



SHOROC

Annual Report 2010



Stronger Region, Stronger Councils

A partnership of Manly, Mosman, Pittwater and Warringah Councils

www.shoroc.com

SHOROC IS A PARTNERSHIP OF MANLY, MOSMAN, PITTWATER AND WARRINGAH COUNCILS



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The many challenges that confronted us in the course of our work were quickly overcome by our ability to collaborate and work together

1.0

THE PRESIDENT'S REPORT



I am delighted to give the SHOROC President's Report for 2009/10 which is especially significant to me, being the first since being elected as President.

It has been a particularly busy and productive year, both for the elected Board and for SHOROC staff. The many challenges that confronted us in the course of our work were quickly overcome by our ability to collaborate and work together to achieve an inspirational year marked with many colourful moments and milestones.

The year began by building on the preliminary work completed in 2008/09 towards the long-term strategy for the region and we have

continued to make significant inroads towards this key project throughout the year and influence many levels of government. We now have a draft strategy in place, entitled *Shaping Our Future*, which I think gives us a huge advantage in the lead up to the NSW elections as we seek to secure investment in our transport and health services.

We have also seen some big changes in SHOROC itself. In September 2009 we wished outgoing Executive Director, Leta Webb, a fond farewell as she began a new career in community legal education and lecturing in Environmental Law at Sydney University. On behalf of the Board we would like to thank Leta for her leadership,



commitment and contribution to SHOROC over the two years that she was part of the team.

We had the advantage of beginning the New Year with a fresh team as we welcomed the new Executive Director, Ben Taylor, who was appointed in November 2009. Ben joined us from a successful stint as Director of Metropolitan Water at the NSW Office of Water and brought with him strong leadership qualities that were quickly put into gear at SHOROC. Two new staff members then joined the team, with Lisa Stevens appointed as Office Manager and Andrea Tattam as Business Manager.

Having a completely fresh team provided an opportunity for new focus and we used this opportunity to develop a new Corporate Plan with two key objectives: stronger councils and a stronger region. We've come a long way in the six months since this team began and I look

forward to what we can achieve together in the coming years.

We began this year as shareholders of a new company, Kimbriki Environmental Enterprises Pty Ltd., set up by the SHOROC councils of Manly, Mosman, Pittwater and Warringah to own and operate the Kimbriki site. This milestone presented councils and residents in the SHOROC region an exciting opportunity to demonstrate their commitment to sustainable waste practices and associated resource recovery as we now have the ability to sustainably manage our own waste, minimising disposal to landfill so we can provide for the long-term waste management capacity requirements of future generations. The agreement has also led to substantial benefits and significant future cost savings for the community and councils.



L-R: Warringah Mayor Michael Regan, Manly Deputy Mayor David Murphy, the Hon. Bronwyn Bishop MP, the Hon. Tony Abbott MHR, Pittwater Mayor Harvey Rose, Mosman Mayor and SHOROC President Anne Connon.

One of the highlights this year was attending the National General Assembly of Local Government in June 2010 where we had the unique opportunity to meet with the Hon. Tony Abbott MHR, Leader of the Opposition, and the Hon. Bronwyn Bishop MP at Parliament House. The meeting was attended by the Mayors of Mosman, Manly, Warringah and Pittwater and gave us the unique opportunity to discuss regional issues with members of parliament and gain critical ongoing commitment for our region.



In November 2009, the SHOROC ban on E-waste campaign received tacit support from combined State and Federal Governments following the announcement of a new National Waste Policy. This campaign really demonstrates how councils can work effectively together to address broader regional issues that will benefit our community as a whole now and in the future.



The commitment of the Board and the management team to generating these significant achievements over the last twelve months is evident. It could not have been accomplished without the guidance and generosity of time and resources provided by council staff.

Going forward, we will maintain our strong focus on delivering our key objectives to make our region and our councils stronger, and I look forward to the opportunities and challenges that are presented.

A handwritten signature in black ink, which appears to read "Anne Connon".

Cr Anne Connon
Mayor of Mosman
SHOROC President



Through strong partnerships with member councils Manly, Mosman, Warringah and Pittwater, SHOROC aims to make the region and its communities an even stronger place to live, work and play.

2.0

ABOUT THE ORGANISATION

2.1 SHOROC OVERVIEW

SHOROC is a strong effective partnership between the four councils that make up the region of the Northern Beaches from Bradley's Head to Barrenjoey – Manly, Mosman, Warringah and Pittwater councils.

Our key objectives are to make our **region stronger** and make our **councils stronger**.

The goal of the organisation is to provide value for our member councils, their communities and the region through strategic regional coordination and collaboration, by finding ways to do things more efficiently and by providing innovative community-focused ideas and solutions.

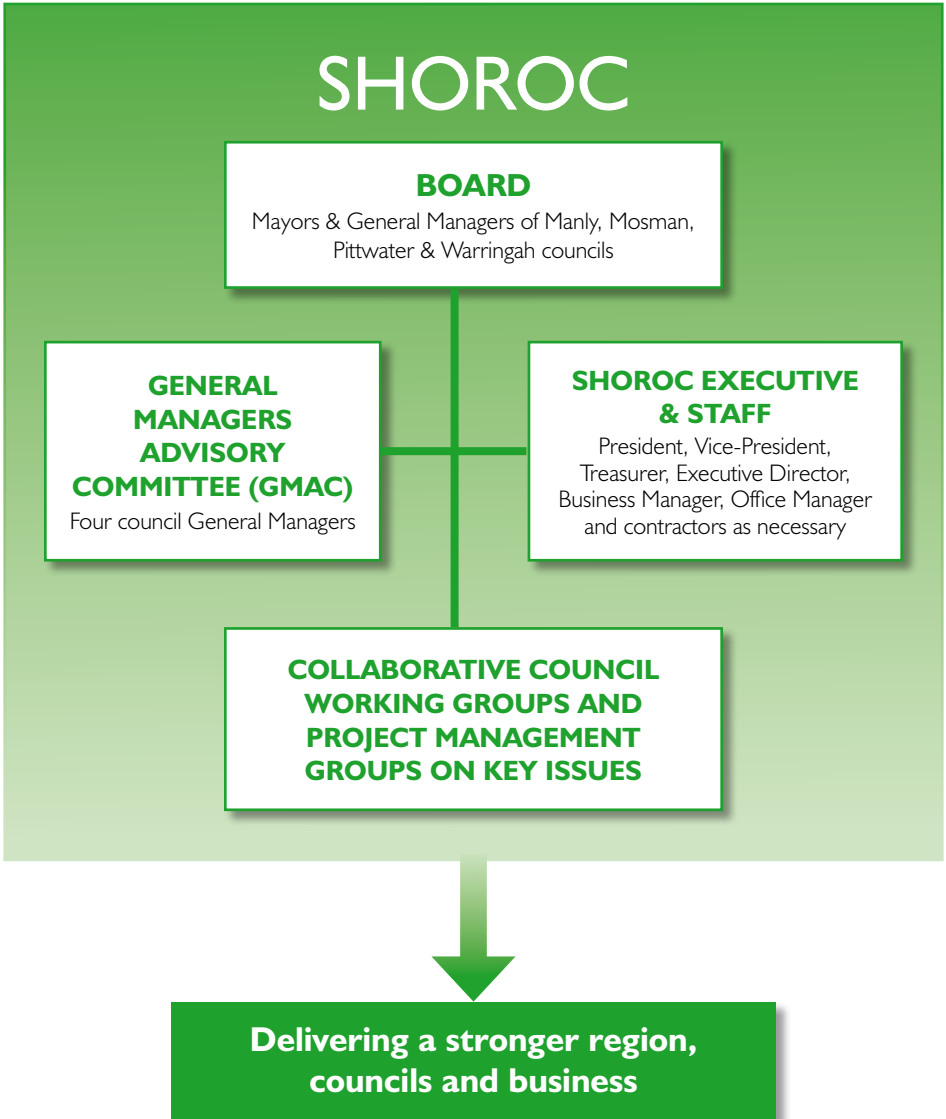
As a group of councils working together, there are four main ways SHOROC delivers on our objectives:

- Developing and coordinating delivery of **strategic regional plans and projects** to address major issues for the region now, and challenges to come, such as population growth and climate change, based on a clear understanding of the issues facing each local council area and the region.
- Leveraging our united voice to **lobby for more investment in regional infrastructure and services**, with a key focus on transport and health.
- Working together to improve the way things are done within and between councils such as **driving efficiency and cost savings in council services**, then investing savings gained back into the region.
- **Partnering** with other levels of government and local businesses to deliver priority projects.

Our guiding principle is a focus on outcomes – doing regional work that matters. Through strong partnerships with member councils Manly, Mosman, Warringah and Pittwater, SHOROC aims to make the region and its communities an even stronger place to live, work and play.



2.2 STRUCTURE OF SHOROC



BOARD

The SHOROC Board comprises the four Mayors and the four General Managers of the member councils. The Board provides leadership for SHOROC's major projects and oversees organisational planning and policy. Responsibilities are shared by each council on a rotating basis, with the Mayor assuming the role of SHOROC President.

GMAC

The General Managers Advisory Committee (GMAC) consists of the four General Managers. GMAC has responsibility for overseeing the efficient management of the organisation and staffing and provides policy and planning advice to the Board.

STAFF

SHOROC employs staff to undertake the organisation's day-to-day work. The key positions are:

- Executive Director: Ben Taylor – manages SHOROC and its staff and ensures effective implementation of regional projects
- Business Manager: Andrea Tattam – coordinates and delivers efficiency and cost saving strategies and regional tenders
- Office Manager: Lisa Stevens – ensures smooth operation of SHOROC and coordinates communications

COUNCIL WORKING GROUPS

Working groups of council officers work with the SHOROC staff team to develop and implement regional projects. They share ideas and resources and are a critical success factor in SHOROC achieving its goals and objectives.



2.3 BOARD MEMBERS & THE EXECUTIVE

The Board of SHOROC is made up of the four elected Mayors and four General Managers of the member councils who represent their council as delegates to SHOROC. The 2009/10 Board is pictured below. Between the Board members there is a wealth of experience in Local Government and community leadership – a key strength of the SHOROC organisation.



L-R: Mosman General Manager Viv May, Manly General Manager Henry Wong, SHOROC Vice President and Pittwater Mayor Cr Harvey Rose, SHOROC President and Mosman Mayor Cr Anne Connon, Manly Mayor Cr Jean Hay AM, Pittwater General Manager Mark Ferguson, Warringah Mayor Cr Michael Regan, Warringah General Manager Rik Hart.

Each year at the Annual General Meeting, the Board members elect office bearers to fill the Executive positions of President, Vice President and Treasurer. 2009/10 Executive members are:

- President – Cr Anne Connon, Mayor of Mosman
- Vice President – Cr Harvey Rose, Mayor of Pittwater
- Treasurer – Mark Ferguson, General Manger Pittwater Council

2.4 Attendance at Board Meetings

TOTAL NUMBER OF BOARD MEETINGS – 5 including AGM

1. 19 August 2009
2. 18 November 2009
3. 18 November 2009 AGM: Cr Connon was elected as President and Cr Rose as Vice President.
4. 17 February 2010
5. 12 May 2010

Board Member	Title	Times Attending
Cr Anne Connon	Mayor Mosman, SHOROC President	5
Cr Harvey Rose	Mayor Pittwater, SHOROC Vice President	4
Cr Michael Regan	Mayor Warringah	4
Cr Jean Hay AM	Mayor Manly	4
Cr David James	Mayor, Pittwater (to Sep 09)	1
Cr Conny Harris	Deputy Mayor, Warringah (to Sept 09)	1
Cr Adele Heasman	Deputy Mayor, Manly (to Sept 09)	1
Mr Viv May	General Manager, Mosman Council	5
Mr Henry Wong	General Manager, Manly Council	2
Mr Rik Hart	General Manager, Warringah Council	5
Mr Mark Ferguson	General Manager, Pittwater Council	5
Mr Stephen Clements	Deputy General Manager, Manly Council	3



The region covers approximately 288km² and is surrounded on all sides by either water or forest areas, leading some locals to call the area “the Peninsula”.



3.0

THE SHOROC REGION

The SHOROC region includes the four councils on Sydney's Northern Beaches from Bradley's Head to Barrenjoey, namely Mosman, Manly, Warringah and Pittwater Councils.

The region covers approximately 288km² and is surrounded on all sides by either water or forest areas, leading some locals to call the area "the Peninsula".

At such close proximity to the Pacific Ocean, the Hawkesbury River and Sydney Harbour the SHOROC region is susceptible to the impacts of climate change which is predicted to mean rising sea levels, coastal erosion and more severe storms which would have significant impacts, including on our low lying and coastal areas and bushland. Climate change may lead to displacement of housing and other coastal and low lying land in the region.

The total population of the region is around 270,000 people and is expected to increase by around 30,000 people, an 11% increase, over the next 20 years. The largest council area in the SHOROC region is Warringah which is home to about 133,490 residents, followed by 53,102 in Pittwater, 37,380 in Manly, and 28,767 in Mosman.

The population is characterised by a high proportion of residents who live and work locally. An analysis of the jobs held by the resident population in SHOROC Region in 2006 (Censuses) shows the three most popular industry sectors were:

- Professional, Scientific and Technical Services (15,935 persons or 12.6%)
- Retail Trade (13,129 persons or 10.4%)
- Health Care and Social Assistance (11,859 persons or 9.4%)



The SHOROC Region in Sydney's North-East



PITTWATER

WARRINGAH

MANLY

MOBMAN

The key industries and businesses across the region include – retail, health, professional and scientific, manufacturing and wholesale trade, and education and training. As the region grows, more affordable housing in the region will be required to maintain the high ratio of residents who work and live locally, with a view to reversing the decline in the proportion of key workers forced out of the region due to affordability.

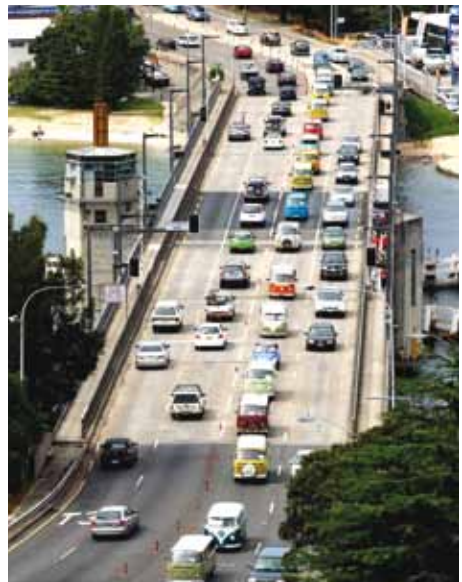
Transport is a major issue for the SHOROC region. There are only three main roads to and from the region: the Spit Bridge/Military Road, the Roseville Bridge (Warringah Road), or Mona Vale Road. There is no rail system and public transport is by bus or by ferry with services operating between Manly and Circular and Palm Beach and Ettalong (on the Central Coast).

The SHOROC region suffers from choked roads due to the lack of availability of efficient public transport for much of the region, affecting residents' ability to rely on this form of transport and driving patronage to private vehicles (72% of commuter journeys), further congesting the major transport corridors. The support of government investment in the region is critical to enhance the major public transport and road infrastructure for better access to, from and within the SHOROC region so that SHOROC can maintain and enhance its contribution to the NSW economy.

The region is characterised by its outstanding natural environment, vibrant community and large influx of tourists and weekend visitors. More than over 85,000 overseas visitors and thousands more interstate and day visitors come to the SHOROC region each year to experience pristine beaches including beautiful, hidden

coves and inlets on Pittwater and Sydney and Middle Harbours, breathtaking National Parks, Aboriginal sites and historic landmarks.

Please visit the SHOROC website www.shoroc.com and explore the *Regional Profile* feature that includes results from the 2006, 2001, 1996, and 1991 Censuses of Population and Housing. It is designed to inform community groups, investors, business, students and the general public about the demographics of the region such as population, income, disadvantages, age, language and lots more. We welcome you to use this free information resource to find out more about the profile of our region.





... work with the councils to continue to see a sustainable approach to planning for our region – keeping what we've got and making it even better.

4.0

WORKING FOR A STRONGER REGION AND STRONGER COUNCILS



4.1 EXECUTIVE DIRECTOR'S REPORT

This year has been another busy and successful year for SHOROC.

Time has flown since I joined SHOROC in November 2009, taking up an opportunity that was too good to miss. As a local with a young family I am committed to seeing the SHOROC region preserve its unique character, beautiful environment and sense of community. This role presents a fantastic opportunity to work together with the local councils and residents to shape a great future for our region.

I share the same vision as my colleagues, to see a region that is designed around and for people with more emphasis on, and amenity for, efficient public transport, jobs close to home and a health system we can rely on. Sustainability is a key part of our values and I am keen to work with the councils to continue to see a sustainable approach to planning for our region – keeping what we've got and making it even better.

SHOROC has been in existence for over 15 years now, and has maintained its relevance to its members and community by constantly reviewing its directions and activities. This year has seen development and implementation of a new Corporate Plan which sets out the long and short-term goals for the organisation, with

clear objectives: a stronger region and stronger councils.

This year has seen a big step forward in SHOROC's commitment to work together to achieve one of our key objectives outlined in the 2010-14 Corporate Plan 'to make our councils stronger'. This has always been a priority but the funding and appointment of a new Business Manager, Andrea Tattam, in March 2010 means we have appropriate resources to work with councils and help drive efficiency and cost saving strategies that have the potential to save councils hundreds of thousands of dollars annually.

The program is well underway and is already providing value to councils and ratepayers through joint tenders and resource sharing, whilst maintaining the independence of our partner councils. SHOROC will continue to deliver the new Efficiency and Cost Saving Program into the coming year.

Planning for the future is an area in which Mosman, Manly, Pittwater and Warringah councils excel.

This year we have made significant headway in strategically planning for the future on a regional level, producing a draft of our first regional strategy, *Shaping Our Future*, which will be tabled for consideration of councils and the Board in late 2010. This strategy is critical as

we work together to tackle challenges that are addressed more effectively on a regional scale such as transport and health provision, a growing population and the impacts of climate change.

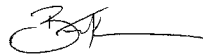
We also worked on a number of other important projects including implementing a regional ban on the collection of e-waste to stop the disposal of these precious resources to landfill and demonstrating to all levels of government that it can be done; providing submissions to government advocating better health and transport for our region; collaborating on climate change adaptation and mitigation strategies; forming the SHOROC Kimbriki Sub-Committee to provide community and council advice to the SHOROC and Kimbriki Boards; and commencing a review of SHOROC's governance to ensure the most effective and efficient use of council time and resources.

An interesting new project commenced this year is one to establish regional indicators on the 'state of the region', as well as to develop the next parts of the *Shaping Our Future* strategy, specific plans to address the needs of the region in the way of other infrastructure and service delivery such as cultural and recreational venues or water and sewerage infrastructure.

Many of these initiatives have laid the groundwork for future activities in 2010/2011 and will see SHOROC ramping up its advocacy work for better transport and health services for the region, as well as an increasing focus on shared services including working towards a common waste collection system.

The 2009/2010 period saw SHOROC achieve significant outcomes for its member councils and local community. We will continue to work on and plan key infrastructure initiatives such as the strategy for the region, care for our environment and ensure sustainable business practises and good customer service remain a focus.

I am delighted to have joined SHOROC at an exciting time and have adjusted to my new team and surroundings very quickly with everyone being very supportive and welcoming. I am most appreciative of the wholehearted support of the Board, Council staff and SHOROC staff, upon which so much depends.



Ben Taylor
SHOROC Executive Director



Councillor Workshop on 'Shaping Our Future' held on March 24, 2010

4.2 STRONGER REGION

4.2.1 SHAPING OUR FUTURE

This year saw the development of a draft of the first strategy for the future of the region, entitled *Shaping Our Future*, building on the preliminary analysis work completed in 2008/9.

The development was based on research to identify key regional issues and challenges which need to be addressed as we plan how the SHOROC region of 273,000 people will look, feel and grow over the next twenty years.

The purpose of the strategy is to outline the investment priorities for the transport and health services of the region as well as how the SHOROC partnership of councils will sustainably accommodate the population, housing and jobs targets set by the NSW Government. It is designed as a partnership document and outlines how the SHOROC councils will work together with other levels of government, business and the community to enable a more coordinated and cooperative regional inter-governmental approach.

Expert planning consultants were engaged by SHOROC in 2009 to undertake the spatial mapping aspect of the project and have since undertaken extensive analysis and vision-setting for the region that will help to inform the overall strategy.

Community views have been incorporated through council research and consultations, as well as analysis of various land use scenarios and implications for accessibility to transport and services, liveability and sustainability.



Councillor workshops and briefings were held on the preliminary draft of the strategy in March and April 2010 and preliminary discussions were held in May with local State Members of Parliament to discuss regional issues and the preliminary priorities for State or Commonwealth investment.

Subject to finalisation of the strategy and council and Board endorsement, once complete it is planned the Mayors of Manly, Mosman, Pittwater and Warringah councils will lead an advocacy campaign later in 2010 to seek to secure funding from the State and Federal governments for the priorities outlined in the strategy.

The next part of the regional *Shaping Our Future* strategy is to develop specific strategies for what is needed regionally in the way of other infrastructure and service delivery to maintain and enhance the region's liveability and sustainability (see item 4.2.2).

4.2.2 'STATE OF THE REGION' INDICATORS AND REGIONAL SUSTAINABILITY STRATEGY

A new project commenced late in 2009/10, with the support of a grant from the NSW Government's Environment Trust, is to develop the next elements of the *Shaping Our Future* strategy:

- Overarching 'health of the region' indicators which will be used to assist councils and SHOROC to report locally and regionally on key themes for the region, and for benchmarking, monitoring and review of local and regional issues.
- A regional sustainability strategy based on existing and planned council sustainability strategies and potential collaborative regional strategies.

It is planned the regional sustainability strategy will be released in 2011.

4.2.3 ADVOCATING A BETTER REGION

A key element of SHOROC's role is advocating as a partnership of four councils, leveraging our 'strength in numbers' and united voice, for increased investment and better outcomes for our region. Three key areas of advocacy in 2009/10 were:

i. SUBMISSION ON NSW GOVERNMENT DRAFT METROPOLITAN TRANSPORT PLAN AND METROPOLITAN STRATEGY DISCUSSION PAPER
SHOROC worked with key staff from Manly, Mosman, Pittwater and Warringah Councils to prepare a submission to the NSW Government on its draft Metropolitan Transport Plan and discussion paper for the Metropolitan Strategy Review-Sydney Towards 2036. The submission

focused on the six key issues that need to be addressed for the region including the transport investment required, and also commented on the Metropolitan Strategy approach as well as the Department of Planning's investigation of Frenchs Forest as a Major Centre. The submission is available at shoroc.com.

ii. ADVOCATING BETTER HEALTH SERVICES
SHOROC continues to pursue better health services for the region, including the need for immediate construction of the new level 5 Northern Beaches Hospital at Frenchs Forest, for upgrades to Mona Vale Hospital to enable its long term complementary role, and to fully-fund Manly and Mona Vale Hospitals until the Northern Beaches Hospital is up and running. It should be remembered that the present alterations/extensions to Royal North Shore Hospital are based on the very early existence and operation of the Northern Beaches (Frenchs Forest) Hospital.

The SHOROC Board has met a number of times with the NSW Coalition and has written to the NSW Minister for Health on a number of occasions seeking a matching commitment to that of the Coalition, that is to begin construction of the new level 5 Hospital at Frenchs Forest within the next term of Government and to upgrade Mona Vale Hospital as a complementary hospital.

iii. SUBMISSION ON HEALTH REFORM IN NSW
SHOROC has provided a submission to the NSW Government on its discussion paper 'Health Reform in NSW – a discussion paper on implementing the Federal Government's *A National Health and Hospitals Network for Australia's Future*'.

The submission focuses on the boundaries for proposed Local Health Networks (LHNs), governance and the need for local government representation on the LHNs and the critical priority for investment in the health services of our region.

4.2.4 BANNING E-WASTE FROM LANDFILL

The four SHOROC councils introduced a ban on the disposal to landfill and kerbside collection of e-waste in general household collections from 1 January 2010 due to concerns about its effect on the environment when placed in landfill. Alternative options were put in place for residents so that the e-waste could be recycled including scheduled drop-off days and collections.

The ban has been highly successful and residents and businesses across all four council areas have embraced the opportunity to recycle their electronic waste in a responsible way. For example on Saturday March 13 and Sunday March 14, 2010 approximately 4,000 vehicles pulled into Kimbriki Recycling & Waste Disposal Centre delivering some 165 tonnes of e-waste for recycling.



The success of the ban and lobbying by SHOROC has led to the Federal Minister for the Environment announcing the introduction of a nationwide e-waste recycling scheme from 2011 and the introduction of legislation for extended producer responsibility (EPR) to make manufacturers responsible for the recycling and safe disposal of e-waste.

4.2.5 KIMBRIKI ENVIRONMENTAL ENTERPRISES PTY LTD



After much work by the four partner councils and SHOROC, on 1 July 2009 Kimbriki Environmental Enterprises Pty Ltd (KEE) was incorporated as a new company created to own and operate the Kimbriki Resource Recovery Centre at Terrey Hills, with Warringah, Manly, Mosman and Pittwater Councils as shareholders.

The company is looking at opportunities to provide new waste technology on the site including two purpose-built facilities: a Materials Recovery Facility for sorting kerbside recyclables, and an Alternative Waste Technology facility for sorting and treating mixed municipal wastes. The four councils are committed to achieving a common household collection system of recyclable, putrescible and green waste for the region.

Warringah, Pittwater, Manly and Mosman councils currently send their domestic waste to Belrose landfill, which is due to close within the next four years. The new facilities will provide a locally sustainable solution for managing household wastes once Belrose closes. This will

avoid the social, financial and environmental costs associated with transporting this waste to distant landfills.

i. SHOROC KIMBRIKI SUB-COMMITTEE

The SHOROC Kimbriki Sub-Committee was formally established by resolution of the SHOROC Board on 18 November 2009. The purpose of the Sub-Committee is to provide an opportunity for representatives of the councils and communities of Manly, Mosman, Pittwater and Warringah to consider and provide input to matters relevant to the operation of the Kimbriki Resource Recovery Centre by Kimbriki Environmental Enterprises Pty Ltd (KEE).

Manly, Mosman, Pittwater and Warringah councils have each appointed one Councillor and one community representative as voting members of the Sub-Committee.

The inaugural meeting of the Kimbriki Sub-Committee was held on Thursday 3 June at Dee Why RSL where the Terms of Reference were adopted and a Chairperson elected. The SHOROC Kimbriki Sub-Committee will meet four times per year.

4.2.6 CLIMATE CHANGE COLLABORATION

Climate change is a key issue for the SHOROC councils, especially as it is predicted to mean rising sea levels, coastal erosion and more severe storms which would have significant impacts, particularly on our low lying and coastal areas and bushland.

On 11 February 2010, the SHOROC Climate Change Information Seminar was held to collectively discuss council options, potential legal implications and find out what other councils around Australia are doing. The potential impacts of climate change were discussed by Councillors and senior staff from Mosman, Manly, Warringah and Pittwater Councils.

Guest Speakers from around Australia presented integrated assessments of sea level rise impacts on coastal areas and key insights into socio-economic and coastal engineering studies. Speakers included: Andrew Paul, '*Climate Change and Sea Level Rise – Impacts on Coastal Foreshores*'; Dr. Karen Blackmore '*Climate Change in the Hunter and Central Coast Regions*'; and Dr Alice Howe '*Lake Macquarie City Council's Response to Sea Level Rise*'.



The Seminar was considered a success by all who attended and SHOROC will continue to facilitate regional thinking, information seminars and ideas-sharing on climate change.

In March 2010, Cr Michael Regan and Cr David James attended the National Climate Change Forum as delegates on behalf of the SHOROC councils. They reported back to the March Board meeting on the outcomes and it was agreed that a climate change report including an inventory of climate change adaptation and mitigation measures currently underway by each council would be developed.

This inventory has now been completed and is being used by a working group of council staff to identify where there are common goals, strategies and policies and opportunities for collaborative actions to adapt to and help mitigate the impacts of climate change.

4.2.7 SHOROC REGIONAL SOE REPORT 2009/10

The SHOROC Regional State of the Environment (SOE) Report 2009/10 is a supplementary report, detailing the trends in the condition of the environment across the SHOROC region and the response undertaken by the SHOROC partnership of councils since the last comprehensive SHOROC SOE Report in 2008/09.

The SOE Project Team is made up of one sustainability staff member from each of the four councils (Mosman, Manly, Warringah and Pittwater). The team was formed in March 2010, to collate all data and case study information required for inclusion in the SHOROC SoE Report. The Project Team, with Mosman Council as the Project Coordinator, continued to work together throughout the year to compile the SHOROC Regional SoE Report to meet the November 2010 deadline.

Between 2010 – 2012, the SHOROC partnership of councils will begin operating under the new planning and reporting framework. This will occur from 2010/11 for Mosman, Pittwater and Warringah Councils and 2011/12 for Manly Council. As such the 2009/10 Regional SHOROC SoE Report will be the final regional report developed by SHOROC, with each individual council incorporating SoE reporting into their own reporting frameworks from 2010/11.

4.2.8 REGIONAL SUSTAINABILITY CONFERENCE

Warringah and Pittwater Councils hosted a one-day Regional Sustainability Conference on Wednesday 21 October 2009. The conference was part of the Narrabeen Lagoon Creating a Sustainable Catchment Grant project funded through the NSW Environmental Trust.

The conference brought together staff representatives from the SHOROC councils and beyond, to share their experiences and knowledge about sustainability not only from within the community but council governance as well. This provided an opportunity for networking, creating partnerships and sharing information. Presentations from the conference are available online.



4.3 STRONGER COUNCILS

4.3.1 COUNCIL COST SAVING & EFFICIENCY PROGRAM

REMAINING COMPETITIVE IN TODAY'S MARKET

The majority of NSW councils are facing increasing challenges in meeting the costs of service provision. Given that most operational costs continue to increase at a rate higher than that of the percentage increase to rates revenue and acceptable increases to fees and charges, councils must begin to seek better, smarter ways for their business systems and operations. To achieve this, councils, like any competitive organisation, need to look innovatively at optimising the capacity of limited human, technology, asset and infrastructure resources.

A NEW PROGRAM DEVELOPED TO FIND WAYS TO CUT COSTS REGIONALLY

All of the SHOROC partner councils are already operating very efficiently but even the best businesses constantly look for ways to improve the way they do things.

In late 2009 the SHOROC councils agreed to fund a newly created position to develop and manage an enhanced regional efficiency and

cost savings program. The efficiency and cost savings program is about working together at a regional level. It is about looking at where and how additional efficiency or cost savings can be achieved without impacting on council independence and the services being provided within the local communities.

Ms Andrea Tattam was appointed as SHOROC's Business Manager in March 2010, to develop the program and to facilitate collaboration between the councils to identify cost saving strategies that will help make our councils, and in turn our region, even stronger into the future.

COLLABORATING TO GAIN EFFICIENCIES AND COST SAVINGS

The framework for the efficiency and cost savings program was endorsed at the May 2010 SHOROC Board meeting. The objectives of the SHOROC efficiency and cost savings program are to:

- Deliver value for SHOROC members by achieving economies of scale across a range of service delivery areas, including preparing and managing tenders and contracts.
- Identify, develop and coordinate implementation of collaborative resource sharing and service provision for SHOROC



councils in order to deliver cost efficiencies and improved effectiveness of service delivery across the region.

- Identify and implement income generating strategies for SHOROC which can then be invested into projects to improve the environmental, social and economic sustainability of the region.

In May 2010 the program commenced with a workshop attended by the senior management teams of the partner councils to identify and develop a number of key priorities and projects to be explored further under the program.

The SHOROC 2010-2014 Corporate Plan contains ambitious four year goals for SHOROC in relation to the program which is considered to be a long-term sustainable way of thinking for SHOROC councils. SHOROC, together with the four partner councils, has since started work on implementing a number of projects under the program particularly in the areas of collaborative procurement, innovation and knowledge sharing.

PROCUREMENT

The Procurement Working Group continued its efforts throughout the year in identifying and collaborating on a number of regional tenders that have achieved significant cost savings for the SHOROC councils. Meeting bi-monthly, the group of senior finance and procurement staff have worked towards cost savings in areas as diverse as roads maintenance, natural environment works and banking services. Members of the working group have actively been involved in a number of professional procurement networks. They are continually seeking new and better practices to achieve the stronger outcomes in this important and highly regulated area of work and collaborate extensively in process improvement and efficiency.



All SHOROC councils continued their membership with the Hunter Groups' Regional Procurement and, through a range of diverse established regional contracts this relationship has continued to return significant cost savings and economies of scale through collaborative purchasing activity. Notable new contracts tendered during the 2009/2010 financial year were the Electricity for Large Sites and Streetlighting, awarded in July 2009 and Road Resurfacing and Materials tender awarded in January 2009, each valued at approximately \$3m per annum.

Member councils also continued to make use of competitive pricing available through both State Government and the LGSA's Local Government Procurement contracts for fleet, fuel and a range of assets and services including consultancies.

As part of the overarching Efficiency and Cost Savings program, feedback from senior managers has clearly acknowledged procurement and collaborative resourcing as a key opportunity for more efficiency gain and cost reduction on the bottom line. In response, SHOROC have engaged the working group in developing a regional position paper that will look to the



strategic future for procurement in the region and will explore new and emerging areas for regional tendering.

As part of our commitment to a sustainable region, all SHOROC council tenders continue to include a mandatory questionnaire under our Sustainable Purchasing Policy. The information provided on tender responses to this is used as one of the key evaluation tools when assessing contracts and ensures that environmental impacts weighed up when selecting suppliers.

4.3.2 COLLABORATION AND COUNCIL WORKING GROUPS

The four councils of the SHOROC region collaborate and share resources and knowledge across a large range of functional areas. Collaboration provides a huge benefit to councils and the success of SHOROC is thanks to the hard work and focus on collaboration of the staff who contribute to these working groups.

Some of the collaborative groups of staff that have met to collaborate, coordinate, share resources and ideas or progress specific projects in the past year include:

- Strategic directions group
- Directors of Planning
- Procurement Working Group
- HR & Workforce Planning Working Group
- Waste Management Working Group
- Media & communications Group
- Community Engagement Working Group
- Climate change working group
- Water Cycle Management Working Group
- Sustainability strategy and regional indicators working group
- Regional State of the Environment working group

5.0

FINANCIAL MANAGEMENT



INCOME STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2010

	2010 \$	2009 \$
INCOME		
Contributions from Members	364,939	220,000
Membership Fees	24	32
	364,963	220,032
OTHER INCOME		
Interest Received	10,280	10,338
	375,243	230,370
EXPENSES		
Accountancy Fees	12,800	11,900
Bank Charges	234	201
Bookkeeping Services	3,039	2,936
Catering	1,369	1,259
Depreciation	3,159	4,088
Electricity	1,305	-
Insurance	5,691	4,986
Legal Costs	1,398	1,050
Postage	624	275
Printing & Stationery	3,842	3,168
Rent	27,122	18,053
Repairs & Maintenance	2,217	-
Salaries & Wages	208,388	135,759
Seminars & Conferences	2,719	3,541
Office Supplies	3,085	1,659
Staff Training & Welfare	13,038	360
Subscriptions	87	84
Superannuation Contributions	17,461	13,170
Telephone	3,961	1,320
Travelling Expenses	217	657
Waste Management	54,674	-
	366,430	204,466
Net Income for the Year	8,813	25,904
Retained earnings at the beginning of the financial year	59,827	33,923
Retained earnings at the end of the financial year	68,640	59,827

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	208,719	191,553
Trade and other receivables	3	2,838	43,778
TOTAL CURRENT ASSETS		211,557	235,331
NON-CURRENT ASSETS			
Property, plant and equipment	4	8,464	8,464
TOTAL NON-CURRENT ASSETS		8,464	8,464
TOTAL ASSETS		220,021	243,795
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	151,369	183,956
TOTAL CURRENT LIABILITIES		151,369	183,956
TOTAL LIABILITIES		151,369	183,956
NET ASSETS		68,652	59,839
EQUITY			
Issued capital	6	12	12
Retained earnings	7	68,640	59,827
TOTAL EQUITY		68,652	59,839

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

I Statement of Significant Accounting Policies

This financial report is a special financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (New South Wales) 1984. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (New South Wales) 1984 and the following Australian Accounting Standards:

AASB 112: Income Taxes

AASB 1031: Materiality

AASB 110: Events Occurring after Reporting Date

AASB 117: Leases

No other applicable Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Income Tax

The association is exempt from income tax.

Property, Plant and Equipment

Office equipment is carried at cost less, where applicable, any accumulated depreciation and amortisation.

The depreciable amount of all assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

SHORE REGIONAL ORGANISATION OF COUNCILS INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
2 Cash and Cash Equivalents		
Current		
Petty Cash	200	200
Cash at Bank	208,519	191,353
	208,719	191,553
3 Trade and Other Receivables		
Current		
Trade Debtors	2,388	38,871
Security Bonds Paid	450	-
Other Debtors	-	4,907
	2,838	43,778
4 Property, Plant and Equipment		
Office Furniture & Equipment	18,034	14,875
Less: Accumulated Depreciation	(9,570)	(6,411)
	8,464	8,464
Total Plant and Equipment	8,464	8,464
Total Property, Plant and Equipment	8,464	8,464
5 Trade and Other Payables		
Current		
GST	129	2,690
Trade Creditors	20,310	10,686
Owing to Sportsfield Projects	-	61,200
Waste Management Levies Unspent	24,916	-
Provision for Projects	106,014	109,380
	151,369	183,956

The accompanying notes form part of these financial statements.

SHORE REGIONAL ORGANISATION OF COUNCILS INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
6 Issued Capital		
Members' Contribution	12	12

7 Retained Earnings		
Retained earnings at the beginning of the financial year	59,827	33,923
Net profit attributable to members of the association	8,813	25,904
Retained earnings at the end of the financial year	68,640	59,827

8 Provision for Projects

The organisation receives funding from various sources for specific projects, activities and studies carried out for the benefit of member councils. As funding is received, or debtor invoices are raised, a liability is recorded in the accounts of SHOROC as "provision for projects". Payments and creditor invoices relating to those projects are charged against the liability, thus reducing the balance of the provision.

At 30 June 2010 the composition of the balance of funds held was:

General provision	44,900
DECCW Grant Unspent	50,000
Strategic Plan Project	10,964
Kimbriki Project	150
	106,014

The accompanying notes form part of these financial statements.

SHORE REGIONAL ORGANISATION OF COUNCILS INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

9 Sportsfield Project

In accordance with a resolution passed at the GMAC meeting of 1 August 2007, certain monies raised under the Manly Warringah Pittwater Sportsfields Improvement Fund Agreement (2 October 2000 – 2 October 2003) were transferred to SHOROC together with interest accrued until the date of transfer. These funds were deposited into an account styled in the name of "Shore Regional Organisation of Councils Inc (SHOROC) at call deposit". This account was referred to as the "Reserve Cheque Account" in the financial statements for the year ended 30 June 2007. As this account is now dedicated to transactions relating to the sportsfield projects, it no longer forms part of the assets of SHOROC and hence is not included in the accompanying financial statements. For the purpose of disclosure the following summary is provided:

	2010 \$	2009 \$
Opening Balance	13,521.77	385,239.16
Add: Interest earned	1,207.14	-
	14,728.91	385,239.16
Add: Receipts		
Transferred liability from SHOROC	61,200.00	-
Transferred by Councils	-	45,000.00
Transferred from Warringah Council	-	-
Interest	-	17,752.84
	62,200.00	62,752.84
	75,928.91	447,992.00
Less: Payments		
To Pittwater Council	-	-
To Manly Council	-	33,000.00
To Warringah Council	-	377,718.05
To SHOROC	-	23,752.18
	-	434,470.23
Balance at 30 June 2010	75,928.91	13,521.77

The accompanying notes form part of these financial statements.

STATEMENTS BY MEMBERS OF THE COMMITTEE

SHORE REGIONAL ORGANISATION OF COUNCILS INC


STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 3 to 8:

1. Presents a true and fair view of the financial position of Shore Regional Organisation of Councils Inc as at 30 June 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Shore Regional Organisation of Councils Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President: 

A Connors

Treasurer: 

M Ferguson

Dated this 28th day of October 2010

SHORE REGIONAL ORGANISATION OF COUNCILS INC

Report on Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Shore Regional Organisation of Councils (SHOROC) Incorporated (the association), which comprises the assets and liabilities statement as at 30 June 2010 for the year then ended, the income and expenditure statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act (New South Wales) 1984 and are appropriate to meet the needs of the members. The committees responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements

relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the Associations Incorporation Act (New South Wales) 1984. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

SHORE REGIONAL ORGANISATION OF COUNCILS INC

Auditor's Opinion

In our opinion, the financial report of Shore Regional Organisation of Councils Inc. presents fairly, in all material respects the financial position of Shore Regional Organisation of Councils Inc. as at 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Association Incorporations Act (New South Wales) 1984.

ISAACS & COLE



Mark Isaacs, CA
Partner

Suite 101, Level 1
696 Pittwater Road
BROOKVALE NSW 2100

Dated: 28th October 2010



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