



Agenda

Council Meeting

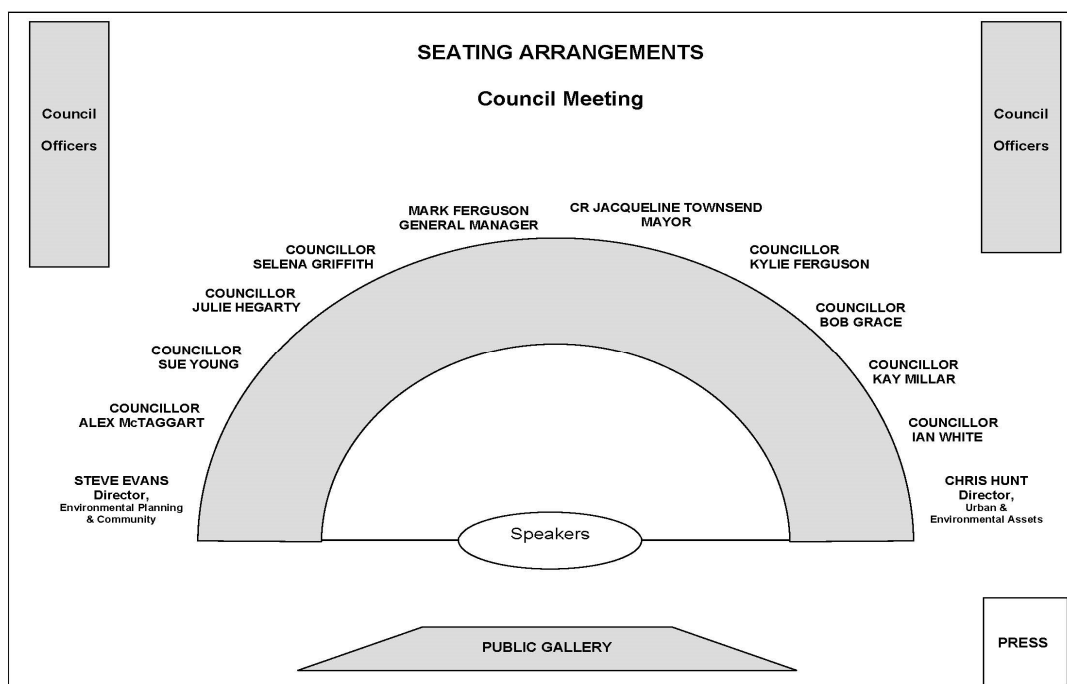
Notice is hereby given that a Council Meeting of Pittwater Council will be held at Mona Vale Memorial Hall on

17 November 2014

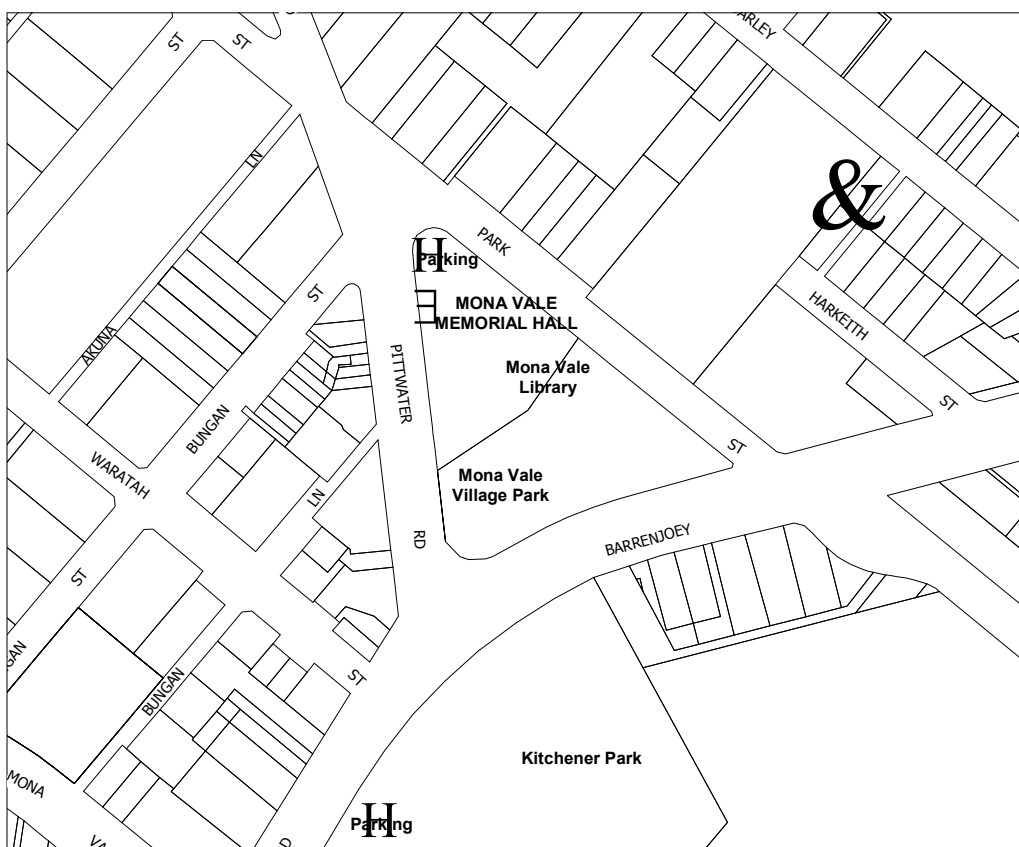
Commencing at 6.30pm for the purpose of considering the items included on the Agenda.

Mark Ferguson
GENERAL MANAGER

Seating Arrangements



Meeting Location



All Pittwater Council's Agenda and Minutes are available on the Pittwater website at www.pittwater.nsw.gov.au

Acknowledgement of Country

**Pittwater Council honours and respects the spirits of the
Guringai people.**

**Council acknowledges their traditional custodianship of
the Pittwater area.**

Statement of Respect

**Pittwater Council promotes and strives to achieve a climate of respect
for all and endeavours to inspire in our community shared civic pride by
valuing and protecting our unique environment, both natural and built,
for current and future generations.**

**We, the elected members and staff of Pittwater Council, undertake to
act with honesty and integrity, to conduct ourselves in a way that
engenders trust and confidence in the decisions we make on behalf
of the Pittwater Community.**

IMPORTANT NOTE FOR COUNCILLORS

The Council has received Confidential Advice in relation to the matters listed below which is attached as **Appendix 1 to Councillor's Agenda on yellow paper**. It is important that Councillors read these documents prior to determining the matters. Should the Council wish to consider the Confidential Advice during the course of the meeting, the following procedure should be followed:

1. Any persons wishing to address the Council are invited to address the Council in Open Session, so that the general (non-confidential) issues relating to the matter are debated in Open Session.
2. Should the Council wish to consider the Confidential Advice at any time during the debate, the Council should resolve into Committee of the Whole in Closed Session in accordance with Section 10A(2)(d) of the Local Government Act 1993, and debate the Confidential Advice and any related issues in a Closed Forum, with the Press and Public excluded. The Council does not have to make any resolution whilst in Committee of the Whole in Closed Session.
3. Following conclusion of the Confidential discussion concerning the Confidential Advice the Council should resolve back into Open Session to continue the debate as required, excluding any reference to the Confidential Advice. Once again it is noted that the debate in Open Session should centre around the general (non-confidential) issues associated with the matter.
4. The Council should then determine the matter in Open Session.

The Reports on the items below are listed in Open Session in the Agenda:

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Mark Ferguson
GENERAL MANAGER

Council Meeting

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<p>CONFIDENTIAL CLAUSE</p> <p><i>This report is CONFIDENTIAL in accordance with Section 10A(2)(a) of the Local Government Act 1993, which permits the Council to close the meeting to the public for business relating to the following: -</i></p> <p><i>(a) personnel matters concerning particular individuals;</i></p>		
C15.1	Mayoral Minute - Re-appointment to the Position of General Manager	
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16.0	Adoption of the Committee of the Whole Recommendation	

Appendix 1 – Confidential Advice

CONFIDENTIAL CLAUSE

*This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d) of the Local Government Act 1993, which permits the Council to close the meeting to the public for business relating to the following: -*

- (d) *Commercial information of a confidential nature that would, if disclosed:-*
- *prejudice the commercial position of the person who supplied it; or*
 - *confer a commercial advantage on a competitor of the Council; or*
 - *reveal a trade secret.*

**Confidential - Tender Evaluation - Tender T05/14 Provision
of Construction, Electrical, Painting and Plumbing Services**

**The Senior Management Team
has approved the inclusion of
all reports in this agenda.**

Council Meeting

1.0 Public Forum

GUIDELINES FOR RESIDENTS - PUBLIC FORUM

Objective

The purpose of the Public Forum is to gain information or suggestions from the community on new and positive initiatives that Council can consider in order to better serve the Pittwater community.

- The Public Forum is not a decision making forum for the Council;
- Residents should not use the Public Forum to raise routine matters or complaints. Such matters should be forwarded in writing to Council's Customer Service Centres at Mona Vale or Avalon where they will be responded to by appropriate Council Officers;
- There will be no debate or questions with, or by, Councillors during/following a resident submission;
- Council's general meeting procedures apply to Public Forums, in particular, no insults or inferences of improper behaviour in relation to any other person/s is permitted;
- No defamatory or slanderous comments will be permitted. Should a resident make such a comment, their submission will be immediately terminated by the Chair of the Meeting;
- Up to 20 minutes is allocated to the Public Forum;
- A maximum of 1 submission per person per meeting is permitted, with a maximum of 4 submissions in total per meeting;
- A maximum of 5 minutes is allocated to each submission;
- Public submissions will not be permitted in relation to the following matters:
 - Matters involving current dealings with Council (eg. development applications, contractual matters, tenders, legal matters, Council matters under investigation, etc);
 - Items on the current Council Meeting agenda;
- The subject matter of a submission is not to be repeated by a subsequent submission on the same topic by the same person within a 3 month period;
- Participants are not permitted to use Council's audio visual or computer equipment as part of their submission. However, photographs, documents etc may be circulated to Councillors as part of the submission;
- Any requests to participate in the Public Forum shall be lodged with Council staff by 12 noon on the day of the Council Meeting. To register a request for a submission, please contact Warwick Lawrence, phone 9970 1112.

Mark Ferguson
GENERAL MANAGER

2.0 Resident Questions

RESIDENT QUESTION TIME

Objective

The purpose of Resident Question Time is to provide the community with a forum to ask questions of the elected Council on matters that concern or interest individual members of the community.

The following guidelines apply to any person addressing a Council / Committee meeting in relation to a Resident Question:

- 1. Residents Question Time is conducted at the commencement of the second Council Meeting of the month and prior to the handling of General Business.*
- 2. A maximum of 10 minutes is allocated to Residents Question Time.*
- 3. Each Resident is restricted to two (2) questions per meeting.*
- 4. All questions are to be in writing or made electronically and lodged with the General Manager no later than 6.15pm on the day of the Council meeting at which it is to be considered.*
- 5. Questions must be precise and succinct and free of ambiguity and not contain any comments that may be offensive, defamatory or slanderous in any way.*
- 6. A brief preamble may accompany the question to clarify the issue however only the actual question will be included in the minutes of the Council meeting.*
- 7. Responses to residents questions made at the meeting will also be included in the minutes of the Council meeting.*
- 8. Resident's questions taken on notice shall be the subject of a report to Council setting out both the question and response and shall be included in the agenda at the second meeting of the month following the resident's question.*
- 9. There will be no debate or questions with, or by, Councillors during / following a resident question and response.*

3.0 Apologies

Apologies must be received and accepted from absent Members and leave of absence from the Council Meeting must be granted.

4.0 Declarations of Pecuniary and Conflict of Interest including any Political Donations and Gifts

Councillors are advised of the following definitions of a "pecuniary" or "conflict" of interest for their assistance:

* Section 442 of the Local Government Act, 1993 states that a "pecuniary" interest is as follows:

- "(1) **[Pecuniary interest]** A Pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.
- (2) **[Remoteness]** A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter."

Councillors should reference the Local Government Act, 1993 for detailed provisions relating to pecuniary interests.

* Council's Code of Conduct states that a "conflict of interest" exists when you could be influenced, or a reasonable person would perceive that you could be influenced by a personal interest when carrying out your public duty.

Councillors are also reminded of their responsibility to declare any Political donation or Gift in relation to the Local Government & Planning Legislation Amendment (Political Donations) Act 2008.

* A reportable political donation is a donation of:

- \$1,000 or more made to or for the benefit of the party, elected member, group or candidate; or
- \$1,000 or more made by a major political donor to or for the benefit of a party, elected member, group or candidate, or made to the major political donor; or
- Less than \$1,000 if the aggregated total of the donations made by the entity or person to the same party, elected member, group, candidate or person within the same financial year (ending 30 June) is \$1,000 or more.

5.0 Confirmation of Minutes

"Councillors are advised that when the confirmation of minutes is being considered, the only question that can arise is whether they faithfully record the proceedings at the meeting referred to. A member of a council who votes for the confirmation of the minutes does not thereby make himself a party to the resolutions recorded: **Re Lands Allotment Co (1894) 1 Ch 616, 63 LJ Ch 291.**"

Minutes of the Council Meeting held on 3 November 2014.

6.0 Public Addresses

The following guidelines apply to any person addressing a Council / Committee meeting in relation to an item on the Council / Committee meeting agenda:

1. *A member of the public may be granted leave to address a meeting of Council or a Committee, where such a request is received by the General Manager no later than 3.00pm on the day of the meeting. This is subject to:*
 - (a) *A maximum of up to six speakers may address on any one item, with a maximum of three speakers in support of the recommendation in the report, and three speakers in opposition.*
 - (b) *A limitation of three minutes is allowed for any one speaker, with no extensions.*
 - (c) *An objector/s to a development application is to speak first with the applicant always being given the right to reply.*

Exceptions to these requirements may apply where:

- (a) *The Meeting specifically requests that a person be interviewed at a meeting.*
 - (b) *The Meeting resolves that a person be heard at the meeting without having given prior notice to the General Manager*
2. *Once a public/resident speaker has completed their submission and responded to any Councillor questions, they are to return to their seat in the public gallery prior to the formal debate commencing.*
3. *No defamatory or slanderous comments will be permitted. Should a resident make such a comment, their address will be immediately terminated by the Chair of the meeting.*
4. *Council's general meeting procedures apply to Public Addresses, in particular, no insults or inferences of improper behaviour in relation to any other person is permitted.*
5. *Residents are not permitted to use Council's audio visual or computer equipment as part of their address. However, photographs, documents etc may be circulated to Councillors as part of their address.*

7.0 Councillor Questions with Notice

Nil.

8.0 Mayoral Minutes

See Confidential Item C15.1 - Mayoral Minute: Reappointment to the Position of General Manager – page 304 in this Agenda.

9.0 Business by Exception

Items that are dealt with by exception are items where the recommendations contained in the reports in the Agenda are adopted without discussion.

10.0 Council Meeting Business

Nil.

Leading and Learning Committee

11.0 Leading and Learning Committee Business

C11.1	Quarterly Budget Review Statement for the Quarter Ending 30 September 2014
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Meeting: Leading & Learning Committee

Date: 17 November 2014

STRATEGY: Business Management

Action: To provide quarterly and annual budgets and financial statements

PURPOSE OF REPORT

To provide Council with the financial results for the quarter ending 30 September 2014 of the 2014/2015 Financial Year, as per Local Government (General) Regulations Clause 203. These Reports are to be produced and reported, *“No later than 2 months after the end of each quarter (except the June quarter), and the Responsible Accounting Officer of a Council must prepare and submit to the council a budget review statement.”*

1.0 BACKGROUND

- 1.1 The Integrated Planning and Reporting Framework as developed by the Division of Local Government requires Council to use a minimum standard of reporting that will assist in adequately disclosing its overall financial position and additionally provide sufficient information to enable informed decision making while ensuring transparency.

This reporting requirement, known as the Quarterly Budget Review Statement (QBRS) will facilitate progress reporting against the original and revised budgets at the end of a quarter. They will also provide explanations for major variations that result in budgetary changes and enable the Responsible Accounting Officer (RAO) to indicate whether the Council will be in a satisfactory financial position at the end of the Financial Year.

For the information of Council and the Community, the Original 2014/2015 Budget was adopted by Council as part of the 2014-2018 Delivery Program & Budget on 16 June 2014. The Revised 2014/15 Budget was adopted by Council on 18 August 2014, and has been transferred to the Revised Budget column in this report.

- 1.2 Council's reporting structure undertakes a dual format of both financial and strategic information which includes:

- Budget Review Statement
- Performance Indicators
- Summary of Financial Statements
- Financial Statements (Consolidated, Operating, Cash flow, Reserve Balance, Balance Sheet),
- Total Works Program (Including Capital Budget Review Statement)
- Loan Projections
- Special Rates Variation and Stormwater Management Service Charge
- Developer Contribution Plans
- Consultancy and Legal Expenses
- Key Directions and Associated Strategies

2.0 ISSUES

2.1 Responsible Accounting Officer (RAO) Budget Review Statement

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005.

"It is my opinion as the Chief Financial Officer that the Quarterly Budget Review for Pittwater Council for the quarter ended 30/09/14 indicates that Council's financial position at 30/09/14 is sound."

Mark Jones - Chief Financial Officer (7/11/14)

"This position is summarised in the performance indicators of 2.2 of this report."

Investment Statement

The Responsible Accounting Officer (ROA) certifies that all funds including those under restriction have been invested in accordance with Section 625 of the Local Government Act, 1993 the Local Government (General) Regulations, and Council's Investment Policy (No 143).

Such restricted funds amount to \$25.868 million and form part of Council's total funds invested that amount to \$36.960 million as at 30th September 2014 (as per Council's September Investment Report).

Cash (Bank) Statement

The Responsible Accounting Officer (ROA) certifies that Council's Bank Statement has been reconciled up to and including the 30th September 2014 and the closing balance of cash of \$36.960 million forms part of Council's Current Assets on Council's Balance Sheet.

Reconciliation Statement

The Responsible Accounting Officer (ROA) certifies that the Year to Date (YTD) Cash and Investments (as per Council's Balance Sheet) have been reconciled with funds invested and those held at cash at bank. The table below outlines Council's Cash and Investment reconciliation.

Cash & Investment Reconciliation as at 30th September 2014

Total Cash on Hand	11,450
Council's Bank Account Ledger	(1,201,832)
Investments	38,150,000
Total Cash & Investments	36,959,618

2.2 Performance Indicators

In assessing an organisations financial position, there are a number of performance indicators that can assist to easily identify whether or not an organisation is financially sound. These indicators and their associated benchmarks, as stipulated by the Local Government Association of NSW and Shires Association of NSW are set out below.

#	Performance Indicator	2014/15 <i>Projected</i>	2013/14 <i>Actual</i>	2012/13 <i>Actual</i>	Local Government Bench Mark
1	Operating Result (before Capital amounts)	\$1.490m Surplus	\$872,000 Surplus	\$2.407m Surplus	Surplus
2	Consolidated Result	\$99,000 Surplus	\$310,000 Surplus	\$384,000 Surplus	N/A
3	Operating Performance Ratio*	0.43%	0.54%	1.42%	>0%
4	Own Source Operating Revenue Ratio*	93.55%	91.24%	78.84%	>60%
5	Unrestricted Current Ratio	2.21:1	2.31:1	3.24:1	>1.50:1
6	Debt Service Cover Ratio*	4.68	4.61	6.05	>2.00
7	Rates, Annual Charges, Interest & Extra charges outstanding ratio	5.00%	4.54%	5.26%	<5%
8	Cash Expense Cover Ratio*	4.71	5.32	6.26	>3.00
9	Building and Infrastructure Renewals Ratio	117.69%	129.16%	81.60%	>100%

***Note:** these indicators are new as per the requirements under the Local Government Code of Accounting Practice.

1. Operating Result (before Capital Contributions)

The Operating result is the Profit or Loss that Council makes from normal Operations (Excluding expenditure on Capital items). A surplus is a positive financial indicator.

2. Consolidated Result

The Consolidated Result is the increase or call on Council funds which shows the source and application of both Operating and Capital Income and Expenditure along with transfers to and from Reserves applicable to those activities. A surplus is a positive financial indicator.

3. Operating Performance Ratio

This ratio measures Council's overall net operating result and whether operating expenditure is contained within operating revenues. A ratio greater than zero, is a positive financial indicator.

4. Own Source Operating Revenue Ratio

This is a measure of the proportion of Council's own source of revenue such as rates, fee and charges, interest income etc. as compared to total revenue which includes grants and contributions. This ration measures financial flexibility and Council's degree of reliance on external funding. A higher ratio is a positive financial indicator.

5. Unrestricted Current Ratio

The Unrestricted Current ratio is the ratio of Unrestricted Cash Assets held that are available to meet any current liabilities. The above ratio indicates that Council currently projects to have \$2.21 (excluding externally restricted funds such as S94 and grant monies) available to service every \$1 of debt as it falls due at the end of the financial year. A ratio greater than one, is a positive financial indicator.

6. Debt Service Cover Ratio

This ratio measures the availability of operating cash (excluding capital items, interest and depreciation) to service debt obligations including principal and interest repayments. A higher ratio is a positive financial indicator. *Note: Council historically has reported on the Debt Service Ratio (not debt service cover ratio) which reflects Council's debt obligations as a proportion of operating revenue. Council's 2014/15 projected ratio for this measure is 2.95% and is below Council's Policy of 5.5%.*

7. Rates, Annual Charges, Interest & Extra Charges Outstanding Ratio

This ratio measures the amount of rates and annual charges outstanding as a percentage of total rates and annual charges. This ratio indicates the dependency of Rates and Annual charges over Council's total Revenue from continuing operations. A lower ratio is a positive financial indicator.

8. Cash Expense Cover Ratio

This ratio is a measure of cash liquidity available to pay for operations and financing activities. It indicates the amount of months that council can pay its immediate expenses without any additional cashflow. A higher ratio is a positive financial indicator.

9. Building and Infrastructure Renewal Ratio

This ratio indicates the rate of renewal/replacement of existing assets as against the depreciation of the same category of Assets. A ratio greater than one, is a positive financial indicator.

2.3 Summary of Financial Statements

2014-15 Statement of **Consolidated Financial Position**

Consolidated Statement shows the source and application of both Capital & Operating Income and Expenditure along with the movements in Reserves.

	(\$ '000)
Total direct income (Operating & Capital)	91,859
Total transfer from Reserves	20,224
Total income	112,083
Total direct Expenditure (Operating & Capital Expenditure)	105,253
Total transfers to Reserves	15,698
Total Expenditure	120,951
Add Back Depreciation - Non Cash	8,967
Increase in Council Funds (Includes Operating Results before Capital of \$1.490 Million)	99

2014-15 **Income Statement**

Income statement shows the extent to which community equity has changed by net result of ordinary activities during year.

	(\$ '000)
Operating Income	78,015
Operating Expenditure	76,524
Operating Results before Capital	1,490
Capital Income (Grants and Contributions)	11,373
Changes in Net Assets – Resulting from Operations	12,863

2014-15 Statement of **Cashflows**

The statement of cash flows shows the nature and amount of council's cash inflows and outflows for all activities.

	(\$ '000)
Cash inflows	90,565
Cash outflows	95,326
NET Inflows/(Outflows)	-4,760
Funds Carried Forward from Prior year	31,321
Total General Fund	26,561

2014-15 **Balance Sheet**

The Balance sheet shows council's assets & liabilities which make up community equity.

	(\$ '000)
Current Assets (Includes Cash Assets of \$26,561)	31,043
Non Current Assets	1,078,371
Total Assets	1,109,414
Current Liabilities	15,980
Non Current Liabilities	13,902
Total Liabilities	29,882
Net Community Assets	1,079,532
Balance at Beginning of the year	1,066,669
Net results	12,863
TOTAL COMMUNITY EQUITY	1,079,532

Pittwater Council Budget Review for the quarter ended - 30 September 2014 Consolidated Statement						
	\$000's					
	Original Budget	Approved Changes	Revised Budget	*Sept 2014 Variations	Projected Budget	Sept 2014 Actual
Direct Income						
User Fees	14,037	0	14,037	-83	13,954	3,395
Regulatory Fees	1,625	0	1,625	30	1,655	512
Regulatory Fines	2,796	0	2,796	0	2,796	513
Operating Grant Transfers	3,221	0	3,221	399	3,619	718
Capital Grant Transfers	3,520	0	3,520	685	4,206	536
Capital Contributions	5,267	0	5,267	3,401	8,668	3,727
Operating Contributions	1,095	0	1,095	233	1,328	216
Rates Income	38,572	0	38,572	43	38,615	9,692
Domestic Waste Charges	12,820	0	12,820	0	12,820	3,229
Return on Investments & Other Interest Income	1,438	0	1,438	0	1,438	295
Rebates Income	330	0	330	0	330	-
Other Income	475	0	475	159	634	341
Capital Sales	1,797	0	1,797	0	1,797	436
Total Direct Income	86,992	0	86,992	4,867	91,859	23,609
Reserve Transfer						
Transfer From Reserve-S94	7,458	2,776	10,235	555	10,789	1,748
Transfer From Reserve-Other	7,261	1,545	8,806	628	9,434	1,568
Total Transfer From Reserves	14,719	4,321	19,041	1,183	20,224	3,316
Direct Expenditure						
Salaries & Wages	23,334	0	23,334	-45	23,289	5,559
Other Employee Costs	7,230	0	7,230	82	7,312	1,656
Materials	2,146	0	2,146	1,117	3,263	924
Stores	170	0	170	0	170	41
Minor Plant Purchases	29	0	29	0	29	19
Plant & Equipment	2,433	0	2,433	-7	2,426	753
Contract Services External	26,242	4,092	30,334	2,049	32,383	5,905
Depreciation Expense	8,967	0	8,967	0	8,967	2,247
Interest Expense	950	0	950	-15	935	240
Professional Expenses	4,350	0	4,350	897	5,247	1,398
Legal Expenses	800	0	800	50	850	270
Bad & Doubtful Debts	337	0	337	-50	287	63
Leases/Rentals/Hire/Licences	619	0	619	11	630	169
Public Utilities	2,065	0	2,065	36	2,101	565
Communications	691	0	691	0	691	193
Advertising	293	0	293	15	308	79
Insurance	1,037	0	1,037	0	1,037	266
Banking	212	0	212	0	212	65
Other Expenses	485	0	485	78	563	106
Office Expenses	468	0	468	1	469	133
Sundry Services/Waste Disposal	5,705	0	5,705	8	5,713	1,293
Memberships	118	0	118	0	118	39
Levies/Contributions/Subsidies	3,154	0	3,154	-80	3,074	786
Capital Purchases/Payments	5,971	230	6,201	-1,023	5,178	955
Total Direct Expenditure	97,807	4,321	102,129	3,124	105,253	23,724
Reserve Transfer						
Transfer To Reserve-S94	4,092	0	4,092	3,337	7,429	3,760
Transfer To Reserve-Other	8,723	0	8,723	-453	8,270	1,379
Total Transfer to Reserves	12,814	0	12,814	2,884	15,698	5,139
Increase/(call) on Council Funds(inc Dep'n)	-8,910	0	-8,910	42	-8,868	1,937
Add back Depreciation - Non Cash	8,967	0	8,967	0	8,967	2,247
Increase/(call) on Council Funds	57	0	57	42	99	310

As indicated in the above columns:

1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below

Consolidated Financial Statement Variance analysis

As a result of the September Quarterly review, the projected financial position shows a surplus in uncommitted funds of \$99,000, an increase of \$42,000 from the previously adopted budget of \$57,000.

The variance from Budget to Actual can be mainly attributed to: -

Budgeted Consolidated Result (Adopted Budget) Year Ending 30 June 2015 - Increase of Council Funds		\$	57
Recommended Changes to Revised Budget			\$000's
INCOME			
Decreased User Fees mainly relating to the vacancy of Council's rental property at Vuko Place partly offset by additional income from Dinghy Poles and Records Management	-\$		83
Increased Regulatory Fees mainly relating to DA Income	\$		30
Increased Operating Grant Income mainly relating to new grants for Coastal Zone Management, Biodiversity Protection & Mona Vale/Bayview/McCarrs Creek Flood Mitigation Studies	\$		399
Increased Capital Grant Income mainly relating to EPA's Better Waste Recycling Funding, RMS Pittwater Rd Black Spot Project and Roads to Recovery funds for Garden St/The Crescent/Minkara Rd/Old B'joey Rd	\$		685
Increased Capital Contributions Income mainly relating to a projected increase in 2014/15 for WWV S94 Contributions and for the Northern Beaches Flood Warning Information System	\$		3,401
Increased Operating Contributions Income mainly relating to the Pittwater Environment Fund's contribution towards the Currawong Midholme Project	\$		233
Increased Rates & Other Income mainly relating to the Pittwater Golf Centre's Contribution for works, additional Insurance Cost Recoveries and an increase in Rate income associated with additional properties	\$		202
EXPENDITURE			
Additional Materials & Contract Services External mainly relating to costs associated with the Mona Vale Carpark, Elanora Commercial Centre, Pittwater Golf Centre Renovations, the Intersection at Garden/Jackson Rd, Roads to Recovery Projects, Bilgola Surf Club, Mona Vale Rock Pool Amenities, South Avalon Beach Reserve and the re-classification of funds from Capital Purchases to Capital Works for the Better Waste and Recycling Grant for Accounting Purposes	-\$		3,159
Additional Professional Expenditure mainly relating to costs associated with the Coastal Zone Management Plans, Northern Beaches flood warning system & road upgrades at Pittwater Road (RMS Grant)	-\$		897
Reduced Capital Purchases mainly relating to the Re-classification of the Better Waste and Recycling Grant from Capital Purchases to Capital Works (now included within Materials/Contract Expenditure for accounting purposes)	\$		1,023
Additional Other Expenditure mainly relating to an increase in Legal, Utilities and Workers Compensation costs	-\$		91
RESERVE MOVEMENTS			
Increased Transfers from Reserve - S94 mainly relating to additional funds required for Mona Vale Carpark, the intersection at Garden/Jackson Rd, the Elanora Commercial Centre and South Avalon Reserve	\$		555
Increased Transfers from Reserve - Other mainly relating to additional funds required for Mona Vale Carpark, Elanora Commercial Centre, Pittwater Rugby Park, Mona Vale Rockpool Amenities & Stormwater Works	\$		628
Increased Transfers to Reserve - S94 mainly relating to a projected increase in 2014/15 for WWV S94 contributions	-\$		3,337
Reduced Transfers to Reserve - Other mainly relating to a decrease in projected funds transferred to General Reserve due to their utilisation throughout the organisation including Narrabeen Lagoon Walking Track, Legals, Mona Vale Hall Audio System etc.	\$		453
September Review - NET Changes	\$		42
Projected Budget Consolidated Result Year Ending 30 June 2015 - Increase of Council Funds		\$	99

2.5 Operating Statement

Pittwater Council Budget Review for the quarter ended - 30 September 2014 Operating Statement						
	Annual Budget - \$'000's					
	Original Budget	Approved Changes	Revised Budget	Sept 2014 Variations	Projected Budget	Sept 2014 Actual
Direct Income						
User Fees	14,037	0	14,037	-83	13,954	3,395
Regulatory Fees	1,625	0	1,625	30	1,655	512
Regulatory Fines	2,796	0	2,796	0	2,796	513
Operating Grant Income	3,221	0	3,221	399	3,619	718
Operating Contributions	1,095	0	1,095	233	1,328	216
Rates Income	38,572	0	38,572	43	38,615	9,692
Domestic Waste Charges	12,820	0	12,820	0	12,820	3,229
Return on Investments & Other Interest Income	1,438	0	1,438	0	1,438	295
Other Income	475	0	475	9	484	191
Profit / (Loss) on Sale of Assets	344	0	344	0	344	147
Gain from Joint Venture Assets	816	0	816	0	816	-
Total Direct Income	77,239	0	77,239	631	77,870	18,908
Internal Income						
Plant Hire/Service Agreement - Capital Works	145	0	145	0	145	45
Total Internal Income	145	0	145	0	145	45
Direct Expenditure						
Salaries & Wages	22,531	0	22,531	-45	22,486	5,377
Other Employee Costs	6,978	0	6,978	82	7,060	1,605
Materials	954	0	954	142	1,096	322
Stores	170	0	170	0	170	35
Minor Plant Purchases	29	0	29	0	29	19
Plant & Equipment	2,433	0	2,433	-6	2,427	752
Contract Services External	11,865	42	11,907	404	12,311	2,734
Depreciation Expense & Ammortisation	9,108	0	9,108	0	9,108	2,282
Interest Expense	950	0	950	-15	935	240
Professional Expenses	4,320	0	4,320	536	4,856	1,213
Legal Expenses	800	0	800	50	850	239
Bad & Doubtful Debts	337	0	337	-50	287	62
Leases/Rentals/Hire/Licences	619	0	619	11	630	148
Public Utilities	2,065	0	2,065	36	2,101	565
Communications	691	0	691	1	692	193
Advertising	293	0	293	15	308	75
Insurance	1,037	0	1,037	0	1,037	266
Banking	212	0	212	0	212	65
Other Expenses	485	0	485	78	563	106
Office Expenses	468	0	468	1	469	133
Sundry Services/Waste Disposal	5,705	0	5,705	0	5,705	1,269
Memberships	118	0	118	0	118	39
Levies/Contributions/Subsidies	3,154	0	3,154	-80	3,074	786
Total Direct Expenditure	75,322	42	75,365	1,160	76,524	18,526
Operating Results before Capital	2,061	-42	2,019	-529	1,490	427
Grants & Contributions - Capital	7,288	0	7,288	4,085	11,373	3,933
Material Public Benefits - S94	0	0	0	0	0	0
Change in Net Assets - from Operations	9,349	-42	9,307	3,557	12,863	4,360

As indicated in the above columns:

1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below in 2.6

2.6 Operating Financial Statement Variance analysis

The Projected Operating Result before Capital for the financial year 2014/2015 is a surplus of \$1.490 million, a variance of \$529,000 compared to the previously adopted budget of \$2.019 million.

The variance from Budget to Actual can be mainly attributed to: -

Budgeted Operating Results before Capital (Adopted Budget) for the Year Ending 30 June 2015		\$	2,019
Recommended Changes to Revised Budget			\$000's
INCOME			
Decreased User Fees mainly relating to the vacancy of Council's rental property at Vuko Place partly offset by additional income from Dinghy Poles and Records Management	-\$	83	
Increased Regulatory Fees mainly relating to DA Income	\$	30	
Increased Operating Grant Income mainly relating to new grants for Coastal Zone Managment, Biodiversity Protection & Mona Vale/Bayview/McCarrs Creek Flood Mitigation Studies	\$	399	
Increased Operating Contributions Income mainly relating to the Pittwater Environment Fund's contribution towards the Currawong Midholme Project	\$	233	
EXPENDITURE			
Additional Materials & Contract Services External mainly relating to the Currawong Midholme Project, Biodiversity Protection works, Coastal Headland Restoration works & Bushland Management works	-\$	540	
Additional Professional Expenditure mainly relating to costs associated with the Coastal Zone Management Plans and Mona Vale/Bayview/McCarrs Creek Flood Mitigation Studies	-\$	536	
Additional Other Expenditure mainly relating to an increase in Legal, Utilities and Workers Compensation costs	-\$	32	
September Review - NET Changes	-\$	529	
Projected Operating Results before Capital for the Year Ending 30 June 2015		\$	1,490

2.7 Cash Flow Statement and Reserves Balances

The Projected Total General Fund for the year ended 30 June 2015 stands at \$26.561 million. Compared to the previously adopted budget this amount is an increase of \$1.159 million mainly relating to the additional projected increase in Warriewood Valley S94 Contributions and an increase in Materials and Contract Services.

The Actual Result for the period ended 30 September 2014 is a net inflow of \$5.638 million.

Pittwater Council Budget review for the quarter ended - 30 September 2014 Cash Flow Statement						
	\$'000's					
	Original Budget	Approved Changes	Revised Budget	*Sept 2014 Variations	Projected Budget	Sept 2014 Actual
Cash Inflows						
Rates & Domestic Waste	51,287	0	51,287	43	51,330	20,452
Grants	6,439	0	6,439	500	6,939	884
User Charges	13,759	0	13,759	-83	13,676	3,490
Regulatory Fees & Fines	4,396	0	4,396	30	4,426	1,191
Contributions & Donations	970	0	970	297	1,267	183
Return on Investments & Other Interest Income	1,438	0	1,438	0	1,438	256
Sale of Assets (Excluding Land)	1,797	0	1,797	0	1,797	436
Sale of Land	0	0	0	0	0	0
Other	805	0	805	159	964	165
S94 Contributions Received	3,892	0	3,892	3,337	7,229	3,760
Proceeds from loan	1,500	0	1,500	0	1,500	0
GST Net Inflow	0	0	0	0	0	84
Total Inflows	86,282	0	86,282	4,283	90,565	30,901
Cash Outflows						
Employee Salary & Wages	23,334	0	23,334	-45	23,289	6,409
Employee Other Costs	6,795	0	6,795	82	6,877	1,534
Insurance Claims/Premiums	1,037	0	1,037	0	1,037	1,140
Levies & Contributions	3,154	0	3,154	-80	3,074	618
Materials/Stores/Contracts	45,839	4,092	49,931	4,154	54,085	14,012
Legal Expenses	800	0	800	50	850	270
Loan Interest Repayments	950	0	950	-15	935	166
Loan Principal Repayments	1,277	0	1,277	6	1,283	262
Purchase Of Assets	4,694	230	4,924	-1,028	3,896	850
Total Outflows	87,880	4,321	92,202	3,124	95,326	25,263
Net Inflows/(Outflows)	-1,598	-4,321	-5,919	1,159	-4,760	5,638
Funds Carried Forward from Prior Year	24,111	0	31,321	0	31,321	31,321
*Opening Balance Adjustment as per year end Audited Accounts		7,210				
Total General Fund	22,513	2,889	25,402	1,159	26,561	36,960
Less Restricted Assets	5,671	-41	5,630	2,727	8,357	13,305
Less Unexpended Grants	700	100	800	0	800	1,262
Less Internal Reserves	10,288	560	10,848	-1,026	9,822	11,301
Increase/(call) on Council Funds	5,854	2,270	8,124	-542	7,582	11,092

The above Total Projected General Fund Results for the financial year ending 30 September 2014 are made up of Externally Restricted, Internally Restricted and Available Cash as outlined in the Reserve Balances (Cash & Investments Budget Review Statement) below:

Pittwater Council
Budget review for the quarter ended - 30 September 2014
Reserve Balances
(Cash & Investments Budget Review Statement)

	Original Budget	Approved Changes	Revised Budget	*Sept 2014 Variations	Projected Budget	Sept 2014 Actual
Externally Restricted						
Section 94	2,511	-241	2,271	2,782	5,053	10,425
Domestic Waste Management	3,050	183	3,233	0	3,233	2,731
Stormwater Levy	109	17	126	-55	71	149
Grants	700	100	800	0	800	1,262
Total Externally Restricted	6,371	59	6,430	2,727	9,157	14,567
Internally Restricted						
Avalon Surf Club Loan	169	-8	161	-161	0	15
Bungan Lane Car Park	0	100	100	-100	0	0
Capital Works Reserve	-54	54	0	0	0	71
Caravan Park Capital Works	196	-196	0	0	0	0
Caravan Park Loan	116	-116	0	0	0	0
Cemetery Reserve	2,856	148	3,004	0	3,004	2,681
Church Point Carpark	856	-6	850	0	850	805
Commercial Centres Outdoor Seating	123	-11	112	-112	0	293
Community Centre Trusts	3	6	9	0	9	57
Election Reserve	150	0	150	0	150	75
Employee Leave Entitlement	1,607	-38	1,569	0	1,569	1,569
Environmental Infrastructure Levy	94	11	104	0	104	328
Environmental Levy (Escarpment)	152	7	159	0	159	176
General Reserve	1,731	463	2,193	-710	1,483	1,817
Governor Phillip Park Dunes Rest	35	1	36	0	36	0
Narrabeen Synthetic Sports Field	154	29	183	0	183	183
Lagoon Entrance Clearing	0	0	0	0	0	55
Marine Infrastructure	188	-37	151	59	210	63
Other	756	-57	699	-2	697	739
RMS Contribution	302	0	302	0	302	302
Road Reserve	26	99	125	0	125	140
Special Rates Variation	159	24	183	0	183	1,111
Strategic Property Rationalisation Reserve	1	0	1	0	1	80
Tennis Liason Trust Fund	196	14	210	0	210	160
Trust and Bonds (eg. Tree and Footpath)	473	74	547	0	547	579
Total Internally Restricted	10,288	560	10,848	-1,026	9,822	11,301
Total Restricted	16,659	619	17,278	1,701	18,979	25,868
Available Cash	2,569	0	8,124	0	7,582	11,092
Total General Fund (Cash Flow Statement)	19,228	0	25,402	0	26,561	36,960

As indicated in the above columns:

1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below

Revised Restricted Reserve Balance for the year ending 30 June 2015	\$ 17,278
Recommended Changes to Revised Budget	\$000's
Additional Externally restricted Reserve - S94 mainly relating to S94 WWV	\$ 2,782
Reduced Internally Restricted Reserves - Avalon Surf Club Capital Works	-\$ 161
Reduced Internally Restricted Reserves - Mona Vale Car Park Loan mainly relating to the upgrade of the Car Park	-\$ 100
Reduced Internally Restricted Reserves - General mainly relating to reduced General Reserve Transfer	-\$ 710
Reduced Internally Restricted Reserves - Commercial Outdoor Seating mainly relating to the Elanora Commercial Centre Upgrade	-\$ 110
Projected Restricted Reserve Balance for the year ending 30 June 2015	\$ 18,979

2.8 Balance Sheet

Council's Projected total increase in equity for the year ending 30 June 2015 is \$12.863 million (net change in assets resulting from operations) the increase of Total Equity is \$1.080 billion.

Pittwater Council Balance Sheet Budget Review for quarter ended 30 September 2014			
Actual 30/09/2014 \$'000's		Projected 30/06/2015 \$'000	Actual 30/06/2014 \$'000
CURRENT ASSETS			
2,210	Cash Assets	1,560	4,821
34,750	Investments	25,000	26,500
3,714	Receivables	4,375	3,807
52	Inventories	60	51
1,500	Other	48	48
0	Non Current Assets held for sale	0	0
<u>42,226</u>	TOTAL CURRENT ASSETS	<u>31,043</u>	<u>35,227</u>
NON-CURRENT ASSETS			
0	Investments	0	0
0	Receivables	800	977
0	Inventories	0	0
1,051,076	Infrastructure Property, Plant and Equipment	1,065,937	1,048,625
6,637	Investments Accounted for using the Equity Method	7,124	6,638
1,840	Investment Property	1,840	1,840
2,777	Intangible Assets	2,670	2,812
<u>1,062,330</u>	TOTAL NON-CURRENT ASSETS	<u>1,078,371</u>	<u>1,060,892</u>
<u><u>1,104,556</u></u>	TOTAL ASSETS	<u><u>1,109,414</u></u>	<u><u>1,096,119</u></u>
CURRENT LIABILITIES			
4,332	Payables	5,066	6,312
6,213	Rates & DWM Paid in Advance	0	0
1,021	Interest Bearing Liabilities	1,760	1,284
7,795	Provisions	9,154	7,648
<u>19,361</u>	TOTAL CURRENT LIABILITIES	<u>15,980</u>	<u>15,244</u>
NON-CURRENT LIABILITIES			
0	Payables	0	0
14,011	Interest Bearing Liabilities	13,747	14,011
155	Provisions	155	195
<u>14,166</u>	TOTAL NON-CURRENT LIABILITIES	<u>13,902</u>	<u>14,206</u>
<u><u>33,527</u></u>	TOTAL LIABILITIES	<u><u>29,882</u></u>	<u><u>29,450</u></u>
<u><u>1,071,029</u></u>	NET ASSETS	<u><u>1,079,532</u></u>	<u><u>1,066,669</u></u>
EQUITY			
1,071,029	Accumulated Surplus/ (Deficit)	1,079,532	1,066,669
	Asset Revaluation Reserve		
<u><u>1,071,029</u></u>	TOTAL EQUITY	<u><u>1,079,532</u></u>	<u><u>1,066,669</u></u>

2.9 Total Works Program Including Capital Budget Review Statement

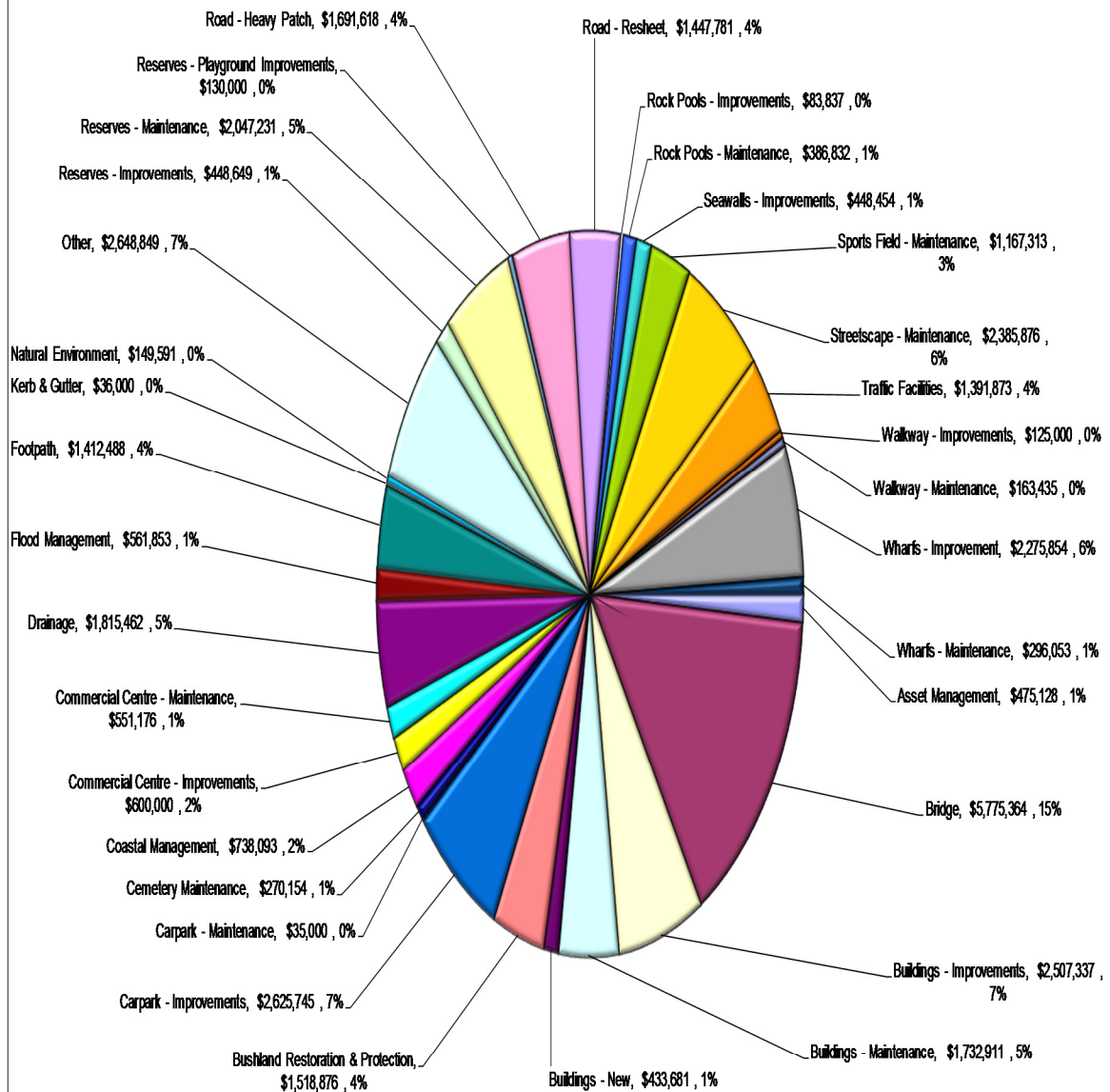
Council's Total Works Program including Maintenance and Capital (Renewals, Upgrades & New) projected expenditure amounts to \$38.378 million for the 2014-15 financial year. This expenditure has been categorised below in terms of budgeted expenditure by *Type*, associated *Funding* and by budgeted and actual expenditure by *Strategy* and *Key Direction*.

Pittwater Council Total Major Works Program - By Type of Expenditure 2014/15 September Review Budget

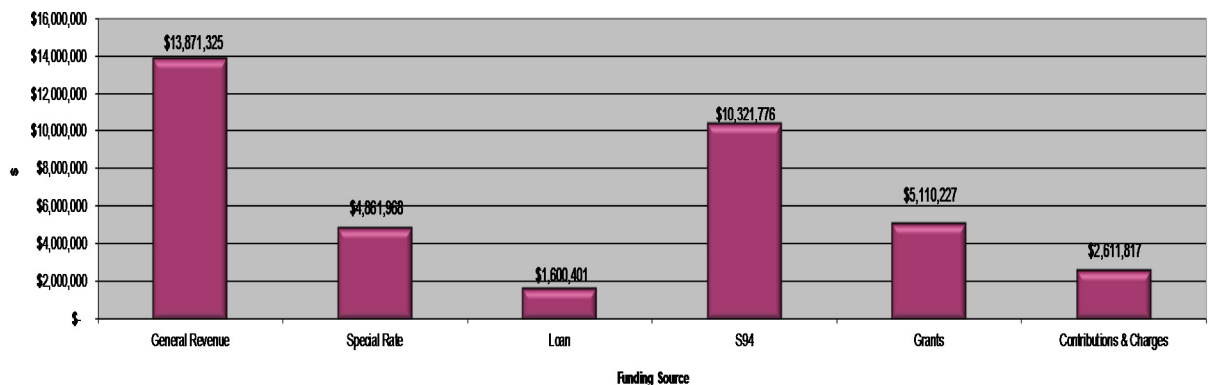
Bridge	\$	5,775,364	15%
Other (Garden Organics bins, WASIP, etc)	\$	2,648,849	7%
Carpark - Improvements	\$	2,625,745	7%
Buildings - Improvements	\$	2,507,337	7%
Streetscape - Maintenance	\$	2,385,876	6%
Wharfs - Improvement	\$	2,275,854	6%
Reserves - Maintenance	\$	2,047,231	5%
Drainage	\$	1,815,462	5%
Buildings - Maintenance	\$	1,732,911	5%
Road - Heavy Patch	\$	1,691,618	4%
Bushland Restoration & Protection	\$	1,518,876	4%
Road - Resheet	\$	1,447,781	4%
Footpath	\$	1,412,488	4%
Traffic Facilities	\$	1,391,873	4%
Sports Field - Maintenance	\$	1,167,313	3%
Coastal Management	\$	738,093	2%
Commercial Centre - Improvements	\$	600,000	2%
Flood Management	\$	561,853	1%
Commercial Centre - Maintenance	\$	551,176	1%
Asset Management	\$	475,128	1%
Reserves - Improvements	\$	448,649	1%
Seawalls - Improvements	\$	448,454	1%
Buildings - New	\$	433,681	1%
Rock Pools - Maintenance	\$	386,832	1%
Wharfs - Maintenance	\$	296,053	1%
Cemetery Maintenance	\$	270,154	1%
Walkway - Maintenance	\$	163,435	0%
Natural Environment	\$	149,591	0%
Reserves - Playground Improvements	\$	130,000	0%
Walkway - Improvements	\$	125,000	0%
Rock Pools - Improvements	\$	83,837	0%
Kerb & Gutter	\$	36,000	0%
Carpark - Maintenance	\$	35,000	0%
Total	\$	38,377,514	100%

2014/15 Budget Expenditure - By Major Categories			
Infrastructure Based		Recreational/Environmental/Education Based	
Roads & Carparks	\$ 7,386,393	Natural Environment	\$ 1,956,902
Commercial Centres	\$ 3,537,052	Reserves & Sportsfields	\$ 4,063,347
Drainage & Flooding	\$ 2,535,691	Coastal	\$ 1,657,216
Buildings	\$ 10,607,669	Wharfs	\$ 2,571,907
Footpaths	\$ 1,412,488	Other	\$ 2,172,009
Other	\$ 476,840		
Total	\$ 25,956,133	Total	\$ 12,421,381

Pittwater Council - Total Major Projects Program 2014/15 Budget Expenditure (\$38,377,514) by Type

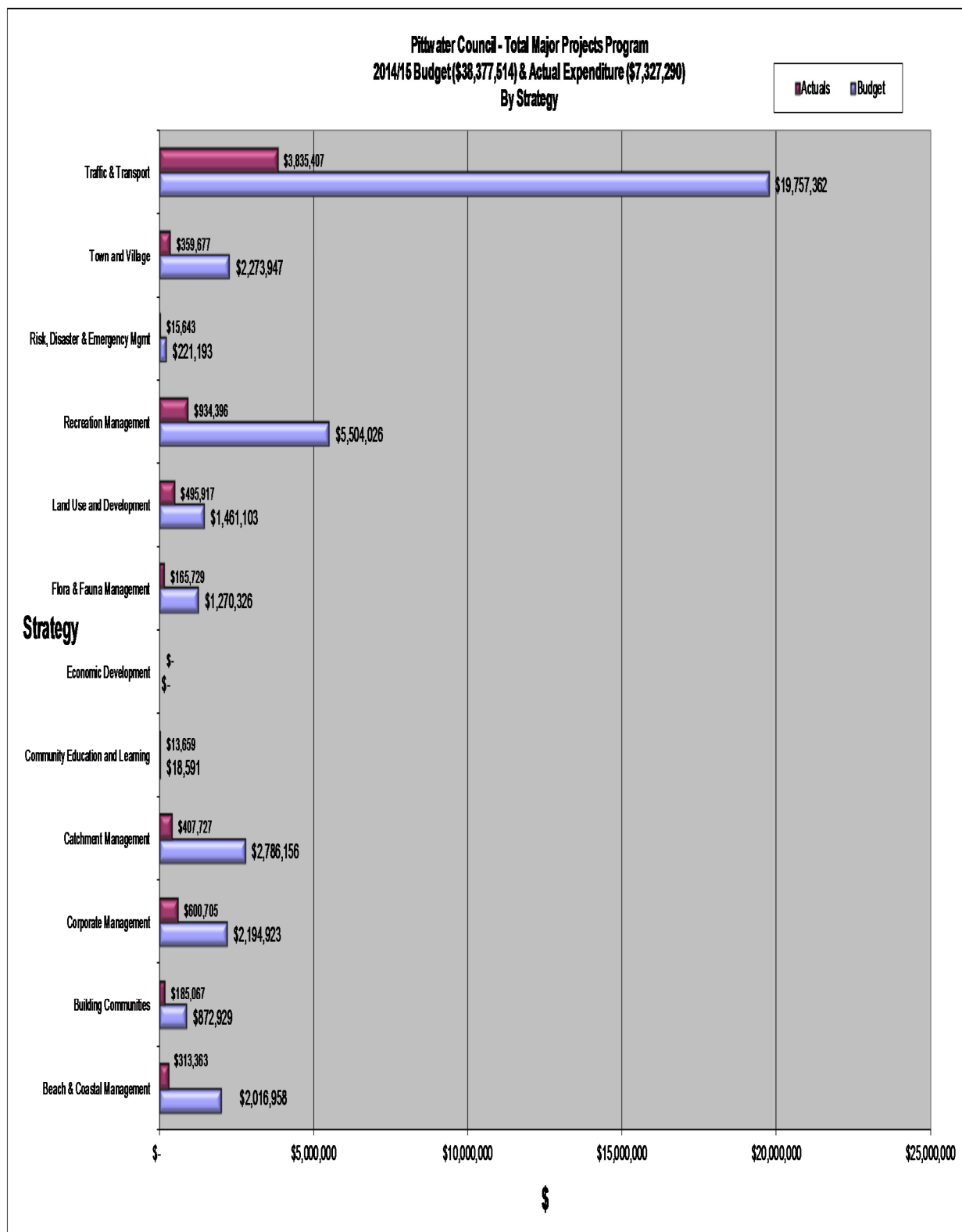


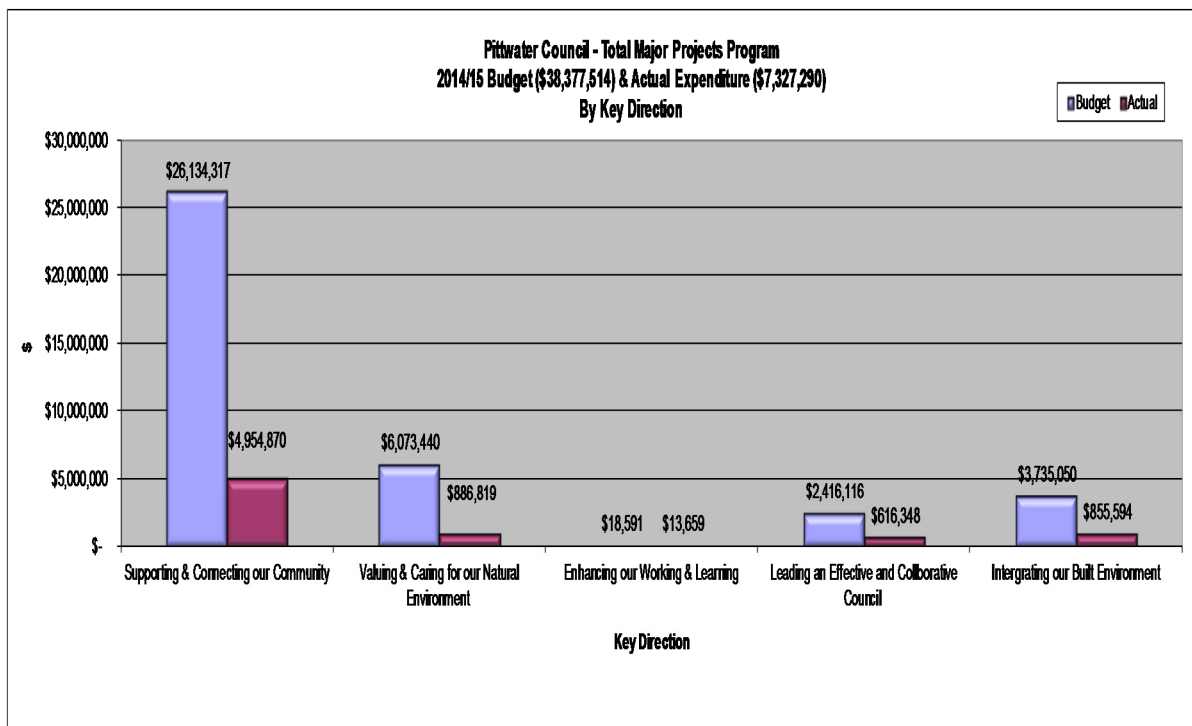
Pittwater Council - Total Major Projects Program 2014/15 Budget (\$38,377,514) By Funding



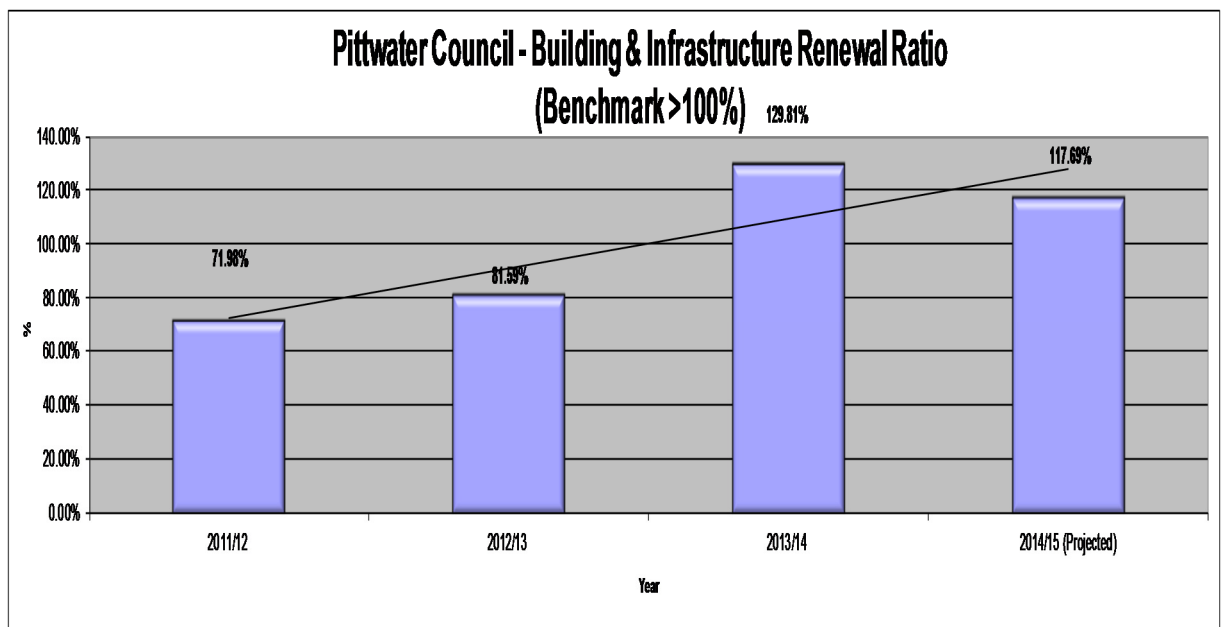
Total Major Projects Program has been categorised below by budgeted and actual expenditure in *Strategies*.

Total Major Projects Program Summary by Strategy





As a part of Council's Major Projects Program it has been recognised that more funds are required to be spent in the area of Building and Infrastructure Renewal in order for Council to achieve and maintain the industry benchmark of 100%. This benchmark reflects that for every \$1 of depreciation associated with Buildings and Infrastructure, Council's should be spending at least \$1 in renewals. With the injection of funds raised via the Special Rate Variation into the area of Building and Infrastructure renewal this ratio has improved and is now being maintained marginally above the industry benchmark at financial year end.



Pittwater Council
Budget review for the quarter ended - 30 September 2014
Capital Budget Review Statement

	Original Budget	Approved Changes	Revised Budget	*Sept 2014 Variations	Projected Budget	Sept 2014 Actual
Capital Funding						
Rates & Other Untied Funding	5,262	0	5,261	316	5,577	864
Capital Grants & Contributions	2,482	0	2,482	2,983	5,465	898
Reserves:						
- External Restrictions/Reserves	7,284	2,776	10,060	5	10,065	1,951
- Internal Restrictions/Reserves	4,447	1,503	5,950	-1,440	4,510	733
New Loans	1,500	0	1,500	100	1,600	256
Receipts from Sale of Assets						
- Plant & Equipment	1,467	0	1,467	0	1,467	216
- Land & Buildings	330	0	330	0	330	220
Other Funding	0	0	0	0	0	0
Total Capital Funding	22,771	4,280	27,050	1,964	29,014	5,138
Capital Expenditure						
New Assets						
- Plant & Equipment	0	0	0	0	0	0
- Land & Buildings	495	0	495	0	495	8
- Roads	5,818	593	6,412	255	6,667	7
- Footpaths	658	17	675	0	675	374
- Drainage	0	0	0	0	0	0
- Foreshore Assets	0	0	0	0	0	0
- Natural Assets	0	0	0	0	0	0
- Recreational Assets	30	0	30	0	30	2
- Carpark	0	2,183	2,183	300	2,483	1,733
- Other	110	30	140	131	271	111
Renewal & Upgrades of Assets						
- Land & Buildings	2,244	0	2,244	311	2,555	230
- Roads	2,465	0	2,323	387	2,709	529
- Footpaths	140	192	332	0	332	128
- Drainage	1,318	0	1,318	55	1,373	158
- Foreshore Assets	2,415	845	3,259	37	3,297	262
- Natural Assets	567	25	592	0	592	57
- Recreational Assets	334	0	334	50	384	36
- Carpark	0	0	142	0	142	0
- Other	205	165	369	1,461	1,831	547
Total Capital Works	16,800	4,050	20,849	2,987	23,836	4,183
Other						
- Plant & Equipment Replacement	4,694	230	4,924	-1,028	3,895	693
Loan Repayments (Principal)	1,277	0	1,277	6	1,283	262
Other Capital Expenditure	0	0	0	0	0	0
Total Capital Expenditure	22,771	4,280	27,050	1,964	29,014	5,138

As indicated in the above columns:

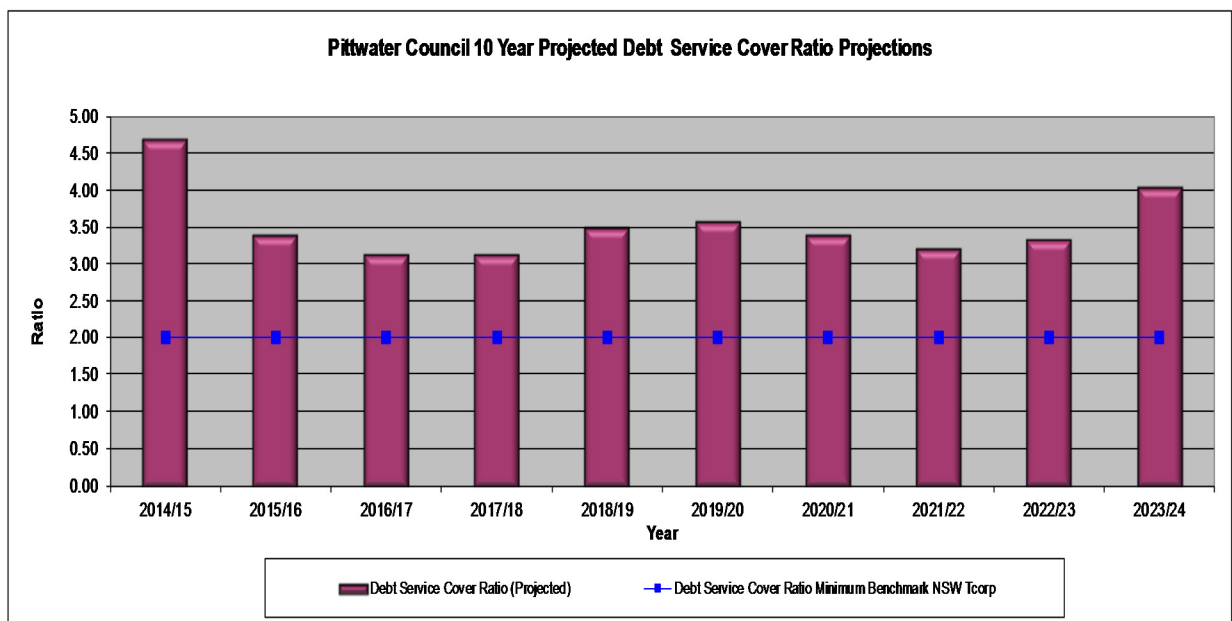
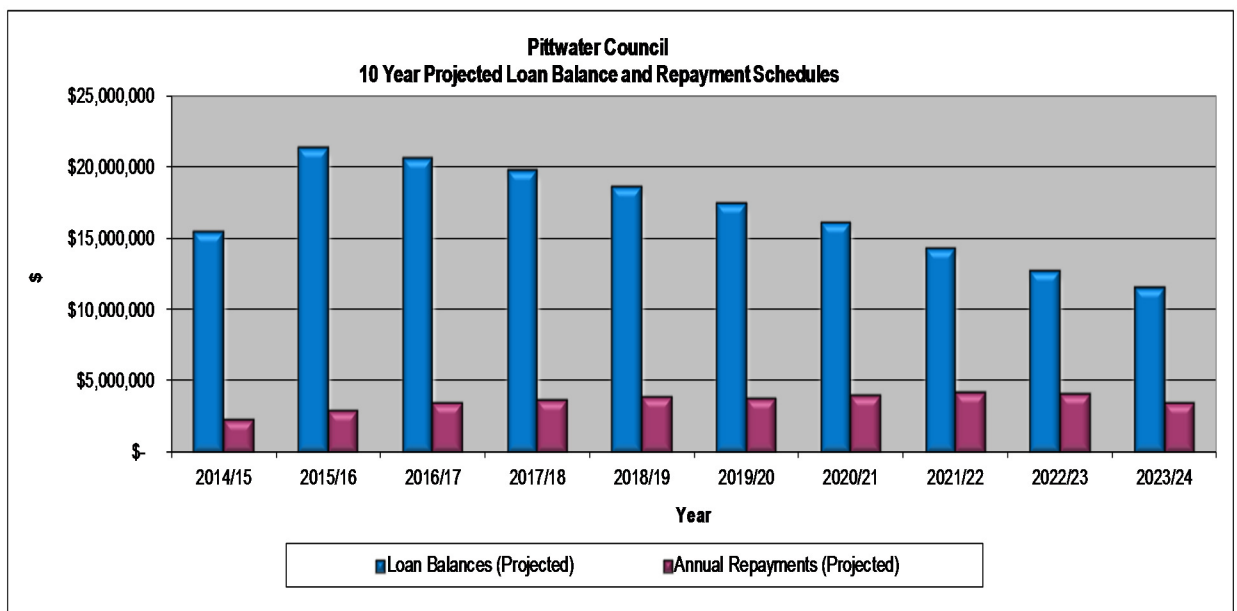
1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below

Budgeted Capital Expenditure as per Adopted Budget for the Year Ending 30 June 2015	\$ 27,050
Recommended Changes to Revised Budget	\$000's
Increased Capital Expenditure (New Assets) on Roads mainly relating to Garden St/Jackson Rd Intersection	\$ 255
Increased Capital Expenditure (New Assets) on Carparks mainly relating to Mona Vale Carpark	\$ 300
Increased Capital Expenditure (Renewal) on Land & Buildings Assets mainly relating to works at Pittwater Golf Centre	\$ 311
Increased Capital Expenditure (Renewal) on Road Assets mainly relating to works at Pittwater Road Bayview & Elanora Commercial Centre Upgrade	\$ 387
Increased Other Assets Expenditure mainly relating to the EPA's Better Waste and Recycling Works Such as Garden Organics Collection Bins Upgrades & WASIP works	\$ 711
Projected Capital Expenditure for the Year Ending 30 June 2015	\$ 29,014

2.10 Loan Projections

Council's estimated loan balances, principal and interest repayments and debt service cover ratio (loans only excluding finance lease) are demonstrated below for the next ten years. As indicated, Council's Loan program is increasing in order to support Council's infrastructure renewal and backlog needs and commercial opportunities. The debt service cover ratio remains above NSW Treasury minimum benchmark of 2.0.

Period	Year	New Loan Borrowings	Loan Balance at Financial Year End	Projected Principal Repayments	Projected Interest Repayments	Projected Repayment Annually	Debt Service Cover Ratio
1	2014/15	\$ 1,500,000	\$ 15,507,008	\$ 1,282,560	\$ 935,245	\$ 2,217,805	4.68
2	2015/16	\$ 7,600,000	\$ 21,346,718	\$ 1,760,290	\$ 1,166,566	\$ 2,926,856	3.39
3	2016/17	\$ 1,500,000	\$ 20,686,717	\$ 2,160,001	\$ 1,275,177	\$ 3,435,178	3.13
4	2017/18	\$ 1,500,000	\$ 19,784,272	\$ 2,402,445	\$ 1,245,560	\$ 3,648,005	3.12
5	2018/19	\$ 1,500,000	\$ 18,620,396	\$ 2,663,876	\$ 1,187,077	\$ 3,850,953	3.49
6	2019/20	\$ 1,500,000	\$ 17,483,399	\$ 2,636,997	\$ 1,133,924	\$ 3,770,921	3.57
7	2020/21	\$ 1,500,000	\$ 16,079,571	\$ 2,903,828	\$ 1,080,005	\$ 3,983,833	3.38
8	2021/22	\$ 1,500,000	\$ 14,390,357	\$ 3,189,214	\$ 1,007,446	\$ 4,196,660	3.20
9	2022/23	\$ 1,500,000	\$ 12,717,082	\$ 3,173,275	\$ 920,592	\$ 4,093,867	3.32
10	2023/24	\$ 1,500,000	\$ 11,606,585	\$ 2,610,497	\$ 838,598	\$ 3,449,095	4.03



2.11 Special Rates Variation Levy

In order for Pittwater Council to remain a strong, independent and sustainable Council in 2011 an application was submitted to IPART for a Special Variation to Council's rates. Council's Special Rate Variation (SRV) will provide funds for a wide range of Infrastructure Works and Environmental Programs that will progressively improve both our 'urban' and 'natural' environment. The schedule of works and programs will be overseen through the Special Rate Variation (SRV) Advisory Committee.

The 2014/15 list of funds and SRV works are shown below. .

Opening Reserve Balance as at 01/07/14	1,023,896
Budget Income 2014/2015	4,021,033
Budget Expenditure 2014/2015 (as shown below)	4,861,968
Projected Budget Reserve Balance for the year ended 30 June 2015 (restricted)	182,961

Special Rates Variation Works	Budget	YTD Actuals
Tengah Crescent Mona Vale full length	180,000	-
Woorarra Avenue no 39-73 Elanora Heights	72,000	69,327
Beaconsfield Street Newport the Crescent to no 73A	147,000	-
Emmaus Road Ingleside	40,000	-
Plateua Road Bilgola Plateau	90,115	111,242
Myola Road Newport (Gertrude to Bungan Hd)	27,600	45,733
Avalon Parade Avalon	100,000	-
Minkara Road Bayview	96,944	227
Pittwater Rd Bayview (adjacent to BYRA Club)	90,000	-
Vineyard St Mona Vale (Brinawa St to existing)	90,000	86,050
Rickard Rd North Narrabeen (Annana to Gondola)	68,000	-
Vesper St & Wangara St Mona Vale	60,913	57,421
Elanora Road Elanora Heights - Further Stage/Schools Footpaths	76,714	102,840
Grandview Drive Newport Further Stage/W&R Plan	172,399	127,260
Hudson Parade Further Stage/W&R Plan	100,000	-
Nareen Parade North Narrabeen Adj no 47/Pedestrian Amenity	20,000	-
Bus Stop Upgrades Pittwater Road Various Locations	20,000	13,058
Gladstone Road Stormwater Pipeline Reline	73,428	-
Hilltop Avenue Clareville Drainage	30,000	-
Hudson Street Stormwater Drainage Adj to no 41	20,000	-
Jackson Road/Garden Street Roundabout Stormwater	30,000	248
Narroy Rd Footpath Stage 3 Nareen Creek	138,112	1,171
Richard Road Pit Reconstruction with Pipe Stubs	75,000	-
Major Drainage Design Sector 1	25,000	-
Traffic Management Plan Stage 2	5,000	-
Survey of Project Locations	4,591	-
Sportsfield and Open Space Improvements	48,649	1,200
Carpark & Access Improvement Program - Clareville Beach Carpark	142,469	-
Facilities and services at beaches (Dune Restoration)	109,591	15,655
Careel Bay Pittwater Estuary and Coastline Rehabilitation	57,328	5,249
Mona Vale Beach Pittwater Estuary and Coastline Rehabilitation	74,182	-
Cleanliness of beaches and ocean pools	43,837	5,319
Bushland Risk Management	64,806	10,149
Bushland Reserves Restoration of Major Reserves	150,000	731
Regeneration & Enhancement of Wildlife Corridors	32,877	1,530
Managing natural hazards	40,000	16,647
Bushfire Asset Protection Zones	84,387	5,494
Managing and protecting creeks & waterways	109,591	13,280
Bushland Reserves Restoration of Minor Reserves	80,142	2,197
Boating Infrastructure - Bonnie Doon Wharf	29,749	41,176
Palm Beach Wharf	396,105	-
Church Point Seawall	223,857	-
Mackerel Wharf	250,000	-
Mona Vale SLSC	100,002	-
North Narrabeen Rock Pool Amenities	383,569	-
Energy saving initiatives and retrofits SRV	25,000	2,113
Ausgrid Meter Consolidation SRV	48,000	-
LED Lighting Retro/Install SRV	25,000	-
Solar PV Systems SRV	11,591	-
Water saving and re-use initiatives	54,796	11,501
Refurbishment of Library	71,234	-
Keeping Villages and Surrounding Areas Beautiful	121,117	18,449
Facilities and Services at Beaches (Extension of Lifeguard Services)	121,682	-
Protecting Native Plants and Animals	54,796	8,017
Noxious and Environmental Weed Eradication	32,877	50
Community Bushcare Program	21,918	4,958
Total Special Rates Variation Works	4,861,968	778,292

2.12 Stormwater Management Service Charge

The Stormwater Management Service Charge Program (based on Section 496A to the Local Government Act 1993 made by the Local Government Amendment (Stormwater) Act 2005 and in accordance with clauses 125A, 125AA, 200A and 217 of the Local Government (General) Regulation 2005) is levied on rateable urban land that is categorised for rating purposes as residential or business (excludes vacant land – see definition in the Act). The charge levied is:

- \$25 for land categorised as residential
- \$12.50 per residential strata lot
- \$25 per 350 square metres (or part thereof) for land categorised as business
- Pro-rata apportionment for business strata complexes.

The purpose of the service charge is to fund both capital projects and recurrent expenditure relating to new or additional stormwater management services to eligible land within the 23 sub-catchments within Pittwater by taking a 'global' approach to stormwater services and ensuring a reasonable equitable distribution of Stormwater Management Services over time.

The Stormwater Management Service Charge Annual Works Program is set out below;

Opening Reserve Balance as at 01/07/14	104,039
Budget Income 2014/2015	542,275
Budget Expenditure 2014/2015 (as shown below)	575,000
Projected Budget Reserve Balance for the year ended 30 June 2015 (restricted)	71,314

Stormwater Management Service Charge	Budget	YTD Actuals
S/W Infrastructure Improvements Minor Catchments	21,000	21,007
S/W Nullaburra Road Newport Drainage	7,000	6,855
S/W Iluka Road Palm Beach Drainage	15,000	15,042
S/W Bilkurra Avenue Bilgola Plateau Drainage	11,700	11,698
S/W Crystal Street Newport Drainage Outlet	7,000	-
S/W Careel Creek Improvements	55,000	54,757
S/W Cynthea Rd Palm Beach Drainage	43,000	482
S/W Asset Management - CCTV condition assessment inspection	20,000	-
S/W Capital Works & Emergency Program	88,300	-
S/W Prosperity Pde WW Drainage System Stage 2	97,000	-
S/W System Impact Assessment	40,000	640
S/W Mapping	5,000	-
Community & Industry S/W Pollution Education	25,000	3,204
S/W Quality Treatment Device Improvements	140,000	39,281
Total Stormwater Management Service Charge	575,000	152,966

2.13 Developer Contribution Plans

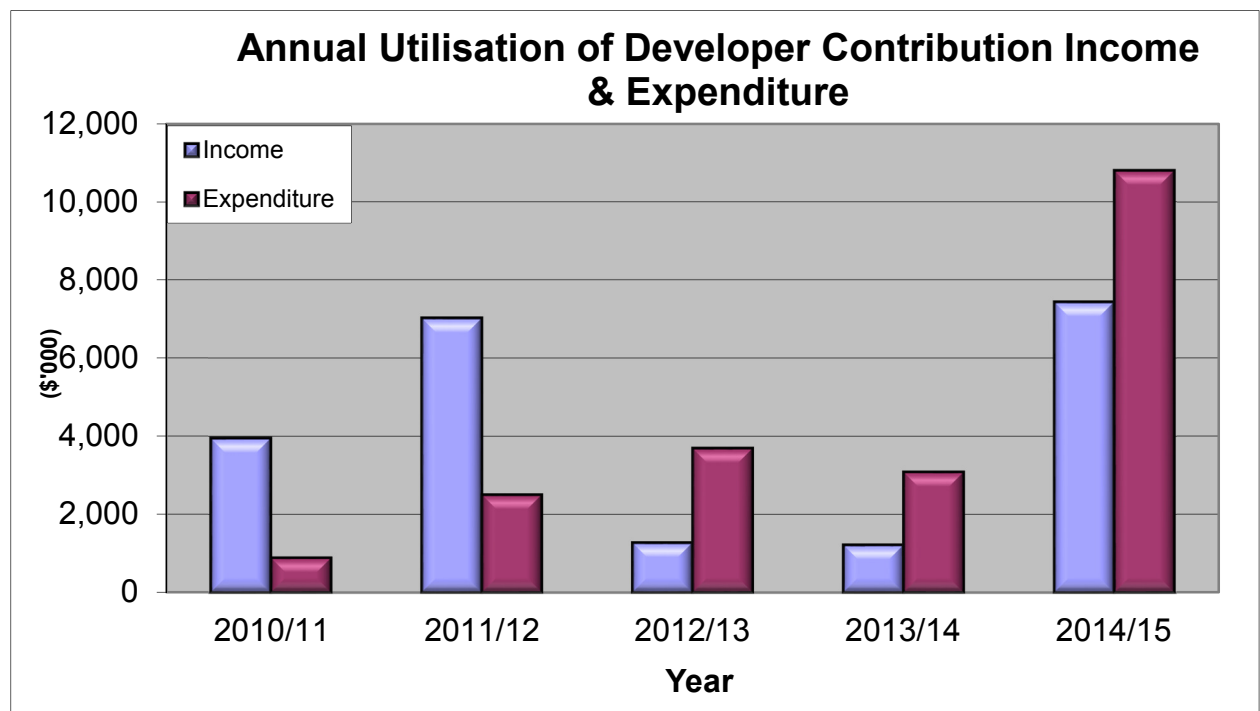
Developer Contributions are monetary contribution levied on developers at the development applications stage to pay for a proposed increase in demand for public services, such as roads and parks.

Council has a number of contribution plans, each containing income projections and work programs, enabling a financial strategy to efficiently and equitably administer the funds. A summary detailing the balances and projected income and expenditure for the current year of the various plans is contained within the table below:

DEVELOPER CONTRIBUTION PLANS	Budget				Actual
	Plan Balance as at 30/06/14	Expenditure for 2014/15	Income for 2014/15	Plan Balance as at 30/06/15	Plan Balance as at 30/9/14
Community Service Facilities	\$ 29,786	\$ 146,512	\$ 117,713	\$ 987	\$ 89,286
Mona Vale Car Parking	\$ 2,495,668	\$ 2,382,875	\$ 16,549	\$ 129,342	\$ 862,611
Newport Car Parking	\$ 99,879	\$ -	\$ 1,916	\$ 101,795	\$ 99,879
Open Space	\$ 433,510	\$ 410,000	\$ 413,430	\$ 436,940	\$ 439,431
Village Streetscape	\$ 523,093	\$ 596,512	\$ 236,591	\$ 163,172	\$ 604,182
Public Libraries	\$ 206,070	\$ 50,000	\$ 53,900	\$ 209,970	\$ 203,302
Warriewood Valley	\$ 4,625,386	\$ 7,203,511	\$ 6,588,686	\$ 4,010,561	\$ 8,126,421
Totals	\$ 8,413,392	\$ 10,789,410	\$ 7,428,785	\$ 5,052,767	\$ 10,425,111

Council is required to undertake financial management of developer contributions as the authority responsible for most of the communities' infrastructure and regional facilities. The timing of the capital expenditure is heavily dependent upon the levels of development and contributions received.

To demonstrate Pittwater Council's financial management of developer contributions, a comparison of income (contributions received) versus expenditure for the provision of community facilities is shown in the graph below.



2.14 Consultancy and Legal Expenses

As a part of Council's Quarterly Budget Review Statement, expenditure associated with Consultancies and Legal Expenses are to be disclosed. Accordingly, YTD expenditure associated with Consultancies and Legal Fees are as follows:

Expenditure	Expenditure YTD Actual	Budgeted (Y/N)
Consultancies	\$1,397,933	Yes – Budget \$5,246,833
Legal Fees	\$270,339	Yes – Budget \$850,000

A decrease in the September Quarterly Budget Review associated with Consultancies has occurred. The budget has been increased from \$4,350,379 to \$5,246,833 mainly relating to Coastal Zone Flood Studies, Mona Vale/Bayview/McCarrs Creek Flood study, and Pittwater Road Black Spot project.

There has been a minor change in the September Quarterly Budget Review associated with the Legal Fees. The budget has been increased by \$50,000 from \$800,000 to \$850,000.

Contracts and Other Expenses

As a part of Council's Quarterly Budget Review Statement, a list of Contracts that **exceed \$50,000** and that have been entered into during the September 2014 Quarter and have yet to be fully performed are to be disclosed (*excluding contracts selected from Council's preferred supplier list and those associated with employment*). Accordingly, a list of such Contractors is as follows:

Contracts entered into in the September 2014 Quarter (exceeding \$50,000)

Contractor	Detail & Purpose	Contract Value	Start	Duration	Budget (Y/N)
NIL					

In determining Council's Original Budget and subsequent Budget Reviews an overall budget is assigned to functions of Council that incorporate a number of contracts to fulfil projected works associated with that function of Council. Contracts that are undertaken throughout the year that give rise to an increase in the overall contractors budget assigned to a function of Council are required to be separately disclosed. Accordingly, a list of Contracts associated with a budgetary increase is listed below (*note: if no contracts are listed below, all contracts let during the Quarter have not given rise to a budgetary increase and have been facilitated with the Original or previous Quarterly Budgetary Reviews*):

Contracts entered into in the September 2014 Quarter that gave rise to a increase in the Budget.

Contractor	Detail & Purpose	Contract Value	Start	Duration	Budget (Y/N)
NIL					

3.0 KEY DIRECTIONS AND ASSOCIATED STRATEGIES

Over the last two years Pittwater Council, in collaboration with the Local Community, developed Pittwater 2020, the first of its kind. This strategic plan provides an overarching framework to proactively respond to the community aspirations and desires.

The Strategic Plan articulates the community vision for what Pittwater should be like in 2020 and outlines five interlinked and independent key directions and their associated strategies under which all planning will occur. The 12 key strategies have been developed providing the operational mechanism – vision, objectives, initiatives and measures – to achieve the inspirational goals and targets.

Accordingly, in an effort to assist Council's Strategic Plan and associated vision the 2014/15 budget, in addition to traditional financial reporting formats, has been broken down based upon the key five directions and their 12 associated strategies.

For information for the community the net consolidated position of each key direction and strategies are outlined below:

5 Key Directions - Net Budget Position:

3.1 Supporting & Connecting our Community (Social)

The net impact of the 2014/15 Budget for this key direction is a cost of \$17.200 million.

This net cost includes:	
Operating Expenditure	\$19.255 million
Capital Expenditure	\$12.886 million
Income	(\$10.778) million
Transfer from Reserve*	(\$10.964) million
Transfer to Reserve*	\$6.801 million
Net Cost to Council	\$17.200 million

3.2 Valuing & Caring for our Natural Environment (Environmental)

The net impact of the 2014/15 Budget for this key direction is a cost of \$5.307 million.

This net cost includes:	
Operating Expenditure	\$6.294 million
Capital Expenditure	\$5.754 million
Income	(\$3.355) million
Transfer from Reserve*	(\$3.983) million
Transfer to Reserve*	\$597,000
Net Cost to Council	\$5.307 million

3.3 Enhancing our Working & Learning (Economic)

The net impact of the 2014/15 Budget for this key direction is a cost of \$2.742 million.

This net cost includes:	
Operating Expenditure	\$2.937 million
Capital Expenditure	\$280,000
Income	(\$475,000)
Transfer from Reserve*	(\$50,000)
Transfer to Reserve*	\$50,000
Net Cost to Council	\$2.742 million

3.4 Leading an Effective & Collaborative Council (Governance)

The net impact of the 2014/15 Budget for this key direction is income of \$26.547 million.

This net income includes:	
Operating Expenditure	\$27.538 million
Capital Expenditure	\$5.180 million
Income	(\$55.167) million
Transfer from Reserve*	(\$10.641) million
Transfer to Reserve*	\$6.543 million
Net Income to Council	(\$26.547) million

3.5 Integrating our Built Environment (Infrastructure)

The net impact of the 2014/15 Budget for this key direction is a cost of \$1.208 million.

This net cost includes:	
Operating Expenditure	\$20.370 million
Capital Expenditure	\$4.909 million
Income	(\$22.084) million
Transfer from Reserve*	(\$3.693) million
Transfer to Reserve*	\$1.706 million
Net Cost to Council	\$1.208 million

**Note: Transfers to and from Reserve represent funds acquired in the current and/or prior financial years but are utilised or placed into reserve in the current financial year.*

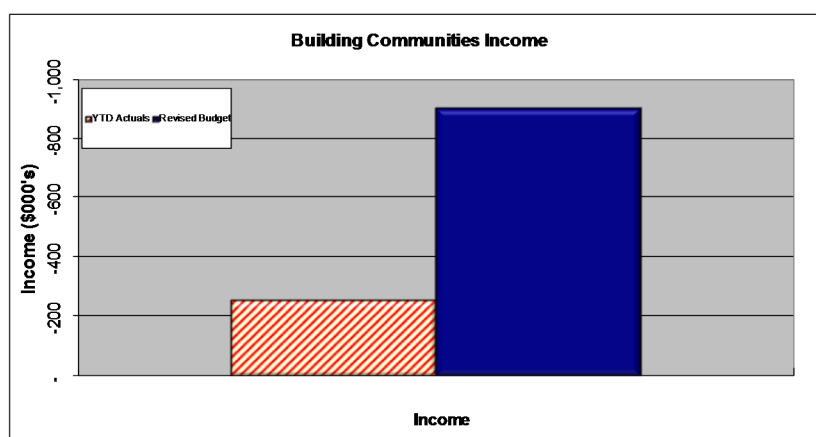
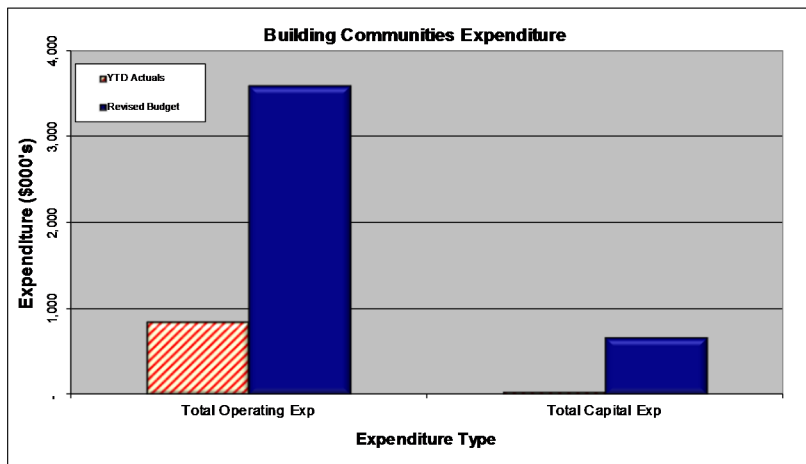
12 Strategies - Net Budget Position: BUILDING COMMUNITIES

STRATEGY

Building Communities

Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	350	1,617
Other Employee Costs	94	450
Materials and Contracts	259	1,085
Depreciation	0	0
Interest	0	0
Other Costs	129	431
Total Operating Exp	832	3,583
Capital Expenditure		
Capital Asset Acquisitions	6	90
Capital Works Programs	9	567
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	15	657
Income (Op & Cap)		
User Fees	(160)	(626)
Fees and Charges	(3)	(66)
Grant Transfers	(30)	(89)
Contributions	(60)	(100)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(0)	(22)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(254)	(903)
Transfers from Reserves	(48)	(717)
Transfers to Reserves	60	100
Net Cost* / (Income)	605	2,721

* Net Cost Funded By Rates



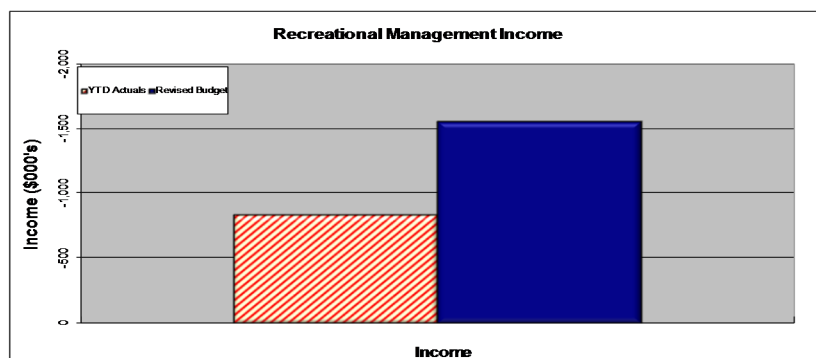
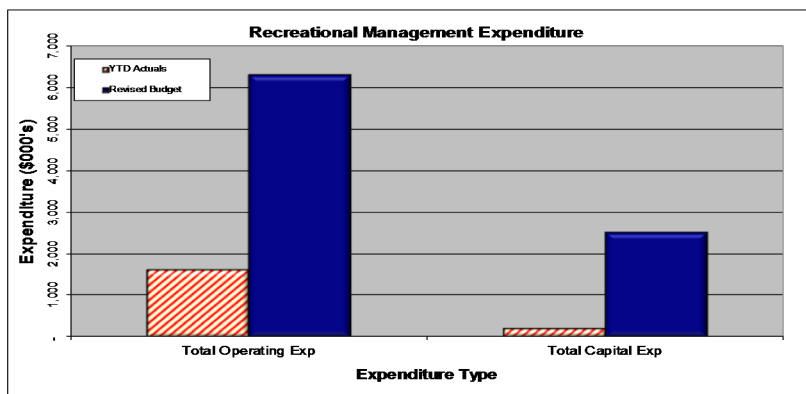
RECREATIONAL MANAGEMENT

STRATEGY

Recreational Management

Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	581	2,381
Other Employee Costs	171	710
Materials and Contracts	424	1,587
Depreciation	290	1,212
Interest	0	0
Other Costs	134	418
Total Operating Exp	1,600	6,308
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	198	2,516
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	198	2,516
Income (Op & Cap)		
User Fees	(552)	(1,211)
Fees and Charges	0	0
Grant Transfers	0	0
Contributions	(75)	(90)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(204)	(253)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(831)	(1,554)
Transfers from Reserves	(83)	(1,536)
Transfers to Reserves	27	211
Net Cost* / (Income)	911	5,945

* Net Cost Funded By Rates



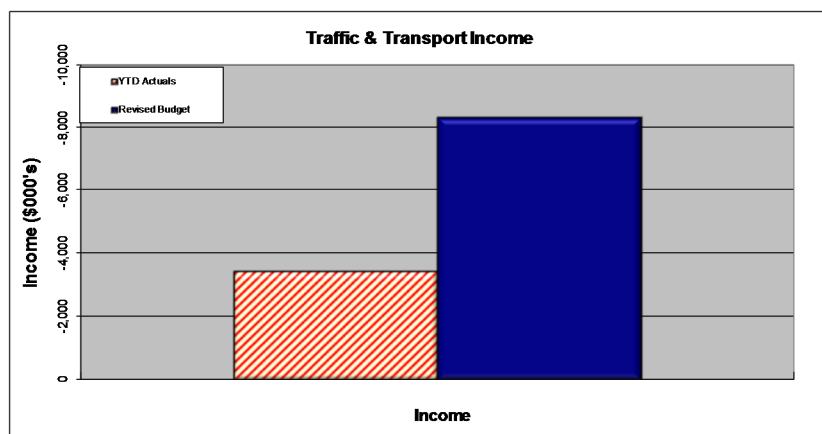
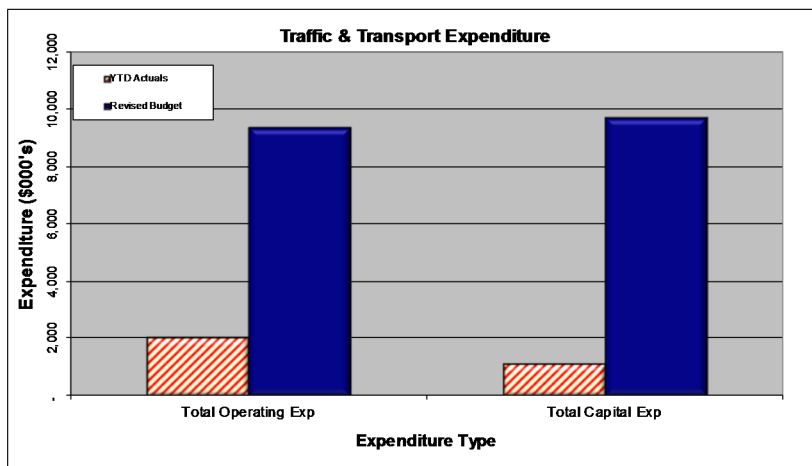
TRAFFIC AND TRANSPORT

STRATEGY

Transport & Traffic

Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	389	2,084
Other Employee Costs	112	637
Materials and Contracts	209	1,364
Depreciation	928	3,764
Interest	0	0
Other Costs	378	1,514
Total Operating Exp	2,016	9,364
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	1,082	9,712
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	1,082	9,712
Income (Op & Cap)		
User Fees	(147)	(208)
Fees and Charges	(110)	(216)
Grant Transfers	(74)	(973)
Contributions	(3,069)	(6,924)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	0	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(3,399)	(8,321)
Transfers from Reserves	(617)	(8,710)
Transfers to Reserves	3,616	6,490
Net Cost* / (Income)	2,698	8,535

* Net Cost Funded By Rates



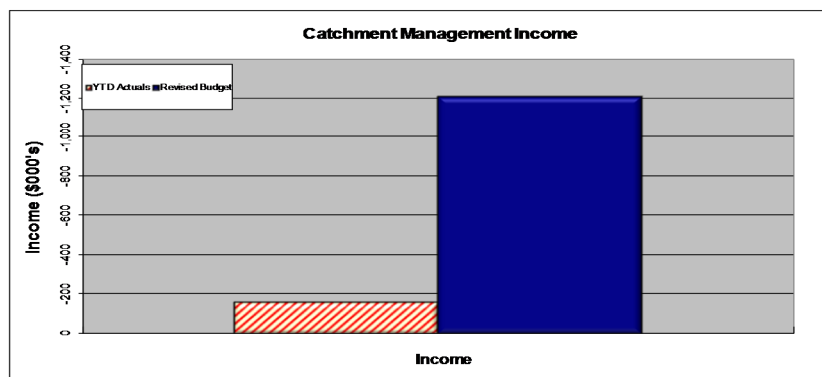
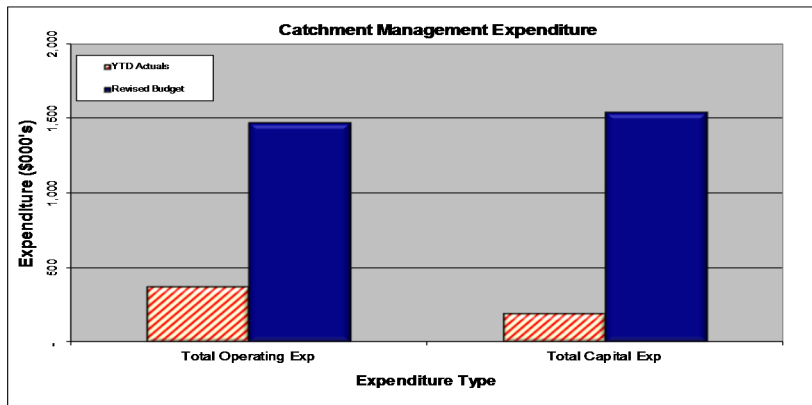
CATCHMENT MANAGEMENT

STRATEGY

Catchment Management

Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	172	495
Other Employee Costs	50	166
Materials and Contracts	42	214
Depreciation	0	0
Interest	0	0
Other Costs	105	595
Total Operating Exp	368	1,470
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	186	1,537
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	186	1,537
Income (Op & Cap)		
User Fees	(16)	(28)
Fees and Charges	0	0
Grant Transfers	(16)	(640)
Contributions	0	0
Rates Income	(121)	(542)
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(3)	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(155)	(1,210)
Transfers from Reserves	(111)	(1,257)
Transfers to Reserves	132	597
Net Cost* / (Income)	419	1,137

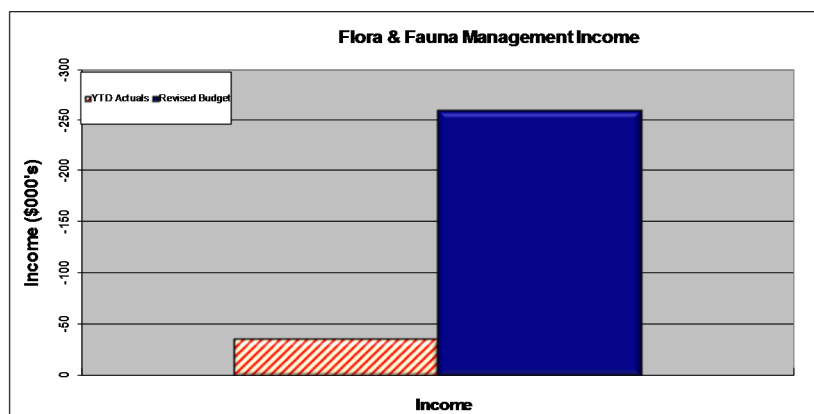
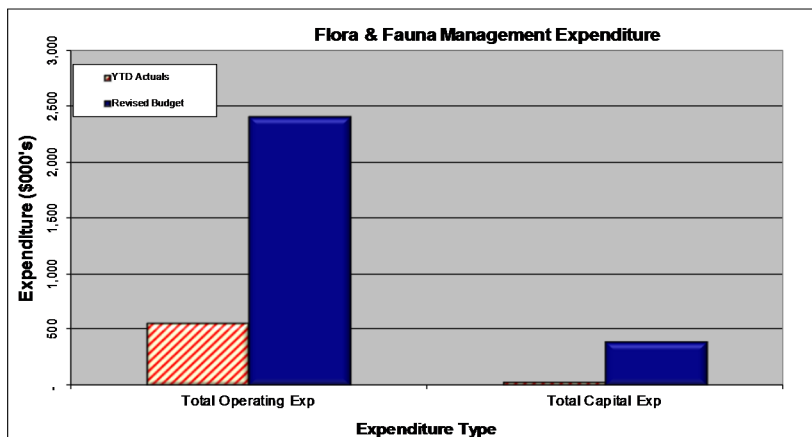
* Net Cost Funded By Rates



FLORA AND FAUNA MANAGEMENT

STRATEGY		
Flora & Fauna Management		
Operating Expenditure	YTD	Total
	Actuals	Revised
	-\$000's	Budget
		-\$000's
Salaries and Wages	242	926
Other Employee Costs	70	279
Materials and Contracts	195	1,084
Depreciation	0	0
Interest	0	0
Other Costs	44	113
Total Operating Exp	552	2,402
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	28	390
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	28	390
Income (Op & Cap)		
User Fees	(0)	0
Fees and Charges	(16)	(45)
Grant Transfers	(13)	(170)
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(6)	(45)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(35)	(260)
Transfers from Reserves	(41)	(520)
Transfers to Reserves	0	0
Net Cost* / (Income)	503	2,013

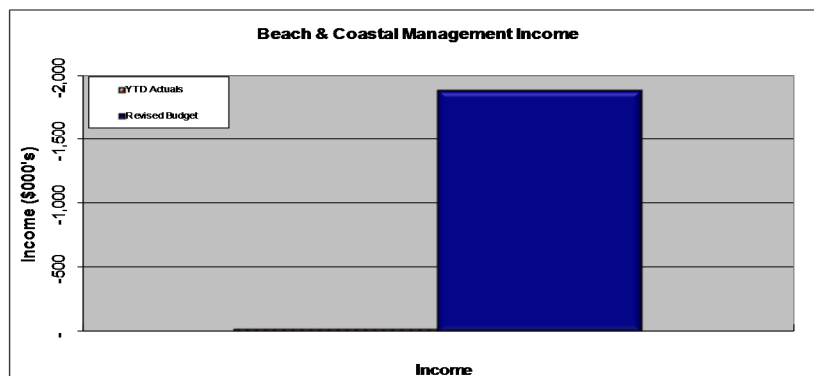
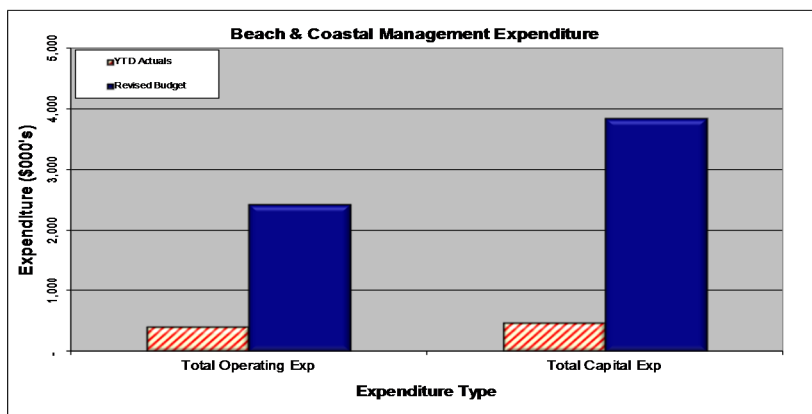
* Net Cost Funded By Rates



BEACH AND COASTAL MANAGEMENT

STRATEGY		
Beach & Coastal Management		
Operating Expenditure	YTD	Total
	Actuals	Revised
	-\$000's	Budget
		-\$000's
Salaries and Wages	98	537
Other Employee Costs	28	162
Materials and Contracts	184	1,271
Depreciation	0	0
Interest	0	0
Other Costs	74	452
Total Operating Exp	383	2,423
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	453	3,826
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	453	3,826
Income (Op & Cap)		
User Fees	0	0
Fees and Charges	0	0
Grant Transfers	(3)	(1,885)
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(5)	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(8)	(1,885)
Transfers from Reserves	(427)	(2,205)
Transfers to Reserves	0	0
Net Cost* / (Income)	402	2,158

* Net Cost Funded By Rates



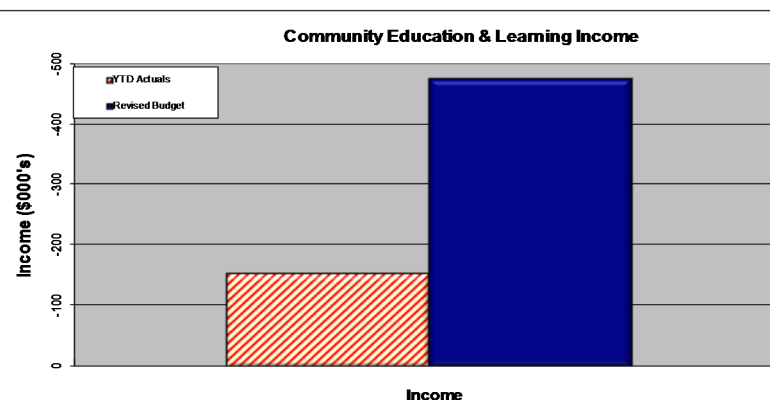
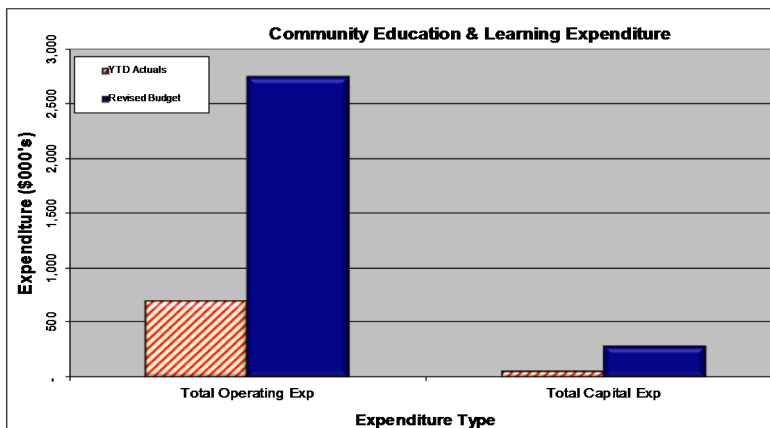
COMMUNITY EDUCATION AND LEARNING

STRATEGY

Community Education & Learning

Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	379	1,601
Other Employee Costs	103	442
Materials and Contracts	37	105
Depreciation	53	191
Interest	0	0
Other Costs	116	412
Total Operating Exp	689	2,752
Capital Expenditure		
Capital Asset Acquisitions	48	280
Capital Works Programs	1	0
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	49	280
Income (Op & Cap)		
User Fees	(55)	(169)
Fees and Charges	(6)	(30)
Grant Transfers	(50)	(224)
Contributions	(34)	(50)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(7)	(2)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(153)	(475)
Transfers from Reserves	(37)	(50)
Transfers to Reserves	34	50
Net Cost* / (Income)	583	2,557

* Net Cost Funded By Rates



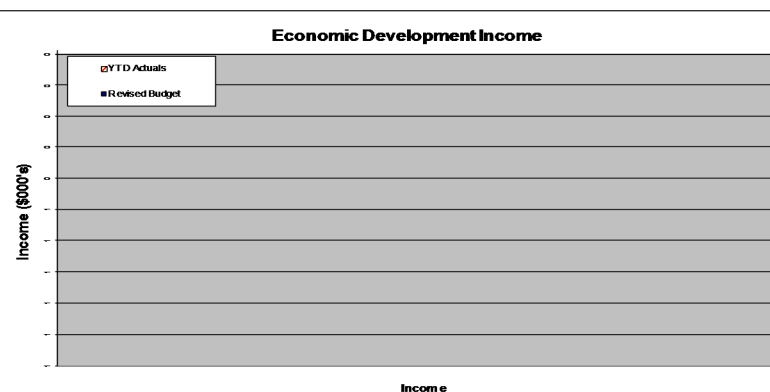
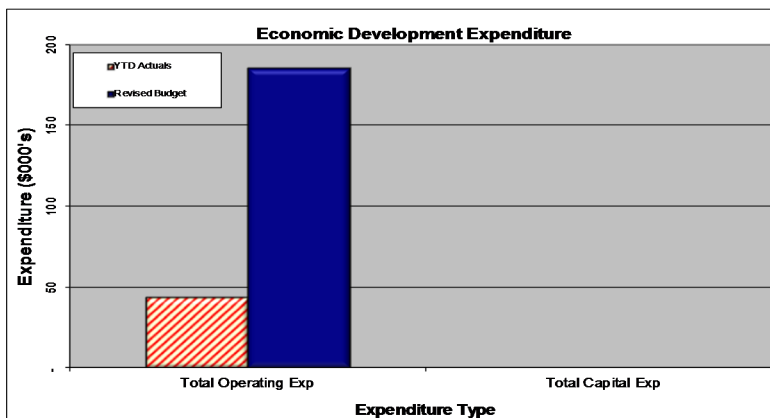
ECONOMIC DEVELOPMENT

STRATEGY

Economic Development

Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	31	114
Other Employee Costs	8	31
Materials and Contracts	0	30
Depreciation	0	0
Interest	0	0
Other Costs	3	10
Total Operating Exp	43	185
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	0	0
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	0	0
Income (Op & Cap)		
User Fees	0	0
Fees and Charges	0	0
Grant Transfers	0	0
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	0	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	0	0
Transfers from Reserves	0	0
Transfers to Reserves	0	0
Net Cost* / (Income)	43	185

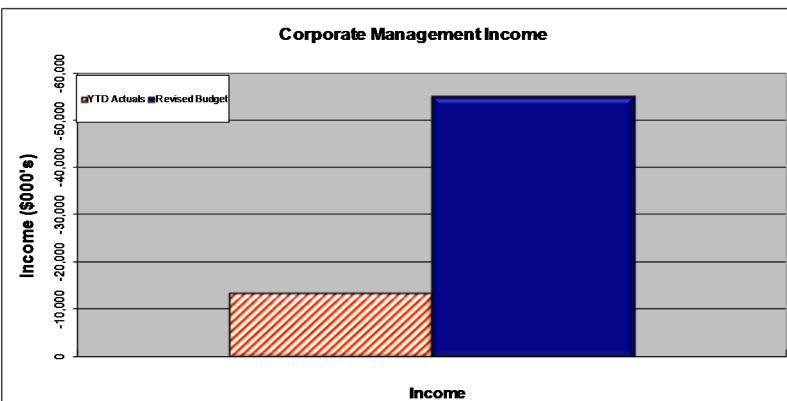
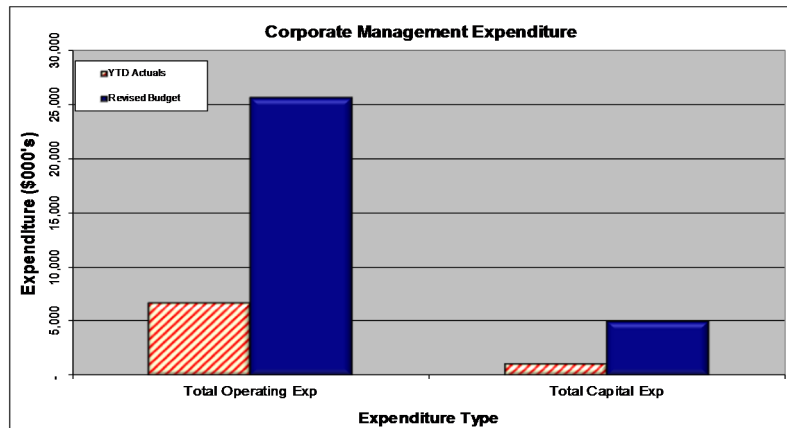
* Net Cost Funded By Rates



CORPORATE MANAGEMENT

STRATEGY Corporate Management		
Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	1,846	7,428
Other Employee Costs	610	2,700
Materials and Contracts	833	2,762
Depreciation	992	3,850
Interest	240	935
Other Costs	2,037	7,952
Total Operating Exp	6,558	25,629
Capital Expenditure		
Capital Asset Acquisitions	630	3,471
Capital Works Programs	81	202
Capital Material Public Benefits	0	0
Loan Repayments	262	1,283
Total Capital Exp	973	4,955
Income (Op & Cap)		
User Fees	(1,859)	(8,687)
Fees and Charges	(28)	(149)
Grant Transfers	(573)	(2,291)
Contributions	(532)	(2,029)
Rates Income	(9,571)	(38,073)
Domestic Waste Charge	0	0
Return on Investments & Other	(295)	(1,438)
Other Income	(90)	(608)
Capital Assets Disposals	(436)	(1,797)
Total Income (Op & Cap)	(13,384)	(55,072)
Transfers from Reserves	(2,445)	(10,492)
Transfers to Reserves	1,059	6,543
Net Cost* / (Income)	(7,238)	(28,436)

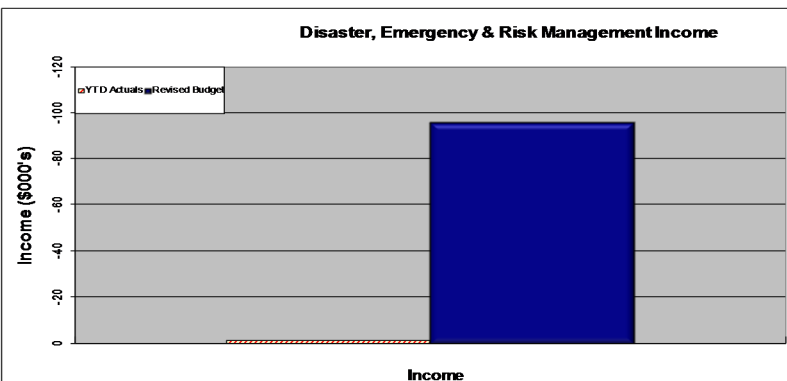
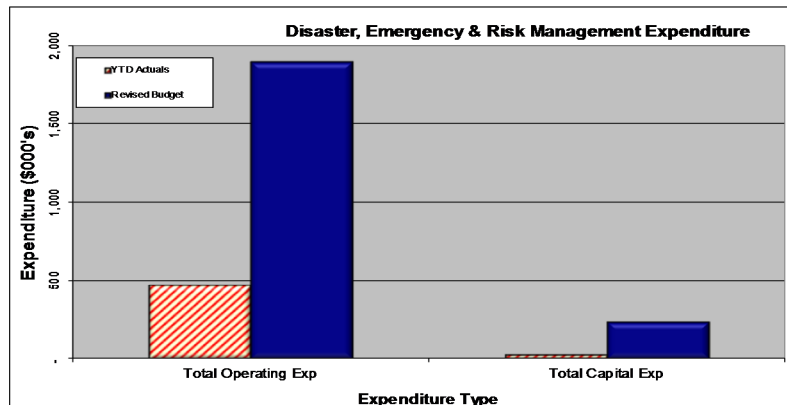
* Net Cost Funded By Rates



DISASTER, EMERGENCY AND RISK MANAGEMENT

STRATEGY Disaster, Emergency & Risk Management		
Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	64	246
Other Employee Costs	17	69
Materials and Contracts	1	32
Depreciation	0	0
Interest	0	0
Other Costs	384	1,548
Total Operating Exp	467	1,894
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	24	230
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	24	230
Income (Op & Cap)		
User Fees	0	0
Fees and Charges	0	0
Grant Transfers	0	(32)
Contributions	0	(64)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(1)	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(1)	(96)
Transfers from Reserves	(16)	(149)
Transfers to Reserves	0	0
Net Cost* / (Income)	474	1,880

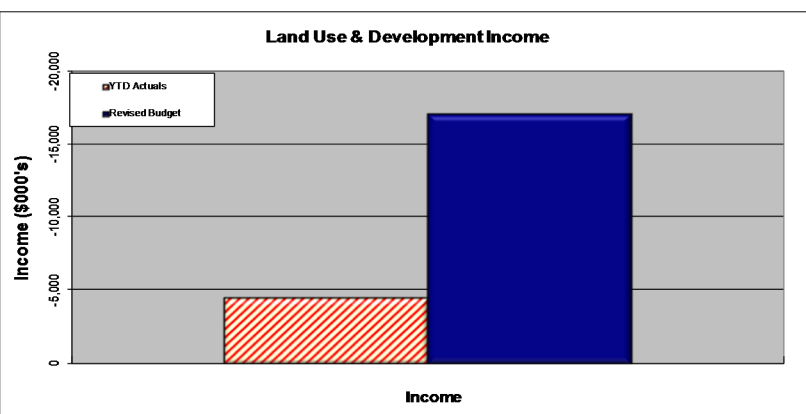
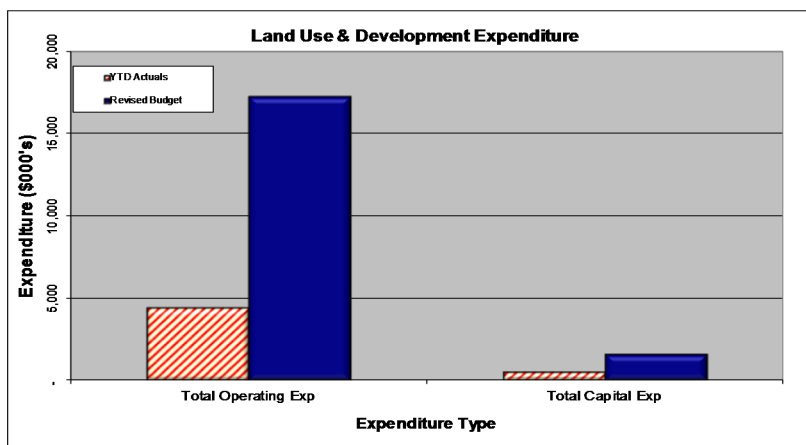
* Net Cost Funded By Rates



LAND USE AND DEVELOPMENT

STRATEGY Land Use & Development		
Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	918	3,764
Other Employee Costs	253	1,054
Materials and Contracts	1,478	5,846
Depreciation	0	0
Interest	0	0
Other Costs	1,721	6,600
Total Operating Exp	4,369	17,264
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	498	1,549
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	498	1,549
Income (Op & Cap)		
User Fees	(210)	(751)
Fees and Charges	(324)	(1,155)
Grant Transfers	(496)	(1,521)
Contributions	(174)	(739)
Rates Income	0	0
Domestic Waste Charge	(3,228)	(12,820)
Return on Investments & Other	0	0
Other Income	(24)	(35)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(4,457)	(17,020)
Transfers from Reserves	(12)	(213)
Transfers to Reserves	138	1,515
Net Cost* / (Income)	536	3,095

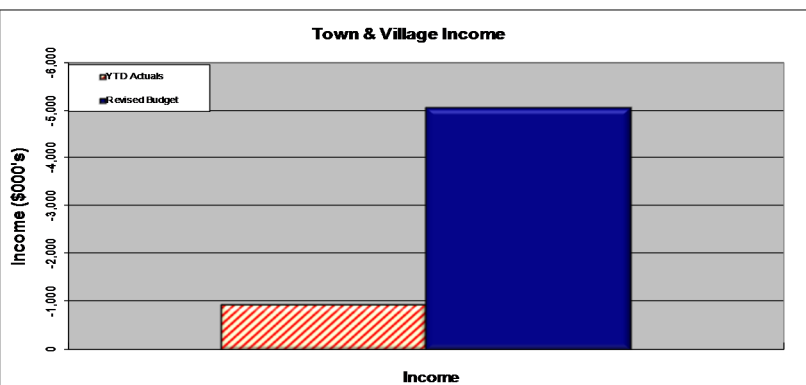
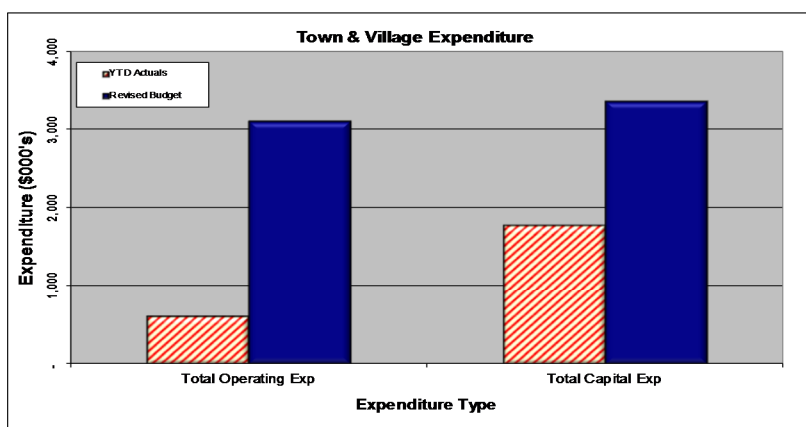
* Net Cost Funded By Rates



TOWN AND VILLAGE

STRATEGY Town & Village		
Operating Expenditure	YTD Actuals -\$000's	Total Revised Budget -\$000's
Salaries and Wages	308	1,292
Other Employee Costs	89	359
Materials and Contracts	157	508
Depreciation	18	90
Interest	0	0
Other Costs	32	857
Total Operating Exp	604	3,106
Capital Expenditure		
Capital Asset Acquisitions	8	54
Capital Works Programs	1,759	3,306
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	1,767	3,360
Income (Op & Cap)		
User Fees	(395)	(2,274)
Fees and Charges	(537)	(2,790)
Grant Transfers	0	0
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	0	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(933)	(5,064)
Transfers from Reserves	(1,757)	(3,481)
Transfers to Reserves	73	191
Net Cost* / (Income)	(245)	(1,887)

* Net Cost Funded By Rates



4.0 EXECUTIVE SUMMARY

4.1 In providing the Council with the financial results for the period ending 30 September 2014 the following information should be noted:

- The Projected Consolidated financial result for the year ending 30 June 2015 is an increase on Council funds of \$99,000. Compared to the previously adopted budget of \$57,000 this amounts to an increase of \$42,000.
- The Projected Operating result before capital for the year ending 30 June 2015 is a surplus of \$1.490 million. Compared to the previously adopted budget of \$2.019 million surplus this amounts to a decrease of \$529,000.
- The Projected Total Capital Expenditure stands at \$29.014 million for 2014/15. Compared to the previously adopted budget figure of \$27.050 million this amounts to an increase of \$1.964 million.
- The Projected cash and investment position at 30 June 2015 is \$26.561 million. Compared to the previously adopted budget figure of \$25.402 million this amounts to an increase of \$1.159 million.

RECOMMENDATION

1. That the financial results for the period ending 30 September 2014 be noted.
2. That the Projected Budget incorporating all amendments as detailed in this report be adopted.

Report prepared by
Myles Thana, Management Accountant

Mark Jones
CHIEF FINANCIAL OFFICER

C11.2 Investment Balances as at 31 October 2014

Meeting: Leading and Learning Committee

Date: 17 November 2014

STRATEGY: Corporate Management

ACTION: To Provide Effective Investment of Council's Funds

PURPOSE OF REPORT

To advise on the status of Council's Investment Balances as at 31 October 2014.

1.0 BACKGROUND

- 1.1 As provided for in Regulation 212 of the Local Government (General) Regulation, 2005, a report listing Council's investments (**see Attachment 1**) must be presented.

2.0 ISSUES

2.1 MONTHLY RETURN

Investment return for the month of October 2014:

Term deposits interest income:	<u>\$106,860</u>
Net investment return for October 2014:	\$106,860

YEAR TO DATE RETURN

Investment return year to date October 2014:

Term deposits interest income:	<u>\$403,693</u>
Net investment return year to date:	\$403,693

Projected investment return budget for financial year: \$1,250,000
(Subject to quarterly budget review)

2.2 PERFORMANCE OF COUNCIL'S PORTFOLIO FOR THE LAST FIVE YEARS

Annual returns of Council's portfolio for the last five years:

Year to	Net Return	Return on average funds invested
June 2011	\$ 1,521,223	5.9%
June 2012	\$ 1,679,693	6.4%
June 2013	\$ 1,656,908	4.8%
June 2014	\$ 1,227,105	3.8%
October 2014	\$ 403,693	3.5%
Projected Budget	\$ 1,250,000	3.9%

3.0 RESPONSIBLE ACCOUNTING OFFICER CERTIFICATION

- 3.1 The Responsible Accounting Officer certifies that all investments have been made in accordance with Section 625 of the Local Government Act, 1993, the Local Government (General) Regulations, and Council's Investment Policy (No 143).

4.0 SUSTAINABILITY ASSESSMENT

This report does not require a sustainability assessment.

5.0 EXECUTIVE SUMMARY

- 5.1 The net investment return as at 31 October 2014 is \$403,693.

RECOMMENDATION

That the information provided in the report be noted.

Report prepared by
Renae Wilde, Senior Project Accountant

Mark Jones
CHIEF FINANCIAL OFFICER



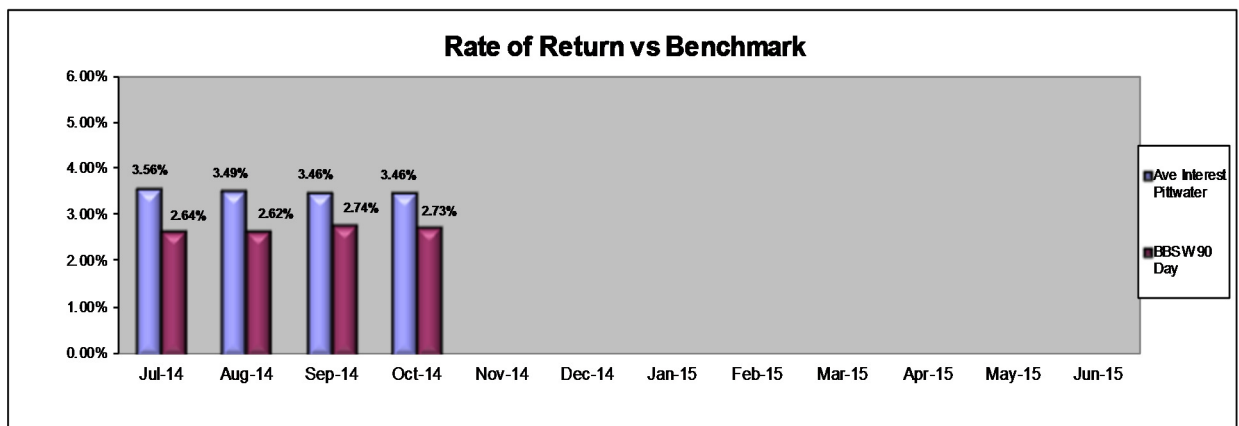
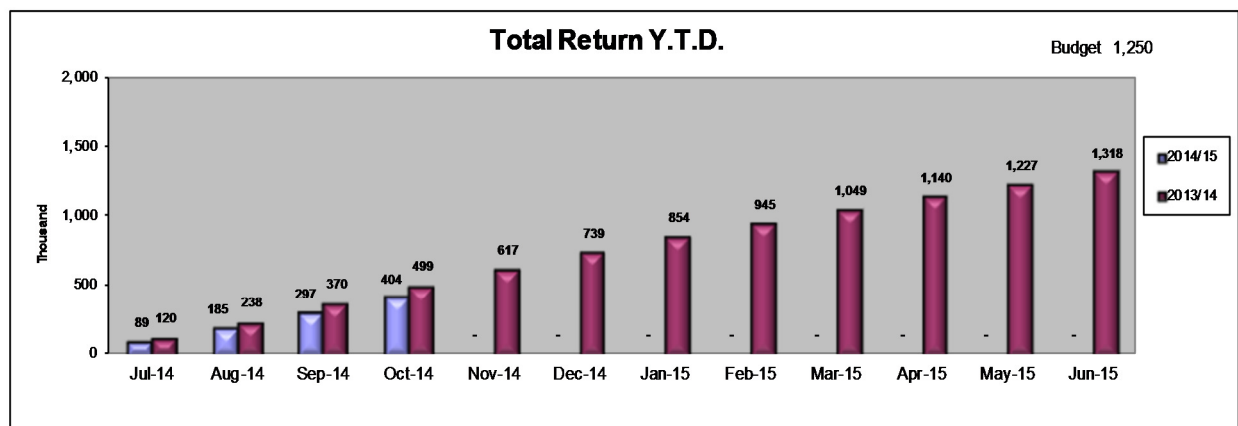
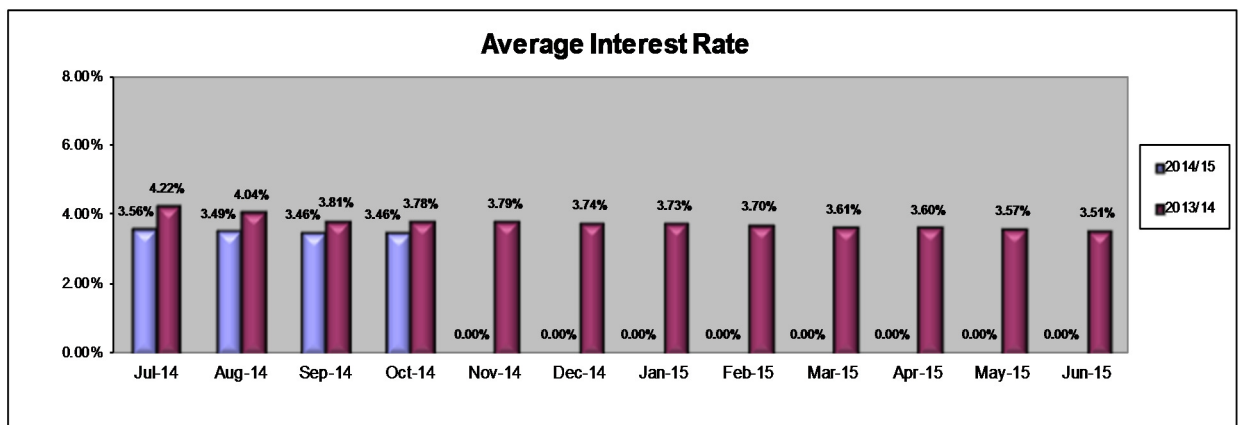
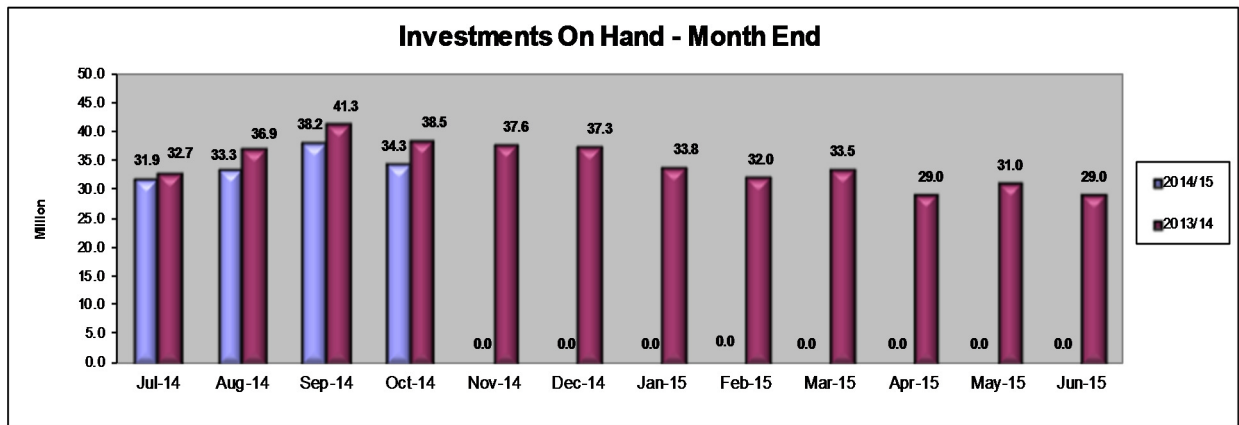
PITTWATER COUNCIL

INVESTMENT BALANCES

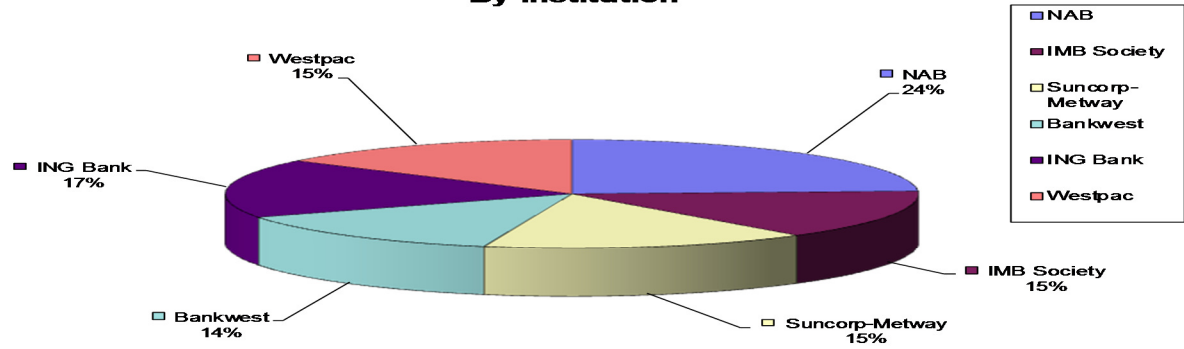
As at 31st October 2014

TYPE	INSTITUTION	Rating	AMOUNT \$	DATE INVESTED	MATURITY DATE	TERM (DAYS)	INTEREST RATE
At Call	NAB	AA-	2,800,000.00 *	At Call	At Call	1	3.00%
At Call Total			2,800,000.00				
Term Dep	IMB Society	BBB	1,000,000.00	23-Jun-14	3-Nov-14	133	3.50%
Term Dep	IMB Society	BBB	1,000,000.00	21-Jul-14	8-Dec-14	140	3.50%
Term Dep	IMB Society	BBB	1,000,000.00	28-Jul-14	17-Nov-14	112	3.50%
Term Dep	IMB Society	BBB	500,000.00	28-Jul-14	5-Jan-15	161	3.50%
Term Dep	IMB Society	BBB	1,000,000.00	1-Sep-14	16-Feb-15	168	3.40%
Term Dep	IMB Society	BBB	500,000.00	18-Sep-14	16-Mar-15	179	3.40%
Investee Total			5,000,000.00				
Term Dep	Suncorp-Metway	A+	1,000,000.00	2-Jun-14	1-Dec-14	182	3.60%
Term Dep	Suncorp-Metway	A+	750,000.00	25-Aug-14	16-Dec-14	113	3.40%
Term Dep	Suncorp-Metway	A+	1,000,000.00	1-Sep-14	5-Jan-15	126	3.40%
Term Dep	Suncorp-Metway	A+	1,000,000.00	4-Sep-14	19-Jan-15	137	3.40%
Term Dep	Suncorp-Metway	A+	1,000,000.00	8-Sep-14	23-Feb-15	168	3.45%
Term Dep	Suncorp-Metway	A+	500,000.00	1-Oct-14	23-Mar-15	173	3.50%
Investee Total			5,250,000.00				
Term Dep	Bankwest	AA-	1,000,000.00	23-Jul-14	10-Nov-14	110	3.38%
Term Dep	Bankwest	AA-	1,000,000.00	5-Aug-14	17-Nov-14	104	3.40%
Term Dep	Bankwest	AA-	750,000.00	5-Aug-14	24-Nov-14	111	3.40%
Term Dep	Bankwest	AA-	1,000,000.00	18-Aug-14	16-Dec-14	120	3.35%
Term Dep	Bankwest	AA-	1,000,000.00	15-Sep-14	28-Jan-15	135	3.35%
Investee Total			4,750,000.00				
Term Dep	Westpac	AA-	500,000.00	11-Aug-14	24-Nov-14	105	3.50%
Term Dep	Westpac	AA-	1,000,000.00	12-Aug-14	15-Dec-14	125	3.50%
Term Dep	Westpac	AA-	1,000,000.00	2-Sep-14	23-Feb-15	174	3.55%
Term Dep	Westpac	AA-	500,000.00	11-Sep-14	23-Jan-15	134	3.50%
Term Dep	Westpac	AA-	1,000,000.00	29-Sep-14	16-Mar-15	168	3.46%
Term Dep	Westpac	AA-	1,000,000.00	13-Oct-14	7-Apr-15	176	3.57%
Investee Total			5,000,000.00				
Term Dep	ING Bank	A-	500,000.00	10-Jun-14	8-Dec-14	181	3.62%
Term Dep	ING Bank	A-	500,000.00	27-Jun-14	15-Dec-14	171	3.63%
Term Dep	ING Bank	A-	1,000,000.00	28-Jul-14	27-Jan-15	183	3.46%
Term Dep	ING Bank	A-	1,000,000.00	11-Aug-14	9-Feb-15	182	3.45%
Term Dep	ING Bank	A-	1,000,000.00	1-Sep-14	9-Mar-15	189	3.54%
Term Dep	ING Bank	A-	1,000,000.00	15-Sep-14	13-Apr-15	210	3.50%
Term Dep	ING Bank	A-	1,000,000.00	7-Oct-14	7-Apr-15	182	3.51%
Investee Total			6,000,000.00				
Term Dep	NAB	AA-	500,000.00	26-May-14	24-Nov-14	182	3.60%
Term Dep	NAB	AA-	1,000,000.00	3-Jun-14	2-Feb-15	244	3.61%
Term Dep	NAB	AA-	500,000.00	14-Jul-14	5-Jan-15	175	3.60%
Term Dep	NAB	AA-	500,000.00	23-Jul-14	8-Dec-14	138	3.50%
Term Dep	NAB	AA-	1,000,000.00	25-Aug-14	12-Jan-15	140	3.51%
Term Dep	NAB	AA-	1,000,000.00	1-Sep-14	2-Mar-15	182	3.60%
Term Dep	NAB	AA-	1,000,000.00	2-Sep-14	30-Mar-15	209	3.60%
Investee Total			5,500,000.00				
October BBSW Close							2.73%
TOTAL INVESTMENTS			\$34,300,000.00				

Note: Investments denoted with an * are held in Cash and Cash Equivalents in Council's Balance Sheet along with Cash at Bank and Floats.
All other investments are held as Investment Securities in Council's Balance Sheet

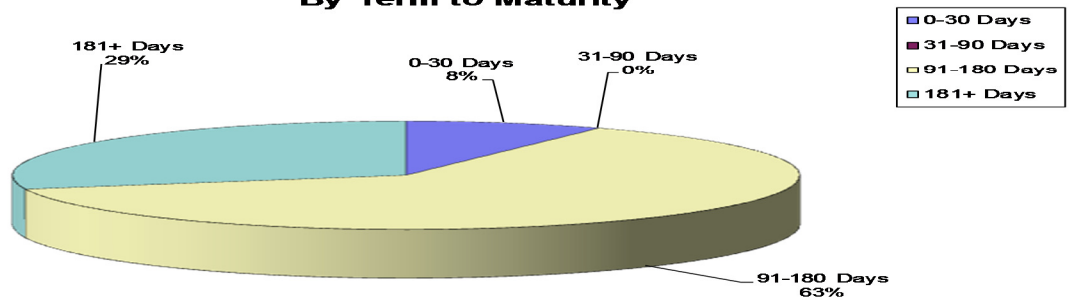


**Pittwater Council Investment Portfolio
By Institution**



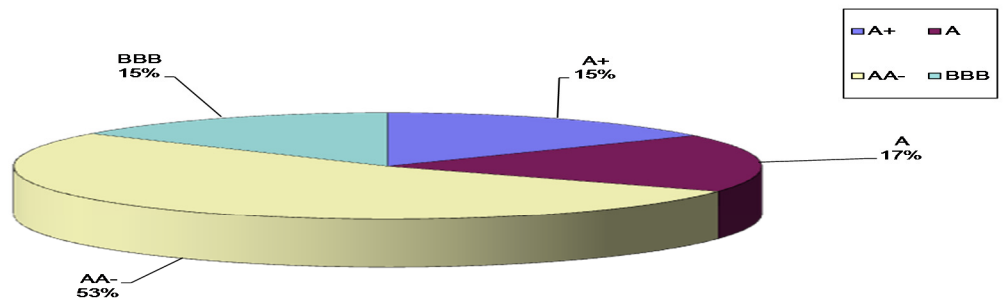
Note: Council Policy - No Institution can hold more than 25% of Council's Total Portfolio

**Pittwater Council Investment Portfolio
By Term to Maturity**



Note: Council Policy - No Term to Maturity can be greater than two years

**Pittwater Council Investment Portfolio
By Institution Rating**



**Pittwater Council Investment Portfolio
Type of Investment**

