



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 20 February 2006*

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).

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.

Quarterly review of Council's Management 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 Minutes of its Meeting.

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 below.

Recommendation only to the Full Council ("R" Items):

Such matters as are specified in Section 377 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; - Delegations.
- Adoption of Council's Management Plans; - Policies.
- Quality Service/Communications; - Tenders.
- Leases.
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

16 February 2006

To: His Worship the Mayor, Councillor Petrie, ex-officio
Councillors John Walker (Chair)
 Claudia Cullen
 Marcus Ehrlich
 Tanya Excell
 Wilhelmina Gardner
 Keri Huxley
 Fiona Sinclair King

Dear Councillors

Corporate & Works Committee Meeting – 20 February 2006

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 20 February 2006 at 6.00pm.**

Gary James
General Manager

Meeting Agenda

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

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 6 February 2006	1
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Items to be Submitted to the Council for Decision with Recommendations from this Committee

R1	7A & 9A Cooper Park Road, Bellevue Hill – 620.G Part 4 Note: Confidential Annexure circulated separately	2
R2	Review of Ward Boundaries – 12.G	12
R3	Infrastructure & Environmental Projects Funding Options – 331.G 2006/2007	28
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R5	2005/2006 Budget Review for Quarter ending 31 December 2005 Note: Report circulated separately on Friday 17 February 2006	69

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 6 February 2006**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 6 February 2006 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 6 February 2006 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: R1 Recommendation to Council
Subject: 7A & 9A Cooper Park Road, Bellevue Hill
Author: Zubin Marolia – Manager Property & Projects
File No: 620.G Part 4
Reason for Report: To seek Council approval to extinguish the Council right of way over neighbouring property 7a Cooper Park Road

Recommendation:

- A. That approval be granted to the extinguishment of the Council's right of way over neighbouring property 7A Cooper Park Road.
- B. That Council accept the offer of \$30,000 exclusive of GST, from the owners of 7A Cooper Park Road in consideration of Council relinquishing its right of way over their land.
- C. That the owners of 7A Cooper Park Road pay Council's legal costs, inclusive of GST, as from 16 June 2005 in relation to the extinguishment of right of way over their land, including preparation and execution of a Deed of Settlement and Release and a request to Land and Property Information Division (LPI) to extinguish the Easement.

A report was presented to the Corporate & Works Committee, Monday 14 November 2005, where it was resolved as follows:

“That the site be inspected at 5.00pm prior to the next Corporate and Works Committee”

being 5pm, Monday 20 February 2005.

Council's lawyer, Mr. Brian Oliver, will be present at the meeting to answer any queries in relation to this matter.

Background:

The area known as 9a Cooper Park Road (Lot 101) was acquired by Council in 1992 when 3,096sqm of land was given to Council as part of the developer's (Sunlord's) compliance with Section 94 of the *Environmental Planning and Assessment Act 1979* (Annexure 1). It contains two disused grass tennis courts, clubhouse, store and a derelict brick house. It was once the site of the Bellevue Hill Bowling Club but, since its acquisition, an appropriate use for the land has not been found. The site affords views to Bondi Junction but, due to its shape, steep and narrow access, proximity to residences and poor visibility into the land from the street, it is not an easy site for which to find an appropriate use. The land has no direct vehicle access from Cooper Park Road due to the two metre rock shelf adjacent to the footpath. Historically, previous owners of this parcel of land and Council maintenance staff gained access to the property via a registered easement, which grants a right of carriageway (ROW), over the south-western corner of 7A Cooper Park Road. This access leads to a three metre wide entry to the property. Large Council vehicles could not gain access due to a very tight turning circle at the top and a large rock obstruction in the access way. There is an even narrower access path from Cooper Park. However, neither access permits vehicular access to this site (Annexure 2).

A copy of Council's letter, dated 28 May 1998, advising

“Council has programmed to construct a driveway into its property at 9A Cooper Park Road this current financial year. There is no specific date at this point of time for constructing these works”

and Mr Fitzhardinge’s undated document, entitled “Boundary wall between 7A & 9A Cooper Park Road, Bellevue Hill”, was lodged in support of the DA.

In April 2002, a DA was lodged by the owners of 7A Cooper Park Road, Mr and Mrs Fitzhardinge, seeking consent to construct a brick wall on the common boundary between 7A and 9A Cooper Park Road.

The undated document states:

the project has been a proposition since the early 1990’s

in 1994, Julie Whitfield (the then Council Landscape Architect) informed Mr Fitzhardinge that 9A was to be parkland and the 3-metre strip belonging to Council would be the path up from Cooper Park Road. She said it was funded and would be carried out in 1995

when Mr Fitzhardinge rang Council in early 1995, another officer suggested that in the near future a road would be built on the strip to provide access to the land. This information was repeated in a letter from Peter Hanning, dated 28 May 1998

in 1996, the then Mayor Mairaed Bilmon rang Mr Fitzhardinge to request that he not build the fence until the proposed road was finished. Mr Fitzhardinge therefore delayed his plans for the fence until 2001

in 2001, Mr Fitzhardinge spoke to the then Council Property Officer Mr Barry Cole who intimated that construction of the road would take place at an unspecified time in the future and suggested that Mr Fitzhardinge go ahead with construction of the fence.

Neither the DA, Council’s letter, dated 28 May 1998, nor Mr Fitzhardinge’s undated document disclose or refer to any easements or restriction. The application was not referred to Council’s Property section so the existence of the ROW was not identified.

Based on the information provided, Council granted development consent on 6 September 2002, subject to conditions, including the need to obtain a Construction Certificate prior to commencing construction. Section 79C of the Environmental Planning and Assessment Act and Section 89 of the Local Government Act specify the matters which Council must consider when determining a development application. These Sections do not require Council to take into consideration any private land rights between owners of neighbouring land.

Construction of the wall was completed in breach of the development conditions, as a Construction Certificate was not obtained prior to the construction of the wall.

Current Situation

Once the Property and Projects Department became aware that access to Council property had been blocked, an inspection by staff was carried out which revealed that the brick wall had been constructed along the property boundary, blocking access to the 9A Cooper Park Road property (Annexure 3).

Council Property staff advised the Compliance section that the owners of 7A Cooper Park Road had blocked access to our property restricting access to the ROW. In July 2003, Council served the

owners of 7A Cooper Park Road notice of multiple breaches of Development Consent 240/02 and required them to apply to Council for a Building Certificate. Demolition could not be ordered because development consent had been issued for the structure. Subsequently, an application for a Building Certificate (reference 7/2004) was received on 14 January 2004 and later approved on 4 March 2005.

With the ROW blocked, in order to allow Council staff and contractors to gain safe access for periodic maintenance and restrict unauthorised access, timber steps were constructed and a metal gate and fence erected at the entrance to the 3m access way, (Annexure 3).

In November 2003 and in January 2004, Council requested Mr and Mrs Fitzhardinge to demolish the wall to the extent necessary to restore access from Cooper Park Road to 9A via the easement. The Fitzhardinge's have refused to comply, citing reasons of security and privacy.

The owners have also asserted, through their lawyer, that, in this matter, there are numerous material considerations (including grant of development consent by the same body which has the benefit of the ROW) and that the existence of the ROW impedes the reasonable use of 7A.

Legal advice was sought as to Council's options in dealing with the situation. The advice is summarised in a confidential annexure.

On the basis of the advice and the issues detailed previously, it was concluded that efforts should be made to settle the matter. If Councillors wish to discuss the matters in the confidential annexure, they should resolve to go into closed session for the purpose of discussing these matters only.

Consultation:

Council staff and Mr and Mrs Fitzhardinge have had meetings on site, with the lawyers from both sides present, in order to resolve this situation.

The owners of 7A were advised that the cost to construct a vehicle access by cutting a ramp through the rock face was approximately \$100,000. In response, an offer of \$10,000 was received by Council, which was rejected. The Mayor and Director Technical Services then met with Mrs Fitzhardinge in June 2005. It was suggested that the Fitzhardinges contribute \$66,000 towards the construction of a new driveway. Subsequently, an offer of \$30,000, exclusive of GST, was received from the lawyers representing Mr and Mrs Fitzhardinge in consideration of Council relinquishing its ROW easement over their land (Annexure 4). In addition, they agreed to pay for the cost of preparing and executing the relevant legal documents (Annexure 5).

Due to the site being inaccessible, it is currently not possible to demolish the existing dilapidated structures. The contribution of \$30,000 by the Fitzhardinges will be used towards the construction of the driveway. This new driveway will provide direct access from the street up to the property, enable access for demolition of structures on the land, assist in maintenance of this property in future years and add value to the Council's asset. The driveway could be extended in future years once a use for this site was identified and further funds became available.

Identification of Income & Expenditure:

The total cost of demolition of the rock face, in order to construct the access ramp and the additional access road within the property, is estimated at \$133,000. The cost to construct only the access ramp (the initial 15m of driveway) is approximately \$100,000. It is, therefore, proposed that Council consider \$100,000 in next year's capital budget for the construction of the driveway.

Conclusion:

Civil action will be costly and the outcome uncertain. Therefore, in order to finalise the dispute over the right of way without incurring continuing legal costs, it is recommended that the offer of \$30,000, exclusive of GST, should be accepted.

We intend to make this site safe while Council considers its options in relation to the disused Council land. A report detailing possible options for use of the land will be part of the Property Asset Study to be submitted to the Assets Working Party for consideration.

Having inspected the site prior to the consideration of this report, the Committee should be able to consider the recommendations and make a decision on the future of this site.

Zubin Marolia
Manager Property and Projects

Warwick Hatton
Director Technical Services

ANNEXURES:

1. NSW LTO Title search
2. Aerial photograph of site
3. Photograph showing wall and temporary steps
4. Offer of compensation from Wiltshire Webb representing Mr and Mrs Fitzhardinge
5. Letter, dated 8 July 2005, from Wiltshire Webb agreeing to pay for the legal costs
6. Notes re advice from Council's lawyers (Confidential)

Item No: R2 Recommendation to Council
Subject: Review of Ward Boundaries
Author: Les Windle - Manager Governance
File No: 12.G
Reason for Report: To advise Councillors of the legislative requirement to review its ward boundaries

Recommendation:

1. That the Council note the legislative requirement to review the ward boundaries.
2. That a report to submitted to a future meeting of the Strategic and Corporate Committee to further consider the ward boundaries review.

Background:

Section 211 of the Local Government Act requires Council to keep its ward boundaries under review. Section 211 states:

211 Ward boundaries

- (1) *The council of an area divided into wards must keep the ward boundaries under review.*
- (2) *If:*
 - (a) *during a council's term of office, the council becomes aware that the number of electors in one ward in its area differs by more than 10 per cent from the number of electors in any other ward in its area, and*
 - (b) *that difference remains at the end of the first year of the following term of office of the council,*
the council must, as soon as practicable, alter the ward boundaries in a manner that will result in each ward containing a number of electors that does not differ by more than 10 per cent from the number of electors in each other ward in the area.
- (3) *Nothing in subsection (2) prevents a council that has become aware of the discrepancy referred to in subsection (2) (a) from altering its ward boundaries before the end of the first year of the following term of office of the council.*

The Act requires Council to review its ward boundaries and if the number of electors in one ward differs by more than 10% from the number of electors in any other ward, the Council must alter the ward boundaries so that the difference in elector numbers does not exceed the 10% threshold.

The State Electoral Office provides Council with enrolment statistics and the number of electors in each ward, as at 31 December 2005, was as follows:

Ward	Enrolments
Bellevue Hill	6,775
Cooper Ward	6,343
Double Bay	7,161
Paddington	6,223
Vaucluse	7,491

Total	33,993

In Circular Number 97/53 the Department of Local Government advises that to determine the percentage variation between the number of electors between wards, the number of electors in the ward having the least number of electors must not be more than 10% fewer than the number of electors in the ward having the greatest number of electors. Using this formula, the difference between Councils highest and lowest ward enrolments, as at 31 December 2005, is as follows:

$$7,491 - 6,223 = 1,268 \text{ divided by } 7,491 \times 100 = 16.9\%$$

As the variation is above the 10% limit allowed by Section 211(2), Council must review its ward boundaries and make such changes that will reduce the variation to below the 10% limit.

What does this mean?

As can be seen from the above enrolment statistics, Vaucluse Ward has the highest enrolment with 7,491 electors and Paddington Ward has the lowest with 6,223 electors. The problem facing Council is that the Vaucluse Ward and the Paddington Ward are at the opposite end of the Municipality and in order to reduce the number of electors in the Vaucluse Ward and increase the number of electors in the Paddington Ward, all of the wards will require a boundary change.

This is made more complicated by the principles that should be used when considering ward boundary changes. Those principles being:

- That Census Collector Districts (CCD's) should not be split between wards, as far as practicable,
- That distinguishable landmarks such as roads, railway lines, creeks and rivers should be used as boundaries,
- That Lot, DP, Portion or Parish boundary descriptions should not be used,
- That communities of interest should be maintained, wherever practicable, and
- That Council must maintain the ward system and maintain five wards (changes to the ward system or number of wards is not possible without approval from a Constitutional Referendum).

Maintaining the communities of interest principle will be the biggest challenge facing Council during this project.

When considering the boundary changes, Council would need to look at having wards with elector numbers of 6,800 plus or minus 5%. That is, wards within the enrolment range of 6,460 to 7,140.

In order to achieve this, the following indicative movements would be required:

- At least 351 electors moved from Vaucluse Ward to Bellevue Hill Ward,
- As a consequence of this movement, at least 117 electors moved from Bellevue Hill Ward to Cooper Ward.
- As a consequence of this movement, at least 237 electors from Double Bay Ward to Paddington Ward.

These movements would result in the following enrolments:

Vaucluse	7,140 (maximum allowed)
Bellevue Hill	7,009
Cooper	6,460 (minimum allowed)
Double Bay	6,924
Paddington	6,460 (minimum allowed)
	<hr/>
	33,993

These indicative movements, although creating wards that conform to the 10% rule, do not allow for future enrolment changes which may take a ward above the maximum threshold or below the minimum threshold. Ideally, the movement of ward boundaries would create wards with enrolments as close to the medium of 6,800 as possible.

Although the difference between the highest and lowest wards is 16.9%, the actual number of electors concerned is quite small. At 351 electors, this represents only 1% of the total enrolments of the Municipality. With this in mind, Council has contacted the Department of Local Government to seek advice on whether, due to the unique circumstances of Council, a Departmental or Ministerial exemption could be obtained from the legislative requirement. The advice has not been received from the Department at this stage however it is anticipated that the advice will be received in the near future.

This report is submitted to advise Councillors of the requirement to change the ward boundaries. Further reports will be submitted to future Strategic and Corporate Committee meetings to allow consideration of how the boundaries can be changed to achieve the desired outcomes.

This report has not considered changes to the number of wards in the Municipality or the previously considered change to a popularly elected mayor as these changes would require a Constitutional Referendum and Council has already resolved to take no further action in relation to those matters. These matters could however, be discussed again at the future Strategic and Corporate Committee meetings during consideration of the ward boundary issues.

Consultation Requirements:

The Local Government Act requires Council to undertake the following consultation process prior to introducing ward boundary alterations:

Council must consult with the New South Wales Electoral Commissioner and Australian Statistician prior to any public exhibition of a ward boundary plan. (Section 210A(1)(a). The purpose of this consultation is to ensure that, as far as practicable, the proposed boundaries correspond to the boundaries of appropriate subdivisions and census districts and to ensure that the proposed boundaries comply with Section 210(7) of the Act. (10% rule)

After receiving approval from the Electoral Commissioner and Government Statistician, Council must publicly exhibit a ward boundary plan for not less than 28 days and allow a period of not less than 42 days for the receipt of submissions. The purpose of this consultation is to provide Council with an opportunity to engage the community in the ward changes and to understand local communities of interest.

Consideration of all submissions received by Council prior to determination of the new ward boundaries.

Conclusion:

Council is required to review and alter its ward boundaries in order to fulfil the legislative requirement of having an elector variation of less than 10% between wards. At this stage Council is required to maintain a ward system and the existing number of wards as any changes to the ward system or number of wards must be approved by a Constitutional Referendum before it can be implemented. The information is submitted to Councillors to advise them of the statutory requirements and commence the process of the review. It is recommended that further reports be submitted to future Strategic and Corporate Committee meetings to allow consideration of how the boundaries can be changed to achieve the desired outcomes.

Les Windle
Manager Governance

Geoff Clarke
Director Corporate Services

Annexures:

1. Sections 210, 210A and 211 of the Local Government Act
2. Ward enrolment statistics at 31 December 2005
3. Existing ward boundary map

Item No: R3 Recommendation to Council
Subject: **Infrastructure and environmental projects Funding Options**
Author: Don Johnston, Manager Finance
File No: 331G 2006/2007
Reason for Report: To provide the Committee options for the funding of infrastructure renewal and environmental projects

Recommendation:

1. That the report be further considered by the budget workshop on Tuesday 21st February, and
2. That subject to any variation arising from the workshop the committee recommends to the Council the adoption of Option 3 as set out in the report. That is:
 - i) Make application for a combined infrastructure and environmental levy
 - ii) Make application to forgo the last year of the environmental levy, subject to i) above
 - iii) Introduce a stormwater levy of \$25 per residential property and \$100 per business property.

Background:

In adopting the 2005/2006 Budget on 11 July 2005, Council resolved, in part:

THAT Council re-affirms its decision that it is in the best interest of the Community that the Council pursues the implementation of an infrastructure levy to fund the initial five years of the 20 year programme as identified in the Management Plan.

The Management Plan and Budget were further considered on 13 September 2005 by the Strategic & Corporate Committee. It was resolved:

- A. *That Council re-affirms its decision that it is in the best interest of the Community that the Council pursues the implementation of an infrastructure levy to fund the initial five years of the 20 year programme as identified in the Management Plan.*
- B. *That the Council take all necessary steps to meet with the Minister and Department of Local Government to seek in principle approval for the implementation of such plan in 2006/2007.*
- C. *That Council take up the loan to fund \$1.25m of infrastructure renewal projects and allocate the balance of the loan (\$1.82m) to fund the completion of the Five Ways project (\$820,000) and provide \$1m to the Rose Bay Promenade works.*
- D. *That a further report be submitted to the Strategic & Corporate Committee reviewing our Infrastructure and Environmental Works strategies including an application for a special variation in 2006/2007.*
- E. *That the General Manager bring a report to the Strategic and Corporate Committee meeting to be held by mid October 2005 identifying any other areas of substantial savings that Council could make from the operating budget.*

As part of the process of preparing the 2006/2007 Budget Council will need to make further application to the Minister for Local Government for a levy if it is still considered to be the appropriate course of action.

Last Years Application

The Council applied to the Minister for a special rate variation to fund a five year \$18.25m program of infrastructure renewal works. In addition it applied to extend the environmental levy for a further 2 years to fund \$2m of environmental works

Council received approval for the continuation of the environmental levy but not for the introduction of an infrastructure levy.

Last Years Application One Year On

In response to the Minister's determination the Council subsequently resolved to borrow to fund the first year of the infrastructure renewal program. As such the first year of the program submitted in last years application is fully funded.

To reflect where we are to today a further year has been added to the infrastructure renewal program. The program of works for the next five years based on last year's strategy is set out below.

Infrastructure Renewal Levy – Last Years application One Year On					
	\$'000	\$'000	\$'000	\$'000	\$'000
Asset Category	06/07	07/08	08/09	09/10	10/11
Road Pavements	757	742	1,119	1,429	1,274
Footpaths	910	734	956	246	600
Kerb and Gutter	892	1,658	1,080	1,602	1,341
Drainage	505	435	420	300	360
Wharves and Jetties	500	0	0	0	0
Sea Walls	226	242	234	222	228
Retaining Walls	100	100	100	100	100
	3,890	3,911	3,909	3,899	3,903
LESS: Council funding	-1,400	-1,400	-1,400	-1,400	-1,400
Possible Infrastructure Levy	2,490	2,511	2,509	2,499	2,503
Environmental Works					
Environmental Works Program	1,010				
Total Infrastructure Renewal and Environmental Works Programs	4,900	3,911	3,909	3,899	3,903

A variation of this program is recommended latter in the report.

Stormwater Levy

Recently the State Government passed legislation that permits Councils to raise a levy to fund stormwater works. This special stormwater levy does not require Ministerial approval. The Council can introduce it by just including it in the standard annual management plan process. The stormwater levy does not impact on the rate pegging requirements. It does however have restrictions. While the supporting regulations have not been gazetted we understand the following to be the restrictions:

- Maximum levy of \$25 per residential property
- Maximum levy of \$100 per business property
- No funding for stormwater projects can be included in an infrastructure or environment levy

If we introduced a special stormwater levy it would raise \$740,000 per annum but we need to exclude stormwater jobs from the existing environmental levy and not include them in our application for an infrastructure levy.

The ability to introduce a special stormwater levy now needs to be considered by the Council in developing a funding strategy for its capital works.

Options for Funding

We have prepared 3 options for consideration by the Council. While there are other options we believe these 3 generally canvas the range of options available.

Option 1

The option is based on last year's strategy

- No new stormwater levy
- \$100 per property infrastructure levy for 5 years
- Environmental levy continues for 1 year

This would fund \$20.5m over the 5 year period. This option would necessitate a rate increase of 14% which is unlikely to be acceptable to the Minister. A sub option is to have a \$50 per property increase this year and a further \$50 increase next year. The disadvantage of this option is that it excludes the future discretionary levying of stormwater levy.

Option 2

This option provides for

- no stormwater levy
- foregoing the environmental levy
- \$100 per property for infrastructure levy

This would fund \$19.5m over the 5 year period. This would result in a 9.8% increase in rates, as a result of handing back the environmental levy approval, which would probably be acceptable to the Minister. It would meet our objective relating to infrastructure but at the expense of the environmental levy. We could then apply for new environmental levy in a subsequent year, however, we would be excluded from utilising the stormwater levy option.

Option 3

This option makes use of a stormwater levy. The details are

- Introduce a combined infrastructure and environmental levy of \$100 per property
- Forgo the last year of the current environmental levy
- Remove all stormwater from the combined infrastructure levy and environmental levy
- Introduce a stormwater levy of \$25 per residential property and \$100 per business property
- Incorporate remaining environmental works into a proposed combined infrastructure and environmental levy.

This would fund \$23.4m over the 5 year period. This would result in a 9.87% increase in rates which would probably be acceptable to the Minister. This meets our objectives for both infrastructure including drainage and extends our commitment to environmental projects. While the nominal amount allocated to environmental works has reduced, the current environmental works program was predominately composed of stormwater works. This program would look like this

Infrastructure / Environmental & Stormwater Program Funds					
	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure Renewal					
Asset Category	06/07	07/08	08/09	09/10	10/11
Road Pavements	858	773	1,135	1,325	1,230
Footpaths	910	734	956	246	600
Kerb and Gutter	892	1,658	1,080	1,602	1,341
Wharves and Jetties	500	0	0	0	0
Sea Walls	226	242	234	222	228
Retaining Walls	100	100	100	100	100
Stormwater Drainage	750	750	750	750	750
Environmental Works	440	440	440	440	440
	4,676	4,697	4,695	4,685	4,689

See **ANNEXURE 1** for details on how this table is calculated.

This option funds the optimum level of expenditure for infrastructure works and increases the available funds for stormwater. Early indications from the comprehensive investigations of the stormwater catchments are that additional funds for stormwater will be required because of the condition of the systems.

Calculation of Special Rate Variation Increase

Council's current rate base, excluding the Environmental levy is \$23.8m. The combined Environmental and Infrastructure Works program proposed requires \$2.526m in year one (and thereafter). This represents a 10.61% increase in rates. However, as Council will no longer need to levy an Environmental levy we receive a credit for the currently approved amount. The current Environmental program is \$1.01m which is 4.24% of our rate base. The net special variation increase is, therefore, 6.37%. When we add the forecast 3.5% general rate variation the total increase over this year's rates comes to 9.87%.

The table below shows how the calculation of special variation of 9.87% is achieved

Rate Base (excluding environmental levy)	\$23,800,000
Combined environmental & Infrastructure	\$2,526,000
Gross Special Rate Variation Increase	10.61%
Less Environmental Levy credit	-4.24%
Net Special Rate Variation Increase	6.37%
Plus forecast Permissible Increase	3.50%
Total Special Variation Increase	9.87%

Impact on rates

The recommended option would see the levying of an additional \$100 per property for each rateable property for the new infrastructure and environmental levy, however the \$100 per property will be reduced by an average of \$40 per property by forgoing the current environmental levy. There will also be an increase of \$25 per residential property and \$100 per business property for the stormwater levy and an average \$30 per residential property and \$93 per business property for the forecast permissible general rate increase.

While the Environmental Levy and the rate increase for residential properties is based on a 50% base amount, the average across the municipality for this option will see an average residential rate increase from \$880 to \$995, including the stormwater levy, while the average business rate will increase from \$2,700 to \$2,951, including the stormwater levy.

Conclusion:

Council has re-affirmed its decision to pursue a levy to fund infrastructure renewal. In light of the potential to introduce a stormwater levy in addition to current rates it is an opportune time to review the nature of an application to the Department for a special variation. It is understood that Council is precluded from introducing the new stormwater levy if it is already funding stormwater drainage projects from a rate levy, which we are.

Three options for moving forward have been discussed in the report. The preferred option is to remove all stormwater drainage projects from the current programs of works and fund these from a new stormwater levy. The remaining works, along with additional environmental projects, can be combined into a new Environmental and Infrastructure Levy and the existing Environmental Levy dropped. This option will require an application for a special variation in the order of 9.87%.

This approach, with the injection of a new stormwater levy, will see expenditure on infrastructure and environmental projects increase from \$19.7m over the next five years to \$23.4. The stormwater levy will see the commitment to stormwater drainage renewal increase from \$2.35m to \$3.75m over five years. It is important to note that the program of works continues to assume Council committing \$1.4m per year toward the funding from operating revenue.

This level of expenditure will see the backlog of works for infrastructure that is currently below an satisfactory standard brought up to standard. It needs to be remembered, however, that this is the first five years of a twenty year program. The need for continued infrastructure renewal has been clearly demonstrated in a number of reports to Council and also our application for special variation. It has been shown that the level of funding anticipated in the levy is the optimum rate over expenditure over the longer term and that there are no real benefits in spending at an accelerated rate.

Don Johnston
Manager Finance

Geoff Clarke
Director Corporate Services

Gary James
General Manager

Annexures:

1. Option 3 Table showing the combined Levy

Annexure 1

The table below steps through the preferred option (Option 3) and shows how the potential combined levy increase is calculated.

	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure Renewal					
Asset Category	06/07	07/08	08/09	09/10	10/11
Road Pavements	757	742	1,119	1,429	1,274
Footpaths	910	734	956	246	600
Kerb and Gutter	892	1,658	1,080	1,602	1,341
Drainage	505	435	420	300	360
Wharves and Jetties	500	0	0	0	0
Sea Walls	226	242	234	222	228
Retaining Walls	100	100	100	100	100
	3,890	3,911	3,909	3,899	3,903
LESS: Drainage projects	-505	-435	-420	-300	-360
Adjust for average annual expenditure	101	31	16	-104	-44
Total Infrastructure Works Program	3,486	3,507	3,505	3,495	3,499
Environmental Works	1,010				
LESS: Drainage projects	-330				
Remaining projects to be completed over 2 yrs	680				
Balance of current Program	440	240			
Additional Environmental Works		200	440	440	440
Environmental Works Program Total	440	440	440	440	440
Total Infrastructure & Environmental Works Program	3,926	3,947	3,945	3,935	3,939
Council's funding commitment	1,400	1,400	1,400	1,400	1,400
Proposed Environmental and Infrastructure Levy	2,526	2,547	2,545	2,535	2,539

Item No: R4 Recommendation to Council
Subject: **2006/2007 Budget Strategy**
Author: Don Johnston, Manager Finance
File No: 331G 2006/2007
Reason for Report: To provide the Committee with an update on the budget prior to the Budget Workshop

Recommendation:

THAT the report be noted and further considered at the Budget Workshop to be held following the Strategic & Corporate Committee meeting on 21 February 2006.

Background:

A report on a preliminary budget strategy was considered by the Corporate & Works on 21 November 2005. This report provided an overview of the constraints and issues facing us in preparing the budget for 2006/2007 and recommended that a Councillor workshop be held to determine a strategy for the preparation of the budget.

The Committee resolved:

That the Budget Strategy be further considered by the Corporate and Works Committee on 5 December 2005.

A further report went to the Corporate & Works Committee on 5 December including a review of the allocation of resources between the operating and capital over the last 5 years budget, the identification of opportunities to grow the capital budget and an overview of the operating budget. A copy of this report is attached as **ANNEXURE A**.

The Committee resolved:

1. *THAT the report be received*
2. *THAT the Councillor workshop be held to consider a strategy for the preparation of the 2006/2007 Budget in the first two weeks of February 2006.*

This workshop has been scheduled to be held following the Strategic & Corporate Committee meeting to be held on Tuesday 21 February.

Together with the report on 5 December, a detailed cost centre budget internal working document was circulated to facilitate a detailed review of the operating budget. It will be re-circulated for consideration at the budget workshop

Discussion:

The report to the Committee on 5 December highlighted the basic issues facing Council when determining its budget strategy.

In preparing its budget Council is faced with allocating limited resources to competing demands for day-to-day services and to the renewal and upgrade of its infrastructure and other assets. In an environment of limitations on revenue raising and increasing costs it is becoming increasingly difficult to strike a balance between maintaining existing programs, services and service levels within the operating budget and a quantified need to invest more in the renewal of infrastructure assets.

Over the past four years Council has been able to deliver a reasonable capital works program and maintain or grow existing services and service levels. This has been achievable through a program of benchmarking and changing service delivery structures, identification and reduction of discretionary expenditure and income optimisation. This task is becoming increasingly difficult without the possibility of impacting on services and service levels.

The table below summarises the capital works programs over recent years.

Category	02/03	03/04	04/05	05/06
EWL	824	937	902	1,010
Infrastructure	3,118	2,876	2,934	3,347
Reserve Funded	2,239	880	450	0
Section 94 Funded	205	390	200	
Loan				1,250
Other	674	1,606	2,284	2,097
Operating	2,772	2,055	2,244	3,006
Reserve Funded	513			25
Open Space	2,383	2,890	973	563
Section 94 Funded	1,913	2,890	874	543
Other	470		99	20
Property	1,529	312	649	509
Section 94 Funded	671	100	18	
Reserve Funded	513		22	
Streetscape	1,792	2,131	370	1,900
Reserve Funded	583	890		
Section 94 Funded	804	765	43	
Loan				1,820
Other	404	1,242	370	80
	12,417	11,200	8,072	10,335
Capital Funding				
Operating Budget	1,528	2,696	3,777	4,197
Levies	824	937	898	1,010
Reserves	3,335	1,770	472	25
Infrastructure	2,822	880	245	
Other	513	890	227	25
Grants	1,255	501	617	304
Section 94	3,594	4,145	1,135	543
Loans	0	0	0	3,070
Plant & Vehicle Sales	902	757	920	1,190
Sale of Unmade Roadway	200	400	250	0
	11,637	11,205	8,069	10,339
Impact on Working Funds	(780)	5	(2)	4

In the initial budget strategy report on 21 November, a high level summary of the budget indicated the following:

Taking up an assumed 3% increase in rates will provide an additional \$714,000 in income. Increasing our fees and charges in line with at least the CPI (currently running at just 3%) will provide only \$174,000 on the \$5.8m that we can set and this assumes a continuation of the same level of demand for the various services provided. It is difficult to anticipate any increase in the statutorily limited fees and charges at this stage. In round numbers, our income could grow by \$900,000.

The pressures on our expenditure arise mainly from an Award increase in wages and general inflationary pressures. The Award increase will cost in the order of \$600,000. In addition to this, the second stage of the withdrawal of the superannuation holiday will cost in the order of \$300,000. At least a further \$500,000 will arise from a CPI increase on our other expenditure.

This very rudimentary look at the budget suggests that there will be a shortfall between increased income and increased expenditure of some \$500,000 and confirms the difficulties Council is faced with in trying to increase the \$4.2m available from the operating budget to fund capital works.

Since the last report, a more detailed (although still high level) review of the budget indicates that the shortfall will not be that large. It is not unreasonable to anticipate a 3.5% rate increase (providing an additional \$120,000). Other income sources have been reviewed and may provide a larger increase than earlier anticipated. Preliminary calculations of salaries indicated an increase of great than the award increase of 3.5%. All of these high level estimates will only be confirmed when a detailed operating budget is prepared following determination of the budget strategy but do indicate that the shortfall may be less than \$500,000.

Budget Strategy

The allocation of resources in the budget is a policy decision of the Council. The current services and service levels in the operating budget have been established over a number of years and respond well to the community's expectations identified in the Community Survey outcomes. The work done in regard to infrastructure renewal programs also responds to expectations in regard to footpaths, roads and kerb and guttering.

Council needs to be satisfied that the services and service levels in the budget are continuing to meet expectations or whether there is a need to change the allocation of resources either between the operating and capital budgets or within either budget.

The detailed internal working document which has been circulated to Councillors opens up the operating budget for review. The document, for each service area, includes:

- Management Plan Objectives
- Core Activities
- Statistics
- Resources
- Why we do it
 - Legislative Compliance
 - Customers / Stakeholders
 - Community Expectations / Survey Outcomes
- Phase Up / Phase Down
 - Benefits of spending more
 - Consequences of spending less

Long term plans for the key areas of the capital budget have been developed in conjunction with the adoption of our Section 94A Development Contributions Plan and these are being refined. The short and medium term requirements (a five year horizon) are summarised below.

Program Area	Short & Medium Term Projects	Annual Expenditure (5 yrs)
Community Facilities (excluding Central Library)	468,200	100,000
Environmental Works	4,330,000	870,000
Council Properties	363,500	100,000
Infrastructure Renewal	18,257,500	3,650,000
Open Space	4,667,500	940,000
Business Centres and Harbourside Projects	11,382,939	2,280,000

The schedules from the Section 94A Development Contributions Plan supporting these amounts have been attached as **ANNEXURE B**.

This table does not cover the ongoing replacement of our operational capital items (information technology, library stock and plant & vehicles). Requirements in this regard are in the order of \$2.5m each year.

The current operating budget provides \$4.2m from the operating budget for capital funding. Council has committed to providing \$1.4m per year toward an infrastructure renewal program. In addition to this it should be funding the replacement of its operational capital from the operating budget. Combined, this is \$3.9m per year. If we were to achieve the same \$4.2m of capital funding from the operating budget next year there is \$300,000 to apply to other capital programs. Preliminary allocations have been made to Community Facilities and Council Properties leaving \$100,000 available for allocation.

Using the table above, and including operational capital requirements, let us look at some potential funding sources.

Program Area	Annual Expenditure (5 yrs)	Funding	
		Source	Amount
Operational Capital	2,500,000	Operating	2,500,000
Community Facilities (excluding Central Library)	100,000	Operating	100,000
Environmental Works	870,000	Operating	1,400,000
Infrastructure Renewal	<u>3,650,000</u>	Rate Levy	2,500,000
	4,520,000	Stormwater Levy	<u>740,000</u>
			4,640,000
Council Properties	100,000	Operating	100,000
Open Space	940,000	} Operating Section 94	100,000
Business Centres and Harbourside Projects	2,280,000		1,000,000

In the current property climate we do not anticipate receiving any more than about \$1m per year from section 94A contributions. In the table above this has been applied in general terms to Open Space and Business Centres and Harbourside Projects. These are the areas that present a challenge in regard to funding.

In adopting the current budget, Council considered a series of streetscapes projects in the budget to be funded from loans. These projects were:

Project	Cost Estimate
Fiveways	820,000
Oxford Street, Paddington	300,000
Double Bay Shopping Centre	200,000
Watsons Bay Baths	930,000
Bellevue Hill Shopping Centre (north side)	350,000
Queen Street Shopping Centre	100,000
Queen Street Car Park	150,000
Watsons Bay (remainder of stage 1)	620,000
Rose Bay (NSH Rd) Public Domain Improvements	75,000
Vaucluse Shopping Centre (OSH Rd)	80,000
Bellevue Hill Shopping Centre (south side)	250,000
Plumer Road Shopping Centre	200,000
Edgecliff Rd / Grosvenor Street	110,000
Edgecliff Shopping Centre	175,000
	4,360,000

From these projects, Watsons Bay Baths was excluded and the remaining projects totalling \$3.43m were included in the budget, funded by loan. This inclusion was subject to Council's final consideration of raising a loan. Further consideration was given to raising a loan in September 2005. As a result of this consideration the following projects have been loan funded in the current budget.

Project	2005/2006 Budget
Fiveways	820,000
Rose Bay Promenade (additional allocation)	1,000,000
Infrastructure Renewal Program	1,250,000
	3,070,000

Council may wish to re-consider the inclusion of any combination of the projects not funded in the current year in the 2006/2007 Budget, again funded by loans.

Project	Cost Estimate
Oxford Street, Paddington	300,000
Double Bay Shopping Centre	200,000
Watsons Bay Baths	930,000
Bellevue Hill Shopping Centre (north side)	350,000
Queen Street Shopping Centre	100,000
Queen Street Car Park	150,000
Watsons Bay (remainder of stage 1)	620,000
Rose Bay (NSH Rd) Public Domain Improvements	75,000
Vaucluse Shopping Centre (OSH Rd)	80,000
Bellevue Hill Shopping Centre (south side)	250,000
Plumer Road Shopping Centre	200,000
Edgecliff Rd / Grosvenor Street	110,000
Edgecliff Shopping Centre	175,000
	3,540,000

The annual repayments per \$1m borrowed over 10 years are in the order of \$141,000 or over 20 years are \$94,000. These repayments could be serviced from section 94 contributions.

If Council was to go down this path there would be between \$600,000 (if a 10 year loan was taken up) and \$770,000 (if a 20 year loan was taken up) for Open Space projects if the full amount of \$3.54m is taken up. This compares favourably to the current year program of \$563,000.

In summary, the following capital works program is deliverable while retaining existing services and service levels and providing \$4.2 of capital funding is provided from the operating budget.

Program Area	Cost Estimate
Operational Capital	2,500,000
Community Facilities	100,000
Environmental, Infrastructure Renewal and Stormwater Drainage	4,640,000
Council Properties	100,000
Open Space	600,000
Streetscape and Harbourside Projects	3,540,000
	11,480,000
Funded by:	
Operating Budget	4,100,000
Special Rate Levy	2,500,000
Stormwater Levy	740,000
Section 94 (direct project delivery)	600,000
Loan (annual repayment of \$500,000 over 10 yrs - \$400,000 from s.94, \$100,000 from operating)	3,540,000
	11,480,000

There is going to be a significant amount of new funding available next year for capital funding. \$2.5m will come from a successful application for a special rate levy, \$1m from section 94A contributions and \$0.75m from a stormwater levy. Combined these will provide \$4.25m in 2006/2007 and for the following four years.

The table above proposes a quite ambitious capital works program if we are successful with our application for a special rate levy and borrow to fund the Streetscapes and Harbourside projects. While we are confident we will be able to, it will be difficult to gear up, design and deliver all of the projects envisaged within the first financial year. Experience tells us that, particularly in regard to streetscapes projects, design and consultation can extend project delivery timeframes.

Conclusion:

The allocation of resources within the budget is ultimately a decision for the Council. Council needs to be comfortable with the services and service levels provided within the operating budget and the priority given to works programs in the capital budget.

In recent years, Council has been steadily increasing the amount available from the operating budget for capital funding. This currently stands at \$4.2m. With the limitations on Council regarding raising revenue and the pressure on expenditure it will be difficult to increase this figure without potentially impacting on services and service levels. A high level review of the budget indicates that continuing to provide the \$4.2m is achievable, although there is still some work to be done to achieve this.

From a strategic point of view, the report discusses opportunities of funding a capital works program that largely meets currently identified short to medium term needs while retaining current services and service levels for consideration.

In regard to the operating budget, a detailed internal working document has been circulated to upon it up to review. The information has been provided to assist Council in its deliberations over the appropriate balance of resources between the operating and capital budgets.

From the workshop, staff are seeking direction from Councillors in regard to the preparation of the 2006/2007 Budget. Based on the outcomes of the workshop on Tuesday 21 February, a preliminary draft budget is timetabled to come back to a further workshop on 20 March. Only when the preliminary draft budget is prepared will we be able to confirm the high level review of the operating budget undertaken to date. Any issues that arise in this regard will be reported to the workshop on 20 March.

Don Johnston
Manager Finance

Geoff Clarke
Director Corporate Services

Gary James
General Manager

Annexures:

- A. Report to Corporate & Works Committee 5 December 2006 – Budget Workshop Background Information
- B. Section 94A Development Contributions Plan Works Schedules

Item No: R5 Recommendation to Council
Subject: 2005/2006 Budget Review for the Quarter Ended 31 December 2005
Author: Don Johnston, Manager Finance
File No: 331.G
Reason for Report: To report on the review of the 2005/2006 Budget for the quarter ended 31 December 2005

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, the responsible accounting officer of a council prepare and submit to the Council a budget review statement that shows, by reference to the estimates of income and expenditure set out in the Management Plan that the Council has adopted for the relevant year, a revised estimate of the income and expenditure for that year. A budget review statement must include or be accompanied by a 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. If that position is unsatisfactory recommendations for remedial action must also be provided.

This report provides the information and recommendation to fulfill these obligations. Each of the budget managers have provided a revised forecast of expenditure and income for their respective areas. Where necessary, money has been recommended for voting to meet additional expenditure to that anticipated in the budget.

Discussion:

Overall Financial Position

The revised forecasts of Council's expenditure and income indicate that our working funds will reduce by \$38,064 to \$2,047,582. The Statement of Financial Performance for the current year shows our operating result will improve by \$207,658. The reasons for these variations are provided later in the report. The revised forecasts also indicate a small increase in our unrestricted current ratio from 1.63:1 to 1.64:1. A reconciliation between the working funds and operating results is provided with the Statement of Financial Performance.

Overall, at these levels, our financial position will remain sound.

Our Statement of Financial Performance, Statement of Financial Position and Reserve levels summarise the results of the budget review and appear as **ANNEXURES 1, 2 and 3** respectively. **ANNEXURE 4** provides a summary of the Capital Budget and proposed variations.

Summary of Major Variations

The following table summarises at resource level the major variations proposed in the September Budget Review.

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
Park Hire & Filming Fees	(26)	Park Hire has increased as a result of increased promotion and Filming Fees have increased as a result of an increased number of weddings and ceremonies.
Development Control income	74	Income has decreased across DA Fees, S96 Applications, Pre Lodgement Advice and File Retrieval Charges due to a continuing reduction in activity
Compliance income	45	Following the same trend, income is down across most sources, particularly Hoarding Applications
Parking Fines	(100)	Income is tracking strongly in this area and is anticipated to exceed the current forecast
Residential Parking Permits	(20)	This increased is based on an increased number of permits being issued
Risk Management Bonus	(96)	Council has received two further risk management bonuses. \$20k relates to an OHS incentive while a further \$76k relates to a workers' compensation 'Special Performance Rebate'. This has all been transferred to the Insurance Reserve
Interest on Investments	(100)	Interest earning have been reviewed and increased based on rates and portfolio size. \$10k of this increase will be transferred to the Section 94 Reserve
Legal Expenses	67	Legal expenses have been increased in relation to three specific issues, the Airport case, Queen St Woollahra and the Section 94A Development Contributions Plan
Contributions to Other Bodies	8	As per Council's resolution, the contribution toward the Double Bay Christmas Celebration was increased
Printing	7	An increase in costs associated with Development Control legal matters
File Retrieval Charges	7	An increase in utilisation across Development Control and Compliance
Property related Capital Expenditure	67	There has been increased expenditure requirements across a range of projects being RANSA retaining wall, Woollahra Park Bridge, Fletcher St & O'Dea Ave Depots and the Library balustrade A further \$50k has been included in capital expenditure for Holdsworth Street, funded by the Centre with no impact on Council's financial position. Also Traffic Infrastructure has increased by \$38k due to additional expenditure on the 40km/h zone project and Gurner Street wombat crossing. Additional grant funding has been received for the 40 km/h zones and funds were transferred from Streetscapes (5 Ways) for the wombat crossing so there is no impact on Council's financial position.
Transfer to Risk Management Reserve	96	
Transfer to Section 94 Reserve	10	
Total of other changes	(1)	There have been a number of other offsetting changes made within Managers' budgets
TOTAL REDUCTION IN WORKING FUNDS	38	

In addition to the changes detailed in the report, a number of offsetting changes have been made within the Infrastructure Renewal and Environmental Works Programs. These changes have arisen from the completion of various projects and the actual cost being more or less than the estimated cost of works. The cost of the overall programs of works remains unchanged.

ANNEXURE 5 provides a report of the proposed variations to forecasts by Principal Activity and Sub Activity, summarised by cost centre.

Conclusion:

Following the review of the estimates of expenditure and income made in the original budget, the Statement of Financial Performance (Annexure 1) shows an improvement in our operating result of \$207,658. The major changes giving rise to this improvement have been detailed in the report. The Statement of Financial Position (Annexure 2) shows liquidity increasing slightly to 1.64:1 and a \$38,064 reduction in working funds to \$2,047,582.

Having regard to the initial estimates of income and expenditure, and the proposed variations, Council's financial position will remain sound at 30 June 2006 with an unrestricted current ratio of 1.64:1 and working funds of \$2,047,582.

Don Johnston
Manager Finance

Geoff Clarke
Director Corporate Services

ANNEXURES:

1. Forecast Statement of Financial Performance for the year ending 30 June 2006
2. Forecast Statement of Financial Position for the year ending 30 June 2006
3. Forecast Reserve Levels as at 30 June 2006
4. Summary of Capital Budget as at 30 September 2005 with Proposed Variations
5. Revised Forecasts of Expenditure and Income by Principal Activity and Sub Activity

ANNEXURE 1

**BUDGET 2005/2006
STATEMENT OF FINANCIAL PERFORMANCE**

	Original Budget	Revised Budget & Revotes	Actual to Date	% of Revised Budget	Proposed Change to Forecast	Revised Forecast
OPERATING REVENUES						
Rates & Annual Charges	30,885,286	30,945,636	31,021,605	100.2	0	30,945,636
Fees & Charges	4,751,689	4,730,439	2,073,191	43.8	-93,250	4,637,189
Interest	1,211,000	1,211,000	526,634	43.5	100,000	1,311,000
Operating Grants & Cont'ns	2,375,727	2,378,127	1,010,989	42.5	0	2,378,127
Other Revenues	9,189,255	9,454,888	4,575,435	48.4	228,863	9,683,751
	<u>48,412,957</u>	<u>48,720,090</u>	<u>39,207,853</u>	<u>80.5</u>	<u>235,613</u>	<u>48,955,703</u>
OPERATING EXPENSES						
Employee Costs	23,935,704	23,974,704	11,843,844	49.4	17,000	23,991,704
Materials & Contracts	7,793,528	8,332,544	3,764,921	45.2	-2,400	8,330,144
Depreciation	8,520,937	8,520,937	4,371,639	51.3	0	8,520,937
Other Expenses	10,431,854	10,365,726	5,567,605	53.7	80,850	10,446,576
	<u>50,682,023</u>	<u>51,193,911</u>	<u>25,548,009</u>	<u>49.9</u>	<u>95,450</u>	<u>51,289,361</u>
CAPITAL REVENUES						
Capital Grants & Cont'ns	606,883	720,526	262,834	36.5	69,300	789,826
Net Gain / (Loss) on Sale of Assets	1,445,200	-175,628	-134,469	76.6	-1,805	-177,433
CHANGE IN NET ASSETS	<u>-216,983</u>	<u>-1,928,923</u>	<u>13,788,209</u>		<u>207,658</u>	<u>-1,721,265</u>
LESS:						
					Forecast increase in Capital Expenditure	-162,265
					Transfer of Interest to s94	-10,000
					Transfer Risk Bonus to Reserve	-96,262
ADD:						
					Book Value of Assets Sold	22,805
Working Funds Movement						<u>-38,064</u>

ANNEXURE 2

**BUDGET 2005/2006
STATEMENT OF FINANCIAL POSITION**

	Actual 04/05	Original Budget	Original Budget & Revotes	September Forecast 05/06	December Review 04/05	December Forecast 05/06
Current Assets						
Cash & Investments	19,212,649	21,392,868	13,267,665	13,170,083	68,198	13,238,281
Receivables	4,359,774	4,100,000	4,100,000	4,100,000		4,100,000
Inventories & Other Assets	209,460	210,000	210,000	210,000		210,000
Other	1,234,970	1,250,000	1,250,000	1,250,000		1,250,000
	25,016,852	26,952,867	18,827,664	18,730,082	68,198	18,798,280
Current Liabilities						
Payables	7,012,559	7,100,000	7,100,000	7,100,000		7,100,000
Interest Bearing Liabilities	0	227,144	227,144	227,144		227,144
Provisions	2,208,966	2,231,000	2,231,000	2,231,000		2,231,000
	9,221,525	9,558,144	9,558,144	9,558,144	0	9,558,144
NET CURRENT ASSETS	15,795,327	17,394,723	9,269,520	9,171,938	68,198	9,240,136
Non-Current Assets						
Cash & Investments	1,231,743	0	0	0		0
Receivables	65,969	65,969	65,969	65,969		65,969
Inventories & Other Assets	236,753	236,753	236,753	236,753		236,753
Property, Plant & Equipment	639,375,208	640,280,387	648,072,106	648,442,239	162,265	648,604,504
	640,909,673	640,583,109	648,374,828	648,744,961	162,265	648,907,226
Non-Current Liabilities						
Payables	7,495,072	7,495,072	7,495,072	7,495,072		7,495,072
Interest Bearing Liabilities	0	2,842,856	2,842,856			
Provisions	4,852,872	5,150,838	5,150,838	5,150,838		5,150,838
	12,347,944	15,488,766	15,488,766	12,645,910	0	12,645,910
NET ASSETS	644,357,056	642,489,066	642,155,582	645,270,989	230,463	645,501,452
EQUITY						
Opening Equity	645,542,052	644,357,056	644,357,056	644,357,056		644,357,056
Change in Net Assets from Operations	-1,184,996	-1,867,990	-2,201,474	-1,928,923		-1,698,460
Closing Equity	644,357,056	642,489,066	642,155,582	642,428,133	0	642,658,596
Working Funds						
Current Assets	15,795,327	17,394,723	9,269,520	9,171,938		9,240,136
ADD:						
N/C Cash	1,231,743	0	0	0		0
Current Prov'n for ELE	2,208,966	2,231,000	2,231,000	2,231,000		2,231,000
Current Deposits	2,703,000	2,703,000	2,703,000	2,703,000		2,703,000
Current Loan Liability		227,144	227,144	227,144		227,144
LESS:						
External Restrictions	-6,659,784	-6,767,862	-3,152,875	-3,130,547		-3,140,547
Internal Restrictions	-10,613,730	-11,118,262	-9,127,277	-9,116,889		-9,213,151
	4,665,522	4,669,743	2,150,512	2,085,646		2,047,582
Movement in Working Funds		4,221	-2,519,231	-64,866		-38,064
Restricted Current Ratio	2.12	2.11	1.64	1.63		1.64

ANNEXURE 3

**WOOLLAHRA MUNICIPAL COUNCIL
Forecast Restricted Cash Balances - 30th June, 2006**

Externally Restricted Cash		ORIGINAL BUDGET				REVOTES	SEPT REVIEW	DECEMBER REVIEW			DEC REVIEW
Purpose	Closing Balance Jun 05	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 06	Closing Balance Jun 06	Closing Balance Jun 06	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 06
Section 94 Contributions	3,569,531	303,000	250,000	543,000	3,579,531	1,784,742	1,767,864		10,000		1,777,864
Unexpended Grants	343,040				343,040	166,612	166,612				166,612
Environmental Levy	1,291,372	1,010,078		1,010,000	1,291,450	7,680	7,680				7,680
Domestic Waste	1,455,841	585,000		487,000	1,553,841	1,193,841	1,188,391				1,188,391
	6,659,784	1,898,078	250,000	2,040,000	6,767,862	3,152,875	3,130,547	0	10,000	0	3,140,547

Internally Restricted Cash

Purpose	Closing Balance Jun 05	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 06	Closing Balance Jun 06	Closing Balance Jun 06	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 06
Employee Leave Entitlements	2,493,707				2,493,707	1,647,746	1,647,746				1,647,746
Plant Replacement	325,861				325,861	325,861	301,490				301,490
Insurance	786,986				786,986	646,986	669,854		96,262		766,116
Computer	188,149			25,000	163,149	51,399	51,399				51,399
Infrastructure	1,344,645				1,344,645	451,371	451,371				451,371
Election	50,000	50,000			100,000	100,000	100,000				100,000
Deposits	5,406,000				5,406,000	5,406,000	5,406,000				5,406,000
Kindergarten	18,382				18,382	18,382	9,497				9,497
General Reserve	0	479,532			479,532	479,532	479,532				479,532
	10,613,730	529,532	0	25,000	11,118,262	9,127,277	9,116,889	0	96,262	0	9,213,151

Total Restricted Cash	17,273,514	2,427,610	250,000	2,065,000	17,886,124	12,280,152	12,247,436	0	106,262	0	12,353,698
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Capital Expenditure Summary
Expenditure & Commitments to Period 6

	Original Budget	Current Forecast	Actual Expenditure	Committed	Total Expenditure	% of Forecast Spent	Proposed Variations	Revised Expenditure Forecasts
920 - Roads and Kerb & Gutter Infrastructure	40,000	272,485	233,316	12,199	245,514	90.1	-56	272,429
925 - Footpath Infrastructure	0	0	1,651	0	1,651	0.0	1,651	1,651
930 - Drainage Infrastructure	0	300,616	16,480	0	16,480	5.5	0	300,616
933 - Traffic Infrastructure	375,000	653,838	42,561	30,000	72,561	11.1	38,349	692,187
936 - Retaining Walls Infrastructure	0	28,931	5,866	8,114	13,980	48.3	0	28,931
938 - Open Space Capital Works Project Mgmt	78,000	78,000	43,251	0	43,251	55.4	0	78,000
939 - Parks & Reserves	245,000	1,120,443	545,978	212,784	758,762	67.7	0	1,120,443
941 - Playgrounds	30,000	89,813	66,683	5,395	72,078	80.3	0	89,813
942 - Sportsfields	210,000	413,399	26,109	51,308	77,417	18.7	0	413,399
944 - Marine Structures	20,000	540,033	48,777	300	49,077	9.1	31,320	571,353
945 - Streetscapes	3,510,000	4,620,214	96,217	28,650	124,866	2.7	-20,700	4,599,514
949 - Infrastructure Renewal Program	1,662,284	2,912,323	374,644	402,428	777,072	26.7	-31,320	2,881,003
950 - Library General	60,000	60,015	21,616	0	21,616	36.0	0	60,015
951 - Library - Double Bay	219,000	224,500	88,764	9,599	98,362	43.8	0	224,500
953 - Library - Paddington	51,000	53,600	17,767	3,040	20,807	38.8	0	53,600
959 - Environmental Works Program	1,010,000	2,293,152	518,109	114,515	632,624	27.6	0	2,293,152
981 - Computers & Office Equipment	346,500	698,250	34,865	562,692	597,557	85.6	0	698,250
982 - Commercial Properties	99,500	99,500	0	4,230	4,230	4.3	0	99,500
983 - Sportsfield Buildings	6,000	188,250	63,167	35,487	98,654	52.4	25,000	213,250
985 - Depots	62,000	66,495	18,352	0	18,352	27.6	38,900	105,395
986 - Council Offices	98,500	178,911	8,409	26,775	35,184	19.7	0	178,911
987 - Community Facilities	239,600	343,157	78,436	57,072	135,508	39.5	52,121	395,278
988 - Library Buildings	3,000	3,000	0	0	0	0.0	3,000	6,000
989 - Car Parks	0	85,000	0	85,000	85,000	100.0	0	85,000
990 - Plant Replacement Program	3,071,700	4,175,871	2,131,024	745,433	2,876,457	68.9	24,000	4,199,871
	11,437,084	19,499,796	4,482,041	2,395,020	6,877,061	35.3	162,265	19,662,061

ANNEXURE 5

**Budget Review by Principal Activity & Cost Centre
as at 31 December 2005**

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Built Environment					
Environmental Planning					
<u>Environmental Planning</u>					
Expenditure	425,889	208,058	49	429,239	3,350
Income	-21,000	-11,583	55	-22,200	-1,200
Total for Environmental Planning	404,889	196,474	49	407,039	2,150
Heritage Conservation					
<u>Heritage Planning</u>					
Expenditure	222,775	67,514	30	224,975	2,200
Income	-5,000	-165	3	-5,000	0
Total for Heritage Conservation	217,775	67,349	31	219,975	2,200
Urban Design					
<u>Urban Design</u>					
Expenditure	253,800	94,344	37	253,800	0
Total for Urban Design	253,800	94,344	37	253,800	0
Development Control					
<u>Development Control</u>					
Expenditure	2,859,589	1,318,054	46	2,864,089	4,500
Income	-1,146,450	-550,414	48	-1,072,200	74,250
<u>Infrastructure Development Assessment</u>					
Expenditure	145,463	70,920	49	145,463	0
Total for Development Control	1,858,602	838,560	45	1,937,352	78,750
Compliance					
<u>Building & Compliance</u>					
Expenditure	930,403	430,986	46	935,403	5,000
Income	-769,500	-314,042	41	-724,500	45,000
<u>Fire Safety Management</u>					
Expenditure	92,485	42,493	46	92,485	0
Income	-96,250	-38,966	40	-98,250	-2,000
Total for Compliance	157,138	120,472	77	205,138	48,000
Management & Administration					
<u>Certificates Processing</u>					
Expenditure	63,536	30,808	48	63,536	0
Income	-383,700	-202,873	53	-384,400	-700
<u>Planning & Development Mgmt & Admin</u>					
Expenditure	355,688	176,165	50	355,688	0
Income	-130	-207	159	-130	0
Total for Management & Administration	35,394	3,893	11	34,694	-700
Total for Built Environment	622,664	263,824		627,014	4,350
Natural Environment					
Environment Protection					
<u>Environmental Protection</u>					
Expenditure	118,961	74,162	62	118,961	0
Total for Environment Protection	118,961	74,162	62	118,961	0
Stormwater Systems					
<u>Drainage Maintenance</u>					
Expenditure	1,101,796	523,867	48	1,101,796	0

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Total for Stormwater Systems	1,101,796	523,867	48	1,101,796	0
Tree Management					
<u>Trees Maintenance</u>					
Expenditure	598,346	349,776	58	599,346	1,000
<u>Trees View Pruning Service</u>					
Expenditure	41,801	11,365	27	41,801	0
Income	-41,200	-18,249	44	-41,200	0
<u>Tree Management</u>					
Expenditure	203,419	106,438	52	203,719	300
Income	-35,400	-20,921	59	-35,400	0
Total for Tree Management	766,966	428,409	56	768,266	1,300
Waste Services					
<u>Waste Services Domestic</u>					
Expenditure	6,610,769	3,075,837	47	6,616,769	6,000
Income	-6,610,858	-6,619,035	100	-6,610,858	0
<u>Waste Services Trade</u>					
Expenditure	859,459	385,107	45	859,459	0
Income	-1,237,000	-558,378	45	-1,237,000	0
<u>Street Sweeping-Litter Bins</u>					
Expenditure	191,790	55,773	29	191,790	0
Income	-28,769	-14,385	50	-28,769	0
<u>Waste Services Cleanup</u>					
Expenditure	141,877	75,208	53	141,877	0
Income	-106,858	-57,316	54	-106,858	0
<u>Waste Services Recycling</u>					
Expenditure	1,213,000	482,531	40	1,213,000	0
Income	-1,213,000	-606,500	50	-1,213,000	0
<u>Waste Services Garden Refuse</u>					
Expenditure	533,118	274,286	51	533,118	0
Income	-490,083	-247,747	51	-490,083	0
<u>Waste Services Supervision</u>					
Expenditure	528,262	204,694	39	522,262	-6,000
Income	-412,336	-206,316	50	-412,336	0
Total for Waste Services	-20,629	-3,756,239		-20,629	0
Street Cleaning					
<u>Street Cleaning General</u>					
Expenditure	1,348,021	698,973	52	1,348,021	0
Income	-231,819	-127,320	55	-231,819	0
Total for Street Cleaning	1,116,202	571,653	51	1,116,202	0
Bush Regeneration					
<u>Bush Regeneration</u>					
Expenditure	517,559	281,568	54	517,559	0
Income	0	-9,873	0	0	0
<u>Bush Regeneration Grant Works</u>					
Expenditure	12,182	2,157	18	12,182	0
Income	-10,034	-2,051	20	-10,034	0
Total for Bush Regeneration	519,707	271,800	52	519,707	0
Harbour Facilities					
<u>Harbour Facilities</u>					
Expenditure	63,564	35,271	55	63,564	0
Total for Harbour Facilities	63,564	35,271	55	63,564	0

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Total for Natural Environment	1,220,757	598,029		1,220,757	0
Roads, Traffic & Transport					
Road & Infrastructure Management					
<u>Public Infrastructure Management</u>					
Expenditure	207,863	94,492	45	207,863	0
Income	-488,100	-376,769	77	-488,100	0
<u>Infrastructure Investigation/Design</u>					
Expenditure	174,022	66,518	38	174,022	0
Income	-500	-988	198	-500	0
<u>Infrastructure Asset Management</u>					
Expenditure	288,850	95,195	33	288,850	0
Income	-350	-183	52	-350	0
Total for Road & Infrastructure Management	181,785	-121,735	-67	181,785	0
Roads Maintenance & Construction					
<u>Road Pavement Maintenance</u>					
Expenditure	3,153,346	1,626,090	52	3,153,346	0
Income	-34,700	-309	1	-34,700	0
<u>Kerb & Gutter Maintenance</u>					
Expenditure	999,521	496,952	50	999,521	0
<u>Footpath Maintenance</u>					
Expenditure	1,506,158	704,528	47	1,506,158	0
<u>Restorations</u>					
Expenditure	260,625	172,992	66	260,625	0
Income	-510,000	-121,768	24	-510,000	0
<u>Infrastructure Maintenance Supervision</u>					
Expenditure	312,470	247,210	79	312,470	0
Income	-40,360	-8,811	22	-40,360	0
Total for Roads Maintenance & Construction	5,647,060	3,116,884	55	5,647,060	0
Traffic Management					
<u>Traffic Devices-Lines & Signs</u>					
Expenditure	166,738	41,157	25	166,738	0
Income	-156,500	-61,500	39	-156,500	0
<u>Traffic Investigation & Reports</u>					
Expenditure	392,748	160,679	41	392,748	0
Income	0	-61	0	0	0
Total for Traffic Management	402,986	140,276	35	402,986	0
Parking - Council Carparks					
<u>Property Maintenance - Carparks</u>					
Expenditure	843,022	318,066	38	843,022	0
Income	-1,471,000	-327,924	22	-1,471,000	0
Total for Parking - Council Carparks	-627,978	-9,859	2	-627,978	0
Parking - On Street Parking					
<u>Ranger Services Parking Enforcement</u>					
Expenditure	1,542,364	712,734	46	1,542,364	0
Income	-3,300,000	-1,550,498	47	-3,420,000	-120,000
<u>Parking Meters</u>					
Expenditure	287,380	134,829	47	287,380	0
Income	-1,147,996	-542,437	47	-1,147,996	0
Total for Parking - On Street Parking	-2,618,252	-1,245,372	48	-2,738,252	-120,000
Other Transport Facilities					
<u>Street Lighting</u>					

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Expenditure	891,000	331,042	37	891,000	0
Income	-270,000	0	0	-270,000	0
<u>Ferry Wharves</u>					
Expenditure	43,681	9,096	21	43,681	0
Income	-24,000	-9,000	38	-24,000	0
Total for Other Transport Facilities	640,681	331,138	52	640,681	0
Streetscape					
<u>Business Centres Streetscape Maintenance</u>					
Expenditure	1,055,091	521,156	49	1,055,091	0
Income	0	-183	0	0	0
<u>Property Mtce - Street Furniture & Fence</u>					
Expenditure	150,942	67,657	45	150,942	0
Total for Streetscape	1,206,033	588,629	49	1,206,033	0
Total for Roads,Traffic & Transport	5,828,845	2,995,149		5,828,845	0
Parks & Public Space					
Open Space Management					
<u>Public Open Space Management</u>					
Expenditure	139,184	86,034	62	139,184	0
Income	-300,250	-221,508	74	-326,250	-26,000
Total for Open Space Management	-161,066	-135,474	84	-187,066	-26,000
Open Space Asset Management					
<u>Public Open Space Planning & Asset Manag</u>					
Expenditure	186,269	64,396	35	186,269	0
Total for Open Space Asset Management	186,269	64,396	35	186,269	0
Open Space Maintenance & Construction					
<u>Depot Operations</u>					
Expenditure	113,200	50,767	45	112,200	-1,000
<u>Parks and Street Trees Management</u>					
Expenditure	345,455	138,224	40	350,855	5,400
Income	-780	-365	47	-780	0
<u>Parks Area Team East</u>					
Expenditure	468,439	229,738	49	468,439	0
<u>Open Space Area Team Central</u>					
Expenditure	229,947	112,240	49	0	-229,947
Income	0	113	0	0	0
<u>Parks Area Team West</u>					
Expenditure	296,423	145,166	49	526,370	229,947
<u>Open Space Area Team Roving</u>					
Expenditure	572,599	251,122	44	572,599	0
Total for Open Space Maintenance & Construction	2,025,283	927,006	46	2,029,683	4,400
Park Facilities					
<u>Parks/Ovals Buildings Maint & Repairs</u>					
Expenditure	548,974	309,785	56	548,974	0
Income	-2,500	-3,233	129	-2,500	0
<u>Property Maintenance - Tennis Courts</u>					
Expenditure	8,795	1,154	13	8,795	0
Income	0	-265	0	0	0
<u>Property Maintenance - Public Toilets</u>					

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Expenditure	63,382	35,083	55	63,382	0
Total for Park Facilities	618,651	342,524	55	618,651	0
Total for Parks & Public Space	25,203	-71,078		-797	-26,000

Community Services

Library Services

Library Information Services

Expenditure	446,433	214,431	48	446,433	0
Income	-16,495	-5,677	34	-16,495	0

Library - Paddington Service

Expenditure	346,744	142,302	41	346,744	0
Income	-170,000	-31,641	19	-170,000	0

Property Maintenance - Libraries

Expenditure	100,987	38,136	38	100,987	0
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Library Admin. Collection Support

Expenditure	810,234	394,091	49	810,234	0
Income	-179,455	-11,489	6	-179,455	0

Library Lending Services

Expenditure	637,376	304,560	48	637,376	0
Income	-41,000	-20,969	51	-41,000	0

Total for Library Services

	1,934,824	1,023,745	53	1,934,824	0
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Family & Community Development

Family & Community Development

Expenditure	238,593	111,991	47	238,593	0
Income	-24,214	-9,950	41	-24,214	0

Kindergarten

Expenditure	602,314	318,633	53	611,314	9,000
Income	-619,634	-224,057	36	-622,634	-3,000

Total for Family & Community Development

	197,059	196,618	100	203,059	6,000
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Aged & Disability Services

EJ Ward Centre Operating

Expenditure	158,944	73,724	46	157,444	-1,500
Income	-51,892	-29,527	57	-54,892	-3,000

Aged & Disability Service Mgt & Planning

Expenditure	267,379	136,709	51	264,579	-2,800
Income	-32,572	-18,504	57	-35,272	-2,700

Total for Aged & Disability Services

	341,859	162,402	48	331,859	-10,000
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Leisure & Cultural Development

Cultural Development

Expenditure	129,955	88,274	68	129,955	0
Income	-35,772	-38,570	108	-35,772	0

Total for Leisure & Cultural Development

	94,183	49,705	53	94,183	0
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Community Services

Community Services Management

Expenditure	916,283	484,588	53	916,283	0
Income	-4,526	-4,648	103	-4,526	0

Property Maintenance - Community Facilities

Expenditure	135,028	69,343	51	135,028	0
Income	0	-10,634	0	0	0

Total for Community Services

	1,046,785	538,650	51	1,046,785	0
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Environment & Public Health

Immunisation

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Expenditure	12,550	3,067	24	12,550	0
Income	-10,500	-3,427	33	-10,500	0
<u>Environment & Public Health Services</u>					
Expenditure	308,866	135,310	44	323,866	15,000
Income	-73,250	-47,006	64	-73,250	0
<u>Ranger Services</u>					
Expenditure	375,335	137,659	37	375,335	0
Income	-64,500	-18,394	29	-64,500	0
<u>Animal Control</u>					
Expenditure	105,626	51,925	49	105,626	0
Income	-27,200	-14,672	54	-27,200	0
Total for Environment & Public Health	626,927	244,462	39	641,927	15,000
Total for Community Services	2,131,883	1,220,363		2,137,883	6,000
 Customer Service & Communication					
Customer Service & Communication					
<u>Customer Service</u>					
Expenditure	958,264	427,990	45	958,264	0
Income	-62,417	-31,143	50	-62,417	0
<u>Communications</u>					
Expenditure	389,180	136,261	35	389,180	0
Income	-7,349	-3,660	50	-7,349	0
Total for Customer Service & Communication	1,277,678	529,447	41	1,277,678	0
Other					
<u>Double Bay Promotions</u>					
Expenditure	71,500	53,325	75	79,000	7,500
Total for Other	71,500	53,325	75	79,000	7,500
Total for Customer Service & Communication	1,349,178	582,772		1,356,678	7,500
 Organisational Support					
Governance					
<u>Elected Officials</u>					
Expenditure	529,865	265,229	50	534,865	5,000
Income	-4,079	0	0	-4,079	0
<u>Governance</u>					
Expenditure	631,438	318,252	50	632,938	1,500
Income	-12,839	-5,733	45	-12,839	0
<u>Records Management</u>					
Expenditure	420,392	207,686	49	420,392	0
Income	-7,965	-3,551	45	-7,965	0
Total for Governance	1,556,812	781,883	50	1,563,312	6,500
Finance					
<u>Finance</u>					
Expenditure	1,270,100	347,222	27	1,270,100	0
Income	-31,620	-14,548	46	-31,620	0
<u>Rates</u>					
Expenditure	519,039	289,053	56	519,039	0
Income	-399,209	-237,861	60	-399,209	0
Total for Finance	1,358,310	383,866	28	1,358,310	0
Risk Management					
<u>Risk Management</u>					
Expenditure	369,994	191,564	52	369,994	0
Income	-20,203	-8,289	41	-20,203	0

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
<u>Public Liability/Professional Indemnity</u>					
Expenditure	1,019,000	853,975	84	1,019,000	0
Income	-34,000	0	0	-34,000	0
<u>Workers' Compensation</u>					
Expenditure	1,061,868	710,649	67	1,158,130	96,262
Income	-228,160	-250,414	110	-324,423	-96,263
<u>Motor Vehicle Insurance</u>					
Expenditure	245,000	149,141	61	245,000	0
Income	-74,257	-42,530	57	-74,257	0
<u>Council's Property Insurance</u>					
Expenditure	188,000	153,467	82	188,000	0
Income	-17,209	-3,605	21	-17,209	0
Total for Risk Management	2,510,033	1,753,958	70	2,510,032	-1
Human Resources					
<u>Human Resources Administration</u>					
Expenditure	443,141	216,810	49	445,141	2,000
Income	-28,533	-15,657	55	-28,533	0
<u>Corporate Training</u>					
Expenditure	150,000	49,331	33	150,000	0
Income	-12,543	-4,972	40	-12,543	0
<u>Recruitment</u>					
Expenditure	109,000	41,233	38	109,000	0
Income	-6,934	-3,467	50	-6,934	0
Total for Human Resources	654,131	283,278	43	656,131	2,000
Information Technology					
<u>Information Technology Management</u>					
Expenditure	900,987	480,581	53	900,987	0
Income	-14,657	-7,551	52	-14,657	0
<u>Information Systems</u>					
Expenditure	501,000	327,894	65	501,000	0
Income	-8,141	-4,071	50	-8,141	0
<u>Network - Telecommunications</u>					
Expenditure	253,000	87,001	34	253,000	0
Income	-4,111	-2,055	50	-4,111	0
Total for Information Technology	1,628,078	881,799	54	1,628,078	0
Property Management					
<u>Property Services</u>					
Expenditure	150,427	68,759	46	150,427	0
Income	-260	-122	47	-260	0
<u>Property Projects</u>					
Expenditure	145,287	73,883	51	145,287	0
Income	0	-68	0	0	0
<u>Property Maintenance - Depots</u>					
Expenditure	102,186	50,749	50	102,186	0
Income	0	0	0	0	0
<u>Restaurants/Other Commercial</u>					
Expenditure	82,780	60,489	73	82,780	0
Income	-12,500	-14,797	118	-12,500	0
<u>Property Maintenance - Council Offices</u>					
Expenditure	615,351	295,263	48	615,351	0
Income	0	-421	0	0	0
<u>Property Maintenance - Trades Support</u>					
Expenditure	296,365	134,612	45	296,365	0

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Income	0	-122	0	0	0
<u>Property Management</u>					
Expenditure	237,514	200,272	84	237,514	0
Income	-1,870,948	-900,825	48	-1,870,948	0
Total for Property Management	-253,798	-32,329	13	-253,798	0
Management Executive					
<u>Executive Services</u>					
Expenditure	606,025	341,516	56	646,025	40,000
Income	-8,748	-4,561	52	-8,748	0
Total for Management Executive	597,277	336,954	56	637,277	40,000
Technical Services Management & Services					
<u>Technical Services Management</u>					
Expenditure	232,185	167,104	72	232,185	0
Income	-7,806	-3,895	50	-7,806	0
Total for Technical Services Management & Services	224,379	163,209	73	224,379	0
Works & Services Admin Etc					
<u>Purchasing/Stores</u>					
Expenditure	170,082	88,418	52	170,702	620
Income	-22,111	-11,055	50	-22,111	0
<u>Fletcher Street - Operations</u>					
Expenditure	103,440	50,270	49	103,440	0
<u>Works & Services Mgmt & Admin</u>					
Expenditure	207,704	61,906	30	207,084	-620
Income	-27,132	-13,564	50	-27,132	0
<u>O'Dea Ave Depot Operations</u>					
Expenditure	314,961	150,855	48	314,961	0
Income	-109,914	-51,175	47	-109,914	0
<u>Plant Workshop</u>					
Expenditure	262,515	136,283	52	261,515	-1,000
Income	-59,982	-29,920	50	-59,982	0
<u>SES</u>					
Expenditure	32,501	3,376	10	32,501	0
<u>Plant Operations</u>					
Expenditure	0	0	0	0	0
Income	-238,000	-119,816	50	-238,000	0
Total for Works & Services Admin Etc	634,064	265,577	42	633,064	-1,000
Statutory Contributions					
<u>Statutory Contributions</u>					
Expenditure	1,994,283	1,266,443	64	1,994,283	0
Income	-303,000	-7,295	2	-303,000	0
Total for Statutory Contributions	1,691,283	1,259,148	74	1,691,283	0
General Purpose Revenues					
<u>Untied Grants</u>					
Income	-1,348,262	-728,017	54	-1,348,262	0
<u>Interest on Investments</u>					
Expenditure	274,000	33,291	12	284,000	10,000
Income	-1,211,000	-524,786	43	-1,311,000	-100,000
<u>General Rate Income</u>					
Expenditure	1,010,078	0	0	1,010,078	0
Income	-24,504,022	-24,510,669	100	-24,504,022	0
Total for General Purpose Revenues	-25,779,206	-25,730,181	100	-25,869,206	-90,000
Total for Organisational Support	2,915,122	1,165,749		2,921,622	6,500

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	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Natural Environment - Capital					
Stormwater Systems					
<u>Drainage Infrastructure</u>					
Expenditure	300,616	16,480	5	300,616	0
Income	-300,616	-16,480	5	-300,616	0
Total for Stormwater Systems	0	0	0	0	0
Total for Natural Environment - Capital	0	0	0	0	0
Roads, Traffic & Transport - Capital					
Roads Maintenance & Construction					
<u>Roads and Kerb & Gutter Infrastructure</u>					
Expenditure	272,485	233,316	86	272,429	-56
Income	-48,741	-50,985	105	-48,741	0
<u>Footpath Infrastructure</u>					
Expenditure	0	1,651	0	1,651	1,651
<u>Retaining Walls Infrastructure</u>					
Expenditure	28,931	5,866	20	28,931	0
Total for Roads Maintenance & Construction	252,675	189,848	75	254,270	1,595
Traffic Management					
<u>Traffic Infrastructure</u>					
Expenditure	653,838	42,561	7	692,187	38,349
Income	-162,592	0	0	-202,592	-40,000
Total for Traffic Management	491,246	42,561	9	489,595	-1,651
Parking					
<u>Car Parks</u>					
Expenditure	85,000	85,000	100	85,000	0
Income	-85,000	-85,000	100	-85,000	0
Total for Parking	0	0	0	0	0
Other Transport Facilities					
<u>Marine Structures</u>					
Expenditure	540,033	48,777	9	571,353	31,320
Income	-34,520	-7,213	21	-65,840	-31,320
Total for Other Transport Facilities	505,513	41,564	8	505,513	0
Streetscapes					
<u>Streetscapes</u>					
Expenditure	4,620,214	96,217	2	4,599,514	-20,700
Income	-3,856,426	-10,395	0	-3,835,726	20,700
Total for Streetscapes	763,788	85,822	11	763,788	0
Total for Roads, Traffic & Transport - Capital	743,921	232,409		743,865	-56
Parks & Open Space - Capital					
Open Space Maintenance & Construction					
<u>Open Space Capital Works Project Mgmt</u>					
Expenditure	78,000	43,251	55	78,000	0
Income	-78,000	-38,708	50	-78,000	0
<u>Parks & Reserves</u>					
Expenditure	1,120,443	545,978	49	1,120,443	0
Income	-1,001,861	-411,779	41	-1,001,861	0
<u>Playgrounds</u>					
Expenditure	89,813	66,683	74	89,813	0
Income	-89,813	-46,306	52	-89,813	0

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	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Sportsfields					
Expenditure	413,399	26,109	6	413,399	0
Income	-413,399	-25,329	6	-413,399	0
Sportsfield Buildings					
Expenditure	188,250	63,167	34	213,250	25,000
Income	-33,462	-17,452	52	-33,462	0
Total for Open Space Maintenance & Construction	273,370	205,612	75	298,370	25,000
Total for Parks & Open Space - Capital	273,370	205,612		298,370	25,000
Community Services - Capital					
Community Services					
Community Facilities					
Expenditure	343,157	78,436	23	395,278	52,121
Income	-42,967	-14,219	33	-92,967	-50,000
Total for Community Services	300,190	64,218	21	302,311	2,121
Library Services					
Library General					
Expenditure	60,015	21,616	36	60,015	0
Library - Double Bay					
Expenditure	224,500	88,764	40	224,500	0
Library - Paddington					
Expenditure	53,600	17,767	33	53,600	0
Library Buildings					
Expenditure	3,000	0	0	6,000	3,000
Total for Library Services	341,115	128,147	38	344,115	3,000
Total for Community Services - Capital	641,305	192,364		646,426	5,121
Organisation Support - Capital					
Information Technology					
Computers & Office Equipment					
Expenditure	698,250	34,865	5	698,250	0
Income	-276,750	-296	0	-276,750	0
Total for Information Technology	421,500	34,570	8	421,500	0
Property Management					
Commercial Properties					
Expenditure	99,500	0	0	99,500	0
Depots					
Expenditure	66,495	18,352	28	105,395	38,900
Council Offices					
Expenditure	178,911	8,409	5	178,911	0
Income	-10,908	-140	1	-10,908	0
Total for Property Management	333,998	26,621	8	372,898	38,900
Works & Services Admin Etc					
Plant Replacement Program					
Expenditure	4,175,871	2,131,024	51	4,199,871	24,000
Income	-2,673,371	-984,673	37	-2,694,371	-21,000
Total for Works & Services Admin Etc	1,502,500	1,146,351	76	1,505,500	3,000

Budget Review by Principal Activity & Cost Centre
as at 31 December 2005

	Current Forecast	Current Actual	%	Revised Forecast	Proposed Variation
Total for Organisation Support - Capital	755,498	61,191		794,398	38,900
Environmental Works Program Capital					
Environmental Works Program Capital					
<u>Environmental Works Program</u>					
Expenditure	2,293,152	518,109	23	2,293,152	0
Income	-2,293,152	-507,437	22	-2,293,152	0
Total for Environmental Works Program Capital	0	10,672	0	0	0
Total for Environmental Works Program Capital	0	10,672		0	0
Infrastructure Renewal Levy Works					
Infrastructure Renewal Levy Works					
<u>Infrastructure Renewal Program</u>					
Expenditure	2,912,323	374,644	13	2,881,003	-31,320
Income	-1,483,922	-123,039	8	-1,452,602	31,320
Total for Infrastructure Renewal Levy Works	1,428,401	251,605	18	1,428,401	0
Total for Infrastructure Renewal Levy Works	1,428,401	251,605		1,428,401	0
					38,064