council completed an expression of interest process for a Waste Management Operating System.

The system will deliver streamlined asset and data management, improved operations management, route management and optimisation and real-time service and reporting capabilities.

This innovative, integrated system will significantly improve the efficiency and ease-of-use of Council's waste management services.



Public Wi-Fi.





## CAPITAL WORKS EXPENDITURE

In 2018–19, Council spent \$18.9million to deliver capital works projects.

Project	Expenditure 2018–19	Status
Park, Playground and Open Spaces	4,643,633	13 projects completed 20 projects in progress(multi-year project) 3 projects delayed
Building Upgrades and Infrastructure Improvements	3,122,258	11 projects completed 8 projects in progress(multi-year project) 2 projects deferred/delayed
Transport and Parking Infrastructure	2,129,511	7 projects completed 12 projects in progress(multi-year project) 1 project delayed
Sealed Roads Construction	1,845,003	31 projects completed
Energy efficiency projects	1,519,507	3 projects completed 6 projects in progress(multi-year project)
Stormwater and water saving and quality improvement	1,340,253	6 projects completed 5 projects in progress(multi-year project) 1 project delayed
Footpaths	1,356,485	46 projects completed 10 projects in progress(multi-year project) 1 deferred/delayed
Bondi Pavilion Conservation and Upgrade	974,419	2 projects completed 2 projects in progress(multi-year project)
Streetscape Upgrade	533,793	1 project completed 3 projects in progress(multi-year project)
Biodiversity and Ecological Restoration	488,441	3 projects completed 5 projects in progress(multi-year project)
Social Housing	213,254	1 project completed 1 project in progress(multi-year project)
Kerb and Gutter	204,853	5 projects completed 9 projects in progress(multi-year project)
Boot factory remediation	177,164	1 project in progress(multi-year project)
Tree Planting	125,433	2 projects completed 2 projects in progress (multi-year project)
Green Infrastructure	104,749	1 project in progress(multi-year project)
Knowledge and Innovation project	85,295	1 project in progress(multi-year project)
Council accommodation and services	56,500	1 project in progress(multi-year project)
Public Art Commissions	6,351	1 project in progress(multi-year project)



# Part 03.

## MEETING OUR STATUTORY REQUIREMENTS

Annual Report 2018–19



92

## AMOUNT OF RATES AND CHARGES WRITTEN OFF DURING THE YEAR 2018–19

The following rates and charges were written off during the year.

Assessment number	Description	Rates	Waste	Extra Charges	Totals
32729.9	Rates for current financial year as per Council resolution 7 October 2008 (32–48 Denison Street)	106,466.93			106,466.93
Various	Postponed 2013–14 rates and interest charges	2,187.45		1,169.89	3,357.34
	Sub totals	108,654.38		1,169.89	109,824.27
Various	Pension Rebate Government Abandonment Section 575(Local Government Act)	293,561.05	171,984.75		465,545.80
Various	Pension Council Abandonment Section 582	91,765.12			91,765.12
	Sub Totals	385,326.17	171,984.75		557,310.92
	Grand Totals	493,980.55	171,984.75	1,169.89	667,135.19

## MAYORAL AND COUNCILLOR FEES, EXPENSES AND FACILITIES

Mayoral and Councillor Fees and Expenses	Amount(\$)
Mayoral Fees	43,150
Councillor Fees	237,479
Miscellaneous Expenses	185,930
Office Equipment and Maintenance	8,061
Telephone Calls(Mobile and Landline)	14,559
Conference and Seminars	8,306
Professional development	6,573
Interstate Visits	0
Overseas Visits	0
Spouse Expenses	0
Provision for Childcare	0

# COUNCILLOR INDUCTION, TRAINING AND ONGOING PROFESSIONAL DEVELOPMENT

93

During the year, the Mayor and Councillors did not attend any induction training course, induction refresher course or supplementary induction course.

The following Councillors participated in an ongoing professional development program:

- Cr Angela Burrill
- Cr Elaine Keenan
- Cr Leon Goltsman
- Cr Paula Masselos
- Cr Marjorie O'Neill.

There were 12 seminars, circulars and other activities that were delivered as part of the ongoing professional development program.

## GENERAL MANAGER AND SENIOR STAFF REMUNERATION

In 2018–19, Council employed six senior staff as identified under the Local Government Act. The six staff included the General Manager, three Directors, Chief Financial Officer and General Counsel. The positions of the Chief Financial Officer, General Counsel and one Director were filled in April 2019. One Director position was filled under acting arrangements during the year.

Position	Total remuneration including all benefits (\$)
General Manager	375,210
Senior Staff	992,188
Total	1,367,399

The total remuneration includes:

- I. The total value of the salary component of their packages
- II. The total amount of any bonus payments, performance payments or other payments made that do not form part of the salary component of their packages
- III. The total amount payable by Council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor
- IV. The total value of any non-cash benefits for which any of them may elect under the package
- V. The total amount payable by Council by way of fringe benefits tax for any such non-cash benefits organisation.

# REPORT ON INFRASTRUCTURE ASSETS

\$'000 Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	*2018–19 Required maintenance	2018–19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)
<b>BUILDINGS</b>						
Council Offices/ Administration Centres	187	187	666	759	12,194	24,585
Council Works Depot –	–	–	749	687	8,954	10,984
Council Public Halls	625	625	186	191	24,958	69,439
Libraries	–	–	598	567	22,891	36,841
Cultural Facilities	82	82	1,346	1,359	13,303	21,183
Other Buildings	393	393	1,316	1,542	50,148	78,887
Specialised Buildings	13	13	472	558	4,749	6,790
<b>Sub-total</b>	<b>1,300</b>	<b>1,300</b>	<b>5,333</b>	<b>5,663</b>	<b>137,197</b>	<b>248,709</b>

<b>OTHER STRUCTURES</b>						
Other structures	443	443	292	337	16,214	27,335
<b>Sub-total</b>	<b>443</b>	<b>443</b>	<b>292</b>	<b>337</b>	<b>16,214</b>	<b>27,335</b>

<b>ROADS</b>						
Sealed roads	466	466	1,829	1,888	56,721	82,428
Footpaths	83	83	2,603	2,908	35,714	51,139
Other road assets	62	62	2,914	2,718	16,465	27,977
Sealed roads structure	–	–	–	–	67,502	144,667
Kerb and Gutter	833	833	101	79	65,759	96,802
<b>Sub-total</b>	<b>1,444</b>	<b>1,444</b>	<b>7,447</b>	<b>7,593</b>	<b>242,161</b>	<b>403,013</b>

Notes \* Required maintenance is the amount identified in Council's asset management plans.



\$'000 Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2018/19 Required maintenance	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)
<b>STORMWATER DRAINAGE</b>						
Stormwater drainage	150	150	399	455	18,079	25,747
Stormwater Conduits	–	–	–	–	72,903	112,769
Sub-total	150	150	399	455	90,982	138,516
<b>OPEN SPACE/ RECREATIONAL ASSETS</b>						
Swimming pools	2,261	2,261	6,172	6,053	69,293	108,838
Sub-total	2,261	2,261	6,172	6,053	69,293	108,838
Total - All Assets	5,598	5,598	19,643	20,101	555,847	926,411

\$'000	Amounts 2019	Indicator 2019	Prior Periods	
			2018	2017
Buildings and infrastructure renewals ratio				
Asset renewals (2)	14,390	82.57%	94.13%	77.08%
Depreciation, amortisation and impairment	17,428			
Infrastructure backlog ratio (1)				
Estimated cost to bring assets to a satisfactory standard	5,598	1.01%	1.05%	1.10%
Net carrying amount of infrastructure assets	555,847			
Asset maintenance ratio				
Actual asset maintenance	20,101	102.33%	94.25%	98.24%
Required asset maintenance	19,643			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	5,598	0.60%	0.64%	0.69%
Gross replacement cost	926,411			

Notes \*All asset performance indicators are calculated using the asset classes identified in the previous table. (1) Excludes Work In Progress (WIP). (2). 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.

96

**INFRASTRUCTURE ASSET CONDITION ASSESSMENT 'KEY'**

1	Excellent/Very Good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

\$'000 Asset Category	Assets in condition as a percentage of gross replacement cost				
	1	2	3	4	5
<b>BUILDINGS</b>					
Council Offices/ Administration Centres	0%	28%	69%	3%	0%
Council Works Depot	99%	0%	0%	1%	0%
Council Public Halls	26%	0%	71%	3%	0%
Libraries	0%	100%	0%	0%	0%
Cultural Facilities	83%	0%	16%	1%	0%
Other Buildings	11%	65%	22%	2%	0%
Specialised Buildings	83%	7%	10%	0%	0%
<b>Sub-total</b>	<b>24.5%</b>	<b>38.4%</b>	<b>35.3%</b>	<b>1.9%</b>	<b>0.1%</b>

<b>OTHER STRUCTURES</b>					
Other structures	60%	22%	12%	6%	0%
<b>Sub-total</b>	<b>60%</b>	<b>22%</b>	<b>12%</b>	<b>6%</b>	<b>0%</b>

<b>ROADS</b>					
Sealed roads	41%	51%	6%	2%	0%
Footpaths	56%	30%	13%	1%	0%
Other road assets	49%	41%	9%	1%	0%
Sealed roads structure	0%	0%	100%	0%	0%
Kerb and Gutter	50%	34%	13%	3%	0%
<b>Sub-total</b>	<b>30.9%</b>	<b>25.3%</b>	<b>42.5%</b>	<b>1.3%</b>	<b>0.6%</b>

<b>STORMWATER DRAINAGE</b>					
Stormwater drainage	29%	68%	3%	0%	0%
Other	14%	70%	16%	0%	0%
<b>Sub-total</b>	<b>16.8%</b>	<b>69.6%</b>	<b>13.6%</b>	<b>0.0%</b>	<b>0.0%</b>

<b>OPEN SPACE/ RECREATIONAL ASSETS</b>					
Swimming pools	41%	37%	20%	2%	0%
<b>Sub-total</b>	<b>41%</b>	<b>37%</b>	<b>20%</b>	<b>2%</b>	<b>0%</b>
<b>Total - All Assets</b>	<b>29.1%</b>	<b>36.7%</b>	<b>32.7%</b>	<b>1.5%</b>	<b>0%</b>

# GOVERNMENT INFORMATION (PUBLIC ACCESS)

The *Government Information (Public Access) (GIPA) Act 2009* requires councils to prepare an Annual Report on their obligations under the Act. Here is a summary of Council's Access to Information Applications for 2018–19. No reviews were carried out under Section 7(3) of the GIPA Act 2009

A total of 28 applications (including withdrawn applications but not including invalid applications) were received during the year. No applications were refused wholly or partly because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure).

**TABLE A:**  
**NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME\***

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Informa- tion not Held	Informa- tion Already Avail- able	Refuse to Deal with Applica- tion	Refuse to Con- firm/ Deny whether informa- tion is held	Applica- tion With- drawn	Total	% of Total
Media	1	0	1	0	0	0	0	1	3	10%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	1	1	0	0	0	0	0	0	2	7%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal represen- tative)	4	10	0	0	0	0	0	1	15	50%
Members of the public (other)	2	7	0	0	0	0	0	1	10	33%
<b>Total</b>	<b>8</b>	<b>18</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>30</b>	
<b>% of Total</b>	<b>27%</b>	<b>60%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>10%</b>		

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



98

**TABLE B:  
NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME**

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Informa- tion not Held	Informa- tion Already Available	Refuse to Deal with Applica- tion	Refuse to Confirm/ Deny whether informa- tion is held	Applica- tion With- drawn	Total	% of Total
Personal information applications*	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	8	18	1	0	0	0	0	3	30	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	8	18	1	0	0	0	0	3	30	
% of Total	27%	60%	3%	0%	0%	0%	0%	10%		

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

**TABLE C:  
INVALID APPLICATIONS - NIL**

**TABLE D:  
CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST  
DISCLOSURE: NIL**

**TABLE E:**  
**OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED**  
**IN TABLE TO SECTION 14 OF ACT**

	Number of times consideration used*	% of Total
Responsible and effective government	1	3%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	23	77%
Business interests of agencies and other persons	6	20%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
<b>Total</b>	<b>30</b>	

**TABLE F:**  
**TIMELINESS**

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	28	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
<b>Total</b>	<b>28</b>	

**TABLE G:**  
**NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT**

	Decision varied	Decision upheld	Total	% of Total
Internal review	1	0	1	50%
Review by Information Commissioner*	0	0	0	0%
Internal review following recommendation under section 93 of Act	0	0	0	0%
Review by NCAT	1	0	1	50%
<b>Total</b>	<b>2</b>	<b>0</b>	<b>2</b>	
<b>Total</b>	<b>100%</b>	<b>0%</b>		

**TABLE H:  
NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT**

	Number of applications for review	% of Total
Applications by access applicants	2	100%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
<b>Total</b>	<b>2</b>	

**TABLE I:  
APPLICATIONS TRANSFERRED TO OTHER AGENCIES - NIL**

The following information was proactively released under Section 7(3) of the Act:

1. Review of Environmental Factors (REF) reports
2. Geospatial information in online maps:
  - a. Accessibility map: Information on accessible transport options, location of stairs, seats and toilets to help visitors who require these services
  - b. Environmental map: Information on vegetation cover, heat island effect, biodiversity corridors and bush care locations
  - c. Public map: General information about local services, including location of community centres, venue hire, public Wi-Fi, childcare centres, schools, toilets, buildings parking and dog parks
  - d. Planning map: Information on local planning controls such as zoning, heritage and flood relating to your property from Council's Local Environmental Plan (LEP) and Development Control Plan (DCP).
3. Bondi Junction Cycleway and Streetscape Upgrade Review of Environmental Factors Report
4. Notts Avenue Safety and Streetscape Upgrade Concept Design
5. Bronte Village Centre Upgrade Review of Environmental Factors Report
6. Campbell Parade Streetscape Stage 1 Consultation (Pre-design)
7. Seven Ways Streetscape Upgrade Concept Design.

## PUBLIC INTEREST DISCLOSURES

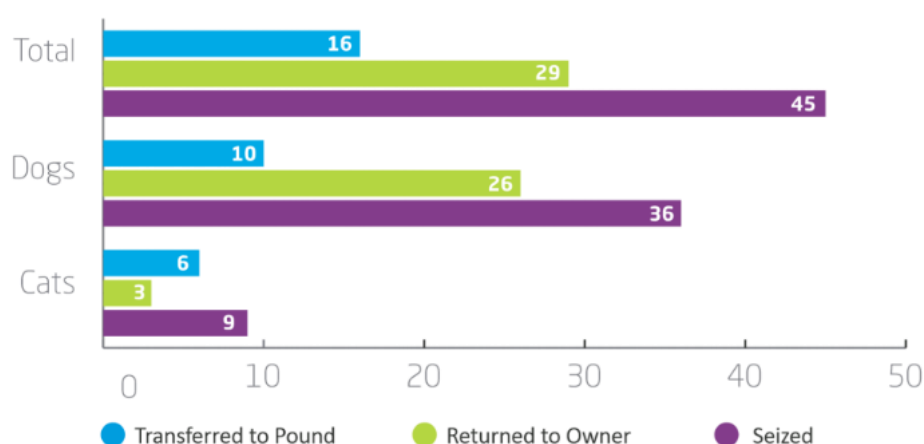
In 2018–19, there were no public interest disclosures received by Council. Twelve public interest disclosure officers were appointed and trained. All new staff orientation includes orientation sessions on Public Interest Disclosures.



# COMPLIANCE WITH THE COMPANION ANIMALS ACT AND REGULATION

The statement on activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation for this year includes:

- Forty five animals were seized, 29 were returned to the owners and 16 were transferred to Council's pound facility
- Seventeen dog attacks were reported during the year
- An amount of \$11,353 was spent on dog holding and kennelling charges, \$1925 was spent on companion animal training.



Council Rangers, Companion Animal Officer and Customer Service staff provide ongoing public education in relation to responsible dog ownership. This includes training sessions on registration, microchipping and control of animals in public. Rangers undertake daily patrols of popular dog walking areas and speak with owners to ensure responsible dog ownership. Council provides responsible pet ownership information at [waverley.nsw.gov.au/residents/animal\\_services/responsible\\_dog\\_ownership](http://waverley.nsw.gov.au/residents/animal_services/responsible_dog_ownership).

Council continues to encourage the de-sexing of dogs and cats

by offering significantly reduced registration fees for de-sexed dogs and cats. Council uses a pound facility with a 'low kill' policy in place and seeks authorisation from Council before any euthanasia is carried out (except in emergency situations).

Council provides a number of off-leash areas throughout the area.

**The 24 hour dog off-leash areas are at the following parks:**

1. Varna Park, Waverley
2. Raleigh Reserve, Dover Heights
3. Diamond Bay Reserve, Vaucluse
4. Dickson Park, Bondi

5. Hugh Bamford Reserve, Dover Heights
6. Waverley Park, Bondi Junction
7. Queens Park (managed by Centennial Parklands)

**The timed off-leash areas are at:**

1. Marks Park, Tamarama
2. Bronte Park, Bronte

## 102 AMOUNT INCURRED IN LEGAL PROCEEDINGS

Council spent a total of \$1,177,485 on legal appeal proceedings.

Under the provisions of the *Environmental Planning and Assessment Act 1979*, \$658,469 was spent for legal representation and \$362,790 for external expert consultants. Council received an amount of \$107,870 as Section 8.15 costs under the *Environmental Planning and Assessment Act*.

Council spent \$136,126 on civil enforcement proceedings. The details of legal proceedings related to civil enforcement proceedings is set out below.

The details of legal proceedings related to civil enforcement proceedings is set out below:

Property	Issue	Status	Results
19 Boonara Avenue, Bondi	Civil enforcement proceedings	Ongoing	

A total of \$20,099 was incurred on legal appeal proceedings related to companion animals, health and safety matters and regulatory control. These cases were finalised.

The details of legal proceedings related to planning matters is set out below:

Property	Issue	Status	Results
Sydney Football Stadium appeal	Class 4 Judicial Review Minister for Planning Approval	Finalised	Appeal dismissed. Costs yet to be determined
1 Sir Thomas Mitchell Road, Bondi Beach	Class 1—Deemed refusal	Finalised	Appeal upheld with conditions and costs
71 Beach Road n/as 99-111 Glenayr Avenue, Bondi Beach	Class 1—refusal	Finalised	Section 34 Agreement—Appeal upheld with conditions
19 Dellview Street, Tamarama	Class 1—Refusal	Finalised	Dismissed with costs
585 Old South Head Road, Rose Bay	Class 1—Deemed refusal	Finalised	Dismissed with costs
246–248 Campbell Parade, Bondi	Class 1—Refusal	Finalised	Section 34 Agreement—Appeal upheld with conditions and costs
7 Bulga Road, Dover Heights	Class 1—Refusal	Finalised	Appeal upheld with conditions
48–50 Penkivil Street, Bondi	Class 1—Refusal	Finalised	Section 34 Agreement—Appeal upheld with conditions and costs
51 Lancaster Road, Dover Heights	Class 1—Deemed refusal	Finalised	Section 34 Agreement—Appeal upheld with conditions
20 Loombah Road, Dover Heights	Class 1—Refusal	Finalised	Section 34 Agreement—Appeal upheld with conditions and costs
63 Fletcher Street, Tamarama	Class 1—Refusal	Ongoing	
129 Blair Street, North Bondi	Class 1—Refusal	Finalised	Appeal upheld with amended plans

## Legal proceedings related to planning matters continued...

Property	Issue	Status	Results
14 Fletcher Street, Bondi	Class 1–Deemed refusal	Finalised	Section 34 Agreement–Appeal upheld with conditions and costs
286 Military Road, Dover Heights	Class 1–Decision of condition 13	Finalised	Discontinued
16 Military Road, North Bondi	Class 1–Deemed refusal	Ongoing	
10 Kimberley Street, Vaucluse	Class 4–Failure to comply with order to demolish or remove the cabling and satellite dish mounted on the rear skillion roof of the dwelling	Finalised	Consent order filed with costs
701–707 Old South Head Road, Vaucluse	Class 1–Refusal	Finalised	Section 34 Agreement–Appeal upheld with conditions
425 Bronte Road, Bronte	Class 1–Deemed Refusal	Finalised	Section 34 Agreement–Appeal upheld with conditions
286 Military Road, Dover Heights	Class 4–Judicial Review Decision on condition 13	Finalised	Dismissed
63 Fletcher Street, Tamarama	Class 1–Deemed Refusal	Ongoing	
625–627 Old South Head Road, Rose Bay	Class 1–Deemed Refusal	Finalised	Section 34 Agreement–Appeal upheld with conditions and costs
132 Warners Avenue, Bondi Beach	Class 1–Appeal against a General Order in relation to demolition of a cool room	Finalised	Discontinued
21 Thompson Street, Tamarama	Class 1–Refusal	Finalised	Dismissed
97 Glenayr Avenue, Bondi Beach	Class 1–Deemed Refusal	Finalised	Section 34 Agreement–Appeal upheld with conditions and costs
139 Oxford Street, Bondi Junction	Class 1–Deemed Refusal	Ongoing	
1 Marroo Street, Bronte	Class 1–Deemed Refusal	Ongoing	
25 Glasgow Avenue, Bondi Beach	Class 1–Refusal	Finalised	Appeal upheld
42 Bennett Street, Bondi	Class 1–Refusal	Finalised	Dismissed
154 Ramsgate Avenue, North Bondi	Class 1–Deemed Refusal	Ongoing	
18 Leichhardt Street, Bronte	Class 1–Against condition A2	Finalised	Section 34 Agreement–Appeal upheld with conditions and costs
Shop 6, 767–771 Old South Head Road, Vaucluse	Class 1–Refusal	Ongoing	
Shop 7 and 8, 767–771 Old South Head Road, Vaucluse	Class 1–Refusal	Ongoing	



## Legal proceedings related to planning matters continued...

Property	Issue	Status	Results
10 Marne Street, Vaucluse	Class 1–Deemed Refusal	Ongoing	
164–166 Hastings Parade, North Bondi	Class 1–Deemed Refusal	Finalised	Discontinued
607–609 Old South Head Road, Rose Bay	Class 1–Deemed Refusal	Ongoing	
463–467 Bronte Road, Bronte	Class 1–Deemed Refusal	Ongoing	
9 Philip Street, Bondi	Class 1–Deemed Refusal	Ongoing	
59 Brighton Boulevard, Bondi	Class 1–Refusal	Ongoing	
21 Busby Parade, Bronte	Class 1–Deemed Refusal	Ongoing	
21 Waverley Crescent, Bondi Junction	Class 1–Deemed Refusal	Ongoing	
134–138 Campbell Parade, Bondi Beach	Class 1–Deemed Refusal	Ongoing	
20–24 Hall Street, Bondi	Class 1–Refusal	Ongoing	
28-34, 36, 38, 40–42 Bronte Road and 84 Ebley Street Bondi Junction	Class 1–Deemed Refusal	Ongoing	
6 Ashley Street, Tamarama	Class 1–Deemed Refusal	Ongoing	
657 Old South Head Road, Rose Bay	Class 1–Deemed Refusal	Ongoing	
163 Birrell Street, Waverley	Class 1–Deemed Refusal	Ongoing	
28 Barclay Street, Waverley	Class 1–Refusal	Ongoing	
5–11 Hollywood Avenue, Bondi Junction	Class 1–Deemed Refusal	Ongoing	
278–282 Birrell St, Bondi	Class 1–Deemed Refusal	Ongoing	
43–45 Hall Street, Bondi Beach, NSW 2026	Class 1–Refusal	Ongoing	
6 Wolaroi Crescent, Tamarama	Class 1–Failure to comply with order to stop works to rear pool	Finalised	Discontinued
21 Thompson Street, Tamarama	Class 4–Summons commencing an appeal– Section 56A of the <i>Land and Environment Court Act 1979</i>	Ongoing	
27 Paul Street and 8–10 Council Street, Bondi Junction	Class 1–Deemed Refusal	Ongoing	
463–467 Bronte Road, Bronte	Class 1–Refusal	Ongoing	
5–9 Castlefield Street, Bondi	Class 1–Deemed refusal	Ongoing	

# PROGRESS AGAINST EQUAL EMPLOYMENT OPPORTUNITY (EEO) MANAGEMENT PLAN

Actions	Outcome	Progress Comments
<b>Priority 1: People with disability</b>		
Review recruitment, selection criteria and recruitment methods to remove barriers and improve opportunities to support a diverse workforce	Review completed and recommendations implemented	An assistance requirement selection option is incorporated into EziSuite, Council's recruitment and selection tool to support candidates requiring assistance for interview. All job advertisements carry the following EEO statement: <i>"Waverley Council is committed to providing equal employment opportunities to all candidates. We encourage applications from women and men from diverse groups, including, but not limited to, Aboriginal and Torres Strait Island people; people from culturally diverse backgrounds; young people; older workers; people with disabilities; LGBTIQ; and other minority groups"</i>
Provide reasonable adjustments to allow a person with individual needs to be accommodated in the workplace	Adjustments reviewed and implemented	Budget is allocated to make adjustments to accommodate individual needs of staff with a disability
Review and implement accessibility recommendations to Council premises and facilities	Review completed and recommendations implemented	This activity is carried over to 2019–20 for implementation
Partner with disability networks and specialist agencies to increase applications received from people with disability	Partnerships established and used in recruitment	An eLearning package was purchased from Australian Network for Disabilities (AND) to train staff to improve awareness and confidence in the area. Negotiations commenced with Australian Network on Disability to assist in increasing Council's visibility as a disability friendly employer
<b>Priority 2: Aboriginal and Torres Strait Islander People</b>		
Prepare and Implement an Aboriginal and Torres Strait Islander Employment Strategy in line with Reconciliation Action Plan deliverables	90 per cent of the annual programs implemented	Waverley's draft Innovate Reconciliation Action Plan 2019–2021 was submitted to Reconciliation Australia for endorsement. The ATSI employment strategy will be prepared in line with the Reconciliation Action Plan
Provide networking opportunities for Aboriginal and Torres Strait Islander (ATSI) staff	ATSI staff satisfaction with availability of support systems	Preliminary discussions to understand staff networking expectations indicate there is no interest for networking. The current broader inclusive approach to all staff meets employee expectations
Engage employees in continuous cultural learning opportunities to increase understanding and appreciation of Aboriginal and Torres Strait Islander cultures, histories and achievements	Staff training completed	This activity is carried over to 2019–20.

Actions	Outcome	Progress Comments
<b>Priority 3: Culturally and Linguistically Diverse(CALD) People</b>		
Provide staff from culturally and linguistically diverse backgrounds with courses and programs that supports career progression	Staff training completed	English classes were offered based on staff request. An online learning program was provided for staff with disabilities. A Training calendar outlining new project management courses was developed
Provide literacy support programs for staff who are predominantly from diverse cultural backgrounds including outdoor staff	Staff training complete	An IT Foundation course on computer literacy was delivered for outdoor staff
Investigate cultural barriers affecting staff and develop support strategies	Investigation completed and support strategies implemented	Mentoring programs specifically designed for Council's female employees are made available
Review and update training material to meet the needs of CALD staff e.g. use of graphics for Workplace Health and Safety instructions	Training material updated	Council's training materials are prepared in alignment with common core standards
<b>Priority 4: Women</b>		
Encourage a culture that promotes women in management roles	Women at all levels of the organisation believe they have equal opportunity as their male counterparts for promotion	Council is successful in providing management opportunities to women, 33 per cent of the Senior Executive are female and 46 per cent of Executive Managers are female
Formalise involvement of women in senior management, coaching and mentoring other women within Council, to support career progression	Increase in coaching/ mentoring opportunities for women in senior management	An organisation-wide mentoring program is prepared. As part of the broader program for all staff, specialised forums for women will be facilitated. Initial scoping of this project is underway and is planned to be launched in 2019–20
Promote success stories of women in leadership and non-traditional roles through website and other media	Success stories published	This project will be implemented in 2019–20
Attract women applicants to non-traditional areas of work	Increase in applications received from women in non-traditional areas of work(*Non-traditional positions are generally classified as professions demonstrated to be dominated by male workers, such as engineers, open spaces officers, resource recovery, IT, construction, lifeguards and facilities).	Of the total 2,794 job applications received in the last 12 months, 1,293 applications were from female candidates. Of the total number of candidates shortlisted for interviews, 46 per cent were female. However, only 10.52 per cent of total applications for non-traditional areas were from female candidates, 7.6 per cent of appointments to these roles were made to females. While this demonstrates that female applicants to Council are successful in being appointed to non-traditional roles, it highlights a need for further work on attracting female applicants to non-traditional roles.



Actions	Outcome	Progress Comments
Investigate opportunities to transition women back to workforce	Recommendations report completed	<p>Council revised its Parental Leave Guidelines to allow more flexibility in sharing primary care for a child. This is expected to encourage women to transition back to the workforce sooner.</p> <p>Council considers all requests for flexible work arrangements, including reduced hours and work from home, to assist women to transition back to work from parental leave and to assist with childcare commitments.</p> <p>Council prepared a new Domestic and Family Violence Guidelines to provide pathways to support employees experiencing domestic and family violence, including measures to support people returning to/continuing work</p>

#### Priority 5: Youth

Develop an integrated framework that formalises procedures for developing and recruiting student placements, work experience opportunities and trainee and apprenticeship placements	10 young people engaged in work experience/ apprenticeships/ internships/traineeships	The Integrated Framework document was prepared to formalise procedures. Further work will be undertaken in 2019–20 to finalise the document
Partner with schools, universities and youth organisations to provide opportunities for youth	Four partnerships established	Council has partnerships with Australian Apprenticeships and Randwick TAFE for Childcare traineeship positions and with Australian Training Organisation for lifeguard trainees. Further formal partnerships will be established in the second year of the Integrated Framework in 2020

#### Priority 6: Ageing Workforce

Develop support mechanisms for ageing/mature staff to start career planning and post career options including retirement planning that meets the needs of individual employees	Career transition options available for retiring staff	Staff consultation to support policy preparation is planned and will be implemented in 2019–20. The policy will drive the formation of an alumni network
Prepare and implement an ageing strategy to address workforce issues	90% of the annual programs implemented	
Form an alumni network that recognises and provides opportunities for highly skilled employees post retirement		

Actions	Outcome	Progress Comments
<b>Priority 7: Fair and non-discriminatory work practises</b>		
Implement training and awareness programs for staff to improve EEO understanding	Trainings implemented	New staff induction includes training on EEO. Specific trainings such as Code of Conduct and other policy orientation addresses elements of EEO
Embed a work culture that respects, values and celebrates diversity and measures individual EEO performance through SAPA process	Council's performance assessment process measures behaviour consistent with EEO principles  Increase in number of employees demonstrating understanding of EEO through their work that meets or exceeds expectations	This is carried over for implementation in 2019–20
Review and update flexible work place policy to meet the needs of a diverse workforce including primary carers, young people and ageing workforce	Policy adopted	Council has a Flexible Workplace Policy in place. Parental Leave Policy was revised to allow more flexibility in sharing primary care for a child. Policy review to ensure standards will be an ongoing process
Review and update relevant policies, processes and systems to support EEO needs (Parental Leave Guidelines, Pay Policy, Recruitment Guidelines, Reward and Recognition Guidelines and Working from Home Guidelines)	Review completed and recommendations implemented	Parental Leave Policy was reviewed and updated. The remaining policies and guidelines will be reviewed on an ongoing basis. A salary structure review project is initiated
Provide employment opportunities for a diverse workforce through secondments, mentoring, coaching, traineeships and work experience	Opportunities identified and promoted	Seven trainees were employed with Council in 2018–19. Five trainees were funded by the NSW Department of Industry Elsa Dixon Aboriginal Employment Program. An Organisational Leadership Framework has been prepared. The implementation of this framework will provide more opportunities for staff
Monitor implementation of Respectful Work Place policy and its implementation through a range of methods including exit interviews	Positive behaviour recognised and unacceptable behaviour addressed in line with Councils policies	Positive behaviour is recognised through Skills and Performance Assessment process and Staff Recognition awards. Unacceptable behaviour that is reported is investigated and necessary actions taken
Establish mechanism to gather EEO data on an ongoing basis and analyse EEO data for decision making	Annual EEO survey completed	This is carried over for implementation in 2019–20
Promote people's success stories across the organisation	EEO stories published	Pipeline staff newsletter publishes positive stories of staff

# PROGRESS REPORT - DISABILITY INCLUSION ACTION PLAN 2018–19

## Legend

- Completed actions or projects
- On track (These are multi-year projects or actions in most instances)
- Not met are actions or projects that are not completed or delayed for completion





## FOCUS AREA 1: INCLUSIVE ATTITUDES AND BEHAVIOURS

Council values and supports inclusive attitudes and behaviours across Council and the community

Key Actions/Projects in 2018–19	Status	Comments
Deliver a community awareness program with partner agencies to promote inclusive attitudes and increase understanding of hidden disability	<span style="color: green;">●</span>	<p>Three Youth Mental Health First Aid (YMHFA) sessions were held in partnership with South Eastern Sydney Local Health District, local sporting clubs and Bronte and Bondi Surf Life Saving Clubs. YMHFA is designed to skill people who connect frequently with young people with knowledge and skills to identify mental health problems early, and link young people to appropriate treatment and support.</p> <p>Council worked with the Eastern Suburbs Youth Services Network, Eastern Suburbs Homeless Coalition and Inner City and Eastern Suburbs Ageing and Disability Interagency to assist providers to help people with mental health and psychosocial disabilities to access National Disability Insurance Scheme (NDIS) services and mainstream organisations.</p> <p>Waverley Community Living Program participants are working on a video project to voice their opinions about inclusive practice and develop skills for self-advocacy. The video will capture individual personal stories on topics such as bullying, stigmas, relationships and inclusion and will be used as a promotional tool to educate Council staff and the community on how to be more inclusive for people with disability</p>
Increase visibility of people with disability in Waverley Council publications, website and promotional materials	<span style="color: green;">●</span>	<p>A positive image library was created to assist Council to better reflect the diversity of the community in its publications.</p> <p>An easy to read version of the Waverley Disability Inclusion Action plan and Regional Framework was produced to assist all members of the community to understand Council's inclusion priorities.</p>




110

Key Actions/Projects in 2018–19	Status	Comments
Integrate disability awareness training into Council's Learning and Development Framework for induction and ongoing training		Council purchased the Australian Network on Disability's e-learning module, Disability Confident Workforces. This will be rolled out in 2019–20 through Council's Learning Hub
Provide ongoing opportunities for staff to develop knowledge and skills to apply access and inclusion principles and practices within their key job responsibilities		Thirteen staff participated in training to integrate inclusive practices within their work including playground access audits, NDIS worker orientation, supported decision making and risk enablement and create easy English documents
Continue to award good practice in access and inclusion through Council's Local Business Awards		Council is currently reviewing the Business Awards to include a stronger focus on awarding businesses for inclusive practices
Promote the commercial benefits to local business of inclusive business and employment practices		Council adopted the Waverley Sustainable Visitation Strategy 2024. A priority action is the development of an Inclusive Tourism Plan to raise awareness and assist businesses and tourism operators, to take steps to improve their services within the inclusive tourism market.

## FOCUS AREA 2: LIVEABLE COMMUNITIES




- 2.1. People of all abilities have opportunities to live independent lives in their community and to connect, engage and make choices about the services they access.

Key Actions/Projects in 2018–19	Status	Comments
Develop business models of excellence for Waverley's services for older people, people with disability and children		<p>Waverley Community Living Program (WCLP) increased the number of participants accessing the service. Staff work with participants to deliver support and services to meet participants individual goals and provided a progress report on their achievements.</p> <p>Waverley Community and Seniors Centre developed a Wellness and Reablement Plan to meet the new requirements of the Australian Department of Health. More than 100 centre users were consulted to identify priorities to inform the plan and program. The Centre continues to build wellness and reablement approaches into the operations of the Centre. Council's family and children's services continue to support children with additional needs. Families are also assisted to access specialist services as needed.</p> <p>Council surveyed residents to identify improvements that could enhance the accessibility of Council Service Centres. Of the total responses received, 87 per cent responses indicated that Council information and services were accessible, however, some respondents were not aware of services such as the Translating and Interpreting Service for non-English speakers, the National Relay Service for people who are deaf, hard of hearing or have speech impairment and the discounted Carers Parking Permit. An action plan was developed to promote Council services that assist people with specific needs.</p>






## FOCUS AREA 2: LIVEABLE COMMUNITIES

111

2.1. continued....




Key Actions/Projects in 2018–19	Status	Comments
Increase the delivery of access and inclusion initiatives in the region by working with partner agencies and promoting Council's small grants program		<p>A new Carers Parking Permit provides a discount to support people who rely on a carer for day-to-day support. A review resulted in the expansion of the eligibility criteria and a strategy to target promotions at key Council locations.</p> <p>Council's Grant Program provided approximately \$400,000 to community organisations to deliver core community services and innovative projects in the Waverley Local Government Area.</p> <p>The small grants supported inclusion of people with disability through programs such as Sculptures by the Sea - Tactile Tours, Soccajoeys Next Step and positive ageing initiatives for older people</p>
Promote information to help people better understand consumer directed care and to exercise choice and control in choosing services		<p>A regional Disability Expo was held in June 2019 in partnership with Waverley Council, City of Sydney and Randwick City Council, 50 stall holders participated with approximately 700 people attending. Stall holders included National Disability Insurance Agency, Local Area Coordinators, Councils, disability providers including employment and mental health providers, sporting organisations and mainstream providers, 73 per cent of people said that as a result of the Expo they are more aware of community and specialist disability services available in their area and 93 per cent of people said the information obtained at the Expo was helpful to them.</p> <p>A number of outreach information services were held at key locations including AbilityLinks service desk at the library to inform people about NDIS and other mainstream supports available to Council's Customer Service desk at the Waverley Community and Seniors Centre</p>
Develop and publish access maps for major centres, detailing continuous paths of travel, accessible toilets, equipment and mobility parking		Online maps were developed to show the location of mobility parking and accessible toilet facilities in the area. An audit was completed on four public toilet sites to inform the National Toilet Map. The audit will continue in 2019.

## 2.1.continued...


Key Actions/Projects in 2018–19	Status	Comments
Review event management processes and procedures to increase the accessibility and inclusiveness of events held in the region		Council is currently undertaking a review of the Event Policy framework. An Event Management Policy and Guidelines form part of the review
Increase and promote recreational, social and cultural programs that are inclusive accessible		Fitness classes are run for people over 50 years at Margaret Whitlam Recreation Centre and Waveley Community and Seniors Centre. The Senior Centre caters for varying levels of fitness, provides opportunities for lifelong learning and to socialise. Creative art classes are offered to people with disability. Waverley Library's Home Library Program services 155 people and 12,086 library items were delivered to these members. Seventy eight sessions including Seniors Week activities were held for seniors. An Open Space Recreation Strategy is being prepared to inform the long-term planning and development direction of open space and recreation in the Waverley LGA. Universal design is one of the key principles that underpins the plan. An accessible play study is in development to provide strategic direction on how to make play spaces more inclusive when they are upgraded, in accordance with the Play Space Strategy
Maintain Waverley's social housing program for older people and people with a mild intellectual disability and continue to advocate to NSW Government for increased diversity of housing stock that is affordable and accessible		Council's Housing for Older People Program continues to provide secure affordable rental housing for 55 older Waverley residents on very low incomes, with more than half of the tenants being from a non-English speaking background. Council also provides accommodation for nine people with an intellectual disability. An independent survey of tenant satisfaction was carried out by NSW Federation of Community Housing Providers and Council's tenants were included for the first time this year. 50 per cent of tenants participated and their overall satisfaction rating for tenants in Council's programs was 92 per cent, with 89 per cent of respondents reporting that their housing provides security and stability in their lives and supports their health and wellbeing
Explore options to mandate universal housing design standards in Councils urban planning policy and work with partner agencies to showcase universal housing design initiatives		Council made a submission to the Australian Building Codes Board, Accessible Housing Project which is examining options for the inclusion of minimum accessibility standards for housing in the National Construction Code
Continue to advocate for and support housing and homelessness partnerships and initiatives to deliver housing outcomes.		Council convened the Eastern Suburbs Homeless Coalition and supported the Eastern Suburbs Homeless Assertive outreach Collaboration to monitor strategies that address homelessness. Two street counts were held. The number of people sleeping rough have been stable for the last few years. Council's strong working relationships with the Homeless Outreach Support Team and specialist homelessness services has assisted people to access housing and support services. This approach continues to work well as a coordinated response to a complex social issue.



- 2.2. All new Council assets, buildings and open spaces are designed to be fully accessible and Council proactively manages the built environment to meet our diverse community needs now and in the future.

Key Actions/Projects in 2018–19	Status	Comments
Design all new Waverley Council assets, buildings and open spaces to disability access standards and universal design principles		<p>Universal design that features accessibility were incorporated into the concept design of the South Bronte Amenities and Community Centre.</p> <p>Bondi Pavilion Restoration and Conservation Project is in the final stages before construction. An independent access consultant completed an access review of the proposed alterations and conservation works to the Bondi Pavilion. Members of Council's Access Advisory committee had input into the concept design and supports the application of universal design principles in the design and fit out of the Bondi Pavilion Restoration project.</p> <p>The upgrade of Marks Park commenced in June 2019 and includes a step free universal pathway that connects the amenities block with the playground and the accessible lookout.</p>
Continue to provide an annual capital works program to upgrade footpaths, pedestrian crossings, kerb ramps and bus shelters to universal design principles		More than four million dollars was spent on footpaths, kerb ramps and bus shelter upgrades in accordance with universal design principles. This improves access for the whole community including people with disability
Implement strategies to improve beach wheelchair loan systems and access to designated beaches		A storage facility to house beach wheelchairs and a shower was installed on the Bondi Beach promenade to provide easy access to these facilities. The construction of a new accessible ramp at the northern end of Bondi Beach has begun. Council worked in partnership with Bondi Surf Life Saving Club to seek funding from the Australian Government and AbilityLinks for additional beach matting, roll out storage equipment, and a beach wheelchair for children. Access Bondi ramp will be completed in late 2019.

- 2.3. The community is a place where people can move about easily to access services and facilities and participate in community life.

Key Actions/Projects in 2018-19	Status	Comments
Work with relevant transport agencies to improve the transport network in the region for people with disability		The Waverley Traffic Committee met regularly to discuss transport issues in the area. Actions are being progressed to improve pedestrian access as set out in Council's People, Movement and Places strategy

### FOCUS AREA 3: MEANINGFUL EMPLOYMENT

- 3.1. People of all abilities have access to meaningful employment.

Key Actions/Projects in 2018-19	Status	Comments
Opportunities for learning and skills development for adults with mild intellectual disability are provided through the Waverley Community Living Program		Waverley Community Living Program continues to provide a regular program of support for people with an intellectual disability to develop their skills and confidence, which assists people to access employment
Work with stakeholders to develop and publicise essential information on how to access employment support services		A Regional Disability Expo was held in June 2019 in partnership with City of Sydney and Randwick City Council, 50 stall holders participated which included employment agencies such as Job support, Breakthru, Disability Services Australia, Konekt Employment and TAFE NSW
Evaluate Waverley Council's employment policy and practices to remove barriers and improve opportunities to support a diverse workforce		Council's recruitment policy was reviewed and updated in 2018 to ensure all advertised positions encourage applications from people from diverse backgrounds and people with disability. Council is committed to make reasonable modifications to positions and work environments to accommodate staff with disability.

## FOCUS AREA 4: SYSTEMS AND PROCESSES

4.1. Waverley Council is an organisation that is aware of and responsive to the needs of people of all abilities.

Key Actions/Projects in 2017-18	Status	Comments
Council publications and documents are available in a diverse range of formats and the website is compliant with WCAG 2.0	●	Council's website is compliant with the Web Content Accessibility Guidelines (WCAB) 2.0. Council has included a voice over function on the website so people with vision impairment can access the information
Explore digital technology solutions and innovative communication systems such as implementing the Snap, Send, Solve App	●	Explore Waverley digital mapping has been further developed to include wayfinding functions
Identify and involve people with relevant expertise and lived experience of disability during the planning & design stages of major development and upgrades, policy development and purchase of equipment	●	<p>The Waverley Access Advisory Committee provides advice about access and inclusion initiatives. Inputs were provided into key projects such as Access Bondi and Bondi Pavilion Restoration and Conservation Project.</p> <p>Co-designed projects such as Pre-Invictus games event at Bondi Beach which highlighted the need for better access to Bondi Beach was implemented.</p> <p>WCLP participants reviewed and designed an easy English Handbook to improve pedestrian access as set out in Council's People, Movement and Places Strategy.</p>

## SWIMMING POOL INSPECTIONS

In 2018–19, one tourist and visitor accommodation was inspected.

Twenty six inspections were undertaken for premises with more than one dwellings.

Forty nine inspections resulted in the issuance of a certificate of compliance under Section 22D of the *Swimming Pool Act*.

There were 11 inspections that resulted in a certificate of non-compliance under Clause 21 of the *Swimming Pool Regulation*.

## WORKS UNDERTAKEN ON PRIVATE LAND

In 2018–19, there were no works undertaken on private land.

## RECOVERY AND THREAT ABATEMENT PLANS

Council is identified in the Eastern Suburbs Banksia Scrub Recovery Plan as responsible for implementation of weed management in York Road, Bondi Junction.



# VOLUNTARY PLANNING AGREEMENTS

VPA Application details	Details of proposal	Additional FSR	Exceedance (Sqm)	Contribution Amount	Contribution details
DA-419/2015 110–116 Bronte Road, Bondi Junction	Demolition of existing building and construction of shop top housing	3%	35	69,538	Towards Complete Streets Program project in Bondi Junction and Waverley's Affordable Housing Program
DA-89/2016 362–374 Oxford Street, Bondi Junction	Demolition of existing building and construction of mixed used building including resi, serviced apartments and ground floor retail	15%	670	2,026,313	Towards Complete Streets Program project in Bondi Junction and Waverley's Affordable Housing Program
DA-482/2016 701–707 Old South Head Rd, Vaucluse	Demolition of the four dwellings and construction of a new three level residential flat building with 17 units, associated basement parking, landscape works and strata subdivision	13%	188	517,537	To be applied towards the upgrade and improvement of Diamond Bay reserve and Waverley's Affordable Housing Program
DA-82/2016 629–631 Old South Head Road, Rose Bay	Demolition of existing buildings amalgamation of 2 Torrens title lots, construction of a four-storey residential flat building comprising 12 units and basement car parking and strata subdivision	11%	74	439,356	To be applied towards public works for the improvement and regeneration of parks and reserves in the Rose Bay/ Dover Heights area and affordable housing under Waverley's Affordable Housing Program
DA-531/2015/A 67–69 Penkivil Street, Bondi	Modification to approved RFB including internal reconfiguration, additional bay windows, enlarged basement and attic level with offer to enter a Planning Agreement	15%	277	583,152	Towards the improvement and regeneration of Waverley Park and Waverley's Affordable Housing Program.

VPA Application details	Details of proposal	Additional FSR	Exceedance (Sqm)	Contribution Amount	Contribution details
DA-578/2015/A 17 Isabel Avenue, Vaucluse	Demolition of existing building, construction of a three-storey residential flat building with basement parking and strata sub-division as modified	9%	42	125,249	To be applied towards the upgrade and improvement of Diamond Bay reserve and Waverley's Affordable Housing Program
DA-46/2018 625–627 Old South Head Road, Rose Bay	Demolition of existing dwellings, construction of new four storey residential flat building with one level of basement car parking	14%	116.5	349, 500	Towards improvement and re-generation of parks and reserves in the Rose Bay / Dover Heights area and Waverley's Affordable Housing Program
DA-206/2015 67A Roscoe Street, Bondi Beach	Construction of a four storey residential flat building with 10 units, basement car park and strata subdivision	66%	265	431,000	Towards the upgrade of the park/plaza on the corner of O'Brien Street and Glenayr Avenue, or any other works for improvement and regeneration in the vicinity and Waverley's Affordable Housing Program
DA-586/2015 2 Warners Avenue, North Bondi	Demolition of the existing dwelling and structures. Construction of three storey residential building comprising 5 x 2 bedroom units. Aluminium cladding charcoal, timber cladding, board marked concrete walls, blade render, masonry brick. Basement carparking for five vehicles. Associated landscaping.	28%	83	441,867	To be applied towards the upgrade of Baracluff Park and playground and Waverley's Affordable Housing Program.

# CONTRACTS AWARDED BY COUNCIL

In 2018–19, Council awarded the following contracts for amounts greater than \$150,000 (other than employment contracts).

Purpose	Supplier	\$ Value( incl. GST)
Bondi Junction Cycleway Construction Services	Ford Civil Contracting Pty Ltd	26,046,151*
North Bondi Civil Infrastructure Asset Renewal	Hibernian Contracting Pty Ltd	5,351,906
Bronte Village Centre Upgrade	Quality Management and Construction Pty Ltd	2,774,871
Truck Washing Services	URM Environmental Services Pty Ltd	1,800,000
Road Infrastructure Renewal Works	State Civil Pty Ltd	1,504,531
Road Resheeting Program	Downer EDI Works Pty Ltd	1,362,790
Campbell Parade Streetscape Design Services	Aspect Studios	1,324,627
LED Lighting Upgrade Council Buildings	Lowa Projects Pty Ltd	957,766
Insurance Broking Claims Management and Risk Management Service	Jardine Lloyd Thompson	852,629
Marks Park Landscape and Playground Upgrade	GJs Landscapes Pty Ltd	727,936
Supply Fitting Maintenance and Recycling of Tyres-Tubes - Trucks	Tyres4U	650,000
Road Infrastructure Renewal Works	Civeco Pty Ltd	646,162
Bondi Park Additional Amenities Design and Documentation	CHROFI	586,020
Coastal walk Fitness Station and Furniture Upgrade	Design Landscapes Pty Ltd	509,202
Road Infrastructure Renewal Works - Kerb and Gutter	Kelbon Concrete	508,218
Additional Projects within Road Resheeting Program	Downer EDI Works Pty Ltd	453,189
Waverley Park Landscape Lighting	Court Craft (Aust) Pty Ltd	424,414
Electrical Switchboard Upgrade Works	Kerfoot Pty Ltd	404,631
Boot Factory Upgrade Options Analysis	Archer Office Pty Ltd	379,390
Fire Services Tender	Hirotec Maintenance Pty Ltd	361,082
North Bondi Civil Infrastructure Renewal	Cardno (NSW/ACT) Pty Ltd	331,738
Licence agreement for Stratum Airspace for entrance foyer at Eastgate CarPark	Kmart Australia Ltd	308,635
Utility Restorations-Concrete Footpath Zone 1 2018-2019	KK Consultants Pty Ltd	298,760
A4 Storm Regenerative Air Sweeper	Garwood International Pty. Ltd.	293,920
Supply and Delivery of Tipper Trucks (Maintenance & Construction)	Hino Motor Sales Australia Pty Ltd	291,479
Concrete Roads 2018-19	Civeco Pty Ltd	278,093
Contract Oxford Street Trees & Pubic Domain Construction Works	Civeco Pty Ltd	252,118
Supply Installation and Construction of four Bus Shelters	Tom Stoddart Pty T/A Stoddart	225,670
Waverley Cemetery Building Repairs	Hibernian Contracting Pty Ltd	218,297
Utility Restorations Concrete Zone 2 -201819	Civeco Pty Ltd	212,300
Open Space and Recreation Strategy - Consultancy Services	Arup Pty Ltd	199,980
Tipper Trucks (Parks)	Hino Motor Sales Australia Pty Ltd	186,851

Notes \* The Bondi Junction Cycleway contract is a seven phased project with a Council commitment of \$2,853,613(including GST). The balance amount of \$23,192,538(including GST) is subject to state funding.



# REPORT ON SPECIAL RATE VARIATION

Under section 508A (1) of the Local Government Act 1993(the Act), Council increased its general income for the period 2011–12 to 2013–14 through a special rate variation (SRV) by 46.20%.

The income received from the Special Rate Variation (SRV) was used to fund a range of services and projects. Key services and projects funded in 2018–19 include:

Services/Projects	\$ Value( incl. GST)
22 Services including 148 subservices	133,537,000
Renewal of footpath assets	1,768,125
Bondi Park Plan of Management works - Major Capital works with Promenade restoration work, showers and lighting. Replacement of bins and accessibility features	1,285,100
Bondi Pavilion Upgrade (Fire upgrade, conservation and upgrade)	974,420
Council buildings meet greenhouse reduction targets – (LED lighting upgrades of Library, Margaret Whitlam, Mill Hill Centre, Customer Service Centre and Alexandria Integrated Facility)	901,527
Local Village Improvements - Design of major village improvements, initial phases of construction in Blake Street and Bronte Village	732,499
Bronte Park Plan of Management works (picnic shelters, revegetation, pool facility upgrade)	438,080
Flora and Fauna enhancement	393,000
Playground Upgrades - Design and/or construction at Gibson and Brown Street Reserve, Marks Park, Coastal Walk Fitness Upgrade, Barracluff Park and Playground, Marlborough Playground/Park, Clarke Reserve Improvements)	236,016
Boot Factory Remediation	177,164
Waverley Park Plan of Management works- upgrades to lighting and netball facilities, planting and turfing	174,481
Water efficiency improvements	110,000
Hugh Bamford and Williams Park Plan of management and design of new fencing	100,706
Residential streetlighting upgrade to LED	95,252
Water quality improvements	70,000
Tamarama Plan of Management works - Plantings and Revegetation at Tamarama)	59,810
Rodney Reserve Sportsfield Upgrade	39,022
Environmental Education	35,000



WAVERLEY  
COUNCIL

55 Spring St, Bondi Junction, NSW 2022  
PO Box 9 Bondi Junction NSW 1355

[info@waverley.nsw.gov.au](mailto:info@waverley.nsw.gov.au)  
[www.waverley.nsw.gov.au](http://www.waverley.nsw.gov.au)

Telephone enquiries  
General business **9083 8000**  
General fax **9387 1820**  
TTY/voice calls for hearing/speech impaired **133 677**  
After hours emergencies **9083 8000**





# ANNUAL FINANCIAL STATEMENTS

For the financial year ending 30 June 2019

**Incorporating:** General Purpose Financial Statements, Special Purpose, Financial Statements, Special Schedules



# Waverley Council

## GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019

---

*"Connect, create and celebrate our people, places and  
partnerships"*



## Waverley Council

Financial Statements 2019

### General Purpose Financial Statements

for the year ended 30 June 2019

Contents	Page
<b>1. Understanding Council's Financial Statements</b>	<b>3</b>
<b>2. Statement by Councillors &amp; Management</b>	<b>4</b>
<b>3. Primary Financial Statements:</b>	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
<b>4. Notes to the Financial Statements</b>	<b>10</b>
<b>5. Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	72
On the Financial Statements (Sect 417 [3])	75

#### Overview

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

55 Spring Street  
Bondi Junction NSW 2022

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

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

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

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

## Waverley Council

Financial Statements 2019

### General Purpose Financial Statements

for the year ended 30 June 2019

### Understanding Council's Financial Statements

---

#### Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their council and community.

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

##### 2. The Statement of Comprehensive Income

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

##### 3. The Statement of Financial Position

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

##### 4. The Statement of Changes in Equity

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

##### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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



## Waverley Council

Financial Statements 2019

## General Purpose Financial Statements

for the year ended 30 June 2019

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

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

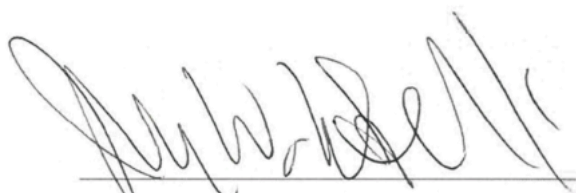
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

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

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

Signed in accordance with a resolution of Council made on 17 September 2019.



John Wakefield

Mayor

17 September 2019



Dominic Wy Kanak

Deputy Mayor

17 September 2019



Ross McLeod

General Manager

17 September 2019



Darren Smith

Responsible Accounting Officer

17 September 2019

## Waverley Council

Financial Statements 2019

## Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 <sup>1</sup>
	<b>Income from continuing operations</b>			
	<u>Revenue:</u>			
61,026	Rates and annual charges	3a	61,429	59,366
35,560	User charges and fees	3b	36,444	35,575
4,067	Interest and investment revenue	3c	5,266	4,583
20,293	Other revenues	3d	19,517	18,361
8,030	Grants and contributions provided for operating purposes	3e,3f	8,378	7,758
15,645	Grants and contributions provided for capital purposes	3e,3f	9,411	10,371
	<u>Other income:</u>			
–	Fair value increment on investment properties	10	592	8,099
144,621	<b>Total income from continuing operations</b>		<b>141,037</b>	<b>144,113</b>
	<b>Expenses from continuing operations</b>			
65,753	Employee benefits and on-costs	4a	64,349	55,865
101	Borrowing costs	4b	90	120
20,084	Materials and contracts	4c	21,666	22,387
22,729	Depreciation and amortisation	4d	20,363	19,902
26,190	Other expenses	4e	23,337	24,984
(439)	Net losses from the disposal of assets	5	3,732	3,742
134,418	<b>Total expenses from continuing operations</b>		<b>133,537</b>	<b>127,000</b>
10,203	<b>Operating result from continuing operations</b>		<b>7,500</b>	<b>17,113</b>
10,203	<b>Net operating result for the year</b>		<b>7,500</b>	<b>17,113</b>
10,203	Net operating result attributable to council		7,500	17,113
(5,442)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(1,911)</b>	<b>6,742</b>

<sup>(1)</sup> The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

## Waverley Council

Financial Statements 2019

## Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	2019	2018 <sup>1</sup>
<b>Net operating result for the year (as per Income Statement)</b>	<b>7,500</b>	<b>17,113</b>
<b>Total comprehensive income for the year</b>	<b>7,500</b>	<b>17,113</b>
Total comprehensive income attributable to Council	7,500	17,113

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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



## Waverley Council

Financial Statements 2019

## Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018 <sup>1</sup>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent assets	6(a)	14,141	18,213
Investments	6(b)	141,288	136,070
Receivables	7	7,464	6,467
Other	8	202	817
<b>Total current assets</b>		<b>163,095</b>	<b>161,567</b>
<b>Non-current assets</b>			
Investments	6(b)	24,000	17,500
Receivables	7	1,844	2,117
Infrastructure, property, plant and equipment	9(a)	936,082	940,031
Investment property	10a	158,474	154,795
<b>Total non-current assets</b>		<b>1,120,400</b>	<b>1,114,443</b>
<b>TOTAL ASSETS</b>		<b>1,283,495</b>	<b>1,276,010</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	11	20,697	20,854
Income received in advance	11	996	1,419
Borrowings	11	423	412
Provisions	12	15,322	14,555
<b>Total current liabilities</b>		<b>37,438</b>	<b>37,240</b>
<b>Non-current liabilities</b>			
Borrowings	11	2,923	3,346
Provisions	12	724	514
<b>Total non-current liabilities</b>		<b>3,647</b>	<b>3,860</b>
<b>TOTAL LIABILITIES</b>		<b>41,085</b>	<b>41,100</b>
<b>Net assets</b>		<b>1,242,410</b>	<b>1,234,910</b>
<b>EQUITY</b>			
Accumulated surplus	13a	711,018	703,518
Revaluation reserves	13a	531,392	531,392
<b>Council equity interest</b>		<b>1,242,410</b>	<b>1,234,910</b>
<b>Total equity</b>		<b>1,242,410</b>	<b>1,234,910</b>

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

## Waverley Council

Financial Statements 2019

# Statement of Changes in Equity

for the year ended 30 June 2019

	2019			2018 <sup>1</sup>		
	Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
\$ '000						
Opening balance	703,518	531,392	1,234,910	686,405	531,392	1,217,797
Net operating result for the year	7,500	–	7,500	17,113	–	17,113
<b>Total comprehensive income</b>	<b>7,500</b>	<b>–</b>	<b>7,500</b>	<b>17,113</b>	<b>–</b>	<b>17,113</b>
<b>Equity – balance at end of the reporting period</b>	<b>711,018</b>	<b>531,392</b>	<b>1,242,410</b>	<b>703,518</b>	<b>531,392</b>	<b>1,234,910</b>

<sup>(1)</sup> The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

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

## Waverley Council

Financial Statements 2019

## Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
<b>Cash flows from operating activities</b>				
<u>Receipts</u>				
60,943	Rates and annual charges		61,620	59,707
37,306	User charges and fees		37,734	37,952
3,975	Investment and interest revenue received		4,619	4,431
23,495	Grants and contributions		17,513	17,926
–	Bonds, deposits and retention amounts received		163	306
18,585	Other		17,601	23,238
<u>Payments</u>				
(61,842)	Employee benefits and on-costs		(63,430)	(58,460)
(27,740)	Materials and contracts		(24,038)	(26,608)
(123)	Borrowing costs		(101)	(122)
–	Bonds, deposits and retention amounts refunded		(51)	(126)
(21,765)	Other		(23,237)	(23,367)
32,834	<b>Net cash provided (or used in) operating activities</b>	14b	28,393	34,877
<b>Cash flows from investing activities</b>				
<u>Receipts</u>				
2,243	Sale of investment securities		125,500	126,538
439	Sale of infrastructure, property, plant and equipment		992	845
<u>Payments</u>				
(2,778)	Purchase of investment securities		(137,007)	(136,676)
–	Purchase of investment property		(1,560)	(751)
(32,664)	Purchase of infrastructure, property, plant and equipment		(19,978)	(20,310)
(32,760)	<b>Net cash provided (or used in) investing activities</b>		(32,053)	(30,354)
<b>Cash flows from financing activities</b>				
<u>Payments</u>				
(412)	Repayment of borrowings and advances		(412)	(815)
(412)	<b>Net cash flow provided (used in) financing activities</b>		(412)	(815)
(338)	<b>Net increase/(decrease) in cash and cash equivalents</b>		(4,072)	3,708
20,493	Plus: cash and cash equivalents – beginning of year	14a	18,213	14,505
20,155	<b>Cash and cash equivalents – end of the year</b>	14a	14,141	18,213
Additional Information:				
–	plus: Investments on hand – end of year	6(b)	165,288	153,570
20,155	<b>Total cash, cash equivalents and investments</b>		179,429	171,783

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



## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Basis of preparation	11
2(a)	Council functions/activities – financial information	15
2(b)	Council functions/activities – component descriptions	16
3	Income from continuing operations	18
4	Expenses from continuing operations	24
5	Gains or losses from the disposal, replacement and de-recognition of assets	28
6(a)	Cash and cash equivalent assets	28
6(b)	Investments	29
6(c)	Restricted cash, cash equivalents and investments – details	31
7	Receivables	32
8	Inventories and other assets	34
9(a)	Infrastructure, property, plant and equipment	35
9(b)	Externally restricted infrastructure, property, plant and equipment	38
10	Investment property	38
11	Payables and borrowings	40
12	Provisions	42
13	Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	45
14	Statement of cash flows – additional information	46
15	Interests in other entities	47
16	Commitments	48
17	Contingencies and other assets/liabilities not recognised	49
18	Financial risk management	52
19	Material budget variations	56
20	Fair Value Measurement	58
21	Related Party Transactions	65
22	Events occurring after the reporting date	66
23	Statement of developer contributions	66
24(a)	Statement of performance measures – consolidated results	67
	<b>Additional Council disclosures (unaudited)</b>	
24(b)	Statement of performance measures – consolidated results (graphs)	68
25	Financial review	70
26	Council information and contact details	71

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 17 September 2019. Council has the power to amend and reissue these financial statements.

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

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

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

Council is a not-for-profit entity.

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 19 – Material budget variations

and are clearly marked.

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

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 13.

##### (b) Historical cost convention

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

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

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

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

##### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

##### Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

continued on next page ...

Page 11 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 1. Basis of preparation (continued)

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7.

#### Monies and other assets received by Council

##### (a) The Consolidated Fund

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

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

- General purpose operations

##### (b) The Trust Fund

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

Trust monies and property subject to Council's control have been included in these reports.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- Staff Charitable Funds

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge

#### Goods and Services Tax (GST)

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

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

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

#### New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

##### AASB 16 Leases

AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by Council (alongside existing finance leases) with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

continued on next page ...

Page 12 of 80



## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 1. Basis of preparation (continued)

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19).

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30/6/19.

At the end of this reporting period, lease agreements currently in place will have no material impact on Council's reported position, performance and/or disclosures.

Council does not expect any impact on the financial statements from financial activities as a lessor.

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

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

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

Councils has assessed the revenue stream but particular impact is expected for grant income and rates that are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The impact of AASB15 is expected to have no material impact on Council's reported position, performance and/or disclosures.

#### **AASB 1058 Income of NFP Entities**

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

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

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

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

The impacts of AASB1058 is expected to be to have no material impact on Council's reported position, performance and/or disclosures.

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

continued on next page ...

Page 13 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 1. Basis of preparation (continued)

---

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

The impacts of AASB2018-8 is expected to have no material impact on Council's reported position, performance and/or disclosures.

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

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).										
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
\$ '000	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Asset Management Services	15,534	17,589	28,948	26,958	(13,414)	(9,369)	4,537	1,479	321,188	321,934
Beach Services, Maintenance & Safety	438	655	6,304	5,574	(5,866)	(4,919)	2	4	278	286
Cemetery Services	1,489	1,256	1,551	1,270	(62)	(14)	47	49	49,849	49,697
Child Care Services	7,760	7,398	8,748	7,551	(988)	(153)	3,854	3,049	6,355	6,573
Community Services	552	665	1,898	1,883	(1,346)	(1,218)	228	384	161,027	160,953
Corporate Support Services	53,487	52,032	10,773	11,990	42,714	40,042	1,717	1,937	71,064	69,659
Cultural Services	727	573	4,307	4,043	(3,580)	(3,470)	–	1	–	–
Customer Services & Communication	19	1	1,016	1,281	(997)	(1,280)	–	–	–	–
Development, Building & Health Services	11,147	13,612	11,543	9,943	(396)	3,669	–	176	18,995	15,658
Emergency Management Services	42	38	243	214	(201)	(176)	–	–	986	1,029
Environmental Services	606	619	1,979	2,175	(1,373)	(1,556)	298	367	584	731
Governance, Integrated Planning & Community Engagement	3	8	4,317	4,850	(4,314)	(4,842)	–	5	–	–
Library Services	242	281	3,967	3,618	(3,725)	(3,337)	175	226	39,597	39,891
Parking Services	25,458	26,140	10,606	9,972	14,852	16,168	–	–	13,811	13,338
Parks Services & Maintenance	109	112	7,656	7,757	(7,547)	(7,645)	–	–	173,300	172,331
Place Management	586	630	641	689	(55)	(59)	–	–	–	–
Recreation Services	–	18	775	428	(775)	(410)	–	13	262	277
Regulatory Services	366	1,006	1,452	1,276	(1,086)	(270)	–	–	–	–
Social & Affordable Housing	1,009	984	1,843	1,838	(834)	(854)	–	–	50,494	51,307
Traffic & Transport Services	–	–	20	10	(20)	(10)	–	–	42,426	42,078
Urban Open Space Maintenance & Accessibility	626	537	4,472	4,188	(3,846)	(3,651)	–	–	318,469	318,264
Waste Services	20,837	19,959	20,478	19,492	359	467	–	95	14,810	12,004
Total functions and activities	141,037	144,113	133,537	127,000	7,500	17,113	10,858	7,785	1,283,495	1,276,010



## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### 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:

##### Asset Management Services

This service includes planning for renewal of assets, financial management and project delivery of works on vital infrastructure. The Service contributes to every aspect of Council's operations, to our ability to deliver our services cost effectively and to the community's social, environmental and economic well being.

##### Beach Services, Maintenance & Safety

This service includes beach safety, beach maintenance and cleaning and also supports voluntary surf lifesaving clubs.

##### Cemetery Services

This service currently includes interment of ashes and remains at two sites, Waverley and South Head. Waverley Cemetery is a fully operational Cemetery with sales in excess of \$1million per annum.

##### Child Care Services

Providing quality, affordable long day care and family day care for children aged 0-5 as well as parenting programs and counselling for families.

##### Community Services

Council provides a range of community services within Waverley in addition to supporting a broad range of community organisations. Our services and support for other groups and agencies ensure that the community has access to relevant, accessible and affordable facilities, spaces, programs and activities.

##### Corporate Support Services

This service includes a range of professional support services for financial planning and management, workforce planning, organisational development and performance management, business systems improvement, risk management and insurance, procurement, telecommunications and IT and special projects to support the Executive in customer service and organisational review.

##### Cultural Services

Council provides and supports a range of activities that celebrate and strengthen an appreciation of our cultural heritage and diversity.

##### Customer Services & Communication

This area is responsible for ensuring that customer service is provided in a professional, friendly and timely way, and that our community is informed about Council's plans, initiatives, services and activities. Provide additional information about the objectives of each function or activity.

##### Development, Building & Health Services

This service involves preparing new Local Environmental Plans, Development Control Plans and Planning Strategies relating to future land use planning and heritage conservation.

It also assesses and determines development applications in accordance with the EP&A Act and provides Council with a digital mapping service.

##### Emergency Management Services

Waverley and Woollahra have a joint relationship in funding and supporting the local SES unit and it is a requirement under the NSW State Emergency Act.

##### Environmental Services

continued on next page ...

Page 16 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

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

This is a growing service area covering all aspects of the aquatic, biological and air environments. Its subservices are specifically geared to meet the requirements of our Environmental Action Plan (EAP). EAP is a key element of Waverley's resourcing strategy for Waverley Community Strategic Plan.

##### Governance, Integrated Planning & Community Engagement

This service is designed to ensure we can engage with our community in an open and responsive way, discussing and making decisions with them about their future on the basis of sound and balanced judgement and policies. It also ensures that we can be properly held to account for planning decisions and for the efficiency and effectiveness of the services we deliver.

##### Library Services

The Library offers information, recreation and entertainment as well as opportunities for people to train, learn or simply interact with neighbours and friends. The Library is a major education and community capacity building resource.

##### Parking Services

This service provides substantial community safety and amenity by ensuring that our very limited supply of public parking opportunities (limited relative to demand) is shared fairly by all. This service is more effectively delivered if its implemented in close conjunction with Environmental Services and Traffic and Transport Services.

##### Parks Services & Maintenance

This service maintains and cares for Council's 99 parks. The park and reserves are divided into a number of categories including regional parks, coastal reserves, small parks, pocket parks, linkages and remnant vegetation.

##### Place Management

Bondi Beach and Bondi Junction are important places for Waverley residents and for the wider Sydney community. They contain a world famous beach and one of Sydney's most vibrant retail precincts and play a significant role in delivering recreational and commercial experiences to the region. A Place Management approach has been adopted to allow Council to give special focus to these areas, as well as ensuring that our smaller retail villages continue thrive.

An ongoing challenge for the Place Managers is to find the right balance between the needs of visitors, residents and the business sector.

##### Recreation Services

This includes all aspects of sport and active leisure, from broad LGA-wide planning, through to the detailed design and construction of specific facilities. A newly emerging area is sports facilities management, programming and maintenance.

##### Regulatory Services

In the summer season there is an increased demand for this service due to the large influx of visitors. Core areas of focus are:

- Monitoring building sites to ensure adequate pollution control is in place
- Ensuring companion animals are effectively and responsibly managed and cared for in accordance with the Companion Animals Act and Regulation
- Providing education material and information to the public investigating reports of abandoned vehicles and removing them in accordance with Impounding Act
- The quantitative volume of noise, time, place and the frequency of the noise

##### Social & Affordable Housing

This service includes creating and managing secure housing for local people on very low incomes in addition to providing medium term accommodation at subsidised rents to those on low-to-middle income levels.

##### Traffic & Transport Services

This service helps ensure that traffic flows as smoothly, efficiently and safely in Waverley as is possible, given the very small amount of road space we have to share, relative to the very high demand of the residents and visitors who use it.

continued on next page ...

Page 17 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

The service also functions to help provide as many alternatives as possible to private car use including planning and design of pedestrian and cycling routes, and negotiation with the community and other levels of government for improved traffic and parking distribution systems such as residential preferred parking schemes.

**Urban Open Space Maintenance & Accessibility**

This service maintains the roads, footpaths, drains, trees and grass along the 123.46 km of local and regional roads within Waverley Council.

**Waste Services**

This service provides waste and recycling collection services to 28,500 residential properties as well as a commercial collection to businesses within Waverley Council.

## Note 3. Income from continuing operations

\$ '000	2019	2018
<b>(a) Rates and annual charges</b>		
<b>Ordinary rates</b>		
Residential	32,297	31,558
Business	11,889	11,728
Less: pensioner rebates (mandatory)	(294)	(311)
Less: pensioner rebates (Council policy)	(92)	(95)
<b>Rates levied to ratepayers</b>	<b>43,800</b>	<b>42,880</b>
Pensioner rate subsidies received	163	167
<b>Total ordinary rates</b>	<b>43,963</b>	<b>43,047</b>
<b>Annual charges</b>		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	17,486	16,341
Section 611 charges	57	58
Less: pensioner rebates (mandatory)	(172)	(175)
<b>Annual charges levied</b>	<b>17,371</b>	<b>16,224</b>
Pensioner subsidies received:		
– Domestic waste management	95	95
<b>Total annual charges</b>	<b>17,466</b>	<b>16,319</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>	<b>61,429</b>	<b>59,366</b>

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

**Accounting policy for rates and charges**

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

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

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

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

continued on next page ...

Page 18 of 80



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(b) User charges and fees</b>		
<b>Specific user charges</b>		
(per s.502 - specific 'actual use' charges)		
Waste management services (non-domestic)	3,127	3,407
<b>Total specific user charges</b>	<b>3,127</b>	<b>3,407</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>		
Planning and building regulation	2,763	2,717
Section 10.7 certificates (EP&A Act)	181	216
Section 603 certificates	101	115
Hoarding/crane permits	2,524	1,326
<b>Total fees and charges – statutory/regulatory</b>	<b>5,569</b>	<b>4,374</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>		
Cemeteries	1,383	1,189
Child care	3,880	4,304
Leaseback fees – Council vehicles	139	135
Park rents	301	513
Restoration charges	406	181
Admission and service fees	401	337
Bus shelter fees	1,392	1,411
Car parking fees	5,331	5,815
Car parking meter income	10,759	11,222
Road opening permits	620	186
Temporary truck zone permit	1,795	1,595
Other	1,341	906
<b>Total fees and charges – other</b>	<b>27,748</b>	<b>27,794</b>
<b>TOTAL USER CHARGES AND FEES</b>	<b>36,444</b>	<b>35,575</b>

**Accounting policy for user charges and fees**

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

**(c) Interest and investment revenue (including losses)**

<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	128	130
– Cash and investments	4,927	4,281
<b>Fair value adjustments</b>		
– Movements in investments at fair value through profit and loss	211	172
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>	<b>5,266</b>	<b>4,583</b>

**Interest revenue is attributable to:****Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	128	130
General Council cash and investments	4,818	4,308

continued on next page ...

Page 19 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	104	52
Domestic waste management operations	158	79
<b>Restricted investments/funds – internal:</b>		
Internally restricted assets	58	14
<b>Total interest and investment revenue</b>	<b>5,266</b>	<b>4,583</b>

**Accounting policy for interest and investment revenue**

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

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

\$ '000	Notes	2019	2018
<b>(d) Other revenues</b>			
Rental income – investment property	10	2,673	2,377
Rental income – other council properties		5,495	5,304
Ex gratia rates		23	23
Fines		316	158
Fines – parking		8,890	8,921
Legal fees recovery – rates and charges (extra charges)		10	6
Legal fees recovery – other		344	194
Insurance claims recoveries		346	200
Recycling income (non-domestic)		135	193
Sale of abandoned vehicles		1	1
Sales – general		92	99
Other		1,192	885
<b>TOTAL OTHER REVENUE</b>		<b>19,517</b>	<b>18,361</b>

**Accounting policy for other revenue**

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

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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

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

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	748	749	–	–
Financial assistance – local roads component	213	207	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	772	775	–	–
Financial assistance – local roads component	225	224	–	–
<b>Other</b>				
Other grants	–	220	–	–
<b>Total general purpose</b>	<b>1,958</b>	<b>2,175</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Child care	3,855	3,049	–	–
Community care	364	459	–	–
Employment and training programs	2	4	–	–
Environmental programs	226	285	–	–
Library	–	91	–	–
Library – per capita	175	136	–	–
Street lighting	189	185	–	–
Transport (roads to recovery)	194	402	–	–
Transport (other roads and bridges funding)	–	32	3,839	953
Other	56	14	–	–
<b>Total specific purpose</b>	<b>5,061</b>	<b>4,657</b>	<b>3,839</b>	<b>953</b>
<b>Total grants</b>	<b>7,019</b>	<b>6,832</b>	<b>3,839</b>	<b>953</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	6,410	5,869	–	–
– State funding	609	963	3,839	953
	<b>7,019</b>	<b>6,832</b>	<b>3,839</b>	<b>953</b>

continued on next page ...

Page 21 of 80



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
<b>(f) Contributions</b>					
<b>Developer contributions:</b> <b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.4 – contributions using planning agreements		–	–	2,668	6,507
S 7.12 – fixed development consent levies		–	–	2,904	2,865
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>5,572</b>	<b>9,372</b>
<b>Total developer contributions</b>	23	<b>–</b>	<b>–</b>	<b>5,572</b>	<b>9,372</b>
<b>Other contributions:</b>					
<b>Cash contributions</b>					
Community services		582	234	–	–
Other councils – joint works/services		681	625	–	–
Recreation and culture		74	63	–	46
Roads and bridges		17	–	–	–
Other		5	4	–	–
<b>Total other contributions – cash</b>		<b>1,359</b>	<b>926</b>	<b>–</b>	<b>46</b>
<b>Total other contributions</b>		<b>1,359</b>	<b>926</b>	<b>–</b>	<b>46</b>
<b>Total contributions</b>		<b>1,359</b>	<b>926</b>	<b>5,572</b>	<b>9,418</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<b>8,378</b>	<b>7,758</b>	<b>9,411</b>	<b>10,371</b>

**Accounting policy for grants and contributions**

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

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

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

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

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

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

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
(g) Unspent grants and contributions		
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
<b>Operating grants</b>		
Unexpended at the close of the previous reporting period	1,804	1,681
<b>Add:</b> operating grants recognised in the current period but not yet spent	2,204	1,179
<b>Less:</b> operating grants recognised in a previous reporting period now spent	(278)	(1,056)
<b>Unexpended and held as restricted assets (operating grants)</b>	<b>3,730</b>	<b>1,804</b>
<b>Capital grants</b>		
Unexpended at the close of the previous reporting period	86	—
<b>Add:</b> capital grants recognised in the current period but not yet spent	—	86
<b>Unexpended and held as restricted assets (capital grants)</b>	<b>86</b>	<b>86</b>
<b>Contributions</b>		
Unexpended at the close of the previous reporting period	15,617	10,821
<b>Add:</b> contributions recognised in the current period but not yet spent	5,572	9,043
<b>Add:</b> contributions received for the provision of goods and services in a future period	(2,194)	(4,247)
<b>Unexpended and held as restricted assets (contributions)</b>	<b>18,995</b>	<b>15,617</b>

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations

\$ '000	2019	2018
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	51,501	45,985
Travel expenses	199	202
Employee leave entitlements (ELE)	5,117	2,843
Superannuation	5,458	5,004
Workers' compensation insurance	2,447	1,894
Fringe benefit tax (FBT)	157	128
Training costs (other than salaries and wages)	293	368
Other	219	273
<b>Total employee costs</b>	<b>65,391</b>	<b>56,697</b>
Less: capitalised costs	(1,042)	(832)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>64,349</b>	<b>55,865</b>
Number of 'full-time equivalent' employees (FTE) at year end	605	583

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

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

*Retirement benefit obligations*

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

*Superannuation plans*

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 17 for more information.

**(b) Borrowing costs****(i) Interest bearing liability costs**

Interest on loans	90	120
<b>Total interest bearing liability costs expensed</b>	<b>90</b>	<b>120</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>	<b>90</b>	<b>120</b>

**Accounting policy for borrowing costs**

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



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(c) Materials and contracts</b>		
Raw materials and consumables	6,842	6,627
Contractor and consultancy costs	5,852	7,250
Contractor and consultancy costs (temporary staff)	3,376	3,635
Auditors remuneration <sup>2</sup>	76	78
Infringement notice contract costs (SEINS)	1,233	1,212
<b>Legal expenses:</b>		
– Legal expenses: planning and development	1,021	710
– Legal expenses: other	909	477
<b>Operating leases:</b>		
– Operating lease rentals: minimum lease payments <sup>1</sup>	1,778	1,848
Other (fuel and gas)	579	550
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>21,666</b>	<b>22,387</b>

**Accounting policy for operating leases**

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

**1. Operating lease payments are attributable to:**

Buildings	736	741
Computers	994	982
Motor vehicles	48	125
	<b>1,778</b>	<b>1,848</b>

**2. Auditor remuneration**

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

**Auditors of the Council - NSW Auditor-General:****(i) Audit and other assurance services**

Audit and review of financial statements	76	78
<b>Remuneration for audit and other assurance services</b>	<b>76</b>	<b>78</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>76</b>	<b>78</b>
<b>Total Auditor remuneration</b>	<b>76</b>	<b>78</b>

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(d) Depreciation, amortisation and impairment of intangible assets and IPP&amp;E</b>		
<b>Depreciation and amortisation</b>		
Plant and equipment	2,308	2,165
Office equipment	354	339
<b>Infrastructure:</b>		
– Buildings – non-specialised	3,007	2,796
– Buildings – specialised	3,803	3,943
– Other structures	740	791
– Roads	5,050	4,965
– Footpaths	1,457	1,413
– Stormwater drainage	1,162	1,152
– Other open space/recreational assets	2,209	2,077
<b>Other assets:</b>		
– Library books	222	214
– Other	51	47
<b>Total depreciation and amortisation costs</b>	<b>20,363</b>	<b>19,902</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&amp;E</b>	<b>20,363</b>	<b>19,902</b>

**Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E****Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 9 for IPPE assets.

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

**Impairment of non-financial assets**

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

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(e) Other expenses</b>		
Abandonment of fines by office of state debt recovery	956	1,984
Advertising	407	408
Bank charges	870	849
Car park levy	136	120
Cleaning	1,630	1,551
Computer software charges	1,586	1,821
Contributions/levies to other levels of government	17	339
– Department of planning levy	495	490
– Emergency services levy (includes FRNSW, SES, and RFS levies)	98	116
– NSW fire brigade levy	1,494	1,596
Councillor expenses – mayoral fee	43	40
Councillor expenses – councillors' fees	237	226
Councillors' expenses (incl. mayor) – other (excluding fees above)	106	160
Donations, contributions and assistance to other organisations (Section 356)	765	706
Electricity and heating	727	582
Family day care subsidy	858	762
Insurance	1,601	1,324
Land tax – crown land	677	521
Office expenses (including computer expenses)	52	348
Postage	201	178
Printing and stationery	617	669
Street lighting	1,043	951
Subscriptions and publications	388	358
Telephone and communications	190	206
Valuation fees	102	90
Waste disposal charges	6,770	7,284
Water rates and charges	366	336
Other	905	969
<b>TOTAL OTHER EXPENSES</b>	<b>23,337</b>	<b>24,984</b>

**Accounting policy for other expenses**

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



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
<b>Plant and equipment</b>	9(a)		
Proceeds from disposal – plant and equipment		992	845
Less: carrying amount of plant and equipment assets sold/written off		(712)	(336)
<b>Net gain/(loss) on disposal</b>		<b>280</b>	<b>509</b>
<b>Infrastructure</b>	9(a)		
Less: carrying amount of infrastructure assets sold/written off		(4,012)	(4,289)
<b>Net gain/(loss) on disposal</b>		<b>(4,012)</b>	<b>(4,289)</b>
<b>Investments</b>	6(b)		
Proceeds from disposal/redemptions/maturities – investments		125,500	126,538
Less: carrying amount of investments sold/redeemed/matured		(125,500)	(126,500)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>38</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(3,732)</b>	<b>(3,742)</b>

**Accounting policy for disposal of assets**

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

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

## Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	2,728	8,881
Cash-equivalent assets		
– Deposits at call	2,139	2,650
– Managed funds	9,274	6,682
<b>Total cash and cash equivalents</b>	<b>14,141</b>	<b>18,213</b>

**Accounting policy for cash and cash equivalents**

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

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Investments</b>				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	38,288	–	36,570	–
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	103,000	24,000	99,500	17,500
<b>Total Investments</b>	<b>141,288</b>	<b>24,000</b>	<b>136,070</b>	<b>17,500</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>	<b>155,429</b>	<b>24,000</b>	<b>154,283</b>	<b>17,500</b>
<b>Financial assets at fair value through the profit and loss</b>				
NCD's, FRN's	38,288	–	36,570	–
<b>Total</b>	<b>38,288</b>	<b>–</b>	<b>36,570</b>	<b>–</b>
<b>Financial assets at amortised cost / held to maturity (2018)</b>				
Long term deposits	103,000	24,000	99,500	17,500
<b>Total</b>	<b>103,000</b>	<b>24,000</b>	<b>99,500</b>	<b>17,500</b>

## Accounting policy for investments

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

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

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

## Financial assets

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

## Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

## Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

continued on next page ...

Page 29 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

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

##### **Fair value through other comprehensive income – equity instruments**

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

##### **Financial assets through profit or loss**

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

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

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

#### **Accounting policy under AASB 139 – applicable for 2018 comparatives only**

##### **Classification**

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

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

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

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

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

##### **Recognition and de-recognition**

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

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

##### **Impairment of financial assets**

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



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total cash, cash equivalents and investments	155,429	24,000	154,283	17,500
<b>attributable to:</b>				
External restrictions	5,692	24,000	5,180	17,500
Internal restrictions	141,958	–	140,107	–
Unrestricted	7,779	–	8,996	–
	155,429	24,000	154,283	17,500

\$ '000	2019	2018
---------	------	------

## Details of restrictions

## External restrictions – other

Developer contributions – general	18,995	15,617
Specific purpose unexpended grants	3,816	1,890
Domestic waste management	6,881	5,173

## External restrictions – other

29,692	22,680
--------	--------

## Total external restrictions

29,692	22,680
--------	--------

## Internal restrictions

Plant and vehicle replacement	4,044	5,499
Infrastructure replacement	13,739	10,750
Employees leave entitlement	5,153	4,832
Carry over works	8,223	5,871
Deposits, retentions and bonds	12,771	11,779
Affordable housing	1,772	1,764
Cemetery funds	1,564	1,892
Election	215	123
Future capital works	15,577	15,411
IT equipment and upgrade	2,703	2,732
Insurance claims	–	200
Investment strategy	64,809	67,614
Looking good	53	53
Parking meters	4,179	3,429
Parking – off-street	549	654
Social housing	728	758
Street tree (sewer) aerial building	–	252
Unexpended loans	51	51
Other	5,828	6,443

## Total internal restrictions

141,958	140,107
---------	---------

## TOTAL RESTRICTIONS

171,650	162,787
---------	---------

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Purpose</b>				
Rates and annual charges	932	539	1,100	562
Interest and extra charges	146	185	112	148
User charges and fees	2,027	–	1,811	–
Accrued revenues				
– Interest on investments	1,807	–	1,442	–
– Other income accruals	369	–	190	–
Government grants and subsidies	919	–	643	–
Parking fines	1,353	2,503	1,311	2,790
<b>Total</b>	<b>7,553</b>	<b>3,227</b>	<b>6,609</b>	<b>3,500</b>
<b>Less: provision of impairment</b>				
User charges and fees	(89)	–	(142)	–
Parking fines	–	(1,383)	–	(1,383)
<b>Total provision for impairment – receivables</b>	<b>(89)</b>	<b>(1,383)</b>	<b>(142)</b>	<b>(1,383)</b>
<b>TOTAL NET RECEIVABLES</b>	<b>7,464</b>	<b>1,844</b>	<b>6,467</b>	<b>2,117</b>
<b>Externally restricted receivables</b>				
Domestic waste management	971	253	931	223
<b>Total external restrictions</b>	<b>971</b>	<b>253</b>	<b>931</b>	<b>223</b>
<b>Unrestricted receivables</b>	<b>6,493</b>	<b>1,591</b>	<b>5,536</b>	<b>1,894</b>
<b>TOTAL NET RECEIVABLES</b>	<b>7,464</b>	<b>1,844</b>	<b>6,467</b>	<b>2,117</b>

\$ '000	2019	2018
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	1,525	2,027
– amounts already provided for and written off this year	(24)	(51)
– amounts provided for but recovered during the year	(29)	(451)
<b>Balance at the end of the period</b>	<b>1,472</b>	<b>1,525</b>

## Accounting policy for receivables

## Recognition and measurement

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

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

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

## Impairment

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

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

continued on next page ...

Page 32 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 7. Receivables (continued)

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over one year past due, whichever occurs first.

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

#### **Accounting policy under AASB 139 – applicable for 2018 comparatives only**

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

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

Rates and annual charges outstanding are secured against the property.



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Other assets</b>				
Prepayments	202	–	817	–
<b><u>TOTAL OTHER ASSETS</u></b>	<b><u>202</u></b>	<b><u>–</u></b>	<b><u>817</u></b>	<b><u>–</u></b>

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9(a). Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	18,228	–	18,228	6,864	–	(1,002)	–	(13,026)	(1,526)	9,538	–	9,538
Plant and equipment	19,634	(10,851)	8,783	–	5,191	(712)	(2,308)	–	(76)	21,917	(11,039)	10,878
Office equipment	10,646	(9,221)	1,425	71	147	–	(354)	13	–	10,878	(9,576)	1,302
<b>Land:</b>												
– Crown land	180,398	–	180,398	–	–	–	–	–	–	180,398	–	180,398
– Operational land	78,811	–	78,811	–	–	–	–	–	–	78,811	–	78,811
– Community land	95,029	–	95,029	–	–	–	–	–	–	95,029	–	95,029
<b>Infrastructure:</b>												
– Buildings – non-specialised	123,521	(40,940)	82,581	992	–	(54)	(3,007)	135	(181)	124,558	(44,092)	80,466
– Buildings – specialised	120,704	(64,025)	56,679	1,048	–	(55)	(3,803)	2,681	181	124,062	(67,331)	56,731
– Other structures	26,117	(10,564)	15,553	295	185	(92)	(740)	936	77	27,335	(11,121)	16,214
– Roads	348,545	(141,350)	207,195	2,685	137	(1,229)	(5,050)	1,959	–	351,119	(145,422)	205,697
– Footpaths	50,151	(14,342)	35,809	1,446	797	(938)	(1,457)	807	–	51,894	(15,430)	36,464
– Stormwater drainage	136,585	(46,575)	90,010	201	472	(322)	(1,162)	1,783	–	138,517	(47,535)	90,982
– Other open space/recreational assets	103,118	(37,564)	65,554	895	953	(314)	(2,209)	4,414	–	108,838	(39,545)	69,293
<b>Other assets:</b>												
– Library books	3,553	(2,344)	1,209	–	228	–	(222)	–	–	3,781	(2,566)	1,215
– Other	4,020	(1,253)	2,767	57	–	(7)	(51)	298	–	4,368	(1,304)	3,064
<b>Total infrastructure, property, plant and equipment</b>	<b>1,319,060</b>	<b>(379,029)</b>	<b>940,031</b>	<b>14,554</b>	<b>8,110</b>	<b>(4,724)</b>	<b>(20,363)</b>	<b>–</b>	<b>(1,525)</b>	<b>1,331,043</b>	<b>(394,961)</b>	<b>936,082</b>

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

continued on next page ...

Page 35 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9(a). Infrastructure, property, plant and equipment (continued)

\$ '000	as at 30/6/2017			Asset movements during the reporting period					as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	11,394	–	11,394	10,778	–	(1,230)	–	(2,714)	18,228	–	18,228
Plant and equipment	20,313	(11,743)	8,570	212	2,503	(337)	(2,165)	–	19,634	(10,851)	8,783
Office equipment	10,506	(8,882)	1,624	–	140	–	(339)	–	10,646	(9,221)	1,425
<b>Land:</b>											
– Operational land	78,473	–	78,473	300	–	–	–	38	78,811	–	78,811
– Community land	95,029	–	95,029	–	–	–	–	–	95,029	–	95,029
– Crown land	180,398	–	180,398	–	–	–	–	–	180,398	–	180,398
<b>Infrastructure:</b>											
– Buildings – non-specialised	123,310	(38,144)	85,166	211	–	–	(2,796)	–	123,521	(40,940)	82,581
– Buildings – specialised	119,966	(60,082)	59,884	584	154	–	(3,943)	–	120,704	(64,025)	56,679
– Other structures	25,402	(9,815)	15,587	139	168	(37)	(791)	487	26,117	(10,564)	15,553
– Roads	348,254	(137,629)	210,625	2,115	89	(1,738)	(4,965)	1,069	348,545	(141,350)	207,195
– Footpaths	49,425	(13,288)	36,137	1,882	19	(927)	(1,413)	111	50,151	(14,342)	35,809
– Stormwater drainage	136,514	(45,444)	91,070	134	–	(42)	(1,152)	–	136,585	(46,575)	90,010
– Other open space/recreational assets	102,160	(35,738)	66,422	288	227	(315)	(2,077)	1,009	103,118	(37,564)	65,554
<b>Other assets:</b>											
– Library books	3,347	(2,130)	1,217	–	206	–	(214)	–	3,553	(2,344)	1,209
– Other	4,020	(1,206)	2,814	–	–	–	(47)	–	4,020	(1,253)	2,767
<b>Total infrastructure, property, plant and equipment</b>	<b>1,308,511</b>	<b>(364,101)</b>	<b>944,410</b>	<b>16,643</b>	<b>3,506</b>	<b>(4,626)</b>	<b>(19,902)</b>	<b>–</b>	<b>1,319,060</b>	<b>(379,029)</b>	<b>940,031</b>

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

continued on next page ...

Page 36 of 80



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9(a). Infrastructure, property, plant and equipment (continued)

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

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred. When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
<b>Other Assets</b>		<b>Stormwater assets</b>	
Library Books	5 to 10	Drains	80 to 100
Other	5 to 100	Culverts	50 to 80
		Flood control structures	80 to 100
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	20	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	20	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	60		
Kerb, gutter and footpaths	40		

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

**Land under roads**

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

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

**Crown reserves**

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

continued on next page ...

Page 37 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9(a). Infrastructure, property, plant and equipment (continued)

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.

## Rural Fire Service assets

N/A

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

\$ '000	2019			2018		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Domestic waste management</b>						
Plant and equipment	13,665	6,485	7,180	10,883	6,142	4,741
<b>Total DWM</b>	<b>13,665</b>	<b>6,485</b>	<b>7,180</b>	<b>10,883</b>	<b>6,142</b>	<b>4,741</b>
<b><u>TOTAL RESTRICTED I,PP&amp;E</u></b>	<b>13,665</b>	<b>6,485</b>	<b>7,180</b>	<b>10,883</b>	<b>6,142</b>	<b>4,741</b>

## Note 10. Investment property

\$ '000	2019	2018
<b>(a) Investment property at fair value</b>		
<b>Investment property on hand</b>	<b>158,474</b>	<b>154,795</b>
<b>Reconciliation of annual movement:</b>		
<b>Opening balance</b>	154,795	145,945
– Capitalised expenditure – this year	1,560	751
– Net gain/(loss) from fair value adjustments	592	8,099
– Transfers from/(to) owner occupied (Note 9)	1,527	–
<b>CLOSING BALANCE – INVESTMENT PROPERTY</b>	<b>158,474</b>	<b>154,795</b>

## (b) Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2018/19 revaluations were based on independent assessments made by:  
Scott Fullarton Valuations Pty Ltd, FAPI, Certified Practising Valuer, Registration No. VAL2144.

## (c) Contractual obligations at reporting date

Refer to Note 16 for disclosures relating to any capital and service obligations that have been contracted.

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 10. Investment property (continued)

\$ '000	2019	2018
<b>(d) Leasing arrangements – Council as lessor</b>		
The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.		
Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:		
Within 1 year	2,267	2,566
Later than 1 year but less than 5 years	2,848	4,620
Later than 5 years	–	8
<b>Total minimum lease payments receivable</b>	<b>5,115</b>	<b>7,194</b>
<b>(e) Investment property income and expenditure – summary</b>		
<b>Rental income from investment property:</b>		
– Minimum lease payments	2,673	2,377
– Other income	3,798	3,980
<b>Direct operating expenses on investment property:</b>		
– that generated rental income	(2,266)	(2,025)
– that did not generate rental income	(413)	(539)
<b>Net revenue contribution from investment property</b>	<b>3,792</b>	<b>3,793</b>
plus:		
<b>Fair value movement for year</b>	<b>592</b>	<b>8,099</b>
<b>Total income attributable to investment property</b>	<b>4,384</b>	<b>11,892</b>

**Accounting policy for investment property**

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

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 11. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	3,541	–	3,910	–
Goods and services – capital expenditure	2,687	–	–	–
Accrued expenses:				
– Borrowings	14	–	25	–
– Salaries and wages	1,152	–	965	–
– Other expenditure accruals	369	–	3,812	–
Security bonds, deposits and retentions	1,314	–	1,202	–
ATO – net GST payable	4	–	–	–
Builders deposits	11,457	–	10,578	–
Other	159	–	362	–
<b>Total payables</b>	<b>20,697</b>	<b>–</b>	<b>20,854</b>	<b>–</b>
<b>Income received in advance</b>				
Payments received in advance	996	–	1,419	–
<b>Total income received in advance</b>	<b>996</b>	<b>–</b>	<b>1,419</b>	<b>–</b>
<b>Borrowings</b>				
Loans – secured <sup>1</sup>	423	2,923	412	3,346
<b>Total borrowings</b>	<b>423</b>	<b>2,923</b>	<b>412</b>	<b>3,346</b>
<b><u>TOTAL PAYABLES AND BORROWINGS</u></b>	<b><u>22,116</u></b>	<b><u>2,923</u></b>	<b><u>22,685</u></b>	<b><u>3,346</u></b>

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 18.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>(a) Payables and borrowings relating to restricted assets</b>				
<b>Externally restricted assets</b>				
Domestic waste management	391	–	8	–
Payables and borrowings relating to externally restricted assets	391	–	8	–
<b>Total payables and borrowings relating to restricted assets</b>	<b>391</b>	<b>–</b>	<b>8</b>	<b>–</b>
<b>Total payables and borrowings relating to unrestricted assets</b>	<b>21,725</b>	<b>2,923</b>	<b>22,677</b>	<b>3,346</b>
<b><u>TOTAL PAYABLES AND BORROWINGS</u></b>	<b><u>22,116</u></b>	<b><u>2,923</u></b>	<b><u>22,685</u></b>	<b><u>3,346</u></b>

continued on next page ...

Page 40 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 11. Payables and borrowings (continued)

\$ '000	2019	2018
---------	------	------

**(b) Current payables and borrowings not anticipated to be settled within the next twelve months**

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

Payables – security bonds, deposits and retentions	11,005	10,699
<b>Total payables and borrowings</b>	<b>11,005</b>	<b>10,699</b>

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

	as at 30/6/2018					as at 30/6/2019
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	3,758	(412)	–	–	–	3,346
<b>TOTAL</b>	<b>3,758</b>	<b>(412)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,346</b>

	as at 30/6/2017					as at 30/6/2018
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	4,573	(815)	–	–	–	3,758
<b>TOTAL</b>	<b>4,573</b>	<b>(815)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,758</b>

\$ '000	2019	2018
---------	------	------

**(d) Financing arrangements****(i) Unrestricted access was available at balance date to the following lines of credit:**

Bank overdraft facilities <sup>1</sup>	250	250
Credit cards/purchase cards	30	30
<b>Total financing arrangements</b>	<b>280</b>	<b>280</b>

**Undrawn facilities as at balance date:**

– Bank overdraft facilities	250	250
– Credit cards/purchase cards	30	30
<b>Total undrawn financing arrangements</b>	<b>280</b>	<b>280</b>

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

**Accounting policy for payables and borrowings**

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

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

continued on next page ...

Page 41 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 11. Payables and borrowings (continued)

**Payables**

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

**Borrowings**

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

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

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

## Note 12. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Provisions</b>				
<b>Employee benefits</b>				
Annual leave	5,451	–	5,215	–
Sick leave	1,669	–	1,571	–
Long service leave	7,509	724	7,124	514
Gratuities	485	–	445	–
Time off in lieu	208	–	200	–
<b>Sub-total – aggregate employee benefits</b>	<b>15,322</b>	<b>724</b>	<b>14,555</b>	<b>514</b>
<b>TOTAL PROVISIONS</b>	<b>15,322</b>	<b>724</b>	<b>14,555</b>	<b>514</b>
<b>(a) Provisions relating to restricted assets</b>				
<b>Externally restricted assets</b>				
Domestic waste management	1,263	256	1,221	246
Provisions relating to externally restricted assets	1,263	256	1,221	246
<b>Total provisions relating to restricted assets</b>	<b>1,263</b>	<b>256</b>	<b>1,221</b>	<b>246</b>
<b>Total provisions relating to unrestricted assets</b>	<b>14,059</b>	<b>468</b>	<b>13,334</b>	<b>268</b>
<b>TOTAL PROVISIONS</b>	<b>15,322</b>	<b>724</b>	<b>14,555</b>	<b>514</b>
\$ '000			2019	2018

continued on next page ...

Page 42 of 80



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 12. Provisions (continued)

\$ '000	2019	2018
---------	------	------

**(b) Current provisions not anticipated to be settled within the next twelve months**

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

Provisions – employees benefits	10,730	10,000
	<u>10,730</u>	<u>10,000</u>

continued on next page ...

Page 43 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 12. Provisions (continued)

## (c) Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	Other employee benefits	
<b>2019</b>					
At beginning of year	5,215	1,571	7,638	645	15,069
Additional provisions	3,323	98	1,520	176	5,117
Amounts used (payments)	(3,087)	–	(924)	(128)	(4,139)
Other	–	–	(1)	–	(1)
<b>Total ELE provisions at end of period</b>	<b>5,451</b>	<b>1,669</b>	<b>8,233</b>	<b>693</b>	<b>16,046</b>
<b>2018</b>					
At beginning of year	5,881	1,967	8,742	692	17,282
Additional provisions	2,604	–	143	96	2,843
Amounts used (payments)	(3,270)	(396)	(1,247)	(143)	(5,056)
<b>Total ELE provisions at end of period</b>	<b>5,215</b>	<b>1,571</b>	<b>7,638</b>	<b>645</b>	<b>15,069</b>

**Accounting policy for provisions**

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

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

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

**Employee benefits****Short-term obligations**

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

**Other long-term employee benefit obligations**

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

**On-costs**

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

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

continued on next page ...

Page 44 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 12. Provisions (continued)

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

#### Note 13. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

##### (a) Nature and purpose of reserves

###### **Infrastructure, property, plant and equipment revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

##### (b) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

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

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

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

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

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

###### **Classification of financial assets**

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

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income – equity instruments

###### **Measurement of equity instruments**

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

###### **Impairment of financial assets**

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



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 14. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6(a)	14,141	18,213
<b>Balance as per the Statement of Cash Flows</b>		<b>14,141</b>	<b>18,213</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		7,500	17,113
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		20,363	19,902
Net losses/(gains) on disposal of assets		3,732	3,742
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		(211)	(172)
– investment property		(592)	(8,099)
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		(671)	1,998
Increase/(decrease) in provision for impairment of receivables		(53)	(502)
Decrease/(increase) in other current assets		615	137
Increase/(decrease) in payables		(369)	(2,186)
Increase/(decrease) in accrued interest payable		(11)	(2)
Increase/(decrease) in other accrued expenses payable		(3,256)	2,803
Increase/(decrease) in other liabilities		369	2,356
Increase/(decrease) in provision for employee benefits		977	(2,213)
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>28,393</b>	<b>34,877</b>

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 15. Interests in other entities

## Joint arrangements

## (i) Joint operations

	Principal activity
<b>(a) Council is involved in the following joint operations (JO's)</b>	
<b>Name of joint operation:</b>	
Bourke Road Integrated Facility	Council main depot operation

## (b) Council assets employed in the joint operations

\$ '000	2019	2018
<b>Council's own assets employed in the operations</b>		
<b>Current assets:</b>		
Receivables	130	51
<b>Non-current assets</b>		
Property, plant and equipment	18,256	18,543
<b>Total assets – Council owned</b>	<b>18,386</b>	<b>18,594</b>
<b>Total net assets employed – Council and jointly owned</b>	<b>18,386</b>	<b>18,594</b>

## Accounting policy for joint arrangements

The council has determined that it has only joint operations.

**Joint operations:**

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 16. Commitments

\$ '000	2019	2018
---------	------	------

## (a) Capital commitments (exclusive of GST)

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

**Property, plant and equipment**

Buildings	2,647	444
Plant and equipment	187	2,962
Infrastructure	32,104	2,129
<b>Total commitments</b>	<b>34,938</b>	<b>5,535</b>

**These expenditures are payable as follows:**

Within the next year	20,791	5,535
Later than one year and not later than 5 years	14,147	–
<b>Total payable</b>	<b>34,938</b>	<b>5,535</b>

**Sources for funding of capital commitments:**

Unrestricted general funds	2,391	–
Future grants and contributions	18,035	–
Section 7.11 and 64 funds/reserves	6,281	1,137
Unexpended grants	85	5
Externally restricted reserves	813	2,928
Internally restricted reserves	7,333	1,465
<b>Total sources of funding</b>	<b>34,938</b>	<b>5,535</b>

## (b) Operating lease commitments (non-cancellable)

**a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:**

Within the next year	53	66
Later than one year and not later than 5 years	64	64
<b>Total non-cancellable operating lease commitments</b>	<b>117</b>	<b>130</b>

**b. Non-cancellable operating leases include the following assets:**

IT equipment - \$117k

Contingent rentals may be payable depending on the condition of items or usage during the lease term, average 4 years.

**Conditions relating to finance and operating leases:**

- All finance agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

## (c) Investment in joint operations – commitments

For capital commitments and other commitments relating to investments in joint operations, refer to Note 15.



## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 17. Contingencies and other assets/liabilities not recognised

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

##### LIABILITIES NOT RECOGNISED

###### 1. Guarantees

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

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

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

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

###### *Description of the funding arrangements.*

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

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

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

\* For 180 Point Members, Employees are required to contribute 7% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2018 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018.

These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

continued on next page ...

Page 49 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 17. Contingencies and other assets/liabilities not recognised (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$880,830.40. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2018, and covers the period ended 30 June 2018.

The amount of additional contributions included in the total employer contribution advised above is \$880,830.40. Council's expected contribution to the plan for the next annual reporting period is \$920,078.44.

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

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$880,830.40 as at 30 June 2019.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

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

\* Plus promotional increases

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

#### (ii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

#### (iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

continued on next page ...

Page 50 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 17. Contingencies and other assets/liabilities not recognised (continued)

---

##### (iv) Other guarantees

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

##### 2. Other liabilities

##### (i) Third party claims

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

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

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

Council has classified a number of privately owned land parcels as local open space or bushland.

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

At reporting date, 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) 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.



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Financial risk management

## Risk management

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

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

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	14,141	18,213	14,141	18,213
Receivables	9,308	8,584	9,308	8,584
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	127,000	117,000	127,000	117,000
<b>Fair value through profit and loss</b>				
Investments				
– 'Held for trading'	38,288	36,570	38,288	36,570
<b>Total financial assets</b>	<b>188,737</b>	<b>180,367</b>	<b>188,737</b>	<b>180,367</b>
<b>Financial liabilities</b>				
Payables	20,697	20,854	20,697	20,854
Loans/advances	3,346	3,758	3,346	3,758
<b>Total financial liabilities</b>	<b>24,043</b>	<b>24,612</b>	<b>24,043</b>	<b>24,612</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.

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 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

continued on next page ...

Page 52 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Financial risk management (continued)

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **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 impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>2019</b>				
Possible impact of a 10% movement in market values	3,829	3,829	(3,829)	(3,829)
Possible impact of a 1% movement in interest rates	1,794	1,794	(1,794)	(1,794)
<b>2018</b>				
Possible impact of a 10% movement in market values	3,657	3,657	(3,657)	(3,657)
Possible impact of a 1% movement in interest rates	1,718	1,718	(1,718)	(1,718)

continued on next page ...

Page 53 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Financial risk management (continued)

## (b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

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

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

Council makes suitable provision for doubtful receivables as required 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.

## Credit risk profile

## Receivables – rates and annual charges

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.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2019</b>						
Gross carrying amount	–	1,471	–	–	–	1,471
<b>2018</b>						
Gross carrying amount	–	1,662	–	–	–	1,662

## Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2019</b>						
Gross carrying amount	4,331	390	349	80	4,159	9,309
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	35.40%	15.82%
<b>ECL provision</b>	–	–	–	–	1,472	1,472
<b>2018</b>						
Gross carrying amount	4,844	505	130	22	2,946	8,447
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	51.76%	18.05%
<b>ECL provision</b>	–	–	–	–	1,525	1,525

continued on next page ...

Page 54 of 80



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Financial risk management (continued)

## (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.

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

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

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2019</b>							
Trade/other payables	0.00%	1,314	19,383	–	–	20,697	20,697
Loans and advances	2.68%	–	423	2,300	623	3,346	3,346
<b>Total financial liabilities</b>		<b>1,314</b>	<b>19,806</b>	<b>2,300</b>	<b>623</b>	<b>24,043</b>	<b>24,043</b>
<b>2018</b>							
Trade/other payables	0.00%	1,202	19,652	–	–	20,854	20,854
Loans and advances	2.68%	–	412	1,766	1,580	3,758	3,758
<b>Total financial liabilities</b>		<b>1,202</b>	<b>20,064</b>	<b>1,766</b>	<b>1,580</b>	<b>24,612</b>	<b>24,612</b>

## Loan agreement breaches

Detail here any breaches to loan agreements which have occurred during the reporting year.

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 19. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 19/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to 10% or more.

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
<b>REVENUES</b>				
Rates and annual charges	61,026	61,429	403	1% <b>F</b>
User charges and fees	35,560	36,444	884	2% <b>F</b>
Interest and investment revenue	4,067	5,266	1,199	29% <b>F</b>
Interest earned from cash investments has achieved higher than original anticipated largely attributed to a well-diversified investment strategy and spending on capital expense is lower than anticipated.				
Other revenues	20,293	19,517	(776)	(4)% <b>U</b>
Operating grants and contributions	8,030	8,378	348	4% <b>F</b>
Capital grants and contributions	15,645	9,411	(6,234)	(40)% <b>U</b>
Grants originally anticipated for number of capital projects were lower the actual due to projects timeline deferral.				
Fair value increment on investment property	–	592	592	∞ <b>F</b>
Movement from desktop fair valuation on the Investment Property portfolio is not anticipated in the budget.				
<b>EXPENSES</b>				
Employee benefits and on-costs	65,753	64,349	1,404	2% <b>F</b>
Borrowing costs	101	90	11	11% <b>F</b>
Materials and contracts	20,084	21,666	(1,582)	(8)% <b>U</b>
Depreciation and amortisation	22,729	20,363	2,366	10% <b>F</b>
Delay in capital works program projects and other capital spending have resulted a lower depreciation expense than anticipated.				
Other expenses	26,190	23,337	2,853	11% <b>F</b>
The higher than anticipated spending was mainly due to aging outstanding parking fines abandonment, computer software upgrade & improvement works and cost increase for the waste disposal charges.				
Net losses from disposal of assets	(439)	3,732	(4,171)	950% <b>U</b>
The losses from disposal of assets largely contributed to the infrastructure assets such as roads, footpath, kerbs & gutter, etc., to meet the partial write off requirements. These infrastructure assets partially wrote off as resulted from renewal/upgrades works were not in the budget.				

## STATEMENT OF CASH FLOWS

continued on next page ...

Page 56 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 19. Material budget variations (continued)

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
<b>Net cash provided from (used in) operating activities</b>	<b>32,834</b>	<b>28,393</b>	<b>(4,441)</b>	<b>(14)% U</b>
The actual cash inflows from operating activities is lower than the original budget largely attributed to a less than anticipated income receipts.				
<b>Net cash provided from (used in) investing activities</b>	<b>(32,760)</b>	<b>(32,053)</b>	<b>707</b>	<b>(2)% F</b>
The actual cash outflows from investing activities is lower than the original budget largely due to reduction in interest rates.				
<b>Net cash provided from (used in) financing activities</b>	<b>(412)</b>	<b>(412)</b>	<b>—</b>	<b>0% F</b>



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Fair Value Measurement

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

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

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

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

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

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

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

## (1) Assets and liabilities that have been measured and recognised at fair values

		Fair value measurement hierarchy				
2019	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
<b>Recurring fair value measurements</b>						
<b>Financial assets</b>						
Investments	6(b)					
– 'Held for trading'		30/06/19	–	–	38,288	38,288
<b>Investment property</b>						
Investment properties	10	30/06/19	–	–	158,474	158,474
<b>Total investment property</b>			<b>–</b>	<b>–</b>	<b>158,474</b>	<b>158,474</b>
<b>Infrastructure, property, plant and equipment</b>						
	9(a)					
Buildings – non-specialised		30/06/17	–	–	80,466	80,466
Buildings special		30/06/17	–	–	56,732	56,732
Community land		30/06/17	–	–	95,029	95,029
Crown Land		30/06/17	–	–	180,398	180,398
Operational land		30/06/17	–	–	78,811	78,811
Footpaths		30/06/15	–	–	36,464	36,464
Roads		30/06/15	–	–	205,697	205,697
Stormwater drainage		30/06/15	–	–	90,981	90,981
Office equipment and furniture		30/06/17	–	–	1,302	1,302
Plant and equipment		30/06/17	–	–	10,878	10,878
Open space and recreation		30/06/17	–	–	69,293	69,293
Library books and resources		30/06/17	–	–	1,215	1,215
Other structures		30/06/17	–	–	16,214	16,214
Other assets		30/06/17	–	–	3,064	3,064
<b>Total infrastructure, property, plant and equipment</b>			<b>–</b>	<b>–</b>	<b>926,544</b>	<b>926,544</b>

continued on next page ...

Page 58 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Fair Value Measurement (continued)

2018	Notes	Fair value measurement hierarchy				Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv-able inputs	
Recurring fair value measurements						
Financial assets						
Investments	6(b)					
– ‘Held for trading’		30/06/18	–	–	36,570	36,570
Investment property	10					
Investment properties		30/06/18	–	–	154,795	154,795
Total investment property			–	–	154,795	154,795
Infrastructure, property, plant and equipment						
Buildings – non-specialised	9(a)	30/06/17	–	–	82,581	82,581
Buildings special		30/06/17	–	–	56,679	56,679
Community land		30/06/17	–	–	95,029	95,029
Crown Land		30/06/17	–	–	180,398	180,398
Operational land		30/06/17	–	–	78,811	78,811
Footpaths		30/06/15	–	–	35,809	35,809
Roads		30/06/15	–	–	207,195	207,195
Stormwater drainage		30/06/15	–	–	90,010	90,010
Office equipment and furniture		30/06/17	–	–	1,425	1,425
Plant and equipment		30/06/17	–	–	8,783	8,783
Open space and recreation		30/06/17	–	–	65,554	65,554
Library books and resources		30/06/17	–	–	1,209	1,209
Other structures		30/06/17	–	–	15,553	15,553
Other assets		30/06/17	–	–	2,767	2,767
Total infrastructure, property, plant and equipment			–	–	921,803	921,803

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

## (2) 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:

**Financial assets**

At fair value through profit and loss are represented by Floating Rate Notes, Covered Bonds and Term Deposits. Council obtains valuations from its Investment Advisor on a monthly basis and at the end of each accounting period to ensure the financial statements reflect the most up to date valuation. The valuations of Floating Rate Notes are sourced base on mid-market prices. That is, valuations are marked at the mid-point of the bid and ask prices in the secondary market. This price represents a general market value for the asset.

There has been no change to the valuation techniques during the reporting period.

**Investment property**

The valuation of Council's investment properties was undertaken at June 2019 by Scott Fullarton Valuations Pty Ltd, FAPI, Certified Practising Valuer, Registration No. VAL2144.

Investment properties such as commercial units, commercial terraces and retail shops have been valued as market value, having regard to the “highest and best use”, taking in consideration the criteria of physical possibility, legal permissibility

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 20. Fair Value Measurement (continued)

and financial feasibility. Implied within these criteria is the recognition of the contribution of that specific use to community environment or to community development goals, in addition to wealth maximisation to the individual owner.

The valuation technique utilised is Level 2 inputs (observable inputs), where applicable, included:

- Current rental income
- Rent reviews
- Capitalisation rate
- Price per square metre
- Direct comparison to sales evidence
- Zoning
- Location
- Land area and configuration
- Planning controls

Other investment properties such as public car park and shopping centre office space have been valued using Cost approach with Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

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

##### Operational Land

The asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The last valuation was undertaken at June 2017 and was performed by Scott Fullarton Valuations Pty Ltd, FAPI, Certified Practising Valuer, Registration No. VAL2144.

Operational land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and/or dimensions;
- Planning and other constraints on development; and
- The potential for alternative use.

Sale prices of comparable land parcels in close proximity were adjusted for differences in key attributes such as size and configuration. The most significant inputs into this valuation approach are price per square metre.

Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 3 valuation input. There has been no change to the valuation process during the reporting period.

##### Community Land and Crown Land

Valuations of all Council's Community Land and Council managed land were based on either the land value provided by the Valuer-General or an average unit rate based on land value for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3. There has been no change to the valuation process during the reporting period.

##### Buildings – Non Specialised and Specialised

Council's buildings are valued utilising the cost approach by Scott Fullarton Valuations Pty Ltd in June 2017.

The approach estimated the replacement cost of each building and componentising of significant parts with different useful lives and taking into account a range of factors. The unit rates could be supported by market evidence (Level 2 inputs), other inputs (such as estimates of residual value, useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.

As such, these assets have been valued using Level 3 inputs. There has been no change to the valuation process during the reporting period.

##### Roads

continued on next page ...

Page 60 of 80

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 20. Fair Value Measurement (continued)

The roads asset class includes roads, defined as the trafficable portion of a road, between but not including the kerb and gutter. It also includes "other roads" assets including Bridges, Carparks, Kerb and Gutter and Traffic facilities.

The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other road infrastructure. Valuations for the road carriageway, comprising surface, pavement and formation were based primarily on unit rates derived from the Councils schedule of rates tender. Other inputs (such as estimates pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

#### Footpaths

The 'Cost Approach' using Level 3 inputs was used to value footpaths. Valuation for the footpath was based primarily on unit rates derived from the Councils schedule of rates tender. Other inputs (such as estimates pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

#### Stormwater Drainage

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit on similar could be supported from market evidence (Level 2) other inputs) such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

#### Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment      Trucks, tractors, ride on mowers, street sweepers, earthmoving equipment, buses and motor vehicles
- Office Equipment          Refrigerators, electronic appliances, flat-screen monitors and computer equipment
- Furniture & Fittings      Chairs, desks and display systems.

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

#### Other Open Space / Recreational Assets

Assets within this class comprise Soft Fall Surfaces, BBQs, Regional Sporting Facilities and Playgrounds. All assets in this class were valued in-house by experienced engineering & asset management staff. While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

#### Library Books and Resources

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

continued on next page ...

Page 61 of 80



## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 20. Fair Value Measurement (continued)

---

##### Other Structures

This asset class comprises Mall Light, Shade Structure, Flag Pole, Planter Boxes and Garden Beds.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. As such there assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

##### Other Assets

This asset class comprises trees and other miscellaneous assets.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. As such there assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

continued on next page ...

Page 62 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Fair Value Measurement (continued)

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

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

\$ '000	Financial assets	Investment properties	Buildings	Land	Plant & equipment
<b>2018</b>					
Opening balance	27,717	145,945	145,050	353,900	10,194
Purchases (GBV)	8,853	751	949	338	2,853
Disposals (WDV)	—	—	—	—	(336)
Depreciation and impairment	—	—	(6,739)	—	(2,503)
FV gains – other comprehensive income	—	8,099	—	—	—
<b>Closing balance</b>	<b>36,570</b>	<b>154,795</b>	<b>139,260</b>	<b>354,238</b>	<b>10,208</b>
<b>2019</b>					
Opening balance	36,570	154,795	139,260	354,238	10,208
Purchases (GBV)	1,716	3,087	4,857	—	5,422
Disposals (WDV)	—	—	(109)	—	(712)
Depreciation and impairment	—	—	(6,810)	—	(2,739)
FV gains – other comprehensive income	—	592	—	—	—
<b>Closing balance</b>	<b>38,286</b>	<b>158,474</b>	<b>137,198</b>	<b>354,238</b>	<b>12,179</b>

\$ '000	Infrastructure	Other assets	Total
<b>2018</b>			
Opening balance	419,841	4,031	1,106,678
Purchases (GBV)	7,737	207	21,688
Disposals (WDV)	(3,060)	—	(3,396)
Depreciation and impairment	(10,397)	(262)	(19,901)
FV gains – other comprehensive income	—	—	8,099
<b>Closing balance</b>	<b>414,121</b>	<b>3,976</b>	<b>1,113,168</b>
<b>2019</b>			
Opening balance	414,121	3,976	1,113,168
Purchases (GBV)	17,966	584	33,632
Disposals (WDV)	(2,896)	(7)	(3,724)
Depreciation and impairment	(10,540)	(274)	(20,363)
FV gains – other comprehensive income	—	—	592
<b>Closing balance</b>	<b>418,651</b>	<b>4,279</b>	<b>1,123,305</b>

continued on next page ...

Page 63 of 80

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Fair Value Measurement (continued)

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

\$ '000	Fair value (30/6/19)	Valuation technique/s	Unobservable inputs
<b>b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.</b>			
<b>Financial assets</b>			
Investments	38,288	Market Value	* Unit price
<b>Total financial assets</b>	<b>38,288</b>		
<b>Investment properties</b>			
Commercial Office, Retail and Carpark	158,474	Market Value	* Estimated rental Value (rate per square metre) * Rental Yield
<b>Infrastructure, property, plant and equipment</b>			
Buildings	137,198	Non-Specialised Buildings: Market Value Specialised Buildings: Depreciated replacement cost	* Gross replacement cost * Asset Condition * Remaining useful life
Community Land and Crown Land	275,427	Land values obtained from the NSW Valuer-General	* Price Per square metre
Operational Land	78,811	Market Value	* Price Per square metre
Footpaths	36,464	Unit rates per m2 or length	* Gross replacement cost * Asset Condition * Remaining useful life
Roads	205,697	Unit rates per m2 or length	* Gross replacement cost * Asset Condition * Remaining useful life
Stormwater Drainage	90,981	Unit rates per m2 or length	* Gross replacement cost * Asset Condition * Remaining useful life
Plant & Equipment	10,878	Historical Cost	* Gross replacement cost * Remaining useful life
Office Equipment	1,302	Historical Cost	* Gross replacement cost * Remaining useful life
Open Space & Recreation	69,293	Depreciated replacement cost	* Gross replacement cost * Asset Condition * Remaining useful life
Library Books	1,215	Historical Cost	* Gross replacement cost * Remaining useful life
Other Structures	16,214	Depreciated replacement cost	* Gross replacement cost * Asset Condition * Remaining useful life
Other Assets	3,064	Historical Cost	* Gross replacement cost * Remaining useful life

## (4) Highest and best use

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

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 21. Related Party Transactions

##### (a) Key management personnel

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

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

\$ '000	2019	2018
<b>Compensation:</b>		
Short-term benefits	1,482	1,358
Post-employment benefits	145	187
Termination benefits	—	33
<b>Total</b>	<b>1,627</b>	<b>1,578</b>

##### (b) Other transactions with KMP and their related parties

Nature of the transaction	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
<b>\$ '000</b>						
<b>2019</b>						
Grants & Contributions Provided to Waverley Action for Youth Services	1	81	—		—	—
Subsidised Property Rental from Waverley Action for Youth Services	2	12	—		—	—
<b>2018</b>						
Grants & Contributions Provided to Waverley Action for Youth Services	1	79	—		—	—
Subsidised Property Rental from Waverley Action for Youth Services	2	12	—		—	—

1 Council Provides a Community Grants Program to ensure the delivery of a range of services to the local community. A KMP is a member of the management committee of one of its supported Community Organisations - Waverley Action For Youth Services.

2 A KMP is member of the Waverley Action For Youth Services (WAYS) management committee. WAYS rents two properties for its operation from Council and Council provides rental subsidies of \$60k annually to WAYS for the two property leases. WAYS paid the Council at \$12k of rent and utility expenses in 2018/19.



## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 22. Events occurring after the reporting date

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

#### Note 23. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

#### Summary of contributions and levies

\$ '000	as at 30/6/2018						as at 30/6/2019	
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
<b>S7.12 levies – under a plan</b>	2,411	2,904	–	104	(1,504)	–	3,915	–
<b>Total S7.11 and S7.12 revenue under plans</b>	2,411	2,904	–	104	(1,504)	–	3,915	–
S7.4 planning agreements	13,206	2,668	–	–	(794)	–	15,080	–
<b>Total contributions</b>	<b>15,617</b>	<b>5,572</b>	<b>–</b>	<b>104</b>	<b>(2,298)</b>	<b>–</b>	<b>18,995</b>	<b>–</b>

#### S7.12 Levies – under a plan

##### S7.12 LEVIES – UNDER A PLAN

Roads	2,411	2,904	–	104	(1,504)	–	3,915	–
<b>Total</b>	<b>2,411</b>	<b>2,904</b>	<b>–</b>	<b>104</b>	<b>(1,504)</b>	<b>–</b>	<b>3,915</b>	<b>–</b>

## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 24(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	2018	Prior periods		Benchmark
				2017	2016	
<b>1. Operating performance ratio</b>						
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>1,018</b>	<b>0.78%</b>	1.76%	2.37%	3.20%	>0.00%
Total continuing operating revenue excluding capital grants and contributions	<b>130,823</b>					
<b>2. Own source operating revenue ratio</b>						
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>122,187</b>	<b>87.13%</b>	86.46%	86.48%	89.39%	>60.00%
Total continuing operating revenue <sup>1</sup>	<b>140,234</b>					
<b>3. Unrestricted current ratio</b>						
Current assets less all external restrictions	<b>156,432</b>	<b>11.13x</b>	10.15x	12.43x	11.84x	>1.50x
Current liabilities less specific purpose liabilities	<b>14,049</b>					
<b>4. Debt service cover ratio</b>						
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>21,471</b>	<b>42.77x</b>	23.78x	20.27x	24.74x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>502</b>					
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>						
Rates, annual and extra charges outstanding	<b>1,802</b>	<b>2.85%</b>	3.13%	3.78%	2.92%	<5.00%
Rates, annual and extra charges collectible	<b>63,231</b>					
<b>6. Cash expense cover ratio</b>						
Current year's cash and cash equivalents plus all term deposits	<b>141,141</b>	<b>15.22</b>	14.82	14.50	12.60	>3.00
Monthly payments from cash flow of operating and financing activities	<b>9,272</b>	<b>mths</b>	mths	mths	mths	mths

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

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

## Waverley Council

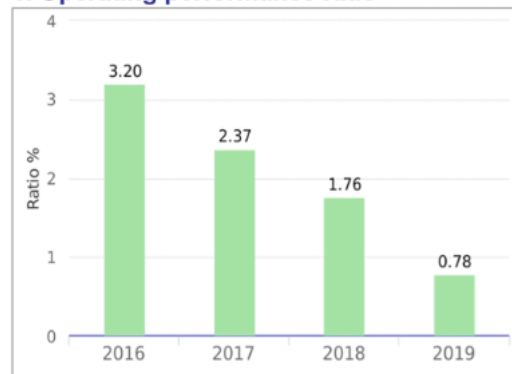
Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 24(b). Statement of performance measures – consolidated results (graphs)

## 1. Operating performance ratio



Benchmark: — &gt; 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

## Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

## Commentary on 2018/19 result

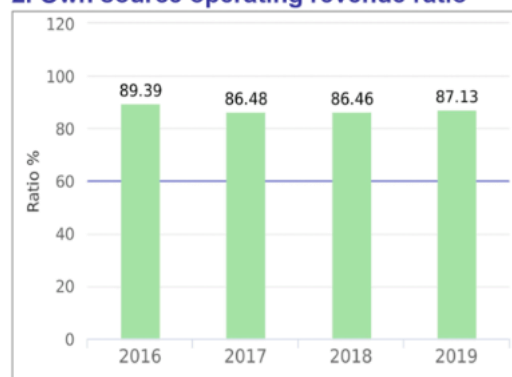
2018/19 ratio 0.78%

The ratio meets with the industry benchmark of greater than 0%

Ratio achieves benchmark

Ratio is outside benchmark

## 2. Own source operating revenue ratio



Benchmark: — &gt; 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

## Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

## Commentary on 2018/19 result

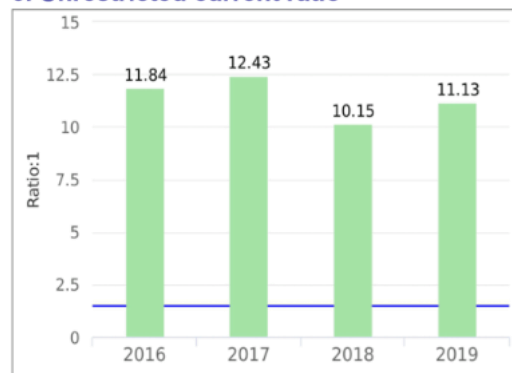
2018/19 ratio 87.13%

The ratio compares well with the industry benchmark of greater than 60.00%, it shows Waverley Council is less reliant on external funding sources to carry out its activities.

Ratio achieves benchmark

Ratio is outside benchmark

## 3. Unrestricted current ratio



Benchmark: — &gt; 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

## Purpose of unrestricted current ratio

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

## Commentary on 2018/19 result

2018/19 ratio 11.13x

Council's liquidity remains strong with sufficient liquid assets on hand to meeting short term obligations as they fall due. It is well above the 1.5x industry benchmark.

Ratio achieves benchmark

Ratio is outside benchmark

continued on next page ...

Page 68 of 80

## Waverley Council

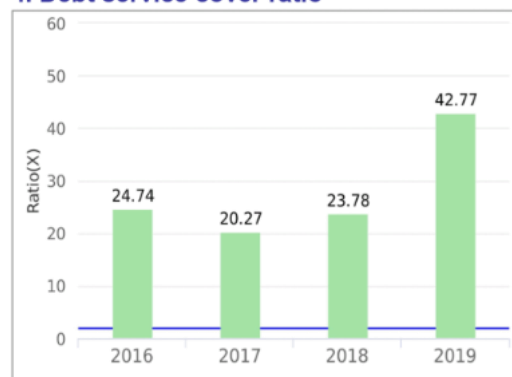
Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 24(b). Statement of performance measures – consolidated results (graphs)

## 4. Debt service cover ratio



## Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

## Commentary on 2018/19 result

2018/19 ratio 42.77x

This ratio shows that Waverley Council has strong capacity to repay additional debt and provides a favourable comparison with the industry benchmark of greater than 2.00.

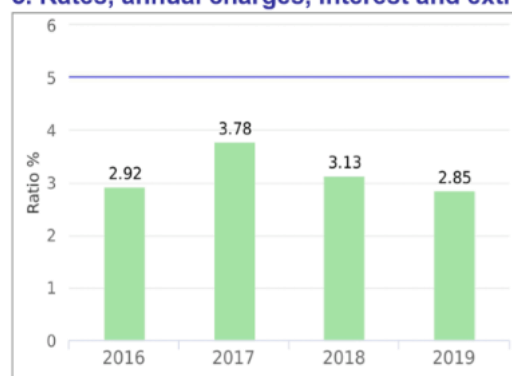
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

## 5. Rates, annual charges, interest and extra charges outstanding percentage



## Purpose of rates, annual charges, interest and extra charges outstanding

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

## Commentary on 2018/19 result

2018/19 ratio 2.85%

This ratio shows that Waverley Council's rates debt control within the industry benchmark of less than 5.00%.

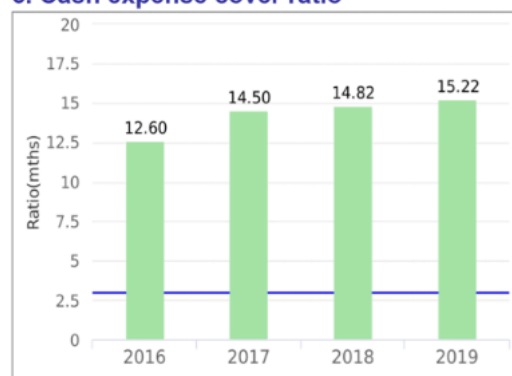
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

## 6. Cash expense cover ratio



## Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

## Commentary on 2018/19 result

2018/19 ratio 15.22 mths

This ratio compares favourably with the industry benchmark of greater than 3.00%.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark



## Waverley Council

Financial Statements 2019

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 25. Financial review

\$ '000	2019	2018	2017	2016	2015
<b>Key financial figures of Council over the past 5 years</b>					
<b>Inflows:</b>					
Rates and annual charges revenue	61,429	59,366	57,375	55,992	54,467
User charges revenue	36,444	35,575	34,230	35,414	32,705
Interest and investment revenue (losses)	5,266	4,583	4,481	4,366	2,890
Grants income – operating and capital	10,858	7,785	9,468	8,176	8,409
Total income from continuing operations	141,037	144,113	138,106	138,013	180,021
Sale proceeds from I,PP&E	992	845	5,729	11,796	83,149
New loan borrowings and advances	–	–	2,200	2,252	–
<b>Outflows:</b>					
Employee benefits and on-cost expenses	64,349	55,865	58,268	55,794	56,269
Borrowing costs	90	120	142	95	153
Materials and contracts expenses	21,666	22,387	22,975	22,254	24,884
Total expenses from continuing operations	133,537	127,000	126,933	120,226	119,934
Total cash purchases of I,PP&E	19,978	20,310	24,268	29,570	21,553
Total loan repayments (incl. finance leases)	412	815	960	836	1,118
Operating surplus/(deficit) (excl. capital income)	(1,911)	6,742	2,510	12,621	53,142
<b>Financial position figures</b>					
Current assets	163,095	161,567	153,157	151,436	124,974
Current liabilities	37,438	37,240	36,741	34,480	33,306
Net current assets	125,657	124,327	116,416	116,956	91,668
Available working capital (Unrestricted net current assets)	5,892	4,882	6,811	5,769	11,296
Cash and investments – unrestricted	7,779	8,996	6,970	4,736	1,016
Cash and investments – internal restrictions	141,958	140,107	132,690	121,526	112,376
Cash and investments – total	179,429	171,783	157,727	141,174	130,171
Total borrowings outstanding (Loans, advances and finance leases)	3,346	3,758	4,573	3,333	1,917
Total value of I,PP&E (excl. land and earthworks)	1,157,203	1,145,220	1,135,009	933,932	889,023
Total accumulated depreciation	394,961	379,029	364,101	354,416	340,292
Indicative remaining useful life (as a % of GBV)	66%	67%	68%	62%	62%

Source: published audited financial statements of Council (current year and prior year)

## Waverley Council

Financial Statements 2019

### Notes to the Financial Statements

for the year ended 30 June 2019

#### Note 26. Council information and contact details

---

**Principal place of business:**

Customer Service Centre, 55 Spring Street Bondi Junction

**Contact details**

PO Box 9  
Bondi Junction  
NSW 1355

**Opening hours:**

8:30am - 5:00pm  
Monday to Friday  
Thursday extended hours from 8.30am- 7.00pm

**Telephone:** 02 9083 8000**Internet:** [www.waverley.nsw.gov.au](http://www.waverley.nsw.gov.au)**Email:** [info@waverley.nsw.gov.au](mailto:info@waverley.nsw.gov.au)**Officers**

**Ross McLeod**  
General Manager

**Darren Smith**  
Responsible Accounting Officer

**Public Officer**  
Jane Worthy

**Auditors**  
The Audit Office of New South Wales  
Level 19, Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000

**Elected members**

John Wakefield  
Mayor

**Councillors**

Cr Angela Burrill  
Cr Dominic Wy Kanak  
Cr Elaine Keenan  
Cr George Copeland  
Cr Leon Glotsman  
Cr Marjorie O'Neill  
Cr Paula Masselos  
Cr Sally Betts  
Cr Steve Lewis  
Cr Tony Kay  
Cr Will Nemesh

**Other information****ABN:** 12 502 583 608



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**Waverley Council**

To the Councillors of the Waverley Council

**Opinion**

I have audited the accompanying financial statements of Waverley Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been presented, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

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

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

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

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

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

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Other Information**

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

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

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.



A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 19 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

25 October 2019  
SYDNEY



Cr Paula Masselos  
Mayor  
Waverley Council  
PO Box 9  
BONDI JUNCTION NSW 1355

Contact: Caroline Karakatsanis  
Phone no: 02 9275 7143  
Our ref: D1925166/1804

25 October 2019

Dear Mayor

### Report on the Conduct of the Audit for the year ended 30 June 2019 Waverley Council

I have audited the general purpose financial statements (GPFS) of the Waverley Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

	2019 \$m	2018 \$m	Variance %
Rates and annual charges revenue	61.4	59.4	3.4
Grants and contributions revenue	17.8	18.1	1.7
Operating result for the year	7.5	17.1	56.1
Net operating result before capital grants and contributions	(1.9)	6.7	128

Council's operating result (\$7.5 million including the effect of depreciation and amortisation expense of \$20.4 million) was \$9.6 million lower than the 2017–18 result. This was mainly due to a lower increase in the value of investment properties and an increase in employee costs.

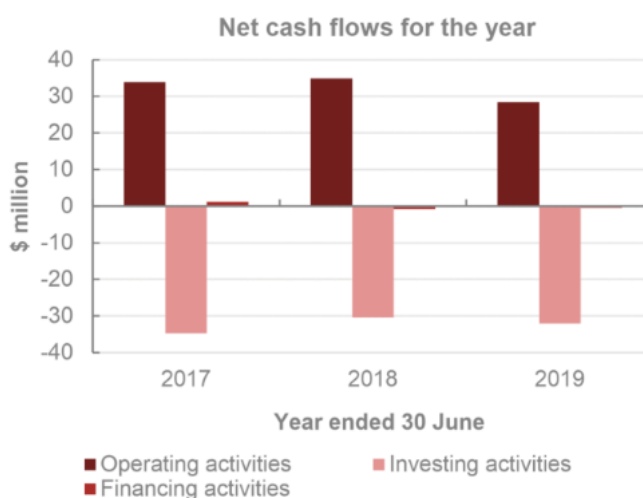
The net operating result before capital grants and contributions (\$1.9 million deficit) was \$8.6 million lower than the 2017–18 result. This was primarily due to factors noted above.

Rates and annual charges revenue (\$61.4 million) increased by \$2 million (3.4 per cent) in 2018–2019.

Grants and contributions revenue (\$17.8 million) decreased by \$0.3 million (1.7 per cent) in 2018–2019.

## STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash decreased by \$4.1 million to \$14.1 million at the close of the year.
- The decrease is mainly due to investing funds in longer term investments.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	29.7	22.7	<ul style="list-style-type: none"> <li>External restrictions include unspent specific purpose grants, developer contributions, and domestic waste management charges.</li> <li>Balances are internally restricted due to Council policy or decisions for forward plans including works program.</li> <li>Unrestricted balances provide liquidity for day-to-day operations.</li> </ul>
Internal restrictions	142.0	140.1	
Unrestricted	7.8	9.0	
<b>Cash and investments</b>	<b>179.5</b>	<b>171.8</b>	

### Debt

After repaying principal and interest of \$502,000, total borrowings as at 30 June 2019 was \$3.3 million (2018: \$3.8 million).

## PERFORMANCE

### Operating performance ratio

- Council's operating performance indicator of 0.8 per cent in 2018–19 (1.8 per cent in 2017–18) met the industry benchmark.

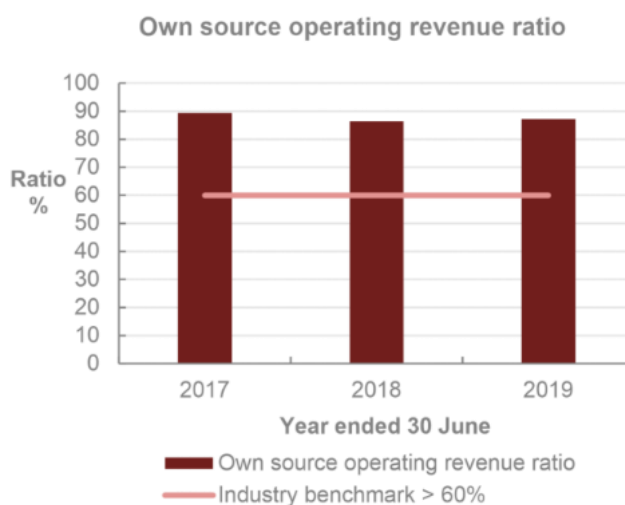
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero per cent.



### Own source operating revenue ratio

- Council's own source operating revenue ratio of 87.1 per cent in 2018–19 (86.5 per cent in 2017–18) exceeded the industry benchmark.
- This indicator fluctuates with movements in grants and contributions.

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.

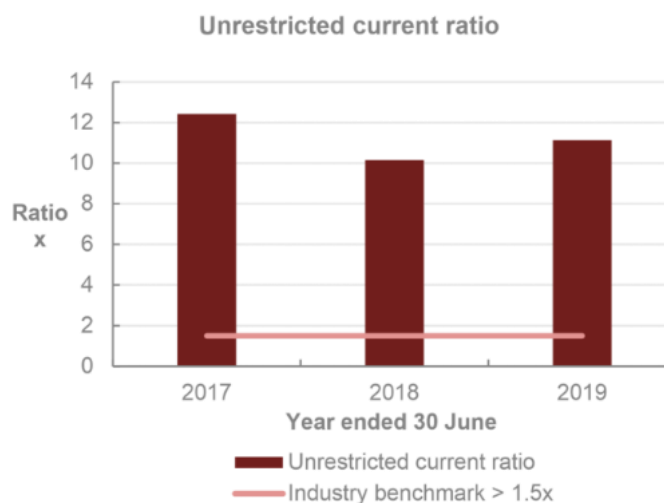




## Unrestricted current ratio

- This ratio indicated that Council had 11.1 times of unrestricted assets available to service every one dollar of its unrestricted current liabilities.
- Council's unrestricted current ratio increased to 11.1 as at 30 June 2019 (10.2 for 2018) and exceeded the industry benchmark.

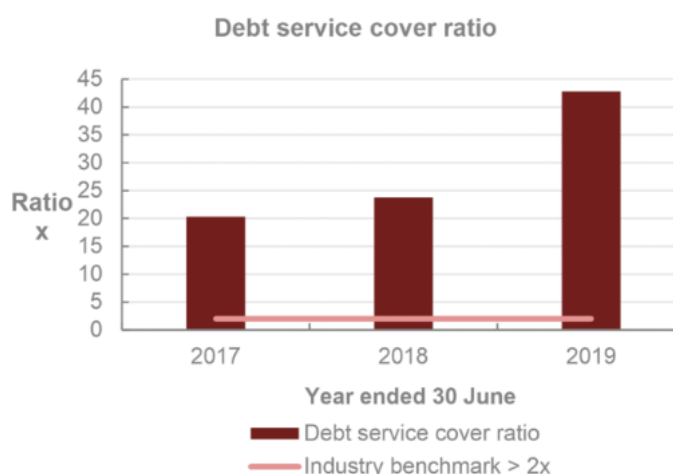
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



## Debt service cover ratio

- The debt service cover ratio for 2018–19 was 42.8 (23.8 in 2017–18) which is above the industry benchmark.

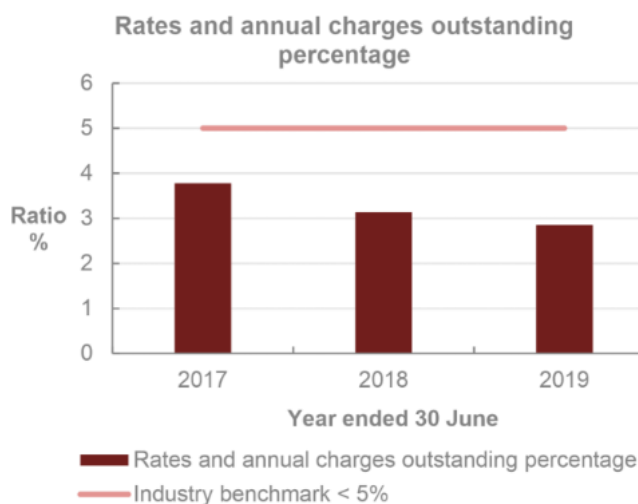
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



## Rates and annual charges outstanding percentage

- Council's indicator of 2.9 per cent as at 30 June 2019 (3.1 per cent as at 30 June 2018) met the benchmark.

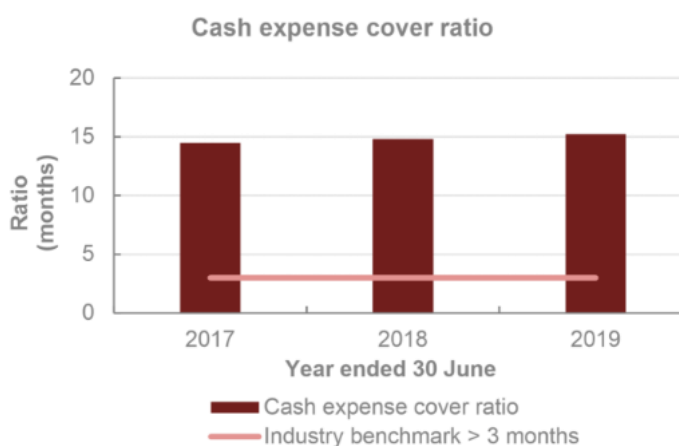
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 5 per cent for metro councils.



## Cash expense cover ratio

- Council's cash expense cover ratio of 15.2 months for 2018–19 (14.8 months for 2017–18) exceeded the benchmark.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the former OLG is greater than three months.



## Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$14.6 million compared \$16.6 million for the prior year
- The level of asset renewals during the year represented 71 per cent of the total depreciation expense (\$20.4 million) for the year.

## OTHER MATTERS

### New accounting standards implemented

Application period	Overview
<b>AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'</b>	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"> <li>a simplified model for classifying and measuring financial assets</li> <li>a new method for calculating impairment</li> <li>a new type of hedge accounting that more closely aligns with risk management.</li> </ul> <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>The impact of adopting AASB 9 is disclosed in Notes 6, 7 and 13 of the financial statements.</p>

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- staff provided all accounting records and information relevant to the audit.



Caroline Karakatsanis  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Ross Mcleod, General Manager  
Elizabeth Gavey, Chair of Audit, Risk and Improvement Committee  
Jim Betts, Secretary of the Department of Planning, Industry and Environment

# Waverley Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019

---

*"Connect, create and celebrate our people, places and  
partnerships"*





## Waverley Council

Special Purpose Financial Statements 2019

### Special Purpose Financial Statements

for the year ended 30 June 2019

Contents	Page
<b>Statement by Councillors &amp; Management</b>	<b>3</b>
<b>Special Purpose Financial Statements</b>	
Income Statement – Property	4
Income Statement – Commercial waste	5
Income Statement – Cemetery	6
Statement of Financial Position – Property	7
Statement of Financial Position – Commercial waste	8
Statement of Financial Position – Cemetery	9
<b>Note 1 – Significant Accounting Policies</b>	<b>10</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>13</b>

#### 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).

**Waverley Council**

Special Purpose Financial Statements 2019

**Special Purpose Financial Statements**

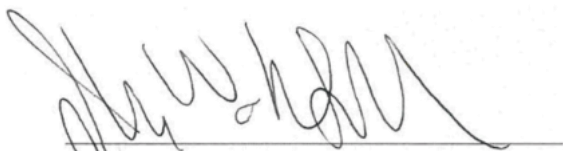
for the year ended 30 June 2019

**Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting****The attached Special Purpose Financial Statements have been prepared in accordance with:**

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

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

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

**We are not aware of any matter that would render these statements false or misleading in any way.****Signed in accordance with a resolution of Council made on 17 September 2019.**

John Wakefield

Mayor

17 September 2019



Dominic Wy Kanak

Deputy Mayor

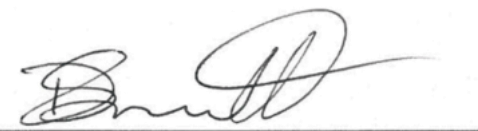
17 September 2019



Ross McLeod

General Manager

17 September 2019



Darren Smith

Responsible Accounting Officer

17 September 2019

## Waverley Council

Special Purpose Financial Statements 2019

# Income Statement – Property

for the year ended 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
<b>Income from continuing operations</b>		
User charges	3,478	4,012
Other income	2,993	10,480
<b>Total income from continuing operations</b>	<b>6,471</b>	<b>14,492</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	603	528
Materials and contracts	792	959
Depreciation, amortisation and impairment	76	76
Other expenses	1,287	1,066
<b>Total expenses from continuing operations</b>	<b>2,758</b>	<b>2,629</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>3,713</b>	<b>11,863</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>3,713</b>	<b>11,863</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>3,713</b>	<b>11,863</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(1,021)	(3,262)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>2,692</b>	<b>8,601</b>
<b>Plus accumulated surplus</b>	<b>154,808</b>	<b>145,788</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	1,021	3,262
<b>Less:</b>		
– Dividend paid	(56)	(2,843)
<b>Closing accumulated surplus</b>	<b>158,465</b>	<b>154,808</b>

## Waverley Council

Special Purpose Financial Statements 2019

# Income Statement – Commercial waste

for the year ended 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
<b>Income from continuing operations</b>		
User charges	3,499	3,798
<b>Total income from continuing operations</b>	<b>3,499</b>	<b>3,798</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	219	184
Materials and contracts	51	54
Depreciation, amortisation and impairment	9	14
Other expenses	2,757	2,816
<b>Total expenses from continuing operations</b>	<b>3,036</b>	<b>3,068</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>463</b>	<b>730</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>463</b>	<b>730</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>463</b>	<b>730</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(127)	(201)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>336</b>	<b>529</b>
<b>Plus accumulated surplus</b>	<b>158</b>	<b>93</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	127	201
<b>Less:</b>		
– Dividend paid	(597)	(665)
<b>Closing accumulated surplus</b>	<b>24</b>	<b>158</b>



## Waverley Council

Special Purpose Financial Statements 2019

# Income Statement – Cemetery

for the year ended 30 June 2019

\$ '000	2019 Category 2	2018 Category 2
<b>Income from continuing operations</b>		
User charges	1,383	1,189
Interest	59	14
Grants and contributions provided for non-capital purposes	17	49
Other income	–	3
<b>Total income from continuing operations</b>	<b>1,459</b>	<b>1,255</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	819	657
Materials and contracts	279	311
Depreciation, amortisation and impairment	43	42
Other expenses	332	59
<b>Total expenses from continuing operations</b>	<b>1,473</b>	<b>1,069</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(14)</b>	<b>186</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(14)</b>	<b>186</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(14)</b>	<b>186</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	–	(51)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(14)</b>	<b>135</b>
<b>Plus accumulated surplus</b>	<b>16,070</b>	<b>17,084</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	–	51
<b>Add:</b>		
– Subsidy paid/contribution to operations	724	–
<b>Less:</b>		
– Dividend paid	–	(1,200)
<b>Closing accumulated surplus</b>	<b>16,780</b>	<b>16,070</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.4%</b>
<b>Subsidy from Council</b>	<b>651</b>	<b>1,063</b>

## Waverley Council

Special Purpose Financial Statements 2019

Statement of Financial Position – Property  
as at 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables	233	244
<b>Total current assets</b>	<b>233</b>	<b>244</b>
<b>Non-current assets</b>		
Investment property	158,474	154,795
<b>Total non-current assets</b>	<b>158,474</b>	<b>154,795</b>
<b>TOTAL ASSETS</b>	<b>158,707</b>	<b>155,039</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	90	92
Provisions	75	62
<b>Total current liabilities</b>	<b>165</b>	<b>154</b>
<b>TOTAL LIABILITIES</b>	<b>165</b>	<b>154</b>
<b>NET ASSETS</b>	<b>158,542</b>	<b>154,885</b>
<b>EQUITY</b>		
Accumulated surplus	158,465	154,808
Revaluation reserves	77	77
<b>TOTAL EQUITY</b>	<b>158,542</b>	<b>154,885</b>

## Waverley Council

Special Purpose Financial Statements 2019

## Statement of Financial Position – Commercial waste

as at 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables	194	241
<b>Total current assets</b>	<b>194</b>	<b>241</b>
<b>TOTAL ASSETS</b>	<b>194</b>	<b>241</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	92	–
Provisions	78	83
<b>Total current liabilities</b>	<b>170</b>	<b>83</b>
<b>TOTAL LIABILITIES</b>	<b>170</b>	<b>83</b>
<b>NET ASSETS</b>	<b>24</b>	<b>158</b>
<b>EQUITY</b>		
Accumulated surplus	24	158
<b><u>TOTAL EQUITY</u></b>	<b><u>24</u></b>	<b><u>158</u></b>

## Waverley Council

Special Purpose Financial Statements 2019

Statement of Financial Position – Cemetery  
as at 30 June 2019

\$ '000	2019 Category 2	2018 Category 2
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,564	1,892
<b>Total current assets</b>	<b>1,564</b>	<b>1,892</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	48,283	47,501
<b>Total non-current assets</b>	<b>48,283</b>	<b>47,501</b>
<b>TOTAL ASSETS</b>	<b>49,847</b>	<b>49,393</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	14	64
Provisions	111	78
<b>Total current liabilities</b>	<b>125</b>	<b>142</b>
<b>TOTAL LIABILITIES</b>	<b>125</b>	<b>142</b>
<b>NET ASSETS</b>	<b>49,722</b>	<b>49,251</b>
<b>EQUITY</b>		
Accumulated surplus	16,780	16,070
Revaluation reserves	32,942	33,181
<b>TOTAL EQUITY</b>	<b>49,722</b>	<b>49,251</b>



## Waverley Council

Special Purpose Financial Statements 2019

# Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

## Note 1. Significant Accounting Policies

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

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled '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 a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

### Declared business activities

In accordance with Pricing 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. Waverley Council Property Services

Comprising the whole of the operations and assets of the property services, commercial properties controlled by Waverley Council.

##### b. Waverley Council Trade Waste Services

Comprising the whole of the operations and assets of the commercial waste services which service the area of Waverley. This service collects and disposes of waste collected from commercial premises.

#### Category 2

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

##### a. Waverley & South Head Cemeteries

Comprising the whole of the operations and assets of both the Waverley & South Head Cemeteries.

This business operates from offices located at Waverley Cemetery dealing with maintenance, sales and burials.

continued on next page ...

Page 10 of 15

## Waverley Council

Special Purpose Financial Statements 2019

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

#### Note 1. Significant Accounting Policies (continued)

##### Monetary amounts

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

##### (i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose 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 – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,321,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,321,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

##### Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the 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 the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting 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.

## Waverley Council

Special Purpose Financial Statements 2019

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

#### Note 1. Significant Accounting Policies (continued)

##### (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 NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

---

**Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

##### (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

### Waverley Council

To the Councillors of the Waverley Council

#### Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Waverley Council's (the Council) declared business activities, which comprise the Income Statement of each declared business activity for the year ended 30 June 2019, the Statement of Financial Position of each declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activities declared by Council, and the Statement by Councillors and Management.

The declared business activities of the Council are:

- Property
- Commercial waste
- Cemetery.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared business activities as at 30 June 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code).

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

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

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

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

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

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

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



## Emphasis of Matter - Basis of Accounting

Without modifying my opinion, 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 the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements 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 are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

25 October 2019  
SYDNEY

# Waverley Council

SPECIAL SCHEDULES  
for the year ended 30 June 2019

---

*"Connect, create and celebrate our people, places and partnerships"*



**Waverley Council**

Special Schedules 2019

**Special Schedules**for the year ended 30 June 2019

---

**Contents****Page****Special Schedules**

Permissible income for general rates

3

Report on Infrastructure Assets - Values

7



## Waverley Council

Special Schedules 2019

# Permissible income for general rates

for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	44,833	43,975
Plus or minus adjustments <sup>2</sup>	b	26	(66)
<b>Notional general income</b>	$c = a + b$	<b>44,859</b>	<b>43,909</b>
<b>Permissible income calculation</b>			
Rate peg percentage	e	2.70%	2.30%
Plus rate peg amount	$i = e \times (c + g)$	1,211	1,010
<b>Sub-total</b>	$k = (c + g + h + i + j)$	<b>46,070</b>	<b>44,919</b>
Plus (or minus) last year's carry forward total	l	3	—
Less valuation objections claimed in the previous year	m	—	(83)
<b>Sub-total</b>	$n = (l + m)$	<b>3</b>	<b>(83)</b>
<b>Total permissible income</b>	$o = k + n$	<b>46,073</b>	<b>44,836</b>
Less notional general income yield	p	46,068	44,833
<b>Catch-up or (excess) result</b>	$q = o - p$	<b>5</b>	<b>3</b>
<b>Carry forward to next year <sup>6</sup></b>	$t = q + r + s$	<b>5</b>	<b>3</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule - Permissible income for general rates

#### Waverley Council

To the Councillors of Waverley Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Waverley Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

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

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

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

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

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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

## Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Caroline Karakatsanis  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

25 October 2019  
SYDNEY



## Waverley Council

Special Schedules 2019

## Report on Infrastructure Assets

as at 30 June 2019

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	2018/19 Required maintenance <sup>a</sup>	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Council Offices/ Administration Centres	187	187	666	759	12,194	24,585	0.0%	28.0%	69.0%	3.0%	0.0%
	Council Works Depot	—	—	749	687	8,954	10,984	99.0%	0.0%	0.0%	1.0%	0.0%
	Council Public Halls	625	625	186	191	24,958	69,439	26.0%	0.0%	71.0%	3.0%	0.0%
	Libraries	—	—	598	567	22,891	36,841	0.0%	100.0%	0.0%	0.0%	0.0%
	Cultural Facilities	82	82	1,346	1,359	13,303	21,183	83.0%	0.0%	16.0%	1.0%	0.0%
	Other Buildings	393	393	1,316	1,542	50,148	78,887	11.0%	65.0%	22.0%	2.0%	0.0%
	Specialised Buildings	13	13	472	558	4,749	6,790	83.0%	7.0%	10.0%	0.0%	0.0%
	Sub-total	1,300	1,300	5,333	5,663	137,197	248,709	24.5%	38.4%	35.3%	1.9%	(0.1%)
Other structures	Other structures	443	443	292	337	16,214	27,335	60.0%	22.0%	12.0%	6.0%	0.0%
	Sub-total	443	443	292	337	16,214	27,335	60.0%	22.0%	12.0%	6.0%	0.0%
Roads	Sealed roads	466	466	1,829	1,888	56,721	82,428	41.0%	51.0%	6.0%	2.0%	0.0%
	Footpaths	83	83	2,603	2,908	35,714	51,139	56.0%	30.0%	13.0%	1.0%	0.0%
	Other road assets	62	62	2,914	2,718	16,465	27,977	49.0%	41.0%	9.0%	1.0%	0.0%
	Sealed roads structure	—	—	—	—	67,502	144,667	0.0%	0.0%	100.0%	0.0%	0.0%
	Kerb and Gutter	833	833	101	79	65,759	96,802	50.0%	34.0%	13.0%	3.0%	0.0%
	Sub-total	1,444	1,444	7,447	7,593	242,161	403,013	30.9%	25.3%	42.5%	1.3%	0.0%
Stormwater drainage	Stormwater drainage	150	150	399	455	18,079	25,747	29.0%	68.0%	3.0%	0.0%	0.0%
	Other	—	—	—	—	72,903	112,769	14.0%	70.0%	16.0%	0.0%	0.0%
	Sub-total	150	150	399	455	90,982	138,516	16.8%	69.6%	13.6%	0.0%	0.0%
Open space / recreational assets	Swimming pools	2,261	2,261	6,172	6,053	69,293	108,838	41.0%	37.0%	20.0%	2.0%	0.0%
	Sub-total	2,261	2,261	6,172	6,053	69,293	108,838	41.0%	37.0%	20.0%	2.0%	0.0%
TOTAL - ALL ASSETS		5,598	5,598	19,643	20,101	555,847	926,411	29.1%	36.7%	32.7%	1.5%	0.0%

(a) Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

<b>1 Excellent/very good</b>	No work required (normal maintenance)	<b>4 Poor</b>	Renewal required
<b>2 Good</b>	Only minor maintenance work required	<b>5 Very poor</b>	Urgent renewal/upgrading required
<b>3 Satisfactory</b>	Maintenance work required		

continued on next page ...

Page 7 of 9

## Waverley Council

Special Schedules 2019

## Report on Infrastructure Assets (continued)

as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	2018	Prior periods		Benchmark
				2017	2016	
<b>Infrastructure asset performance indicators (consolidated) *</b>						
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>						
Asset renewals <sup>2</sup>	<b>14,390</b>					
Depreciation, amortisation and impairment	<b>17,428</b>	<b>82.57%</b>	94.13%	77.08%	127.22%	>=100.00%
<b>Infrastructure backlog ratio <sup>1</sup></b>						
Estimated cost to bring assets to a satisfactory standard	<b>5,598</b>					
Net carrying amount of infrastructure assets	<b>555,847</b>	<b>1.01%</b>	1.05%	1.10%	1.39%	<2.00%
<b>Asset maintenance ratio</b>						
Actual asset maintenance	<b>20,101</b>					
Required asset maintenance	<b>19,643</b>	<b>102.33%</b>	94.25%	98.24%	104.40%	>100.00%
<b>Cost to bring assets to agreed service level</b>						
Estimated cost to bring assets to an agreed service level set by Council	<b>5,598</b>					
Gross replacement cost	<b>926,411</b>	<b>0.60%</b>	0.64%	0.69%	0.87%	

(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

(2) 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.

continued on next page ...

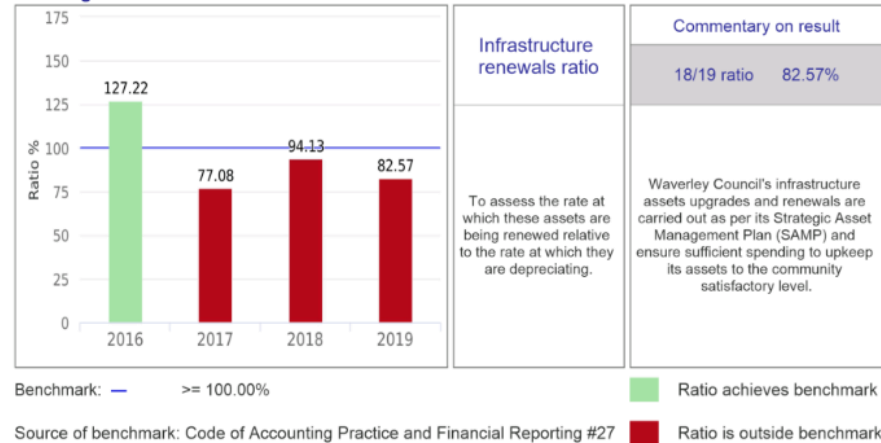
Page 8 of 9

## Waverley Council

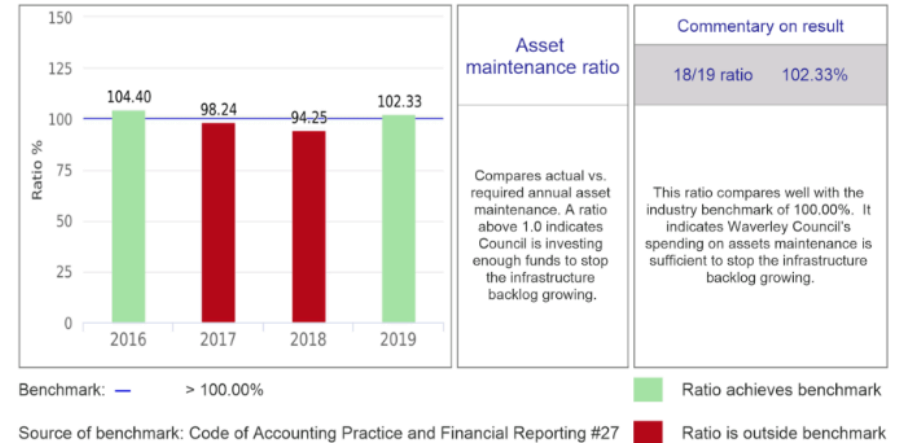
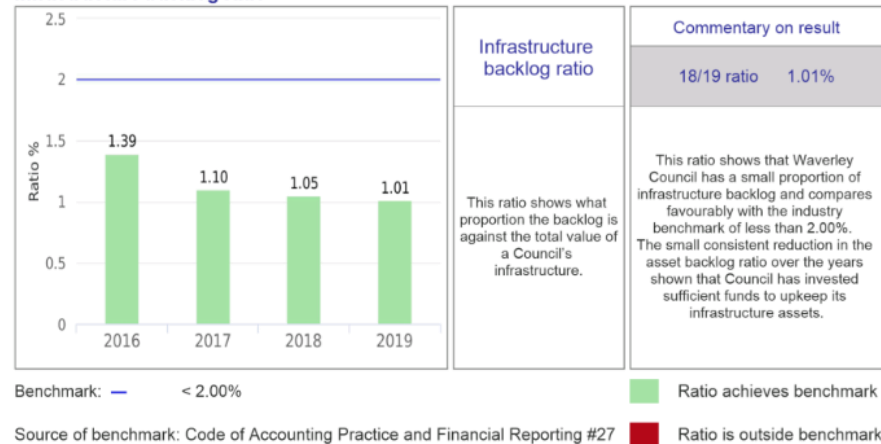
Special Schedules 2019

## Report on Infrastructure Assets (continued)

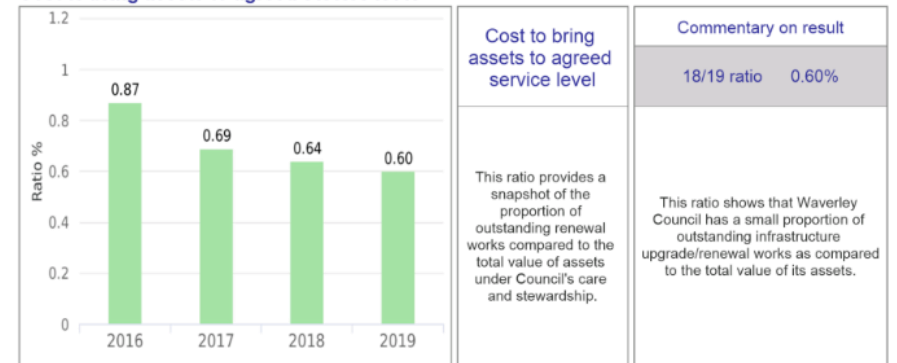
as at 30 June 2019

Buildings and infrastructure renewals ratio <sup>1</sup>

## Asset maintenance ratio

Infrastructure backlog ratio <sup>1</sup>

## Cost to bring assets to agreed service level



(1) Excludes Work In Progress (WIP)





WAVERLEY  
COUNCIL

55 Spring St, Bondi Junction, NSW 2022  
PO Box 9 Bondi Junction NSW 1355

[info@waverley.nsw.gov.au](mailto:info@waverley.nsw.gov.au)  
[waverley.nsw.gov.au](http://waverley.nsw.gov.au)

Telephone enquiries  
General business **9083 8000**  
General fax **9387 1820**  
TTY/voice calls for hearing/speech impaired **133 677**  
After hours emergencies **9083 8000**



## Attachment 2 – main changes made to disclosure notes and presentation

### Audited Financial Statements

The draft financial statements was tabled at the September 17 council meeting since then there have been number of changes to the Statements. Those changes did not change the operating result, assets and cash flow positions, they were related to the disclosure notes and presentation matters.

The changes were included in the audited Financial Statements. Table below detailed all of those changes.

### Changes made to the draft statements.

	item	Page number on the draft Statements	Page number on the final Statements	Commentary on what was changed
1	Cash Flow Statement	Page 9	Page 9	Reclassification prior year's (2018) \$262k pensioner subsidies from Grants & Contributions to Rates & Annual Charges category.
2	Note 1(c) – Basis of preparation	Page 11	Page 11	Removed wording for section C (iii) "estimated tip remediation provisions – refer Note 12."
	Note 1 – Basis of preparation - New accounting Standards and interpretations issued not yet effective	Page 12	Page 12	<b>New accounting Standards and interpretations issued not yet effective</b>  The audited Financial Statements provided in more detail on how each of new Standards impact on Council's future financial performance, financial position and cash flows.
3	Note 2(a) – council functions/activities	Page 13	Page 15	Consolidate "Other" into one of the 22 services.
		Page 14	Page 16	Amended the description wording for cultural Services, Customer Services & Communications and Environment Services.
4	Note 4C – Expenses from continuing operations	Page 23	Page 25	Changed wording of "Non NSW Auditor-General audit firms" to "Auditor of the Council – NSW Auditor-General"
5	Note 6B - Investments	Page 27	Page 29	Removed wording of "with maturities > 3 months"

6	Note 7 – Receivables - Externally restricted receivables	Page 30	Page 32	2019 Non-current domestic waste management increased by \$6k.
7	Note 9(a) – Infrastructure, Property, Plant and Equipment	Page 33 & 34	Page 35 & 36	Page 33 & 34 – Separated the Crown Land from Community Land for both financial years.
8	Note 11(a) – Payables and borrowings  Note 12(a) – Provisions relating to restricted assets	Page 38  Page 41	Page 40  Page 42	Page 38 – dissected the externally restricted assets provisions from here to the Note 12 (a) for both financial years.
9	Note 15(a) -	Page 44	Page 47	Page 44 – Note 15(a) did not print properly in the draft – the description of the Joint Operations
10	Note 16 - Commitments	Page 45	Page 48	Page 45 – Increased the commitment value for Infrastructure to \$34,938k and the relevant funding sources.
11	Note 18 (a) – Market risk – price risk and interest rate risk.  Note 18(c)	Page 50  Page 52	Page 52  Page 53	Revised the projected financial impact from the possible impact of a 1% movement in market value for both financial years.  Revised the expected payable payment profile for the financial liabilities.
12	Note 20(1) – Fair Value Measurement.  Note 20(3) - Fair value measurement using significant unobservable inputs (Level 3)	Page 55  Page 60	Page 58  Page 63	Separated the Crown Land from Community Land for both financial years.  Correction of \$1k rounding for the closing balance.
13	Note 21(b) – Other Transactions with KMP and their related parties	Page 61	Page 65	The 2019 information was hidden in the draft Statements.
14	Note 23 – Statement of developer contributions	Page 62	Page 66	Amended 2019 information to reflect the final account balance.

15	Special Purpose Financial Statements	Page 3	Page 3	Removed the wording of “ the NSW Office of Water Best-Practice management of Water and Sewerage Guidelines”,
16	Special Schedules	Page 2	Page 3	Corrected the notional general income yield to \$46,068 from \$46,073.