
FBD17/009 BUDGET REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2016 AND SIX MONTHLY PERFORMANCE REPORT E05.9535

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

Attachments:

1. Under Separate Cover - 1(a) Fund Flow December 2016
2. Under Separate Cover - 1(b) Consolidated Income Statement December 2016
3. Under Separate Cover - 1(c) Capital Program Statement December 2016
4. Under Separate Cover - 1(d) Projected Fund Balances Statement December 2016
5. Under Separate Cover - 1(e) Budget Amendment Report December 2016
6. Under Separate Cover - 1(f) Special Rate Variation Progress Report
7. Under Separate Cover - 2 Consultancy, Legals and Contractors Report
8. Under Separate Cover - 3 Key Financial Indicators
9. Under Separate Cover - 4. Mayoral and Councillor Expenses

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 budget for the quarter ending 31 December 2016. Major variations are highlighted.

The original Operational Plan budget, on a consolidated basis (which includes all of Council's funds), for 2016/17 forecast:

- Income Statement deficit, before capital revenue, of \$(0.11) million
- Income Statement surplus, after capital revenue, of \$12.67 million
- Deficit cash/fund flows of \$(2.90) million.

The revised budgets for the quarter ending 31 December 2016 are:

- Income Statement deficit, before capital revenue, of \$(0.46) million
- Income Statement surplus, after capital revenue, of \$14.10 million
- Deficit cash/fund flows of \$(3.01) million.

The revised, consolidated annual budget for 2016/17 has been impacted during the December quarter through amendments to the current operational and capital works programs and also the deferral (revoting) of some projects to the 2017/18 financial year.

The reasons for the revoting of these budget allocations are varied and can be due to such occurrences as the timing of new grant monies (that is: Council may receive the money late in the year however will only expend those monies in the next year), or the reprioritisation of projects. Project timing can be affected by numerous factors including events such as declared

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natural disasters where council is required to redirect staff to perform essential works, changes to funding opportunities or other impacting events. The securing of extra or new grants can also contribute to reprioritisation of works as resources are redirected to undertake the new grant's objectives.

The result of deferring works and funding from this financial year into the 2017/18 year at the December review is:

- Favourable income statement impact of \$0.16 million before capital revenue
- A reduction in the capital program of \$1.38 million in expenditure, partially offset by a reduction in capital revenues of \$0.67 million
- A reduction of \$0.30 million of unrestricted funds to be utilised in 2016/17

The budgets were adjusted this quarter due to additions or reductions to the current works and operational programs. The result of these adjustments is:

- Favourable income statement impact of \$1.44 million before capital revenue
- Less unrestricted funds required (\$0.48 million).

RECOMMENDATION

THAT:

1. The budget review report for the quarter ended 31 December 2016 be received and noted.
2. The favourable variations for the Income Statement after capital revenue of \$1.45 million and favourable variations of \$0.74 million as per the Consolidated Fund Flow Statement for the quarter ended 31 December 2016 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 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 Councils unrestricted working capital.

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- 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) Special Rate Variation capital program – Provides capital expenditure information for each of the projects in the SRV program of works for 2016/17.

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 2016.

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 Councillor Expenses (Attachment 4)

Provides information about Mayoral and Councillor expenditure for the quarter ended 31 December 2016.

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.

It includes all transactions having 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.

The net fund flow shows the amount of unrestricted funds that will be used to deliver the agreed Operational Plan outcomes for 2016/17. The consolidated original budget forecast a \$2.9 million decrease in unrestricted funds. The impact of previous reviews, the items revoted to 2017/18 and the December review adjustments, increased this the amount of unrestricted funds to be utilised by \$0.1 million, to a revised forecast of \$3.01 million decrease in unrestricted funds (per Tables 1.1 and 1.2 below).

The full projected fund balances are represented by the Projected Funds Balances Statement Attachment 1(d). Information on the balances and movements in both unrestricted and restricted fund accounts can be seen in this attachment.

Table 1.1 Net fund flow (unrestricted)

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Fund	2016/17 Original Budget '\$000	Annual Revised Budget '\$000
Water	4,103	4,512
Sewer	2,322	2,507
General (incl. Environment & Waste)	(9,321)	(10,034)
Consolidated	(2,896)	(3,014)

Table 1.2 Net fund flow (unrestricted) per fund

Fund	2016/17 Original Budget '\$000	Previous Reviews '\$000	December Review '\$000	December Revotes '\$000	Annual Revised Budget '\$000
Environment*	(96)	(115)	48	-	(163)
General	(5,296)	(404)	(275)	255	(5,719)
Sewer	2,322	(220)	405	-	2,507
Waste*	(3,930)	(21)	(201)	-	(4,152)
Water	4,103	(95)	504	-	4,512
Consolidated	(2,896)	(854)	480	255	(3,014)

*Waste and Environment form part of the General Fund but have been listed separately in this table to show how much unrestricted cash is being utilized in each area.

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 its 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.

The original budget for 2016/17 predicted an income statement deficit of \$(0.11) million before allowing for capital grants and contributions. The proposed 2016/17 budget incorporating previous reviews, the December review amendments and approved revotes to 2017/18, is a deficit of \$(0.46) million (per Table 1.3 and Graph 1.1 below).

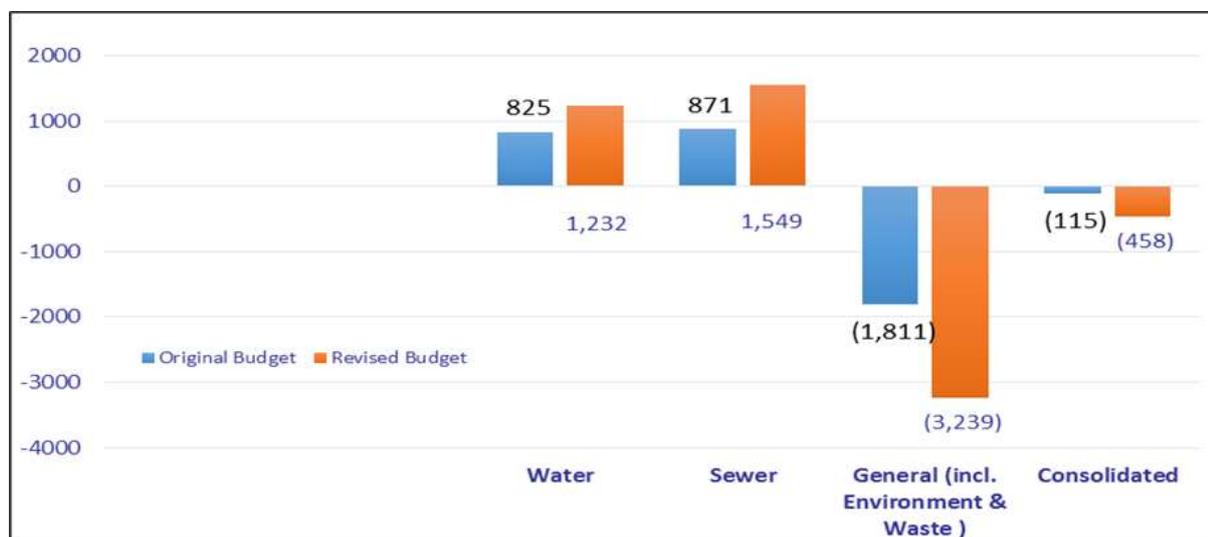
Table 1.3 Net surplus/(deficit) before capital revenue

Fund	2016/17 Original Budget '\$000	Previous Reviews '\$000	December Review '\$000	December Revotes '\$000	Annual Revised Budget '\$000
Water	825	-41	448	0	1,232
Sewer	871	-59	737	0	1,549
General (incl. Environment & Waste)	-1,811	-1,848	255	165	-3,239
Consolidated	-115	-1,948	1,441	165	-458

Graph 1.1 Net surplus/ (deficit) before capital revenue

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Revotes to 2017/18 (operational)

The revote of operational works or projects from this financial year into 2017/18 result in a favourable impact on the income statement of \$0.16 million. The operational revotes relate mainly to Natural Environment Planning grants and most substantially as a result of NSW Coastal Reform delays.

December Review adjustments (operational)

The following items are a summary of significant operational budget adjustments (during the December quarter) to the originally adopted Operational Plan budget for 2016/17. The impact of these changes is favourable to the operating statement before capital revenue of \$1.44 million. Net favourable revenue and expense adjustments are \$0.46 million and \$0.98 million respectively.

Significant net favourable operational revenue adjustments (\$0.46 million) include:

- Increased tipping and hardwaste revenues at Surfbeach Waste Management Facility (\$0.17 million favourable)
- Recognition of development certificate revenues in line with current development conditions (\$0.05 million favourable)
- The receipt of new grants, including \$0.08 million for Resilience to Climate Change and various others such as Road Safety and Fire Mitigation Funding.
- The receipt of additional WHS incentive payments from StateCover (\$0.09 million favourable).

Significant net favourable operational expenditure adjustments (\$0.98 million) include:

- Reduced interest expenditure in line with revised final borrowings in 2015/16. (\$0.29 million favourable).

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- Amendments to the scope of the Energy Performance Contracts (EPC). The main adjustments were in Water and Sewer Funds of \$0.54 million and \$0.19 million respectively.
- Reclassification of remaining EPC allocations to capital (\$0.28 million).

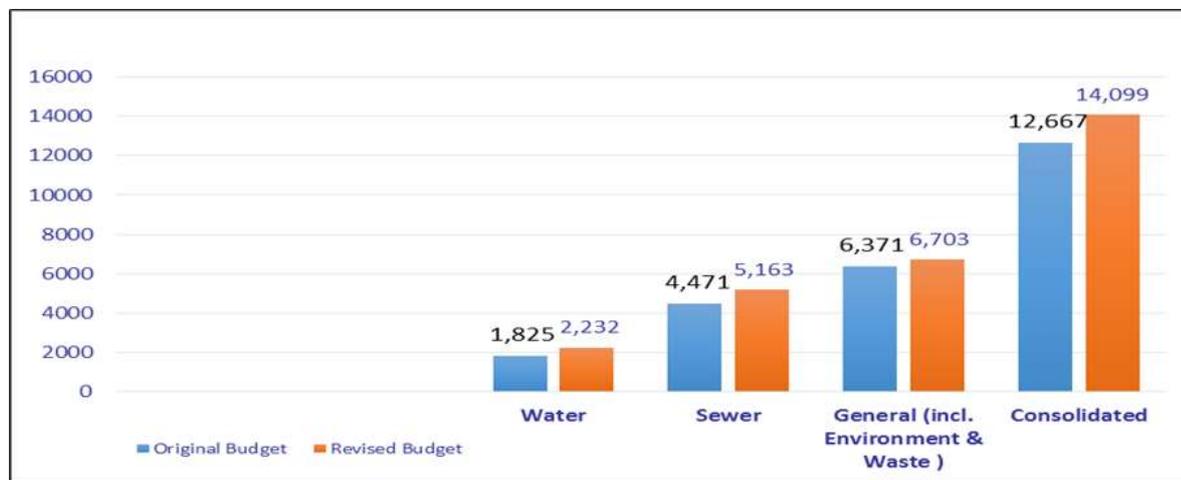
Net surplus/(deficit) after capital revenue

The original budget for 2016/17 predicted an income statement surplus of \$12.7 million after allowing for capital grants and contributions. The proposed 2016/17 budget incorporating the December review amendments and approved revotes to 2017/18, is a surplus of \$14.1 million (per Table 1.4 and Graph 1.2 below).

Table 1.4 Net surplus/(deficit) after capital revenue

Fund	Annual Original Budget '\$000	Previous Reviews '\$000	December Review '\$000	December Revotes '\$000	Annual Revised Budget '\$000
Water	1,825	-41	448	0	2,232
Sewer	4,471	-45	737	0	5,163
General (incl. Environment & Waste)	6,371	70	768	-506	6,703
Consolidated	12,667	-16	1,954	-506	14,099

Graph 1.2 Net surplus/ (deficit) after capital revenue



Capital revenues were net \$(0.16) million unfavourable for the quarter ended 31 December 2016. This is largely due to the revote (\$0.67 million) of capital works with associated grant funding. Most significant of those is the deferred construction of the Arts and Cultural Centre in Moruya to allow for additional grant applications and tender process requirements (\$0.50 million associated grant funding). Partially offsetting the deferred revenues are contributions of \$0.51 million received during the quarter. \$0.46 million was received from the Rural Fire Service (RFS) in the form of a contributed asset (new RFS vehicle \$0.31 million) and funding for the construction and project management of the RFS Mogo Training Centre Remote Area Firefighter Training (RAFT) building (\$0.15 million). A contribution of \$0.15 million was received from Renascent towards Batemans Bay streetscaping works. These adjustment were partially offset by a reduction in anticipated roads development contributions of \$0.1 million.

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

Capital Program

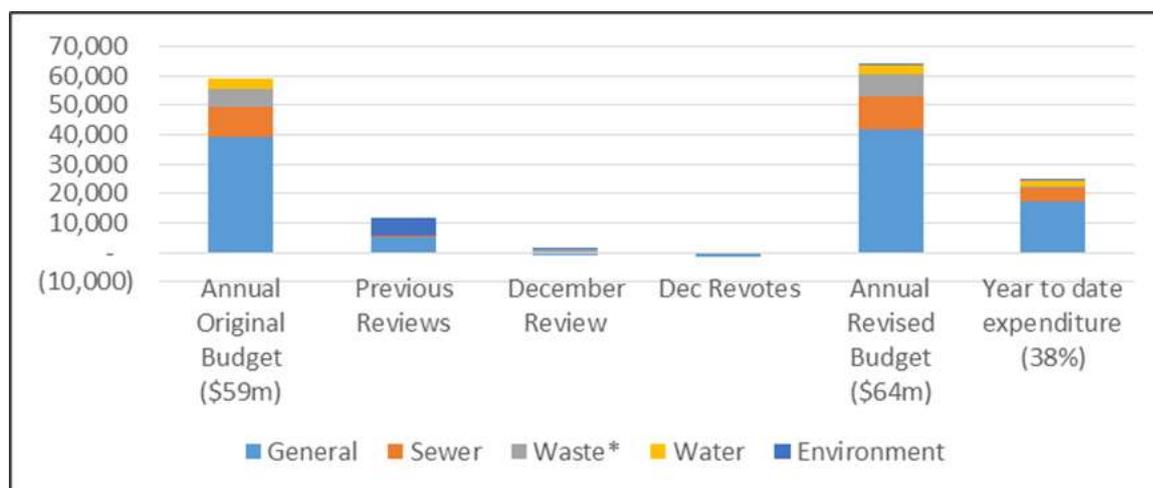
The original capital budget for 2016/17 was \$59.02 million. The revised budget incorporating previous, and December review adjustments and the carry forward of works to 2016/17 is \$63.92 million (per table 1.5 and Graph 1.3 below).

Table 1.4 2016/17 Capital Program per fund

Fund	Annual Original Budget	Previous Reviews	December Review	Dec Revotes	Annual Revised Budget
Environment	0	0	36,225	0	36,225
General	39,239,359	4,862,055	-799,719	-1,382,800	41,918,895
Sewer	10,136,000	666,892	213,000	0	11,015,892
Waste*	6,405,743	263,594	922,000	0	7,591,337
Water	3,245,000	53,300	62,000	0	3,360,300
Consolidated	59,026,102	5,845,841	433,506	-1,382,800	63,922,649

*Waste and Environment Funds form part of the general fund but have been shown separately to highlight the large capital works forecast this year.

Graph 1.3 Capital Works Program 2016/17



Revotes to 2017/18 (capital)

The carry forward of capital works (\$1.38 million) from this financial year into 2017/18 result in a reduction of cash required in 2016/17 of \$0.09 million. The remainder of the funding for the revoted capital projects comes from grants and other restricted funding sources.

Significant capital projects (individually over \$0.1 million) revoted to 2017/18 include:

- The construction of the Arts and Cultural Centre in Moruya to allow for additional grant applications and tender process requirements (\$0.80 million).
- The amenities extension at Gundry Oval in line with pending grant application procedures (\$0.30 million).
- The grant funded Apron Works at Moruya Airport to allow for delays in gaining archaeological approvals (\$0.12 million).

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Current year budget adjustments (capital)

The following items are a summary of significant capital budget adjustments (during the December quarter) to the originally adopted Operational Plan budget for 2016/17. The impact of these adjustments is an increase of \$0.43 million to the value of council's infrastructure, property, plant and equipment.

Significant capital adjustments (individually over \$0.1 million) include:

- The deferral of Moruya Airport Redevelopment MasterPlan funding from the current program to be reintroduced in a future period in line with ongoing investigations into additional grant funding opportunities and current project timelines (\$2.14 million favourable).
- Recognise funding required for Brou Landfill compulsory land acquisition from Forestry NSW as per Council Report FBD 15/036 (\$0.43 million unfavourable).
- The RFS received a new vehicle and this has been added to the RFS assets that Council recognises on its assets register (\$0.31 million unfavourable).
- The bringing forward of emission reduction funding for Surf Beach and Brou Landfill (\$0.25 million unfavourable each) to align with the delivery outcomes of the Greenhouse action plan.
- New and reallocated funding for EPC works (\$0.81 million unfavourable). These projects were budgeted as operational and have been reclassified as capital due to the nature of initiatives being implemented.
- Construction and project management of the RFS Mogo Training Centre RAFT building (\$0.15 million). These funds are being provided by the RFS in order for Council to manage the project.

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

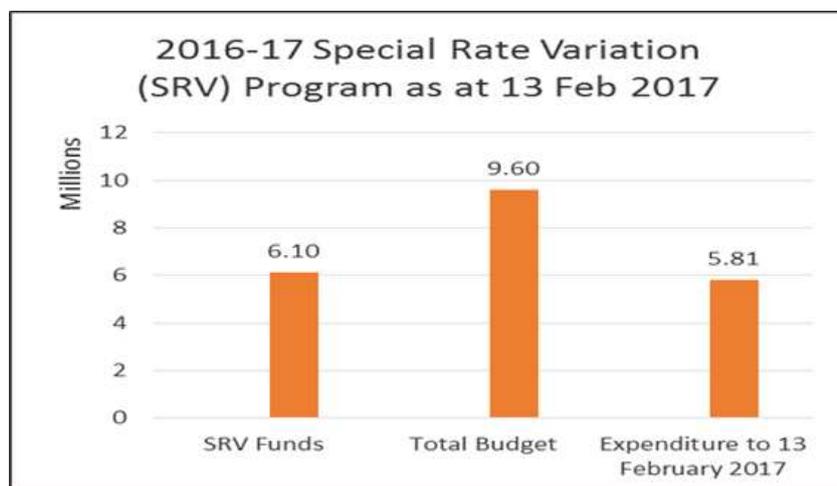
2016/17 is the second year of the SRV program and approximately \$9.6 million of infrastructure works for the year are underway. \$6.1 million of SRV designated funds are being utilised on these works. The majority of the projects have commenced with a due date for completion by the end of the fourth quarter. *Attachment 1 (f)* reports the detailed progress of the capital program showing individual project budgets and expenses with updates as at 13 February 2017. Total expenditure on the SRV designated projects as at 13 February 2017 is \$5.81 million (per Table 1.5 and Graph 1.4 below).

Table 1.5 2016/17 Special Rate Variation Capital Program

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2016/17 Special Rate Variation (SRV) Capital Program	\$
SRV Funds	6,104,540
Total Budget	9,596,289
Expenditure to 13 February 2017	5,807,369
Percentage spent	61%

Graph 1.4 2016/17 Special Rate Variation Capital Program



Delivery Program Progress Report: July –December 2016

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 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 is tracking well to deliver planned projects by the end of financial year. Exceptions to this are highlighted through the quarterly budget review process and detailed as revotes in the relevant section of the report.

The following summary represents the highlights of service delivery and completed projects for the period 1 July – 31 December 2016 structured by Community Strategic Plan focus area and grouped under Council service delivery 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.

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Council's social inclusion, community connections, community spaces, libraries arts 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:

Social inclusion

- To address local statistics of high percentages of obesity in the shire the towns of Narooma, Moruya and Batemans Bay competed against the towns of Coolamon, Cowra, Sanctuary Point and Warren in the Healthy Town Challenge. Collectively our towns achieved the highest participation and change in total weight relative to population and won \$5,000 to support further local active participation events.
- Council's Youth Services was successful in achieving two noteworthy grants. The only grant received in NSW from ABC's national Heywire program which will support a group of local young people to develop a tourism campaign called 'Back to Bush' to attract rural youth to the shire as a holiday destination and the other grant from NSW Transport to support young people to address transport disadvantage for youth activities and events.

Community connections

- Community Transport applied for and received transport funding to assist Aboriginal Elders to attend Auntie Jeans Mini Olympics in Wagga Wagga 19 -21 October.
- The Active Living team participated in the 'Dying to Know' Expo and provided information regarding carer support and palliative care provision for people in the last stages of life and obtained resources to support older clients.
- Community Care participated with many other local providers in the National Disability Insurance Scheme (NDIS) Market Day held in Moruya RSL last December to celebrate National Day for People with Disability.
- Community Transport exceeded agreed funding outputs by providing 12,328 trips in just the last 6 months through improved efficiency and effective management of resources.
- Summer Jam event held to celebrate International Day for People with Disability on 3 December. Many Euro Social Club events booked out during the holiday period.

Community spaces

- Maintenance and inspection programs undertaken in accordance with budget.
- Completion of the Nangudga and Long Beach toilets which commenced under the 2015-16 Operational Plan.
- Pathways completed including Quarry Park Moruya, Corrigan's Beach Reserve, Perry Street Batemans Bay, Nelson Parade Tuross Head, Beach Road Sunshine Bay, Moruya airport, Edward Road Batehaven, Peninsula Drive Surfside and Princes Highway Narooma.

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- Batemans Bay Streetscape Works stage one complete including additional works on the northern side of North Street and in Clyde Street. Council was also contracted to undertake streetscape works for the developers at Bridge Plaza.
- Corrigan's Beach Reserve inclusive playground stage one is 85% complete working with the Sunset Advisory Committee. Parking, picnic facilities and tree planting complete.

Libraries arts and culture

- The inaugural Little Sellers Art prize for young people aged 5-18 years was presented at Moruya Library with approximately 200 entries for four categories resulting in 24 finalists to develop local young artists. Its success will now see it as a yearly arts program and will feature in the lead up to the presentation of the Basil Sellers Art Prize and Exhibition which is held biennially.
- Completion and opening of the Narooma Library upgrade which commenced under the 2015-16 Operational Plan

Public and environmental health and safety services

- Free Microchipping day conducted to support pet owners in responsible pet ownership, microchipping and registering their pets. Identification is required by law and enables the return of animals to their owner.

Completed capital projects for the reporting period include:

While many of the projects listed in the Operational Plan 2016-17 are in progress or near completion this report details only those that were complete as at 31 December 2016.

Completed

- Pathways: Broulee to Airport track
- Pathways: Edward Road, Batehaven
- Pathways: Peninsula Drive, Surfside
- Pathways: Princes Highway, Narooma
- South Durras Timber Fishing Platform

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:

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Sewer

- Sewerage schemes operated in accordance with license conditions.
- Contract awarded for the construction of the Bodalla sewerage scheme treatment plant. Tenders called for the sewage reticulation.
- Sewer rising mains replaced at Centenary Drive, Narooma in conjunction with repairs to roadway.
- Treatment works renewals completed including Moruya Sewer Treatment Plant (STP) (UV disinfection), Kianga (flow meters and aerators).
- IPWEA NSW 2016 State Award - Innovation in Water Supply and Waste Water for Kianga Sewage Treatment Plant Condition Assessment.
- IPWEA NSW 2016 State Award - Highly Commended - Workplace Health and Safety for Water and Sewer Fleet Review.
- \$3.22m grant achieved toward Potato Point sewerage scheme

Water

- Drinking water supplied met all Australian Drinking Water Guidelines health based water quality requirements.
- Investigations commenced on new Southern Dam, Eurobodalla Road, Bodalla.
- 908 water meters replaced, and 103 new water service connections provided.
- Watermain renewals complete at North Street Batemans Bay, Beach Road Catalina, Hanging Rock, Beach Road Batehaven, Bronte Crescent Sunshine Bay, Sylvan Street Malua Bay, Evans Street Moruya, Shell Street Tuross Head, Glasshouse Rocks Road Narooma, Princes Highway Narooma, Centenary Drive Narooma.
- 144 water incentive scheme rebates provided to customers.

Waste management

- 25 tonnes of hazardous waste collected during the annual household chemical clean out, supported by the NSW Environment Protection Authority (EPA). This is an increase of 15% and includes water based paint, gas cylinders and batteries.
- The construction of the Surf Beach Specialty waste centre, an EPA grant funded project, is well underway and expected to be open for business by the end of March. This will allow residents to drop off high volume low toxicity wastes such as oil and water based paints, gas bottles, fluorescent globes and tubes, household batteries, vehicle batteries, motor and cooking oil, free of charge all year round.

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- As part of our commitment to reducing our greenhouse gas emissions, the landfill gas extraction project has commenced and is to be fully operational in this financial year. This project is to provide for extraction and destruction of methane gas from Council's landfills at Surf Beach and Brou, currently identified as the area where we can make the biggest reduction in emissions.

Sustainability

- The Mayor represented council and the interest of the community in the federal inquiry into flying fox management. Council is also participating in national research programs to help us better understand flying foxes and how to manage the issues in urban environments.
- Council won the Keep Australia Beautiful Clean Beaches Environmental Education Award, which recognises outstanding achievement in raising awareness in environmental sustainability.

Strategic planning

- The Batemans Bay Mackay Park Precinct redevelopment project got underway with the establishment of a Sunset Committee and Council resolving to proceed with preparation of a concept plan and business case.
- The development of a shared community vision for Batemans Bay commenced with the first consultation session including a range of business and community group representatives taking place.
- The Coastal Zone Management Plan was finalised for the Wharf Road, North Batemans Bay coastal erosion hotspot. The key recommendation being for the state to purchase land above mean high water to restore public access to the beach and foreshore.
- Council's heritage program provided advice on 16 development applications and 10 other heritage matters.
- Our Local Heritage Places grant program has helped to complete the repairs to cladding and windows and re-painting of Open Sanctuary Church, Central Tilba, re-roofing of Juela, Mogo and repairs to the front deck and balustrade of the former Kildare Hotel, Moruya.

Completed capital projects for the reporting period include:

While many of the projects listed in the Operational Plan 2016-17 are in progress or near completion this report details only those that were complete as at 31 December 2016.

- Deep Creek Dam drainage works.
- Water refill stations: Clyde Street Batemans Bay, George Bass Drive Malua Bay, Coronation Drive Broulee, Tuross Boulevard Tuross Head and Centenary Drive Narooma.

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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:

Business development and events

- \$7.1 million of NSW and Australian Government funding provided for Moruya Airport. The funding will be used to build the infrastructure needed to open up 14.7 hectares of employment land and facilitate future passenger growth at the airport.
- Support provided to local Chambers of Commerce with Council playing a leading role in the establishment of the Mogo Business Chamber and successfully coordinating the inaugural Eurobodalla Business Awards bringing together all five Chambers.
- Our events team worked with the Batemans Bay Chamber of Commerce to attract \$20,000 funding from the NSW Government's Incubator Event Fund to establish a new event. Support for grant applications was also provided for the Narooma Oyster Festival, Granite Town, and the River of Art.

Tourism

- Visitor Centres at Batemans Bay and Narooma have achieved Level 2 accreditation under the Destination NSW Accredited Visitor Information Centre (AVIC) framework.
- Council's spring roll out of the 'Unspoilt South Coast' cooperative marketing campaign was delivered through a range of digital and social media platforms to key markets in Sydney, Canberra and regional NSW.
- Council's international partnership activities with Visit Canberra included a Singapore and Malaysia Sales Mission to promote the Capital Coast and Alpine Touring Route.

Transport

- IPWEA NSW 2016 State Awards - Highly Commended – Local Government Excellence in Road Safety – collaborative effort with Yass Valley and neighbouring Councils for our campaign 'You Don't Have to be Speeding to be Driving Too Fast'.
- Advocacy to Government on funding for upgrades to the Princes Highway and Kings Highway
- Maintenance grading program on target

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- Maintenance programs undertaken in accord with budget, including extensive reseal preparation works
- South Batemans Bay Link Road stage two commenced
- Major bridge works progressing including Mogendoura bridge (complete), Cadgee bridge (underway), Tyrone bridge (contract awarded), Crapps bridge (complete), Runnyford bridge (procurement underway), Silo Farm bridge (procurement underway).
- Reseal, gravel resheet, pavement rehabilitation, urban and rural roads reconstruction programs on target
- Stormwater completed Vulcan Street Moruya (renewal), Tilba Street Narooma (renewal), and new works undertaken at Narooma flat, Island View Road Tuross Head (in progress) along with CCTV work on select stormwater lines.

Development services

- 400 development applications processed with an average processing time of 27 days and a total value of \$55.6 million
- 33 subdivision certificates processed resulting in the release of 82 new lots
- 158 construction certificates processed and 2,063 inspections carried out.

Completed capital projects for the reporting period include:

While many of the projects listed in the Operational Plan 2016-17 are in progress or near completion this report details only those that were complete as at 31 December 2016.

- Batemans Bay Bowling Club acquisition
- Batemans Bay Beach Resort website
- Mogendoura bridge
- Moruya pool car park
- Mogo car park
- Congo Road South
- Beach Road Junction, Hanging Rock

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:

Executive services

- Council partnered with Bega Valley Shire Council to deliver joint Councillor Induction training
- Councillors attended the following conferences: Local Government NSW Annual Conference, NSW Coastal Conference, Country Mayors Association
- All agendas were available Wednesday prior to meeting. Minutes published within one week of meeting. 8 Council meetings in total.

Communication

- Council News monthly email newsletter achieved an average open rate of 41%
- Efforts to increase social media following were successful with 386 new Facebook followers, and 72 new Twitter followers
- Council's website is now mobile friendly and providing an improved user experience.

Integrated planning services

- Annual Report 2015-16 prepared and reported to November Council meeting
- Citizens Jury project preparation undertaken. Meetings held and final report delivered. Internal engagement commenced.
- Community Strategic Plan review engagement strategy adopted and implementation commenced in December with the #myeurobodalla campaign and community survey.

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 those detailed in the financial statements for the year ended 30 June 2016.

“Variations” in the Fund Flow Statement are changes in the 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.

FBD17/009 BUDGET REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2016 AND SIX MONTHLY PERFORMANCE REPORT E05.9535

CONCLUSION

There are no material concerns at this quarterly review about meeting budget targets for 2016-17.

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 2017 will be satisfactory, having regard to the projected estimates of income and expenditure for the 2016/17 financial year.

Eurobodalla Shire Council
Fund Flow Statement
For the period ending 31 December 2016

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual
INCOME STATEMENT					
Income	(105,988,595)	(759,534)	(288,991)	(107,037,120)	(81,932,582)
Expenses	106,103,346	2,707,874	(1,316,271)	107,494,949	51,745,296
Net Ordinary (Surplus)/Deficit before Capital Rev	114,751	1,948,340	(1,605,262)	457,829	(30,187,286)
	0	0	0	0	0
Capital Revenue	(12,782,243)	(1,932,095)	157,726	(14,556,612)	(2,595,912)
	0	0	0	0	0
Net (Surplus)/Deficit	(12,667,492)	16,245	(1,447,536)	(14,098,783)	(32,783,198)
	0	0	0	0	0
CASH/FUND FLOW STATEMENT					
Operations					
Net (Surplus)/Deficit from above	(12,667,492)	16,245	(1,447,536)	(14,098,783)	(32,783,198)
Adjusts for Non Cash/Fund Flows	29,806,210	104,549	(257,597)	29,653,163	14,547,967
	(42,473,702)	(88,304)	(1,189,939)	(43,751,945)	(47,331,165)
	0	0	0	0	0
Investing					
Proceeds from Asset Sales	(727,430)	(1,336)	(102,341)	(831,107)	(517,338)
Repayments from Defferred Debtors	(20,000)	0	0	(20,000)	(26,544)
Purchase of Assets	59,026,102	5,845,841	(949,294)	63,922,649	24,288,014
	58,278,672	5,844,505	(1,051,635)	63,071,542	23,744,132
	0	0	0	0	0
Financing					
Proceeds from Borrowing	(16,706,795)	(1,229,831)	856,402	(17,080,224)	0
Repayments of Borrowings	9,856,690	0	(200,180)	9,656,510	5,030,450
	(6,850,105)	(1,229,831)	656,222	(7,423,714)	5,030,450
	0	0	0	0	0
Net (Inc)/Dec in Funds Before Transfers	8,954,865	4,526,369	(1,585,352)	11,895,882	(18,556,584)
	0	0	0	0	0
Transfers From/To Restricted Funds	(6,058,924)	(3,672,376)	849,876	(8,881,423)	(11,281,912)
	0	0	0	0	0
Net (Inc)/Dec in Unrestricted Funds	2,895,941	853,993	(735,476)	3,014,459	(29,838,495)

Eurobodalla Shire Council
Consolidated Income Statement
For the period ending 31 December 2016

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual
INCOME STATEMENT					
Income					
Rates & Annual Charges	(57,697,930)	0	0	(57,697,930)	(57,656,049)
User Fees and Other	(25,277,960)	(35,707)	(1,461,244)	(26,774,911)	(12,195,500)
Investment Revenue	(3,240,923)	0	135,490	(3,105,433)	(1,294,441)
Grants	(19,771,782)	(723,827)	1,036,763	(19,458,846)	(10,767,365)
Capital Grants & Contributions	(12,782,243)	(1,932,095)	157,726	(14,556,612)	(2,595,912)
Gain/(Loss) on Disposal	0	0	0	0	(19,398)
Total Income	(118,770,838)	(2,691,629)	(131,265)	(121,593,732)	(84,528,665)
Less Expenses					
Business Development & Events	5,186,399	58,984	(57,002)	5,188,381	2,436,242
Communication	627,861	0	0	627,861	284,628
Community Care	5,312,995	1,036,753	331,069	6,680,817	2,872,334
Community Spaces	10,551,987	83,900	(298,341)	10,337,546	4,779,438
Development Services	3,567,654	15,848	26,363	3,609,865	1,694,776
Executive Services	1,908,784	3,669	23,519	1,935,971	900,200
Finance & Governance	5,846,763	84,196	(110,465)	5,820,495	2,977,830
Integrated Planning	405,889	65,739	2,313	473,941	286,963
Land Use and Natural Environment Planning	1,742,278	125,779	(240,812)	1,627,245	670,822
Libraries, Arts & Culture	1,988,117	106,210	12,895	2,107,221	1,033,182
Organisation Development	1,490,785	400,474	9	1,891,268	697,522
Organisation Support	(6,097,159)	194,979	(39,470)	(5,941,649)	(2,195,960)
Public & Environmental Health and Safety	3,445,004	(14,878)	214,038	3,644,164	1,711,287
Sewer Services	18,431,404	15,285	(882,565)	17,564,124	8,426,069
Social Inclusion	3,183,013	198,473	13,372	3,394,859	1,621,682
Sustainability	2,877,944	1,183,418	(84,850)	3,976,512	1,419,608
Tourism	1,358,886	0	657	1,359,543	613,836
Transport, Stormwater & Flood Management	17,458,024	(895,378)	731,432	17,294,078	9,419,069
Waste Management	10,680,381	39,163	(476,204)	10,243,340	4,740,765
Water Services	16,136,337	5,259	(482,229)	15,659,367	7,355,128
Total Expenses	106,103,346	2,707,874	(1,316,271)	107,494,949	51,745,421
Net Ord Surplus (Deficit) after Capital Rev	12,667,492	(16,245)	1,447,536	14,098,783	32,783,244
Net Ord Surplus (Deficit) before Capital Rev	(114,751)	(1,948,340)	1,605,262	(457,829)	30,187,332

Eurobodalla Shire Council
Consolidated Income Statement
For the period ending 31 December 2016

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual
INCOME STATEMENT					
Income					
Rates & Annual Charges	(57,697,930)	0	0	(57,697,930)	(57,656,049)
User Fees and Other	(25,277,960)	(35,707)	(1,461,244)	(26,774,911)	(12,195,500)
Investment Revenue	(3,240,923)	0	135,490	(3,105,433)	(1,294,441)
Grants	(19,771,782)	(723,827)	1,036,763	(19,458,846)	(10,767,365)
Capital Grants & Contributions	(12,782,243)	(1,932,095)	157,726	(14,556,612)	(2,595,912)
Gain/(Loss) on Disposal	0	0	0	0	(19,398)
Total Income	(118,770,838)	(2,691,629)	(131,265)	(121,593,732)	(84,528,665)
Less Expenses					
Business Development & Events	5,186,399	58,984	(57,002)	5,188,381	2,436,242
Communication	627,861	0	0	627,861	284,628
Community Care	5,312,995	1,036,753	331,069	6,680,817	2,872,334
Community Spaces	10,551,987	83,900	(298,341)	10,337,546	4,779,438
Development Services	3,567,654	15,848	26,363	3,609,865	1,694,776
Executive Services	1,908,784	3,669	23,519	1,935,971	900,200
Finance & Governance	5,846,763	84,196	(110,465)	5,820,495	2,977,830
Integrated Planning	405,889	65,739	2,313	473,941	286,963
Land Use and Natural Environment Planning	1,742,278	125,779	(240,812)	1,627,245	670,822
Libraries, Arts & Culture	1,988,117	106,210	12,895	2,107,221	1,033,182
Organisation Development	1,490,785	400,474	9	1,891,268	697,522
Organisation Support	(6,097,159)	194,979	(39,470)	(5,941,649)	(2,195,960)
Public & Environmental Health and Safety	3,445,004	(14,878)	214,038	3,644,164	1,711,287
Sewer Services	18,431,404	15,285	(882,565)	17,564,124	8,426,069
Social Inclusion	3,183,013	198,473	13,372	3,394,859	1,621,682
Sustainability	2,877,944	1,183,418	(84,850)	3,976,512	1,419,608
Tourism	1,358,886	0	657	1,359,543	613,836
Transport, Stormwater & Flood Management	17,458,024	(895,378)	731,432	17,294,078	9,419,069
Waste Management	10,680,381	39,163	(476,204)	10,243,340	4,740,765
Water Services	16,136,337	5,259	(482,229)	15,659,367	7,355,128
Total Expenses	106,103,346	2,707,874	(1,316,271)	107,494,949	51,745,421
Net Ord Surplus (Deficit) after Capital Rev	12,667,492	(16,245)	1,447,536	14,098,783	32,783,244
Net Ord Surplus (Deficit) before Capital Rev	(114,751)	(1,948,340)	1,605,262	(457,829)	30,187,332

**Eurobodalla Shire Council
Capital Program Statement
For the period ending 31 December 2016**

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual
Business Development & Events	5,290,909	592,817	(2,299,851)	3,583,875	2,776,955
Communication	-	-	-	-	62
Community Care	-	-	-	-	-
Community Spaces	4,979,508	1,694,890	39,838	6,714,236	2,193,248
Development Services	-	-	-	-	-
Executive Services	15,500	-	7,000	22,500	22,151
Finance & Governance	-	-	-	-	-
Integrated Planning	-	-	-	-	-
Land Use and Natural Environment Planning	-	-	-	-	-
Libraries, Arts & Culture	1,106,730	99,789	(800,700)	405,819	139,644
Organisation Development	30,000	-	(25,800)	4,200	-
Organisation Support	6,683,142	698,518	413,000	7,794,660	2,214,449
Public & Environmental Health and Safety	-	357,029	450,845	807,874	609,528
Sewer Services	10,136,000	666,892	213,000	11,015,892	4,390,934
Social Inclusion	25,000	10,443	-	35,443	4,831
Sustainability	-	-	36,225	36,225	38,241
Tourism	-	-	8,000	8,000	-
Transport, Stormwater & Flood Management	21,108,570	1,408,569	25,149	22,542,288	9,545,994
Waste Management	6,405,743	263,594	922,000	7,591,337	664,900
Water Services	3,245,000	53,300	62,000	3,360,300	1,687,076
Total Capital Expenditure	59,026,102	5,845,841	(949,294)	63,922,649	24,288,014

**Eurobodalla Shire Council
Capital Program Statement
For the period ending 31 December 2016**

Attachment 1 (c)

	Original Annual Budget	Previous Reviews	This Review	Revised Annual Budget	YTD Actual
Business Development & Events	5,290,909	592,817	(2,299,851)	3,583,875	2,776,955
Communication	-	-	-	-	62
Community Care	-	-	-	-	-
Community Spaces	4,979,508	1,694,890	39,838	6,714,236	2,193,248
Development Services	-	-	-	-	-
Executive Services	15,500	-	7,000	22,500	22,151
Finance & Governance	-	-	-	-	-
Integrated Planning	-	-	-	-	-
Land Use and Natural Environment Planning	-	-	-	-	-
Libraries, Arts & Culture	1,106,730	99,789	(800,700)	405,819	139,644
Organisation Development	30,000	-	(25,800)	4,200	-
Organisation Support	6,683,142	698,518	413,000	7,794,660	2,214,449
Public & Environmental Health and Safety	-	357,029	450,845	807,874	609,528
Sewer Services	10,136,000	666,892	213,000	11,015,892	4,390,934
Social Inclusion	25,000	10,443	-	35,443	4,831
Sustainability	-	-	36,225	36,225	38,241
Tourism	-	-	8,000	8,000	-
Transport, Stormwater & Flood Management	21,108,570	1,408,569	25,149	22,542,288	9,545,994
Waste Management	6,405,743	263,594	922,000	7,591,337	664,900
Water Services	3,245,000	53,300	62,000	3,360,300	1,687,076
Total Capital Expenditure	59,026,102	5,845,841	(949,294)	63,922,649	24,288,014

Eurobodalla Shire Council
Projected Fund Balances Statement
For the period ending 31 December 2016

	Opening Balances	Original Budget	Previous Reviews	This Review	Revised Budget	Closing Balances
Unrestricted Funds	25,736,000	(5,391,154)	(518,970)	27,645	(5,882,479)	19,853,521
Externally Restricted						
Water Fund	15,111,036	4,102,783	(94,510)	504,109	4,512,382	19,623,418
Sewer Fund	12,901,507	2,321,948	(219,530)	404,894	2,507,312	15,408,819
Waste Fund	8,997,658	(3,929,519)	(20,984)	(201,172)	(4,151,674)	4,845,983
Rest Inv - Other Developer Contributions	3,609,515	412,929	(54,155)	(100,000)	258,774	3,868,290
Rest Inv - Tree Fund	31,626	(5,233)	-	-	(5,233)	26,393
Rest Inv - Unexpended Grant	6,676,993	(2,137,950)	(2,463,216)	110,745	(4,490,421)	2,186,571
Rest Inv - CS Asset Replacement	27,231	-	-	-	-	27,231
Rest Inv - Unexpended Loans	53,196	-	(114,942)	(53,198)	(168,140)	(114,944)
Rest Inv - Crown Reserve (General)	522,122	297,314	60,802	-	358,116	880,238
Rest Inv - Crown Reserve Loan Pool	69,228	2,000	-	-	2,000	71,228
Rest Inv - Contributions	730,051	-	(338,320)	88,723	(249,597)	480,454
Rest Inv - S94A Contributions	787,740	215,000	50,000	-	265,000	1,052,740
Rest Inv - Stormwater Fund	50,830	(507)	-	-	(507)	50,323
Total External Restricted Funds	49,568,731	1,278,766	(3,194,854)	754,101	(1,161,988)	48,406,743
Internal Restricted Funds						
Rest Inv - Employee Leave Entitlements	1,680,173	75,000	-	-	75,000	1,755,173
Rest Inv - Infrastructure Renewals	2,477,363	927,104	-	-	927,104	3,404,467
Rest Inv - Unexpended General Fund Loans	225,147	-	(263,930)	(115,147)	(379,077)	(153,930)
Rest Inv - Works Income Equalisation Fund	793,890	250,000	462,281	94	712,375	1,506,265
Rest Inv - Council Funded Loan Pool	126,631	3,400	-	-	3,400	130,031
Rest Inv - Other Internal Restrictions	3,502,132	596,000	(404,702)	13,645	204,943	3,707,075
Rest Inv - Infrastructure Fund	767,004	(48,500)	(36,366)	-	(84,866)	682,138
Rest Inv - Gravel Pits	396,342	-	-	-	-	396,342
Rest Inv - Sports Liaison	169,896	19,300	(86,942)	34,942	(32,700)	137,196
Rest Inv - Management Committees	134,806	16,145	(4,081)	(24,400)	(12,336)	122,470
Rest Inv - Real Estate Disposal Fund	1,883,754	(2,251,550)	112,293	2,160,179	20,922	1,904,676
Rest Inv - Energy and Efficiency Fund	1,243,560	(1,185,259)	(31,192)	-	(1,216,451)	27,109
Rest Inv - Community Development Infrastructure Fund	337,626	(300,000)	-	300,000	-	337,626
Rest Inv - IT Investment Fund	2,695,225	(2,601,246)	(20,518)	-	(2,621,764)	73,461
Rest Inv - Recreation Strategy Land Sales	270,831	-	-	-	-	270,831
Rest Inv - Special Rates Variation	1,611,743	(342,870)	(539,388)	(1,565,707)	(2,447,965)	(836,222)
Total Internal Restricted Funds	18,316,122	(4,842,476)	(812,545)	803,606	(4,851,415)	13,464,707
Total Funds	93,620,853	(8,954,865)	(4,526,369)	1,585,352	(11,895,882)	81,724,970

Eurobodalla Shire Council
Projected Fund Balances Statement
For the period ending 31 December 2016

Attachment 1(d)

	Opening Balances	Original Budget	Previous Reviews	This Review	Revised Budget	Closing Balances
Unrestricted Funds	25,736,000	(5,391,154)	(518,970)	27,645	(5,882,479)	19,853,521
Externally Restricted						
Water Fund	15,111,036	4,102,783	(94,510)	504,109	4,512,382	19,623,418
Sewer Fund	12,901,507	2,321,948	(219,530)	404,894	2,507,312	15,408,819
Waste Fund	8,997,658	(3,929,519)	(20,984)	(201,172)	(4,151,674)	4,845,983
Rest Inv - Other Developer Contributions	3,609,515	412,929	(54,155)	(100,000)	258,774	3,868,290
Rest Inv - Tree Fund	31,626	(5,233)	-	-	(5,233)	26,393
Rest Inv - Unexpended Grant	6,676,993	(2,137,950)	(2,463,216)	110,745	(4,490,421)	2,186,571
Rest Inv - CS Asset Replacement	27,231	-	-	-	-	27,231
Rest Inv - Unexpended Loans	53,196	-	(114,942)	(53,198)	(168,140)	(114,944)
Rest Inv - Crown Reserve (General)	522,122	297,314	60,802	-	358,116	880,238
Rest Inv - Crown Reserve Loan Pool	69,228	2,000	-	-	2,000	71,228
Rest Inv - Contributions	730,051	-	(338,320)	88,723	(249,597)	480,454
Rest Inv - S94A Contributions	787,740	215,000	50,000	-	265,000	1,052,740
Rest Inv - Stormwater Fund	50,830	(507)	-	-	(507)	50,323
Total External Restricted Funds	49,568,731	1,278,766	(3,194,854)	754,101	(1,161,988)	48,406,743
Internal Restricted Funds						
Rest Inv - Employee Leave Entitlements	1,680,173	75,000	-	-	75,000	1,755,173
Rest Inv - Infrastructure Renewals	2,477,363	927,104	-	-	927,104	3,404,467
Rest Inv - Unexpended General Fund Loans	225,147	-	(263,930)	(115,147)	(379,077)	(153,930)
Rest Inv - Works Income Equalisation Fund	793,890	250,000	462,281	94	712,375	1,506,265
Rest Inv - Council Funded Loan Pool	126,631	3,400	-	-	3,400	130,031
Rest Inv - Other Internal Restrictions	3,502,132	596,000	(404,702)	13,645	204,943	3,707,075
Rest Inv - Infrastructure Fund	767,004	(48,500)	(36,366)	-	(84,866)	682,138
Rest Inv - Gravel Pits	396,342	-	-	-	-	396,342
Rest Inv - Sports Liaison	169,896	19,300	(86,942)	34,942	(32,700)	137,196
Rest Inv - Management Committees	134,806	16,145	(4,081)	(24,400)	(12,336)	122,470
Rest Inv - Real Estate Disposal Fund	1,883,754	(2,251,550)	112,293	2,160,179	20,922	1,904,676
Rest Inv - Energy and Efficiency Fund	1,243,560	(1,185,259)	(31,192)	-	(1,216,451)	27,109
Rest Inv - Community Development Infrastructure Fund	337,626	(300,000)	-	300,000	-	337,626
Rest Inv - IT Investment Fund	2,695,225	(2,601,246)	(20,518)	-	(2,621,764)	73,461
Rest Inv - Recreation Strategy Land Sales	270,831	-	-	-	-	270,831
Rest Inv - Special Rates Variation	1,611,743	(342,870)	(539,388)	(1,565,707)	(2,447,965)	(836,222)
Total Internal Restricted Funds	18,316,122	(4,842,476)	(812,545)	803,606	(4,851,415)	13,464,707
Total Funds	93,620,853	(8,954,865)	(4,526,369)	1,585,352	(11,895,882)	81,724,970

Eurobodalla Shire Council
Budget Adjustments > \$50,000
For the quarter ending 31 December 2016

Fund	Cost Centre	Fund Flow Type	Description	Favourable/ (Unfavourable)	Revote	Explanation
ENVIRONMENT FUND						
	Rock Walls & Sea Walls	Expenses	Depreciation	75,124		Revised depreciation based on asset values.
		Balance Sheet	Accumulated Depreciation	(75,124)		Recognise revised depreciation based on asset values.
	Minor items (individually less than \$50,000)	Various	Minor adjustments this review	47,806		Various minor adjustments.
	Total net adjustments for Environment Fund this quarter			47,806		
WASTE FUND						
	Brou Landfill	Capital Expenditure	Emissions reduction works	(246,000)		Emission reduction works to align with the delivery outcomes of the Greenhouse Action Plan.
		Capital Expenditure	Land Acquisition	(430,000)		Compulsory acquisition of land from Forestry NSW.
		Restricted Fund Transfer	Utilise loan funding	246,000		Utilise loan funding for emission reduction works.
	Surfbeach Landfill	Capital Expenditure	Emissions reduction works	(246,000)		Emission reduction works to align with the delivery outcomes of the Greenhouse Action Plan.
		Restricted Fund Transfer	Utilise loan funding	246,000		Utilise loan funding for emission reduction works.
		Revenues	Tipping/Landfill Fees	150,000		Estimated increase in revenue based on current trends.
	Various	Expenses	Depreciation - various >\$50,000 adjustments	471,709		Revised depreciation based on asset values.
		Balance Sheet	Accumulated Depreciation	(471,709)		Recognise revised depreciation based on asset values.
	Minor items (individually less than \$50,000)	Various	Minor adjustments this review	78,828		Various minor adjustments.
	Total adjustments for Waste Fund this quarter			(201,172)		
WATER FUND						
	Energy Performance Contract	Expenses	Energy reduction projects	600,000		Funds reduced in operations due to changed project scope (\$538k) and reclassification to capital (\$62k).
	Minor items (individually less than \$50,000)	Various	Minor adjustments this review	(95,891)		Various minor adjustments.
	Total adjustments for Water Fund this quarter			504,109		
SEWER FUND						
	Control and General Revenues	Balance Sheet and Revenue	Interest and Principal adjustments	217,894		Amend loans modelling to reflect revised borrowings and recognise interest on final audited cash balances.
	Energy Performance Contract	Expenses	Energy reduction projects - operations	400,000		Funds reduced in operations due to changed project scope (\$187k) and reclassification to capital (\$213k).
		Capital expenditure	Energy reduction projects - capital	(213,000)		Energy performance audits and reduction works in line with the Energy Performance Contract .
	Various	Expenses	Depreciation - various >\$50,000 adjustments	336,542		Revised depreciation based on asset values.
		Balance Sheet	Accumulated Depreciation	(336,542)		Recognise revised depreciation based on asset values.
	Total adjustments for Sewer Fund this quarter			404,894		

General Fund on next page.

Eurobodalla Shire Council
Budget Adjustments > \$50,000
For the quarter ending 31 December 2016

Fund	Cost Centre	Fund Flow Type	Description	Favourable/ (Unfavourable)	Revote	Explanation
GENERAL FUND						
	Fire Control	Capital Revenue	Rural Fire Service (RFS) capital funding	461,300		To record funding for building works at Mogo and the receipt of a new RFS vehicle.
		Capital Expenditure	Rural Fire Service (RFS) capital works	(461,300)		Construct and project manage RFS building works at Mogo Training Centre and recognise new asset (truck).
		Revenue	Operations and maintenance funding	197,292		Recognise funding for operations and maintenance requirements for RFS in 2016/17.
		Revenue	Volunteer funding (VASS)	(153,627)		Reduction in volunteer support funding as per revised RFS methodology. Minor increase in other RFS funds.
		Expenditure	Operations and maintenance works	(197,292)		Recognise RFS funded operations and maintenance requirements for 2016/17.
	Community and Recreation Services					
	Supported Accommodation - Guy Street	Revenue	Client contributions	71,100		Recognise additional client contributions.
			Client expenses	(71,100)		Recognise expenditure relating to additional client contributions received.
	Aboriginal and Torres Strait Islander (ATSI) Transport	Expenditure	ATSI Transport Officer	134,015		Transport Officer Position vacant. Funding for the service restricted for this purpose.
		Restricted fund transfer	Restrict available funds	(134,015)		Restrict funding available for transport officer and associated expenses.
	Impacts of the National Disability Insurance Scheme (NDIS) and client migration.					
	Dept. of Ageing, Disability & Home Care Grants	Revenue	Grants - Community Care Services	(989,276)		Revised 2016/17 Dept. of Ageing, Disability & Home Care grant funding as result of NDIS migration.
		Expenditure	Brokerage Services	952,636		Service delivery reduction as a result of reduced funding and NDIS client migration.
	NDIS services	Revenue	Client contributions and fees for services	946,648		Anticipated revenues to be received for NDIS services rendered.
		Expenditure	NDIS service expenditure	(996,385)		Direct and indirect service costs relating to the delivery of NDIS services.
	Natural Environment Planning	Revenue	Grant funding received	80,000		To record 'Building Resilience to Climate Change' (BRCC) funding from NSW Office of Environment.
		Expenditure	Grants expenditure	(80,000)		Project management costs supported by BRCC grant funding.
		Revenue	Grant funding	(173,500)	Y	Anticipated grants revenue deferred due to NSW Coastal reform delays.
		Expenditure	Grants and operational expenditure	253,513	Y	Expenditure on Eurobodalla Coastal Management Plan deferred as a result of NSW Coastal Reform delays.
		Expenditure	Council matching funds to grants	50,000	Y	Council funding to match grants deferred to 2017/18 to align with available grants.
	Development Control	Expenditure	Reallocation of contractor funding	50,000		Rural Lands Strategy sufficiently complete to allow reallocation of funds to Tourism Signage Strategy.
			Reallocation of contractor funding	(50,000)		Commence Tourism Signage Strategy with funding available from Rural Lands Strategy.
	Airport					
	Redevelopment MasterPlan	Expenditure	Deferral of expense requirements	2,144,136		Funding withdrawn from current year to allow for further investigations into grant funding opportunities .
		Restricted fund transfer	Restrict available funds	(2,144,136)		Restrict funding available for Airport Redevelopment MasterPlan.
	Moruya Airport - Apron Expansion	Capital expenditure	Deferral of capital expenditure	120,068	Y	Grant funded expenditure on airport apron works deferred as a result of delays in gaining archaeological approvals.
						Receipt of NSW Government Restart grant funding for airport apron works deferred as a result of delays in gaining archaeological approvals.
	Moruya Airport - Project Management & Contingency	Capital grants revenue	Grant funding deferred	(120,068)	Y	
		Capital expenditure	Deferral of capital expenditure	80,647	Y	Airport project management requirements deferred in line with deferred works.
	Operational Land Management	Capital Revenues	Recognise land sale	102,341		Recognise settlement of Part Lot in Maclean Place, Moruya.
	Batemans Bay CBD Facilities					
	Batemans Bay CBD Works - Streetscaping (Orient St)	Capital expenditure	Streetscaping works	(68,185)		Streetscaping works supported by contributions from Renascent.
		Capital revenue	Capital contributions received	68,185		To record contributions from Renascent for completion of DA related streetscaping works.
	Batemans Bay CBD Works - Streetscaping (Cnr North/Perry)	Capital expenditure	Streetscaping works	(86,364)		Streetscaping works supported by contributions from Renascent.
		Capital revenue	Capital contributions received	86,364		To record contributions from Renascent for completion of DA related streetscaping works.
	Batemans Bay CBD Works - general	Capital expenditure	Streetscaping works	77,700		Reduced works anticipated to be funded through parking meter revenues.
		Restricted fund transfer	Reduce available restricted fund utilisation	(77,700)		Reduced restricted funds available in line with discontinuation of parking meters.
	Moruya Cultural Precinct	Capital expenditure	Deferral of capital expenditure	800,000	Y	Construction deferred to 2017/18 to allow for final grant application and tender process requirements.
		Capital grants revenue	Grant funding deferred	(500,000)	Y	Timing of grant funding deferred to 2017/18 in line with application and tender process requirements.
		Restricted fund transfer	Reduce current utilisation requirement	(300,000)	Y	Community Development Infrastructure funding deferred in line with construction deferral.
	Pools	Capital expenditure	Energy Performance Contract works	(155,000)		Commence works associated with the Energy Performance Contract (Narooma \$92,000, Moruya \$63,000).
		Restricted fund transfer	Utilise restricted loan funding	155,000		Utilise loan funding on Energy Performance Contract works at Narooma and Moruya.

General Fund continued on next page.

Eurobodalla Shire Council
Budget Adjustments > \$50,000
For the quarter ending 31 December 2016

Fund	Cost Centre	Fund Flow Type	Description	Favourable/ (Unfavourable)	Revote	Explanation
GENERAL FUND continued						
	Sports Facilities					
	Batemans Bay Tennis Facility	Capital expenditure	Tennis court surface renewals	(50,000)		Recognise renewal of court surfaces on courts 1 and 4 at Batemans Bay Tennis Facility (funded by restricted funds).
	Gundry Oval	Capital expenditure	Amenities Extension	305,400	Y	Extension of amenities facility deferred in line with pending grant application.
		Restricted fund transfer	Reduce SRV restricted fund utilisation	(305,400)	Y	Defer need to utilise SRV restricted funds on amenities extension in line with grant application status.
	Bridge Renewal - Roads to Recovery (R2R)	Grants revenue	Reduce R2R current year availability	(206,845)		Final funding outstanding for completed works in the current R2R works program will be available in 2018/19.
	Voucher Car Parking	Revenue	Metered parking fees	(77,700)		Reduction in metered parking revenues as a result of discontinued use.
		Restricted fund transfer	Restriction of revenues for specific use.	77,700		Reduction in funding to be restricted in line with discontinued metered parking.
	Development Contributions - Roads	Capital Revenues	Developer contributions revenue	(100,000)		Roads developer contributions revenue revised down to reflect current development conditions.
		Restricted fund transfer	Restriction of revenues for specific use.	100,000		Reduction in funding to be restricted in line with reduced developer contribution estimate.
	Roads and Maritime Services (RMS) - Regional Roads	Capital grants revenue	Capital Grants - Roads & Bridges	(50,885)	Y	RMS Blackspot funding reallocated in line with programmed works. Project to be finalised in 2017/18.
		Capital expenditure	Barrier and road widening works - Cullendulla	50,885	Y	RMS Blackspot funded capital works reallocated to 2017/18 in line with programmed works.
	Office Building works	Capital expenditure	Energy Performance Contract works	(366,000)		Commence works associated with the Energy Performance Contract (Moruya Administration Buildings and Batemans Bay Library).
		Restricted fund transfer	Utilise restricted loan funding	366,000		Utilise loan funding on Energy Performance Contract works at Batemans Bay and Moruya.
	WHS incentive works	Revenue	WHS incentive from StateCover	88,726		Recognise funding received from StateCover as WHS incentive for recognition of good performance in this area.
		Restricted fund transfer	Restriction of revenues for specific use.	(88,726)		Restrict WHS incentive received from StateCover for specific usage on WHS programs.
	Balance Sheet - Control Account	Expenditure	Favourable Interest adjustment	52,916		Favourable loan interest repayments. Current rates lower than those previously modelled.
	Minor items (individually less than \$50,000)	Various	Minor adjustments this review	(105,235)		Various minor adjustments.
	Total adjustments for General Fund this quarter			(236,167)		

Eurobodalla Shire Council
Special Rate Variation Projects Schedule
For the Period ended 31 December 2016

Attachment 1 (f)

Project	Location	2016-17 SRV Funds	2016-17 Total	Total Costs to 10 February	Percent	Scheduling	Progress update as at 20 February 2017.
Transport							
Joes Creek shared pathway bridge	Batehaven	\$100,998	\$100,998	\$100,998	100.00%	3rd & 4th quarters	In progress and on track for completion June 2017
Corrugated Pipe Culverts - various locations		\$101,000	\$101,000	\$1,343	1.33%		On track for completion June 2017
Box Culvert Widening - Cullendulla Dr. Long Beach		\$50,000	\$50,000	\$132	0.26%		On track for completion June 2017
New Bridge - Cadgee		\$500,000	\$970,000	\$912,496	94.07%		On track for completion June 2017
Local Rural - Araluen Rd Corrugated Culvert Replacement.		\$89,838	\$89,838	\$89,746	99.90%		Complete
Local Rural - Church Hall Culvert Araluen Road		\$47,500	\$47,500	\$47,500	100.00%		Complete
Beach Road box culverts	Batemans Bay	\$125,000	\$125,000	\$125,967	100.77%	4th quarter	In progress and on track for completion June 2017
Stormwater Piping - Tilba/Montague Street, Narooma		\$44,500	\$55,978	\$55,978	100.00%		On track for completion June 2017
Stormwater Piping - Anderson Avenue, Tuross		\$66,750	\$75,000	\$27,027	36.04%		On track for completion June 2017
Stormwater Piping - Hawdon/Luck Street, Moruya		\$76,540	\$86,000	\$760	0.88%		On track for completion June 2017
Stormwater Piping - Highview/Bayview Street		\$16,465	\$18,500	\$10,059	54.37%		On track for completion June 2017
Stormwater Piping - Kylie Crescent, B/Bay		\$20,915	\$23,500	\$10,156	43.22%		On track for completion June 2017
Stormwater - Moruya Library Extension		\$41,998	\$47,358	\$47,358	100.00%		Complete
Gravel Resheeting	Various	\$1,800	\$1,008,800	\$894,062	88.63%	2nd & 3rd quarter	In progress and on track for completion June 2017
Gravel Resheet - Donalds Creek Rd (Hill-Crk Cross)		\$50,000	\$50,000	\$24,989	49.98%		In progress and on track for completion June 2017
Gravel Resheet - Wagonga Scenic Dr (Sellim-Cobra)		\$60,000	\$60,000	\$45,705	76.17%		In progress and on track for completion June 2017
Reseal - Local Urban Sealed	Various	\$407,200	\$1,733,200	\$1,494,444	86.22%	2nd & 3rd quarter	On track for completion June 2017
Reconstruction Riverview Road	Narooma	\$17,842	\$17,842	\$17,842	100.00%		Complete
Low Cost Reconstruction - Old South Coast Road		\$549,720	\$549,720	\$1,480	0.27%		Design Commenced and on track for completion June 2017
Shared Pathway Nelson Parade, Tuross Head		\$9,052	\$9,052	\$9,052	100.01%		Complete
Footpath - Beach Rd, Sunshine Bay		\$2,954	\$2,954	\$2,954	100.01%		Complete
Footpath - Edward Rd, Batehaven		\$38,994	\$38,994	\$38,757	99.39%		Complete
Batemans Bay streetscaping	Batemans Bay	\$1,189,198	\$1,189,198	\$505,545	42.51%	4th quarter	In progress and on track for completion June 2017
Drainage Renewals - Shirewide		\$118,961	\$135,113	\$73,488	54.39%		In progress and on track for completion June 2017
Halls							
Dr Mackay Community Centre Stage 2	Moruya	\$63,426	\$63,426	\$68,967	108.74%		Complete
Heating & lighting for hall	Bodalla	\$12,458	\$12,458	\$13,429	107.79%		Complete
Malua Bay Community Centre	Malua Bay	\$122,160	\$122,160	\$0			On track for completion June 2017
Accessible toilet Dalmeny Hall	Dalmeny	\$40,720	\$40,720	\$34,493	84.71%		On track for completion June 2017
Dalmeny Hall - External Toilet refurbishment	Dalmeny	\$15,270	\$15,270	\$0			On track for completion June 2017
Sporting facilities							
Sporting Fields - topdressing/renovation		\$61,080	\$207,080	\$16,125	7.79%		On track for completion June 2017
Hanging rock AFL fence	Batemans Bay	\$142,663	\$142,663	\$122,647	85.97%	4th quarter	On track for completion June 2017
Kyla oval - Sailing Shed	Tuross Head	\$29,150	\$69,150	\$214	0.31%	4th quarter	On track for completion June 2017
Bodalla Oval - Off Highway Parking	Bodalla	\$76,350	\$76,350	\$45,556	59.67%	3rd & 4th quarter	In progress and on track for completion June 2017
Bill Smyth oval fencing	Narooma	\$144,420	\$144,420	\$142,921	98.96%		Complete
Narooma Pool - Renewal		\$203,600	\$203,600	\$9,945	4.88%		On track for completion June 2017
Moruya Showgrounds - Shelter upgrade	Moruya	\$101,800	\$101,800	\$44,259	43.48%		On track for completion June 2017
Tilba Oval - Expand Toilets	Tilba Tilba	\$101,800	\$101,800	\$490	0.48%		On track for completion June 2017
Bodalla Tennis - Court lighting improvements		\$30,000	\$36,000	\$35,980	99.94%		Complete
Public reserves - general							
Playgrounds		\$61,080	\$136,080	\$0			On track for completion June 2017
Tuross Boat Ramp Renewal - dredging	Tuross Head	\$30,540	\$30,540	\$670	2.19%	3rd quarter	On track for completion June 2017
Corrigans accessible playground	Batehaven	\$75,000	\$361,280	\$443,038	122.63%	3rd & 4th quarter	On track for completion June 2017
Corrigans Reserve picnic facilities/trees	Batehaven	\$8,000	\$8,000	\$3,174	39.68%		Complete
One Tree Point beach access	Tuross Head	\$2,292	\$2,292	\$2,292	100.00%		Complete
Lake foreshore rockwall	Dalmeny	\$6,486	\$6,486	\$6,486	100.00%		Complete
Quota Park rockwall	Narooma	\$1,500	\$1,500	\$1,126	75.08%		Complete
Lions Park - Accessible Toilet	Batemans Bay	\$50,900	\$50,900	\$490	0.96%		On track for completion June 2017
Corrigans Beach Reserve - Carpark	Batehaven	\$55,000	\$55,000	\$35,491	64.53%		On track for completion June 2017
Caseys Beach North - Accessible toilet	Batehaven	\$50,900	\$50,900	\$490	0.96%		On track for completion June 2017
foreshore reserve - Accessible Toilets	Malua Bay	\$50,900	\$50,900	\$490	0.96%		On track for completion June 2017
Plantation Point Tuross Head - Minor Upgrade		\$40,720	\$40,720	\$0			On track for completion June 2017
Tomakin Beach Accessible toilet	Tomakin	\$50,900	\$50,900	\$11,968	23.51%		On track for completion June 2017
Coronation Drive - Accessible toilet	Broulee	\$50,900	\$50,900	\$0			On track for completion June 2017
Carters Headland, Kianga - Viewing Platform		\$40,720	\$40,720	\$0			On track for completion June 2017
Gundry Oval - Expansion of playground	Moruya	\$101,800	\$101,800	\$0			On track for completion June 2017
Rotary Park Narooma - Expansion of Playground		\$101,800	\$101,800	\$0			On track for completion June 2017
Main Beach - Accessible Toilet	South Heads Moruya	\$50,900	\$50,900	\$490	0.96%		On track for completion June 2017
Parks Facilities Renewals - Seats/tables		\$61,080	\$141,229	\$80,671	57.12%		On track for completion June 2017
Hanging Rock Amenities - repaint and replace fittings		\$20,000	\$20,000	\$0			On track for completion June 2017
Gundry Oval Amenities - Kitchen upgrade & BBQ		\$25,000	\$25,000	\$0			On track for completion June 2017
Project Management Costs		\$296,000	\$296,000	\$147,622	49.87%		On track for completion June 2017
Total		\$ 6,104,540	\$ 9,596,289	\$ 5,807,369	60.52%		

Consultancy, Legal and Contractors Expenses
for the quarter ending 30 December 2016

Contracts entered into greater than \$50,000

Contractor	Contract detail & purpose	Contract Value	Commencement Date	Duration of contract	Budgeted (Y/N)
Poonindie Pty Ltd T/A Rex Wilson & Sons	Sewage Pumping Station BB44 Repairs	74,948	Dec-16	3 weeks	Y
Alpine Drilling Pty Ld	Drilling of Groundwater Observation and Test Pump Bores	91,313	Oct-16	6 weeks	Y
Batemans Bay Sand & Gravel T/A PDF Civil	Deep Creek Dam Access & Drainage Improvements	145,179	Nov-16	16 weeks	Y
Ironmoor Pty Ltd	Cleaning of Council Admin Building	91,520 pa	Dec-16	2 years	Y
RD Miller P/L	Mulching of garden organic, timber and stump material	Estimated 100,000 pa	Dec-16	1 year	Y
MGN Civil	Construction of a Replacement Seawall at Caseys Beach	479,200	Dec-16	25 weeks	Y
Eco Logical	Professional ecological advice and services to Council including flying fox dispersal	230,000	Dec-16	3 years	Y
Australian Native Landscapes P/L	Transport and reuse /recycling of Biosolids	Estimated 300,000	Dec-16	1 year	Y
iPlatinum	Project assurance/Change authority	108,900	Nov-16	18 months	Y

Consultancy and Legal Expenses Incurred

	\$ December Quarter	Budgeted (Y/N)	Comments
Consultants	838,489	Y	Management of construction projects, investigation and design works for water and sewer projects and various other projects.
Legal Fees	143,700	Y	Rates recoveries \$80k, Corporate Systems contract negotiation \$44k and other 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 2016

Indicator	Target	Actual 2015-16	Original Budget 2016/17	Projected FY 2016/17
Unrestricted Current Ratio	> 1.5	2.7	>2	>2
Operating Performance Ratio	minimum 0%	9.14%	-0.11%	-0.43%
Buildings & Infrastructure Renewals Ratio	= > 100%	76%	98%	104%

*Refer Note (a)**Refer Note (b)**Refer Note (c)***Fit for the Future update : General Fund (incl. Environment and Waste Funds)**

Indicator	Target	Actual 2015-16	Original Budget 2016/17	Projected FY 2016/17
Operating Performance Ratio	minimum 0%	8.07%	-2.60%	-4.56%

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 2015/16 Financial Statements

Notes:

(a) Actuals from 2015/2016 Financial Statements.

(b) Budgeted ratios are based on the original budgets for 2016-17.

(c) Projected ratios are based on the revised budgets for 2016-17.

Mayoral and Councillor Fees and Expenses
 October 2016 - December 2016

Attachment 4

Councillor	Councillor Allowance	Conference / Delegate Costs <i>(Note 1)</i>	Travelling Expenses	Phone / Fax / Internet etc	Training / Skill Development	Other	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Brown	4,710	2,410	2,642	192	1,730	145	11,829
Constable	4,710	273	671	141	-	-	5,796
Innes	14,983	544	3,088	360	-	336	19,311
Mayne	4,710	2,106	292	201	-	21	7,330
McGinlay	4,710	-	1,232	185	-	-	6,127
Nathan	4,710	149	1,516	165	-	25	6,564
Pollock OAM	4,710	-	934	241	-	79	5,964
Tait	4,710	-	570	114	-	20	5,414
Thomson	4,710	810	2,504	197	-	161	8,382
TOTAL	52,663	6,291	13,448	1,796	1,730	788	76,716

Note 1

Conference / Seminar / Delegate Costs also includes LGA expenses.