



Business Paper

Corporate Governance Committee Meeting

Monday, 1 May 2017

6:30pm

**Council Chambers,
Level 2, Administration Building
4-20 Eton Street, Sutherland**

ORDER OF BUSINESS

- 1. ACKNOWLEDGEMENT OF COUNTRY**
- 2. APOLOGIES**
- 3. DISCLOSURES OF INTEREST**
- 4. CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING**
- 5. PRESENTATIONS**
- 6. REPORTS FROM OFFICERS**
 - GOV022-17 Cash Payments & Investments Report - March 2017
 - GOV023-17 Writing-Off of Rates and Charges Under Delegated Authority for the Period 1 July 2016 to 31 December 2016
 - GOV024-17 Quarterly Budget Review Statement for Period Ending March 2017
 - GOV025-17 Community Strategic Plan
- 7. QUESTIONS**
- 8. CONSIDERATION OF BUSINESS IN CLOSED SESSION**
- 9. CONFIDENTIAL REPORTS FROM OFFICERS**

GOV022-17 CASH PAYMENTS & INVESTMENTS REPORT - MARCH 2017

Attachments: Appendix A and Appendix B

EXECUTIVE SUMMARY

- This report provides details of Council's investment performance for the period ending 31 March 2017, along with presenting cash and investment balances and diversification.
- Council may invest funds that are not, at any particular time, required for any other purpose. Investment of these funds must be in accordance with relevant legislation and regulations and in accordance with Council's Policy for Investment of Cash Balances. Details of these investments must be reported to Council monthly.
- The return on Council's portfolio to 31 March 2017 was 3.02% compared to the benchmark of 1.83%.
- All investments have been made in accordance with legislative requirements and within relevant Council policy.

REPORT RECOMMENDATION

<p>That the information concerning Bank Balances and Investments held as at 31 March 2017, be received and noted.</p>

PURPOSE

The purpose of this report is to advise Council of funds invested in accordance with Section 625 of the Local Government Act. Additionally, the report provides details and certification as required by Clause 212(1) of the Local Government (General) Regulation 2005.

BACKGROUND

The Cash Payments and Investments Report is required to be submitted for Council's consideration each month detailing investments and their performance.

DISCUSSION

Council invests funds which are not required in the short term for any other purpose. These investments are governed by strict legislative requirements and Council's Policy for Investment of Cash Balances. The Responsible Accounting Officer must report to Council monthly details of the funds invested and certify that they have been made in accordance with the legislation and policy.

The return on Council's total investment portfolio has averaged 3.02% for the period to 31 March 2017 against a benchmark of 1.83%. Total interest earned for the nine months was \$2,249,210.26 against a budget of \$2.572 million, of which \$834,089.29 is applicable to the Section 94 Trust Fund. Details of the investments and performance are in the attached document (Appendix B).

CONSULTATION

Appropriate consultation has occurred with Council's financial investment advisor and fund managers.

BUDGET

Actual investment income remains significantly greater than the proportional annual budget for the nine months to 31 March 2017 which has necessitated an upward adjustment in the March Budget Review. This adjustment is the result of higher than originally anticipated investment funds, primarily from internally restricted assets held at 30 June 2016. The overall increase to Council income is \$150K, with general revenue benefiting by the full amount. Assessment of the proportion attributable to other funds indicates adequate provision has been made and that the additional income relates to general Council revenue.

It should be recognised that over the next few months a number of high yield investments will be maturing and the current low yields on offer from the investment institutions will negatively impact on interest earnings for the remainder of the financial year resulting in a less than proportional increase in the estimate.

CERTIFICATION BY RESPONSIBLE ACCOUNTING OFFICER

In accordance with clause 212 of the Local Government (General) Regulation 2005, I hereby certify that all investments have been made in accordance with the Act, the regulations and Council's investment policy.



Greg Hayes
Manager Finance and
Responsible Accounting Officer

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Finance, Greg Hayes, who can be contacted on 9710 0334.

File Number: 2016/250910

Appendix A – Summary of Bank Balances as at 31 March 2017**SUMMARY OF BANK BALANCES as at 31 March 2017**

FUND	BANK BALANCE	UNPRESENTED CHEQUES	DIRECT CREDIT	CASH ON HAND	OWED TO OTHER FUNDS	CASHBOOK BALANCE
General Fund 1	624,441.17	(268,576.99)	(52,195.27)	150,567.97	(970,119.43)	(515,882.55)
Trust Fund 1	0.00	0.00	0.00	0.00	0.00	789,167.63
Trust Fund 2	0.00	0.00	0.00	0.00	0.00	27,875.00
Bushfire Trust	0.00	0.00	0.00	0.00	0.00	84,639.98
SES Trust	0.00	0.00	0.00	0.00	0.00	242.80
Australand	0.00	0.00	0.00	0.00	0.00	68,194.02
Total	624,441.17	(268,576.99)	(52,195.27)	150,567.97	(970,119.43)	454,236.88

This appendix identifies cash movements throughout the month along with a summary bank reconciliation statement.



Investment Summary Report March 2017

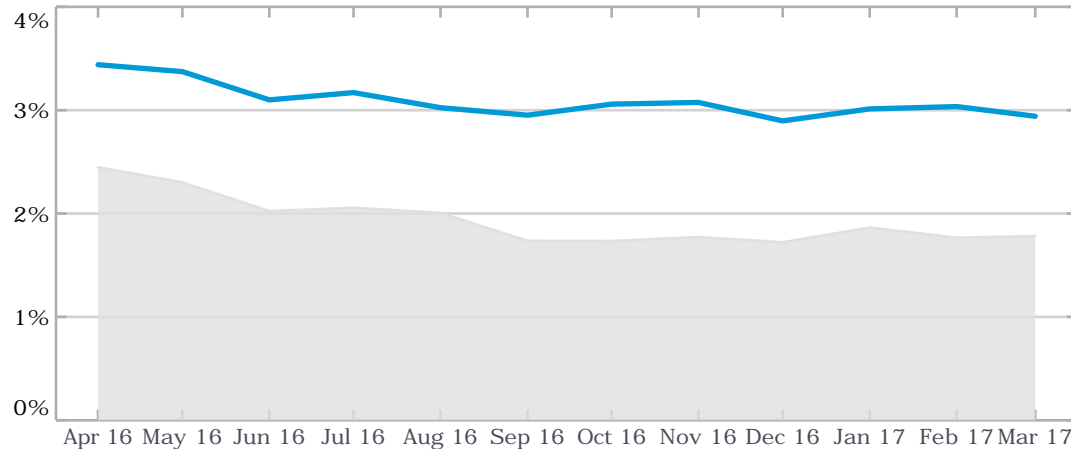
Cash and Investment Holdings

	Face Value (\$)	Current Value (\$)	Current Yield (%)
Cash	10,674,441.17	10,674,441.17	1.3663
Floating Rate Note	26,750,000.00	26,909,870.00	3.0248
Term Deposit	73,500,000.00	73,500,000.00	3.1283
	110,924,441.17	111,084,311.17	2.9338

Application of Funds

	Face Value (\$)
General Fund 1	69,490,846.77
Trust Fund - Section 94	39,133,594.40
Custodial Funds	2,300,000.00
Total	110,924,441.17

Investment Performance



■ Portfolio Annualised Return ■ AusBond BB Index Annualised Return

Investment Performance

	Performance	AusBond BB Index	Outperformance
March 2017	2.94%	1.78%	1.16%
Last 3 Months	2.99%	1.81%	1.19%
Last 6 Months	3.00%	1.77%	1.23%
Financial Year to Date	3.02%	1.83%	1.19%
Last 12 Months	3.09%	1.94%	1.15%

Cash Accounts

Face Value (\$)	Current Yield	Institution	Credit Rating	Current Value (\$)	Reference
1,750,000.00	1.1000%	Commonwealth Bank of Australia	A-1+	1,750,000.00	BOS
624,441.17	1.0000%	Commonwealth Bank of Australia	A-1+	624,441.17	Cash at Bank
8,300,000.00	1.4500%	Commonwealth Bank of Australia	A-1+	8,300,000.00	CDA
10,674,441.17	1.3663%			10,674,441.17	

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
5-Apr-17	2,000,000.00	2.9000%	Hunter United Employees CU	NR	2,000,000.00	6-Oct-16	2,000,000.00	AtMaturity	12648
11-Apr-17	3,000,000.00	2.8000%	Credit Union Australia	A-2	3,000,000.00	30-Aug-16	3,000,000.00	AtMaturity	12633
19-Apr-17	2,000,000.00	2.8000%	ME Bank	A-2	2,000,000.00	18-Nov-16	2,000,000.00	AtMaturity	12655
4-May-17	1,000,000.00	6.2000%	RaboDirect	A-1	1,000,000.00	4-May-12	1,000,000.00	Annually	11594
4-May-17	3,000,000.00	6.1000%	RaboDirect	A-1	3,000,000.00	4-May-12	3,000,000.00	Annually	11595
9-May-17	2,000,000.00	2.3600%	Commonwealth Bank of Australia	A-1+	2,000,000.00	10-Mar-17	2,000,000.00	AtMaturity	12690
12-May-17	2,000,000.00	2.8100%	Suncorp Bank	A-1	2,000,000.00	16-Nov-16	2,000,000.00	AtMaturity	12653
16-May-17	3,000,000.00	3.0000%	AMP Bank	A-1	3,000,000.00	16-May-16	3,000,000.00	AtMaturity	12580
25-May-17	2,000,000.00	3.0000%	AMP Bank	A-1	2,000,000.00	25-May-16	2,000,000.00	AtMaturity	12586
30-May-17	3,000,000.00	2.6000%	ME Bank	A-2	3,000,000.00	28-Feb-17	3,000,000.00	AtMaturity	12684
6-Jun-17	3,000,000.00	2.7000%	Auswide Bank	A-2	3,000,000.00	8-Sep-16	3,000,000.00	AtMaturity	12642
13-Jun-17	4,000,000.00	2.6500%	Beyond Bank Australia	A-2	4,000,000.00	1-Mar-17	4,000,000.00	AtMaturity	12683
20-Jun-17	1,500,000.00	2.8000%	Suncorp Bank	A-1	1,500,000.00	16-Nov-16	1,500,000.00	AtMaturity	12654
28-Jun-17	2,000,000.00	2.5500%	ME Bank	A-2	2,000,000.00	2-Mar-17	2,000,000.00	AtMaturity	12686
6-Jul-17	2,000,000.00	3.1500%	Intech Bank	NR	2,000,000.00	6-Jul-16	2,000,000.00	AtMaturity	12602
11-Jul-17	3,000,000.00	2.8500%	Auswide Bank	A-2	3,000,000.00	1-Dec-16	3,000,000.00	AtMaturity	12659
25-Jul-17	2,000,000.00	2.8000%	ING Bank (Australia)	A-2	2,000,000.00	25-Jan-17	2,000,000.00	AtMaturity	12674
1-Aug-17	3,000,000.00	2.8000%	ING Bank (Australia)	A-2	3,000,000.00	31-Jan-17	3,000,000.00	AtMaturity	12675
8-Aug-17	4,000,000.00	3.0000%	Westpac Group	A-1+	4,000,000.00	8-Aug-16	4,000,000.00	AtMaturity	12626

Term Deposits									
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
9-Aug-17	2,000,000.00	7.0800%	Bank of Queensland	A-2	2,000,000.00	9-Aug-12	2,000,000.00	AtMaturity	12683
14-Aug-17	2,000,000.00	2.7900%	Police Credit Union (SA)	NR	2,000,000.00	15-Feb-17	2,000,000.00	AtMaturity	12678
23-Aug-17	1,000,000.00	2.7000%	Beyond Bank Australia	A-2	1,000,000.00	24-Feb-17	1,000,000.00	AtMaturity	12683
6-Sep-17	2,000,000.00	2.8000%	Hunter United Employees CU	NR	2,000,000.00	9-Mar-17	2,000,000.00	AtMaturity	12688
12-Sep-17	3,000,000.00	2.7200%	ME Bank	A-2	3,000,000.00	22-Feb-17	3,000,000.00	AtMaturity	12680
26-Sep-17	2,700,000.00	3.0000%	Westpac Group	A-1+	2,700,000.00	2-Sep-16	2,700,000.00	Annually	12638
10-Oct-17	3,000,000.00	3.0000%	Westpac Group	A-1+	3,000,000.00	1-Sep-16	3,000,000.00	Annually	12637
24-Oct-17	2,000,000.00	3.0000%	Westpac Group	A-1+	2,000,000.00	22-Sep-16	2,000,000.00	Annually	12646
5-Dec-17	2,000,000.00	2.9500%	Defence Bank	A-2	2,000,000.00	8-Dec-16	2,000,000.00	AtMaturity	12664
27-Mar-18	2,000,000.00	2.9000%	Police Credit Union (SA)	NR	2,000,000.00	27-Mar-17	2,000,000.00	AtMaturity	12692
22-Feb-19	2,000,000.00	3.1000%	Westpac Group	AA-	2,000,000.00	22-Sep-16	2,000,000.00	Annually	12645
71,200,000.00		3.1389%			71,200,000.00	71,200,000.00			

Term Deposits - Custodial									
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
26-Feb-18	2,300,000.00	2.8000%	Credit Union Australia	A-2	2,300,000.00	24-Feb-17	2,300,000.00	AtMaturity	Bushfire
2,300,000.00		2.8000%			2,300,000.00	2,300,000.00			

Floating Rate Notes									
Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Next Coupon Date	Reference
7-Jun-19	1,500,000.00	3.3800%	GBS Snr FRN (Jun19) BBSW+ 1.60%	BBB+	1,500,000.00	7-Jun-16	1,499,040.00	7-Jun-17	12593
11-Jun-19	1,500,000.00	2.8950%	AMP Snr FRN (Jun19) BBSW+ 1.10%	A+	1,500,000.00	11-Dec-15	1,509,510.00	13-Jun-17	12537
18-Jul-19	2,000,000.00	3.2300%	ME Bank Snr FRN (Jul19) BBSW+ 1.45%	BBB+	2,000,000.00	18-Jul-16	2,013,200.00	18-Apr-17	12612
30-Aug-19	1,000,000.00	3.3300%	GBS Snr FRN (Aug19) BBSW+ 1.55%	BBB+	1,000,000.00	30-Aug-16	1,000,020.00	30-May-17	12631

Floating Rate Notes

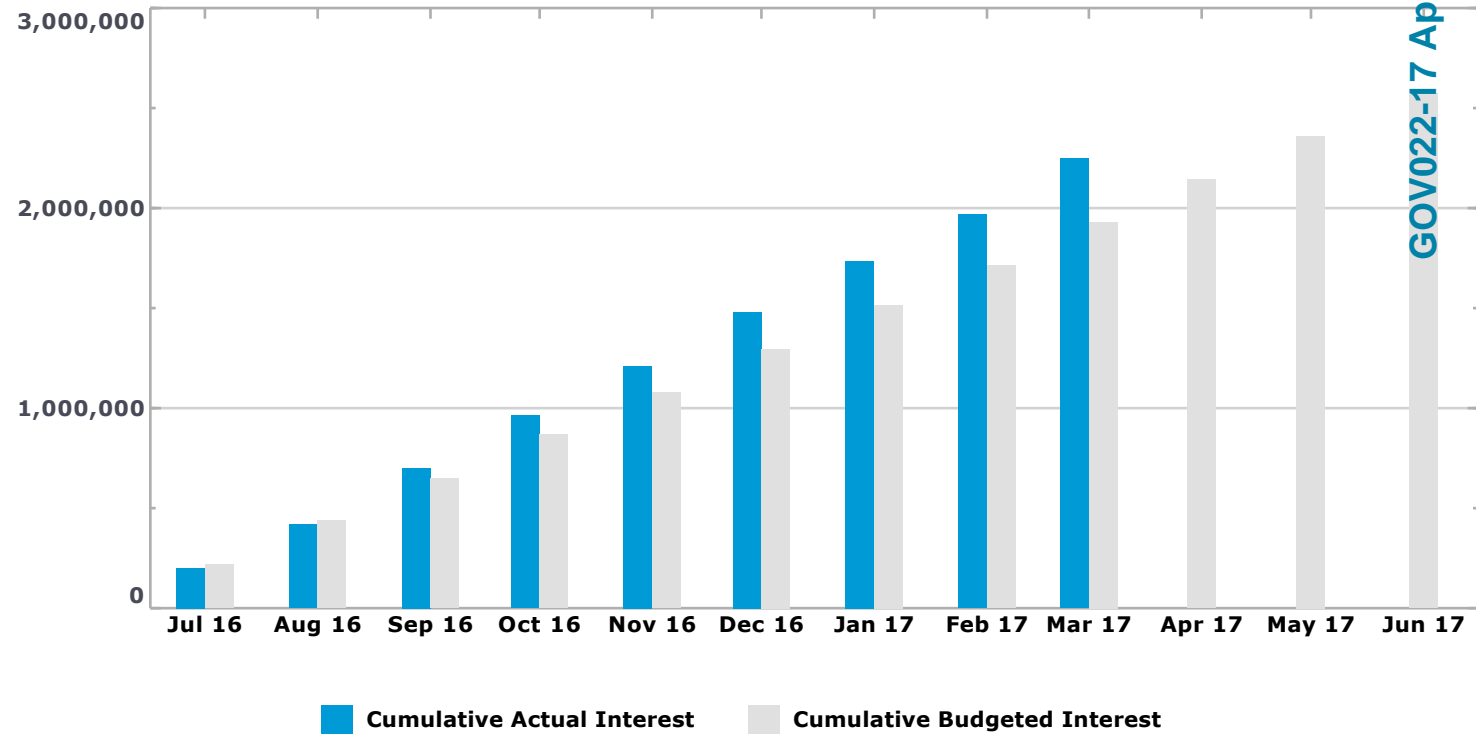
Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Next Coupon Date	Reference
28-Oct-19	1,500,000.00	3.1700%	TMB Snr FRN (Oct19) BBSW+ 1.40%	BBB+	1,500,000.00	28-Oct-16	1,501,800.00	28-Apr-17	12649
3-Mar-20	2,000,000.00	2.8850%	MAC Snr FRN (Feb20) BBSW+ 1.10%	A	2,007,220.00	29-Jan-16	2,012,820.00	5-Jun-17	12547
20-Mar-20	1,250,000.00	3.0950%	CUA Snr FRN (Mar20) BBSW+ 1.30%	BBB+	1,250,000.00	20-Mar-17	1,250,025.00	20-Jun-17	12689
7-Apr-20	2,000,000.00	3.1300%	NPBS Snr FRN (Apr20) BBSW+ 1.35%	BBB+	1,987,480.00	25-Jul-16	1,999,440.00	7-Apr-17	12618
18-Aug-20	3,000,000.00	2.8800%	BEN Snr FRN (Aug20) BBSW+ 1.10%	A-	3,000,000.00	18-Aug-15	3,012,450.00	18-May-17	12493
20-Oct-20	2,500,000.00	3.0300%	SUN Snr FRN (Oct20) BBSW+ 1.25%	A+	2,500,000.00	20-Oct-15	2,527,200.00	20-Apr-17	12518
18-Jan-21	2,000,000.00	2.9301%	CBA Snr FRN (Jan21) BBSW+ 1.15%	AA-	2,001,800.00	27-Jan-16	2,027,380.00	18-Apr-17	12546
3-Jun-21	1,500,000.00	2.9550%	WBC Snr FRN (Jun21) BBSW+ 1.17%	AA-	1,500,000.00	3-Jun-16	1,521,825.00	5-Jun-17	12588
12-Jul-21	2,000,000.00	2.9902%	CBA Snr FRN (Jul21) BBSW+ 1.21%	AA-	2,000,000.00	12-Jul-16	2,032,240.00	12-Apr-17	12611
17-Jan-22	1,000,000.00	2.8799%	CBA Snr FRN (Jan22) BBSW+ 1.11%	AA-	1,000,000.00	17-Jan-17	1,009,400.00	18-Apr-17	12668
30-Mar-22	2,000,000.00	2.8450%	AMP Snr FRN (Mar22) BBSW+ 1.05%	A+	2,000,000.00	30-Mar-17	1,993,520.00	30-Jun-17	12694
26,750,000.00		3.0248%			26,746,500.00		26,909,870.00		

Total Investments

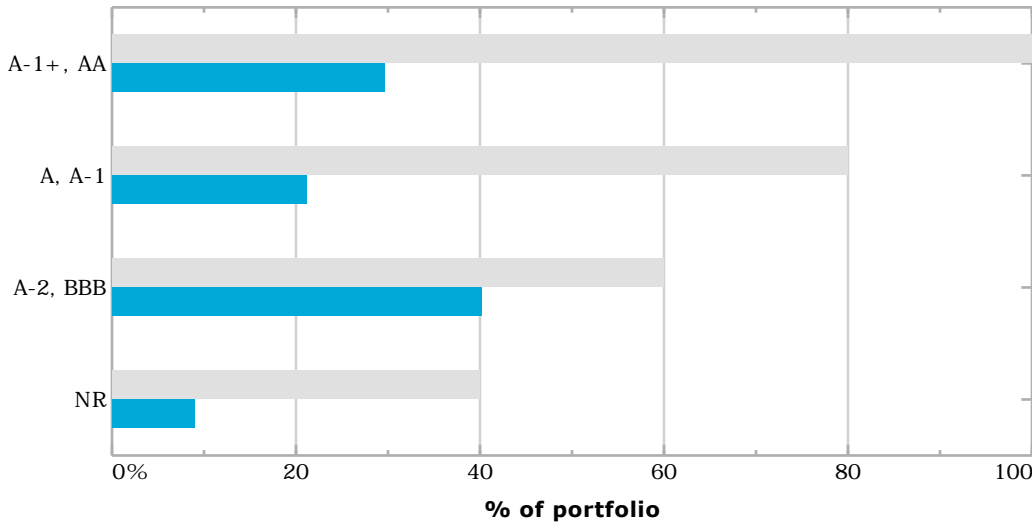
Face Value (\$)	Current Value (\$)
110,924,441.17	111,084,311.17

Budgeted vs Actual Returns

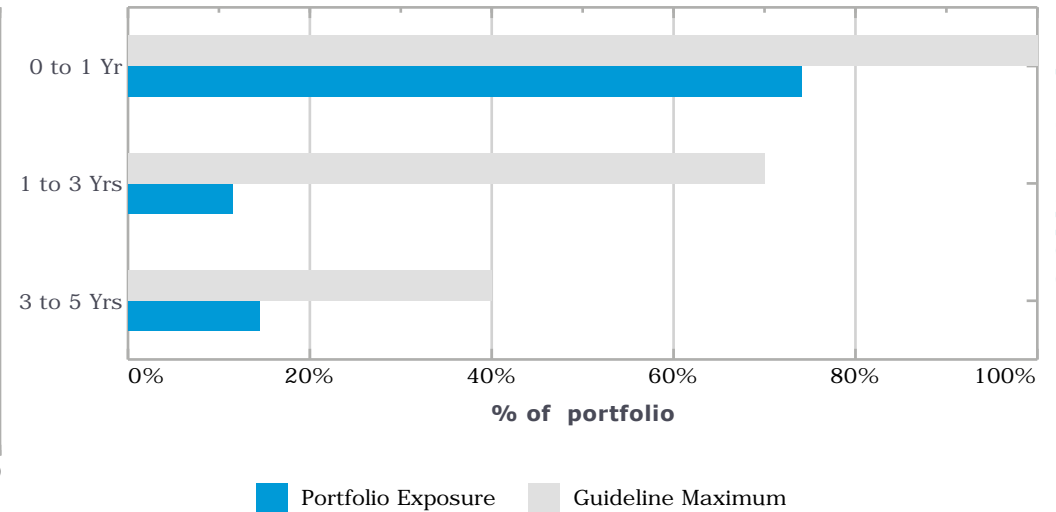
	YTD Income from Investments (\$)	Interest Earned (Progressive % of Annual Budget)
July 2016	201,428	7.83%
August 2016	419,463	16.31%
September 2016	700,544	27.24%
October 2016	963,999	37.48%
November 2016	1,210,522	47.07%
December 2016	1,480,830	57.58%
January 2017	1,736,136	67.50%
February 2017	1,967,188	76.48%
March 2017	2,249,210	87.45%
Budget Target	2,572,000	



Total Credit Exposure



Term to Maturities



	Credit Rating	Face Value (\$)		Guideline Max	
Short Term	A-1+	24,374,441			
Long Term	AA	8,500,000			
		32,874,441	30%	100%	✓
Short Term	A-1	12,500,000			
Long Term	A	11,000,000			
		23,500,000	21%	80%	✓
Short Term	A-2	35,300,000			
Long Term	BBB	9,250,000			
		44,550,000	40%	60%	✓
No Rating	NR	10,000,000			
		10,000,000	9%	40%	✓
		110,924,441	100%		

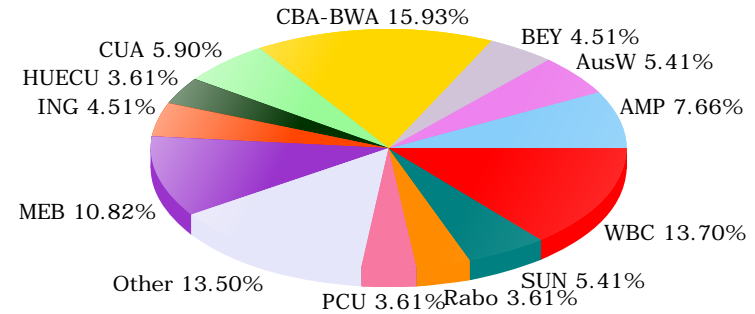
	Face Value (\$)		Guideline Max	
Between 0 and 1 Year	82,174,441	74%	100%	✓
Between 1 and 3 Years	12,750,000	11%	70%	✓
Between 3 and 5 Years	16,000,000	14%	40%	✓
	110,924,441			

Detailed Maturity Profile	Face Value (\$)	
00. Cash + Managed Funds	10,674,441	10%
01. Less Than 30 Days	7,000,000	6%
02. Between 30 Days and 60 Days	13,000,000	12%
03. Between 60 Days and 90 Days	13,500,000	12%
04. Between 90 Days and 180 Days	26,700,000	24%
05. Between 180 Days and 365 Days	11,300,000	10%
06. Between 365 Days and 3 Years	12,750,000	11%
07. Between 3 Years and 5 Years	16,000,000	14%
	110,924,441	

Individual Institutional Exposures

Individual Institutional Exposure Charts

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
AMP Bank	A-1, A+	8,500,000	44,369,776
Auswide Bank	A-2, BBB	6,000,000	22,184,888
Bank of Queensland	A-2, A-	2,000,000	22,184,888
Bendigo and Adelaide Bank	A-2, A-	3,000,000	44,369,776
Beyond Bank	A-2, BBB+	5,000,000	22,184,888
Commonwealth Bank of Australia	A-1+, AA-	17,674,441	49,915,999
Credit Union Australia	A-2, BBB+	6,550,000	22,184,888
Defence Bank	A-2, BBB+	2,000,000	22,184,888
Greater Building Society	A-2, BBB+	2,500,000	22,184,888
Hunter United Employees CU	NR	4,000,000	44,369,776
ING Group	A-2, A-	5,000,000	22,184,888
Intech Bank	NR	2,000,000	44,369,776
Macquarie Group	A-1, A	2,000,000	44,369,776
Members Equity Bank	A-2, BBB+	12,000,000	22,184,888
Newcastle Permanent Building Society	A-2, BBB+	2,000,000	22,184,888
Police Credit Union (SA)	NR	4,000,000	44,369,776
Rabobank Australia	A-1, A+	4,000,000	44,369,776
Suncorp Bank	A-1, A+	6,000,000	44,369,776
Teachers Mutual Bank	A-2, BBB+	1,500,000	22,184,888
Westpac Group	A-1+, AA-	15,200,000	49,915,999
		110,924,441	



**GOV023-17 WRITING-OFF OF RATES AND CHARGES UNDER DELEGATED
AUTHORITY FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**

Attachments: Appendix A

EXECUTIVE SUMMARY

- The purpose of this report is to advise Council of the amounts written-off for rates and charges which have been approved by the General Manager under delegated authority as required by the Local Government (General) Regulation 2005.
- For the six months ended 31 December 2016, a total of \$42,983.43 representing Rates, Domestic Waste Management Charges, Dishonoured Cheque Fees, Interest Charges and Legal Costs has been written-off.
- The majority of amounts written off are related to properties that have become non-rateable or have been the result of a change in rating categorisation.

REPORT RECOMMENDATION

That the report on "Writing-Off of Rates and Charges Under Delegated Authority for the Period 1 July 2016 - 31 December 2016", be received and noted.

PURPOSE

The purpose of this report is to inform Council of write-offs approved by the General Manager under delegated authority for rates and charges for the six months ended 31 December 2016.

Council must be advised of details of the amounts written-off for rates and charges which have been approved by the General Manager under delegated authority, in accordance with the Local Government (General) Regulation 2005, Clause 131(4) and Sections 564(2), Section 567(a)(b) of the Local Government Act 1993,

BACKGROUND

The General Manager has delegated authority to approve the write-off of rates and charges deemed not recoverable. The limit of this delegation for any one debt is currently \$10,000. Individual debts in excess of this limit require the specific approval of Council for abandonment.

Legislation requires that any amounts approved for abandonment by the General Manager under delegated authority must still be reported to Council.

DISCUSSION

For the six months ended 31 December 2016, a total of \$42,983.43 representing Rates, Domestic Waste Management Charges, Dishonoured Cheque Fees, Interest Charges and Legal Costs has been written-off.

It should be noted that amounts can only be approved for abandonment in accordance with the criteria set out in the Act and Regulations. A summary of the amounts is as follows:

Local Government (General) Regulation 2005, Clause 131(4)

Correction of assessments	\$449.64
Amount not lawfully recoverable	-
Not cost effective to recover	\$535.48
Decision of Court (Judgement)	-

Local Government Act 1993, Section 527

Changes of Rates Category, including assessments becoming non-rateable	\$41,823.21
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Local Government Act 1993, Section 567(a)(b) & (c) and Section 564(2)

Reasons beyond ratepayers' control	\$175.10
Compliance with an Agreement	-

TOTAL WRITE-OFFS	<u>\$42,983.43</u>
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Please refer to the attached summary for details of the various categories of amounts written-off (Appendix A).

A brief example of the categories above is provided as follows:

Correction of assessment:

Rates and Charges are written off when a property has been assessed incorrectly for a period of time based on untimely and/or changing circumstances. A number of circumstances can lead to this situation, examples are:

- Charges can be raised in error by the system and are written off, e.g. waste charges raised incorrectly.
- When a property is subdivided, rates and charges on past properties need to be written off and rates levied on the new subdivided lots. The rates and charges are written off and levied as part of the Supplementary Rates issue. Any interest raised on the past properties in the interim, are written off.
- Where a private lease on Crown Land is terminated and/or the property is vacated, rates are written off under Changes of Rates Category. Council is not notified until months after the termination date (e.g. NSW Land and Housing properties) and as a result interest accrues. Interest is written off from the date the lease is terminated and/or the property becomes vacated.
- This also includes staff clerical errors. This occurs where data is incorrectly entered such as an incorrect postal address added to a name, an incorrect account or BSB number entered on direct debit, pension rebate applied to the wrong account or a wrong date for some calculation. This error usually relates to interest being written-off.

Amount not lawfully recoverable:

This usually relates to a timing issue, where a property ownership is transferred and Council has not been advised in a timely fashion. A rate or charge may have been raised in the interim period against the previous owner and accordingly needs to be written-off.

Not cost effective to recover:

This occurs where the rates and charges for a property have been paid with exception of a small balance of less than \$2.00. Small balances on rate accounts of less than \$2.00 are written off. It is not cost effective to recover this small balance.

Changes of Rates Category:

This relates to applications submitted claiming non-rateability for a property under the Local Government Act. If the applicant satisfies the non-rateability criteria then the land rates are written-off from the date of acquisition e.g. NSW Land and Housing vacant properties, Gandangara Aboriginal Land Council owned properties etc.

Reasons beyond ratepayers' control:

If a ratepayer experiences events beyond their control like sickness or hospitalisation and are unable to pay their rates by the due date then the interest may be written-off. A ratepayers' payment history may also be considered in conjunction with their unfortunate circumstances.

Interest is written off for those ratepayers with excellent payment history.

The amount written-off also includes Stormwater adjustments for eligible pensioners. Where a ratepayer became an eligible pensioner prior to the start of the financial year they are entitled to a reduced Stormwater charge for the current financial year.

Compliance with an agreement:

Interest may be written-off for cases of hardship where the ratepayer has entered into a payment agreement with Council and has satisfied the terms of that agreement in settling their debt.

The above adjustments are recorded in summary form in the Abandonments Register which is available for inspection.

Journal adjustments and supporting documents to the Abandonment Register are filed in the Revenue Section of the Finance Department.

BUDGET AND RESOURCES

The write-off of rates and charges for the six month period 1 July 2016 to 31 December 2016 is able to be met from the budget allocated for this purpose.

POLICY

It is a requirement under legislation that Council be advised of details of amounts written-off for rates and charges which have been approved by the General Manager under delegated authority.

CONCLUSION

Consideration of this Report by Council ensures that all relevant legislative requirements are satisfied in respect of rates and charges that have been written-off.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Finance, Greg Hayes, who can be contacted on 9710 0334.

File Number: 2016/247914

Summary of Amounts Written Off by Categories
Periods 1 to 6 (1 July 2016 to 31 December 2016)

Corporate Governance Committee

1 May 2017

GOV023-17 Appendix A

	Compliance with an Agreement Code (E)		Reason Beyond Ratepayers Control Code (F)		Ratepayers Hardship Code (G)		Decision of Court (Judgment) Code (C)		Error in Assessment Code (A)		Amount Not Lawfully Recoverable Code (B)		Not Cost Effective to Recover (Policy Adjustment) Code (D)		Rate Adjusted re Categorisation (incl. Non Rateable) Code (H)		Total	
	No. of Acct	Amount	No. of Acct	Amount	No. of Acct	Amount	No. of Acct	Amount	No. of Acct	Amount	No. of Acct	Amount	No. of Acct	Amount	No. of Acct	Amount	No. of Acct	Amount
	Rates, Domestic Waste and Stormwater Charges																	
Rates Residential Rates													105	40.10	36	36,520.38	141	36,560.48
Rates Residential Mixed													1	0.03			1	0.03
Rates Business Rates													13	9.49	1	5,302.83	14	5,312.32
Rates Business Mixed													1	0.11			1	0.11
Rates BusCarilMix																	-	-
Rates Business Caringbah																	-	-
Rates Sutherland Commercial																	-	-
Rates Business Cronulla													1	0.19			1	0.19
Rates BusCronMix																	-	-
Rates Cronulla Plaza Special Rate													1	0.10			1	0.10
Rates Business Engadine													1	0.49			1	0.49
Rates BusEnqaMix																	-	-
Rates Business Menai																	-	-
Rates Business Kurnell																	-	-
Rates Business Sutherland													3	2.46			3	2.46
Rates Business Miranda													2	1.44			2	1.44
Rates BusMirCore																	-	-
Rates Domestic Waste													55	24.71			55	24.71
Rates Domestic WasteShared													42	15.46			42	15.46
Rates RAS													1	0.04			1	0.04
RatesGRWAS																	-	-
Rates Service Availability Charge(VL)																	-	-
Rates Service Availability Charge Improved Land													6	2.83			6	2.83
Stormwater LevyCommercial									1	144.51			9	0.11			10	144.62
Stormwater LevyIndustrial													7	0.35			7	0.35
StormwaterPenMn									4	(25.00)			3	0.03			7	24.97
StormwaterPenRE									2	12.50			1	0.02			3	12.52
Stormwater LevyStrata Plans									2	25.00			38	0.59			40	25.59
Stormwater Levy DP's									4	100.00			15	1.02			19	101.02
Stormwater LevyRecreation																	-	-
Totals Charges	-	-	-	-	-	-	-	-	13	257.01	-	-	305	99.57	37	41,823.21	355	42,179.79
Interest Charges																		
Interest Residential Rate			26	34.43					38	90.59			555	265.41			619	390.43
Interest Business Rates									1	2.27			71	38.78			72	41.05
Interest Caringbah Business													7	4.26			7	4.26
Interest Caringbah																	-	-
Interest Cronulla Plaza Special Rate																	-	-
Interest Cronulla Business													13	2.59			13	2.59
Interest Cronulla Plaza													11	1.62			11	1.62
Interest Engadine Business													2	0.45			2	0.45
Interest Menai Business																	-	-
Interest Business Miranda													7	2.93			7	2.93
Interest Engadine																	-	-
Interest Miranda																	-	-
Interest Business Sutherland													10	2.95			10	2.95
Interest Menai																	-	-
Interest Kurnell																	-	-
Interest Waste			29	16.45					59	56.72			445	116.34			533	189.51
InterestStormwater Levy			2	0.22					8	1.05			10	0.58			20	1.85
Total Interest	-	-	57	51.10	-	-	-	-	106	150.63	-	-	1,131	435.91	-	-	1,294	637.64
Other																		
Dishonoured Cheques			6	124.00					2	42.00							8	166.00
Total Other	-	-	6.00	124.00	-	-	-	-	2	42.00	-	-	-	-	-	-	8	166.00
Totals	-	-	63	175.10	-	-	-	-	119	449.64	-	-	1,436	535.48	37	41,823.21	1,657	42,983.43

**GOV024-17 QUARTERLY BUDGET REVIEW STATEMENT FOR PERIOD ENDING
MARCH 2017**

Attachments: Appendix A and Appendix B

EXECUTIVE SUMMARY

- The Local Government (General) Regulations 2005 requires the provision of a quarterly budget review statement which details Council's progress against the annual budget and provides advice in regards to variations and recommended changes.
- The March Quarterly Budget Review Statement shows an overall increase in the full year's budget surplus.
- In regards to the Operating Fund a surplus of uncommitted operating funds of \$73K has been realised.
- The March Quarterly Budget Review Statement demonstrates that Council is continuing to maintain a strong financial position.

REPORT RECOMMENDATION

That the Third Quarterly Budget Review Statement for the Period Ending March 2017 and recommendations contained within be adopted and income and expenditure adjustments be voted.

PURPOSE

The Quarterly Budget Review Statement (QBRS) presents a summary of Council's financial position at the end of the third quarter for the financial year ended 30 June 2017.

BACKGROUND

The quarterly budget review process is the mechanism through which Council and the community are informed of Council's progress against the Operational Plan (annual budget), together with recommendations for changes and reasons for any budget variations.

The quarter's QBRS has been produced in accordance with the guidelines and standards issued by the Office of Local Government (Appendix A).

DISCUSSION**Operational Budget Result**

Overall, the March Quarterly Budget Review shows an decrease of \$133K (before capital items) from the revised (December Budget Review) full-year budget surplus of \$4.083 million, which has resulted in a revised full year budget surplus of \$3.950 million (before capital items). This result reflects the following movements:

- An increase on budgeted income of \$1.117 million (before capital items). This relates to additional User Charges and Fees \$288K, Interest Income of \$150K, Operating Grants of \$699K and a reduction of Other Revenue \$20K. This excludes any capital grants adjustments which are described in the Capital Budget Result section below.
- An increase on budgeted expenses of \$1.250 million. This additional expenditure relates to Materials and Contracts that increased \$1.421 million and a reduction in Employee Costs (salaries and wages) of \$171K. This excludes any capital expenditure adjustments which are described in the Capital Budget Result section below.

Information relating to the significant variations within the operating result is contained in Attachment 3 of Appendix A.

Operational Fund Result (Working Funds)

After taking into consideration reserve movements and capital expenditure variations, a surplus of uncommitted operating funds of \$73K has been realised and transferred into the Future Budgets Reserve to maintain Council's uncommitted operational funds of \$1 million.

Further details are available in the attached quarter's QBRS.

Capital Budget Result

Overall, following the March Quarterly Budget Review, budgeted capital expenditures are expected to increase by \$1.588 million, from the December revised capital budget of \$63.645 million to \$65.233 million (excluding loan principal repayments).

The increase in the capital budget relates to adjustments made through the March Capital Capacity Review which amounts to an additional net \$519K of projects/works. The capacity review adjustments are detailed in Appendix A under Attachment 6. There was an amount of \$207K of operating funds relating to active open space and grant projects that have been reallocated to capital allocations.

SUEZ Funded Projects – Expenditure and Commitments

As per the resolution contained in Council Report INF009A-17, attached to this review is a table detailing the expenditure and commitments of SITA funds as at 31 March 2017 (Appendix B).

BUDGET AND RESOURCES

This report provides the March Quarterly Review of the 2016/17 Operational Plan (Budget).

POLICY

Council is required to perform reviews of the annual budget at least quarterly and the Responsible Accounting Officer must make a statement attesting to Council's financial position in accordance with the relevant legislation listed below:

- Clause 203(1) of the Local Government (General) Regulations 2005
- Clause 211 of the Local Government (General) Regulations 2005

CONCLUSION

The March 2017 Budget Review demonstrates that Council continues to maintain a strong financial position and adoption of the report will satisfy statutory obligations.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Finance, Greg Hayes, who can be contacted on 9710 0334.

File Number: 2016/239505

Attachment 1

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

	\$'000	\$'000	\$'000
Projected Year End Result 2016/17			
Net Operating Result from continuing operations (from attachment 2)			28,410
ADD Expenses not involving flow of funds			
ADD Depreciation	27,383	27,383	
ADD Income not involving flow of funds			
ADD Increase/ Decrease Employee's Leave Entitlements	(3,268)	(3,268)	
ADD Non Operating funds employed			
ADD Carrying Amount of Assets Sold	1,500		
ADD Cost of Real Estate Assets Sold			
ADD Loan Funds Utilised			
ADD Repayments by Deferred Debtors	1	1,501	
Subtract Funds deployed for Non-operating purposes			
SUBTRACT Acquisition of Assets (Capital Expenditure) (from attachment 3)	(62,646)		
SUBTRACT Development of Real Estate	-		
SUBTRACT Advance to Deferred Debtors	-		
SUBTRACT Repayment of Loans	(1,813)		
ADD Net Movement (to)/from Restricted Cash	12,668		
SUBTRACT Land Dedications	(1,000)		
SUBTRACT Fair Value Adjustments	(1,235)	(54,026)	
Subtract Unexpended grants & contributions received during the year			
ADD Unexpended Specific Purpose Grants	-		
ADD Developer Contributions	-	-	
SUB TOTAL of ADJUSTMENTS		(28,410)	(28,410)
ESTIMATED ANNUAL WORKING FUNDS RESULT SURPLUS/ (DEFICIT)			-

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

	ORIGINAL Budget 2016/17 \$'000	Approved Changes		REVISED Budget \$'000	Recommended changes for Council Resolution \$'000	Notes	PROJECTED	
		Sept	Dec				year end	ACTUAL
		Review	Review				Result 2016/17	
							2016/17	YTD
		\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
INCOME								
<i>Rates and Annual Charges</i>	149,593	-	81	149,674	-		149,674	150,228
<i>User Charges and Fees</i>	41,174	(109)	676	41,741	288	1	42,029	25,770
<i>Interest and Investment Revenue</i>	2,858	-	169	3,027	150	2	3,177	908
<i>Investment Revaluation Gains</i>	-	-	-	-	-		-	-
<i>Other Revenues</i>	12,480	(88)	144	12,536	(20)	3	12,516	11,848
<i>Grants & Contributions - Operating</i>	11,196	1,214	22	12,432	699	4	13,131	25,172
<i>Grants and Contributions - Capital</i>	20,928	3,258	274	24,460	-		24,460	8,396
<i>Net gain from the disposal of assets</i>	-	-	-	-	-		-	-
<i>Share of interests in joint ventures</i>	-	-	-	-	-		-	-
Total Income from continuing operations	238,229	4,275	1,366	243,870	1,117		244,987	222,322
EXPENSES								
<i>Employee costs</i>	99,104	(165)	548	99,487	(171)	5	99,316	68,002
<i>Borrowing Costs</i>	434	-	-	434	-		434	148
<i>Materials & Contracts</i>	36,309	1,482	506	38,297	1,421	6	39,718	37,904
<i>Depreciation</i>	27,383	-	-	27,383	-		27,383	20,537
<i>Other Expenses</i>	49,226	-	-	49,226	-		49,226	37,522
<i>Interest and Investment Losses</i>	-	-	-	-	-		-	-
<i>Net Loss from Disposal of Assets</i>	500	-	-	500	-		500	-
<i>Share of interests in joint ventures</i>	-	-	-	-	-		-	-
Total Expenses from continuing operations	212,956	1,317	1,054	215,327	1,250		216,577	164,113
Net Operating Result from continuing operations	25,273	2,958	312	28,543	(133)		28,410	58,209
Net Operating Result before capital items	4,345	(300)	38	4,083	(133)		3,950	49,813

Notes:

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

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

Recommended changes to revised budget

Attachment 3

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

Notes to the Income & Expenses

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

- | | |
|---|--|
| 1 | A review of other user charges and fees has resulted in a immaterial increase of 0.69%. The majority of these adjustments where related to increases in design services and roadways management income. |
| 2 | Investment income has been increased by 4.96% to reflect the additional income anticipated from higher than originally anticipated investment funds, primarily from internally restricted assets held, and marginally higher investment rates attained during the year to date. |
| 3 | Other revenue has been decreased by 0.16% to reflect current trends and offset by an increase to income received for Workers Compensation. |
| 4 | A review of operating grants and contributions has resulted in an increase of 5.62%. The main contributor to this variation was recognising grant funds from the Environmental Protection Agency (\$464K) and a special purpose Library grant (\$134K). |
| 5 | A review of employee costs has resulted in a immaterial decrease of 0.17%. The decreases primarily relate to the reallocation of resources to materials and services. |
| 6 | Materials expenditure has been increased by 3.71%. A significant contribution to this increase is for tree related services (\$315K), programmed works under the EPA grant funding highlighted in note 4 above (\$464K) and additional Worker Compensation costs (offset by income). |

Budget review for the quarter ended - 31 March 2017

Capital Budget

	ORIGINAL Budget 2016/17 \$'000	Approved Changes		REVISED Budget \$'000	Recommended changes for Council Resolution \$'000	Notes	PROJECTED	
		Sept	Dec				year end	ACTUAL
		Review	Review				Result	
	\$'000	\$'000	\$'000	\$'000			2016/17 \$'000	YTD \$'000
CAPITAL EXPENDITURE								
<i>New Assets</i>								
- Plant and Equipment	3,331	1,165	-	4,496	-		4,496	1,097
- Land and Buildings	3,809	427	276	4,512	139	1	4,651	1,364
- Roads, Bridges, Footpaths, Drainage	2,929	2,875	403	6,207	62	2	6,269	1,850
- Waterways & Bate Bay	-	-	-	-	-		-	-
- Passive Recreation	1,158	497	359	2,014	-		2,014	374
- Sporting Facilities	3,618	2,435	(138)	5,915	270	3	6,185	3,951
<i>Renewals (Replacement)</i>								
- Plant and Equipment	-	11	-	11	1,027	4	1,038	-
- Land and Buildings	6,246	1,933	(628)	7,551	515	5	8,066	2,222
- Roads, Bridges, Footpaths, Drainage	17,794	4,132	1,021	22,947	(276)	6	22,671	6,926
- Waterways & Bate Bay	4,103	(1,295)	(1,040)	1,768	(111)	7	1,657	759
- Passive Recreation	3,249	1,005	320	4,574	(238)	8	4,336	2,355
- Sporting Facilities	2,123	1,527	-	3,650	200	9	3,850	770
Loan Repayments (principal)	1,813	-	-	1,813	-		1,813	-
TOTAL CAPITAL EXPENDITURE	50,173	14,712	573	65,458	1,588		67,046	21,668
CAPITAL FUNDING								
Stormwater Levy	1,930	-	-	1,930	(404)	10	1,526	2,029
SITA	3,295	934	415	4,644	-		4,644	(660)
Other Capital Grants & Contributions	9,719	2,324	274	12,317	182	11	12,499	2,952
<i>Internal Restrictions</i>								
- Works In Progress Reserve	-	4,088	-	4,088	-		4,088	-
- Other	2,280	2,059	(204)	4,135	674	12	4,809	22
<i>External Restrictions</i>								
- Developer Contributions	5,641	4,935	479	11,055	158	13	11,213	5,435
- Stormwater Levy	-	651	-	651	-		651	-
- Domestic Waste	350	112	(350)	112	(86)	14	26	-
<i>Other Capital Funding Sources e.g.</i>								
- loans	-	-	-	-	-		-	-
<i>Income from sale of assets</i>								
- plant and equipment	1,000	-	-	1,000	961	15	1,961	239
- land and buildings	-	-	-	-	-		-	-
TOTAL CAPITAL FUNDING	24,215	15,103	614	39,932	1,485		41,417	10,017
NET CAPITAL FUNDING	25,958	(391)	(41)	25,526	103		25,629	11,651

Carry over funding from the previous year has been identified in the September Budget Review.

Recommended changes to revised budget

Recommended/proposed changes to the capital budget are contained in Attachments 5 and

Actual Year to Date Capital Expenditure

It should be noted that the actual capital expenditure figure above does not include numerous known contracted commitments valued currently at \$17.283 million, including the following major items:

Cycleways	4,527,667	Parks Capital	729,407
Sporting Facilities	2,324,925	Greenhills Sports Complex	644,940
Pavement Rehabilitation	2,218,316	Footpaths	616,545
Heavy Vehicles	1,373,187	Playground Equipment	426,473
Shopping Centre Upgrades	1,223,698	Stormwater Maintenance	343,643
Roads to Recovery	855,944	Roads Construction	203,914
Preventative Roads Maintenance	800,891	Waterways Program	196,921

Attachment 5

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

Notes to the Capital Budget

Recommended changes to revised budget

The majority of additional works included below relate to the March Capital Capacity Review (see Attachment 6).

Notes	Details		
1	New Land & Buildings		
	March Capital Capacity Review (Attachment 6)	\$	200,000
	Transfers to other categories	\$	(60,900)
2	New Roads, Bridges, Footpaths, Drainage		
	March Capital Capacity Review (Attachment 6)	\$	72,761
	Transfer to other categories	\$	(11,200)
3	New Sporting Facilities		
	March Capital Capacity Review (Attachment 6)	\$	270,000
4	Renew Plant & Equipment		
	Recognise transfer to reserve for sale of vehicles/plant	\$	961,259
	Transfer from other categories	\$	65,880
5	Renewal Lands & Buildings		
	March Capital Capacity Review (Attachment 6)	\$	133,540
	Transfers from other categories	\$	261,393
	Program works reduction transferred from operational	\$	120,000
6	Renewal Roads, Bridges, Footpaths, Drainage		
	March Capital Capacity Review (Attachment 6)	\$	(237,743)
	Transfer to other categories	\$	(38,125)
7	Renewal Waterways and Bate Bay		
	March Capital Capacity Review (Attachment 6)	\$	(111,400)
8	Renewal Passive Recreation		
	March Capital Capacity Review (Attachment 6)	\$	(8,500)
	Funds re-allocated to operational activities (primarily Tree Planting Services)	\$	(329,715)
	Transfer from other categories	\$	99,926
9	Renewal Sporting Facilities		
	March Capital Capacity Review (Attachment 6)	\$	200,000
10	Stormwater Levy		
	March Capital Capacity Review (Attachment 6)	\$	(403,900)
11	Capital Grants & Contributions		
	March Capital Capacity Review (Attachment 6)	\$	182,063
12	Internal Restrictions/Reserves - March Capital Capacity Review (Attachment 6)		
	Long Day Care Operations	\$	(47,297)
	Leisure Facilities Reserve	\$	(9,400)
	Energy Audit Upgrade	\$	200,000
	Capital Works Reserve	\$	471,347
	Retentions funds - Footpath Program	\$	59,132
13	Developer Contributions		
	March Capital Capacity Review (Attachment 6)	\$	157,757
14	Domestic Waste Reserve		
	March Capital Capacity Review (Attachment 6)	\$	(85,669)
15	Income from Sale of Assets		
	Recognise transfer to reserve for sale of vehicles/plant	\$	961,259

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

Capital Capacity Review

Program - Job / Asset	2016/17 March Budget Review \$	Total Adjustment \$	Source of Funding									Comments		
			General Fund	Contributions	Grants	Section 94	Levies	Capital Reserve	Transfer from Reserve	Other Revenue				
New Land and Buildings														
174890	Kirrawee - South Village - Community Facility in Parkland	New Project	200,000	200,000							200,000			Funds required for work relating to VPA. Capital Works Reserve
				200,000	-	-	-	-	-	-	200,000	-	-	
New Passive Recreation														
174900	Kirrawee - South Village - Park Land Parcel Options and Public Domain	New Project	200,000	200,000							200,000			Funds required for work relating to VPA. Capital Works Reserve
PK0162	Como Pool Path	Additional Works	620,000	70,000							70,000			Latent condition from Seawall. Capital Works Reserve
				270,000	-	-	-	-	-	-	270,000	-	-	
New Roads Bridges Footpaths & Drainage														
156051	Don Lucas Reserve Upper Shared Pathway Link	Project Saving	136,257	(38,743)				(38,743)						Works complete (94A23) Activity Code 80
156052	Captain Cook Drive to Wanda Shared Pathway - Bate Bay Rd Section East of Peregrine Drive	New Project	111,504	111,504			11,504		100,000					DA15/0351- Ref: 55844585 Shire Wide Activity code 70
				72,761	-	11,504	-	61,257	-	-	-	-	-	
Renew Land & Buildings														
155550	Moore St LDCC - Alterations to existing verandah roof area	Project Saving	17,703	(47,297)								(47,297)		Works completed
155790	Design for Internal Refurbishment of Central Library - Sutherland	Additional Works	32,526	30,000					30,000					Consultant engaged Activity Code 78
156540	Hungry Point SES - Sub-unit Site	Additional Works	100,585	19,500			19,500							SES have received a grant to contribute to the works to establish the site.
162950	Engadine Leisure centre Program Pool Enclosure	Program Reduction	-	(9,400)								(9,400)		Not required
162990	Waste Services Crib Room renovation.	Project Saving	36,431	(57,569)								(57,569)		Works Complete - Waste services reserve.
163010	Bath Road Depot Bottom Yard - Line marking & Tyre Compound	Rephased Works	-	(28,100)								(28,100)		Works in yard deferred Waste Services Reserve
163220	Engadine Town Square - Clock Tower Renewal	Project Saving	9,788	(2,941)			(2,941)							Works completed. Community Facilities Reserve.
163760	Buckle Reserve Clubhouse roof material replacement	Project Saving	49,347	(5,653)							(5,653)			Work completed
170060	Hazelhurst Cottage - Heritage Repairs	Project Saving	-	(15,000)			(15,000)							Work completed under Operating budget & will be recouped from Hazelhurst friends
174390	Heathcote FCC Internal Refurbishment & Fitout	New Project	250,000	250,000			250,000							RFS Full Contribution
				133,540	-	251,559	-	30,000	-	(5,653)	(142,366)	-	-	
Renew Passive Recreation														
163260	Dunningham Park - Paving, Picnic and Playground Extension	Rephased Works	-	(50,000)				(50,000)						All works deferred until surfclub works resolved. Activity Code 70
174540	Don Lucas Reserve Relay Track	New Project	82,000	82,000				82,000						Upgrade works for Relay for life. Activity code 79
PK0121	Camellia Gardens upper play space	Rephased Works	4,500	(40,500)				(40,500)						Rephased to consider with context of the precinct. Activity Code 70
				(8,500)	-	-	-	(8,500)	-	-	-	-	-	

Program - Job / Asset	2016/17		Source of Funding										Comments
	March Budget Review	Total Adjustment	General Fund	Contributions	Grants	Section 94	Levies	Capital Reserve	Transfer from Reserve	Other Revenue			
	\$	\$											
Renew Roads Bridges Footpaths & Drainage													
143050	Burnum Burnum Wetland Management Plan - Implementation	Rephased Works	-	(20,000)					(20,000)			Rephase 17/18	
156400	Bundeena Creek Floodplain Risk Management Study and Plan (FRMSP)	Rephased Works	51,000	(84,000)			(56,000)		(28,000)			Rephase 17/18	
161190	Edinburgh Close, Woolooware - Drainage Upgrade	Additional Works	83,000	40,000				40,000				Tr \$13k from 155640, \$40k Stormwater Levy Reserve	
174480	Pinnacle Ave & University Rd Precinct Miranda - Public Domain upgrade	New Project	50,000	50,000			50,000					2016 S94 Development contribution plan page 25_36_PD12 : Activity Code 75	
174880	Taren Point Road - Medical Precinct	New Project	25,000	25,000			25,000					Preliminary Design Activity Code 71 - 164360	
SM0095	Gwawley Bay Water Quality Improvement Program	Rephased Works	-	(337,500)					(337,500)			Rephase for 17/18 delivery	
SU0025	Sutherland Shopping Centre Underground Power	Additional Works	217,047	88,757					35,000		53,757	Funds required to complete the works following the original contractor going into administration. Works Reserve/ Cash Retention of \$53,757.30 from GI 1007011 Shannon Construction Pty Ltd	
				(237,743)	-	-	(56,000)	75,000	(317,500)	7,000	-	53,757	
Renew Sporting Facilities													
171310	Sutherland Leisure Centre Replacement of Pool Heat Package Units 1 & 2	New Project	200,000	200,000						200,000		Failure of heat pumps. Energy Reserve. Works brought forward from 17/18	
				200,000	-	-	-	-	-	200,000	-		
Renew Waterways & Bate Bay													
152930	Captain Cook Bridge SCLIF - kayak launching facility	Program Reduction	10,000	(25,000)			(25,000)					Project Cancelled	
154450	Burnum Burnum Wetland Management Plan Implementation - Dredging	Rephased Works	-	(86,400)					(86,400)			Rephase 17/18	
				(111,400)	-	-	(25,000)	-	(86,400)	-	-	-	
TOTAL			518,658		-	263,063	(81,000)	157,757	(403,900)	471,347	57,634	53,757	
Additional Works and New Projects			1,366,761	-	281,004	-	287,000	40,000	505,000	200,000	53,757		
Write Backs/Savings/Project Reductions			(201,603)	-	(17,941)	(25,000)	(38,743)	-	(5,653)	(114,266)	-		
Proposed Re-Phasing of Works			(646,500)	-	-	(56,000)	(90,500)	(443,900)	(28,000)	(28,100)	-		
TOTAL			518,658		-	263,063	(81,000)	157,757	(403,900)	471,347	57,634	53,757	

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

	Opening Balance 1.7.16 \$'000	2016/17 Budget Movements	ORIGINAL Budget 2016/17 \$'000	Approved Changes		REVISED Budget \$'000	Recommended changes for Council Resolution \$'000	PROJECTED year end Result 2016/17 \$'000	ACTUAL YTD \$'000
				Sept Review \$'000	Dec Review \$'000				
UNRESTRICTED	1,000	-	1,000	-	-	1,000	-	1,000	28,176
EXTERNALLY RESTRICTED									
<i>Developer contributions</i>	33,109	4,234	37,343	(4,935)	(479)	31,929	158	32,087	39,134
<i>Special purpose grants</i>	30	-	30	-	-	30	-	30	30
<i>Domestic waste management</i>	10,544	(350)	10,194	(112)	350	10,432	(86)	10,346	10,346
<i>Stormwater Management</i>	716	-	716	(651)	-	65	-	65	65
TOTAL EXTERNALLY RESTRICTED	44,399	3,884	48,283	(5,698)	(129)	42,456	72	42,528	49,575
INTERNALLY RESTRICTED									
<i>Anzac Youth & Recreation</i>	50	-	50	-	-	50	-	50	50
<i>Before & After School Care</i>	239	-	239	-	-	239	-	239	239
<i>Building Damage Deposits</i>	9,800	-	9,800	-	-	9,800	59	9,859	9,859
<i>Business Accelerator IT & Furniture</i>	189	-	189	(119)	-	70	-	70	70
<i>Capital Works Reserve</i>	4,068	(1,195)	2,873	(774)	167	2,266	471	2,737	2,737
<i>Child Care Centre</i>	1,798	(270)	1,528	(613)	(40)	875	(47)	828	828
<i>Community Facilities</i>	594	-	594	(482)	(14)	98	-	98	98
<i>Cronulla Plaza Refurbishment</i>	104	-	104	(39)	-	65	-	65	65
<i>Cronulla Waste Water Reuse Scheme</i>	90	20	110	-	-	110	-	110	110
<i>Elections</i>	702	(702)	-	-	-	-	-	-	-
<i>Emergency Services Infrastructure</i>	301	-	301	(145)	-	156	-	156	156
<i>Employee Leave Entitlements</i>	4,552	(209)	4,343	-	-	4,343	-	4,343	4,343
<i>Energy Audit Upgrade</i>	2,150	-	2,150	(160)	-	1,990	200	2,190	2,190
<i>Entertainment Audio Visual System</i>	72	-	72	(11)	-	61	-	61	61
<i>Family Day Care</i>	7	-	7	-	-	7	-	7	7
<i>Future Budgets Reserve</i>	2,601	(2,309)	292	139	28	459	73	532	532
<i>Hazelhurst Gallery Upgrade</i>	55	-	55	-	-	55	-	55	55
<i>Kareela Oval Upgrade Works</i>	2	-	2	-	-	2	-	2	2
<i>Kindergarten Upgrades</i>	166	-	166	-	-	166	-	166	166
<i>Land Acquisitions/ Easements</i>	100	-	100	(15)	-	85	-	85	85
<i>Leisure Centres</i>	892	(120)	772	66	-	838	(9)	829	829
<i>Library Improvement</i>	945	-	945	-	-	945	134	1,079	1,079
<i>Long Day Care Maternity Leave</i>	383	-	383	-	-	383	-	383	383
<i>Office Automation</i>	1,364	-	1,364	-	-	1,364	-	1,364	1,364
<i>Parks Capital Reserve</i>	44	-	44	(44)	-	-	-	-	-
<i>Plant Replacement Reserve</i>	765	-	765	-	-	765	-	765	765
<i>Property Development</i>	1,730	698	2,428	550	105	3,083	-	3,083	3,083
<i>SITA Funding</i>	-	4,030	4,030	(934)	(415)	2,681	-	2,681	2,681
<i>Sporting Facilities Development Fund</i>	1,000	-	1,000	-	-	1,000	-	1,000	1,000
<i>Surf Club Infrastructure Works</i>	65	-	65	-	-	65	-	65	65
<i>Sutherland Entertainment Redevelopment</i>	257	-	257	-	-	257	-	257	257
<i>Tennis Facilities</i>	170	-	170	-	-	170	-	170	170
<i>Vacation Care</i>	4	-	4	-	-	4	-	4	4
<i>Works In Progress</i>	2,462	-	2,462	(2,462)	-	-	-	-	-
TOTAL INTERNALLY RESTRICTED	37,721	(57)	37,664	(5,043)	(169)	32,452	881	33,333	33,333
TOTAL RESTRICTED	82,120	3,827	85,947	(10,741)	(298)	74,908	953	75,861	82,908
TOTAL CASH & INVESTMENTS	83,120	3,827	86,947	(10,741)	(298)	75,908	953	76,861	111,084
AVAILABLE CASH	1,000	-	1,000	-	-	1,000	-	1,000	28,176

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 = REVISED Budget

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

Comment on cash and investments position

Comments as per monthly Cash & Investments Report to Council.

Recommended changes to revised budget

No major impacts on original budgets at September review.

Statements:Investments

Restricted funds are invested in accordance with adopted budget and current cash investment policy.

Cash

The reconciliation of cash with the bank statement is monitored daily and is completed and signed off at the end of each month and reported to Council as part of the monthly Cash & Investments report. The last completed bank reconciliation was 31 March 2017.

Attachment 8

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

Contractor	Contract detail & purpose	Contract value \$	Commencement date	Duration of contract	Budgeted (Y/N)
Nil Contracts entered into the for 3rd quarter					

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).
5. The above Contract Values are inclusive of GST.

This document forms part of Sutherland Council's Quarterly Budget Review Statement for the quarter ended 31/03/17 and should be read in conjunction with other documents in the QBRs.

Attachment 9

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	1,195,102	Y
Legal Fees	297,500	Y

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:

Where any expenses for Consultancy or Legal fees (including Code of Conduct expenses) have not been budgeted for, an explanation is to be given. Report on external expenses only (not internal expenses).

Attachment 10

SUTHERLAND SHIRE COUNCIL

Budget review for the quarter ended - 31 March 2017

Budget Review Key Performance Indicators

Council has identified two key financial performance indicators that provides an indication of its current financial position and long term financial sustainability.

The indicators are:

<u>Unrestricted Current Ratio</u>		<u>Debt Service Ratio</u>	
Estimated as at 30 June 2017	1.69	Estimated as at 30 June 2017	14.30%
Actual as at 30 June 2016	1.86	Actual as at 30 June 2016	10.65%

Note: Unrestricted Current Ratio is projected for the year end result.
The figure is an unrealistic ratio at any other point in time due to many factors.

SUEZ FUNDED PROJECTS - EXPENDITURE & COMMITMENTS

Project	2015/16 Actual	2016/17			2017/18 Estimate	2018/19 Estimate	Timing to be Determined	TOTAL FUNDING
		YTD Actual	Commitment	TOTAL				
Sylvania Shopping Centre Upgrade	32,480	168,495	1,321,031	1,489,526			1,522,006	
Sutherland Precinct Redevelopment	68,023	93,020	188,957	281,977			350,000	
Dog Off Leash Bush Park at The Ridge					200,000		200,000	
Burnum Burnum Boat Ramp Upgrade		69,644	150,356	220,000			220,000	
Kareela Sports Field Site - Ancillary Amenity Upgrades	264,945	403,322	131,733	535,055			800,000	
Waratah AFL/cricket field (Lincoln oval) - Development to Re	49,179	909,904	80,917	990,821			1,040,000	
Barden Ridge Park 150 Old Illawarra Road	14,953	26,555	233,492	260,047			275,000	
Cronulla Surf club BCA works						1,000,000	1,000,000	
North Cronulla Surf Life Saving Club - BCA Upgrade Works				750,000			750,000	
Mens Shed Facility	227,672						227,672	
Sandy Point RFS - Building Replacement Construction phase				450,000			450,000	
Ocean Grove Ave - Renewal - Cronulla Plaza - Stage 1				1,800,000			1,800,000	
Cronulla Plaza Masterplan		158,309	11,691	170,000			170,000	
The Ridge Sports Complex - Temporary Carpark Rectification					200,000		200,000	
The Ridge Off Road Bike Park	3,000	81,750	615,250	697,000	250,000		950,000	
Cronulla Plaza Masterplan	660,252	1,910,999	2,733,427	4,644,426	3,450,000	200,000	9,954,678	

Total SUEZ Funds to be Received		100,000,000
Reconcilliation		
SUEZ Funds Received		
2016/17	10,000,000	
Less Projects/Commitments to 2016/17	(5,304,678)	4,695,322
2017/18	2,419,496	
Less Projects/Commitments 2017/18	(3,450,000)	(1,030,504)
2018/19	4,911,578	
Less Projects/Commitments to 2018/19	(200,000)	4,711,578
		8,376,396
Timing to be Determined		(1,000,000)
		7,376,396
Funds to be Received		82,668,926
Unallocated Balance		90,045,322

GOV025-17 COMMUNITY STRATEGIC PLAN

Attachments: Nil

EXECUTIVE SUMMARY

- The Community Strategic Plan (CSP) is the highest level plan that a council will prepare. Council has a custodial role in initiating, preparing and maintaining the CSP on behalf of the community, it is not wholly responsible for its implementation as other partners may be engaged in its long term delivery.
- Following consideration of the Draft CSP by Council in March 2017, the draft was placed on public exhibition for 28 days in accordance with the Integrated Planning and Reporting Guidelines and the *Local Government Act 1993*. Public exhibition of the draft plan was promoted widely through traditional and social media.
- Submissions from the exhibition period indicated full support for the vision, goals and values outlined in the plan. All feedback received from the exhibition of the draft have been considered and four minor amendments have been recommended.

REPORT RECOMMENDATION

That the draft Community Strategic Plan be endorsed with the recommended changes.

PURPOSE

This report outlines the recommended changes following the public exhibition of the draft Community Strategic Plan.

BACKGROUND

Local councils in NSW are required to undertake their planning and reporting activities in accordance with the *Local Government Act 1993* and the Integrated Planning and Reporting framework.

The Community Strategic Plan (CSP) is the highest level plan that a council will prepare within this framework and spans a period of 10 years. The purpose of the plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals.

While Council has a custodial role in initiating, preparing and maintaining the CSP on behalf of the local government area, it is not wholly responsible for its implementation. Other partners, such as State agencies and community groups may also be engaged in delivering the long term objectives of the plan. The CSP must address social, environmental, economic and civic leadership issues and be based upon the principles of social justice.

Under the *Local Government Act 1993* and the Integrated Planning and Reporting Guidelines, a draft of the Community Strategic Plan must be placed on public exhibition for a minimum of 28 days, with consideration of submissions prior to the endorsement of the Plan.

DISCUSSION

The draft CSP was developed through a process of ongoing research and consultation which included a comprehensive community survey involving over 800 participants. The plan incorporates this information and is also based on knowledge that Council currently has about the local area and its people. It considers the NSW State Plan that guides policy and budgetary decision-making; the Greater Sydney Region Plan and the Draft Toward a Greater Sydney 2056 Plan; and other key strategies for the area or region.

The exhibition of the draft CSP was promoted widely to ensure all community members and stakeholders had the opportunity to provide feedback. The exhibition period was promoted through the local paper, Council website and social media, Council's *Join the Conversation* online engagement site, and extensively through local networks. A briefing was provided to the Aboriginal Advisory Committee and the exhibition period was noted at the Youth Council.

Over 250 people viewed the draft through Join the Conversation, and a total of eight submissions were received. The submissions unanimously agreed that the six goals of the CSP captured their aspirations for the future of the community, and with the community values.

Specific comments were provided in relation to public transport, planning for our ageing community, community engagement and the challenges of population growth on service provision, housing, infrastructure and the natural environment. All the issues raised were consistent with the results of the community consultation undertaken in developing the draft and are reflected in the CSP.

The following specific changes are recommended:

- An additional heading 'Key Partners' to be added under each outcome area listing the key government agencies and stakeholders that have a lead role in influencing and evolving strategies under that outcome.
- The graphs currently included in the 'What You Told Us' sections on pages, 23, 27, 31, 35, 39 and 43 are re-shaped to present the statistics in an easy to understand format.
- Under Strategy 3.1 (pg. 32), the introduction of a new sub-strategy should be included to cover the role of emergency, rescue and public health services in supporting health and wellbeing of the community: 'Provide emergency, rescue and public health and safety services which support community wellbeing'.
- Under Strategy 6:3 (pg. 44), sub strategy 6.3.2 and 6.3.4 should be combined to a single point: 'Improve the design, accessibility and safety of our spaces and places'.

In addition to these recommended changes, minor grammatical and layout edits have been incorporated.

BUDGET AND RESOURCES

There are no budget implications arising from this report.

POLICY

The Community Strategic Plan has been drafted in accordance with the *Local Government Act 1993* and the Integrated Planning and Reporting Guidelines.

CONCLUSION

The Community Strategic Plan is a whole of community document which will support the activity of all residents and stakeholders in working towards our shared aspirations for the future. Feedback received from the public exhibition of the draft showed strong support for the vision, goals and values and the framework of strategies that will guide our planning and actions into the future.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Director Corporate Support, Therese Manns, who can be contacted on 9710 0317.

File Number: 2016/259105