



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 9 November 2009*

Time: *6.00pm*

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Recommendation only to the Full Council (“R” Items)

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
 - Statutory Reporting;
 - Adoption of Council's Community Strategic Plan, Delivery Program and Operational Plan;
 - Delegations; and
 - Policies.
- Tenders as per Regulation requirements.
- Leases.
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

Delegated Authority (“D” Items)

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Statutory reviews of Council's Delivery Program and Operational Plan;
- Finance Regulations, including:-
 - Authorisation of expenditures within budgetary provisions where not delegated;
 - Quarterly review of Budget Review Statements;
 - Quarterly and other reports on Works and Services provision; and
 - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of the Minutes of its Meetings.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

5 November 2009

To: His Worship The Mayor, Councillor Andrew Petrie ex-officio
Councillors Greg Medcraft (Chair)
Anthony Boskovitz
Sean Carmichael
Peter Cavanagh (Deputy)
Susan Jarnason
Ian Plater
David Shoebridge

Dear Councillors

Corporate & Works Committee Meeting – 9 November 2009

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 9 November 2009 at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

Item D3 – 22 Cranbrook Road, Bellevue Hill – 5.00pm Monday 9 November 2009 prior to Corporate and Works meeting at 6.00pm

Other Matters

Meeting Agenda

Item	Subject	Pages
1	Leave of Absence and Apologies	
2	Late Correspondence	
3	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 19 October 2009	1
D2	Presentation of the 2008/2009 Financial Reports to the Public – 767.G 2008/2009 *Annexure 1 distributed separately	2
D3	22 Cranbrook Road, Bellevue Hill – Proposed Road Closure and Sale – 119.22	36

Items to be Submitted to the Council for Decision with Recommendations from this Committee

R1	Radio Frequency Identification Technology (RFID) for Woollahra Library and Information Service – 48.G (Grants – RFID)	45
R2	Integrated Planning and Reporting Framework – A New Reporting Regime – 1229.G	65
R3	2009/2010 Budget Review for the Quarter Ended 30 September 2009 – 331.G	87
R4	194 Glenmore Road, Paddington – Right of Way Easement – 191.194	112
R5	Cranbrook Road, Bellevue Hill – Encroachments – 119. (Part 3)	121

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 19 October 2009**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 19 October 2009 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Corporate and Works Committee Meeting of 19 October 2009 be taken as read and confirmed.

Les Windle
Manager – Governance

Item No: D2 Delegated to Committee
Subject: **Presentation of the 2008/2009 Financial Reports to the Public**
Author: Don Johnston, Manager Finance
File No: 767G 2008/2009
Reason for Report: To present of the 2008/2009 Financial Reports to the public

Recommendation:

- A. That the General Purpose Financial Report for the year ended 30 June 2009, as presented to the public, be received and noted.
- B. That the Auditors be thanked for their attendance and presentation.

Background:

On 28 September 2009 Council adopted the following recommendation from the Corporate & Works Committee.

1. *That Council note the further information presented in the report regarding the valuations of Council's investments at 30 June 2009.*
2. *That Council, having noted the statement by the General Manager and Responsible Accounting Officer, adopt the following statement in relation to its Financial Report for the year ended 30 June 2009:*

That, in relation to the Financial Report for the Year Ended 30 June 2009, Council is of the opinion that:

The Financial Report has been drawn up in accordance with:

- i. the Local Government Act 1993 (as amended) and Regulations made thereunder;*
- ii. the Australian Accounting Standards and professional pronouncements; and*
- iii. the Local Government Code of Accounting Practice and Financial Reporting*

and to the best of our knowledge and belief the Report:

presents fairly Council's financial position and operating result for the year; and

accords with Council's accounting and other records;

and further, the signatories to the Report, to the best of our knowledge and belief, know of nothing that would make the report false or misleading in any way;

3. *That Council formally refer the 2008/2009 Financial Reports for audit; and*
4. *In anticipation of receiving the Auditor's Reports, set the Corporate & Works Committee meeting to be held on 19 October 2009 as the meeting at which the General Purpose Financial Report will be presented to the public.*

Unexpected delays were experienced in the finalisation of Special Schedule 7. Consequently, there was insufficient time to allow the necessary 7 days public notice of the meeting to be given for the original 19 October meeting. Public notice was instead given that this meeting will be the meeting at which the reports are presented to the public. Public Notice was given in the *Wentworth Courier* on 21 October and the Financial Reports, including the Auditors Reports, have been available for inspection since that date.

Written submissions have been invited and will be received up until 16 November. At the time of writing the report no submissions had been received.

Council's Auditors, Spencer Steer, have been invited to the meeting and will give a brief presentation on their reports.

Discussion:

The Auditor's Reports were signed on 29 September 2009 following Council's adoption of its statement in relation to its Financial Report on 28 September 2009. The Auditors Reports have been incorporated into Council's Financial Report on pages 74 to 82. The General Purpose Financial Report for the year ended 30 June 2009 including the Auditors Reports, as presented to the public, have been included as **ANNEXURE 1** to this report, circulated separately.

Consistent with last financial year, the Auditor's Report contains a qualified opinion. The qualification relates to the Auditor's incapacity to satisfy themselves as to the reliability of the valuations of Council's collateralised debt obligations securities (CDOs) at 30 June 2009. The basis for qualification is in the following form:

Since July 2007, global financial markets have experienced a period of high volatility led by events in the US housing market, particularly sub prime loans, which has impacted the value, recoverability, liquidity, cash flows and rates of return of many financial assets including Collateralised Debt Obligations (CDOs).

At 30 June 2009, Council's investment portfolio totalled \$33.1 million and included CDO securities totalling \$1.6 million. These securities do not have market values that are independently quoted and they are not widely traded. Independent valuations are not readily available and in many cases, values are assessed based on estimates from issuers and/or valuation models for which there is limited market evidence available to verify their reasonableness in the current economic environment. Further, the ongoing volatility of financial markets creates greater uncertainty in the valuation process and determination of future cashflows.

These circumstances have resulted in our inability to obtain sufficient audit evidence to satisfy ourselves as to the value and recoverability of \$1.6 million of Council's total investment portfolio.

While the valuation of our CDOs portfolio at 30 June 2009 had regard to market values, ultimately it was based on a risk assessment of the probability of total loss. Council took a conservative approach and valued all CDOs, except those with Lehman Brothers as the swap counterparty, at zero.

Following the further consideration of the valuation of investments by the Corporate & Works Committee, amendments were made to two Notes to the Financial Reports, Note 1, *Summary of Significant Accounting Policies*, and Note 18, *Contingencies and Other Liabilities/Assets not recognised*. These amendments clarified the basis of valuation of our CDOs and noted a possible contingent asset to Council of the amount by which any return from these securities exceeds zero. The Notes have been amended to read:

Note 1:

(g) Fair value estimation

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

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

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

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

The techniques applied to estimate fair value for 2009 are:

<i>Managed Funds</i>	<i>Unit Price</i>
<i>CDOs</i>	<i>Market Valuation (described below)</i>
<i>FRNs</i>	<i>Independent Market Valuation</i>
<i>CCOs & MBSs</i>	<i>Bid Price</i>

The techniques applied to estimate fair value for 2008 were:

<i>Managed Funds</i>	<i>Unit Price</i>
<i>CDOs</i>	<i>Bid Price</i>
<i>FRNs</i>	<i>Independent Market Valuation</i>
<i>CCOs & MBSs</i>	<i>Bid Price</i>

Council holds a number of CDOs with Lehman Brothers as the swap counter party. These securities have been valued at 70 cents in the dollar as an estimate of the likely recoverable amount.

The Market Valuation of all other CDOs, based on Council's assessment of the material risk of total loss, indicates their value to be zero. Some of these investment securities may ultimately return a greater sum to Council and a Contingent Asset has been noted in Note 18.

Note 18:

(iii) Investments

At 30 June 2009 Council valued a number of its CDO investment securities at \$Nil based on its assessment of the material risk of total loss. It is possible that, through either the sale or maturity of these securities, Council will receive greater than \$Nil. Accordingly, at Year End, there is a potential asset of Council of the amount by which any return from these securities exceeds \$Nil.

However, there is no reliable basis upon which Council is able to determine the value of this potential asset.

Audit Opinion

Council's Auditors have expressed the following opinion in relation to the 2008/2009 Financial Reports:

In our opinion, except for the effects on the financial statements of the matter referred to in the paragraph titled Basis for Qualified Auditor's Opinion [noted above],

- (a) 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; and*
- (b) the financial report:*
 - (i) has been presented in accordance with the requirements of this Division;*
 - (ii) is consistent with the Council's accounting records;*
 - (iii) presents fairly the Council's financial position, the results of its operations and its cash flows; and*
 - (iv) is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.*
- (c) all information relevant to the conduct of the audit has been obtained; and*
- (d) there are no material deficiencies in the accounting records or financial report that we have become aware of during the course of the audit.*

And have summarised Council's financial position as follows:

Subject to the possibility of further investment write downs, Council's overall financial position, when taking into account the above financial indicators [the unrestricted current ratio, working funds balance and debt levels] is, in our opinion, satisfactory.

Consolidation of Holdsworth Street Community Centre Financial Reports

The current agreement between Council and the Holdsworth Street Community Centre infers 'control' and requires the consolidation of its financial reports into Council's as a 'controlled entity'. The separately prepared and audited Holdsworth Community Centre Woollahra Inc. Financial Statements for the Year Ended 30 June 2009, which have now been consolidated into Council's Financial Reports, are attached as **ANNEXURE 2**.

Conclusion:

On 28 September 2009 Council adopted its statement in regard to the General Purpose Financial report for the year ended 30 June 2009 and formally referred them for audit. In anticipation of receiving its Auditor's Reports the meeting of 19 October was originally set as the meeting at which the Financial Report would be presented to the public, however, unforeseen delays necessitated the postponement of the presentation to this meeting.

While the Auditors have again qualified their opinion in relation to the valuation of Council's CDOs investments, as they are of the view that there is insufficient appropriate audit evidence to support the valuations, they still formed an opinion that the Financial Report presents fairly the Council's financial position, the results of its operations and its cash flows. They have summarised council's overall financial position as satisfactory.

Public notice of the presentation to the public was given in the *Wentworth Courier* on 21 October and the Financial Reports have been available for inspection since that date. Written submissions have been invited and will be received up until 16 November. At the time of writing the report no submission had been received.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

Annexures:

1. Financial Reports for the year ended 30 June 2009 (circulated separately).
2. Holdsworth Street Community Centre Woollahra Inc Financial Statements for the Year Ended 30 June 2009.

Item No: D3 Delegated to Committee
Subject: **22 Cranbrook Road, Bellevue Hill - Proposed Road Closure and Sale**
Author: Anthony Sheedy, Property Officer
File No: 119.22
Reason for Report: To give consideration to the closure and subsequent sale of unmade roadway adjoining the property.

Recommendation:

- A. That the proposal to sell a section of unmade road reserve adjoining 22 Cranbrook Road, Bellevue Hill, be advertised and notified to adjoining properties.
- B. That a further report be submitted, following part A above.

Background:

The Corporate and Works Committee considered this matter on 19 October 2009, where it was resolved:

That the site be inspected prior to the Corporate and Works Committee meeting of 9 November 2009.

A copy of the previous Corporate and Works Committee report of 19 October 2009 is attached (Annexure 1).

Council has received a request from the owner of 22 Cranbrook Road, Bellevue Hill to purchase an estimated 155 square metre rectangular shaped section of Cranbrook Road reserve which adjoins the property; for the purpose of formalising the existing encroachments which consist of a small semi enclosed storage area under the suspended concrete driveway, steel fencing, stairs, low rise retaining walls, and garden landscaping.

The subject land is identified hatched on the attached plan (Annexure 2) and is steeply sloping with no need for pedestrian access. There is no benefit to Council to widen the road at this location.

It is considered appropriate that the encroachments are formalised by the owner purchasing the land at the market price as determined by valuation. In accordance with the procedures for the Sale of Council land, the next step is for the proposal to be publicly advertised, and a further report be submitted.

The owner of 22 Cranbrook Road, Bellevue Hill has agreed to pay all Council's costs in connection with the purchase of the subject road reserve portion.

Conclusion:

In accordance with Council's Policy and Procedure for the Sale of Council Land, it is recommended that the proposal be publicly advertised and a further report be submitted.

Anthony Sheedy
Property Officer

Warwick Hatton
Director, Technical Services

Annexures:

1. Copy of report to Corporate and Works Committee 19 October 2009.
2. Plan identifying the subject road reserve portion.

Item No: R1 Recommendation to Council

Subject: **Radio Frequency Identification Technology (Rfid) for Woollahra Library and Information Service**

Author: Vicki Munro, Manager, Library and Information Service

File No: 48.G (Grants - RFID)

Reason for Report: To recommend to Council the acceptance of the SSROC Tenders for a Radio Frequency Identification Technology (RFID) system and RFID Tags for the Library Service within the designated budget.

Recommendation:

- A. That Council enter into a Contract with Bibliotheca for the provision of a Radio Frequency Identification Technology (RFID) system for the Library Service for individual equipment requirements, including installation, in accordance with the unit prices detailed in Appendix 3 (approximately \$257,850).
- B. That Council enter into a Contract with Bibliotheca for the provision of Radio Frequency Identification Technology (RFID) tags for the Library Service in accordance with the unit prices detailed in Appendix 3 (approximately \$48,000).

Background

A key strategy in the Library's Strategic Plan, "The Way Forward", adopted by Council in December 2007, recommended that *"A self-help migration strategy be developed with consideration given to an interim strategy using barcodes at Double Bay and Paddington branches with a long term view to the implementation of Radio Frequency Identification Technology (RFID) across the library service."*

Radio Frequency Identification Technology (RFID) is a combination of radio-frequency and microchip technology that uses radio waves to track and monitor items. Instead of a barcode or other device, microchip tags identifying and describing specific items are affixed to items. The tags contain an antenna, and radio frequency is used to 'read' information contained in the tags, relay it to reader devices, which in turn pass the information back to a server. Unlike other technologies, RFID technology uses proximity rather than line-of-sight to identify and process items.

Uses of RFID technologies are developing rapidly, driven by applications as diverse as supermarket retailing, logistics, highway toll collection etc. Library applications for RFID have emerged comparatively recently, and use rewriteable tags affixed to individual library items as dynamic tracking systems.

Just as automation delivered a range of benefits to libraries, so too does RFID, including:

- Improved customer service capacity;
- Productivity gains;
- Reduced OH & S risks;
- Improved collection management capacity; and
- Enabling for future functionality.

An RFID System within the Library would:

- Allow Library members to issue their own resources through efficient, easy-to-use self service. High-volume menial tasks will be streamlined and free library staff to offer enhanced customer service;
- Allow the return of items from loan via an automated system;
- Provide improved security and accountability, resulting in a reduction in loss of library resources;
- Provide a more efficient means of collection management, including reduced incidence of mis-shelved stock, speedy location of missing items and faster identification of reserved items;
- Enable faster and more effective inventory processes, without additional staffing requirements;
- Result in OH&S benefits through reduced manual handling, avoiding occupational risk in a wide range of processing tasks; and
- Allow improved decision making through the provision of timely, accurate and comprehensive reporting.

In view of the potential benefits to the library in the use of RFID, the opportunity was taken to apply, as a collaborative approach with Waverley Library, for a Library Development Grant from the State Library of NSW to allow the implementation of this technology within both libraries. Subsequently, advice was received that this submission was successful and that a joint grant of \$196,010 had been made available for the project.

SSROC Tender

In recent months, SSROC has been overseeing a project to purchase RFID technology for libraries via joint procurement. This is one of a number of SSROC procurement projects for libraries. Other projects include shelf ready library materials and Library management systems.

While all SSROC Councils support this RFID initiative, five Councils nominated to participate in the project based on their capacity to fund this new technology. Apart from Woollahra, they include Ashfield, Canterbury, City of Canada Bay and Waverley. Presently, there is no RFID process available via the Local Government Procurement. However their RFID tender closed on 7 August 2009 and it is understood that an evaluation is underway.

To progress the proposal, meetings and workshops involving the Library Managers and project staff took place to develop requirements in more detail and to explore interoperability standards. This approach was taken, as it was considered that there would be considerable commonality in the requirements and advantage in a number of libraries going to the market as a single unit for the RFID project, thus making available significant economies of scale and cost advantages to all participants.

Further, it was also decided to engage Alan Butters of Sybis, a consultant and expert in Library RFID technology, to provide advice for the group. This has facilitated development of the proposed project and appropriate documentation to enable the Councils to proceed with the Request For Proposal (RFP) and tender process.

The process agreed upon was:

1. Undertake a Request for Proposal (RFP)/ Expression of Interest, requesting information for an RFID system incorporating RFID tags, self-service checkout stations, staff stations, book return options, security gates, inventory devices and installation to meet the needs of all involved libraries.

The Request for Proposal was advertised in the Sydney Morning Herald for the period 6 to 29 June 2009. It resulted in a total of seven (7) responses being received. After initial short-listing four (4) companies were asked to supply a demonstration to the Evaluation Committee, and subsequently three (3) were invited to selectively tender.

2. Following the RFP, it was decided to divide the tender process into two separate tenders:
 - a) A selective tender for the RFID system (equipment, readers etc) was invited from the short list of RFP respondents. It opened on 18 August 2009 and closed on 8 September 2009; and
 - b) An open tender for the purchase and printing of the RFID tags. This tender was called on 18 August 2009 and also closed on 8 September 2009.

Tender Assessment

The Evaluation Committee for both the above tenders included Mr Alan Northey, Program Manager, Shared Services and Procurement, SSROC who acted as convenor and independent member of the Committee and representatives from each of the five participating libraries.

Council has resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. This project was deemed not to require a probity adviser as it was undertaken in accordance with SSROC probity standards which were considered to be appropriate.

a) Selective tender for the RFID system

The following tenders were received for the provision of RFID systems to the member Councils:

- 3M Australia Pty Ltd;
- Bibliotheca RFID Library Systems Australia Pty Ltd; and
- FE Technologies (a trading Division of Express Promotions Australia Pty Ltd).

The tender was called to meet the requirements of initially five (5) Councils being; Ashfield Council, City of Canada Bay Council, Canterbury City Council, Waverley Council and Woollahra Council. The tender was based on the anticipated supply and ongoing maintenance of a range of equipment. Although participating Councils had similar requirements, it is recognised that each Council will select their own particular components of the system and the implementation of RFID systems would be determined by each Council's budget allocation and timing etc.

Prior to the tender closing date, the Evaluation Committee met and agreed on weightings that would be used against the advertised selection criteria. See Appendix 1.

The Committee met on 14 September 2009 for a full evaluation meeting. The individual responses from committee members were then combined and the processes as described in "Evaluation Principles" contained in Appendix 1 were followed. Further consultation was undertaken with bidders via telephone during the evaluation meeting to clarify issues in their documents.

Following the full evaluation meeting and consultation, one tenderer was identified as the best value for money subject to a satisfactory demonstration of a number of issues. The evaluation panel agreed that the presentation held on 23 September 2009 satisfactorily addressed these issues.

Evaluation Findings

Mandatory Criteria: All tenders received met the mandatory criteria.

Qualitative and Approach to Business Criteria: In evaluating the Quality and Approach to Business criteria, individual panel members independently rated the responses from bidders. The three suppliers who tendered are all highly regarded and experienced suppliers of RFID systems.

Rank	Tenderer	Quality Score
1	Bibliotheca RFID Library Systems Australia Pty Ltd	.77
2	FE Technologies (a trading Division of Express Promotions Australia Pty Ltd)	.71
3	3M Australia Pty Ltd	.59

Bibliotheca rated very highly in functionality with excellent self-service capabilities and both Bibliotheca and FE Technologies provided good conversion methods. Bibliotheca also rated very highly in service methodology in relation to conversion and implementation plans.

Review of Prices: Total costs for SSROC Combined tender were as follows:

Company Name	Bibliotheca	FE Technologies	3M Australia
Total	\$1,059,166.00	\$1,171,088.00	\$1,187,878.00
Cost Index (lowest is best)	1.00	1.11	1.12

Costs & Value for Money Assessment: In accordance with the evaluation process, as outlined in Appendix 1, the following ranking of tenders in descending order of merit was determined.

Rank	Tenderer	Quality Score	Cost Index	Value for Money Score
1	Bibliotheca RFID Library Systems Australia Pty Ltd	.77	1.00	0.77
2	FE Technologies (a trading Division of Express Promotions Australia Pty Ltd)	.71	1.11	0.64
3	3M Australia Pty Ltd	.59	1.12	0.53

As a result of collaborative evaluation by the RFID project managers of each library service, **Bibliotheca RFID Library Systems Australia Pty Ltd** was ranked equal first in Quality and Approach to Business Criteria, their pricing was the most competitive and accordingly they rated the best value for money tender submitted by a significant margin.

b) Open tender for the purchase and printing of the RFID tags

The tender was called to meet the requirements of initially seven (7) Councils being; Ashfield Council, City of Canada Bay Council, Canterbury City Council, Waverley Council, Woollahra Council, Randwick City Council and Sutherland Shire Council.

The tender was based on an anticipated overall supply across the participating Councils of 710,000 tags in the first year (the first year will be the highest use due to converting existing materials). Prior to the tender closing date, the Evaluation Committee met and agreed on weightings that would be used against the advertised selection criteria. See Appendix 2.

Tenders were received from:

- 3M Australia Pty Ltd;
- Bibliotheca RFID Library Systems Australia Pty Ltd; and
- FE Technologies (a trading Division of Express Promotions Australia Pty Ltd).

Evaluation Findings

Mandatory Criteria: All tenders received met the mandatory criteria.

Qualitative and Approach to Business Criteria: In evaluating the Quality and Approach to Business criteria, individual panel members independently rated the responses from bidders. The three suppliers who tendered are all highly regarded and experienced suppliers of RFID tags for libraries.

Rank	Tenderer	Quality Score
1	Bibliotheca RFID Library Systems Australia Pty Ltd	.69
2	FE Technologies (a trading Division of Express Promotions Australia Pty Ltd)	.69
3	3M Australia Pty Ltd	.68

Review of Prices: Prices were requested for the standard 1024 bit tags.

The comparative price per tag is as follows:

Rank	Tenderer	Price per 1024 tag
1	Bibliotheca RFID Library Systems Australia Pty Ltd	27 cents (32 cents with B&W printing)
2	3M Australia Pty Ltd	35 cents (36.7 cents with B%W printing)
3	FE Technologies (a trading Division of Express Promotions Australia Pty Ltd)	34 cents (48 cents with B&W printing)

Costs & Value for Money Assessment: In accordance with the evaluation process the following ranking of tenders in descending order of merit was determined.

Rank	Tenderer	Quality Score	Cost Index	Value for Money Score
1	Bibliotheca RFID Library Systems Australia Pty Ltd	.69	1.00	0.69
2	FE Technologies (a trading Division of Express Promotions Australia Pty Ltd)	.69	1.26	0.55
3	3M Australia Pty Ltd	.68	1.30	0.52

As a result of collaborative evaluation by the RFID project managers of each library service, **Bibliotheca RFID Library Systems Australia Pty Ltd** were ranked equal first in Quality and Approach to Business Criteria, their pricing was the most competitive and accordingly they rated the best value for money tender submitted.

Outcomes for Woollahra Library & Information Service

Based on advice from staff and the Sybis consultant, each Library estimated their RFID equipment requirements, however it is noted that this may change, pending advice from the successful supplier on individual sites and budgeting / timing of each Council. Further discussions with the successful supplier will need to be undertaken following their appointment.

It is intended that Woollahra Library & Information Service will rollout the RFID system to the three Library branches (Double Bay, Paddington and Watson Bay) and the Local History Centre. This explains how Woollahra's cost estimates for the RFID system are a high proportion of the total SSROC RFID system cost. It is anticipated that the rollout will commence with Watsons Bay Library followed by Double Bay and Paddington libraries. The system is planned to be installed at all library service points within the next six months

The current list of Woollahra's equipment requirements and tags for the rollout of the RFID system to all Library service points has been estimated and costed on a per unit basis in Appendix 3. The RFID system, including installation, will be approximately \$257,850 with RFID tags estimated to cost approximately \$48,000. This represents an estimated total cost for the RFID technology project of \$305,850.

Effective from year two, there will be an annual maintenance cost for the regional project of \$65,804. This will be divided between each Library service, representing approximately \$13,160.80 per Library service.

Identification of Income and Expenditure:

The proportion of the Library Development Grant available towards Woollahra Library's implementation costs is \$98,005. Total funds available including grant funds and Council funding is \$308,772. All figures in this report exclude GST. It is anticipated that this project will be completed during the current 2009/2010 financial year.

Conclusion:

The implementation of a Radio Frequency Identification Technology (RFID) system will be a tremendous improvement to customer service provision and library collection management. The SSROC RFID tender process has been both a collaborative and worthwhile experience resulting in significant savings for all participating Libraries. Preliminary costings obtained for the implementation of an RFID system indicated that only Double Bay and Watsons Bay Libraries could be actioned within available funds, however as a result of the SSROC tender process, the RFID system can now be implemented across all Library service points.

Both SSROC tender reports for the RFID tags and systems have been endorsed by the SSROC General Managers' Meeting held on 24 September 2009 and it is recommended that Council enter into a contract with Bibliotheca for both an RFID system and tags within the designated budget.

Vicki Munro
Manager, Library and Information Services

Susan Turner
Acting, Director Community Services

Appendix 1	SSROC Tender evaluation plan - Provision of RFID Systems.
Appendix 2	SSROC Tender evaluation plan - Provision of RFID tags
Appendix 3	List of Equipment for RFID at Woollahra Library & Information Service

Item No: R2 Recommendation to Council

Subject: **Integrated Planning and Reporting Framework - A New Reporting Regime**

Author: Stephen Dunshea - Director Corporate Services

File No: 1229.G

Reason for Report: To advise Council of the commencement of the Local Government Amendment (Planning and Reporting) Act 2009, outline Council's progress with the implementation of the Framework and outline the proposed reporting regime to each Committee of Council, relevant to the adopted Delivery Program 2009 to 2013 and Operational Plan 2009/10 (DPOP).

Recommendation:

- A. That Council note the commencement of the Local Government Amendment (Planning & Reporting) Act 2009 (The Act).
- B. That Council note the progress made to date with our implementation of the Integrated Planning & Reporting Framework provided for under The Act.
- C. That Council note the regime for reporting Council's progress against the Priorities and Actions contained in the Delivery Program 2009 to 2013 and Operational Plan 2009/10 to the various Council Standing Committees based around the five (5) Themes and eleven (11) Goals outlined in the Delivery Program and Operational Plan.
- D. That the minor wording amendments to the Priorities as outlined in Table 2 of the report be endorsed.
- E. That Council receive a further report in respect of the proposed Group nomination for implementing the Integrated Planning & Reporting Framework once the Regulation, Guidelines and supporting Manual have been finalised and Council receives the anticipated formal request for nomination from the Division of Local Government, Department of Premier and Cabinet.

Background:

Council in June 2009 adopted the Delivery Program 2009 to 2013 and Operational Plan 2009/10 in line with the then proposed Integrated Planning and Reporting Legislation. The legislation has subsequently been passed by both the Upper House and Lower House of Parliament and was assented to by the Governor on the 9 October 2009, i.e. Local Government Amendment (Planning & Reporting) Act 2009. A copy of the Circular from the Division of Local Government, Department of Premier and Cabinet is attached as Annexure 1.

The Act gives effect to the Integrated Planning and Reporting Framework that has been developed with the support of the local government sector and has amended the Local Government Act 1993 accordingly. Under the new legislation, Council is required to, as a minimum report on the progress of its Delivery Program at least every six (6) months. In the past Council has reported on a quarterly basis to the respective committees on its Management Plan.

This report presents Council with the proposed reporting regime consistent with the requirements of the new legislation and also provide an update on the progress implementing the new Integrated Planning and Reporting Framework.

Proposal:

Council staff have considered the reporting requirements under the new legislation and have concluded that in order to ensure that our reporting to the community remains transparent, timely and manageable, that we continue to maintain a quarterly reporting regime, as with the previous Management Plan.

With this in mind, staff have considered the five (5) Themes and eleven (11) Goals within our adopted Delivery Program and Operational Plan and have identified the most appropriate Standing Committees to report the Quarterly Progress to, being the Corporate & Works Committee, Community & Environment Committee and Urban Planning Committee.

Under the proposed reporting regime, progress comments against the four (4) year Priorities and one (1) year Actions contained in the Delivery Program and Operational Plan will be presented by Theme, Goal and Strategy to the most relevant Committee. The proposed reporting regime across the various Committees is as follows:

CORPORATE & WORKS COMMITTEE

THEME: Places and Spaces

Goal 6: Moving around

- | | | |
|---------------|-----|--|
| Strategy 2025 | 6.1 | Facilitate a network of accessible and safe transport options. |
| | 6.2 | Manage public parking on-street and off-street. |
| | 6.3 | Promote provision of better, more integrated public and community transport. |

THEME: Local prosperity

Goal 9: Community focused economic development

- | | | |
|---------------|-----|--|
| Strategy 2025 | 9.1 | Encourage vibrant and vital local activity centres that support a healthy economy. |
| | 9.2 | Balance tourism demands with impacts on the community. |
| | 9.3 | Maintain a high quality public domain to support and promote local business. |

THEME: Community leadership and participation

Goal 10: Working together

- | | | |
|---------------|------|---|
| Strategy 2025 | 10.1 | Improve communication with the community and increase awareness of Council's activities. |
| | 10.2 | Plan for the long term future for Woollahra. |
| | 10.3 | Build and foster relationships, strategic networks and work collaboratively with all levels of government, non-government organisations, the private sector and community groups. |

Goal 11: A well managed Council

- Strategy 2025
- 11.1 Facilitate community led decision-making that is open, honest, and ethical and benefits the broad community.
 - 11.2 Develop and maintain effective reporting systems that enable Council to measure and report on performance.
 - 11.3 Maintain community access and effective participation in Council committees.
 - 11.4 Maintain Council's strong financial position.
 - 11.5 Deliver high quality services that meet customer expectations.
 - 11.6 Minimise risk for Council and the community.

COMMUNITY & ENVIRONMENT COMMITTEE

THEME: Community well-being

Goal 1: A connected & harmonious community

- Strategy 2025
- 1.1 Foster and build community partnerships and networks.
 - 1.2 Increase engagement in community activities.
 - 1.3 Improve access to information.
 - 1.4 Encourage respect and support for social and cultural diversity and inclusion.

Goal 2: A supported community

- Strategy 2025
- 2.1 Increase access to services and information to support families, young people and seniors.
 - 2.2 Support opportunities to participate in active and healthy recreational activities.
 - 2.3 Encourage independent living for older people and people with special needs.
 - 2.4 Protect the health and well-being of residents and visitors to our area.
 - 2.5 Improve community safety and reduce crime in Woollahra.

Goal 3: A creative & vibrant community

- Strategy 2025
- 3.1 Preserve and promote local history and heritage.
 - 3.2 Support the celebration of local people, places and cultural heritage.
 - 3.3 Provide innovative and enhanced library services that encourage lifelong learning.
 - 3.4 Support and promote arts, artists and cultural development within the local community.
 - 3.5 Improve the accessibility of arts to the broader community.

THEME: Places and spaces

Goal 5: A liveable place

- Strategy 2025
- 5.1 Enhance local community, cultural and recreation facilities to become more attractive, integrated, safe and accessible.
 - 5.2 Provide and maintain safe, serviceable public infrastructure including roads, footpaths, stormwater drains and seawalls.
 - 5.3 Provide attractive, accessible, and safe parks, sportsgrounds, beaches and other public spaces.
 - 5.4 Protect trees, streetscapes and landscapes.

- 5.5 Encourage vibrant, well maintained, and connected neighbourhoods and town centres that build a sense of community.
- 5.6 Reduce impacts of local flooding and improve floodplain risk management.

THEME: A healthy environment

Goal 7: Protecting our environment

- Strategy 2025
- 7.1 Protect natural landscapes and systems.
 - 7.2 Preserve and restore bushland areas and create wildlife corridor plantings.
 - 7.3 Support cleaner, healthier waterways including improved water quality and healthy water catchments, creeks and harbour.

Goal 8: Sustainable use of resources

- Strategy 2025
- 8.1 Reduce greenhouse gas emissions and ecological footprint.
 - 8.2 Monitor and strategically manage environmental risks and impacts of climate change.
 - 8.3 Encourage and assist our community to be leaders in waste management and resource recycling.
 - 8.4 Reduce local water usage by Council and on private property.
 - 8.5 Promote and carry out water sensitive urban design.

URBAN PLANNING COMMITTEE

THEME: Places and spaces

Goal 4: Sustainable built form

- Strategy 2025
- 4.1 Encourage and ensure high quality planning and urban design outcomes.
 - 4.2 Promote sustainable design in future private and public development.
 - 4.3 Protect local heritage and residential amenity, including protection of significant architecture and the natural environment.
 - 4.4 Encourage diversity in housing choice to suit a changing population.

In supporting the above Strategies 2025, the Delivery Program and Operational Plan also outlines Council's commitment to the delivery of Priorities from 2009 to 2013 and presents the specific Actions to be undertaken during the current financial year. The quarterly progress reports to Council will provide progress comments in respect of Council's achievements for the quarter against its four year committed Priorities and one year Actions.

Council's Quarterly Budget Review Report will remain as is and continue to be reported to the Corporate & Works Committee.

Following the adoption of the Delivery Program and Operational Plan, Council implemented a new internal reporting software system, Interplan to assist with the reporting and monitoring of the Priorities and Actions contained in the Delivery Program and Operational Plan. This not only increases transparency, but allows for a customised system to be used for collating of information and generating our quarterly progress reports to Council.

Staff are finalising a 'Quarterly Progress Report' template, to ensure that the layout and information gathered is easy to read and consistent and this will form part of the annexures to the Quarterly Progress Reports to the appropriate Standing Committee.

The first Quarterly Progress Report on the Delivery Program and Operational Plan will be included on the Agenda of the following Committees at the time and dates specified below:

- Corporate & Works Committee: 23 November 2009
- Urban Planning Committee: 30 November 2009
- Community & Environment Committee: 30 November 2009

Future quarterly reports will be prepared for consideration by the respective standing committees within two (2) months of the end of the respective quarter, as shown below:

Quarter	Reporting Month
1 July to 30 September	November
1 October to 31 December	February
1 January to 30 March	May
1 April to 30 June	August

In addition to the Quarterly Progress Reporting requirements, Council must prepare an Annual Report for each year reporting as to its achievements in implementing its delivery program. Council is also required to report as to the Council's achievements in implementing the Community Strategic Plan over the previous 4 years, in the year of an ordinary election of Councillors.

Integrated Planning and Reporting Framework – Progress Report:

Councillors are also advised that the Act provides transitional provisions for phasing in the new legislative requirement over a three-year period according to the following timetable, with Councils requested to nominate, by Council resolution, which Group they proposed to be included in for implementation of the new Integrated Planning & Reporting Framework:

Group 1: Community Strategic Plan and Delivery Program adopted by 30 June 2010.

Group 2: Community Strategic Plan and Delivery Program adopted by 30 June 2011.

Group 3: Community Strategic Plan and Delivery Program adopted by 30 June 2012.

Council has already adopted a Delivery Program 2009 to 2013 and Operational Plan 2009/10 consistent with the requirements of the legislation. Additionally, Council has commenced a comprehensive community consultation program to develop its Community Strategic Plan consistent with the legislation. Work has also commenced on implementing the final components of the new legislation, being Council's Resourcing Strategy which comprises a Long Term Financial Plan, Workforce Management Plan, and an Asset Management Strategy and supporting Asset Management Plans. Council has also extended the framework to include internal service delivery plans (DSPs) for all Council Departments.

As a result of work already undertaken, Council is well placed to nominate in Group 1 for implementation of the new framework. However a decision in this regard will be made following a more detailed report being presented to Council once the Regulation, Guidelines and supporting Manual have been finalised by the Division of Local Government, Department of Premier and Cabinet and Council receives the anticipated formal request for Group nomination from the Division of Local Government, Department of Premier and Cabinet.

Council has received an email from the Division of Local Government, Department of Premier and Cabinet requesting that all NSW councils complete a survey at the commencement of the Integrated Planning and Reporting legislation to obtain information about the current status of developing an Integrated Planning & Reporting Framework and also to identify areas where councils may require assistance in their implementation of the Integrated Planning & Reporting Framework. Council's response to the survey is currently being compiled and will be forwarded to the Division of Local Government, Department of Premier and Cabinet by the due date of 13 November 2009.

Proposed Amendments to Priorities:

As part of the September Quarterly Review of the Delivery Program and Operational Plan, Council staff have undertaken a comprehensive review of the Priorities identified in the Plan and recommend a number of minor wording changes to ensure improved clarity and linkages between Council's services and the long-term Goals and Strategies outlined in the Plan. The recommended changes are presented below:

Table 2: Proposed revised wording of Priorities

Priority Number	Previous Wording	Revised Wording
5.2.1	Complete annual condition surveys and maintenance programs for all classes of public infrastructure.	Complete annual condition surveys and prepare 5 year and annual Capital Works Programs for all classes of public infrastructure.
5.2.2	Implement the Infrastructure Capital Works Program.	Implement the Capital Works Renewal Programs for all classes of public infrastructure.
5.2.3	The DPOP contains the following Action: 5.2.2.3 <i>Implement Infrastructure Maintenance Programs including Restorations and Utility works.</i> It is now recommended that this should be a Priority of Council rather than an Action in order to demonstrate Council's commitment to this Priority over the four (4) year term of the Delivery Program and Operational Plan.	Implement Infrastructure Maintenance Programs including Restorations and Utility works.
6.2.1	Maintain public parking infrastructure and parking across the municipality.	Manage public parking infrastructure and access to parking across the municipality.
9.1.1	Provide optimal parking to local residents and commercial centres and monitor parking meters.	Manage access to parking for local residents and commercial centres, and manage paid parking facilities.

It is recommended that the amended wording to the Priorities as outlined in Table 2 be endorsed. A full list of Priorities from the Delivery Program and Operational Plan, inclusive of the recommended changes presented above, is provided as Annexure 2.

Conclusion:

Council has made significant progress in implementing the new Integrated Planning and Reporting Framework for Local Government as now legislated under the *Local Government Amendment (Planning & Reporting) Act 2009* and as a result is well placed to nominate in Group1 under the Division of Local Government, Department of Premier and Cabinet's staged implementation timetable. A final decision in this regard will be made however following a more detailed report being presented to Council once the Regulation, Guidelines and supporting Manual have been finalised and Council receives the anticipated formal request for Group nomination from the Division of Local Government, Department of Premier and Cabinet.

The structure of Council's quarterly reporting under the new framework is nearing finalisation with the September Quarterly Reports on the Delivery Program 2009 to 2013 and Operational Plan 2009/10 being prepared for presentation to Council's Corporate and Works Committee on 23 November 2009, and the Community and Environment Committee and Urban Planning Committee on 30 November 2009.

This report has provided Council with details of the regime for reporting Council's progress against the Priorities and Action contained in the Delivery Program and Operational Plan to the various Council's Standing Committees based around the five (5) Themes and eleven (11) Goals as outlined in the Delivery Program and Operational Plan.

Helen Tola
Corporate Planning & Reporting Coordinator

Stephen Dunshea
Director Corporate Services

Annexures:

- 1 Division of Local Government, Department of Premier and Cabinet – Commencement of the Local Government Amendment (Planning and Reporting) Act 2009.
- 2 Full list of Priorities from the Delivery Program and Operational Plan, inclusive of the recommended changes presented in the report.

Item No: R3 Recommendation to Council
Subject: 2009/2010 Budget Review for the Quarter Ended 30 September 2009
Author: Michelle Phair – Team Leader Financial Services
File No: 331.G
Reason for Report: To report on the review of the 2009/2010 Budget for the quarter ended 30 September 2009

Recommendation:

A. THAT the report be received and noted and the variations to the Budget be adopted.

Background:

The requirement for a quarterly review of the budget arises from Clause 203 of the Local Government (General) Regulation 2005. It requires that, not later than two months after the end of each quarter, the responsible accounting officer of a Council prepare and submit to the Council a budget review statement that shows, by reference to the estimates of income and expenditure set out in the Management Plan that the Council has adopted for the relevant year, a revised estimate of the income and expenditure for that year. A budget review statement must include or be accompanied by:

- (a) a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimates of income and expenditure, and;
- (b) if that position is unsatisfactory, recommendations for remedial action.

Councillors should note that Local Government (General) Regulation 2005 is currently being updated in response to the *Local Government Amendment (Planning and Reporting) Act 2009* (the Act) which was assented to by the Governor on 9 October 2009. The amendments to the Act give effect to the new Integrated Planning and Reporting framework around which Council has developed its Delivery Program 2009 to 2013 and Operational Plan 2009/10, which replaced the previously produced Management Plan. Whilst the current Regulation still refers to the Management Plan, this report on the review of the budget contained in Council's Delivery Program and Operational Plan satisfies the requirement of the Regulation.

In undertaking this budget review, each budget manager has provided a revised forecast of income and expenditure for their respective areas and where necessary, recommendations to revise budget estimates for income and expenditure items are provided.

Discussion:

Overall Financial Position

Council's working funds balance, which is the available cash to cover any unforeseen expenditure requirements which cannot be covered within the current budget provision, forecasts a decrease for 2009/10 of \$11,316. This comprises a projected surplus of \$13,730 following Council's adoption of the 2009/10 Budget and Rollovers from 2008/09, and a deficit of \$25,046 identified for the September Quarter.

A summary of the projected movements in Council's working funds balance for 2009/10, which represents Council's forecast budget result for 2009/10, is presented in the following table:

	Surplus / (Deficit)
Original 2009/10 Budget & Rollovers <small>(following further consideration by the Strategic & Corporate Committee on 31 August 2009 and Council on 14 September 2009)</small>	\$13,730
September 2009 Review	(\$25,046)
Forecast to 30 June 2010	(\$11,316)

A summary of major budget review changes identified at the September Review is provided later in the report together with full details of the recommended variations totalling the \$25,046 deficit. Included in this amount is the estimated cost of \$41,000 to manage the ticketed New Years Eve event at Yarranabbe Park as resolved by Council on 2 November 2009. This is partially offset by anticipated savings of \$30,000 for the Yarranabbe Park tree pruning works.

The Income Statement (below) presents a revised forecast operating surplus for 2009/10 of \$4,615,590 or an improvement identified at this review of \$613,330 over the original forecast surplus of \$4,002,260.

A reconciliation between the working funds and operating results is provided with the Income Statement.

While the projected Working Funds result for 2009/10 has decreased for the September Quarter, the unrestricted current ratio result has improved to 2.19:1, up from 2.15:1. This improvement is due to a fair value adjustment to investments, increasing their value by \$444k, and consequently improving Council's net current assets position and liquidity.

The unrestricted current ratio is used to assess the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of Council. Financial health checks indicate a ratio of less than 1 is unacceptable. Council's forecast ratio of 2.19:1 remains sound.

Overall, based on projected levels of restricted cash and liquidity, Council's financial position will remain sound.

**BUDGET 2009/2010
INCOME STATEMENT**

	Original Budget	Revised Budget & Revotes	Actual to Date	% of Revised Budget	Proposed Change to Forecast	Revised Forecast
OPERATING REVENUES						
Rates & Annual Charges	38,648,827	38,648,827	38,936,360	100.7	145,103	38,793,930
Fees & Charges	7,661,490	7,661,490	2,214,102	28.9	-34,940	7,626,550
Interest	1,619,900	1,619,900	622,926	38.5	733,855	2,353,755
Grants & Contributions	6,578,395	6,578,395	4,355,502	66.2	29,307	6,607,702
Other Revenue	10,878,524	10,878,524	1,958,764	18.0	48,872	10,927,396
	65,387,136	65,387,136	48,087,654	73.5	922,197	66,309,333
OPERATING EXPENSES						
Employee Costs	28,750,447	28,750,447	7,064,572	24.6	33,273	28,783,720
Materials & Contracts	12,337,808	12,596,439	3,172,791	25.2	287,053	12,883,492
Borrowing Costs	626,363	626,363	153,169	24.5	0	626,363
Depreciation	10,120,514	10,120,514	2,605,653	25.7	0	10,120,514
Other Costs	12,260,083	12,280,583	5,685,484	46.3	55,387	12,335,970
	64,095,215	64,374,346	18,681,669	29.0	375,713	64,750,059
CAPITAL REVENUES						
Capital Grants & Contributions	2,585,849	2,772,989	281,209	10.1	-25,427	2,747,562
Net Gain/(Loss) on Sale of Assets	155,426	216,481	-306,688	-141.7	92,273	308,754
CHANGE IN NET ASSETS	4,033,196	4,002,260	29,380,507		613,330	4,615,590
LESS:						
Transfers to Reserve from Operating					-169,821	
Reduction in utilisation of Reserves					-201,273	
Reduction in Fair Value Adj. of Restricted Cash					-443,855	
ADD:						
Transfers from Reserves for Operating					9,879	
Transfers from Reserves for Capital					30,017	
Reduction in Section 94 Interest					136,677	
Working Funds Movement					-25,046	

In addition to the Income Statement above, Council's Balance Sheet and Reserve levels summarise the results of the budget review and appear as **ANNEXURES 1 and 2** respectively. **ANNEXURE 3** provides a summary of the Capital Budget and proposed variations.

Summary of Variations

The following table summarises by Division, Manager and resource the variations proposed in the Budget Review.

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
OPERATING BUDGET		
COMMUNITY SERVICES:		
<i>Community Liaison (103):</i> <ul style="list-style-type: none"> - General Contracts - E J Ward - Community Building Hire Income - E J Ward 	<p style="text-align: right;">(14)</p> <p style="text-align: right;">17</p>	<p>Management of E J Ward has been transferred to Sir Roden Cutler Charities. Ongoing cleaning and maintenance costs will be paid by the charity.</p> <p>Due to transfer of management to Sir Roden Cutler Charities, Council will no longer be receiving building hire income for E J Ward, however, lease income (\$12k) will be received by the Property & Projects section.</p>
<i>Community Development (105):</i> <ul style="list-style-type: none"> - Materials: Goods & Services- Preschool Advisory Committee - Transfer from Preschool Reserve 	<p style="text-align: right;">21</p> <p style="text-align: right;">(21)</p>	<p>Installation of child proof locks on cupboards funded from donation. See below.</p> <p>Funds transferred from Preschool Reserve - Donation received from Woollahra Preschool Advisory Committee.</p>
<i>Cultural Development (107):</i> <ul style="list-style-type: none"> - Sponsorships-Sculpture Prize 	<p style="text-align: right;">11</p>	<p>Banner sponsorship for the Small Sculpture Prize did not eventuate.</p>
<p>Small variations within Community Services:</p>	<p style="text-align: right;">0</p>	
<p>Total variation for Community Services:</p>	<p style="text-align: right;">14</p>	
CORPORATE SERVICES:		
<i>Risk Management (202):</i> <ul style="list-style-type: none"> - Insurance Premium - Self Funded Losses – Public Liability & Professional Indemnity 	<p style="text-align: right;">(144)</p> <p style="text-align: right;">120</p>	<p>Actual Public Liability/Professional Indemnity insurance premium was less than anticipated (\$169k).</p> <p>Motor vehicle and Council's property insurance were higher than anticipated, \$5k and \$20k respectively. It should be noted that these premiums are adjustable at year end depending on number of vehicles purchased and on total estimate of property/contents coverage required.</p> <p>Adjustment to reflect higher than anticipated claims for the September Quarter</p>

- Risk Management Bonus	58	StateCover will not be providing a Scheme Rebate this year for Workers Compensation \$70k, however a 15% discount off the premium was provided. The loss of rebate is partially offset by the property insurance rebate which was higher than expected (\$12k).
- Self Funded Losses – Victoria Road	800	Estimated balance of claim against Sydney Water for Victoria Road landslip with final claim value to be determined.
Claims Recovery – Victoria Road	(800)	See above.
- Early Reporting Incentive	(10)	StateCover is offering an early reporting incentive for Workers Compensation claims which are reported to them within 2 business days of Council being advised of the injured worker.
- DWM Funding – Corporate Support	(56)	Revised calculation of Workers' Compensation insurance premium attributed to Domestic Waste Management, increasing funding from the DWM Charge.
<i>Governance (203):</i>		
- Materials: Goods & Services-Records Management	4	Increased costs of Quick Address Licence fees.
<i>Finance (205):</i>		
- FBT – Other	35	Increase in line with actual 08/09 FBT liability. As a result of ATO ruling, the increase includes \$20k for meal benefits for Staff Committee Meeting meals.
- General Consultants – Valuation of Community Land	(20)	Valuation timetable has been revised by the DLG postponing the need to value community land.
- Interest Paid on Deposits Received	55	Budget has been revised in line with 08/09 actual interest paid.
- General Contracts	(12)	Reallocation of budget for cash-in-transit security services from Finance to Customer Service.
- Sundry Income	(87)	Refund of Council's surplus in the State Super scheme.
- DOP Contribution	(7)	Revised figure in line with advice from Department of Planning for the 09/10 Levy.
- Financial Assistance Grant	36	Revised figure in line with advice from the Local Government Grants Commission for the 09/10 Financial Assistance Grant.
- Interest on Overdue Rates & Charges	(37)	Revised figure in line with an increase in 08/09 actual and slight increase in arrears of rates and charges.
- Interest on Investments	(253)	Revised in line with actual earnings for the September Quarter and revised interest rate forecasts for the remainder of the year.
- Fair Value Adjustment	(444)	Increase in value of Investments taking into account market-to-market revaluation of floating rate notes and the maturity or sale of other securities.
- Increase in available Reserve funds	444	The increased value of Investments improves Council's Restricted Cash holdings. It is proposed to apply all of the improvement to the Property Reserve (refer Annexure 2)

- Transfer to s.94 Reserve	164	The improved interest forecast increases the transfer to reserve.
- Rates	(35)	Revised figure in line with minor increase in total Rates levied.
<i>Information Systems (207):</i>		
- Material: Goods & Services-Internet/Web Site Hosting	12	Increase in cost due to the requirement to increase internet link bandwidth to support current internet usage requirements.
<i>Customer Service (209):</i>		
- General Contracts	12	Reallocation of budget for cash-in-transit security services from Finance to Customer Service (\$12k).
Small variations within Corporate Services:	3	
Total variation for Corporate Services:	(162)	
TECHNICAL SERVICES:		
<i>Civil Works (303):</i>		
- General Contracts	8	Budget transferred from Capital - Traffic Infrastructure for completion of ancillary works as part of maintenance program.
<i>Open Space & Trees (304):</i>		
- General Contracts – New Years Eve	250	The Mayoral Minute of 2 November 2009 resolved to engage Luna Park Sydney to operate and manage a ticketed event at Yarranabbe Park on NYE 2009. The net cost of the event is estimated to be \$41k. The cost of tree pruning works in Yarranabbe Park will be performed for less than anticipated. Provision for Enterprise Agreement adjustment not required. Savings from allowances have been utilised for Trumper Park cricket pitch preparation works (\$35k) and additional maintenance requirements at Redleaf Chambers (\$18k). Transfer of position from Strategic Planning – Environmental Protection \$51k, plus increase salaries to cover Sustainability Business Officer \$63k. The Sustainability Business Officer’s role is fully funded by grant. Grant income to fund Sustainability Business Officer position. Inspection fees for Tree Management anticipated to be greater than budgeted, continuing the trend from 08/09 actuals.
- Ticket Sales – New Years Eve	(209)	
- General Contracts – Tree Pruning	(30)	
- Staff Allowances	(53)	
- General Contracts	53	
- Salaries & Wages	114	
- Grant Income	(63)	
- Inspection Fees	(4)	
<i>Property & Projects (306):</i>		
- Recurrent Contracts	(117)	Due to Premier Parking being under administration there are savings in recurrent contracts for Grafton and Kiaora carpark management fees (\$70k) and Cosmopolitan Centre carpark (\$50k). Recurrent contracts movement also includes a small increase of \$3k for Chiswick Gardens Restaurant due to termination of lease.

- Car Park Lease Income	132	Reduction in anticipated revenue from Grafton and Kiaora carparks \$82k and Cosmopolitan Centre carpark lease \$50k. The reduced revenue is largely offset by savings in recurrent contracts – refer above.
- General Consultants & Legals - Carparks	22	Consultancy advice for new carpark management agreement \$5k plus legal advice for new master carpark agreements \$17k.
- General Consultants & Legals – Chiswick Gardens Restaurant	25	New Plan of Management required for Chiswick Gardens \$10k. The Plan of Management will seek authorisation for restaurant and function centre use. Legal advice regarding termination of Chiswick Gardens Restaurant lease \$15k.
- Recoverable Expense – Property Management	17	Recoverable expenses are expected to increase \$17k. This is more than offset by anticipated increase in recovered costs (\$65k).
- Recovered Costs – Property Management	(65)	Recovered costs have increased substantially due to liquidated damages being charged for the Cosmopolitan Centre.
- Council Building Lease	13	E J Ward has been transferred to Sir Roden Cutler Charities, anticipated lease income (\$12k) which is an increase of (\$7k) over the original budget. Only a small amount of lease income is anticipated for The Bay Room in the Cosmopolitan Centre, decrease \$20k. This loss in lease income is offset by liquidated damages received for the Cosmopolitan Centre.
- Commercial Property Leases	(3)	New contract for Dunbar House is expected to generate an additional (\$90k) however this gain is offset by the termination of the lease at Chiswick Gardens \$87k.
- Depot Lease	80	New commercial leases at O’Dea Ave are less than estimated. Lease income has been affected by the current market environment.
- Depot Lease - Licence	(4)	New right of way license granted.
Depot & Waste (307):		
- EBA Allowances	27	EBA allowances have increased as a result of new agreement. (\$15k) of this is offset by transfer from DWM Reserve.
- Temporary Staff	132	Additional cost of temporary waste staff fully funded by DWM Reserve.
- DWM – Corporate Support	56	DWM expense funding for Corporate Support has increased as a result of recalculating the Workers Compensation insurance premium attributable to Domestic Waste.
- General Contract - Recycling	(107)	Contractor has advised the actual cost of the recycling service for the year which is less than budget. This saving has been transferred to the DWM Reserve.
- DWM Charge & Additional Waste Services	(110)	Increase DWM Charge (\$55k) and Additional Waste Services (\$55k) in line with amounts levied. The additional income has been transferred to DWM Reserve.
- Sale of Recycling Material	29	Sale of recycling material income estimate has been reviewed in line with the reduction in the price of paper.
- Transfer to DWM Reserve	5	Net transfer to DWM Reserve has increased by \$5k as a result of the above changes and other minor changes within the waste section.

Small variations within Technical Services:	<i>11</i>	
Total variation for Technical Services:	209	
PLANNING & DEVELOPMENT:		
<i>Strategic Planning (402):</i> - Salaries & Wages	(51)	Position transferred from Environmental Protection to Sustainability Projects (refer Open Space & Trees above).
<i>Development Control (404)</i> - Pre-Lodgement Advice Fees	35	Reduction in pre DA application lodgement, 4 this year compared to 17 for the same quarter last year.
<i>Compliance (406):</i> - Building Certificate Application Fees	(15)	Application fee now permits additional fees to be charged where the certificate addresses unauthorised work.
- Compliance Levy	60	Reduction in income forecast based on current level of activity and correction of GST treatment.
- Parking Fines	(50)	Infringements collected for first quarter above projected amount.
- Penalties	(10)	Values of some regulatory fines have increased resulting in greater penalty income.
Small variations within Planning & Development:	<i>2</i>	
Total variation for Planning & Development:	(29)	
GENERAL MANAGER:		
<i>Communications (503)</i> - Salary & Wages	(32)	Reallocation of budget for Temporary Staff covering maternity leave.
- Temporary Staff	37	Increase in costs for covering staff on maternity leave. See above.
Small variations within General Manager	<i>0</i>	
Total variation for General Manager:	<i>5</i>	
Total Variance in Operating Budget	37	
CAPITAL BUDGET		
COMMUNITY SERVICES:		
<i>Library</i>	(8)	Transfer budget from Library to Information Technology to fund purchase of PCs.
CORPORATE SERVICES:		
<i>Information Technology</i>	8	Transfer budget from Library to Information Technology to fund purchase of PCs.

TECHNICAL SERVICES:		
<i>Engineering Services</i>	0	<p>Reallocation of budget between projects includes the following:</p> <ul style="list-style-type: none"> ▪ Double Bay Multi Function Poles and New South Head Road works increase \$278k and \$83k funded from transfers from other projects: <ul style="list-style-type: none"> ○ Double Bay Public Domain Improvements (\$75k) ○ Double Bay Gateway Treatments (\$26k) ○ Double Bay Cross St (\$110k) ○ Edgecliff Public Domain Improvements (\$150k) has been transferred to fund works at Double Bay. The survey and design for Edgecliff is to be completed this year with construction deferred to 2010/2011. <p>A number of other small reallocations were made between projects and a transfer of (\$8k) was made to the operating budget for completion of ancillary works as part of Civil Works' maintenance program.</p>
<i>Civil Works & Infrastructure</i>	0	A number of transfers have been made between projects.
<i>Stormwater Levy Works</i>	95 (95)	Stormwater levy funds transferred to projects identified as comprising drainage works. Projects include: Bayview Hill Lane, The Crescent Vaucluse and Olive St Paddington.
<i>Open Space & Trees</i>	401 (369)	<p>Net variance for Open Space and Trees is \$32k:</p> <ul style="list-style-type: none"> ▪ Transfer Beach Cleaning Ramps \$62k funded by levy (\$60k) from the Environmental Works Program. ▪ Cooper Park Conservation Management Plan \$39k, funded by Metro Greenspace Grant (\$10k). ▪ Lyne Park Carpark upgrade expenditure budget has been reduced by \$61k in line with reduced grant funding now approved. ▪ Gap Park Refurbish Dunbar Anchor increase scope of works \$34k funded by grant from NSW Heritage Office (\$34k). ▪ Paddington Community Gardens increase cost of works \$10k, funded from Section 94A (\$10k). ▪ Watsons Bay Baths funding has been transferred to Property and Projects Watsons Bay Tea Rooms \$180k. <p>A number of other small reallocations have been made between projects.</p>

<p><i>Property & Projects</i></p> <ul style="list-style-type: none"> - Commercial / Leased Properties - Parks / Oval Building - Council Offices & Other Projects - Community Facilities & Library Buildings - Car Parks 	<p>314 (185)</p> <p>(33)</p> <p>5 (16)</p> <p>(23)</p> <p>100 (100)</p>	<p>Increase budget for Watsons Bay Tea Rooms \$309k, including transfer of funds from Open Space & Trees (\$180k) funded by Environmental & Infrastructure Levy.</p> <p>O’Dea Ave Commercial Property External Works \$5k funded by Make Good Contribution paid by previous tenant.</p> <p>Sir David Martin Reserve works not required, funds used to offset Watsons Bay Tea Rooms.</p> <p>Smart Pole banner arms included in Street Furniture budget (\$16k), funded from Section 94A.</p> <p>Other small allocations between projects</p> <p>Watsons Bay Tea Rooms Fitout Library space increase \$100k funded from property reserve.</p> <p>Other Library projects have been consolidated into one project.</p> <p>Watsons Bay Library project (\$20k) has been transferred to the Watsons Bay Tea Rooms project.</p> <p>Provision for consultancy advice relating to Kiaora Lands project, funding from Property Reserve.</p>
<p><i>Infrastructure Renewal & Environmental Works Program</i></p>	<p>(2)</p>	<p>A number of small re-allocations have been made between projects.</p> <p>The Beach Cleaning Ramps project has been transferred to Open Space and Trees (\$62k) including levy funding \$60k.</p>
<p><i>Plant Replacement</i></p>	<p>68 (172)</p>	<p>A number of re-allocations have been made across the Plant Replacement budget.</p> <p>Variations include:</p> <ul style="list-style-type: none"> ▪ Purchase of car hoist for mechanics workshop \$12k. ▪ GPS Data Tracking System for trucks has been deferred pending further review (\$47k). ▪ Vehicle purchases deferred (\$34k). ▪ Smaller Road Sweeper required (\$90k). ▪ Purchase of new Backhoe after insurance recovery, net \$30k.
<p>Total Variance in Capital Funds</p>	<p>(12)</p>	
<p>TOTAL CHANGE IN WORKING FUNDS</p>		<p>25</p>

ANNEXURE 4 provides a report of the proposed variations to forecasts by Manager and Cost Centre.

In addition to the variations proposed in the September Budget Review, there are a number of items that could impact on Council's budget in future reviews. At this stage the potential impact on Council's budget cannot be reasonably determined, but they have been flagged for Council's information.

Council is yet to receive advice of its 2009/2010 contribution to Emergency Management NSW (a combination of NSW Fire Brigades and State Emergency Services). Interim invoices indicate the contribution could exceed budget by \$65k.

The following comments have been provided by the Director Technical Services in relation to further potential impacts on the budget.

Comments from Director Technical Services:

The items listed below have not been included in the September 2009 Budget Review due to the uncertainty of cost. These items have been flagged here as they may impact on Council's budget during this year.

- Premier Parking: The carpark operator went into voluntary receivership and administration on 10 August 2009 owing Council some \$191k. The receivership and administration is continuing. Council has recovered \$105k from the bank guarantees held and holds a further \$7k deposit. There remains an amount of \$79k outstanding and there is some uncertainty at this point in time as to whether or not these funds will be recoverable. Council continues to liaise with the administrators to recover these funds. Agreements have been negotiated with Secure Parking and Wilson Parking to temporarily manage the carparks for 6 months, while the tender process is being undertaken.
- Double Bay Streetscape works: \$150k additional funds were added to this project in the September 2009 review by deferring Edgecliff Public Domain Improvements. Final costs for Double Bay variations are not yet known, however further additional costs may be up to \$200k including the following:
 - Council is in negotiation with Telstra over additional costs for adjustment or replacement of Telstra pits. Telstra admits these pits are its responsibility and will add these pits to its program for maintenance but estimates these works will not be performed for 3-4 years. In order to provide presentable footpaths Council may need to bear this cost now.
 - The kerb and gutter realignment and footpath upgrading in Cooper Street was to be completed by the Royal Oak as part of its redevelopment. The redevelopment is not proceeding and this may now need to be completed at Council's our cost.
 - The kerb and gutter and footpath in Bay Street outside the Cosmopolitan was removed from the streetscape project in anticipation this would be funded by the developer. This may need to now be completed at Council's cost.
- Gap Park Self Harm Minimisation Initiatives: Council is in discussions with State and Federal departments and is reasonably confident in successfully gaining grant funding for Gap Park. If unsuccessful, Council will need to fund an additional \$350k or defer the works until grant funds become available.

The above items will continue to be reviewed and further information will be brought to Committee when costs are known.

Conclusion:

Council's working funds balance forecasts a decrease for 2009/10 of \$11,316 which comprises the original budget surplus, including rollovers, of \$13,730 and a deficit of \$25,046 identified in the September quarter.

Following the review of the estimates of expenditure and income made in the original budget, the Income Statement (Annexure 1) shows an increase in our operating result of \$613,330. The major changes giving rise to this variation have been detailed in the report. The Balance Sheet (Annexure 1) shows liquidity at 2.19:1 with working funds position at \$1,998,456.

Having regard to the original estimates of income and expenditure, and the proposed variations, the projected restricted cash levels and liquidity position indicate that Council's overall financial position will remain sound at 30 June 2010.

Michelle Phair
Team Leader Financial Services

Stephen Dunshea
Director Corporate Services

Annexures:

1. Forecast Balance Sheet for the year ending 30 June 2010
2. Forecast Reserve Levels as at 30 June 2010
3. Summary of Capital Budget as at 30 September 2009 with Proposed Variations
4. Revised Forecasts of Expenditure and Income by Manager and Cost Centre

ANNEXURE 1

**BUDGET 2009/2010
BALANCE SHEET**

	Actual 08/09	08/09 Revotes	Revote & Rollovers into 09/10	09/10 Budget	Original Budget & Revotes	September Review 09/10	September Review 09/10
Current Assets							
Cash & Investments	33,495,015	-12,014,063	21,480,952	2,951,658	24,152,892	623,209	24,776,101
Receivables	6,386,256		6,386,256		6,200,000		6,200,000
Inventories & Other Assets	199,158		199,158		240,000		240,000
Other	1,227,521		1,227,521		1,270,000		1,270,000
	41,307,950	-12,014,063	29,293,887	2,951,658	31,862,892	623,209	32,486,101
Current Liabilities							
Payables	17,482,653		17,482,653		17,100,000		17,100,000
Interest Bearing Liabilities	756,754		756,754	57,069	813,823		813,823
Provisions	7,336,912		7,336,912		7,336,912		7,336,912
	25,576,319	0	25,576,319	57,069	25,250,735	0	25,250,735
NET CURRENT ASSETS	15,731,631	-12,014,063	3,717,568	2,894,589	6,612,157	623,209	7,235,366
Non-Current Assets							
Receivables	91,954		91,954		91,954		91,954
Investment Properties	11,063,998		11,063,998		11,063,998		11,063,998
Property, Plant & Equipment	660,580,448	11,983,127	672,563,575	324,784	672,888,359	-9,879	672,878,480
	671,736,400	11,983,127	683,719,527	324,784	684,044,311	-9,879	684,034,432
Non-Current Liabilities							
Payables	0		0		0		0
Interest Bearing Liabilities	7,666,239		7,666,239	-813,823	6,852,416		6,852,416
Provisions	373,537		373,537		373,537		373,537
	8,039,776	0	8,039,776	-813,823	7,225,953	0	7,225,953
NET ASSETS	679,428,254	-30,936	679,397,318	4,033,196	683,430,514	613,330	684,043,844
EQUITY							
Opening Equity	656,389,020		679,428,254		679,428,254		679,428,254
Asset Revaluation Reserve	24,356,114						
Operating Result	-1,316,880		-30,936		4,002,260		4,615,590
Closing Equity	679,428,254	0	679,397,318	0	683,430,514	0	684,043,844
Working Funds							
Current Assets	15,731,631		3,717,568		6,612,157		7,235,366
ADD:							
Current Prov'n for ELE	7,336,912		7,336,912		7,336,912		7,336,912
Current Deposits	10,913,342		10,913,342		10,913,342		10,913,342
Current Loan Liability	756,754		756,754		813,823		813,823
LESS:							
External Restrictions *	-8,558,444		-2,387,369		-2,799,297		-2,979,379
Internal Restrictions *	-24,170,423		-18,327,435		-20,853,435		-21,321,608
	2,009,772	0	2,009,772	0	2,023,502	0	1,998,456
Movement in Working Funds			0		13,730		-25,046
Unrestricted Current Ratio	2.37		1.95		2.15		2.19

* After Notional Fair Value Adjustment

WOOLLAHRA MUNICIPAL COUNCIL
Forecast Restricted Cash Balances - 30th June 2010

Externally Restricted Cash				REVOTES		ORIGINAL BUDGET				SEPTEMBER REVIEW				
Purpose	Gross Restricted Cash Balance June 09	Notional Fair Value Adj. ¹	Closing Balance Jun 09 ¹ Notionally adjusted for FV	Transfers From	Closing Balance Jun 10	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 10	09/10 Fair Value Adj	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 10
Section 94 Contributions	3,968,109	-1,919,102	2,049,007	-855,721	1,193,286		66,800		1,260,086		164,400		-10,187	1,414,299
Section 94A Contributions	2,159,584		2,159,584	-1,729,647	429,937	1,400,000	8,800	-1,423,000	415,737				-21,750	393,987
Unexpended Grants	1,416,172		1,416,172	-1,100,795	315,377				315,377				-13,257	302,120
Environmental Levy	209,102		209,102	-206,224	2,878				2,878					2,878
Infrastructure Levy	9,491		9,491	-3,756	5,735				5,735					5,735
Environmental & Infrastructure Levy	2,014,855		2,014,855	-2,013,301	1,554	3,321,107		-3,319,000	3,661					3,661
Stormwater Levy	298,485		298,485	-261,631	36,854	478,800		-478,500	37,154					37,154
Domestic Waste	845,542	-443,794	401,748		401,748	620,000		-263,079	758,669		60,876			819,545
	10,921,340	-2,362,896	8,558,444	-6,171,075	2,387,369	5,819,907	75,600	-5,483,579	2,799,297	0	225,276	0	-45,194	2,979,379

Internally Restricted Cash

Purpose	Gross Restricted Cash Balance June 09	Notional Fair Value Adj. ¹	Closing Balance Jun 09 ¹ Notionally adjusted for FV	Transfers From	Closing Balance Jun 10	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 10	09/10 Fair Value Adj	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 10
Employee Leave Entitlements	1,541,241	-584,844	956,397	-159,785	796,612				796,612					796,612
Plant Replacement	128,755	-73,412	55,343	-14,182	41,161				41,161		145,818			186,979
Insurance	293,750	-128,830	164,920		164,920				164,920					164,920
Computer	744,034	-131,335	612,699		612,699			-42,000	570,699					570,699
Infrastructure	575,570	-224,740	350,830	-45,343	305,487				305,487					305,487
Election	50,000	0	50,000		50,000	75,000			125,000					125,000
Investments	1,000,000	0	1,000,000		1,000,000				1,000,000					1,000,000
Deposits	6,600,837	0	6,600,837		6,600,837				6,600,837					6,600,837
Kindergarten	256,245	-53,052	203,193		203,193	21,000			224,193				-21,500	202,693
Property	15,757,439	-7,089,933	8,667,506	-183,083	8,484,423	4,000,000		-1,528,000	10,956,423	443,855			-100,000	11,300,278
Loan Repayments	12,711	0	12,711		12,711				12,711					12,711
Loan Funds	2,812,796	0	2,812,796	-2,812,796	0				0					0
Revotes & Rollovers	2,315,643	0	2,315,643	-2,315,643	0				0					0
Financial Assistance Grant	339,937	0	339,937		339,937				339,937					339,937
General Reserve	411,093	-383,483	27,610	-312,156	-284,546				-284,546					-284,546
	32,840,052	-8,669,629	24,170,423	-5,842,988	18,327,435	4,096,000	0	-1,570,000	20,853,435	443,855	145,818	0	-121,500	21,321,608

Total Restricted Cash	43,761,392	-11,032,525	32,728,867	-12,014,063	20,714,804	9,915,907	75,600	-7,053,579	23,652,732	443,855	371,094	0	-166,694	24,300,987
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1) Notional fair value adjustments were made at 30 June 2009 and will be reviewed at year end in light of reserve utilisation and any fair value adjustments to 30 June 2010.

Capital Expenditure Summary
Expenditure & Commitments to Period 3

	Original Budget	Revotes	Current Forecast	Actual Expenditure	Committed	Total Expenditure	% of Forecast Spent	Proposed Variations	Revised Expenditure Forecasts
933 - Traffic Infrastructure	270,000	1,419,822	1,689,822	100,186	574,028	674,214	39.9	0	1,689,822
935 - Flood Plain Management	0	431,615	431,615	24,963	125,419	150,382	34.8	0	431,615
938 - Open Space Capital Works Project Mgmt	40,000	0	40,000	11,271	0	11,271	28.2	0	40,000
939 - Parks & Reserves	1,170,000	2,325,756	3,495,756	245,403	1,114,835	1,360,238	38.9	400,991	3,896,747
941 - Playgrounds	96,000	106,800	202,800	0	0	0	0.0	0	202,800
942 - Sportsfields	410,000	27,737	437,737	640	0	640	0.1	0	437,737
945 - Streetscapes	0	3,895,128	3,895,128	613,431	1,630,971	2,244,402	57.6	0	3,895,128
949 - Infrastructure Renewal Program	0	180,523	180,523	7,576	18,980	26,556	14.7	-33,932	146,591
950 - Library General	486,000	187,472	673,472	54,683	42,741	97,424	14.5	-8,000	665,472
953 - Library - Paddington	68,000	16,600	84,600	16,784	10,814	27,598	32.6	0	84,600
959 - Environmental Works Program	180,000	278,371	458,371	64,175	10,568	74,743	16.3	-61,961	396,410
968 - Stormwater Levy Works	478,500	221,949	700,449	137,607	25,398	163,005	23.3	0	700,449
969 - Environmental & Infrastructure Program	4,946,383	1,433,066	6,379,449	740,205	1,665,641	2,405,846	37.7	-545,495	5,833,954
981 - Computers & Office Equipment	97,000	424,838	521,838	21,102	195,264	216,366	41.5	8,000	529,838
982 - Commercial/Leased Properties	50,000	110,745	160,745	77,268	190,223	267,491	166.4	313,995	474,740
983 - Sportsfield Buildings	23,500	0	23,500	0	2,644	2,644	11.3	-856	22,644
984 - Parks / Ovals Buildings	40,000	78,244	118,244	30,380	54,443	84,823	71.7	-33,082	85,162
985 - Depots	25,000	0	25,000	1,100	12,172	13,272	53.1	1,641	26,641
986 - Council Offices	132,000	233,680	365,680	17,531	61,010	78,541	21.5	5,246	370,926
987 - Community Facilities	42,000	21,800	63,800	5,620	21,346	26,966	42.3	248,531	312,331
988 - Library Buildings	175,000	354,957	529,957	14,285	80,479	94,764	17.9	-271,787	258,170
989 - Car Parks	0	55,024	55,024	66,970	2,053	69,023	125.4	100,000	155,024
990 - Plant Replacement Program	3,228,315	179,000	3,407,315	523,584	855,635	1,379,219	40.5	68,103	3,475,418
	11,957,698	11,983,127	23,940,825	2,774,765	6,694,664	9,469,429	39.6	191,394	24,132,219

ANNEXURE 4

**Budget Review by Manager and Cost Centre
as at 30 September 2009**

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
<i>OPERATING BUDGET</i>						
<i>101 Director Community Services</i>						
<i>502 Community Services Management</i>						
Expenditure	1,300,812	1,300,812	779,218	60	0	1,300,812
Income	-9,300	-9,300	-3,025	33	0	-9,300
<i>103 Community Liaison Coordinator</i>						
<i>505 Venue Hire</i>						
Expenditure	160,864	160,864	61,685	38	-10,702	150,162
Income	-119,545	-119,545	-45,522	38	17,434	-102,111
<i>104 Library Services</i>						
<i>512 Library Information Services</i>						
Expenditure	308,405	308,405	59,728	19	0	308,405
Income	-12,000	-12,000	266	-2	-1,805	-13,805
<i>513 Library - Paddington Service</i>						
Expenditure	400,683	400,683	77,534	19	0	400,683
Income	-208,359	-208,359	-3,256	2	0	-208,359
<i>515 Library Admin. Collection Support</i>						
Expenditure	537,493	537,493	133,377	25	0	537,493
Income	-139,074	-139,074	-4,131	3	0	-139,074
<i>516 Library Lending Services</i>						
Expenditure	403,139	403,139	101,069	25	0	403,139
Income	-47,000	-47,000	-17,587	37	0	-47,000
<i>517 Community Learning</i>						
Expenditure	392,538	392,538	90,542	23	2,000	394,538
Income	-14,450	-14,450	-210	1	-2,000	-16,450
<i>518 Resource Management</i>						
Expenditure	614,399	617,399	131,923	21	0	617,399
Income	-3,500	-3,500	-478	14	-1,712	-5,212
<i>105 Family & Community Development</i>						
<i>521 Community Development</i>						
Expenditure	472,500	500,200	112,919	23	0	500,200
Income	-33,920	-33,920	-9,337	28	-5,000	-38,920
<i>523 Kindergarten</i>						
Expenditure	770,340	770,340	223,905	29	26,500	796,840
Income	-770,340	-770,340	-361,894	47	-21,500	-791,840
<i>525 Woollahra Community Centre</i>						
Expenditure	181,685	181,685	52,883	29	0	181,685
Income	-82,582	-82,582	-20,951	25	0	-82,582
<i>107 Cultural Development</i>						
<i>503 Cultural Development</i>						
Expenditure	192,261	192,261	25,831	13	0	192,261
Income	-69,000	-69,000	-34,560	50	10,440	-58,560
<i>201 Director Corporate Services</i>						
<i>771 Executive Services</i>						
Expenditure	281,220	281,220	73,823	26	0	281,220
Income	-20,963	-20,963	-7,105	34	0	-20,963

202 Risk Management

731 Risk Management

Expenditure	462,471	478,631	106,717	22	-11,194	467,437
Income	-20,585	-20,585	-5,073	25	0	-20,585

732 Public Liability/Professional Indemnity

Expenditure	1,170,000	1,170,000	962,325	82	-49,592	1,120,408
Income	-58,388	-58,388	-21,540	37	0	-58,388

733 Workers' Compensation

Expenditure	1,336,218	1,336,218	441,759	33	11,125	1,347,343
Income	-342,406	-342,406	-33,232	10	4,120	-338,286

734 Motor Vehicle Insurance

Expenditure	301,000	301,000	208,166	69	5,000	306,000
Income	-78,834	-78,834	-92,795	118	0	-78,834

735 Council's Property Insurance

Expenditure	280,000	280,000	1,041,449	372	820,000	1,100,000
Income	-35,838	-35,838	438,248	1,223	-811,540	-847,378

203 Governance

711 Elected Officials

Expenditure	648,431	648,431	217,336	34	0	648,431
Income	0	0	0	-	0	0

712 Governance

Expenditure	705,660	705,660	192,308	27	3,500	709,160
Income	-13,123	-13,123	-2,898	22	0	-13,123

713 Records Management

Expenditure	522,749	522,749	131,294	25	4,000	526,749
Income	-15,790	-15,790	-2,024	13	0	-15,790

205 Finance

721 Finance

Expenditure	985,408	985,408	271,049	28	70,000	1,055,408
Income	-59,773	-59,773	-12,226	20	0	-59,773

722 Rates

Expenditure	587,357	587,357	144,076	25	-12,000	575,357
Income	-380,705	-380,705	-74,797	20	0	-380,705

729 Employment Overheads

Expenditure	0	0	0	-	0	0
Income	0	0	-87,031	-	-87,000	-87,000

800 Statutory Contributions

Expenditure	3,717,250	3,717,250	1,062,312	29	-7,349	3,709,901
Income	-1,400,000	-1,400,000	-236,136	17	0	-1,400,000

801 Untied Grants

Expenditure	0	0	0	-	0	0
Income	-1,523,880	-1,523,880	-250,928	16	36,253	-1,487,627

802 Interest on Investments

Expenditure	99,600	99,600	3,476	3	164,400	264,000
Income	-2,119,900	-2,119,900	-622,887	29	-290,000	-2,409,900

803 General Rate Income

Expenditure	3,799,907	3,799,907	0	0	0	3,799,907
Income	30,797,003	30,797,003	30,831,690	100	-35,000	30,832,003

804 Debt Servicing

Expenditure	1,383,117	1,383,117	153,169	11	0	1,383,117
Income	-150,000	-150,000	0	0	0	-150,000

206 Human Resources

741 Human Resources Administration

Expenditure	783,025	783,025	193,317	25	0	783,025
Income	-93,642	-93,642	-17,056	18	0	-93,642

742 Corporate Training

Expenditure	194,950	194,950	65,447	34	0	194,950
Income	-40,879	-40,879	-4,627	11	0	-40,879

743 Recruitment

Expenditure	190,000	190,000	10,949	6	0	190,000
Income	-15,475	-15,475	-3,869	25	0	-15,475

207 Information Systems

751 Information Technology Management

Expenditure	924,417	924,417	191,165	21	0	924,417
Income	-19,795	-19,795	-4,832	24	0	-19,795

752 Information Systems

Expenditure	591,020	591,020	146,414	25	0	591,020
Income	-30,785	-30,785	-2,771	9	0	-30,785

753 Network - Telecommunications

Expenditure	154,400	154,400	85,060	55	12,000	166,400
Income	-2,895	-2,895	-724	25	0	-2,895

209 Customer Service

611 Customer Service

Expenditure	1,040,852	1,040,852	249,305	24	12,000	1,052,852
Income	-156,128	-156,128	-39,032	25	0	-156,128

301 Director Technical Services

781 Technical Services Management

Expenditure	378,956	378,956	86,005	23	0	378,956
Income	-21,108	-21,108	-5,487	26	0	-21,108

302 Engineering Services

142 Infrastructure Development Assessment

Expenditure	213,778	213,778	62,065	29	0	213,778
Income	0	0	0	-	0	0

321 Traffic Investigation & Reports

Expenditure	376,170	429,693	83,226	19	6,650	436,343
Income	-500,000	-500,000	-160,495	32	0	-500,000

333 Parking Meters

Expenditure	210,000	210,000	45,739	22	0	210,000
Income	-1,393,000	-1,393,000	-282,360	20	0	-1,393,000

341 Street Lighting

Expenditure	1,412,000	1,412,000	192,683	14	0	1,412,000
Income	-284,000	-284,000	0	0	0	-284,000

782 Engineering Services Management

Expenditure	138,832	138,832	33,115	24	0	138,832
Income	-97,000	-97,000	-14,387	15	0	-97,000

784 Engineering Design

Expenditure	154,456	159,456	47,258	30	-2,500	156,956
Income	-250	-250	-64	25	0	-250

303 Civil Works & Infrastructure

308 Civil Works - Area A

Expenditure	413,689	413,689	131,807	32	0	413,689
Income	0	0	0	-	0	0

<u>309 Civil Works - Area B</u>						
Expenditure	415,111	415,111	140,656	34	8,400	423,511
Income	0	0	-4,500	-	0	0
<u>310 Civil Works - Reactive Works</u>						
Expenditure	581,361	581,361	164,640	28	0	581,361
Income	0	0	-2,844	-	0	0
<u>313 Infrastructure Assets Depreciation</u>						
Expenditure	6,340,596	6,340,596	1,638,312	26	0	6,340,596
Income	0	0	0	-	0	0
<u>315 Traffic Devices-Lines & Signs</u>						
Expenditure	134,638	134,638	27,886	21	0	134,638
Income	-135,000	-135,000	-3,324	2	0	-135,000
<u>316 Restorations</u>						
Expenditure	1,069,825	1,069,825	118,357	11	0	1,069,825
Income	-1,311,000	-1,311,000	-535,769	41	0	-1,311,000
<u>319 Civil Works Management & Admin</u>						
Expenditure	394,514	394,514	108,453	27	0	394,514
Income	-100,000	-100,000	-18,133	18	0	-100,000
<u>785 Asset Management</u>						
Expenditure	142,537	172,655	71,618	41	0	172,655
Income	0	0	-95	-	0	0
<u>791 Fletcher Street - Operations</u>						
Expenditure	110,661	110,661	42,145	38	0	110,661
Income	0	0	0	-	0	0
<i>304 Open Space & Trees</i>						
<u>231 Trees Maintenance</u>						
Expenditure	622,727	622,727	221,476	36	-36,500	586,227
Income	0	0	-321	-	0	0
<u>232 Proactive Trees Maintenance</u>						
Expenditure	280,161	280,161	8,659	3	-5,300	274,861
Income	0	0	0	-	0	0
<u>235 Trees View Pruning Service</u>						
Expenditure	35,928	35,928	12,327	34	0	35,928
Income	-41,000	-41,000	-6,106	15	0	-41,000
<u>411 Public Open Space Management</u>						
Expenditure	195,806	195,806	67,147	34	250,000	445,806
Income	-338,150	-338,150	-130,993	39	-209,000	-547,150
<u>412 Tree Management</u>						
Expenditure	303,461	303,461	71,954	24	4,000	307,461
Income	-43,300	-43,300	-10,388	24	-4,000	-47,300
<u>413 Public Open Space Planning & Asset Management</u>						
Expenditure	248,864	258,937	67,286	26	55,950	314,887
Income	0	0	-64	-	0	0
<u>426 Depot Operations</u>						
Expenditure	145,800	145,800	32,136	22	0	145,800
Income	0	0	0	-	0	0
<u>427 Parks and Street Trees Management</u>						
Expenditure	676,017	676,017	98,421	15	-59,950	616,067
Income	-400	-400	-64	16	0	-400
<u>431 Bush Regeneration</u>						
Expenditure	574,336	574,336	144,194	25	-13,000	561,336
Income	-120	-120	0	0	0	-120

<u>452 Parks Area Team East</u>						
Expenditure	587,545	587,545	143,537	24	-11,700	575,845
Income	0	0	0	-	0	0
<u>454 Parks Area Team West</u>						
Expenditure	649,754	649,754	185,359	29	38,300	688,054
Income	0	0	0	-	0	0
<u>455 Horticultural Projects</u>						
Expenditure	572,582	572,582	208,443	36	-1,800	570,782
Income	0	0	-14	-	0	0
<u>783 Sustainability Projects</u>						
Expenditure	37,216	37,216	22,272	60	113,954	151,170
Income	-500	-500	-259	52	-63,400	-63,900
306 Property and Projects Management						
<u>331 Property Maintenance - Carparks</u>						
Expenditure	1,096,601	1,096,601	249,587	23	-97,500	999,101
Income	-1,655,000	-1,655,000	89,447	-5	132,000	-1,523,000
<u>441 Parks/Ovals Buildings Maint & Repairs</u>						
Expenditure	838,028	838,028	206,030	25	0	838,028
Income	-10,000	-10,000	-2,739	27	0	-10,000
<u>442 Property Maintenance - Tennis Courts</u>						
Expenditure	9,024	9,024	2,053	23	200	9,224
Income	-1,300	-1,300	0	0	0	-1,300
<u>443 Property Maintenance - Public Toilets</u>						
Expenditure	99,588	99,588	14,972	15	0	99,588
Income	0	0	0	-	0	0
<u>514 Property Maintenance - Libraries</u>						
Expenditure	190,517	190,517	46,471	24	1,782	192,299
Income	0	0	0	-	0	0
<u>524 Property Maintenance - Community Facilities</u>						
Expenditure	299,276	299,276	90,429	30	3,360	302,636
Income	-13,650	-13,650	-1,094	8	0	-13,650
<u>761 Property Services</u>						
Expenditure	325,574	325,574	76,421	23	0	325,574
Income	0	0	-64	-	0	0
<u>762 Property Projects</u>						
Expenditure	202,849	202,849	50,644	25	0	202,849
Income	0	0	-51	-	0	0
<u>763 Property Maintenance - Depots</u>						
Expenditure	136,392	136,392	27,081	20	-3,000	133,392
Income	0	0	0	-	0	0
<u>764 Restaurants/Other Commercial</u>						
Expenditure	134,821	134,821	35,618	26	15,000	149,821
Income	-20,000	-20,000	-6,024	30	0	-20,000
<u>765 Property Maintenance - Council Offices</u>						
Expenditure	862,147	862,147	218,402	25	0	862,147
Income	0	0	0	-	0	0
<u>767 Property Maintenance - Trades Support</u>						
Expenditure	275,376	275,376	74,602	27	0	275,376
Income	0	0	-64	-	0	0
<u>768 Property Management</u>						
Expenditure	4,447,117	4,447,117	200,347	5	31,957	4,479,074
Income	-6,797,266	-6,797,266	-4,389,847	65	19,945	-6,777,321
<u>769 Property Mtce - Street Furniture & Fence</u>						
Expenditure	223,244	223,244	55,806	25	0	223,244
Income	0	0	0	-	0	0

307 Depot and Waste Services

241 Waste Services Domestic

Expenditure	8,146,038	8,146,038	1,813,787	22	100,969	8,247,007
Income	-8,136,904	-8,136,904	-8,190,228	101	-110,103	-8,247,007

242 Waste Services Trade

Expenditure	1,046,735	1,046,735	213,543	20	2,460	1,049,195
Income	-1,214,400	-1,214,400	-320,112	26	28,500	-1,185,900

246 Waste Services Recycling

Expenditure	1,415,524	1,415,524	225,826	16	-107,024	1,308,500
Income	-1,415,524	-1,415,524	-353,881	25	107,024	-1,308,500

247 Waste Services Garden Refuse

Expenditure	734,841	734,841	116,155	16	2,460	737,301
Income	-689,212	-689,212	-172,799	25	-2,460	-691,672

248 Waste Services Supervision

Expenditure	346,405	346,405	76,852	22	1,275	347,680
Income	-285,578	-285,578	-71,308	25	-1,069	-286,647

249 Waste Projects

Expenditure	216,185	216,185	56,407	26	0	216,185
Income	-198,685	-198,685	-49,703	25	0	-198,685

251 Street Cleaning General

Expenditure	1,709,805	1,709,805	370,728	22	15,165	1,724,970
Income	-566,813	-566,813	-168,944	30	-2,393	-569,206

421 Business Centres Streetscape Maintenance

Expenditure	1,798,163	1,798,163	448,510	25	5,630	1,803,793
Income	-300	-300	-95	32	0	-300

723 Purchasing/Stores

Expenditure	190,882	190,882	36,807	19	0	190,882
Income	-28,632	-28,632	-7,163	25	0	-28,632

792 Depot & Waste Services Management & Admin

Expenditure	149,788	149,788	36,749	25	0	149,788
Income	-22,568	-22,568	-5,706	25	0	-22,568

793 O'Dea Ave Depot Operations

Expenditure	306,412	306,412	79,787	26	0	306,412
Income	-81,342	-81,342	-20,336	25	0	-81,342

794 Plant Workshop

Expenditure	346,386	346,386	71,764	21	-4,921	341,465
Income	-39,840	-39,840	-9,960	25	0	-39,840

795 SES

Expenditure	35,837	35,837	-5,756	-16	0	35,837
Income	0	0	0	-	0	0

796 Plant Operations

Expenditure	0	0	3,520	-	0	0
Income	-316,000	-316,000	-84,992	27	0	-316,000

401 Director Planning & Development

171 Planning & Development Mgmt & Admin

Expenditure	418,501	418,501	106,294	25	0	418,501
Income	-11,300	-11,300	-954	8	0	-11,300

402 Strategic Planning

111 Environmental Planning

Expenditure	599,677	654,067	130,349	20	0	654,067
Income	0	0	-1,268	-	0	0

121 Heritage Planning

Expenditure	209,441	212,341	46,176	22	4,000	216,341
Income	0	0	-136	-	0	0

<u>161 Certificates Processing</u>						
Expenditure	89,311	89,311	13,837	15	-4,000	85,311
Income	-437,700	-437,700	-118,316	27	0	-437,700
<u>211 Environmental Protection</u>						
Expenditure	105,412	125,112	3,185	3	-50,554	74,558
Income	0	0	0	-	0	0
403 Urban Design						
<u>131 Urban Design</u>						
Expenditure	113,541	123,541	25,465	21	0	123,541
Income	0	0	0	-	0	0
404 Development Control						
<u>141 Development Control</u>						
Expenditure	3,417,648	3,417,648	856,775	25	0	3,417,648
Income	-1,295,200	-1,295,200	-302,182	23	35,000	-1,260,200
406 Compliance						
<u>151 Building & Compliance</u>						
Expenditure	1,101,473	1,101,473	326,483	30	0	1,101,473
Income	-803,600	-803,600	-56,945	7	45,000	-758,600
<u>152 Fire Safety Management</u>						
Expenditure	130,757	130,757	29,202	22	0	130,757
Income	-90,500	-90,500	-15,832	17	-1,500	-92,000
<u>332 Ranger Services Parking Enforcement</u>						
Expenditure	1,811,675	1,811,675	457,498	25	0	1,811,675
Income	-4,500,000	-4,500,000	-931,623	21	-50,000	-4,550,000
<u>530 Immunisation</u>						
Expenditure	11,150	11,150	8,813	79	2,160	13,310
Income	-8,000	-8,000	-2,747	34	-2,160	-10,160
<u>531 Environment & Public Health Services</u>						
Expenditure	352,995	352,995	109,721	31	0	352,995
Income	-100,000	-100,000	-15,471	15	-120	-100,120
<u>532 Ranger Services</u>						
Expenditure	358,083	358,083	77,392	22	0	358,083
Income	-45,000	-45,000	-17,371	39	-10,000	-55,000
<u>533 Animal Control</u>						
Expenditure	92,705	92,705	32,151	35	0	92,705
Income	-19,159	-19,159	-5,419	28	2,909	-16,250
501 General Manager						
<u>621 Business Centre Support</u>						
Expenditure	273,500	294,000	64	0	0	294,000
Income	-200,000	-200,000	0	0	0	-200,000
<u>770 Executive</u>						
Expenditure	416,866	416,866	87,526	21	0	416,866
Income	-17,453	-17,453	-1,691	10	0	-17,453
503 Communications						
<u>612 Communications</u>						
Expenditure	577,626	603,693	172,475	29	4,701	608,394
Income	-12,862	-12,862	-3,254	25	0	-12,862
Operating Budget Total Variation						37,175
 CAPITAL BUDGET						
104 Library Services						
<u>950 Library General</u>						
Expenditure	486,000	673,472	97,424	15	-8,000	665,472
Income	-124,422	-171,814	0	0	0	-171,814

953 Library - Paddington

Expenditure	68,000	84,600	27,598	33	0	84,600
Income	0	0	0	-	0	0

207 Information Systems

981 Computers & Office Equipment

Expenditure	97,000	521,838	216,366	4	8,000	529,838
Income	-42,000	-42,000	0	0	0	-42,000

302 Engineering Services

935 Flood Plain Management

Expenditure	0	431,615	24,963	6	0	431,615
Income	0	-381,934	-21,387	6	0	-381,934

303 Civil Works & Infrastructure

933 Traffic Infrastructure

Expenditure	270,000	1,689,822	674,214	40	0	1,689,822
Income	-64,000	-922,161	-6,851	1	0	-922,161

945 Streetscapes

Expenditure	0	3,895,128	2,244,402	58	0	3,895,128
Income	0	-3,874,788	-612,831	16	0	-3,874,788

968 Stormwater Levy Works

Expenditure	478,500	700,449	163,005	23	0	700,449
Income	-478,500	-698,616	-49,471	7	0	-698,616

304 Open Space & Trees

938 Open Space Capital Works Project Mgmt

Expenditure	40,000	40,000	11,271	28	0	40,000
Income	-40,000	-40,000	-11,271	28	0	-40,000

939 Parks & Reserves

Expenditure	1,170,000	3,495,756	1,360,238	39	400,991	3,896,747
Income	-1,120,000	-3,397,874	-181,626	5	-369,444	-3,767,318

941 Playgrounds

Expenditure	96,000	202,800	0	0	0	202,800
Income	-96,000	-180,600	14,165	-8	0	-180,600

942 Sportsfields

Expenditure	410,000	437,737	640	0	0	437,737
Income	-410,000	-423,725	-588	0	0	-423,725

306 Property and Projects Management

982 Commercial/Leased Properties

Expenditure	50,000	160,745	267,491	166	313,995	474,740
Income	-50,000	-104,923	-46,316	44	-184,817	-289,740

983 Sportsfield Buildings

Expenditure	23,500	23,500	2,644	11	-856	22,644
Income	0	0	0	-	0	0

<u>984 Parks / Ovals Buildings</u>						
Expenditure	40,000	118,244	84,823	72	-33,082	85,162
Income	0	-24,095	-612	3	0	-24,095
<u>985 Depots</u>						
Expenditure	25,000	25,000	13,272	53	1,641	26,641
Income	0	0	0	-	0	0
<u>986 Council Offices</u>						
Expenditure	132,000	365,680	78,541	22	5,246	370,926
Income	0	-83,083	0	0	-16,000	-99,083
<u>987 Community Facilities</u>						
Expenditure	42,000	63,800	26,966	42	248,531	312,331
Income	0	0	0	-	-40,619	-40,619
<u>988 Library Buildings</u>						
Expenditure	175,000	529,957	94,764	18	-271,787	258,170
Income	0	-201,743	-7,867	4	40,619	-161,124
<u>989 Car Parks</u>						
Expenditure	0	55,024	69,023	125	100,000	155,024
Income	0	-45,000	0	0	-100,000	-145,000
<i>307 Depot and Waste Services</i>						
<u>990 Plant Replacement Program</u>						
Expenditure	3,228,315	3,407,315	1,379,219	41	68,103	3,475,418
Income	-1,578,079	-1,653,316	-324,455	20	-172,273	-1,825,589
<i>707 Environmental Works Program</i>						
<u>959 Environmental Works Program</u>						
Expenditure	180,000	458,371	74,743	16	-61,961	396,410
Income	-180,000	-436,544	-50,755	12	59,584	-376,960
<i>708 Infrastructure Renewal Program</i>						
<u>949 Infrastructure Renewal Program</u>						
Expenditure	0	180,523	26,556	15	-33,932	146,591
Income	0	-177,211	-7,576	4	50,306	-126,905
<u>969 Environmental & Infrastructure Program</u>						
Expenditure	4,946,383	6,379,449	2,405,846	38	-545,495	5,833,954
Income	-4,821,427	-6,091,616	-534,714	9	529,121	-5,562,495
Capital Budget Total						
Variation					<u>-12,129</u>	
TOTAL PROPOSED VARIATION					<u><u>25,046</u></u>	

Item No: R4 Recommendation to Council
Subject: **194 Glenmore Road, Paddington - Right of Way Easement**
Authors: Larissa Holbert, Senior Assessment Officer & Anthony Sheedy, Property Officer
File No: 191.194
Reason for Report: To give consideration to the granting of an easement by the owners of 194 Glenmore Road, Paddington in favour of Council for creation of a Public Right of Way between Glenmore Road and Cooper Street.

Recommendation:

- A. That Council accept as favouree the grant of an easement by the owners of 194 Glenmore Road, Paddington for creation of a Public Right of Way between Glenmore Road and Cooper Street.
- B. That Council draft a Deed of Agreement that sets out the terms of the easement in accordance with the eleven points that have been specified in the body of this report.
- C. That subject to signing of the agreement by the owner of 194 Glenmore Road, Paddington Council pay compensation of \$105,000 (plus any applicable GST) to the owner in return for granting the Easement, plus all legal costs associated with preparation and registration of this easement.
- D. That subject to the withdrawal of the current pending development application (DA485/2008) Council submit a new development application for the construction of a new 1.8m wrought iron gates located at the front and rear of the existing passageway.

Background:

On 04/08/2008 Council received a development application (DA485/2008) for the construction of 1.8m high timber gates at the front and rear of an existing passageway, located on the eastern side of 194 Glenmore Road, Paddington.

At its meeting of 27th January 2009 Council resolved to defer the determination of this application as follows:

- A. *THAT the Council, as the consent authority, defer consideration of Development Application No. 485/2008/1 to erect gates on the laneway on the subject property at 194 Glenmore Road, Paddington, to investigate whether the public has a legal right to use the laneway for pedestrian use.*
- B. *THAT a report be provided to the Development Control Committee on the outcome of the investigation.*
- C. *THAT Council make preliminary enquiries into the feasibility and costs of either acquiring the laneway or an interest in the laneway.*

In response to the above recommendation the matter was referred to Lindsay Taylor, Lawyers to undertake a detailed review of all the title documents. Council's Local Historians researched the history of the laneway, which was forwarded to Lindsay Taylor, Lawyers to assist with their advice to Council. Legal advice from Lindsay Taylor, Lawyers was received on the 14th and 21st April 2009. This advice was inconclusive as to whether the public has a legal right to use the laneway for pedestrian use. Therefore Council staff initiated negotiations with the owners of the subject property with intent of resolving the matter with an outcome that would be satisfactory to both Council and the owners of the property. Council staff initially met with the owners of the property on 15/05/2009 to discuss methods of overcoming the concerns the owners had with the current use of the laneway, and to discuss possible ways of providing public access.

Extensive negotiations have been carried out between the owners of the property and Council staff in an attempt to achieve the best possible outcome for Council, the Community and the owners of the property. It was agreed by Council staff and the owners of the subject property that an easement over the land should be created to enable the public to use the laneway. The creation of an easement over the existing laneway was considered to be the most appropriate method of providing public access to the laneway, as it would provide for compensation to the owners of the land (this is discussed further below), it provides security of tenure to Council and the Community, and sets out those obligations that Council and the owners of the property need to fulfil (in the form of a Deed of Agreement). The following points detail the obligations that have been negotiated by Council staff with the owners of the subject property.

- 1) *Council to install and maintain wrought iron open grille gates to a height of 1.8m to a design to be agreed between Council and the owners of 194 Glenmore Road, at either end of the laneway, secured with a key lock at nominated times. Council to bear all costs. Hours of operation can only be varied by mutual agreement of both the owners of the property, and the Council.*

The closing of the gates at certain times was considered to be the most effective method of mitigating impacts created by public access during these times (refer to condition 5.c) on the owners of the property. It was considered necessary for Council to be responsible for erecting the gates as the gates would be opened and closed on a regular basis, and Council would maintain the gates. For safety and security reasons visually transparent gates have been selected.

- 2) *Registered access keys provided to the owners of 194 Glenmore Road, Paddington, the existing owners of the Right of Way and 196 Glenmore Road. The laneway may be closed from time to time, for maintenance to the subject property and the adjoining property. The owners of the subject property and the adjoining property (196 Glenmore Road) shall notify and obtain agreement from the Council if the owners of these properties intend to close the passageway for a specified period and purpose before any closure is effected. Such agreement is not to be unreasonably withheld.*

As Council is to be responsible for the use and condition of the passageway the issue of keys has been recommended to be restricted only to the current owners of the subject property, the adjoining property and for those properties which presently have rights to use the passage.

It was recognised that there may be times when either the owner of the subject property or the adjoining owner may need to carry out maintenance to their respective properties, which may require the closure of the passageway from time to time. Thus it was considered appropriate to allow these owners to close the passageway to carry out maintenance with the agreement of Council.

3. *Council to provide a security service to lock and unlock the gates each day, at the nominated times. Council to bear all costs.*

This was recommended to ensure that the gates are locked and unlocked at the specified times.

4. *Council to lay and maintain a rubberised paving surface, the length of the passageway, to assist in reducing noise from pedestrians. Council to bear all costs*

This was considered to be an appropriate method of mitigating noise impacts of public access to the passageway on the owners of the subject property.

5. *Council to erect a sign notifying users of the laneway of the following:*
 - a. *This footpath is private property open to the public through an arrangement with Woollahra Council.*
 - b. *Please respect the peace of neighbouring properties and pass through quietly.*
 - c. *Gates will be open 7am – 8pm (Monday to Friday), 7am -9pm (Thursday), 8am-8pm (weekends and public holidays). Please contact Woollahra Council for all enquiries on 9391 7000.*

Council to maintain the sign.

Note: It was agreed that the wording of the sign could be modified by Council, the owners of the property would be given the right to agree to the wording of the sign subject to Council being satisfied that the particulars of any wording requests are not unreasonable and that any content requests are legally enforceable by Council.

The times that the gates are to remain open has been recommended to mitigate the impacts on the property owners. The times have been selected based on when the passageway is used the most and to takes account of commuters and shoppers.

6. *Council to provide cleaning of the laneway and at the front and rear of the 194 Glenmore Road, Paddington by including the passageway on the commercial cleaning schedule of the Five Ways Commercial Area, as well as responding to adhoc clean up requests.*
7. *Council to respond to removal of graffiti within 48 hours- paint colour to match property. Council to bear all costs.*
8. *Council to repair existing damage that has arisen from public use in the laneway to cables, vents, walls stairs at both ends, bitumen floor surface at Council's cost.*
9. *Council to undertake ongoing repairs and maintenance of the laneway, walls, cables vents, walls, stairs, at Council's costs that arises from public use.*
10. *Council to provide the owners of 194 Glenmore Road, Paddington with indemnity and accept legal liability for the period when the laneway functions as a public footpath.*

The Council's Director of Technical Services, considered conditions 6-10 to be reasonable.

As the laneway will be available to be used by the public, Council is obligated to take legal liability.

11. *Council to provide a disputes resolution procedure for the enforcement of the terms of the Deed of Agreement in the event that either party fails to honour the agreement at any time in the future.*

The provision of a fair and equitable dispute resolution process was considered necessary in case either party was to breach the Deed of Agreement.

After the above terms of the Deed of Agreement were agreed by both Council staff and the owners of the property, a valuation report was carried out by McGees Property on 23/09/2009. This report concluded the following:

Compensation for upgrading the existing private footway usage over the 3 foot strip described herein, over 194 Glenmore Road, Paddington to (restricted) public usage is assessed at \$105,000.

The owners of 194 Glenmore Road, Paddington have agreed with the assessment contained within the property valuation report.

In the instance that the terms of the deed of agreement and the associated compensation specified above is accepted by Council, it has been recommended that the Council request the current DA 485/2008 to be withdrawn. A new development application submitted by Council would be required as Council will be erecting the gates, and the gates will no longer be erected by the owners of the property.

Conclusion:

It is recommended that Council accept as Favouree the grant of an easement by the owners of 194 Glenmore Road, Paddington for creation of a Public Right of Way between Glenmore Road and Cooper Street; and that easement compensation of \$105 000 (plus any applicable GST) be payable to the owners of 194 Glenmore Road by Council, plus all legal costs of easement preparation and registration be payable by Council. Funding for the compensation payable will be identified as part of the December Quarterly Budget review.

It is recommended that Council draft a Deed of Agreement that sets out the terms of the easement in accordance with the eleven points that have been specified in the body of this report.

It is also recommended that Council seek the withdrawal of the current pending development application (DA485/2008) and Council submit a new development application for the erection of new 1.8m wrought iron gates located at the front and rear of the existing passageway.

Larissa Holbert
Senior Assessment Officer

Warwick Hatton
Director, Technical Services

Anthony Sheedy
Property Officer

ANNEXURES:

1. Sketch Plan Survey showing the proposed Right of Way & easement.
2. Aerial view of 194 Glenmore Road, Paddington.
3. Site photos.

Item No: R5 Recommendation to Council
Subject: **Cranbrook Road, Bellevue Hill - Encroachments**
Author: Zubin Marolia Manager – Property and Projects
File No: 119. (Part 3)
Reason for Report: To recommend treatment of encroachments along Cranbrook Road, Bellevue Hill

Recommendation:

- A. That Council write to the owners of numbers 8, 10, 24, 34, 34a, 36, 38 and 52 Cranbrook Road, Bellevue Hill, requiring them to enter into a Positive Covenant in favour of Council for the encroachments adjoining their properties.
- B. That Council write to the owners of 5, 12, 16, 18, 22, 42, 46 and 48 Cranbrook Road, Bellevue Hill, requiring an application to be made for an Easement to Permit Existing Structures to Remain, to continue for the life of the building or until the re-development of the site, or the re-development of the structure, whichever occurs first.
- C. That Council write to the owners of numbers 6 and 40 Cranbrook Road, Bellevue Hill, requiring them to enter into a Lease for the enclosed area on Council Road Reserve and a Positive Covenant for other encroachments adjoining their properties.
- D. That Council write to the owner of 32 Cranbrook Road, Bellevue Hill, requiring them to make an application to change the existing lease to an Easement to Permit Encroaching Structures to remain, to continue for the life of the building or until the re-development of the site, or the re-development of the structure, whichever occurs first.
- E. That any proposals to purchase portions of Road Reserve in lieu of entering into legal agreements will be subject of further reports.
- F. That no new encroachments on the Road Reserve in Cranbrook Road, Bellevue Hill be approved, and all new development be required to be behind the property boundary.
- G. That Council authorise the Mayor and General Manager to execute and affix the Council seal **on all necessary documents.**

Background:

Following advertisement of the proposal to lease a portion of Road Reserve to the adjoining owner of 48 Cranbrook Road, Bellevue Hill, a report was submitted to the Corporate and Works Committee of the 2 February 2009 recommending:

- A. *That the proposal to lease a portion of unmade road reserve adjoining 48 Cranbrook Road, Bellevue Hill, be advertised and notified to the adjoining owners.*
- B. *That a further report be submitted following Part A above.*
- C. *That the Committee notes that a report will be submitted in relation to the formalisation of encroachments along Cranbrook Road, Bellevue Hill.*

The resolutions A and B in relation to 48 Cranbrook Road have been actioned.

The purpose of this report is to address Part C of the above resolution and provide advice on the scope and nature of all encroachments along Cranbrook Road, Bellevue Hill, and the encroachment options available to Council.

In accordance with Part C of the resolution, a registered surveyor was commissioned to provide a report on Cranbrook Road, Bellevue Hill encroachments.

The survey report has now been completed and is attached (Annexure 2). The recommendations in the table follow on from further staff site inspections.

As the owner and asset manager of the road reserves in the Municipality, Council has a duty to ensure that the community interest is not compromised by unauthorised occupation of public roads or alienation by private buildings or other structures. The recommendations in the Table apply Council's Policy Managing Encroachments on Road Reserves, by proposing either no action, where the encroachment is assessed as no impact or minor, or formalisation through a legal agreement that requires the adjoining owner to indemnify Council, maintain the encroaching structure in good condition, and in particular instances compensate Council for use of the road reserve, or removal.

Council's Policy Managing Encroachments on Road Reserves states:

A Positive Covenant is recommended where there is –

Landscaping on road verges which contribute to the streetscape,
Minor garden elements such as rockeries, terraces and retaining walls under 600mm,
Unenclosed stairs, pathways or driveways giving access to the adjoining owner.

An Easement to Permit Encroaching Structures to Remain will apply to -

Buildings and parts of buildings (including garages), walls, fences
and retaining wall over 600mm.

A Lease will apply to an area of Road Reserve –

Walled, fenced or hedged in such a way to give the adjoining owner exclusive
use of the land,
Formed as a car parking space.

The granting of a Positive Covenant, Easement or a Lease imposes a requirement on the adjoining owner to maintain the structures from which he or she benefits. The adjoining owner is required to meet all registration and legal costs in preparing the agreements, including, but not limited to, survey plan and valuation. An easement or a lease is also subject to a payment based on valuation of the area being occupied.

To streamline the process and minimise costs, we have established standardised procedures to formalise encroachments. We have developed a standard Council Positive Covenant template. For an Easement to Allow Existing Structures to Remain, we have registered a standard Memorandum at LPI setting out Council's standard terms and conditions. If, in any instance, Council and the Owner agree to vary the registered Memorandum, the agreed amendments can be incorporated into the Transfer Granting Easement or the Section 88B instrument as applicable.

There has been several areas of Road Reserve on the eastern side of Cranbrook Road that have either been sold to the adjoining owner or have had formal agreements entered into for the benefit of the adjoining owner. Sales have been executed with the adjoining owners of house numbers 12A, 20, 30, 44 and 50. The sale of Road Reserve adjoining house number 22 is currently before Council. Council has also approved formal agreements for the adjoining owners of house numbers 18, 32, 42, 46 and 48 to occupy Road Reserve adjoining these properties.

The Manager of Civil Works and Infrastructure has advised that no road widening is proposed for Cranbrook Road mainly due to the steep topography of the site.

The granting of an Easement establishes a long term benefit (say 30 years) to the adjoining owner and a short term financial benefit to Council. There is a greater financial benefit to Council from the sale of these areas of Road Reserve adjoining the properties nominated in Summary of Recommendations. The sales of these portions of Road reserve will also create uniformity in the streetscape.

It may be anticipated that some of the owners of these properties may come back requesting purchase of the portions of the Road Reserve. Given the topography of the road and the impracticality of the road widening, there may be merit in considering such sales and we will provide further reports as necessary.

Legislative powers of encroachment removal:

There has been consultation with the adjoining owners regarding the recommended actions as set out in the Table. In most cases, we understand that the owners are willing to comply with the recommendations. In some cases, further negotiation may be necessary.

Where owners are not willing to cooperate in formalising or removing encroachments, Council has various legislative powers to require removal.

The road reserve of Cranbrook Road, Bellevue Hill is vested in title to the Woollahra Council. Council is the "Road Authority" under the Roads Act, 1993, which governs the use of public roads. This legislation empowers Council to issue directions to members of the public in regards to matters such as encroachment on the road reserve.

Scope exists for Council to issue Notices under Section 125 of the Local Government Act, 1993 in relation to the removal of structures built on public land and the "Abatement of Public Nuisances".

Summary of Recommendations

Because of the steeply sloping topography along parts of Cranbrook Road, Bellevue Hill, much of the road reserve is not readily accessible to the general public, and it is considered that there is not sufficient public benefit to warrant removal of the identified encroachments, provided they are formalised in accordance with Council policy. For substantial encroachments, we have recommended that Council require, depending on the circumstances, a positive covenant to be entered into, or an easement, or a lease to be applied for, in accordance with the Council's Encroachment policy. Council should formalise these existing encroachments so as to limit Council's liability and transfer responsibility of maintaining the encroaching structure to the adjoining owner.

Accordingly, it is recommended that Council require the owners of numbers 10, 24, 34, 34a, 36, 38 and 52 Cranbrook Road, Bellevue Hill, to enter into a Positive Covenant in favour of Council for the encroachments adjoining their properties and that Council require the owners of numbers 5, 12, 16, 18, 22, 42, 46 and 48 Cranbrook Road, Bellevue Hill, to apply for an Easement to Permit Encroaching Structures to Remain, to continue for the life of the building or until the re-development of the structure, whichever occurs first.

It is further recommended that the owners of numbers 6 and 40 Cranbrook Road, Bellevue Hill, apply for a lease for the enclosed area on Road Reserve and enter into a Positive Covenant for other encroachments on Council Road Reserve and that Council require the owner of 32 Cranbrook Road, Bellevue Hill, to make an application to change the existing lease to an Easement to Permit Encroaching Structures to Remain, to continue for the life of the building or until the re-development of the site, or re-development of the structure, whichever occurs first.

It is anticipated that some owners may request to purchase portions of land in lieu of entering into legal agreements. Any proposals to purchase portions of Road Reserve will be subject of further reports.

No new encroachments on the road reserve will be approved. All new construction will be required to be behind the property boundary.

Zubin Marolia
Manager – Property and Projects

Warwick Hatton
Director – Technical Services

ANNEXURES:

1. Table of encroachments within Cranbrook Road, Bellevue Hill.
2. Survey Report from S J Dixon & Associates.
3. Road plan of Cranbrook Road identifying:
 - Sold or negotiating to buy.
 - Leased or subject to a formal agreement.
 - Requiring a formal agreement.

**POLITICAL DONATIONS DECISION MAKING FLOWCHART
FOR THE INFORMATION OF COUNCILLORS**

