

# QUARTERLY BUSINESS & BUDGET REPORT

March 2011

## March 2011 Quarterly Report - General Manager's Message

### Income - Consolidated By Service

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	60,489,372	60,289,740	199,632	78,724,816	79,297,469	79,387,469
User Charges & Fees	26,930,092	25,845,167	1,084,925	35,025,108	35,589,823	35,207,634
Interest & Investment Revenue	4,660,797	4,183,913	476,884	4,201,701	5,531,701	5,781,701
Other Revenues	5,753,591	5,477,025	276,566	5,499,862	5,865,174	6,654,253
Grants & Contributions - Operating Purposes	5,006,570	5,392,289	(385,719)	7,331,017	7,361,317	7,541,026
Grants & Contributions - Capital Purposes	4,254,780	4,344,901	(90,121)	9,702,427	6,413,177	6,234,007
Gains on disposal of Assets	245,274	-	245,274	-	200,000	200,000
<b>Total Income from Continuing Operations</b>	<b>107,340,476</b>	<b>105,533,035</b>	<b>1,807,441</b>	<b>140,484,931</b>	<b>140,258,661</b>	<b>141,006,090</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(39,815,625)	(40,921,619)	1,105,994	(53,439,609)	(53,088,021)	(52,520,872)
Borrowing Costs	(93,264)	(192,008)	98,744	(258,645)	(258,645)	(260,496)
Materials and Contracts	(34,533,335)	(35,701,785)	1,168,450	(48,558,211)	(50,400,642)	(50,756,714)
Depreciation and Amortisation	(10,322,887)	(9,925,763)	(397,125)	(13,225,475)	(13,457,158)	(13,627,552)
Other Expenses	(11,821,809)	(11,613,679)	(208,130)	(14,761,484)	(14,944,928)	(14,788,074)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	(275,225)	(352,683)	77,457	(470,245)	(470,244)	(470,244)
Internal Charges	(0)	1	(1)	1	0	0
Overhead Allocation	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>(96,862,145)</b>	<b>(98,707,535)</b>	<b>1,845,390</b>	<b>(130,713,668)</b>	<b>(132,619,638)</b>	<b>(132,423,952)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>10,478,331</b>	<b>6,825,500</b>	<b>3,652,831</b>	<b>9,771,263</b>	<b>7,639,024</b>	<b>8,582,139</b>
<b>Surplus/ (Deficit) before Capital Grants &amp; Contributions</b>	<b>6,223,551</b>	<b>2,480,599</b>	<b>3,742,953</b>	<b>68,836</b>	<b>1,225,847</b>	<b>2,348,132</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>						
	<b>10,478,331</b>	<b>6,825,500</b>	<b>3,652,831</b>	<b>9,771,263</b>	<b>7,639,024</b>	<b>8,582,139</b>
<b>Rates Yet to be Allocated to Services</b>						
Rates and Charges yet to be allocated to Services	19,007,729	19,431,118	-			
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>29,486,060</b>	<b>26,256,618</b>	<b>3,229,442</b>			
<b>Surplus/ (Deficit) before Capital Grants &amp; Contributions</b>	<b>25,231,280</b>	<b>21,911,717</b>	<b>3,319,563</b>			

The above Income Statement shows Council's consolidated financial result for the nine months ended 31 March 2011.

The result for the nine months ended 31 March 2011 shows some variations between budgeted and actual results. Comments have been provided by responsible budget managers and the forecasts have been amended where necessary. The reports for each of the 16 services provided in the Strategic Community Plan 2011 are each provided separately.

**Forecast Changes**

These overall movements are detailed in the table below:

	Annual Budget \$	Approved Forecast \$	Variance \$	Current Forecast \$	Variance \$
Total Income from Continuing Operations	140,484,931	140,258,661	(226,270)	141,006,090	747,429
Total Expenses from Continuing Operations	(130,713,668)	(132,619,638)	(1,905,969)	(132,423,952)	195,686
Surplus/ (Deficit) from Continuing Operations	9,771,263	7,639,024	(2,132,239)	8,582,139	943,115
Surplus/ (Deficit) before Capital Grants & Contributions	68,836	1,225,847	1,157,011	2,348,132	1,122,285

The principal feature of the forecast changes is an increase in the Surplus from Continuing Operations before Capital Grants and Contributions for the full financial year to \$2,348,132. A breakdown of the increase in the Surplus is as follows:

Restricted

Section 94 and 94A Interest	\$250,000
Kimbriki Environmental Enterprises	\$240,741
Grants & Contributions – Operating Purposes	\$179,709
Working Capital banked as part December QBRR	\$200,000
	\$870,450

Unrestricted

Warringah Council website upgrade transferred from Operational to Capital proposed for consideration as part of the 2011 Strategic Community Plan	\$150,000
Other	\$101,835
	\$251,835
<b>Total</b>	<b>\$1,122,285</b>

It is proposed to provide \$15,000 from the unrestricted Surplus to fund a telephone survey to establish the demand within Warringah LGA for Community Gardens. This is in response to the Notice of Motion 47/2010 adopted by Council on October 6<sup>th</sup> 2010. It is also proposed to provide \$80,000 to fund a detailed report on voluntary council amalgamation. This is in response to Notice of Motion 23/2011 adopted by Council on 22 March 2011

The significant changes related to Income from Continuing Operations are:

- Rates and Annual Charges have been forecast to increase by \$90,000 due to additional Domestic Waste Management Charges.
- User Fees & Charges have been forecast to decrease by \$382,189 due mainly to a reclassification of \$912,484 of Kimbriki Recycling Fees to Other Revenue. This has been partially offset by additional Development Assessment Income, additional Kimbriki Tipping Fees, Parking Fees, Reserve Booking Fees and Building Planning Fees.
- The forecast for Interest and Investment Revenues has been increased by \$250,000 reflecting Council achieving interest rates above the benchmark by more than 1% during the first nine months of the year.
- Other Revenues have been forecast to increase by \$789,079 due mainly to the reclassification of Kimbriki Recycling Fees noted above and insurance claims received which have been offset by reduced Parking Fines.

## March 2011 Quarterly Report - General Manager's Message

- Grants & Contributions – Operating Purposes have been forecast to increase by \$179,709 due mainly to additional Road Restoration Contributions offset by a reduction in the contribution from Pittwater Council for the Narrabeen Lagoon Entrance Clearance work.
- Grants & Contributions – Capital Purposes have been forecast to decrease by \$179,170 due principally to a refund of Section 94 fees which has been partially offset by an additional grant from the Department of Infrastructure, Transport & Regional Development for playground upgrades and other minor changes to anticipated grants.

The significant changes generally related to Expenses from Continuing Operations are:

- Employee Benefits and OnCosts have been forecast to decrease by \$567,149 due mainly to a reduction in training expenditure and vacancies which have not been filled in a number of services.
- Materials and Contracts have been forecast to increase by \$356,072. There have been a number of changes to this item within the individual services. The principal increases have been in Roads, Traffic and Waste related to waste charges, road and pavement repair work (funded from the Roads restoration income noted above) and bin repairs and maintenance as well as waste charges in Kimbriki Environmental Enterprises. These increases have been partially offset by reductions in a number of services including a reduction in Natural Environment related to a change in the scope of a number of projects, Parks, Reserves & Foreshores due to weather and scheduling delays and Corporate Support relating to the development of Council's website. Major upgrades to the current Warringah Council website have not proven viable as the content management has now been superseded. The development of new digital communications dictates that Council needs to redevelop the site and associated technical platform to meet new digital industry standards. As a result development work has not been able commence in 2010-11. It has also become evident during the initial scoping phase that due to the nature of the project it would need to be capitalised.
- Other Expenses has been forecast to decrease by \$156,854 due mainly to reductions in the Kimbriki Environmental Enterprises Waste Levy expenditure of \$267,690 offset by lower than anticipated insurance premiums within Corporate Support.

### Capital Works

Expenditure on Capital Works for the nine months ended 31 March 2011 totalled \$20,459,944.

	YTD Actual \$	YTD Forecast \$	Variance \$
Total Capital Expenditure	(20,459,994)	(23,997,820)	3,537,826

The variation is a result of projects not proceeding due to factors outside of Council's control such as bad weather.

Changes to the forecast details of which are included for the individual reports of each of the Services are detailed below.

	Annual Budget \$	Approved Forecast \$	Variance \$	Current Forecast \$	Variance \$
Total Capital Expenditure	(39,546,650)	(35,445,933)	4,100,717	(33,002,213)	2,443,720

Description	\$
<b>Total Net Changes made by Council Resolution during the first and second quarters</b>	<b>4,480,717</b>
<b>Changes by Council Resolution during the third quarter:</b>	
Surplus Allocation – Narrabeen Lagoon Restoration	(200,000)
Shade Structure of New Terraces at Freshwater	(80,000)

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Long Reef SLSC – brought forward from 2011/12	(40,000)
Surplus Allocation – Upgrade playground Forestville Arts Centre	(60,000)
<b>Total of Net Changes by Council Resolution during the third quarter</b>	<b>(380,000)</b>
	<b>4,100,717</b>
<b>Changes identified in the Proposed Forecast:</b>	
<b><i>Projects requiring rescheduling which are proposed for consideration as part of the 2011 Strategic Community Plan</i></b>	
Collaroy Stormwater Outlet	153,000
Dee Why – The Streetscape – Stage 3	158,824
Freshwater Town Village Upgrade	352,292
Invoice Scanning Software	26,100
Implement IP Telephony Platform	150,000
Masterplan - WAC	40,000
Narrabeen Lagoon – Federal Grant	392,117
New Bike Paths	50,000
PAIP – Millers Reserve	150,000
PAIP – Passmore Reserve	287,000
Renewals – Lagoon View Road, Cromer	80,000
Restoration of Narrabeen Lagoon (council monies)	200,000
Road Acquisition - Cottage Pt Rd no.3	250,000
Sportsground Signage Upgrade	45,000
Southcreek Cycleway	152,012
South Curl Curl Rock Pool - Stage 1	80,000
	<b>2,566,345</b>
<b><i>Other Third Quarter Movements</i></b>	<b>(122,625)</b>
<b>Total Net Changes identified in the Proposed Forecast</b>	<b>2,443,720</b>
<b>Total Net Changes</b>	<b>6,544,437</b>

## Balance Sheet

Budget 30 June 2011 \$'000	Actual 31 March 2011 \$'000	Actual 30 June 2010 \$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
16,899 Cash & Cash Equivalents	20,664	9,946
50,696 Investments	65,915	71,707
6,619 Receivables	24,596	7,471
107 Inventories	85	90
457 Other	139	537
0 Non Current Assets Classified as "held for sale"	2,944	2,944
<b>74,778 Total Current Assets</b>	<b>114,343</b>	<b>92,695</b>
<b>Non-Current Assets</b>		
6,884 Investments	5,769	14,066
480 Receivables	454	446
3,365,835 Infrastructure, Property, Plant & Equipment	3,512,126	3,502,380
996 Investments Accounted for using the equity method	1,053	778
2,000 Investment Property	2,050	2,050
0 Intangible Assets	967	135
<b>3,376,195 Total Non-Current Assets</b>	<b>3,522,419</b>	<b>3,519,855</b>
<b>3,450,973 TOTAL ASSETS</b>	<b>3,636,762</b>	<b>3,612,550</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
16,743 Payables	12,929	15,850
1,002 Borrowings	220	1,427
9,838 Provisions	11,188	11,162
<b>27,583 Total Current Liabilities</b>	<b>24,337</b>	<b>28,439</b>
<b>Non-Current Liabilities</b>		
0 Payables	3,993	200
485 Borrowings	812	811
18,179 Provisions	1,979	5,597
<b>18,664 Total Non-Current Liabilities</b>	<b>6,783</b>	<b>6,608</b>
<b>46,247 TOTAL LIABILITIES</b>	<b>31,120</b>	<b>35,047</b>
<b>3,404,726 Net Assets</b>	<b>3,605,642</b>	<b>3,577,503</b>
<b>EQUITY</b>		
3,347,056 Retained Earnings	3,509,406	3,481,267
50,858 Revaluation Reserves	90,296	90,296
<b>3,397,914 Council Equity Interest</b>	<b>3,599,702</b>	<b>3,571,563</b>
6,812 Minority Equity Interest	5,940	5,940
<b>3,404,726 Total Equity</b>	<b>3,605,642</b>	<b>3,577,503</b>

## Cash Flow

Budget 30 June 2011 \$'000		Actual 31 March 2011 \$'000	Actual 30 June 2010 \$'000
<b>Cash Flows from Operating Activities</b>			
<u>Receipts:</u>			
78,725	Rates & Annual Charges	63,082	76,777
37,825	User Charges & Fees	26,930	27,445
4,202	Interest & Investment Revenue Received	4,661	4,628
17,033	Grants & Contributions	9,511	12,930
2,700	Other	5,754	12,904
<u>Payments:</u>			
(54,200)	Employee Benefits & On-Costs	(39,816)	(50,585)
(48,558)	Materials & Contracts	(44,408)	(45,730)
(259)	Borrowing Costs	(56)	(413)
(15,231)	Other	(11,822)	(12,427)
<b>22,237</b>	<b>Net Cash provided (or used in) Operating Activities</b>	<b>13,836</b>	<b>25,529</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts:</u>			
-	Sale of Investment Securities	91,955	213,885
1,650	Sale of Infrastructure, Property, Plant & Equipment	1,633	2,129
2,944	Sale of Non-current assets classified as "held for resale"	-	-
<u>Payments:</u>			
-	Purchase of Investment Securities	(88,352)	(215,073)
-	Purchase of Investment Property	-	-
(39,547)	Purchase of Infrastructure, Property, Plant & Equipment	(20,460)	(32,266)
-	Purchase of Intangibles	(832)	(135)
-	Contributions Paid to Joint Ventures & Associates	-	(456)
<b>(34,953)</b>	<b>Net Cash provided (or used in) Investing Activities</b>	<b>(16,055)</b>	<b>(31,916)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts:</u>			
160	Proceeds from Borrowings & Advances	-	659
-	Share Capital from minority interest	-	229
<u>Payments:</u>			
(4,032)	Repayment of Borrowings & Advances	(1,152)	(4,772)
<b>(3,872)</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(1,152)</b>	<b>(3,884)</b>
<b>(16,588)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(3,371)</b>	<b>(10,271)</b>
91,068	plus: Cash & Cash Investments at beginning of the year	95,719	105,990
<b>74,480</b>	<b>Cash &amp; Investments - end of the year</b>	<b>92,348</b>	<b>95,719</b>




## Report by Responsible Accounting Officer

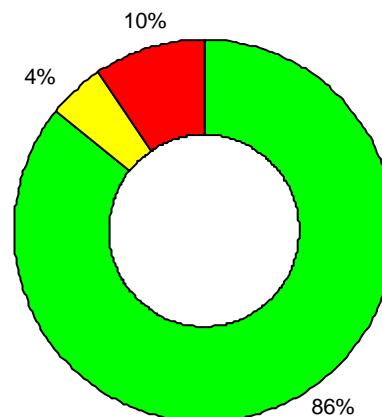
The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005.

It is my opinion that the Quarterly Budget Review Statement for Warringah Council for the nine months ended 31 March 2011 indicates that Council's projected financial position at 30 June 2011 will be satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

David Walsh  
Responsible Accounting Officer

### Progress Capital Works and Key Initiatives

	153	Key Initiatives at least 90% of target
	8	Key Initiatives between 70 and 90% of Action target achieved
	17	Key Initiatives less than 70% of target
<b>Total</b>	<b>178</b>	<b>Actions</b>



The majority of projects are on schedule with 35 complete.

For projects behind schedule the majority are well underway but won't be completed this financial year. The following works have been budgeted for completion in 2011-2012 (in the draft Strategic Community Plan 2011); reasons for the delay are also below:

- Dee Why CBD stormwater design – additional design work is required in the upper catchment as a result of the flood risk following hydraulic modelling
- Design of Collaroy Stormwater - difficulties have been experienced in appointing a contractor
- Narrabeen Lagoon Pathway – additional design and consultation undertaken on sighting the pathway
- Manly Warringah War Memorial Park Plan of Management – additional community consultation undertaken
- Brookvale Occasional Care Centre and the demolition of the Brookvale Park caretakers flat will occur at the same time. A development application is required for works on the site
- Works on the Civic Centre – upgrade of customer service centre, renewal of the roof and Building Code of Australia and fire safety compliance work needs to be sequenced.
- Renewing the South Curl Curl Rock Pool – difficulties in obtaining a supplier of precast components
- Collaroy Surf Life Savings Club lift and entertainment works – rescheduled to avoid 100 year anniversary of the Club following consultation with users
- Upgrading of the customer request management system, delivery of organisational training programs, development of a public art strategy and the development of a research paper on capacity in the local community service sector were delayed as staff resources were required to manage other projects
- South Creek (Dee Why) Cycleway – the estimated cost of the works is more than the budget, obtaining Council approval to proceed will delay construction

Our ability to deliver some projects were impacted by decisions made during the year. These are:

- Federal funding was not received for the Collaroy Accessible Tourism precinct – works on the reserve and improving access to the Collaroy Surf Life Saving Club have not commenced
- Speed humps in Smith Street, Allambie Heights will not proceed as these measures were not supported by The Traffic Committee
- Works on improving access to Warringah Aquatic Centre has been deferred to enable the development of a master plan including consultation with the community on the future direction of the facility

### Progress Capital Works and Key Initiatives

- Funds for Water and Energy Savings at the Civic Centre will be used to fund the Tri-generation project in future years
- Works on Nolan No. 2 amenity improvements has been postponed to future years as the cost of the public amenity improvement works at the three locations on District Park (Millers Reserve, Nolans No. 2 and Passmore Reserve) exceeded the budget.
- The development of a strategic asset management plan has been delayed by Council deferring consideration of the housing strategy

**Financials**

**March 2011 Quarterly Report by Service Certification**

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	298,575	298,575	-	387,030	387,030	387,030
User Charges & Fees	280,983	300,228	(19,245)	399,992	399,992	399,992
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
Grants & Contributions - Operating Purposes	-	-	-	-	-	-
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>579,558</b>	<b>598,803</b>	<b>(19,245)</b>	<b>787,022</b>	<b>787,022</b>	<b>787,022</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(302,108)	(329,425)	27,317	(429,586)	(429,586)	(429,586)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(19,511)	(10,125)	(9,386)	(13,500)	(13,500)	(13,500)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(4,393)	(6,319)	1,926	(8,360)	(8,360)	(8,360)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(53,919)	(60,622)	6,703	(79,139)	(79,139)	(79,139)
Overhead Allocation	(192,312)	(192,312)	-	(256,437)	(256,437)	(256,437)
<b>Total Expenses from Continuing Operations</b>	<b>(572,243)</b>	<b>(598,803)</b>	<b>26,560</b>	<b>(787,022)</b>	<b>(787,022)</b>	<b>(787,022)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>7,315</b>	<b>-</b>	<b>7,315</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Year to Date Actuals and Annual Forecast**

The Surplus/ (Deficit) from Continuing Operations is generally tracking in line with forecast.

It is not anticipated that there will be any significant change in the Annual Forecast.

### Progress Capital Works and Key Initiatives



1 Key Initiatives at least 90% of target

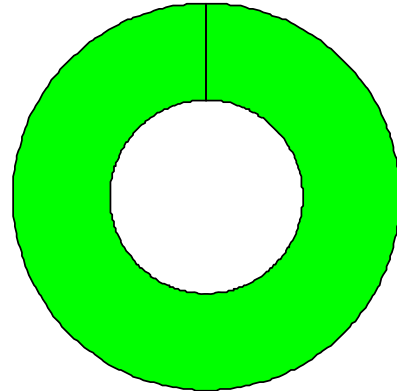


0 Key Initiatives between 70 and 90% of Action target achieved



0 Key Initiatives less than 70% of target

**Total**      **1**      **Actions**



100%

The Key Initiative for Council's building surveyors to achieve accreditation under the Building Professional Board of NSW has been completed.

## Financials

### March 2011 Quarterly Report by Service

#### Child Care

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	990,204	990,204	-	1,212,612	1,212,612	1,212,612
User Charges & Fees	3,198,909	3,251,711	(52,802)	4,396,429	4,396,429	4,396,429
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	212	10,330	(10,118)	10,330	10,330	10,330
Grants & Contributions - Operating Purposes	401,198	402,826	(1,628)	539,430	539,430	539,430
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>4,590,524</b>	<b>4,655,071</b>	<b>(64,547)</b>	<b>6,158,801</b>	<b>6,158,801</b>	<b>6,158,801</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(3,161,376)	(3,164,538)	3,162	(4,134,230)	(4,134,230)	(4,134,230)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(360,442)	(395,306)	34,864	(563,367)	(563,367)	(563,367)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(97,209)	(121,026)	23,816	(163,719)	(163,719)	(163,719)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(88,764)	(77,010)	(11,754)	(100,764)	(100,764)	(100,764)
Overhead Allocation	(897,192)	(897,192)	-	(1,196,721)	(1,196,721)	(1,196,721)
<b>Total Expenses from Continuing Operations</b>	<b>(4,604,983)</b>	<b>(4,655,071)</b>	<b>50,088</b>	<b>(6,158,801)</b>	<b>(6,158,801)</b>	<b>(6,158,801)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>(14,459)</b>	<b>-</b>	<b>(14,459)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Year to Date Actuals and Annual Forecast

The small Deficit from Continuing Operations at the end of the third quarter principally relates to a lower utilisation rate in the Centres during the third quarter which has been partially offset by lower associated expenditure during this period.

We do not anticipate that there will be any changes to the annual forecast.

### Key Highlights

#### Development of quality practices

Evidence is emerging of a growing willingness on the part of Council services to engage with other service providers in the local area, to support the development of quality practices. Services report many instances of collaborations, such as assistance to another service to develop their program for 2's, and inclusion in events and speaker nights. This is driven not only by a sustained commitment to best practice and acknowledgement of its importance in delivering great outcomes to children, but a growing acknowledgement of the quality of their own practice, and desire to use what has been achieved to the betterment of the community as a whole.

Services have identified many ways in which they can support best practice across the community with their own resources, including mentoring, service visits, information and resource sharing, professional practice/focus groups, inclusion in training, as well as ongoing support to external students. This aspect of project development is still at an early stage, but characterised by excitement, creativity, enthusiasm and a generosity of spirit. It also provides considerable professional validation of practice and both intrinsic and extrinsic reward.

As council services have also been able to establish strong links amongst themselves, there are also the additional benefits from internal cross-fertilization and collaboration to assist programs externally.

## Financials

### March 2011 Quarterly Report by Service Community & Safety Services

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	3,413,765	3,413,765	-	4,197,162	4,439,162	4,439,162
User Charges & Fees	1,035,074	1,067,760	(32,686)	1,390,952	1,390,952	1,390,952
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	62,417	9,000	53,417	21,396	21,396	21,396
Grants & Contributions - Operating Purposes	133,001	118,773	14,228	159,854	159,854	115,454
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>4,644,256</b>	<b>4,609,297</b>	<b>34,959</b>	<b>5,769,364</b>	<b>6,011,364</b>	<b>5,966,964</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(2,458,169)	(2,452,018)	(6,151)	(3,047,371)	(3,109,283)	(3,069,283)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(637,354)	(635,276)	(2,078)	(752,837)	(938,837)	(938,837)
Depreciation and Amortisation	(246,771)	(246,771)	-	(329,162)	(329,162)	(329,162)
Other Expenses	(287,404)	(319,448)	32,044	(372,737)	(374,737)	(374,737)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(147,430)	(144,146)	(3,284)	(184,846)	(184,846)	(184,846)
Overhead Allocation	(811,638)	(811,638)	-	(1,082,411)	(1,082,411)	(1,082,411)
<b>Total Expenses from Continuing Operations</b>	<b>(4,588,766)</b>	<b>(4,609,297)</b>	<b>20,531</b>	<b>(5,769,363)</b>	<b>(6,019,275)</b>	<b>(5,979,275)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>55,490</b>	<b>-</b>	<b>55,490</b>	<b>0</b>	<b>(7,912)</b>	<b>(12,312)</b>

### Year to Date Actuals and Annual Forecast

The Surplus from Continuing Operations at the end of the third quarter is principally a timing difference related to slightly higher than anticipated income and lower than anticipated expenses.

An increase in the Deficit from Continuing Operations to \$12,312 (December forecast \$7,912) is anticipated for the full financial year due to a reduction in Grant Income of \$44,400 for the Road Safety Officer position which has been transferred to Roads, Traffic & Waste which is partially offset by a reduction in associated Employee Benefits and Oncosts of \$40,000.

### Key Highlights

#### Seniors Week

Aged Services ran a full program of activities for Seniors Week in March. A total of 2,500 programs were distributed to the Aged Services mailing list, community groups and through Customer Service and Council's libraries.

#### Beach Services Risk Management

Beach Services continued to work with Deloitte on the Risk Methodology Framework project. Several site visits were undertaken to collect data to apply within the draft risk model. Beach Services staff also carried out customer surveys at Dee Why and Freshwater beaches to ascertain postcode visitations and whether or not English was the only language spoken at home.

The model itself was tested by Beach Services staff and final testing of the model is due to be undertaken in April.

#### New Observation Tower

A new Observation Tower has been installed at Freshwater beach and while it has been operational for several months it was finally commissioned and minor problems rectified by the contractors during this quarter. The Tower has been used since its installation and has given Beach Services staff a clear view of the beach in inclement weather overcoming a number of risk management issues raised by staff. The installation of a second tower at North Narrabeen commenced in late February and was completed late in this quarter. It is due to be commissioned in early April.

#### Rock Pool Duress Alarm System

The Rock Pool Duress Alarm System was upgraded this quarter. The system will cover the operation of rock pool lighting, pool pumps, automated operation of the public toilets doors and waste pit pump-outs and will include text messaging to Warringah Surf and Section Leaders. The new system takes away the risk of staff having to use pagers, which can be difficult to hear in the beach environment.

## Financials

### March 2011 Quarterly Report by Service Compliance

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	750,206	750,206	-	1,327,783	1,327,783	1,327,783
User Charges & Fees	1,198,205	891,506	306,698	1,155,883	1,155,883	1,355,883
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	2,516,081	2,624,864	(108,783)	3,183,308	3,483,308	3,283,308
Grants & Contributions - Operating Purposes	-	-	-	-	-	-
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>4,464,492</b>	<b>4,266,576</b>	<b>197,916</b>	<b>5,666,974</b>	<b>5,966,974</b>	<b>5,966,974</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(2,086,730)	(2,233,975)	147,245	(3,017,405)	(2,867,405)	(2,867,405)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(367,088)	(442,660)	75,572	(621,430)	(630,605)	(580,605)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(129,429)	(109,885)	(19,544)	(65,041)	(125,866)	(175,866)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(329,897)	(390,714)	60,817	(510,066)	(510,066)	(510,066)
Overhead Allocation	(1,089,342)	(1,089,342)	-	(1,453,031)	(1,453,031)	(1,453,031)
<b>Total Expenses from Continuing Operations</b>	<b>(4,002,487)</b>	<b>(4,266,576)</b>	<b>264,089</b>	<b>(5,666,974)</b>	<b>(5,586,974)</b>	<b>(5,586,974)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>462,005</b>	<b>-</b>	<b>462,005</b>	<b>-</b>	<b>380,000</b>	<b>380,000</b>

### Year to Date Actuals and Annual Forecast

The Surplus from Continuing Operations relates to both higher than anticipated income and lower than anticipated expenses.

The higher than anticipated income principally relates to additional parking fees, food safety inspections and annual fire safety statements. This reflects a greater emphasis on compliance enforcement and public safety measures.

The lower than anticipated expenses principally relates to employment costs associated with vacant positions and lower Materials and Contracts expenditure offset by higher Agency Costs associated with the vacant positions.

The increase in the Surplus from Continuing Operations of \$380,000 anticipated at the end of the second quarter is still forecast for the full financial year. However, a decrease has been forecast in Materials and Contracts of \$50,000 offset by an increase in Agency Costs of \$50,000 which relates to the vacant positions noted above.

### Progress Capital Works and Key Initiatives



1 Key Initiatives at least 90% of target

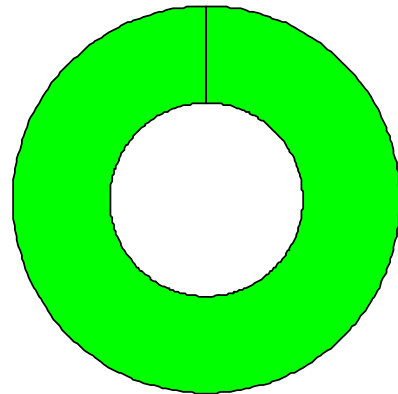


0 Key Initiatives between 70 and 90% of Action target achieved



0 Key Initiatives less than 70% of target

**Total 1 Actions**



100%

**Financials**
**March 2011 Quarterly Report by Service  
Cultural Services**




	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	702,235	702,235	-	993,532	851,532	851,532
User Charges & Fees	1,264	3,600	(2,336)	8,640	4,755	4,755
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	37,904	47,547	(9,644)	63,417	63,417	43,417
Grants & Contributions - Operating Purposes	13,614	-	13,614	-	-	14,000
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>755,016</b>	<b>753,382</b>	<b>1,634</b>	<b>1,065,589</b>	<b>919,704</b>	<b>913,704</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(239,355)	(255,882)	16,527	(464,665)	(318,780)	(318,780)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(280,699)	(261,810)	(18,889)	(296,230)	(351,230)	(381,230)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(43,123)	(71,375)	28,252	(87,928)	(87,928)	(46,928)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(14,106)	(29,936)	15,830	(37,520)	(37,520)	(37,520)
Overhead Allocation	(134,379)	(134,379)	-	(179,246)	(179,246)	(179,246)
<b>Total Expenses from Continuing Operations</b>	<b>(711,662)</b>	<b>(753,382)</b>	<b>41,720</b>	<b>(1,065,589)</b>	<b>(974,704)</b>	<b>(963,704)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>43,354</b>	<b>-</b>	<b>43,354</b>	<b>-</b>	<b>(55,000)</b>	<b>(50,000)</b>

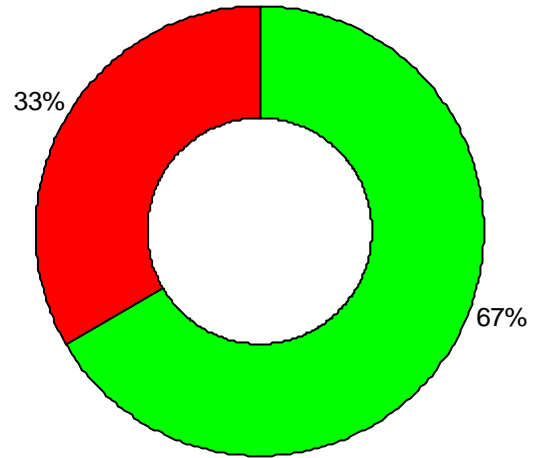
**Year to Date Actuals and Annual Forecast**

The Surplus from Continuing Operations at the end of the third quarter principally relates to timing issues and the receipt of additional grant and contribution income.

A decrease in the Deficit from Continuing Operations to \$50,000 (December forecast \$55,000) is anticipated for the full financial year due to the additional grant income.

Progress Capital Works and Key Initiatives

	2	Key Initiatives at least 90% of target
	0	Key Initiatives between 70 and 90% of Action target achieved
	1	Key Initiatives less than 70% of target
<b>Total</b>	<b>3</b>	<b>Actions</b>



The development of a public art strategy will be delayed until 2011-2012 as it is not resourced.

Key Highlights

Events

For the third quarter the following events were held:

Australia Day activities at Dee Why, Forestville, Narrabeen, Beacon Hill. Including the Mayor's Australia Day lunch and Citizenship Ceremony at Glen Street

Australia Day Cheque Presentation Ceremony

Music In March concert series

Multicultural Festival citizenship ceremony

## Financials

### March 2011 Quarterly Report by Service Development Assessment

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	2,754,225	2,754,225	-	3,789,197	3,789,197	3,789,197
User Charges & Fees	1,715,291	1,490,906	224,385	1,732,883	2,112,883	2,212,883
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	6,300	-	6,300	-	-	-
Grants & Contributions - Operating Purposes	-	-	-	-	-	-
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>4,475,816</b>	<b>4,245,131</b>	<b>230,685</b>	<b>5,522,080</b>	<b>5,902,080</b>	<b>6,002,080</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(2,492,751)	(2,534,652)	41,901	(3,302,297)	(3,302,297)	(3,302,297)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(101,766)	(149,863)	48,097	(200,543)	(200,543)	(160,543)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(112,267)	(85,978)	(26,289)	(114,267)	(114,267)	(154,267)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(379,048)	(343,383)	(35,665)	(396,029)	(476,029)	(476,029)
Overhead Allocation	(1,131,255)	(1,131,255)	-	(1,508,944)	(1,508,944)	(1,508,944)
<b>Total Expenses from Continuing Operations</b>	<b>(4,217,087)</b>	<b>(4,245,131)</b>	<b>28,044</b>	<b>(5,522,080)</b>	<b>(5,602,080)</b>	<b>(5,602,080)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>258,729</b>	<b>-</b>	<b>258,729</b>	<b>-</b>	<b>300,000</b>	<b>400,000</b>

### Year to Date Actuals and Annual Forecast

The Surplus from Continuing Operations largely relates to higher than anticipated Development Application Fee Income.

An increase in the Surplus from Continuing Operations to \$400,000 (December forecast \$300,000) is anticipated for the full financial year due to additional Development Application Fee Income. A decrease has been forecast in Materials and Contracts of \$30,000 offset by an increase in Agency Costs of \$30,000 which is to cover for vacant positions.

### Progress Capital Works and Key Initiatives



1 Key Initiatives at least 90% of target

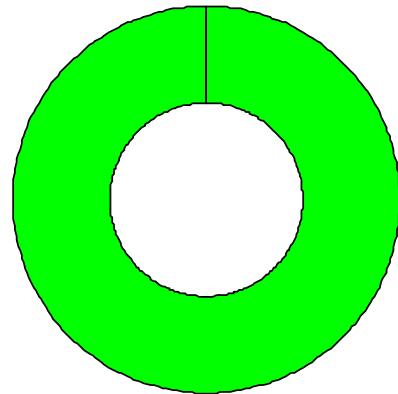


0 Key Initiatives between 70 and 90% of Action target achieved



0 Key Initiatives less than 70% of target

**Total**      **1**      **Actions**



100%

**Financials**

**March 2011 Quarterly Report by Service  
Glen Street Theatre**

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	874,545	874,545	-	1,100,418	1,180,418	1,180,418
User Charges & Fees	1,475,224	1,456,666	18,558	2,091,037	1,806,989	1,806,989
Interest & Investment Revenue	46,032	38,816	7,216	42,000	50,816	50,816
Other Revenues	308,715	379,422	(70,707)	534,819	500,131	400,131
Grants & Contributions - Operating Purposes	1,512	-	1,512	-	-	-
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>2,706,028</b>	<b>2,749,449</b>	<b>(43,421)</b>	<b>3,768,274</b>	<b>3,538,354</b>	<b>3,438,354</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(810,170)	(893,791)	83,621	(1,126,923)	(1,183,242)	(1,113,242)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(958,864)	(981,507)	22,642	(1,485,581)	(1,201,704)	(1,201,704)
Depreciation and Amortisation	(74,209)	(92,922)	18,713	(132,117)	(130,482)	(130,482)
Other Expenses	(249,808)	(296,975)	47,168	(369,299)	(372,205)	(342,205)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(18,486)	(25,479)	6,994	(42,423)	(38,790)	(38,790)
Overhead Allocation	(458,775)	(458,775)	-	(611,931)	(611,931)	(611,931)
<b>Total Expenses from Continuing Operations</b>	<b>(2,570,311)</b>	<b>(2,749,449)</b>	<b>179,138</b>	<b>(3,768,274)</b>	<b>(3,538,354)</b>	<b>(3,438,354)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>135,717</b>	<b>-</b>	<b>135,717</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Year to Date Actuals and Annual Forecast**




The Surplus from Continuing Operations principally relates to lower than anticipated expenses.

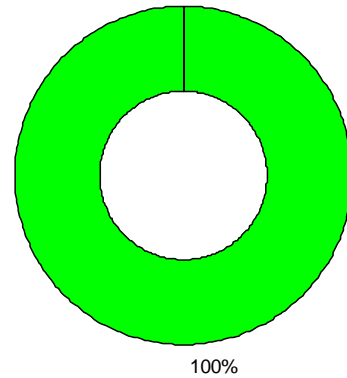
The lower than anticipated income is principally due to changes in the accounting for the receipt of income related to the operation of Sorlies accompanied by a downturn in both Sorlies and the kiosk and a lower than anticipated level of sponsorship income. This has been partially offset by additional box office income from higher attendance levels during the second quarter for The Gruffalo and Peace Train productions.

The lower than anticipated Employee Benefits & OnCosts is due mainly to maternity leave and short term savings on vacant positions. Materials and Contracts are lower than anticipated due to changes in the accounting for the receipt of income related to the operation of Sorlies noted above. Other Operating Expenses are lower due to more cost effective printing costs associated with advertising and promotions.

While there has been no change in the anticipated Surplus/(Deficit) from Continuing Operations for the full financial year, the forecast of both Income and Expenses from Continuing Operations have been revised to reflect the changes during the first three quarters which have been noted above .

### Progress Capital Works and Key Initiatives

	6	Key Initiatives at least 90% of target
	0	Key Initiatives between 70 and 90% of Action target achieved
	0	Key Initiatives less than 70% of target
<b>Total</b>	<b>6</b>	<b>Actions</b>



All capital works and key initiatives on schedule.

### Key Highlights

#### Highlights

The 2011 Main Stage season commenced in February with the very successful production of TUESDAYS WITH MORRIE.

The Music at the Glen season had a sell out concert with Kamahl in February followed by an equally successful concert with Wayne Scott Kermond and Warren Kermond in March.

Two sell out Literary Lunches have also taken place with Peter Fitzsimmons and Wendy Harmer.

**Financials**

**March 2011 Quarterly Report by Service  
Information & Library**

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	4,249,057	4,249,057	-	5,493,572	5,493,572	5,493,572
User Charges & Fees	160,236	137,458	22,778	183,184	183,184	183,184
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	8,704	28,500	(19,796)	38,000	38,000	38,000
Grants & Contributions - Operating Purposes	103,040	21,617	81,423	114,823	114,823	114,823
Grants & Contributions - Capital Purposes	263,460	193,500	69,960	258,000	258,000	258,000
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>4,784,497</b>	<b>4,630,132</b>	<b>154,365</b>	<b>6,087,579</b>	<b>6,087,579</b>	<b>6,087,579</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(2,758,249)	(2,796,766)	38,517	(3,651,680)	(3,651,680)	(3,651,680)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(271,321)	(416,936)	145,615	(555,935)	(555,935)	(555,935)
Depreciation and Amortisation	(424,494)	(424,494)	-	(566,222)	(566,222)	(566,222)
Other Expenses	(80,341)	(78,281)	(2,061)	(97,741)	(97,741)	(97,741)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(110,597)	(97,140)	(13,457)	(126,896)	(126,896)	(126,896)
Overhead Allocation	(816,516)	(816,516)	-	(1,089,105)	(1,089,105)	(1,089,105)
<b>Total Expenses from Continuing Operations</b>	<b>(4,461,519)</b>	<b>(4,630,132)</b>	<b>168,614</b>	<b>(6,087,579)</b>	<b>(6,087,579)</b>	<b>(6,087,579)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>322,979</b>	<b>-</b>	<b>322,979</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Year to Date Actuals and Annual Forecast**




The Surplus from Continuing Operations at the end of the third quarter principally relates to both higher than anticipated income and lower than anticipated expenses.

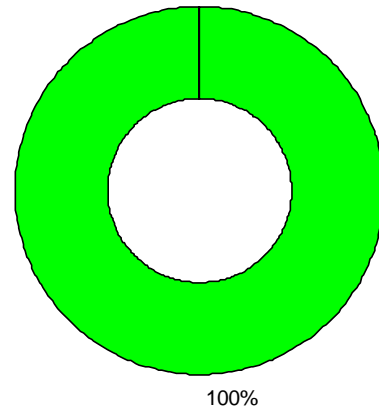
This higher income principally relates to the timing of the receipt of both Operational and Capital State Library Grants. It is not anticipated that the higher level of service fees income will continue for the full financial year.

The lower expenses principally relates to the timing of Materials and Contracts costs.

We do not anticipate that there will be any changes to the annual forecast.

**Progress Capital Works and Key Initiatives**

	4	Key Initiatives at least 90% of target
	0	Key Initiatives between 70 and 90% of Action target achieved
	0	Key Initiatives less than 70% of target
<b>Total</b>	<b>4</b>	<b>Actions</b>



**Key Highlights**

**Pioneer Clubhouse**

The new placements from the Pioneer Clubhouse commenced at Dee Why and Warringah Mall Libraries. This has been a strong community partnership for the last 7 years and Council's continued commitment to the program has assisted the Pioneer Clubhouse program to confirm its international accreditation.

**School Holiday Programs**

The attendance at school holiday programs was strong during this quarter with most programs being booked out. Programs included "Bush Friends" , a program that gave children an opportunity to find out about a range of common reptiles at close range. The introduction of chess competitions was also well attended and will continue throughout the year. All program attendance including the regular storytime program, 5,660 people attended Library programs during this quarter.

Summer Reading programs for adults and kids were popular and resulted in high levels of borrowing for the quarter. To date 309,528 items have been borrowed for the quarter this is up on the same period last year. There is an upward trend in Library inquiries, this has been experienced across all branches and is nearly 75% higher than the key performance indicators set for this activity last year.

**Financials**
**March 2011 Quarterly Report by Service  
Kimbriki**

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	-	-	-	-	-	-
User Charges & Fees	12,828,191	12,172,529	655,662	17,096,390	17,346,390	16,616,849
Interest & Investment Revenue	452,739	180,000	272,739	240,000	500,000	500,000
Other Revenues	1,307,556	1,349,373	(41,817)	746,494	646,494	1,650,573
Grants & Contributions - Operating Purposes	-	-	-	-	-	-
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>14,588,486</b>	<b>13,701,902</b>	<b>886,584</b>	<b>18,082,884</b>	<b>18,492,884</b>	<b>18,767,422</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(1,681,043)	(1,686,715)	5,672	(2,290,887)	(2,290,887)	(2,312,350)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(6,757,739)	(6,013,913)	(743,826)	(7,937,919)	(8,287,919)	(8,529,964)
Depreciation and Amortisation	(277,331)	(217,827)	(59,504)	(290,440)	(290,440)	(328,419)
Other Expenses	(3,964,348)	(4,158,107)	193,759	(5,567,575)	(5,627,575)	(5,359,885)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	-	-	-	-	-	-
Overhead Allocation	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>(12,680,461)</b>	<b>(12,076,562)</b>	<b>(603,899)</b>	<b>(16,086,821)</b>	<b>(16,496,821)</b>	<b>(16,530,618)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>1,908,025</b>	<b>1,625,340</b>	<b>282,685</b>	<b>1,996,063</b>	<b>1,996,063</b>	<b>2,236,804</b>

**Year to Date Actuals and Annual Forecast**

The Surplus from Continuing Operations is tracking higher than budget principally due to higher than anticipated revenue which has only been partially offset by higher than anticipated expenses.

User Fees & Charges are ahead as a result of higher than anticipated tip fees due to higher tonnage. This has resulted in a consequential increase in waste costs impacting on a higher level of Expenses from Continuing Operations.

An increase in the Surplus from Continuing Operations to \$2,236,804 (December forecast \$1,996,063) is anticipated for the full financial year. The forecast of both Income and Expenses from Continuing Operations have been revised to reflect changes in waste income and costs. Recycling Revenue has been reclassified from User Fees & Charges to Other Revenue.

## Natural Environment

### Financials

#### March 2011 Quarterly Report by Service Natural Environment

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	7,454,963	7,454,963	-	9,368,094	9,837,973	9,837,973
User Charges & Fees	26,456	39,718	(13,262)	50,535	50,535	50,535
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	32	-	32	-	-	-
Grants & Contributions - Operating Purposes	57,627	203,500	(145,873)	546,920	577,220	398,329
Grants & Contributions - Capital Purposes	1,112,000	1,112,000	-	2,875,000	2,385,750	2,385,750
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>8,651,078</b>	<b>8,810,181</b>	<b>(159,103)</b>	<b>12,840,548</b>	<b>12,851,477</b>	<b>12,672,586</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(2,068,039)	(2,161,621)	93,582	(2,436,883)	(2,559,950)	(2,520,201)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(1,867,597)	(2,164,438)	296,841	(4,420,518)	(4,266,594)	(4,128,023)
Depreciation and Amortisation	(2,492,568)	(2,492,568)	-	(3,324,748)	(3,324,748)	(3,324,748)
Other Expenses	(131,540)	(154,592)	23,052	(135,698)	(222,861)	(223,320)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(863,886)	(823,905)	(39,981)	(1,171,420)	(1,170,044)	(1,315,044)
Overhead Allocation	(1,013,058)	(1,013,058)	-	(1,351,281)	(1,351,281)	(1,351,281)
<b>Total Expenses from Continuing Operations</b>	<b>(8,436,688)</b>	<b>(8,810,181)</b>	<b>373,494</b>	<b>(12,840,548)</b>	<b>(12,895,477)</b>	<b>(12,862,616)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>214,390</b>	<b>-</b>	<b>214,390</b>	<b>-</b>	<b>(44,000)</b>	<b>(190,030)</b>




#### Year to Date Actuals and Annual Forecast

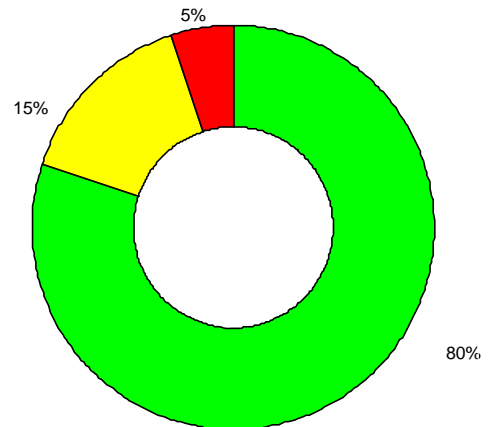
The Surplus from Continuing Operations at the end of the third quarter principally relates to lower than anticipated income offset by lower than anticipated expenses.

This lower income principally relates to timing differences in the receipt of operational grants associated with the Rural Fire Service bushfire mitigation works. The lower expenses have resulted from slight delays in the finalisation of bush regeneration contracts, delays in the Hawkesbury Avenue streambank stabilisation project, the reallocation of resources from the Biorestation strategy due to Land & Environment Court cases, and rephasing of some projects following awarding of contracts.

An increase in the Deficit from Continuing Operations to \$190,030 (December forecast \$44,000) is anticipated for the full financial year due to a decrease in income related to the Narrabeen Lagoon Entrance Clearance Project and an increase in Internal Charges related to drainage maintenance which has been partially offset by a decrease in Employee Benefits and Oncosts.

### Progress Capital Works and Key Initiatives

	16	Key Initiatives at least 90% of target
	3	Key Initiatives between 70 and 90% of Action target achieved
	1	Key Initiatives less than 70% of target
<b>Total</b>	<b>20</b>	<b>Actions</b>



The majority of capital works and key initiatives are on schedule. Delays have been experienced in the design works for Dee Why CBD stormwater upgrade, Collaroy stormwater outlet, South Creek (Dee Why) Cycleway and Stage 2 of the Narrabeen Lagoon multi-use trail.

### Key Highlights

#### Narrabeen Lagoon Trust Management

In March the Land and Property Management Authority appointed Council as Trust Manager of Narrabeen Lagoon. Council is now responsible for the management of the lagoon bed within Warringah.

#### Coastal Erosion Research Project

Council has commenced a partnership project with the University of NSW, the University of Plymouth, Macquarie University and the NSW Office of Environment and Heritage to undertake detailed coastal erosion research along the NSW coastline. This will include Collaroy-Narrabeen beach, and is part of an Australian Research Council grant.

#### Hilltop to Headland Lecture

The first of the 2011 Hilltop to Headland lectures was held on 24 February 2011 with Ed Halmagyi presenting, and as the event was fully booked it shows the Sustainable Living topics remain very popular.

#### Narrabeen Lagoon Creating a Sustainable Catchment

The NSW Environmental Trust grant is funding major bush regeneration works across the Narrabeen Lagoon catchment in Warringah and Pittwater. Works have been completed, including bush regeneration in the riparian zones of Middle Creek, Oxford Creek, Deep Creek, Nareen Creek and Mullet Creek. These works had a total worth of over \$785,000. The final report for the 3 year project is being developed, due to be finalised early April.

**Financials**

**March 2011 Quarterly Report by Service  
Parks, Reserves & Foreshores**

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	6,178,736	6,178,736	-	6,988,527	6,988,527	6,988,527
User Charges & Fees	525,493	599,668	(74,175)	268,510	618,510	658,510
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	10,982	-	10,982	-	-	-
Grants & Contributions - Operating Purposes	3,750	-	3,750	-	-	-
Grants & Contributions - Capital Purposes	290,000	100,000	190,000	1,600,000	100,000	290,000
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>7,008,961</b>	<b>6,878,404</b>	<b>130,557</b>	<b>8,857,037</b>	<b>7,707,037</b>	<b>7,937,037</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(2,552,394)	(2,562,239)	9,845	(3,182,923)	(3,182,923)	(3,137,117)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(2,592,019)	(2,883,810)	291,790	(3,776,967)	(3,816,967)	(3,755,136)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(109,550)	(34,369)	(75,181)	(41,603)	(41,603)	(125,240)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(274,195)	(331,900)	57,705	(433,537)	(433,537)	(433,537)
Overhead Allocation	(1,066,086)	(1,066,086)	-	(1,422,007)	(1,422,007)	(1,422,007)
<b>Total Expenses from Continuing Operations</b>	<b>(6,594,244)</b>	<b>(6,878,404)</b>	<b>284,160</b>	<b>(8,857,037)</b>	<b>(8,897,037)</b>	<b>(8,873,037)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>414,717</b>	<b>-</b>	<b>414,717</b>	<b>-</b>	<b>(1,190,000)</b>	<b>(936,000)</b>

**Year to Date Actuals and Annual Forecast**

The Surplus from Continuing Operations at the end of the third quarter is principally due unbudgeted income related to a grant from the Department of Infrastructure, Transport and Regional Development for playground upgrades as well as lower than anticipated expenses due to ongoing delays from weather and scheduling in the completion of maintenance projects.

A decrease in the Deficit from Continuing Operations to \$936,000 (December forecast \$1,190,000) is anticipated for the full financial year due to additional income from the infrastructure grant and lower Materials and Contract costs related to the delays in maintenance projects noted above as well as lower employee costs due to vacant positions offset by an associated increase in Agency Costs.

**Progress Capital Works and Key Initiatives**



23 Action at least 90% of target

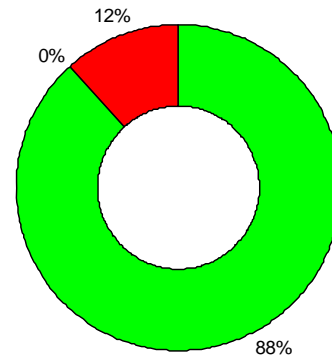


0 Actions between 70 and 90% of Action target achieved



3 Actions less than 70% of target

**Total 26 Actions**



The majority of capital works and key initiatives are on schedule. Delays have been experienced with the review of Manly Warringah War Memorial Park Plan of Management (additional consultation with the community); South Curl Curl Rock Pool renewal works will roll over into next financial year (precast issues ); while reserves improvements works as part of the Collaroy Access Tourism Precinct will not proceeded this year (Council was unsuccessful in obtaining grant funding).

**Key Highlights**

**New Facilities**

The following works were undertaken at Warringah parks, reserves and foreshores during the quarter:

- Three new barbeques were installed in Jamieson Park, Narrabeen.
- A new children’s playground was opened in Green Street, Brookvale.
- Remote lighting control systems were installed in six sportsfield sites.
- A new drainage and irrigation system and new goal posts were installed at Brookvale Oval.
- Three new cricket wickets were completed at Nolans Reserve and one in Passmore Reserve as part of the Sporting Club Capital Assistance Program.

## Financials

### March 2011 Quarterly Report by Service Roads, Traffic & Waste

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	19,443,621	19,326,252	117,369	24,629,131	24,779,131	24,869,131
User Charges & Fees	732,221	740,615	(8,394)	1,254,937	1,254,937	1,209,937
Interest & Investment Revenue	23,178	-	23,178	-	-	-
Other Revenues	722,858	730,000	(7,142)	490,000	730,000	730,000
Grants & Contributions - Operating Purposes	1,857,447	1,788,147	69,300	2,433,420	2,433,420	2,822,420
Grants & Contributions - Capital Purposes	1,130,384	1,123,437	6,947	1,769,427	1,168,827	1,200,257
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>23,909,709</b>	<b>23,708,451</b>	<b>201,258</b>	<b>30,576,915</b>	<b>30,366,315</b>	<b>30,831,745</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(3,001,963)	(3,111,940)	109,977	(4,148,486)	(4,048,486)	(3,948,486)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(13,602,019)	(13,088,608)	(513,412)	(16,915,949)	(17,432,058)	(18,523,488)
Depreciation and Amortisation	(2,611,782)	(2,611,782)	-	(3,483,764)	(3,483,764)	(3,483,764)
Other Expenses	(1,736,988)	(1,794,875)	57,887	(2,379,676)	(2,419,676)	(2,293,676)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(789,988)	(910,687)	120,700	(1,131,039)	(1,131,039)	(986,039)
Overhead Allocation	(1,887,759)	(1,887,759)	-	(2,518,001)	(2,518,001)	(2,518,001)
<b>Total Expenses from Continuing Operations</b>	<b>(23,630,499)</b>	<b>(23,405,651)</b>	<b>(224,848)</b>	<b>(30,576,915)</b>	<b>(31,033,024)</b>	<b>(31,753,454)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>279,210</b>	<b>302,800</b>	<b>(23,590)</b>	<b>-</b>	<b>(666,709)</b>	<b>(921,709)</b>

### Year to Date Actuals and Annual Forecast




The Surplus from Continuing Operations at the end of the third quarter is in line with the forecast position.

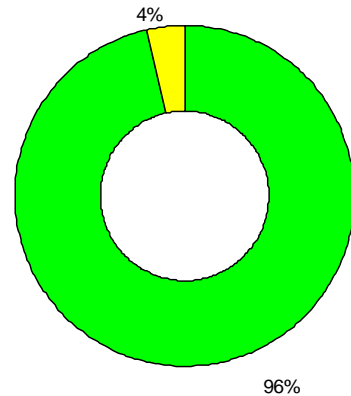
Income from Continuing Operations is slightly ahead of forecast due to additional Domestic Waste Management Charges which have arisen from supplementary notices from property sub divisions which results in an increase in the number of properties to be serviced and there is a higher level of road restoration income.

Expenses from Continuing Operations are slightly ahead of forecast due to a higher level of Materials and Contracts principally arising from higher Garbage and Waste Disposal Charges offset by lower Employee Benefits and On Costs which are due to vacancies and annual leave patterns.

An increase in the Deficit from Continuing Operations to \$921,709 (December forecast \$666,709) is anticipated for the full financial year principally due to higher Garbage and Waste Disposal Charges and an increased level of road restorations.

### Progress Capital Works and Key Initiatives

	27	Action at least 90% of target
	1	Actions between 70 and 90% of Action target achieved
	0	Actions less than 70% of target
<b>Total</b>	<b>28</b>	<b>Actions</b>



All capital works and key initiatives are on schedule. The majority of capital works and key initiatives are on schedule. The installation of speed humps in Smith Avenue, Allambie Heights will not proceed as The Traffic Committee didn't support the measures

### Key Highlights

#### Traffic Management

Investigated and reported 36 traffic matters to Warringah Traffic Committee including 5 reports to Council. This resulted in the issuing of 10 new work Instructions to the Roads and Traffic Authority (RTA) for various traffic facilities to manage parking, traffic flow and safety on Council's road network.

## Financials

### March 2011 Quarterly Report by Service Strategic Planning

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	1,264,425	1,264,425	-	1,728,580	1,728,580	1,728,580
User Charges & Fees	352,298	310,103	42,195	413,264	413,264	463,264
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	113	-	113	-	-	-
Grants & Contributions - Operating Purposes	-	-	-	-	-	-
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>1,616,836</b>	<b>1,574,528</b>	<b>42,308</b>	<b>2,141,844</b>	<b>2,141,844</b>	<b>2,191,844</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(726,697)	(907,588)	180,891	(1,287,494)	(1,137,494)	(1,037,494)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(49,652)	(111,844)	62,192	(149,800)	(149,800)	(149,800)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(106,639)	(47,660)	(58,979)	(30,150)	(80,150)	(130,150)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(59,651)	(85,804)	26,153	(112,007)	(112,007)	(112,007)
Overhead Allocation	(421,632)	(421,632)	-	(562,393)	(562,393)	(562,393)
<b>Total Expenses from Continuing Operations</b>	<b>(1,364,270)</b>	<b>(1,574,528)</b>	<b>210,258</b>	<b>(2,141,844)</b>	<b>(2,041,844)</b>	<b>(1,991,844)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>252,566</b>	<b>-</b>	<b>252,566</b>	<b>-</b>	<b>100,000</b>	<b>200,000</b>

### Year to Date Actuals and Annual Forecast

The Surplus from Continuing Operations relates to both higher than anticipated income and lower than anticipated expenses.

The higher than anticipated income relates to additional income from s149 Certificates.

The lower than anticipated employee costs principally relates to vacancies which were not filled as quickly as intended during the first 2 quarters as well as further vacancies which have arisen during the third quarter. Materials and Contracts are lower due to the timing of contracts costs and Other Expenses are higher as a result of the use of agency personnel to part back fill the vacant positions.

An increase in the Surplus from Continuing Operations to \$200,000 (December forecast \$100,000) is anticipated for the full financial year due to additional income from s149 Certificates of \$50,000 and lower employee costs of \$100,000 offset by an increase in Agency Costs of \$50,000 which is to cover for vacant positions.

### Progress Capital Works and Key Initiatives



10 Key Initiatives at least 90% of target

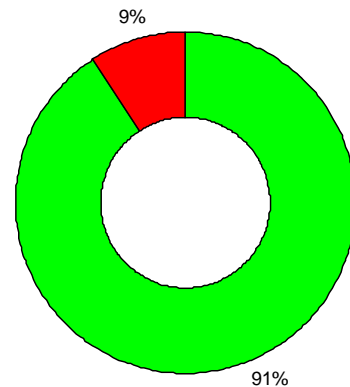


0 Key Initiatives between 70 and 90% of Action target achieved



1 Key Initiatives less than 70% of target

**Total**      **11**      **Actions**



The majority of key initiatives are on schedule. The development of a Strategic Asset Management Plan has been delayed as a result of the deferral by Council of the Housing Strategy.

### Key Highlights

#### Draft Warringah S94A Development Contributions Plan 2011 (S94A Plan).

A draft Schedule of Works of the new Warringah S94A Development Contributions Plan has been updated to reflect a new works program for the years 2011/12 and 2012/13 and is on exhibition until Friday 13 May 2011. The new Warringah S94A Development Contributions Plan will be effective from Friday 1 July 2011. The S94A Plan also includes a revised Section 94 works program which will enable the expenditure of Council's existing Section 94 reserves.

**Financials**
**March 2011 Quarterly Report by Service  
Warringah Aquatic Centre**

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	1,182,146	1,182,146	-	1,549,874	1,629,874	1,629,874
User Charges & Fees	1,482,036	1,478,413	3,623	2,067,147	1,942,147	1,942,147
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	163,888	177,632	(13,744)	221,000	221,000	221,000
Grants & Contributions - Operating Purposes	-	-	-	-	-	-
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>2,828,070</b>	<b>2,838,191</b>	<b>(10,121)</b>	<b>3,838,021</b>	<b>3,793,021</b>	<b>3,793,021</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(1,384,612)	(1,495,536)	110,924	(2,057,717)	(1,932,717)	(1,932,717)
Borrowing Costs	(2,843)	-	(2,843)	-	-	-
Materials and Contracts	(385,132)	(417,756)	32,624	(536,905)	(616,905)	(616,905)
Depreciation and Amortisation	(182,529)	(182,331)	(198)	(243,200)	(243,200)	(243,200)
Other Expenses	(211,701)	(194,411)	(17,290)	(271,101)	(271,101)	(271,101)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(55,597)	(56,271)	674	(72,979)	(72,979)	(72,979)
Overhead Allocation	(491,886)	(491,886)	-	(656,118)	(656,118)	(656,118)
<b>Total Expenses from Continuing Operations</b>	<b>(2,714,300)</b>	<b>(2,838,191)</b>	<b>123,891</b>	<b>(3,838,021)</b>	<b>(3,793,021)</b>	<b>(3,793,021)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>113,770</b>	<b>-</b>	<b>113,770</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Year to Date Actuals and Annual Forecast**

The Surplus from Continuing Operations at the end of the third quarter is principally due to lower than anticipated Employee Benefits & Oncosts in the swim and squad programs which will have an ongoing impact for a period of approximately twelve months.

Other Expenses are tracking overall in accordance with budget, however, electricity charges have increased by 15% despite a 14% decrease in consumption requiring savings to be managed in other budgeted items.

While there is no change in the anticipated Surplus/(Deficit) from Continuing Operations, individual items of both Income and Expenses from Continuing Operations were adjusted in the previous quarter.

**Progress Capital Works and Key Initiatives**



0 Action at least 90% of target

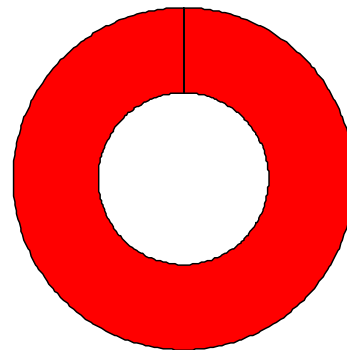


0 Actions between 70 and 90% of Action target achieved



1 Actions less than 70% of target

**Total 1 Actions**



100%

The design work to improve disability access at the Warringah Aquatic Centre has been delayed to enable consultation with the community on the future direction of the facility.

**Key Highlights**

**Water and Energy Consumption**

Water consumption at the Warringah Aquatic Centre is now down to less than 100kl per week (formally 360kl per week). Energy consumption is down by 14% on last year as a result of Council's energy performance contracts.

## Financials

### March 2011 Quarterly Report by Service Corporate Support

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	7,076,399	6,994,136	82,263	11,486,160	11,178,934	11,178,934
User Charges & Fees	1,911,386	1,891,047	20,339	2,498,046	2,498,046	2,498,046
Interest & Investment Revenue	4,138,849	3,965,097	173,752	3,919,701	4,980,885	5,230,885
Other Revenues	1,622,829	1,143,666	479,163	1,556,055	1,516,055	1,671,055
Grants & Contributions - Operating Purposes	795,067	820,000	(24,933)	820,000	820,000	820,000
Grants & Contributions - Capital Purposes	1,458,936	1,815,964	(357,028)	3,200,000	2,500,000	2,100,000
Gains on disposal of Assets	245,274	-	245,274	-	200,000	200,000
<b>Total Income from Continuing Operations</b>	<b>17,248,739</b>	<b>16,629,909</b>	<b>618,830</b>	<b>23,479,962</b>	<b>23,693,920</b>	<b>23,698,920</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(12,670,423)	(12,698,113)	27,690	(16,720,088)	(16,798,087)	(16,705,030)
Borrowing Costs	(90,421)	(192,008)	101,587	(258,645)	(258,645)	(260,496)
Materials and Contracts	(6,109,724)	(7,313,281)	1,203,557	(9,558,363)	(10,752,311)	(10,185,311)
Depreciation and Amortisation	(4,013,203)	(3,657,068)	(356,135)	(4,855,822)	(5,089,140)	(5,221,555)
Other Expenses	(2,604,481)	(2,265,746)	(338,735)	(3,403,801)	(3,284,351)	(3,368,091)
Loss on Disposal of Assets	-	-	-	-	-	-
Share Of Interest In Joint Ventures	(275,225)	(352,683)	77,457	(470,245)	(470,244)	(470,244)
Internal Charges	3,265,722	3,472,643	(206,921)	4,524,949	4,599,939	4,599,939
Overhead Allocation	11,273,706	11,273,706	-	15,037,251	15,037,251	15,037,251
<b>Total Expenses from Continuing Operations</b>	<b>(11,224,049)</b>	<b>(11,732,550)</b>	<b>508,501</b>	<b>(15,704,764)</b>	<b>(17,015,588)</b>	<b>(16,573,536)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>6,024,690</b>	<b>4,897,360</b>	<b>1,127,330</b>	<b>7,775,198</b>	<b>6,678,332</b>	<b>7,125,383</b>

### Year to Date Actuals and Annual Forecast

The Surplus from Continuing Operations is tracking ahead of budget due to timing differences as well as higher Interest and Investment Revenues.

Income from Continuing Operations is tracking ahead of budget by \$618,830. Interest and Investment Revenue is higher due to investment returns of over 1% above the benchmark having been achieved together with a higher level of funds under investment due to some delays in the Capital Works program. Other Revenues are \$479,163 ahead of budget principally relating to Fuel Tax Credits, Legal Fees Recovered and Insurance Claims. Gains on Disposal of Assets are higher reflecting a positive inflow resulting from the movements of fleet and plant items over and above their book value. Grants and Contributions – Capital Purposes are lower than anticipated reflecting slightly lower income relating to S94A contributions as well as a refund of a S94 contribution accrued during the third quarter of \$250,000.

An increase in the Surplus from Continuing Operations to \$7,125,383 (December forecast \$6,678,332) is anticipated for the full financial year. This is principally due to lower Expenses from Continuing Operations however there have been a number of other changes to individual items. Interest & Investment Revenue is forecast to increase by \$250,000 and Other Revenue by \$155,000 principally relating to Legal Fees Recovered and Insurance Claims while Grants and Contributions – Capital Purposes are anticipated to decrease by \$400,000 due to a slightly lower level of income from S94A contributions as well as a refund of the S94 contribution accrued during the third quarter of \$250,000.

### Financials

Expenses from Continuing Operations are forecast to decrease by \$442,052. Employee Benefits & Oncosts have been forecast to reduce by \$93,057 due to vacancies and Materials & Contracts by \$567,000 as noted below however this has been partially offset by increases in Other Expenses of \$83,740 principally related to further increases in electricity costs and Depreciation of \$132,415 principally related to Kimbriki Environmental Enterprises.

As noted above Materials and Contracts are forecast to decrease by \$567,000. This is principally due to the following items:

- \$121,000 in Fleet & Procurement savings
- \$90,000 relating to Council's Performance Management System
- \$30,000 resulting from the Telephony review
- \$150,000 in building maintenance costs achieved through improvements resulting from Council's Capital Renewals program
- \$150,000 for costs associated with the Social Networking project. Major upgrades to the current Warringah Council website have not proven viable as the content management has now been superseded. The development of new digital communications dictates that Council needs to redevelop the site and associated technical platform to meet new digital industry standards. As a result development work has not been able to commence in 2010-11. The development project is now in its initial phases. It has also become evident during the initial scoping phase that due to the nature of the project it would need to be capitalised.

Progress Capital Works and Key Initiatives



56 Action at least 90% of target

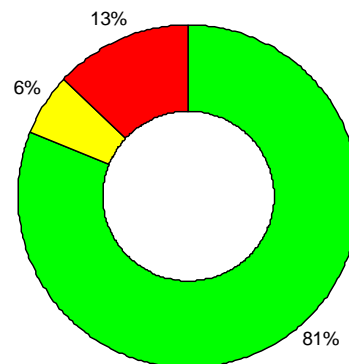


4 Actions between 70 and 90% of Action target achieved



9 Actions less than 70% of target

**Total 69 Actions**



The majority of capital works and key initiatives are on schedule. Delays have been experienced with the demolition of the

- Brookvale Park caretakers flat and construction of Brookvale Occasional Care Centre (a development application is required for works);
- works upgrading the Civic Centre roof, customer service centre and Building Code of Australia compliance (work needs to be sequenced);
- Collaroy Surf Life Savings Club works (scope reduced as Federal funding not received and rescheduled to avoid 100 year anniversary of the Club);
- Upgrading of the customer request management system, delivery of organisational training programs and the development of a research paper on capacity in the local community service sector (staff resources required to manage other projects);
- Water and Energy Savings (funds to Tri-generation project in future years)
- Amenity upgrades on District Park (works on Nolan No. 2 amenity improvements postponed to future years as insufficient funds to complete all works).

Key Highlights

Stormwater Infrastructure Online

During the quarter a web service was created enable Council Stormwater Infrastructure to be mapped online.

**Financials**

**March 2011 Quarterly Report by Service  
Good Governance**

	YTD Actual \$	YTD Forecast \$	YTD Variance \$	Annual Budget \$	Approved Forecast \$	Current Forecast \$
<b>Income from Continuing Operations</b>						
Rates and Annual Charges	3,856,270	3,856,270	-	4,473,144	4,473,144	4,473,144
User Charges & Fees	6,825	13,240	(6,415)	17,280	17,280	17,280
Interest & Investment Revenue	-	-	-	-	-	-
Other Revenues	20,000	64,359	(44,359)	85,850	85,850	35,850
Grants & Contributions - Operating Purposes	1,640,314	2,037,426	(397,112)	2,716,571	2,716,571	2,716,571
Grants & Contributions - Capital Purposes	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>5,523,409</b>	<b>5,971,295</b>	<b>(447,885)</b>	<b>7,292,845</b>	<b>7,292,845</b>	<b>7,242,845</b>
<b>Expenses from Continuing Operations</b>						
Employee Benefits & Oncosts	(1,477,547)	(1,636,821)	159,273	(2,140,974)	(2,140,974)	(2,040,974)
Borrowing Costs	-	-	-	-	-	-
Materials and Contracts	(172,406)	(414,654)	242,248	(772,368)	(622,368)	(472,368)
Depreciation and Amortisation	-	-	-	-	-	-
Other Expenses	(2,987,589)	(2,962,300)	(25,289)	(3,103,594)	(3,103,594)	(3,103,594)
Loss on Disposal of Assets	-	-	-	-	-	-
Share of Interest in Joint Venture	-	-	-	-	-	-
Internal Charges	(80,159)	(95,644)	15,485	(126,285)	(126,285)	(126,285)
Overhead Allocation	(861,876)	(861,876)	-	(1,149,625)	(1,149,625)	(1,149,625)
<b>Total Expenses from Continuing Operations</b>	<b>(5,579,577)</b>	<b>(5,971,295)</b>	<b>391,717</b>	<b>(7,292,845)</b>	<b>(7,142,845)</b>	<b>(6,892,845)</b>
<b>Surplus/ (Deficit) from Continuing Operations</b>	<b>(56,168)</b>	<b>-</b>	<b>(56,168)</b>	<b>-</b>	<b>150,000</b>	<b>350,000</b>

**Year to Date Actuals and Annual Forecast**




The Surplus from Continuing Operations at the end of the second quarter principally relates to lower than anticipated income offset by lower than anticipated expenses.

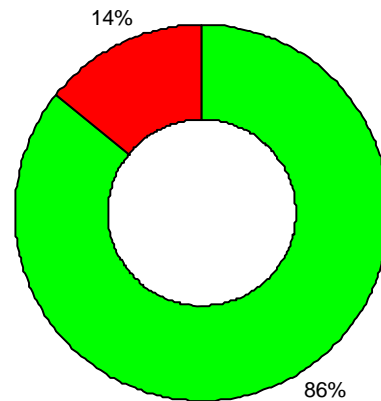
This lower income principally relates to the timing of the receipt of the Financial Assistance Grant. The lower expenses principally relate to employment costs associated with vacant positions and lower than anticipated Materials and Contracts and Other Expense costs.

A Surplus from Continuing Operations of \$150,000 is anticipated for the full financial year due to the lower Materials & Contracts costs noted above.

An increase in the Surplus from Continuing Operations to \$350,000 (December forecast \$150,000) is anticipated for the full financial year due to a decrease in Employee Costs of \$100,000 related to vacant positions, a decrease in Materials and Contracts of \$150,000 as a result of work being undertaken internally offset by a decrease in Other Revenue of \$50,000 as a result of a lower than anticipated reimbursement from Pittwater Council for the Economic Development Officer position.

### Progress Capital Works and Key Initiatives

	6	Key Initiatives at least 90% of target
	0	Key Initiatives between 70 and 90% of Action target achieved
	1	Key Initiatives less than 70% of target
<b>Total</b>	<b>7</b>	<b>Actions</b>



The majority of key initiatives are on schedule except the development of a research paper on capacity in the local community service sector (staff resource second to other projects).

### Key Highlights

#### Warringah and Pittwater Economic Development Planning Process

A formalised communication and consultation program started with the business community as part of the Warringah and Pittwater Economic Development Planning Process. Actions and programs have been developed to recognise and balance needs with potential constraints.

#### Draft Strategic Community Plan 2011 – The Budget 2011-2012

The draft Strategic Community Plan 2011 was approved for public exhibition by Council on 29 March 2011. The plan contains Council’s budget for 2011 – 2012 and outlines how over the next decade we will work toward a brighter future for Warringah. The draft Plan will be on exhibition until 13 May 2011.