



Wyong Shire Council

ORDINARY COUNCIL MEETING

ENCLOSURES

Wednesday, 22 May, 2013



WYONG SHIRE COUNCIL
ENCLOSURES TO THE
ORDINARY COUNCIL MEETING
TO BE HELD IN THE COUNCIL CHAMBER,
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON WEDNESDAY, 22 MAY 2013 ,
COMMENCING AT 5:00 PM

INDEX

GENERAL REPORTS

4.1 2012-16 Strategic Plan - March Quarter Review (Q3)

Attachment 1: Business Report Q3 - March 2013 (distributed under
separate cover)3



Business Reporting 2012-13

Q3

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1. Overview

This document reports on Council's performance as measured against Wyong Shire Council's Strategic Plan for 2012-2016 and covers the period for the nine months ended 31 March 2013 (Q3).

The 2012-13 financial year is focussed on Council's continued journey to achieving long term financial sustainability. Council's original target for 2012-13 was an operating shortfall of (\$10m). This has been revised through this Q3 review to an operating shortfall of (\$7.4m). To achieve this result Council will continue to implement tight management controls around expenditure and rigorous business planning to ensure a sound financial result whilst still delivering acceptable levels of service to our community.

Operating Result

The operating result, excluding capital income, Year to Date (YTD) shows a favourable variance of \$8.5m, consisting of an actual surplus of \$37.9m compared to a budgeted surplus of \$29.4m. This result includes Rates and Annual Charges income of \$135.6m which represents the full year income. The normalised Q3 actual result (excluding quarter four rating revenue) is a \$4.0m surplus against a normalised budget deficit of (\$4.5m).

The Q3 YTD result demonstrates that Council is committed and actively engaged in improving the targeted operating result, despite significant budget challenges, and currently forecasts a year end operating deficit of (\$7.4m). This report identifies risks impacting on the ability to achieve the targeted result however current projections indicate that Council will be in a satisfactory financial position at 30 June 2013 with regard to estimated operating income and expenditures.

Capital Works

Actual capital expenditure YTD is \$36.6m against the YTD budget of \$54.5m, and represents 47% of the full year capital budget.

The 2012-13 capital works program is currently projected to be underspent by a further \$4.5m as a

result of delays in planned work schedules and savings in completed projects.

Most works that have been delayed or deferred have been included in the proposed 2013-14 capital works program.

Budget adjustments to the capital works program are included as part of this Q3 review.

Financial Snapshot

Financial Performance 2012-13 Year to Date			
	Actual YTD \$'000	Budget YTD \$'000	Budget Full Year \$'000
Income (excluding capital)	203,639	205,264	230,987
Expenses	165,726	175,868	240,986
Net Operating Result	37,913	29,396	(9,999)

Note: Budget above represents Q2 adopted budget figures

Financial Position as at 31 March 2013		
	Actual YTD \$'000	Budget Full Year \$'000
Assets	2,518,980	2,194,923
Liabilities	316,788	318,255
Position	2,202,193	1,876,668

Council's equity as at 31 March 2013 is \$2.2b.

The improved balance sheet position above budget predominantly relates to Infrastructure, Property, Plant and Equipment due to the financial impact of the revaluation of Water and Sewerage assets in June 2012 that was greater than original budget estimates.

2. Highlights

New Planning Controls for Wyong Shire

From 9 January 2013 to 20 February 2013 the draft Wyong Local Environmental Plan (LEP) 2012, draft Settlement Strategy and draft Wyong Development Control Plan (DCP) 2012 were on public exhibition.

These planning documents are very important as they outline future land use, and detail what can and cannot be done with a property in Wyong Shire.

This is the biggest review of the Wyong LEP in over 20 years as a result of planning reforms to try and simplify the system. The LEP has been based on a Standard Instrument (like a template), developed by the State Government.

So what is the purpose of these documents?

- The draft Wyong LEP 2012 is the principal planning document that outlines land use and zoning to regulate what development can occur throughout Wyong Shire.
- The draft Settlement Strategy examines how we can manage population growth, increase local employment opportunities, and improve needed utilities and infrastructure over the next 20 years.
- The draft Wyong DCP 2012 explains specific development requirements to ensure the conditions of the LEP are met, as well as providing guidelines for development.

Library Services Disco

Shelves were shaking at the Tuggerah Library disco in January. Energetic youngsters that attended thought it was great fun. They enjoyed the variety of music and their favourite parody was of course the very popular Gangnam Style.

The disco was a great way to draw young people into the world of music and dance, and show that our libraries really are a great place of discovery and lots of fun as well.

Toukley Golf Course on par with the region's sustainable businesses

Council has completed the installation of a water harvesting system at Toukley Golf Club as one of the final initiatives to be rolled out under the Central Coast Water Savings Fund.

Construction of the stormwater harvesting system was a result of a grant of \$98,000 from the Fund, and will save the Club an estimated 6 million litres per year of water and ensure the course is in peak condition all year round.

The system will allow stormwater to be harvested and stored in underground tanks, which can then be used to irrigate the golf course. The system includes a pump station to harvest stormwater from the nearby catchment, a 5,000 litre under ground storage tank and a pump station to supply water to two 120,000 litre storage tanks connected to irrigation sprinklers.

The project is a great example of the innovative water conservation and recycling technologies that have been funded across the Central Coast region. The Central Coast Water Saving Fund has provided \$9.5 million for over 80 local projects and saved more than 1 billion litres of water.

This project demonstrates how the region's businesses have been leaders in water saving initiatives and as a result of their forward thinking have created sustainable businesses that have reduced water use and their impact on the local environment.

The Central Coast Water Savings Fund, through the NSW Office of Environment and Heritage, was established in partnership with the Gosford/Wyong Councils' Water Authority in 2006 to encourage investment in water savings on the Central Coast. The projects include recycling and stormwater harvesting projects for industry, businesses and sporting clubs, and efficiency programs for schools and households.

Major South Tacoma road works on budget and ahead of schedule

In January, Council completed 3.5 kilometres of road pavement renewal works at South Tacoma Road at a total cost of \$630,000.

The works were completed following a Council resolution late last year in which an additional \$2 million was allocated to complete seven priority road pavement renewal projects.

The scope of the works included full pavement reconstruction, a bitumen primer seal, and roadside drainage improvements. The pavement works were completed ahead of schedule and at a cost well below civil construction industry benchmark unit rates for road pavement renewal works. Cost savings were achieved through good planning, the chosen construction methodology, and the reuse of the existing pavement materials meaning no pavement waste and reductions in the quantity of new materials required to be purchased for the project.

The additional \$2 million in funding was over and above the \$5.2 million already allocated to other priority road pavement renewal projects as part of Councils 2012-13 Strategic Plan.

Off the Leash Dog Park at Tuggerah Oval

Off the Leash Dog Park fencing at Tuggerah Oval was completed in January. The fencing encloses two full soccer fields with a central access compound. The two enclosures enable dog training classes to be held in one compound whilst public use is available in the other.

The Dog Park was opened to address a long term request for a fenced area dedicated for off the leash dog exercise.

Xup festival successful



A three day BMX event held at Warnervale in February was successful - despite the extreme weather.

More than 1,800 people attended the Xup festival which saw Australia's Freeride Mountain Bike (MTB) and Freestyle BMX event visit Wyong Shire. The Official World Tour Stop had workshops, a competition course, music and more.

Organisers are already planning on expanding next year's festival with a kid's and women's competition - and good weather.

Council has an agreement with the festival organisers and they will lease Council's land at Warnervale to host another four events over four years - a great boost for our local economy and tourism.

'Hidden Treasure' is our leading citizen

A woman who has been recognised as a "Hidden Treasure" by the NSW Government, is Wyong Shire's Citizen of the Year.

Volunteer, Marlene Pennings, of The Entrance North, shown above with the Mayor, received her honour at Council's Australia Day Award presentation.

Over the past 12 years, Marlene has been responsible for obtaining almost \$1 million in grants to help the community. Her work has included a driving role with Coastcare – The Entrance North; The Tuggerah Lakes Estuary, Coastline and Flood Plain Management Committee; The Entrance Community Precinct Committee; The Entrance North Progress Association and Wycare.

She has also volunteered her time for many other community causes including the Wyong Shire Community Nursery; Tuggerah Lake Reserve Trust; Wycare-CEN Liaison Committee; Landcare; the steering committee for Empowering Aboriginal Women and Wyong Shire Council's Vision Committee.

In 2012, Marlene was included on the Hidden Treasures Honour Roll, organised by the NSW Department of Primary Industries to highlight the work of outstanding volunteers in regional and rural areas.

Wyong Shire Council's Australia Day award for a business person went to Don Dagger, who was instrumental in establishing the Tuggerah Lakes Tourist Association. A charter member of both The

Entrance Rotary and Lions clubs, Don also has 20 years of service as Treasurer of The Entrance Chamber of Commerce and 35 years as Treasurer of the Tuggerah Lakes Mardi Gras Festival – for which he was awarded life membership. He owns and operates Blue Bay Tourist Park.

Community volunteer winner, Allen Currie, has 30 years of service to the Scout Association, to the level of Regional Commissioner and Regional Chairman, as well as extensive service for Ronald McDonald House.

Youth of the Year, Rachel Davis, recently raised \$16,000 for the Cancer Council by running 100 kilometres on a treadmill at the Westfield Tuggerah shopping centre. She is also an award-winning member of the Lions Club of Wyong and an assistant director at Lions youth leadership camps.

Other winners included 'Brackets and Jam' event stalwart, Julie Smith, in the Arts and Culture Award; Martial artist, John Gill, in the Sportsperson of the Year category; Tim Silverwood from 'Take 3 – A Clean Beach Initiative' who won the Environment Award; and both the Central Coast Outreach Service and TNC Lakes Food Care, which shared the honours for outstanding Community service organisation.

Council congratulates scholarship winners



Council recently awarded scholarships to help four local students gain quality work experience and financial support as they embark on their University studies.

The program encourages young people to seek a career in Local Government by offering paid work experience at Council.

The four students and their chosen degrees are:

- Jessica Styan, from Lake Munmorah – Bachelor of Environmental Science.
- Andrew Glasscock, from Bateau Bay – Bachelor of Economics.
- Hugh Tiley, from Palm Grove – Bachelor of Business.
- Blake Single from Berkeley Vale – Bachelor of Business.

Each student will receive \$2,500 paid in two instalments, and a guaranteed 140 hour work placement at Council.

The successful applicants received the first instalment of \$1,250 in a ceremony held at Council's Civic Centre in February. They will receive the second instalment at the end of their first year of study. Blake was unable to attend the ceremony as he was overseas.

Applicants had to write a 500 word essay on what they hope to achieve by undertaking studies at University, and how their particular field of study and career choice can assist the community.

The 2012 recipients - Shannyn Andrews, Glen Moret and Taylor Marks - officially graduated from the Scholarship Program at the ceremony. The graduates spoke glowingly of their time at Council and were particularly impressed by the scope of activities they experienced that simply would not have been possible without these scholarships.

Council continues to support local surf clubs



In February Wyong Shire's six surf clubs were presented with a cheque from Council to assist in their operations over the next 12 months.

Each of our six surf clubs: Lakes, Soldiers, The Entrance North, The Entrance, Toowoona Bay and Shelly Beach received \$8,800, a total contribution of \$52,800.

The contribution from Council is allocated towards helping clubs with their ongoing expenses.

Surf Life Saving Central Coast also received a \$13,200 allocation from Council to ensure they can continue to expand their services to benefit residents and tourists alike.

Congratulations Central Coast – we hit 50%!



The Central Coast water supply reached a significant milestone in February, with storage levels tipping the 50 per cent mark, a level not seen in the region for more than 16 years.

Central Coast residents and businesses can be confident that the region's water supply is in a much stronger position for the future.

This is thanks in part to the community's commitment to water conservation and to the completion of significant infrastructure projects such as the Mardi-Mangrove Link and the Hunter Connection.

Six years ago storage levels hit an all time low of 12.8 per cent and now, after all the work of the Councils and the community, not to mention some much needed rain, we reached the 50 per cent mark for the first time since December 1996.

Vera's Water Garden at The Entrance turned pink as the community celebrated the Central Coast's water storage levels reaching 50 per cent. The milestone was celebrated with cake, face painting, arts and craft and pink water - the Cancer Council also raised more than \$200 on the day.

Councillors impressed with Shire wide commitment to road improvements

In February, Council received a report on the status of its road capital rolling works program, which showed more than \$4.8 million worth of works scheduled for the month of March alone.

The 2012-13 Strategic Plan commits Council to a road pavement renewal, upgrade and resealing rolling works program.

The object of this program is to improve the overall pavement condition of the Shire's roads and the level of service to our ratepayers.

Council's target for the 2012-13 financial year is to reseal 45 kilometres of road pavement and upgrade or renew 13 kilometres.

The most significant projects were:

- \$520,000 for Hillcrest Avenue, Tacoma.
- \$370,000 for Cresthaven Avenue, Bateau Bay.
- \$340,000 for Kullaroo Road, Summerland Point.
- A combined total of \$275,000 in Gorokan for work on Wall Road, Westbrook Parade, Kalulah Avenue, Danbury Avenue, Maxwell Avenue, Spring Valley Avenue and Paul Place.
- A combined \$110,000 at Wyong for Boyce Avenue, Cohen Street, Manor Close, McDonagh Road and Woodward Avenue.
- A combined \$90,000 at Mannering Park for work on Macquarie Road, Rutley's Road and Spencer Road.

Council builds a new trap to catch litter before it enters our lakes



In March, Council upgraded a Gross Pollutant Trap (GPT) at Long Jetty to help reduce the amount of pollution that travels into Tuggerah Lakes.

The \$254,000 project used angled screens in the concrete channel to direct litter, leaves and coarse sediment into a dry storage bay, meaning the waste has a reduced smell.

The new device will collect material from a catchment area of 119 hectares - including the rear of Bateau Bay Square shopping centre - and will be trapped before it can enter areas of the channel. Staff will no longer have to spend time manually removing materials.

The previous GPT was difficult to clean, with Council needing to hire an excavator and boat to remove the wet material, much of which decomposes to form a black ooze in the wet sump.

The new GPT will be cleaned using Council equipment and as the waste is dry, it will be easier and quicker for staff to remove, and less expensive to dispose of.

It is expected to collect more material than the previous GPT (approximately 240 tonnes of material per year) reducing the amount of pollution entering the lake.

Council built a smaller version of this style GPT at Gorokan last year and it has already had a big impact.

Turning methane into power

In late 2012 the electricity generation capacity of the Buttonderry Waste Management Facility methane extraction program was doubled when a second 1 megawatt generator was installed by Council contractors.

The generator is a win-win-win, providing benefits for the environment, the community and Council.

Powered by methane gas extracted from landfill, the generator prevents this powerful greenhouse gas from leaking into the atmosphere and also helps Council manage its liability under the Carbon Pricing Legislation.

The methane extraction program is an environmentally progressive way of powering the Shire, with each generator creating enough energy to power around 2,000 households.

Construction of Shore Park Playground

As part of the Playground Management Program, the old playground at Shore Park, Long Jetty was removed due to its age and poor condition. It has been replaced with a new playground and seating.

The playground has been relocated to a more central position within the park. It includes a new robust climbing unit which caters for ages 6-16, a new swing and rubber soft fall surfacing.

The new local playground will provide children with a safe and enjoyable area to play.

Positive Ageing Strategy

Council has received notification that it was successful in its submission to undertake a Regional Positive Ageing Strategy in partnership with Gosford City Council. The \$42,000 funding will allow for a regional approach to research and engagement activities and allow each Local Government to obtain its own local action plan. It is anticipated that the Strategy will be completed by April 2014.

Combating Graffiti

Council has expanded its community partnerships to effectively mobilise and resource localised attempts to combat graffiti.

Council supplies graffiti buckets to local residents keen to tackle graffiti in their neighbourhood. Council has now developed mechanisms to provide the buckets in a more coordinated approach, linking directly with key stakeholders including sports groups, tidy towns and community organisations committed to graffiti removal. Select groups will now have their own small stock of buckets on hand to distribute to residents, while maintaining all existing approved Council monitoring mechanisms.

In addition, Council continued to directly support community organisations dedicated to graffiti removal such as the Northern Regional Business Chamber who manage the Graffiti Beater trailer which is available across the Shire as and when required.

Graffiti Mural Project

With funding from the Attorney General's Department, Council in conjunction with the community, completed two mural projects during March in an attempt to combat graffiti. In partnership with Burnside a number of mural boards will be erected at Colongra Bay Hall depicting key elements of the local community and surrounds. The second mural has been undertaken at Wadalba Sporting Complex in partnership with the local school and art teachers. These boards depict activities at the site and have been designed and painted by locals.

This method is a proven strategy for combating graffiti by increasing community ownership and pride in a location. Funding was also received for upgrades of perimeter lighting and anti graffiti coatings on the buildings.

Official community celebrations will be held at both sites to celebrate and launch the murals. Further information will be provided to Councillors.



Banked water provides break even return for Council

In a remarkable achievement, the Mardi-Mangrove Link has provided more than a 100 per cent return on its investment in only 18 months.

Recent statistics have revealed the value of water pumped into the system is more than the Council's investment into the pipeline.

Wyong Shire and Gosford City Councils invested \$34 million into the Mardi-Mangrove Link, and the project has resulted in \$35.5 million worth of water being banked in Mangrove Creek Dam with more to come.

The community invested a lot to make it through the drought and secure our water supply for the future. To have a return on investment greater than 100 per cent in just over 18 months is an amazing achievement.

The water transferred through the Mardi-Mangrove Link is enough to supply the Central Coast community for more than seven months.

In February, more than 3,000 million litres of water were transferred, which is around half of the water used across the Central Coast during summer.

The Mardi-Mangrove Link is an initiative of Wyong Shire and Gosford City Councils with Federal Government funding of \$80.3 million from the Water Smart Australia Program and an additional \$34 million combined from the two Councils.

World Water Day

Gosford City and Wyong Shire Councils marked World Water Day by showcasing the region's improved water supply system to local school students.

The international awareness day draws attention to the importance of effective water resource management. Every part of the water supply system – from our rivers and dams, to the water treatment plants, to the way we use water in our homes – plays

a critical role in providing water now and in the future.

World Water Day allows us to reflect on the vital changes that have been made to our water supply system in recent years and how they have helped secure our water for future generations.

World Water Day is held annually on 22 March and aims to draw international attention to water supply challenges and advocates the sustainable management of water resources.

International Women's Day connects local women

Women's rights have come a long way since the first International Women's Day back in 1911, where more than one million people fought for women's rights to better pay, vocational training and the right to vote and hold public office.

To help celebrate, Wyong Shire Council in partnership with Central Coast Women's Health and Central Coast Women's Leadership Group B2B with a Twist, held a free International Women's Day breakfast and networking on 8 March 2013.

The event gave women an opportunity to showcase the achievements and invaluable contributions they have made to our community.

This year's theme 'Gender the Agenda / Gaining Momentum' focused on what can be learnt from past struggles and accomplishments, to help overcome inequalities, and discover new opportunities to help future generations of women.

Council will continue to help empower and engage women in our local area, with the assistance of the Status of Women Committee, which was launched last year.

The Committee will work to foster participation from women to establish networks, create and participate in organised women's events and promote a regional focus.

Celebrating our cultural diversity on Harmony Day

Council helped to celebrate the cultural diversity of our nation on Harmony Day, at Memorial Park, The Entrance.

Through food, story telling, music, and dance from around the world, Harmony Day gave people the opportunity to learn what we have in common and how all Australians equally belong, no matter their background.

With the message 'everyone belongs', Harmony Day was the perfect opportunity to officially launch Council's Multicultural Advisory Committee.

The primary role of the Committee will be to increase and promote awareness of the valuable role that people from a multicultural and/or culturally and linguistically diverse background contribute.

This will help create understanding and cultural respect for all people in the Shire, as well as assist Council to make the community a supportive, fair and equitable place to live.

In the last census almost 10 per cent of residents speak another language at home other than English and over half our residents identify with an ancestry other than Australian.



Celebrations in Seniors Week

Council celebrated NSW Seniors Week in March, by hosting and promoting a wide range of activities and events.

Live Life! was the theme for NSW Seniors Week 2013, celebrating the lives, achievements and community engagement of our seniors.

With almost a quarter of the Shire's population aged over 60, it is vital there are networking opportunities for local seniors. In its 55th year, Seniors Week gave Council a chance to acknowledge the contribution seniors make in our local community, while also giving them the tools to live active, healthy and independent lives.

On 20 March, Council hosted a 'Morning of Musical Vaudeville', presented by Theatre Royal. Other Seniors Week activities included free aqua aerobics, brain gym, BBQs, yoga, zumba, bowls, dancing, discovery walks around the lakes and much more.



Household Chemical Collections

The first of the 2013 biannual household chemical collections was held in March, at Long Jetty depot. These collections form part of the state-wide "CleanOut" program.

The event attracted approximately 650 vehicle drop-offs by local residents. Approximately 30,000 kilograms (30 tonnes) of materials were collected on the day.

Materials collected included: paints, oils and fuels, pool and hobby chemicals, gas bottles, batteries, pesticides, herbicides, acids and alkalis, household cleaners and fluorescent tubes.

Residents responded extremely positively to this service. Traffic moved smoothly at all times even though weather conditions were exceptionally wet.

Health and safety was the top priority on the day for both the public and staff. With the variety of hazardous materials and the high volume of traffic expected, preparations were meticulous, and worked very effectively with no spills or incidents occurring.

The next "CleanOut" event is scheduled for August 2013 at Charmhaven Depot.



Mayor hopes tip fees can wrack off

Mayor Doug Eaton said he was confident Council would be able to avoid paying an increase in tip fees in the future in its attempts to remove dead seagrass (wrack) from our Lakes.

This follows a meeting in March with State Environment Minister Robyn Parker in Sydney, in which the Mayor again outlined some of the challenges faced by Council in its new thrust of direct action on the Lakes.

Council has made no secret of the fact that we would like to double the removal of wrack in our Lakes. Minister Parker agreed in principle we would be able to dry and reuse wrack in ways including -- for example -- mulch around the Shire, which would help us to avoid prohibitive State Government tip fees. This won't only be of great benefit for our parks and gardens, but also help us to avoid prohibitive tip fees.

All up, this is potentially a great win for ratepayers.

Discussions also covered a way forward to obtaining permission to expand the area of wrack harvesting Council does around our Lakes with our weed harvester ... which is currently limited to 30 per cent of the foreshore perimeter. Again, if we are able to increase this, our residents would notice a lot more wrack being removed from our Lakes.

Survey shows strong community support for regional airport

A survey of local residents has shown strong support for Council's plan for a Type 3 regional airport to serve the Central Coast.

The survey shows an overwhelming majority of Central Coast residents support the concept – with 67 per cent 'strongly in favour' or 'in favour' of the plan, and a massive 84 per cent at least 'somewhat supportive'.

Central Coast residents were surveyed by Micromex Research in February to help the Council benchmark levels of public support for the proposed Central Coast regional airport.

The Central Coast needs a regional airport and the community has given Council the support to take the proposal from concept to reality over the years ahead.

Work starts on stabilising stream bank to protect lake and road

In March, Council started work on a \$2.5 million project to stabilise a stream bank on Wyong River, just off Alison Road.

The project is jointly funded by Council and the Federal Government's Caring for our Country initiative.

This is a major project aimed at minimising erosion to protect the nearby roadway, and stop sediment from entering into Tuggerah Lakes.

There will be two stages to the work, the first of which is currently underway. Stage One involves the installation of steel piles into the river, with a rock wall backfill to help stabilise approximately 150 metres of river bank near the junction to Porters Creek. Stage Two will involve the continued construction of a rock wall at the top of the bank, new fencing and landscaping.

Weather permitting, the entire job is expected to be completed by the end of the year.

Vales Point Reserve Upgrade

Council, in partnership with Mannering Park Tidy Towns, was successful in obtaining \$30,000 State funding to complete landscaping around the existing amenities block, replanting various sections of the Reserve with endemic species by local land care groups and Council, improved access to the existing amenities block, replacement of kopper log bollards and fencing with sandstone blocks, construction of disabled access to picnic shelters, construction of a concrete pathway connecting disabled parking to the jetty and installation of additional bench seating along the foreshore. Works were completed in March.



3. Progress on Principal Activities

3.1. Council's Delivery Plan

Council's 2012-16 Strategic Plan details the main activities Council will deliver from 2012-13 through to 2015-16.

The Local Government (Planning and Reporting) Amendment Act 2009 requires Council to prepare a 4 Year Strategic Plan and report to Council on progress against it at least every six months.

Council's 2012-16 Strategic Plan contains the:

- **Annual Plan**

The Annual Plan is a subset of the 4 Year Delivery Plan and describes the activities to be undertaken by Council in the 2012-13 financial year. The Annual Plan includes the Capital and Operational Expenditure Budgets for the coming financial year.

- **4 Year Delivery Plan**

The 4 Year Delivery Plan outlines the Principal Activities plus the capital investment to be undertaken by Council in the medium term. It also includes actions for delivering the objectives and strategies within the Community Strategic Plan.

Council's Principal Activities

Council has the following 12 Principal Activities that are the core services it provides to the community:

1. Community & Education
2. Community Recreation
3. Economic & Property Development
4. Council Enterprises
5. Regulatory
6. Environment & Land Use
7. Waste Management
8. Roads
9. Drainage
10. Sewerage Services
11. Water Supply
12. Administration

Assessing Council's Progress

In assessing Council's progress in implementing the 2012-16 4 Year Delivery Plan and the 2012-13 Annual Plan, a range of qualitative and quantitative performance measures are used.

Within the Strategic Plan there are Key Performance Indicators (KPIs) which focus on overall organisational performance and Service Performance Indicators (SPIs) which focus on the individual services and products Council provides to the community through its Principal Activities. There are also details of relevant actions that Council has decided to take to achieve required outcomes for the community. The organisational KPIs have been allocated to relevant Units and are reported together with the other Unit specific indicators. This report details the progress against the relevant performance indicators and actions from the Strategic Plan. Where targets have not been achieved or actions are not on track, comment is provided as to how this will be addressed in future.

Key performance indicators that measure financial sustainability are contained within section 4.5.

The table below is a summary of the overall progress; see Attachment 5.8 for a detailed report on progress as at the end of the March quarter.

Status	Number	%
On Track	260	72
Not On Track	29	8
Project Completed	44	12
Project Deferred	29	8

3.2. Major Projects

The Strategic Plan also identifies 17 Council projects as "Major Projects". These are high priority projects that are designated by the General Manager as being of critical importance to improving service delivery to the community.

Responsibility for completion of these critical projects in accordance with their approved work program

usually rests with Operational Units or Departments. A Major Projects Unit in the General Manager's Department supports and monitors progress as well as being directly responsible for delivery of the remainder of the Projects. The table below lists the overall status of each Major Project. Further details on progress of specific actions related to the Major Projects are also contained within the relevant Principal Activity in Attachment 5.8.

Designated Major Projects 2012-13			
Project Name	Responsible Unit	Progress YTD	Comment
Shire wide Comprehensive LEP and DCP	6.02 Land Use Planning and Policy Development	On Track	
Warnervale Town Centre	3.02 General Manager Major Projects	On Track	
Water Corporation Establishment	10.01 & 11.01 Water and Sewerage	Not on Track	Progress with GCC has been put on hold pending the outcome of the May 2013 CCROC meeting
Disaster Management Plan	12.09 Plant, Fleet and Depots	On Track	
"Councils Online" Computer System	12.06 Information Management	On Track	
Community Facilities Review	1.01 Community and Cultural Development	On Track	
Soil Processing Sites	7.01 Waste	On Track	
Coastline Management Plan	6.01 Environment and Natural Resources	Deferred	Coastal Zone Management Plan to be reviewed as per Council resolution
Porters Creek Stormwater Harvesting Scheme	6.01 Environment and Natural Resources	On Track	
Capital Works Program	Infrastructure Management	On Track	
Wyong Shire Art House	1.01 Community and Cultural Development	On Track	
Library (The Entrance and Bateau Bay)	1.04 Community Lifelong Learning	Deferred	The developer has withdrawn the development application
Iconic Sites Development	3.01 Place Management	On Track	
Property Portfolio Strategy	3.03 Economic and Property Development	On Track	Draft Property Strategy prepared
Asset Management Strategy	12.01 Asset Management	On Track	
Plant Review	12.09 Plant, Fleet and Depots	On Track	
Wyong Shire Loyalty System	12.06 Information Management	On Track	

4. Quarterly Budget Review Statement

4.1. Responsible Accounting Officer's Statement

Report by Responsible Accounting Officer

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 Wyong Shire Council for the quarter ended 31 March 2013 indicates that Council's projected financial position at 30 June 2013 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Stephen Naven
Responsible Accounting Officer

22 May 2013

4.2. Operating Result

Consolidated

Financial Performance 2012-13 Year to Date			
	Actual YTD \$'000	Budget YTD \$'000	Budget Full Year \$'000
Income (including capital)	211,524	209,943	239,907
Expenses	165,726	175,868	240,986
Net Operating Result	45,798	34,075	(1,079)
Income from Capital items	7,885	4,679	8,920
Net Operating Result before capital items	37,913	29,396	(9,999)
Net Operating Result adjusted for Q4 Rates and Annual Charges	11,896	212	
Net Operating Result before capital items adjusted for Q4 Rates and Annual Charges	4,010	(4,467)	

The Q3 operating result (including capital income) year to date is favourable to budget by \$11.7m, with income slightly above budget by \$1.6m and expenditure under budget by \$10.1m. The year to date surplus is \$8.5m excluding capital income.

Council has continued to focus on identifying and implementing operational cost savings and productivity improvements to improve service delivery.

Attachment 5.7 lists the proposed budget amendments identified during Q3 that forecasts an improved year end targeted operating deficit of (\$7.4m).

The detailed financial reports can be found on pages 37 to 43 of this document, while the following pages provide an analysis of the Q3 results.

Income Analysis

As at 31 March 2013, income (including capital) is above budget by \$1.6m. Analysis of this variation is below.

Income from Continuing Operations	CONSOLIDATED			
	Actual Prior Year 2011-12 \$'000	Actual YTD 2012-13 \$'000	Budget YTD 2012-13 \$'000	Budget Full Year 2012-13 \$'000
Rates & Annual Charges	127,394	135,609	135,269	135,452
User Charges & Fees	53,742	42,861	46,205	62,990
Interest and Investment Revenue	9,272	7,059	6,564	8,695
Other Revenue	3,893	3,268	2,946	3,829
Grants & Contributions Operating	29,062	14,309	13,874	19,399
Grants & Contributions Capital	14,679	7,885	4,679	8,920
Gain from the Disposal of Assets	660	532	406	621
Total Income from Continuing Operations	238,702	211,524	209,943	239,906

Note: Budget above represents Q2 adopted budget figures

Rates and Annual Charges

Rates & Annual Charges revenue is in line with budget expectations with year to date actual income slightly above the year to date budget by \$0.3m.

User Charges & Fees

User Charges & Fees income is unfavourable year to date by (\$3.3m) based on actual income of \$42.9m compared to a year to date budget of \$46.2m. This variation relates to lower than anticipated tipping revenue which is (\$3.7m) unfavourable to budget due to significantly reduced tonnages being received at Buttonderry Waste Management Facility. This variation to income is partially offset in expenses by reduced EPA Levy payments and other operating costs. A full year budget reduction of (\$5.1m) for tipping revenue is proposed in this review. The reduction in fees is partially offset by a favourable variance in community facilities income of \$0.2m.

Interest & Investment Revenue

Interest & Investment Revenue is slightly favourable year to date by \$0.5m based on actual returns of \$7.1m against a year to date budget of \$6.6m. This variation is due to higher cash balances than anticipated as a result of decreased expenditure year to date on operations and capital works. A budget variation of \$0.5m is proposed in this Q3 review that reflects the projected year end position.

Other Revenue

Other Revenue is slightly favourable to budget year to date by \$0.3m due to timing differences between budget phasing and actual income recognised. The full year actual result is anticipated to align with the full year budget.

Grants & Contributions Operating

Grants & Contributions Operating income is slightly favourable year to date by \$0.4m as a result of timing differences between actual income and budgeted phasing for activities related to Estuary Management.

Grants & Contributions Capital

Grants & Contributions Capital income is \$3.2m favourable year to date based on actual income of \$8.0m compared to a year to date budget of \$4.7m. This variation primarily relates to Developer Contributions as a result of approval of a number of significant developments in Hamlyn Terrace, Woongarra, Summerland Point and Wyong during Q1 and Q2. A budget variation of \$3.1m is included in this Q3 review that reflects the projected year end position.

Gain from the Disposal of Assets

Gain from the Disposal of Assets is in line with budget expectations with year to date actual income slightly above the year to date budget by \$0.1m.

Expenditure Analysis

As at 31 March 2013, operating expenditure is under budget by \$10.1m. Analysis of this variation is below.

Expenses from Continuing Operations	CONSOLIDATED			
	Actual Prior Year 2011-12 \$'000	Actual YTD 2012-13 \$'000	Budget YTD 2012-13 \$'000	Budget Full Year 2012-13 \$'000
Employee Costs	73,443	56,813	57,070	79,007
Borrowing Costs	19,168	10,731	10,677	16,981
Materials and Contracts	44,975	32,125	38,148	52,896
Depreciation	55,629	40,790	41,201	55,182
Other Expenses	40,001	24,817	28,545	36,618
Loss from the Disposal of Assets	3,244	449	228	303
Total expenses from Continuing Operations	236,460	165,725	175,869	240,987

Note: Budget above represents Q2 adopted budget figures

Employee Costs

Employee Costs are in line with the revised Q2 budget expectations with year to date actual expenditure slightly below the year to date budget by \$0.3m. Employee costs are Council's largest expenditure type and are closely monitored. The current full year budget reflects the projected costs associated with operational labour for the entire financial year.

Borrowing Costs

Borrowing Costs are consistent with year to date budget expectations at \$10.7m. There are no variations anticipated to the full year budget for this expense category as 84% of costs relate to fixed rate loans, with no further borrowing planned for the remainder of the financial year.

Materials & Contracts

Materials and Contracts expenses are \$6.0m favourable year to date based on actual year to date expenses of \$32.1m compared to a year to date budget of \$38.1m. This favourable variation is the result of under expenditure in Infrastructure and Operations, Community and Recreation Services and General Manager Departments.

Infrastructure and Operations Department contributes the largest favourable variation within this expense category with \$2.9m attributable to savings in operating the Buttonderry Waste Management Facility and reduced fuel expenditure in the Plant and Fleet unit.

Of the \$2.0m favourable variation in Community and Recreation Services, \$0.4m relates to Sport, Leisure and Recreation, \$0.4m relates to Community Grants and Cultural Programs, and \$0.4m relates to facility buildings and maintenance.

The favourable variation of \$1.4m relating to the General Manager's department is a combination of savings and phasing in Information Management that account for \$0.8m, and timing differences in Human Resources of \$0.4m specifically related to safety software.

Council continues to improve the budgetary control framework including improved accruals of expenditure on goods and services which have already been received and ongoing review of budget phasing. Budget variations of \$3.1m are proposed in this Q3 review that are associated with permanent savings in materials and contracts.

Depreciation

Depreciation expense year to date is slightly below budget by \$0.4m. This year to date favourable variance can be directly attributed to delays in delivery of the capital works program and has been obscured by a budget omission relating to the amortisation of corporate applications. Adjustments to the full year budget projections are included in the proposed Q3 amendments, resulting in a net reduction to the full year budget of \$0.5m.

Other Expenses

Other Expenses are favourable year to date by \$3.7m based on actual expenditure of \$24.8m compared to year to date budget of \$28.5m. Half of this variation, \$1.8m, relates to reduced EPA Waste Levy payments as a result of lower than anticipated tonnages delivered to Buttonderry Waste Management Facility. A further favourable variation of \$0.4m relates to governance activities including donations with much of the remaining variance in other expenses being attributed to controlling of costs within Leisure and Tourist facilities \$0.2m, Town Centre Management \$0.2m, Business Development \$0.1m, and Information Management of \$0.1m as well as savings in other miscellaneous expenses across the organisation. Budget reductions of \$2.9m are included in the proposed Q3 amendments and represent realised permanent differences in this expense category.

Loss from the disposal of assets

Loss from the disposal of assets is unfavourable year to date by \$0.2m based on actual losses of \$0.4m against a year to date budget of \$0.2m. This variation is due to slightly higher losses realised on disposals of passenger vehicles.

By Fund

Net operating results before capital grants and contributions at a consolidated level resulted in a year to date favourable variance of \$8.5m, with General Fund reporting a favourable variation to budget of \$6.4m, Water Fund reporting a favourable variation of \$1.1m and Sewer Fund reporting a favourable variation of \$1.0m.

Net Operating Result By Fund	Actual Prior Year 2011-12 \$'000	Original Budget 2012-13 \$'000	Approved Changes Q1 \$'000	Approved Changes Q2 \$'000	Revised Budget 2012-13 \$'000	Proposed Changes for Council \$'000	Projected Year End 2012-13 \$'000	Actual YTD 2012-13 \$'000
General Fund	6,004	5,343	-	(1,550)	3,793	633	4,426	35,048
Water Fund	(15,365)	(10,069)	-	(12)	(10,080)	(436)	(10,516)	(1,951)
Sewer Fund	(3,076)	(5,274)	-	1,562	(3,712)	2,376	(1,336)	4,816
Net operating result before capital items	(12,437)	(10,000)	-	-	(9,999)	2,573	(7,426)	37,913
General Fund	16,779	12,859	729	(4,520)	9,068	2,269	11,337	40,956
Water Fund	(12,261)	(7,283)	-	(12)	(7,295)	377	(6,918)	(488)
Sewer Fund	(2,276)	(4,414)	-	1,562	(2,852)	2,668	(184)	5,330
Net operating result including capital items	2,242	1,162	729	(2,970)	(1,079)	5,314	4,235	45,798

General Fund

The year to date net operating result before capital items for General Fund is \$35.0m compared to a year to date budget result of \$28.6m producing a favourable year to date variation of \$6.4m. The most significant variations relate to:

- User Charges and Fees income unfavourable by (\$3.2m) attributed predominantly to lower than anticipated tipping fees at Buttonderry Waste Management Facility (\$3.7m)
- Materials and Contracts expense (including internal items) favourable by \$5.3m predominantly within the Waste, Plant and Fleet, and Community and Cultural Development service units
- Depreciation expense unfavourable by (\$1.0m) generally caused by Plant and Fleet and budget omission of amortisation in Information Management
- Other expenses favourable by \$3.6m predominantly due to reduced EPA Waste Levy Payments partially offsetting the reduced revenue from tipping fees

Budget variations for the major items listed above are included in the proposed Q3 budget amendments at Attachment 5.7.

Water Fund

The year to date net operating result before capital items for Water Fund is a deficit of (\$2.0m) compared to a year to date budget deficit of (\$3.1m) producing a favourable year to date variation of \$1.1m. The most significant variations relate to:

- Employee Costs favourable by \$0.2m partly as a result of recruitment of vacant positions
- Materials and Contracts expense (including internal items) favourable by \$0.8m and other expenses favourable by \$0.5m due to phasing of the Joint Works that are equalised with Gosford City Council at financial year end
- Depreciation expense unfavourable by (\$0.6m) as a result of the revaluation of Water assets that was undertaken in June 2012

Budget variations for the major items listed above are included in the proposed Q3 budget amendments at Attachment 5.7.

Sewer Fund

The year to date net operating result before capital items for Sewer Fund is \$4.8m compared to a budget result of \$3.8m producing a favourable variation of \$1.0m. The most significant variation relates to:

- Depreciation expense favourable by \$1.9m as a result of the revaluation of Sewer assets that was undertaken in June 2012 and offsets the unfavourable variation in Water Fund depreciation.

A proposed budget amendment has been included in Attachment 5.7 that will reflect the anticipated full year depreciation expense.

By Function – Reportable Business Unit

Net operating results by reportable Business Unit are shown in the following table.

Net Operating Result By Function	Actual Prior Year 2011-12 \$'000	Original Budget 2012-13 \$'000	Approved Changes Q1 \$'000	Approved Changes Q2 \$'000	Revised Budget 2012-13 \$'000	Proposed Changes for Council \$'000	Projected Year End 2012-13 \$'000	Actual YTD 2012-13 \$'000
Waste Management	2,579	7,877	-	-	7,877	(973)	6,904	15,897
Holiday Parks	205	891	(23)	34	902	(392)	510	871
Care and Education	(741)	(654)	-	-	(654)	(60)	(714)	(469)

Note: Figures include Tax Equivalent Payments

Waste Management

The year to date net operating result for Waste Management is a \$15.9m surplus compared to a budgeted surplus of \$15.0m producing a favourable variation of \$0.9m. Variations relate to the following:

- User Charges and Fees income unfavourable by (\$3.7m) attributed to lower than anticipated tipping fees received at Buttoderry Waste Management Facility
- Materials and Contracts expense favourable by \$2.9m partially offsetting the reduced revenue from tipping fees
- Other Operating Expenses favourable by \$1.9m predominantly due to reduced EPA Waste Levy Payments partially offsetting the reduced revenue from tipping fees

Holiday Parks

The year to date net operating result for Holiday Parks is an \$871k surplus compared to a budgeted surplus of \$798k producing a favourable variation of \$73k. Variations relate to the following:

- User Charges and Fees income favourable by \$159k
- Operating Expenses unfavourable by (\$87k) due predominantly to an overspend in materials and contracts (\$122k) caused by unbudgeted legal expenses and an underspend in other operating expenses of \$47k

Children's Care and Education

The year to date net operating result for children's Care and Education is a deficit of (\$469k) compared to a budget deficit of (\$483k) producing a favourable variation of \$14k. Variations relate to the following:

- User Charges and Fees income is unfavourable by (\$632k) offset by reduced operating expenditure due to lower than anticipated utilisation at some centres. A marketing strategy has commenced to assist with increasing centre utilisation.
- Vacation Care only operated at three sites during this quarter. Utilisation is less than budgeted at all sites (offsetting reduced income with reduced expenditure) however Blue Haven achieved the highest utilisation, and attendance patterns at this location are trending up. Blue Haven and Ourimbah have now received their service approval certification from the Department of Education and Communities, and following Council's decision to close Killarney Vale, completes the staged transition with the National Quality Framework with all centres now being fully approved. A Q3 budget amendment is proposed to recognise the closure of three (out of five) of Council's Vacation Care centres.

4.3. Capital Expenditure

Capital expenditure year to date was \$36.6m compared to the year to date budget of \$54.5m, and represents 47% of the full year capital budget of \$78.0m. The fund analysis is summarised below.

Capital Expenditure By Fund	Actual Prior Year 2011-12 \$'000	Original Budget 2012-13 \$'000	Approved Changes Q1 \$'000	Approved Changes Q2 \$'000	Revised Budget 2012-13 \$'000	Proposed Changes for Council \$'000	Projected Year End 2012-13 \$'000	Actual YTD 2012-13 \$'000
General Fund	36,046	51,336	1,974	(3,474)	49,836	(2,843)	46,993	22,219
Water Fund	22,770	23,322	(4,938)	(2,828)	15,556	(328)	15,228	6,559
Sewer Fund	5,071	14,730	(2,090)	-	12,640	(1,296)	11,344	7,833
Total capital expenditure	63,887	89,388	(5,054)	(6,302)	78,032	(4,467)	73,565	36,611

Council's capital expenditure program is constantly being reviewed to identify divergence from the original plan to better understand whether these deviations are subject to delays, variation to estimates, phasing, changed priorities, weather, availability of support funding and related developments, or other factors. A thorough review of capital projects has been undertaken for this quarterly review and has resulted in a proposed budget reduction of \$4.5m, decreasing the full year budget to \$73.6m.

This reduction is due to a combination of savings on completed works and delays or deferrals in proceeding with other projects and relates to the following services:

- Community and Cultural Development \$1.1m
- Sport, Leisure and Recreation \$0.5m
- Roads and Drainage \$1.2m
- Water and Sewer \$1.1m
- Waste \$0.3m
- Plant and Fleet (\$0.9m)
- Economic and Property Development \$0.6m
- Waterways and Asset Management \$0.8m
- Other various programs (\$0.2m)

A summary of capital expenditure by Council Service and the proposed budget adjustments to capital expenditure are detailed in Attachment 5.6 of this report.

Significant Capital Projects

The following table shows expenditure year to date on Council's significant 2012-13 capital projects, which are those projects with a budget over \$1.5m.

Project	Original Budget 2012-13 \$'000	Approved Changes Q1& Q2 \$'000	Revised Budget 2012-13 \$'000	Proposed Changes for Council \$'000	Projected Year End 2012-13 \$'000	Actual YTD 2012-13 \$'000	Actual YTD / Projected Budget 2012-13 %
Reseal Program 2012/13	3,000	1,287	4,287	(50)	4,237	2,167	51.1%
Construct Civil Mechanical Telemetry & Electrical Work at SPS TO 22	1,550	1,050	2,600	(176)	2,424	2,399	99.0%
Minnesota Rd Drainage	2,443	-	2,443	-	2,443	296	12.1%
Minnesota Rd	2,185	-	2,185	-	2,185	675	30.9%
Warnervale Sewerage Infrastructure	4,500	(2,500)	2,000	(738)	1,262	54	4.3%
Mardi Dam to Mangrove Dam Pipeline Link	7,300	(5,300)	2,000	(882)	1,118	978	87.5%
Alison Rd Retaining Wall	1,900	-	1,900	(1,470)	430	225	52.3%
Fleet Purchases	6,362	(1,009)	5,353	932	6,285	3,509	55.8%
Construct New Sewerage Pumping Station C16 At Blue Haven	1,300	300	1,600	114	1,714	1,627	94.9%

4.4. Cash and Investments

Cash Flow

Cash and investment levels decreased in Q3 by \$2.5m despite rates and charges instalments received in February 2013. Large outflows occurred due to additional loan repayments (\$2.0m), EPA levy for three months (\$2.5m) and costs relating to stage 2 upgrade of Pacific Hwy Tuggerah (\$1.3m).

Closing cash and investments were \$163.4m consisting of cash of \$3.6m and investment securities of \$159.8m.

Cash and Investments

Council's investments are made in accordance with the Local Government Act (1993), the Local Government (General) Regulation (2005), Council's Investment Policy, the Ministerial Investment Order issued February 2011 and Division of Local Government Investment Policy Guidelines published in May 2010.

Council's investments (comprised of deposit accounts, term deposits and managed funds) continue to be conservatively managed to ensure that value is added to the fixed interest portfolio. The value of investment securities and deposit accounts at 31 March 2013 was \$159.8m. Returns year to date were 5.35%, which is above the benchmark of 3.47%, with Council investments mainly in term deposits.

Council's portfolio includes investments in managed funds now excluded but held under the "grandfather" provisions of the current Ministers Investment Order. The investment, Blackrock Care and Maintenance Fund, continues to be wound up progressively and is expected to be liquidated by 2016.

The year to date return excluding unrealised gains on Blackrock Care and Maintenance Fund was 4.88% also comparing favourably to the benchmark.

Investment returns year to date are favourable by \$0.5m compared to the year to date budget and a budget amendment is included in tis Q3 review to reflect the predicted year end position.

Although a conservative approach is taken when reinvesting term deposits, yields continue to fall in line with the decline in the official Reserve Bank of Australia (RBA) cash rate, which remained unchanged from Q2 at 3.00% to March 2013. To mitigate these declining yields, Council has endeavoured to source conservative longer term investment opportunities and has invested \$6m with the Bank of Queensland at an interest rate of 5.20% maturing in August 2016 and \$4m with Heritage Bank at a rate of 7.25% maturing in June 2017.

Council's cash and investment holdings at the end of Q3 are shown in the following table:

Cash and Investment Balances as at 31 March 2013	\$'000
Petty cash	15
Cash held by S355 Committees	498
Cash at bank less unrepresented cheques	3,102
Total Cash on Hand	3,615
Cash at call – Cash Management	9,194
Investments in term deposits and bonds	150,571
Total Investment Portfolio	159,765
Closing Cash and Investments	163,380

Breakdown by investment class as at 31 March 2013:

Investment Class	Balance 31 March 2013 \$'000	Return YTD \$'000	Return YTD %
Cash at Call	9,194	405	3.72%
Term Deposits	146,000	5,420	5.21%
Managed Funds	4,571	547	13.76%
Closing Cash and Investments	159,765	6,372	5.35%
Benchmark BBSW			3.47%

Loans

Borrowings decreased in Q3 due to repayment of uneconomical loans amounting \$2.0m being repaid in addition to scheduled repayments.

As at 31 March 2013, Council's Weighted Average Cost of Debt is 7.02% with a Weighted Average Maturity of 10.44 years.

Borrowings	Budget 2012-13 \$'000	Actual YTD \$'000	Projected 2012-13 \$'000
Current	11,176	11,183	11,183
Non-Current	186,400	186,392	186,392
Borrowing	7,130	7,130	7,130
Redemption	(11,176)	(9,399)	(12,818)
Closing Borrowings	193,530	195,306	191,887

4.5. Key Performance Indicators

Indicator	Measure	Actual 2011-12	Target 2012-13	Trend YTD
Unrestricted Current Ratio	<u>Current assets less external restrictions</u> Current liabilities less specific purpose liabilities	2.01	> 1.50	✓
Debt Service Ratio	<u>Net debt service cost</u> Operating revenue	0.13	< 0.15	✓
Rate Coverage Ratio	<u>Rates and annual charges</u> Total revenue	0.54	> 0.50	✓

4.6. Contracts and Other Expenses

Major Contracts

The following major contracts were entered into by Council during Q3:

Contract	Contractor	Contract Detail and Purpose	Contract Value \$	Commencement Date	Duration of Contract	Budgeted Yes/No
CPA/217697	BJ Hunter Pty Ltd R.K. Talbot Enterprises CZL Group Pty Ltd John E. Hogan Scape Constructions Pty Ltd RL Equipment Pty Ltd Casson Trucking and Earthmoving SG & GS Robertson Pty Ltd Haines Bros Earthmoving and Greenland Transport Pty Ltd R.W. Leete Fogarty Plant Hire Pty Ltd	Hire of plant and trucks for the operation of Buttonderry Waste Management Facility	741,724	23 January 2013	2 years	Yes
CPA/219153	GPM Constructions Pty Ltd	Construction of timber pile retaining wall at Alison Rd, Wyong	729,837	13 February 2013	Not a term contract	Yes
CPA/221963	Safety and Forensic Engineering	SCADA Systems Integration, control systems and related services	500,000	1 March 2013	4 years	Yes
CPA/218854	GHD Pty Ltd	Central Coast Pumps and Pipes Panel Work Package	505,000	4 March 2013	Not a term contract	Yes
CPA/219328	Nationwide Air Conditioning Sales & Service Pty Ltd	Replacement of air conditioning chillers and associated works	709,965	13 March 2013	Not a term contract	Yes

4.7. Material risks and liabilities

Risks

- The formation of the Central Coast Water Corporation and Joint Services Business will alter Council's resourcing strategy and the ability to absorb fixed corporate overheads.
- Construction projects (capital works) have inherent risks relating to latent conditions, scope definition, and allowable contract variations. In the works program there are a number of projects which by their size and scope have the potential for final costs to vary from original estimates.
- Final estimate of the remediation cost of Council's closed landfills is subject to final studies and design, and final construction estimates.
- Pricing submissions currently with the Independent Pricing and Regulatory Tribunal (IPaRT) for Water, Sewerage and Stormwater Drainage services over the next price path (2013/14 to 2016/17) and also for the Special Variation to Ordinary Rates for seven years from 2013/14. Final determination of Water and Sewer pricing is expected mid May 2013, while determination of the Ordinary Rate increase is expected to be released mid June 2013.

Liabilities

Significant provisions exist for:

- Future remediation of closed landfills which is a large future cost for Council and requires funding.
- Condition of Council's infrastructure and assets continues to have inherent future liabilities for renewal, upgrade and maintenance. In March 2013 Council lodged a Special Rate Variation with IPART. Council applied for a 6.9% rate increase for a seven year period and proposes to spend the incremental revenue on Council's infrastructure backlog.
- Section 94 Contributions:

Council's current unfunded liabilities fall into two areas, Section 94 monies owed to developers for works undertaken by them and the gap between future capital works and Council's ability to collect funds to cover the cost of those works.

- In respect to credits owed to developers, the current liability is \$17.4m. A report was submitted to Council in December 2012 where Council approved a strategy for managing these liabilities.
- In respect to capital works, all future identified works are covered by the monies to be collected under the relevant Section 94 Contributions Plan other than for Warnervale. In respect to Warnervale, there is a gap of over \$24m.
- In addition, Council has a liability to the RMS for the upgrade of Craigie Avenue and the Pacific Highway to the value of \$0.7m. This liability is being paid off on an annual basis.
- A new Section 94 Financial Model is being developed that will include scenario analysis, both of contributions to be received and infrastructure works to be provided. The Model will enhance Council's current capability in this area.

4.8. Legal Matters

During Q3 2013 Wyong Shire Council was party to proceedings in a number of Courts. Those proceedings included the following:

- *Wyong Shire Council v William Thomas Hunter*. These proceedings were an appeal before the Land and Environment Court against the refusal of a DA for the demolition of existing structures, remediation of land and construction of a "large scale retail establishment" (BWS Liquor Store) on land in Long Jetty. The proceedings were resolved, by the granting of conditional consent, at a conciliation conference before the Court on 22 February 2013. That resolution was in accordance with a resolution of Council.
- Council was also the prosecutor in various criminal proceedings in the Local Court, as well as an appeal against conviction and sentence to the District Court of NSW.

4.9. Consultancy and Legal Expenses

The following tables show expenditure year to date for consultants and external legal fees.

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.

Consultants	Actual YTD \$'000	Budgeted Yes/No
Expense by Department		
Community and Recreation Services	89	Yes
Development and Building	18	Yes
General Manager	239	Yes
Infrastructure and Operations	2,402	Yes
Land Management	598	Yes
Corporate	10	Yes
Total	3,356	

Legal Fees	Actual YTD \$'000	Budgeted Yes/No
Expense by Department		
Community and Recreation Services	160	Yes
Development and Building	12	Yes
General Manager	81	Yes
Infrastructure and Operations	34	Yes
Land Management	10	Yes
Total	297	

4.10. Sponsorship and Funding arrangements

Details of activities undertaken by some of the organisations funded by Council in Q3 are as follows:

The Entrance Town Centre Management

Activities included:

- Co-ordinated Australia Day celebrations including post reports, media release, marketing wrap ups and thank you letters.
- Commenced booking entertainment for Chromefest, Updated Chromefest website, designed and printed Chromefest notices/flyers.
- Helped coordinate a Tafe Student to organise the busking competition for Country Music Festival.
- Meeting with PCYC Police and coordinators for the TIME4KIDS community fundraiser to be held in The Entrance.
- Designed and printed flyers for the TIME4KIDS event.
- Planning of All American Muscle Car Show.
- Planning of the Central Coast Heritage Day Car Show.
- Design & printed Summer City Rumble flyers and programs.
- Secured stalls, security& booked ads into the paper for Harmony Day on Councils behalf.
- Coordinated the SUP (stand up paddle board) Championships event.
- Continue coordination of the Waterfront Markets.
- Coordinated the NSW Police Band to perform in Memorial Park.
- Planning of the Ukulele Festival.
- The Entrance Visitor Information Centre assisted over 8,000 visitors through the centre with local, regional NSW & Interstate enquiries. Also attending to around 800 enquiries over the phone & email.
- Souvenir sales are going well with takings over \$4,000 for the past 3 months, with another stand added to and greater variety of souvenirs.
- Hosted two students through Youth Connections for work experience.
- Distribution of The Entrance "What's on" brochures & events to businesses in The Entrance Town Centre and accommodation properties in The Entrance & surrounds.
- Upgrading of 24 Hour Tourism Touchscreen.

Greater Toukley Vision (GTV)

Events & Promotions:

- Australia Day Eve.
- Easy Street Hot Rods – Display.
- Country Week – Support.
- Easter Entertainment & promotional campaign of local accommodation venues.
- Community presentation – Toukley Lions Club.
- Partnerships established with Toukley Hawks / Sponsorship Negotiation Wyong Rugby League Club.
- Meetings regarding Toukley Musical Theatre project.
- Local business support and newsletter communication.
- Cooperative project for Wet Wild N Rhythm Youth Event – stakeholder meeting facilitation, YMCA, Toukley Public School, Toukley Neighbourhood Centre, Youth Connections.
- Support and guidance – Promotional campaign Body Board Pro – Soldiers Beach.

Town Improvements:

- Disabled access and outside dining available for area outside Norah head shop complex.
- Meeting with international development project group to discuss tourist resort opportunities locally.
- Engagement of maintenance contract to clean and paint Toukley Plaza wall – main entry to town and repair vandalised windows.

Wyong Regional Chamber of Commerce (WRCOC)

- Australia Day 2013 celebrations.
- 100 Year Celebrations of the Wyong "Wyong Agricultural Association" Show & Race Day.
- WRCOC Chamber Dinner Meeting – Guest Speakers Mayor Cr Doug Eaton & Robyn Abernethy CEO Central Coast Tourism: 72 members & guests in attendance.
- WRCOC Chamber Breakfast Meeting – Guest Speakers Warren Garth of CATS Accountants & Brett Heasman of AltusQ Business Coaching: 33 member & guests in attendance.

Central Coast Tourism (CCTI)

- CEO, Robyne Abernethy was the guest speaker at the International Women's Day Business Breakfast at Wyong Council in March 2013.
- CEO visited the four Central Coast Holiday Parks in Wyong Shire.
- CEO was the guest speaker at the Wyong Chamber of Commerce dinner in February 2013.

- Business Development Manager, and CEO, attended the Toukley Town Centre Masterplan and workshop at Wyong Council offices in March 2013.
- Business Development Manager attended the Northern Lakes Disability Tourism meeting at San Remo in March 2013.
- Business Development Manager attended the Long Jetty Improvement Masterplan Workshop in March 2013.
- CEO and Marketing and Communications Manager attended the LGSA conference at Shoal Bay, Port Macquarie with Councillor Lynne Webster.
- Submitted an extensive commentary on the Wyong Local Environmental Plan.
- In conjunction with WSC, GCC and RDA Central Coast commissioned a Tourism Infrastructure/ Opportunity Plan for the Central Coast with EC3 Global and The Stafford Group. Completed January 2013, due to be launched in April 2013.
- Continue to lobby heavily for tourism improvements to The Entrance, having finalised the Tourism and Economic Development Plan. Recent meetings held in Canberra with the Tourism and Regional Development Ministers, as well as Tourism Australia and Accor.
- Business Development Manager and CEO attended the announcement by Deputy Premier, Andrew Stoner of the state government funding for the Pioneer Dairy, at the Central Coast Wetlands in February 2013.
- Attended launch of projects Central Coast Eco Tours Tipi Accommodation and Norah Head Lighthouse interpretive signage.
- Interpretive signage design and creative completed for the Central Coast Wetlands (Pioneer Dairy).
- Attended China Theme Park signing of agreement and provided support with industry updates.
- www.visitcentralcoast.com.au (CCTI's core website) visitation maintained strong performance compared to 2012, with over 64,362 unique visitors in January, February and March 2013, compared with 40,660 during the same months of 2012, a 58% increase.
- CCTI social media platforms have continued to grow. CCTI's Facebook page now has more than 2,250 likes, with the number of followers on Twitter just recently passing 2,000. Both these figures represent an increase of more than 100% on the same point last year.
- Secured funding from Destination NSW to assist The Mariners FC to produce 'The Code' TV documentary which will promote the lifestyle and culture of the Central Coast. This was aired on Foxtel in March 2013.
- CEO and Marketing and Communications Coordinator attended the launch of the 'The Code' at the cinema at Westfield Tuggerah.
- CCTI provided a support letter for The Entrance Chromefest to access \$20,000 Destination NSW Flagship funding and were successful in their application.
- Phase two of the Local Secrets campaign initiated with social media. Additional collateral has been produced including the '52 Local Secrets' playing cards.

- Submitted Regional Tourism Funding application to DNSW for approval to run the third phase of the Short Breaks Campaign – Get out of Sydney from 1 March to 30 June 2013.
- Working with WSC on developing a program for a China Student Soccer group to undertake a cultural and sporting exchange in the region. Approximately 100 Chinese students to be involved.
- Distributed the following media releases including Wyong Shire content:
 - Provided overview information to local media regarding the summer holiday season.
 - Provided media advice to Little Creek Cheese Factory on how they can capitalise on their Gold Medal win at 2013 Royal Easter Show.

Business Enterprise Centre

- January - Delivered 220 hours of Business Guidance Sessions and provided
- February - Delivered 68 hours of Business Guidance Sessions.
- March - 58 hours of Business Guidance Sessions,
- Provided (11) Professional Vouchers from our State Funding equalling 2 hours per client.
- Provided (3) Professional Vouchers from our Federal Funding equalling 2 hours per client
- Delivered (2) business skills workshops – Cash Flow with 7 attendees.
- Delivered (1) business skills workshop - Writing Your Winning Business Proposal with 7 attendees.
- Attended the Dobell Women's Forum.
- Attended the Customer Service Committee Forum at RDA Central Coast.
- Attended the Home Biz Connect Expo with a bus of Home Based Business Owners from the Central Coast.
- Attended a (2) day training course at Small Biz Connect.
- Delivered 56 hours of Business Guidance Sessions on the Small Biz Bus at Tuggerah, Gosford and Erina.
- Attended Success Women's Networking Group.
- Attended Central Coast Coffee Time Business Networking Group.
- Ongoing mentoring with Kathleen's Creative Millinery – Social Enterprise Program Wyong Shire Council.
- Hosted a one day Social Enterprise Education Workshop for Wyong Shire Council.
- Attended the Dobell Women's Forum.
- Implemented Social Media Marketing Strategies Vouchers for Small Business Owners.
- Implemented Intellectual Property Legal Guidance Vouchers.
- Implemented Workplace Safety Guidance Vouchers.

Details of Sponsorship funding, contributions and donations made during Q3 are as follows:

Sponsorship Funding, Contributions and Donations	\$'000
Tipping Fees	66
Central Coast Business Mentor Services Inc	56
Surf Club Subsidies	53
The Entrance Town Centre Country Music Festival	40
Central Coast Tourism Inc	37
Central Coast Mariners	25
Councillor Community Improvement Grants	24
Regional Youth Support Services	19
Central Coast Life Saving	13
Scholarships	9
Central Coast Regional Organisation of Councils	8
Wyong Shire Garden Competition Inc	7
Rent for Community Groups	7
Warnervale Annual Fair Inc	4
Mingara Orchid Club	3
Ocean and Coastal Care Initiatives	3
Business Awards – Toukley Chamber of Commerce	2
Learning Links	2
Red Shield Appeal	1
Total	379

4.11. Grants Received

The following grants were received during Q3:

Detail	Amount \$'000
Estuary Management Plan	1,604
Financial Assistance Grant – Equalisation Component	1,190
Pensioner Subsidy – Domestic Waste	745
Financial Assistance Grant – Local Road Component	240
Street Lighting Subsidy	235
Roads to Recovery Program	145
NSW Rural Fire Service	143
Childcare, Vacation Care & Special Needs Subsidy	110
Stormwater Harvesting Project	53
Noxious Weeds	47
Regional Positive Ageing Strategy	42
Immunisation Program	27
Road Safety Programs	25
Repair Program – Enterprise Drive	10
HACC (Home and Community Care) Service Worker	9
Employment & Training	8
Youth Week	3
Affordable Housing Strategy	2
Total	4,638

4.12. Central Coast Joint Services Project

At the end of last quarter (Q2) a decision was taken by the Central Coast Regional Organisation of Councils (CCROC) executive to temporarily suspend the project pending the outcome of a Councillor workshop to be held in early 2013. The future of the project will now be discussed at the next CCROC meeting in May 2013.

5. Attachments

5.1. Financial Statements by Fund

Wyoming Shire Council
Profit & Loss By Fund
 March 2013

	CONSOLIDATED						GENERAL FUND						WATER FUND						SEWER FUND								
	Last Year		YTD		YTD		Last Year		YTD		YTD		Last Year		YTD		YTD		Last Year		YTD		YTD				
	Actual	2011-12	Actual	2012-13	Adopted Budget	2012-13	PRR Budget	2012-13	Actual	2011-12	Actual	2012-13	Adopted Budget	2012-13	PRR Budget	2012-13	Actual	2011-12	Actual	2012-13	Adopted Budget	2012-13	PRR Budget	2012-13			
INCOME from continuing operations:																											
Rates & Annual Charges	127,394	135,609	135,269	135,452	135,452		86,618	91,974	91,947	92,056	92,056	14,113	16,027	15,899	15,899	15,899	26,663	27,609	27,422	27,422	27,497	27,497					
User Charges & Fees	53,742	42,861	46,205	62,990	62,990		30,436	23,540	26,737	36,277	36,277	21,692	18,940	18,836	26,129	26,129	1,614	382	382	633	1,564	1,564					
Interest and Investment Revenue	9,272	7,039	6,564	8,695	8,695		5,444	4,446	3,873	5,158	5,158	1,801	861	807	1,064	1,064	2,027	1,752	1,752	1,883	2,473	2,473					
Other	3,893	3,268	2,946	3,829	3,829		3,592	3,012	2,518	3,257	3,257	215	144	289	386	386	86	112	112	139	185	185					
Grants & Contributions Operating	29,062	14,309	13,874	19,399	19,399		27,658	12,879	12,314	17,706	17,706	742	764	831	984	984	663	666	666	709	709	709					
Grants & Contributions Capital	14,679	7,885	4,679	8,926	8,926		10,775	5,909	3,629	5,275	5,275	3,104	1,463	750	2,785	2,785	800	514	514	300	865	865					
Gain from the Disposal of Assets	660	532	406	621	621		660	531	406	621	621	(0)	1	(0)	(0)	(0)											
Total income from continuing operations	238,702	211,524	209,943	230,907	230,907		165,183	142,290	141,445	160,352	160,352	41,667	38,109	37,412	46,248	46,248	31,852	31,034	31,034	31,085	33,308	33,308					
EXPENSES from continuing operations:																											
Employee Costs	73,443	56,813	57,070	79,007	79,007		59,426	46,396	46,570	64,882	64,882	6,679	5,131	5,326	7,180	7,180	7,338	5,285	5,174	5,174	6,945	6,945					
Borrowing Costs	19,168	10,731	10,677	16,981	16,981		2,654	273	244	2,881	2,881	15,087	8,984	9,045	12,210	12,210	1,426	1,474	1,388	1,388	1,892	1,892					
Materials and Contracts	44,975	32,125	38,148	52,896	52,896		20,806	13,929	19,250	27,321	27,321	13,797	10,273	11,073	15,096	15,096	10,373	7,922	7,824	7,824	10,479	10,479					
Depreciation	55,629	40,790	41,201	55,182	55,182		27,412	19,061	18,092	24,277	24,277	14,872	12,552	11,996	16,031	16,031	13,346	9,177	11,112	11,112	14,874	14,874					
Other	40,001	24,817	28,545	36,618	36,618		36,383	21,225	24,811	31,620	31,620	1,972	1,746	2,275	3,027	3,027	1,646	1,846	1,459	1,459	1,971	1,971					
Loss from the Disposal of Assets	3,244	449	228	303	303		1,722	449	228	303	303	1,522	0	0	0	0											
Total expenses from continuing operations	235,460	165,726	175,868	240,986	240,986		148,454	101,334	109,195	151,243	151,243	53,928	38,688	39,715	53,544	53,544	34,128	25,704	26,958	26,958	36,139	36,139					
Total Profit & (loss) from Operations	2,242	45,798	34,075	(10,079)	(10,079)		16,779	40,956	32,250	9,058	9,058	(12,261)	(488)	(2,303)	(7,296)	(7,296)	(2,276)	5,330	4,127	4,127	(2,832)	(2,832)					
Total Profit & (loss) before Capital Grants and Contributions	(12,437)	37,913	29,396	(9,999)	(9,999)		6,004	35,048	28,621	3,793	3,793	(15,365)	(1,951)	(3,052)	(10,081)	(10,081)	(3,076)	4,816	3,828	3,828	(3,712)	(3,712)					
(Less Tax Equivalent Payments (Notional))																											
Total Result after Tax Equivalent Payments	(12,437)	37,913	29,396	(9,999)	(9,999)		6,004	35,048	28,621	3,793	3,793	(15,365)	(1,951)	(3,052)	(10,081)	(10,081)	(3,155)	4,613	3,624	3,624	(3,983)	(3,983)					

YTD % Elapsed: 75%