
FBD16/014 BUDGET REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2015 AND SIX MONTHLY PERFORMANCE REPORT E05.9535

Responsible Officer: Anthony O'Reilly - Director Finance and Business Development

Attachments: 1. Under Separate Cover - Financial Attachments

Focus Area: Support Services

Delivery Program Link: SS1.1 Manage Council's financial assets and obligations

Operational Plan Link: SS1.1.2 Undertake forward budgeting and financial reporting

EXECUTIVE SUMMARY

This Budget Review reports on Council's performance against the current Operational Plan for the quarter ending 31 December 2015. Major variations to budgets and forecasts are highlighted. The key points of this report are:

- The original budgeted operating result for the consolidated entity was a surplus of \$1.5 million, before allowing for capital grants and contributions. The revised budget incorporating the December Review amendments and requested revotes to 2016-17 is a surplus of \$0.9 million.
- The original budget for 2015-16 predicted an income statement surplus of \$9.2 million after allowing for capital grants and contributions. The proposed 2015-16 budget incorporating the December Review amendments and requested revotes is a surplus of \$10.1 million.
- The original budget for 2015-16 estimated a decrease in unrestricted funds of \$(0.5) million. The revised budget is deficit cash/fund flows of \$(1.8) million.
- The inclusion of the six monthly performance report detailing progress on Delivery Program principal activities.

The Consolidated Annual Revised Budgets for 2015-16 have been impacted during the December quarter through amendments to the current operational and capital works programs and also the deferral of some projects to next financial year. Net favourable adjustments to the profit and loss, before capital revenue, of \$0.5 million result from amendments to the current program and a further \$0.3 million through deferred operations. Favourable cash flow adjustments totaling \$4.3 million result from the revised forecasts and include some significant movements in the capital works program as detailed later in this report.

The effects of the budget adjustments on the Fit for the Future (FFTF) strategies and additional detail is presented in the considerations and attachments to this report.

There are no material concerns at this quarterly review about meeting Council's budgetary targets for 2015-16.

It is recommended that the budget review for the quarter ended 31 December 2015 be received and noted and that the proposed variations be adopted.

RECOMMENDATION

THAT

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1. The budget review report for the quarter ended 31 December 2015 be received and noted.
2. The favourable variations for the Income Statement after capital revenue of \$1.6 million and favourable variations of \$4.3 million as per the Consolidated Fund Flow Statement be adopted.
3. The six monthly performance report be received and noted.

BACKGROUND

Council reviews its performance and financial results against the adopted Operational Plan quarterly, authorises adjustments to budget items, and highlights variations from its original budget strategy.

It should be noted that the financial results referred to in this report are unaudited.

The attachments to this report are as follows:

Financial reports (Attachment 1)

These reports provide information on Council's performance against its financial objectives contained in the Operational Plan, presented for the consolidated entity.

Financial reports include:

- a) Consolidated Fund Flow Statement – this report shows the impact of operating, financing and investing activities on Council's unrestricted working capital.
- b) Consolidated Income Statement – provides sources of income and expenditure, including depreciation, in the program areas and associated services.
- c) Consolidated Capital Program Statement – provides capital expenditure information for each program area and associated services.
- d) Projected Funds Balance Statement – provides information on the balances and movements in both unrestricted and restricted fund accounts.
- e) Budget Amendment Report – provides details of proposed significant adjustments to budgets.
- f) SRV capital program – provides capital expenditure information for each of the projects in the SRV program of works for 2015-16.

Consultancy, Legals and Contractors Report (Attachment 2)

This attachment provides information on major contracts entered into, legal fees incurred and consultancy costs for the quarter ended 31 December 2015.

Key Financial Indicators (Attachment 3)

This attachment provides information about key financial indicators designed to assist in monitoring Council's financial sustainability. The indicators are for the consolidated entity.

Mayoral and Councilor Expenses (Attachment 4)

Provides information about Mayoral and Councilor expenditure for the quarter ended 31 December 2015.

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CONSIDERATIONS

Consolidated Fund Flow Statement (Attachment 1(a)):

Council requires sufficient funds to pay for its debts as and when they fall due. The Fund Flow Statement shows the change in Council's freely available funds or working capital.

This statement includes all transactions that have an impact on Council's funds i.e. income and expenses from its operating activities, capital programs and borrowing activities. It also includes the transfer into, or use of, restricted funds for capital or non-recurrent projects. Depreciation is not included as it does not represent a cash flow.

Table 1.1 – Fund Flow – net cash movement

Fund Flow - Current Net Cash Movements and Revised Annual Forecast					
Fund	2015/16 Original Budget '\$000	Previous Reviews '\$000	December Review '\$000	December Revotes '\$000	Annual Revised Budget '\$000
Water	2,874	-294	394	-135	2,838
Sewer	909	-62	322	0	1,169
General (incl. Environment & Waste)	-4,243	-5,298	279	3,468	-5,794
Consolidated	-460	-5,654	995	3,333	-1,787

The original budget for 2015-16 estimated a decrease in unrestricted funds of \$(0.4) million. In previous reviews this was adjusted to a decrease of \$(5.7) million. The annual revised budget, incorporating proposed December review adjustments, is a deficit cash/fund flow of \$(1.8) million (per table 1.1). Adjustments to the capital works program, detailed in a later section of this report, have impacted the forecast of available cash.

Major items from this review that have impacted Councils forecast of available cash include:

- The deferral of \$3.0 million of cash funded cell works at Council's Surfbeach landfill site due to design delays
- Amendments to the current works program to allow for resourcing or grant opportunities to be further investigated and revised timing of major projects (detailed in the capital expenditure section)
- Various minor adjustments as detailed in the Budget Amendments Report (Attachment 1(e))

The impact of this per Council fund is shown in *Projected Funds Balances Statement (Attachment 1(d))*.

Consolidated Income Statement (Attachment 1(b)):

The consolidated income statement shows the types of income and the expenditure, including depreciation, per program area. This result can indicate whether Council is able to raise sufficient revenue to cover the operational costs (including depreciation, which measures the wear and tear of Council assets) of delivering its services to the community before considering its capital revenues.

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The impact that variations to the income statement have on the FFTF strategy (including the General Fund operating statement ratio) are detailed later in this report (*Fit for the Future considerations*).

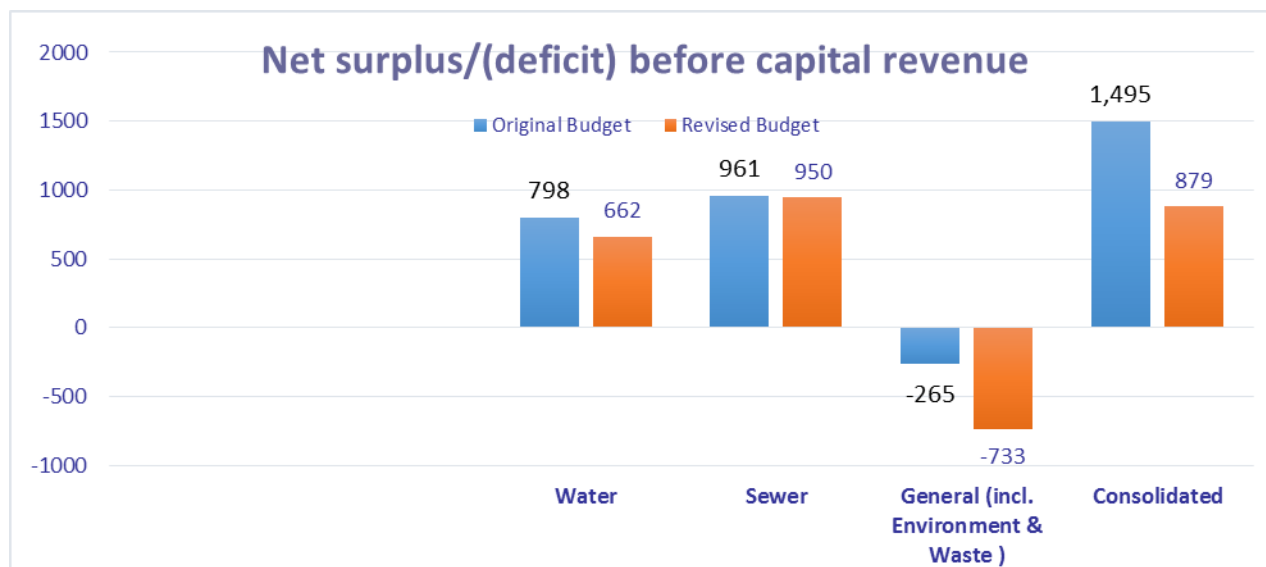
The original budgeted operating result for the consolidated entity was a surplus of \$1.5 million (before allowing for capital grants and contributions). The revised budget incorporating the December review and requested revotes to 2016-17 is a consolidated surplus of \$0.88 million before capital revenue (per table 1.2 and graph 1.1).

Table 1.2 – Net surplus/(deficit) before capital grants and contributions

Net Surplus/(Deficit) before Capital Grants and Contributions					
Fund	2015/16 Original Budget '\$000	Previous Reviews '\$000	December Review '\$000	December Revotes '\$000	Annual Revised Budget '\$000
Water	798	-80	-56	0	662
Sewer	961	45	-57	0	950
General (incl. Environment & Waste)	-265	-1,346	589	289	-733
Consolidated	1,495	-1,381	477	289	879

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Graph 1.1 Net surplus/(deficit) before capital grants and contributions



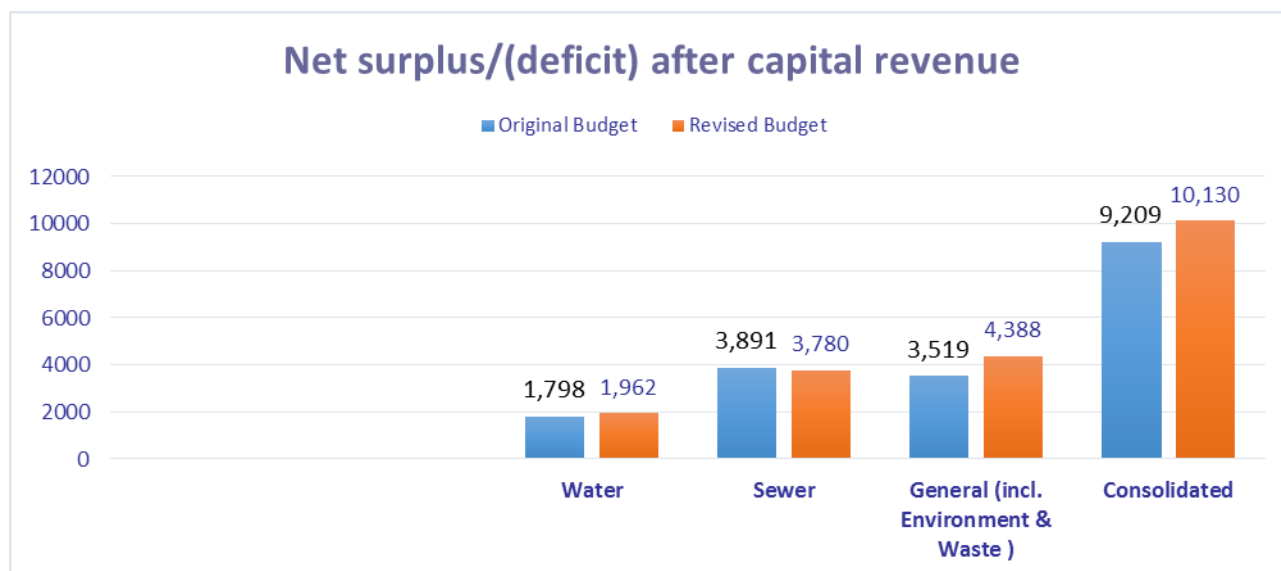
The original budgeted operating result for the consolidated entity, after allowing for capital grants and contribution, was a surplus of \$9.2 million. The revised budget incorporating the December review and requested revotes to 2016-17 is a consolidated surplus of \$10.1 million after capital revenue (per table 1.3 and graph 1.2).

Table 1.3 – Net surplus/(deficit) after capital grants and contributions

Net Surplus/(Deficit) after Capital Grants and Contributions					
Fund	2015/16 Original Budget '\$000	Previous Reviews '\$000	December Review '\$000	December Revotes '\$000	Annual Revised Budget '\$000
Water	1,798	20	144	0	1,962
Sewer	3,891	148	-260	0	3,780
General (incl. Environment & Waste)	3,519	-802	1,381	289	4,388
Consolidated	9,209	-633	1,266	289	10,130

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Graph 1.2 Net surplus/(deficit) after capital revenue



Income and expense adjustments by Fund (significant adjustments before capital revenue)

General Fund

The operating result (excluding capital revenue adjustments) is net \$0.9 million favourable. Income is net \$1.0 million favourable as a result of \$1.0 million adjustments to the current program.

Significant December quarter items are detailed below.

Income

Favourable adjustments of note:

- Receipt of grants and contributions, including Community and Recreation Services \$0.4 million, Environment Services \$0.2 million, Roads and Maritime Services \$0.4 million
- Legal fee recoveries \$0.1 million
- Recognition of full sewer dividend receivable \$0.25 million

Unfavourable adjustments of note:

- Net loss on disposal of bridge asset lost during flooding \$0.2 million
- Reduction in inspection revenues due to reinspection requirements (pool fencing inspections)

Expenditure

Expenditure has increased by \$0.16 million (including December review revotes). This increase in expenditure is significantly due to the acceptance of grants with the revenue received offsetting the increase in expenditure.

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Water Fund

Water Fund operating result (excluding capital revenue adjustments) is net \$(0.1) million unfavourable. This includes minor favourable revenue adjustments of \$0.08 million to recognise investment revenues, offset by minor contractor, legal and attribution adjustments.

Sewer Fund

Sewer Fund operating result (excluding capital revenue adjustments) is net \$(0.1) million unfavourable. This includes favourable revenue adjustments of \$0.2 million to recognise investment revenues, and reduced loan interest expenses, offset by recognition of an additional \$0.25 million dividend payment.

Adjustments to the original budgets, greater than \$0.05 million are detailed in the *Budget Amendment Report (Attachment 1(e))*.

Consolidated Capital Program Statement (Attachment 1(c)):

Capital Program

Capital Program 2015-16					
Fund	Annual Original Budget '\$000	Previous Reviews	December Review '\$000	Dec Revotes '\$000	Annual Revised Budget '\$000
Water	3,289	282	-450	0	3,121
Sewer	11,549	535	-2,651	0	9,433
General (incl. Environment & Waste)	35,801	5,672	1,195	-6,145	36,523
Consolidated	50,639	6,489	-1,906	-6,145	49,077

There have been substantial adjustments to the capital works program for 2015-16. There are \$6.1 million of capital works being deferred to 2016-17 or later years.

The major items are:

- revised timing of the purchase and implementation of corporate software (\$2.6 million) due to the staged tender process undertaken and the delay in securing a project manager
- revised timing of new cell works at the Surfbeach Landfill site (\$3.0 million) due to delays in the finalisation of the design and tender process
- alteration of project commencement dates for the Moruya Cultural Centre (\$0.3 million) due to the delay in securing a project engineer
- revised timing of some Moruya Airport works to allow for pursuit of grant opportunities (\$0.2 million)

There has also been an additional net reduction of \$1.9 million to the capital works program due to December review adjustments. The revised timing of these projects will be reflected in the draft forward budgets that will be presented to Council in April. Adjustments to the timing of works for the planned Rosedale/Guerilla Bay sewerage scheme and the Southern Dam have been made.

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Design delays have been experienced with the Southern Dam project and \$3.0 million of works has been moved to future years. The timing of the Rosedale/Guerilla Bay sewerage scheme has also been revised as Ministerial approval is pending; \$0.45 million of works have been moved to future year budgets.

The adjustments resulting from the revised timing of projects have been partially offset by additional capital works which predominantly result from grants and contributions received; Cadgee Bridge \$0.1 million, Surf Beach specialty waste centre \$0.2 million, Rosedale pump station \$0.15 million, and Tomakin treatment works upgrade \$0.2 million.

Fit for the Future (FFTF) Considerations

Council's General Fund was assessed as being FFTF based on its proposal which met all the assessment criteria by 2019-20. Some of the financial indicators did not require benchmarks to be met and only require improvement by 2019-20. Council's program aims to meet all the benchmarks within a 10 year time frame, which includes a breakeven operating result and reduction of the infrastructure backlog ratio to less than 2%. The key financial strategy is to generate an operating surplus which, once combined with dividends from Water and Sewer Funds and Southern Phone, will be transferred into an infrastructure renewal fund. The infrastructure renewal fund will finance the annual infrastructure renewal requirements and as a result, reduce the backlog. This will meet the Infrastructure and Service provision indicators. The financing of works may require topping up with external borrowings in years with significant renewal requirements.

FFTF strategies were included in the September Review and included adjustments aimed at improving the operating statement ratio. The strategy included a savings target of 0.8% of total expenses, increased commercial income of \$0.112 million and future savings in Waste Fund borrowing costs. Commercial income increases of \$0.1 million were recognised at December, whilst the savings in borrowing costs have been achieved through replacing \$3.0 million of borrowings with cash to finance a \$7.8 million Waste Fund capital program. Strategies to improve the infrastructure indicators were the creation of an infrastructure renewal fund and transfer of internal restrictions from various funds totaling \$1.7 million.

The operating performance ratio indicates Council's capacity to meet ongoing operating expenditure requirements. The FFTF benchmark is greater than, or equal to, breakeven (three year rolling average). The original budget forecast was close to a breakeven operating performance with a forecast ratio of -0.8% in 2015-16. After accounting for projects deferred from 2014-15, December review adjustments and previous reviews, the current forecast is -1.0%. This result is expected to improve over the remainder of the year and revotes at the end of the 2015-16 financial year may further improve the result.

Special Rates Variation (SRV) – progress update (Attachment 1 (f)):

Council is continuing its efforts to achieve the capital works program for 2015-16 which includes the significant renewal program funded by the special rate variation. At the end of December this program was 34% expended. This is usual given the initial design phase is generally less expensive than the actual construction undertaken.

Some points to note from this review:

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- minor deferrals to the Airport works to allow Council to investigate the possibility of sourcing some additional grant funding towards the works
- alternative grant funding from National Parks and Wildlife Services towards the Holmes lookout project is being investigated. If successful in sourcing other funding the \$0.03 million of allocated SRV funds would be reallocated to other renewal works.

Attachment 1 (f) reports the detailed progress of the capital program showing individual project budgets and expenses to 31 December 2015.

Delivery Program Progress Report

In accordance with the Local Government Act 1993 Section 404, and the Integrated Planning and Reporting guidelines for local government, Council is required to provide progress reports to the Council, with respect to the principal activities detailed in the Delivery Program, at least every six months.

In line with this requirement, ongoing council service delivery, and capital programs are tracking well to deliver planned projects by the end of the financial year. The following summary represents the highlights of service delivery and completed projects for the period 1 July – 31 December 2015 structured by Community Strategic Plan focus area.

Liveable communities

A liveable community has pride of place, ease of access, community harmony, a mobile and healthy population that participates in community life, a feeling of safety and security, a strong vibrant cultural base and places to relax, study and play.

Council's social inclusion, community connections, community spaces, libraries art and culture, and public and environmental health and safety services contribute to liveable community outcomes as outlined in the Community Strategic Plan - One community.

Highlights for the reporting period include:

- Our Family Day Care team celebrated 25 years of service within the community with a fun day at the park, a trip to the zoo, a disco and a dinner under the stars at SAGE gardens with our educators.
- Our Out of School Hours and Vacation Care centres continued to operate and assist working families with over 5000 occasions of care.
- The Three Bees supported playgroup project attendance numbers are exceeding targets with service now being provided to over 30 families at four playgroups across Eurobodalla. The team has also received a grant for a new vehicle with signwriting.
- Our ComPacks program is now accepting referrals to the 'Healthy at Home' program which aims to prevent clients from entering hospital. This has seen a substantial increase in referrals and demand on resources.
- Our Community Care team underwent a restructure to accommodate the introduction of the new Commonwealth Home Support Program and prepare for the National Disability Insurance Scheme.

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- Attendance for social support programs including the Good Neighbour and Euro Social Club are already exceeding annual targets.
- Evolve catering provided employment for 6 people with a disability and provided catering to 19 events including the Granite Town festival and several corporate Christmas functions during the period.
- The Guy Street Villas supported accommodation, was officially opened by the Mayor, the Local Member The Hon. Andrew Constance MP and the Minister for Disability Services, The Hon. John Ajaka MLC.
- Our funding application to the National Stronger Regions Fund for the extension of the Moruya Library to create an Arts and Cultural hub was successful to the amount of \$500,000.
- The annual Revive Art Prize continued to grow this year with 41 entries and 351 in attendance at the exhibition. The Art Prize also received sponsorship from the Canberra Region Joint Organisation of \$4000.
- Our arts and culture team, in collaboration with the Public Art Advisory Committee, have commenced collection and collation of a public art work catalogue. The committee discussed and recommended two additional public artworks.
- Eurobodalla hosted the 2015 Youth Council Conference following a successful bid by our Youth Committee.
- We provided a range of activities for youth during the period with three skating and bike events attracting over 200 young people as well as a pool party at Moruya pool.
- The draft concept plan for Corrigan's reserve inclusive playground has been prepared in consultation with the Sunset Committee. Council has also worked with the Bay Push to install an access pathway for beach wheelchairs to Corrigan's beach.
- We were successful in obtaining grant funding to provide further sun protection at our Moruya pool. By working in partnership with the YMCA we were able to increase programming and attendance across all three of our pools. We also undertook a survey in relation to pool opening hours with 180 responses.
- Surf lifesaving services commenced during the period with an estimated 5790 people attending patrolled beaches in December. Surf lifesaving teams performed 12 rescues and 867 preventative actions.
- Our Recreation Development team worked with community and sporting groups on a range of initiatives including the monthly recreation matters email, the sports forum, attending individual user groups meetings and coordinating the rego roadshow.
- We were awarded a \$15,000 grant to deliver the Healthy Towns Challenge in partnership with Greater Southern Area Health Services.
- We provided over \$11,000 in grant funding to our community through the Healthy Communities and Seniors Week grants.
- Financial contributions were made to Rural Fire Service, NSW Fire and Rescue, State Emergency Services and local volunteer rescue services. We also worked with NSW Health to identify a new emergency helicopter site in Batemans Bay.
- Our Infrastructure Services team undertook advocacy for a new purpose built Emergency Operations Centre (EOC) via the NSW Governments EOC Strategic Review.

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- Fire mitigation was undertaken on Council land at key risk interfaces by hand clearing, slashing, grooming and burning.

Completed capital projects for the reporting period include:

Council's Infrastructure Services team have worked hard to deliver the capital and renewal projects listed in the Operational Plan 2015-16. While many of these are in progress or near to completion this report details only those that were complete as at 31 December 2015.

- Batemans Bay Out of School Hours veranda and shade
- Apex Park Narooma Pontoon
- Tomakin boat ramp and car park
- Durras Hall recarpeting
- Tomakin Hall painting and repair
- Tomakin Hall Parking (a community and transport infrastructure project)
- Potato Point stairs (a community and transport infrastructure project)
- Kyla Hall deck extension (a community and transport infrastructure project)
- Hanging Rock Basketball Stadium Kitchen (a community and transport infrastructure project)
- Narooma Sports and Leisure renewal (a community and transport infrastructure project)
- Shore Street Moruya Shared pathway (a community and transport infrastructure project)
- Bridge Avenue Tuross Head shared pathway
- Train Street Broulee footpath

Sustainable communities

A sustainable community is characterised by our appreciation of natural surroundings and biodiversity. This is supported by responsible planning and management practices and the lifestyle actions we agree to, to reduce our impact on the natural environment and to conserve valuable resources.

Council's sewer, water, waste management, sustainability and strategic planning services contribute to sustainable community outcomes as outlined in the Community Strategic Plan- One community.

Highlights for the reporting period include:

- We won three major awards and a highly commended for environmental projects at the Keep NSW Beautiful Blue Star environmental sustainability awards.
 - Litter reduction category for our marine environment protection program
 - Cultural heritage category for the Wallaga Lake Cemetery project
 - Overall Coastal Sustainability Award for our environmental projects in Narooma
 - Highly commended for our community building sustainability project
- We also took out the 2015 Local Sustainability award, another top environmental award at the 2015 Local Government NSW Excellence in the Environment Awards. The award

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was presented to council in recognition of our success in embracing renewable energy and waste and water efficiency. It also acknowledged 9,000 hours of bush land management volunteer work last year, the planting of 7,000 native plants, and the installation of more than 630kW of solar power.

- We worked with the community to address the Flying Fox camp in Batemans Bay with a series of information sessions and the development and adoption of a Flying Fox Management Plan.
- The Coastal Weeds of National Significance project continued with activity from Corrigan's Beach through to Broulee Surf Club. We completed stages one and two of the Lantana pushback which covered Narooma South to Corunna Lake including Punkalla Valley and the area between Wallaga Lake Village, Akolele and Dignams Creek.
- We were successful in our funding application to the Office of Environment and Heritage to undertake updated macrophyte mapping of the Tuross Estuary system over the next two years.
- Our water systems operated effectively for the period with 100% of samples meeting Australian Drinking Water guidelines.
- Our water meter replacement program continued with over 1000 meters replaced during the period.
- We carried out a range of activities to promote water conservation and sustainable water usage including:
 - Water week activities – tap star pantomime, school water audits, display and stall at local markets, public tour of Northern Water filtration plant, saving water presentations, and a water wise shop front at River Lights and Granite Town.
 - Dirt girl world get grubby program ongoing at 18 pre-schools.
 - Insert with water bills outlining water rebates available and ways to save water in the garden.
- Our sewerage schemes operated within licence conditions.
- 3,286m of sewer main and 57 sewer junctions were relined.
- Our targeted tourist waste program operated over peak season with stickers distributed and in use by real estate agents. There is some cross over with this program and our BinTrim program which is aimed at reducing waste from construction and commercial industry. We have 121 businesses registered and action plans in development.
- We provided waste education in school environments through our Keep Australia Beautiful Enviromentors program focusing on 'in the bin', lunches unwrapped, and compost critters during National Recycling week.
- We collected 22 tonnes of hazardous waste with notable decreases in the amount of water based paint, gas cylinders and batteries.
- The Draft Rural Lands Strategy was completed and reported to Council for public exhibition. Following the exhibition, proposed amendments based on community feedback were prepared and provided to the Rural Lands Steering Committee.
- We made submissions to Stage 2 of the NSW Coastal Management Reforms, the NSW Governments enquiry into Regional Planning, and also the enquiry into the adequacy of the regulation of short-term holiday letting in NSW.
- The Batemans Bay Regional Waterways Infrastructure Plan was completed.

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- The following projects have had a change to programming and will not meet original timeframes as established in the Operational Plan 2015-16:
 - South Moruya Bio-certification project: this project will not be progressing following a lack of support shown through the initial community engagement phase.
 - Recreation and Open Space Strategy review: originally planned to be completed in June 2016, the review will now be completed in December 2016 to accommodate the finalisation of the revaluation of recreation assets.

Completed capital projects for the reporting period include:

Council's Infrastructure Services team have worked hard to deliver the capital and renewal projects listed in the Operational Plan 2015-16. While many of these are in progress or near to completion this report details only those that were complete as at 31 December 2015.

- Deep Creek Dam cathodic protection
- Water: Replacement telemetry parts
- Sewer: telemetry upgrades

Productive communities

A productive community provides people with positive choices for investment, employment and study. An innovative, diverse and resilient economy requires collaboration between local people and other levels of government to ensure that funding for infrastructure and economic development exists to support market strength and diversity.

Council's business development and events, tourism, transport and development services contribute to productive community outcomes as outlined in the Community Strategic Plan- One community.

Highlights for the reporting period include:

- Council's Development Assessment team processed 421 development applications during the period, with an average processing time of 20.57 days and a total value of \$67.48 million.
- In the lead up to summer Council waived the setup fee for new outdoor eating licence holders and offered three months free to both new and existing licence holders in an effort to encourage local business growth and a café culture throughout Eurobodalla.
- Council's primary advocacy document, 'Infrastructure driving the NSW economy' was updated to incorporate Australian Government boundary changes. This tool drove ongoing advocacy to support regional development initiatives such as implementation of the Moruya Airport development master plan, increased mobile network coverage and indigenous economic development initiatives.
- Our Economic Development team worked with businesses and agencies to deliver a range of capacity building events including: NSW Regional Activation Forum in Batemans Bay, 11 workshops including 'Finding your profit', 'Social media', 'Sales and marketing'

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and 'Customer service skills'. Over 5,000 emails sent promoting these various activities resulting in 228 businesses attending.

- Our events team have worked with over 17 different groups to bring a variety of quality events to Eurobodalla for us all to enjoy. Events supported through financial and in-kind assistance include: Narooma Blues Fest, Granite Town, South Coast Camping and Holiday Show, Run for Teal marathon, Dalmeny Dash and South coast nationals. Total supported events have brought \$1.6 million into our local economy
- Our new tourism holiday guide was launched in December with 80,000 copies distributed across key areas within Australia.
- The Unspoilt South Coast NSW marketing campaign was awarded top honours at the 2015 NSW Tourism Awards. Council collaborated with Shoalhaven Council, Shellharbour Tourism, Sapphire Tourism, Kiama Tourism and Destination NSW to deliver the campaign which was the first ever 'whole-of-region' campaign.
- We continued work on the Kings Highway on behalf of Roads and Maritime Services to realign the highway at East Nelligen.
- Several road safety programs we delivered including the Narooma night bus, the Kings Highway summer campaign, and the country roads project.

Completed capital projects for the reporting period include:

Council's infrastructure services team have worked hard to deliver the capital and renewal projects listed in the Operational Plan 2015-16. While many of these are in progress or near to completion this report details only those that were complete as at 31 December 2015.

- Moruya Airport Car park upgrade (a community and transport infrastructure project)
- Moruya Pool Car park upgrade
- Gravel resheet projects:
 - Horse Island Road
 - Belowra Road, 1km from Nerrigundah
 - Corunna Sportsground Road
- Road pavement rehabilitation projects:
 - Evans Street, Tuross Head
 - Grenville Avenue, Tuross Head
 - Donnelly's Ridge Road, Moruya
 - Donnelly Drive, Moruya
 - Centenary Drive, Narooma
- Local Urban Roads - Murray Street Moruya
- Stormwater piping projects:
 - Grenville Avenue, Tuross
 - Mitchell Place, Narooma

Collaborative communities

A collaborative community is informed, has responsible decision making and a sound financial position supported by capable leaders, functional assets and efficient operations to meet the changing needs of the community.

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Council's executive services, communication and integrated planning services contribute to collaborative community outcomes as outlined in the Community Strategic Plan- One community.

Highlights for the reporting period include:

- Development of Council's Fit for the Future Improvement proposal. The Proposal was lodged with the Independent Pricing and Regulatory Tribunal and Eurobodalla was deemed Fit for the Future as a standalone council.
- Development and adoption of a Memorandum of Understanding (MoU) with Bega Council. This strategic partnership will achieve cooperative arrangements and establish a framework to deliver greater efficiencies and progress strategies for both Councils and their communities.
- Development of the Draft Community engagement guidelines and toolkit to guide ongoing and improved engagement with our community.
- Our organisation service review continued with a review of the internal organisational development service.
- Eurobodalla became a refugee welcome zone.
- We provided opportunities for engagement and involvement in Council decision making through:
 - Regular meet us at the markets stalls
 - Community meetings where our community set the agenda and asked the questions they wanted answered
 - Information and feedback sessions on:
 - Council swimming pool opening hours
 - Broulee planning proposal
 - Narooma Flood study
 - Rural Lands Strategy
 - Tuross Water Quality Improvement Plan
 - Flying Fox camp at Batemans Bay
 - Sports forums for clubs and community groups
 - Builders and Developers forum
 - Water quality seminar for public swimming pool operators
- We called for members on the following advisory committees:
 - Heritage Advisory Committee
 - Tourism Advisory Committee
 - Business Advisory Committee
 - Coastal and Environmental Management Advisory Committee
 - Batemans Bay Streetscape Sunset Advisory Committee
- We provided opportunities for the community to gather information and learn new skills through:
 - Workshop on using the community population tools available through Councils website
 - Demonstration for land owners on how to remove lantana
 - Celebration for National Aboriginal and Torres Strait Islander Children's Day

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- Promotion of Rural Fire Service workshops to provide feedback on the Eurobodalla Bush Fire Risk Management Plan
- Tour of the Batemans Bay Water Filtration Plant
- Marine Debris presentation
- Our communications team worked to increase Council radio coverage during this period. Pre-recorded news grabs and interviews about Council initiatives, services, and events were provided by subject matter experts. This enabled Council to explain complex concepts and answer detailed questions.

Legal

This review is based on the Quarterly Budget Review Statement Guidelines issued December 2010 pursuant to the provisions of the Local Government Act 1993 relating to integrated planning.

Policy

The accounting policies being used are based on the financial statements for the year ended 30 June 2015.

“Variations” in the Fund Flow Statement are changes in funding requirements where “funds” are net current assets (working capital) excluding both internal and externally restricted funds.

Financial

Interest rates continue to remain at low levels. The Reserve Bank statements suggest that the rate will continue to be on hold.

Community Engagement

N/A

CONCLUSION

There are no material concerns at this quarterly review about meeting budget targets for 2015-16.

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulation 205:

As the Responsible Accounting Officer, it is my opinion that the December Quarterly Budget Review for Eurobodalla Shire Council indicates that Council’s projected financial position as at 30 June 2016 will be satisfactory, having regard to the projected estimates of income and expenditure for the 2015-16 financial year.

Eurobodalla Shire Council
Fund Flow Statement
For the period ending 31 December 2015

Attachment 1 (a)

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual	Act/Bud %
INCOME STATEMENT						
Income	99,785,664	8,062,661	1,024,256	108,872,581	80,816,262	74.23%
Expenses	(98,290,730)	(9,444,029)	(258,488)	(107,993,247)	(49,576,632)	45.91%
Net Ordinary Surplus before Capital Rev	1,494,934	(1,381,368)	765,768	879,333	31,239,630	
Capital Revenue	7,714,000	748,208	788,681	9,250,889	2,976,248	32.17%
Net Surplus(-Deficit)	9,208,934	(633,160)	1,554,449	10,130,222	34,215,878	
CASH/FUND FLOW STATEMENT						
Operations						
Net Surplus(-Deficit) from above	9,208,934	(633,160)	1,554,449	10,130,222	34,215,878	337.76%
Adjusts for Non Cash/Fund Flows	28,898,480	0	0	28,898,480	14,469,286	50.07%
	38,107,414	(633,160)	1,554,449	39,028,702	48,685,164	
Investing						
Proceeds from Asset Sales	593,544	0	362,917	956,461	364,998	38.16%
Repayments from Defferred Debtors	20,000	0	0	20,000	12,000	60.00%
Purchase of Assets	(50,638,986)	(6,489,009)	8,051,235	(49,076,760)	(15,300,959)	31.18%
	(50,025,442)	(6,489,009)	8,414,152	(48,100,299)	(14,923,961)	
Financing						
Proceeds from Borrowing	17,082,072	(1,010,151)	(2,859,403)	13,212,518	0	0.00%
Repayments of Borrowings	(10,985,815)	0	(90,038)	(11,075,853)	(2,976,443)	26.87%
	6,096,257	(1,010,151)	(2,949,441)	2,136,665	(2,976,443)	
Net Inc(-Dec) in Funds Before Transfers	(5,821,771)	(8,132,320)	7,019,160	(6,934,932)	30,784,760	
Transfers From/To Restricted Funds	5,361,388	2,735,605	(2,749,853)	5,347,140	(327,840)	-6.13%
Net Inc(-Dec) in Unrestricted Funds	(460,384)	(5,654,165)	4,327,384	(1,787,164)	30,456,920	

Eurobodalla Shire Council
Consolidated Income Statement
For the period ending 31 December 2015

Attachment 1(b)

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual	Act/Bud %
INCOME STATEMENT						
Income						
Rates & Annual Charges	(55,039,599)	-	-	(55,039,599)	(55,082,655)	100%
User Fees and Other	(24,188,566)	(129,334)	(127,277)	(24,445,177)	(11,663,230)	48%
Investment Revenue	(3,490,066)	144,343	344,791	(3,000,932)	(1,215,437)	41%
Grants	(17,067,433)	(7,820,219)	(1,299,848)	(26,187,501)	(12,371,860)	47%
Capital Grants & Contributions	(7,714,000)	(748,208)	(788,681)	(9,250,889)	(2,976,248)	32%
Gain/(Loss) on Disposal	-	(257,450)	58,078	(199,372)	(483,079)	242%
Total Income	(107,499,664)	(8,810,869)	(1,812,937)	(118,123,470)	(83,792,510)	71%
Less Expenses						
Business Development & Events	4,993,537	96,797	4,666	5,095,001	2,308,752	45%
Communication	581,509	(6,997)	29	574,541	303,408	53%
Community Care	4,759,516	816,467	357,047	5,933,030	2,445,135	41%
Community Spaces	10,108,633	155,671	54,554	10,318,858	5,197,271	50%
Development Services	3,425,237	25,000	6,383	3,456,620	1,634,061	47%
Executive Services	1,605,888	12,020	402	1,618,310	879,515	54%
Finance & Governance	6,226,347	212,089	(556,291)	5,882,145	3,041,843	52%
Integrated Planning	294,482	51,444	5,131	351,057	128,781	37%
Land Use and Natural Environment Planning	1,466,672	625,283	(313,606)	1,778,348	650,864	37%
Libraries, Arts & Culture	1,883,689	205,643	1,181	2,090,513	937,561	45%
Organisation Development	1,549,753	301,570	12,443	1,863,766	727,820	39%
Organisation Support	(6,307,387)	76,414	(270,157)	(6,501,130)	(3,233,500)	50%
Public & Environmental Health and Safety	3,368,285	162,400	61,959	3,592,644	1,878,640	52%
Sewer Services	17,875,170	-	(44,609)	17,830,561	8,133,920	46%
Social Inclusion	3,166,539	264,635	6,298	3,437,472	1,610,605	47%
Sustainability	812,920	1,057,001	340,172	2,210,093	687,468	31%
Tourism	1,394,448	(2,319)	-	1,392,129	640,532	46%
Transport, Stormwater & Flood Management	15,727,902	5,216,277	457,340	21,401,518	10,139,636	47%
Waste Management	9,973,193	128,480	(4,749)	10,096,924	4,371,173	43%
Water Services	15,384,399	46,154	140,295	15,570,848	7,093,146	46%
Total Expenses	98,290,730	9,444,029	258,488	107,993,247	49,576,632	46%
Net Ord Surplus (Deficit) after Capital Rev	9,208,934	(633,160)	1,554,449	10,130,222	34,215,878	
Net Ord Surplus (Deficit) before Capital Rev	1,494,934	(1,381,368)	765,768	879,333	31,239,630	

**Eurobodalla Shire Council
Capital Program Statement
For the period ending 31/12/15**

Attachment 1(c)

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual	Act/Bud %
Business Development & Events	1,881,956	989,362	(163,500)	2,707,818	232,060	9%
Communication	-	-	-	-	-	0%
Community Care	-	-	-	-	-	0%
Community Spaces	5,118,014	817,428	122,000	6,057,442	1,571,752	26%
Development Services	-	-	-	-	-	0%
Executive Services	-	-	-	-	-	0%
Finance & Governance	-	-	62,160	62,160	62,160	100%
Integrated Planning	-	-	-	-	-	0%
Land Use and Natural Environment Planning	-	-	-	-	-	0%
Libraries, Arts & Culture	373,780	312,462	(297,950)	388,292	81,296	21%
Organisation Development	-	-	-	-	-	0%
Organisation Support	5,939,227	426,757	(2,354,725)	4,011,259	1,701,889	42%
Public & Environmental Health and Safety	110,000	67,556	311,300	488,856	450,703	92%
Sewer Services	11,549,000	534,797	(2,651,000)	9,432,797	2,815,035	30%
Social Inclusion	50,000	-	-	50,000	30,677	61%
Sustainability	-	-	-	-	2,227	0%
Tourism	-	9,333	-	9,333	14,225	152%
Transport, Stormwater & Flood Management	14,620,009	2,386,818	147,799	17,154,626	5,977,165	35%
Waste Management	7,708,000	662,496	(2,777,319)	5,593,177	1,254,679	22%
Water Services	3,289,000	282,000	(450,000)	3,121,000	1,107,091	35%
Total Capital Expenditure	50,638,986	6,489,009	(8,051,235)	49,076,760	15,300,959	31%

Eurobodalla Shire Council
Projected Fund Balances Statement
For the period ending 31 December 2015

Attachment 1(d)

	Opening Balances	Original Budget	Previous Reviews	This Review	Revised Budget	Closing Balances
Unrestricted Funds	29,227,000	(3,479,445)	(1,755,331)	709,552	(4,525,224)	24,701,776
Externally Restricted						
Water Fund	9,881,611	2,873,774	(262,026)	259,132	2,870,880	12,752,491
Sewer Fund	12,792,274	909,309	(14,683)	321,509	1,216,135	14,008,409
Waste Fund	8,667,866	(764,022)	(3,516,250)	3,037,192	(1,243,080)	7,424,786
Rest Inv - Other Developer Contributions, Total	4,275,919	(1,603,571)	(34,606)	477,231	(1,160,946)	3,114,973
Rest Inv - Tree Fund, Total	44,616	(5,233)	-	-	(5,233)	39,383
Rest Inv - Unexpended Grant, Total	4,219,478	(19,800)	(2,493,583)	97,950	(2,415,433)	1,804,045
Rest Inv - CS Asset Replacement, Total	27,231	-	-	-	-	27,231
Rest Inv - Unexpended Loans, Total	212,212	-	(97,636)	(262,212)	(359,848)	(147,636)
Rest Inv - Crown Reserve (General), Total	139,334	(74,309)	(14,697)	86,880	(2,127)	137,207
Rest Inv - Crown Reserve Loan Pool, Total	149,228	2,000	-	-	2,000	151,228
Rest Inv - Sinking Funds, Total	-	-	-	-	-	-
Rest Inv - Contributions, Total	561,720	-	(283,098)	(36,936)	(320,034)	241,687
Rest Inv - S94A Contributions, Total	439,115	400,000	-	(200,000)	200,000	639,115
Rest Inv - Stormwater Fund, Total	47,506	(900)	(964)	-	(1,864)	45,642
Rest Inv - Voluntary Planning Agreements, Total	-	-	-	-	-	-
Total External Restricted Funds	41,458,110	1,717,248	(6,717,544)	3,780,746	(1,219,549)	40,238,560
Internal Restricted Funds						
Rest Inv - Employee Leave Entitlements, Total	1,605,173	75,000	-	-	75,000	1,680,173
Rest Inv - Infrastructure Renewals, Total	-	-	1,897,805	-	1,897,805	1,897,805
Rest Inv - Unexpended General Fund Loans, Total	247,190	-	(108,601)	(247,191)	(355,792)	(108,602)
Rest Inv - Works Income Equalisation Fund, Total	809,447	50,000	561,602	14,698	626,300	1,435,747
Rest Inv - Council Funded Loan Pool, Total	104,616	3,400	-	-	3,400	108,016
Rest Inv - Other Internal Restrictions, Total	2,327,091	697,394	(86,636)	(7,288)	603,470	2,930,561
Rest Inv - Infrastructure Fund, Total	523,536	125,543	(113,375)	-	12,168	535,704
Rest Inv - Gravel Pits, Total	228,369	-	-	-	-	228,369
Rest Inv - Airport, Total	-	-	-	-	-	-
Rest Inv - Sports Liaison, Total	(40,943)	19,300	-	-	19,300	(21,643)
Rest Inv - Management Committees, Total	265,570	16,145	(87,677)	-	(71,532)	194,038
Rest Inv - Real Estate Disposal Fund, Total	2,080,035	(1,715,000)	(754,040)	112,917	(2,356,123)	(276,088)
Rest Inv - Energy and Efficiency Fund, Total	1,299,839	68,500	(279,191)	(25,000)	(235,691)	1,064,148
Rest Inv - Interest Equalisation Fund, Total	1,151,805	-	(1,151,805)	-	(1,151,805)	-
Rest Inv - Community Development Infrastructure Fund, Total	347,626	210,000	(220,000)	-	(10,000)	337,626
Rest Inv - IT Investment Fund, Total	2,799,133	(2,568,108)	(295,102)	2,738,804	(124,406)	2,674,726
Rest Inv - Carbon Tax Fund, Total	124,903	-	(124,000)	-	(124,000)	903
Rest Inv - Financial Assistance Grant, Total	-	-	-	-	-	-
Rest Inv - Recreation Strategy Land Sales, Total	-	-	-	-	-	-
Rest Inv - Special Rates Variation, Total	-	(1,041,749)	950,000	-	(91,749)	(91,749)
Total Internal Restricted Funds	13,873,389	(4,059,575)	188,980	2,586,940	(1,283,655)	12,589,734
Total Funds	84,558,498	(5,821,771)	(8,283,895)	7,077,238	(7,028,429)	77,530,070

Eurobodalla Shire Council
Budget Adjustments > \$50 000
For the quarter ending 31 December 2015

Fund	Cost Centre	Fund Flow Type	Description	Favourable/ (Unfavourable)	Revote	Explanation
ENVIRONMENT FUND						
	Coastal & Estuary Management	Revenue	Grants	50,000		Current year grant funding for Eurobodalla Estuaries 2015 project.
		Expenses	Contractor Payments	(50,000)		Expenditure on the Eurobodalla 2015 Estuaries project supported by grant funding.
	Other Compliance	Revenue	Legal Fees Recovery	133,000		Recovery of overdue monies.
	Environmental Protection Projects	Revenue	Grants	120,000		Grant funding from the NSW Government - Local Land Services.
		Expenses	Contractor Payments	(120,000)		Expenditure on the Landcare Coordinator Initiative project supported by grant funding.
	Landcare Projects	Revenue	Grants	140,000		Grant funding from the NSW Government - Local Land Services.
		Expenses	Contractor Payments	(140,000)		Expenditure on the Landcare Coordinator Initiative project supported by grant funding.
	Individual minor items	Various	Minor adjustments this review	(32,024)		Various minor adjustments
	Total adjustments for Environment Fund this quarter (No revotes)			100,976		
WASTE FUND						
	Waste Administration	Revenue	Capital Grant	213,681		Grant funding available from the NSW Environmental Trust.
		Capital	Buildings - Construction General	(213,681)		Construction of new specialty waste recycling centre funded by NSW Environment Trust.
	Surf Beach Landfill	Capital	Project Planning	3,000,000	Y	Project delayed pending finalisation of design drawings for new cell.
	Individual minor items	Various	Minor adjustments this review	37,192		Various minor adjustments
	Total adjustments for Waste Fund this quarter (excl Revotes)			37,192		
	Total revotes for Waste Fund this quarter			3,000,000		
WATER FUND						
	Development Contributions - Water	Capital Revenue	S64 Water Supply Contributions	200,000		Estimate of S64 Contributions revised to reflect current development conditions. Funding restricted.
		Transfers	S64 Water Supply Contributions	(200,000)		Restriction of developer contributions received.
	Dams & Weirs - Capital Expenditure	Capital Expenditure	Southern Dam - Investigation and Design	450,000		Investigation and design estimate adjusted to reflect revised timing of works to continue in 16-17.
		Transfers	Developer Contributions	(135,000)	Y	Utilisation of funds deferred in line with Southern Dam investigation and design continuing in 2016-17.
	Water & Sewer Labour Unit	Expenses	Overheads	(128,872)		Increase in overheads and minor items resulting from transfer of Electricians to Water and Sewer labour unit.
	Individual minor items	Various	Minor adjustments this review	73,004		Various minor adjustments
	Total adjustments for Water Fund this quarter (excl revotes)			394,132		
	Total revotes for Water Fund this quarter			(135,000)		
SEWER FUND						
	Development Contributions - Sewer	Capital Revenue	S64 Sewer Contributions	100,000		S64 Contributions received reflective of current development conditions. Funding restricted.
		Revenue	Interest developer Contributions	54,000		Estimates adjusted to reflect current interest rates.
		Transfers	S64 and other Contributions	(100,000)		Restriction of developer contributions received.
	Sewerage Rates & Revenue	Revenue	Interest	96,204		Revised estimate based on adjusted cash balances at 30 June 2015.
	Pump Stations	Revenue	Capital Grant	400,000		Revised allocation of subsidies applied to Rosedale Pump Station.
		Capital	W&S - Project Construction	(150,000)		Revised costs based on outcome of tender process and grant funding allocation to Rosedale Pump Station.
		Transfers	Developer Contributions	200,000		Revised utilisation of restricted funding for the Rosedale Pump Station from S64 contributions.
	Small Towns Sewer Capital	Revenue	Capital Grant	(903,300)		Revised grants estimate based on forward budget process and revised timing of works Rosedale/Guerrilla Bay.
		Capital	W&S - Project Construction	3,000,000		Revised capital works based on forward budget process and revised timing of works Rosedale/Guerrilla Bay.

Sewer fund continued on next page

Eurobodalla Shire Council
Budget Adjustments > \$50 000
For the quarter ending 31 December 2015

Continued from previous page

Fund	Cost Centre	Fund Flow Type	Description	Favourable/ (Unfavourable)	Revote	Explanation
		Transfers	Loans utilisation	(2,150,000)		Revised loan requirements based on forward budget process and revised timing of works Rosedale/Guerrilla Bay.
General Controls/Balance Sheet		Revenue	Internal Dividend Revenues	(251,410)		Recognise increase to full best practice compliance dividend transferred to GF based on 14-15 results.
		Transfers	Unexpended Loans	2,412,202		Reduced transfers into restriction in line with amended current works program.
		Balance Sheet	Borrowings	(2,412,202)		Revised borrowing requirements in line with current works program.
Manhole Restoration Program		Capital Expenditure	Project Construction	50,000		Funding reduced in line with current prioritised manhole restoration requirements.
Upgrade Tomakin Treatment Works - Stage 1.		Capital Expenditure	Project Construction	(200,000)		Revised expenditure to reflect tender outcome.
		Capital revenue	Capital Grant	200,000		Increased subsidies anticipated inline with increased tender outcome.
Individual minor items			Minor adjustments this review	(23,985)		Various minor adjustments
Total adjustments for Sewer Fund this quarter (no revotes)				321,509		
GENERAL FUND						
Rural Fire Services - plant		Capital Assets	Capital Contributions - Non Cash/Dedications Plant & Equipment	311,300 (311,300)		Recognise contribution of new Fire Control vehicles Record Fire Control vehicles as new assets.
Attendant Care Service		Revenue Expenditure	Grants - Community Care Services Grant related Service Delivery Costs	98,470 (98,470)		To record revised grant funding available from the Department of Ageing, Disability & Home Expenditure supported by revised ADHC grant funding.
Case Management /Disability Case Management		Revenue Expenditure	Grants - Community Care Services Grant related expenditure	61,906 (61,906)		To record revised grant funding from the Departments of Social Services (DSS) & Department of Aged Care (ADHC) Revised expenditure budget as a result of increased DSS and ADHC grant funding.
Flexible Respite		Revenue Expenditure	Grants - Community Care Services Grant related expenditure	68,170 (68,170)		To record revised grant funding from the Department of Ageing, Disability & Home Care (ADHC). Revised expenditure budget as a result of increased ADHC grant funding.
Supported Accommodation - Guy Street		Revenue Expenditure	Grants - Community Care Services Grant related expenditure	(66,316) 66,316		To record reduced grant funding from the Department of Ageing, Disability & Home Care (ADHC). Revised expenditure budget as a result of decreased ADHC grant funding.
Social Support Peer Support		Revenue Expenditure	Grants - Community Care Services Grant related expenditure	52,922 (52,922)		To record revised grant funding from the Department of Social Services (DSS) & ADHC Revised expenditure budget as a result of increased DSS and ADHC grant funding.
Respite for Carers		Revenue Expenditure	Grants - Community Care Services Grant related expenditure	(237,458) 237,458		Revised grant funding from the Department of Social Services (DSS). Program replaced by Seniors Respite. Revised expenditure budget as a result of reduced DSS grant funding.
Seniors Respite		Revenue Expenditure	Grants - Community Care Services Grant related expenditure	299,190 (299,190)		To record funding from the Department of Social Services (DSS). Expenditure supported by Department of Social Services grant funding.
Certificates and Compliance		Revenue	Swimming Pool Barrier Inspection Fees	(50,000)		Income is not generated on noncompliance reinspections, which is making up the majority of current work.
Coastal Management Studies		Expenditure	Contractor Payments and other general	156,130	Y	Budget to be reallocated to future years budgets in line with programmed expenditure.
Development Control - Strategic Unit		Expenditure	Employee Expenses	57,000		Saving due to vacant cadet position for 9 months.
Governance		Restricted fund transfer Capital Expenditure	Office Equipment - Software Office Equipment - Software	62,160 (62,160)		Use of risk management bonus received to support the purchase of iferret search engine. Purchase of iferret search engine. Supported by risk management incentive bonus.
General Rates & Revenues		Revenue Revenue	Investment Revenues Best Practice Dividend Revenues	(252,032) 251,410		Increased transfer of investment returns to Water, Sewer and Waste Funds, reflective of cash balances. Recognise increase to full compliance dividend transferred from Sewer based upon audited 14-15 results.
Aerodrome		Capital Expenditure	Capital Works	233,500	Y	Upgrades to the terminal and aircraft holding areas deferred to allow for completion of assessments and investigation into additional grant funding.
Caravan Parks		Restricted fund transfer	Caravan Parks Revenue	(86,880)		Restrict additional revenue to Crown Reserves Fund as per revised lease agreement.

General Fund continued on next page.

Eurobodalla Shire Council
Budget Adjustments > \$50 000
For the quarter ending 31 December 2015

Continued from previous page

Fund	Cost Centre	Fund Flow Type	Description	Favourable/ (Unfavourable)	Revote	Explanation
	Moruya Cultural Precinct	Restricted fund transfer	Loans and Grant reserve utilisations	(297,950)	Y	Reduced utilisation of loan and grants this year due to deferred works on the Cultural Precinct.
		Capital Expenditure	Buildings - Renovations/Improvements	297,950	Y	Project to continue in 2016-17 due to delay in Project Engineer commencing.
	Land Management (including road reserves)	Revenue	Proceeds from Disposal of Assets	101,000		Net gain from sale of land - Timber Way. Revenues were restricted to Real Estate disposal fund.
	S94A Development Levy	Capital Revenue	S94A Developer Contributions	(200,000)		Revenue estimate revised downwards to reflect current S94A development contribution amounts.
		Restricted fund transfer	S94A Developer Contributions Reserves	200,000		Reduced transfer into restricted reserves due to lower S94A development contributions received.
	Development Contributions - Open Space & Recreation	Capital Revenue	S94 Open Space Developer Contributions	50,000		Increased contribution estimates to reflect current conditions
		Restricted fund transfer	S94 Open Space Developer Contributions Reserves	(50,000)		Increased transfer into reserves reflective of current conditions
	Botanic Gardens - Visitor Centre Redevelopment	Revenue	Donations - Other	70,000		Contributions from the Friends of the Botanic Gardens to support the ERBG Visitor Centre Redevelopment.
		Capital Expenditure	Capital project planning	(70,000)		Stage 1 of the ERBG Visitor Centre Redevelopment supported by Friends of the Botanic Gardens contributions.
	Bridges - Cadgee Bridge reconstruction	Capital Revenue	Net Carrying Amount of Asset Sold	(159,078)		Recognise net carrying amount of Cadgee bridge write off, including recovery of some materials.
		Capital Revenue	Contribution - National Disaster Recovery	100,000		National Disaster Recovery Funding.
		Capital Expenditure	Bridge Replacement works	(100,000)		Bridge Replacement works as per National Disaster Recovery funding received.
	Development Contributions - Roads	Capital Revenue	S94 Road Works Contributions	190,000		Estimate revised to reflect current roads development conditions.
		Restricted fund transfer	S94 Road Works Contributions Reserves	(190,000)		Increased transfer into restriction to reflect current roads development conditions.
	Local Rural Flood Recovery works	Revenue	Contributions - Roads and Maritime Services	274,975		To record remaining recovery works funding from the Roads and Maritime Services, for December 2014 floods.
		Expenditure	Culvert Cleaning by Sucker	(274,975)		Expenditure on cleaning due to December 2014 flood funded by the RMS.
	Kings Highway works	Revenue	Contributions - Roads and Maritime Services	64,524		To record 2015-16 funding available from the Roads & Maritime Services.
		Expenditure	RMS incidents - Clearing	(55,395)		Canopy control works supported by Roads & Maritime funding.
	Risk Management/Insurance	Restricted fund transfer	Internal Restrictions - other	(54,872)		To restrict risk management incentive bonus received.
		Expenditure	Premium - Risk Management Bonus Scheme	54,872		To record reduction to premiums due to risk management incentive bonus received.
	Corporate Information Systems	Restricted fund transfer	IT Investment Fund - Restricted account	(80,082)		Reduced transfer in to match actual current year costs. All expense are funded from the restricted fund.
		Restricted fund transfer	IT Investment Fund - Restricted account	(2,668,240)	Y	Reduced transfer in as a result of timing of purchase and installation of new system being revised.
		Capital Expenditure	Office Equipment - Software	2,613,414	Y	Project timing revised in line with appointment of successful vendor later this year.
		Expenditure	Contractor Payments	102,768	Y	Business plan and project manager costs revised in line with pending appointment of successful vendor.
	Energy Efficiency Projects	Capital Revenue	Capital Contributions - Other	55,000		Estimate revised to reflect potential rebates for solar projects.
	Personnel Services	Restricted fund transfer	WHS OHS Incentive Works - General	75,286		Recognise current and prior year Work Health and Safety incentives available for use.
	General Controls/Balance Sheet	Balance Sheet	Loans Principal repayments	(81,759)		Variation as a result of adjusted modelled repayments.
		Expenditure	Interest - Financial Institutions	136,553		Interest payments revised downwards to reflect lower final actual borrowings raised after forward budgeting process was completed.
		Balance Sheet	Borrowings	(200,000)	Y	Reduced borrowings as a result of the timing of the Cultural Precinct works being mainly in 2016-17.
		Restricted fund transfer	Unexpended loans reserves.	200,000	Y	Reduced transfer into loan reserves as a result of reduced current year borrowing requirements.
	Electricians Department	Expenditure	Overheads	128,144		Reduction to overheads contribution as a result of reallocation of electricians.
	Plant operations	Asset Sales	Asset Sales - P & E	250,000		Revenue from sales deferred or not finalised last year.
		Capital	Plant & Equipment	(250,000)		Procurement of street sweeper to meet current operational requirements.
		Expenditure	Interest - Internal	122,184		Revise cost of capital recovery (opportunity cost) to reflect reduced loan interest rates.
	Individual minor items	Various	Minor adjustments this review	(66,398)		Various minor adjustments
	Individual minor items	Various	Minor revotes this quarter	30,000	Y	Minor revotes
Total adjustments for General Fund this quarter (excl revotes)			December Review	82,926		
Total revotes for General Fund this quarter			Revotes	467,572		

Eurobodalla Shire Council
Special Rate Variation Projects Schedule
For the Period ended 31 December 2015

Attachment 1 (f)

Project	Location	SRV Funds	Total Budget	Total Costs	Remainder	Percent	Progress update as at 31 December 2015.
Transport							
Joes Creek shared pathway bridge	Batehaven	\$350,000	\$350,000	\$441	\$349,559	0.13%	Geotech quotations finalised. Works to be completed by 30 June.
High risk culvert replacement	Various	\$350,000	\$350,000	\$0	\$350,000		Design underway of Reedy Creek Road - works to be completed during quarters 2, 3 and 4.
Beach Road box culverts	Batemans Bay	\$600,000	\$600,000	\$33,572	\$566,428	5.60%	REF for replacement in progress and box culvert already available. In-house construction to occur during April/May.
Gravel Resheeting	Various	\$100,000	\$1,122,347	\$661,351	\$460,996	58.93%	In progress
Reseals	Various	\$200,000	\$1,325,320	\$873,147	\$452,173	65.88%	In progress
Reconstruction Riverview Road	Narooma	\$390,000	\$390,000	\$3,490	\$386,510	0.89%	Plans ready for release - works programmed for 3rd quarter.
Airport terminal upgrade	Moruya	\$130,000	\$130,000	\$3,065	\$126,935	2.36%	Project deferred to allow for investigation of additional grant opportunities.
Airport holding area	Moruya	\$120,000	\$120,000	\$0	\$120,000		Project to continue in 2016-17 once additional assessments have been completed.
Airport car park extension	Moruya	\$20,000	\$20,000	\$14,922	\$5,078	74.61%	Work substantially complete.
Shared pathway Shore Street	Moruya	\$50,000	\$150,000	\$147,102	\$2,898	98.07%	Work substantially complete.
Batemans Bay streetscaping	Batemans Bay	\$500,000	\$500,000	\$84,948	\$415,052	16.99%	Formation of sunset committee and engagement of landscape architect in quarter 3.
Halls							
Tomakin hall carpark	Tomakin	\$75,000	\$75,000	\$79,180	(\$4,180)	105.57%	Complete
Dr Mackay Community Centre Stage 2	Moruya	\$100,000	\$100,000	\$398	\$99,602	0.40%	Structural works commissioned. Works in progress.
Kyla Hall - deck	Tuross Head	\$30,000	\$30,000	\$35,995	(\$5,995)	119.98%	Complete
Kyla Hall - internal refurbishment	Tuross Head	\$20,000	\$20,000	\$2,015	\$17,985	10.08%	Management committee decisions pending remaining works - to be completed in April.
Heating & lighting for hall	Bodalla	\$75,000	\$75,000	\$6,811	\$68,189	9.08%	Analysis complete - works commenced.
Hanging Rock basketball stadium kitchen	Batemans Bay	\$25,000	\$25,000	\$0	\$25,000		Kitchen work commenced. Minor works to be completed in March.
Narooma Leisure Centre	Narooma	\$50,000	\$130,484	\$130,484	(\$0)	100.00%	Complete
Sporting facilities							
Hanging rock AFL fence	Batemans Bay	\$150,000	\$150,000	\$0	\$150,000		Work to commence in 3rd quarter.
Hanging Rock rugby field refurbishment	Batemans Bay	\$60,000	\$165,000	\$161,553	\$3,447	97.91%	Works commenced.
Upgrade rodeo yards - Showground	Moruya	\$75,000	\$75,000	\$0	\$75,000		Proposed for completion by Mar
Kyla oval - toilets & storage	Tuross Head	\$25,000	\$25,000	\$0	\$25,000		Quotes - complete by April 2015
Kyla oval - toilets & storage	Tuross Head	\$50,000	\$50,000	\$0	\$50,000		Quotes - complete by April 2016
New car park	Bodalla	\$375,000	\$375,000	\$4,061	\$370,939	1.08%	Design complete, awaiting RMS advice for intersection
Bill Smyth oval fencing	Narooma	\$150,000	\$150,000	\$0	\$150,000		Work to commence in 4th quarter.
Batemans Bay swimming pool	Batemans Bay	\$75,000	\$75,000	\$19,213	\$55,787	25.62%	Dosing works complete, remainder in 4th quarter.
Moruya swimming pool	Moruya	\$75,000	\$75,000	\$29,681	\$45,319	39.57%	Dosing works complete, remainder in 4th quarter.
Gundry Oval - Amenities	Moruya	\$20,000	\$22,000	\$21,461	\$539	97.55%	Complete
Public reserves - general							
Holmes Lookout	Batemans Bay	\$30,000	\$30,000	\$0	\$30,000		Meeting with National Parks and Wildlife Services in 3rd quarter.
Tuross Boat Ramp Renewal - dredging	Tuross Head	\$30,000	\$30,000	\$14,978	\$15,022	49.93%	Works underway
Corrigans accessible playground	Batehaven	\$100,000	\$400,000	\$20,684	\$379,316	5.17%	Preliminary design available. To be completed during 4th quarter.
Corrigans Reserve picnic facilities/trees	Batehaven	\$75,000	\$75,000	\$41,962	\$33,038	55.95%	Work underway with installation of picnic shelters outstanding.
Heath Street viewing platform	Broulee	\$40,000	\$40,000	\$33,880	\$6,120	84.70%	Substantially complete.
One Tree Point beach access	Tuross Head	\$25,000	\$25,000	\$0	\$25,000		Main stair works complete.
One Tree Point - rockwall	Tuross Head	\$45,000	\$45,000	\$7,700	\$37,300	17.11%	Consultant work in progress.
Beach access stairs	Potato Point	\$35,000	\$35,000	\$30,041	\$4,959	85.83%	Substantially complete.
Lake foreshore rockwall	Dalmeny	\$40,000	\$40,000	\$0	\$40,000		Site investigations underway.
Quota Park rockwall	Narooma	\$75,000	\$75,000	\$5,085	\$69,915	6.78%	Design complete and permit applications progressing.
Captain Oldrey Park Playground Replacement	Broulee	\$60,000	\$121,000	\$97,630	\$23,370	80.69%	Discussions held with adjacent school. Equipment ordered.
Kingston Place Tomakin Park - Furniture Replacment	Tomakin	\$18,000	\$18,000	\$16,153	\$1,847	89.74%	Substantially complete.
Rotary Park Narooma - Furniture Replacement	Narooma	\$22,000	\$22,000	\$18,203	\$3,797	82.74%	Substantially complete.
Project Management Costs		\$250,000	\$250,000	\$80,694	\$169,306	32.28%	Project engineers hired. Ongoing.
Total		\$ 5,085,000	\$ 7,881,151	\$ 2,679,901	\$ 5,201,250	34.00%	

Consultancy, Legal and Contractors Expenses
for the quarter ending 31 December 2015

Contracts entered into greater than \$50,000

Contractor	Contract detail & purpose	Contract Value	Commencement Date	Duration of contract	Budgeted (Y/N)
Nepean Transport	Roller brake tester	110,000	Oct-15	< 1 year	Y
Downer EDI	Asphalt overlay – various car parks	85,000	Oct-15	< 1 year	Y
Downer EDI	Asphalt works – various locations	100,000	Oct-15	< 1 year	Y
Downer EDI	Shoulder repairs – Airport runway	55,000	Oct-15	< 1 year	Y

Consultancy and Legal Expenses Incurred

	\$ December Quarter	Budgeted (Y/N)	Comments
Consultants	196,466	Y	Sewerage design work, airport redevelopment master plan, flying fox plan, flood study etc.
Legal Fees	121,122	Y	Rates recoveries \$90k, general legal advice.

Definition of consultant:

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

Eurobodalla Shire Council

Key Performance Indicators : Consolidated Results

for the quarter ended 31 December 2015

Indicator	Target	Actual 2014-15	Original Budget 2015/16	Projected FY 2015/16
Unrestricted Current Ratio	> 1.5	3.1	>2	>2
Operating Performance Ratio	minimum 0%	4.69%	1.50%	0.63%
Buildings & Infrastructure Renewals Ratio	= > 100%	45%	113%	109%
		<i>Refer Note (a)</i>	<i>Refer Note (b)</i>	<i>Refer Note (c)</i>

Fit for the Future update : General Fund (incl. Environment and Waste Funds)

Indicator	Target	Actual 2014-15	Original Budget 2015/16	Projected FY 2015/16
Operating Performance Ratio	minimum 0%	1.66%	-0.41%	-0.99%

Explanations:

Unrestricted Current Ratio - Indicates adequacy of working capital and the ability to satisfy obligations in the short term.

Operating Performance Ratio - Indicates achievement of containing operating expenditure within operating revenue.

Buildings & Infrastructure Renewals Ratio - Indicates the rate at which assets are being renewed compared to the rate at which they are depreciated.

Target : Source 2014/15 Financial Statements

Notes:

(a) Actuals from 2014/2015 Financial Statements.

(b) Budgeted ratios are based on the original budgets for 2015-16.

(c) Projected ratios are based on the revised budgets for 2015-16.

Mayoral and Councillor Fees and Expenses

Attachment 4

October 2015 - December 2015

Councillor	Member's Remuneration	Conference / Seminar Costs (Note 1)	Travelling Expenses	Phone / Fax / Internet etc	Other	TOTAL
	\$	\$	\$	\$	\$	\$
Brice	4,595	-	504	331		5,430
Brown	14,617	5,618	3,020	709	-	23,965
Burnside	4,595	3,841	1,434	433	-	10,303
Harding	4,595	3,340	870	371	364	9,540
Innes	4,595	-	303	1,092		5,990
Leslight	4,595			603		5,198
Pollock OAM	4,595	1,657	1,965	564	78	8,859
Schwarz	4,595	-	204	569		5,368
TOTAL	46,782	14,457	8,301	4,672	442	74,654

Note 1

Conference / Seminar Costs also includes LGA expenses.