



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 21 November 2011*

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

To: Her Worship The Mayor, Councillor Susan Wynne ex-officio
Councillors Peter Cavanagh (Chair)
David Shoebridge (Deputy Chair)
Anthony Boskovitz
Susan Jarnason
Greg Medcraft
Andrew Petrie
Toni Zeltzer

Dear Councillors

Corporate & Works Committee Meeting – 21 November 2011

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 21 November 2011, commencing at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

Other Matters

Meeting Agenda

Item	Subject	Pages
1	Leave of Absence and Apologies	
2	Late Correspondence Note Council resolution of 27 June 2011 to read late correspondence in conjunction with the relevant Agenda Item	
3	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 7 November 2011	1
D2	Presentation of the 2010/2011 Financial Statements to the Public – 767G 2010/2011 * Note: Annexure 1 - Circulated Under Separate Cover	2
D3	Monthly Financial Report – October 2011 – 349.G	7

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

R1	Statutory Review of Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy – 18.G	18
R2	Conduct of 2012 Local Government Election for Woollahra Council – 38.G 2011	66
R3	2011/2012 Budget Review for the Quarter Ended 30 September 2011 - 331.G 2011/2012 * Note: Confidential Annexure 5 – Circulated Under Separate Cover	83

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 7 November 2011**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 7 November 2011 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 7 November 2011 be taken as read and confirmed.

Les Windle
Manager – Governance

Item No: D2 Delegated to Committee
Subject: **Presentation of the 2010/2011 Financial Statements to the Public**
Author: Don Johnston, Manager Finance
File No: 767G 2010/2011
Reason for Report: To present the 2010/2011 Financial Statements to the public

Recommendation:

- A. That the General Purpose Financial Statements for the year ended 30 June 2011, as presented to the public, be received and noted.
- B. That the Auditors be thanked for their attendance and presentation.

Background:

On 31 October 2011 Council adopted the following recommendation from the Corporate & Works Committee.

1. *That Council, having noted the statement by the General Manager and Responsible Accounting Officer, adopt the following statement in relation to its Financial Statements for the year ended 30 June 2011:*

That, in relation to the Financial Statements for the year ended 30 June 2011, Council is of the opinion that:

The Financial Statements have 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 render the report false or misleading in any way;

2. *That Council formally refer the 2010/2011 Financial Statements for audit; and*
3. *In anticipation of receiving the Auditor's Reports, set the Corporate & Works Committee meeting to be held on 21 November 2011 as the meeting at which the General Purpose Financial Report will be presented to the public.*

Public Notice was given in the *Wentworth Courier* on 9 November and the Financial Statements, including the Auditor's Reports, have been available for inspection since that date.

Written submissions have been invited and will be received up until 28 November. At the time of writing the report no submissions had been received.

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

Discussion:

Council adopted its statement in relation to its Financial Statements on 31 October 2011. The Auditor's Reports were signed on 1 November 2011 following an extensive audit and review process. The Auditor's Reports have been incorporated into Council's Financial Statements on pages 73 to 81 and a copy of the Statements has been forwarded to the Division of Local Government.

The General Purpose Financial Statements for the year ended 30 June 2011 including the Auditor's Reports, as presented to the public, have been included as **ANNEXURE 1** to this report, and circulated separately.

Audit Opinion

It is pleasing to report that similar to 2009/2010, the Audit Opinion for 2010/2011 is unqualified. Council's Auditors have expressed the following opinion in relation to the 2011/2011 Financial Statements:

"In our opinion,

- (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 statements:*
 - (i) have been presented in accordance with the requirements of this Division;*
 - (ii) are consistent with the Council's accounting records;*
 - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and*
 - (iv) are 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 statements that we have become aware of during the course of the audit."*

Additionally, the Auditors 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."

It should be noted that the Auditor's Report for 2010/2011 is unqualified and does not include an *Emphasis of Matter* which was included in the Auditor's report for 2009/2010 in regards to the uncertainty surrounding the valuation of Council's investment portfolio.

Changes to the Financial Statements arising from the Audit

During the audit and review process a number disclosure changes were made to the Financial Statements. None of the changes had any net effect on Council's overall financial position as at 30 June 2011.

Note No.	Note Name	\$'000 value of change	Reason for change
6a & 6b & 6c	Cash Assets and Investment Securities	3,000	Reclassification of three 'Long Term Deposits' from Non-Current to Current as they will mature in 2011/2012 financial year.
9a	Infrastructure, Property, Plant & Equipment	0	Capital Work in Progress of \$365,000 was disclosed as 'At Fair Value' and amended to 'At Cost'.
13a(i)	Statement of Performance Measurement – Indicators Unrestricted Current Ratio Rates & Annual Charges Coverage Ratio Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage		Due to the reclassification of term deposits from non-current to current, as noted above, the unrestricted current ratio increased from 2.06:1 to 2.28:1 The reclassification of Section 611 Charges to 'Annual Charges' has now been reflected in the 2010 year comparative, increasing it from 53.52% to 53.57% Again, the reclassification of Section 611 Charges to 'Annual Charges' has now been reflected in the 2010 year comparative, reducing it from 4.64% to 4.63%
20d	Voluntary Changes in Accounting Policies	0	Additional commentary provided for the change in valuation methodology for Community Land.

In addition to these specific changes a number of minor \$1 rounding changes where required to, as far as possible, have the figures rounded to the nearest \$1,000 add down their respective columns.

De-Consolidation of Holdsworth Street Community Centre Financial Statements

In adopting its new funding agreement with the Holdsworth Street Community Centre on 28 June 2010, Council resolved, in part:

- A. *That Council note the new status of Holdsworth Street Community Centre Woollahra Incorporated and Holdsworth Family Services Incorporated (known as Holdsworth Community Centre and Services) as an organisation independent from Council.*
- B. *That Council adopt the proposed Funding Agreement with Holdsworth Street Community Centre Woollahra Incorporated and Holdsworth Family Services Incorporated to reflect their independence and new relationship with Council, effective 1 July 2010.*
- C. *That Council revoke the current Management and Funding Agreement with Holdsworth Street Community Centre Woollahra Incorporated, effective 30 June 2010.*
- D. *That Council note that the Holdsworth Street Community Centre Woollahra Incorporated entity will be de-consolidated from Council's annual financial reports, effective 1 July 2010.*

Having entered into this new agreement with the Centre, Holdsworth Street Community Centre Financial Statements was de-recognised from Council's 2010/2011 financial statements leaving Council as a reporting entity in its own right.

Special Schedules

Also included in Annexure 1 are the annual Special Schedules, being:

Special Schedule 1	Net Cost of Services
Special Schedule 2	Statement of Long Term Debt
Special Schedule 7	Condition of Public Works
Special Schedule 8	Financial Projections

These schedules, which are not audited, appear at the back of the Financial Statements.

Conclusion:

On 31 October 2011 Council adopted its statement in regard to the General Purpose Financial Statements for the year ended 30 June 2011 and formally referred them for audit.

The Auditors have issued an unqualified audit opinion on Council's Financial Statements. 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 9 November and the Financial Statements have been available for inspection since that date. Written submissions have been invited and will be received up until 28 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 Statements for the year ended 30 June 2011 (circulated separately).

Item No: D3 Delegated to Committee
Subject: **Monthly Financial Report - October 2011**
Author: Don Johnston, Manager Finance
File No: 349.G
Reason for Report: To present the monthly financial report for October 2011

Recommendation:

That the monthly financial report be received and noted.

Background:

The monthly financial report for October 2011 is submitted to the Committee for consideration and includes the following:

- Investment Transactions for the Month
- Summary of Receipts, Payments and Bank Balance
- Summary of Investments
- Details of Investment Portfolio
- Charts:
 - ◆ Weighted Average Maturity and Weighted Average Returns
 - ◆ Weighted Average Returns v Australian 90 day Term Deposit Index
 - ◆ Actual Interest Earned v Original Budget & Revised Forecast
 - ◆ Maturity Profile Chart
- Movements in Book Value of Investments

Investment Transactions for the Month

Date	Transaction	Description	Amount (\$)
30 Sep		Book Value of Investments Held	39,988,768.23
3 Oct	Maturity	Banana Coast CU, 182 days @ 6.3%	(1,000,000.00)
3 Oct	Maturity	Queensland Country CU, 153 days @ 6.3%	(1,000,000.00)
3 Oct	Purchase	Banana Coast CU, 120 days @ 5.8%	1,000,000.00
3 Oct	Purchase	Queensland Country CU, 120 days @ 5.85%	1,000,000.00
4 Oct	Maturity	Police Credit Union SA, 123 days @ 6.1%	(1,000,000.00)
5 Oct	Maturity	Citibank, 30 days @ 5.6%	(1,000,000.00)
5 Oct	Purchase	Citibank, 61 days @ 5.58%	1,000,000.00
5 Oct	Purchase	IMB, 118 days @ 5.78%	1,000,000.00
6 Oct	Purchase	Maitland Mutual Building Society, 30 days @ 5.62%	1,000,000.00
10 Oct	Maturity	Bank of Queensland, 62 days @ 5.85%	(1,000,000.00)
10 Oct	Maturity	Bankwest, 62 days @ 5.85%	(1,000,000.00)
10 Oct	Maturity	Big Sky Credit Union, 62 days @ 5.85%	(1,000,000.00)
10 Oct	Maturity	Qantas Staff CU, 62 days @ 5.85%	(1,000,000.00)
10 Oct	Maturity	Suncorp-Metway Ltd, 62 days @ 5.85%	(1,000,000.00)
10 Oct	Maturity	My State Financial CU, 91 days @ 6.05%	(1,000,000.00)
10 Oct	Purchase	Community CPS, 30 days @ 5.62%	1,000,000.00
10 Oct	Purchase	My State Financial CU, 30 days @ 5.53%	1,000,000.00
10 Oct	Purchase	Bank of Qld, 91 days @ 6.0%	1,000,000.00
10 Oct	Purchase	Bankwest, 91 days @ 5.75%	1,000,000.00
10 Oct	Purchase	Suncorp-Metway Ltd, 91 days @ 5.75%	1,000,000.00
12 Oct	Maturity	Investec Australia Ltd, 685 days @ 6.61%	(1,000,000.00)

Date	Transaction	Description	Amount (\$)
Various	Purchase	Net Movement in Online Savings Cash Account	(884,086.46)
Various	Purchase	Net Movement in UBS Cash Management Trust Account (Coupon payments + UBS interest + Deposits– UBS Fees - Withdrawals)	(1,786,557.89)
Various	Deposit	Net Movement in Macquarie Cash Trust (Macquarie interest – Macquarie Fees - Withdrawals)	8.45
		Net Change in Portfolio	(3,670,635.90)
31 Oct		Book Value of Investments Held	36,318,132.33

Commentary:

The transaction summary above notes the maturity of eleven term deposits of which ten were reinvested on 30 to 120 day terms at rates ranging from 5.53% to 6.0%. The level of activity reflects the timing of term deposit maturities to coincide with the review date for the Government Guarantee in mid October. All new \$1,000,000 deposits were placed to mature no later than 31 January 2012 in alignment with the extension of the Federal Government’s ‘Financial Claims Scheme’.

The reduction in the investment portfolio for October is consistent with a non-rates instalment month but was also compounded by a number of significant periodical payments including the quarterly Emergency Management Contribution (NSW Fire Brigades and SES) \$617k, road construction and maintenance works \$663k and software licenses \$126k.

Investments Working Party Update

At the last Working Party meeting members expressed interest in selling Glenelg at no less than 38 cents. Work is continuing in relation to the sale of Glenelg in an effort to secure a bid in the high 30’s, although this has been made difficult given recent market volatility. As an indication of the impact of this volatility, latest pricing suggests 20 cents would be a guide. The working party will continue to be provided with pricing updates as they come to hand.

In relation to the IMF funded class action against Lehman Brothers that Council has joined, we are still awaiting the Court’s decision following the conclusion of the trial.

Also in relation to the class action, the Working Party have considered two issues raised by Piper Alderman and IMF relating to a proposed Chapter 11 Plan for Lehman Brothers and the resolution of a potential conflict between class members. Confidential advice was been circulated to the Working Party Members for consideration and determination.

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 30 September 2011

-308,962.92

Receipts

Rates

914,051.66

Investment Maturities

11,004,044.50

Other

2,548,023.61

Total Receipts

14,466,119.77

Description	Amount
S/Dr's-Rates	914,051.66
Sundry Debtors Control	509,679.42
Parking Fines	379,768.80
Deposits & Bonds Control Account	193,159.80
Workers' Comp Insurance	190,202.00
Trade Waste Debtors Control	157,901.53
Parking Meter Charges	144,009.37
GST Clearing Balance Account	60,610.00
GST Clearing Account - Supplies	51,546.24
Other Developer Contributions	51,094.84

Payments - Cheque

Cheque Payments

-772,983.54

Cancelled Cheques

98,006.13

Total Cheque Payments for period

-674,977.41

Cheque No	Cheque Date	Payee	Description	Amount
212280	20/10/2011	State Debt Recovery Office	Infringement processing fees - Sept'11	-100,351.00
212270	20/10/2011	Energy Australia	Street lighting - Sept'11	-82,824.32
212260	18/10/2011	Withheld	Refund of security deposit	-40,795.96
212184	6/10/2011	Lift Shop	Installation of lift - Woollahra Kindergarten	-30,170.00
212339	27/10/2011	Gary Blumberg & Associates Pty Ltd	General works - Lyne Park Seawall	-28,432.36
212344	27/10/2011	The Chief Comm of State Revenue	On forwarding of unclaimed monies for 2011	-27,600.00
212202	12/10/2011	Withheld	Refund of security deposit	-25,625.69
212327	20/10/2011	Vaucluse Bowling Club Ltd	Lease of premises - 1/7 - 31/12/11	-22,384.56
212394	28/10/2011	Withheld	Refund of security deposit	-19,664.30
212207	12/10/2011	Withheld	Refund of security deposit	-18,963.46

Payments - EFT

EFT Payments

-4,447,628.44

Returned EFT Payments

0.00

Total EFT Payments for period

-4,447,628.44

Reference	EFT Date	Payee	Description	Amount
32906	6/10/2011	Ministry for Police & Emerg Services	Emergency Mgt Contribution - 2nd quarter	-617,823.27
33160	27/10/2011	Dow ner EDI Works Pty Ltd	Gen works - Cascade St/Chamberlain Av	-535,120.88
33190	27/10/2011	Local Govt Super Scheme-Div.A	Employer/employee super - Sept'11	-218,646.31
33130	20/10/2011	WSN Environmental Solutions	Garden/green waste tipping fees - 1-16/8	-173,788.47
33231	27/10/2011	WSN Environmental Solutions	Garden/green waste tipping fees - 1-19/9	-168,710.03
33155	27/10/2011	Veolia Environmental Services	Weekly collection of recyclables - 1-31/8	-133,116.82
33197	27/10/2011	Melhemcorp Pty Ltd	Gen works - Bunyula Rd	-127,894.83
33157	27/10/2011	DATA#3 Ltd	Multi user Microsoft software licenses	-125,513.54
121011	12/10/2011	Australian Taxation Office	PAYG Wk 15	-116,832.14
33191	27/10/2011	Local Govt Super Scheme-Div.B	Employer/employee super - Sept'11	-114,656.16

Payments - Direct Debits From Bank A/c

Payroll

-1,499,852.27

Bank Charges

-5,324.32

Investment Purchases

-7,300,000.00

Credit Cards

-3,038.74

Councillors' fees

-33,274.31

Total Direct Debits for period

-8,841,489.64

Total Payments

-13,964,095.49

Cash Book Balance as at 31 October 2011

193,061.36

Unpresented Cheques

No of Cheques: 153

Value: 315,592.66

Outstanding Deposits & Miscellaneous Items

502,865.28

Reconciled Cash Book Balance as at 31 October 2011

1,011,519.30

Bank A/c Balance as at 31 October 2011

1,011,519.30

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Amount
212280	20/10/2011	State Debt Recovery Office	100,351.00

Commentary:

This statement presents Council's bank reconciliation as at 31 October 2011. The top ten receipt and payment items are provided in the report. Excluding investment transactions, payments exceeded receipts for the month by some \$3.2m, consistent with a non-rates instalment month.

INVESTMENTS AS AT 31 OCTOBER 2011

							FACE VALUE	BOOK VALUE		
CATEGORY							\$	\$		
1. LEHMAN BROTHERS (formerly Grange Securities Ltd)										
Funds previously under management							10,097,624	2,995,084		
2. OAKVALE CAPITAL Limited										
Funds previously under management							6,247,114	1,884,858		
RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TOTAL TERM (DAYS)	REMAINING DAYS TO MATURITY	%	FACE VALUE \$	BOOK VALUE \$	GOVT GUARANTEE	
3. WMC DIRECT INVESTMENTS										
TERM DEPOSITS: (in order of Maturity)										
AAA*	MY STATE FINANCIAL CREDIT UNION									
	TERM DEPOSIT	10/10/2011	9/11/2011	30	9	5.53	1,000,000	1,000,000	Guaranteed	
AAA*	COMM UNITY CPS									
	TERM DEPOSIT	10/10/2011	9/11/2011	30	9	5.62	1,000,000	1,000,000	Guaranteed	
AAA*	ELDERS RURAL BANK									
	TERM DEPOSIT	24/11/2009	24/11/2011	730	24	6.60	1,000,000	1,000,000	Guaranteed	
AAA*	BENDIGO ADELAIDE BANK									
	TERM DEPOSIT	31/05/2011	28/11/2011	181	28	6.20	1,000,000	1,000,000	Guaranteed	
AAA*	POLICE & NURSES CREDIT UNION									
	TERM DEPOSIT	31/05/2011	28/11/2011	181	28	6.25	1,000,000	1,000,000	Guaranteed	
AAA*	CREDIT UNION AUSTRALIA									
	TERM DEPOSIT	31/05/2011	28/11/2011	181	28	6.27	1,000,000	1,000,000	Guaranteed	
AAA*	CITIBANK									
	TERM DEPOSIT	5/10/2011	5/12/2011	61	35	5.58	1,000,000	1,000,000	Guaranteed	
AAA*	MAITLAND MUTUAL BLG SOC									
	TERM DEPOSIT	6/10/2011	5/12/2011	60	35	5.80	1,000,000	1,000,000	Guaranteed	
AAA*	ST GEORGE BANK									
	TERM DEPOSIT	12/09/2011	12/12/2011	91	42	5.87	1,000,000	1,000,000	Guaranteed	
AAA*	NEWCASTLE PERMANENT BLG SOC									
	TERM DEPOSIT	12/09/2011	12/12/2011	91	42	5.87	1,000,000	1,000,000	Guaranteed	
AA	COMM ONWEALTH BANK									
	TERM DEPOSIT	16/12/2008	16/12/2011	1095	46	6.03	1,000,000	1,000,000		
AAA*	BANK OF QLD									
	TERM DEPOSIT	10/10/2011	9/01/2012	91	70	6.00	1,000,000	1,000,000	Guaranteed	
AAA*	BANKWEST									
	TERM DEPOSIT	10/10/2011	9/01/2012	91	70	5.75	1,000,000	1,000,000	Guaranteed	
AAA*	SUNCORP-METWAY LTD									
	TERM DEPOSIT	10/10/2011	9/01/2012	91	70	5.75	1,000,000	1,000,000	Guaranteed	
AAA*	BEIRUT HELLENIC BANK (LAIKI BANK)									
	TERM DEPOSIT	12/09/2011	10/01/2012	120	71	6.00	1,000,000	1,000,000	Guaranteed	
AAA*	SUMMERLAND CREDIT UNION									
	TERM DEPOSIT	12/09/2011	10/01/2012	120	71	6.00	1,000,000	1,000,000	Guaranteed	
AAA*	B & E LIMITED									
	TERM DEPOSIT	19/09/2011	17/01/2012	120	78	5.72	1,000,000	1,000,000	Guaranteed	
AAA*	VICTORIAN TEACHERS CREDIT UNION									
	TERM DEPOSIT	19/09/2011	17/01/2012	120	78	5.80	1,000,000	1,000,000	Guaranteed	
AAA*	MACQUARIE BANK									
	TERM DEPOSIT	20/09/2011	19/01/2012	121	80	5.65	1,000,000	1,000,000	Guaranteed	
AAA*	HUNTER UNITED EMPLOYEES CREDIT UNION									
	TERM DEPOSIT	26/09/2011	24/01/2012	120	85	5.86	1,000,000	1,000,000	Guaranteed	
AAA*	BANK OF CYPRUS									
	TERM DEPOSIT	26/09/2011	24/01/2012	120	85	5.90	1,000,000	1,000,000	Guaranteed	
AAA*	PEOPLE'S CHOICE CREDIT UNION									
	TERM DEPOSIT	30/09/2011	30/01/2012	122	91	5.88	1,000,000	1,000,000	Guaranteed	
AAA*	RAILWAYS CREDIT UNION									
	TERM DEPOSIT	30/09/2011	30/01/2012	122	91	5.58	1,000,000	1,000,000	Guaranteed	
AAA*	BANANA COAST CREDIT UNION									
	TERM DEPOSIT	3/10/2011	31/01/2012	120	92	5.80	1,000,000	1,000,000	Guaranteed	
AAA*	OLD COUNTRY CREDIT UNION									
	TERM DEPOSIT	3/10/2011	31/01/2012	120	92	5.85	1,000,000	1,000,000	Guaranteed	
AAA*	IMB									
	TERM DEPOSIT	5/10/2011	31/01/2012	118	92	5.78	1,000,000	1,000,000	Guaranteed	
AAA*	RABO DIRECT									
	TERM DEPOSIT	1/03/2011	1/03/2012	366	122	6.60	1,000,000	1,000,000	Guaranteed	
AAA*	ING DIRECT									
	TERM DEPOSIT	28/02/2011	28/02/2013	731	486	6.74	1,000,000	1,000,000	Guaranteed	
AT CALL:										
AA	COMM ONWEALTH BANK									
	ONLINE SAVER A/C					4.75	1,438,195	1,438,195	1st \$1m Gteed	
AAA*	AMP BANK									
	CASH MNGMT ACCT	11/06/2009				4.75	999,995	999,995	Guaranteed	
AAA*	ME BANK									
	CASH MNGMT ACCT	7/09/2011				5.60	1,000,000	1,000,000	Guaranteed	
Total WMC Direct Investments							31,438,190	31,438,190		
Weighted Average Days to Maturity of WMC Direct Investments					76.79					
Weighted Average Return of WMC Direct Investments						5.94				
% Government Guarantee of WMC Direct Investments									88%	
PORTFOLIO TOTALS							47,782,928	36,318,132		

* Government Guaranteed deposits have been rated AAA

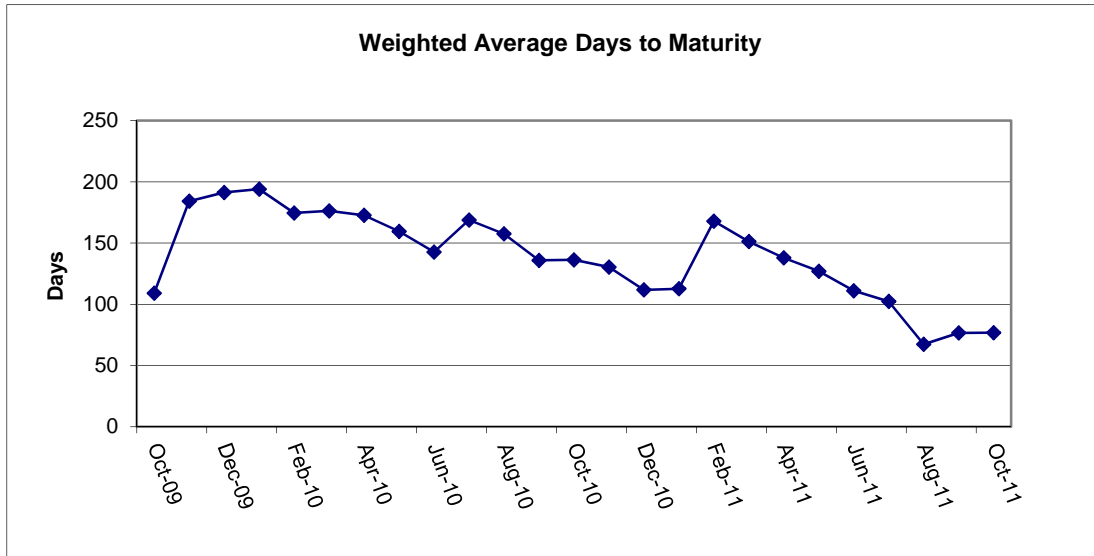
I hereby certify that the above investments have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's investment policy.

D. Johnston
MANAGER FINANCE

INVESTMENTS PORTFOLIO AS AT 31 OCTOBER 2011

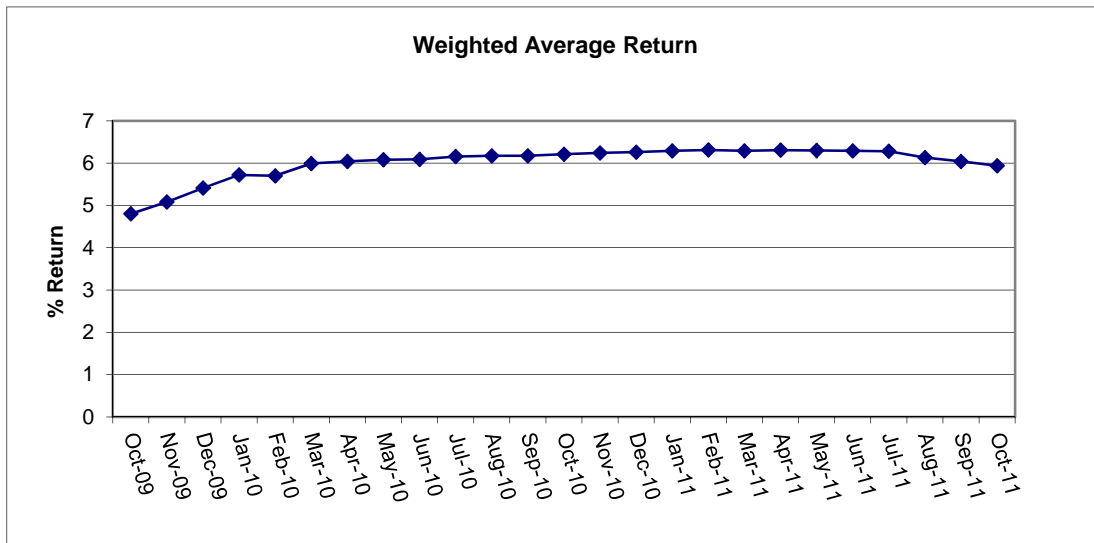
Security	Classification	Purchase Date	Final Maturity Date	Face Value (FV)	Total Purchase Price	Current Book Value	Notes
1. LEHMAN BROTHERS (formerly GRANGE SECURITIES)							
Issued by non-ADIs							
Lehman Global Property Note	Other	13/06/2007	15/06/2009	60,000	60,000	0	1
Magnolia (Flinders AA)	CDO	8/06/2007	20/03/2012	500,000	513,670	0	1
Helium (Esperance AA+)	CDO	4/07/2007	20/03/2013	500,000	501,565	0	1
Zircon (Merimbula AA)	CDO	6/06/2007	20/06/2013	250,000	250,000	100,000	1
Corsair (Torquay AA)	CDO	4/07/2007	20/06/2013	500,000	501,860	0	1
Start (Blue Gum AA-)	CDO	8/01/2007	22/06/2013	400,000	402,768	0	1
Corsair (Kakadu AA)	CDO	22/01/2007	20/03/2014	500,000	503,300	0	1
Helium (Scarborough AA)	CDO	17/01/2007	23/06/2014	400,000	402,620	0	1
Helium (Scarborough AA)	CDO	4/07/2007	23/06/2014	500,000	502,270	0	1
Helium (Scarborough AA)	CDO	23/07/2007	23/06/2014	500,000	503,810	0	1
Zircon (Coolangatta AA)	CDO	20/03/2007	20/09/2014	500,000	500,000	200,000	1
Beryl (AAA Global Bank Note)	Other	3/04/2007	20/09/2014	100,000	100,000	60,000	1
Zircon (Coolangatta AA)	CDO	4/07/2007	20/09/2014	500,000	501,430	200,000	1
Beryl (AAA Global Bank Note)	Other	4/07/2007	20/09/2014	350,000	350,917	210,000	1
Aphex (Glenelg AA-)	CDO	10/01/2007	22/12/2014	500,000	501,960	0	1
Aphex (Glenelg AA-)	CDO	4/07/2007	22/12/2014	500,000	501,405	0	1
MAS6-7 (Parkes IIA 'AA-')	CDO	13/06/2007	20/06/2015	450,000	461,687	0	1
MAS6-7 (Parkes IIA 'AA-')	CDO	4/07/2007	20/06/2015	500,000	504,315	0	1
Zircon (Miami AA)	CDO	16/04/2007	20/03/2017	50,000	50,137	20,000	1
				7,560,000	7,613,714	790,000	
Issued by ADIs							
			Call Date				
Royal Bank of Scotland (AA)	FRN	4/07/2007	28/10/2009	500,000	508,290	422,270	2
Westpac FR Sub Debt (AA)	FRN	7/02/2007	24/01/2012	500,000	501,590	498,195	2
Royal Bank of Scotland (AA)	FRN	31/01/2007	17/02/2012	1,000,000	1,014,560	748,340	2
Adelaide Bank FRN (BBB+)	FRN	4/07/2007	28/03/2012	500,000	501,445	498,655	2
				2,500,000	2,525,885	2,167,460	
Macquarie Cash Trust (AAA)	Cash			2,178	2,178	2,178	5
UBS Cash Management Trust	Cash			35,446	35,446	35,446	5
				37,624	37,624	37,624	
Total Lehman Brothers				10,097,624	10,177,223	2,995,084	
2. OAKVALE CAPITAL							
Emeral Reverse Mortgage Series 2007-1 Class B	Mortgage Backed	6/07/2007	6/07/2011	1,000,000	1,000,000	450,000	1
Momentum (Calyon Nickel) Credit Linked Note	CDO	15/05/2007	30/06/2012	1,000,000	1,000,000	0	3
Aramis (Merrill Lynch) Clear 40 - ABS	CDO	2/04/2007	20/12/2012	1,000,000	1,000,000	0	3
Blackrock (Merrill Lynch) Diversified Credit Fund	Managed Fund	5/01/2007		3,247,114	3,247,114	1,434,858	4
Total Oakvale Capital				6,247,114	6,247,114	1,884,858	

Security	Classification	Purchase Date	Final Maturity Date	Face Value (FV)	Total Purchase Price	Current Book Value	Notes
3. WMC INVESTMENTS							
Community CPS (5.62% 30d)	TD	10/10/2011	9/11/2011	1,000,000	1,000,000	1,000,000	5
My State Financial CU (5.53% 30d)	TD	10/10/2011	9/11/2011	1,000,000	1,000,000	1,000,000	5
Rural Bank (6.6% 730d)	TD	24/11/2009	24/11/2011	1,000,000	1,000,000	1,000,000	5
Bendigo Adelaide Bank (6.2% 181d)	TD	31/05/2011	28/11/2011	1,000,000	1,000,000	1,000,000	5
Credit Union Australia (6.27% 181d)	TD	31/05/2011	28/11/2011	1,000,000	1,000,000	1,000,000	5
Police & Nurses Credit Society (6.25% 181d)	TD	31/05/2011	28/11/2011	1,000,000	1,000,000	1,000,000	5
Citibank (5.58% 61d)	TD	5/10/2011	5/12/2011	1,000,000	1,000,000	1,000,000	5
Maitland Mutual Blg Soc (5.8% 60d)	TD	6/10/2011	5/12/2011	1,000,000	1,000,000	1,000,000	5
Newcastle Permanent Blg Soc (5.87% 91d)	TD	12/09/2011	12/12/2011	1,000,000	1,000,000	1,000,000	5
St George Bank (5.87% 91d)	TD	12/09/2011	12/12/2011	1,000,000	1,000,000	1,000,000	5
CBA TCD (90day BBSW + 1.6% - 3yrs)	TD	16/12/2008	16/12/2011	1,000,000	1,000,000	1,000,000	5
Bank of Qld (6.00% 91d)	TD	10/10/2011	9/01/2012	1,000,000	1,000,000	1,000,000	5
Bankwest (5.75% 91d)	TD	10/10/2011	9/01/2012	1,000,000	1,000,000	1,000,000	5
Suncorp-Metway Ltd (5.75% 91d)	TD	10/10/2011	9/01/2012	1,000,000	1,000,000	1,000,000	5
Beirut Hellenic (Laiki Bank) (6.0% 120d)	TD	12/09/2011	10/01/2012	1,000,000	1,000,000	1,000,000	5
Summerland CU (6.0% 120d)	TD	12/09/2011	10/01/2012	1,000,000	1,000,000	1,000,000	5
B & E (5.72% 120d)	TD	19/09/2011	17/01/2012	1,000,000	1,000,000	1,000,000	5
Victorian Teachers CU (5.80% 120d)	TD	19/09/2011	17/01/2012	1,000,000	1,000,000	1,000,000	5
Macquarie Bank (5.65% 121d)	TD	20/09/2011	19/01/2012	1,000,000	1,000,000	1,000,000	5
Bank of Cyprus (5.90% 120d)	TD	26/09/2011	24/01/2012	1,000,000	1,000,000	1,000,000	5
Hunter United Employees CU (5.86% 120d)	TD	26/09/2011	24/01/2012	1,000,000	1,000,000	1,000,000	5
People's Choice CU (5.88% 122d)	TD	30/09/2011	30/01/2012	1,000,000	1,000,000	1,000,000	5
Railways CU (5.58% 122d)	TD	30/09/2011	30/01/2012	1,000,000	1,000,000	1,000,000	5
Banana Coast CU (5.80% 120d)	TD	3/10/2011	31/01/2012	1,000,000	1,000,000	1,000,000	5
Qld Country Credit Union (5.85% 120d)	TD	3/10/2011	31/01/2012	1,000,000	1,000,000	1,000,000	5
IMB (5.78% 118d)	TD	5/10/2011	31/01/2012	1,000,000	1,000,000	1,000,000	5
RaboDirect (6.60% 366d)	TD	1/03/2011	1/03/2012	1,000,000	1,000,000	1,000,000	5
ING Direct (6.74% 731d)	TD	28/02/2011	28/02/2013	1,000,000	1,000,000	1,000,000	5
AMP Cash Management Account	Cash	16/06/2009		999,995	999,995	999,995	5
ME Bank Cash Management Account	Cash	7/09/2011		1,000,000	1,000,000	1,000,000	5
CBA Online Saver	Cash			1,438,195	1,438,195	1,438,195	5
Total Direct Investments				31,438,190	31,438,190	31,438,190	
Total Portfolio				47,782,928	47,862,527	36,318,132	
PORTFOLIO SUMMARISED BY CLASSIFICATION							
CDO				9,050,000	9,102,797	520,000	
FRN				2,500,000	2,525,885	2,167,460	
Mortgage Backed				1,000,000	1,000,000	450,000	
Managed Fund				3,247,114	3,247,114	1,434,858	
TD				28,000,000	28,000,000	28,000,000	
Cash				3,475,814	3,475,814	3,475,814	
Other				510,000	510,917	270,000	
				47,782,928	47,862,527	36,318,132	
1. Book Value (Fair Value) as at 30 June 2011							
2. Mark-to-Market Valuation 30 June 2011							
3. Defaulted							
4. Current Value. Fund Closed - Assets being sold and repaid							
5. Face value of deposit / bank bill							
CDO - Collateralised Debt Obligation	CDOs are constructed from a portfolio of assets. These assets are divided by the issuer into different tranches: senior tranches (rated AAA), mezzanine tranches (AA to BB), and equity tranches (unrated). Losses are applied in reverse order of seniority and so junior tranches offer higher coupons (interest rates) to compensate for the added default risk.						
FRN - Floating Rate Note	Floating rate notes (FRNs) are bonds that have a variable coupon, equal to a money market reference rate, plus a spread. The spread is a rate that remains constant. Almost all FRNs have quarterly coupons, i.e. they pay out interest every three months.						
Managed Fund	Managed Funds are a way of investing money with other people to participate in a wider range of investments than those feasible for most individual investors, and to share the costs of doing so.						
Mortgage Backed Security	A mortgage-backed security is an asset-backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans. Payments are typically made monthly over the lifetime of the underlying loans.						
Term Deposit	Term Deposit is a money deposit at an approved deposit taking (ADI) institution for a fixed term at a fixed interest rate. When the term is over it can be withdrawn or it can be held for another term.						



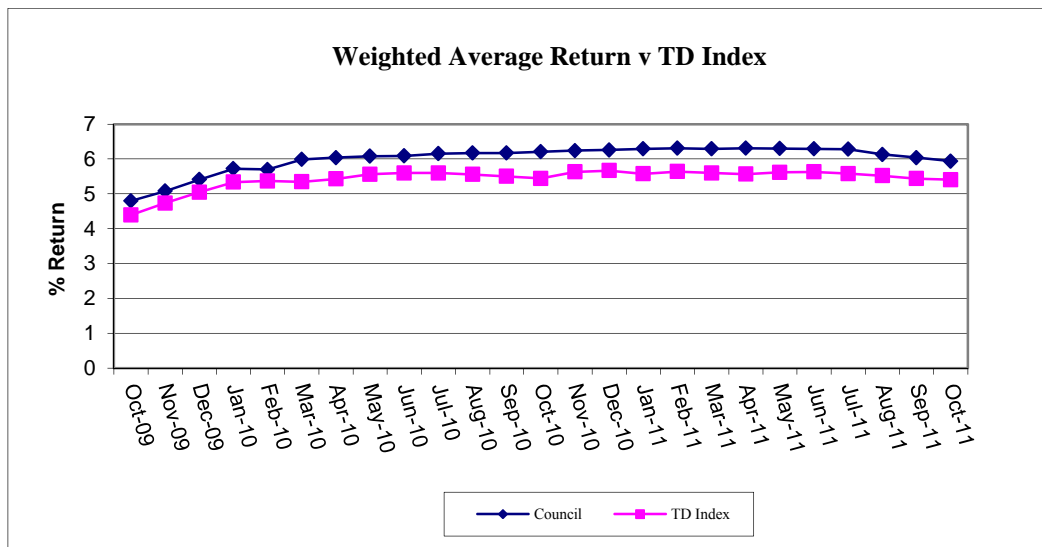
Commentary:

No significant change in weighted average between September and October with maturing investments all replaced by short-term deposits maturing no later than 31 January 2012.



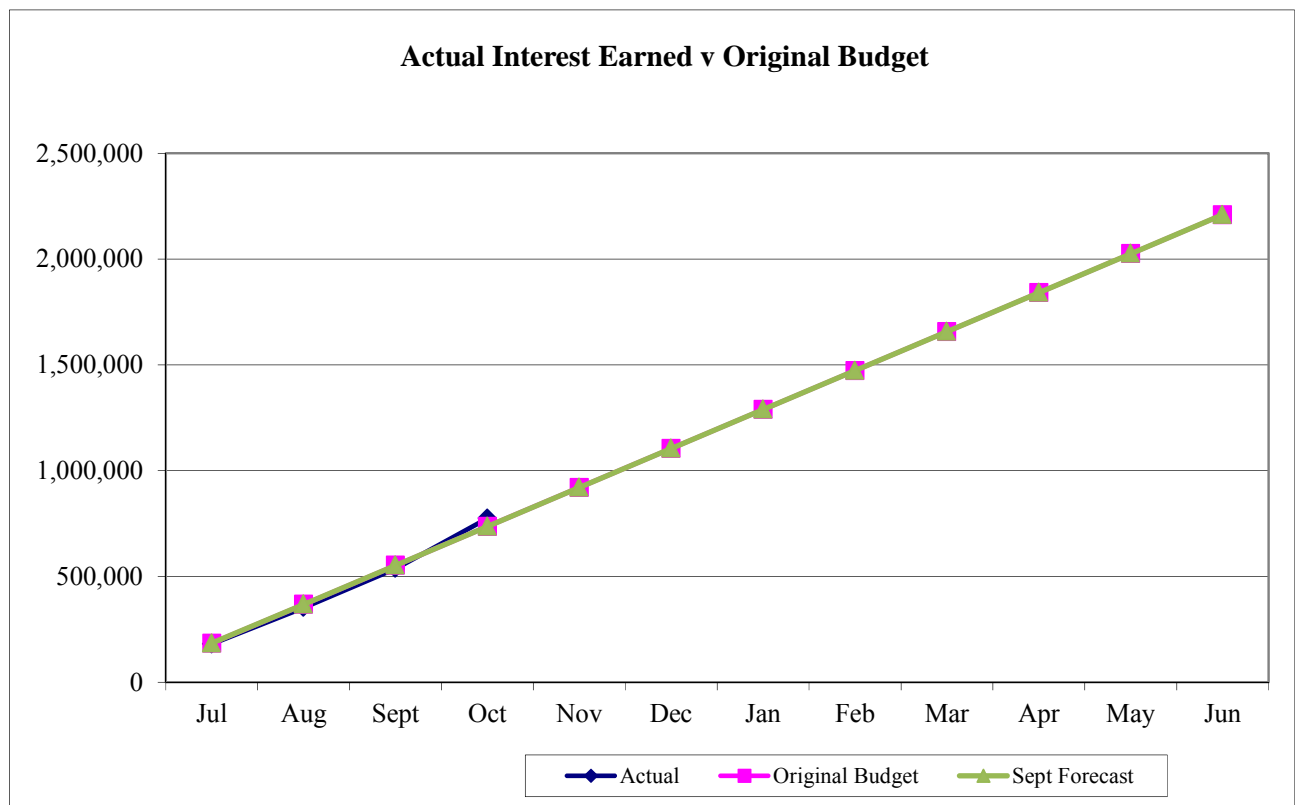
Commentary:

There was little variation in the interest rates of the maturing investments and the re-investment of term deposits. The weighted average return effectively remained unchanged from September.



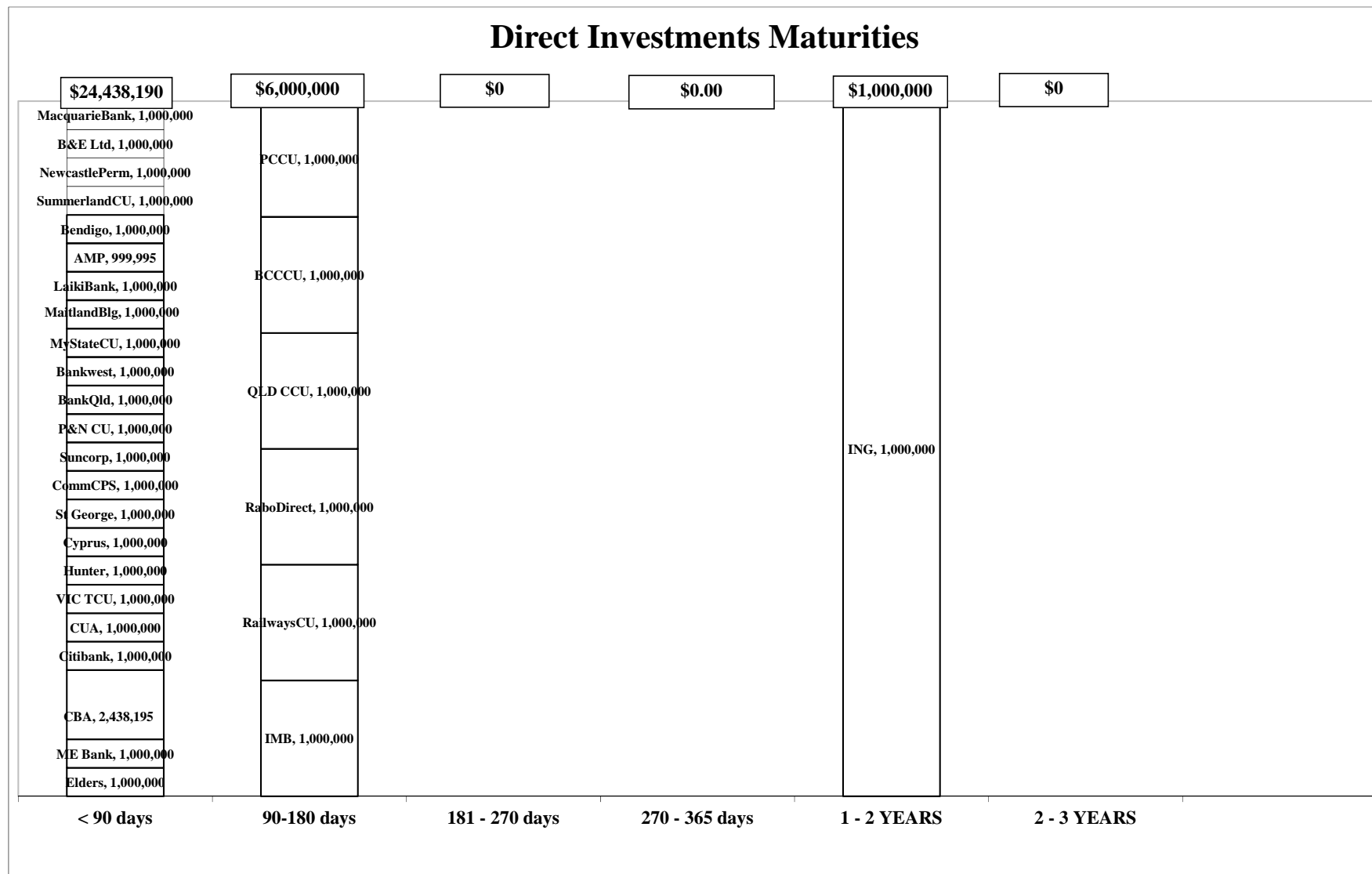
Commentary:

This chart tracks Council’s weighted average return on its direct investment portfolio against a 90 day bank bill index. As Council’s portfolio has become more weighted toward 90 day term deposits as illustrated in the Weighted Average Days to Maturity chart above, the margin Council is achieving above the 90 day term deposit index has contracted. The small margin effectively remained unchanged for October.



Commentary:

This chart tracks the Council’s budgeted interest revenue on investments against actual accrued interest to date. Actual interest earned is tracking slightly ahead of the budget forecast.



Commentary:

The chart reflects Council's position of generally rolling short term investments.

Movements in Book Value of Investments

Formerly managed by Lehman Brothers					
Date	Description	Securities	Cash (Macq Trust)	Grove Portfolio Online/UBS Cash Management Trust	Total Book Value
1/07/2011		6,076,210.00	2,152.64	6,015.29	6,084,377.93
8/07/2011	Blackrock cash distribution (all interest) to UBS account			32,381.86	6,116,759.79
11/07/2011	Withdrawal - UBS Cash Management Account			(36,000.00)	6,080,759.79
14/07/2011	UBS Fee - Jun'11 qtr management fee			(532.64)	6,080,227.15
26/07/2011	Maturity of St George FRN	(1,000,000.00)		1,000,000.00	6,080,227.15
26/07/2011	FV Adjustment (BV @ maturity \$999,470)	530.00			6,080,757.15
27/07/2011	Withdrawal - UBS Cash Management Account			(1,000,000.00)	5,080,757.15
Various	July Coupons			26,293.15	5,107,050.30
Various	Macquarie Cash Management Account - interest (net)		8.68		5,107,058.98
15/08/2011	UBS Fee - Sep'11 qtr management fee			(517.99)	5,106,540.99
Various	August Coupons			13,266.40	5,119,807.39
5/09/2011	Blackrock cash distribution (all capital) to UBS account			174,878.20	5,294,685.59
14/09/2011	UBS Fee - Sep'11 qtr management fee			(464.90)	5,294,220.69
22/09/2011	Maturity of HSBC FRN	(500,000.00)		500,000.00	5,294,220.69
22/09/2011	FV Adjustment (BV @ maturity \$499,435)	565.00			5,294,785.69
23/09/2011	Withdrawal - UBS Cash Management Account			(500,000.00)	4,794,785.69
28/09/2011	Maturity of CBA FRN	(1,500,000.00)		1,500,000.00	4,794,785.69
28/09/2011	FV Adjustment (BV @ maturity \$1,497,525)	2,475.00			4,797,260.69
30/09/2011	Interest - UBS Cash Account			1,457.38	4,798,718.07
30/09/2011	Mark-to-Market Valuation adjustment	(122,320.00)			4,676,398.07
Various	September coupons			105,226.75	4,781,624.82
Various	Macquarie Cash Management Account - interest (net)		8.68		4,781,633.50
4/10/2011	Withdrawal - UBS Cash Management Account			(1,800,000.00)	2,981,633.50
26/10/2011	UBS Fee - Sep'11 qtr management fee			(445.97)	2,981,187.53
Various	October coupons			13,888.08	2,995,075.61
Various	Macquarie Cash Management Account - interest (net)		8.45		2,995,084.06
		2,957,460.00	2,178.45	35,445.61	
Formerly managed by Oakvale Capital					
		Securities	Blackrock Managed Fund		Total Book Value
1/07/2011		450,000.00	1,609,736.39		2,059,736.39
5/09/2011	Blackrock capital distribution		(174,878.20)		1,884,858.19
		450,000.00	1,434,858.19		

Commentary:

The table above details any movements in Council's portfolio formerly managed by Lehman Brothers and Oakvale Capital. It typically includes the maturity or sale of securities, quarterly coupon payments and fair value (market) adjustments. It will also include small payments of interest earned on Council's cash management accounts and the deduction of fees associated with Council's current safe custody arrangements.

Council received all expected coupon payments for the month of October with the exception of Emerald. The coupon for this security has been paid, although it appears that an administrative issue has resulted in it not being received into Council's bank account. The matter is being pursued with the assistance of Council's investment advisor.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

Annexures:

Nil.

Item No: R1 Recommendation to Council
Subject: **Statutory Review of Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy**
Author: Les Windle - Manager Governance
File No: 18.G
Reason for Report: To adopt a Policy after public exhibition including amendments required following a review of Council's policy by the Division of Local Government

Recommendation:

- A. That the Draft Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy as contained in Annexure 5 of the report to the Corporate and Works Committee on 21 November 2011 be adopted.
- B. That Council note the adoption of A above delegates authority to the Mayor (in conjunction with the General Manager) to:

“authorise Councillors attendance at conferences, seminars and similar function in accordance with Council’s Payment of Expenses & Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy”

Background:

A report concerning the statutory requirement to annually review Council’s Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy was considered by the Corporate and Works Committee on 15 August 2011.

On 22 August 2011 Council resolved as follows:

- A. *THAT Council’s current Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy as contained in Annexure 1 of the report to the Corporate and Works Committee meeting on 15 August 2011 be placed on public exhibition for a period of not less than 28 days as Council’s proposed policy for the ensuing twelve months.*
- B. *THAT a further report be submitted to the Committee at the conclusion of the exhibition period.*
- C. *THAT the material contained in the memorandum dated 18 August 2011 submitted to the meeting as late correspondence be included in the exhibited papers.*

The draft policy and additional information was on exhibition during the period Wednesday 7 September to Friday 7 October 2011.

The exhibition of the policy was advertised in the Wentworth Courier on 7, 21 and 28 September and on Council’s website and a copy of the draft policy was available at Council’s Customer Service Centre, website and Libraries.

No public submissions were received to the draft policy however Council received a letter from the Chief Executive, Local Government, Division of Local Government, Department of Premier and Cabinet (DLG) on 26 September advising that the Division, having reviewed a sample of councillor expenses and facilities policies, has found that elements of Council’s policy is contrary to the relevant legislation and the DLG Guidelines. Woollahra’s policy was 1 of 47 council policies reviewed by the DLG.

Following discussion with a representative of the DLG it was established that the review of Council's Policy was undertaken in April 2010 and the Policy that was reviewed was the Policy adopted by Council on 14 September 2009 for the 2009/10 period.

Subsequent to Council adopting the 2009/10 Policy the DLG issued revised *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors for Local Councils in NSW* in October 2009.

The Circular that the DLG issued with the revised Guidelines included advice that "Councils that have already publicly exhibited a draft 2009/10 policy and/or adopted their 2009/10 policy based on the previous version of the Guidelines are not required to reconsider their 2009/10 policies in light of the revised Guidelines".

As Council had adopted the 2009/10 Policy in September 2009, any changes required by the revised Guidelines were considered when the Policy was reviewed for the 2010/11 period.

The DLG's comments relating to "contrary to the legislation and Guidelines" therefore refers to the DLG reviewing Council's 2009/10 Policy, which was prepared under the 2007 DLG Guidelines, prior to the requirements of the new Guidelines issued in October 2009.

The 2010/11 Draft Policy was prepared in accordance with the DLG's 2009 Guidelines with the adopted version of that Policy containing a number of amendments introduced by Council resolution.

Having said that, however, there are a number of areas of Council's current Policy that require amending to comply with the legislative and Guideline requirements and those changes are discussed below.

Aspects of Council's 2009/10 policy highlighted by the DLG's letter that require consideration are:

1. Lack of an appropriate overarching approvals process that avoids any one person from being the sole decision maker
2. Delegation to the Mayor to solely approve overseas travel by councillors and conference attendance by councillors
3. Lack of clear limits for all expenses and facilities
4. Lack of a statement disallowing general expenses allowances
5. Provision of a "daily allowance" which appears to be in the nature of a general expense allowance
6. Lack of a statement disallowing legal expenses for legal proceedings for which the outcome is substantially unfavourable

Proposal:

A discussion and recommendation for each matter raised by the DLG follows.

- 1. Lack of an appropriate overarching approvals process that avoids any one person from being the sole decision maker**

Section 1.6.7 “Approval” of the *DLG Guidelines for the payment of expenses and provision of facilities for Mayors and Councillors in NSW* states:

The policy must set out approval arrangements for all expenses and facilities provided. It should ensure that, where possible, approval is sought and gained prior to expenses being incurred. In particular it should avoid any one person from being the sole decision maker.

Approval for discretionary trips, attendance at conferences and/or for other significant expenses and facilities should occur, where possible, at a full meeting of the council.

Where approval at a full council meeting is not possible or appropriate then approval should be given jointly by the mayor and the general manager. If the mayor requires approval it should be given jointly by the deputy mayor or another councillor and the general manager.

Councils should establish and document an appropriate process to resolve any disputes that arise about the provision of expenses and facilities. This could include a mechanism for disputed decisions to be reviewed by an independent person and/or by a full council meeting.

The joint approval requirement was proposed in the 2010 annual review of the Policy however the Council, on 30 September 2010, prior to placing the Draft Policy on public exhibition, resolved to retain the original wording of the Policy relating to approval arrangements.

The Council did however on 15 November 2010 when considering the Draft Policy following public exhibition, resolved that the Mayor and General Manager be delegated the authority to approve Councillor attendance at conferences, seminars, workshops and similar functions within budget limits.

In order to satisfy the DLG Guidelines, the authority to attend conferences, seminars, workshops and similar functions, outside the Council Meeting process, should be approved jointly by the Mayor and General Manager or in the case of approval for the Mayor, jointly by the Deputy Mayor or another Councillor and the General Manager.

On the advice of the DLG it is recommended that the **Approval arrangements** section of Council’s Policy be amended to read:

Conferences, seminars and similar functions

Council shall meet expenses incurred by Councillors attending conferences, seminars and similar functions in any of the following circumstances:

- *attendance at conferences which are included in Council’s budget provisions where the prior authority of the Mayor and General Manager has been obtained*
- *attendance at seminars and similar functions subject to the availability of funds and only where local or domestic travel is involved and where the authority of the Mayor and General Manager has been obtained*
- *attendance authorised by resolution of Council*

Where the Mayor is seeking approval to attend a conference, seminar or similar function the authority of the Deputy Mayor or another councillor and the General Manager is required.

The Mayor may, however, nominate a substitute attendee in his or her stead for functions within the Council area or general Sydney Metropolitan Area on those occasions where the Mayor is unable to be in attendance.

2. Delegation to the Mayor to solely approve (1) overseas travel by councillors and (2) conference attendance by councillors

(1) Approval process for overseas travel by Councillors

Specific approval requirements for overseas travel in the 2009/10 Policy was not detailed and would have come under the general **Approval arrangements** section of the Policy.

The adopted 2010/11 Policy and current Policy proposal contains the following statement in relation to interstate and overseas travel:

Interstate and overseas travel

Any interstate or overseas travel is required to be approved by resolution of Council.

Details of any overseas travel must also be included in the Council's Annual Report.

As Council has no relationship (such as Sister City relationship) with any overseas city, town or region there is no need for councillors to travel overseas on behalf of the Council. Similarly, current staff are unable to identify any instances where overseas travel has been undertaken by Councillors on behalf of the Council.

As the above statement is included in the "Travel" section of the Policy it would be more transparent if an additional section was added to the **Approval arrangements** section of Council's Policy. The following wording is recommended:

Overseas travel on behalf of Council

Council should avoid international visits unless direct and tangible benefits can be established for the Council and the local community. If Council is proposing any overseas travel, detailed proposals should be developed, including nomination of the councillors undertaking the trip, purpose of the trip and expected benefits. The duration and itinerary and approximate total costs of each proposed visit should also be provided.

Overseas travel must be approved at a full Council Meeting prior to the trip being undertaken.

(2) Approval process for conference attendance by councillors

This matter was discussed and addressed by the recommended action in Item 1 "Lack of an appropriate overarching approvals process that avoids any one person from being the sole decision maker" above.

3. Lack of clear limits for all expenses and facilities

Monthly monetary limits have been included in the current Policy for reimbursement of fixed line rental, mobile phone calls and home internet usage. Through discussion with the representative of the DLG it was established that this matter referred to both monetary limits for other matters such as attendance at conferences, seminars and similar functions and identification of appropriate standards of expense and facilities available to Councillors. Inclusion of Council's adopted budgets for conferences and training would satisfy the monetary limit requirement and the inclusion of standards relating to various other matters is required.

In this regard it is recommended that the following sections be amended as indicated. It should be noted however, that the inclusion of these amendments will not result in an increase in the provision of expenses or facilities to Councillors or additional costs to Council. The inclusion of the statements will record the current practices and budget provisions of Council.

2.2 *Specific expenses for councillors*

Conferences, seminars, workshops and courses *Application*

The following monetary limit statement be added:

Council will determine an annual Budget allocation to fund attendance at conferences, seminars, workshops and similar functions.

For 2011/12 the Budget allocation for conferences is \$15,000 (ex GST) and for seminars, workshops and similar functions is \$2,500 (Ex GST).

However Council may agree to allocate additional funds in specific cases where it decides that there is a benefit to Council from the attendance.

Accommodation

The following accommodation standard statement be added:

Delegates will be accommodated in the hotel/establishment where the conference or seminar is held, or another nearby and suitable hotel/establishment of a similar standard. The accommodation is to be of an acceptable standard at the rate of a double room for each councillor.

Out of pocket and incidental expenses

The DLG has recommended that reimbursement of out-of-pocket and incidental expenses be tied to the Australian Tax Office Taxation Determination TD 2010/19 (or subsequent ruling). A copy of this Determination is attached at Annexure 4 and the recommended Table (Table 3) limits food and drink reimbursement to a daily limit of \$130.00, (being breakfast at \$27.00, lunch at \$38.00 and dinner at \$65.00), and incidental expenses of \$24.05.

In view of the DLG recommendation the first paragraph of this provision should be replaced by the following monetary limit and claim process statement:

Reasonable out of pocket or incidental expenses associated with councillors attending conferences, seminars, workshops and courses will be reimbursed to Councillors to the limits set out in Table 3 of the Australian Tax Office Taxation Determination TD 2010/19 (Income tax – what are the reasonable travel and overtime meal allowance expense amounts for the 2010-11 income year) or such other determination or policies of the Australian Taxation Office that supersedes it.

Submission of a claim form that includes an itemised account of the expenditure is required for all claims for reimbursement.

As a consequence of this change, the following provision is to be deleted as the cost of meals is now covered by the above provision which references the ATO Taxation Determination amount.

~~“In addition, the cost of meals not included in registration fees may be reimbursed after reconciliation up to a daily limit of \$100.”~~

Part 3 – Provision of facilities

The following monetary limit statement be added:

Council has allocated the following amounts in its 2011/12 budget, as a total amount for the period, to fund the provision of facilities to the Mayor, Deputy Mayor and all Councillors:

- *Goods and Services – \$2,500 (Ex GST)*
- *Printing and Stationery – \$4,000 (Ex GST)*
- *Motor vehicle costs – \$8,531 (Ex GST)*

4. Lack of a statement disallowing general expenses allowances

Council’s current policy includes the following statement:

Allowances and expenses

No provision will be made for the payment in the nature of a general expense allowance to Councillors.

No further action on this matter is required.

5. Provision of a “daily allowance” which appears to be in the nature of a general expense allowance

Council’s current policy includes the following provision:

Expense allowance

Where applicable a daily allowance will be paid in accordance with the Federal Public Service standard travel and allowances scale, applicable from time to time.

This allowance solely related to Councillors attendance at conferences, seminars etc where Council did not pay all associated expenses, such as travel, accommodation and sustenance. This allowance allowed for a Councillor to elect to receive the Federal Public Service standard travel and allowance and for that Councillor to assume the responsibility for all the costs associated with attending the function.

It is not the intention of Council that a Councillor can have Council pay the costs associated with attendance at a function and also receive the Federal Public Service allowance.

It has been Council’s standard practice for many years to pay the full cost of Councillors attending conferences and seminars and if applicable, reimburse out of pocket and incidental expenses as identified in the Policy.

On the advice of the DLG it is recommended that all references to an “Expense allowance” be deleted from Council’s Policy.

6. Lack of a statement disallowing legal expenses for legal proceedings for which the outcome is substantially unfavourable

Section 2.3.6 “Legal Expenses” of the *DLG Guidelines for the payment of expenses and provision of facilities for Mayors and Councillors in NSW* includes the following requirement:

Where a council decides to include in its councillor expenses and facilities policy to indemnify or reimburse a councillor’s reasonable legal costs properly incurred, the policy should specify that the reasonable legal expenses of a councillor may only be met for legal proceedings being taken against a councillor in defending an action arising from the performance in good faith of a function under the Local Government Act (section 731 refers) or defending an action in defamation, provided that the outcome of the legal proceedings is favourable to the councillor.

This proposal was included in the 2010 annual review of the Policy however the Council, on 15 November 2010, resolved to delete the restriction relating to the outcome being favourable to the councillor.

On the advice of the DLG it is recommended that the **Legal expenses and assistance** section of Council’s Policy be amended to read:

Legal expenses and assistance

Council will indemnify or reimburse the reasonable legal expenses of:

- a. a Councillor defending an action arising from the performance, in good faith, of a function under the Local Government Act; or*
- b. a Councillor defending an action in defamation,*
provided that the outcome of the legal proceedings is favourable to the councillor.

Council will indemnify or reimburse the reasonable legal expenses of a Councillor for proceedings before the Local Government Pecuniary Interest Tribunal or an investigative body provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the Tribunal or the investigative body makes a finding substantially favourable to the Councillor.

Legal expenses incurred in relation to proceedings arising out of the performance by a Councillor of his or her functions under the Act should be distinguished from expenses incurred in relation to proceedings arising merely from something which a councillor has done during his or her term of office.

Council will not provide legal assistance in respect of legal proceedings initiated by the Mayor and/or Councillors.

Consultation:

Before Council can adopt or amend an expenses and facilities policy it must give public notice of not less than 28 days of the proposed policy. At the conclusion of the exhibition period the Council must consider any submission made to it and if considered necessary, make appropriate changes to the proposed policy. If the changes to the policy are considered substantial, the proposed amended policy will be required to be re-exhibited. If the proposed changes are in the opinion of the Council not substantial then the amended proposal will not need to be re-exhibited.

As the changes proposed in this report are a result of the DLG requirements and are considered to be of an administrative nature without introducing any new expenses or facilities or increasing Councillors entitlements to receive any additional expenses and facilities under the policy provisions, it is considered that the changes are not substantial enough to require re-exhibition.

Following adoption of the policy by Council, the policy together with details of all submissions received and a statement from Council setting out the response to each submission must be forwarded to the DLG.

It is proposed to forward a copy of this report to the DLG to fulfil the requirement to provide a statement from Council setting out the response to each submission received.

Identification of Income & Expenditure:

If Council adopts the recommended policy no additional expenditure will be incurred by Council. If further changes are made to the policy, additional expenditure may be incurred depending on the scope and level of the changes made, and re-exhibition of the policy may be required, depending on the changes made.

Conclusion:

Council is required to adopt a Policy on the *Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors* annually and must exhibit the proposed Policy prior to adoption. Council's current Policy was exhibited as the proposed Policy for the 2011/12 period between 7 September and 7 October 2011.

There were no public submission received during the exhibition period however on 26 September Council received advice from the Division of Local Government, Department of Premier and Cabinet that following a review of Woollahra Council's Policy, as part of a general review of a sample of 47 Councils policies, that elements of Council's Policy, in the Divisions view, were contrary to the legislation and DLG Guideline requirements.

Following discussions with a representative of the DLG it was established that the DLG had reviewed Council's 2009/10 Policy which had been prepared in accordance with the DLG's 2007 Guidelines and that that Policy had been reviewed against the DLG's 2009 Guidelines. These updated Guidelines had been issued after Council had adopted the 2009/10 Policy.

Council's 2010/11 Policy was prepared in accordance with the DLG's 2009 Guidelines however for reasons discussed in this report there are a number of areas of the exhibited 2011/12 Policy that require amending to comply with the legislation and Guideline requirements.

As the changes proposed in this report are as a result of the DLG requirements and are considered to be of an administrative nature without introducing any new expenses or facilities or increasing Councillors entitlements to receive any expenses and facilities under the policy provisions, it is considered that the changes are not substantial enough to require re-exhibition.

It is recommended that the Draft Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy as contained in Annexure 5 of the report to the Corporate and Works Committee on 7 November 2011 be adopted.

Les Windle
Manager Governance

Stephen Dunshea
Director Corporate Services

Annexures:

1. Report to Corporate & Works Committee 15 August 2011
2. Exhibited Draft Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy 2011
3. Division of Local Government, Department of Premier and Cabinet letter dated 21 September 2011
4. Australian Taxation Office – Taxation Determination TD 2010/19
5. Proposed Amended Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy 2011 recommended for adoption

Item No: R2 Recommendation to Council
Subject: **Conduct of 2012 Local Government Election for Woollahra Council**
Author: Les Windle - Manager Governance
File No: 38.G 2011
Reason for Report: To advise Council of changes to the Local Government Act in relation to local government elections, constitutional referendums and polls and to appoint the NSW Electoral Commissioner to conduct the 2012 Election for Woollahra Council

Recommendation:

- A. THAT having considered the Division of Local Government Guidelines for Council Administered Election 2012 issued under section 23A of the Local Government Act, Council resolve to appoint the Electoral Commissioner to administer all elections, council polls and constitutional referendums for Woollahra Council until the conclusion of the 2012 ordinary election of councillors.
- B. THAT Council write to the Premier expressing its serious concern and disappointment at the lack of co-operation the New South Wales Electoral Commissioner has offered to councils considering conducting a council administered election in 2012.

Executive Summary:

The Local Government Act as been amended to make General Managers responsible for the administration of Council elections. However a council can resolve to enter into a contract or make arrangements with the New South Wales Electoral Commission (NSWEC) for the NSWEC to administer elections on behalf of the council.

These new provisions apply for the elections after the 2012 general local government elections, i.e. the 2016 local government elections, and Council will need to consider this matter within 12 months of the conclusion of next year's election.

There are Transitional Provisions in force for the conduct of the 2012 elections along with Guidelines issued by the Division of Local Government under section 23 of the Local Government Act (DLG Guidelines) which are discussed in this report.

Time constraints contained within the Transitional Provisions require councils to determine by resolution if the NSWEC is to administer the 2012 election on behalf of the council. This resolution must be made by 30 November 2011 and is binding. Discussion is contained later in this report in respect of serious concerns raised by local government on the timing of the required resolution, including representation from the Local Government & Shires Associations (LGSA) directly to the NSW Premier.

In the absence of Council resolving by 30 November 2011 to appoint the NSWEC to administer the 2012 election, the General Manager will be responsible for all of the activities relating to the election except for production of the electoral roll of voters and the follow up action and income collection from non-voters.

Having considered the DLG Guidelines, it will be recommended that Council appoint the Electoral Commissioner to administer all elections, council polls and constitutional referendums for Woollahra Council until the conclusion of the 2012 ordinary election of councillors for the following reasons:

1. Discussions with the Electoral Commissioner have revealed that the NSWEC will provide no advice or support at all to those councils electing to conduct council administered elections.
2. Whilst General Managers are responsible for the conduct and result of council administered elections, they cannot be the Returning Officer or Substitute Returning Officer. Similarly a member of staff of the council cannot be the Returning Officer or Substitute Returning Officer. The General Manager would therefore need to recruit and hand over the day to day running of the election process to a Returning Officer with unknown skills and experience but still retain legislative responsibility for the election outcome.
3. It is likely that there will be a shortage of people with the required skills and experience to undertake the role of Returning Officer or Substitute Returning Officer as there has not been a need to conduct independent elections for many years. It could be assumed that any people with those skills would have obtained those skills from prior employment with the NSWEC and may have an alliance or existing commitment to the NSWEC for next year's elections.
4. If Council was able to attract a suitably qualified Returning Officer, one of the key tasks for the Returning Officer prior to the election period would be to develop all of the election manuals/procedures for election officials to use during pre-poll, declared institution, postal and election day voting. This would also include associated printed materials such as postal vote application forms, declaration envelopes, candidate information sheets, candidate nominations, nomination deposit forms, claims for inclusion in non-residential roll or roll of occupiers and ratepaying lessees, scrutineer nomination forms, and information papers for intending candidates, to name a few.
5. As all election documents were previously provided by the NSWEC (as part of their core business), and given the NSWEC has advised that the NSWEC will not provide any support, advice or assistance whatsoever to councils administering their own election, the Returning Officer would need to undertake significant research and spend considerable time drafting all the necessary manuals/forms. This would have a significant impact on the cost of employing the Returning Officer and any administrative/clerical assistance the Returning Officer may require for the task.
6. Given the integrity of the election and election result hinge on the quality and accuracy of the election material/documents, the General Manager would have no option but to obtain specialist legal advice on each document which would incur significant legal costs. The alternative, being a possible court challenge to the election result, could result in potentially even higher cost implications.
7. Whilst senior council staff with previous election experience, namely the General Manager, Director Corporate Services and Manager Governance could provide assistance to the Returning Officer, this would come at an operational cost to Council by creating disruptions to business operations and normal operational priorities for those staff for an extended period in the lead-up to and post the election.

8. The election counting process must also be considered. Because of the introduction of above the line voting, specialised software is required. The NSWEC has this software but has refused to allow councils that administer their own election to use the software. There is vote counting software available on the market however the integrity of the software to meet local government election requirements is not known which at this stage creates a further risk if Council was to consider a council manager administered election.

As will be discussed in detail in the report, although the potential cost for the NSWEC to administer Council's 2012 election cannot be determined with accuracy, the cost factor is not the only, nor indeed the major consideration for Council. The primary concerns with a council administered election will be managing the significant risks associated with attracting the necessary skills and experience from an unknown market to set up and manage an election process that is governed by strict legislative requirements. Further, this has to be achieved without any external assistance or advice from the NSWEC who will no doubt be competing in the market for the same skilled and experienced personnel. This presents as a significant challenge.

Also as will be discussed in the report, Council's estimated costs for a NSWEC administered election are considered relatively small, and within budget provisions, compared to a number of larger councils which were charged in excess of \$1m by the NSWEC for the 2008 elections. Those councils could potentially achieve substantial savings by administering the election themselves, especially if they were able to use existing staff to support the Returning Officer. Unfortunately this is not an option for Woollahra without a substantial impact on efficient service delivery.

It is important to note that even if the General Manager was able to recruit a Returning Officer with the requisite skills and experience to manage the election process, responsibility for the conduct of the election still rests with the General Manager, not the Returning Officer. As a consequence, the General Manager and other senior staff will play a significant role in overseeing the Returning Officer's preparation for, conduct of, and reporting on the outcome of the election for an extensive period both prior to and after the election to ensure legislative compliance is achieved and to minimise the potential for the election result to be challenged. This cannot be achieved without a major impact on the efficiency of Council's operations in 2012 given the diversion of focus for the senior staff involved. It is strongly argued that is an unnecessary impost on the organisation's operations that is avoided through engaging the NSWEC to conduct the 2012 election.

Notwithstanding the concerns already raised, it is also argued that engagement of the NSWEC to conduct Council elections will also avoid any perceived conflict of interest that may arise from the General Manager and other senior staff's role in liaising with candidates and potential candidates during the election process. Again, these potential conflicts of interest are avoided through engaging the NSWEC to conduct the election completely at arms-length from Council's staff and its operations.

Background:

Until the late 1980s Town and Shire Clerks were responsible for council elections. In 1987 the *Local Government (Elections) Amendment Act* was introduced which transferred this responsibility to the NSW Electoral Commission (NSWEC). Town and Shire Clerks acted as the Returning Officer at the 1987 and 1991 elections with the NSWEC providing support by preparing election material including returning officer, polling officials and election count instruction manuals, statutory advertisements, candidate information material, candidate information sessions, polling screens and ballot boxes. The NSWEC also provided training and technical assistance and advice to the Returning Officers on all election matters.

From 1995 onwards independent Returning Officers were appointed by the NSWEC to run Council elections. The NSWEC invoiced the councils for certain costs such as the salary of the Returning Officer, however other costs were absorbed by both parties. Councils often made premises available for the Returning Officer and provided resources such as equipment and staff to assist the Returning Officer with election-related tasks. The NSWEC tended to attach a cost only to actual goods supplied rather than NSWEC overhead costs associated with the full range of services it provided.

The NSWEC moved to a full cost recovery model for the 2008 local government elections which saw Woollahra Council's election costs increase from \$152,440 for the 2004 election to \$250,300 for the 2008 elections. This represented a 64.2% increase. The cost for NSWEC to conduct the 2008 election comprised the following components:

Programme Management	\$22,910
Financial Services	\$4,450
Election Services	\$192,640
Election Information Services	\$12,530
Information Technology Services	<u>\$17,770</u>
Total	\$250,300

The increase cost to Council was not as great as the increase experienced by a number of other councils however the significance of the increases caused widespread concern and complaints throughout local government.

After the 2008 elections the Local Government and Shires Associations commenced a lobbying campaign for the return of the responsibility of local elections back to local government. Following the March 2011 state election the new Government passed the Local Government Amendment (Elections) Act 2011 which removed the mandate of the NSWEC to run local government elections (including constitutional referendums and polls) and instead returned the responsibility for the elections to councils.

Section 296 of the Local Government Act has been amended to provide that elections are now to be administered by the General Manager (sec 296(1)). That may be done by the General Manager managing all operational functions to conduct the election or the council may resolve to enter into a contract or make arrangements with the Electoral Commissioner for the Electoral Commissioner to administer the election. (sec 296(2)). In that case the Electoral Commissioner manages all operational functions to conduct the election. That resolution may only be made within 12 months after an ordinary election of councillors for the council's area (sec 296(3)).

These new provisions apply for the elections after 2012 general local government election, that is the 2016 local government elections and Council will need to consider this matter within 12 months of next year's election. There are transitional provisions in force for the 2012 elections which are discussed below and the main subject of this report.

The engagement of the NSWEC for subsequent elections would be on a contractual basis and councils will be able to negotiate on commercial terms how those elections will be administered.

If Council does not resolve to enter into a contract or make arrangements with the NSWEC within the 12 month period then by default the election is to be administered by the General Manager.

Transitional provisions for the 2012 election

For the September 2012 ordinary elections, transitional provisions apply which require Council, should it wish to appoint the NSWEC to conduct that election, to pass a resolution to this effect before 30 November 2011. The resolution must be an unconditional resolution and cannot place caveats such as “subject to cost” in the resolution.

This date is prescribed by the Local Government (General) Amendment (Electoral Commissioner) Regulation 2011 and is a non-negotiable deadline. If Council does not resolve to appoint the NSWEC by this date the General Manager will, by default, be responsible for the conduct of the election. There is no provision in the legislation enabling an extension to be granted or to approach the NSWEC at a later date.

The Tendering requirements of the Local Government Act have also been changed so that councils need not invite tenders, irrespective of whether the cost of the election is projected to exceed the tender threshold of \$150,000, before entering into a contract with the Electoral Commissioner for the administration of the elections.

To assist councils in understanding the requirements for the 2012 elections, the Division of Local Government, Department of Premier and Cabinet (DLG) has issued Director General’s *Guidelines for Council Administered Elections 2012* pursuant to section 23A of the Local Government Act. Council must take these Guidelines into consideration before making a decision on this matter. The purpose of the Guidelines is to assist councils in understanding the level of service and accountability that will be required of them if they decide to conduct their own elections in September 2012.

Proposal:

The immediate consideration for Council is to determine whether to retain the Electoral Commissioner to administer elections until the end of the 2012 ordinary election or whether the election is to be administered by the General Manager.

Elections to be administered by the Electoral Commissioner

Following enactment of the legislation the NSW Electoral Commissioner wrote to Council requesting a meeting to discuss matters associated with assisting the Council to come to a decision as to whether they wish to conduct their own election or to engage the NSWEC to conduct the election.

That meeting took place on 25 July 2011 between the Director Corporate Services and Manager Governance and Colin Barry, Electoral Commissioner and Terry Jessop of the Electoral Commissioners Office. Prior to the meeting the Electoral Commissioner provided a checklist of tasks (**Annexure 1**) that would need to be undertaken if a council decided to conduct its own election.

At the meeting detailed discussion was held in relation to the conduct of the election if the NSWEC administered the election and if the General Manager administered the election.

Particular discussion was held in relation to the estimated costs for the NSWEC to administer the election. The Electoral Commissioner advised that he was not able to provide an estimate of cost for the NSWEC to conduct the election, however he did give some general parameters which Council could use, based on the 2004 election costs, to arrive at an indication of the likely costs involved. Subsequent to the meeting, the Electoral Commissioner provided the following further advice in relation to possible costs associated with the NSWEC administering the election:

Councils wishing to estimate the 2012 invoice (assuming the same number of polling places and services) should consider four mark ups to the 2008 charge:

- 1. Wage costs increasing in the Public sector of 4 years x 4% cumulative (ie 17.0%),*
- 2. Other operational costs increasing by 4 years CPI (estimated at 12.8% cumulative),*
- 3. Number of electors being serviced, eg a 2% increase in roll numbers will deliver a similar cost increase, and,*
- 4. Some 'economy of scale' loss may be inevitable with a reduced number of councils electing to use NSWEC services for the 2012 Local Government Elections. At this stage it is not possible to quantify any impact.*

Applying the above mark-ups, the estimated NSWEC costs for the 2012 election would be in the vicinity of \$286,000, subject to any economy-of-scale loss referred to in part 4 above. In addition to this cost are statutory advertising costs which Council pays directly to the various media outlets to take advantage of the business relationship Council has with those media outlets.

Council has been transferring funds to an Elections Reserve to fund election costs and by the time the 2012 election is held the following funds will be available:

Reserve held at 30 June 2011	\$125,000
Transfer 2011/12 Budget	\$75,000
Transfer 2012/13 Budget	<u>\$75,000</u>
Total Reserve funds available	\$275,000

If the cost for the NSWEC to administer the election was at the estimated cost of circa \$286,000, then together with advertising costs paid directly by Council, Council would need to provide additional funds of circa \$25,000 in the 2012/13 Budget.

The Electoral Commissioner advised that if the NSWEC administered the election the NSWEC would be solely responsible for all tasks for the election except for preparation of the roll of non-resident owners of rateable land and the roll of occupiers and rate-paying lessees which would continue to be the responsibility of Council.

This is the same role that the NSWEC undertook for recent elections and maintains the election as an independent process at arms-length to Council.

Elections to be administered by the General Manager

If the election was to be administered by the General Manager then the General Manager assumes the same responsibilities as the NSWEC.

The DLG Guidelines for the Council Administered Elections 2012 defines the responsibilities of the General Manager to include:

- Having a detailed knowledge of current elections legislative requirements and having mechanisms and strategies in place to ensure full compliance with the legislative requirements. Failure to do so could call into question the validity of the election,
- Appointing a suitably qualified and independent Returning Officer and Substitute Returning Officer,
- Appointing polling places,
- Determining the fees payable to the Returning Officer, Substitute Returning Officer and electoral officials
- Confirming the roll of non-resident owners of rateable land and the roll of occupiers and rate-paying lessees,

- Preparing a list of names of those on the residential roll, who appeared to have not voted at the election, and forwarding this list to the Electoral Commissioner within 14 days (or within a longer period if provided for in the Regulation) of the election,
- Managing the relevant election costs
- Preparing a report for the Minister for Local Government on the conduct of each election that must disclose, among other things, full and transparent costings for the election

At the meeting with the Electoral Commissioner, the Electoral Commissioner advised that the NSWEC is unable to provide any assistance whatsoever to councils administering their own election except for his statutory role relating to providing electoral rolls for the election and following up those electors who appeared to have not voted at the election.

Discussion on the General Managers responsibilities follows.

Having a detailed knowledge of current elections legislative requirements,

The last time a General Manager (then called a town clerk) was responsible for a council election was 1991 and all elections conducted until this time were conducted on conjunction with the NSWEC providing comprehensive advice and assistance with all statutory requirements. The NSWEC also provided all relevant manuals for the elections. Elections from 1995 have been conducted by independent Returning Officers appointed and managed by the NSWEC. As could be expected, legislative requirements have changed since the last time a General Manager was responsible for running an election (1991), most notably in relation to introducing above the line voting and consequent vote counting requirements.

The General Manager would need to become fully conversant with all relative legislative provisions and ensure that mechanisms and strategies are in place to ensure full compliance with those provisions. Failure to do so could call into question the validity of the elections.

This would need to be done without the assistance of the NSWEC, ironically the organisation with the expertise of conducting elections.

Appointing a suitably qualified and independent Returning Officer and Substitute Returning Officer

A General Manager cannot be appointed as a returning officer or a substitute returning officer for any area and an employee of a council cannot be appointed as the returning officer or substitute returning officer for that council.

The General Manager would need to appoint an external suitably qualified and independent Returning Officer and Substitute Returning Officer who is capable of undertaking proficiently the following roles, as identified in the DLG Guidelines:

- managing the Returning Officer's office
- appointing and training staff including Polling Place Managers on how to conduct a count and how to determine formality of ballot papers
- developing procedures to be followed by electoral officials issuing pre-poll, declared institution, postal and election day votes
- preparing all necessary printed election materials such as forms, declaration envelopes, signs etc
- obtaining all necessary election material for use in pre-poll and election day venues such as voting screens, ballot boxes, pencils etc
- determining the quantity of ballot papers required and arranging for their printing, delivery and secure storage
- making Braille ballot papers available, if requested

- dealing with political parties, candidates and the public
- processing candidates' nominations including acceptance of the deposit and conducting the draw for position of candidates on the ballot paper
- registering how to vote material
- putting in place all necessary arrangements to enable pre-poll, declared institution, postal and election day voting
- ensuring delivery and collection of election materials to and from pre-poll and election day polling venues
- conducting the 'check count' of the votes and the distribution of preferences
- declaring the election
- arranging storage (and ultimate destruction) of ballot papers and voting-related materials for the statutory period of 6 months.

It is not known but considered unlikely that there would be many suitable candidates available that could undertake the complete role of Returning Officer or Substitute Returning Officer, particularly in relation to the requirements to developing appropriate election related procedures, manuals, training programs and most importantly the counting of votes with distribution of preferences. It is likely that any potential Returning Officer or Substitute Returning Officer would require training and discussions with the Electoral Commissioner, which have been confirmed by the DLG Elections Guideline, makes it clear that the NSWEC will not assist with training Returning Officers or Substitute Returning Officers for General Manager administered elections.

Options for the appointment of Returning Officers and Substitute Returning Officers could therefore include:

- approaching a person who has had prior experience as a Returning Officer for the NSWEC,
- contracting the services of a commercial election provider.

The overarching problem with canvassing either of these options is the time constraints put on Council to make a decision. Councils were advised by the DLG in Circular No 11-11 issued on 29 June 2011 that the DLG will be issuing a election regulation and guideline and that **“It is vitally important that councils do not make a final decision on who is to conduct their 2012 ordinary elections until they have considered the new regulation and guidelines”**

The DLG released the Local Government (General) Amendment (Elections) Regulation and Elections Guidelines in early September which made it very difficult for Council to prepare suitable detailed position description packages for Returning Officers and Substitute Returning Officers and Tender Specifications for commercial election providers then market test the availability of suitable respondents, evaluate the responses and report to Council with a definite proposal prior to the 30th November deadline.

In addition to the above, the Presidents of the Local Government Association and Shires Association met with the NSW Premier and Minister for Local Government in mid September to raise concerns that councils were being asked to make a decision on who is to administer their elections without knowing the cost implications of appointing the NSWEC. The Presidents also raised concern that, despite the cost to councils possibly exceeding the tender threshold of \$150,000, the Local Government Act had been changed to exempt contracts or arrangements with the Electoral Commissioner for the conduct of elections from the tendering requirements but the tendering requirements applied if councils were to consider contracting the services of a commercial election provider.

The Presidents requested that the November 30 deadline be extended to March 2012 to give councils the opportunity to consider the use of commercial election providers through a tender process.

The Presidents received advice from the NSW Premier on 4 November that the 30 November deadline remains unchanged and immediately responded to the Premier voicing their extreme disappointment with the response. A copy of the NSW Premier's letter and LGA President's letter is attached (Annexures 2 & 3)

Also to be given consideration at this stage is the check count of the votes and the distribution of preferences especially considering the introduction of above the line voting.

In 2000 the Local Government Act was amended to introduce above the line voting to allow the voter to determine the preferences he or she wanted, by showing one or more preferences for groups or parties in the Group Voting Squares above the line.

This change has meant that specially designed software with a front end data entry module is required to count and distribute preferences as individual preference streams need to be tracked separately through the count and exhausted at the appropriate time. These counts cannot be reliably conducted without appropriate software.

The NSWEC has the required software but will not allow councils which administer their own elections to use the software.

There is vote counting software available in the market however it is not known whether the functional specifications of that software meets the local government legislative requirements and the DLG Guidelines advise that "Council must obtain certification from the developer of the software that the functional specification meets the legislative requirements and that end to end testing demonstrates that the system has integrity". Council at this stage has not investigated further the vote counting software.

If the General Manager was to administer the election Council would need to provide accommodation for the Returning Officer before and after the election, with the post-election period being determined by how long it takes to finalise the vote counting and declare the poll.

As space at the Council and Council owned venues is at a premium, office space in one of the Municipality's commercial centres would need to be leased. In the past, Returning Officers employed by the NSWEC were employed for approximately 10-12 weeks prior to the election date. However if the General Manager was to administer the election, the employment of the Returning Officer and possibly the Substitute Returning Officer and clerical staff would need to be much longer as all instruction, training, voting manuals and electoral print materials etc would need to be created prior to reaching the election period.

Employment of the Returning Officer and possibly Substitute Returning Officer and clerical staff may need to be up to 6 months prior to the election in order to complete these tasks which would have a high cost impact on the election salary and accommodation costs.

Appointing polling places

This is an administrative task and with analysing the data of previous elections should be easily managed.

Determining the fees payable to the Returning Officer, Substitute Returning Officer and electoral officials

The General Manager is required to determine the fees payable to all electoral officials. The NSWEC website contains information that shows the rates paid at previous state and local government elections. This information could be used to determine the rates for the 2012 election by adjusting these rates by Award increases subsequent to when those rates were set.

Confirming the roll of non-resident owners of rateable land and the roll of occupiers and rate-paying lessees,

This has always been the responsibility of the General Manager.

Preparing a list of names of those on the residential roll, who appeared to have not voted at the election, and forwarding this list to the Electoral Commissioner within 14 days (or within a longer period if provided for in the Regulation) of the election,

This is an administrative task and should be easily managed.

Managing the relevant election costs

This is an administrative task and should be easily managed.

Preparing a report for the Minister for Local Government on the conduct of each election that must disclose, among other things, full and transparent costings for the election

The General Manager must prepare a full report within six months of the election for the Minister for Local Government on the conduct of the election. The DLG Guidelines provides a non-exhaustive list of items that should be reported on.

This is an administrative task and should be easily managed.

Conclusion:

Although the responsibility for local government elections has been returned to General Managers, the management model is completely different to the previous management model where elections were administered by General Managers. The management of those elections was through a close partnership between the Council and the NSWEC.

The new management model for elections (after the 2012 local government election) has the election to be administered by the General Manager or for the Council to enter into a contract or make arrangements with the NSWEC to administer the election, with those contracts or arrangements to be negotiated on commercial terms.

Transitional provisions apply for the 2012 election whereby the election can be administered by the General Manager, without assistance from the NSWEC, or for the Council to appoint the NSWEC to administer the election. Council must determine who administers the election by 30 November 2011.

Given the risks arising from the uncertainty of the availability of suitably qualified Returning Officers and Substitute Returning Officers, the time constraints placed on Council to determine the matter which prohibits Council undertaking a comprehensive review of available service providers, and the disruption to efficient service delivery that would arise from the General Manager conducting the 2012 election, it is recommended that Council resolve that the Electoral Commissioner administer all elections, council polls and constitutional referendums for Woollahra Council until the conclusion of the 2012 ordinary election of councillors.

It is also recommended that Council write to the Premier expressing its serious concern and disappointment at the lack of co-operation the New South Wales Electoral Commissioner has offered to councils considering conducting a council administered election in 2012.

Les Windle
Manager Governance

Stephen Dunshea
Director Corporate Services

Annexures:

1. Checklist for 2012 Local Government Elections prepared by the NSWEC.
2. Letter from NSW Premier Barry O'Farrell MP to President of the Local Government Association
3. Letter from the President of the Local Government Association to NSW Premier Barry O'Farrell MP

Item No: R3 Recommendation to Council
Subject: **2011/2012 Budget Review for the Quarter Ended 30 September 2011**
Author: Trang Banfield – Systems and Management Accountant
Don Johnston - Manager Finance
File No: 331.G 2011/2012
Reason for Report: To report on the review of the 2011/2012 Budget for the quarter ended 30 September 2011

Recommendation:

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 (except the June 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 Operational 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.

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.

This Budget Review also introduces the requirements of the Division of Local Government's new Quarterly Budget Review Statement (QBRS) Guidelines. Under the Guidelines the QBRS is composed of, but not limited to:

- Income and Expenses Statement
(contained in the body of the report – page 5)
- Capital Budget
(contained in the body of the report – page 11)
- Cash and Investments position
(contained in the body of the report – page 15)
- Key Performance Indicators
(see Overall Financial Position – page 2)
- Contracts and Other Expenses
(**Annexure 4** – page 31)

In addition to these Statements, the Committee will continue to receive a Balance Sheet forecast to 30 June 2012 (**Annexure 1**).

Most of the information in the QBRS has been provided to the Committee in the past. The QBRS has resulted in the re-formatting of some of this information to meet the requirements of the Guidelines. The only totally new requirement is the Contracts and Other Expenses Statement which is included for the first time in **Annexure 4**. The Contracts disclosure includes:

- Contracts that were entered into during the quarter under review but have not been fully performed or completed; and
- Have a value equal to or more than \$50,000, (or, 1% of Council's estimated income from continuing operations) whichever is the lesser.

Contracts for employment and contracts entered into from Council's "preferred contracts list" are not included. Based on Council's estimated income from continuing operations of over \$70m, the reporting threshold will be \$50,000.

The Other Expenses disclosure requires the reporting of consultancies and legal expenses year to date together with a notation as to whether the expenditure was budgeted. Where an item has not been budgeted an explanation is to be provided.

Councillors should note that there are no budget adjustments proposed at the September Budget Review in relation to the Carparks Tender matter, details of which were provided to Councillors in a Confidential Memorandum from the General Manager dated 20 October 2011 (Copy provided at Confidential Annexure 5). The reason for this is that the matter is now subject of litigation and at this early stage of proceedings there is no indication of how the tenderer will respond to the commencement of those legal proceeding. Consequently the extent of any budget adjustments that may be necessary cannot be determined with any degree of certainty. As advised in the Confidential Memorandum, the Mayor and Councillors will be kept informed of the progress of this litigation and further information regarding any budgetary impacts will be presented as part of the December Budget Review.

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, is now forecast to increase by \$37,186 in 2011/12 as outlined in the following table:

	Budget Result Surplus / (Deficit)
Original 2011/12 Budget & Rollovers	\$68,240
September 2011 Review	(\$31,054)
Forecast to 30 June 2012	\$37,186

The forecast movement in working funds will increase the Working Funds balance to \$2,573,037 at 30 June 2012. At this level it will be above the benchmark level (Arrears of Rates + Inventory) of \$2,278,311.

A summary of all major budget variations proposed in the September Review is provided below while full details of the recommended variations giving rise to the change in working funds are provided later in the report.

Budget Variations	(Favourable)/ Unfavourable \$
Kiaora Lands – Consulting and Legal Funded from Transfer from Property Reserve	\$150,000 (\$150,000)
Woollahra Preschool Lift Installation Funded from Transfer from Preschool Reserve	\$75,000 (\$75,000)
DA Fees	\$50,000
Easement Compensation	(\$53,000)
Kiaora Lands Commercial Property Lease	(\$47,000)

The projected Working Funds result for 2011/12 for the September Quarter sees the unrestricted current ratio forecast decrease from 2.18:1 to 2.17:1. 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 the ratio should not fall below 1.5:1 on an ongoing basis. Council's forecast ratio of 2.17:1 remains sound.

Overall, based on projected levels of restricted cash and liquidity and having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure, Council's financial position will remain satisfactory at 30 June 2012.

Income & Expenses Budget Review Statement

Woollahra Council
Budget review for the quarter ended 30 September 2011
Income & Expenses

	ORIGINAL		Approved Changes			REVISIED Budget (000's)	Recommended changes for Council Resolution (000's)	PROJECTED year end		% of REVISED Budget
	11/12 Budget (000's)	Revotes (000s)	Sept Review (000's)	Dec Review (000's)	ACTUAL YTD (000's)			11/12 result (000's)		
Income										
Rates & Annual Charges	41,974	0	0	0	41,974	-56	41,918	42,005	100.1%	
Fees & Charges	9,383	0	0	0	9,383	-18	9,366	2,251	24.0%	
Interest	2,360	0	0	0	2,360	-79	2,281	-30	-1.3%	
Grants & Contributions	2,823	0	0	0	2,823	-12	2,811	428	15.2%	
Capital Grants & Contributions	4,333	431	0	0	4,764	-371	4,392	627	13.2%	
Other Revenue	10,758	0	0	0	10,758	162	10,919	2,202	20.5%	
Other Income										
Net Gain/(Loss) on Sale of Assets	27	68	0	0	95	159	254	-5	-5.0%	
Total Income from continuing operations	71,659	499	0	0	72,157	-215	71,942	47,477	65.8%	
Expenses										
Employee Costs	31,607	0	0	0	31,607	-31	31,576	8,823	27.9%	
Materials & Contracts	11,476	276	0	0	11,752	164	11,916	2,994	25.5%	
Borrowing Costs	507	0	0	0	507	0	507	-34	-6.6%	
Depreciation	9,581	0	0	0	9,581	0	9,581	2,643	27.6%	
Other Costs	13,842	15	0	0	13,857	3	13,860	4,635	33.4%	
Total Expenses from continuing operations	67,014	291	0	0	67,305	136	67,441	19,062	28.3%	
Net Operating Result from continuing operations	4,645	208	0	0	4,853	-351	4,502	28,416		
Net Operating Result before capital movements	284	-291	0	0	-6	-138	-145	27,794		
Working Funds Reconciliation:										
Net Operating Result from continuing operation									-351	
LESS:										
Forecast increase in Capital Expenditure									0	
Transfers to Reserve from Operating									-145	
Reduction in utilisation of Reserves									-13	
ADD:										
Transfers from Reserves for Operating									146	
Transfers from Reserves for Capital									228	
Reduction in Transfer to Reserves									20	
Forecast reduction in Capital Expenditure									85	
Working Funds Movement									-31	

Notes:

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISIED Budget
REVISIED Budget +/- recommended changes the quarter = PROJECTED year end result

The Income & Expenses Budget Review Statement presents a revised forecast operating result for 2011/12 of \$4,501,594 or a decrease identified at this review of \$351,117 over the previous forecast surplus of \$4,852,711.

A reconciliation between the working funds movement and operating results is provided with the Income & Expenses Statement above.

Details of recommended changes to operating income and expenses are provided below.

Details of Recommended Changes

The following table details by Division and Manager the variations recommended in the Income & Expenses Budget Review Statement.

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
OPERATING BUDGET		
COMMUNITY SERVICES: <i>Director Community Services (101):</i> <ul style="list-style-type: none"> - General Consultants Community Feasibility Study 	8	Variations to contract for Community Feasibility Study.
<i>Community Liaison Coordinator (103):</i> <ul style="list-style-type: none"> - Temporary Staff - Council Building Hire Income 	4 (15)	Handover period to new staff member. Higher than expected casual use for E J Ward Centre (\$10k), Cooper Park Community Hall (\$4k), Sir David Martin Reserve Drill Hall (\$2k) and Rose Bay Playgroup (\$2k). Small reduction in expected hire of Vaucluse Bowling Club \$3k.
<i>Library Services (104):</i> <ul style="list-style-type: none"> - Materials Goods & Services Woollahra New Media Literary Prize - Paddington Library Contribution 	3 4	New Media Literary Prize as per Council Resolution 11 April 2011. Reduce budgeted income for Paddington Library Contribution in line with agreement.
<i>Family & Community Development (105):</i> <ul style="list-style-type: none"> - Preschool Maintenance - Transfer from Preschool Reserve - DOCs Subsidy - Council Building Hire Income 	14 (14) (4) (8)	Installation of new softfall. Transfer from Preschool General Reserve to fund new softfall installation. Additional State funding received. Higher than anticipated income from additional hirers of Woollahra Community Centre.
Small variations within Community Services:	4	
Total variation for Community Services:	(4)	

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
CORPORATE SERVICES:		
<i>Risk Management (202):</i>		
<ul style="list-style-type: none"> - General Consultants - Self Funded Losses - Council's Property Insurance - Claims Recovery - Council's Property Insurance - Claims Recovery – Public Liability/Professional Indemnity 	<p style="text-align: right;">11</p> <p style="text-align: right;">30 (30)</p> <p style="text-align: right;">(12)</p>	<p>Additional modifications required for Council's Integrated Risk Management System \$3k. Additional consultancy required for Motor Vehicle Insurance as a result of incidents from last financial year being repaired in 2011/2012.</p> <p>Property Insurance claim offset by claims recovery.</p> <p>Additional income received for Public Liability and Professional Indemnity claims recoveries.</p>
<i>Finance (205):</i>		
<ul style="list-style-type: none"> - General Consultants - Internal Plant Charge - Investments at Fair Value - Transfer to Property Reserve - Interest on Overdue Rates & Charges - Business Rates Income – General - Credit Card Usage Fee - Financial Assistance Grant - Transfer from Loan Repayments Reserve 	<p style="text-align: right;">4</p> <p style="text-align: right;">(5)</p> <p style="text-align: right;">119 (119)</p> <p style="text-align: right;">(40)</p> <p style="text-align: right;">56</p> <p style="text-align: right;">(5)</p> <p style="text-align: right;">8</p> <p style="text-align: right;">(13)</p>	<p>Valuation of Community Land \$8k. Reduction in consultancy expense for investments (\$4k).</p> <p>Motor Vehicle not being replaced this financial year.</p> <p>Fair value adjustment as at 30 September 2011 adjusted against the property reserve.</p> <p>Forecast increase due to interest rate increase from 9% to 11%.</p> <p>Aggregation of Car Spaces resulted in fewer minimum rated assessment being levied. This shortfall will be recovered in 2012/2013.</p> <p>Increased income in line with current usage.</p> <p>Financial Assistance Grant allocation estimate for 2011/2012 received 29 August 2011.</p> <p>Utilise funds remaining in Loan Repayments Reserve for Debt Servicing.</p>
<i>Organisational Development & Human Resources(206)</i>		
<ul style="list-style-type: none"> - Legal Expenses General 	<p style="text-align: right;">25</p>	<p>Anticipated cost for Industrial Relations matter.</p>
<i>Information Systems (207)</i>		
<ul style="list-style-type: none"> - Salaries & Wages - Temporary Staff 	<p style="text-align: right;">50 (50)</p>	<p>Transfer budget from Salaries and Wages to Temporary Staff due to GIS staff shortage.</p>
Small variations within Corporate Services:		
Total variation for Corporate Services:	27	

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
TECHNICAL SERVICES:		
<i>Open Space & Trees (304):</i>		
<ul style="list-style-type: none"> - Overtime - Cleaning Contract – Toilet Cleaning - General Contracts Horticultural Projects - Sundry Income - Filming Fees - Parks & Reserves Casual Hire - Water Craft Storage 	<ul style="list-style-type: none"> 19 (10) 3 (9) 10 (4) (9) 	<ul style="list-style-type: none"> Include budget for Overtime for Bush Regeneration \$10k, Parks Area Team East \$3k and Parks Area Team West \$6k. Reduce budget in line with current monthly cleaning cost. Increase General Contracts for steam weed spraying trial \$12k. Anticipated decrease in Main Roads Verge Mowing (\$7k) and decrease in Softfall Maintenance (\$2k). Rental for Lyne Park Car Park coffee cart. Revised down with consideration to new filming protocol and adoption of stills photography policy. Higher usage than anticipated. Water craft storage leases are tracking higher than expected.
<i>Property & Projects (306):</i>		
<ul style="list-style-type: none"> - Materials Goods & Services - Recurrent Contracts - Tax / Contribution Grafton Street Car Park - Insurance Premium Cosmopolitan Car Park - General Contracts - Furniture & Fittings - General Consultants - Recoverable Expense 	<ul style="list-style-type: none"> 1 (9) (10) (4) 9 (15) 25 5 	<ul style="list-style-type: none"> Requirement for materials decreased for car parks area (\$5k). Increase materials Parks / Ovals Buildings Maintenance \$6k. Anticipate reduction in recurrent contracts for the Bay Room in the Cosmopolitan Centre (\$9k). Lower than anticipated contribution to Office of State Revenue for Parking Space Levy. Insurance Premium included in strata levy. Reduction in requirement for General Contracts in Parks and Ovals Building Maintenance area (\$6k). Increase in General Contracts in Property Maintenance Libraries \$15k which is offset by a reduction in Furniture and Fittings in this area. Refer comment above. Savings in General Consultants in Property Services (\$20k). Greater utilisation of consultants in Property Management \$20k due to higher number of applications received to formalise encroachments. Increase consultant cost, \$25k, for Lyne Park café tender. Increase in recoverable expense for Property Management, offset by increase in

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
<ul style="list-style-type: none"> - Recovered Costs - Commercial Property Lease - Residential Property Lease Kiaora Cottage - Tennis Court Leases – Lyne Park - Easement Compensation 	<p style="text-align: right;">(5)</p> <p style="text-align: right;">(47)</p> <p style="text-align: right;">(15)</p> <p style="text-align: right;">(9)</p> <p style="text-align: right;">(53)</p>	<p>recoverable income.</p> <p>Refer comment above.</p> <p>Later than anticipated commencement of Kiaora Lands development.</p> <p>Later than anticipated commencement of Kiaora Lands development.</p> <p>Lyne Park Tennis Courts/Kiosk, increase rent from September 2011.</p> <p>Easement compensation for property in Watsons Bay.</p>
<p><i>Depot & Waste (307):</i></p> <ul style="list-style-type: none"> - Internal Plant Charge - Materials Goods & Services - General Contracts - DWM Funding 	<p style="text-align: right;">21</p> <p style="text-align: right;">23</p> <p style="text-align: right;">(6)</p> <p style="text-align: right;">(20)</p>	<p>Internal Plant Charge increase due to several irregular repairs that were not budgeted.</p> <p>Due to legal requirements the disposal cost of items such as gas cylinders and paints are now being borne by Council.</p> <p>Reduced General Contracts utilisation at O’Dea Depot to offset Materials Goods & Services.</p> <p>Reduction in transfer to Domestic Waste Management Reserve offsetting increased expenditure.</p>
<p>Small variations within Technical Services:</p>	<p style="text-align: right;">9</p>	
<p>Total variation for Technical Services:</p>	<p style="text-align: right;">(100)</p>	
<p>PLANNING & DEVELOPMENT:</p>		
<p><i>Director Planning & Development (401)</i></p> <ul style="list-style-type: none"> - Contributions to Other Organisations 	<p style="text-align: right;">30</p>	<p>Contribution to Paddington Business Partnership as per Council resolution 11 July 2011.</p>
<p><i>Development Control (404):</i></p> <ul style="list-style-type: none"> - Development Application Fees 	<p style="text-align: right;">50</p>	<p>Fees from DAs are linked to the cost of development proposed by individual DAs received. The trend over the last four quarters has been that although actual numbers of DAs have only reduced by some 17%, those DAs have primarily been for minor works, alterations and additions and new dwelling houses, as well as alterations and additions to existing flat buildings, mixed use buildings and change of use. Whilst absorbing the same resources to process, these DAs do not provide Council with the quantum of fees that new residential flat buildings, mixed use buildings and commercial buildings do. For this reason we recommend a revision downward of the forecast by \$50,000.</p>

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
- DA Replacement Fee	(19)	Large one off payment received in the first quarter.
<i>Compliance (406):</i>		
- General Contracts	4	Staffing of the immunisation clinic has been changed to comply with the recommendation of NSW Health. Immunisation Accredited Nurses will be employed in-lieu of a General Practitioner.
- Double Bay BHC Contribution	(4)	Immunisation funding reduced to accommodate the changed staffing arrangements, as recommended by NSW Health.
- Complying Development Certificates	(5)	The number of Complying Development Certificate applications being lodged are above initial estimates due to continuing changes to the State Environmental Planning Policy (Exempt & Complying Codes) 2008.
Small variations within Planning & Development:	4	
Total variation for Planning & Development:	60	
GENERAL MANAGER:		
<i>General Manager (501):</i>		
- Contributions to Other Organisations	(20)	The contribution previously paid to the Double Bay Chamber of Commerce was paid to the Double Bay Partnership last financial year.
<i>Communications (503)</i>		
- Advertising	7	Anticipated increase in cost of Wentworth Courier Notification Page.
Small variations within General Manager	3	
Total variation for General Manager:	(10)	
Total Variance in Operating Budget	(27)	

Capital Budget Review Statement

The Capital Budget Review Statement below presents recommended changes to both capital expenditure and capital funding. The net decrease in total capital expenditure arising from recommended changes is \$61k, details of which are provided below.

Woollahra Council
Budget Review for the quarter ended 30 September 2011
Capital Budget

	ORIGINAL	Approved Changes				Recommended changes	PROJECTED		
	11/12 Budget (000's)	Revotes (000's)	Sept Review (000's)	Dec Review (000's)	REVISE D Budget (000's)		year end result 11/12 (000's)	ACTUAL YTD 11/2 (000's)	% of REVISED Budget
Capital Funding									
Rates and other untied funding	-3,718	0	0	0	-3,718	-58	-3,776	-2,402	64.6
Capital Grants & Contributions	-2,633	-431	0	0	-3,064	371	-2,692	-296	9.6
Transfer from Property Reserve	0	-169	0	0	-169	-150	-319	-14	8.4
Transfer from Section 94A Levies	-1,766	-970	0	0	-2,736	0	-2,736	-399	14.6
T/fr from Environmental & Infrastructure Levy	-3,511	-1,877	0	0	-5,387	-1	-5,389	-1,362	25.3
T/fr from Stormwater management Charge	-480	-202	0	0	-682	0	-682	-111	16.3
T/fer From Loan Funds	0	-161	0	0	-161	0	-161	-6	3.5
Transfer from Infrastructure Renewal Reserve	0	-8	0	0	-8	0	-8	-9	105.8
Transfer from Environmental Levy Reserve	0	-47	0	0	-47	0	-47	-27	57.2
Transfer from Computer Reserve	-724	-25	0	0	-749	0	-749	-283	37.7
Transfer from General Reserve	-22	-151	0	0	-173	-75	-248	-105	60.8
Transfer from Grant Reserve	-17	-812	0	0	-829	1	-829	-122	14.7
Transfer from ELE Reserve	0	-101	0	0	-101	0	-101	-4	4.1
Transfer from Section 94	-80	-50	0	0	-130	12	-118	-15	11.6
T/f from Infrastructure Replacement Reserve	0	-18	0	0	-18	0	-18	-18	100.0
Transfer from DWM Reserve	-553	0	0	0	-553	-2	-555	-26	4.8
Transfer from Revotes Reserve	0	-1,149	0	0	-1,149	0	-1,149	-537	46.8
Computer Equipment Sales	-39	0	0	0	-39	15	-24	0	0.0
Passenger Vehicles Sales	-741	0	0	0	-741	-58	-799	-78	10.5
Light Commercial Vehicle Sales	-80	-18	0	0	-98	-12	-110	-12	12.1
Heavy Vehicles Sales	-257	-50	0	0	-307	-99	-406	0	0.0
Misc. Plant/Equip Sales	-7	0	0	0	-7	-5	-12	-9	130.8
Total Capital Funding	-14,628	-6,238	0	0	-20,866	-61	-20,927	-5,834	28.0
Capital Expenditure									
Traffic Infrastructure	297	324	0	0	621	0	621	161	25.9
Flood Plain Management	65	165	0	0	230	7	237	117	51.0
Open Space Project Management	46	0	0	0	46	0	46	11	24.0
Parks & Reserves	2,514	1,407	0	0	3,921	144	4,064	686	17.5
Playgrounds	240	0	0	0	240	0	240	4	1.6
Sportsfields	235	0	0	0	235	0	235	89	38.0
Streetscapes	383	375	0	0	758	0	758	-19	-2.5
Infrastructure Renewal Program	0	84	0	0	84	-74	10	0	0.0
Environmental Works Program	276	184	0	0	459	-15	444	96	21.0
Stormwater Levy Works	840	179	0	0	1,019	-365	654	88	8.6
Environmental & Infrastructure Works	5,205	2,702	0	0	7,908	-94	7,813	2,219	28.1
Computers & Office Equipment	763	41	0	0	804	-15	789	332	41.3
Commercial/Leased Properties	63	20	0	0	83	15	97	16	19.2
Parks / Ovals Buildings	65	6	0	0	71	-35	36	0	0.0
Depots	20	0	0	0	20	0	20	0	0.0
Council Offices	230	46	0	0	276	1	277	6	2.3
Community Facilities	241	20	0	0	261	143	403	119	45.8
Library Buildings	25	153	0	0	178	37	216	195	109.3
Car Parks	80	0	0	0	80	138	218	109	135.7
Library General	309	173	0	0	481	0	481	250	51.9
Library - Paddington	73	5	0	0	78	0	78	49	62.5
Plant Replacement Program	2,659	355	0	0	3,015	174	3,189	1,306	43.3
Total Capital Expenditure	14,628	6,238	0	0	20,866	61	20,927	5,834	28.0

Details of Recommended Changes

The following table details by Division and Manager the variations recommended in the Capital Budget Review Statement.

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
CAPITAL BUDGET		
CORPORATE SERVICES:		
<i>Information Systems</i>	0	Transfer savings from PC Desktops Replacement Program project to Electronic Records & Document Management System project.
TECHNICAL SERVICES:		
<i>Engineering Services</i>	0	<p>Project variations and transfers in Traffic Infrastructure projects include the following:</p> <ul style="list-style-type: none"> ▪ Increase budget for Rose Bay Floodplain Risk Management Study \$6k to be offset by additional grant funding (\$6k). <p>A number of other small reallocations have been made between projects.</p>
<i>Open Space & Trees</i>	0	<p>Project variations and transfers include the following:</p> <ul style="list-style-type: none"> ▪ Increase budget for Lyne Park Car Park Upgrade \$139k to be offset by additional grant of (\$79k) and transfer of (\$60k) from Water Sensitive Urban Design. ▪ Increase budget for Lyne Park Boat Ramp & Pontoon \$6k to be offset by additional grant funding (\$6k). <p>A number of other small reallocations have been made between projects.</p>
<i>Property & Projects</i>	85	<p>Project variations and transfers include the following:</p> <ul style="list-style-type: none"> ▪ Budget of \$150k for Kiaora Lands to finalise project. Fully funded from Property Reserve (\$150k). ▪ Cross Street Car Park Lift Counterweight & Sheave Repairs costs is expected to be less than estimated (\$12k). Reduce transfer from s94 \$12k. ▪ Double Bay Library Refurbishment \$46k. ▪ Woollahra Kindergarten Disability Access Lift Installation \$75k to be funded from General Reserve (\$75k). ▪ Chiswick Gardens Restaurant building defects rectification \$15k ▪ E J Ward Feasibility Study \$17k <p>A number of other small reallocations have been made between projects.</p>

<i>Capital Projects</i>	0	<p>Project variations & transfers include the following:</p> <ul style="list-style-type: none"> ▪ Village Lower Road Vaocluse Road Reconstruction project budget of \$464k as per C&W Committee Resolution 5 September 2011. Project to be fully funded from Infrastructure Renewal Program (\$80k) and deferred projects Hopetoun Ave & The Crescent (\$65k), OSH Road Vaocluse (\$76k) and Vaocluse Road (\$243k). ▪ Bunyula Road & Boronia Road-Raingardens and Kerb budget of \$207k to be funded from Infrastructure Renewal Program (\$52k), WSUD Sites Stormwater Quality Discharge (\$50k) and Urban Sustainability Grant Program (\$105k). ▪ Unsuccessful grant application for Cecil Lane Paddington Overflow Path Works \$200k. Reduce budget by (\$200k). ▪ Reduce Cooper Creek Sustainable Water Project budget (\$250k) as grant funding was allocated over three years \$250k. ▪ Reduce Woollahra Estuary Management Plan budget (\$60k) as grant funding is \$60k. ▪ Cooper Park Stormwater Harvesting budget of \$92k, fully funded from grant of (\$72k) and transfer from Stormwater Harvesting of (\$20k). ▪ Unsuccessful grant application for Bellevue Road Conduit Scheme Stage 1 \$100k. Reduce budget accordingly (\$100k). ▪ Increase budget for Bunyala Road, Blaxland Road to Latimer Road as per C&W Committee Resolution 18 July 2011 \$88k. Transfer budget from Cutler Footway (\$88k). ▪ Budget for Ocean Street Edgecliff \$64k fully funded from grant funding of (\$64k) ▪ South Street Edgecliff Drainage Works budget of \$40k to be funded from Stormwater CWP (\$40k). Expected to recover from Railcorp. ▪ Streatfield Road Bellevue Hill project to be completed with savings (\$91k). ▪ Increased scope of works for Cascade Street, intersection at Gurner St & Hargrave St requiring an increase of \$81k. <p>A number of other savings and re-allocations have been made between projects.</p>
<i>Plant Replacement</i>	(27)	A net savings from vehicles purchased and vehicles sold and re-allocations have been made across the Plant Replacement budget.
Total Variance in Capital Funds	58	
TOTAL CHANGE IN WORKING FUNDS	31	

In addition to the Income & Expenses and Capital Budget Budget Review Statements 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 report of the proposed variations to forecasts by Manager and Cost Centre.

Cash and Investments Budget Review Statement

The Cash and Investments Budget Review Statement combines Council's restricted cash reserves with total cash and investments from the Balance Sheet to show any impact on unrestricted available cash.

The Cash and Investments Budget Review Statement shown below carries the \$31k total of recommended changes to the Budget through to the Unrestricted and Available Cash Balances. It also shows the various movements in restricted cash recommended in the Budget Review.

The Actual YTD column shows Unrestricted and Available Cash at a level well in excess of the Original Budget and Projected year end result due to the first instalment, and payment in full, of Rates and Annual Charges in the first quarter.

As reported to the Corporate & Works Committee on 17 October 2011, Council's total investment portfolio was invested in accordance with Council's Investment Policy and the bank reconciliation to 30 September had been completed. As reported in the Monthly Financial Report for October 2011, also on this agenda, investments continue to be placed in accordance with Council's Policy and the bank reconciliation to 31 October has been completed.

Woollahra Council
Budget review for the quarter ended 30 September 2011
Cash & Investments

	ORIGINAL		Approved Changes			REVISIED Budget (000's)	Recommended changes for Council Resolution (000's)	PROJECTED year end result 10/11 (000's)	ACTUAL YTD (000's)
	11/12 Budget (000's)	Revotes (000s)	Sept Review (000's)	Dec Review (000's)					
Unrestricted	1,685	0	0	0	1,685	-31	1,654	7,921	
Externally Restricted									
Section 94 Contributions	2,580	-50	0	0	2,530	12	2,542	2,594	
Section 94A Contributions	1,401	-970	0	0	431	0	431	1,743	
Unexpended Grants	1,171	-812	0	0	359	1	359	1,122	
Environmental Levy	47	-47	0	0	0	0	0	46	
Infrastructure Levy	8	-8	0	0	0	0	0	8	
Environmental & Infrastructure Levy	1,907	-1,877	0	0	30	-1	28	2,426	
Stormwater Levy	257	-202	0	0	55	0	55	412	
Domestic Waste	655	0	0	0	655	-22	634	459	
Total Externally Restricted	8,026	-3,967	0	0	4,059	-10	4,049	8,810	
Internally Restricted									
Employee Leave Entitlements	897	-101	0	0	797	0	797	897	
Plant Replacement	178	0	0	0	178	145	323	178	
Insurance	118	0	0	0	118	0	118	118	
Computer	41	-25	0	0	16	0	16	749	
Infrastructure	31	-18	0	0	13	0	13	17	
Election	200	0	0	0	200	0	200	144	
Investments	1,000	0	0	0	1,000	0	1,000	1,000	
Deposits	7,507	0	0	0	7,507	0	7,507	7,507	
Kindergarten	296	0	0	0	296	-89	206	287	
Property	12,234	-169	0	0	12,065	-269	11,796	11,180	
Loan Repayments	13	0	0	0	13	0	13	13	
Loan Funds	195	-161	0	0	35	0	35	193	
Revotes & Rollovers	1,440	-1,440	0	0	0	0	0	856	
Financial Assistance Grant	380	0	0	0	380	0	380	380	
General Reserve	168	-151	0	0	18	-13	5	102	
Total Internally Restricted	24,697	-2,063	0	0	22,633	-225	22,408	23,621	
Total Restricted	32,723	-6,030	0	0	26,693	-235	26,457	32,431	
Total cash and investments	34,408	-6,030	0	0	28,378	-267	28,111	40,352	
Available Cash	1,685	0	0	0	1,685		1,654	7,921	

Notes:

The **available cash** position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by Council for general operations. Internal restrictions are funds that Council has determined will be used for a specific future purpose.

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISIED Budget

REVISIED Budget +/- recommended changes this quarter = PROJECTED year end result

Budget Review Contracts and Other Expenses Statement

The Budget Review Contracts and Other Expenses Statement requires Council to disclose 'Contracts' and 'Consultancy and Legal Expenses' as part of the Quarterly Budget Review. Councillors are currently made aware of tenders of \$120,000 or more, however Councillors will now be made aware of other contracts that meet the reporting guidelines.

As per requirements set out by the Division of Local Government, the Contracts disclosure includes:

- Contracts that were entered into during the quarter under review but have not been fully performed or completed; and
- Have a value equal to or more than \$50,000, (or, 1% of Council's estimated income from continuing operations).

Contracts for employment and contracts entered into from Council's "preferred contracts list" are not included.

The consultancy and legal expenses disclosure shows year to date budget and year to date expenditure for these items.

Annexure 4 provides the of Budget Review Contracts and Other Expenses Statement as required by the Guidelines.

Utilisation of improved Working Funds result 30 June 2011

In adopting the recommendations relating to the 2010/2011 Year End Budget Result report considered by the Corporate & Works Committee on 17 October 2011, the Committee resolved, in part:

- D. The improved working funds position be further considered in conjunction with the September Review of the 2011/2012 Budget*

As a reminder to the Committee, the year-end working funds position was \$444k higher than forecast and above benchmark. No further consideration of this improved working funds position from June 2011 is proposed at this budget review given the uncertainty surrounding the income forecasts associated with the Carparks Tender matter referred to previously in the report.

Also as previously mentioned, the Mayor and Councillors will be kept informed of the progress of the Carparks Tender litigation with this information to be used to vary income forecasts in future budget reviews as appropriate.

Conclusion:

The September quarterly review forecasts an increase in Council's working funds position for 2011/12 of \$37,186 which comprises the original budget result, including rollovers, of \$68,240 and a deficit of \$31,054 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 a decrease in our operating result of \$351,117. The major changes giving rise to this variation have been detailed in the report. The Balance Sheet (**Annexure 1**) shows liquidity remaining at 2.17:1 with working funds position at \$2,573,037.

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 satisfactory at 30 June 2012.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

Annexures:

1. Forecast Balance Sheet for the year ending 30 June 2012
2. Forecast Reserve Levels as at 30 June 2012
3. Revised Forecasts of Expenditure and Income by Manager and Cost Centre
4. Budget Review Contracts and Other Expenses Statement
5. **Confidential Annexure** - Copy of Confidential Memorandum from General Manager dated 20 October 2011 - (*Distributed Separately*)

ANNEXURE 1

BUDGET 2011/2012

Balance Sheet

	Actual 10/11	10/11 Revotes	Revote & Rollovers into 11/12	11/12 Budget	Original Budget & Revotes	September Review 11/12	September Review 11/12
Current Assets							
Cash & Investments	33,406,470	-6,030,039	27,376,431	675,213	27,377,908	-266,515	27,111,393
Receivables	5,751,437		5,751,437		5,900,000		5,900,000
Inventories & Other Assets	172,059		172,059		240,000		240,000
Other	917,769		917,769		1,275,000		1,275,000
	40,247,734	-6,030,039	34,217,695	675,213	34,792,908	-266,515	34,526,393
Current Liabilities							
Payables	18,415,761		18,415,761		18,315,761		18,315,761
Interest Bearing Liabilities	872,836		872,836	71,262	944,098		944,098
Provisions	8,617,309		8,617,309	-44,000	8,573,309		8,573,309
	27,905,906	0	27,905,906	27,262	27,833,168	0	27,833,168
NET CURRENT ASSETS	12,341,828	-6,030,039	6,311,789	647,951	6,959,740	-266,515	6,693,225
Non-Current Assets							
Receivables	105,734		105,734		105,734		105,734
Investments	1,000,000		1,000,000		1,000,000		1,000,000
Investment Properties	19,075,000		19,075,000		19,075,000		19,075,000
Property, Plant & Equipment	583,265,260	6,237,627	589,502,887	3,097,074	592,599,961	-84,602	592,515,359
	603,445,994	6,237,627	609,683,621	3,097,074	612,780,695	-84,602	612,696,093
Non-Current Liabilities							
Payables	0		0		0		0
Interest Bearing Liabilities	5,979,313		5,979,313	-944,098	5,035,215		5,035,215
Provisions	216,484		216,484	44,000	260,484		260,484
	6,195,797	0	6,195,797	-900,098	5,295,700	0	5,295,700
NET ASSETS	609,592,025	207,588	609,799,613	4,645,123	614,444,736	-351,117	614,093,619
EQUITY							
Opening Equity	495,338,931		609,592,025		609,592,025		609,592,025
Asset Revaluation Reserves	106,812,286						
Operating Result	7,440,808		207,588		4,852,711		4,501,594
Closing Equity	609,592,025	0	609,799,613	0	614,444,736	0	614,093,619
Working Funds							
Current Assets	12,341,828		6,311,789		6,959,740		6,693,225
ADD:							
Current Prov'n for ELE	8,617,309		8,617,309		8,573,309		8,573,309
Current Deposits	11,819,548		11,819,548		11,819,548		11,819,548
Current Loan Liability	872,836		872,836		944,098		944,098
LESS:							
External Restrictions *	-8,008,328		-4,041,511		-4,059,141		-4,048,950
Internal Restrictions **	-23,107,342		-21,044,120		-21,633,463		-21,408,193
	2,535,851	0	2,535,851	0	2,604,091	0	2,573,037
Movement in Working Funds			0		68,240		-31,054
Unrestricted Current Ratio	2.28		2.13		2.18		2.17

* After Notional Fair Value Adjustment

** After Notional Fair Value and non-current investment adjustment

WOOLLAHRA MUNICIPAL COUNCIL
Forecast Restricted Cash Balances - 30th June 2012

Externally Restricted Cash							REVOTES		ORIGINAL BUDGET				SEPTEMBER REVIEW		
	Purpose	Gross Restricted Cash Balance June 10	Notional Fair Value Adj. ¹	Closing Balance Jun 10 ¹ Notionally adjusted for FV	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 12	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 12	September 2011 Fair Value Adj	Transfer To	Transfers From
Section 94 Contributions	3,904,498	1,324,102	2,580,396			50,206	2,530,190		80,000	80,000	2,530,190			-12,000	2,542,190
Section 94A Contributions	2,161,941	595,000	1,566,941			970,043	596,898	1,700,000	50,000	1,916,353	430,545				430,545
Unexpended Grants	1,188,071		1,188,071			812,419	375,652			17,000	358,652			-819	359,471
Environmental Levy	46,697		46,697			46,696	1				1				1
Infrastructure Levy	8,328		8,328			8,328	0				0				0
Environmental & Infrastructure Levy	1,902,374		1,902,374			1,876,829	25,545	3,514,653		3,510,500	29,698			1,400	28,298
Stormwater Levy	257,019		257,019			202,296	54,723	480,000		480,000	54,723				54,723
Domestic Waste	902,295	443,794	458,501			458,501	750,000	750,000		553,170	655,331		-19,800	1,810	633,721
	10,371,224	2,362,896	8,008,328	0	0	3,966,817	4,041,511	6,444,653	130,000	6,557,023	4,059,141	0	-19,800	-9,609	4,048,950

Internally Restricted Cash

Purpose	Gross Restricted Cash Balance June 10	Notional Fair Value Adj. ¹	Closing Balance Jun 10 ¹ Notionally adjusted for FV	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 12	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 12	September 2011 Fair Value Adj	Transfer To	Transfers From	Closing Balance Jun 12
Employee Leave Entitlements	1,482,220	584,844	897,376			100,761	796,615				796,615				796,615
Plant Replacement	250,958	73,412	177,546				177,546				177,546		145,409		322,955
Insurance	246,884	128,830	118,054				118,054				118,054				118,054
Computer	764,993		764,993			24,570	740,423			724,000	16,423				16,423
Infrastructure	523,411	492,802	30,609			17,781	12,828				12,828				12,828
Election	125,000	0	125,000				125,000	75,000			200,000				200,000
Investments	1,000,000	0	1,000,000				1,000,000				1,000,000				1,000,000
Deposits	7,506,953	0	7,506,953				7,506,953				7,506,953				7,506,953
Kindergarten	330,401	53,052	277,349				277,349	40,343		22,000	295,692			89,218	206,474
Property	17,636,793	6,623,126	11,013,667			168,970	10,844,697	1,220,000			12,064,697	118,750		150,000	11,795,947
Loan Repayments	12,711	0	12,711				12,711				12,711				12,711
Loan Funds	195,039	0	195,039				160,522				34,517				34,517
Revotes & Rollovers	1,439,730	0	1,439,730			1,439,730	0				0				0
Financial Assistance Grant	379,879	0	379,879				379,879				379,879				379,879
General Reserve	283,857	115,421	168,436			150,888	17,548				17,548			12,711	4,837
	32,178,829	8,071,487	24,107,342	0	0	2,063,222	22,044,120	1,335,343	0	746,000	22,633,463	118,750	145,409	251,929	22,408,193

Total Restricted Cash	42,550,053	10,434,383	32,115,670	0	0	6,030,039	26,085,631	7,779,996	130,000	7,303,023	26,692,604	118,750	125,609	242,320	26,457,143
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1) Notional fair value adjustments were made at 30 June 2011 and will be reviewed at year end in light of reserve utilisation less any fair value adjustments to 30 June 2012

Budget Review by Manager and Cost Centre

as at 30 September 2011

	<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>						
<u>502 Community Services Management</u>						
Expenditure	1,016,671	1,053,221	997,497	95	8,030	1,061,251
Income	-21,421	-21,421	-2,979	14	0	-21,421
<i>103 Community Liaison Coordinator</i>						
<u>504 Community Liaison</u>						
Expenditure	152,099	152,099	41,688	27	0	152,099
Income	0	0	0	-	0	0
<u>505 Venue Hire</u>						
Expenditure	142,128	142,128	21,976	15	5,280	147,408
Income	-172,320	-172,320	-57,687	33	-14,992	-187,312
<i>104 Library Services</i>						
<u>512 Library Information Services</u>						
Expenditure	346,874	361,572	69,173	19	3,000	364,572
Income	-6,000	-6,000	-808	13	0	-6,000
<u>513 Library - Paddington Service</u>						
Expenditure	419,435	419,435	98,406	23	0	419,435
Income	-223,561	-223,561	-2,079	1	4,442	-219,119
<u>515 Library Admin. Collection Support</u>						
Expenditure	611,761	626,311	166,608	27	0	626,311
Income	-139,952	-139,952	-101	0	0	-139,952
<u>516 Library Lending Services</u>						
Expenditure	452,822	459,222	124,840	27	0	459,222
Income	-63,000	-63,000	-9,095	14	0	-63,000
<u>517 Community Learning</u>						
Expenditure	396,055	449,299	94,522	21	0	449,299
Income	-16,600	-16,600	-1,000	6	0	-16,600
<u>518 Resource Management</u>						
Expenditure	680,646	680,646	197,598	29	0	680,646
Income	-3,000	-3,000	-258	9	0	-3,000
<i>105 Family & Community Development</i>						
<u>521 Community Development</u>						
Expenditure	567,514	570,218	173,604	30	800	571,018
Income	-37,726	-37,726	-9,287	25	-800	-38,526
<u>523 Preschool</u>						
Expenditure	863,187	868,187	218,384	25	16,218	884,405
Income	-863,187	-863,187	-250,647	29	-17,813	-881,000
<u>525 Woollahra Community Centre</u>						
Expenditure	190,140	190,140	50,695	27	0	190,140
Income	-70,132	-70,132	-20,096	29	-8,000	-78,132
<i>107 Cultural Development</i>						
<u>503 Cultural Development</u>						
Expenditure	240,277	240,277	49,014	20	0	240,277
Income	-54,000	-54,000	-29,746	55	0	-54,000

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
201 Director Corporate Services						
<u>771 Corporate Services Management</u>						
Expenditure	311,259	311,259	68,145	22	0	311,259
Income	-20,731	-20,731	-3,562	17	0	-20,731
202 Risk Management						
<u>731 Risk Management</u>						
Expenditure	493,808	493,808	145,538	29	7,347	501,155
Income	-22,241	-22,241	-5,550	25	0	-22,241
<u>732 Public Liability/Professional Indemnity</u>						
Expenditure	1,175,000	1,175,000	907,448	77	0	1,175,000
Income	-60,237	-60,237	-1,425	2	-11,965	-72,202
<u>733 Workers' Compensation</u>						
Expenditure	1,394,000	1,394,000	540,626	39	0	1,394,000
Income	-313,193	-313,193	-64,648	21	0	-313,193
<u>734 Motor Vehicle Insurance</u>						
Expenditure	338,000	338,000	214,653	64	3,000	341,000
Income	-85,502	-85,502	-18,029	21	0	-85,502
<u>735 Council's Property Insurance</u>						
Expenditure	317,000	317,000	300,404	95	29,650	346,650
Income	-44,670	-44,670	-32,753	73	-29,650	-74,320
203 Governance						
<u>711 Elected Officials</u>						
Expenditure	702,310	702,310	239,082	34	2,200	704,510
Income	0	0	0	-	0	0
<u>712 Governance</u>						
Expenditure	792,280	792,280	200,712	25	0	792,280
Income	-16,034	-16,034	-3,301	21	0	-16,034
<u>713 Records Management</u>						
Expenditure	566,731	566,731	131,203	23	0	566,731
Income	-15,935	-15,935	-2,372	15	0	-15,935
205 Finance						
<u>721 Finance</u>						
Expenditure	1,146,867	1,154,367	311,023	27	1,165	1,155,532
Income	-71,057	-71,057	-13,908	20	0	-71,057
<u>722 Rates</u>						
Expenditure	618,742	618,742	134,392	22	0	618,742
Income	-387,487	-387,487	-85,109	22	-5,000	-392,487
<u>800 Statutory Contributions</u>						
Expenditure	4,515,402	4,515,402	617,823	14	-1,935	4,513,467
Income	-1,700,000	-1,700,000	-331,402	19	0	-1,700,000
<u>801 Untied Grants</u>						
Expenditure	0	0	0	-	0	0
Income	-1,673,000	-1,673,000	-286,743	17	7,789	-1,665,211
<u>802 Interest on Investments</u>						
Expenditure	860,000	860,000	1,378	0	-3,500	856,500
Income	-2,360,000	-2,360,000	30,315	-1	-40,000	-2,400,000
<u>803 General Rate Income</u>						
Expenditure	3,994,653	3,994,653	0	0	0	3,994,653
Income	-	-	-	-	-	-
Income	32,869,249	32,869,249	32,755,626	100	56,000	32,813,249
<u>804 Debt Servicing</u>						

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Expenditure	1,379,558	1,379,558	-33,691	-2	0	1,379,558
Income	-150,000	-150,000	0	0	-12,711	-162,711
<i>206 Organisational Development & Human Resources</i>						
<i>741 Organisational Development & Human Resources</i>						
Expenditure	868,796	868,796	235,437	27	25,000	893,796
Income	-122,719	-122,719	-20,765	17	0	-122,719
<i>742 Corporate Training</i>						
Expenditure	350,050	359,230	83,803	23	0	359,230
Income	-29,535	-29,535	-3,634	12	0	-29,535
<i>743 Recruitment</i>						
Expenditure	138,684	138,684	44,908	32	0	138,684
Income	-11,296	-11,296	-2,824	25	0	-11,296
<i>207 Information Systems</i>						
<i>751 Information Technology Management</i>						
Expenditure	958,785	958,785	207,544	22	0	958,785
Income	-25,795	-25,795	-6,712	26	0	-25,795
<i>752 Information Systems</i>						
Expenditure	682,000	682,000	291,571	43	0	682,000
Income	-37,113	-37,113	-3,188	9	0	-37,113
<i>753 Network - Telecommunications</i>						
Expenditure	178,800	178,800	68,642	38	0	178,800
Income	-3,353	-3,353	-838	25	0	-3,353
<i>209 Customer Service</i>						
<i>611 Customer Service</i>						
Expenditure	1,126,550	1,126,550	280,360	25	0	1,126,550
Income	-297,032	-297,032	-74,258	25	0	-297,032
<i>301 Director Technical Services</i>						
<i>781 Technical Services Management</i>						
Expenditure	420,013	420,013	77,997	19	0	420,013
Income	-22,995	-22,995	-5,766	25	0	-22,995
<i>302 Engineering Services</i>						
<i>142 Infrastructure Development Assessment</i>						
Expenditure	232,928	232,928	74,360	32	2,608	235,536
Income	0	0	0	-	0	0
<i>321 Traffic Investigation & Reports</i>						
Expenditure	378,114	381,814	68,940	18	457	382,271
Income	-500,000	-500,000	-224,624	45	0	-500,000
<i>333 Parking Meters</i>						
Expenditure	218,880	218,880	56,555	26	0	218,880
Income	-1,700,000	-1,700,000	-350,708	21	0	-1,700,000
<i>341 Street Lighting</i>						
Expenditure	1,408,000	1,408,000	233,793	17	0	1,408,000
Income	-298,000	-298,000	0	0	0	-298,000
<i>782 Engineering Services Management</i>						
Expenditure	146,589	146,589	11,513	8	-3,065	143,524
Income	-119,120	-119,120	-27,130	23	0	-119,120
<i>784 Engineering Design</i>						
Expenditure	109,160	109,160	29,299	27	0	109,160
Income	-240	-240	-40	16	0	-240
<i>785 Asset Management</i>						

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
<i>303 Civil Works & Infrastructure</i>						
<u>220 Civil Works Overheads</u>						
Expenditure	0	0	16,151	-	0	0
Income	0	0	0	-	0	0
<u>308 Civil Works - Area A</u>						
Expenditure	478,096	478,096	100,413	21	0	478,096
Income	0	0	0	-	0	0
<u>309 Civil Works - Area B</u>						
Expenditure	508,323	508,323	136,414	27	0	508,323
Income	0	0	-516	-	0	0
<u>310 Civil Works - Reactive Works</u>						
Expenditure	652,608	664,608	121,540	18	0	664,608
Income	0	0	-30	-	0	0
<u>313 Infrastructure Assets Depreciation</u>						
Expenditure	5,506,500	5,506,500	1,407,372	26	0	5,506,500
Income	0	0	0	-	0	0
<u>316 Restorations</u>						
Expenditure	779,764	779,764	300,482	39	0	779,764
Income	-1,034,950	-1,034,950	-187,175	18	0	-1,034,950
<u>319 Civil Works Management & Admin</u>						
Expenditure	291,465	291,465	84,834	29	0	291,465
Income	-102,200	-102,200	-19,496	19	0	-102,200
<u>785 Asset Management</u>						
Expenditure	154,387	154,387	47,952	31	0	154,387
Income	0	0	-90	-	0	0
<u>791 Fletcher Street Depot Operations</u>						
Expenditure	115,931	115,931	28,460	25	0	115,931
Income	0	0	0	-	0	0
<i>304 Open Space & Trees</i>						
<u>231 Trees Maintenance</u>						
Expenditure	514,105	514,105	136,906	27	0	514,105
Income	-120	-120	-30	25	0	-120
<u>232 Proactive Trees Maintenance</u>						
Expenditure	303,791	303,791	83,450	27	0	303,791
Income	0	0	0	-	0	0
<u>235 Trees View Pruning Service</u>						
Expenditure	47,419	47,419	7,586	16	0	47,419
Income	-61,000	-61,000	-7,291	12	0	-61,000
<u>411 Public Open Space Management</u>						
Expenditure	310,208	310,208	64,823	21	0	310,208
Income	-419,355	-419,355	-145,345	35	-11,684	-431,039
<u>412 Tree Management</u>						
Expenditure	327,183	327,183	90,096	28	0	327,183
Income	-51,355	-51,355	-13,736	27	0	-51,355
<u>413 Public Open Space Planning & Asset Manag</u>						
Expenditure	363,163	406,331	124,176	31	0	406,331
Income	-240	-240	0	0	0	-240
<u>426 Quarry Street Depot Operations</u>						
Expenditure	187,000	187,000	47,178	25	2,000	189,000
Income	0	0	0	-	0	0
<u>427 Parks and Street Trees Management</u>						

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Expenditure	667,986	667,986	144,180	22	0	667,986
Income	-590	-590	-150	25	0	-590
431 Bush Regeneration						
Expenditure	584,428	584,428	159,212	27	10,000	594,428
Income	0	0	0	-	0	0
452 Parks Area Team East						
Expenditure	604,927	604,927	169,376	28	3,000	607,927
Income	0	0	0	-	0	0
454 Parks Area Team West						
Expenditure	724,170	724,170	209,870	29	6,000	730,170
Income	-355	-355	-90	25	0	-355
455 Horticultural Projects						
Expenditure	594,593	594,593	228,985	39	-7,000	587,593
Income	0	0	0	-	0	0
783 Sustainability Projects						
Expenditure	224,123	227,642	49,298	22	0	227,642
Income	-81,710	-81,710	-60	0	0	-81,710
306 Property and Projects Management						
315 Traffic Devices - Signs						
Expenditure	110,521	110,521	25,817	23	0	110,521
Income	-88,345	-88,345	-31,632	36	0	-88,345
331 Property Maintenance - Carparks						
Expenditure	773,549	773,549	274,866	36	-18,230	755,319
Income	-2,382,000	-2,382,000	-307,700	13	0	-2,382,000
441 Parks/Ovals Buildings Maint & Repairs						
Expenditure	930,889	930,889	273,187	29	779	931,668
Income	-10,000	-10,000	-1,140	11	0	-10,000
442 Property Maintenance - Tennis Courts						
Expenditure	11,830	11,830	518	4	0	11,830
Income	0	0	0	-	0	0
443 Property Maintenance - Public Toilets						
Expenditure	82,689	82,689	14,877	18	0	82,689
Income	0	0	0	-	0	0
514 Property Maintenance - Libraries						
Expenditure	219,989	252,689	111,075	44	0	252,689
Income	0	0	0	-	0	0
524 Property Maintenance - Community Facilities						
Expenditure	285,828	285,828	112,964	40	3,701	289,529
Income	-19,220	-19,220	-4,761	25	0	-19,220
761 Property Services						
Expenditure	350,013	350,013	93,201	27	-20,000	330,013
Income	0	0	-60	-	0	0
762 Property Projects						
Expenditure	184,014	184,014	45,629	25	0	184,014
Income	0	0	-48	-	0	0
763 Property Maintenance - Depots						
Expenditure	118,548	118,548	31,614	27	0	118,548
Income	0	0	0	-	0	0
764 Restaurants/Other Commercial						
Expenditure	128,679	128,679	39,365	31	16,400	145,079
Income	-20,000	-20,000	-5,094	25	0	-20,000
765 Property Maintenance - Council Offices						
Expenditure	863,658	863,658	236,825	27	0	863,658

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Income	0	0	0	-	0	0
767 Property Maintenance - Trades Support						
Expenditure	308,464	308,464	104,067	34	0	308,464
Income	0	0	-60	-	0	0
768 Property Management						
Expenditure	429,673	429,673	118,654	28	25,000	454,673
Income	-2,876,800	-2,876,800	-708,709	25	-128,980	-3,005,780
769 Property Mtce - Street Furniture & Fence						
Expenditure	168,297	168,297	46,677	28	0	168,297
Income	0	0	0	-	0	0
307 Depot and Waste Services						
241 Waste Services Domestic						
Expenditure	9,362,132	9,362,132	2,107,991	23	0	9,362,132
Income	-9,362,132	-9,362,132	-9,316,257	100	0	-9,362,132
242 Waste Services Trade						
Expenditure	1,300,151	1,300,151	268,136	21	10,376	1,310,527
Income	-1,606,000	-1,606,000	-446,257	28	0	-1,606,000
246 Waste Services Recycling						
Expenditure	1,425,000	1,425,000	121,153	9	0	1,425,000
Income	-1,425,000	-1,425,000	-356,250	25	0	-1,425,000
247 Waste Services Garden Refuse						
Expenditure	913,627	913,627	180,811	20	7,500	921,127
Income	-913,627	-913,627	-227,883	25	-7,500	-921,127
248 Waste Services Supervision						
Expenditure	343,206	343,206	97,194	28	0	343,206
Income	-283,529	-283,529	-70,942	25	0	-283,529
249 Waste Projects						
Expenditure	247,980	247,980	44,554	18	0	247,980
Income	-231,693	-231,693	-57,953	25	0	-231,693
251 Street Cleaning General						
Expenditure	1,930,087	1,930,087	494,147	26	0	1,930,087
Income	-599,295	-599,295	-185,054	31	0	-599,295
421 Business Centres Streetscape Maintenance						
Expenditure	2,119,471	2,119,471	517,217	24	0	2,119,471
Income	0	0	-90	-	0	0
723 Purchasing/Stores						
Expenditure	241,399	241,399	60,863	25	0	241,399
Income	-32,085	-32,085	-8,021	25	0	-32,085
792 Depot & Waste Services Management & Admin						
Expenditure	161,646	161,646	44,636	28	0	161,646
Income	-24,247	-24,247	-6,122	25	0	-24,247
793 O'Dea Ave Depot Operations						
Expenditure	310,668	310,668	87,498	28	17,000	327,668
Income	-108,455	-108,455	-27,263	25	-8,500	-116,955
794 Plant Workshop						
Expenditure	328,514	328,514	89,866	27	0	328,514
Income	-36,958	-36,958	-9,350	25	0	-36,958
795 SES						
Expenditure	50,722	50,722	12,902	25	0	50,722
Income	0	0	0	-	0	0
796 Plant Operations						
Expenditure	0	0	7,364	1,888,087	0	0
Income	-349,520	-349,520	-99,094	28	0	-349,520

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
401 Director Planning & Development						
<u>171 Planning & Development Management & Admin</u>						
Expenditure	452,967	452,967	116,785	26	30,000	482,967
Income	-11,900	-11,900	-3,069	26	0	-11,900
402 Strategic Planning						
<u>111 Environmental Planning</u>						
Expenditure	633,190	674,190	160,614	24	0	674,190
Income	-120	-120	-619	516	-750	-870
<u>121 Heritage Planning</u>						
Expenditure	215,859	215,859	59,580	28	2,000	217,859
Income	0	0	-104	-	-150	-150
<u>131 Urban Design</u>						
Expenditure	104,155	104,155	32,742	31	0	104,155
Income	0	0	0	-	0	0
<u>161 Certificates Processing</u>						
Expenditure	80,083	80,083	20,584	26	0	80,083
Income	-539,200	-539,200	-115,662	21	0	-539,200
404 Development Control						
<u>141 Development Control</u>						
Expenditure	3,325,473	3,325,473	888,626	27	0	3,325,473
Income	-1,470,500	-1,470,500	-297,461	20	31,000	-1,439,500
406 Compliance						
<u>151 Building & Compliance</u>						
Expenditure	1,146,807	1,146,807	333,457	29	1,500	1,148,307
Income	-717,850	-717,850	-139,329	19	-4,500	-722,350
<u>152 Fire Safety Management</u>						
Expenditure	160,902	160,902	44,606	28	0	160,902
Income	-90,000	-90,000	-25,415	28	0	-90,000
<u>332 Ranger Services Parking Enforcement</u>						
Expenditure	1,868,945	1,868,945	357,236	19	0	1,868,945
Income	-4,720,000	-4,720,000	-876,899	19	0	-4,720,000
<u>530 Immunisation</u>						
Expenditure	14,266	14,266	3,315	23	-4,000	10,266
Income	-11,000	-11,000	-2,597	24	4,000	-7,000
<u>531 Environment & Public Health Services</u>						
Expenditure	398,266	398,266	101,047	25	650	398,916
Income	-75,038	-75,038	-12,898	17	-250	-75,288
<u>532 Ranger Services</u>						
Expenditure	397,786	397,786	72,791	18	0	397,786
Income	-105,000	-105,000	-33,424	32	0	-105,000
<u>533 Animal Control</u>						
Expenditure	113,215	113,215	33,870	30	0	113,215
Income	-20,000	-20,000	-1,910	10	0	-20,000
501 General Manager						
<u>621 Business Centre Support</u>						
Expenditure	202,000	202,000	9,572	5	-20,000	182,000
Income	0	0	-783	-	0	0
<u>770 Executive</u>						
Expenditure	461,215	461,215	111,909	24	0	461,215
Income	-18,868	-18,868	-4,730	25	0	-18,868
503 Communications						

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
612 Communications						
Expenditure	575,611	580,611	154,056	27	10,100	590,711
Income	-13,531	-13,531	-3,413	25	0	-13,531
708 Infrastructure Renewal Program						
350 Capital Projects Management						
Expenditure	226,560	226,560	100,855	45	0	226,560
Income	0	0	-82	-	0	0
Operating Budget Total Variation					-26,983	

CAPITAL BUDGET						
104 Library Services						
950 Library General						
Expenditure	308,780	481,447	263,369	55	0	481,447
Income	0	-111,118	0	0	0	-111,118
951 Library - Double Bay						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
953 Library - Paddington						
Expenditure	72,600	77,841	53,071	68	0	77,841
Income	0	0	0	-	0	0
207 Information Systems						
981 Computers & Office Equipment						
Expenditure	763,000	803,550	332,125	41	-15,000	788,550
Income	-763,000	-787,570	-1,588	0	15,000	-772,570
302 Engineering Services						
933 Traffic Infrastructure						
Expenditure	297,000	621,165	160,910	26	49	621,214
Income	-48,500	-139,881	-29,111	21	-49	-139,930
935 Flood Plain Management						
Expenditure	65,000	229,992	117,304	51	6,667	236,659
Income	-33,333	-188,702	-1,543	1	-6,667	-195,369
945 Streetscapes						
Expenditure	383,000	757,600	-19,077	-3	0	757,600
Income	-283,000	-657,600	-220	0	0	-657,600
304 Open Space & Trees						
938 Open Space Capital Works Project Management						
Expenditure	46,353	46,353	11,143	24	0	46,353
Income	-46,353	-46,353	-6,553	14	0	-46,353
939 Parks & Reserves						
Expenditure	2,514,000	3,920,646	685,754	17	143,670	4,064,316
Income	-2,337,204	-3,641,592	-182,565	5	-143,670	-3,785,262
941 Playgrounds						
Expenditure	240,000	240,000	3,815	2	0	240,000

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Income	-240,000	-240,000	0	0	0	-240,000
942 Sportsfields						
Expenditure	235,000	235,000	89,276	38	0	235,000
Income	-235,000	-235,000	0	0	0	-235,000
306 Property and Projects Management						
982 Commercial/Leased Properties						
Expenditure	62,500	82,500	15,871	19	14,588	97,088
Income	0	-15,000	0	0	-1,400	-16,400
984 Parks / Ovals Buildings						
Expenditure	64,500	70,760	0	0	-34,500	36,260
Income	0	0	0	-	0	0
985 Depots						
Expenditure	20,000	20,000	0	0	0	20,000
Income	0	0	0	-	0	0
986 Council Offices						
Expenditure	230,000	275,893	6,380	2	1,380	277,273
Income	0	-9,904	0	0	0	-9,904
987 Community Facilities						
Expenditure	241,000	260,500	119,235	46	142,500	403,000
Income	-182,000	-182,000	0	0	-75,000	-257,000
988 Library Buildings						
Expenditure	25,000	178,160	194,747	109	37,448	215,608
Income	0	-71,721	-6,338	9	0	-71,721
989 Car Parks						
Expenditure	80,000	80,000	108,573	136	138,000	218,000
Income	-80,000	-80,000	0	0	-138,000	-218,000
307 Depot and Waste Services						
990 Plant Replacement Program						
Expenditure	2,659,490	3,014,554	1,329,688	44	174,487	3,189,041
Income	-1,638,220	-1,706,220	-124,896	7	-201,466	-1,907,686
707 Environmental Works Program						
959 Environmental Works Program						
Expenditure	275,500	459,238	96,413	21	-15,350	443,888
Income	-260,500	-431,293	-33,017	8	15,350	-415,943
708 Infrastructure Renewal Program						
949 Infrastructure Renewal Program						
Expenditure	0	83,599	0	0	-73,961	9,638
Income	0	-75,943	0	0	73,961	-1,982
968 Stormwater Levy Works						
Expenditure	840,000	1,019,351	87,965	9	-365,000	654,351

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Income	-840,000	-1,019,351	-1,384	0	365,000	-654,351
969 Environmental & Infrastructure Program						
Expenditure	5,205,466	7,907,667	2,219,291	28	-94,171	7,813,496
Income	-3,923,262	-6,359,934	-465,544	7	94,171	-6,265,763
Capital Budget Total Variation					58,037	
TOTAL PROPOSED VARIATION					31,054	

Woollahra Council

Budget review for the quarter ended - 30 September 2011

Contracts

Contractor	Contract detail & purpose	Contract value	Commencement date	Duration of contract	Budgeted (Y/N)	Explanation if not included in the budget
MANOEUVRE MOW PTY LTD	Turf Renovation Works Woollahra Park 2/314,500m2 Blecovating @ \$0.44m2 Kikuyu turf @\$3.85m2 Topdress Sand @ \$0.86m2	100,000	26/09/2011	11 Weeks	Y	
STATELINE ASPHALT	Rehabilitation of Aston Place Bellevue Hill	36,410	15/08/2011	3 Weeks	Y	
GARY BLUMBERG & ASSOCIATES PTY LTD	Design Detail - Lyne Park Seawall	69,920	4/10/2011	14 Weeks	Y	
MELHEM CORP PTY LTD	Hopetoun Ave Petrach Steps Footpath Widening project (Footpath Reconstruction)	102,872	26/09/2011	4 Weeks	Y	
GARWOOD INTERNATIONAL PTY LTD	Volvo Compactor - 8cm Compactor as per quote	107,378	Jul 11	1 day	Y	
SUNDRY CREDITOR 2011/2012 - "THE LIFT SHOP"	Supply & install Freedomlift with shaft at Woollahra Preschool	61,000	Christmas Holidays	3-4 Weeks	Y	As per Council Resolution 25 July 2011.
CADWELL CONSTRUCTION AND INTERIORS	Double Bay Library. Demolition works, joinery works, painting works & additional joinery to shelf.	67,000	Aug 11	5 Weeks	Y	

Notes

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser.
2. Contracts to be listed are those entered into during the quarter and have yet to be fully performed, excluding contractors that are on Council's preferred supplier list).
3. Contracts for employment are not required to be included.
4. Where a contract for services etc was not included in the budget, an explanation is to be given (or reference made to an explanation in another Budget Review Statement).

This disclosure forms part of Woollahra Council's Quarterly Budget Review and should be read in conjunction with other documents in the Quarterly Budget Review.

Woollahra Council

Budget review for the quarter ended - 30 September 2011

Consultancy and Legal expenses

Expense	Budget YTD \$	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	225,216	165,830	Y
Legal Fees	234,250	179,141	Y
Total Consultancies & Legal Fees	459,466	344,971	

Definition of consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision-making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

NOTES:

Council engages consultants as part of delivering capital projects but does not budget specifically for them, rather budgets for the project as a whole. To avoid distorting budget and year to date expenditures above, they have been limited to Council's operating budget. Where any expenses for Consultancy or Legal fees have not been budgeted for, an explanation is provided below.

This disclosure forms part of Woollahra Council's Quarterly Budget Review and should be read in conjunction with other documents in the Quarterly Budget Review.

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

