



Our home  
Our City Our future

OPERATIONAL PLAN  
2013-2014



# QUARTERLY REPORT

## January 2014 – March 2014

## 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 January 2014 to March 2014. This report will be publicly available and will be included in Council's Business Paper.

Developed by the Integrated Planning and Reporting Unit (2014)

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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 third quarter of the financial year from January 2014 to March 2014. 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 256 initiatives, major programs and carry forwards for the third quarter of the financial year (January 2014 - March 2014) which have been identified in the 2013-2014 Operational Plan.

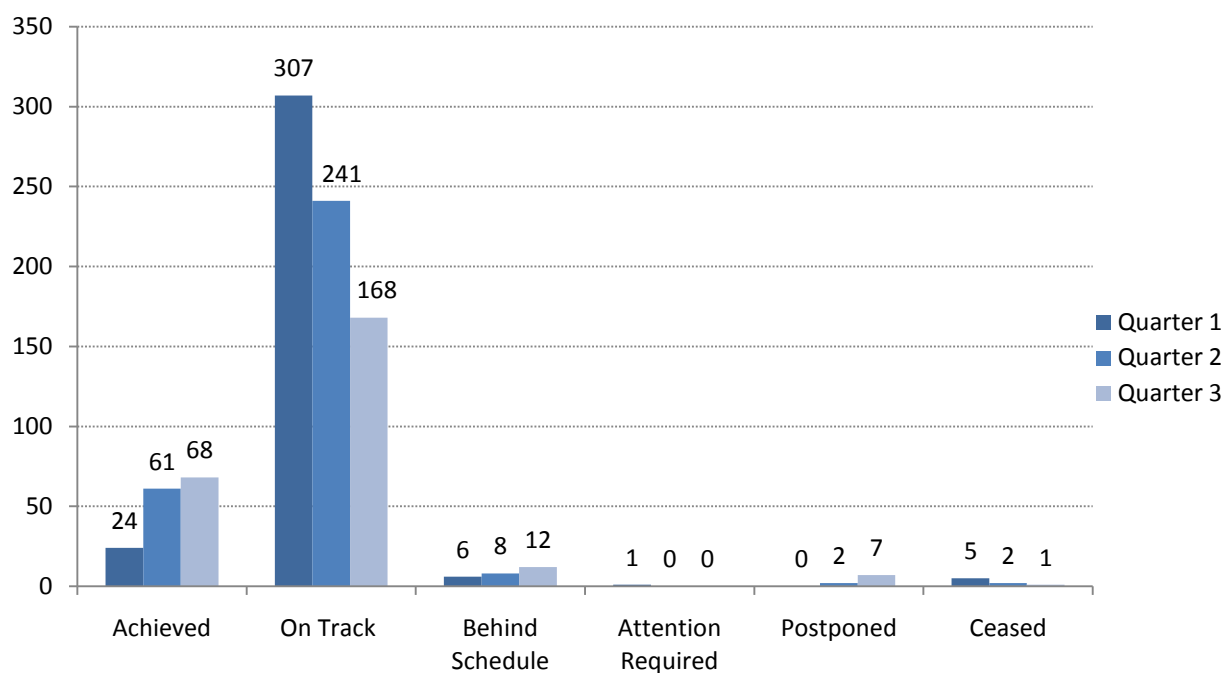




Figure 2: Status of all Initiatives, Major Programs and Carry Forwards in Quarter 3 (January 2014 – March 2014)

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	61	68	
On Track	307	241	168	
Behind Schedule	6	8	12	
Attention Required	1	0	0	
Postponed	0	2	7	
Ceased	5	2	1	
<b>TOTAL</b>	<b>343</b>	<b>314</b>	<b>256</b>	
New Projects	0	11	4	

### 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
CF1346	Bossley Park Preschool Project.	Community Life	\$551,920		Development Application documents have been sent to Quantity surveyor for costing before lodgement.
R130201	Fairfield Early Learning Centre Extension.	Community Life	\$121,900		Final plans received and quotes being sourced.
IN14273	Community Centre/Halls – Installation of Air Conditioning	Place, Assets and Strategy	\$10,000	★	This work has been completed and the air conditioning installed on time and on budget.



**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
CF1308	Orphan School Creek Cycleway.	Infrastructure Operations	\$100,000	★	Works completed.
CF1310	Traffic Management Works on Edensor Road, Edensor Park.	Infrastructure Operations	\$55,000	★	Works completed.
CF1321	Fairfield Heights Town Centre Enhancement Project.	Place, Assets and Strategy	\$415,000	★	The Fairfield Heights streetscape upgrade project has been completed.
IN1413	Interwoven Arts Program in the Fairfield City Centre.	Place, Assets and Strategy	\$15,000	🕒	Design development still underway due to delay in engaging suitable artist/project officer. Aiming to complete design by end of Quarter 4.
IN14117	Canley Heights Town Centre Improvement Program – Stages 4 and 5.	Place, Assets and Strategy	\$300,000	🕒	Awaiting advice from Road and Maritime Services on the 40km zone in Canley Vale Road to commence design works.
IN14131	Fairfield Library Expansion – Design and Approval.	Infrastructure Operations	\$80,000	🕒	Architect to be engaged for concept design and consultation phase in Quarter 4.
IN14182	Cabramatta Footpath Upgrade.	Place, Assets and Strategy	\$250,000	🕒	Project delayed due to design, paver selection and contractor availability. Will commence in Quarter 4 for completion in next financial year.
IN14283	Upgrade of Council's Administration Building Air Conditioning System.	Place, Assets and Strategy	\$880,000	★	Works completed.
MPBAR1403	Building Assets Renewal – Joe Broad Reserve, Baseball toilet block, Mt Pritchard – Refurbishment of roof.	Place, Assets and Strategy	\$47,037	★	Works completed.



**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
MPBAR1404	Building Assets Renewal – Terone Park toilet block, Bossley Park – refurbishment of roof.	Place, Assets and Strategy	\$36,584	★	Works completed.
MPBAR1406	Building Assets Renewal – Wakeley Childcare Centre, Wakeley – works include refurbishment of mechanical services.	Place, Assets and Strategy	\$39,661	★	Works completed.
MPBP1401	Black Spot Program – Sackville Street/Ware Street, Fairfield – Raised island.	Infrastructure Operations	\$42,953	★	Works completed.
MPBP1403	Black Spot Program – Fairview Road and Bareena Street, Canley Vale. Roundabout 1 lane.	Infrastructure Operations	\$102,270	★	Works completed.
MPBP1404	Black Spot Program – Thomas Street and Hamilton Road, Fairfield. Raised lane.	Infrastructure Operations	\$19,420	★	Works completed.
MPCIP1401	Centre Improvement Program - Repair and decorative spray of footpath. Brenan Street, Smithfield and Fairfield Street, Fairfield.	Place, Assets and Strategy	\$40,000	★	Works completed.



**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
MPCIP1402	Centre Improvement Program - Plant street trees. Fairfield Street, Fairfield. Brenan Street, Smithfield. Polding Street, Fairfield West. Rawson Street, Lansdowne.	Place, Assets and Strategy	\$10,000	★	Works completed.
MPCIP1403	Centre Improvement Program - Renewal of current landscape. Loscoe Street and Bareena Street, Canley Heights.	Place, Assets and Strategy	\$5,000	★	Works completed.
MPCIP1404	Centre Improvement Program - Additional street furniture in various suburbs. Brenan Street, St Johns Road, Hamilton Road, Granville Street, Cabramatta Road West, Thorney Road, Harden Street, Broughton Street and Hamel Street.	Place, Assets and Strategy	\$25,000	★	Works completed.
MPFRP1401	Footpath Replacement Program – Kिरrang Avenue: from Woodville Road to Kamira Avenue, Carramar.	Place, Assets and Strategy	\$31,798	★	Works completed.



**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
MPFRP1406	Footpath Replacement Program – Lackey Street: from Frederick Street to Harold Street, Fairfield.	Place, Assets and Strategy	\$13,595	★	Works completed.
MPFRP1410	Footpath Replacement Program – Akma Close: from Kindee Avenue to Cul-de-Sac, Bonnyrigg.	Place, Assets and Strategy	\$8,157	★	Works completed.
MPFRP1411	Footpath Replacement Program – Kincumber Road: from Montgomery Road to Mara Close, Bonnyrigg – left side.	Place, Assets and Strategy	\$3,807	★	Works completed.
MPFRP1412	Footpath Replacement Program – Kincumber Road: from Montgomery Road to Mara Close, Bonnyrigg – right side.	Place, Assets and Strategy	\$1,359	★	Works completed.
MPFRP1413	Footpath Replacement Program – Kincumber Road: from Fagan Place to Gurley Place, Bonnyrigg.	Place, Assets and Strategy	\$13,595	★	Works completed.
MPFRP1415	Footpath Replacement Program – Bradfield Crescent: from Harricks Place to Tarlington Parade, Bonnyrigg – right side.	Place, Assets and Strategy	\$16,450	★	Works completed.



**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
MPFRP1416	Footpath Replacement Program – Bradfield Crescent: from Harricks Place to Tarlington Parade, Bonnyrigg – left side.	Place, Assets and Strategy	\$13,595	★	Works completed.
MPFRP1417	Footpath Replacement Program – Lewis Street: Wilson Road to Narromine Place, Bonnyrigg.	Place, Assets and Strategy	\$9,516	★	Works completed.
MPNFC1401	New Footpath Construction Program – Avenel Street: from The Boulevard to Sackville Street, Fairfield Heights.	Place, Assets and Strategy	\$45,785	★	Works completed.
MPNFC1403	New Footpath Construction Program – Brigalow Street: from Gidgee Street to Huon Street, Cabramatta.	Place, Assets and Strategy	\$34,315	★	Works completed.
MPNFC1408	New Footpath Construction Program – Hughes Street: from Gladstone Street to Joseph Street, Cabramatta.	Place, Assets and Strategy	\$54,980	★	Works completed.
MPNFC1409	New Footpath Construction Program – Gladstone Street: from Canley Vale Road to dead end, Canley Vale.	Place, Assets and Strategy	\$60,119	★	Works completed.



**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
MPNFC1411	New Footpath Construction Program – Wilco Street: from Pedler Road to House No. 15, Cabramatta West.	Place, Assets and Strategy	\$7,020	★	Works completed.
MPNFC1412	New Footpath Construction Program – Wendy Close: from Jacquie Street to half cul-de-sac, Cabramatta.	Place, Assets and Strategy	\$13,349	★	Works completed.
MPNFC1414	New Footpath Construction Program – Tripoli Road: from Mellick Street to Scarfe Street, Fairfield West.	Place, Assets and Strategy	\$17,700	★	Works completed.
MPNFC1416	New Footpath Construction Program – Torrens Street: from Gladstone Street to Adolphus Street, Canley Heights.	Place, Assets and Strategy	\$22,841	★	Works completed.
MPNFC1417	New Footpath Construction Program – Torrens Street: from Adolphus Street to Sackville Street, Canley Heights.	Place, Assets and Strategy	\$36,752	★	Works completed.
MPNFC1418	New Footpath Construction Program – Swan Road: from Edensor Road to Rothbury Street, Edensor Park.	Place, Assets and Strategy	\$11,668	★	Works completed.



**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
MPNFC1419	New Footpath Construction Program – Sussex Street: dead end to Carabeen Street, Cabramatta.	Place, Assets and Strategy	\$4,450	★	Works completed.
MPNFC1420	New Footpath Construction Program – Shamrock Street: from Hinkler Street to Chifley Street, Smithfield.	Place, Assets and Strategy	\$10,580	★	Works completed.
MPNFC1427	New Footpath Construction Program – Riverside Road: from Ferry Road to dead end, Lansvale.	Place, Assets and Strategy	\$16,810	★	Works completed.
MPNFC1429	New Footpath Construction Program – Mallee Street: from Church Street to Railway Parade, Cabramatta West.	Place, Assets and Strategy	\$10,679	★	Works completed.
MPPAM1401	Pedestrian Access and Mobility Plan Program - McBurney Road at Railway Parade, Cabramatta. Raised pedestrian crossing.	Infrastructure Operations	\$58,600	★	Works completed.
MPPIP1403	Park Improvement Program - Canley Heights Community Centre Park, Canley Heights. Playground equipment, seats, shelter and landscaping.	Infrastructure Operations	\$115,000	★	Works completed.



**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
MPRMSR1401	Roads and Maritime Services Repair Program – St Johns Road: from Avoca Road to Mallow Place, Wakeley.	Place, Assets and Strategy	\$600,000	★	Works completed.
MPRR1401	Road Rehabilitation – Harris Street: from Sackville Street to Thomas Street, Fairfield.	Place, Assets and Strategy	\$110,500	★	Works completed.
MPRR1403	Road Rehabilitation – Canley Vale Road: from Wyharborough Place to Avoca Road, Wakeley.	Place, Assets and Strategy	\$89,020	★	Works completed.
MPRR1404	Road Rehabilitation – Rossetti Street: from Thompson Street to The Horsley Drive, Wetherill Park.	Place, Assets and Strategy	\$131,680	★	Works completed.
MPRR1409	Road Rehabilitation – John Street: from Bold Street to Lord Street, Cabramatta West.	Place, Assets and Strategy	\$49,860	★	Works completed.
MPRR1416	Road Rehabilitation – Boundary Lane: from Broomfield Street to House No. 24, Cabramatta.	Place, Assets and Strategy	\$14,905	★	Works completed.
MPRR1419	Road Rehabilitation – Arundel Road: from The Horsley Drive to House No. 87, Horsley Park.	Place, Assets and Strategy	\$67,030	□	Due to Sydney Water infrastructure upgrading works, this project needs to be carried forward.



**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
MPRR1424	Road Rehabilitation – Broomfield Street: from Longfield Street to Curtin Street, Cabramatta.	Place, Assets and Strategy	\$168,400	★	Works completed.
MPRR1425	Road Rehabilitation – Broomfield Street: from Curtin Street to Bareena Street, Cabramatta.	Place, Assets and Strategy	\$131,580	★	Works completed.
MPRR1426	Road Rehabilitation – Caranya Place: from Joseph Street to cul-de-sac, Cabramatta West.	Place, Assets and Strategy	\$35,720	★	Works completed.
MPRR1429	Road Rehabilitation – Garland Crescent: from Mount Street to House No. 10, Bonnyrigg Heights.	Place, Assets and Strategy	\$27,805	★	Works completed.
MPRR1439	Road Rehabilitation – Marley Street: from Garland Crescent to House No. 36, Bonnyrigg Heights.	Place, Assets and Strategy	\$92,590	★	Works completed.
MPRR1440	Road Rehabilitation – Meadows Road: from Lena Street to Cabramatta Road, Mt Pritchard.	Place, Assets and Strategy	\$122,940	★	Works completed.
MPRR1447	Road Rehabilitation – Restwell Road: from access Marconi to Aspen Street, Bossley Park.	Place, Assets and Strategy	\$161,700	★	Works completed.



**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
MPRR1448	Road Rehabilitation – Shakespeare Street: from Emerson Street to House No. 60, Wetherill Park.	Place, Assets and Strategy	\$119,300	★	Works completed.
MPRR1449	Road Rehabilitation – Shakespeare Street: from Otway Close to Chaucer Street, Wetherill Park.	Place, Assets and Strategy	\$71,530	★	Works completed.
MPRR1454	Road Rehabilitation – Thorney Road: from Zarlee Street to Baragoola Street, Fairfield West.	Place, Assets and Strategy	\$44,000	★	Works completed.
MPRR1455	Road Rehabilitation – Thorney Road: from Zarlee Street to School Crossing, Fairfield West.	Place, Assets and Strategy	\$133,250	★	Works completed.
MPRR1456	Road Rehabilitation – Edensor Road: from Furci Avenue to Duardo Street, Edensor Park.	Place, Assets and Strategy	\$197,360	★	Works completed.
MPRR1458	Road Rehabilitation – Vine Street: from Dale Street to Lawson Street, Fairfield.	Place, Assets and Strategy	\$88,230	★	Works completed.
MPRR1460	Road Rehabilitation – Redfern Street: from Hassall Street to Frank Street, Wetherill Park.	Place, Assets and Strategy	\$262,320	★	Works completed.



**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
MPRR1461	Road Rehabilitation – Redfern Street: from Walter Street to Blackfair Place, Wetherill Park.	Place, Assets and Strategy	\$221,000	★	Works completed.
MPRRP1401	Roads to Recovery Program – Lily Street: from Marvell Road to Locke Street, Wetherill Park.	Place, Assets and Strategy	\$276,215	★	Works completed.
MPRRP1402	Roads to Recovery Program – Lansdowne Road: from Bromley Street to Bridge Street, Lansvale.	Place, Assets and Strategy	\$306,195	★	Works completed.



**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
MPESMP1405	Existing Stormwater Management Program – Investigation and design of bank stabilisation works on Green Valley Creek. Chelsea Drive, Canley Heights.	Place, Assets and Strategy	\$75,000	—	This project, that was specific to one site on Green Valley Creek and that was due to commence in early 2014, is to be integrated into project for the entire Green Valley Creek scheduled for 2014/15.
MPFMP1415	Flood Mitigation Program - Prospect Creek Floodway	Place, Assets and Strategy	\$102,245		Tender evaluation report is being submitted to the May Council meeting. If approved, the preferred contractor will be expected to start work in July with works being finalised in 2014/15.
MPSLP1410	Stormwater Levy Program - Rehabilitation of Orphan School Creek. Avoca Rd to Cumberland Hwy, Canley Heights. Stabilise creek bank with reduced risk of erosion and improved biodiversity and amenity.	Place, Assets and Strategy	\$750,000		Council is awaiting reply regarding a recent grant application. When this grant has been confirmed, tender will be finalised and construction within 2014/15.
MPSLP1411	Stormwater Levy Program - Construction of major gross pollutant trap on Stimsons Drain, Fairfield Street, Fairfield East - Improved water quality.	Place, Assets and Strategy	\$500,000		The Stimsons Drain tender was evaluated and concern was raised regarding value of offer. As the market is currently busy, it was decided that the project should be released again at a later date to invite more responses.



**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
MPSLP1412	Stormwater Levy Program - Construction of three gross pollutant traps. Hassall Street, Wetherill Park; Chifley Street, Smithfield; Burdett Street, Canley Heights. Improved water quality.	Place, Assets and Strategy	\$820,000	□	The Review of Environmental Factors for these projects have been finalised with these projects being postponed due to the poor market response for the Stimsons Drain gross pollutant trap tender.
MPSLP1413	Stormwater Levy Program - Shakespeare Street, Wetherill Park. WSUD device at traffic calming facility.	Place, Assets and Strategy	\$15,000	★	Works completed.
MPSLP1414	Stormwater Levy Program – Stormwater management works. Jindabyne Street, Bossley Park.	Place, Assets and Strategy	\$42,437	★	Works completed.
MPWSIP1407	Waste Sustainability Improvement Payment (WaSIP) Program – Kids Environment Education Program (KEEP) – School Education Project.	Public Health and Environment	\$40,000	★	External educators have again been engaged to conduct workshops in Term 3 and 4. A total of 13 primary schools in the local government area joined the program with 3,595 students participating.



**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 works 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
CF1345	Sustainable Resource Centre Upgrade.	Sustainable Resource Centre	\$500,000		New Pugmill has been commissioned and at 100% Operation. Weighbridge scheduled for completion in 2014/15.
IN1428	Fairfield City Council Website upgrade.	Communications	\$150,000		Following the voluntary administration of the successful vendor, Council concluded the contract. Currently reinitiated procurement process with expressions of interest responses in the process of evaluation for Phase 1 (the design and build). Following evaluations a vendor is to be appointed and works commence.
IN1454	Integrate Business Papers System	Information Management and Services	\$50,000		The Info Council Business Paper system vendors have indicated the project as unfeasible. Alternate solutions are currently under investigation.
IN14289	Sub Division of 65 The Avenue, Canley Vale.	Place, Assets and Strategy	\$50,000		Flood modelling and analysis provided to Council's Subdivision Branch for review. Awaiting feedback before Development Application can be completed.
IN14292	Sub Division of 117a Wetherill Street, Wetherill Park.	Place, Assets and Strategy	\$705,000		The project is delayed due to a zoning issue.
IN14303	City Calendar	Corporate Services	\$16,500		Project to commence in 2014/15.



**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
MPLTFP02	Business Case – Develop business case exploring options for funding to inform a possible Special Rate Variation application.	Financial Management		★	Special Rate Variation Application submitted and awaiting IPART determination - this is expected in early June 2014.
MPLTFP10	Employee leave entitlements – Long Service Leave.	Corporate Services		□	Negotiations for the Corporate Enterprise Agreement that will deal with Long Service Leave will recommence post WorkCover Audit in July 2014.
MPLTFP12	Review of advertising, promotion and marketing costs.	Corporate Services		🕒	Following the resignation of the Communications and Marketing Manager, the project was put on hold. Having recently appointed a new Communications and Marketing Manager, the project is due to recommence with anticipated completion by end of financial year 2014.
MPLTFP15	Development of funding strategies for Councils identified priority initiatives	Financial Management		★	Special Rate Variation Application submitted and awaiting IPART determination - this is expected in early June 2014.
MPWMP1402	Council Corporate Enterprise Agreement	Corporate Services		□	Negotiations for the Corporate Enterprise Agreement will recommence post WorkCover Audit in July 2014.



**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 31<sup>st</sup> March 2014. It includes:

1. Statement by the Responsible Accounting Officer on Council's Financial Position
2. Income and Expenditure Budget Review
3. Capital Budget Review
4. Cash and Investment Budget Review
5. Third Quarter 2013-14 Budget Review
6. Key Performance Indicators Budget Review
7. Contracts and Other Expenses Budget Review
8. Statutory Investment Report

## 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 31 March 2014 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: 5 May 2014

Ponniah Jeyarajah  
Manager Financial Accounting and Systems  
for Responsible Accounting Officer

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

### **Overall Position**

Council's operating result (excluding capital grants and contributions) as at end of March 2014 is a deficit of \$2.352m compared to March Year-to-date budgeted deficit of \$0.109m. The key components that have contributed to the change in operating position are the timing issue associated with Financial Assistance Grants, adjustments to Waste Disposal charges and the additional Depreciation Expense. The other significant items where Council has more influence over the outcomes are ahead of budget expectations. (More detailed commentary is explained below).

### **Revenue**

The revenue from continuing operations (i.e. including Capital Grants and Contributions) is \$112.006m against budget of \$115.311m. The major variances are as follows.

#### **Interest & Investment Income**

The Interest & Investment Income is \$2.889m compared to budget of \$2.550m. The favourable variance is due to a positive impact on fair value of investments. The volume of funds invested and interest rate earned are trending close to budget. This also includes \$0.188m interest income on overdue rates for the last nine months

#### **Other Income & Revenue**

The Other Income & Revenue category is \$9.652m compared to year to date budget of \$8.159m. Major variances are noted from Fines and Recycling income.

The remittance of the fines by the State Debt Recovery has been higher than expected. The Fines budget is based on an estimate average monthly forecast while actual receipts vary based on when fines are paid.

The favourable variance in Recycling income is due to an increase in the external sale of recycling product at the Sustainable Resource Centre.

#### **Grants & Contribution Operation**

Grants and Contribution Operation is \$11.024m compared to budget of \$16.244m. The unfavourable variance is due to the 50% of Financial Assistance grant for 2013-14 financial year received in advance in 2012-13 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.

#### **Grants & Contribution Capital**

Grants & Contribution Capital category is \$5.273m against year-to-date budget of \$4.978m. There is a favourable variance of \$2.2m due to the payment of Section 94 – Developer Contributions. This favourable variance is offset by an unfavourable variance of \$1.9m for the Smithfield Road/Polding Street Intersection grant which is yet to be received. It is confirmed by the Roads and Maritime Services that this grant will not be paid within this financial year due to delay in the approval of the project design.

This grant will be paid in the new financial year. A budget adjustment is submitted for this variation in the later part of this report.

## Expense

The total expenditure for the nine months is \$109.085m compared to the budget of \$110.442m. The major variances are as follows;

### Employee Costs

Employee Cost is \$49.463m compared to budget of \$51.112m. The favourable variance is noted due to the vigilance in filling vacant position and the staff taking annual leave during the December/January holidays. It is expected that the favourable variance will be maintained to the end of financial year.

### 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 December 2013 Annual Leave hours have decreased significantly which again is attributed to the leave taken during the December/January holiday periods and the Council's closure due to the Heating, Ventilation and Air Conditioning (HVAC) project. 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 \$
Jun - 09	246,676	8,097,203
Jun - 10	237,079	8,064,615
Jun - 11	221,960	7,951,024
Jun - 12	200,469	7,323,341
Mar - 13	-	6,853,223
Jun - 13	-	3,046,800
Sep - 13	-	2,628,887
Dec - 13	-	2,606,603
Mar - 14	-	2,025,014

Annual Leave	Hours	Cost \$
Jun - 09	169,461	5,267,108
Jun - 10	162,988	5,281,258
Jun - 11	151,854	5,119,334
Jun - 12	147,294	5,096,636
Mar - 13	141,188	5,092,099
Jun - 13	148,877	5,345,720
Sep - 13	153,520	5,706,173
Dec - 13	157,979	5,880,925
Mar - 14	139,469	5,202,852



Long Service Leave	Hours	Cost \$
Jun - 09	297,198	9,490,863
Jun - 10	306,367	10,157,728
Jun - 11	303,144	10,530,221
Jun - 12	298,519	10,712,869
Mar - 13	298,346	11,179,971
Jun -13	298,109	11,174,998
Sep - 13	296,466	11,512,842
Dec - 13	297,923	11,591,606
Mar - 14	297,782	11,522,355

### Materials & Contract

The Materials and Contract expense is \$15.589m compared to budget of \$17.332m. The major variances are noted from Contract Work External, Sundry Materials and Operating Lease expenses.

The favourable variance noted in Contract Work External is diminishing as projects (relating to drainage, stormwater and creek work) near completion and payments are made. This expenditure is projected to be close to budget by the end of the financial year.

Sundry Materials relate to raw materials being purchased for Sustainable Resource Centre production and this compensates with increased income shown above in Other Income & Revenue category. The favourable variance noted in Operating Lease expenses is a timing issue with full year expenditure expected to be within budget.

### Depreciation

The Depreciation expense is \$21.727m compared to budget of \$19.478m as at end of March 2014. Due to a higher level of assets being held and the revaluation of buildings as at 30 June 2013, it is expected that on current trend the depreciation expense may exceed budget by \$3.0m by the end of the current financial year. A review supported by Councils external Auditor (Pitcher Partners) has been completed with the view to look at this growing expense. We are awaiting the external Auditor's report and will submit report to Council with any necessary budget adjustment.

### Other Expenses

Other Expenses is \$22.151m compared to budget of \$22.421m. The major increase in expense is noted in Waste Disposal charges. Council has agreed and finalised Carbon pricing payable on waste disposal from 1/07/2011 to 30/09/2013 amounting to \$0.600m.

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

The Councils Income and Expenditure statement as at end of quarter three 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 9 month period ended 31 March, 2014

Favourable Variance

Unfavourable variance between 0 and 10%

Unfavourable variance greater than 10%

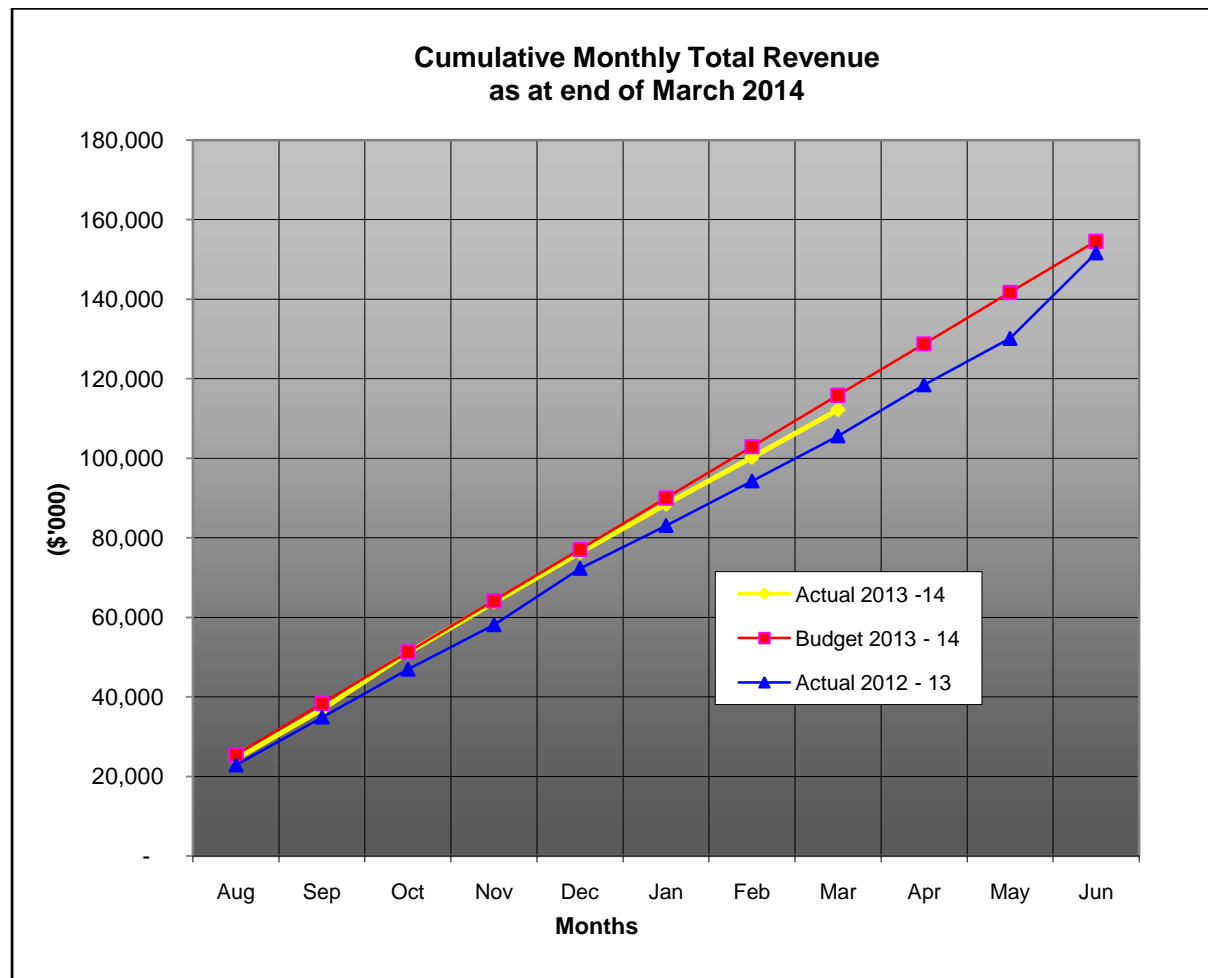
	Full Financial Year 2013-2014					9 month period ended - 31 March 2014			
	Original Budget 2013/14 \$000's	Approved Changes			Projected Year End Result 2013/14 \$000's	Actual \$000's	Projected Budget with Changes \$000's	Variance \$000's	Variance (%)
		Sept. 2013 Review \$000's	Dec. 2013 Review \$000's	Mar. 2014 Review \$000's					
<b>Income from Continuing Operations</b>									
Ordinary Rates	69,204				69,204	51,826	51,903	-77	-0.1
Domestic Waste	24,279				24,279	18,211	18,209	2	0.0
Drainage Stormwater Levy	1,600				1,600	1,134	1,200	-66	-5.5
User Charges and Fees	16,119				16,119	11,997	12,068	-71	-0.6
Interest & Investment Income	3,400				3,400	2,889	2,550	339	13.3
Other Revenue	11,511		-130		11,381	9,652	8,159	1,493	18.3
Grant & Contribution - Operations	21,358	187			21,545	11,024	16,244	-5,220	-32.1
Grant & Contribution - Capital	7,149		-711	-2,500	3,938	5,273	4,978	295	5.9
<b>Total Income from continuing operations</b>	<b>154,620</b>	<b>187</b>	<b>-841</b>	<b>-2,500</b>	<b>151,466</b>	<b>112,006</b>	<b>115,311</b>	<b>-3,305</b>	<b>-2.9</b>
<b>Expenses from Continuing Operations</b>									
Employee Costs	67,260	562	95		67,917	49,463	51,112	1,649	3.2
Debt Servicing Costs	132				132	155	99	-56	-56.6
Materials & Contracts	22,923	-116	-67		22,740	15,589	17,332	1,743	10.1
Depreciation, Amortisation & Impairment	25,981				25,981	21,727	19,478	-2,249	-11.5
Other Expenses	29,773	624		578	30,975	22,151	22,421	270	1.2
<b>Total Expenses from continuing operations</b>	<b>146,070</b>	<b>1,070</b>	<b>28</b>	<b>578</b>	<b>147,746</b>	<b>109,085</b>	<b>110,442</b>	<b>1,357</b>	<b>1.2</b>
<b>Operating Surplus/(Deficit)</b>	<b>8,550</b>	<b>-883</b>	<b>-869</b>	<b>-3,078</b>	<b>3,720</b>	<b>2,921</b>	<b>4,869</b>	<b>-1,948</b>	
<b>Less: Grant &amp; Contribution - Capital</b>	<b>7,149</b>	<b>0</b>	<b>-711</b>	<b>-2,500</b>	<b>3,938</b>	<b>5,273</b>	<b>4,978</b>	<b>295</b>	
<b>Net Operating Surplus/(Deficit) before capital income</b>	<b>1,401</b>	<b>-883</b>	<b>-158</b>	<b>-578</b>	<b>-218</b>	<b>-2,352</b>	<b>-109</b>	<b>-2,243</b>	

Note: For detail of March 2014 Review column refer to Section 5 of this Quarterly Budget Review Statement.

## INCOME AND EXPENDITURE BUDGET REVIEW

### Cumulative Monthly Total Revenue

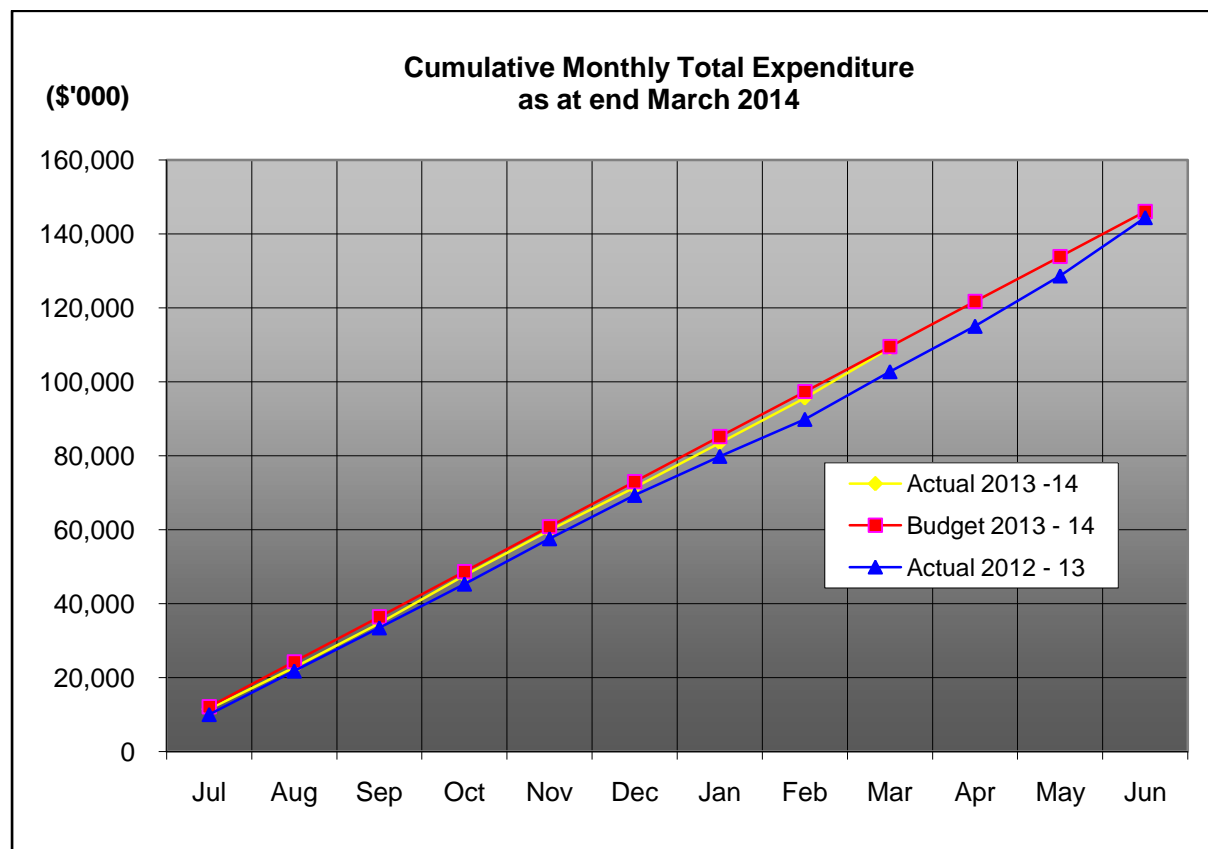
The following graph indicates the cumulative monthly actual total revenue for the whole 2012/13 financial year (blue), the 2013/14 cumulative revised monthly budgeted total revenue (Red) and the actual year to date result to March 2014 (yellow). The graph indicates that the actual revenue is below budget.



## 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 March 2014 (yellow). As can be seen, the current year expenditure is trending below the revised budget. This will increase as projects are completed and payments finalised.



### 3. Capital Budget Review

The following Capital Budget Review Statement shows

- I. The recommended changes for third quarter that are detailed in the following pages amounting to (\$7.511m).
- II. Actual capital expenditure to date of \$22.344m
- III. Revised budget of \$42.964m with inclusion of carry forward projects.

Capital Budget Review Statement								
FAIRFIELD CITY COUNCIL								
Budget review for the 9 month period ended 31 march, 2014								
	Full Financial Year 2013-2014					9 month period ended - 31 March 2014		
	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	22,714	1,886	54	-310	24,344	13,482	24,344	-10,862
Capital Grants	5,963				5,963	1,811	5,963	-4,152
Capital Contributions	1,185				1,185	3,462	1,185	2,277
Sale Proceeds					0	797	0	797
Transfers to/from Grants	1,215	1,182	1,339	-2,500	1,236	0	1,236	-1,236
Transfers to/from S94	1,855	785		169	2,809	976	2,809	-1,833
Transfers - Town Centres	886	395			1,281	414	1,281	-867
Transfers - Other Reserves	8,013	2,964	39	-4,870	6,146	1,402	6,146	-4,744
<b>Total Capital Funding</b>	<b>41,831</b>	<b>7,212</b>	<b>1,432</b>	<b>-7,511</b>	<b>42,964</b>	<b>22,344</b>	<b>42,964</b>	<b>-20,620</b>
<b>Capital Expenditure</b>								
Asset Purchases	7,057				7,057	2,238	7,057	-4,819
WIP - Infrastructure Assets	29,357	7,212	1,432	-7,511	30,490	16,845	30,490	-13,645
Capitalised Employee Costs	3,750				3,750	2,287	3,750	-1,463
Capitalised Material Costs	292				292	0	292	-292
Loans Principal Repayments	1,375				1,375	974	1,375	-401
<b>Total Capital Expenditure</b>	<b>41,831</b>	<b>7,212</b>	<b>1,432</b>	<b>-7,511</b>	<b>42,964</b>	<b>22,344</b>	<b>42,964</b>	<b>-20,620</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 third quarter of 2013-14 financial year.

Cash and Investment Budget Review Statement						
FAIRFIELD CITY COUNCIL						
Budget Review as at 31 March, 2014						
	Projected Balances as at 31 March, 2014					Actual 31-Mar 2014 \$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		
<b>Unrestricted</b>						
Unrestricted Cash and Investments	10,779	-2,549	-280	325	8,275	11,117
<b>Total Unrestricted</b>	<b>10,779</b>	<b>-2,549</b>	<b>-280</b>	<b>325</b>	<b>8,275</b>	<b>11,117</b>
<b>Externally Restricted</b>						
Grants	4,248	-1,087	-2,008		1,153	5,327
Domestic Waste	13,369			-593	12,776	13,700
Section 94	22,528	-786		-169	21,573	25,150
Stormwater Levy	235	-286	-115	1,870	1,704	2,429
Other Contributions	87				87	19
<b>Total Externally Restricted</b>	<b>40,467</b>	<b>-2,159</b>	<b>-2,123</b>	<b>1,108</b>	<b>37,293</b>	<b>46,625</b>
<b>Internally Restricted</b>						
Internally Restricted	39,555	-3,387	101	-12,000	24,269	27,167
<b>Total Internally Restricted</b>	<b>39,555</b>	<b>-3,387</b>	<b>101</b>	<b>-12,000</b>	<b>24,269</b>	<b>27,167</b>
<b>Total Restricted</b>	<b>80,022</b>	<b>-5,546</b>	<b>-2,022</b>	<b>-10,892</b>	<b>61,562</b>	<b>73,792</b>
<b>Total Cash and Investments</b>	<b>90,801</b>	<b>-8,095</b>	<b>-2,302</b>	<b>-10,567</b>	<b>69,837</b>	<b>84,909</b>
<b>Available Cash and Investments</b>	<b>50,334</b>	<b>-5,936</b>	<b>-179</b>	<b>-11,675</b>	<b>32,544</b>	<b>38,284</b>

## 5. Third Quarter 2013–14 Budget Review

It is recommended that following Quarter Three (3) amendments to the current 2013-14 budget be adopted by Council:

Project Title	Reason for Revision	Report to Council	Operating		Capital		Funding Source
			Revenue	Expense	Revenue	Expense	
			Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	
Investigate, design, construction of stormwater drainage works	Consultants have been engaged to undertake drainage investigations and designs for Horsley Village. The contract sum plus allowance for variations is estimated to be \$150,000. Of the budget savings, \$40,000 is recommended to be transferred to XN156 'Upgrade of Stormwater Table Drain' at Lincoln Road, Horsley Park. The remaining \$60,000 is proposed to be returned to Council.					(100,000)	General
Upgrade of stormwater table drain	A preliminary construction cost of \$80,000 has been estimated. The additional funds required are recommended to be transferred from XN155.					40,000	General
Rehabilitation of Orphan School Creek	Council has applied for grant funding assistance under the NSW Government's Estuary Management Program.  A grant funding application for \$300,000 for this project has been submitted to the 2014/15 Estuary Management Program. Grants are scheduled to be announced in October 2014. It is therefore recommended that this project be postponed until 2014/15. Council's Services Committee resolved at its April meeting (Item No. 81) to include this in the quarterly budget revision.	April - Services				(750,000)	Stormwater Levy

Project Title	Reason for Revision	Report to Council	Operating		Capital		Funding Source
			Revenue	Expense	Revenue	Expense	
			Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	
Construction of major gross pollutant trap of Stimson's Drain	Tenders for construction were requested in February 2014 however only one tender was submitted. Other potentially suitable contractors were consulted following the close of tenders but many stated they did not submit a tender because they had a full workload. In order to ensure Council receives the best value for money, it is recommended that this project be postponed and retendered in early 2014/15. Council's Services Committee resolved at its April meeting (Item No. 81) to include this in the quarterly budget revision.	April - Services				(500,000)	Stormwater Levy
Construction of three gross pollutant traps	Requests for tenders were being prepared for construction of GPTs at three sites. Given however the market response to the Stimson's Drain GPT tender, it is recommended that this project also be postponed until early 2014/15. Council's Services Committee resolved at its April meeting (Item No. 81) to include this in the quarterly budget revision.	April - Services				(820,000)	Stormwater Levy
Voluntary House Raising at 15 Moore Street, Canley Vale	The property owner has advised that he has purchased the land behind 15 Moore Street and will be looking to subdivide that land. The owner advised that he will therefore not be in a position to undertake voluntary house raising this financial year. This project has been included in the 2014/15 Operational Plan. It is recommended that funds from this project be allocated to the VHR property at 16C Knight Street, Lansvale.			(56,700)			General

Project Title	Reason for Revision	Report to Council	Operating		Capital		Funding Source
			Revenue	Expense	Revenue	Expense	
			Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	
Voluntary House Raising at 16C Knight Street, Lansvale	Property owner applied to the VHR scheme in early 2013/14. House raising plans have been prepared but not yet lodged with Council. It is recommended that this project be funded from savings made by not proceeding with 15 Moore Street, Canley Vale this financial year.			56,700			General
Community Facility - Cabramatta	A review of the Expenditure Plan - Section 94 Plan 1999 has identified surplus funds and there are no alternate unfunded projects in the expenditure plan. Therefore it is recommended that this be allocated to the Canley Heights Community Facility				(74,275)		S94
Canley Heights Community Facility					74,275		
Recreation & Open Space Embellishment - City Wide	A review of the Expenditure Plan - Section 94 Plan 1999 has identified surplus funds and there are no alternate unfunded projects in the expenditure plan. Therefore it is recommended that this be allocated to the Bonnyrigg Bush Tucker Trail.				(20,516)		S94
Bonnyrigg Bush Tucker Trail					20,516		
Recreation & Open Space Embellishment - Rural	In March 2014 Council resolved that any surplus funds in the Expenditure Plan - Section 94 1999 resulting from interest being credited to the account be allocated to the Horsley Park Reserve Upgrade.	March - Outcomes			(6,422)		S94
Horsley Park Reserve Upgrade		March - Outcomes			6,422		
Stormwater Drainage Facilities - Trunk Drainage - Wetherill Park	Surplus fund to be allocated to Improvement of Wetherill Park industrial channel.	March - Outcomes			(117,147)		S94
Improvement of Wetherill Park industrial channel		March - Outcomes			117,147		

Project Title	Reason for Revision	Report to Council	Operating		Capital		Funding Source
			Revenue	Expense	Revenue	Expense	
			Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	
Rural Area Road Upgrading and Traffic Management Facilities - Road Upgrading	A review of the Expenditure Plan - Section 94 Plan 1999 has identified surplus funds and there are no alternate unfunded projects in the expenditure plan. Therefore it is recommended it be allocated to resealing Brolen Way Between House Numbers 67-73 and Cul-de-sac, Cecil Park.				(16,235)		S94
Resealing Brolen Way Between House Numbers 67-73 and Cul-de-sac, Cecil Park					16,235		
Recreation and Open Space Embellishment - Bonnyrigg	A review of the Expenditure Plan - Section 94 Plan 1999 has identified surplus funds and there are no alternate unfunded projects in the expenditure plan. Therefore it is recommended that this be allocated to the Bonnyrigg Flying Fox and Play Equipment.				(25,701)		S94
Bonnyrigg Flying Fox and Play Equipment					25,701		
Recreation and Open Space Embellishment - Wetherill Park	A review of the Expenditure Plan - Section 94 Plan 1999 has identified surplus funds and there are no alternate unfunded projects in the expenditure plan. It is recommended to allocated this to the Prairiewood water park at Prairiewood Leisure Centre.				(33,440)		S94
Prairiewood Water Park					33,440		
Community Facility - City Wide	Council resolved in March 2014 to be allocated surplus funds in the Expenditure Plan - Section 94 to Fairfield Youth and Community Centre development.	March - Outcomes - Confidential			(13,824)		S94
		March - Outcomes - Confidential			(17,653)		
Community Facility - City Wide		March - Outcomes - Confidential			(23,523)		
Fairfield Youth and Community Centre		March - Outcomes - Confidential			55,000		

Project Title	Reason for Revision	Report to Council	Operating		Capital		Funding Source
			Revenue	Expense	Revenue	Expense	
			Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	
Smithfield Road/Polding Street Intersection Upgrade	Due to technical reasons, the project has not yet been approved by the RMS. As a result, the \$2.5m grant will not be received during this financial year, but next year with a chance of an increased amount.				(2,500,000)		Grant
						(2,401,486)	Grant
Sub-Division of 45-47 Diamond Crescent	Timing of DA for the site does not allow works to proceed in this financial year.					(3,000,000)	Property Development Fund
Sub-Division of 45-47 Diamond Crescent	Timing of DA for the site does not allow works to proceed in this financial year. Adjust of budgeted sale proceeds.				(15,000,000)		Property Development Fund
New Fairfield Centre Park (The Crescent)	External design approach modified to internal design. Timing for completion to be tailored to approval of budget for construction.					(180,000)	S94
Emergency Repairs Channel at Elizabeth St	Modification adopted at April Council meeting from Stormwater Levy.	April Council				200,000	Stormwater Levy
Cabravale Park Centenary Celebrations	Funds deferred due to Centenary date 31 October 2014.			(15,000)			General
Retail And Commercial Centres Study	Reallocation of budget previously identified as the 'Retail And Commercial Centres Study' to review of the 'Bush Fire Prone Land Map' Project.	March - Outcomes		(30,000)			General
Bush Fire Prone Land Map Project		March - Outcomes		30,000			General
Waste Disposal Charges	Adjustments to SITA Environmental Solutions contract pricing.			592,943			Domestic Waste Garbage Reserve
<b>TOTAL</b>				<b>577,943</b>	<b>(17,500,000)</b>	<b>(7,511,486)</b>	

<b>CASHFLOW IMPACT AS PER 3<sup>rd</sup> QTR BUDGET REVIEW (ABOVE)</b>	<b>\$,000</b>
<b>General Unrestricted</b>	325
<b>Internal Restriction</b>	
Property Development Fund	(12,000)
<b>External Restriction</b>	
Domestic Waste	(593)
S94-Developer Fund	(169)
Stormwater Levy	1,870
Total External Restriction	1,108
<b>Net Cash Impact</b>	<b>(10,567)</b>

## 6. 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	9 Months	-2.46%	<b>Comment:</b> 9 months actual is an operating deficit of \$2.352m.	
		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	9 Months	1.47%	<b>Comment:</b> Indebtedness stable at a low level.	
		2012/13	Full Year	1.31%		
		2011/12	Full Year	1.60%		
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	9 Months	100%	<b>Comment:</b> Council is a net lender.	
		2012/13	Full Year	100%		
		2011/12	Full Year	100%		
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	9 Months	0.12%	The net borrowing is marginal in comparison to the Capital (Net Worth) of the Council.	
		2012/13	Full Year	0.18%		
		2011/12	Full Year	0.27%		
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	9 Months	0.81:1	<b>Comment:</b> This result indicates that the overall renewals are close to target of 1.0. A review of the depreciation expense supported by Councils external Auditor (Pitcher Partners) is planned for early 2014. A report to Council will be submitted following this review.	
		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	9 Months	2.14:1	<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.					
		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 comparatives and trends considered.								
	Result	Category of Ordinary Revenue	Group 3 Councils 2010/11	Fairfield City Council						
				31st March 2014		30th June 2013		30th June 2012		
				\$'000's	%	\$'000's	%	\$'000's	%	
		Rates and Annual Charges	57%	71,171	63%	90,994	58%	86,425	57%	
		User Charges and Fees	11%	11,997	11%	16,845	11%	15,860	11%	
		Interest	4%	2,889	3%	3,927	5%	5,336	4%	
		Grants	11%	10,008	9%	21,812	17%	25,323	17%	
		Contributions	11%	6,289	6%	6,183	3%	4,813	5%	
	Other Revenue	6%	9,652	8%	12,149	6%	8,919	6%		
	<b>Total</b>		100%	112,006	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 will be considered in conjunction with major decisions concerning service and efficiency levels.								
	Target	No target - but comparatives and trends considered.								
	Result	Category of Expenses from Continuing Operations	Group 3 Councils 2010/11	Fairfield City Council						
				31st March 2014		30th June 2013		30th June 2012		
				\$'000's	%	\$'000's	%	\$'000's	%	
		Employee Costs	43%	49,463	46%	63,573	46%	62,212	46%	
		Materials and Contracts	23%	15,589	14%	23,696	15%	20,112	16%	
		Borrowing Costs	1%	155	0%	226	0%	377	1%	
		Depreciation	17%	21,727	19%	25,432	18%	24,574	17%	
		Impairment	0%		0%		0%		0%	
	Other Expenses	16%	22,151	21%	30,510	21%	27,816	20%		
	<b>Total</b>		100%	109,085	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	9 Months	0.89:1	<b>Comment:</b> This result indicates that Council is achieving close to the benchmark of 1.0 in annual maintenance against maintenance required.	
		2012/13	Full Year	0.90:1		
		2011/12	Full Year	0.84:1		
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	9 Months	3.66%	<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.	
		2012/13	Full Year	3.74%		
		2011/12	Full Year	3.38%		
	Results below are adjusted for ratepayers who have arrangements, including pensioners					
	Result	2013/14	9 Months	2.36%	<b>Comment:</b> As above	
		2012/13	Full Year	2.36%		
		2011/12	Full Year	2.34%		
Indicator C Other Debtors Outstanding Ratio						
	Principle	Compares the outstanding Other Debtors against total invoices raised.				
	Target	less than 10%				
	Result	2013/14	9 Months	12.59%	<b>Comment:</b> Debtors Ratio is 12.59%. A major portion of the outstanding debt is the Secure Parking debt. This is in Arbitration. Without this \$0.4m the ratio will be within the benchmark.	
		2012/13	Full Year	13.53%		
		2011/12	Full Year	8.96%		

## **7. Contracts and Other Expenses Budget Review**

### **7a. Contracts Budget Review**

The Contracts Budget Review shows contracts entered into by Council in excess of \$50,000 which are not from Councils 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 - 31/03/2014				
Contracts				
Contractor	Contract detail & purpose	Contract value	Commencement date	Budgeted (Y/N)
E SHELMDINE & PARTNERS ENGINEERING P/L	Mechanical Engineering Services for Fairfield Youth and Community Services - Consultant: Sheldmernes Consulting Services	\$67,200	10/02/2014	Y
THE PLAYGROUND DOCTOR	June Inspection and Repairs of playground	\$70,000	27/03/2014	Y

## 7b Other Expenses Budget Review

Listed below for information is 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 - 31st March, 2014		
Consultancy and Legal Expenses		
Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	964,984	Y
Legal Fees	818,099	Y

## 8. **Statutory Investment Report**

This is a statutory report on Council's Investment, submitted pursuant to the Local Government Act and Regulations, 1993. The investments listed on the attachments have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

Council invests its funds that are surplus to current requirements with financial institutions and receives interest income from those investments. Compliance with Council's Investment Policy is required and there are limits as to where investments can be placed. Limits include the risk rating of the institution, the value of the portfolio that can be placed with 1 institution and value of the portfolio that can be invested for periods over 12 months.

Council places investments to meet its liquidity requirements and times maturities to occur where the most outflow of funds is expected (i.e. outside the months where rates instalments are required). It also looks for the best rate available to increase Council's income.

Council's Investment Portfolio return for the month of March 2014 was 3.63% against an average benchmark of 2.60%. The average benchmark performance is UBS (Union Bank of Switzerland) Bank Bill Index, which is used as a benchmark by Australian Institutional investors and professional funds managers.

The actual earning on investment for the month of March was \$0.266m. This was \$0.004m above budget for the month (based on an average investment portfolio of \$85m).

Year to date actual earnings at end of March 2014 is \$2.701m against budgeted earnings of \$2.358m, over budget by \$0.343m. During the month of March 2014, 4 term deposits matured totalling \$10.0m with \$10.0m being reinvested in 4 term deposits.

Attached is the Investment Report Summary, Investment Policy – Investment Guidelines and 2013-14 Cumulative Earnings on Investment.

**Fairfield City Council  
Investment Report Summary  
Mar-14**

Borrower	Rating	Value as at 28-Feb-14	Value as at 31-Mar-14	% of Portfolio	Purchase Price	Purchase Date	Maturity Date	Current Month (annualised) Return	Financial YTD (annualised) Return
Direct Investments									
<u>Investments at Face Value - Original Maturity &lt;1 year</u>									
NAB TD	A-1+	\$3,000,000		0.00%	\$3,000,000	5-Dec-13	5-Mar-14	3.66%	3.66%
NAB TD	A-1+	\$2,500,000		0.00%	\$2,500,000	19-Dec-13	19-Mar-14	3.62%	3.62%
Bank of WA TD	A-1+	\$3,000,000		0.00%	\$3,000,000	15-Jan-14	12-Mar-14	3.50%	3.50%
NAB TD	A-1+	\$4,000,000	\$4,000,000	4.73%	\$4,000,000	17-Dec-13	17-Apr-14	3.63%	3.63%
NAB TD	A-1+	\$2,000,000	\$2,000,000	2.36%	\$2,000,000	7-Aug-13	7-Aug-14	3.92%	3.92%
NAB TD	A-1+	\$4,000,000	\$4,000,000	4.73%	\$4,000,000	12-Dec-13	11-Dec-14	3.75%	3.75%
NAB TD	A-1+	\$3,000,000	\$3,000,000	3.55%	\$3,000,000	7-Jan-14	10-Apr-14	3.65%	3.65%
NAB TD	A-1+	\$2,000,000	\$2,000,000	2.36%	\$2,000,000	23-Jan-14	24-Apr-14	3.60%	3.60%
Bank of WA TD	A-1+	\$4,000,000	\$4,000,000	4.73%	\$4,000,000	13-Feb-14	14-May-14	3.50%	3.50%
Bank of WA TD	A-1+		\$1,500,000	1.77%	\$1,500,000	5-Mar-14	11-Jun-14	3.50%	3.50%
NAB TD	A-1+		\$3,000,000	3.55%	\$3,000,000	5-Mar-14	11-Jun-14	3.60%	3.60%
Westpac	A-1+		\$3,000,000	3.55%	\$3,000,000	12-Mar-14	18-Jun-14	3.55%	3.55%
NAB TD	A-1+		\$2,500,000	2.95%	\$2,500,000	19-Mar-14	25-Jun-14	3.60%	3.60%
<u>Total - Investments at Face Value - Original Maturity Term &lt; 1 yr</u>		\$27,500,000	\$29,000,000	34.27%					

## Fairfield City Council Investment Report Summary Mar-14

<b><u>Investments at Face Value - Original Maturity Term &gt; 1 year</u></b>									
Westpac Govt Guar FRN (GGB)	AAA	\$1,500,000		0.00%	\$1,500,000	5-Mar-09	5-Mar-14	3.31%	3.36%
Westpac TD	A-1+	\$5,000,000	\$5,000,000	5.91%	\$5,000,000	6-Dec-11	5-Jan-15	5.70%	5.70%
ANZ Snr Debt	AA-	\$2,000,000	\$2,000,000	2.36%	\$2,000,000	26-Oct-11	26-Oct-15	3.97%	4.04%
NAB Snr Debt	AA-	\$2,000,000	\$2,000,000	2.36%	\$2,000,000	5-Nov-10	05-Nov-15	3.83%	3.84%
Westpac Snr Debt	AA-	\$2,000,000	\$2,000,000	2.36%	\$2,000,000	7-Feb-11	07-Nov-15	3.74%	3.72%
Westpac Snr Debt	AA-	\$1,000,000	\$1,000,000	1.18%	\$1,000,000	30-Jan-12	09-May-16	3.77%	3.75%
RabobankAus Snr Debt	AA-	\$3,000,000	\$3,000,000	3.55%	\$3,000,000	27-Jul-11	27-Jul-16	3.77%	3.83%
CBA Snr Debt	AA-	\$5,000,000	\$5,000,000	5.91%	\$5,000,000	12-Sep-11	02-Aug-16	3.78%	3.81%
NAB Snr Debt	AA-	\$4,290,000	\$4,290,000	5.07%	\$4,290,000	26-Mar-12	21-Jun-16	3.80%	3.84%
NAB TD	A-1+	\$5,000,000	\$5,000,000	5.91%	\$5,000,000	3-Sep-12	03-Sep-14	4.88%	4.88%
NAB TD	AA-	\$3,000,000	\$3,000,000	3.55%	\$3,000,000	5-Mar-13	05-Mar-15	4.46%	4.46%
WBC TD	AA-	\$2,000,000	\$2,000,000	2.36%	\$2,000,000	15-May-13	15-May-15	4.35%	4.35%
WBC TD	AA-	\$2,000,000	\$2,000,000	2.36%	\$2,000,000	11-Jun-13	11-Jun-15	4.20%	4.20%
ANZ Snr Debt	AA-	\$4,000,000	\$4,000,000	4.73%	\$4,000,000	6-Nov-13	06-Nov-18	3.51%	3.48%
<b><u>Total - Investments at Face Value - Original Maturity Term &gt; 1 yr</u></b>	-	<b>\$41,790,000</b>	<b>\$40,290,000</b>	<b>47.61%</b>					
<b><u>Investments at Current Value</u></b>									
Emerald Reverse 2007-1 Class C	A	\$242,138	\$243,553	0.29%	\$500,695	21-Jul-11	21-Jul-27	3.53%	3.60%

**Fairfield City Council  
Investment Report Summary  
Mar-14**

CBA Zero Coupon Bond	AA-	\$3,345,201	\$3,346,122	3.95%	\$2,000,000	21-Jan-08	22-Jan-18		
Commonwealth Bank of Australia	A-1+	\$11,614,839	\$11,744,336	13.88%				2.50%	2.53%
<b>Total - Investments at Current Value</b>	-	\$15,202,178	\$15,334,011	18.12%					
<b>TOTAL - Direct Investments</b>		\$84,492,178	\$84,624,011	100.00%					



## INVESTMENT POLICY – Investment Guidelines

In terms of Council's Investment Strategy and Policy the following indicators are reported. Investments held are within the policy guidelines and limits set.

### Direct Investments

1. Maximum Weighting as % of Total Investment Portfolio.

POLICY			ACTUAL
Long Term Credit Ratings	Short Term Credit Ratings	Direct Securities Maximum	31 March 2014
AAA Category	A-1+	100%	59.96%
AA Category	A-1	100%	39.75%
Less than AA Category		0%	0.29%

2. Maximum Percentage with one Financial Institution.

POLICY			ACTUAL
Long Term Credit Ratings	Short Term Credit Ratings	Direct Securities Maximum	31 March 2014
AAA Category	A-1+	45%	30.13%
AA Category	A-1	35%	10.98%
Less than AA Category		0%	0.29%

3. Term to maturity.

POLICY		ACTUAL
Overall Portfolio Term to Maturity Limits	Maximum	31 March 2014
Portfolio % < 1 year	100%	59.96%
Portfolio % > 1 year < 3 years	60%	31.07%
Portfolio % > 3 years < 5 years	30%	8.97%
Portfolio % > 5 years	0%	0.00%

