

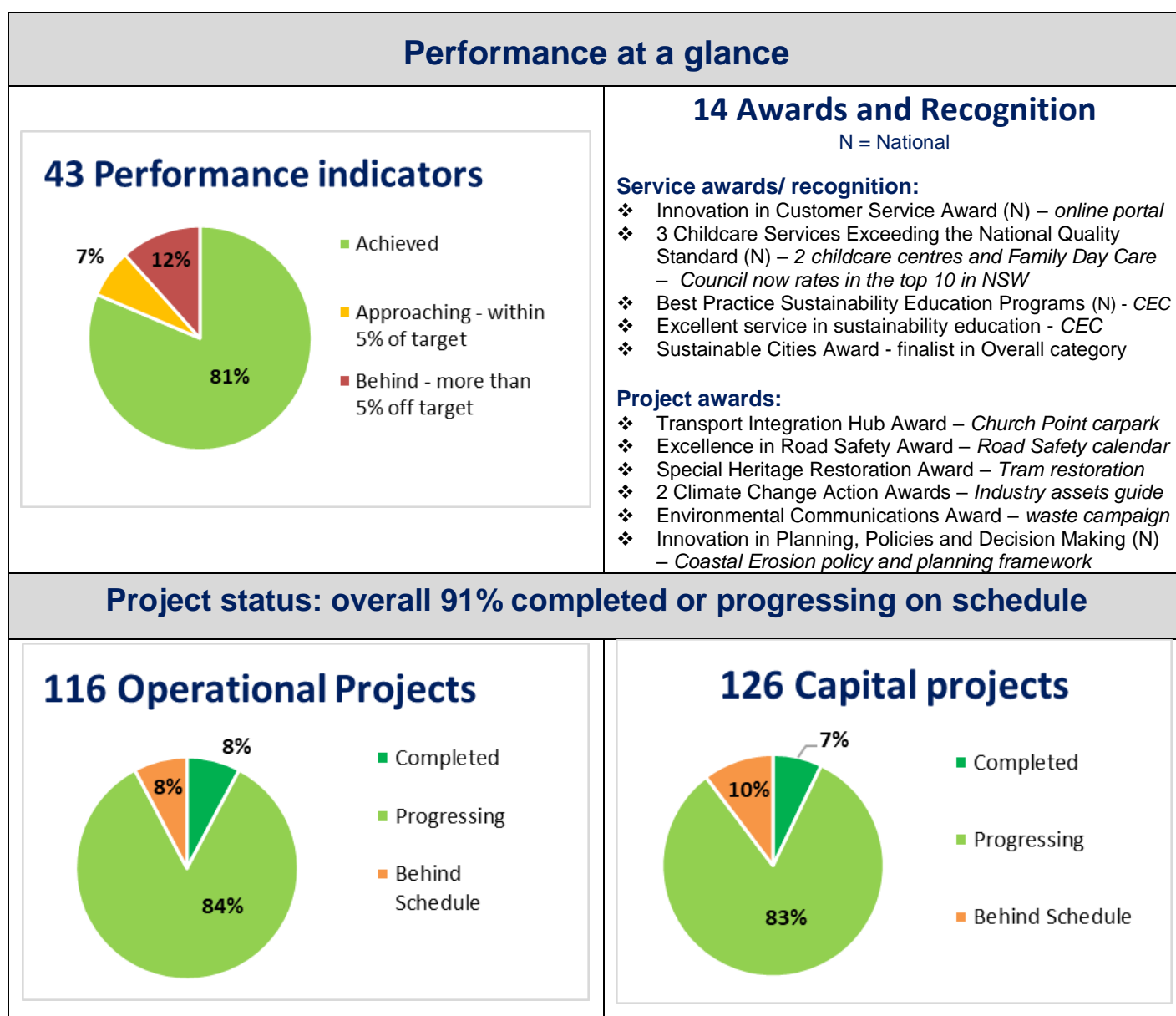
December 2018 Quarterly Report on Service Performance - Implementing the Operational Plan 2018/19

Introduction

This is a report on progress in implementing the Operational Plan 2018/19 for the Quarter ending 31 December 2018. It is structured by 16 key services, with detail on service highlights, progress of projects, and the performance of services and finances. An overview of performance is below with further detail on the accompanying service pages.

Of the 242 current projects, overall 91% were either progressing or completed (comprised of 92% of Operational and 90% of Capital projects). In total, 18 projects are completed. Council's target is for 80% of all projects to be completed or progressing on schedule by 30 June 2019.

Of the 43 Performance Indicators, 81% met their target, while a further 7% are approaching it (i.e. the result is within 5% of their target). Two indicators were unable to be reported as their data capture systems are under development.



Each service summary includes a short update on all projects, and their progress for the quarter:

Key:  Completed  Progressing on schedule  Behind schedule

Contents

Environment and Sustainability	4
Waste and Cleansing	13
Kimbriki Resource Recovery Centre	17
Strategic Land Use Planning	23
Development Assessment	27
Environmental Compliance	29
Parks and Recreation	31
Children's Services	40
Community Arts and Culture	44
Library Services	50
Transport Traffic and Active Travel	55
Economic Development, Events and Engagement.....	62
Property and Facilities	68
Governance and Assurance Services	76
Customer Service	80
Corporate Support Services.....	83

Environment and Sustainability

HIGHLIGHTS

Awards

Our Building Resilience into Infrastructure Project was the subject of two awards for the development of IPWEA *Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure*. It won the Response to Climate Change Award from the Keep Australia Beautiful Network, and was also highly commended by Local Government NSW at their Excellence in the Environment awards in December.

Collaroy-Narrabeen Beach suffered significant erosion during the June 2016 East Coast Low, requiring Council to make immediate decisions on the long-term management of the area. A revised policy and planning framework was developed and implemented within 6 months of the event, and has recently won an award for Innovation in Planning, Policies and Decision Making. Local Government NSW provided this recognition of the innovative solution, at its recent Excellence in the Environment Awards. This leading framework is also transferable to other NSW councils with coastal erosion hotspots, with similar storm impacts to public and private assets.

Environment Centres

Two of the Coastal Environment Centre's (CEC) programs have been rated in the top nine sustainability education programs in Australia. Conferred by the Australian Association for Environmental Education, this showcases our '*Mountains to the Sea*' catchment education program, as well as the *Microplastics Survey* program using citizen science to monitor our waterways. The CEC also received regional recognition from the Peninsula Community of Schools (PCS), a network of 13 local schools totalling 9,500 students, for establishing the PCS Green Collective to enhance learning and practical action on sustainability and science.

The big event for the quarter was the 25th Ocean Care Day, with celebrations at Manly Ocean Beach and a rockpool ramble at North Narrabeen rockpool. Guest speaker Professor David Booth, Marine Ecologist, gave an inspiring speech along with staff from the Manly Environment Centre (MEC). A Samba band led the 'Marine Parade'; Dirramu Dancers and Didgeridoo players performed a smoking ceremony and dance performance. Over 30 exhibitors were on display, and interviews addressed single use plastics and ocean health. Along with children's storytelling 'Tank the Turtle', plastic trivia and other displays the day proved to be a big hit with locals and visitors.

Community Sustainability

A range of initiatives have helped residents and business become more environmentally sustainable:

- The Sustainable Business Network was re-launched in November at a Solar for Business workshop. Each business was provided personalised information on their bills and energy consumption, consulted on their needs, and was a great opportunity to share ideas.
- Free energy saving advice to residents and businesses has resulted in another 180 people obtaining quotes for solar panels, with 45KW to be installed in the coming months.
- Energy Savings Challenge tips have been included on our website, and include reliable energy and water saving tips that are easy to implement.

Environmental Volunteers

More than 1600 Bushcare volunteer hours were recorded this quarter amongst some interesting and sometimes challenging weather events at the 83 sites. Corporate volunteers resulted in another 200 hours in partnership with business. Over 130 volunteers were thanked for their dedication and hard work at the Bushcare Christmas Party held at the CEC.

We keep our volunteers safe and supported with new Bushcare clothing provide to all this quarter, including tick resistant shirts and hats. A new data management system was also launched to better capture the volunteer hours, and manage our bush care opportunities more effectively.

Coast, Catchment and Estuary Management

Council undertakes an extensive program to protect, preserve and manage our coast and waterways. Some highlights for the quarter were:

- Coastal dunes and headlands – completed condition assessment of dunes and headlands to identify management priorities for the future
- Monitoring stream health with Spring macro-invertebrate sampling for the creeks in the Ingleside Precinct
- Monitoring estuary health at the coastal lagoons and Pittwater, to determine their ecological health rating
- Collaroy-Narrabeen Beach erosion - number of private applications have been finalised for work on private land, and Council is planning to synchronise these with its protective works on public land at road ends, public parks, surf club and carparks. While designs and environmental assessment proceed, Council resolved in December to seek community feedback on providing financial assistance to affected property owners.

Bushland and Biodiversity

Over 700 hectares of bush regeneration has improved native habitats and reduced invasive species during the quarter, as well as other actions to protect biodiversity:

- Over 2,600 native plants given to residents at Avalon and Mona Vale market days
- Reducing fire risk - 10 hazard reduction burns across 43 hectares of high risk areas, including pre-burn checks of Powerful Owl nests
- Responding to over 150 customer requests regarding weeds and pest animals
- Pest animal control - three fox dens fumigated, and trialled a fox trapping program. Also culled two foxes and 162 rabbits.
- Warriewood Wetlands - extensive works to control *Ludwigia peruviana* waterweed
- Advice on propose developments encompassed 128 Development Application referrals, preparation of Joint Expert Reports and representing Council in several Land and Environment Court proceedings
- The team also coordinated protection of Little Penguin breeding habitat during the Manly New Year's Eve fireworks.

Stormwater and Floodplain Activities

Further progress was made to improve water quality and reduce the risks of flooding at Narrabeen Lagoon. The entrance clearance works were completed early, with the entrance re-opened prior to the busy Christmas period. Public exhibition commenced on the Draft Narrabeen Lagoon Floodplain Risk Management Study and Plan. Three information sessions, with 50 people attending.

Progress was also made for other floodplains:

- Manly Lagoon Floodplain Risk Management Study and Plan was adopted by Council
- Flood Studies approved for public exhibition: Ingleside, Elanora and Warriewood Overland Flow Study; and the Newport Flood Study

Progress on stormwater works included:

- Manly area - finalising requirements for water quality improvement devices.
- South Steyne – commenced renewal of beach stormwater outlet
- Brookvale – completed stormwater and creek outlet works at 51 Winbourne Road
- Frenchs Forest – commenced stormwater augmentation at Ilford Road
- Warriewood – commenced Jacksons Road stormwater culvert replacement
- Crown of Newport Reserve – designing improvements to the existing water quality device

Improving development and other applications

Nearly 320 development application referrals for engineering works were received and 258 assessments were completed, along with 60 associated pre-lodgement meetings. Over 200 other applications were determined, for activities including driveways, hoardings and subdivision.

Corporate Sustainability

Preparation continued on the draft Northern Beaches Environment Strategy. Its foundations were presented for early consultation with local environment groups, as well as focus group workshops with the general community. Feedback has been incorporated into the draft strategy.

In November, Council launch a series of hydropanels at Currawong, to create drinking water from the sun. This partnership with the Australian Renewable Energy Agency (ARENA) and Zero Mass Water attracted media attention on Channel 7 News, and over 42,000 views online within a day.

Our energy efficiency keeps improving, as part of our pledge to the Cities Power Partnership:

- Installed a total of 119 kW of solar panels across depots at Cromer and Balgowlah depots, meeting 30-40% of the depot needs.
- More than \$5,100 income from energy savings certificates has been generated.
- Agreed with Ausgrid to replace over 9,300 street lights with efficient LEDs. Their energy consumption will reduce by 80%, realising cost savings of \$1.78m over 10 years
- Energy audits on a number of Council buildings identified actions needed to save energy.

Performance Measures – Environment and Sustainability	Target	September Quarter	December Quarter
Bush regeneration by contractors (hectares)	≥ 75 ha	75 ha	120 ha

Results Key:  Achieved  Approaching - within 5% of target  Behind - more than 5% off target

Workload Measures – Environment and Sustainability	September Quarter	December Quarter
No. sustainability education events	114	74
No. people attending sustainability education events	5,240	11,263
Gross pollutants removed from stormwater networks (tonnes)	165	150
No. DA referrals for assessment (of environmental controls and engineering requirements)	703	771

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Deliver programs to protect and restore our catchments, waterways and coast including ecological, risk and restoration programs - Executive Manager Natural Environment & Climate Change

Staff from several teams worked closely with state agencies and contractors to deliver maintenance works at Forty Baskets, Little Manly and Clontarf Tidal Pools. This required the careful relocation of White's Seahorse (*Hippocampus whitei*) and other inhabitants to nearby seagrass beds, which allowed for the completion of the maintenance works in this sensitive marine environment.

Other achievements included:

- Lagoon, headland and dune bush regeneration contracts continued.
- Completed an assessment of coastal headlands to assess current geotechnical hazards
- Spring macro-invertebrate sampling for the creeks in the Ingleside Precinct. The condition of the creeks was slightly improved following recent rain.
- Estuary monitoring in the coastal lagoons and Pittwater
- Development of a grant funding package to assist private residents in the construction of protective works at Collaroy-Narrabeen.



Deliver strategic environmental sustainability programs and enhance resilience to climate change - Executive Manager Natural Environment & Climate Change

Our strategic environmental sustainability programs and projects made progress:

- Monitoring our use of energy and water, and preparing to monitor our solar panels
- Received over \$5,100 income from energy savings certificates, to help fund efficient street lights. This will further reduce council's costs by \$1.78m over the next 10 years.
- Drafting the Northern Beaches Environment Strategy and preparing for public exhibition
- Launched hydropanel at Currawong, to create drinking water from the sun.



Deliver effective and engaging sustainability education and volunteering programs to local residents, businesses and schools - Executive Manager Natural Environment & Climate Change

Environment Centres

- A big focus this quarter was the 25th Ocean Care Day, celebrated at Manly Ocean Beach and North Narrabeen rockpool.
- The Manly Environment Centre's (MEC) has catalogued 8,900 resources to date. Eight volunteers and interns from Nigeria, China and Japan are involved in the program. Our Interns also prepared the MEC Lab, with two scientific microscopes on loan from the University of Sydney. The lab will contain two fish tanks, one with marine life and the other containing plastic to demonstrate its negative effect on the marine environment.
- The Coastal Environment Centre at Narrabeen continued to host schools from pre-school through to Year 12, and work with students, parents and teachers on environmental and sustainability issues. More than 2,700 school students attended excursions learning about microplastics, science, geography and stormwater. A variety

of Community Programs were held at several locations with over 300 people attending.

Community Sustainability

- Our webpage on the Environment pages was updated with more information on how residents can make positive environmental changes, focussing on reducing water and energy use.
- The Sustainable Business Network was re-launched in November at a Solar for Business workshop
- "Our Energy Future" program continues to provide free energy saving advice to residents and businesses, with 180 people obtaining quotes for solar panels this quarter.

Environmental Volunteers

- Over 1,600 Bushcare community volunteer hours contributed this quarter across 83 sites; plus 200 hours completed in partnership with business volunteers
- Over 130 volunteers were thanked for their efforts at the Bushcare Christmas Party
- New data management system to better manage our volunteers and sites
- A new standard Northern Beaches Council Agreement signed by 160 volunteers so far.
- New Bushcare clothing included tick resistant shirts and hats for volunteers.



Deliver programs to protect our community from the effects of flooding including floodplain planning, response and mitigation options - Executive Manager Natural Environment & Climate Change

The Northern Beaches flood program is on target. Achievements this quarter include:

- Completed Narrabeen Lagoon Entrance Clearance works ahead of schedule
- Public exhibition of the draft Narrabeen Lagoon Floodplain Risk Management Study and Plan
- Council adopted the final Manly Lagoon Floodplain Risk Management Study and Plan
- Contracts prepared for the Greendale Creek Flood Study, as well as the McCarrs Creek, Mona Vale and Bayview Floodplain Risk Management Study and Plan.



Investigate and implement viable options to reduce minor flooding on Wakehurst Parkway - Executive Manager Natural Environment & Climate Change

This project involves investigating options for the mitigation of frequent flooding of Wakehurst Parkway and development and action of a viable mitigation solution if available

The feasibility study is being finalised and expected to be completed in early 2019. Recent analysis included constructability, services investigation, survey, soils investigations and ecology. This phase will be a gateway to determine which concepts can proceed to detailed design and construction. Any works are forecast to be completed mid-2020.



Investigate Scotland Island Wastewater feasibility - Executive Manager Natural Environment & Climate Change

Council received funding from the NSW Government to conduct an independent investigation into the commercial feasibility of the supply of water and wastewater services to Scotland Island. The project is being administered by Council with the involvement of a working group comprising local representatives.

Project inception meetings have been held with the successful tenderer and the Institute of Sustainable Futures (ISF). ISF's role in this project is to peer review the outcomes of the project. A Community Working Group meeting was held, and site visits and resident interviews have been arranged to further understand water use. A Review of Environmental Factors is being prepared.



Deliver programs to protect and restore bushland including threatened species and pest species management and control of bushfire risk - Executive Manager Natural Environment & Climate Change

Bushland contractors have progressed regeneration work across 700ha of bushland, plus extensive *Ludwigia* weed control in Warriewood Wetlands. Other achievements included:

- 166 bushland customer requests were received and actioned
- Bushfire communications - Commenced work on a draft strategy to guide bushfire communications including our web page, and signage for major bushland reserves.
- Quarterly reporting for NSW Rural Fire Service Fire Mitigation Funding was submitted, with Council completing over \$160,000 on mitigation works this year to date. Ten hazard reduction burns (43 ha) within high risk areas have been completed to prepare for the bush fire season.
- Pest plant and animal control programs in major reserves across the region with three fox dens fumigated, two foxes culled and 162 rabbits culled. Trialled a fox trapping program, undertook 32 weed inspections and completed 79 weed and pest customer requests.
- Development - completed 128 Development Application referrals, 7 pre-lodgement meetings, Joint Expert Reports and represented Council in Land and Environment Court proceedings.
- Protection of Little Penguin breeding habitat during Manly New Year's Eve fireworks
- Field surveys completed at three sites for Powerful Owl nests prior to hazard reduction burns.
- Provided free 2,625 native plants market days at Avalon and Mona Vale.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Coastal Protection Works



Collaroy-Narrabeen Coastal Protection - Executive Manager Natural Environment & Climate Change

The public works at road ends, public parks, a surf club and carparks needs to be aligned with the works being undertaken by residents to protect private property. A number of private applications have been finalised, while tenure arrangements are being negotiated between residents and the State Government. Council resolved on 18 December 2018 to publicly exhibit the intent to provide financial assistance to affected property owners. Planning for the public works is underway, with works at Collaroy Carpark expected to commence in April 2019. Detailed design of priority sites has been finalised, and a Review of Environmental Factors is being prepared.

Stormwater program



Planned Stormwater new - Executive Manager Natural Environment & Climate Change

Stormwater program

The planned stormwater new works program provides new assets and upgrades to the existing stormwater network in order to reduce incidences of flooding and address water quality issues.

A consultant has been engaged to undertake engineering design requirements for the Crown of Newport Reserve project with the view of providing improvements to the existing water quality device. Design is being finalised for several water quality improvement devices proposed for the Manly area. Construction has been forecast to commence in mid-March 2019.



Warriewood Valley creekline works - Executive Manager Natural Environment & Climate Change

This project will deliver creekline works to mitigate flooding and improve the riparian ecosystem in Warriewood Valley. Designs have been completed for the main site for this year's works, a Review of Environmental Factors is being prepared, and Council is awaiting the dedication of adjacent land before it can undertake the works. Council is working to resolve a number of site issues prior to dedication of the riparian land that are part of this year's program.



Planned Stormwater renewals - Executive Manager Natural Environment & Climate Change

- Proposed projects located at South Steyne beach have been rescheduled to commence after the busy Christmas holiday period.
- Jacksons Road stormwater culvert replacement is underway following delays to relocate numerous additional services in relation to Warriewood Square Shopping Centre. The works are scheduled to be completed in late March 2019.
- Stormwater augmentation at Ilford Road, Frenchs Forest is nearing completion with minor construction elements to be completed in February 2019.
- Construction of stormwater augmentation and creek outlet works at 51 Winbourne Road Brookvale has been completed.
- Several pipe lining contracts have also been awarded and works will commence in February 2019. Additional pipe lining contracts are in the planning phase.



Reactive Stormwater renewals - Executive Manager Natural Environment & Climate Change

Works have commenced on several projects including works at Pittwater Road. All projects are currently on track. Significant effort is being undertaken by our stormwater engineers, to investigate a number of other stormwater related issues and develop effective solutions. The associated works will be undertaken in the coming months.



Gross Pollutant Trap renewal works - Executive Manager Natural Environment & Climate Change

This program enables minor renewals for gross pollutant traps to be undertaken. The gross pollutant traps work to trap litter, floating pollutants and sediment from Council's stormwater assets, and prevent them from entering our creeks, waterways and beaches.

Council's consultant is finalising a GPT renewal design for a device located adjacent to North Harbour Reserve in Balgowlah. It is anticipated that this design and specification will be ready to be included in a request for quotation for construction to be issued early in 2019.

Community Nursery



Community Nursery - Curl Curl - Executive Manager Natural Environment & Climate Change

The community nursery will provide opportunities for a host of activities in addition to growing native plants for Council programs. Council events, workshops and other activities will be able to be held there, and the facility will provide an array of volunteering opportunities for all ages and abilities. The community nursery main building was completed. Fit out of the nursery building and construction of the associated hothouses will be finalised early in 2019.

Water and Energy Saving initiatives



Energy Saving Initiatives works program - special rate variation - Executive Manager Natural Environment & Climate Change

This project delivers energy savings works in the former Pittwater area. Energy audits continued in Council buildings and facilities and a draft report has been provided outlining preliminary findings. Planning has started for additional solar panels at Sydney Lakeside Holiday Park.



Energy Saving Initiatives works program - revolving energy fund - Executive Manager Natural Environment & Climate Change

- Installed solar panels at Cromer and Balgowlah depots was completed and is currently awaiting inspection from Ausgrid prior to connection.
- The tender for the energy efficient lighting upgrade works at Pacific Waves and Peninsula car parks in Manly was accepted. The lighting upgrade works will be completed between March and May 2019.
- Energy audits continued in Council buildings and facilities to help develop a program of energy efficient upgrades at Council sites.

The project is behind schedule due to delays with upgrading carpark lighting and inspection of solar panels installations by Ausgrid. It is expected to be completed by the end of the financial year.



Water Saving and re-use initiatives - special rate variation - Executive Manager Natural Environment & Climate Change

This project will implement water saving and re-use projects in the former Pittwater area. During this period, the request for quotation for water audits of Council's facilities were reviewed and a preferred supplier was recommended. These audits will assist with a program of works to reduce water use at the Sydney Lakeside Holiday Park and Pittwater Rugby Park.

FINANCIALS

ENVIRONMENT AND SUSTAINABILITY SERVICES

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	15,472,831	15,472,831	0	32,860,125	32,860,126	32,860,126
User Charges & Fees	945,052	768,708	176,343	1,515,757	1,676,543	1,826,446
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	3,000	0	3,000	0	0	0
Grants and Contributions - Operating Purposes	233,226	226,657	6,569	894,518	894,518	894,552
Grants and Contributions - Capital Purposes	5,179	0	5,179	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	16,659,287	16,468,196	191,091	35,270,400	35,431,187	35,581,125
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(3,391,625)	(3,968,378)	576,752	(7,850,731)	(7,859,566)	(7,354,566)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(3,522,150)	(3,847,558)	325,408	(8,514,859)	(9,561,436)	(8,809,327)
Depreciation and Amortisation	(3,504,813)	(3,504,813)	0	(7,009,625)	(7,009,625)	(7,009,625)
Other Expenses	(2,796,483)	(2,796,211)	(271)	(5,592,400)	(5,592,400)	(5,592,400)
Internal Charges	(1,459,792)	(1,466,294)	6,501	(2,928,980)	(2,928,980)	(2,928,980)
Overhead Allocation	(1,686,903)	(1,686,903)	0	(3,373,807)	(3,373,807)	(3,373,807)
Total Expenses From Continuing Operations	(16,361,766)	(17,270,157)	908,390	(35,270,401)	(36,325,814)	(35,068,705)
Surplus / (Deficit) from Continuing Operations	297,520	(801,961)	1,099,481	(1)	(894,627)	512,420

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$297,520 is higher than forecast at the end of December primarily as a result of higher income and lower than forecast expenditure during the six months.

Total Income from Continuing Operations of \$16,659,287 is higher than forecast by \$191,091 primarily as a result of higher User Charges & Fees of \$176,343. The higher User Charges & Fees is primarily related to higher than anticipated Development Engineering income from a larger than expected numbers of applications for street levels and post-development inspections.

Total Expenses from Continuing Operations of \$16,361,766 are lower than forecast by \$908,390. This is principally the result of lower Employee Benefits & Oncosts of \$576,752 and lower Materials and Contracts of \$325,408. Employee Benefits & Oncosts are lower than forecast mainly due to a significant number of vacancies in the team. Vacancies are primarily associated with long lead times in the recruitment process. Staff are working very hard to maintain service levels with these vacancies and are utilising temporary contractors where possible. Materials and Contracts are \$325,408 lower than forecast principally due to lower than anticipated expenditure in the floodplain and stormwater programs.

For the full financial year a surplus from Continuing Operations of \$512,420 is forecast, representing an increase of \$1,407,047. Income from Continuing Operations is forecast to increase by \$149,938 in line with the year to date trends in development engineering application fees and charges.

Expenses from Continuing Operations is forecast to decrease by \$1,257,109. Employee Costs have decreased by \$505,000 due to staff vacancies and Materials and Contracts have decreased by \$752,109 primarily due to lower than expected investigation and planning costs for the Wakehurst Parkway flood project (\$696,032). These funds will be carried forward into the 19/20 financial year to complete this grant funded project.

Waste and Cleansing

HIGHLIGHTS

Sustainable Cities Awards

Council won the Environmental Communications Award at the Keep Australia Beautiful NSW Awards for their '*Swap This For That*' campaign. This initiative supports our Single Use Plastics Policy by educating the community to swap single use plastic water bottles, straws, bags and coffee cups for reusable alternatives. The judges stated that the campaign is "the most outstanding waste management initiative they have seen".

Council was also one of four finalists for the Overall Sustainable Cities Award, which recognises the sustainability initiatives of NSW metropolitan councils, businesses and community groups. This was due to six projects being undertaken by Council and its local community groups.

Reducing Single Use Plastics

Two project officers have been recruited to help local businesses and the wider community to use less single use plastics.

To support the campaign, a second '*Swap This for That*' video was launched in October, as well as a range of workshops and events:

- Beeswax wrap workshop encouraging swapping cling wrap for beeswax alternative
- '*Swap This for That*' Nipper video and presentation at local Surf Life Saving Clubs
- School education sessions including waste audits, Kimbriki excursions and waste management talks.
- Preschool visits by author Anne Donnelly during Recycling Week, engaging 175 students.
- Staff and resident competition promoting sustainable plastic free Christmas decorations
- Education stalls at Avalon Market Day, Narrabeen Tram Shed Community Centre Opening, Brookvale Show and Ocean Care Day.
- Avalon Car Boot Sale

Reducing Waste at Functions and Events

Council uses many large banners through the year to promote our events, and has in the past disposed of most of the banners after use. Our printed banners will now all be recycled, as we now use a 100% recyclable material. This has resulted from good collaboration across our teams for events, printing and waste.

Other event organisers are assisted to reduce waste at their events, in line with Council's policy. Staff assessed 40 event waste management plans over the quarter.

The Avalon Market Day showed how effective the program is, with 90% of the 376 stallholders following good waste reduction practices. The remainder were assisted with further advice on how to improve. A working partnership with the event organiser proved vital, as they fully supported Council's requirements from the start, and encouraged the use of alternative packaging.

To reduce single use plastic bottles, a permanent drinking fountain was installed at Manly Oval. Portable drinking fountains have also been utilised at 12 major events during the quarter.

Performance Measures – Waste and Cleansing	Target	September Quarter	December Quarter
Domestic waste and recycling services: Compliance with schedules	100%	100%	100%
Complaints on domestic waste collection service	<1%	* Data not available	* Data not available
Clean town centres and villages: Compliance with schedules	100%	100%	100%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

Note on results:

* **Complaints on domestic waste collection:** No result currently available as the data collection system is currently undergoing an upgrade.

OPERATIONAL PROJECTS

Key: ■ Completed ■ Progressing on schedule ■ Behind schedule



Implement Waste Strategy - Executive Manager Waste Management & Cleansing

Council's strategy to implement a holistic new residential waste management system is on track:

- New 10-year Waste Collection Contract was signed and will commence in July 2019
- New Contract for supply and delivery of new residential waste bins
- Project teams established to deliver components of the new service: technology integration; customer experience interface; operations; communications



Implement Event Waste Management Strategy - Executive Manager Waste Management & Cleansing

Waste Education is continuing to assist event organisers comply with the Waste Minimisation for Functions and Event policy, with 40 events assessed over the quarter. At the Avalon Market Day of the 376 stalls only 10 stallholders had minor non-compliances which were easily addressed with information supplied by Council's waste education team.

A permanent drinking fountain was installed at Manly Oval and the portable drinking fountains have been utilised at the following events over the course of the quarter:

- Grace City Church Love Dee Why
- Swap This for That Nippers Launch Warriewood Beach
- Grace City Church Love Dee Why
- Brookvale Show
- Avalon Car Boot Sale
- Walk4BrainCancer
- Bilgola Surf Boat Carnival
- Street Paws Festival
- Mimosa Fireworks Spectacular
- Link Church Carols
- Christmas Coral Concert
- Christmas by the Beach



Waste Education and Behaviour change projects - Executive Manager Waste Management & Cleansing

A communications strategy for the new waste system commenced in November. School education programs have been delivered to support behaviour change at five preschools, as well as a waste audit at Mimosa Public School. Three primary schools were educated in waste management with visits to Kimbriki, and a waste management talk was provided for TAFE settlement program students.

General education to the community to support the domestic waste service included:

- Recycle Right online education campaign run during National Recycling Week in November
- The Avalon Car Boot sale was held on the 27 October
- Annual Waste Calendars were designed and distributed to residents in December.
- Waste wise Christmas messages delivered via social media
- Christmas tree disposal messaging delivered online.



Implement Single Use Plastics Strategy - Executive Manager Waste Management & Cleansing

Swap This for That campaign has been disseminated to the community at a range education events and initiatives:

- Beeswax wrap workshop
- 'Swap This for That' nipper video produced and viewed at surf clubs and schools. The video has been view over 19,000 times on social media.
- Waste audit at Mimosa Public School
- Beacon Hill Primary School visit with the Mayor to discuss waste initiatives
- Five preschool visits by author Anne Donnelly held in National Recycling Week
- Staff and resident competition promoting sustainable plastic free Christmas decorations
- Education Stall at the Brookvale Show, Avalon Market Day, Ocean Care Day and Narrabeen Tram Shed Community Centre Opening

Implementation by staff is also being advanced by training all new staff in New Starters Induction sessions. We are also working with individual business units to help them phase out single use plastics, for example the Childcare Centres.



Working with business – responsible waste management - Executive Manager Waste Management & Cleansing

Recruitment for two new project officers has been finalised and will commence in January, and will advance implementation of our Single Use Plastic Reduction Program with local businesses and the wider community.






Waste/Cleansing plant/ fleet review - Executive Manager Waste Management & Cleansing

Following the close of the tender during the quarter, new litter bin service trucks were ordered. A bin delivery truck was also ordered to support the new internal litter bin services.

A preliminary review of the street sweeping service commenced including consideration of two new small sweepers to operate from the Cromer and Warriewood depots.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Waste and Cleansing



Clontarf Reserve new recycling station - Executive Manager Waste Management & Cleansing

A contractor was engaged to install new recycling stations. Installation is scheduled to commence immediately following the end of summer school holidays.



Compactor bins trial - Executive Manager Waste Management & Cleansing

Council has successfully applied for a compacting bin trial under the Federal Government's Smart Cities and Suburbs Program. The bins for the trial will be procured and installed during 2019.



Domestic waste bins - bin replacement - Executive Manager Waste Management & Cleansing

Negotiations with the successful contractor were finalised during the quarter. The bin designs and logos were approved and bin manufacturing commenced in December.

FINANCIALS

WASTE MANAGEMENT & CLEANSING

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	53,652,211	53,243,594	408,617	58,263,289	58,263,289	58,651,289
User Charges & Fees	187,891	327,234	(139,343)	654,138	654,138	250,805
Investment Fees and Revenues	35,315	24,539	10,776	49,077	49,077	49,077
Other Revenues	0	0	0	0	0	0
Grants and Contributions - Operating Purposes	641,356	714,050	(72,694)	714,050	714,050	660,050
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	54,516,773	54,309,417	207,356	59,680,554	59,680,554	59,611,220
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(4,038,253)	(3,807,942)	(230,311)	(7,576,307)	(7,576,307)	(7,746,307)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(19,919,041)	(23,245,975)	3,326,934	(46,304,390)	(46,398,170)	(46,155,927)
Depreciation and Amortisation	(282,353)	(282,353)	0	(564,706)	(564,706)	(564,706)
Other Expenses	(40,860)	(121,846)	80,986	(243,367)	(243,367)	(243,367)
Internal Charges	(1,647,395)	(1,672,379)	24,983	(3,327,865)	(3,327,865)	(3,327,865)
Overhead Allocation	(831,960)	(831,960)	0	(1,663,919)	(1,663,919)	(1,663,919)
Total Expenses From Continuing Operations	(26,759,861)	(29,962,455)	3,202,593	(59,680,554)	(59,774,334)	(59,702,091)
Surplus / (Deficit) from Continuing Operations	27,756,912	24,346,962	3,409,950	(0)	(93,780)	(90,871)

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations \$27,756,912 is higher than forecast by \$3,409,950 at the end of December as a result of both higher income and lower than forecast expenditure.

Total Income from Continuing Operations of \$54,516,773 is higher than forecast by \$207,356. Rates and Annual Charges are higher than forecast by \$408,617 and Investment Fees and Revenues are higher by \$10,776 which has been partially offset by lower User Charges & Fees of \$139,343 and lower Grants and Contributions for Operating Purposes of \$72,694. The higher Rates and Annual Charges relates to approximately 450 additional domestic waste services amounting to \$230,291 and lower pensioner rebates of \$178,326. The higher interest relates to higher than anticipated outstanding domestic waste charges. The lower User Charges and Fees principally relates to the cessation of the Commercial Waste service during the second quarter. The lower Grants and Contributions for Operating Purposes principally relates to lower pensioner subsidies for the rebates noted above.

Total Expenses from Continuing Operations of \$26,759,833 are lower than forecast by \$3,202,593. This is the result of lower Materials and Contracts of \$3,326,934, lower Other Expenses of \$80,986 and lower Internal Charges of \$24,983 partially offset by higher Employee Benefits & Oncosts of \$230,311. The lower Materials and Contracts expenses are primarily the result of delays in the flow on of additional expected cost impact of the change in import conditions for recycling in China. The costs have been delayed pending finalisation of contract negotiations. There is also a general decline in tonnes for all waste streams resulting in lower tipping and processing costs. The higher than forecast Employee Benefits and OnCosts are related to additional cleansing service requirements within commercial centres.

For the full financial year, the Deficit from Continuing Operations is forecast to decrease by \$2,909 to \$90,871. Income from Continuing Operations is forecast to reduce by \$69,334 partially offsetting a decrease in Expenses from Continuing Operations of \$72,243. The forecast change in Income is a result of User Charges and Fees being forecast to decrease by \$403,333 and Grants and Contributions for Operating Purposes by \$54,000, partially offset by an increase in Rates and Annual Charges of \$388,000

for the reasons noted above. The forecast change in Expenses is a result of lower Materials and Contracts of \$242,242 as a result of the cessation of the Commercial Waste service partially offset by additional Employee Costs of \$170,000 for the reasons noted above.

Kimbriki Resource Recovery Centre

HIGHLIGHTS

Leachate Treatment Plant

Construction of the Leachate Treatment Plant and rising main connecting to the Board's sewer has been completed. The Leachate Treatment Plant will capture and treat leachate, and dispose of it safely off site, improving on site management of waste water while delivering added, long-term environmental protection.

Internal Roadworks

A number of changes have been made to ensure the internal road networks are safe and easy to use for all customers. These include:

- Clear concise signage and water-filled barriers at the bottom of the entry road as a barrier to direct traffic flow.
- Improvements to the exit adjacent to Weighbridge C, to simplify the intersection and divert heavy vehicles away from other site users.

Bikes 4 Life

Kimbriki Environmental Enterprises (KEE) is partnering with Bikes4life. The Bikes4life charity receive donations of damaged or worn out bikes, repair them and send them to disadvantaged countries in Africa and the Asia-Pacific for re-use. Bikes and parts are transported in shipping containers, which become the repair shop and store. Repurposing old bikes in this way supports disadvantaged communities and reduces waste. The work done by Bikes4life fits well with the social equity hub being developed at Kimbriki.

Performance Measures - Kimbriki	Target	September Quarter	December Quarter
Total waste diverted from landfill (onsite at Kimbriki Resource Recovery Centre)	79%	84.2%	86%
Domestic dry waste diverted onsite from landfill	10%	4.2%	* 2%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

* **Domestic dry waste diverted onsite from landfill** - Mechanical breakdown at the metal recycler's location resulted in a large stockpile at Kimbriki of uncollected metal.

OPERATIONAL PROJECTS

Key: ✓ Completed 🔄 Progressing on schedule ! Behind schedule

! Review site operations and develop new business plan consistent with Council's vision for the site - Executive Manager Waste Management & Cleansing

The draft interim Business Plan and draft Constitution were provided to shareholders during the quarter. A legal review is currently underway in relation to the Remediation Agreement.

CAPITAL PROJECTS

Key: ✓ Completed 🔄 Progressing on schedule ! Behind schedule

Kimbriki improvements



Kimbriki high level drain - Executive Manager Waste Management & Cleansing

Design work continued during the quarter and is nearing completion. Preparations are currently underway for the approval process.



Kimbriki western bund wall on Area 3B - Executive Manager Waste Management & Cleansing

During the construction phase this quarter, bund wall lift 17 was completed.



Kimbriki landfill cell development Area 4A - Executive Manager Waste Management & Cleansing

The application for Cell 4A is being assessed by Council. The tender development of Cell 4A closed and evaluation was completed during the quarter.



Kimbriki leachate treatment plant - Executive Manager Waste Management & Cleansing

Operational Commissioning of treatment plant is ongoing.



Kimbriki gas capture system - Executive Manager Waste Management & Cleansing

Gas capture system has been operational with no further works required during the quarter. Gas capture is being monitored and further trenches and associated piping systems will be installed as required as landfill height increases.



Kimbriki cell development Area 4B - Executive Manager Waste Management & Cleansing

Due to Kimbriki's capacity to manage incoming tonnes, no further work was undertaken on Cell 4B and this is now completed for the year. The development of Cell 4A will be a priority for the rest of the year.



Kimbriki landfill resource recovery facility - Executive Manager Waste Management & Cleansing

During the quarter additional large bins to allow for greater sorting of mixed waste at the transfer station and landfill cell were received and installed. As a tender for new contractors at Kimbriki is underway no further development of this facility is planned for this financial year.



Kimbriki vehicles - Executive Manager Waste Management & Cleansing

Final customisation to a water truck purchased in September were made during the quarter. No other plant or fleet replacement is planned.



Kimbriki renewal program - Executive Manager Waste Management & Cleansing

Design, supply and installation of bottom dam stormwater transfer system undertaken



Kimbriki other - Executive Manager Waste Management & Cleansing

Some office equipment including a photocopier was replaced to improve reliability and efficiency.

FINANCIALS

KIMBRIKI RESOURCE RECOVERY CENTRE

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	0	0	0	0	0	0
User Charges & Fees	16,033,674	16,490,831	(457,157)	33,704,105	33,704,105	33,246,948
Investment Fees and Revenues	113,516	48,498	65,018	97,000	97,000	162,018
Other Revenues	1,581,847	1,311,065	270,783	2,823,448	2,823,448	3,094,230
Grants and Contributions - Operating Purposes	0	0	0	0	0	0
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	17,729,038	17,850,394	(121,356)	36,624,553	36,624,553	36,503,196
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(2,526,784)	(2,917,277)	390,493	(5,458,347)	(5,830,361)	(5,049,375)
Borrowing Costs	(940,002)	(556,386)	(383,616)	(1,112,772)	(1,112,772)	(1,540,519)
Materials and Contracts	(5,622,085)	(5,940,927)	318,841	(13,654,264)	(12,308,318)	(12,328,962)
Depreciation and Amortisation	(774,130)	(807,647)	33,517	(1,730,374)	(1,730,374)	(1,696,857)
Other Expenses	(5,888,953)	(6,304,990)	416,037	(11,737,395)	(12,711,327)	(12,295,289)
Internal Charges	0	0	0	0	0	0
Overhead Allocation	0	0	0	0	0	0
Total Expenses From Continuing Operations	(15,751,954)	(16,527,227)	775,273	(33,693,152)	(33,693,151)	(32,911,001)
Surplus / (Deficit) from Continuing Operations	1,977,083	1,323,167	653,917	2,931,401	2,931,401	3,592,194

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$1,977,083 is \$653,917 higher than forecast at the end of December as a result of lower than forecast expenditure which has been partially offset by lower than anticipated income.

Total Income from Continuing Operations of \$17,729,038 is lower than forecast by \$121,356. User Charges and Fees were \$457,157 lower than forecast which is a significant improvement over the first quarter as a result of higher vegetation revenues after recent rainfall. The lower User Charges and Fees were partially offset by higher Investment Fees and Revenues of \$65,018 in line with the first quarter and higher Other Revenues of \$270,783 continuing the trend from the first quarter of high metal recoveries.

Total Expenses from Continuing Operations are \$15,751,954 which is lower than forecast by \$775,273. Materials and Contracts were \$318,841 lower than forecast due to reduction in vegetation processing costs, delays in commissioning of the Leachate Treatment Plant and the continued focus on cost control. Depreciation and Amortisation were lower due to the timing of the completion of a number of capital works projects and Other Expenses were lower than forecast due to a reduction in the EPA waste levy as a result of lower volumes. Employee Benefits & Oncosts were \$390,493 lower due to reductions in headcount. Borrowing Costs were higher than forecast by \$383,616 due to the reassessment of future rehabilitation costs noted in the first quarter.

The forecasted Surplus from Continuing Operations has been increased by \$657,793 to \$3,592,194. Income from Continuing Operations has been forecast to decrease by \$121,356 in line with year to date actual results. User Charges and Fees are expected to recover with the improved outlook for vegetation, offset by a return to budgeted levels for Other Revenues due to falling metal prices, so no changes have been forecasted to original income budgeted for the second half of the year.

Expenses from Continuing Operations are forecast to decrease by \$782,150 to \$32,911,001. Employee Benefits and Oncosts are forecast to decrease by \$780,986 due to restructuring and headcount adjustments, Depreciation is forecast to decrease by \$33,517 for the reasons noted

above and Other Expenses have been forecast to decrease by \$416,038 for the reasons noted above. These decreases have been partially offset by increases in Borrowing Costs of \$427,747 for the reasons noted above and Materials and Contracts have been forecast to increase by \$20,644 as vegetation volumes increase.

Strategic Land Use Planning

HIGHLIGHTS

Local Environmental Plans (LEP) Review

A review of our four LEPs was completed against the priorities and actions of the North District Plan. The review, which has been endorsed by the Greater Sydney Commission, is the first step in the creation of a new LEP for the entire Northern Beaches, which also caters for local areas.

The next step is the preparation of our *Local Strategic Planning Statement*. This will be a 20-year vision for land use planning and development across the Northern Beaches. The draft Statement is being developed using Council's Strategic Reference Groups and ward-based focus groups, and will undergo wider community engagement in mid-2019.

Pittwater Waterway Review

Public exhibition of the *draft Pittwater Waterway Strategy 2038* commenced on the 8 December 2018 for eight weeks. Community feedback will help shape this strategic framework, which will guide the direction, decisions and actions associated with the Pittwater waterway.

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Develop Place Plans for Avalon, Mona Vale and Manly - Executive Manager Strategic & Place Planning

The first round of community engagement and data collection / analysis for the 'My Place: Avalon' Project has been completed. Information has been captured in the 'Spotlight on Avalon' document, to be available on Council's Your Say project page in January 2019.

The first two Avalon Community Reference Group Meetings have been convened and at the first meeting the group voted on the final vision statement for inclusion in the 'Spotlight on Avalon' document. The second meeting of the Avalon Community Reference Group was a technical workshop to discuss solutions and opportunities for changes.

Preparation of the Mona Vale and Manly Place Plans will commence in 2019.



Structure Planning and Rezoning - Ingleside - to deliver a new sustainable suburb. This will include achieving a Green Star Communities rating - Executive Manager Strategic & Place Planning

The Department of Planning and Environment are in the process of commissioning consultants to prepare a detailed bushfire evacuation model. This will determine how the existing population at Ingleside and the broader catchment could be evacuated in a bushfire emergency, and if there is any potential for development in the future.

An Ingleside Community Reference Group Meeting in December 2018 was updated on the project, including the implications of the Minister's recent announcement on Ingleside.



Precinct Planning - Frenchs Forest – to deliver a sustainable town centre and precinct. This will include achieving a Green Star Communities rating - Executive Manager Strategic & Place Planning

The Department of Planning and Environment are currently finalising the relevant technical studies. Council facilitated a transport workshop with all relevant State Agencies in December, to review the priorities for transport infrastructure within the precinct. The Precinct Plan, and

associated documents, will likely be exhibited by the Department in the first half of 2019.



Develop an Aquatic Reserve Masterplan which includes the development of a state of the art education and recreation precinct - Executive Manager Strategic & Place Planning

Discussions with the relevant sporting groups have progressed to a point that there is now a formal draft Statement of Intent for any relocation arrangements that may be required to facilitate the relocation of Frenchs Forest High School to Aquatic Reserve, Frenchs Forest. The Peer Review of the Warringah Aquatic Centre has been progressed. A draft report with key recommendations was submitted to Council in December 2018.



Structure Planning and Rezoning - Brookvale - to deliver revitalisation to Brookvale town centre - Executive Manager Strategic & Place Planning

Project on hold pending completion of the Employment and Transport Study, which is vital to help finalise the Brookvale Structure Plan.



Implement the Pittwater Waterway Review - Executive Manager Strategic & Place Planning

The Pittwater Waterway Strategy 2038 is currently on public exhibition for a period of 8 weeks until 3 February 2019. One on one meetings regarding the Strategy were convened with relevant stakeholders in December 2018.



Undertake Northern Beaches Strategic Land Use Planning Study - Executive Manager Strategic & Place Planning

The Greater Sydney Commission has confirmed that Council has complied with the LEP Review Process. Community engagement and a demographic analysis will commence in January 2019. Consultants will be engaged to prepare the Housing Strategy in early 2019.



Implement an Affordable Housing policy - Executive Manager Strategic & Place Planning

A tender for the future management of Council's affordable housing is in the process of being prepared. Staff are currently liaising with Department of Planning and Environment on new LEP controls for affordable housing, for inclusion into the Frenchs Forest Precinct Plan. Suitable measures will also be incorporated into Council's Housing Strategy, with preparation commencing in early 2019.

FINANCIALS

STRATEGIC & PLACE PLANNING

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	2,510,354	2,510,354	0	4,955,168	4,955,168	4,955,168
User Charges & Fees	412,341	633,892	(221,551)	1,267,219	1,267,219	1,106,536
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0
Grants and Contributions - Operating Purposes	195,000	95,000	100,000	206,500	206,500	305,250
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	3,117,694	3,239,246	(121,551)	6,428,887	6,428,887	6,366,954
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(1,668,863)	(1,717,992)	49,129	(3,390,560)	(3,390,560)	(3,400,560)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(226,876)	(571,896)	345,020	(1,143,792)	(1,143,792)	(1,173,192)
Depreciation and Amortisation	(16,415)	(16,415)	0	(32,830)	(32,830)	(32,830)
Other Expenses	(510,008)	(444,427)	(65,581)	(888,441)	(888,441)	(778,941)
Internal Charges	(129,212)	(131,232)	2,020	(258,700)	(258,700)	(258,700)
Overhead Allocation	(357,282)	(357,282)	0	(714,565)	(714,565)	(714,565)
Total Expenses From Continuing Operations	(2,908,657)	(3,239,246)	330,589	(6,428,887)	(6,428,887)	(6,358,787)
Surplus / (Deficit) from Continuing Operations	209,038	0	209,038	(0)	(0)	8,167

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$209,038 is higher than forecast at the end of December primarily as a result of lower than forecast expenditure which has been partially offset by lower than anticipated income during the quarter.

Total Income from Continuing Operations of \$3,117,694 is lower than forecast by \$121,551 primarily as a result of lower User Charges & Fees associated with Planning Proposals.

Total Expenses from Continuing Operations of \$2,908,657 are lower than forecast by \$330,589. Employee Benefits & Oncosts are slightly lower than forecast by \$49,129 due to short-term vacancies, Materials and Contracts are \$345,020 lower than forecast principally due to the timing of budgeted expenditure on Brookvale Structure and Ingleside Precinct Plans and lower Other Expenses of \$65,581 related to advertising and other costs associated with the community engagement and exhibition of the Plans.

In relation to Income, there has been a marked softening in the development industry. This has resulted in fewer Planning Proposals being received than originally budgeted. This trend appears to be continuing. Accordingly, it is proposed to reduce anticipated income from Planning Proposals by \$160,683.

In relation to Expenses, having regard for delays with some projects it is proposed to reduce Other Operating Expenses (specifically Advertising and Promotional Costs) for the Brookvale and Ingleside projects by a total of \$109,500.

Northern Beaches Council auspice the Aboriginal Heritage Office (AHO) and are responsible for managing the AHO budget. The member Councils of the AHO recently agreed to an increase in funding of this office. Accordingly, Grants and Contributions will be increased by \$98,750. It is also

proposed to adjust the Salaries – Permanent line by \$10,000 to reflect recent salary adjustments for staff members in the AHO. Materials and Contracts expenses will be increased by \$29,400 to reflect work to be undertaken by a contractor.

For the full financial year, the Total Surplus from Continuing Operations is forecast to increase by \$8,167 as a result of the above forecast changes.

Development Assessment

HIGHLIGHTS

Our improved website now provides more information for applicants and the community on the Development Application (DA) process and the application search tool.

This quarter 460 DAs and 191 Modifications of Consent were received for assessment; and 75 pre-lodgement meetings were held.

Our internal DA Pre-lodgement meeting processes were reviewed and changed to improve the customer experience and turnaround times for advice.

Performance Measures – Development Assessment	Target	September Quarter	December Quarter
Applications for new additional housing stock determined under delegation within 40 days (Development Applications and Complying Development Certificates)	90%	34%	* 38 %
DAs determined under delegation within 60 days	90%	47%	** 43 %
DAs referred to independent panels within 90 days	90%	44%	*** 45 %

Results Key:  Achieved  Approaching - within 5% of target  Behind - more than 5% off target

Notes on results:

* **Applications for new additional housing stock** – This has improved since last quarter. This is a NSW Government target the State. Land within the Northern Beaches typically has more site and environmental constraints, leading to a more complex assessment and longer determination time for many applications.

** **DAs determined under delegation** - An aspirational target. This quarter 336 DAs were processed.

*** **DAs referred to independent panels** - This quarter 20 DAs were referred.

OPERATIONAL PROJECT

Key:  Completed  Progressing on schedule  Behind schedule



Review and monitor delegations in light of new Local Planning Panel (formerly IHAPs) - Executive Manager Development Assessment

Delegations have been reviewed and no changes are required

FINANCIALS

DEVELOPMENT ASSESSMENT

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	1,668,709	1,668,709	0	3,256,641	3,256,641	3,256,641
User Charges & Fees	2,308,597	2,157,163	151,434	4,313,781	4,313,781	4,313,781
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0
Grants and Contributions - Operating Purposes	0	0	0	0	0	0
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	3,977,306	3,825,872	151,434	7,570,422	7,570,422	7,570,422
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(2,461,155)	(2,916,313)	455,157	(5,757,993)	(5,757,993)	(5,497,993)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(166,188)	(320,545)	154,357	(641,090)	(641,090)	(463,490)
Depreciation and Amortisation	(30,932)	(30,932)	0	(61,863)	(61,863)	(61,863)
Other Expenses	(87,294)	(98,402)	11,108	(196,210)	(196,210)	(186,210)
Internal Charges	(156,943)	(163,020)	6,076	(319,943)	(319,943)	(319,943)
Overhead Allocation	(296,661)	(296,661)	0	(593,322)	(593,322)	(593,322)
Total Expenses From Continuing Operations	(3,199,173)	(3,825,872)	626,699	(7,570,421)	(7,570,421)	(7,122,821)
Surplus / (Deficit) from Continuing Operations	778,133	0	778,133	0	0	447,600

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$778,113 is higher than forecast at the end of December which relates to both higher than anticipated income and lower than forecast expenditure in the first two quarters of the financial year.

Total Income from Continuing Operations of \$3,977,306 is higher than forecast by \$151,434 primarily as a result of higher User Charges and Fees. Overall Development Application Fees were higher than forecast as a result of three significant Development Applications which were submitted during the first quarter, however the remaining number of applications and value of the development received was less than forecast.

Total Expenses from Continuing Operations of \$3,199,173 are lower than forecast by \$626,699. Employee Benefits & Oncosts are \$455,157 lower than forecast due to vacancies. This has in part been managed through contract services while positions are recruited. Materials and Contracts are lower than forecast by \$154,357 as a result of fewer than expected applications requiring referral to the Local and Regional Planning Panel meetings. Other expenses are lower than forecast by \$11,108 as a result lower advertising and other costs associated with the lower overall number of development applications.

For the full financial year, the Total Surplus from Continuing Operations is forecast to increase by \$447,600. Expenses from Continuing Operations are forecast to decrease by \$447,600 reflecting the lower Employee Benefits & Oncosts (\$260,000), Materials & Contracts (\$177,600) and Other Expenses (\$10,000) within the Development Assessment service for the reasons noted above.

Environmental Compliance

HIGHLIGHTS

Compliance Policy

Council adopted a new Compliance and Enforcement Policy and supporting Guidelines, to ensure a consistent approach across the entire Northern Beaches.

Prosecution

A construction company was fined \$16,000 for a water pollution incident at Freshwater, and was directed to pay costs of \$8,000 following successful prosecution by Council.

Being proactive

Our proactive programs improve the health and safety of the community, workers and the environment. Some key events this quarter were:

- *Get the Site Right* - a proactive Blitz Day inspecting construction sites.
- A pilot *Environmental Audit Program for Motor Vehicle Workshops* commenced
- Food Safety education, with information provided to all local schools, and a biannual newsletter sent to all retail food businesses.
- Responsible pet ownership - A popular *Canine Connect* event was held at Roberts Reserve, North Curl Curl in December. This was well attended by 150 people, who received invaluable information from local Vets, Council Rangers and other professionals.

Being responsive

Many community requests were responded to, in relation to:

- Illegal building works or land use
- Fire safety
- Swimming pool barriers
- Pollution, including noise, air, water
- Drainage and flooding enquiries/complaints
- Unhealthy conditions including sewer leaks and asbestos related enquires
- Food safety and public health
- Keeping of animals
- Barking, menacing and dangerous dogs
- Illegal trailers and abandoned vehicles

Performance Measures – Environmental Compliance	Target	September Quarter	December Quarter
Critical and high risk retail food premises inspections completed, in line with schedule	100%	97%	100%
Critical and high risk public health inspections completed, in line with schedule	100%	100%	100%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

FINANCIALS

ENVIRONMENTAL COMPLIANCE

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	988,129	988,129	0	1,600,444	1,600,444	1,600,444
User Charges & Fees	1,012,660	1,049,784	(37,123)	2,106,015	2,106,015	2,106,015
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	4,161,916	4,837,079	(675,163)	9,672,500	9,672,500	9,672,500
Grants and Contributions - Operating Purposes	0	0	0	0	0	0
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	6,162,705	6,874,991	(712,286)	13,378,959	13,378,959	13,378,959
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(3,807,266)	(4,519,830)	712,564	(9,109,383)	(8,759,383)	(8,009,383)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(1,346,825)	(1,223,541)	(123,285)	(2,016,730)	(2,366,730)	(2,716,730)
Depreciation and Amortisation	(52,666)	(52,666)	0	(105,332)	(105,332)	(105,332)
Other Expenses	(41,267)	(43,835)	2,568	(86,379)	(86,379)	(86,379)
Internal Charges	(491,235)	(502,217)	10,982	(995,331)	(995,331)	(995,331)
Overhead Allocation	(532,902)	(532,902)	0	(1,065,804)	(1,065,804)	(1,065,804)
Total Expenses From Continuing Operations	(6,272,161)	(6,874,991)	602,830	(13,378,960)	(13,378,960)	(12,978,960)
Surplus / (Deficit) from Continuing Operations	(109,456)	0	(109,456)	(0)	(0)	400,000

Commentary – Year to Date Actuals and Annual Forecast

The Total Deficit from Continuing Operations of \$109,456 is higher than forecast at the end of December as a result of lower than anticipated income which has been partially offset by lower than forecast expenditure.

Total Income from Continuing Operations of \$6,162,705 is lower than forecast by \$712,286 as a result of lower Other Revenues income, in particular relating to parking fines, and slightly lower User Charges and Fees.

Total Expenses from Continuing Operations of \$6,272,161 are lower than forecast by \$602,830. This is principally the result of lower than anticipated Employee Benefits & Oncosts partially offset by higher Materials and Contracts. The lower Employee Benefits & Oncosts are largely resulting from vacant positions, particularly within the Rangers area, with the higher Materials and Contracts being for agency personnel to cover these and other vacancies.

Changes are proposed to the annual forecast to reduce Employee Benefits and Oncosts by \$750,000, partially offset by a \$350,000 increase in the materials and contracts budget for agency personnel costs.

Parks and Recreation

HIGHLIGHTS

Sportsgrounds

Work commenced on development of netball courts in Boondah Road in Warriewood, with the clearing of existing buildings and undergrowth. This land was purchased by Council last year, to provide more sporting sites in the Warriewood Valley.

Work also commenced at Belrose, to convert the Lionel Watts sports fields 3 and 4 to synthetic surfaces. This is part of the Glen Street Masterplan.

Other progress in the Sportsfield Renewal Program included:

- New sports field lighting at Bantry Bay Oval (Seaforth)
- Upgraded sub surface drainage at Newport Oval and at Beacon Hill Ovals 1 and 2
- Relevelling and turfing of:
 - Reub Hudson and Denzil Joyce Ovals (North Curl Curl)
 - Beacon Hill Oval 2
 - St Matthews Farm (Cromer)
- Minor returfing at Cromer Park, James Morgan Reserve (Cromer), Dee Why Oval, Millers Reserve (Manly Vale), David Thomas Reserve (Allambie Heights), Bantry Bay Oval, John Fisher Park Fields 3,4 and 5 (Curl Curl), and Brookvale Oval.
- Topdressing and fertilising of multiple fields
- New goal posts and sleeves at Beacon Hill Oval 1, Griffith Park(Collaroy) and James Morgan Reserve (Cromer)
- Renewal of fencing at Kitchener Park (Mona Vale) and Ararat Reserve (Frenchs Forest)

Grants for local sports

The 2018/19 Sport and Recreation Infrastructure grant program was considered at the Council meeting held 16 October 2018 and the following grants were approved:

- Manly Warringah Junior Cricket Association, new cricket nets at Nolan Reserve, \$25,000.
- Narrabeen Lakes Sailing Club, upgrade change rooms at the Jamieson Park clubhouse, \$23,909.
- Mona Vale Golf Club, replace the 12th green, \$20,000.
- Manly Croquet Club, new watering system at Keirle Park, Manly \$17,000.
- Beacon Hill Junior Rugby League Football Club, upgrade canteen and new undercover area at the clubhouse, \$14,091.

Beach Safety

Heat wave conditions and challenging surf conditions created a busy quarter with some 3.75 million people attending our beaches. Our lifeguards kept them safe, with 163,208 preventative actions, 404 rescues, and 1,126 incidents requiring first aid. They also undertook 9,044 regulatory actions, such as dealing with anti-social behaviour, litter and dogs on beaches

Improving our Open Spaces and Playgrounds

Under the playground renewal program, new shade sails were installed at Plateau Park Playground (Collaroy Plateau) and Bilgola Plateau Playground (Bilgola).

As part of the *Collaroy Beach Masterplan*, work was completed on new amenities at the ocean pool, and nearby steps, ramp and footpath to Beach Road. These are key features now linking disabled clients at the Sargood Centre in Beach Road, to the pool, beach and all-abilities precinct.

At Palm Beach, work continued in line with the *Palm Beach Landscape Masterplan*, including:

- Completion of stage 2 works between the Pavilion and Ocean Place
- Development of design for stage 3 improvements

In Manly, works for the *East Esplanade Landscape Plan* included a timber deck, new sandstone kerbing and terraces. These will eliminate sediment runoff into the waterway, and provide for better seating and walking. Community consultation is also underway for the *Little Manly and Clontarf Beach Masterplans*.

At the Manly Scenic Walkway, improvements to the Castle Rock track included new sandstone steps, flagging and crushed sandstone path, and a new handrail.

Returfing was undertaken at:

- Griffith Park, Collaroy beach reserve and dog exercise area
- Curl Curl beach reserve and dog exercise area
- Rowland Reserve, Bayview
- Manly's North Steyne, South Steyne, Gilbert Park and in front of the Town Hall.

Managing Trees

Trees are actively managed to improve the streetscape, shade and local environment, as well as for safety. As part of our street tree planting program, local residents are encouraged to request a tree for their nature strip, and they agree to care for it until fully established. This quarter 200 trees were planted under this arrangement, all with a greater chance of surviving and thriving. We also undertook the following:

- Proactive tree maintenance program commenced for public trees in Pittwater ward, to reduce the risks of tree failure
- Private tree permit applications – Received and actioned 160 applications
- Customer Requests - Responded to 1,985 requests related to trees.
- Clean up - During December there were 467 storm-related reactive tree works and clean up requests received.

Performance Measures – Parks and Recreation	Target	September Quarter	December Quarter
Rockpools cleaned weekly during summer season and every two weeks outside of summer	95%	100%	100%
Sportsfields mowed weekly in summer playing season and monthly in winter	95%	95%	95%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

Workload Measures – Parks and Recreation	September Quarter	December Quarter
Number of preventative actions by professional lifeguards on patrolled beaches	7,778	* 163,208

* **Preventative actions** are highly seasonal and reflect the increase in beach visitors.

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Develop a Mountain Bike Strategy - Executive Manager Parks & Recreation

Feedback from the stakeholder meeting in September 2018 has been considered. The project is currently being planned in line with agreed scope.



Develop the Parks and Recreation website to ensure user friendly access to information - Executive Manager Parks & Recreation

Website improvements are ongoing, with the following progress in the quarter:

- A review of wet weather status wording to ensure consistency
- Linking of the interactive map to Parks and Recreation pages including sportsgrounds, beaches, parks and playgrounds
- Continued updates of preferred tree listing and benefits of trees page
- Collection of Rockpool cleaning roster information for all ocean pools
- Update of photos and facilities on multiple Parks and Recreation webpages
- Publishing of Rockpool Roster information for all ocean pools
- Update of recreation pages to align with current project works
- Update of Tree Maintenance information relating to proactive tree works in the community, including where works will be carried out



Implement a new integrated private tree application processes - Executive Manager Parks & Recreation

Various Tree Development Control Plans were amended by Council resolution on 25 September 2018 to provide a consistent set of regulations across the Northern Beaches in line with State policies. The new permit application system has been implemented providing a more customer friendly service.



Develop and implement a system for measuring customer experience for Parks and Recreation - Executive Manager Parks & Recreation

Project is scheduled to start in February



Develop and Implement Operational Plans for Manly Oval and North Narrabeen Reserve including Pittwater Rugby Park - Executive Manager Parks & Recreation

Project is scheduled to start in January



Develop an Open Space Strategy (including for Playgrounds) - Executive Manager Parks & Recreation

This project is behind schedule as other recreation projects have been given priority. Resources have been re-allocated to support this project. In January 2019 approval for the Project Brief, Project Initiation Document and Community Engagement Plan will be sought and the procurement process for agreed services will commence



Implement recommendations from the review of Beach Lifesaving services - Executive Manager Parks & Recreation

The report on this Review is currently being finalised for consideration by the Chief Executive Officer. Once the review is approved the implementation of the actions and recommendations will commence. It is anticipated the implementation will start in February 2019.



Develop Masterplans – Little Manly, Clontarf Beach and Terrey Hills Oval - Executive Manager Parks & Recreation

During the quarter the initial stage of community engagement was completed for both Clontarf Reserve and Little Manly. The draft Masterplans are expected to be reported to Council at its meeting in March



Implement a tree planting program - Executive Manager Parks & Recreation

Through the Proactive tree maintenance program audit, planting opportunities were identified in the Pittwater Ward and Narrabeen Wards.

Council applied for funding for tree planting under “The 5 Million Trees” grants program to plant 2,000 trees in the Narrabeen Ward. A second application was also submitted for the 'Greening' of Condamine Street Manly Vale Road Corridor stage one.

We are continuing to consult with the community on the planting of new trees on the nature strip. As part of this program residents are encouraged to care for the tree until full establishment. Over 200 Trees were planted in this quarter.



Implement proactive tree maintenance program that aims to reduce risk of public tree failure - Executive Manager Parks & Recreation

Council's proactive tree maintenance program commenced in October 2018. Due to the high level of reactive requests generated, the initial program has commenced in the Pittwater Ward. By the end of December 2018 proactive tree works was carried out in the Terry Hills, Duffy's Forest, Ingleside, Mona Vale and Bayview areas.

There were also a number of storms during this quarter which resulted in 467 customer requests.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Foreshore and Building improvements



Collaroy Beach - new accessible public amenities and ramp upgrades - Executive Manager Parks & Recreation

This project has been completed.



Dinghy storage new - Executive Manager Parks & Recreation

Designs and quotes have been obtained for storage racks at various locations around

Foreshore and Building improvements

Narrabeen Lagoon, primarily for dingy storage, but also for kayaks, dragon boats and outriggers. Community engagement is planned for February, with installation expected by June 2019. Other locations are being audited.



Foreshores - new and upgrades - Executive Manager Parks & Recreation

Works from the pavilion to the area opposite Ocean Place have been completed. Council will engage with key stakeholders prior to commencing works south of Ocean Place. Work is scheduled to commence on this section in February 2019.



Mona Vale Surf Life Saving Club - new building works - Executive Manager Property

The planning of a new Surf Life Saving Club building in Mona Vale on the existing site is currently underway. The community consultation report has been completed and is available for the public. The development application (DA) for the works has been lodged and detailed design has commenced. This tender documentation is being prepared and the project is scheduled to commence construction towards the end of the financial year.



Long Reef Surf Life Saving Club new building works - Executive Manager Property

This project sees the construction of a new surf life saving club, public amenities and cafe at Long Reef Beach. The community engagement for the concept design has now closed with the outcomes to be reported to Council at the February Council meeting.



Foreshores renewal program - Executive Manager Parks & Recreation

East Esplanade Park Landscape Improvements were completed with the park opened to the public on 13 December. Clontarf Beach Seawall Construction Stage 3: the detailed design for the renewal of 160 metres of sandstone block seawall will require additional design work for a section of the wall recommended to be constructed in timber. Works are programmed to commence in March 2019.



Rockpool - renewal program - Executive Manager Parks & Recreation

The renewal of Collaroy Rockpool is completed. Council is progressing the tender documentation and design for the renewal of the North Narrabeen rockpool boardwalk. It is expected that a tender will be released in January 2019 with works to commence after the swimming season is completed in late April 2019.



Mona Vale Surf Life Saving Club - renewal works - Executive Manager Property

The planning of a new Surf Life Saving Club building in Mona Vale on the existing site is currently underway. The community consultation report has been completed and is available for the public. The development application (DA) for the works has been lodged and detailed design has commenced. This tender documentation is being prepared and the project is scheduled to commence construction towards the end of the financial year.



Dinghy storage replacement of racks - Executive Manager Parks & Recreation

Council will be engaging the community on the proposed dinghy rack renewal work in February 2019. Sites include Rowland Reserve, Bayview and several reserves around Narrabeen Lagoon.



Rowland Reserve Boating Facilities Renewal - Executive Manager Property

This project aims to improve the access and quality of boating facilities in Rowland

Foreshore and Building improvements

Reserve. A new wash down bay and gross pollutant trap have been completed, parking bays concreted and ramp tops re-asphalted. The pontoons and piles have been completed for the new wharf with this project has now been fully completed.



Long Reef Surf Life Saving Club renewal works - Executive Manager Property

This project sees the construction of a new surf life saving club, public amenities and cafe at Long Reef Beach. The community engagement for the concept design has now closed with the outcomes to be reported to Council at the February Council meeting.

Playground improvements



Connecting all Through Play - Inclusive Play - Executive Manager Capital Projects

Works are progressing as planned at Lionel Watts Playground. Council resolved in December for a minor upgrade within the existing footprint of the Manly Dam play space and to investigate options to utilise funding to upgrade Clontarf Reserve playground.



Playground renewal program - Executive Manager Parks & Recreation

Work is on schedule to complete playground renewal works at Fairway Reserve, Manly Vale, King Street Reserve, Manly Vale, Plateau Park, Bilgola, Marie Crescent, Mona Vale, Warri Reserve, Narraweena and Gilbert Reserve, Frenchs Forest this financial year.

Sportsgrounds improvements



Connecting all Through Play - Active Play - Executive Manager Capital Projects

The sportsfield lighting is nearing completion with light poles being erected and commissioned across various sites. Lights have been erected at Careel Bay tennis club. Further planning and approval works are ongoing for SLSC works stream with construction phased at the end of this financial year.



Sportsgrounds - new and upgrades - Executive Manager Parks & Recreation

Works are complete at Newport Oval and a tender for the installation of a irrigation system at Tania Park was issued in December 2018.

The overall program is behind schedule due to additional reports required for the proposed lighting at Tania Park, Balgowlah Heights. It is expected that the development application will be lodged in February, and if approved, construction commenced by mid-2019. It is unlikely to be completed this financial year.



Sports Club Capital Assistance Program - Executive Manager Parks & Recreation

Owners consent to undertake works has been provided to:

- Narrabeen Lakes Sailing Club to upgrade change rooms at the clubhouse at Jamieson Park.
- Mona Vale Golf Club to replace the 12th green at the Mona Vale Golf Course.
- Beacon Hill Junior Rugby League Football Club to upgrade the canteen and a new undercover area at the Beacon Hill sports ground clubhouse.

The Collaroy Tennis Club project has been completed, grant acquitted and funding paid.



Forestville War Memorial playing fields masterplan implementation - Executive Manager Parks & Recreation

Sportsgrounds improvements

The design for the shared path connecting the synthetic sportsfield and Forestville Avenue and the memorial path extension has been finalised. A contractor has been engaged and work will commence in early February 2019.



Sportsfield renewal program - Executive Manager Parks & Recreation

The rectification and reconfiguration of St Matthews Farm to improve the playing surface and facilitate an additional full size senior football field has been completed.

The cricket net upgrade at Seaforth Oval has been completed

Council has approved the designs for the lighting upgrade of Collaroy Plateau Park, Porters Reserve, Newport, Newport Oval, Newport and Reub Hudson/Denzel Joyce Ovals North Curl Curl. Delivery is expected to commence on site in March and be completed in June 2019.



Warriewood Rugby Park clubhouse - Executive Manager Property

All construction work for the new sports amenities and clubhouse building at Pittwater Park / North Narrabeen Reserve has been completed. The documentation and finalisation of the project are now in hand.

Reserves and Parks improvements



Reserves - new and upgrades - Executive Manager Parks & Recreation

The draft Landscape Plan for Lagoon Park has been completed, following further consultation with key stakeholders. However as wider community engagement still needs to be undertaken it is now highly unlikely that the shared path light installation will be undertaken this financial year. Council is also still in the planning stage for the delivery of off leash dog infrastructure for this financial year.



Warriewood Valley - public space and recreation - Executive Manager Parks & Recreation

Demolition and remediation of 3 Boondah Road has been completed and a contractor has been engaged to undertake the detailed design to implement the concept plan.



Glen Street masterplan implementation - Executive Manager Parks & Recreation

Work is progressing well on the delivery of the Glen Street Masterplan, with progress made on the Playground, and slight delay to the conversion of Lionel Watts fields 3 and 4 due to weather.



Youth facilities - Executive Manager Parks & Recreation

A design group will be established in February to develop the needs brief and scope for the design and construction tender for a new skate park and exercise area at Lionel Watts Reserve. The project will be delivered over the winter of 2019



Reserves renewal program - Executive Manager Parks & Recreation

Work is complete on the renewal of the Castle Rock section of the Manly Scenic Walkway. Requests for quotations have been sought for pathway renewal works at King Street Reserves, Manly Vale and Avalon Golf Course and the aboriginal report that will determine the extent of works at Ivanhoe Park, Manly has been completed.

Recreational trails



Narrabeen Lagoon Trail - aquatic boardwalk - Executive Manager Parks & Recreation

A contractor has been engaged to undertake the design and construction of the overwater boardwalk. Work on fabrication of the boardwalk structure is scheduled to commence in February and work on site is expected to commence in May 2019.



Recreational trails - renewal program - Executive Manager Parks & Recreation

Works are continuing on renewing the pedestrian trails at Manly Dam. Key works completed include the Bangaroo Street section of trail renewals and improvement of drainage in this section. Works have also been scoped for the renewal of bushland sections of the Bicentennial Coastal Walkway with high priority works identified on Bangallay Headland, Avalon and Turrimetta Headland, Warriewood.

Town centre and village upgrades



Town and Village Enhancements (Pittwater) - Executive Manager Parks & Recreation

Work on upgrading the streetscape in front of the Powder Works Road shops is due to commence in mid-January 2019. Council is currently seeking quotations for paving works on the eastern side of Barrenjoey Road, Mona Vale, it is anticipated that these works will commence in March 2019.



Minor streetscape improvements - Executive Manager Parks & Recreation

Council has engaged contractors to undertake works at Gilbert Park, Manly to renew festoon lighting, Narrabeen Shops on the western side of Pittwater Road to renew paving and for Balgowlah Shops to deliver the next stage of the upgrade of the shopping precinct. All works are expected to commence in February 2019.

FINANCIALS

PARKS & RECREATION

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	15,804,732	15,804,732	0	32,665,203	32,665,202	32,665,202
User Charges & Fees	1,321,357	1,285,061	36,296	1,902,666	2,302,666	2,302,666
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	139,788	87,146	52,642	178,542	178,542	178,542
Grants and Contributions - Operating Purposes	63,032	15,000	48,032	30,000	30,000	68,000
Grants and Contributions - Capital Purposes	197,504	125,075	72,429	250,250	250,250	472,250
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	17,526,412	17,317,013	209,399	35,026,662	35,426,661	35,686,661
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(5,949,244)	(5,868,530)	(80,714)	(11,574,345)	(11,574,344)	(11,654,344)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(5,870,865)	(5,883,118)	12,253	(12,861,284)	(12,861,285)	(12,861,285)
Depreciation and Amortisation	(2,543,015)	(2,543,015)	0	(5,086,029)	(5,086,029)	(5,086,029)
Other Expenses	(218,285)	(283,057)	64,772	(458,449)	(458,449)	(458,449)
Internal Charges	(732,197)	(735,642)	3,445	(1,457,985)	(1,457,985)	(1,457,985)
Overhead Allocation	(1,794,284)	(1,794,284)	0	(3,588,569)	(3,588,569)	(3,588,569)
Total Expenses From Continuing Operations	(17,107,889)	(17,107,645)	(244)	(35,026,660)	(35,026,661)	(35,106,661)
Surplus / (Deficit) from Continuing Operations	418,523	209,368	209,154	1	399,999	580,000

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$418,523 is higher than forecast at the end of December as a result of higher than anticipated income.

Total Income of \$17,526,412 is higher than forecast by \$209,399. This is primarily due to higher User Charges and Fees of \$36,296, higher Other Revenue of \$52,642 and higher Grants and Contributions of \$48,032 for Operating Purposes and \$72,429 for Capital Purposes. The higher User Charges and Fees primarily relates to the additional fees for Dinghy and Boat Storage, the hire of sporting facilities and tree permit applications. Other Revenue is higher than anticipated at this stage of the year as Council has received some budgeted lease and licence income earlier than anticipated.

Grants and Contributions for Operating Purposes include a contribution for drainage improvements to Seaforth Oval from Seaforth Football Club which had not been included in the original budget (\$19,700) and higher than anticipated requests for memorial plaques and seats (\$18,300). Overall this results in a forecast increase of \$38,000 for Grants and Contributions - Operating Purposes. Grants and Contributions for Capital Purposes are higher as a result of a contribution from Ferrovial York for the impact on the playground at Brickpit Reserve (\$52,000). Additionally, Council has been awarded a \$170,000 grant from the Community Sport Infrastructure Program resulting in an overall \$222,000 increase in the forecast.

Total Expenses of \$17,107,889 are on track overall to budget. Employee Benefits & Oncosts are \$80,714 higher than forecast due to the additional engagement of staff for lifeguard services and specialist staff training in WHS and project management. Other Expenses are \$64,772 lower than forecast mainly due to less than anticipated public tree insurance claims and not all requests for subsidies from the Surf Lifesaving Clubs have been received to date.

For the full financial year, the Surplus from Continuing Operations is forecast to increase by \$180,000 principally due to higher than anticipated Grants and Contributions noted above.

Children's Services

HIGHLIGHTS

Council offers a range of quality education and care services for children aged 0 to 12 years:

- Seven Long day care and three pre-school centres catering for children aged 6 weeks to 5 years.
- Family day care consists of 58 educators caring for children aged up to 12 years.
- Vacation care offered children care during the Spring school holiday period at four locations.
- Caring and educating 47 children with additional needs and a further 17 socio-disadvantaged children.

National recognition

Council is proud to be recognised for the outstanding services provided at our Dee Why Children's Centre, Narrabeen Children's Centre, and Family Day Care service. These services have been officially rated as 'Exceeding the National Quality Standard' under the *National Quality Framework*. The *National Quality Standard* sets the national benchmark for the quality of children's education and care services across Australia. We are now in the top 10% in NSW for the standard of services we provide to our families and children.

Parent satisfaction

The *Parent Satisfaction Survey* results have been shared with families with great results and an overall average satisfaction rating of 4.6 out of 5 across Children's Services. This feedback shows that families are happy with the quality of care and education provided, and recognises the fantastic team of educators working hard every day.

Safety first

Brookvale Children's Centre overcame an emergency storm event when a tree landed on the Pre-school. All children were evacuated safely and although the centre was closed for one day the children were able to attend another of Council's centres to meet their family needs.

Celebrating

All services celebrated end of year with lots of different activities including a disco, picnic and graduation night for children, families and staff. Diwali was also celebrated - inviting families to join in this festival celebrations. Narrabeen Children's Centre Pre-school room held a Schoolies Week which culminated in an evening with families celebrating the children who will attend formal education in 2019.

Giving

Narrabeen Children's Centre put in place a traditional Giving Tree, where Christmas gifts are received from families to share with a local Women's Refuge. Brookvale Children's Centre collected food supplies for the Sydney Basket Brigade, a non-profit organisation that anonymously deliver food, clothing, and toys to those who have fallen on hard times during Christmas. Narrabeen Children's Centre also focused on sustainability, by creating plastic free Christmas decorations to take home.

Harbourview Children's centre

The refurbishment of Harbourview Childcare centre in Seaforth was completed in October 2018. These works included renovation of the child care rooms, outdoor areas and kitchen. As well as updating the centre, this also enabled the number of childcare places to increase from 44 to 52.

Performance Measures – Children's Services	Target	September Quarter	December Quarter
No. children attending Long Day Care programs	≥ 700	783	745
No. children attending Family Day Care programs	≥ 380	482	383
No. children attending Preschool programs	≥ 100	142	130
No. children attending Vacation Care programs	Dec ≥ 400	596	477

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

OPERATIONAL PROJECTS

Key: ✓ Completed ✓ Progressing on schedule ! Behind schedule



Providing quality education and care – meeting or exceeding the National Quality Standard - Executive Manager Children's Services

High standards achieved

- Narrabeen Children's Centre and Northern Beaches Family Day Care received Assessment and Rating result with overall Exceeding rating
- Parent Satisfaction Survey shows great results with an overall rating of 4.6 out of 5
- 34 Vacation Care educators attended training on 'Challenging Behaviours'
- This summer Vacation Care holiday we funded 18 children with additional needs
- Belrose Children's Centre was accepted into a national pilot program of extension learning. This is a play-based digital learning program pre-schoolers in science, technology, engineering and mathematics.

Centre news

- Manly Vale Pre-School Vacation Care will be operating from the Manly Vale Community Centre
- Belrose Children's Centre educators have continued Kids Matter involvement to understand and train educators on children's well-being and mental health
- Narrabeen Children's Centre focused on sustainability the children creating plastic-free Christmas decorations
- Roundhouse Children's Centre will continue its early languages program, focusing on German
- Ivanhoe Park & Manly Community Pre-school have linked with Manly Village Public School as part of the transition to school program. Educators also attended the launch of Early Learning Networks with local primary schools and early learning services at Manly Village Public School.
- Several Centres implemented a soft launch of an electronic sign-in program, to replace hard-copy, saving at least 500 pages/year of paper

- Dee Why Children's Centre has been renewed as a Sunsmart service by Cancer Council Australia. Roundhouse Children's Centre installed a Sun Smart UV meter, to gather data on sun risks and safety for the community.



Support children from diverse socio-disadvantaged backgrounds to participate in quality early education and vacation care programs - Executive Manager Children's Services

- 27 children and families with additional needs accessed our early childhood services.
- 13 children with additional needs receive funding from the Inclusion Development Fund to employ additional staff to support their needs
- Government funding supported 10 children from families at risk or facing difficult circumstances to receive early childhood education and care.
- Five children attend pre-school through a subsidised fee as part of the Government's Start Strong program.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Dee Why Children's Centre design works - Executive Manager Property

This project aims to prepare a design for the Dee Why Children's Centre this financial year with a new building in place by 2022. Project meetings have been held with internal stakeholders to discuss the relevant needs of the project. Community consultation has commenced and is open for comment on Council's website until 10 January 2019.



Harbourview Preschool/Community Centre upgrades - Executive Manager Property

Works to upgrade and extend the existing Harbourview Child Care Centre in Seaforth were completed as scheduled in October 2018, followed by preparing the internal space for re-opening. The Centre is due to re-open in early 2019.



Kangaroo Street Preschool new works - Executive Manager Property

The tender documentation has been completed and is ready to be advertised. Construction works are scheduled to take most of 2019.



Children's centres works program - Executive Manager Property

Contractor negotiations are underway for proposed landscape refurbishments at Brookvale Children's Centre. Interior refurbishments at Roundhouse Children's Centre, Fairlight will commence in January, 2019.

FINANCIALS

CHILDREN'S SERVICES

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	623,338	623,338	0	1,336,066	1,336,066	1,336,066
User Charges & Fees	6,213,996	6,217,292	(3,296)	12,800,552	12,604,552	12,604,552
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	4,879	4,998	(119)	10,000	10,000	10,000
Grants and Contributions - Operating Purposes	693,724	646,954	46,770	590,196	939,329	939,329
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	7,535,937	7,492,582	43,355	14,736,814	14,889,947	14,889,947
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(5,277,567)	(5,479,105)	201,538	(10,981,517)	(10,881,517)	(10,881,517)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(1,224,285)	(1,206,853)	(17,432)	(2,366,469)	(2,366,469)	(2,366,469)
Depreciation and Amortisation	(140,677)	(140,677)	0	(281,354)	(281,354)	(281,354)
Other Expenses	(69,570)	(102,944)	33,375	(144,836)	(144,836)	(144,836)
Internal Charges	(101,454)	(108,836)	7,382	(221,455)	(221,455)	(221,455)
Overhead Allocation	(370,591)	(370,591)	0	(741,182)	(741,182)	(741,182)
Total Expenses From Continuing Operations	(7,184,143)	(7,409,006)	224,863	(14,736,814)	(14,636,814)	(14,636,814)
Surplus / (Deficit) from Continuing Operations	351,793	83,576	268,218	0	253,134	253,134

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$351,793 is higher than forecast at the end of December as a result of both higher than anticipated income and lower than forecast expenditure.

Total Income from Continuing Operations of \$7,535,937 is higher than forecast by \$43,355 (0.6%) as a result of higher than anticipated Grants & Contributions for Operating Purposes. The higher than anticipated grant funding primarily relates to NSW Department of Education having now advised that the Legacy funding would continue until June 2019 pending an external review of the funding. It is unlikely this funding will continue beyond 2019.

Total Expenses from Continuing Operations of \$7,184,143 are lower than forecast by \$224,863. This is principally the result of lower than anticipated Employee Benefits & Oncosts.

Employee Benefits & Oncosts of \$5,277,567 are lower than forecast mainly due to vacant positions particularly Early Childhood Educators and the lower number of places operating while Harbour View Children's Centre undertakes renovations. The staffing level will increase in January 2019 when the service re-opens with more children and staff to reflect occupancy.

For the full financial year, no changes to the approved forecast are anticipated at this stage.

Community Arts and Culture

HIGHLIGHTS

Arts and Culture

A range of arts and cultural projects, activities and exhibitions were held. Over 2,000 people attended activities at the Creative Space (North Curl Curl) and another 2,000 at the *Creative Made - Makers Market* at the Narrabeen Tramshed. Exhibitions included the Warringah Printmakers exhibition, Craft Week programs, and the '*She flies with her own wings*' exhibition by Northern Beaches Artists' in residence.

Other initiatives included:

- Two artists' development programs attended by 60 people: *Maximise Your Market Stall* and *Building Your Audience*, presented by NAVA.
- *Our Stories – Yesterday/Today/Tomorrow program*, with onsite ephemeral artworks and experiential events responding to local heritage through the arts. Events were held at Irrawong Reserve and Long Reef Fisherman's Hut, and attended by 235 people.
- The draft *Arts and Creative Strategy* launched for public exhibition until 17 February.

Glen Street Theatre

Over 26,000 patrons enjoyed a broad range of performances, from end of year dance school presentations, to the sold-out *The Wharf Revue*. Very popular children's events included *The Gruffalo's Child* and *The Very Hungry Caterpillar*. The 2019 music and theatre seasons were launched with great excitement and have already surpassed 2018 subscription levels.

Manly Art Gallery and Museum

Over 26,700 people attended the exhibitions and public programs. Key exhibitions included a survey show of the late Robert Dickerson, Destination Sydney, TAFE Ceramics and the Warringah Printmakers.

Other highlights included 70 events of the 25th Manly Arts Festival, with three concerts associated with the Octennial exhibition of Reg Mombassa and Peter O'Doherty. The Sydney Chamber Music Festival expanded to five concerts, drew good audience numbers and featured international performers such as Piers Lane.

Youth events and programs

The 24/7 Youth Film Festival was held in September and October, tying in with Mental Health Month. Screenings of all entries were held at a local cinema, as well as the Awards Night.

Band nights were held at the PCYC, with over 1,400 young people attended two U/18 band nights. The inaugural Northern Composure Unplugged competition was held in November and December, with 29 performers over two heats and a final. Overall 520 people attended.

The Youth Services Team went to four high schools to promote Council's events, programs and activities for young people on the northern beaches, as well as our Youth brand and social media network *KALOF (Keep A Look Out For)*.

Support for our Community

The Hop, Skip and Jump Service delivered over 82,000 passengers safely to their destinations in the Manly-Balgowlah-Seaforth area.

Meals on Wheels ran three Community Lunches in the lead up to Christmas with over 140 seniors attending to enjoy the festivities and a delicious three course lunch. Christmas Hampers – courtesy of Blackmores and Manly Rotary – were also delivered to clients.

Significant work in the area of suicide prevention included a Suicide Prevention Roundtable, attended by over 50 people from various service providers. This resulted in recommendations that will improve local responses by agencies. Other initiatives included coordinating suicide de-escalation training for frontline staff, police and local residents, as well as implementing cliff top preventative measures at key locations.

A range of other events also supported our community:

- ‘*Connecting as Dads*’ workshops, with feedback showing they were very well received.
- Carers Week events, attended by 134 people
- A Mental Health Forum in partnership with local services, attended by 250 participants
- An Intergenerational Expo at Dee Why RSL Club highlighted the contribution grandparents make in caring for children and grandchildren. This included a range of workshops and local services on display, with 160 people attending.
- ‘*The Human Library - Stories of the Northern Beaches*’ with local people sharing their stories of overcoming prejudice, discrimination and life challenges. Attended by 40 people, describing it as personal, innovative and hugely worthwhile.

Community Centres

After a three-year closure for major redevelopment, the Tramshed Arts and Community Centre reopened on 13 October in Narrabeen. The official opening was a community event, not only celebrating the new centre, the restored tram and new café, but also the integrated improvements in the upgraded playground, Berry Reserve and B Line facilities.

Development of a *Community Centre Strategy* commenced in July 2018, with the draft report now being internally assessed before it goes to Council in 2019. This will provide a framework for the future planning, provision and management of the community centres over the next 20 years.

Performance Measures – Community Arts and Culture	Target	September Quarter	December Quarter
Community centres: no. bookings	Dec ≥ 8,450	9,401	8,500
No. arts and culture events/ performances	Dec ≥ 105	111	131
No. community development events/ programs	Dec ≥ 35	47	57
Direct services: No. Meals services	Dec ≥ 4,450	4,571	4,551
No. clients for Youth and Family counsellors	≥ 125	179	163
No. Hop Skip and Jump passengers	Dec ≥ 97,900	86,569	* 82,775
No. volunteers who actively participate in ongoing programs	≥ 250	675	**785

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

Note on results:

* **The Hop Skip Jump** bus service had lower than anticipated passengers this quarter. Target is aspirational and based on potential expansion of the service.

**** Volunteers** are counted across community programs and sustainability education (250), Bushcare (263), Libraries (157) and Events (115)

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Develop an Arts Strategy - Executive Manager Community, Arts & Culture

At the Council meeting on 27 November 2018, the Draft Arts and Creative Strategy was endorsed to go on public exhibition until mid-February 2019.



Develop a Community Centre Strategy - Executive Manager Community, Arts & Culture

Baseline Study and community consultation process completed. Draft report is now with staff for review.



Develop a Public Art Policy and guidelines - Executive Manager Community, Arts & Culture

The draft Policies and Guidelines were presented at the 27 November Council Meeting to go on Public Exhibition from the beginning of December 2018 until late January 2019.



Develop and support disability education and awareness initiatives - Executive Manager Community, Arts & Culture

Ongoing action. Regular information available to the community via Council's website, LINCS Community database and regular Disability Newsletter (with over 1,400 members).



Support biennial inclusion awards to recognise local businesses and community organisations demonstrating best practice - Executive Manager Community, Arts & Culture

Inclusion Awards are confirmed to run with the Northern Beaches Local Business Awards as a new category. Planning will now focus on a marketing campaign to inform the business and general community in early 2019.



Develop a Social Plan (2018/19), and specialised Plans for specific demographics (Youth, Aged, Disability, CALD, etc.) - Executive Manager Community, Arts & Culture

Project scoping and research phase to build a framework for the Social Plan. Consultation was undertaken with the Community and Belonging Strategic Reference Group in early December to gain their input.



Develop a Volunteer Management Framework - Executive Manager Community, Arts & Culture

Framework is under development.



Youth activities at PCYC - Executive Manager Community, Arts & Culture

The next all-ages band night has been confirmed at the PCYC for Sunday 31 March 2019. It is anticipated the line-up will be announced in January, as part of headline band's national tour.



Develop a Manly Art Gallery and Museum Masterplan - Executive Manager Community, Arts & Culture

Internal works are being planned for the Theo Batten Gallery.



Expansion of the Meals on Wheels Service - Executive Manager Community, Arts & Culture

The Meals on Wheels Service has introduced a range of initiatives to promote the service to the community and has expanded its programs such as additional community lunches.



Develop a programming strategy for Glen Street Theatre - Executive Manager Community, Arts & Culture

Both theatre and music 2019 program subscriptions have sold successfully, already exceeding 2018 levels. Theatre subscriptions have increased by over 20%. Feedback from patrons has been excellent.



Develop and promote an online disability inclusion and access information hub - Executive Manager Community, Arts & Culture

This is a two-year project. Initial data is being collection before internal review.



Support the establishment of a youth and wellbeing hub at Mona Vale - Executive Manager Community, Arts & Culture

The Youth Hub Christmas Party was held on Wednesday 12 December. Several Youth Service providers were in attendance along with two players from the Manly Sea Eagles and 30 young people. The Youth Hub is closed from 20 December 2018, reopening on Monday 7 February 2019.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Art Works



Manly Art Gallery - art works - Executive Manager Community, Arts & Culture

No artwork purchases made during the quarter. Purchases are made sporadically according to availability.



Theo Batten Bequest - art works - Executive Manager Community, Arts & Culture

No artwork purchases made during the quarter. Purchases are made sporadically according to availability.

Community Centre Improvements



Warriewood Valley Community Centre - Executive Manager Capital Projects

The Heather Nelson Centre site has been confirmed as the location for the new Warriewood Valley Community Centre. Consultation with key users as well as a building assessments is ongoing. Broader community consultation is expected to commence by mid-2019.

Community Centre Improvements



Community centres minor works program - Executive Manager Property

Works were completed in November, including Beacon Hill Community Centre building upgrades; refurbishment of the Harbord Literary Institute to accommodate the Aboriginal Heritage Office; and minor works required at the Tramshed building in Narrabeen.



Beacon Hill Community Centre and Youth Club - Executive Manager Property

Upgrades to the existing Beacon Hill Community Centre and Youth Club are being delivered under this project. Construction works, which include upgrades to the toilets and a new roof, have commenced and are planned to be completed in early 2019.

Cultural Improvements



New creative art space - northern end of the Northern Beaches - Executive Manager Property

This project aims to deliver a new community arts space for the Northern Beaches within Avalon. Preliminary concept drawings have been created for two potential locations and have been exhibited for community feedback. This feedback report will be presented to Council in February 2019.



Coast Walk - art trail - Executive Manager Community, Arts & Culture

Coast Walk Public Art - Draft Strategic Plan is being finalised to be reported to Council in 2019.



Manly Art Gallery renewal works - Executive Manager Property

This program will deliver some minor improvements. Short term works being planned including remediation to Batten Room footings, improvements to timber flooring and acoustic panels for noise reverberation problems.



Glen Street Theatre renewal works - Executive Manager Property

The installation of new stage lighting was carried out in September 2018 as part of this program with further works including painting scheduled for the latter part of the financial year.

FINANCIALS

COMMUNITY ARTS & CULTURE

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	3,731,665	3,731,665	0	7,195,630	7,195,630	7,195,630
User Charges & Fees	1,405,682	1,600,716	(195,034)	3,000,735	3,000,735	2,741,226
Investment Fees and Revenues	0	13,000	(13,000)	26,000	26,000	26,000
Other Revenues	935,288	853,534	81,754	1,673,696	1,673,696	1,534,683
Grants and Contributions - Operating Purposes	352,400	310,016	42,384	676,132	676,132	676,132
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	6,425,035	6,508,931	(83,896)	12,572,193	12,572,193	12,173,670
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(3,076,480)	(3,156,310)	79,830	(6,259,301)	(6,259,301)	(6,299,224)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(1,402,951)	(1,771,143)	368,192	(3,119,300)	(3,267,707)	(3,294,044)
Depreciation and Amortisation	(385,087)	(385,087)	0	(770,174)	(770,174)	(770,174)
Other Expenses	(623,538)	(424,874)	(198,664)	(694,666)	(694,666)	(949,112)
Internal Charges	(202,997)	(188,984)	(14,013)	(372,354)	(372,354)	(372,354)
Overhead Allocation	(678,199)	(678,199)	0	(1,356,398)	(1,356,398)	(1,356,398)
Total Expenses From Continuing Operations	(6,369,251)	(6,604,596)	235,345	(12,572,193)	(12,720,600)	(13,041,306)
Surplus / (Deficit) from Continuing Operations	55,784	(95,666)	151,450	(1)	(148,408)	(867,636)

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$55,784 is higher than forecast at the end of December primarily as a result of lower than forecast expenditure which has been partially offset by lower than anticipated income during the six months.

Total Income from Continuing Operations of \$6,425,035 is lower than forecast by \$83,896. This is a result of lower than anticipated User Charges & Fees primarily related to two Community Centres being closed for renovation during July to September. The Tramshed was due to open in July and opened on 13 October 2018, and Beacon Hill Memorial Hall was due to close at the end of July, yet closed a month early on 1 July 2018. Booking fees on tickets at Glen Street Theatre have also been lower than expected due to reduced attendance. Higher than anticipated Other Revenues was principally due to bar sales at Glen Street Theatre.

Total Expenses from Continuing Operations are \$6,369,251 which is lower than forecast by \$235,345. Materials and Contracts are \$368,192 lower than forecast as a result of timing of maintenance and minor refurbishment of community centres which will now occur later in the year. Other Expenses includes the Council's Community and Cultural grants program.

Changes are proposed to the annual forecast to address the reasons noted above. Changes include:

- Glen Street Theatre – \$336,026 net increase in costs – primarily due to reduced booking fees and ticket sales plus the loss of an anticipated lease fee (\$164k) due to the planned lease of the restaurant not proceeding
- Community Centres - \$107,704 net decrease in income – primarily due to the impact of renovation closures
- Community and Cultural Grants program \$240,000 – a new program of community grants, as awarded by the Council in 16 October 2018 (Council resolution: ITEM NO 8.2)

Library Services

HIGHLIGHTS

More interest

An additional 1,401 people became library members this quarter. E-Loans continued to rise, reaching 46,236, an increase of over 16% from the previous quarter. Community engagement on digital platforms continues to appeal to the community with 81,886 visits to the library website over the past three months.

More engagement

The Library service delivered 441 programs with 11,737 community members participating. Program highlights included:

- 82 adult programs, including eight author talks, attended by 986 people
- 20 youth programs with 837 people participating
- Three sold-out Christmas pantomimes were held across the library service.

In December, Northern Beaches Library Services launched '*Tiny Doors*', which is a unique youth-led public art project drawing on the creativity of young people from across the peninsula. The grant led project featured a series of unique miniature art pieces, styled in the form of tiny doorways and portals. The tiny doors were created by local youth and installed in public spaces across the Northern Beaches.

More improvements

A new print, copy, scan and PC reservation system was rolled out across the service, delivering consistent access for all library customers. The mobile print system, which is built into the new software, will be launched and promoted to customers in the new year.

Our new customer feedback tool '*Your Voice*' continues to be popular with 2,580 instances of feedback received throughout the quarter. Based on feedback, an infographic was designed and promoted to better communicate changes the Library Service has made.

Performance Measures – Library Services		Target	September Quarter	December Quarter
No. library memberships	≥ 177,700		178,415	179,816
No. youth memberships	≥ 26,900		30,493	30,859

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Single library management system for customers to improve and increase access to all library loanable items and services across the Northern Beaches public libraries - Executive Manager Library Services

Project was completed in August 2018, and resulted in a single Library Management System for the Northern Beaches.



Modernise library spaces and identify opportunities to increase the number of spaces available in line with customer demand - Executive Manager Library Services

Throughout the quarter, the team has:

- Gathered and analysed demographic data about Council's area, for current population as well as projected trends over the next 10 years
- Reviewed the State Library NSW *People Places* recommendations for the provision of optimum library services, including the benchmarks established to meet current and future needs
- Completed a comparative analysis of current service provision to ensure our libraries are serving the identified needs of customers
- Researched strategic reviews of various council library services, to identify trends and opportunities,
- Identified key aspects of library service provision that impact on collection development, and the spatial requirements for current and future needs of the community.



Implement a single library card to access all library services across the Northern Beaches public libraries - Executive Manager Library Services

The single library card for all Northern Beaches libraries was available in July 2018. There are four designs to choose from, all elements from the Council logo - Grevillea, Whale tail, Sunshine and Blue Tongue Lizard



Implement the 'Tiny Doors' project as part of the Youth Opportunities Grant 2017/18 - Executive Manager Library Services

Over the quarter 80+ young adult participants, with assistance from library staff and local artists, constructed and installed 32 doors across the Northern Beaches. The project team and youth participants also produced an interactive website, film clip and a song.

The project was successfully launched in December and is continuing to prove a popular summer activity for locals and visitors to the peninsula. Over 1,000 Tiny Door 'passports' were collected by the community from library branches to assist hunters in locating the doors. A plan for Tiny Door maintenance is being developed.



Implement new library opening hours to improve consistency and access to the service - Executive Manager Library Services

The working group developed recommendations for implementing the new and improved library opening hours, in consultation with the team working on the seven-day roster project.



Increase engagement with youth through a range of programs and activities - Executive Manager Library Services

A draft project plan has been developed to increase youth engagement across the service. Engagement activities considered included expanding teen book and discussion clubs, social media groups, school library tours, designing a comprehensive youth pamphlet, HSC events, competitions, catalogue customisation and increasing volunteer opportunities for young people across the service.

Several successful events were held including two youth music nights at the Manly and Mona Vale branches and the 'Tiny Doors' launch celebration. Over 370 young adults and their families attended.



Increase volunteering opportunities across the service - Executive Manager Library Services

The total number of library volunteers was 157 this quarter and close to last quarter's 160. The service continued to develop the framework and processes for attracting and inducting volunteers, which included developing some new position descriptions. These volunteer opportunities are updated on the library website. The Volunteer Christmas party was attended by 84 people, in thanks for their valued contribution.



Implement consistent loan and security processes across the public library service - Executive Manager Library Services

The issues surrounding the range of loans, returns and security systems in use across the service were analysed, and approval given to go to tender for a consistent technology solution.



Implement on-line customer suggestion and feedback process across all the public libraries to improve service delivery - Executive Manager Library Services

The approved customer suggestion and feedback tool - 'Your Voice' - has now been installed in the six library branches. Customer response has been positive, with many already engaging with the tool and providing valuable insights into their experience of their library service.



Review and improve eServices for library customers in line with customer needs and demands - Executive Manager Library Services

Usage data and trends were analysed, to better understand the relevance of library online service available to customers. This was used to develop a marketing and promotions strategy for eServices.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Community Space and Learning



New library technology - printing and emerging technologies - Executive Manager Library Services

A new print management system was installed across the library service, which also enables customers to book access to the public PCs.

Community Space and Learning



New Library Books - Executive Manager Library Services

Purchases during the quarter focused on magazine subscriptions, eBooks and eAudio. All funds have now been expended.



New Library Technology - Executive Manager Library Services

The issues surrounding the range of loans, returns and security systems in use across the service were analysed, and approval given to go to tender for a consistent technology solution.



Replacement of Library Books - Executive Manager Library Services

A range of resource were purchased this quarter, covering Adult Fiction, Non Fiction, Large Print, DVDs, Junior Collection items, Young Adult, DVD and Audio Visual Collections.

Library Upgrades



Mona Vale Library upgrades and new works - Executive Manager Property

This program of works sees the refurbishment of the existing Mona Vale Library to improve the functionality of the space, and meet the needs of the community and staff. A design consultant has been engaged and is working with staff to develop a Masterplan for the upgrades to the internal library area. Delays have been experienced due to changes in scope. A concept has now been agreed and final designs are being developed.



Mona Vale Library renewal works - Executive Manager Property

This program of works sees the refurbishment of the existing Mona Vale Library to improve the functionality of the space, and meet the needs of the community and staff. A design consultant has been engaged and is working with staff to develop a Masterplan for the upgrades to the internal library area. Delays are being experienced due to changes in scope. A concept has now been agreed and final designs are being developed.



Manly Library renewal works - Executive Manager Property

Upgrades to the air conditioning have been completed with the installation of a new chiller. Fit out works have also been undertaken to level 2.



Library buildings works program - Executive Manager Property

This project will create a new outdoor reading area at Dee Why Library. Works are scheduled to start in January 2019.

FINANCIALS

LIBRARY SERVICES

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	4,991,816	4,991,816	0	9,645,125	9,645,125	9,645,125
User Charges & Fees	89,258	131,784	(42,527)	263,279	263,279	263,279
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	62,759	77,040	(14,281)	176,716	176,716	176,716
Grants and Contributions - Operating Purposes	0	0	0	180,000	180,000	180,000
Grants and Contributions - Capital Purposes	0	0	0	469,557	469,557	469,557
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	5,143,833	5,200,641	(56,808)	10,734,676	10,734,676	10,734,676
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(3,179,286)	(3,404,791)	225,505	(6,751,671)	(6,751,671)	(6,751,671)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(372,190)	(375,978)	3,788	(1,000,968)	(1,000,968)	(1,000,968)
Depreciation and Amortisation	(773,085)	(773,085)	0	(1,546,169)	(1,546,169)	(1,546,169)
Other Expenses	(144,827)	(100,653)	(44,175)	(345,279)	(345,279)	(345,279)
Internal Charges	(79,118)	(81,363)	2,245	(161,048)	(161,048)	(161,048)
Overhead Allocation	(464,771)	(464,771)	0	(929,541)	(929,541)	(929,541)
Total Expenses From Continuing Operations	(5,013,277)	(5,200,641)	187,364	(10,734,676)	(10,734,676)	(10,734,676)
Surplus / (Deficit) from Continuing Operations	130,556	0	130,556	0	(0)	(0)

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations at the end of December is \$130,556 primarily as a result of lower than forecast expenditure, partially offset by lower than anticipated income during the six months.

Total Income from Continuing Operations of \$5,143,833 is lower than forecast by \$56,808 as a result of lower User Charges & Fees and Other Revenues. The lower User Charges & Fees are primarily due to print machine outages which led to a reduction in photocopying fees collected. A new print management system has recently been installed and a mobile print system will be launched and promoted to customers in the new year. Other Revenues are lower than forecast as a result of the new and improved library management system notifying customers of pending overdue book fees prior to the due date.

Total Expenses from Continuing Operations of \$5,013,277 is lower than forecast by \$187,364. This is primarily due to lower Employee Benefits & On-costs of \$225,505 and higher Other Expenses of \$44,175. The lower Employee Benefits & On-costs are due to existing vacancies as a result of the phased implementation of the new library structure. The higher Other Expenses are due to the timing of costs associated with improving engagement and participation in library programs.

No changes are proposed to the annual forecast at this time.

Transport Traffic and Active Travel

HIGHLIGHTS

Awards for Church Point Carpark

Council won an award for excellence at the Institute of Public Works Engineering Australia Conference, for the Church Point Carpark and Seawall Project. The Special Transport Integration Hub Award, recognises the successful development of Church Point as a transport infrastructure hub while maintaining the natural elements of Church Point.

As a testament to the quality of project, it has been recognised by both the public and private industry as an exemplar of civil construction, environmental protection and community-based projects. In addition to Council's award, a further three went to our contractor Ward Civil and Environmental, awarded by the Master Builders Associations in NSW and Australia:

- NSW Excellence in Environment Award
- NSW Civil Engineering Award: Open Price Category
- National Excellence in Construction Award for Civil/ Infrastructure Project under \$25 Million

Church Point Cargo Wharf Renewal

Re-construction is nearly complete, with the wharf due to reopen in January 2019. This wharf is for commercial users to transport bulky items such as heavy machinery, building materials and waste, to and from Scotland Island and the western foreshore. The renewal works have greatly improved its functionality, amenity and safety, and will be followed by landscaping works in the two adjacent reserves.

Protecting rare seahorses at Sydney Harbour Tidal Pools

Urgent repairs to our ageing tidal pools are underway. Our scientists, technical staff and contractors have been working together at Forty Baskets, Little Manly and Clontarf Tidal Pools. Each site hosts the rare White's Seahorse, and is governed by nearly 20 pieces of legislation to protect this sensitive marine environment.

Scientific diver sweeps and seahorse translocations to nearby seagrass beds were completed prior to repair work. Once repairs are completed, the seahorses will be able to migrate back to the pools. Our pool-maintenance staff and contractors' regular cleaning and repair of these pools creates more opportunities to work closely with White's Seahorses and gather important data on their numbers.

We are also working with NSW Fisheries and seahorse experts to develop and implement new protocols for NSW councils, for maintaining tidal pools without disturbing seahorse populations.

Road Safety Award

A Local Government Excellence Award in Road Safety was received, for the Road Safety Calendar. This was a National award from the Institute of Public Works Engineering Australasia (NSW Division). A joint project with other northern Sydney Councils, the calendar features key road safety messages on pedestrian awareness, speed, fatigue and more. Council distributes close to 10,000 copies across the Northern Beaches community through our libraries, community centres, retirement villages and community service providers.

Road Safety

Our roads are growing busier, and the road rules are regularly changing. Recently some 20 seniors attended a workshop to keep updated on safety tips and rules for navigating – topics included roundabouts, handy pick up spots, legal and safe distances, and using mobile phones.

Parents with young children also benefit from our road safety education, before their child starts Kindergarten. We attended five Kindergarten Orientations days to explain the rules and safety tips around schools, and how to make the drop off and pick up experience easier. At Ivanhoe Park Preschool, students also learned about safety on roads and footpaths.

Child Restraint Checks

108 children from 85 local families are safer because of our recent *Child Restraint Check* events, where parents and grandparents can drop in for check. 92% of the seats checked did not meet the safety standards, emphasising that it is critical that we all make sure that our child seats and restraints are correctly fitted.

Roads and Footpaths

Over 20 new footpaths were constructed during the quarter, equivalent to over 3.5 km. In addition, 19 streets were resurfaced.

Connecting Communities Footpath Program

Construction is progressing on sections of the Coast Walk at Hillcrest Avenue, Mona Vale and Narrabeen Park Parade, Warriewood. The design is underway for the section from Whale Beach Road, Norma Road to Florida Road, with construction due to commence in mid-2019.

Upgraded Pay and Display machines

Council replaced 111 pay and display machines across its area. The new system is simple, user-friendly and will reduce the amount of faults and maintenance required.

Performance Measures – Transport and Active Travel	Target	September Quarter	December Quarter
Works on schedule for active travel assets	100%	100%	100%
Road renewals program on schedule	100%	100%	100%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

OPERATIONAL PROJECTS

Key: ✓ Completed 🔄 Progressing on schedule ! Behind schedule



Develop a Northern Beaches Transport Strategy - Executive Manager Transport & Civil Infrastructure

The Northern Beaches Transport Strategy was adopted at the Council Meeting on 27 November 2018. Implementation of this strategy is through the Walking Plan, the Bike Share Mobility Plan and the Bike Plan.



Review Accessible Parking Provision - Executive Manager Transport & Civil Infrastructure

Project is scheduled to start in January.



Develop a Northern Beaches Walking Plan - Executive Manager Transport & Civil Infrastructure

The Draft Walking Plan was approved by Council on 17 December 2018 for public exhibition. Community consultation will close on 3 March 2019.



Deliver an active to schools initiative to encourage walking and cycling to school in partnership with the Roads and Maritime Service -

Executive Manager Transport & Civil Infrastructure

Initial research was undertaken to review work prepared by other councils across Australia, New Zealand and the UK.



Develop Northern Beaches Bike Plan - Executive Manager Transport & Civil Infrastructure

Work continued on planning and preparations for community engagement which will commence in 2019. Spatial mapping has been completed.



Develop and Implement Pedestrian Access and Mobility Plans (PAMP) - Executive Manager Transport & Civil Infrastructure

The Walk Avalon PAMP was adopted by Council on 8 August 2017, with works to be funded in future years. The adopted Plan will also link with the Avalon Place Plan currently being developed.

The Walk Manly PAMP was adopted by Council on 24 October 2017, with works to be funded in future years. Designs and consultations on some higher priority measures have been progressed, with those actions to be completed in 2018/19

No new PAMP studies are being undertaken in 2018/19 due to RMS funding applications being unsuccessful.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Active Travel – cycleways and footpaths



Footpath new - Executive Manager Capital Projects

The new footpath program is progressing as planned. Footpaths were constructed at the following locations during the quarter:

- Narrabeen: Nareen Parade
- Newport: Myola Road
- Narrabeena: Oceana Street
- Dee Why: Carew Street, Wheeler Parade
- Wheeler Heights: Heather Street
- Seaforth: Kempbridge Avenue, Clontarf Street



Bike Plan implementation - new works - Executive Manager Capital Projects

Designs are in progress for the Adams Street. Designs for Manly Creek and Fitzpatrick Avenue have been completed. Construction is expected to commence on all shared paths in February 2019



Connecting Communities footpaths program - Executive Manager Capital Projects

- Construction of Hillcrest Avenue is nearing completion.
- The concept design for Palm Beach Golf course to Black Rock is in progress.
- Narrabeen Park Parade construction works are continuing south towards Sydney Road.

Active Travel – cycleways and footpaths

- Consultation for Newport to Avalon has closed and submissions are being reviewed.



Connecting Communities cycleways program - Executive Manager Capital Projects

- Consultation for Newport to Avalon completed
- Cycleway at Collaroy pushed back again by external utilities
- Paving works through Pittwater Road at Narrabeen shops to commence in early 2019.
- Shared path on Howard Avenue Dee Why to commence in early 2019.



Warriewood Valley - pedestrian and cycleway network - Executive Manager Parks & Recreation

Council has awarded the contract for the design and construction of the pedestrian bridge to connect Brands Lane in Warriewood. Council is currently reviewing the proposed design and it is anticipated that work will start on site in February 2019.



Bayview to Church Point - timber walkway - Executive Manager Capital Projects

Preliminary investigations and preparation of an options report for the walkway between Bayview Baths and the Bayview Tennis courts are ongoing.



Footpath renewal - Executive Manager Capital Projects

Footpath renewals are tracking ahead of schedule with the years program nearing completion.

Road and related infrastructure upgrades



New traffic facilities - Executive Manager Capital Projects

The New Traffic facilities program is progressing as planned with design development in progress for remaining projects. Works for Abbott Street Balgowlah Heights and Wheeler Heights Public School Crossings to commence in January 2019.



Scotland Island - roads and drainage improvements - Executive Manager Capital Projects

Meetings with local resident groups was undertaken in December. Planning and design of works to commence in January.



Warriewood Valley - Macpherson Street Bridge restoration works - Executive Manager Capital Projects

Macpherson Street was reopened to the public in late 2017. Final water main cut over works were completed in December 2018. Final rectification works, fencing and landscaping are in progress and due to be completed in early 2019.



Warriewood Valley – traffic and transport infrastructure - Executive Manager Capital Projects

Designs are ongoing for the following projects:

- Boondah Road and Jackson Road roundabout
- Pittwater Road and Jackson Road intersection
- Pittwater Road and Warriewood Road intersection
- Warriewood Road and Brands Lane roundabout

Road and related infrastructure upgrades

- Warriewood Road and Jubilee Avenue roundabout



Church Point – Stage 2 road works - Executive Manager Capital Projects

Designs for the Stage 2 road works have been issued to the RMS for review and comment by NSW Roads and Maritime Service. Environmental approvals are in progress.



Eramboo, Terrey Hills - new driveway - Executive Manager Capital Projects

Works are nearing completion, with asphalt works scheduled for January.



Bus stop renewal - Executive Manager Capital Projects

Contracts have been awarded for the bus stop renewal program. Construction works are ongoing in 2019.



Car park renewal - Executive Manager Capital Projects

The Car park renewal program is progressing as planned with scoping of projects in progress. Construction is due to commence from March 2019 following the summer peak period.



Kerb and gutter renewal - Executive Manager Capital Projects

The kerb and gutter renewal program is progressing as planned. Works is being completed in conjunction with the road resheeting program.



Retaining wall renewal - Executive Manager Capital Projects

Construction for The Esplanade, Narrabeen retaining commenced in September and is expected to be completed early January. Planning is in progress for the Stage 3 final works at The Esplanade, Narrabeen.

Concept designs and investigations are in progress for the following retaining walls:

- Church Point: McCarrs Creek Road
- Clontarf: Moore Street



Road re-sheeting program - Executive Manager Capital Projects

A tender has been awarded for the 2018/19 Resheeting Program. Contracts will be executed in January and works will commence from February



Bridge renewal - Executive Manager Capital Projects

Geotechnical investigations are complete and structural assessments are in progress. Construction works will be deferred until next financial year.



Parking Station and Meters Infrastructure - Executive Manager Transport & Civil Infrastructure

All Pay and Display meters have now been replaced, and works for electric vehicle charging points are on track for this financial year.

Wharf upgrades



Church Point - wharf extension - Executive Manager Capital Projects

Detailed design is near completion. Construction commencement has been delayed.



Wharves works program - Executive Manager Capital Projects

Reconstruction of Church Point Cargo Wharf was completed in December. Church Point Cargo Wharf will be opened to the public on 7 January.

Proposals for the design of Bells and Carols Wharves were received in December. A consultant will be appointed in January.

Plant and Fleet



Major plant renewal - Executive Manager Transport & Civil Infrastructure

Program is on track for replacing major plant



Light fleet renewal - Executive Manager Transport & Civil Infrastructure

This program provides for the replacement of Council's light fleet vehicles and is on track.

Foreshore improvements



Tidal pools refurbishment - Executive Manager Transport & Civil Infrastructure

This project involves the renewal of tidal pool infrastructure and is on track for 2018/19.

FINANCIALS

TRANSPORT, TRAFFIC AND ACTIVE TRAVEL

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	7,570,489	7,570,489	0	14,554,781	14,554,781	14,554,781
User Charges & Fees	7,804,188	6,084,526	1,719,662	12,305,959	12,305,959	13,606,959
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	716,668	616,000	100,668	952,000	952,000	952,000
Grants and Contributions - Operating Purposes	1,117,729	1,870,320	(752,590)	4,189,710	4,189,710	4,189,710
Grants and Contributions - Capital Purposes	1,143,700	682,456	461,244	1,222,512	1,802,512	2,171,372
Gains on disposal of Assets	522,957	432,500	90,457	765,000	765,000	765,000
Total Income From Continuing Operations	18,875,732	17,256,291	1,619,441	33,989,962	34,569,962	36,239,822
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(5,048,720)	(5,419,725)	371,005	(11,344,442)	(10,644,442)	(10,644,442)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(5,156,065)	(5,165,289)	9,224	(11,282,001)	(10,282,001)	(10,282,001)
Depreciation and Amortisation	(5,755,923)	(5,755,923)	0	(11,511,847)	(11,511,847)	(11,511,847)
Other Expenses	(2,488,488)	(2,804,777)	316,290	(5,426,865)	(5,426,865)	(4,966,865)
Internal Charges	4,944,468	4,927,625	16,843	9,797,326	9,797,326	9,797,326
Overhead Allocation	(2,111,067)	(2,111,067)	0	(4,222,133)	(4,222,133)	(4,222,133)
Total Expenses From Continuing Operations	(15,615,795)	(16,329,156)	713,361	(33,989,962)	(32,289,962)	(31,829,962)
Surplus / (Deficit) from Continuing Operations	3,259,937	927,135	2,332,802	(0)	2,280,000	4,409,860

Commentary – Year to Date Actuals and Annual Forecast

The Surplus from Continuing Operations of \$3,259,937 is higher than forecast at the end of December as a result of lower than forecast expenditure and higher than anticipated income.

Total Income from Continuing Operations of \$18,875,732 is higher than forecast by \$1,619,441. This principally relates to higher User Charges and Fees of \$1,719,662, higher Other Revenues of \$100,668 and higher Grants and Contributions for Capital Purposes of \$461,244 offset by lower Grants and Contributions for Operating Purposes of \$752,590. The higher User Charges & Fees primarily relates to higher fees from Parking of \$729,439 following the implementation of upgrades of parking station and meter infrastructure, higher Road Permits fees of \$301,968 and Road Restoration charges of \$741,781 reflecting the current higher levels of development activity. Grants and Contributions for Operating Purposes are lower than forecast by \$752,590 of which \$559,462 relates to the prepayment of 50% of the 2018/19 Local Roads component of the Financial Assistance Grant and the balance to the timing of receipt of the operational component of the RMS Block Grant and RMS Active Travel.

Total Expenses from Continuing Operations of \$15,615,795 are lower than forecast by \$713,361. This is principally the result of lower than anticipated Employee Benefits & Oncosts of \$371,005 and lower Other Expenses of \$316,290. Employee Benefits & Oncosts are lower than forecast mainly due to vacant positions, which has been offset by higher Materials and Contracts costs for Agency Personnel to continue to meet service levels. Materials and Contracts were lower in other areas due to the timing of expenditure for Contract Services for Road Networks, Parking, Signage Stormwater, Maintenance & Servicing for Plant & Vehicles and Materials. The lower Other Expenses principally relates to lower third party insurance costs, public liability claims and street lighting costs.

For the full financial year, the Surplus from Continuing Operations is forecast to increase by \$2,129,860. User Charges and Fees are forecast to increase for parking fees (\$661,000), Road Permits fees (\$140,000) and Road Restoration charges (\$500,000) for the reasons noted above. Grants and Contributions for Capital Purposes has increased \$368,860 for additional grants received for traffic facilities and bike paths and Other Expenses has been reduced by \$460,000 for street lighting charges.

Economic Development, Events and Engagement

HIGHLIGHTS

Spring Nights

Spring Nights Forestville piloted an evening event to improve the night time economy and encourage residents to spend longer in their local area. The event ran for four consecutive Thursdays in November. Spring Nights was received well by the community and local businesses, with significantly increased turnout from the public during the event.

Harbord Literary Institute

The Institute celebrated its centenary on 13 December 2018, with a drop-in celebration attended by 500 people, and attracted visitors into the village high street. The five-hour event featured a speech from the Mayor, history talks, arts workshops, story-times for children and refreshments.

Dee Why Town Centre

The Town Centre works have progressed well, with an improved streetscape largely completed on Oaks Avenue. A contractor has been appointed to commence the Howard Avenue shared path from Walter Gors Park to The Strand.

Manly Corso Mural

In late 2018 construction began on the St Matthew's Church retail development. To support neighbouring businesses and the community, we partnered with St Matthew's Church to produce a 65-metre long mural on the construction site hoardings. An artist was engaged and painted the artwork live throughout November and December. Council activated the site with art experiences for local school pupils, and regular "*Beats and Brushes*" sessions for passers-by, to watch the artist in action whilst enjoying music from a local DJ.

Manly SWAT

The Special Works and Transformation team (SWAT) worked on a three-day blitz of Manly Town Centre in November. Bins were painted, the Town Hall lawn returfed, in-ground lights replaced and the whole area given a high level clean. The surveys conducted around the blitz showed that satisfaction rose by a significant 14%, to 86% of satisfaction with cleanliness after the blitz.

Tourism

Council is taking a proactive role in managing our area as a destination to some 6 million visitors a year. We commenced preparation of our Tourism Destination Management Plan, to attract and manage tourism in a sustainable and sensitive way. Since November, Council has also taken the Manly Visitor Information Centre under its wing, now fully managing it.

Supporting Business

In October we celebrated NSW Small Business Month with a series of six workshops for local businesses:

- Four '*Doing Business with Council*' sessions to support local businesses to work with Council's procurement processes to be a potential provider/ supplier.
- Workshop on '*Seven ways to promote your business that cost nothing*'
- Workshop on '*The good, the bad and the very ugly of start-ups*'.

Council is also supporting an innovative business start-up by SEVENmile Manly Venture Lab (Formerly Manly Innovation Hub) in the Seaforth Village Community Centre. While Council reduced their establishment fee, SEVENmile will pilot their first *Core Venture Accelerator program*, hoping to attract other funding streams for an ongoing program. They aim to educate, mentor and equip the next generation of entrepreneurs to launch and grow new enterprises – particularly those often under-represented such as women returning to work, young adults and the over-50's.

Community Engagement

The community was consulted on a broad range of projects. In total, 46 engagement events were held with 1,354 citizens engaged in meetings, workshops or drop in sessions. The key Council projects for consultation this quarter were:

Planning and transport

- Collaroy Beach Parking
- Connecting Northern Beaches – Newport to Avalon
- Dee Why DCP Amendment

Environment and open space

- Environment Strategy
- Pittwater Waterway Strategy
- Narrabeen Lagoon Floodplain Risk Management Study and Plan
- Urban Tree Canopy Plan
- Masterplans: Little Manly Beach Reserves; and Clontarf Park
- Station Beach Dog Off-Leash Area Trial

Supporting our community and culture

- Arts and Creativity Strategy
- Creative Space (North)
- Northern Beaches Coastal Walk – Public Art Trail
- Dee Why Children's Centre
- Long Reef Surf Life Saving Club
- Manly Life Saving Club
- LM Graham Reserve Amenities Building

The number of people interested in ongoing engagement grew, with 867 more contacts joining our Community Engagement Register. We sought to build more connections with 'harder to reach' audiences, including young families, by hosting a 'Chill Out Zone' at the Brookvale Show.

We also hosted a Community Forum to listen to community views on the NSW Government's proposal for the Beaches Link Tunnel.

Events

There were 34 community and civic events presented this quarter. Two citizenship ceremonies were held, with 156 people becoming Australian citizens. The highlights were:

Manly Jazz

The 41st annual Manly Jazz festival was held from Saturday 29 September to Monday 1 October in Manly CBD. Over 130,000 people enjoyed a diverse range of live music across various outdoor music stages. Highlight artists included US drummer Carl Allen, a tribute performance to Aretha Franklin, plus roving swing dancers. This year over 27 local businesses also offered an official venue program of indoor performances and food specials.

Brookie Show

The Brookie Show was held on Saturday 20 October at Brookvale Oval. Over 6,000 visitors welcomed the free entry to our colourful event featuring stage entertainment, inflatable ride zones, a petting zoo, silent disco, kids yoga and diverse foods. A major highlight was the Trollz stage show and street theatre stage running throughout the day.

Remembrance Day

This year was the 100th anniversary of the armistice which marked the end of World War I. Two services were held to remember all those who have suffered or died in wars and armed conflicts. At Manly Dam a service on 9 November was held together with the Park's Remembrance Trust, and was well attended by many local school students. On 11 November a service was held at the Corso's Manly War Memorial, with official wreaths laid by RSL branches, Veterans groups and local community groups. A dedication ceremony was also included for PTE. Roy Cameron Hunter, the latest veteran's name to be added to the Manly War Memorial.

Meet Your Street

There were 21 Meet Your Street events held during the quarter providing a chance for neighbours to get to know each other and help build a safe and connected community.

Christmas Choral Concert

Our 2018 Christmas Choral Concert was held on 6 December at Manly Oval, and proved popular to over 10,000 people starting the festive season with carols, Santa and fireworks. Carols were presented by the Northern Beaches Orchestra, Sydney Vocal Arts and our very own Manly Christmas Community Choir of over 100 volunteers.

New Year's Eve Fireworks

We brought the New Year in with 9pm fireworks at Dee Why Beach. We also supported local businesses to present firework events at Manly Cove and Bayview, celebrating the start of 2019.

Performance Measures – ED, Events, Engagement	Target	September Quarter	December Quarter
High impact projects with a Community Engagement Plan	100%	100%	100%
No. businesses registered on Council's contact database	≥ 613	1,300	1,675
No. participating in business engagement	Dec ≥ 400	375	596
No. community and civic events organised by council	Dec ≥ 29	10	34

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

Note - some targets are seasonal and vary each quarter

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Seek to establish a university presence on the Northern Beaches - Executive Manager Strategy, Performance & Improvement

This project is in the preparation phase. Council is working with consultants to develop an Expression of Interest to be released to the market mid-2019. The potential sites for the University will now be focused on Frenchs Forest and Dee Why only. Priority being given to Frenchs Forest and looking for options to consolidate Council assets with a University. This will be dependent upon the precinct planning process which is now to be released post NSW Election due to caretaker mode.



Develop a Placemaking Strategy - Executive Manager Community Engagement & Communications

Preparation of Community Engagement and Communications Plan is underway, with community engagement expected in early 2019.



Develop town and village centre profiles, including place and business audits - Executive Manager Community Engagement & Communications

Town and Village Centre Profiles will be developed in conjunction with Place Plans for Centres. Avalon Village and Manly Town Centre Profiles have been finalised. The development of the Mona Vale Town Centre profile is underway.



Support development and stakeholder engagement of Place Plans - Executive Manager Community Engagement & Communications

The Pittwater Place Coordinator is working to support the community engagement and consultation process to develop the Avalon Place Plan. Two meetings of the 'My Place Avalon' Community Reference Group have now been held. Work has continued on completion of the 'Spotlight on Avalon' document to summarise community engagement and project progress.

Manly and Mona Vale Place Plans have been identified in the Delivery Plan with timing yet to be determined.



Develop Place Activation Plans for key centres - Executive Manager Community Engagement & Communications

The Spring Nights concept was rolled out to support a late night shopping event in Freshwater which was received well. Two Seaforth Business Engagement sessions ran to gather information for the Seaforth Activation Plan.



Prepare an Economic Development Plan for the Northern Beaches - Executive Manager Community Engagement & Communications

A consultant is currently being engaged to complete a comprehensive Employment Study for the Northern Beaches as Phase 1 of the Economic Development Plan.



Develop a Northern Beaches Destination Management Plan - Executive Manager Community Engagement & Communications

Consultants have been appointed to assist in developing the Plan. Visitor Surveys to be conducted in Manly and Palm Beach early January 2019.



Implement the Events Strategy - Executive Manager Community Engagement & Communications

Implementation of the strategy continues, with the roll out of the Events Grants Program and review of Council's events program. The roll-out of a second round of funding was recommended, including the newly adopted Sponsorship funding stream.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Town and Village Centre Activations



Dee Why Town Centre – design - Executive Manager Capital Projects

Detailed design for St David's park has been delayed due to the need for detailed services investigation prior to finalisation. Design is still expected to be finalised this financial year.



Dee Why Town Centre – construction phase 1 - Executive Manager Capital Projects

- Construction works on Oaks Avenue and Howard Avenue are now progressing to schedule.
- Pittwater Road works are complete.
- Construction of Howard Avenue shared path is due to commence mid January 2019.



Manly Laneways – new works - Executive Manager Capital Projects

Investigations are in progress for future works in Market Lane. Concept designs are due for completion this financial year, in preparation for construction during 2019/20.



Manly Laneways – renewal works - Executive Manager Capital Projects

Electrical upgrades at Whistler Street car park are ongoing. A tender was accepted by Council in December for Stage 1 remediation works for Whistler Street car park. Works are expected to commence in March 2019.

FINANCIALS

ECONOMIC DEVELOPMENT, EVENTS AND ENGAGEMENT SERVICES

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	4,509,993	4,509,993	0	8,671,078	8,671,078	8,671,078
User Charges & Fees	10,370	4,787	5,583	9,319	9,319	9,319
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	458,548	217,036	241,511	704,239	704,239	1,090,299
Grants and Contributions - Operating Purposes	0	0	0	0	0	0
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	4,978,910	4,731,816	247,094	9,384,636	9,384,636	9,770,696
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(2,456,034)	(2,233,199)	(222,834)	(4,426,809)	(4,426,809)	(4,678,034)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(1,439,650)	(1,767,513)	327,864	(3,116,225)	(3,266,225)	(3,436,025)
Depreciation and Amortisation	(25,602)	(25,602)	0	(51,203)	(51,203)	(51,203)
Other Expenses	(109,860)	(163,250)	53,389	(394,435)	(394,435)	(408,135)
Internal Charges	(102,329)	(109,848)	7,519	(231,156)	(231,156)	(231,156)
Overhead Allocation	(582,404)	(582,404)	0	(1,164,809)	(1,164,809)	(1,164,809)
Total Expenses From Continuing Operations	(4,715,878)	(4,881,816)	165,938	(9,384,637)	(9,534,637)	(9,969,362)
Surplus / (Deficit) from Continuing Operations	263,032	(150,000)	413,032	(0)	(150,000)	(198,665)

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$263,032 is \$413,032 higher than forecast at the end of December primarily as a result of higher income and lower than forecast expenditure during the quarter.

Total Income from Continuing Operations of \$4,978,910 is higher than forecast by \$247,094. This is primarily due to the additional income from the Manly Visitor Information Centre, sponsorship from the Manly Jazz Festival and the timing of income for the Brookvale Show.

Total Expenses from Continuing Operations of \$4,715,878 is lower than forecast by \$165,938. This is the result of lower Materials and Contracts of \$327,864 and Other Expenses of \$53,389 principally due to the timing of expenditure for Events and Grants.

Employee Benefits & Oncosts are \$222,834 higher than forecast due to the inclusion of staff from the Manly Visitor Information Centre and anticipated vacancies were not achieved.

In November 2018 the Manly Chamber of Commerce returned the operational responsibility for the Manly Visitors Information Centre, 'Hello Manly', to Council. The Council previously contributed \$158,000 per annum towards the Chamber of Commerce's operation of the Centre. The budget has been reforecast to incorporate the operation of the Centre with increases in Expenses of \$274,725 (Employee Costs and Oncosts (\$153,025), Materials and Contracts (\$111,400), Other Expenses (\$10,300) and increases in Income of \$386,060 which includes \$170,000 surplus funding returned by the Chamber of Commerce from their operation of the Centre.

The budget has been reforecast for the full financial year, increasing the Deficit from Continuing Operations by \$48,665 to \$198,665. This comprises a surplus for the Manly Visitors' Information Centre of \$111,335 and an expenditure budget transfer of \$160,000 from Strategy, Transformation and Performance related to staff costs and systems intranet development.

Property and Facilities

HIGHLIGHTS

Award for Tram restoration

On 8 November 2018, Council was recognised for its refurbishment of the historic Sydney Tram that sits in front of the Tramshed at Narrabeen. The Judges Special Heritage Award came from the Institute of Public Works Engineering Australia (IPWEA), and is now the second award for the heritage restoration of the tram. Council thanks our project partners, the skilled craftsmen of the Forest Men's Shed, for this interactive piece of history the community will enjoy for many years.

Playground Opening

The Tramshed Arts, Community Centre and Berry Reserve Playground was officially opened to the community by Mayor Regan on Saturday 13 October 2018.

Warringah Aquatic Centre

The Term 4 School Learn to Swim Programs Program has had its highest ever attendance recorded of 3,008 attendances. The Centre has seen a high number of families visiting the centre throughout December with the warm weather, utilising the splash pad, BBQs and inflatable.

Manly 'Andrew Boy Charlton' Aquatic Centre

Visitation numbers were high, particularly within swim school and the squad program, up 10% from this time last year. An elite level squad coach has been appointed, to benefit our local swimmers with a competitive pathway.

Aboriginal Heritage Office (AHO)

Council has refurbished a disused building to accommodate the AHO in Lawrence Street, Freshwater. The disused baby health centre had been vacant for a year since the NSW Government service moved to Brookvale. The AHO relocated to Freshwater in December, and its previous Manly office space will be refurbished for our Youth Counselling Service during 2019.

Performance Measures – Property and Facilities	Target	September Quarter	December Quarter
Learn to Swim attendance (Manly and Warringah Aquatic Centres)	Dec ≥ 25,000	21,817	* 24,267
Total visitation to swim centres (Manly and Warringah Aquatic Centres)	Dec ≥ 205,300	178,312	216,924
Occupancy of Council buildings: % utilised by the community	100%	99.5%	** 99.5%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

Notes on results: Targets for aquatic centres are seasonal and vary each quarter

* **Learn to Swim attendance** - Learn to Swim numbers fluctuate. Enrolments were higher than last quarter, and in Term 4 the Schools Learn to Swim Program had the highest ever attendance.

** **Occupancy of Council buildings** – Three buildings were unavailable. Two are awaiting refurbishment (Currawong Games Room and Elanora Scouts Hall). Jacka Park Shed is scheduled for repurposing in 2019/20.

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Beach Building Works Program including major works at Mona Vale SLSC, Long Reef SLSC and the Narrabeen Swimming Club - Executive Manager Property

The works to Beach Buildings are progressing as follows:

- Collaroy SLSC boat storage roof - works on scheduled to start in February 2019.
- South Curl Curl SLSC structural concrete repairs - the works were completed in October 2018.
- South Narrabeen SLSC lift and foyer upgrades - the recommendation for the preferred tenderer will be progressed once the additional funds for this project is finalised.
- North Narrabeen Rockpool amenities upgrades - the contractor has been appointed and this work is on schedule to be completed to program.
- Mona Vale SLSC renewal - this full rebuild is on track to commence construction this financial year
- Long Reef SLSC renewal - the community engagement period has closed and a report will be submitted to the council meeting in February 2019.



Sports Buildings Works Program including the creation of a new sports building in Nolan's Reserve and a new sports building in Pittwater Park - Executive Manager Property

The works to create a new sports building in the North Narrabeen / Pittwater Park were completed in December 2019 and are just in the finalisation stages prior to being used by the clubs.

The works to the new Nolan's Reserve sports building are progressing strongly and will be successfully completed in the financial year.



Currawong Cottages and surrounds refurbishment and modernisation - Executive Manager Property

This project aims to deliver refurbishments to the buildings at Currawong. The Development Application received consent for the refurbishments to three cabins and the games room. Detailed design for these buildings are underway, and a 'Section 60' application has been finalised for submission to the Office of Environment and Heritage. The design concept for renovations to remaining six cabins currently under review by the conservation architect.



The purchase of the Pasadena site - Executive Manager Property

In line with Council's Resolution on 1 August 2018 an offer was made to purchase the Pasadena site, which was subsequently rejected by the owner. Council will no longer be purchasing the Pasadena site. The State Government has since re-allocated these funds towards the delivery of other Council projects.



The review, consolidation and potential transfer of lands to Council from Crown Lands as part of the Crown Land Transfer Program. - Executive Manager Property

Council representatives have met with participants in the Crown Land Transfer Program for formal negotiations on four occasions with discussions progressing. The first tranche of proposed land transfers for reporting and approval to the various governance bodies has been determined.

As such, draft Local Land Agreement (LLA) and draft Aboriginal Land Agreement (ALA) documents have been received by Council for review. Comments from Council on these draft

documents and also on the marked up draft Narrabeen Lagoon State Park Co-management agreement have been returned to Crown Lands for their consideration.



Develop a new customer friendly online booking and payment system for outdoor eating, watercraft storage permits, parking etc. - Executive Manager Property

This project has been rolled into the greater Council booking systems project, which is progressing to plan.



Identify Council's top 10 public assets/locations to be accessible - Executive Manager Property

Council's Building Assets team have reviewed the portfolio of buildings against the criteria established and an initial priority list has been determined to review through internal consultation.



Conduct accessibility audits of Council's public facilities and assets - Executive Manager Property

Council will undertake an accessibility audit in 2019 of its public facilities and assets under this project, and are currently collating existing accessibility reports across Council.



Implement priority asset improvements - Executive Manager Property


This action is reliant on the completion of the accessibility audit of Council's public facilities and assets in 2019. The outcomes of this will then be incorporated in to the Building Asset Management Plan and future capital renewal program.



Work with the Department of Education on the future recreation use of the Manly Warringah War Memorial Park and plans to modernise the Warringah Aquatic Centre - Executive Manager Property

Council officers have been working closely with the Department of Education on the potential for funding the redevelopment of the Warringah Aquatic Centre in line with the proposed new school on Aquatic Reserve. The details are yet to be agreed, and discussions are continuing.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

Rural Fire Service program



Terrey Hills Emergency Services Headquarters design works - Executive Manager Property

The project aims to prepare a masterplan that will appropriately rationalise and utilise the site that houses the RFS, SES and Marine Rescue head office operations for the Northern Beaches, including suitable accommodation for all three services as well as providing appropriate accommodation and services during a major incident. The project is currently on hold pending funding commitment from relevant organisations



Rural Fire Service building works program - Executive Manager Property

This program of works focuses on upgrades and minor refurbishments to Elvina Bay and Coal and Candle Rural Fire Brigades. Planning has commenced, with works expected to be completed in June 2019.

Civic building and compliance works



Currawong Cottages - new cottages, games room and amenities - Executive Manager Property

This project aims to deliver refurbishments to the buildings at Currawong. Development Applications have been approved for the refurbishments to three cabins and the games room. Detailed design is approaching completion for these refurbishments with construction on track to commence this financial year. The design concept for renovations to remaining six cabins is under review by the conservation architect.



Operational buildings works program - Executive Manager Property

Improvements to Council Offices and Depot buildings will be delivered under this program. Some minor renewal to Council's administration buildings have been completed and the integration of Council's building access system will be delivered through this program.



Sport buildings works program - Executive Manager Property

This project sees the renewal of Council's sports amenities buildings. Minor works at Cromer Park to provide an additional sports amenities building to users of the fields are now complete.

Upgrades to Forest Playing Fields Sports Amenities are behind schedule. The community engagement for the upgrades to LM Graham Reserve is now complete, with construction works planned for the 2019/20 financial year.



Beach buildings works program - Executive Manager Property

Concrete repair works at South Curl Curl SLSC and the renewal of the balconies at North Steyne SLSC have been completed. Renewal works to the Collaroy SLSC boat storage roof will commence during February, 2019.



Swim Club Buildings Works Program - Executive Manager Property

Funds will be used on amenities at the North Narrabeen swim club building, with works commencing in early 2019



Disability access compliance works (DDA) - Executive Manager Property

This program of works aim to improve accessibility to Council buildings. In this current financial year, the funds have been spent on works on the Beacon Hill Community Centre building upgrades and Nolan Reserve amenities as part of the expanded building works.



Building Code of Australia compliance works - Executive Manager Property

This program of works aim to address building code non-compliances to Council buildings. In this current financial year, the funds are allocated to works on the Beacon Hill Community Centre building upgrades.



Sydney Lakeside Holiday Park renewal works - Executive Manager Property

Upgrades to the facilities and cabins at Sydney Lakeside Caravan Park will be delivered under this project. Works to repair the bunk rooms have been completed along with several cabin upgrades. Further works will be scheduled for the quieter winter months and will be based on the results of the condition audit.

Civic building and compliance works



Pittwater Golf Driving Range renewal works - Executive Manager Property

This project aims to deliver upgrades to the Pittwater Golf Centre. A program of works is currently under preparation, in consultation with the Golf Centre management group with works to be undertaken after the busy summer period.

Public Amenities improvements



Public amenities works program - Executive Manager Property

- Works to upgrade North Harbour Reserve Amenities are now complete.
 - Community engagement for East Esplanade Public Amenities has now closed, with works expected to commence in early-mid 2019.
 - A minor renewal of the public amenities at Manly Life Saving Club will also be carried out, with works expected to commence in early-mid 2019.
-



Manly Dam amenities works - Executive Manager Property

This project sees the refurbishment of the public amenities adjacent to the playground at Manly Dam to provide improved facilities to users of the main recreation area. The refurbished amenities will consist of improved male, female and accessible amenities as well as change rooms and external showers.

The works have commenced and are due for completion in early-mid 2019.



Nolan's Reserve Sports amenities works - Executive Manager Property

This project will deliver a new sporting amenities building at Nolans Reserve, replacing two dated buildings. Work is progressing to schedule with the external brick walls approximately 50% completed.



North Narrabeen Rock Pool amenities works - Executive Manager Property

This project sees the renewal of the existing male and female public amenities, the construction of an accessible amenity and family change room within the existing footprint of the building as well as refurbishment of the existing swimming club on the top level at North Narrabeen Rockpool.

Works are on track to commence after the summer school holiday period in February 2019 for completion in mid 2019.



Palm Beach Pavilion renewal works - Executive Manager Property

This project aims to prepare designs to upgrade Palm Beach Pavilion. Potential options of work are currently being investigated with some minor preliminary rectification works having already been completed to the roof.

Cemetery Works



Cemetery works program - Executive Manager Property

This project aims to deliver landscaping improvements at Mona Vale Cemetery in line with the Masterplan. The public tender for the construction works to the new memorial gardens was presented to the elected Council at the November 2018 meeting. Negotiations are underway for landscape works.

Aquatic Centre improvements



Warringah Aquatic Centre renewal works - Executive Manager Property

This program focuses on the renewal of plant and equipment at the Warringah Aquatic Centre:

- Purchased a new pool cleaner and a number of pumps
- Related controller gear upgraded or replaced
- Planning is underway for other renewal and refurbishment works for this year



Manly 'Andrew Boy Charlton' Aquatic Centre renewal works - Executive Manager Property

Work undertaken to date includes plant room upgrades for 50m pool, polysoft flooring for 50m pool, sections of site boundary fencing, and an upgrade works to fitness centre air conditioning.

FINANCIALS

PROPERTY AND FACILITIES SERVICES

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	7,059,135	7,059,135	0	12,119,941	12,119,941	12,119,941
User Charges & Fees	7,842,126	7,339,622	502,504	15,108,526	15,309,776	15,609,776
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	5,487,102	5,295,056	192,046	11,874,748	11,673,498	11,673,498
Grants and Contributions - Operating Purposes	24,171	0	24,171	0	0	0
Grants and Contributions - Capital Purposes	162,518	170,990	(8,472)	1,142,688	370,384	417,582
Gains on disposal of Assets	(1,669,858)	0	(1,669,858)	0	0	(1,670,000)
Total Income From Continuing Operations	18,905,194	19,864,803	(959,609)	40,245,903	39,473,599	38,150,797
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(5,147,286)	(5,404,219)	256,933	(10,683,330)	(10,683,330)	(10,433,330)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(6,471,188)	(6,355,468)	(115,720)	(11,883,624)	(11,883,624)	(11,883,624)
Depreciation and Amortisation	(2,478,202)	(2,393,254)	(84,948)	(4,786,508)	(4,786,508)	(4,786,508)
Other Expenses	(3,535,488)	(3,707,332)	171,844	(7,418,104)	(7,418,104)	(7,418,104)
Internal Charges	(508,722)	(457,140)	(51,582)	(901,870)	(901,870)	(901,870)
Overhead Allocation	(2,286,233)	(2,286,233)	0	(4,572,467)	(4,572,467)	(4,572,467)
Total Expenses From Continuing Operations	(20,427,119)	(20,603,646)	176,527	(40,245,903)	(40,245,903)	(39,995,903)
Surplus / (Deficit) from Continuing Operations	(1,521,926)	(738,844)	(783,082)	(0)	(772,305)	(1,845,107)

Commentary – Year to Date Actuals and Annual Forecast

The Total Deficit from Continuing Operations of \$1,521,926 is higher than forecast at the end of December primarily as a result of the financial impact of the transfer of lands from Council to National Parks which has been partially offset by greater than forecast income from user charges and fees and lower than forecast expenditure.

Total Income from Continuing Operations of \$18,905,194 is lower than forecast by \$959,609. This result has been principally impacted by the net loss on disposal of assets of \$1,669,858. This net position resulted from the loss realised by the transfer of 32 parcels of land on the Pittwater Western Foreshore to the National Parks and Wildlife Services with a slight offset from the income received from the acquisition of Council land adjacent to the Manly Vale school development by the Department of Education. The higher User Charges & Fees are primarily due to the timing of Cemetery fees (\$134,852) and greater than forecast income at the Manly Andrew Boy Charlton Aquatic Centre (\$245,648). The higher Other Revenues are primarily related to sales at the Manly Boy Charlton Aquatic Centre (\$112,896).

Total Expenses from Continuing Operations of \$20,427,119 are lower than forecast by \$176,527. Employee Benefits & Oncosts are \$256,933 lower than forecast primarily due to vacancies in the Property and Commercial team and Trades Services team. Both of these areas are struggling to attract the appropriately qualified staff in very competitive markets despite a range of different recruitment approaches, including the use of external recruitment agencies. Agency personnel have been utilised where appropriate to maintain service levels while positions are vacant. As a result, the proposed end of year position for Employee Benefits & Oncosts has been forecast down by \$250,000.

For the full financial year the Deficit from Continuing Operations is forecast to increase by \$1,072,802 to \$1,845,107. While income was reduced by \$1,670,000 due to the net loss on the disposal of assets during the period, User Fees & Charges has been increased by \$300,000 and Grants & Contributions for Capital Purposes increased by \$47,198. Employee Benefits and Oncosts were reduced by \$250,000 for the reasons noted above.

Governance and Assurance Services

HIGHLIGHTS

Strategic Reference Groups (SRGs)

The six SRGs held meetings and provided valuable advice on how Council can address the community's aspirations and goals, in line with our *Community Strategic Plan*. Valuable feedback was received on a range of initiatives:

Improving our planning and transport frameworks

- Transport Strategy and supporting plans
- Land Use Planning including Local Environmental Plan
- Avalon Place Plan
- Ingleside Precinct Plan
- Frenchs Forest Precinct Plan

Sustaining our environment and open space

- Environment Strategy
- Pittwater Waterway Strategy
- Open Space Strategy

Supporting our community and culture

- Youth services and activities
- Community and Cultural Grants
- Smart Cities and Suburbs Grant
- Smart Communities framework
- Community Centre Strategy
- Arts and Creativity Strategy
- Thematic History Project
- Moveable Heritage Management

Stimulating our economy

- Employment Study
- Destination Management Plan

The SRGs are proving to be vital stakeholders in assisting Council's strategic decision-making, by reviewing various strategies, plans and other initiatives presented each quarter.

Office of Integrity and Complaints Resolution (OICR)

The OICR has been working closely with our information technology team to develop a complaints management and reporting system. Developing this in-house ensures it can be fully integrated with Council's other systems.

This is being designed to be an easy-to-use online system for complaints and compliments, with guidance on the process, and easy access from our website.

Performance Measures – Governance and Assurance	Target	September Quarter	December Quarter
Council meeting minutes finalised and published within 3 working days of meetings	95%	100%	100%
Council's compliance with Governance Framework to meet Governance statutory requirements	100%	100%	100%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

OPERATIONAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule



Design and delivery of a comprehensive Enterprise Risk and Opportunity Management (EROM) framework - Executive Manager Governance & Risk

EROM Framework and Risk Management Assessment Guidelines have been developed, and are undergoing final amendments. Due to be released internally in early 2019.



Provide an Internal Audit program that is fully aligned with the Enterprise Risk and Opportunity Management (EROM) framework and is responsive to key strategic risks - Executive Manager Governance & Risk

- Internal audit activity is under way in accordance with the approved 2018/19 Interim Internal Audit Plan.
- Development of the draft 3-year Strategic Internal Audit Plan 2019 - 2021 is under way
- Preparation for the February 2019 Audit, Risk and Improvement Committee meeting, and induction of a new member.



Maintain and coordinate the committees framework and register, including the provision of support to establish and manage committees and joint external stakeholder groups - Executive Manager Governance & Risk

This project was completed in August 2018. Governance support is now established for committees and joint external stakeholder groups. The Committee Register is being maintained.



Coordinate the development and review of an integrated policy framework and maintain Council's Policy Register. - Executive Manager Governance & Risk

The Local Government (Council Amalgamations) Proclamation 2016 states that all of the policies of the three former councils (255 in total) are still in effect until Council adopts a new policy or the former policy is revoked. Since the amalgamation:

- 107 policies have been revoked and either replaced by a new similar policy, or revoked
- 27 new policies have been adopted by Council, 22 of these replaced some that were revoked
- The current policy register consists of 175 policies.

A number of policies were approved for public exhibition at the December Council meeting.



Develop and implement a technology platform to enable enhanced complaints management workflows and detailed reporting - Head of Integrity & Complaints

Testing of the new system has been successful. The Office of Integrity team will be trained in its use in January 2019 prior to its launch.



Develop and facilitate Code of Conduct training to Councillors and Council staff - Head of Integrity & Complaints

In December, the Office of Local Government prescribed the new Model Code of Conduct for local Councils. In response:

- A workshop for Councillors is being prepared to highlight the new requirements.

- Changes are being incorporated into the mandatory staff Code of Conduct training
- An awareness campaign will remind staff to complete the training by the due date.



Deliver on initiatives identified in the OICR three year strategic plan - Head of Integrity & Complaints

Delivery of the OICR three-year strategic plan objectives are mostly on track. Notably, the establishment of 'Mike', the complaints management and reporting system is ahead of schedule and expected to be deployed in January. This system will enable improved customer-facing, online complaints forms and deliver efficiencies in the management and reporting of complaints and compliments.

FINANCIALS

GOVERNANCE AND ASSURANCE SERVICES

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	5,964,933	5,964,933	0	11,865,734	11,865,734	11,865,734
User Charges & Fees	1,434	4,930	(3,496)	9,735	9,735	9,735
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	98,238	0	98,238	0	0	250,000
Grants and Contributions - Operating Purposes	0	0	0	0	0	0
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	6,064,604	5,969,862	94,741	11,875,469	11,875,469	12,125,469
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(1,604,374)	(1,731,725)	127,351	(3,440,743)	(3,440,743)	(3,340,743)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(1,753,333)	(2,125,879)	372,546	(4,209,724)	(4,209,724)	(4,209,724)
Depreciation and Amortisation	(16,778)	(16,778)	0	(33,556)	(33,556)	(33,556)
Other Expenses	(1,382,829)	(1,478,869)	96,039	(2,958,718)	(2,958,718)	(2,958,718)
Internal Charges	(45,588)	(68,085)	22,498	(135,676)	(135,676)	(135,676)
Overhead Allocation	(548,526)	(548,526)	0	(1,097,052)	(1,097,052)	(1,097,052)
Total Expenses From Continuing Operations	(5,351,428)	(5,969,862)	618,434	(11,875,469)	(11,875,469)	(11,775,469)
Surplus / (Deficit) from Continuing Operations	713,175	0	713,175	(0)	(0)	350,000

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$713,175 is higher than forecast at the end of December as a result of both higher than anticipated income and lower than forecast expenditure.

Total Income from Continuing Operations of \$6,064,604 is higher than forecast by \$94,741. This is as a result of higher Other Revenues relating to the level of legal fees recovered.

Total Expenses from Continuing Operations of \$5,351,428 are lower than forecast by \$618,434. This is principally the result of lower than anticipated Employee Benefits & Oncosts of \$127,351, lower Materials and Contracts of \$372,546 and lower Other Expenses of \$96,039.

The lower Employee Benefits & Oncosts are principally due to vacancies within the Governance & Risk business unit during the first quarter. The lower Materials and Contracts are principally due to lower Catering Services (for Councillor briefings and Council meetings) of \$51,818, lower Legal Expenses of \$100,924 due to the timing of proceedings and lower Contract Services – Internal Audit of \$127,022 and lower Contract Services – Legal \$50,000. The lower Contract Services – Internal Audit is as a result of a delay in commencing the contract for scheduled internal audit services, however the program of audits are on track to be completed by the end of the financial year. The lower Other Expenses largely relate to a lower than budgeted level of expenditure under the Councillor Expenses and Facilities Policy.

The Surplus from Continuing Operations for the full financial year have been forecast to increase by \$350,000. Income from Continuing Operations is forecast to increase by \$250,000 as a result of a higher than anticipated level of legal fees being recovered. Expenses from Continuing Operations are forecast to decrease by \$100,000 reflecting the lower Employee Benefits & Oncosts within the Governance & Risk business unit as noted above.

Customer Service

HIGHLIGHTS

Award for Innovation in Customer Service

In October Council won an Innovation in Customer Service Award from the National Local Government Customer Service Network. The award was received for our Customer Relationship Management System (CRM) which is a user-friendly interface for our customers to contact us; supported by a detailed knowledge database to aid our response to enquiries.

The CRM tool is easy to use on any device, and is a convenient way for customers to lodge enquiries online 24/7. It's proving to be popular with a 20% growth in use since last quarter. While we continue to extend the CRM's functionality, more staff are also being freed up to work with customers on more complex issues, ensuring a better resolution of all enquiries.

Performance Measures – Customer Service	Target	September Quarter	December Quarter
Calls answered within 30 seconds	80%	77 %	* 77 %
Customer satisfaction with service calls	80%	90 %	90 %
Customer satisfaction with online requests	80%	** Data not available	** Data not available
Customer requests conducted online	15%	17%	20%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

Notes on results:

* **Calls Answered within 30 seconds** - a number of new, less experienced, staff joined the team thereby impacting on this result.

** **Customer satisfaction with online requests** – Customer feedback mechanism is in place but no feedback has been received from customers. A more prominent feedback feature is being developed.

Workload Measures – Customer Service	September Quarter	December Quarter
No. calls to Customer Service 1300 434 434	49,048	46,117

OPERATIONAL PROJECTS

Key: ✓ Completed 🔄 Progressing on schedule ! Behind schedule



Continued improvement to customer portal to enhance the customer experience - Executive Manager Customer Service

Project is on target for providing improved functionality to customer portal through delivery of customer interface into new waste contract and customer console.



Building a customer centric culture by continued delivery on Customer Experience (CX) Strategy Measures of Success program - Executive Manager Customer Service

Project is focusing on the Measures of success of the 5-year strategy.



Investigation of a concierge and customer queuing system across all front counters - Executive Manager Customer Service

The project is gathering qualitative and quantitative customer data and feedback, across front counter operations, to help plan staffing levels and business improvements.



Investigate service delivery options for customer service locations including hours of operation. - Executive Manager Customer Service

On 25 September Council adopted the recommendations of a review of Customer Service Centres, and will not to proceed with an additional facility in Frenchs Forest ward. We will continue investing in digital services, and monitor customer needs across all Service Centres. Project completed.

FINANCIALS

CUSTOMER SERVICE

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	1,137,521	1,137,521	0	2,495,218	2,495,218	2,495,218
User Charges & Fees	771,006	761,864	9,141	1,274,112	1,274,112	1,274,112
Investment Fees and Revenues	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0
Grants and Contributions - Operating Purposes	0	0	0	0	0	0
Grants and Contributions - Capital Purposes	0	0	0	0	0	0
Gains on disposal of Assets	0	0	0	0	0	0
Total Income From Continuing Operations	1,908,527	1,899,385	9,141	3,769,330	3,769,330	3,769,330
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(1,709,293)	(1,774,301)	65,008	(3,523,107)	(3,523,107)	(3,523,107)
Borrowing Costs	0	0	0	0	0	0
Materials and Contracts	(122,837)	(142,889)	20,051	(282,720)	(282,720)	(282,720)
Depreciation and Amortisation	(23,229)	(23,229)	0	(46,457)	(46,457)	(46,457)
Other Expenses	(12,793)	(22,493)	9,700	(44,803)	(44,803)	(44,803)
Internal Charges	329,313	327,060	2,254	654,824	654,824	654,824
Overhead Allocation	(263,534)	(263,534)	0	(527,067)	(527,067)	(527,067)
Total Expenses From Continuing Operations	(1,802,372)	(1,899,385)	97,013	(3,769,330)	(3,769,330)	(3,769,330)
Surplus / (Deficit) from Continuing Operations	106,155	0	106,155	0	0	0

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$106,155 is higher than forecast at the end of December primarily due to lower than forecast expenditure during the six months.

Total Income from Continuing Operations of \$1,908,527 is higher than forecast by \$9,141 primarily as a result of the budgeted timing of the sale of parking permits having been allocated evenly over the financial year which is not consistent with the actual timing of the sales.

Total Expenses from Continuing Operations of \$1,802,372 are lower than forecast by \$97,013. Employee Benefits & Oncosts are lower than forecast by \$65,008 related to a number of short-term vacancies that are in the process of being recruited. Materials and Contracts are \$20,051 lower than forecast as a result of a single database for our after-hours service and the expansion and optimisation of our online reporting tool for customers thereby allowing customers to self-serve for non-urgent issues.

No changes have been made to the annual forecast during this quarter review.

Corporate Support Services

HIGHLIGHTS

Building a capable workforce

A range of initiatives continued to help build a capable, motivated and safe workforce:

- Reviewing employee performance goals, and training of our people leaders to achieve high performance
- Revised Induction Day content for new employees, to ensure they enter the organisation with a good understanding, and contribute to a positive high performance culture. This is also backed up by a new *Probation Operational Policy* and associated procedures.
- New E-Learning on our Code of Conduct and Work Health and Safety (WHS) for all staff
- Improving our WHS systems to address risks, hazards and incidents. This was supported by the *Be Safe* campaign during October, new guides on WHS and Injury Management, and a new *Smoke Free Workplace Operational Policy*.
- New *Transition to Retirement* seminar, available to all staff

Our White Ribbon Accreditation Journey

A new policy was launched on *Family and Domestic Violence Workplace Support*, outlining the support available to affected staff. A new Mental Health First Aid course has also been launched to accredit key staff.

Events have been run throughout the year to create a supportive staff culture over this issue. A strong campaign during the quarter raised awareness and understanding, and also included a staff function in Narrabeen and a White Ribbon walk in Manly. These are a vital part of earning accreditation as a White Ribbon workplace, which will be sought in the coming months.

Grant Funding secured

Council secured the following additional funding of \$198,410 during the quarter, supporting improvements in two local pre-schools and a sports hub:

Project	Agency	Grant
Ivanhoe Park Pre-School upgrades	NSW Department of Education	\$ 13,410
Manly Community Pre-School upgrades	NSW Department of Education	\$ 15,000
St Matthews Farm – Multi sport Community Hub and lighting upgrade	Sport Australia (Federal)	\$170,000

Community grants and sponsorship awarded

In October Council resolved to award grants through three of its four grant programs, following the assessment of 102 applications by an independent panel:

- Event Grant Program: 17 applications were approved for funding or fee waivers, valued at \$54,417. Another \$155,583 will be made available through a second and possibly third round of funding for events this year.
- Sport and Recreation Infrastructure Grants: five applications were approved for funding valued at \$100,000.

- Community and Cultural Development Grants: 39 applications were approved for funding valued at \$240,000.

Applications for our Eco-Schools Grants program closed in December, with assessment scheduled for January 2019.

Council also decided in October that it would continue to support the Northern Beaches Local Business Awards program as the major sponsor during 2019-2021.

Performance Measures – Corporate Support	Target	September Quarter	December Quarter
Correspondence replied to within 5 working days	80%	83%	91%
Operational projects progressing or completed	80%	89%	92%
Capital projects progressing or completed	80%	91%	90%
Quarterly and Annual Reports submitted to Council on time	100%	100%	100%

Results Key: ■ Achieved ■ Approaching - within 5% of target ■ Behind - more than 5% off target

OPERATIONAL PROJECTS

Key: ✓ Completed 🔄 Progressing on schedule ! Behind schedule



Implement the Procurement Framework - Chief Financial Officer

Our Procurement framework includes the Procurement Policy adopted in 2017, and supporting Strategy and Manual adopted in 2018. Other tools that were progressed this quarter were:

- Procurement Plans
- Contract Management template
- Internal instructions on processes

The tools and templates are subject to continuous improvement and updated on a monthly basis.



Prepare and present Council's Quarterly Budget Review Statement - Chief Financial Officer

The second Quarterly Budget Review Statement for December 2018 is currently being prepared and will be presented to the Council meeting on 26 February 2019.



Develop and refine processes, procedures, policies and management standards - Chief Financial Officer

Following cross-team consultation, a revised plan has been developed, that better identifies the needs to be addressed, including the long term financial sustainability of the organisation. Consideration was given to the recently released OLGs Debt Management and Hardship Guidelines, to assess their impact on this aspect of the project.



Deliver a program of service reviews - Executive Manager Strategy, Performance & Improvement

The framework for service reviews is 85% completed and yet to undergo prioritisation. Two pilot service reviews were underway this quarter, to help refine the process used. Formal reviews will commence later in April/May 2019.



Develop strategic directions and plans based on Integrated Planning and Reporting framework for Local Government - Executive Manager Strategy, Performance & Improvement

Staff underwent training by Sydney University on strategic thinking and planning. A meeting will be held on 11 January with other metropolitan merged councils, to confer on strategic frameworks, processes and tools.



Develop the Delivery Program and annual Operational Plan - Executive Manager Strategy, Performance & Improvement

Project is scheduled to start in January.



Implement disability awareness education and training for all staff - Executive Manager Human Resources

This project is driven by our Disability Inclusion Action Plan, and aligns to our draft Equal Employment Management Plan (EEO Plan). It also links to our People Plan by addressing our culture, values and behaviours, as well as increasing diversity in our workforce.

EEO, diversity and disability awareness:

- Are currently being reviewed as a part of our blended / e-learning capability investigations
- Will be incorporated into the review of Council's Trainee Management program.
- Will be incorporated in to our 2019 induction program for new employees.
- Are part of our ongoing training of our people leaders in Recruitment and Selection



Implement the Workforce Management Plan - Executive Manager Human Resources

Most recently we have been focusing on supporting our ageing workforce and piloted a "Transitioning to Retirement" information session which was well attended. We have also developed and released "Our Promise" which is Northern Beaches Employee Value Proposition (EVP). We will continue to build on our EVP both internally and externally, as we look to retain our talent and attract new talent.



Implement the digital transformation strategy - Chief Information Officer

Revised Digital Transformation Strategy will be considered at Council's meeting in February 2019. Progress has been made in each of the goals. The Strategy is being updated to reflect progress and include additional key projects and more details about the plans.

CAPITAL PROJECTS

Key:  Completed  Progressing on schedule  Behind schedule

IT improvements



IT Infrastructure – new works - Chief Information Officer

IT improvements

The implementation of corporate WiFi coverage for council buildings is making progress. The physical access points have been installed at five more locations: Boondah Depot (Warriewood); Civic Centre (Dee Why); Manly Town Hall; Manly visitors centre; Harbourview Child Care centre (Seaforth)



IT Software – new works - Chief Information Officer

Progress had been made in these initiatives:

- Facilities and Events Bookings System - business requirements were defined, and Expressions of Interest were invited for tenders to provide the system.
- Staff Roster Management System is in the procurement stage, with tenders received and being evaluated. The roster systems are for our Library and children's Services.
- Timesheet System is in the procurement stage, with tenders received and being evaluated. This will be a combined tender with the Rostering requirement.



IT Infrastructure - replacements - Chief Information Officer

Network infrastructure replacements including switches firewalls and servers are on track for replacement



IT Software - replacements - Chief Information Officer

This project is for the renewal of specialist software and is on schedule.



PC and Mobile Device Replacements - Chief Information Officer

A program of replacements continued, to meet staff hardware requirements for both PCs and mobile devices

FINANCIALS

CORPORATE SUPPORT SERVICES

Income Statement – 1 July to 31 December 2018

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
Income From Continuing Operations						
Rates and Annual Charges	85,383,448	85,182,334	201,114	8,975,128	8,975,128	9,175,128
User Charges & Fees	441,010	469,589	(28,579)	737,970	737,970	722,970
Investment Fees and Revenues	3,174,575	3,133,120	41,454	5,576,010	5,826,010	5,836,010
Other Revenues	251,221	94,919	156,302	134,941	149,941	639,426
Grants and Contributions - Operating Purposes	3,248,319	4,192,541	(944,222)	7,262,682	7,262,682	7,732,682
Grants and Contributions - Capital Purposes	6,337,263	5,767,459	569,804	8,900,000	10,150,000	10,150,000
Gains on disposal of Assets	1,270,000	285,000	985,000	0	285,000	1,270,000
Total Income From Continuing Operations	100,105,836	99,124,962	980,873	31,586,731	33,386,731	35,526,216
Expenses From Continuing Operations						
Employee Benefits & Oncosts	(12,663,968)	(13,291,823)	627,855	(26,286,653)	(26,286,654)	(25,341,954)
Borrowing Costs	(905,591)	(1,015,796)	110,205	(2,459,338)	(2,459,338)	(1,911,591)
Materials and Contracts	(3,819,096)	(4,250,593)	431,497	(8,057,879)	(9,313,312)	(9,260,412)
Depreciation and Amortisation	(1,603,557)	(1,466,407)	(137,151)	(1,768,024)	(3,518,024)	(3,768,024)
Other Expenses	(948,428)	(1,133,075)	184,647	(1,692,806)	(1,692,806)	(1,629,406)
Internal Charges	383,202	430,354	(47,153)	860,213	860,213	860,213
Overhead Allocation	12,805,317	12,805,317	0	25,610,635	25,610,635	25,610,635
Total Expenses From Continuing Operations	(6,752,120)	(7,922,021)	1,169,900	(13,793,852)	(16,799,286)	(15,440,539)
Surplus / (Deficit) from Continuing Operations	93,353,715	91,202,941	2,150,774	17,792,879	16,587,445	20,085,677

Commentary – Year to Date Actuals and Annual Forecast

The Total Surplus from Continuing Operations of \$93,353,715 is higher than forecast by \$2,150,774 at the end of December as a result of both higher than anticipated income and lower than forecast expenditure.

Total Income from Continuing Operations of \$100,105,836 is higher than forecast by \$980,873 as a result of higher Rates and Annual Charges of \$201,114, Investment Fees and Revenues of \$41,454, Other Revenues of \$156,302, Grants and Contributions for Capital Purposes of \$569,804 and Gains on disposal of Assets of \$985,000 partially offset by lower User Charges & Fees of \$28,579 and Grants and Contributions for Operating Purposes of \$944,222.

Rates and Annual Charges are higher than forecast by \$201,114 principally as a result of lower pensioner rebates. Investment Fees and Revenues are higher than forecast by \$41,454 as a result of interest on funds held as a result of higher than anticipated level of investments. Other Revenues are higher than forecast by \$156,214 principally as a result of higher legal fees recovered on outstanding debts. The higher Grants and Contributions for Capital Purposes of \$569,804 relates to higher s7.12 developer contributions of \$788,943 offset by the timing of the receipt of a milestone payment of \$219,139 forecast to have been received during the quarter for the Connecting Communities Cycleways program. The higher Gains on Disposal of Assets of \$985,000 relates to the sale of road reserves in Brookvale, Dee Why, Freshwater and Palm Beach. The higher income in these areas has been partially offset by lower User Charges and Fees of \$28,579 which principally relates to s603 certificates, lower Grants and Contributions for Operating Purposes of \$944,222 which relates to the prepayment of 50% of the 2018/19 Financial Assistance Grant at the end of the last financial year and lower Pensioner Rebate Subsidies of \$80,000 offset by the receipt of \$537,381 from the Department of Finance, Services & Innovation for Natural Disaster Funding for damage resulting from the April 2015 East Coast Low.

Total Expenses from Continuing Operations of \$6,752,120 are lower than forecast by \$1,169,900. This is principally the result of lower than anticipated Employee Benefits & Oncosts of \$627,855, Borrowing Costs of \$110,205, Materials and Contracts of \$431,497 and Other Expenses of \$184,647 partially offset by higher Depreciation of \$137,151. Lower Employee Benefits & Oncosts have occurred in Finance, Human Resources, Information & Digital Technology and General Manager Environment & Infrastructure business units and principally relates to a number of vacancies some of which have been covered by agency personnel as well as a lower than anticipated level of parental leave payments across Council. The lower Materials and Contracts principally relate to Information & Digital Technology \$414,977 specifically system improvement programs which have been progressed using in-house staff and have not required professional services as budgeted, the digitisation of 960 record boxes which has not been progressed in accordance with budgeted timing and computer software expenses due to the timing of software licence renewals. The lower Other Expenses of \$184,647 principally relate to Finance \$10,000 – valuation fees, Human Resources \$30,536 – workers compensation insurance and Information & Digital Technology \$105,708 – data services. The higher Depreciation relates to acceleration of the depreciation for a number of buildings as a result of the reassessment of their useful lives based on the anticipated timing of their renewal.

For the full financial year the Surplus from Continuing Operations is forecast to increase by \$3,498,232 to \$20,085,677.

Total Income from Continuing Operations is forecast to increase by \$2,139,485. Rates and Annual Charges are forecast to increase by \$200,000 as a result of lower pensioner rebates. Investment Fees and Revenues are forecast to increase by \$10,000 as a result of higher interest earnings. Other Revenues have been forecast to increase by \$150,000 reflecting the higher legal fees recovered on outstanding debts as noted above. Grants and Contributions for Operating Purposes are forecast to increase by \$470,000 as a result of the receipt of the natural disaster funding noted above offset by the lower Pensioner Rebate Subsidies. No forecast adjustment has been made in respect of the Financial Assistance Grant as we cannot anticipate whether the prepayment will again occur in this financial year. Gains on Disposal of Assets are forecast to increase by \$985,000 for the reasons noted above. Other Revenues have been forecast to increase by \$339,485 as a result of the higher level of contributions from Kimbriki towards future waste landfill remediation costs. These increases have been partially offset by a decrease in User Charges and Fees of \$15,000 as a result of a lower level of s603 certificates.

Total Expenses from Continuing Operations are forecast to decrease by \$1,358,747. Employee Benefits and Oncosts are forecast to decrease by \$944,700 due to the vacancies and lower parental leave payments noted above after taking account of an appropriate allowance for the additional director positions in the new organisation structure. Borrowing Costs are forecast to decrease by \$547,747 of which \$120,000 is the result of the lower than anticipated interest rate on borrowings and \$427,747 relates to a decrease in the Amortisation of the Tip Asset as a result of this now being accounted for in Kimbriki. Materials and Contracts are forecast to decrease by \$52,900 as a result of forecast decreases in Finance of \$52,000, in Strategy, Performance and Improvement of \$58,400 (intranet project transferred to Economic Development, Events and Engagement Services) and \$55,500 in Systems & Information partially offset by an increase in Human Resources of \$131,000. The decrease in Finance relates to lower Bank Charges and lower Membership Fees for Local Government NSW, in Strategy, Performance and Improvement to Other Contract Services and in Systems & Information to a decrease in Other Contract Services of \$72,000 partially offset by an increase in agency personnel of \$16,500. The increase in Human Resources relates to an increase in agency personnel. Other Expenses are forecast to decrease by \$63,400, \$10,000 in Finance as a result of lower Valuation Fees, \$3,400 in Strategy, Performance and Improvement and \$50,000 in Human Resources as a result of lower workers compensation insurance costs. These decreases have been partially offset by an increase in Depreciation of \$250,000 for the reasons noted above.