



Our home  
*Our City* Our future

OPERATIONAL PLAN  
2013-2014



# QUARTERLY REPORT

## July 2013 – September 2013

## THE INTEGRATED PLANNING AND REPORTING FRAMEWORK

The Local Government Integrated Planning and Reporting (IPR) Framework aims to ensure a more sustainable Local Government sector. All NSW Councils are required to develop a Community Strategic Plan (10 years) along with a Delivery Program (4 years) and Operational Plan (1 year). These documents are informed by a Resourcing Strategy (10 years) that is made up of a Long Term Financial Plan, Asset Management Strategy and Workforce Management Plan.



Figure 1: IPR Framework

In order to achieve the integration envisaged by the IPR framework, there is an alignment between the Fairfield City Plan, Resourcing Strategy, Delivery Program and the Operational Plan. This alignment is formed through the five themes identified by the community in the 2012-2022 Fairfield City Plan:

- **Theme 1: Community Wellbeing**
- **Theme 2: Places and Infrastructure**
- **Theme 3: Environmental Sustainability**
- **Theme 4: Local Economy and Employment**
- **Theme 5: Good Governance and Leadership**

The Delivery Program details the initiatives, programs and services Council will undertake during its term of office to help achieve the community outcomes identified in the Fairfield City Plan.

The 2013-2014 Operational Plan is a sub plan of the Delivery Program which outlines the initiatives, major programs and services which are to be undertaken during the financial year. It also includes the budget details for the year. Accordingly, this quarterly report focuses on the 2013-2014 Operational Plan implementation period of July 2013 to September 2013. This report will be publicly available and will be included in Council's Business Paper.

Developed by the Integrated Planning and Reporting Unit (2013)

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## 1. INTRODUCTION TO THE QUARTERLY REPORT

Fairfield City Council's 2013-2014 Operational Plan details the services, major programs and initiatives Council will complete in order to achieve the vision outlined by the community in the Fairfield City Plan 2012-2022. The Quarterly Report outlines the key achievements, and flags any issues, that have occurred in the first quarter of the financial year from July 2013 to September 2013. The latter part of this report includes a detailed financial account of Council's financial position for the quarter. All projects within this report are grouped with the theme they relate to. These themes are described below:

### THEME 1: COMMUNITY WELLBEING

Community Wellbeing relates to the quality of life we enjoy when we live, work, play, shop or visit the Fairfield City area. It's about a good relationship with our neighbours, the opportunities we have to meet our daily needs and achieve our ambitions, our sense of belonging, respect for the things we value, the support that's available when we need it, and the pride we feel in our diverse community and neighbourhoods.

### THEME 2: PLACES AND INFRASTRUCTURE

Places and infrastructure are the buildings, facilities, open space, town centres, roads, footpaths, public transport and all other built structures that we use to meet our day to day and future needs. The availability of places and infrastructure in the community enables services to be provided and therefore contributes to our wellbeing. The quality of our places and infrastructure create a first impression for visitors to our City and help shape the care and pride we take in our area.

### THEME 3: ENVIRONMENTAL SUSTAINABILITY

Our local environment and natural resources define our City and contribute to our wellbeing. In turn, our activities impact the quality and viability of many species and finite resources. Increasing awareness of environmental challenges such as climate change and water shortages has increased the pressure for protection and management of our bushland, local wildlife and waterways as well as improved design and operation of our built environment. Environmental sustainability is important at the local and global level and for the health and wellbeing of future generations.

### THEME 4: LOCAL ECONOMY AND EMPLOYMENT

The businesses and industries in Fairfield City and the surrounding areas provide goods and services as well as local employment opportunities. The shopping centres not only provide a range of products and services, they are also important meeting places and often represent the identity of their suburb. The Smithfield- Wetherill Park industrial area is one of the largest industrial estates in Australia and therefore a major employer, traffic generator and economic powerhouse. Higher than average levels of unemployment, especially youth unemployment, place increased importance on access to education and training.

### THEME 5: GOOD GOVERNANCE AND LEADERSHIP

As a democracy, we want our leaders to listen to us, represent our views with integrity and strive to achieve for the good of the community. Decision making, especially in the public sector, must be transparent, objective and accountable. Good governance and leadership ensures the community has access to information and participates in the development of policies and decisions that affect them. Across all sectors of our community we look for a high standard of ethics, justice and honesty to be reflected in the actions and behaviour of individuals, organisations, businesses and governments.

## 2. QUARTERLY PROGRESS SUMMARY

### Project Status Summary by Quarter

Figure 2 displays the status of the 343 initiatives, major programs and carry forwards for the first quarter of the financial year (July 2013-September 2013) which have been identified in the 2013-2014 Operational Plan.

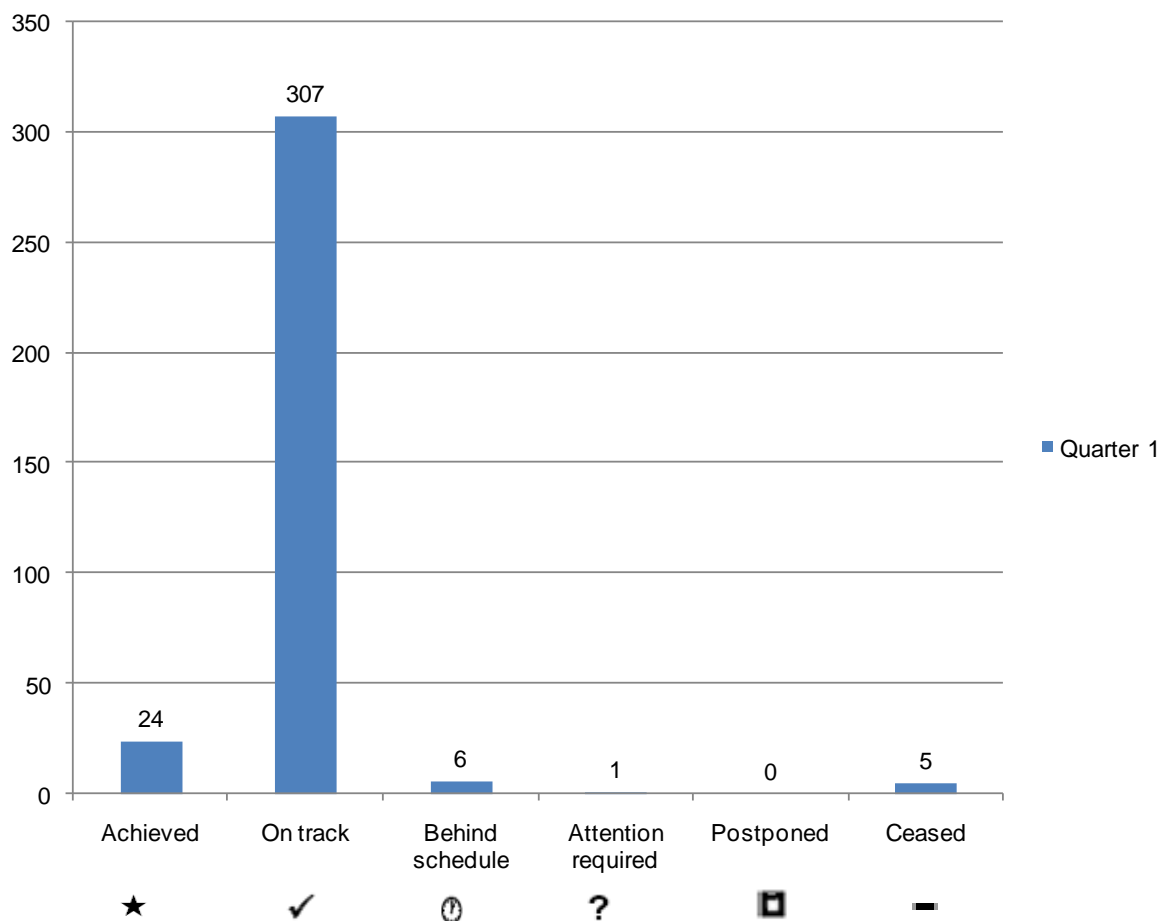




Figure 2: Status of all Initiatives, Major Programs and Carry Forwards in Quarter 1 (July 2013 – September 2013)

The status of Council's initiatives, major programs and carry forwards, to date is:

STATUS	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Achieved	24			
On Track	307			
Behind Schedule	6			
Attention Required	1			
Postponed	0			
Ceased	5			
<b>TOTAL</b>	<b>343</b>			

### 3. EXCEPTION COMMENTS BY THEME - MAJOR PROGRAMS AND INITIATIVES

This Quarterly Report contains the detailed financial report however for the projects component it is reported as an exception report. This means that the report only identifies initiatives, major programs or carry forwards that have been completed, are behind schedule, required attention or have been postponed and ceased. The following 5 tables separate these items by theme, detail the status and include comments

THEME 1: COMMUNITY WELLBEING					
No.	Name	Responsible Group	2013/14 Budget	Status	Comments
IN14181	Adventure Playground - Stage 1-Fairfield District Park	Place, Assets and Strategy	\$1,050,000		The requirements relating to Sydney Water's sewerage easements are being integrated into the design.
CF1346	Bossley Park Preschool Project	Community Life	\$501,920		As per the recommendations of the Council meeting in February 2013 Council has received confirmation from the Department of Education and Communities approving Council to cancel the project and consolidate the funds previously allocated to Cabramatta Primary School with the following two projects - the extension at Fairfield Primary School and a new 40 place preschool at Bossley Park Primary School.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**


A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

**THEME 1: COMMUNITY WELLBEING**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
R130201	Fairfield ELC Extension	Community Life	\$121,900		This project consists of building an extension to the current building on the grounds of Fairfield Primary School to include a children's bathroom, a staff room and an increase to the size of the playroom. As per the recommendations of the Council meeting in February 2013 Council has received confirmation from the Department of Education and Communities approving Council to cancel the project and consolidate the funds previously allocated to Cabramatta Primary School with the following two projects - the extension at Fairfield Primary School and a new 40 place preschool at Bossley Park Primary School.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.



**THEME 2: PLACES AND INFRASTRUCTURE**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
CF1309	Restwell Road Pedestrian Crossing (urgent road safety works)	Infrastructure Operations	\$60,000	★	Work to the pedestrian crossing was completed in July 2013.
CF1313	Upgrade of Family Park, Villawood	Infrastructure Operations	\$100,000	★	Work to upgrade Family Park was completed in August 2013.
CF1322	Interwoven Arts Program - Implement a community artwork program that integrates "artwork" into Fairfield Town Centre upgrades to involve the community in making our City Centres more attractive.	Place, Assets and Strategy	\$10,000	★	An Interwoven Program Implementation Plan was completed in July 2013 and this will now guide the future Interwoven artworks.
CF1323	Bibbys Place Improvement Works	Place, Assets and Strategy	\$51,250	★	The landscaping of the public space has been completed. A successful launch and tree planting ceremony was held in August 2013.
CF1325	Bibbys Place Urban Design Works	Place, Assets and Strategy	\$56,644	★	The landscaping of the public space has been completed. A successful launch and tree planting ceremony was held in August 2013.
MPRR1408	Road Rehabilitation-Cherokee Avenue: From Smithfield Road to Natchez Crescent. Asphalt Overlay.	Place, Assets and Strategy	\$179,886	★	Road rehabilitation work was completed in August 2013.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.



**THEME 2: PLACES AND INFRASTRUCTURE**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
<b>MPRR1411</b>	Road Rehabilitation-Kalang Road: From Edensor Road to Angle Vale Road. Asphalt Overlay.	Place, Assets and Strategy	\$110,770	★	Road rehabilitation work was completed in September 2013.
<b>MPRR1428</b>	Road Rehabilitation-Gardiner Crescent: From Nangar Street to Nangar Street. Asphalt Overlay.	Place, Assets and Strategy	\$99,720	★	Road rehabilitation work was completed in September 2013.
<b>MPRR1434</b>	Road Rehabilitation-Jane Street: From Gipps Street to Dublin Street. Asphalt Overlay.	Place, Assets and Strategy	\$151,870	★	Road rehabilitation work was completed in September 2013.
<b>MPRR1438</b>	Road Rehabilitation-Market Street: From Victoria Street to Chifley Street. Base Replacement and Mill & Resheet.	Place, Assets and Strategy	\$276,820	★	Road rehabilitation work was completed in August 2013.
<b>MPRR1441</b>	Road Rehabilitation-Mojo Place: From Arrowhead Road to Cul-De-Sac. Asphalt Overlay.	Place, Assets and Strategy	\$28,700	★	Road rehabilitation work was completed in August 2013.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

**THEME 2: PLACES AND INFRASTRUCTURE**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
MPRR1442	Road Rehabilitation-Mulligan Street: From Lofty Crescent to Mimosa Road. Base Replacement and Mill & Resheet.	Place, Assets and Strategy	\$103,600	★	Road rehabilitation work was completed in August 2013.
MPRR1443	Road Rehabilitation-Nance Avenue: From Ryan Avenue to Bowden Street. Base Replacement and Mill & Resheet.	Place, Assets and Strategy	\$68,700	★	Road rehabilitation work was completed in September 2013.
MPRR1444	Road Rehabilitation-O'Connell Street: From Victoria Street to Chifley Street. Base Replacement and Mill & Resheet.	Place, Assets and Strategy	\$269,500	★	Road rehabilitation work was completed in August 2013.
MPRR1446	Road Rehabilitation-Powhatan Street: From Shawnee Street to Arrowhead Road. Base Replacement and Mill & Resheet.	Place, Assets and Strategy	\$85,600	★	Road rehabilitation work was completed in August 2013.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

**THEME 2: PLACES AND INFRASTRUCTURE**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
<b>MPRR1462</b>	Road Rehabilitation- Alick Street: From Huie Street to Cabramatta Road. Asphalt Overlay.	Place, Assets and Strategy	\$156,250	★	Road rehabilitation work was completed in September 2013.
<b>IN14107</b>	Retail and Commercial Centres Study	City Development	\$100,000	🕒	This project is scheduled to commence in 2014. Depending on the timing of the release of new Planning legislation it may be necessary to have Council formally consider deferring this project to 2014-2015 as part of the Quarter 2 Quarterly Budget Review.
<b>CF1321</b>	Fairfield Heights Town Centre Enhancement Project	Place, Assets and Strategy	\$415,000	🕒	The project has been delayed due to project management concerns regarding contractor availability and Telstra Pit replacement issues. The project is due to be delivered during Quarter 3 (January - March 2013).
<b>CF1304</b>	Cabramatta Power Upgrade	Place, Assets and Strategy	\$150,000	–	Council resolved at its May 2013 meeting to not proceed with the Cabramatta Power Upgrade and seek an alternate solution through discussions with Endeavour Energy. This has not identified an alternative and the project is recommended to be discontinued at this time.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

**THEME 3: ENVIRONMENTAL SUSTAINABILITY**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
CF1327	Orphan School Creek Bank Rehabilitation Works at Baragoola Street, Fairfield West	Place, Assets and Strategy	\$150,000	★	This is a carry forward project from 2012/2013. The project was successfully completed in August 2013.
CF1328	Gross Pollutant Trap Construction at Bosnjak Park, Edensor Park	Place, Assets and Strategy	\$106,323	★	This is a carry forward project from 2012/2013. The project was successfully completed in September 2013.
CF1329	Canley Corridor Floodplain Risk Management Study and Plan	Place, Assets and Strategy	\$12,500	★	Part of the 2012/2013 funding for this multi-year project was carried forward and expended in the first quarter (July - September 2013), on the preparation of the plan.
CF1333	Sustainability Staff Educational Project	Public Health and Environment	\$38,458	★	This project has been consolidated with project MPWSIP1405 (Waste and Sustainability Improvement Payment (WaSIP) Program-I Sustain Staff Education Project). The NSW EPA required Council to re-allocate funds for all carry over and new projects as new projects. The fund in the new consolidated project is the final budget for this financial year.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

**THEME 3: ENVIRONMENTAL SUSTAINABILITY**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
CF1334	Sustainability Community Educational Program	Public Health and Environment	\$17,067	★	This project has been consolidated with project MPWSIP1403 (Waste and Sustainability Improvement Payment (WaSIP) Program-I Sustain Community Education Program). The NSW EPA required Council to re-allocate funds for all carry forward and projects to new projects. The fund in the new consolidated project is the final budget for this financial year.
CF1337	Chemical Waste Collection Program	Public Health and Environment	\$53,369	★	The chemical waste collection event was held on 12 October 2013. More than 700 local families brought approximately 33 tonnes of chemical waste to the collection event.
IN14299	Installation of solar hot water at various Council buildings	Public Health and Environment	\$93,640	★	Twelve solar hot water systems were installed at eleven sites. The installation was completed in July 2013.
CF1335	KEEP - school education for sustainability	Public Health and Environment	\$7,929	-	This project has been included in initiative MPWSIP1407 with the same deliverables and is not required.
MPFMP1411	Flood Mitigation Program-Flood Education and Awareness. City Wide. Actions to improve community flood awareness and resilience.	Place, Assets and Strategy	\$30,000	?	The Office of Environment and Heritage (OEH) have informally advised that they will not contribute grant funding to this project. It is recommended that when formal advice is received, that this project does not continue without the grant funding access.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

**THEME 3: ENVIRONMENTAL SUSTAINABILITY**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
IN14294	Community Halls Lighting Upgrade	Public Health and Environment	\$45,300	–	The grant proposal was submitted in February 2013. This project has been ceased because Council was unsuccessful in securing the grant funding from the Federal Government. A report was submitted to Council in June 2013.
IN14297	Upgrade existing lighting in Dutton Lane and Nelson Street Car Parks	Public Health and Environment	\$122,000	–	The grant proposal was submitted in February 2013. This project has been ceased because Council was unsuccessful in securing the grant funding from the Federal Government. A report was submitted to Council in June 2013.
CF1332	Power factor correction units at three large energy users	Public Health and Environment	\$11,266	–	Power factor correction units were installed at the Showground and Prairiewood Leisure Centre. The third power factor correction unit was to be installed at Whitlam Library. The Cabramatta Power Upgrade project (CF1304) has been recommended to be discontinued. This project should also be discontinued at the same time.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

#### THEME 4: LOCAL ECONOMY AND EMPLOYMENT

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
There are no initiatives, major programs or carry forwards that need to be included in this report for Theme 4. All within this theme are on track.					



#### Achieved

Project is completed.



#### Behind Schedule

Project is behind schedule and expected to be delivered within agreed timeframe.



#### Attention Required

Project may not be able to be delivered.



#### Postponed

A decision has been made to postpone the project.



#### Ceased

Project is recommended not to proceed.



**THEME 5: GOOD GOVERNANCE AND LEADERSHIP**

No.	Name	Responsible Group	2013/14 Budget	Status	Comments
IN1410	Fairfield City Council Open Day	Corporate Services	\$6,000	★	The Council Open Day was held on 31 August 2013 at Council's Administration Building. More than 400 residents attended the Open Day.
IN14292	Sub Division of 117a Wetherill Street, Wetherill Park	Place, Assets and Strategy	\$705,000	🕒	This project is behind schedule due to zoning and land classification work currently in progress.



**Achieved**

Project is completed.



**Behind Schedule**

Project is behind schedule and expected to be delivered within agreed timeframe.



**Attention Required**

Project may not be able to be delivered.



**Postponed**

A decision has been made to postpone the project.



**Ceased**

Project is recommended not to proceed.

## 4. QUARTERLY BUDGET REVIEW STATEMENT

### **Introduction**

The Quarterly Budget Review Statement report provides Council's financial position for the quarter ending 30<sup>th</sup> September 2013. It includes:

1. Statement by the Responsible Accounting Officer on Council's Financial Position
2. Interim Income and Expenditure Budget Review
3. Interim Capital Budget Review
4. Interim Cash and Investment Budget Review
5. Interim Key Performance Indicators Budget review
6. Contracts and Other Expenses Budget Review

## **1. Statement by the Responsible Accounting Officer**

The purpose of the Responsible Accounting Officer (RAO) considering council's financial position with regard to the original estimate of income and expenditure (original budget) is to assess whether or not council's projected year end result as at the end of each quarter has any likely impact on council's estimated financial position as determined in its Operational Plan. The RAO provides assurance of a satisfactory financial position and any remedial action if unsatisfactory.

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

*"It is my opinion that the Quarterly Budget Review Statement for Fairfield City Council for the quarter ended 30 September 2013 indicates that Council's financial position is satisfactory at year end, having regard to the income and expenditure and the budgeted income and expenditure."*

Signed:

Date: 28 October 2013

*Tony Smith*  
Responsible Accounting Officer

## **2. Income and Expenditure Budget Review**

### **Overall Position**

Council's operating result (excluding capital grants and contributions) as at end of September 2013 is a deficit of \$0.199m compared to September Year-to-date budgeted deficit of \$0.626m. The key components that have contributed to the change in operating position are explained below.

### **Revenue**

The revenue from continuing operations (i.e. including Capital Grants and Contributions) is \$36.421m against budget of \$38.330m. The major variances are as follows.

#### Rates Revenue

Rates revenue is \$16.959m compared to budget of \$17.301m as at end of September 2013. The \$0.342m unfavourable variance is the value of rates levied on Council owned properties. This has overstated the budget as it should have been eliminated on consolidation. A budget adjustment is not proposed as it is expected that some growth in rates will occur throughout the year.

#### Interest & Investment Income

The Interest & Investment Income is \$1.121m compared to year-to-date budget of \$0.850m. The favourable variance is due to a positive impact in August on fair value adjustment to investment. Without this adjustment investment income is generally in line with budget.

#### Grants & Contribution Operation

Grants and Contribution Operation is \$3.327m compared to budget of \$5.340m. The unfavourable variance is due to lower instalment amounts received in Financial Assistance Grant this year as a result of the 50% prepayment made last financial year (\$5.600m). Should Council receive a prepayment this year for the 2014/15 year then the budget will be re-aligned and variance will be a timing issue. Should this prepayment not be forthcoming then Council's revenue in this category will reduce considerably. The cash impact on Council is negligible as advance payments were received in prior years.

### **Expense**

The total expenditure for the first months is \$34.741m compared to the budget of \$37.169m. The major variances are as follows;

#### Employee Costs

Employee costs are \$17.083m compared to budget of \$17.507m as at the end of September 2013.

#### Leave Liability

Efforts are being made to reduce outstanding leave throughout the organisation. Council's annual leave policy (i.e. maximum accrued annual leave of 8 weeks) remains a priority. Since September 2012 Annual Leave hours have increased slightly and continues to be monitored. Long Service Leave hours outstanding have remained stable.

The Sick Leave value was decreased significantly due to the Attendance Productivity Payment Enterprise Agreement 2013. The value has been preserved as Preserved Paid Out Sick Leave (PPOS�). This outstanding balance will then be paid out as per options stipulated in the PPOS� 2013.

Sick Leave	Hours	Cost \$
June - 09	246,676	8,097,203
Sep - 10	232,506	7,958,679
June - 11	221,960	7,951,024
Mar - 12	204,188	7,598,408
June - 12	200,469	7,323,341
Mar - 2013	-	6,853,223
Jun - 2013	-	3,046,800
Sep - 2013	-	2,628,887

Annual Leave	Hours	Cost \$
June - 09	169,461	5,267,108
June - 10	162,988	5,281,258
June - 11	151,854	5,119,334
June - 12	147,294	5,096,636
Sep - 2012	150,761	5,427,916
Dec - 2012	156,797	5,670,255
Mar - 2013	141,188	5,092,099
Jun - 2013	148,877	5,345,720
Sep - 2013	153,520	5,706,173

Long Service Leave	Hours	Cost \$
June - 09	297,198	9,490,863
June - 10	306,367	10,157,728
June - 11	303,144	10,530,221
June - 12	298,519	10,712,869
Sep - 2012	296,937	11,049,186
Dec - 2012	295,280	11,088,463
Mar - 2013	298,346	11,179,971
Jun - 2013	298,109	11,174,998
Sep - 2013	296,466	11,512,842

#### Materials & Contract

The Materials and Contract expense is \$3.659m compared to budget of \$5.730m. The major variances are noted from materials and consumables category. Materials largely are yet to be paid for most projects as it is in the early month of the year. This will increase as the projects are completed and paid as the year progresses. It is expected that the full year budgeted expenditure will be incurred.

#### Depreciation

Council's depreciation is expected to exceed budget in 2013/14 due to a higher level of assets being held and due to the revaluation of buildings as at 30 June 2013. It is expected that on current trends the depreciation expense may exceed budget by \$3.6m by the end of the current financial year. A review supported by Councils external Auditor (Pitcher Partners) is planned for early 2014 with the view to look at this growing expense. A report to Council and any budget adjustment will be submitted following this review.

### **Income & Expenditure Statement and Graphs**

The Councils Income and Expenditure statement as at end of quarter one appears on the next page. This is followed by two graphs; the Cumulative Monthly Total Revenue and Cumulative Monthly Total Expenditure. These graphs indicate the trend and comparisons of the Councils income and expenditure.

# Income & Expenditure Statement

## FAIRFIELD CITY COUNCIL

Budget review for the 3 month period ended 30 September, 2013

Favourable Variance

Unfavourable variance between 0 and 10%

Unfavourable variance greater than 10%

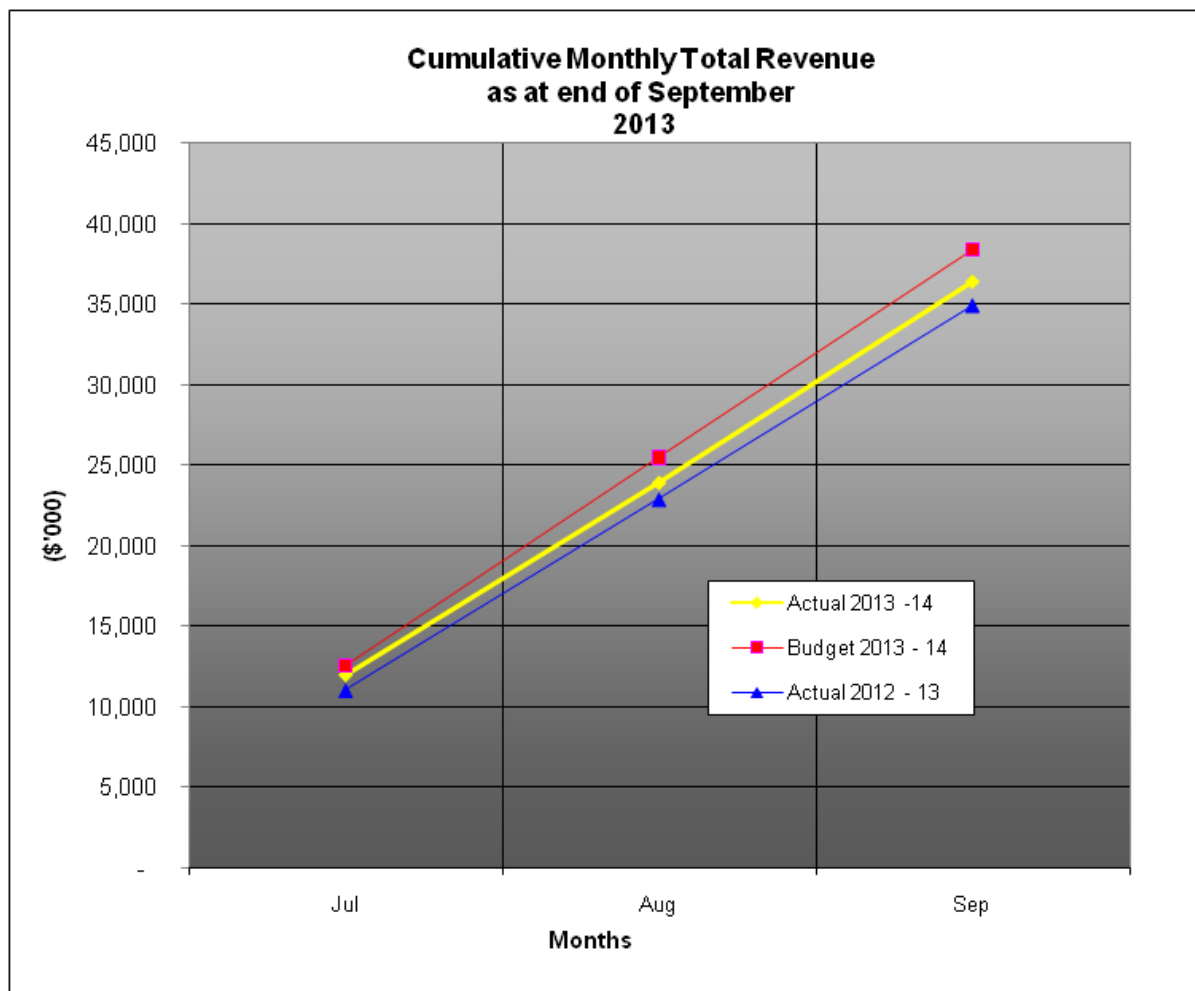
	Full Financial Year 2013-2014					3 month period ended - 30 September 2013			
	Original Budget 2012/13 \$000's	Approved Changes			Projected Year End Result 2012/13 \$000's	Actual \$000's	Projected Budget with Changes \$000's	Variance \$000's	Variance (%)
		Sept. 2013 Review \$000's	Dec. 2013 Review \$000's	Mar. 2014 Review \$000's					
<b>Income from Continuing Operations</b>									
Ordinary Rates	69,204				69,204	16,959	17,301	-342	-2.0
Domestic Waste	24,279				24,279	6,069	6,070	-1	0.0
Drainage Stormwater Levy	1,600				1,600	376	400	-24	-6.0
User Charges and Fees	16,119				16,119	4,074	4,030	44	1.1
Interest & Investment Income	3,400				3,400	1,121	850	271	31.9
Other Revenue	11,511				11,511	2,616	2,552	64	2.5
Grant & Contribution - Operations	21,358	187			21,545	3,327	5,340	-2,013	-37.7
Grant & Contribution - Capital	7,149				7,149	1,879	1,787	92	5.1
<b>Total Income from continuing operations</b>	<b>154,620</b>	<b>187</b>	<b>0</b>	<b>0</b>	<b>154,807</b>	<b>36,421</b>	<b>38,330</b>	<b>-1,909</b>	<b>-5.0</b>
<b>Expenses from Continuing Operations</b>									
Employee Costs	67,443	562			68,005	17,083	17,507	424	2.4
Debt Servicing Costs	132				132	39	33	-6	-18.2
Materials & Contracts	22,911	-116			22,795	3,659	5,730	2,071	36.1
Depreciation, Amortisation & Impairment	25,981				25,981	7,191	6,495	-696	-10.7
Other Expenses	29,603	624			30,227	6,769	7,404	635	8.6
<b>Total Expenses from continuing operations</b>	<b>146,070</b>	<b>1,070</b>	<b>0</b>	<b>0</b>	<b>147,140</b>	<b>34,741</b>	<b>37,169</b>	<b>2,428</b>	<b>6.5</b>
<b>Operating Surplus/(Deficit)</b>	<b>8,550</b>	<b>-883</b>	<b>0</b>		<b>7,667</b>	<b>1,680</b>	<b>1,161</b>	<b>519</b>	
<b>Less: Grant &amp; Contribution - Capital</b>	<b>7,149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,149</b>	<b>1,879</b>	<b>1,787</b>	<b>92</b>	
<b>Net Operating Surplus/(Deficit) before capital income</b>	<b>1,401</b>	<b>-883</b>	<b>0</b>	<b>0</b>	<b>518</b>	<b>-199</b>	<b>-626</b>	<b>427</b>	



## INCOME AND EXPENDITURE BUDGET REVIEW

### Cumulative Monthly Total Revenue

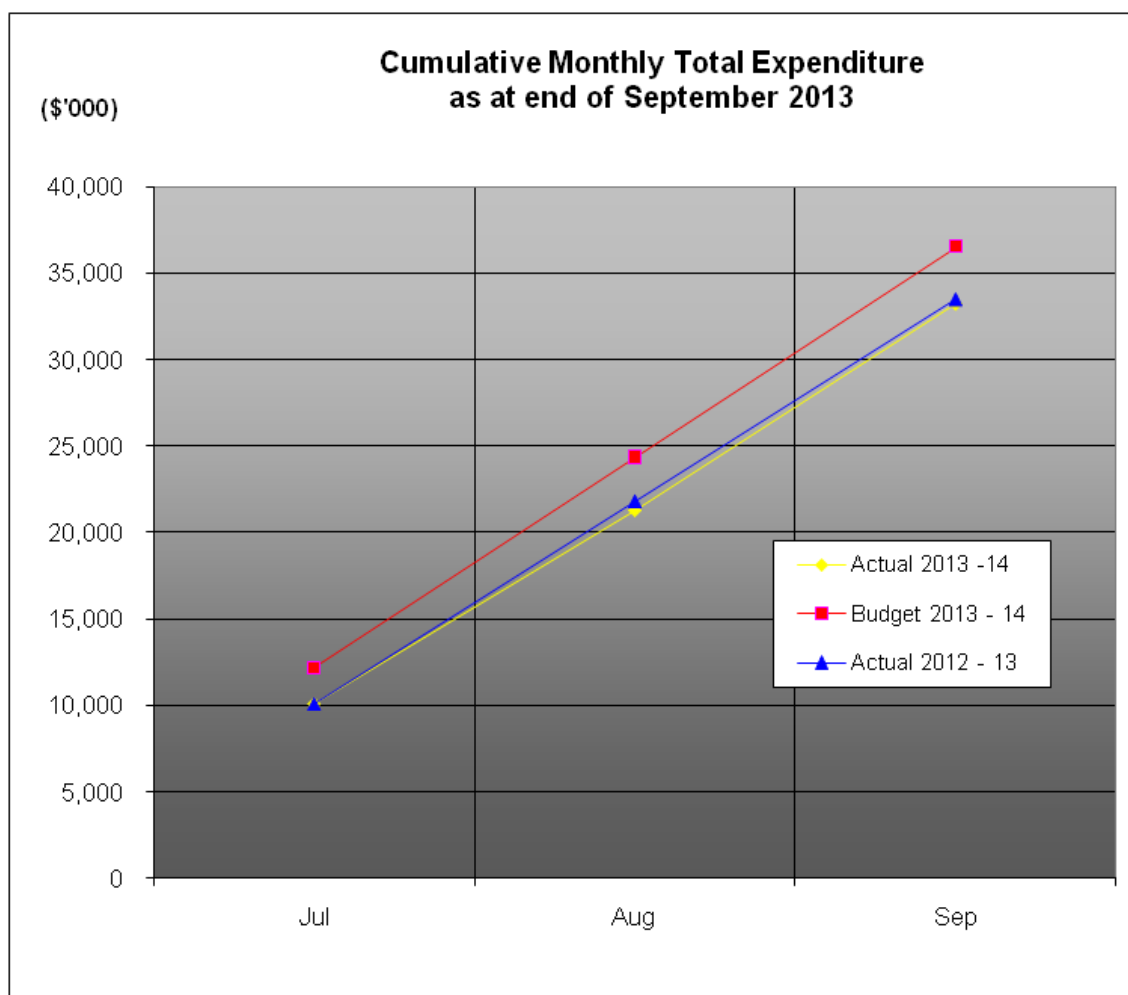
The following graph indicates the cumulative monthly actual total revenue for the whole 2012/13 financial year (blue), the 2013/14 cumulative revised monthly budgeted total revenue (Red) and the actual year to date result to September 2013 (yellow). The graph indicates that the actual revenue is below budget.



## INCOME AND EXPENDITURE BUDGET REVIEW

### Cumulative Monthly Total Expenditure

Similarly, the following graph indicates monthly expenditure on a cumulative basis. It graphs three separate sets of figures. The first is the actual expense for the financial year 2012/13 (blue). The second is the cumulative revised budgeted expense for the financial year 2013/14 (red), and the third is the actual year-to-date expenditure to September 2013 (yellow). As can be seen, the current year's expenditure is trending below budget and last year actual. This will increase as projects are completed and payments finalised.



## First Quarter 2013 – 14 Budget Review

It is recommended that Council adopt the following adjustments to the 2013 -14 budget. The following amendments to the current budget are proposed. The amount is a reduction in operating position and is mostly associated with streetlighting electricity charges that were understated in the budget due to increases to Network charges in 2012-13.

The changes to Carpark operations have a nil impact on the bottomline and are adjustments to more accurately reflect changed management.

Project Title	Reason for Revision	Reported To Council	Operating		Capital		Funding Source
			Revenue Inc/(Dec)	Expenses Inc/(Dec)	Revenue Inc/(Dec)	Expenses Inc/(Dec)	
Mayoral Scholarship Fund	Council resolution to transfer \$10,000 from Mayoral Scholarship Fund to the Language and Cultural Awareness Fund.	24/09/2013		(10,000)			Rates / General
Language & Cultural Awareness Policy	The Language and Cultural Awareness Fund be established with a budget of \$10,000.00 transferred from the existing Mayoral Scholarship Fund.	24/09/2013		10,000			Rates / General
Cabramatta Multi Storey Car Park Operations	Secure Charges replaced by Agency staff for FCC			(282,251)			Rates / General
Cabramatta Multi Storey Car Park Operations	Secure Charges replaced by Agency staff for FCC			844,123			Rates / General
Downey Lane Car Park Operations	Secure Charges budgeted, not FCC operation			(130,538)			Rates / General
Nelson Street Car Park Operations	Secure Charges budgeted, not FCC operation			(215,667)			Rates / General
Fisher Street Car Park Operations	Secure Charges budgeted, not FCC operation			(215,667)			Rates / General

Project Title	Reason for Revision	Reported To Council	Operating		Capital		Funding Source
			Revenue Inc/(Dec)	Expenses Inc/(Dec)	Revenue Inc/(Dec)	Expenses Inc/(Dec)	
Street Lighting	Street lighting 22.8% increase based on YTD running rate. This is cumulative increase 2012/13 and 13/14 IPART estimates.			624,882			Rates / General
Whitlam Library Refurbish / RFID	Council's 2013/14 Operational Plan approved expenditure of \$300,000 for the upgrades. The source of funding should have been allocated from the Future Capital Works Reserves as outlined in the Operational Plan. Council report to the Outcomes Committee in October reallocated funding to the RFID Project.	8/10/2013					Change funding source from unexpected Grant to Future Capital Works reserve \$300,000. No effect on Revenue/Expense .
Healthy Communities Initiative	Spend balance of funding from Grant for the Healthy Community Initiative project			74,451			Unspent Grants from previous years.
Australian Early Development Index (AEDI)	Variation to grant amount received. Notification from Department of Human Services on funding amount for 2013/14 period		187,216				Grant
Australian Early Development Index (AEDI)	Operations spending to meet contract to implement the AEDI project which is 100% grant funded.			187,216			Grant
Museum and Gallery	Spend grant funding (previously received) to complete Art Program			24,460			Unspent Grants from previous years.
Museum and Gallery	Spend grant funding (previously received) to complete Curator Support			7,500			Unspent Grants from previous years.
<b>First Quarter Review Changes</b>			<b>187,216</b>	<b>918,509</b>	<b>0</b>	<b>0</b>	

### 3. Capital Budget Review

The following Capital Budget Review Statement shows:

- I. The recommended changes that are detailed in the following pages amounting to \$7.212m. These relate to carry forward projects.
- II. Actual expenditure to date of \$8.444m
- III. Revised budget of \$49.043m with inclusion of carry forward projects.

#### Capital Budget Review Statement

#### FAIRFIELD CITY COUNCIL

Budget review for the 3 month period ended 30 September, 2013

	Full Financial Year 2012-2013					3 month period ended - 30 September 2013		
	Original Budget Year 2013/14 \$000's	Approved Changes			Revised Budget 2013/14 \$000's	Actual 2013/14 \$000's	Revised Budget 2013/14 \$000's	Variance 2013/14 \$000's
		Sept. 2013 Review \$000's	Dec. 2013 Review \$000's	Mar. 2014 Review \$000's				
<b>Capital Funding</b>								
Rates and other untied funding	12,735	1,886			14,621	6,111	14,621	-8,510
Capital Grants	5,963				5,963	242	5,963	-5,721
Capital Contributions	1,185				1,185	1,637	1,185	452
Sale Proceeds	16,831				16,831	268	16,831	-16,563
Transfers to/from Grants	1,475	1,182			2,657	0	2,657	-2,657
Transfers to/from S94	2,051	785			2,836	0	2,836	-2,836
Transfers - Town Centres	156	395			551	0	551	-551
Transfers - Other Reserves	1,435	2,964			4,399	186	4,399	-4,213
<b>Total Capital Funding</b>	<b>41,831</b>	<b>7,212</b>	<b>0</b>	<b>0</b>	<b>49,043</b>	<b>8,444</b>	<b>49,043</b>	<b>-40,599</b>
<b>Capital Expenditure</b>								
Asset Purchases	7,057				7,057	608	7,057	-6,449
WIP - Infrastructure Assets	29,357	7,212			36,569	6,659	36,569	-29,910
Capitalised Employee Costs	3,750				3,750	836	3,750	-2,914
Capitalised Material Costs	292				292	0	292	-292
Loans Principal Repayments	1,375				1,375	341	1,375	-1,034
<b>Total Capital Expenditure</b>	<b>41,831</b>	<b>7,212</b>	<b>0</b>	<b>0</b>	<b>49,043</b>	<b>8,444</b>	<b>49,043</b>	<b>-40,599</b>

#### 4. Cash and Investment Budget Review

The table below shows the original budgeted cash and investment position, the revised position and the actual position as at end of the quarter. It also shows the actual year end available cash position. The table below reflects that the Council has a healthy Cash position at end of the first quarter of 2013-14 financial year.

##### Cash and Investment Budget Review Statement

##### FAIRFIELD CITY COUNCIL

Budget Review as at 30 September, 2013

	Projected Balances as at 30 September, 2013					Actual 30-Sep 2013 \$000's
	Original Budget \$000's	Approved Changes			Revised Budget \$000's	
		Sept. 2013 Review \$000's	Dec. 2013 Review \$000's	Mar. 2014 Review \$000's		
Unrestricted						
Unrestricted Cash and Investments	10,808	-2,549			8,259	13,128
Total Unrestricted	10,808	-2,549	0	0	8,259	13,128
Externally Restricted						
Grants	3,902	-1,087			2,815	5,706
Domestic Waste	11,864				11,864	13,318
Section 94	24,078	-786			23,292	24,497
Stormwater Levy	506	-286			220	1,649
Other Contributions	88				88	110
Total Externally Restricted	40,438	-2,159	0	0	38,279	45,280
Internally Restricted						
Internally Restricted	39,555	-3,387			36,168	31,220
Total Internally Restricted	39,555	-3,387	0	0	36,168	31,220
Total Restricted	79,993	-5,546	0	0	74,447	76,500
Total Cash and Investments	90,801	-8,095			82,706	89,628
Available Cash and Investments	50,363	-5,936	0	0	44,427	44,348

## Carry Forward Projects 2012/13 into 2013/14

An Interim List of carry forward projects was presented to the June Council Meeting pending:

- Confirmation at 30 June 2012 of projects that were actually completed and
- Finalisation of the year end statements that may have necessitated adjustments to the accounts.

As the 2012/13 statements are now finalised, the carry forward budget amounts have been updated/confirmed and is presented as part of the First Quarter Adjustment

## First Quarter Adjustments

It is recommended that Council adopt the following adjustments to the 2012/13 budget for projects that are being carried forward from 2012/13 into 2013/14.

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
<b>Capital Projects in Progress 30/6/2013</b>									
Smithfield-Wetherill Park Public Domain Improvements	203,191	198,606	4,585				4,585	Wetherill Park / Smithfield Town Centre Fund	It is anticipated that revised Stage 5(B) works of the Smithfield-Wetherill Park Critical Links Path Paving Program will be completed in late June or July 2013, weather permitting. N.B. Original Stage 5(B) works were deferred in response to a request from the Roads & Maritime Services.
Cabramatta Footpath Upgrade	457,500	188,338	269,162	269,162					3rd stage of a four year program delayed due to the late completion of stage 2 earlier in 2013.
Canley Heights Town Centre	300,000	3,489	296,511	296,511					Works including renewal of pedestrian thresholds delayed due to the RMS requirements



Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
Improvements									for detailed traffic counts and design input as part of their 40kph traffic zone funding program
44 Derby Street Car Park	<b>455,000</b>	<b>97,528</b>	<b>357,472</b>				357,472	Future Capital Works Reserve	This is part of the Canley Heights Community Centre project and linked to earthworks/car park development. This project was delayed due to design and construction certificate timeframes.
Rumbriah Hall / Canley Heights Community Centre	<b>898,710</b>	<b>848,399</b>	<b>50,311</b>	50,311					Delays in detailed design, site latent conditions and weather impacted on project commencement.
Canley Heights Community Centre - Fit out	<b>21,600</b>	<b>0</b>	<b>21,600</b>				21,600	Future Capital Works Reserve	This project was delayed due to construction of Canley Heights Community Centre not being finalised. Due to be completed in late August and then fit out can occur.
Fairfield Adventure Park	<b>282,000</b>	<b>54,400</b>	<b>227,600</b>				227,600	Future Capital Works Reserve	This project was delayed due to amendments being required to be undertaken during the Design Phase.
Fairfield Town Centre Park	<b>56,782</b>	<b>0</b>	<b>56,782</b>			56,782			This project has been delayed while the site was determined. A site at the Crescent has been determined and preliminary design including site investigation can now be commenced.
Bathroom Renovations Childcare	<b>179,975</b>	<b>110,265</b>	<b>69,710</b>	69,710					Project was delayed due to issues with damaged and blocked sewer and drainage pipes, relaying of soft fall, reconnection of water supply

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									and purchase of appropriate tap fittings. This meant renovations had to cease until repairs and new connections were completed.
Bossley Park Pre School and Cabramatta Pre School Construction	551,920	0	551,920		551,920			Past Grant received (this is not new income)	This project was delayed due to negotiations with the Department of Education and Training regarding proposals e.g., site suitability and cost.
Planned Building Renewal	140,000	0	140,000	140,000					Don Dawson oval storage and toilet upgrade - Project was delayed due to shortage of available staff resources. The project is now underway (over 20% completed). It is expected that all remaining works will be completed by August 2013, weather permitting. This project was delayed due to consultation on the new design specifications and implementation timeframe to minimise disruption to the sporting clubs
Planned Building Renewal	128,675	0	128,675	128,675					Waterproofing fountain at Administration Building - Preliminary investigation relating to this project was undertaken in 2012/2013. Further investigation need to be undertaken before the commencement of upgrading works. This project was delayed due to further investigation of works ensuring compliance with regulations and policies

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									throughout the local government area
Prairiewood Improvement Works	160,000	157,633	2,367				2,367	Future Capital Works Reserve	The 25metre indoor pool needs to be closed and emptied to carry out the final part of the renovation works and July is the most suitable time to minimise impact on customers (school holidays). A lot of the work that could be undertaken outside of the pool has been completed. The pool is now 20 years old and works included replacement of expansion joints, re-grouting, replacement of broken tile & works to the balance tank etc. This project was delayed due to July being the most suitable time to carry out these works to minimise the impact to customers.
Power Factor Correction Units	11,266	0	11,266		11,266			Part of WaSiP	Installation of Power Factor Correction Unit at the Whitlam library is rescheduled due to delay in installation of sub-station at the library by Endeavour Energy. The project is to be completed in the 2013/14 financial year.

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
Replacement of electric boiler with gas boiler for air conditioning system at the Administration Centre	115,000	0	115,000		115,000			Part of WaSiP	This project is to replace a new energy efficient gas boiler at the Administration Centre to improve efficiencies of the air conditioning system. This project was delayed due to it forming part of the Council resolution to stage this project and utilise shut down periods to coordinate the works at the Administration Building.
Upgrade Chiller for more energy efficient chiller at Administration Centre	200,000	0	200,000		200,000			Part of WaSiP	This project is to upgrade a new energy efficient chiller unit on the Air Conditioning system at the Administration Centre. This project was delayed due to it forming part of the Council resolution to stage this project and utilise shut down periods to coordinate the works at the Administration Building.
Ductwork retrofitting for air conditioning system at the Administration Centre	268,642	0	268,642		268,642			Part of WaSiP	This project is to install a new energy efficient ductwork retrofitting unit at the Administration Centre to improve efficiencies of the Air Conditioning system. This project was delayed due to it forming part of the Council resolution to stage this project and utilise shut down periods to coordinate the works at the Administration Building.
Orphan School Creek Cycleway (PIP)	100,000	0	100,000	100,000					Funds have been reallocated from a project that was cancelled (Quarry and Mimosa Intersection Upgrade) to

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									match corresponding RMS grant funding to be provided for 2013/14. Work to commence in July/August 2013.
Restwell Road Pedestrian Crossing	217,000	138,135	78,865	78,865					Raised pedestrian crossing at Mary McKillop School. This project was delayed due to this being a new project that was implemented in February 2013 with funds from the cancelled project (Quarry Road and Minosa Road). Designs have been completed with construction delayed to align with July 2013 school holidays.
Edensor Road, Edensor Park	55,000	0	55,000	55,000					Undertake road upgrade works and upgrade traffic management facilities, installation of painted median islands and kerb blisters on Edensor Road. This project was delayed due to Edensor Road being identified in the 2013-14 Roads Rehabilitation Program planned upgrade, as it is more efficient to complete these works at the same time.
Adams Park Car Park	746,000	0	746,000	45,000		111,000	590,000	Canley Vale Town Centre Fund plus Stormwater Levy Reserve	Construction of a new car park and associated works in Adams Park, Canley Vale. This project was delayed due to the scope of this project being changed due to Council decisions requiring additional funds. Work to commence in June 2013.

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
Construction and installation of the boardwalk approaches to the Swager Place bridge	190,000	155,740	34,260	34,260					The project was scheduled to be completed by the end of June. Work was delayed due to the prevailing weather conditions and will be completed in July.
PAMP Study	59,516	23,516	36,000	36,000					Advice on RMS funding for this project received late in the year in June 2013. Project is to be completed in 2013/14.
Joe Broad Upgrade	200,000	4,955	195,045	195,045					This project was delayed due to consultation on the new design specifications development and implementation timeframe delayed to minimise disruption to the sporting clubs. Also, drainage issues have now arisen that need to be addressed before works can commence
Cabramatta Power Upgrade	150,000	15,751	134,249				134,249	Future Capital Works Reserve	Upgrade the Transformer at the Cabramatta Library site to reduce electricity failures. This project was delayed due to significant change that requires Council direction. Resolved at the May 2013 Council Meeting not to proceed with this transformer upgrade and to recommence negotiations with Endeavour Energy.
Whitlam Library Power Factor	7,967	0	7,967		7,967			Grant previously received	Upgrade to Endeavour Energy substation capacity to serve the library and community centre. This project was delayed due to significant

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									change that requires Council direction. Resolved at the May 2013 Council Meeting not to proceed with this transformer upgrade and to recommence negotiations with Endeavour Energy.
SRC Site Improvements	1,910,000	825,649	1,084,351				1,084,351	Future Capital Works Reserve	This project was delayed due to development application issues caused by the requirement of an independent assessment
SRC - Generator for New Pugmill	52,795	0	52,795				52,795	Future Capital Works Reserve	Generator and Fuel Tank for Sustainable Resource Centre. Delivery in August, Generator coming into country in July and installed in new pug mill in August
Fairfield Heights Town Centre Enhancement Project	420,000	57,688	362,312			362,312			Delayed start to construction due to delayed Woolworth's streetscape completion date, FCC design development reviews and capital work's programming pressures. Late in Q4 when start determined Telstra banned all work on asbestos below ground telecommunications pits delaying the project start to 2013-14.
Interwoven Arts Program	15,000	4,200	10,800				10,800		This project was delayed due to the late approval of the Fairfield Interchange project has affected the timing of this project.
Bibbys Place Improvement Works	51,250	1,100	50,150	23,150	27,000			Grants previously received	Landscaping of the public open space is underway and is expected to be completed

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									by the end of August 2013.
Bibbys Place WSUD Construction	195,000	134,669	60,331				60,331	Stormwater Levy	Civil construction works on the raingarden are complete. Landscaping of the raingarden is underway and will be completed in August 2013.
Orphan School Creek Bank Rehabilitation Works at Baragoola Street, Fairfield West	340,000	204,112	135,888	135,888					Civil construction and landscaping of the creek rehabilitation works, which were delayed due to wet weather and changes to project scope, were completed at the end of July 2013. Funds are to be carried forward within the Existing Stormwater Program.
GPT Construction at Bosnjak Park, Edensor Park	255,813	0	255,813			255,813			Installation of the GPT was delayed by late delivery of the unit by the supplier, but commenced in early July 2013. Work is expected to be completed before August 2013, weather permitting.
Orphan School Creek rehabilitation works between Avoca Road and Cumberland Highway	130,000	104,309	25,691				25,691	Stormwater Levy	Investigation and design of creek rehabilitation works are approximately 80% complete. A carry forward is requested to allow additional work to be undertaken on native planting, landscape design and management of spoil. Design work is expected to be completed by October 2013.
Minor Stormwater Projects	53,335	1,400	51,935	51,935					Commencement of minor stormwater works was delayed due to late delivery of



Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									stormwater components by supplier. Work commenced in early July and will be completed in early August 2013. Funds to be carried forward within Existing Stormwater Program.
Fairfield Museum Stormwater Improvement Works	40,000	26,579	13,421	13,421					Stormwater improvement works were delayed by rain but have now been completed. Funds to be carried forward within Existing Stormwater Program.
Waste Services Heavy Plant Replacement	600,000	240,000	360,000				360,000	Waste Services Heavy Plant Replacement	Delivery August Rear loader for Waste Order No cab chassis 136247 Order No compactor 136248 (Long build time ordered Feb 13)
Works Plant Replacement	384,000	255,532	128,468				128,468	Future Capital Works Reserve	Delivery August for Second skid steer P/O143484 and trailer P/O 143638 for Civil and open space (Delay on trailer build and galvanising)
Waste Services Street Cleaning Plant Replacement	309,300	24,000	285,300				285,300	Waste Services Street Cleaning Plant Replacement	Delivery August for second utility vehicle P/O 143601 and 4 trailers P/O 140864, 140866, 140877 & 140894 for the Waste section (Delay on axles for trailers and galvanising)
E-mail System Upgrade	136,000	131,833	4,167				4,167	Future Capital Works Reserve	Completion of this project was delayed due to technical configuration issues. Completion of the e-mail system upgrade is expected to be by the end of July 2013

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
Account Payable Scanning Project	170,000	161,800	8,200				8,200	Future Capital Works Reserve	Project will be completed by end of June - Final payment due after implementation scheduled for July 2013
CCTV PROGRAM	435,809	272,838	162,971	162,971					In October 2012, Council made an Outcomes Committee decision to cease monitoring of the Cabramatta CCTV system and put the savings into the purchase of additional cameras to record only (not monitor) in the future
<b>Sub-Total Capital Projects In Progress 30/6/2013</b>	<b>11,654,046</b>	<b>4,442,463</b>	<b>7,211,583</b>	<b>1,885,905</b>	<b>1,181,795</b>	<b>785,907</b>	<b>3,357,976</b>		
<b>Non Capital Projects In Progress 30/6/2013</b>									
Smithfield-Wetherill Park Economic Analysis	10,000	0	10,000				10,000	Wetherill Park / Smithfield Town Centre Fund	Stage 1 of this project (Economic review) was delayed due to late release of 2011 Census data on which it was based. It is therefore anticipated that Stage 2 (Planning review) & Stage 3 (Infrastructure review) will not be undertaken until September-October 2013.
Greenpower for Council's events	8,739	0	8,739		8,739			Part of WaSiP	The project is to fund two major events (Bring It On 2013 and Moon Festival 2013). The

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									project is to be completed after the Moon Festival in September 2013.
Sustainability Staff Educational Program	<b>55,458</b>	<b>14,381</b>	<b>41,077</b>		41,077			Part of WaSiP	This project is an ongoing project to provide sustainability educational activities to staff and development of Nalawala Sustainable Hub. The project will be completed at the end of next financial year under the existing WaSiP program.
Sustainability Community Educational Program	<b>19,567</b>	<b>3,293</b>	<b>16,274</b>		16,274			Part of WaSiP	This project is an ongoing project to provide sustainability educational activities to the community (local residents). The project will be completed at the end of next financial year under the existing WaSiP program.
KEEP- school education for sustainability	<b>27,929</b>	<b>19,950</b>	<b>7,979</b>		7,979			Part of WaSiP	This project is an ongoing project to provide sustainability educational activities to the school students within the local government area. The project will be completed at the end of next financial year under the existing WaSiP program.
Chemical Waste Collection Program	<b>70,000</b>	<b>53,884</b>	<b>16,116</b>		16,116			Part of WaSiP	This project provides chemical waste collection events (two events per year). The next event will be in October 2013. The funding was allocated under the WaSiP program to ensure fund available for the next coming event. The

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
									project to be completed in November 2013.
Canley Corridor Floodplain Risk Management Study and Plan	<b>75,000</b>	<b>62,592</b>	<b>12,408</b>	4,075	8,333				This is a two year project that will finish in 2013/14. Planned briefings to Councillors on the project in early 2013 have been postponed which has delayed community consultation this financial year. Pending the outcome of the briefings, consultation will commence in the first half of 2013/14. Funds to be carried forward within Council's Flood Mitigation Program.
Rural Area Flood Study	<b>30,000</b>	<b>24,800</b>	<b>5,200</b>	5,200					Resolution of minor queries on flood modelling and floodplain risk mapping have delayed completion of the project. It is anticipated a draft Flood Study report will be submitted to Council in September 2013, recommending public exhibition. Funds are to be carried forward within Council's Flood Mitigation Program.
Voluntary House Raising at 9 Houghton Street, Fairfield	<b>58,500</b>	<b>53,390</b>	<b>5,110</b>				5,110	Voluntary Purchase Reserve	The owner is undertaking major house renovations in conjunction with house raising. House raising works are 90% complete but final payment cannot be made until renovation works are certified, which is expected at the end of 2013.

Project Description	Budgeted Amount	Actual Expenses to 30/6/13	Amounts to be Carried Over	Rates / General	Grant	Section 94	Reserve	Reserve Name	Reason for Carry Over and expected completion date
Enhance Council Core IT application	150,000	120,824	29,176	29,176					Implementation delayed due to incomplete testing of Business Intelligence tools.
<b>Sub-Total Non Capital Projects In Progress 30/6/2013</b>	505,193	353,114	152,079	38,451	98,518	0	15,110		
<b>Total Carry Over's</b>	12,159,239	4,795,577	7,363,662	1,924,356	1,280,313	785,907	3,373,086		

### Key Performance Indicators Budget review

Key financial indicators and principles were adopted in the Long Term Financial Plan to ensure Council achieves a sustainable financial position over the next 10 years. This section of the Quarterly Report provides details regarding Council's performance against these targets. As at the end of the last quarter, most of Council's indicators are better than industry benchmarks and within targets set in the Long Term Financial Plan.

Financial Sustainability Indicators					
Indicator 1 Operating Surplus/(Deficit) Ratio					
	Principle	Council is to maintain an operating surplus position. Impact on the overall Council operating surplus should be considered with all financial decisions.			
	Target	An operating surplus of about 3.0% of own sourced income achieved and sustained by 2013/14			
	Result	2013/14	3 Months	-0.64%	<b>Comment:</b> The first 3 months is an operating loss. Full year surplus of \$1.4m is expected.
		2012/13	Full Year	1.31%	
2011/12		Full Year	4.83%		
Indicator 2 Gearing Ratio (Net Financial Liabilities Ratio)					
	Principle	Fairfield City Council looks to increase its gearing by taking opportunities to fund its capital purchases (new and replacement) and capital renewals through loan borrowings subject to maintenance of operating surpluses.			
	Target	Maximum 20% (currently less than 3%) with increases subject to maintenance of operating surpluses.			
	Result	2013/14	3 Months	1.57%	<b>Comment:</b> Indebtedness stable at a low level.
		2012/13	Full Year	1.31%	
2011/12		Full Year	1.62%		
Indicator 3 Net Interest Cover Ratio					
	Principle	Increases in debt burden will be considered provided it does not result in an operating deficit.			
	Target	No target - only to increase if operating surplus maintained. 100% means that interest income exceeds interest expense and Council is a net lender.			
	Result	2013/14	3 Months	100.00%	<b>Comment:</b> Council is a net lender.
		2012/13	Full Year	100.00%	
2011/12		Full Year	100.00%		
Indicator 4 Net Borrowing Ratio					
	Principle	Increases in net borrowing ratio will be considered provided it does not result in an operating deficit.			
	Target	No target - only to increase if operating surplus maintained.			
	Result	2013/14	3 Months	N/A	<b>Comment:</b> N/A
		2012/13	Full Year	N/A	
2011/12		Full Year	N/A		
Indicator 5 Infrastructure Asset Renewal/Replacement Ratio					
	Principle	Council's annual renewal/replacement expenditure should at least equal its annual depreciation expense until and unless specific asset management plans provide evidence of a more accurate ratio.			
	Target	1:1 ratio			
	Result	2013/14	3 Months	0.89:1	<b>Comment:</b> This result indicates that the overall renewals are close to target of 1.0.
		2012/13	Full Year	0.79:1	
2011/12		Full Year	0.77:1		

Financial Sustainability Indicators (cont'd)									
Indicator 6    Unrestricted Current Ratio									
	Principle	Council must maintain sufficient liquid assets to pay its commitments when due and payable.							
	Target	above 2:1 ratio							
	Result	2013/14	3 Months	1.89:1	<b>Comment:</b> This indicator measures Council's ability to pay its commitments as and when due. The result indicates that Council is maintaining liquidity and has sufficient funds to pay its bills. However, whilst this is below target it is expected to be within the benchmark in the coming months.				
		2012/13	Full Year	2.31:1					
2011/12		Full Year	2.94:1						
Indicator 7    Sources of Ordinary Revenue									
	Principle	Changes to the distribution of revenue will be considered in conjunction with Council's position concerning the tax burden for residents.							
	Target	No target - but comparitives and trends considered.							
	Result	Category of Ordinary Revenue	Group 3 Councils 2008/09	Fairfield City Council					
				30th September 2013		30th June 2013		30th June 2012	
				\$'000's	%	\$'000's	%	\$'000's	%
		Rates and Annual Charges	56%	23,403	63%	90,994	58%	86,425	57%
		User Charges and Fees	11%	4,074	11%	16,845	11%	15,860	11%
		Interest	2%	1,121	3%	3,927	5%	5,336	4%
		Grants	12%	2,552	8%	21,812	17%	25,323	17%
		Contributions	13%	2,655	8%	6,183	3%	4,813	5%
		Other Revenue	6%	2,618	7%	12,149	6%	8,919	6%
		<b>Total</b>	100%	36,423	100%	151,910	100%	146,676	100%
		<b>Comment:</b> This indicator tracks the trend in Council's major revenue categories. The revenue distribution is expected to trend towards the past years experience.							
		Indicator 8    Dissection of Expenses from Continuing Operations							
	Principle	Changes to the level and distribution of expenses wil be considered in conjunction with major decisions concerning service and efficiency levels.							
	Target	No target - but comparitives and trends considered.							
	Result	Category of Expenses from Continuing Operations	Group 3 Councils 2008/09	Fairfield City Council					
				30th September 2013		30th June 2013		30th June 2012	
				\$'000's	%	\$'000's	%	\$'000's	%
		Employee Costs	44%	16,858	50%	63,573	46%	62,212	46%
		Materials and Contracts	25%	3,884	10%	23,696	15%	20,112	16%
		Borrowing Costs	1%	39	0%	226	0%	377	1%
		Depreciation	15%	7,191	20%	25,432	18%	24,574	17%
		Impairment	0%		0%		0%		0%
		Other Expenses	15%	6,770	20%	30,510	21%	27,816	20%
		<b>Total</b>	100%	34,742	100%	143,437	100%	135,091	100%
		<b>Comment:</b> This indicator tracks the trend in Council's major expenditure categories. The expenditure distribution is expected to trend towards the past years experience.							

Other Indicators				
Indicator A Asset Maintenance/Maintenance Required				
	Principle	Compares the maintenance expended against the maintenance level required to achieve the useful life of the assets		
	Target	1:1 ratio		
	Result	2013/14 2012/13 2011/12	3 Months Full Year Full Year	0.79:1 0.9:1 0.84:1
	<b>Comment:</b> This result indicates that Council is achieving close to the benchmark of 1.0 in annual maintenance against maintenance required.			
Indicator B Outstanding Rates, Charges & Fees				
	Principle	Compares the outstanding rates, charges and fees against total rates charges and fees annual income		
	Target	less than 5%		
	Result	2013/14 2012/13 2011/12	3 Months Full Year Full Year	4.10% 3.74% 3.38%
	<b>Comment:</b> This ratio is within the benchmark. Increased use of Legal Force (Council's Recovery Agent) has achieved the ratio being within the benchmark.			
	Results below are adjusted for ratepayers who have arrangements, including pensioners			
	Result	2013/14 2012/13 2011/12	3 Months Full Year Full Year	2.30% 2.36% 2.34%
	<b>Comment:</b> As above			
Indicator C Other Debtors Outstanding Ratio				
	Principle	Compares the outstanding Other Debtors against total invoices raised.		
	Target	less than 10%		
	Result	2013/14 2012/13 2011/12	3 Months Full Year Full Year	13.79% 13.53% 8.96%
	<b>Comment:</b> Debtors Ratio is 13.79%. This is being closely monitored with the Business Manager's to ensure the ratio is brought down within the benchmark. Without recent provision for bad debt of \$0.400m this ratio would be within the benchmark.			



## 5. Contracts and Other Expenses Budget Review

### 5a. **Contracts Budget Review**

The Contracts Budget Review shows contracts entered into by Council in excess of \$50,000 which are not from Council's preferred Supplier List. The purpose is to make Councillors aware of other material contracts entered into by Council.

FAIRFIELD CITY COUNCIL				
Budget review for the quarter ended - 30/09/2013				
Contracts				
Contractor	Contract detail & purpose	Contract value	Commencement date	Budgeted (Y/N)
HUNTER VALLEY TRAINING COMPANY P/L Total	APPRENTICES HIRE PLUMBING JULY 2013-JUNE 2014	\$220,000	17/07/2013	Y
BULK TRANSPORT SOLUTIONS PTY LTD	SRC - Supply & Deliver Bedding Sand @ \$13 per tonne	\$65,000	15/08/2013	Y
LLOYD HARRINGTON AUSTRALIA PTY LTD	Contractor: Hemant Patel - Rollout Administrator	\$51,000	23/08/2013	Y
FURNASS LANDSCAPING ENTERPRISES PTY LTD	Landscape Contract Family Park	\$149,127	10/09/2013	Y
M COLLINS & SONS (CONTRACTORS) PTY LTD	Supply and lay Mill and turf with village green and top dress at various parks.	\$111,769	17/09/2013	Y
STAR-TECH COMMUNICATIONS	Wireless Maintenance Support - Wireless PTP for Period 01/10/2013 to 30/09/2014	\$62,000	25/09/2013	Y

## 5b. Other Expenses Budget Review

Listed below for information is the year to date expenditure for Consultancies and External Legal Fees.

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

FAIRFIELD CITY COUNCIL		
Budget review for the Period ended - 30th September, 2013		
Consultancy and Legal Expenses		
Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	227,226	Y
Legal Fees	334,897	Y

ADOPTED - 12 NOVEMBER 2013