



Our home
Our City **Our future**

OPERATIONAL PLAN
2014-2015
WITH SRV



QUARTERLY REPORT

October – December 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 2014-2015 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, the quarterly report focuses on the Operational Plan implementation for each quarter. This report will be publicly available and will be included in Council's Business Paper.

Developed by the Integrated Planning and Reporting Unit

Table of Contents

1.	INTRODUCTION TO THE QUARTERLY REPORT	4
2.	QUARTERLY PROGRESS SUMMARY	5
	Project Status Summary by Quarter	5
3.	EXCEPTION COMMENTS BY THEME - MAJOR PROGRAMS AND INITIATIVES.....	6
3.	QUARTERLY BUDGET REVIEW STATEMENT	18

1. INTRODUCTION TO THE QUARTERLY REPORT

Fairfield City Council's 2014-2015 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 during the quarter.

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 Fairfield City. 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 limited 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 392 initiatives, major programs and carry forwards for this quarter of the financial year (October – December 2014) which have been identified in the 2014-2015 Operational Plan.

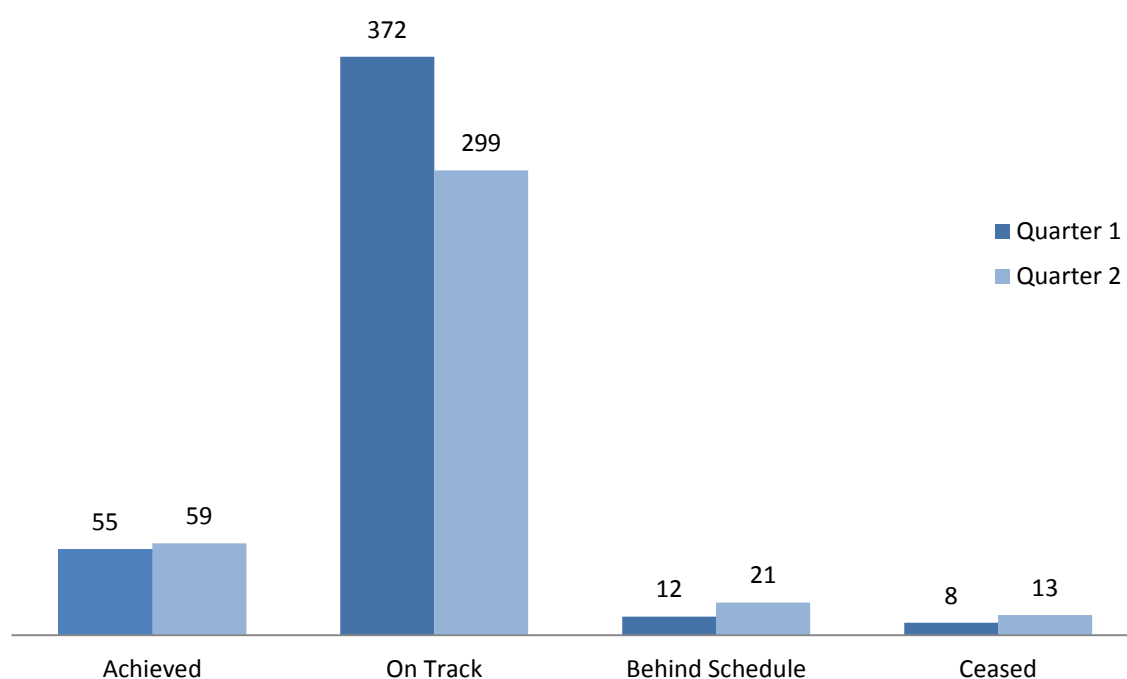


Figure 2: Status of all Initiatives, Major Programs and Carry Forwards during this Quarter (October – December 2014)

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

STATUS	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Achieved	55	59		
On Track	372	299		
Behind Schedule	12	21		
Ceased	8	13		
Total	447	392		
New Projects	8	3		

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 or have been ceased. The following 5 tables separate these items by theme, detail the status and include comments.

THEME 1: COMMUNITY WELLBEING					
No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
IN15314	Library Upgrades - Various Library upgrades including shelving, electrical and furnishings.	Manager Library Services	60,000	★	Improvements to the Wetherill Park Library have been completed including new carpet and benches, and re-arrangement of the shelving.



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

THEME 2: PLACES AND INFRASTRUCTURE

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
IN1533	Centenary Celebrations Cabravale Memorial Park	Manager City Assets	15,000	★	Council hosted the centenary celebrations at the Cabravale Memorial Park including the installation of a time capsule and unveiling of plaques.
MPSLUP1510	Major Strategic Land Use Planning Projects - Complete Retail and Commercial Centres Strategy	Manager Strategic Planning	Service Statement	-	The project is directly related to IN15107 and will be reported in conjunction with this initiative.
MPSLUP1511	Major Strategic Land Use Planning Projects - Undertake review of Bonnyrigg Town Centre Planning Policies with a review to replacing existing controls in Council's LEP and DCP	Manager Strategic Planning	Service Statement	-	The project is directly related to IN15321 and will be reported in conjunction with this initiative.
INSRV1502	Fairfield Library Expansion	Manager Major Projects and Planning	3,200,000	-	Council adopted a new site for the library in Fairfield City Centre at the December Outcomes Committee meeting. This project is ceased and a new project for refurbishment of the new location will be initiated when the existing tenant ceases their current operations.
IN15178	Multi-Deck Car Parks Upgrade - Upgrade the Nelson and Downey Lane Car Parks including replacement of toilets, installation of a lift, wheel stops, renewal of lighting, signage and line marking.	Manager City Assets	400,000	🕒	This project is behind schedule due to detailed design not completed for tender.
IN15289	Subdivision of 65 The Avenue, Canley Vale	Manager City Assets	(1,900,000)	🕒	This project is behind schedule due to the detail required in the preparation for the development application.
IN15102	Canley Corridor Transport Management Plan	Manager Built Systems	120,000	-	This project has been ceased as proposed in Council's Outcome Committee Meeting in November 2014.



Achieved
Project is completed




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



Ceased
Project is recommended not to proceed

THEME 2: PLACES AND INFRASTRUCTURE

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
IN15311	Additional Car Parking in Fairfield City Centre	Manager Built Systems	720,000		This project is delayed as Council is waiting for approval from Transport NSW for additional land needed to fit the angled car park.
MPBP1501	Blackspot Program - Gilbert Street and Coventry Road, Cabramatta	Manager Built Systems	80,000	★	Roundabout has been built and is in operation at this intersection.
MPBP1502	Blackspot Program - St Johns Road between Gladstone Street and Sackville Street, Canley Heights	Manager Built Systems	30,000	★	Kerb blisters and edge line marking have been completed to assist pedestrians to cross the road safely and to discourage motorists from speeding.
MPBP1503	Blackspot Program - Wallgrove Road and Redmayne Road, Horsley Park	Manager Built Systems	100,000	-	Roads and Maritime Services have advised Council that it would not support the implementation of this project on Wallgrove Road.
MPBP1504	Blackspot Program The Horsley Drive and Bourke Street, Smithfield	Manager Built Systems	35,000	★	The median island and stop signs have been completed on Bourke Street and The Horsley Drive, to improve the intersection and enhance road safety.
MPLTM1501	Local Area and Traffic Management Program Boyd Street, Cabramatta West	Manager Built Systems	50,000	★	Two speed humps have been installed to deter motorists from speeding on this street.
MPLTM1505	Local Area and Traffic Management Program Vidal Street, Wetherill Park	Manager Built Systems	30,000	-	This project has been ceased as recommended by the Traffic Committee Meeting in October 2014.
MPLTM1506	Local Area and Traffic Management Program Stockdale Crescent, Abbotsbury	Manager Built Systems	60,000	-	This project has been ceased as recommended by the Traffic Committee Meeting in October 2014.
MPLTM1507	Local Area and Traffic Management Program Kalang Road, Edensor Park	Manager Built Systems	61,000	★	Raised threshold has been installed to deter motorists from speeding.
IN1586	Fairfield City Centre Upgrade - Smart Street	Manager Place and Strategy	250,000	-	This project has been deferred to the 2015-2016 Operational Plan.



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

THEME 2: PLACES AND INFRASTRUCTURE

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
MPBAR1508	Building Assets Renewal Greenfield Park Community Centre, Greenfield Park	Manager City Assets	20,000	★	Works completed.
MPBAR1514	Building Assets Renewal Wetherill Park Library, Wetherill Park	Manager City Assets	60,000	★	Works completed.
MPBAR1515	Building Assets Renewal Wakeley Administration Centre, Wakeley	Manager City Assets	70,000	★	Works completed.
MPFRP1501	Footpath Replacement Program Benghazi Street, Bossley Park	Manager City Assets	4,200	★	Works completed.
MPFRP1502	Footpath Replacement Program Bettong Crescent, Bossley Park	Manager City Assets	4,800	★	Works completed.
MPFRP1520	Footpath Replacement Program Quarry Road, Bossley Park	Manager City Assets	18,000	★	Works completed.
MPFRP1524	Footpath Replacement Program St Johns Road, Cabramatta West	Manager City Assets	15,600	★	Works completed.
MPNFC1509	New Footpath Construction Program Galton Street, Smithfield	Manager City Assets	58,116	★	Works completed.
MPNFC1534	New Footpath Construction Program Gemoore Street, Smithfield	Manager City Assets	27,555	★	Works completed.
MPRMSR1503	Roads and Maritime Services Repair Program - Bareena Street from West Street to Fairview Road, Canley Vale.	Manager City Assets	290,000	-	The project has been ceased as no grant is available for completion. (as reported in the Service Committee Meeting on 9 September 2014, item 215)
MPRMSR1504	Roads and Maritime Services Repair Program - Polding Street from Garment Street to Isis Street, Smithfield.	Manager City Assets	362,000	-	The project has been ceased as no grant is available for completion. (as reported in the Service Committee Meeting on 9 September 2014, item 215)



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

THEME 2: PLACES AND INFRASTRUCTURE

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
MPRMSR1505	Roads and Maritime Services Repair Program - Edensor Road from Bonnyrigg Avenue to Smithfield Road, St Johns Park.	Manager City Assets	220,000	-	The project has been ceased as no grant is available for completion. (as reported in the Service Committee Meeting on 9 September 2014, item 215)
MPRR1503	Road Rehabilitation - Boundary Lane from Levuka Street to Lovoni Street, Cabramatta	Manager City Assets	46,143	★	Works completed.
MPRR1508	Road Rehabilitation - Fairview Road from Bareena Street to Lansdowne Road, Cabramatta	Manager City Assets	160,000	★	Works completed.
MPRR1514	Road Rehabilitation - McIlvenie Street from Canley Vale Road to Peterlee Road, Canley Heights	Manager City Assets	161,858	★	Works completed.
MPRR1516	Road Rehabilitation - Torrens Street from Salisbury Street to Gladstone Street, Canley Heights	Manager City Assets	71,527	★	Works completed.
MPRR1517	Road Rehabilitation - Cardwell Street from The Boulevard to Sackville Street, Canley Vale	Manager City Assets	246,150	★	Works completed.
MPRR1518	Road Rehabilitation - Canva Street from Monro Street to cul-de-sac, Canley Vale	Manager City Assets	134,134	★	Works completed.
MPRR1519	Road Rehabilitation - Munro Street from Chancery Street to cul-de-sac, Canley Vale	Manager City Assets	74,457	★	Works completed.
MPRR1522	Road Rehabilitation - Douglas Street from The Horsley Drive to Hedges Street, Fairfield	Manager City Assets	66,056	★	Works completed.
MPRR1524	Road Rehabilitation - Hedges Street from Polding Street to Loscoe Street, Fairfield	Manager City Assets	82,187	★	Works completed.
MPRR1536	Road Rehabilitation - Redmayne Road from 172 Wallgrove Road	Manager City Assets	106,480	★	Works completed.

★ **Achieved**
Project is completed

🕒 **Behind Schedule**
Project is behind schedule and expected to be delivered within agreed timeframe.

■ **Ceased**
Project is recommended not to proceed

THEME 2: PLACES AND INFRASTRUCTURE

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
	to 180 Wallgrove Road, Horsley Park				
MPRR1537	Road Rehabilitation - Huntingdale Avenue from Araluen Road to Cherrybrook Road, Lansvale	Manager City Assets	92,000	★	Works completed.
MPRR1538	Road Rehabilitation - Benjamin Road from Antill Place to Grainger Avenue, Mt Pritchard	Manager City Assets	58,850	★	Works completed.
MPRR1540	Road Rehabilitation - Grainger Avenue from Benjamin Road to Townview Road, Mt Pritchard	Manager City Assets	111,111	★	Works completed.
MPRR1546	Road Rehabilitation - Henry Street from Railway Street to Kay Street, Old Guildford	Manager City Assets	115,627	★	Works completed.
MPRR1548	Road Rehabilitation - Dublin Street from Victoria Street to The Horsley Drive, Smithfield	Manager City Assets	130,000	★	Works completed.
MPRR1550	Road Rehabilitation - Mala Street from The Horsley Drive to cul-de-sac, Smithfield	Manager City Assets	65,000	★	Works completed.
MPRR1551	Road Rehabilitation - Melbourne Road from Glenroy Crescent to Canberra Street, St Johns Park	Manager City Assets	132,000	★	Works completed.
MPRR1553	Road Rehabilitation - Villawood Place from Villawood Road to pedestrian crossing at Aldi car park entrance, Villawood	Manager City Assets	46,654	★	Works completed.
MPRR1558	Road Rehabilitation - Northumberland Street, Middlehope Street, Bonnyrigg Heights	Manager City Assets	77,150	★	Works completed.
MPRR1559	Road Rehabilitation - Northumberland Street from Middlehope Street to North Liverpool Road, Bonnyrigg Heights	Manager City Assets	225,709	★	Works completed.



Achieved
Project is completed



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




Ceased
Project is recommended not to proceed

THEME 2: PLACES AND INFRASTRUCTURE

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
MPRR1560	Road Rehabilitation - Swinborne Crescent from Wordsworth Street to Crane Place, Wetherill Park	Manager City Assets	81,000	★	Works completed.
MPEAF1501	Makepeace Park – Replace irrigation system to sportsfields	Manager City Assets	40,000	★	Works completed.
MPEAF1502	Smithfield RSL Youth Club – Replace retaining wall	Manager City Assets	60,000	★	Works completed.
MPEAF1503	Slab Hut – Wall repairs and termite treatment	Manager City Assets	13,000	★	Works completed.
MPEAF1504	Old Council Building – Stabilisation of internal walls including repair and rendering	Manager City Assets	5,000	★	Works completed.
QR21501	Cardwell Street Depot – Construction and fit-outs to Training Room	Group Manager Place and Infrastructure Operations	\$25,000	★	Works completed.
QR21502	Lalich Street Construction Works– Construct new street alignment	Group Manager Place and Infrastructure Operations	\$160,000	★	Works completed.

THEME 2: CARRY FORWARDS

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
CF1307	Joe Broad Sportsground Upgrade	Manager City Assets	200,000		This project is behind schedule due to design issues that are currently being resolved.
IN14131	Fairfield Library Expansion - Design and Approval	Manager Major Projects and Planning	76,600	-	Council adopted a new site for the library in Fairfield City Centre at the December Outcomes Committee meeting. This project is ceased and a new project for refurbishment of the new location will be initiated when the existing tenant ceases their current operations.
CF1406	Parks - Plant Replacement	Manager Construction and Maintenance	70,014	★	New plant delivered and operational.



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

THEME 2: CARRY FORWARDS

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
CF1407	Parks - Plant Replacement	Manager Construction and Maintenance	70,014	★	New plant delivered and operational.
CF1411	Waste Service Heavy Plant Replacement	Manager Construction and Maintenance	344,508	★	New plant delivered and operational.
CF1412	Waste Service Heavy Plant Replacement	Manager Construction and Maintenance	344,508	★	New plant delivered and operational.
IN14178	Multi-Deck Car Parks Upgrade - Upgrade the Nelson and Downey Lane Car Parks including replacement of toilets, installation of a lift, wheel stops, renewal of lighting, signage and line marking.	Manager City Assets	52,524	★	Works completed
MPBP1405	Blackspot Program - shoulder widening	Manager Built Systems	154,909	★	Shoulder widening on Ferrers Road, Horsley Park has been completed.
MPBP1406	Blackspot Program - Smithfield Road between Edensor Road and Gretel Street, Greenfield Park	Manager Built Systems	99,023	★	Road improvements on Smithfield Road, between Edensor Road and Gretel Street, Greenfield Park have been completed. This work comprised of a four-lane-two-way carriageway line marking and new cycle way.
MPPIP1404	Park Improvement Program - Adams, Canley Vale	Manager Built Systems	79,565	🕒	Design has been certified and Council is ready to commence construction however this project is behind schedule due to contractors.
MPRR1419	Road Rehabilitation - House No. 87, Arundel Street, The Horsley Drive.	Manager City Assets	67,030	🕒	Sydney Water has not commenced their upgrading works.



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

THEME 3: ENVIRONMENTAL SUSTAINABILITY

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
MPSLP1512	Water Sensitive Urban Design Elements (WSUD)	Manager Catchment Planning	51,289	—	No project that was suitable for water sensitive urban design was identified. This project has been ceased and all funding returned to the Stormwater Levy Reserve.
IN15316	Stormwater drainage - Wetherill Park	Manager Catchment Planning	203,600	🕒	Construction of bank rehabilitation works is behind schedule. Council is waiting Sydney Water's approval for the designs prepared as part of MPESMP1404.
MPHPD1401	Horsley Park Drainage Improvement - A detailed investigation to be undertaken to prepare options to minimise stormwater runoff, mitigate flooding, protect roads and enhance road safety in the Horsley Park rural area. Improvement works if identified are to be undertaken in subsequent years.	Manager Catchment Planning	199,858	🕒	Consultant's report on the risk of flooding of roads across Horsley Park and Cecil Park has been received. Review of the report was delayed due to competing priorities.
MPESMP1501	Existing Stormwater Management Program - Minor stormwater works	Manager Catchment Planning	80,000	★	Minor stormwater works complete.
MPFMP1415	Flood Mitigation Program	Manager Catchment Planning	227,905	🕒	Original rectification works was damaged by a flood in August, which requires additional works for this project.
MPESMP1502	Existing Stormwater Management Program - Horsley Park Stormwater Drainage Works, Horsley Park and Cecil Park	Manager Catchment Planning	210,000	🕒	Project is awaiting completion of MPESMP1402 – Reduction in nuisance flooding - Horsley Park Village and Horsley Park.
MPESMP1503	Existing Stormwater Management Program - Prospect Creek Bank Rehabilitation Works 1 Bromley Street, Canley Vale	Manager Catchment Planning	250,000	🕒	Project is awaiting completion of MPESMP1404 – Stabilised creek bank with reduced risk of erosion and improve biodiversity and amenity.
MPFMP1414	Flood Mitigation Program - Wetherill Park Catchment Management Plan, Wetherill Park.	Manager Catchment Planning	114,387	🕒	Project is behind schedule due to competing priorities.



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

THEME 3: ENVIRONMENTAL SUSTAINABILITY

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
MPESMP1404	Existing Stormwater Management Program – investigation and design of bank stabilisation works on Orphan School Creek - Bromley Street, Canley Vale.	Manager Catchment Planning	49,103		This Project has been delayed as Council is waiting for a response from Sydney Water. Construction cannot proceed until this is resolved.
MPFMP1503	Flood Mitigation Program - 16C Knight Street, Lansvale.	Manager Catchment Planning	81,000		This project is behind schedule. Plans have been finalised but a development application has not been lodged.
MPFMP1506	Flood Mitigation Program Central Catchment	Manager Catchment Planning	5,000		This project is delayed due to resourcing constraints.
MPFMP1507	Flood Mitigation Program Cabravale Catchment	Manager Catchment Planning	10,000		This project is delayed due to resourcing constraints.
MPFMP1510	Flood Mitigation Program Fairfield Catchment	Manager Catchment Planning	40,000		This project has been delayed. Council is waiting for an announcement from NSW Government for grant funding. Consultant's brief is being prepared. Project will be reviewed if funding not received.
MPFMP1511	Flood Mitigation Program - Three Tributaries Flood Detention Basin at Powhatan Street Reserve and Fairfield Golf Course	Manager Catchment Planning	30,000		This project has been delayed. Council is waiting for an announcement from NSW Government for grant funding. Consultant's brief is being prepared. Project will be reviewed if funding not received.

THEME 4: LOCAL ECONOMY AND EMPLOYMENT

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
There are no initiatives or major programs 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.



Ceased
Project is recommended not to proceed

THEME 5: GOOD GOVERNANCE AND LEADERSHIP

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
MPLTFP1507	Long Term Financial Plan - Employee leave entitlements - Annual Leave Minimise employee leave entitlements to minimise the increasing costs through the introduction of annual leave plans for leave arrears of 6 weeks.	Manager Human Resources and Customer Service	-	★	Managers and employees are accountable for ensuring Annual Leave entitlements don't exceed 8 weeks in accordance with Council's Annual Leave Policy, which was amended and adopted during this quarter.
IN15303	City Calendar - A Fairfield City Calendar that will highlight community wide events and activities.	Communications and Marketing Manager	16,500	★	Project Completed.
MPPIC1520	Productivity Improvements and Cost Containment - Purchasing Modifying the operation of goods storage to move a "Just in Time" delivery approach for bulk of stock items.	Manager Procurement, Fleet and Stores	-	★	Removed all slow moving items for auction and implemented the Just in Time system/process for all inventory items to be delivery next day, which would reduce administration and staff costs, and improve Council's effectiveness.
MPLTFP1411	Major Project Long Term Financial Plan - Employee leave entitlements - Annual leave - Minimise employee leave entitlements to minimise the increase costs through the introduction of annual leave plans for leave arrears of 6 weeks.	Manager Human Resources and Customer Service	-	★	The Annual Leave Policy was approved on 19 November 2014.
MPPIC1529	Productivity Improvements and Cost Containment - Service Model Shared services approach for kiosk trade.	Manager Showground, Leisure Centres and Golf Course.	-	★	The Kiosk is manned by Customer Service Staff when required.
MPPIC1526	Productivity Improvements and Cost Containment - Water/Energy Efficiency Energy Efficient fixtures and sensors for water and lighting for Showground facilities	Manager Showground, Leisure Centres and Golf Course.	-	★	This project has been completed including, LED lights installed in one section of undercover awning area, low flush systems installed in bathrooms at Parklands Function Centre and sensor lights installed into main toilet facilities.



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

THEME 5: GOOD GOVERNANCE AND LEADERSHIP

No.	Name	Responsible Officer	2014/15 Budget	Status	Comments
MPPIC1525	Productivity Improvements and Cost Containment - Water Efficiency Low water landscaping for the Showground.	Manager Showground, Leisure Centres and Golf Course.	-	★	This project has been completed with all high maintenance and exotic plants been replaced with natives. The mechanical sweeper now being utilised to clean markets area rather than hose down.
MPPIC1527	Productivity Improvements and Cost Containment - Energy Efficiency Solar Panels and Lights for Showground.	Manager Showground, Leisure Centres and Golf Course.	-	★	This project has been completed with solar lights installed at main entrance gate and LED lights installed in Director's Room.
MPWMP1506	Workforce Management Plan - Council Corporate Enterprise Agreement Develop and negotiate a Corporate Enterprise Agreement. Consolidation of common entitlements, achieve parity of core conditions and control of terms and conditions of employment.	Manager Human Resources and Customer Service	-	🕒	This project has been delayed due to continuing negotiations with the relative parties, which is being assisted by the NSW Industrial Relations Commission.
MPPIC1528	Productivity Improvements and Cost Containment - Service Standard Tailoring cleaning cycle to customer satisfaction at Fairfield Leisure Centre.	Manager Showground, Leisure Centres and Golf Course.	-	🕒	This project is behind schedule due to cleaning contractors not meeting expected service standard. Working with contractor to improve service.
MPLTFP1506	Long Term Financial Plan - Employee leave entitlements - Long Service Leave Minimise employee leave entitlements to minimise the increasing costs with long service leave provisions to form part of the new Enterprise Agreement.	Manager Human Resources and Customer Service	-	🕒	This project is delayed as Council is attempting to conciliate an agreement with the assistance of the Industrial Relations Commission.



Achieved
Project is completed



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



Ceased
Project is recommended not to proceed

3. QUARTERLY BUDGET REVIEW STATEMENT

QUARTERLY BUDGET REVIEW STATEMENT - QUARTER ENDING DECEMBER 2014

Introduction

The Quarterly Budget Review Statement report provides Council's financial position for the quarter ending 31st December 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. Second Quarter 2014 – 15 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 December 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: 30 January 2015

Bradley Cutts
Chief Financial Officer
Responsible Accounting Officer

2. Income and Expenditure Budget Review

OVERALL POSITION

Council's operating result before capital items for the six months to 31 December, 2014 is a surplus of \$0.987m compared to budget surplus of \$1.117m. The key component that has contributed to the change in operating position is the unexpected large Section 94 Developer Contribution. (More detailed commentary is explained below).

REVENUE

The revenue from continuing operations (i.e. including Capital Grants and Contributions) is \$85.617m against budget of \$81.798m. The major variances are as follows:

User Fees and Charges

The User Fees and Charges income has an unfavourable variance of (\$0.459m) with actuals of \$9.081m against budget of \$9.540m. The unfavourable variance is mainly from Roads opening permit fees under the Regulatory & Statutory fees income category (\$0.417m). This is due to Sydney Water negotiating to take over the restoration responsibility from the Council. The other unfavourable variance (\$0.208m) in the Regulatory & Statutory category is made up of smaller variance in all other items which are due to budget seasonality.

In addition to this, further unfavourable variances are noted in child care income (\$0.230m), leisure centre (\$0.160m), showground market income (\$0.060m) and park rental (\$0.062m). The variance in showground market income is due to reduced market activities. The variance in leisure centre is emanating from learn to swim program. This variance is expected to improve as the new school season begins.

The other two sources of revenue are impacted by timing (seasonality) of expected revenue:

- Park rental income is reduced while maintenance and field renewal occurs between seasons (winter and summer sports) and
- Child care revenue is a timing issue with respect to receipts and seasonality

These two items are expected to meet their budget targets.

However, the above unfavourable variance is reduced by \$0.678m favourable variance noted in sundry income. This is the return of capital to members from Westpool for funds in excess of Westpool 150% capital adequacy ratio.

Other Revenue

Other Revenue has a favourable variance of \$0.249m with actuals of \$6.440m against budget of \$6.191m. Major favourable variances are noted from car park operations \$0.196m which is due to improved efficiency in operations at the car park (Nelson Street, Cabramatta multi-storey and Downey Lane) and increased volume of parking stays. A favourable variance of \$0.082m is noted in fuel rebate and \$0.195m in property rental income. These are considered a timing difference.

The above favourable variance is reduced by an unfavourable variance of (\$0.224m) in gain on disposal of asset. This has been rectified in January accounts.

Grant & Contribution Operation

Grant and Contribution Operation category has a favourable variance of \$1.679m with actuals of \$12.745m compared to a budget of \$11.066m.

The timing of the payments of the Financial Assistance grant has impacted with unfavourable variances of (\$0.165m). A further unfavourable variance of (\$0.088m) is noted in grant to be received from Roads and Maritime Services for bus routes. This is expected in June 2015.

However, the above unfavourable variance is reduced by a favourable variance of \$0.134m noted in community care grants received from Department of Aging, Disability & Home Care (DADHC), Department of Family and Community Services and Human Services. This is a budget/actual timing difference.

Further, the receipt of the pensioner rebate has generated a favourable variance of \$1.798m in December, while the budget is spread over twelve month period.

Grant & Contribution Capital

Grant & Contribution Capital category has a favourable variance of \$2.379m with actuals of \$5.836m compared to a budget of \$3.457m. The favourable variance is mainly from the receipt of large developer contributions totalling \$1.721m.

Grants from Transport for New South Wales for the upgrade of the Canley Vale link road for \$0.300m, Roads and Maritime Services for Horsley Drive cycleway \$0.056m and NSW Communities for Community Building Partnership program (CBPP) \$0.060m has contributed to a favourable variance due to the timing of the grant received.

There is a further favourable variance of \$0.242m from reimbursement of cost by Sydney Water. This is for the construction of stormwater drainage at Old Guildford to cater for the leakage of water mains from Prospect reservoir. This favourable variance is netted off against the expenditure on this project in Materials and Contract category.

EXPENSE

The total expenditure for the six months is \$78.794m compared to the budget of \$77.224m. The major variances are as follows:

Employee Costs

Employee Cost has an unfavourable variance of (\$1.637m) with actuals of \$37.887m compared to a budget of \$36.250m. Unfavourable variance in Employee Cost is due to the timing of the payment of salary for the fortnight pay falling on the public holiday the 1st of January 2015. As such, this fortnightly payroll cost has been processed in December 2014. This timing difference will be matched off against budget in January.

The Salaries and Wages budget includes a target saving \$3.691m for the 2014-15 financial year, of which \$1.838m has been realised for the first 6 months.

EMPLOYEE COST	YTD Actual 2014/15 \$000	YTD Budget 2014/15 \$000	YTD Variance 2014/15 \$000
Full Salaries & Wages Budget allocated		32,835	
Less: Additional Budget Savings assigned and achieved		(1,838)	
Salaries & Wages (Net of savings)	32,642	30,997	(1,645)
Overtime	1,114	1,081	(33)
Super	3,337	3,353	16
Workers Compensation	343	368	25
Other	263	243	(20)
Training Cost	188	208	20
Total Employee Cost	37,887	36,250	(1,636)

Leave Liability

Management continues its efforts to reduce outstanding leave throughout the organisation. Council's annual leave policy (i.e. maximum accrued annual leave of 8 weeks) remains a priority. The trend indicates a decrease in leave liability hours. It is anticipated that the usual trend of decreasing leave liability will continue as staff utilise their leave entitlements towards the holiday periods in January and February.

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.

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
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
Jun - 14	147,915	5,517,463
Sep - 14	151,864	5,865,823
Dec - 14	151,408	6,050,201

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
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
Jun - 14	298,726	11,549,259
Sep - 14	291,613	11,623,175
Dec - 14	287,941	11,417,516

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
Jun - 13	-	3,046,800
Jun - 14	-	2,002,497
Sep - 14	-	1,753,423
Dec - 14	-	1,497,981

Materials & Contract

The Materials and Contract expense has a favourable variance of \$0.609m with actuals of \$10.061m compared to budget of \$10.670m. The major unfavourable variance of (\$0.335m) is noted in stormwater maintenance and repair. This is considered a timing difference.

The above unfavourable variance is offset by favourable variances noted in fleet running expense \$0.184m, consultancies \$0.415m, legal expenses \$0.207m and operating lease \$0.138.

The favourable variance in fleet running expense is due to increase in Council vehicle lease back contribution and some expenditure timing difference. The favourable variance in consultancies is mainly due to timing of payment on the Canley Corridor floodplain risk management, Smithfield west flood study, Bonnyrigg town centre plan framework, Smithfield and Burns creek management program.

The favourable variance in legal expense is again a timing difference in payment for the industrial relation (enterprise agreement) and development management legal fees. There is a permanent difference made in saving in fines legal fees due to a new agreement with State Debt Recovery to engage police prosecutor's to represent FCC, which is at a cheaper commission base rate instead of fee base private legal firm.

The favourable variance in operating lease is primarily timing of lease implementation on desktop and server leasing.

Other Expenses

Other Expenses has a favourable variance of \$0.232m with actuals of \$15.011m compared to a budget of \$15.243m. Major favourable variance is noted in postage & courier charges \$0.090m, street lights \$0.085m, NSW Recycling Services \$0.091m and advertising \$0.088m. These are considered timing differences.

The favourable variances are reduced by unfavourable variance in insurance expense for (\$0.122m). The variance noted in insurance expense is due to a number of public liability claims finalised and claims excess paid to Westpool.

Income and Expenditure Statement and Graphs

The Councils Income and Expenditure statement as at end of first quarter 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 6 month period ended 31 December, 2014

Favourable Variance

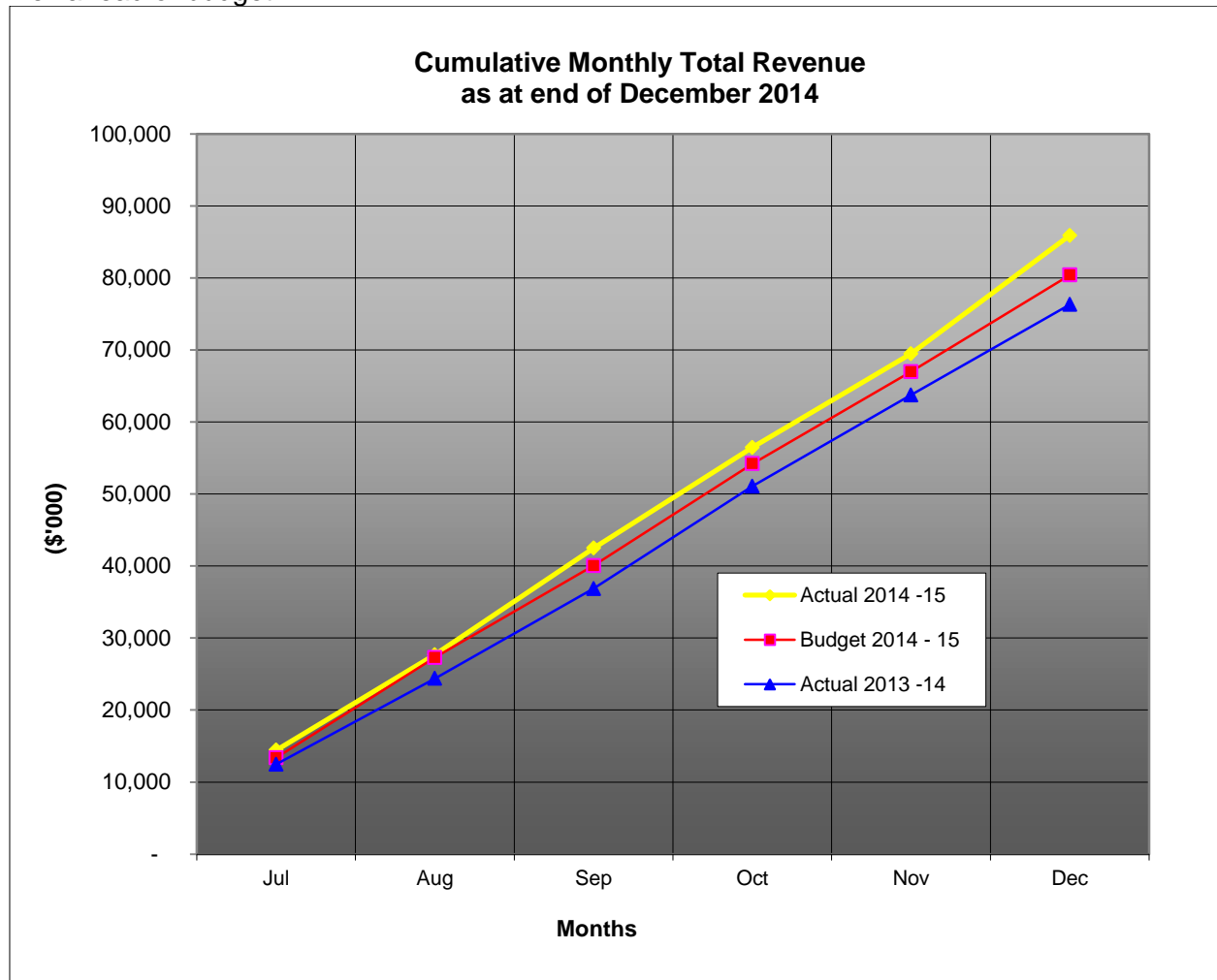
Unfavourable variance between 0 and 10%

Unfavourable variance greater than 10%

	Full Financial Year 2014-2015				6 month period ended - 31 December 2014			
	Original Budget 2014/15 \$000's	Approved Changes		Projected Year End Result 2014/15 \$000's	Actual \$000's	Budget \$000's	Variance \$000's	Variance (%)
		Sept. 2014 Review \$000's	Dec. 2014 Review \$000's					
Income from Continuing Operations								
Ordinary Rates	72,825			72,825	36,404	36,365	39	0.1
Domestic Waste	24,953			24,953	12,575	12,628	-53	-0.4
Drainage Stormwater Levy	1,600			1,600	748	793	-45	-5.7
User Charges and Fees	17,897			17,897	9,081	9,540	-459	-4.8
Interest & Investment Income	3,472			3,472	1,788	1,758	30	1.7
Other Revenue	13,251			13,251	6,440	6,191	249	4.0
Grant & Contribution - Operations	20,893	149	166	21,208	12,745	11,066	1,679	15.2
Grant & Contribution - Capital	10,490	-3	27	10,514	5,836	3,457	2,379	68.8
Total Income from continuing operations	165,381	146	193	165,720	85,617	81,798	3,819	4.7
Expenses from Continuing Operations								
Employee Costs	71,183	21	166	71,370	37,887	36,250	-1,637	-4.5
Debt Servicing Costs	103			103	32	33	1	3.0
Materials & Contracts	23,809	213	-228	23,794	10,061	10,670	609	5.7
Depreciation, Amortisation & Impairment	30,343			30,343	15,803	15,028	-775	-5.2
Other Expenses	31,433			31,433	15,011	15,243	232	1.5
Total Expenses from continuing operations	156,871	234	-62	157,043	78,794	77,224	-1,570	-2.0
Operating Surplus/(Deficit)	8,511	-88	255	8,678	6,823	4,574	2,249	
Less: Grant & Contribution - Capital	10,490	-3	27	10,514	5,836	3,457	2,379	
Net Operating Surplus/(Deficit) before capital income	-1,979	-85	228	-1,836	987	1,117	-130	

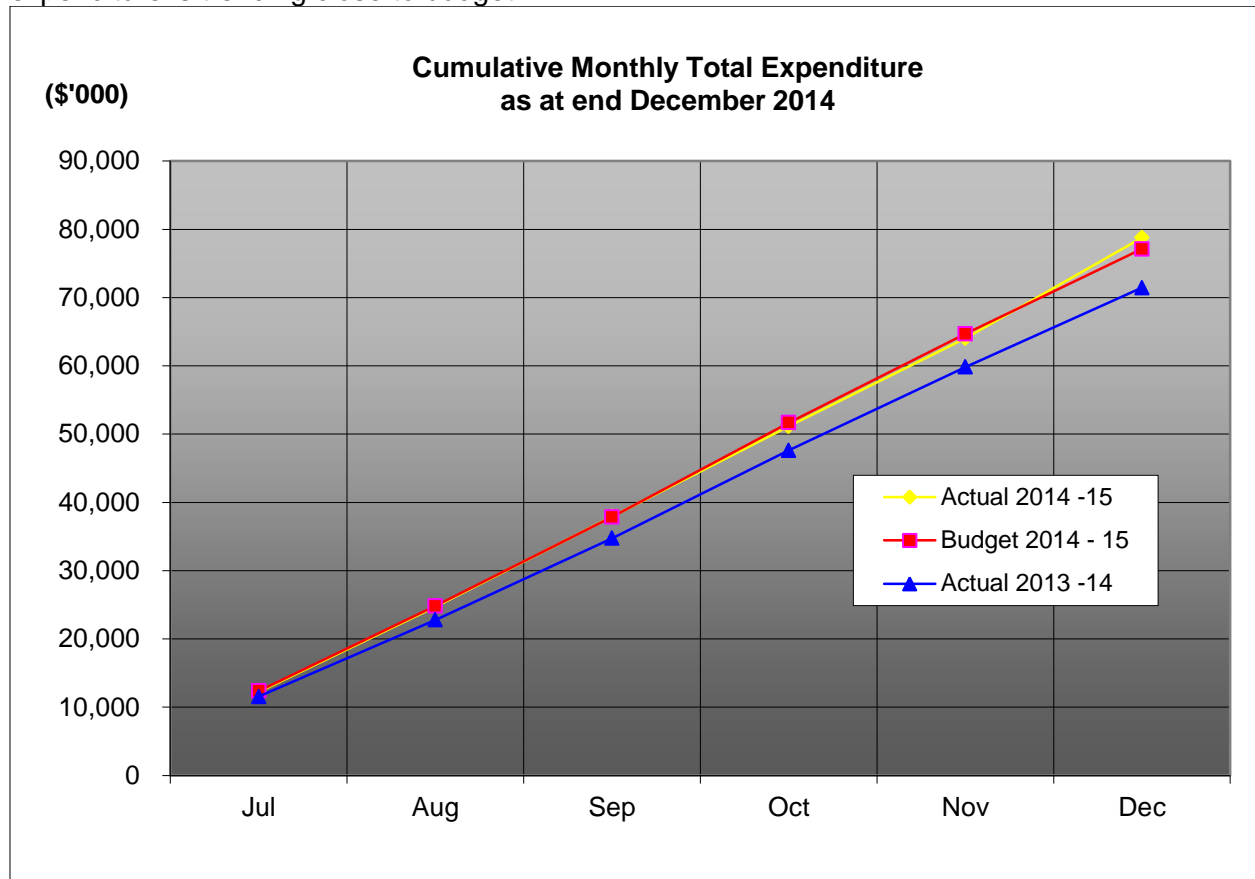
CUMULATIVE MONTHLY TOTAL REVENUE

The following graph projects monthly revenue on a cumulative basis. It graphs three separate sets of figures. The first is the actual revenue for the financial year 2013/14 (blue). The second is the cumulative budgeted revenue for the financial year 2014/15 (red), and the third is the actual year-to-date revenue to December 2014 (yellow). The trend indicates that the actual to December 2014 is well ahead of budget.



CUMULATIVE MONTHLY TOTAL EXPENDITURE

Similarly, the following graph projects monthly expenditure on a cumulative basis. It graphs three separate sets of figures. The first is the actual expense for the financial year 2013/14 (blue). The second is the cumulative budgeted expense for the financial year 2014/15 (red), and the third is the actual year-to-date expenditure to December 2014 (yellow). As can be seen, the current year expenditure is trending close to budget.



3. Capital Budget Review

CAPITAL BUDGET REVIEW STATEMENT

The following Capital Budget Review Statement shows

- I. Actual capital expenditure as at end of December 2014 of \$13.989m.
- II. Revised budget of \$73.872m inclusive of carry forward.

Budget review for the 6 month period ended 31 December, 2014							
	Full Financial Year 2014-2015				6 month period ended - 31 December 2014		
	Original Budget Year 2014/15 \$000's	Approved Changes		Revised Budget 2014/15 \$000's	Actual 2014/15 \$000's	Revised Budget 2014/15 \$000's	Variance 2014/15 \$000's
		Sept. 2014 Review \$000's	Dec. 2014 Review \$000's				
Capital Funding							
Rates and other untied funding	30,080	4,473	-2,617	31,936	5,609	31,936	-26,327
Capital Grants	8,752	496		9,248	2,956	9,248	-6,292
Capital Contributions - Other	1,737			1,737	2,880	1,737	1,143
Sale Proceeds	3,400			3,400	1,219	3,400	-2,181
Funded by borrowing	8,000			8,000		8,000	-8,000
Transfers to/from Grants	8,240		27	8,267	0	8,267	-8,267
Transfers to/from S94	7,582	1,360	-795	8,147	123	8,147	-8,024
Transfers - Town Centres	881	607	-240	1,248	61	1,248	-1,187
Transfers - Other Reserves	777	1,112		1,889	1,141	1,889	-748
Total Capital Funding	69,449	8,048	-3,625	73,872	13,989	73,872	-59,883
Capital Expenditure							
Asset Purchases	9,384	1,557		10,941	2,918	10,941	-8,023
WIP - Infrastructure Assets	55,974	6,491	-3,625	58,840	9,864	58,840	-48,976
Capitalised Employee Costs	3,750			3,750	1,055	3,750	-2,695
Capitalised Material Costs	0			0	0	0	0
Loans Principal Repayments	341			341	152	341	-189
Total Capital Expenditure	69,449	8,048	-3,625	73,872	13,989	73,872	-59,883

Note: The actual reflects the current position while the budget is the expected full year result.

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 as at end of the second quarter of 2014-15 financial year.

Budget Review as at 31 December, 2014					
Projected Balances as at 31 December, 2014					
	Original Budget \$000's	Approved Changes		Revised Budget \$000's	Actual 31-Dec 2014 \$000's
		Sept. 2014 Review \$000's	Dec. 2014 Review \$000's		
Unrestricted					
Unrestricted Cash and Investments	10,935	-4,659	328	6,604	5,098
Total Unrestricted	10,935	-4,659	328	6,604	5,098
Externally Restricted					
Grants	3,959	-412		3,547	6,618
Domestic Waste	15,445			15,445	17,045
Section 94	17,849	-1,439	795	17,205	28,803
Stormwater Levy	-20	24	51	55	2,022
Other Contributions	0			0	
Total Externally Restricted	37,233	-1,827	846	36,252	54,488
Internally Restricted					
Internally Restricted	24,627	-1,651	2,706	25,682	30,914
Total Internally Restricted	24,627	-1,651	2,706	25,682	30,914
Total Restricted	61,860	-3,478	3,552	61,934	85,402
Total Cash and Investments	72,795	-8,137	3,880	68,538	90,500
Available Cash and Investments	35,562	-6,310	3,034	32,286	36,012

Note: The actual reflects the current position while the budget is the expected full year result.

5. Second Quarter 2014 – 15 Budget Review

It is recommended that following Quarter two (2) amendments to the current 2014 -15 budget be adopted by Council:

OPERATIONAL – REVENUE

Project ID	Project Title	Revenue Inc/(Dec)	Funding Source	New, Ceased or Changed	Reason for revision
MPFMP1505	VHR at 52 Waterside Crescent, Carramar	0	General to VP Reserve	Changed	Change in source of funding only. The original project budget of \$81,000 had funding of \$27,000 drawn from general funds. This project can however be fully funded from Council's Voluntary Purchase Reserve.
MPFMP1503	VHR at 16C Knight Street, Lansvale	0	General to VP Reserve	Changed	Change in source of funding only. The original project budget of \$81,000 had funding of \$27,000 drawn from general funds. This project can however be fully funded from Council's Voluntary Purchase Reserve.
Service Statement	Long Day Care Professional Development	165,727	Grant	New	To receive grant for Long Day Care Professional Development Program
	TOTAL	165,727			

OPERATIONAL - EXPENSE

Project ID	Project Title	Expense Inc/(Dec)	Funding Source	New, Ceased or Changed	Reason for revision
MPFMP1504	VHR at 8 Riverside Street, Lansvale	(56,700)	VP Reserve	Changed	This is a duplicate of YN088 and can be removed. Note that funding for YN088 was requested to be withdrawn as part of a first quarter budget revision.
MPSLP1512	Water Sensitive Urban Design (WSUD) Elements	(51,289)	Stormwater Reserve	Ceased	Suitable civil projects for incorporation of WSUD elements have not been identified this financial year.
Service Statement	Long Day Care Professional Development	165,727	Grant	New	To expend grant for Long Day Care Professional Development Program.
IN15102	Canley Corridor Transport Management Plan	(120,000)	General	Ceased	This project has been ceased due to Council's decision in November's Outcome Committee Meeting.
	TOTAL	(62,262)			

CAPITAL WORKS - REVENUE

Project ID	Project Title	Revenue	Funding Source	New, Ceased or Changed	Reason for revision
		Inc/(Dec)			
New Project	Outdoor Fitness Equipment for LGA	1,600	Grant	New	To receive grant for outdoor fitness equipment
New Project	Outdoor Exercise and Gym Equipment - Adams Park	25,000	Grant	New	To receive grant for outdoor exercise equipment
	TOTAL	26,600			

CAPITAL WORKS - EXPENSE

Project ID	Project Title	Expense	Funding Source	New, Ceased or Changed	Reason for revision
		Inc/(Dec)			
New Project	Dutton Lane Guidance System	55,000	General	New	The sensor hardware will indicate the number of car parking spots available in both the existing multi-storey car par and the new shopping centre car park once constructed.
New Project	Outdoor Fitness Equipment for LGA	1,600	Grant	New	To expend grant received for outdoor fitness equipment.
New Project	Outdoor Exercise and Gym Equipment - Adams Park	25,000	Grant	New	To expend grant received for outdoor exercise equipment.
IN285	Timeline Wall	10,000	Future Capital Works Reserve	New	Bringing forward part of the \$80k for this project in order to get the design for the wall underway.
INSRV1502	Fairfield Library Expansion	(3,200,000)	Special Rate Variation and S94	Ceased	Council adopted a new site for the library in Fairfield City Centre at the December Outcomes Committee meeting. This project is ceased and a new project for refurbishment of the new location will be initiated when the existing tenant ceases their current operations.
IN14131	Fairfield Library Expansion – Design and Approval	(76,600)	S94	Ceased	Council adopted a new site for the library in Fairfield City Centre at the December Outcomes Committee meeting. This project is ceased and a new project for refurbishment of the new location will be initiated when the existing tenant ceases their current operations.

Project ID	Project Title	Expense	Funding Source	New, Ceased or Changed	Reason for revision
		Inc/(Dec)			
IN1586	Fairfield City Centre Upgrade – Smart Street	(250,000)	Town Centre Fund	Ceased	This project has been deferred to the 2015-2016 Operational Plan.
MPBP1503	Blackspot Program – Wallgrove Road and Redmayne Road, Horsley Park	(100,000)	General	Ceased	Roads and Maritime Services has advised Council that it would not support the implementation of this project on Wallgrove Road.
MPLTM1505	Local Area and Traffic Management Program Vidal Street, Wetherill Park	(30,000)	General	Ceased	This project has been ceased as determined at the Traffic Committee Meeting in October 2014.
MPLTM1506	Local Area and Traffic Management Program Stockdale Crescent, Abbotsbury	(60,000)	General	Ceased	This project has been ceased as determined at the Traffic Committee Meeting in October 2014.
	TOTAL	(3,625,000)			

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 2014/15				
	Result	2014/15	6 Months	1.47%	Comment: 6 months actual is an operating surplus of \$0.987m. Includes timing difference. Full year target of 3% looks achievable.	
		2013/14	Full Year	-4.94%		
		2012/13	Full Year	1.31%		
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	2014/15	6 Months	1.61%	Comment: Indebtedness stable at a low level.	
		2013/14	Full Year	1.53%		
		2012/13	Full Year	1.31%		
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	2014/15	6 Months	100%	Comment: Council is a net lender.	
		2013/14	Full Year	100%		
		2012/13	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	2014/15	6 Months	0.09%	The net borrowing is marginal in comparison to the Capital (Net Worth) of the Council.	
		2013/14	Full Year	0.08%		
		2012/13	Full Year	0.18%		
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	2014/15	6 Months	0.42:1	Comment: This result indicates that the overall renewals are below 50% of target of 1.0. The ratio is expected to improve as the year progresses and capital works get completed.	
		2013/14	Full Year	0.65:1		
		2012/13	Full Year	0.79:1		

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	2014/15	6 Months	1.96:1	Comment: 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.					
	2013/14	Full Year	2.22:1						
	2012/13	Full Year	2.31:1						
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			Group 3	Fairfield City Council					
	Category of Ordinary Revenue		Councils	31st December 2014		30th June 2014		30th June 2013	
			2010/11	\$'000's	%	\$'000's	%	\$'000's	%
	Rates and Annual Charges		57%	49,727	58%	95,092	62%	90,994	60%
	User Charges and Fees		11%	9,081	10%	15,808	11%	16,845	11%
	Interest		4%	1,788	2%	3,734	2%	3,927	3%
	Grants		11%	14,275	17%	15,267	10%	21,812	14%
	Contributions		11%	4,306	5%	7,791	5%	6,183	4%
	Other Revenue		6%	6,440	8%	14,872	10%	12,149	8%
	Total		100%	85,617	100%	152,564	100%	151,910	100%
Comment: 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			Group 3	Fairfield City Council					
	Category of Expenses from Continuing Operations		Councils	31st December 2014		30th June 2013		30th June 2012	
			2010/11	\$'000's	%	\$'000's	%	\$'000's	%
	Employee Costs		43%	37,887	49%	64,275	43%	63,573	44%
	Materials and Contracts		23%	10,061	13%	24,830	17%	23,696	17%
	Borrowing Costs		1%	32	0%	121	0%	226	0%
	Depreciation		17%	15,803	19%	29,195	19%	25,432	18%
	Impairment		0%		0%		0%		0%
	Other Expenses		16%	15,011	19%	31,123	21%	30,510	21%
	Total		100%	78,794	100%	149,544	100%	143,437	100%
Comment: This indicator tracks the trend in Council's major expenditure categories. The expenditure distribution is expected to trend towards the past years experience. A timing difference in employee cost due to the fortnightly pay falling on new years holiday has occurred. Hence, this has affected the percentage cost distribution. This will get adjusted in the next quarter report.									

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	2014/15	6 Months	0.56:1	Comment: This result indicates that the annualised average asset maintenance is below the benchmark. The required maintenance value has significantly increased in the 2014-15 financial year. This indicator will improve as the year progresses and maintenance work get completed.	
		2013/14	Full Year	0.93:1		
		2012/13	Full Year	0.9:1		
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	2014/15	6 Months	4.52%	Comment: This ratio is within the benchmark. Increased use of Legal Force (Council's Recovery Agent) has achieved the ratio being within the benchmark.	
		2013/14	Full Year	3.27%		
		2012/13	Full Year	3.74%		
	Results below are adjusted for ratepayers who have arrangements, including pensioners					
	Result	2014/15	6 Months	3.29%	Comment: As above	
		2013/14	Full Year	1.91%		
		2012/13	Full Year	2.36%		
Indicator C Other Debtors Outstanding Ratio						
	Principle	Compares the outstanding Other Debtors against total invoices raised.				
	Target	less than 10%				
	Result	2014/15	6 Months	9.71%	Comment: Other Debtors Ratio is 9.71%. This ratio is within the benchmark and will continue to be a focus.	
		2013/14	Full Year	12.59%		
		2012/13	Full Year	13.53%		

7. Contracts and Other Expenses Budget Review

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 - 31/12/2014				
Contracts				
Contractor	Contract detail & purpose	Contract value	Commencement date	Budgeted (Y/N)
Nil				

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 - 31 December, 2014			
Consultancy and Legal Expenses			
Expense		Expenditure YTD \$	Budgeted (Y/N)
Consultancies		412,027	Y
Legal Fees		436,590	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 December 2014 was 3.49% against an average benchmark of 2.76%. 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.

While the December interest return is above average benchmark, the future return is expected to follow the pattern of declining average return. The interest rate is currently low in the tightening market that may be subject to new prudential control.

The actual earning on investment for the month of December was \$0.345m. This was \$0.052m above budget for the month (based on an average investment portfolio of \$85m).

Year to date actual earnings at end of December 2014 is \$1.668m against budgeted earnings of \$1.623m, above budget by \$0.045m. During the month of December 2014, five term deposits matured, totalling \$14m with \$14m being reinvested in five term deposits.

Fairfield City Council									
Investment Report Summary									
Dec-14									
Borrower	Rating	Value as at 30-Nov-14	Value as at 31-Dec-14	% of Portfolio	Purchase Price	Purchase Date	Maturity Date	Current Month (annualised) Return	Financial YTD (annualised) Return
Direct Investments									
Investments at Face Value - Original Maturity Term Less than 1 year									
NAB TD	A-1+	\$2,000,000		0.00%	\$2,000,000	3-Sep-14	4-Dec-14	3.50%	3.50%
NAB TD	A-1+	\$4,000,000		0.00%	\$4,000,000	12-Dec-13	11-Dec-14	3.75%	3.75%
NAB TD	A-1+	\$3,000,000		0.00%	\$3,000,000	17-Sep-14	17-Dec-14	3.45%	3.45%
Bankwest	A-1+	\$2,000,000		0.00%	\$2,000,000	1-Oct-14	4-Dec-14	3.50%	3.50%
NAB TD	A-1+	\$3,000,000	\$3,000,000	3.31%	\$3,000,000	15-Oct-14	14-Jan-15	3.45%	3.45%
NAB TD	A-1+	\$2,078,400	\$2,078,400	2.30%	\$2,078,400	7-Aug-14	12-Feb-15	3.60%	3.60%
NAB TD	A-1+	\$4,000,000	\$4,000,000	4.42%	\$4,000,000	20-Nov-14	19-Feb-15	3.45%	3.45%
Bankwest	A-1+	\$4,000,000	\$4,000,000	4.42%	\$4,000,000	3-Sep-14	5-Mar-15	3.35%	3.35%
NAB TD	A-1+	\$4,000,000	\$4,000,000	4.42%	\$4,000,000	3-Sep-14	2-Jun-15	3.61%	3.61%
NAB TD	A-1+	\$5,000,000	\$5,000,000	5.52%	\$5,000,000	3-Sep-14	1-Sep-15	3.65%	3.65%
Bankwest	A-1+		\$2,000,000	2.21%	\$2,000,000	4-Dec-14	12-Mar-15	3.50%	3.50%
Bankwest	A-1+		\$4,000,000	4.42%	\$4,000,000	11-Dec-14	12-Mar-15	3.50%	3.50%
Bankwest	A-1+		\$3,000,000	3.31%	\$3,000,000	17-Dec-14	19-Mar-15	3.50%	3.50%
NAB TD	A-1+		\$2,000,000	2.21%	\$2,000,000	4-Dec-14	7-Apr-15	3.45%	3.45%
Total - Investments at Face Value - Original Maturity Term Less than 1 yr		\$33,078,400	\$33,078,400	36.54%					
Investments at Face Value - Original Maturity Term Greater than 1 year									
Rabobank Aus Snr Debt	A+	\$3,000,000		0.00%	\$3,000,000	27-Jul-11	09-Jan-15	3.89%	3.83%
Westpac TD	A-1+	\$5,000,000	\$5,000,000	5.52%	\$5,000,000	6-Dec-11	5-Jan-15	5.70%	5.70%
ANZ Snr Debt	A-1+	\$2,000,000	\$2,000,000	2.21%	\$2,000,000	26-Oct-11	26-Oct-15	4.09%	4.04%
NAB Snr Debt	A-1+	\$2,000,000	\$2,000,000	2.21%	\$2,000,000	5-Nov-10	05-Nov-15	3.94%	3.88%
Westpac Snr Debt	A-1+	\$2,000,000	\$2,000,000	2.21%	\$2,000,000	7-Feb-11	07-Nov-15	3.87%	3.78%
Westpac Snr Debt	AA-	\$1,000,000	\$1,000,000	1.10%	\$1,000,000	30-Jan-12	09-May-16	3.90%	3.81%
CBA Snr Debt	AA-	\$5,000,000	\$5,000,000	5.52%	\$5,000,000	12-Sep-11	02-Aug-16	3.90%	3.85%
Investments at Face Value - Original Maturity Term Greater than 1 year (continued from previous page)									
NAB Snr Debt	AA-	\$4,290,000	\$4,290,000	4.74%	\$4,290,000	26-Mar-12	21-Jun-16	3.87%	3.86%
NAB TD	A-1+	\$3,000,000	\$3,000,000	3.31%	\$3,000,000	5-Mar-13	05-Mar-15	4.46%	4.46%
WBC TD	A-1+	\$2,000,000	\$2,000,000	2.21%	\$2,000,000	15-May-13	15-May-15	4.35%	4.35%
WBC TD	A-1+	\$2,000,000	\$2,000,000	2.21%	\$2,000,000	11-Jun-13	11-Jun-15	4.20%	4.20%
ANZ Snr Debt	AA-	\$4,000,000	\$4,000,000	4.42%	\$4,000,000	6-Nov-13	06-Nov-18	3.63%	3.56%
ANZ Snr Debt	AA-	\$1,000,000	\$1,000,000	1.10%	\$1,000,000	25-Jul-14	25-Jul-19	3.56%	3.51%
ANZ Snr Debt	AA-	\$2,000,000	\$2,000,000	2.21%	\$2,000,000	11-Nov-14	11-Nov-19	3.62%	3.62%
NAB TD	A-1+		\$3,000,000	3.31%	\$3,000,000	9-Dec-14	09-Dec-15	3.55%	3.55%
Total - Investments at Face Value - Original Maturity Term Greater than 1 yr		\$38,290,000	\$38,290,000	42.30%					
Investments at Current Value									
Emerald Reverse 2007-1 Class C	A	\$247,311	\$249,020	0.28%	\$500,695	21-Jul-11	21-Jul-27	3.67%	3.62%
CBA Zero Coupon Bond	AA-	\$3,516,866	\$3,553,814	3.93%	\$2,000,000	21-Jan-08	22-Jan-18		
Commonwealth Bank of Australia	A-1+	\$13,418,066	\$15,356,468	16.96%				2.50%	2.50%
Total - Investments at Current Value		\$17,182,243	\$19,159,302	21.16%					
TOTAL - Direct Investments		\$88,550,643	\$90,527,702	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 December 2014
AAA Category	A-1+	100%	76.70%
AA Category	A-1	100%	23.02%
Less than AA Category		0%	0.28%

2. Maximum Percentage with one Financial Institution.

POLICY			ACTUAL
Long Term Credit Ratings	Short Term Credit Ratings	Direct Securities Maximum	31 December 2014
AAA Category	A-1+	45%	31.02%
AA Category	A-1	35%	9.45%
Less than AA Category		0%	0.28%

3. Term to maturity.

POLICY		ACTUAL
Overall Portfolio Term to Maturity Limits	Maximum	31 December 2014
Portfolio % < 1 year	100%	76.70%
Portfolio % > 1 year < 3 years	60%	11.37%
Portfolio % > 3 years < 5 years	30%	11.66%
Portfolio % > 5 years	0%	0.28%

2014/2015 Cumulative Earnings on Investment

