



State of the Bay 2014

ANNUAL REPORT



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A word from the Mayor



It is with great pleasure that I present the *2014 State of the Bay: Annual Report* with a snapshot of our achievements in the past 12 months.

In addition to all of the highlights we also undertook an important internal review that identified cost savings

allowing us to direct funds into capital works programs to improve roads and footpaths, as well as delivering on services and programs for our community. These independent steps undertaken highlight our financial strength and viability as a Council.

We committed \$18.9 million towards our capital works program, which included:

- \$4 million towards our extensive road resheeting program across the City
- \$750,000 in restoration works at Cintra Park Netball Courts and Tennis Centre
- \$2.8 million infrastructure upgrades of Blaxland Road
- \$1.3 million for public space under John Whitton Bridge underpass
- \$1.6 million upgrades to Majors Bay Road

We completed the \$2 million in upgrade works for the Bay Run and are now working closely with Ashfield and Leichhardt Councils in the building of the Iron Cove Creek pedestrian bridge, which is the final piece in the upgrades of this prime foreshore track.

Our \$1.4 million Community Enhancement Plan was endorsed for Concord, Mortlake, Breakfast Point and Cabarita. The project includes:

- Construction of Cabarita Park Conservatory
- New community sporting facility at Edwards Park
- Upgrade of Wangal Reserve
- Improvements to Breakfast Point activity Centre
- Improved road signage and traffic calming devices
- Replacement and updates to signage

Other highlights for 2013-14 include winning the Keep Australia Beautiful National Water Conservation Award and backing it up winning the Litter Reduction Award at the 2014 Keep NSW Beautiful Sustainable Cities Awards. We also drafted a Climate Change Adaptation Manual with the Australian Centre of Excellence for Local Government and subsequently won the Climate Change Resilience Award at the 2014 IPWEA (Institute of Public Works Engineering Australasia) Sustainable Solutions in Public Works Awards.

2013-14 saw the State Government's announcement of the \$11 billion WestConnex and Parramatta Road Revitalisation projects, directly impacting our community. We have been working closely with our fellow inner-west Councils and UrbanGrowth, lobbying hard on behalf of our residents, regarding entry and exit portals and location of emission stacks. We have a number of residences likely to be purchased under involuntary acquisition and we will continue to advocate on their behalf.

We also lobbied on behalf of our community on a range of issues, including:

- Yaralla Estate, presenting at the inquiry
- Kendall Bay remediation
- St Albans Street proposed nursing home
- Proposed development of Drummoyne RSL site
- 400 new dwellings at Breakfast Point

We will continue to represent and lobby the State and Federal Governments on behalf of our community, especially in light of the Federal Government's budget impacts on Local Government and the State Government's "Fit for the Future" amalgamation push.

Our plans for 2014-15 are already under-way but I encourage you to read this report and look back at what we have achieved in 2013-14. As Mayor, I look forward to continuing to work with you to achieve even more success in the next 12 months.

A handwritten signature in black ink that reads "Angelo Tsirekas".

Mayor Angelo Tsirekas
City of Canada Bay

A word from the General Manager



I am very pleased to present the 2013-14 State of the Bay Report for the City of Canada Bay. This report outlines Council's performances in the past 12 months in relation to the 2013-14 Operating Plan.

The document provides an overview of what we have achieved in the past 12 months, and also includes our financial records and other information which we are legally required to formally report to our community, according to legislation. This includes details of grants and sponsorships that we have undertaken in 2013-14; and a detailed report on all activities in our Operating Plan that were generated out of the 2013-17 Delivery Plan and FuturesPlan20.

In the past 12 months the City of Canada Bay has implemented major organisational changes in response to an external review that was undertaken in 2012-13. This has been a challenging time for the organisation as we re-focused our priorities and investigated ways to streamline our activities while we looked at innovative ways to generate income.

The challenge we faced in the past 12 months – and that we will continue to face – is maintaining and enhancing the current lifestyle our residents enjoy and continuing to meet the expectations of our community into the future.

Our priorities in 2013-14 were renewing and upgrading our community assets, redirecting funding to ensure our roads, footpaths and foreshore areas and parks were maintained to the highest standards, as well as providing essential services for our community.

The achievements of the City of Canada Bay in 2013-14 were in part due to the feedback and input of our community and to the dedication of our staff to deliver on community expectations.

I would like to take this opportunity to thank the Mayor, Deputy Mayor, Councillors and our dedicated staff for their efforts and professionalism in achieving our goals in 2013-14 and I look forward to a productive 2014-15.

A handwritten signature in black ink that reads "Gary Sawyer". The signature is written in a cursive, flowing style.

Gary Sawyer
General Manager

Our leadership



Councillors



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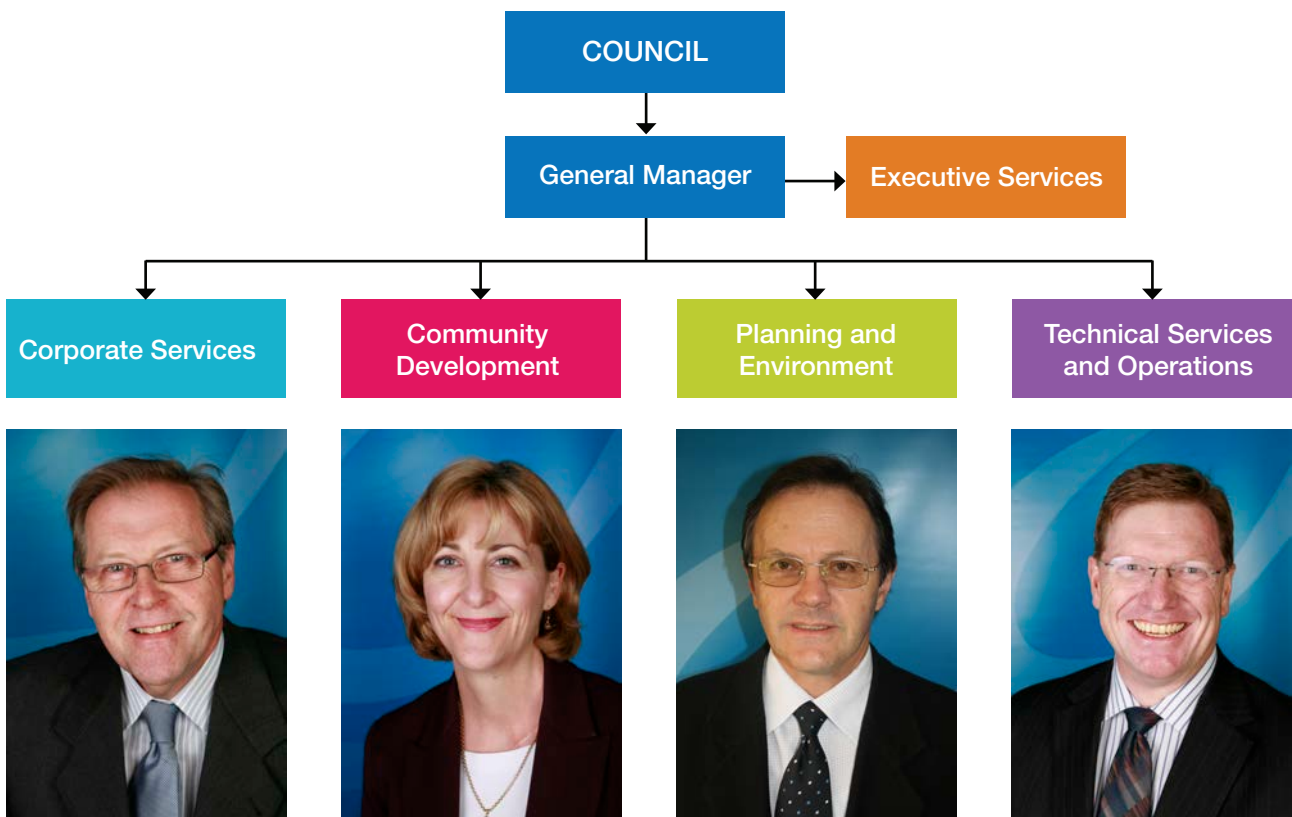


Councillor Tanveer Ahmed
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Councillor Helen McCaffrey
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Management structure



Bruce Cook
Director, Corporate Services

Council's Corporate Services division is responsible for finance, the collection of rates, governance and support services, insurance and risk management, maintenance of records, information systems and IT support, and property services. Corporate Services provides support to the other departments of Council in fulfilling their responsibilities to the Community.



Lisa Miscamble
Director, Community Development

Community Development aims to provide a range of quality services and programs to the people of Canada Bay through economic development initiatives and support of local business, community services, holiday activities for children and library services.



Tony McNamara
Director, Planning and Environment

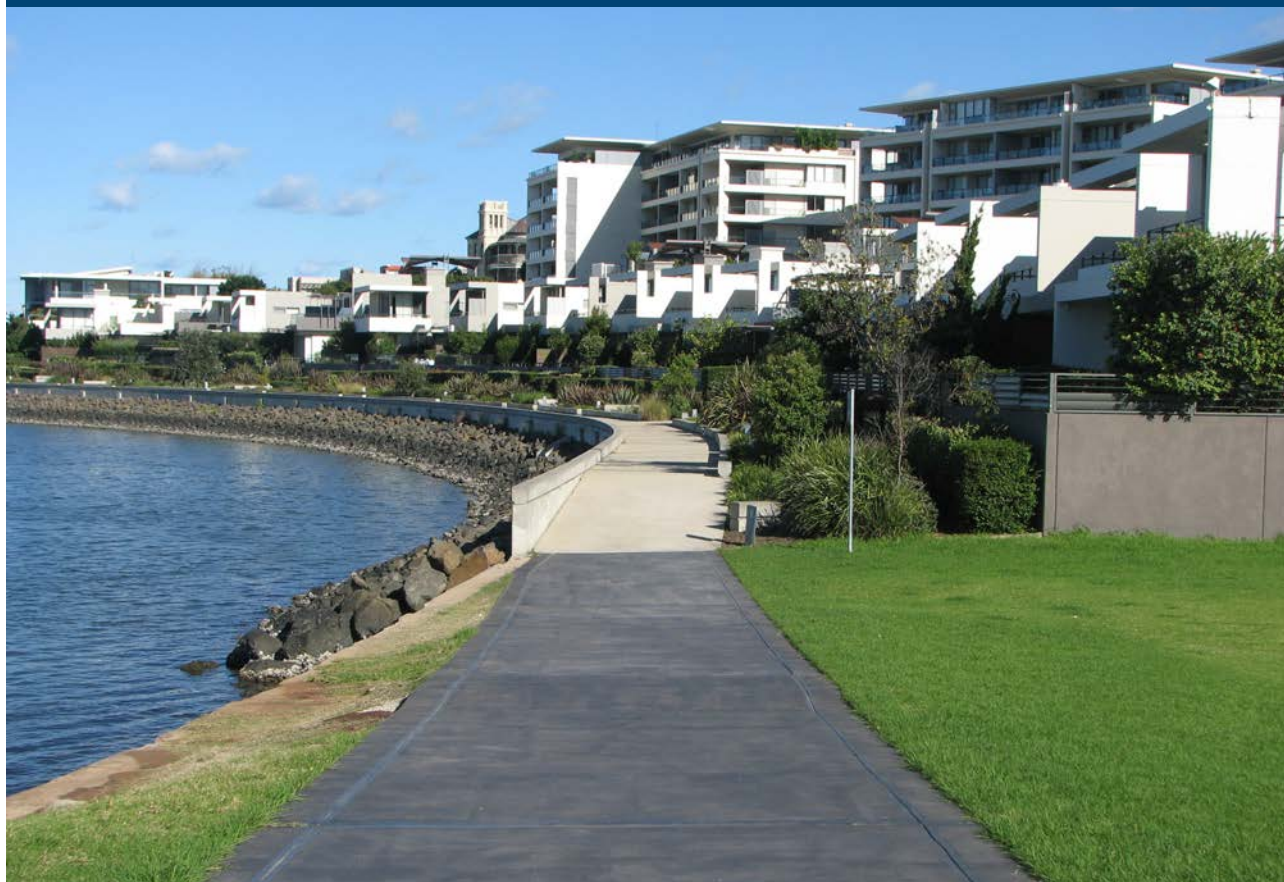
Planning and Environment is responsible for all statutory planning matters such as the assessment of development applications and subdivisions; strategic planning, responsible for maintaining and upgrading the city's planning framework; and environmental health, sustainability and building services, responsible for approval of construction certificates, building inspections, health, waste and law enforcement.



John Osland
Director, Technical Services and Operations

Technical Services and Operations provides comprehensive servicing to roads, open space and building assets. The department handles major construction projects for Council and maintains all parks and gardens, nature strips natural bushland. Technical Services and Operations also provides the public with services to private property.

Financial & statutory information



Annual financial reports

Each year, Council is required to report to the community on its financial performance and position for the year, in accordance with Local Government Act.

The financial reports contain information about Council's income, expenditure, operating budgets, the condition of Council assets and infrastructure, and notes about the financial performance of the organisation.

For the 2013-14 financial year, Council's independent auditor PricewaterhouseCoopers determined the City of Canada Bay to be in a sound and stable financial position, and that overall Council's financial indicators were better than accepted industry benchmarks.

A review of Council's financial performance and position over the last four years appears below.

The end of financial year report shows that Council has achieved or has exceeded industry benchmarks in most key performance indicators.

A number of key community projects have been undertaken, including works at Rhodes and renewal of Council's infrastructure assets.

Over this time, Council has increased working capital and is steadily building cash reserves for future year expenditure commitments. Current cash reserves stand at \$70.4 million, an increase of \$14.6 million from 2012-13.

Key financial figures of Council over the past four years (consolidated)

Financial Performance Figures	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
Inflows				
Total Income from Continuing Operations	91,455	90,815	81,282	73,766
Outflows				
Total Expenses from Continuing Operations	72,653	70,378	68,361	61,163
Operating Surplus/(Deficit) (Excl. Capital Income)	1,278	2,694	(1,200)	427
Financial Position Figures	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
Available Working Capital (Unrestricted Net Current Assets)	1,392	1,760	912	(1,039)
Cash & Investments - Total	70,394	55,796	45,731	29,051
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	4,869	368	1,148	1,885

Council's cash reserves are funding the continuing civic works at Rhodes, along with work continuing on open space areas, parks, cycling tracks and public art. Renewal of existing roads, footpaths and tree management will also be a key feature of Council's future programs.

A complete copy of Council's Audited Financial Statements is contained in the 2013-14 Financial Reports, starting on page 108.

The Financial Statements are also available on Council's website at www.canadabay.nsw.gov.au.

A summary of Council's Financial Statements is contained in the following table.

Summary of Council's Financial Reports

City of Canada Bay	2013-14 \$'000	2012-13 \$'000
Income Statement		
Total Income from Continuing Operations	91,455	\$90,815
Total Expenses from Continuing Operations	72,653	\$70,378
Operating Result from Continuing Operations	18,802	\$20,437
Net Operating Result for Year	18,802	\$20,437
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,278	\$2,694
Balance Sheet		
Total Current Assets	74,557	\$60,740
Total Current Liabilities	23,771	\$21,433
Total Non-Current Assets	3,504,988	\$3,438,346
Total Non-Current Liabilities	4,741	\$320
Total Equity	3,551,033	\$3,477,333
Other Financial Information		
Unrestricted Current Ratio	2.55:1	2.56:1
Debt Service Cover Ratio	17.10	10.62
Own Source Operating Revenue Ratio	75.54%	73.77%
Rates & Annual Charges Outstanding Ratio (%)	2.32%	2.10%
Cash Expense Cover Ratio	12.29	10.81

Councillor fees and expenses

Councillor fees and expenses	2012-13	2013-14
To Mayor	\$37,230.00	\$38,160.00
To Councillors	\$147,992.46	\$157,410.00
Total fee payments	\$185,222.46	\$195,570.00
Expenses and facilities		
Computers, phones and associated equipment	\$29,664.00	\$30,553.92
Telephone calls	\$6,836.51	\$6,026.75
Conferences and seminars	\$21,074.25	\$20,411.77
Transport & travel costs	\$7,935.89	\$12,852.32
Training	\$0.00	\$1,000.00
Meeting meals	\$35,452.91	\$38,828.67
Childcare	\$1,080.00	\$737.50
Total expenses and facilities	\$102,043.56	\$110,410.93
Delegations and visits		
Interstate visits	\$8,312.63	\$9,004.21
Overseas visits	0	\$5,534.54
Accompanying spouse expenses	0	0
Total delegations and visits	\$8,312.63	\$14,538.75

Written off rates and charges

Written off rates and charges	2013/14	2012/13
Rates - Pensioner Concessions	\$1,006,536.35	\$995,103.73
Rates - Postponements Written Off	\$5,954.40	\$7,058.12
Interest waived - postponements	\$2,454.49	\$2,965.83
Interest waived - write offs	\$1,471.71	\$1,098.65
Total	\$1,016,416.95	\$1,006,226.33

Register of contracts

Tender name	Name of contractor	Date of meeting	Summary	Estimated cost
Concord Road Streetscape Improvements	K J Civil & Paving Pty Ltd	3/09/2013	Removal and reconstruction of the concrete footpath, street furniture, traffic signs, paving and minor stormwater works, along Concord Road (Eastern side) between Wellbank Street and Correys Avenue, North Strathfield, New South Wales.	\$598,075.00 (\$543,704.55 + \$54,370.45GST)
Supply and lay of asphalt and associated services 2013/TS630	Downer EDI Works	12/11/2013	Contract No 2013-TS60 – Supply and Lay of Asphalt and Associated Services.	\$4,092,385 (\$3,720,350 + \$372,035GST)
Blaxland Road Footpath & Cycleway Construction	Statewide Civil Pty Ltd	12/11/2013	Contract No 2013/TS61 – Blaxland Road Footpath and Cycleway Construction. Construction of a shared cycleway and reconstruction of the footpath and driveways, along Blaxland Road between Rhodes Railway Station and Leeds Street, Rhodes New South Wales.	\$345,756.40 (\$314,324 + \$31,432.40 GST)
The Connection Concept Design	Crone Partners Pty Ltd (Purple Concept)	26/11/2013	Contract No 2013/CD56 - design of community facilities and open space at Rhodes.	\$876,575
Stormwater Harvesting Reticulation Pipeworks & Pumps	Murphy McCarthy & Associates Pty Ltd	26/11/2013	Contract No 2013-TS41 – Stormwater Harvesting Reticulation Pipework and Pumps.	\$2,174,150.00 (\$1,975,500.00 + \$197,650.00 GST)
Stormwater Harvesting Offtake Structure	Murphy McCarthy & Associates Pty Ltd	10/12/2013	Contract No. 2013-TS42 – Stormwater Harvesting Offtake Structure and Pumping Station.	\$376,805.00 (\$342,550.00 + \$34,255 GST)
Auditing Services	PricewaterhouseCoopers	10/12/2013	Contract No 2013/CS65 - Audit services for six (6) years ending 30 June 2019.	\$45,000 per annum
Timbrell Park Sports Lighting Upgrade Stage 2	Havencord Pty Ltd T/as Floodlighting Australia	18/02/2014	Installation of sports field lighting and removal of existing lighting - Contract No: 2013-TS63.	\$220,000.00 (\$200,000.00 + \$20,000.00 GST)
Rhodes Foreshore Public Art Commission	Carolina Rothwell	4/03/2014	Prepare a detailed design for fabrication, installation and delivery of the project to the Rhodes Foreshore.	\$287,430.00 + GST
Bus Shelter Tender	Adshel Street Furniture Pty Ltd	18/03/2014	Supply, Installation & Management and Cleaning of Bus Shelters for the City of Canada Bay - Contract No. 2013/TS64	\$24,742,684 over 12 years
Rehabilitation of Stormwater Pipes (Package 1)	Bothar Boring and Tunnelling Operations Pty Ltd	20/05/2014	Rehabilitation of stormwater pipes between the Massey Park Canal and Rothwell Park	\$1,424,500.00
Rehabilitation of Stormwater Pipes (Package 2)	Insituform Pacific Pty Ltd	20/05/2014	Rehabilitation of stormwater pipes at 5 locations in the municipality	\$144,501.57
Victoria Avenue, Concord West Road Reconstruction Stage 1	Statewide Civil Pty Ltd	24/06/2014	2014/TS01 - Reconstruction of Victoria Avenue, to allow safe access to the new proposed school on the current Powell's Creek Reserve.	\$403,180.50

Legal proceedings

Amounts incurred in relation to legal proceedings, expenses, amounts received

	Costs	Recovered	Net
Professional Services	\$704,380.47	\$14,554.27	\$689,826.20
Rating	\$73,414.80	\$73,692.30	-\$277.50
Statutory Planning	\$395,817.10	\$0.00	\$395,817.10
	\$1,173,612.37	\$88,246.57	\$1,085,365.80

Register of legal proceedings

Appeal	Address	Type	Status	Cost
CCBC ats A Pozzobon (10265/14)	64 Burns Crescent, Chiswick	Appeal against Council's deemed refusal relating to S96 Development Application (DA100/12)	Ongoing	\$6,094.01
CCBC ats Pompeo Egisto (10007/14)	147-149 Great North Road, Five Dock	Class 1 appeal lodged to modify consent granted by the Court in proceedings no. 10418 of 2013	Consent orders entered into by agreement between the parties to approve the Section 96 Modification subject to further amendments and conditions.	\$9,959.55
Cranbrook Care RACF Pty Ltd v CCBC (10828/13)	65-71 St Albans Street, Abbotsford	Class 1 Application against deemed or actual refusal of DA 197/13	Ongoing	\$35,920.75
	162-166 Victoria Road & 69 Renwick Street, Drummoyne	Land & Environment Court Proceedings 10808 of 2013	Appeal dismissed by the Court on 11/2/14	\$66,140.64
	11-13 Bevin Avenue, Five Dock	Land & Environment Court Proceedings 10646 of 2013	Appeal upheld and Development Application approved by the Court subject to conditions	\$19,913.65
	32-34 Lyons Rd, Drummoyne	Advice & Representation	Completed	\$4,839.28
	3 High Street, Concord	Advice & Representation	Completed	\$9,703.42

Work carried out on private land

Summary of details of works	Cost of work (\$)	Total amount subsidised by Council (\$)
Graffiti removal	\$13,826.74	\$13,826.74
External Works for Utilities	\$52,116.43	0
Kokoda Track	\$36,666.74	0
Maritime Wharf Cleaning	\$118,109.15	0
Small Works within Canada Bay	\$152,310.94	0
Total	\$373,030.00	\$13,826.74

Contributions and grants

Donations & contributions	Amount
Barricades-Street Parties	\$1,984.00
Community Events	\$101,245.54
Community Grants	\$53,100.00
Community Fundraising Events	\$11,144.57
Drummoyne Community Centre	\$95,000.00
Heritage Assistance	\$21,410.25
Individual Grants	\$2,200.00
Mens Shed	\$20,360.00
Total	\$306,444.36

External bodies exercising the function of Council

Library Services had the following partnership arrangements in 2013-14:

- SSROC – Libraries within SSROC work on a range of partnership projects including purchasing of specialist collections and consortium purchase of ebook and emagazine collections;
- Concord Repatriation Hospital – delivery of Carers' Workshops at Concord Library;
- Anglicare - A Memorandum of Understanding between Anglicare and Council has been established to deliver the Youth Outreach Program at Five Dock Library;
- City of Canada Bay Heritage Society – support for operating and promoting the City of Canada Bay Museum;
- Computer Pals Concord – joint programs to promote digital literacy to older people;
- Concord High School – joint programs to promote digital literacy to older people;
- Department of Fair Trading – provision speakers for programs promoting legal information including strata living, wills and power of attorney;
- Mortlake Family Medical Practice – provision of speaker for programs promoting information on early childhood health;
- Kings Comics and Anime at Abbotsford – in kind support for programs promoting reading through fantasy, science fiction, anime and manga to young people;
- Dymocks and Your Bookshop – provide books for sale and signing at Author Talks.

Council has been supporting the City of Canada Bay Men's Shed Inc during the 2013-14 Financial Year with the following:

- \$10,000 financial support to purchase tools and cover running costs;
- In-kind support in form of site access at the Concord Community Centre;
- Provision of a Community Project Officer to act as Council liaison;

- Delegation of two Councillors to act on the Shed's Committee.

This support has been agreed in a Memorandum of Understanding (MOU) from 18 December 2012.

Equal employment opportunity (EEO)

During the period 2013-14 Council reviewed and adopted a new EEO Management Plan to better integrate the outcomes of this Plan with the outcomes of our Workforce Strategy (legislatively required under the Integrated Planning and Reporting framework). Council is committed to the principles of EEO and it is anticipated that the integration of these two key documents will allow for more effective planning and delivery of the outcomes identified.

On a practical level, Council continues to support requests for flexible work arrangements, such as requests for part time hours (temporarily or permanently), job-share arrangements and working from home requests to assist staff in achieving a work-life balance.

All recruitment practices are conducted using a merit-based selection process and many of our Position Descriptions, particularly in customer-facing positions, now include 'fluency in a community language' (Italian, Greek, Mandarin, Cantonese and Hindi) as a desirable skill to better reflect the demographics of our community.

During 2013-14 Council has conducted refresher training for all staff on Appropriate Workplace Behaviour with an emphasis on our corporate values and guiding principles. Council is also committed to providing all staff with position-relevant training opportunities and encouraging staff to undertake tertiary education through TAFE or University studies through our Staff Education Assistance Program. Council's support of education and training programs demonstrate our commitment to maintaining a diverse and skilled workforce to achieve the objectives of our Community Strategic Plan (FuturesPlan20).

Council is also committed to the regular review of policies, procedures and strategies and does so in consultation with staff utilising staff working groups and formal committees such as the Consultative Committee and the Health and Safety Committee wherever possible. The consideration and inclusion of EEO principles such as fairness, equity and diversity, as well as our corporate values and guiding principles, are fundamental to these reviews.

Remuneration packages of senior staff

The total remuneration package for the General Manager for 2013-14 was \$275,967. The remuneration packages for Council's four (4) Directors for the period 2013-14 totalled, \$830,826.

Stormwater Levy

Stormwater projects	Amount
Stormwater Management	\$161,547.27
Estuary Management Plan-Mangroves	\$19,055.50
Cabarita Drainage	\$5,520.00
Parramatta River Bank Estuary MP	\$54,995.00
Wareemba St	\$131,735.56
Wymston Parade Drainage	\$25,516.79
Ian Parade Culvert	\$94,983.00
Stormwater Pipelines and Pits	\$13,693.50
	\$507,046.62
Stormwater Management Charge Levied	\$698,204.27

Sustainability Levy

Sustainability Levy	Begin Balance	Income	Expenditure	End Balance
Place Management	\$119,783.99		\$29,574.00	\$90,209.99
	\$119,783.99	\$0.00	\$29,574.00	\$90,209.99

Companion Animals Act and regulation activities

All pound data returns were lodged with the Department in accordance with the Guidelines on the Exercise of Function under the Companion Animals Act. Cost of companion animal management and activities: -

- Pound fees for the year were \$4595.00
- Companion Animal Education Programs: There were no specific Companion Animal Programs held during the year. However, brochures were produced and distributed at Council's Customer Service Centre, Libraries and at major events such as Ferragosto and Concord Street Fairs.
- Promotion of animal desexing of dogs and cats:
- Brochures were produced and distributed at Council's Customer Service Centre, Libraries and at major events such as Ferragosto and Concord Street Fairs. Material is also available to be viewed/downloaded at Council's webpage.
- Strategies to seek alternatives to euthanasia for unclaimed animals - Council utilises Blacktown Council Animal Impound Facility for impounding services. This facility has a 'low kill' policy. Council also actively investigates owners of animals by following up on microchip data. This strategy has assisted with reducing rates of euthanasia.

Council provides off leash areas for dogs at the following locations:

- Battersea Park (the Concord end of the park)
- Charles Heath Reserve
- Cintra Park
- Drummoyne Park (above Drummoyne Oval)
- Five Dock Park (between Bowling Club and Ingham Avenue)
- Lysaght Park (on Five Dock Bay)
- Majors Bay Reserve
- Powells Creek Reserve
- St Georges Crescent Reserve (opposite the Sailing Club)
- Timbrell Park (the western end, beyond the children's play area)
- Storey Park
- Brett Park (the flat area)
- Halliday Park (on Hen & Chicken Bay)
- Queen Victoria Reserve
- Taplin Park (western end near Thompson St)

Council did not receive any Companion Animals Funds during the year.

Quarterly report on activities

April - June 2014



Contents	
	General Manager
	1. Strategic Projects Information is provided on programs that relate to the performance of the whole organisation.
	1.1 Implementation of the Organisational Review
	1.2 Implementation of Technology One Program (TOP)
	1.3 WestConnex
	1.4 Parramatta Road Renewal
	1.5 Rhodes Peninsula
	1.6 Five Dock Town Centre
	1.7 Fair Use of Council's Facilities Policy Panel
	1.8 Council Emission Reporting
	2. Savings, Revenue and Business Practices Information is provided on Council's financial performance and on projects which affect future resource allocation.
	2.1 Business Cases Business Cases provide information on those areas of operations which are under review for the purposes of efficiency and effectiveness.
	2.2 Financial Reporting Information is provided on Council's financial position at the end of the quarter.
	2.3 Citizen Panel Implementation Information is provided on the implementation of outstanding recommendations.
	3. Capital Works Information is provided on the implementation of scheduled capital works programs.
	Divisional Reports
	4. Executive Services The Division of Executive Services is responsible for the following Departments:
	4.1 Human Resources and Organisational Development
	4.2 Communications and Public Relations
	4.3 Place Management
	4.4 Mayor, Councillors and General Manager Support
	5. Corporate Services The Division of Corporate Services is responsible for the following Departments:

	5.1 Governance
	5.2 Finance
	5.3 Customer Services
	5.4 Information Systems
	6. Community Development The Division of Community Development is responsible for the following Departments:
	6.1 Community Life
	6.2 Corporate Strategy
	6.3 Library Services
	7. Planning and Environment The Division of Planning and Environment is responsible for the following Departments:
	7.1 Building, Health and Environment
	7.2 Statutory Planning
	7.3 Strategic Planning
	8. Technical Services and Operations The Division of Technical Services and Operations is responsible for the following Departments:
	8.1 City Services
	8.2 City Assets
	8.3 Building and Property
	8.4 Traffic and Transport
	9. Council Emissions Report Information is provided on Council's greenhouse emissions, electricity and water consumption.
	9.1 Emission Report
	10. Commercial Enterprises Commercial Enterprises are those Business Units of Council which make an income for council and are of a commercial nature. These are reported in Confidential under Section 10A Part 2 of the Local Government Act 1993 states: (d) commercial information of a confidential nature that would, if disclosed: (i) prejudice the commercial position of the person who supplied it, or (ii) confer a commercial advantage on a competitor of the council, or (iii) reveal a trade secret.



MAYOR'S MESSAGE

This quarter concludes the 2013-14 Financial Year and shows some exciting infrastructure and development programs.

An exciting initiative this quarter has been the invitation by the United States Studies Centre at the University of Sydney, to participate in the Future Cities Program. Through this program, the City of Canada Bay will be working with leading academics and practitioners to look at innovative solutions for development proposals in the Rhodes East area.

The opening of the upgraded Bay Run during this quarter has been a fantastic achievement. The Bay Run is one of the jewels in our crown and the upgrade is one of the most important projects we have completed this financial year. The upgrade included the widening of the footpath to accommodate cyclists and pedestrians, landscaping and road re-sheeting to ensure the Bay Run grows even more in popularity. The Bay Run is one of Sydney's most-used foreshore tracks with up to 3,000 people using it each day.

We have also made significant progress with the ongoing Roads Renewal Program. During the 2013-14 Financial Year Council has invested \$4 million worth of pavement renewal to ensure the community's transport needs are met. We are committed to continue this program in the next financial year.

We will continue to represent the City of Canada Bay community and look forward to seeing new achievements over the next few months.

Mayor Angelo Tsirekas



GENERAL MANAGER'S MESSAGE

This is the final quarterly report for the 2013-14 financial year and provides a wrap up of the 2013-14 financial year.

This quarterly report includes a new chapter: Council's Emission Reporting. The City of Canada Bay is taking responsibility for the carbon footprint of its operations. We make accurately informed decisions on the actions to take to reduce emissions and meet the targets stated in the *City of Canada Bay Environmental Sustainability Strategy* and the *Greenhouse Gas Reduction Action Plan*, two documents currently in draft.

Key highlights for the past 12 months have included:

- Environmental projects such as the Mangrove Protection Project which includes managing a mangrove nursery at Half Moon Bay
- Continued partnerships with government and non-government agencies to deliver community infrastructure such as the 8 new asphalt netball courts at Cintra and St Lukes Park, and the Community Precinct (including the new school) in Victoria Avenue, Concord West
- Hosting exciting sporting events at Drummoyne Oval including the Rugby Festival and NSW School Boys Rugby Championships over the June long weekend
- Securing \$200,000 to supplement Council's investment in environmental initiatives around waste reduction to land fill including Bin Trim Projects

Gary Sawyer
GENERAL MANAGER

MAJOR ACHIEVEMENTS

City of Canada Bay Rugby Festival at Drummoyne Oval

Bay Run Cycleway opened

Five Dock Town Centre Urban Study adopted by Council

50th Celebration of Drummoyne Art Society completed

Community Safety and Crime Prevention Plan 2014-2018 adopted by Council

Strathfield Triangle Planning Proposal Gazetted

Council Emission reporting started







\$4m worth of road pavement renewal works completed

Quarterly Report

This Quarterly Report has been developed to ensure open and transparent communication to the community on the implementation of the Council's Operating Plan for the 2013-14 financial year. This Report highlights major achievements and issues that may impact upon the ability of Council to implement the Operating Plan.

Scoring

This document uses a system of scoring in some tables to indicate progress and/or status of projects, programs, strategies, business cases and commercial entities. This system is outlined below.

Score	This score is assigned in the following circumstances
	<p>Project: project deliverables (timeframe, scope, budget etc) on track, approximately 90% complete or higher, no remedial action required</p> <p>Program: nominated service standards being achieved, approximately 90% complete or higher, no remedial action required</p> <p>Strategy: recommendations/actions on track, approximately 90% complete or higher, no remedial action required</p> <p>Business case/commercial entity: projections for income/expenditure on track, approximately 90% achieved or higher, no remedial action required</p>
	<p>Project: project deliverables (timeframe, scope, budget etc) on track, approximately 75% underway, no remedial action required</p> <p>Program: nominated service standards being achieved, approximately 75% underway, no remedial action required</p> <p>Strategy: recommendations/actions on track, approximately 75% underway, no remedial action required</p> <p>Business case/commercial entity: projections for income/expenditure on track, approximately 75% achieved or higher, no remedial action required</p>
	<p>Project: project deliverables (timeframe, scope, budget etc) broadly underway, concerns are being addressed and do not require other remedial action</p> <p>Program: nominated service standards broadly being achieved, approximately 50%, concerns are being addressed and do not require other remedial action</p> <p>Strategy: recommendations/actions broadly being achieved, approximately 50%, minor concerns are being addressed and do not require other remedial action</p> <p>Business case/commercial entity: projections for income/expenditure on track, approximately 50% achieved, no remedial action required</p>
	<p>Project: project deliverables (timeframe, scope, budget etc) significantly under threat, approximately 50% underway or less, remedial action required</p> <p>Program: nominated service standards are not being met, approximately 50% underway or less, remedial action required</p> <p>Strategy: recommendations/actions are not being met, approximately 50% underway or less, remedial action required</p> <p>Business case/commercial entity: projections for income/expenditure under threat, approximately 50% underway or less, remedial action required</p>
	<p>Project: project deliverables (timeframe, scope, budget etc) not on track, Council intervention or direction is required</p> <p>Program: nominated service standards cannot be met, Council intervention or direction is required</p> <p>Strategy: recommendations/actions cannot be met, Council intervention or direction is required</p> <p>Business case/commercial entity: projections for income/expenditure will not be achieved, Council intervention or direction is required</p>
	<p>No score allocated</p> <p>Scheduled project/program/recommendation/action yet to commence for this year</p>



1 Strategic Projects



- Five Dock Town Centre Urban Design Study adopted by Council
- Council Emission reporting started
- 70% of organisational review recommendations implemented



1 Strategic Projects

1.1 IMPLEMENTATION OF THE ORGANISATIONAL REVIEW

A review of the Council's operations was undertaken by Strategic Consulting Solutions, with the final report containing 65 Recommendations adopted by Council at its meeting held on 9 July 2013. The review identified a number of strategic, structural and other issues for Council to address over the next 12 – 18 months, that is, by December 2014.

Key issues that were identified in the review included:

- **financial sustainability** with a need to improve Council's operating result to align with the NSW Treasury Corporation (T-Corp) benchmark for the budget year 2015-2016 through both increasing revenue from business cases identified and decreasing expenditure through implementing the staffing/structural changes as made by the consultants.
- **strategic objective** of placing Council in a strong position to respond to and maximise opportunities arising from the NSW Local Government Reform agenda.
- establishing **place management** as a priority to ensure significant changes in precinct areas.
- reviewing service delivery given the financial climate, results of the 2012 Citizen Panel and other feedback. addressing **cultural change** to improve team work and decision making across the organisation

Highlights – Implementation to date

- The new organisational structure commenced on 1 January 2014.
- Meals on Wheels Service has been reviewed and recommendations on future directions for this service will be reported to Council in July.
- A process for the regular review of the performance of business units is now in place.
- All recommendations associated with Stage One of the Organisational Review complete including the implementation of the new organisational structure and the associated responsibilities.

Achievements

- 46 of the 65 Recommendations now complete
- Leadership Development Framework being introduced to support a culture of performance



Update on Implementation of Recommendations. Note: Recommendations completed prior to 31 March 2014 are not included.

Score: For details on how to interpret the score see page 3.

No.	Recommendation	Status 30 June 2014	Responsible Division	Score
1	Councillors evaluate revenue and expenditure options using an Open Jaw forecasting system.	Overview being arranged for Executive and Managers	Corporate Services	●●●
2	Council should reserve final decision on the relocation of the current Administration Building until the proposed amalgamation issue is resolved.	No decision to be made until 2016	Executive Services	●●●●
3	Council undertake a formal Risk Assessment of Council's medium to long-term sustainability as assessed by Treasury Corporation taking into account the issues and opportunities identified by the consultants in this report.	Reviewed during preparation of 2014-15 Financial Year budget.	Corporate Services	●●●
4	The acting Manager Community Life and the Manager Finance review the current HACC contract as there may be significant financial implications if this community service is not able to meet the contracted number of meals being supplied.	Review undertaken and revised funding and meal outputs agreed with the Federal Department of Social Services. Report to be provided to Council 15 July to consider future direction of the Meals on Wheels service in light of funding changes and client numbers.	Community Development	●●●●●
6	Based on Council's financial assessment provided to T-Corp in 2012, Council identify and authorize a minimum of \$1.5M in revenue and \$1.3M in expenditure savings per annum by the end of 2014.	Council has selected the T-Corp operating benchmark of -4% as a more appropriate indicator of sustainability as measured over time.	Corporate Services	●●●
15	Council adopt a more coordinated and disciplined approach to planning Place-related Events and that consideration be given to addressing resourcing issues generated by the large percentage of weekend and public holiday work	Events calendar for the 12 months developed.	Executive Services	●●●●
19	Customer Services be reviewed by the Manager HR Organizational Development with the assistance of the Manager Corporate Strategy with a view to streamlining and rationalizing work flows and roles taken on by the Manager CS and other CS staff.	Review to be undertaken in September 2014	Executive Services	○
20	Customer Services FTE staff would reduce by 2.5 by the end of 2013, with a further independent third party review to be conducted in 18 months' time with the intention of reducing FTE staff further (e.g. by FTE 2.5) in alignment with increasing utilization of on-line facilities	2.5 EFT by December 2013 complete; review over September 2014 to investigate further reductions	Executive Services	●●●●
24	The Recreation, Development and Programs Planner currently reporting to Director Community Development would report to the Manager Corporate Strategy having joined the Community Project Officer Team	Position to be readvertised in July / August.	Corporate Services	●●●
37	The FTE numbers in Statutory Planning Services be reduced by 4 by the end of 2014 in response to reduced DA activity with a further review to be conducted at that time	Reduced by 3 as at February 2014	Planning and Environment	●●●●

40	The Strategic Assets Manager would continue to report to the Director TSandO and would lead the Strategic Assets team until June 30, 2014 when the position would become redundant	Completed	Technical Services and Operations	●●●●
44	After June 30, 2014, three staff would move from Strategic Assets to City Assets as follows: <ul style="list-style-type: none"> Assets Systems Coordinator would retain his title and report to Manager City Assets; Parks and Drainage Engineer would be retitled Floodplain, Drainage and Marine Structures Engineer reporting to the Civil Design Manager; Roads and Building Engineer would be retitled Civil Engineer, Assets reporting to the Civil Design Manager 	Under review, Roads and Buildings functions moving to Buildings and Property Department	Technical Services and Operations	●●●●
48	The Property Services Manager complete a Business Case for a new part-time Marketing and Communications Specialist (50%two year contract) to market Council's existing properties thereby generating additional income for Council and to provide communication expertise to the TSandO Division. This position would report to the Manager Buildings and Property	Review the business case for this recommendation to be discussed at the November Councillors' workshop	Planning and Environment	○
55	The Executive focus on improving their: <ul style="list-style-type: none"> Decision-making and teamwork skills Communication skills including the ability to "have difficult conversations" Ability to function from an organizational rather than Divisional perspective 	Consider feedback from Managers workshop 5 September 2014 and Executive team to review training program for the 2014-15 financial year	Executive Services	●●
	Ability to conduct Executive meetings efficiently e.g. to time and agenda driven	Executive meeting format reviewed and new structure implemented	Executive Services	●●●●
56	The Council Executive and management team focus on building both the organizational systems and individual and team capability to foster effective teamwork, communication, respect, trust and individual of the implementation of the Corporate Values responsibility across Council as part of the implementation of the Corporate Values	Executive to review training plans and strategies for 2014-15 financial year	Executive Services	●●
57	The GM and Executive continue to address entrenched "them and us" perceptions and behaviours that currently exist within Council	Executive to review training plans and strategies for 2014-15 financial year	Executive Services	●●
58	The Executive review and re-commit to its long-term strategy to improve the amount and quality of communication across Council, especially between Divisions and Council's various physical locations (e.g. Administration Building, Depot, Libraries). This could include investigating the feasibility of increasing access to existing and new technology as well as improving face-to-face and other forms of communication As per 56 1. Consider installation of technology to facilitate improved communication.	Executive to review training plans and strategies for 2014-15 financial year	Executive Services	●●
60	The Executive needs to ensure that all Divisions understand their	Executive to review training plans and strategies for 2014-15	Executive Services	●●

	role in ensuring successful implementation of the corporate Communications Strategy	financial year		
61	Council needs to review its current training practice and develop a new corporate Training Strategy that meets the organization's on-going learning and development needs, especially in the area of management development, while also effectively managing staff expectations	Training plan to be refocused in 2014-15, review is underway.	Executive Services	●●
62	Once the amalgamation is resolved, Council needs to decide on a long-term cost-neutral solution to the size and poor condition of the existing Administration and Depot Buildings	Ongoing upgrade to be undertaken in line with budget allocation	Technical Services and Operations	○
63	Council give serious consideration to upgrading the existing Depot layout to improve productivity and staff conditions	Upgrade has commenced; budget allocated 2014-15	Technical Services and Operations	●●●●

1.2 TECHNOLOGY ONE PROJECT (TOP)

TOP is the name given to Council's Corporate Business Transformation Project. Council has chosen TechnologyOne Pty Ltd to provide a complete range of solutions and implementation services by way of replacing the current "best of breed" suite of information technology applications.

Solutions to be implemented include:

- Financial Management System (replaces Computron)
- Property, Revenue and Regulatory (replaces AUTHORITY)
- Human Resources and Payroll Management System (replaces CHRIS21)
- Enterprise Asset Management System (NEW - both Operational and Strategic Asset Management)
- Electronic Document and Records Management System (Existing system but reinvigorated)
- Customer Request Management (NEW - part of Property, Revenue and Regulatory solution)
- Corporate Performance Planning (NEW)
- Complete range of eBusiness capabilities including:
 - Customer Request Lodgement and Tracking Application Lodgement
 - Tracking and Submission management
 - Full range of Account Payment Options
 - My Account Capabilities
 - Employee Self Service

In addition the new solutions are expected to provide the following:

- Improved management reporting and ad-hoc report capabilities
- Solutions which allow staff to access any system at any time from any work location
- Full integration between the above components and other corporate applications including Geographic Information System (MapInfo) and a range of other special purpose corporate applications.

The Project is well underway with the following milestones having been achieved:

- Phase 1 Assets went live in November 2013
- Phase 2 Finance and Procurement went live on 31 March 2014
- Phase 3 Property, Rating and Regulatory - Staged approach. Some parts of this Project are scheduled for go live on 1 December 2014

1.3 WESTCONNEX

Council is not opposed to the WestConnex project and is supportive of projects that will remove regional traffic from our local streets. City of Canada Bay is different to other inner west councils with the current M4 ending at Concord Road and depositing traffic from Sydney's west in our streets. With the City of Canada Bay bounded by the main roads of Homebush Bay Drive, Victoria Road and Parramatta Road, the current road network has left Council with regional traffic using local streets to avoid traffic jams.

Council recognise the WestConnex as a project of national and state significance and a key element to relieving traffic congestion off our local roads. However the project needs to be planned as part of an overall integrated transport plan and accompanied with improvements to cycle ways and pedestrian links, increased frequency of public transport (ie buses and trains) and serious consideration of a light rail solution in the inner west.

The traffic and transport issues faced by the people of Canada Bay are unique and very different to those of our neighbours in Ashfield and Leichhardt. However Council understands that we need to act regionally to address this issue whilst ensuring the best outcomes for local residents.

As part of this process Council has supported the local community through:

- Supporting the community rally on 18 January
- Undertaken letter box drops providing updates
- Advocacy for residents impacted on through reparations to the WestConnex Delivery Authority (WDA) and Minister for Roads through a submission on 17 February 2014

1.4 PARRAMATTA ROAD RENEWAL

Since late 2013 Council officers have been working with representatives from the ten councils that have a frontage to Parramatta Road and UrbanGrowth NSW to consider land use scenarios for the corridor and associated physical and social infrastructure to support any proposed changes to land use. This has included areas such as transport and urban design/public domain infrastructure concept investigations, sustainability and governance approaches.

The draft Structure Plan was due to be presented to Cabinet in April 2014, however due to the change in the NSW Premier and subsequently responsible Ministers this time frame has been adjusted. It is now envisaged that the draft Structure Plan and associated support materials will be provided to Cabinet in July, after which time will be placed on public exhibition.

1.5 RHODES PENINSULA

The City of Canada Bay has made significant progress towards the creation of a transit-oriented development in Rhodes West.

Planning for the area known as the Station Precinct (a strategic land holding near the train Station in Rhodes West) is progressing with consideration being given to the provision of community facilities, revised building envelopes, a new retail precinct and the upgrade of the surrounding streets and the public domain. Planning is strongly focused on creating a dynamic and pedestrian orientated environment.

It is envisaged that a Planning Proposal for the Station Precinct will be placed on public exhibition late 2014.



1.6 FIVE DOCK TOWN CENTRE

The Five Dock Town Centre Urban Design Study builds on previous work, including the Five Dock Town Centre Strategy 2012. One of the key recommendations of the Strategy was to consider the Town Centre from an integrated design perspective (by undertaking the Urban Design Study) to ensure that any potential changes to the existing planning controls, such as building scale, density and height, were carefully considered.

The Five Dock Town Centre Urban Design Study was adopted by Council on the 24 June 2014. Work will now commence on short term strategies.



1.7 FAIR USE OF COUNCIL'S FACILITIES POLICY PANEL

The objective of this strategic project is to ensure a subsidy program delivers certainty, fairness, value, transparency and is trusted among the wider community.

Working in partnership with the new Democracy Foundation (NDF), the 24 member Panel has met four times to consider policy issues on community use of Council facilities. The panel is scheduled to meet two further times with their final meeting to occur in August. The Panel's recommendations will form the basis policy about how Council can get the best use from its community facilities, what rental subsidies should be offered for Council-owned facilities and who should receive them.

1.8 ENVIRONMENTAL INITIATIVES: COUNCIL EMISSION REPORTING

Reporting on Green House Gas (GHG) emissions is widely practiced across all government sectors. Analysis, monitoring and review of GHG emissions ensures that the City is taking responsibility for the carbon footprint of its operations, and can make accurately informed decisions on the best actions to take in order to reduce emissions and meet the targets as stated in Council's Environmental Sustainability Strategy and Greenhouse Gas Reduction Action Plan (both documents currently in draft).

All of the City's electricity, gas, water, fuel and waste data is collected in an online data management system called Envizi. Envizi allows cost and consumption data to be analysed across each Council owned and operated facility within the LGA including: sporting fields; community buildings; Council facilities and public lighting. GHG emissions are calculated from the consumption data for each source using current national emission factors. The emissions reporting provides an overview of the impact of Council operations, action areas for prioritisation and information to track progress.

The current emissions report is the first emissions report to be published. In the previous financial year the City's total emissions were 6,182 tonnes of Co2e, a decrease of 5.9%. The report indicates what sources the City's emissions come from (electricity, gas, fuel and waste) and highlights the types of facilities that have the highest emissions including a list of the top ten facilities. The highest total cost for a facility's energy consumption is that of Concord Library.

The Community Energy Efficiency Program implemented upgrades to the lighting and air conditioning systems in our top consuming facilities (Civic Centre, Concord Oval, City Services Depot and Five Dock Leisure Centre). The results reported here have assisted to track the consumption and cost savings made by the energy efficiency upgrades. It has also assisted to identify areas for attention and which may not be performing to the standard expected.

Overall, the key objective of emission and consumption reporting is to establish a baseline of energy data that can be used to monitor, analyse and improve on the way that the City manages our operations, identifying areas for improvement so that minimal environmental impact can be achieved.

A new section of the Quarterly Report has been included as Section Nine and provides an overview of GHG emissions and relevant consumption in key Council facilities. This data will be provided on an ongoing basis as part of this report.



2

Business Practices



- Review of turf wickets underway
- Bus shelters advertising - contract in place
- Barnwell golf course draft marketing plan developed



2 Savings, Revenue and Business Practices

2.1 BUSINESS CASES

The need to improve the revenue base of the Council was identified in the organisational review that was finalised in 2013. The Council has adopted a business case approach to reviewing areas that may assist in improving Council's financial position. The current business cases are listed below along with their progress.

2.1.1 Barnwell Golf Course

Department: Community Life

Summary: This business case is to review the operation of Barnwell Park Golf Course and Pro Shop given the trend towards increasing costs to Council of the facility.

This will be undertaken in consultation with the Golf Club and Pro Shop Leasees, alongside industry research.

Objective: To determine if the golf course can return to a level of financial sustainability.

Progress: Draft audit of the golf course has been completed, with a number of recommendations which will need to be actioned as a result. A draft marketing plan has been completed in conjunction with the Barnwell Park Golf Club and Golf Professional, aiming for a 12% increase in public and member usage over the 14/15 financial year.

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Review current operations and carry out independent audit of operations by end 2013	Draft audit report has been prepared by Independent Auditor. Due to be assessed by the audit committee in the next quarter.	●●●●●
Analysis of current financial operating result for the course and pro-shop	A review of the financial information for 13/14 is due to commence next quarter.	●●●
Development of short term strategies to increase utilisation at the golf course - June 2014	Draft marketing plan has been developed, and is due to be finalised in August 2014, for implementation to June 2015.	●●●●
Research into medium term opportunities to reduce cost to the community and move towards financial sustainability - November 2014	Will begin after initial analysis is complete	○
Prepare options for Council's consideration as part of the 2015/2016 Delivery Plan and Budget preparation January 2015	Brief to consider future options for the site has been drafted.	●●●

Achievements



- Draft Marketing Plan developed for Barnwell golf course and due to be implemented for 2014/2015
- Bus shelter advertising – contracts in place and roll-out of stage 1 in December 2014

2.1.2 Waterfront Cafes

Department: Buildings and Property

Summary: This business case involves the:

- Investigation of suitable locations within the waterfront parks for the development of cafés
- Determination of a preferred model of delivery (ie construct facility and lease to operator OR tender/expression of interest (EOI) rights for operator to construct and operate a facility)
- Calling for tender/EOI based on preferred model

Objective: To increase Council's revenue through our property portfolio

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Investigate potential sites within foreshore parks where a café/restaurant could be located by March 2015	Currently investigating sites in Drummoyne/Taplin Parks/Rhodes/McIlwaine Park/Cabarita Park/Timbrell Park	●●●
Consider options for delivery of project – Council to construct and find operator on shorter term lease OR find operator who constructs and operates on long term lease. By April 2015	Pop-up café planned at Timbrell Park in conjunction with Touched-By-Olivia Foundation to assess viability of delivery method	●●●
Report potential location to Exec/Councillor workshop by June 2015	Report to be prepared after pilot project	○
Tender/EOI by September 2015	As above	○
Assess submissions by October 2015	As above	○

2.1.3 Advertising – Bus Shelters

Department: Buildings and Property

Summary: Council has called for tenders for a long term contract for the supply, installation, ongoing maintenance and cleaning of bus shelters within the area. Tender process is now complete and the roll out of shelters has started.

Objective: To increase Council’s revenue through our infrastructure

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Tender prepared, advertised and closed by 19 December 2013	Complete 18 December 2013	●●●●●
Tender assessment completed by 31 March 2014	Complete 14 March 2014	●●●●●
Report to Council by 31 March 2014 on preferred tenderer	Complete 18 March 2014	●●●●●
Contract in place by 1 May 2014	On track	●●●●●
Roll out of new shelters at existing sites	Stage 1 – December 2014	●●
	Stage 2 – March 2015	○
Roll out of new shelters at new sites	Stage 3 - June 2015	○

2.1.4 Advertising – Large format

Department: Buildings and Property

Summary: This business case will result in:

- The engagement of planning consultants to assist with the preparation of a Development Application with a view to increasing the height of both existing large format advertising structures, and
- The preparation and calling of tenders for the execution of new lease/s with preferred tenderer/s.

Objective: To increase income from advertising signs above current levels.

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Engage Planning consultant by September 2013	Completed	●●●●●
Seek support from RMS by December 2013	Completed	●●●●●
Prepare DA by April 2014	Currently underway	●●●●
Lodge DA by June 2014	DA now to be lodged December 2014	●
Engage industry consultant for the Tender preparation	On track	○
Prepare Tender by August 2014	On track	○
Advertise Tender by October 2014	On track	○
Close Tender November 2014	On track	○
Assess Tender submissions by 31 December 2014	On track	○
Report to Council by 28 February 2015	On track	○

2.1.5 Hoardings

Department: Planning and Environment

Summary: This business case will explore whether Council can increase income generated by hoarding applications as a result of a change of processes and responsibility within Council and enforcement methods.

Objective: To increase revenue generated by hoarding applications.

Progress

Hoarding revenue has exceeded expectations with a 200% increase from the previous financial year.

Phase / Milestones	Comment	Score
Increase income from hoarding applications by 50% from 2012-13 revenue.	Hoarding income has increased by 200% from 2012-13 revenue	●●●●●

2.1.6 Complying Development Certification

Department: Building, Health and Environment

Summary: This business case will explore whether the Council can obtain an increased share of the building certification market which includes:

- Complying Development
- Construction Certificates
- Construction Inspections

Objective: To increase Council's share of the market in Development Certification.

Progress

Income from Complying Development has increased by more than 200% from 2012/13.

Income from Construction Certificates has decreased by more than 100% from 2012/13.

Income from construction inspections has increased by more than 70% from 2012/13

Phase / Milestones	Comment	Score
Increase Complying Development revenue by 20% from 2012-13 income	Complying development income is in line to increase by greater than 20%.	●●●●●
Increase Construction Certificate revenue by 10% from 2012-13 income	Construction certificate revenue has fallen by 100% from 2012-13 income	●●
Increase Construction Inspection revenue by 10% from 2012-13 income	Construction Inspection revenue is in line to increase by 10% from 2012-13 income	●●●●●

2.1.7 Parking Strategy

Department: Traffic and Transport

Summary: This business case will review current parking practices and develop a Parking Strategy that will take into consideration:

- Commuter park and ride
- Paid residential stickers
- Business and residential parking

Objective: Review existing Council parking policies and procedures and devise a Council-wide strategy and updated policies. The parking strategy should identify possible improvements and revenue sources.

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Review current operations and draft Strategy identifying possible improvements by October 2013	Draft Parking Strategy was completed on time and within budget.	●●●●●
Adoption of Parking Strategy by Council	Draft parking strategy was presented to Council by the Director, Technical Services and Operations. In the draft 2014-15 budget allowances were made for cost recovery for resident parking permits. Cost recovery was approved by Council and affected residents have been notified of the relevant fees. Fees will take affect when the new permits are issued on 1 October 2014.	●●●●●
Review existing parking policies and procedures and draft new policy taking into consideration recommendations of Parking Strategy	Existing parking policies have been reviewed and new policies have been drafted in line with the draft Parking Strategy.	●●●●●
Adoption of Parking Policy	Parking policies to be drafted for Council adoption of the Parking Strategy. Draft Policy has been provided to Director, Technical Service and Operations to review and discuss with Executive Committee prior to presentation to Councillor workshop.	●●●●●



2.1.8 Boost Letting of Council's Properties

Department: Building and Property

Summary: This business case will ensure that Council's facilities are utilised for the benefit of the entire community at appropriate income levels.

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Preparation of report	Report on utilisation of rooms and lease facilities in August 2014	○

2.1.9 Review of Turf Wickets

Department: City Services

Summary: This business case assesses the need for seven separate turf wickets, including training facility at Drummoyne, and the opportunity to remove some of those wickets.

Objective: To determine whether all turf wickets are required.

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Identify Potential Wickets by April 2014	St Lukes Park, St Lukes Oval and Ron Routley Turf Wickets have been identified as the most appropriate wickets to rationalise. Alternatively the cricket clubs may propose alternatives options which achieve the equivalent financial outcome.	●●●●
Consultation with Clubs and Modification to Plans of Management by March 2015	Consultation has commenced.	●●●
Plan of Management outcomes implemented with respect to turf wickets by September 2015	Consultation is yet to occur.	○



2.1.10 Shared Stores Facility with Burwood Council

Department: City Services

Summary: This business case will consider a consolidated site for operation centres for both Burwood Council and Canada Bay Councils. This will determine the most financially and operationally viable option.

Objective: To provide a more cost-effective service delivery for both councils resulting from consolidation.

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Identify operational and storage requirements for possible consolidated site. Target July 2014.	Operational and administrative staff requirements, together with equipment storage, to enable provision of Burwood Council service obligations. Three coordination meetings between senior staff held in this last quarter.	●●●●
Prepare business case. Target December 2014.	Evaluate options, from an Operational and Financial viewpoint, including adjacent property acquisitions if considered necessary and financially viable. Review Burwood Council requirements. Finalising Tech One stores module.	●●●
Secure funding for implementation. Target June 2015.	Funding sources to be resolved, and will include external funding from Burwood Council. Funding may extend over multiple financial years, depending upon final option.	○
Prepare timeline for consolidation to occur to completion.	Final timeframe indeterminate at this stage, and will be known once final option is resolved.	○

2.1.11 Dry-stack Storage for Dinghies

Department: City Assets

Summary: This business case will enable the development of a policy and plan to best manage dinghies along the foreshores

Objective: To reduce the impact of dinghies upon foreshores and parks

Progress

Score: For details on how to interpret the score see page 3.

Phase / Milestones	Comment	Score
Obtain Roads and Maritime Grant to undertake policy and plan	Grant obtained from RMS	●●●●●
Prepare and adopt Policy and Plan	Draft policy preparation (100% complete). Consultation with community to be undertaken in November 2014.	●●●
Implement Policy and Plan	To be adopted after consultation process completed.	○

2.2 FINANCIAL REPORTING

The following provides a report on the 2013-14 Budget for the period 1 July 2013 to 30 June 2014.

2.2.1 Original Budget v Actual

INCOME STATEMENT - CONSOLIDATED	2013-14 <i>Original</i>	2013-14 <i>Revised</i>	Actuals <i>Jun-14</i>
Income from Continuing Operations			
Revenue:			
Rates & Annual Charges	44,900,305	45,088,607	45,366,161
User Charges & Fees	11,637,058	12,886,252	12,001,177
Interest & Investment Revenue	2,439,010	2,689,010	2,744,100
Other Revenues	5,330,627	6,491,203	9,527,222
Grants & Contributions provided for Operating Purposes	3,147,914	3,544,344	4,295,500
Grants & Contributions provided for Capital Purposes	9,863,800	15,909,983	17,524,000
Total Income from Continuing Operations	77,318,714	86,609,399	91,458,160
Expenses from Continuing Operations			
Employee Benefits & On-Costs	29,317,926	29,372,271	28,194,000
Borrowing Costs	14,570	116,254	113,651
Materials & Contracts	22,263,440	25,271,551	20,429,000
Depreciation & Amortisation	13,753,570	10,753,570	11,087,543
Other Expenses	10,596,149	11,677,838	12,528,000
Loss from Disposal of Assets			256,406
Total Expenses from Continuing Operations	75,945,655	77,191,484	72,608,600
Operating Result from Continuing Operations	1,373,059	9,417,915	18,849,560

INCOME STATEMENT - CONSOLIDATED	2013-14 <i>Original</i>	2013-14 <i>Revised</i>	Actuals <i>Jun-14</i>
CAPITAL BUDGET			
Developer Contributions Utilised	7,138,162	14,286,614	8,070,685
Capital Expenditure- New Projects	(15,630,252)	(28,581,246)	(17,176,044)
Asset Purchases	(2,746,960)	(2,779,314)	(1,404,045)
Transfers from Reserve	5,683,714	10,062,135	6,999,315
Transfers to Reserve	(10,909,223)	(14,181,232)	(26,600,000)
Add back Depreciation & Amortisation	13,753,570	10,753,570	11,087,543
Asset Sales	1,300,000	1,300,000	448,771
Repayments of Borrowings and Advances	(365,571)	(496,959)	(496,959)
Surplus/(Deficit)	(403,501)	(218,517)	(221,174)

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 June 2014

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2013/14	Approved Changes					March Qtr Budget 2013/14	Variations for this Jun Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Income											
Rates and Annual Charges	44,900					188	45,088		45,088	45,367	
User Charges and Fees	11,637		(9)	1,516	136	(394)	12,886		12,886	12,002	
Interest and Investment Revenues	2,439				250	-	2,689		2,689	2,744	
Other Revenues	5,331		20		130	1,010	6,491		6,491	9,525	
Grants & Contributions - Operating	3,148	14		188	131	64	3,545		3,545	4,294	
Grants & Contributions - Capital	9,864	1,240		593	(718)	4,931	15,910		15,910	17,524	
Total Income from Continuing Operations	77,319	1,254	11	2,297	(70)	5,799	86,609	-	86,609	91,456	
Expenses											
Employee Costs	29,318	212	15	(45)		(128)	29,372		29,372	28,194	
Borrowing Costs	15				102		117		117	114	
Materials & Contracts	21,977	1,418	(595)	1,671	(139)	(225)	24,107		24,107	19,256	
Depreciation	13,754			(3,000)	-		10,754		10,754	11,086	
Legal Costs	286			300	165	413	1,164		1,164	1,173	
Other Expenses	10,596	51	613	(6)	120	287	11,661	17	11,678	12,528	
Net Loss from disposal of assets							-		-	256	
Total Expenses from Continuing Operations	75,946	1,681	33	(1,080)	248	347	77,175	17	77,192	72,607	
Net Operating Result from Continuing Operations	1,373	(427)	(22)	3,377	(318)	5,452	9,435	(17)	9,418	18,849	
Discontinued Operations - Surplus/(Deficit)							-		-		
Net Operating Result from All Operations	1,373	(427)	(22)	3,377	(318)	5,452	9,435	(17)	9,418	18,849	
Net Operating Result before Capital Items	(8,491)	(1,667)	(22)	2,784	400	521	(6,475)	(17)	(6,492)	1,325	

2.2.2 Capital Expenditure

Capital Budget - Council Consolidated

(\$000's)	Original Budget 2013/14	Approved Changes					March Qtr Budget 2013/14	Variations for this Jun Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Capital Expenditure											
New Assets											
- Furniture & Fittings	15			8		23			23	8	
- Other Assets (Other)	502	70				572			572	190	
- Parks	686	1,575		765	161	3,196			3,196	2,037	
- Plant & Equipment	480					480			480	-	
- Public Buildings	2,049	875			(261)	2,663			2,663	642	
- Roads, Bridges, Footpaths	3,991	3,363		(90)	(738)	6,526			6,526	1,241	
- Stormwater Drainage	2,530	155				2,685			2,685	1,684	
						-			-		
Renewal Assets (Replacement)											
- Furniture & Fittings	4					4			4	18	
- Other Assets (Other)	170	1,296			172	1,670			1,670	1,342	
- Parks	935	2,384			8	3,527			3,527	661	
- Plant & Equipment	1,919					1,919			1,919	1,063	
- Public Buildings	658	198		200	(14)	1,042	79		1,121	700	
- Roads, Bridges, Footpaths	3,490	1,574		(85)	(137)	6,491			6,491	8,174	
- Stormwater Drainage	602	238		(4)	(83)	753			753	495	
Loan Repayments (Principal)	366				131	497			497	497	
- Library Books	348	2				350	(17)		333	325	
Total Capital Expenditure	18,743	11,730	-	794	(678)	1,807	32,396	62	32,458	19,077	
Capital Funding											
Rates & Other Untied Funding	1,086	(1,607)		(383)	(784)	209	(1,479)	(17)	(1,496)	158	
Capital Grants & Contributions	3,535	1,240		593	(718)	-	4,650		4,650	4,579	
Reserves:											
- External Restrictions/Reserves	7,184	10,367			725	1,420	19,696	79	19,775	10,973	
- Internal Restrictions/Reserves	5,638	1,730		584	99	178	8,229		8,229	2,923	
New Loans						-	-		-	-	
Receipts from Sale of Assets											
- Plant & Equipment	1,300					-	-		1,300	444	
Total Capital Funding	18,743	11,730	-	794	(678)	1,807	32,396	62	32,458	19,077	
Net Capital Funding - Surplus/(Deficit)	(0)	-	-	-	-	-	(0)	-	(0)	-	

Type	Original Budget	3rd Quarter Review	June Variations	Projected Year End	Actual Year End
Capital Expenditure	\$18,377,000	\$31,898,783	\$62,110	\$31,960,893	\$18,580,089
Loans	\$366,000	\$496,959	\$0	\$496,959	\$496,959
	\$18,743,000	\$32,395,742	\$62,110	\$32,457,852	\$19,077,048

Cash and Investments

Cash & Investments - Council Consolidated

(\$000's)	Balance 2012/13	Transfers From 2013/14	Transfers to 2013/14	Original	Approved Changes					June Qtr	Variations	Projected	Actual
				Budget 2013/14	Carry Forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs	Budget 2013/14	for this Jun Qtr	Notes Year End Result	YTD figures
Externally Restricted ⁽¹⁾													
Developer Contributions - General	26,464	7,138	7,138	26,464	(6,008)			362	3,428	24,246		24,246	31,844
Specific Purpose Unexpended Grants	2,227	46		2,181	(2,069)					112		112	1,397
Domestic Waste Management	6,433		1,650	8,083	(1,989)					6,444		6,444	8,640
Stormwater Management	499			499	(181)					401		401	690
Sustainability Levy	125			125	(120)					5		5	90
LIRS LOAN								3,500		3,500		3,500	3,500
Total Externally Restricted	35,748	7,184	8,788	37,352	(10,367)	-	-	3,862	3,861	34,708	-	34,708	46,161
(1) Funds that must be spent for a specific purpose													
Internally Restricted ⁽²⁾													
Plant & Vehicle Replacement	706	389	25	342						342		342	731
Infrastructure Replacement	90	510	458	38	(20)				(33)	(15)		(15)	25
Employees Leave Entitlement	1,706			1,706						1,706		1,706	1,706
Carry Over Works	1,012	107		905	(848)					57		57	1,559
Deposits, Retentions & Bonds	850			850						850		850	950
Affordable Housing	1,130	47	467	1,550						1,550		1,550	1,599
Building Reserve	227		75	302						302		302	404
Concord Library and Childcare Centre	397		37	434	(15)					419		419	562
Concord Oval	184	-		184			(184)			-		-	86
Drainage Loan	-												1,500
Drummoyne Oval Lights Reserve	177			177	(59)					118		118	130
Election of Councillors	105		75	180						180		180	180
Financial Assistance Grant Advance Payment	1,130	1,127		3						3		3	-
Financial Sustainability	2,673	1,185	611	2,099	(335)		(400)		(145)	1,219		1,219	1,952
Five Dock Leisure Centre	273		14	287						287		287	395
Investment Fund	1,327	645		682						682		682	1,337
Massey Park Golf Course	79			79						79	(79)	-	14
Rhodes Traffic Management Reserve	86			86					(146)	(60)		(60)	-
North Strathfield Underpass Reserve	-			-									200
Risk Management Reserve	177			177	(13)					204		204	245
Strathfield Triangle Reserve	34			34				(99)	89	24		24	23
Workers Compensation	432	100		332						332		332	432
CEEP			55	55						55		55	29
Total Internally Restricted	12,795	4,110	1,817	10,502	(1,290)	-	(584)	(99)	(195)	8,334	(79)	8,255	14,059
(2) Funds that Council has earmarked for a specific purpose													
Unrestricted (ie. available after the above Restricti	7,253	(11,294)	(10,605)	5,626	(440)	-	(584)	-	(3,666)	936		1,520	10,174
Total Cash & Investments	55,796			53,480	(12,097)		(584)	3,763		44,562	(79)	44,483	70,394

Cash & Investments Budget Review Statement

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$70,394

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.

The date of completion of this bank reconciliation is 30/06/14

Reconciliation Status

The YTD Cash & Investment figure reconciles to the actual balances held as follows:

Cash at Bank (as per bank statements)

Investments on Hand

Reconciled Cash at Bank & Investments

Balance as per Review Statement:

Difference:

	\$ 000's
Cash at Bank (as per bank statements)	1,758
Investments on Hand	68,636
Reconciled Cash at Bank & Investments	70,394
Balance as per Review Statement:	70,394
Difference:	-

Cost Shifting

Cost Shifting continues to represent a significant issue. Council estimates that the annual amount of cost shifting by the Australian and State Governments is \$3.8 million. Cost shifting describes the situation where the responsibility for, or costs of providing a service, concession, asset or regulatory function are "shifted" from a higher level of government onto a lower level of government, without the provision of corresponding funding, or the conferral of adequate revenue raising capacity.

Financial Impact

Council's original budget for 2013-14, provided for a budget deficit of \$403,501. This forecast was revised to a deficit of \$218,517, in March, Council can report a budget deficit of \$220,000 at the end June.

This result will have no significant effect on Council's liquidity position.

2.2.3 Grants Awarded and Received

Litter Prevention Project \$22,500

2.2.3 State Government Charges, Levies Paid

Description	Amount
Emergency Service Fire Brigade Contribution	\$1,329,196.00
Emergency Service SES Contribution	\$106,326.42
Planning Levy	\$152,749.00
Waste Levy	\$1,935,264.36
Total Payments to State Government	\$3,523,535.78

2.2.4 Investments

Date	Bank/Issuer	Term	Interest	Amount	Maturity	Short term Rating	Long Term Rating	Investment Type
20/06/2014	Members Equity	98	3.45	\$1,500,000.00	26/09/2014	A-2	BBB	Term Deposit
23/06/2014	NAB	91	3.50	\$1,032,589.05	22/09/2014	A-1+	AA-	Term Deposit
27/06/2014	Rural Bank	91	3.60	\$2,000,000.00	26/09/2014	A-2	A-	Term Deposit
5/03/2014	NAB	121	3.68	\$1,500,000.00	4/07/2014	A-1+	AA-	Term Deposit
8/01/2014	ING	180	3.55	\$1,500,000.00	7/07/2014	A-2	A-	Term Deposit
8/01/2014	RaboDirect	180	3.70	\$1,000,000.00	7/07/2014	A-1+	AA-	Term Deposit
17/01/2014	ING	180	3.50	\$1,500,000.00	16/07/2014	A-2	A-	Term Deposit
13/01/2014	Suncorp Metway	186	3.65	\$2,000,000.00	18/07/2014	A-1	A+	Term Deposit
31/01/2014	RaboDirect	180	3.70	\$1,000,000.00	30/07/2014	A-1+	AA-	Term Deposit
31/01/2014	ING	180	3.59	\$1,000,000.00	30/07/2014	A-2	A-	Term Deposit
2/08/2013	AMP	368	4.00	\$1,000,000.00	5/08/2014	A-1	A	Term Deposit
7/02/2014	ING	182	3.66	\$1,000,000.00	8/08/2014	A-2	A-	Term Deposit
15/01/2014	Wide Bay Building Society	212	3.75	\$1,000,000.00	15/08/2014	A-2	BBB	Term Deposit
20/12/2013	NAB	243	3.80	\$1,000,000.00	20/08/2014	A-1+	AA-	Term Deposit
7/03/2014	Investec	175	3.88	\$1,500,000.00	29/08/2014	P-3	BBB-	Term Deposit
6/03/2014	My State Financial Ltd	183	3.70	\$1,000,000.00	5/09/2014	A-2	BBB	Term Deposit
11/03/2014	RaboDirect	183	3.65	\$1,000,000.00	10/09/2014	A-1+	AA-	Term Deposit
14/03/2014	ING	180	3.80	\$1,500,000.00	10/09/2014	A-2	A-	Term Deposit
13/12/2013	AMP	273	3.90	\$1,000,000.00	12/09/2014	A-1	A	Term Deposit
20/09/2013	NAB	364	3.86	\$2,000,000.00	19/09/2014	A-1+	AA-	Term Deposit
20/09/2013	Westpac	364	3.90	\$4,438,473.00	19/09/2014	A-1+	AA-	Term Deposit
18/12/2013	NAB	303	3.80	\$1,000,000.00	17/10/2014	A-1+	AA-	Term Deposit
2/05/2014	Heritage Bank	182	3.80	\$1,500,000.00	31/10/2014	P-2	BBB+	Term Deposit
4/11/2013	Credit Union Australia	368	4.00	\$1,000,000.00	7/11/2014	A-2	BBB	Term Deposit
14/05/2014	Bank West	180	3.50	\$1,500,000.00	10/11/2014	A-1+	AA-	Term Deposit
16/05/2014	NAB	185	3.60	\$1,000,000.00	17/11/2014	A-1+	AA-	Term Deposit

Date	Bank/Issuer	Term	Interest	Amount	Maturity	Short term Rating	Long Term Rating	Investment Type
26/02/2014	ING	273	3.80	\$2,000,000.00	26/11/2014	A-2	A-	Term Deposit
27/11/2013	AMP	366	3.80	\$1,000,000.00	28/11/2014	A-1	A	Term Deposit
4/06/2014	Suncorp Metway	182	3.60	\$1,500,000.00	3/12/2014	A-1	A+	Term Deposit
5/12/2013	AMP	365	3.80	\$1,500,000.00	5/12/2014	A-1	A	Term Deposit
8/06/2014	Westpac	183	3.60	\$3,500,000.00	8/12/2014	A-1+	AA-	Term Deposit
13/06/2014	Wide Bay Building Society	180	3.60	\$1,000,000.00	10/12/2014	A-2	BBB	Term Deposit
11/03/2014	Credit Union Australia	276	3.80	\$1,000,000.00	12/12/2014	A-2	BBB	Term Deposit
29/05/2014	CBA	209	3.57	\$2,000,000.00	24/12/2014	A-1+	AA-	Term Deposit
26/07/2013	RaboDirect	553	4.11	\$1,000,000.00	30/01/2015	A-1+	AA-	Term Deposit
14/02/2014	Members Equity	364	3.78	\$1,000,000.00	13/02/2015	A-2	BBB	Term Deposit
14/02/2014	AMP	371	3.80	\$500,000.00	20/02/2015	A-1	A	Term Deposit
22/02/2013	NAB	730	4.48	\$1,000,000.00	22/02/2015	A-1+	AA-	Term Deposit
7/03/2014	Members Equity	367	3.90	\$1,500,000.00	9/03/2015	A-2	BBB	Term Deposit
14/05/2014	Bank West	365	3.60	\$1,500,000.00	14/05/2015	A-1+	AA-	Term Deposit
23/05/2014	Wide Bay Building Society	364	3.65	\$1,000,000.00	22/05/2015	A-2	BBB	Term Deposit
26/05/2014	CBA	368	3.65	\$1,000,000.00	29/05/2015	A-1+	AA-	Term Deposit
30/05/2014	Credit Union Australia	364	3.80	\$1,500,000.00	29/05/2015	A-2	BBB	Term Deposit
5/06/2014	NAB	365	3.60	\$2,000,000.00	5/06/2015	A-1+	AA-	Term Deposit
6/06/2014	Bendigo Bank	371	3.75	\$2,000,000.00	12/06/2015	A-2	A-	Term Deposit
23/04/2014	NAB	734	4.05	\$1,000,000.00	26/04/2016	A-1+	AA-	Term Deposit
	CBA		2.45	\$1,652,720.45		A-1+	AA-	At Call
	AMP		3.35	\$11,788.23		A-1	A	At Call
7/12/2012	Bank of Queensland		4.28	\$500,000.00	7/12/2015	A-2	BBB+	FRN
23/04/2014	NAB		3.68	\$1,000,000.00	26/04/2016	A-1+	AA-	FRN
3/09/2013	Westpac		3.84	\$500,000.00	3/09/2014	A-1+	AA-	FRN
TOTAL INVESTMENTS at 30/06/2014				\$68,635,570.73				

2.2.5 Financial Indicators – Department of Local Government

(\$000's)	Current Projection		Actuals	
	Amounts	Indicator	Prior Periods	
1. Operating Performance				
Operating Revenue (excl. Capital) - Operating Expenses	-671	-0.9%	-2.1%	-2.6%
Operating Revenue (excl. Capital Grants & Contributions)	71680			

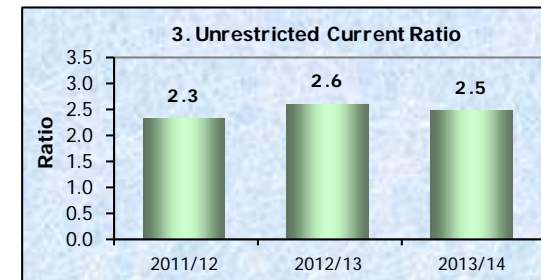
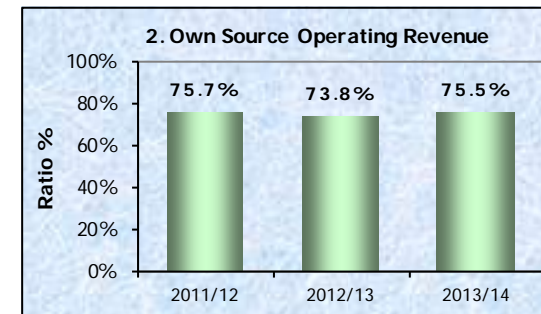
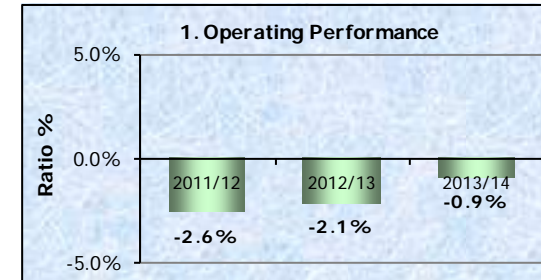
This ratio measures Council's achievement of containing operating expenditure within operating revenue.
Local Government Benchmark = -4%

2. Own Source Operating Revenue				
Total continuing operating revenue (less ALL Grants and Contributions)	67386	75.5%	73.8%	75.7%
Total Operating Revenue (incl. Capital Grants & Cont)	89204			

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

3. Unrestricted Current Ratio				
Current Assets less all External Restrictions	31319	2.5	2.6	2.3
Current Liabilities less Specific Purpose Liabilities	12702			

To assess the adequacy of unrestricted working capital and Council's ability to meet short term obligations as they fall due.



(\$000's)	Current Projection		Actuals	
	Amounts	Indicator	Prior Periods	
4. Debt Service Cover Ratio				
Operating Result before Interest & Dep. exp (EBITDA)	10529	1718%	2254%	1056%
Principal Repayments + Borrowing Interest Costs	613			

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

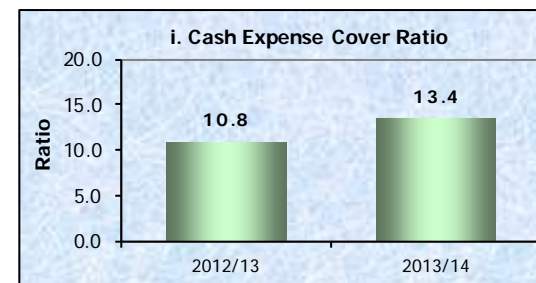
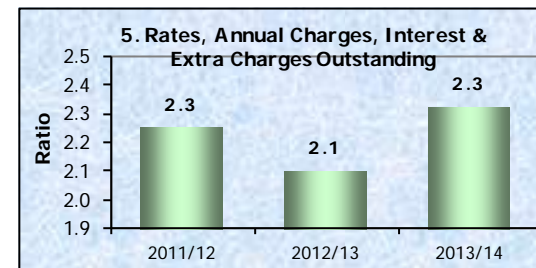
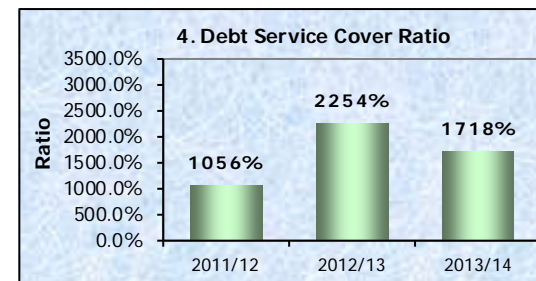
5. Rates, Annual Charges, Interest & Extra Charges Outstanding				
Rates, Annual & Extra Charges Outstanding	1080	2.3	2.1	2.3
Rates, Annual & Extra Charges Collectible	46469			

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Local Government Benchmark = 5%

i. Cash Expense Cover Ratio			
Current Year's Cash & Cash Equivalents	68394	13.4	10.8
Payments from cash flow of operating and financial activities	5093		

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.



2.2.6 Consultant and Legal Costs

City of Canada Bay

Quarterly Budget Review Statement for the period 01/04/14 to 30/06/14

Consultancy & Legal Expenses Budget Review Statement

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	1,879,144	Y
Legal Fees	1,173,612	Y

2.3 CITIZEN PANEL RECOMMENDATIONS

2.3.1 Overview

In 2012 the Council partnered with New Democracy and randomly selected citizens of the City of Canada Bay to participate in a Citizen Panel. The role of the Panel was to make an insightful and innovative set of prioritisation decisions as to the desired range and quality level of Council services; and deliver widespread public confidence and acceptance of the priorities, trade-offs and funding models used as being equitable and based on merit.

The Panel was asked to:

- Agree the priority services for Council to deliver;
- Agree the level of those services which Council should deliver; and
- Agree the preferred funding sources for each of their preferences.

The Panel was given authority to recommend the range and level of service to be provided in the Council's 2013-17 Delivery Plan, subject to the final approval of Council.

The Panel presented their report formally to Council on Tuesday, 6 November 2012. Overall, the Panel found that services currently meet the community's diverse needs and expectations. However the Panel recognised a significant shortfall in funding for long-term maintenance and renewal of infrastructure. The Panel reluctantly decided that raising rates was necessary to address Council's remaining significant funding shortfall and still meet community expectations. After considering their report, Council decided to fully investigate the recommendations; and also to look at further avenues to find savings or generate income. An assessment of the potential application of all recommendations was provided to Council in November 2013.

The report noted that many of the Panel's recommendations had already been implemented; some involve no further action following investigation; some have been addressed as part of an organisational structure review recently completed; while others are unable to be implemented or achieved due to legislative provisions.

In the last quarter, Council continued to work on implementing the Panel's recommendations. Eight more recommendations were completed during the quarter and twelve recommendations require ongoing work. Council agreed to report regularly on these, and progress against those recommendations is outlined below.

Update on Implementation of Recommendations. Note: Recommendations completed prior to 31 March 2014 are not included.

Score: For details on how to interpret the score see page 3.

No.	Service Area	Recommendation	Status of Recommendation	Responsible Department	Score
8	Undertake community strategic plans and profiles, such as developer contribution plans	Use Citizens Panels for significant development proposals as well as decisions on developer contribution plans	Citizen panels have been recommended for Parramatta Road Urban Renewal project. Citizen's Panels would continue to be considered as a community engagement start-up going forward. Recommendation completed	Strategic Planning	●●●●●
14	Corporate communications, such as management and promotion of council business, producing associated point of sale products, producing media releases and communication materials.	Ask individual households if they would prefer hard or soft copy communication	This was included in the communications audit that was presented to Councillors at a workshop in October. We will be improving the mix of online and printed material over the next 12 months. Recommendation completed	Communications and Public Relations	●●●●●
19	Provision of council office buildings, depot and SES buildings, community halls, multipurpose community centres and toilet blocks	Unused spaces should be leased out for non-profit services	Report on utilisation of rooms and lease facilities in August 2014	Building and Property	●●●
20	Provision of council office buildings, depot and SES buildings, community halls, multipurpose community centres and toilet blocks	Unused and degrading buildings with little or no income potential should be reviewed in terms of their highest and best use	Council's property strategy is currently being prepared with the aim of disposing of underperforming property and investing in new assets	Building and Property	●●●
29	Managing development	All consultation and feedback to be in up-front, simplified language	Gradual review of templates for notification letters and public notices etc. to ensure plain English language is used within the legislative parameters that must be adhered to. Recommendation completed	Statutory Planning	●●●●●
37	Library Service	Provide more youth services such as tutoring	Upgrade library facilities to provide suitable environment complete. Tutors to be encouraged to use facilities. Recommendation completed	Library Services	●●●●●
51	Provision of parks and playgrounds	Consider planting out some areas of grass with native plants to minimise ongoing maintenance costs	This is considered as part of redevelopment in parks and in consultation with the community.	City Assets	●●●
52	Provision of parks and playgrounds	Look into further opportunities for generating funds to offset park management costs by establishing cafes at Timbrell Park and	Café in Timbrell Park due for opening in July 2014. Other sites are being considered as part of the mobile café trials.	Technical Services and Operations	●●●●●

		Drummoyne Park and increasing the mobile cafe van at Cintra Park to include weekend service.			
57	Provision, management and operation of recreation facilities	Look into sponsorship of ovals and sporting grounds by local businesses with the addition of signage around grandstands and on scoreboards to acknowledge their contribution.	A sponsorship package has been prepared subject to finalisation with the Drummoyne Oval Advisory Group. It will be finalised in preparation for a facility showcase event being considered for a date later in the third or fourth quarter.	Corporate Strategy	●●●●●
58	Provision, management and operation of Recreation Facilities	Consider increasing charges for entry to swimming pools and golf courses	Fees and charges for the 2014-15 financial year have been reviewed and adjusted with consideration to operational costs. Recommendation completed	Community Life	●●●●●
60	Services, programs and facilities for Children, Families and Seniors	Consider increasing the cost of school holiday programs to cover expenses	Fees and charges for the 2014-15 financial year have been reviewed with minor variations to fees for activities. The program has attracted sponsorship as additional income source. It was implemented with minor changes. Recommendation completed	Community Life	●●●●●
62	Services, programs and facilities for Children, Families and Seniors	Consider increasing the cost of Senior's bus trips.	Fees and charges relating to seniors bus trips will be considered as part of a broader review. Council's involvement in the provision of transport services is currently being reviewed. The review is scheduled for completion by September 2014.	Community Life	●●●
64	Services, programs and facilities for Children, Families and Seniors	Provision of certainty to community based early childhood services around rental lease agreements	The recommendation is being addressed through the operation of the Fair Use of Council Facilities Policy Panel. The project is progressing as per schedule.	Corporate Strategy	●●●●●
68	Provision of Management and Operation of Recreation Facilities (Golf Courses and Sporting Grounds)	Work toward equalising the subsidy for sport and recreation based on a per-user basis	This recommendation will be addressed as a subsequent process once the Fair Use of Council Facilities Policy Panel has been completed.	Corporate Strategy	○
72	Parking management	Review of parking signs/permits during peak weekend times in areas of congestion	Review of parking signs and permits parking in Park Ave, Drummoyne and Concord West completed and implementation under way. Recommendation completed	Traffic and Transport	●●●●●
75	Community Transport	Investigate possible efficiencies to the Council Bus service to reduce the cost to Council	Council's involvement in the provision of transport services is currently being reviewed. The review is scheduled for completion by	Community Life	●●●

			September 2014.		
76	Community Transport	Consider a volunteer driver program to reduce the need for the bus service	Council's involvement in the provision of transport services is currently being reviewed. The review is scheduled for completion by September 2014.	Community Life	●●●
79	Provision, management and operation of roads	Use of parking meters in strategic locations	Proposed locations for new parking meters have been provided in the draft Parking Strategy.	Traffic and Transport	●●●
84	Tourism	Actively promote council-owned facilities such as Drummoyne Pavilion and Waterfront Parks for functions, both within the LGA and in neighbouring LGAs	Promoted on Council's website and advertising materials.	Building and Property	●●●
85	Place Management – Established Precincts	Increase resourcing for Place Management	Place management team established in organisational review with 3.6 place managers approved. Recommendation completed	Place Management	●●●●●



3

Capital Works



- Bay Run Cycleway opened
- Concord and Five Dock Library furniture renewal completed
- Edwards Park amenities block – DA submitted
- \$4m worth of road pavement renewal works completed



3 Capital Works

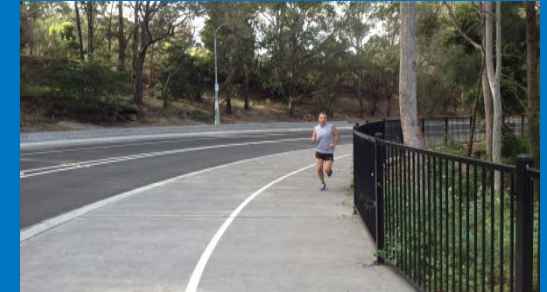
3.1 CAPITAL WORKS OVERVIEW

Capital Expenditure

Table: Summary Capital Expenditure Decrease of \$678K

Type	Original Budget	2nd Quarter Review	March Quarter Variations	Third Quarter Review
		Projected Year End		Projected Year End
Capital Expenditure	\$18,377,000	\$30,091,576	\$1,807,207	\$31,898,783
Loans	\$366,000	\$496,959		\$496,959
Total Capital	\$18,743,000	\$30,588,535	\$1,807,207	\$32,395,742

Achievements



- DA submitted for upgrade of Edwards Park amenities block
- Bay Run Cycleway opened
- \$4m worth of road pavement renewal works completed

Table: Summary Capital Expenditure March Quarter Variations

Score: For details on how to interpret the score see page 3.

Project	Project Status	Responsible Department	Original Budget	Revised Budget	Year to Date Actuals	Original Completion	Revised Completion	Score
Water for the Community Project	Pilot treatment systems operational and reticulation system installed	TS&O	2,529,800	2,656,179	2,289,353	Sep-14	Jan-15	●●●●●
Iron Cove Creek Pedestrian and Cycle Bridge	Design presented to community consultation, construction to commence 2015.	TS&O	1,000,000	25,000	24,555	Aug-15	Dec-15	●
Bay Run/Cycleway Project	Project complete and opened.	TS&O	320,000	1,651,115	1,868,564	Feb-14	Apr-14	●●●●●
Concord Community Centre Upgrade	DA prepared and to be submitted	TS&O	200,000	200,000	50,923	Jun-14	Apr-15	●●●●●
Concord Senior Citizens Centre Ceiling Insulation	Project completed	TS&O	10,000	10,000	0	Jun-14		●●●●●
Concord Senior Citizens Centre Hearing Loop	Project completed	TS&O	7,120	7,120	8,647	Jun-14		●●●●●
Five Dock Leisure Centre - Replacement of Health Club Flooring	Project underway	Community Development	120,000	120,000	0	Jun-14	Feb-15	●●●●●
Queen Elizabeth Park - Conservation Management Plan	Conservation Management Plan Completed.	Executive	30,000	30,000	23,600	Jun-14	Feb-14	●●●●●
Five Dock Library - Provision of Public Access Toilets	Consultation with Stakeholders completed	TS&O	25,000	25,000	0	Jun-14	Sep-14	●●●
Five Dock Library - Furniture renewal	Project Completed	Community Development	11,000	11,000	11,137	Jun-14		●●●●●
Concord Library - Furniture Renewal	Project completed	Community Development	7,000	7,000	6,970	Jun-14		●●●●●
Civic Centre-Security Cameras	Project completed	TS&O	15,000	15,000	18,298	Jun-14		●●●
Council Depot Store	Depot Store alterations completed	TS&O	45,000	45,000	0	Jun-14	Feb-14	●●●●●
Cabarita Park - Implementation of Plan of Management Works	Community consultation in progress	Executive	425,000	425,000	7,500	Jun-15		●●●
Quarantine Park - Renewal of existing toilet block	Project completed	TS&O	40,000	40,000	40,000	Jun-14		●●●
Edwards Park Amenities Design	DA submitted	TS&O	150,000	150,000	47,634	May-14	Sep-15	●●●
Rothwell Park Amenities Design	DA submitted	TS&O	150,000	75,000	23,573	May-14	Sep-15	●●●
Sanders Reserve - Remediation	Project completed	TS&O	125,000	95,029	140,577	May-14		●●●
Timbrell Park Flood Lighting Stage 2	Project completed	TS&O	270,000	270,000	202,137	Aug-14		●●●
Cintra Park Lighting Strategy	Phase 1 completed	TS&O	100,000	60,000	0	Apr-14		●●●●●
Disabled Access Parking Drummoyne Oval	Traffic Committee and Council approved installation	TS&O	20,000	20,000	0	Jun-14	Oct-14	●●●
Five Dock Skate Park - Surface Renewal	Constructor engaged	TS&O	30,000	30,000	8,362	Jun-14	Oct-14	●●●

No Smoking Signage	Sign designs commenced	TS&O	25,000	25,000	0	ongoing		●●●
Off Leash Signage	Sign designs commenced	TS&O	10,000	10,000	0	ongoing		●●●
Dog Bag dispenser Trial - Rhodes	Project completed	Executive	6,000	6,000	6,520	Jun-14		●●●●●
Sharing Sydney Harbour Access Program Lysaght Park Foreshore shared Path	Phase 1 completed	TS&O	0	0	0	Jun-14		●●
Water Filling Stations	3 stations installed along Bay Run		35,000	35,000	0	Jun-14		●●●●
Parks Renewal- Playgrounds	Community consultation in progress	TS&O	180,000	180,000	36,322	Sep-14	Dec-14	●●
Marine Structure Renewal	Community consultation in progress	TS&O	170,000	170,000	0	Oct-14	Jun-15	●●
Buildings Renewal	Planned Buildings renewal completed	TS&O	160,000	151,955	152,944	Jun-14	Feb-14	●●●●●
Drainage Renewal	Ian Parade Culvert renewed	TS&O	130,000	130,000	0	Jun-14	Feb-14	●●●●●
Footpaths Renewal	Concord Road footpath renewal	TS&O	120,000	120,000	138,264	Jun-14	Mar-14	●●●●●
Kerb/Gutter Renewal	Programme of renewal completed	TS&O	100,000	150,000	144,454	Feb-14	Jan-14	●●●●●
Traffic Facilities Renewal	Project completed	TS&O	100,000	16,000	16,000	Jun-14		●●●
Rhodes Community Precinct Building Project	DA submitted	TS&O	1,000,000	1,863,502	585,345	Jun-16		●●●
Rhodes Community Precinct Foreshore Park	DA submitted	TS&O	440,000	440,000	0	Jun-16		●●●
Rhodes Community Precinct Temporary Building	Temporary Community will not proceed. Community facilities are already available in the Rhodes Community Facility in Blaxland Road, Rhodes	TS&O	205,000	0	0	Jun-14		○
Rhodes Public Art Installations	Artists engaged to implement programme	Executive	426,500	526,500	48,928	Jun-14		●●●●●
Blaxland Rd Pavement Renewal	Phase 1 completed	TS&O	2,371,264	2,371,264	1,763,994	Feb-14	Mar-14	●●●●●
Blaxland Road Traffic Calming	Phase 1 completed	TS&O	490,568	490,568	156,263	Oct-13		●●●●●
Averill St Pavement Renewal	Project completed	TS&O	0	485,420	485,420	Mar-14		●●●●●
Cavell Avenue Pavement Renewal	Project completed	TS&O	0	485,420	485,420	Mar-14		●●●●●
Leeds Street Pavement Renewal	Project completed	TS&O	0	677,667	677,667	Apr-14		●●●
Road Pavement Resheeting Program	Phase 1 completed	TS&O	835,000	749,061	577,178	Apr-14		●●●●
Road Pavement Renewal	Phase 1 completed	TS&O	640,000	640,000	365,808	Mar-14		●●●●●
Roads to Recovery Road Works	Project completed	TS&O	269,000	269,000	287,323	Mar-14		●●●●●
Street Tree Priority Replacement Program	Project completed	TS&O	250,000	485,376	464,061	Mar-14		●●●●●
Barnstaple Road at Dalmeny St - New Roundabout	Funding application to state government unsuccessful, project did not proceed.	TS&O	90,000	0	0			○
Regional Roads Program	Project completed	TS&O	105,000	105,000	108,000	Feb-14		●●●●●
Implementation of Traffic Committee Decisions	Traffic Committee works ongoing	TS&O	40,000	40,000	0	ongoing		●●●
Great North Rd Pedestrian Crossing upgrades	Project completed	TS&O	0	0	0	Oct-13		●●●●●

Stormwater Management Charge Program	Programme of works ongoing	TS&O	372,000	134,380	66,093	ongoing		●●●
Lower Exile Bay Catchment Flood Study	Phase 1 completed	TS&O	100,000	100,000	0	Jun-14	Dec-14	●●
Concord Road, North Strathfield Place Plan Implementation Works	Project completed	TS&O	470,000	600,380	625,295	Jun-14		●●●●
Five Dock Town Centre Study - Implementation of short term actions	Priority Actions identified	Executive	50,000	50,000	0	Jun-15		●●
Fred Kelly Place Automated Self Cleaning Accessible Toilet	Development consent received and contractor engaged	TS&O	200,000	200,000	3,547	Dec-14		●●●
Formosa St Automated Self Cleaning Accessible Toilet	Development consent received and contractor engaged	TS&O	200,000	200,000	911	Dec-14		●●●
Majors Bay Rd and Brewer St Streetscape	Project completed	TS&O	180,000	180,000	173,653	Oct-14		●●●●●
Parking Strategy Implementation	Parking strategy prepared and ongoing	TS&O	180,000	180,000	0	ongoing		●●●
Bus Stop DDA Compliance Study and prioritised works	Project completed	TS&O	50,000	50,000	49,272	Jun-14		●●●
Plant & Equipment Internally Funded	Ongoing	TS&O	2,398,500	2,398,500	1,063,487	Jun-14		●●●●
Library Collection	Project completed	Community Development	348,460	331,570	325,162	Mar-14		●●●●●
Great North Road Wareemba	Project completed	TS&O	0	131,743	131,736	Jun-14		●●●●●
Parramatta River Bank Asset MP	Project completed	TS&O	0	154,995	138,409	Jun-14		●●●●●
Wymston Parade Drainage	Project completed	TS&O	0	30,000	25,517	Jun-14		●●●●●
Ian Parade Culvert	Project completed	TS&O	0	95,000	94,983	Jun-14		●●●●●
Cabarita Drainage Works	Project completed	TS&O	0	5,600	5,520	Jun-14		●●●●●
Ausgrid - Cintra Park Netball Court	8 courts delivered	TS&O	0	850,000	465,258	Mar-14		●●●●●
PAMPS	Project completed	TS&O	0	20,000	15,339	Jun-14		●●●●●
Five Dock Cycleway	- Lysagh Park shared path project completed - Abbotsford Fig Tree Reserve path to be completed - Five Dock Bay masterplan implementation ongoing	TS&O	0	151,015	95,924	Jun-15		●●●●
Formosa St, Carpark	Project 95% completed	TS&O	0	29,222	6,200			●●●●
Formosa St Laneway & Victoria Rd	Project completed	TS&O	0	38,903	0	Jun-14		●●●●●
Directional Parking Signage	Project 95% completed	TS&O	0	12,862	0	Oct-14		●●●●
Concord/ Mortlake LATMs	Project completed	TS&O	0	18,742	28,751	Jun-14		●●●●●
Pedestrian Crossing Floodlighting	Contractor engaged	TS&O	0	99,424	5,988	Nov-14		●●●●
Henry and GNR Pedestrian Crossing	Project completed	TS&O	0	50,768	46,277	Jun-14		●●●●●
Pedestrian Crossing Coranto/GNR/Halley	Project completed	TS&O	0	0	319	Jun-14		●●●●●
Chiswick - Blackwall Pt Rd Parking	Project completed	TS&O	0	75,000	85,022	Jun-14		●●●●●
Traffic signals Blaxland and Leeds	Construction work underway	TS&O	0	1,228,832	332,325	Aug-14		●●●●
Blaxland Rd Shared Path	Project 75% completed	TS&O	0	1,088,860	398,453	Dec-14		●●●●
Blaxland Rd Footpath east side	Construction work underway	TS&O	0	302,007	2,280	Aug-14		●●●●

Blaxland Rd North John Whitton Bridge	Project 95% completed	TS&O	0	1,234,348	954,115	Dec-14		●●●●
Blaxland Rd-Boat Ramp Carpark	Project completed	TS&O	0	141,000	141,334	Jun-14		●●●●●
Central Park - Bilbergia & RHB	Ongoing	TS&O	0	162,000	39,450	Ongoing		●●●●
Refresh Drummoyne	Project 20% completed	TS&O	0	50,435	0	Dec-14		●●●●
Depot Amenities Upgrade	Project completed	TS&O	0	143,145	241,380	Jun-14		●●●●●
Drummoyne Oval Lighting	Project completed	TS&O	0	58,725	52,184	Jun-14		●●●●●
Drummoyne Pool Judges Pavilion	Project completed	TS&O	0	12,733	12,280	Jun-14		●●●●●
Business Precinct Upgrade Drummoyne	Project 80% completed	TS&O	0	36,789	20,156			●●●●
Thompson Street Jetty	Heritage study completed	TS&O	0	9,012	0			●●●●●
Barnwell Park Golf Screens	Project completed	TS&O	0	0	11,441	Jun-14		●●●●●
Concord Senior Citizen Centre	Project completed	TS&O	0	51,192	94,900	Jun-14		●●●●●
Cooper Street Road Widening	Project completed	TS&O	0	10,567	0	Jun-14		●●●●●
Street Lighting Improvements	Project completed	TS&O	0	13,789	3,240	Jun-14		●●●●●
CEEP-Energy Saving Project	Project completed	TS&O	0	1,327,117	1,312,920	Jun-14		●●●●●
Concord Library Café Kitchen	Project scoped	TS&O	0	15,000	0			○
Iron Cove Saltmarsh Habitat Seawall	Design completed, tender under preparation	TS&O	0	77,107	0	Jun-15		○
Concord Oval-Amenities		TS&O	0	200,000	97,630			○
Bayview Park Playground	Project completed	TS&O	0	20,000	20,852	Jun-14		●●●●●
Cabarita Park Playground	Equipment installed, project 90% completed	TS&O	0	400,000	160,393	Oct-14		●●●●●
Queen Elizabeth Park	Re-turfing completed through maintenance	TS&O	0	15,114	0	Jun-14		●●●●●
Campbell Park	Re-turfing completed through maintenance	TS&O	0	13,673	0	Jun-14		●●●●●
Crane Street sports fields	Project 40% completed	TS&O	0	2,160,210	570,539			●●●
Massey Park GC Balustrade & Fencing	Project completed	TS&O	0	13,200	4,888			●●●●●
Playgrounds-General		TS&O	0	30,911	23,160			
Cintra Park Grass Hockey Fields	Project completed	TS&O	0	40,000	39,662	Jun-14		●●●●●
Green leas Practice Wickets	Project completed	TS&O	0	93,000	98,263	Jun-14		●●●●●
Bayview Park- Integrin Playground	Project completed	TS&O	0	15,000	27,085	Jun-14		●●●●●
Timbrel Park Amenities-Change Room	Project completed	TS&O	0	7,000	6,600	Jun-14		●●●●●
Local Priority Projects Libraries		Community Development	0	1,833	0			○
S94-Review Project		Planning and Environment	0	44,956	15,788			○
Punt Model Restoration	Project completed	Executive	0	9,998	9,000	Jun-14		●●●●●
Rhodes Community Precinct Furniture	Project completed	Executive	0	8,360	7,706	Jun-14		●●●●●
Victoria Avenue Re-grading Works	Design completed to accommodate new school in Victoria Avenue	TS&O	0	0	67,849	Jan-15		●●●●

Parking Meters - EMV Compliance	Contractor engaged to complete works	TS&O	0	32,700	0	Jun-15		●●●●
Livy's Place Cafe Slab	Project completed	Executive	0	9,000	6,665	Jun-14		●●●●●
Abbotsford Wharf Bollard Install	Project completed	TS&O	0	6,000	5,600			○
Massey Park Golf Club Kitchen Refurbishment			0	79,000	79,000			○
Merriton Park Playground Shade Sail	Contractor engaged		0	20,000	5,691	Oct-14		●●●●
Iron Cove Creek Bike Bridge Design and Consultation	Design underway		0	0	62,360	Oct-14		●●●●
Total			18,377,212	31,960,893	19,600,867			



4

Executive Services



- ANZAC Day event in April managed
- 50th Celebration of Drummoyne Art Society successfully completed
- Leadership development program



Executive Services Overview

4.1 Budget – Executive Services Division

Income/ Expenditure	Original Budget	Q1 Revised Budget	Q2 Revised Budget	Q3 Revised Budget	Q4 Revised Budget	YTD Actuals 30/06/2014	YTD Revised Variance
Income	(\$240,078)	(\$240,078)	(\$280,868)	(\$280,868)	(\$280,868)	(\$332,398)	\$51,530
Expenditure	\$5,037,321	\$5,469,173	\$5,442,944	\$5,457,220	\$5,457,220	\$4,671,467	\$785,753
Total	\$4,797,243	\$5,229,095	\$5,162,076	\$5,176,352	\$5,176,352	\$4,339,069	\$837,284

Comment upon budget

Budget adjustments have been made to accommodate the transfer of Customer Services and Corporate Strategy as well as the inclusion of Place Management in the Executive budget.

4.2 Highlights / Issues

- Livvi's Place Café, our first social enterprise café in partnership with Touched by Olivia Foundation is scheduled to open in July, supporting outcomes in *Let's Play: Playground Strategy* as well as 2012 Citizen Panel recommendations.
- Human Resources, phase one of the organisational review completed (refer to Strategic Projects section for further details). Work has commenced on the Ageing Workforce Strategy. Effective communication with our community and other key stakeholders is also a focus with growing use of social media (ie facebook, Instagram and Twitter) as well as a revamp of the Bayside Brief in line with the 2012 Citizen Panel recommendations. Concord Carnival will also have a new location and focus this year, with relocation to Jessie Stewart Reserve.

Achievements

- ANZAC Day event in April
- 50th Celebration of Drummoyne Art Society successfully completed
- Leadership development program adopted



Department: Human Resources & Organisational Development

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Leadership Development Program adopted to support the continued development of a culture of performance
- Incident and investigations training for work health and safety compliance rolled out
- Roles based training program adopted to progress performance and provide value for dollar on training spend
- Stage one of organisational restructure completed
- Revised Workforce Strategy incorporating EEO actions developed

About Canada Bay
The City of Canada Bay provides a wide range of high quality facilities and services to a diverse community of around 77 000 people in inner west Sydney. This Workforce Strategy acknowledges that all City of Canada Bay employees play an important part in achieving Council's goals and providing the community with the high quality services it demands.

Canada Bay is committed to the promotion of a strong, healthy community and the development of an appropriate culture, structure and workforce that will support the achievement of our medium to long term strategies. Underpinning this commitment is the recent introduction of our organisational values of:

- Creativity
- Fun
- Leadership
- Respect
- Teamwork

The values are the guiding principles for the way we do business and we are continually refining our organisational practices to reflect the intent of these principles.

The Workforce Strategy at a glance

What is a Workforce Strategy?
Workforce management planning identifies the human resources and skills required to deliver on the medium to long-term strategic direction of the community, as outlined in the Community Strategic Plan. The Workforce Strategy is one of several council focused resourcing strategies, with the Workforce Strategy specifically identifying and developing strategies to ensure the resources

vision and achieve the outcomes set out in the Community Strategic Plan.

Why does Council prepare a Workforce Strategy?
Council needs to know it has the capacity and capability to deliver its city strategies, plans, programs and key services. If it doesn't have the capacity or capability then the plans are unrealistic, and the city will fail to develop into the type of community that our residents desire.

The Workforce Strategy helps Council plan its human resource requirements for the next four years and beyond, and plan what needs to occur to ensure the necessary staff resources are in place when they are needed.

Workforce planning is common sense. Having a Workforce Strategy is also a requirement of the New South Wales Government's Integrated Planning and Reporting Framework.

BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(40,000)	(87,790)	(87,790)	(\$90,288)	\$2,498
Expenditure	1,796,091	1,983,811	1,983,811	\$1,642,999	\$340,812
Total	1,756,091	1,896,021	1,896,021	\$1,552,711	\$343,310

Budget Commentary

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Human Resources	Workforce Strategy & EEO Plan reviewed & updated by 30 May 2014	●●●●●
	Less than 10% voluntary turnover per year	●●●●●
	Recruitment turnaround time within 8 weeks of resignation	●●●
Workplace Health & Safety	StateCover compliance rating at 80% or better (Note: - Councils compliance from delivery at point of receipt is 90% from the date of injury and employee reporting is 75% due to delayed reporting to Council by the employee)	●●●
	Cost of workers compensation claims as a percentage of wages is at or better than StateCover average.	●●●●●
Organisational Development	Business improvement and process review program reviewed by Executive	○
	100% of actions arising from the organization review relating to restructure and staffing are fully implemented by end of 4th quarter 2014	●●●●●
	95% participant satisfaction	●●●●●
	20% of training conducted in house	●●●●●

Score: For details on how to interpret the score see page 3.

Issues

- Work on the ageing workforce strategy and review of wellbeing programs which were listed for completion in the Workforce Strategy not yet finalised and will be rolled over to Operating Plan 2013-14

Department: Communications & Public Relations

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Management of successful ANZAC Day event in April 2014
- June edition of Bayside Brief distributed on time and on budget
- Implemented first social media campaign on Instagram to promote Ferragosto
- Negotiated expanded sponsorship arrangement with Channel 9 to include live weather crosses at Ferragosto and shared social media opportunities (Channel 9's Today Show has almost 8,000 followers/likes and we will be sharing Ferragosto promotion via this Facebook page.
- Facebook page likes (fans) increased by 101 from 606 on 14 April to 707 on 17 July.
- Our Facebook posts or status updates are growing in terms of how many people they are reaching from 591 people in April to 894 in July. This means people who like our page are sharing our status updates or that other pages who like us (such as Drummoyne Power AFL for example) are also sharing our posts to their followers.
- Engagement (how many people 'like', comment and share a post/status update) increased from 93 in April to 179 by end of June
- We have had strong and steady growth in the number of Facebook fans over the last quarter due to our new focus on providing fresh, accurate, educative, entertaining and relevant content. Fans have remained loyal because the page provides news-worthy, valuable, free information about Council services, policies, events, people and places plus offers an open, interactive forum for meaningful conversation.
- We have also incorporated more multimedia assets on our Facebook feed, including uploading videos (shot and edited in-house) and publishing more photo galleries which have proven popular.
- Increase of Twitter followers by 178 from 1300 on 1 April to 1478 on 18 July. To put this in perspective, we are in the top 10 of metropolitan NSW Councils of a similar demographic in relation to Twitter followers.

Issues

- Rhodes website continues to be a challenge in regards to resources and time available
- Lack of support for changing format of Concord Carnival to be a part of Good Food Month in October from businesses in Majors Bay Road. As a result the focus of the Carnival will move to Jessie Stewart Reserve with a stronger focus on children and families.

BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(107,950)	(107,950)	(107,950)	(\$132,394)	\$24,444
Expenditure	1,182,168	1,172,373	1,172,373	\$1,140,253	\$32,120
Total	1,074,218	1,064,423	1,064,423	\$1,007,859	\$56,564

Budget Commentary

Sponsorship increased in 2013 - 14 for all events which is reflected in the budget. Overall budget is positive. We will be implementing savings in 2014-15 in the areas of printing, distributing and contractors by reducing Bayside Brief to a quarterly publication.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Media	100% of media enquiries responded to by designated deadlines	●●●●●
	85% of media items reflects Council in a positive light and / or includes key messages	●●●●●
Social media	An annual increase in likes and interactions by 10% per quarter on all social media platforms	●●●●●
Website	Overall customer rating is 8/10 in next Customer Satisfaction Survey regarding new website	○
	Overseeing and maintenance of content to ensure it is up-to-date and accurate	●●●●●
Major Events	Development and implementation of new centralised website system to streamline content	○
	Major events hosted by Council increase in attendance by 5% and achieve less than 5% of negative comments in post-event customer satisfaction surveys.	●●●●●
Major events: Concord Carnival	Achieve target of \$5,500 in sponsorships (in kind or cash)	●●●●●
	Achieve estimated attendance of 25,000	●●●●●
	Satisfaction with event with less than 5% negative comments	●●●●●
Major events: Ferragosto	Achieve target of \$21,000 in sponsorships (in kind or cash)	●●●●●
	Achieve estimated attendance of 60,000	●●●●●
	Satisfaction with event with less than 5% negative comments	●●●●●
Major events: Sydney Sixers	Achieve target of \$2,500 in sponsorship (in kind or cash)	●●
	Achieve estimated attendance of 2,500	●
Mayoral events: Golf Day	Achieve target of \$35,000 raised for nominated charity	●●●●●

Score: For details on how to interpret the score see page 3.

Department: Place Management

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Invest in Canada Bay program launched to realtors and developers (includes apps and brochures to support investment in and business relocation to the City)
- Livvi's Place Social Enterprise Café on track for opening
- Art Bubbler installed at Mill Park Rhodes
- Sponsorship received for local communications in Rhodes
- Rhodes Multicultural Association Incorporated and grant applications developed
- Finalist in LGMA NSW Culture awards for Piazza Eolie and Environmental Art. Presentations made at Vivid on the place making approach and public art in Canada Bay
- 50th Celebration of Drummoyne Art Society successfully completed
- Majors Bay Chamber launched their website with sponsorship from Council
- Memorial plaques installed at Rhodes and Majors Bay Road
- Federal Government grant funding for \$1 million dollars secured for Edwards and Rothwell parks
- 91 applications received for the Sustainability Awards

Issues

- Redesign of the engagement program for stakeholders in Rhodes developed



CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

85. Increase resourcing for Place Management

Highlights

Team restructure implemented and place framework in place and will be rolled out in 2014-15.

BUDGET REVIEW

Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(24,000)	(17,000)	(17,000)	(\$10,960)	(\$6,040)
Expenditure	903,744	1,119,910	1,119,910	\$744,481	\$375,429
Total	879,744	1,102,910	1,102,910	\$733,521	\$369,389

Budget Commentary

- Income down due to cancellation of 2013 Sustainability Awards (compensated for in expenditure)
- Expenditure impacted with restructure of the department. Postponed place activities in Five Dock pending Council approval of Urban Design Study.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	Score
Great North Road Five Dock	Implementation of the town centre study. Support for Chamber of Commerce	●●●
Majors Bay Road Concord	Support for Chamber of Commerce; Lighting project developed	●●●●
Victoria Road Drummoyne	Implementation of Place Plan - Laneways project Support for Drummoyne Business Chamber	●●●●
George Street North Strathfield	Implementation of Place Plan Support Chamber of Commerce	●●●●●
Wareemba	Banner Program	●●●●
Concord Road Concord West	Support Urban Design Program	●
Concord West Village	Support Urban Design Program	●●
Mortlake/Cabarita	Support Urban Design Program Banner program	●●●●●
Rhodes	No scheduled projects implemented within time and budget	●●●●●
Rhodes Plan of Management	Draft POM ready for May 2014 Park naming program	●●●●
Rhodes Public Art Strategy	Foreshore Art selected Art proposal developed for the Connection, Homebush Bay Bridge, and station precinct	●●●●●
Cabarita Park	New playground and toilets developed	●●
Chiswick	Place Plan commissioned; Banner Program	●
Abbotsford	No works at this time	○
Russell Lea Lyons Rd	Parking project almost complete	●●●●●
Rodd Point	Banner program	●●●●
Sustainability awards	Planning underway	●●●●
Digital Tourism	Convict trail video commissioned	●●●●
Friends Of Cabarita The Conservatory	No. scheduled projects implemented within time and budget	●
Special Projects	Social Enterprise Café Timbrel Park	●●●●●
Centenary of Anzac	Project completed by April 2015	●●●

Score: For details on how to interpret the score see page 3.

Department: Mayor, Councillors & General Manager Support

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Australia Day Citizenship Ceremony, Citizen of the Year Awards successfully completed
- Community Fact Sheets prepared and distributed in relevance to
 - West Connex
 - Breakfast Point Development
 - Aged Care Facility proposed in St Albans

Issues

- West Connex project details not available yet to enable a proper assessment of impact on local residents and sporting clubs



BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(68,128)	(68,128)	(68,128)	(\$98,756)	\$30,628
Expenditure	1,155,319	1,181,127	1,181,127	\$1,143,734	\$37,393
Total	1,087,191	1,112,999	1,112,999	\$1,044,978	\$68,020

Budget Commentary

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Administration	Requests (ECM, emails, phone, etc) responded to < 48hours	●●●●
Civic Receptions	Receptions planned and completed on time	●●●●
	Citizenship Ceremonies held 10 times per year	●●●●
Communications	Mayor and GM's Social media and website presence up to date	●●●●
Reports	Requested council reports / mayoral minutes prepared on time	●●●●
Administration	Requests (ECM, emails, phone, etc) responded to < 48hours	●●●●

Score: For details on how to interpret the score see page 3.



5

Corporate Services



- **TOP Successful implementation of Stage 2 Financials**
- **Major records project for DA files commenced**
- **Options or online submissions of GIPA applications**



Corporate Services Overview

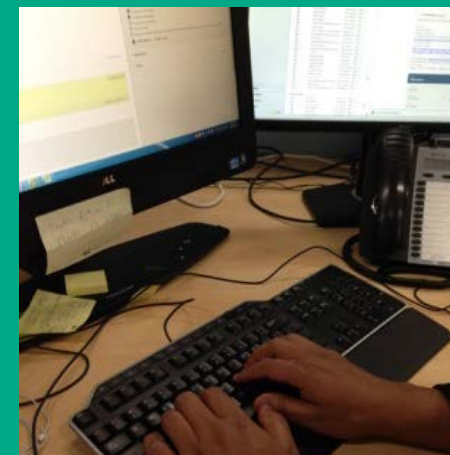
5.1 Budget – Corporate Services Division

Income/ Expenditure	Original Budget	Q1 Revised Budget	Q2 Revised Budget	Q3 Revised Budget	Q4 Revised Budget	YTD Actuals 30/06/2014	YTD Revised Variance
Income	(\$47,790,844)	(\$49,684,950)	(\$49,298,566)	(\$54,457,868)	(\$54,457,868)	(\$59,284,123)	\$4,826,255
Expenditure	\$11,309,808	\$11,831,801	\$11,901,099	\$12,878,924	\$12,878,924	\$12,662,264	\$216,660
Total	(\$36,481,036)	(\$37,853,149)	(\$37,397,467)	(\$41,578,944)	(\$41,578,944)	(\$46,621,859)	\$5,042,915

5.2 Highlights / Issues

- Technology One system progressing with Stage 1 and Stage 2 live. Due to the need for further tests there has been a delay in going live with the property, rating and revenue module (Stage 3). This has been rescheduled for 1 December.
- Major records project underway to scan and store DA files electronically to improve access and decrease archive costs.
- Investigating options for online submissions of GIPA applications and provision of information to our community.

Achievements



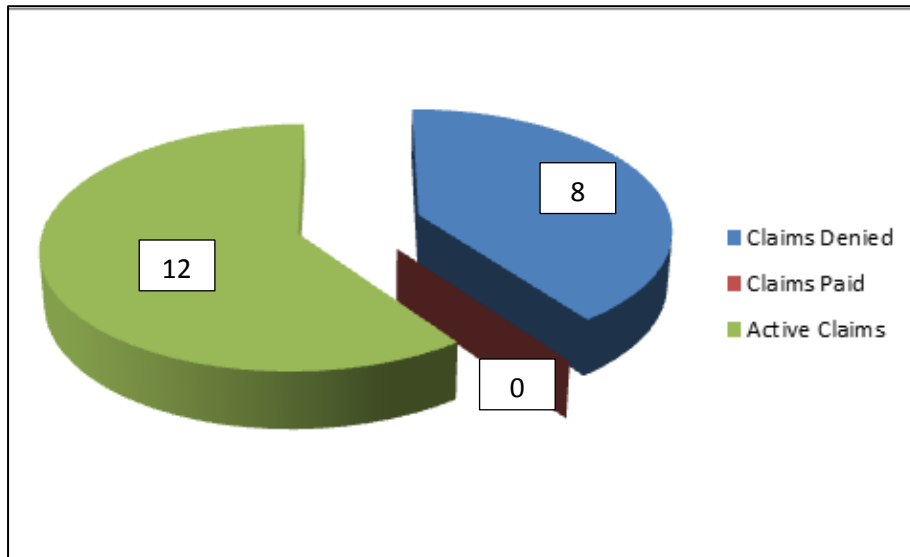
- **TOP – Successful implementation of Stage 2 Financials including procure to pay and GL complete**
- **Major records project for DA files commenced**

Department: Governance

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- 183 Access to Information requests received and processed.
- 13,250 documents registered by Records Section
- 20 Public Liability Insurance claims processed. Eight denied, 12 still active.
- Annual Internal Audit Plan completed
- Annual archive culling program completed.
- Stage 2 of Golf Course Screening Program commenced.
- Staff delegations reviewed and approved.



BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(15,380)	(83,650)	(83,650)	(\$114,431)	\$30,781
Expenditure	3,663,238	4,062,455	4,062,455	\$4,142,736	(\$80,282)
Total	3,647,858	3,978,805	3,978,805	\$4,028,305	(\$49,501)

Budget Commentary

Budget on track.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Governance	Council agendas circulated 3 days prior to meeting	●●●●
	Correspondence from Council Meetings prepared within 2 days of Council Meeting.	●●●●
	Minutes completed within 1 day of Council Meeting.	●●●●
Risk and Claims Management	Claims acknowledged within 2 working days 100% of the time.	●●●●
	Risk Register reviewed quarterly	●●●●
Records	95% of mail processed on day of receipt 100% of the time.	●●●●
GIPA	95% of applications completed within 20 working days 100% of the time	●●●●

Score: For details on how to interpret the score see page 3.

Department: Finance

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

Rates

- \$33.2M of Ordinary Rates were levied.
- \$1M of rate rebates were granted.
- 97.5% of the levy was collected
- \$1.08M rates outstanding as at 30/06/2014

Financial Management

- Secured \$1.5M Loan repayable at fixed interest of 5.24% over 10 years. Funds obtained for Stormwater Project.
- Collected \$12.9M from Developer Contributions. Budget forecasts were for \$11.2M. Favourable variance of \$1.65M accounts for the majority of the Finance Section YTD Revised Variance.
- Cash Investments as at 30/6/14 amounted to \$70.4M. Interest earned for the year was \$2.64M

Issues

- Corporate restructure costs of approximately \$860,000 largely offset by salary savings across whole of Council budget.
- Year to date income variation is explained by budget phasing and not actual income shortfall. This relates specifically to investment income that will be received in the last quarter as a result of longer dated investment maturities.

BUDGET REVIEW					
Finance	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(47,430,803)	(54,029,557)	(54,029,557)	(\$58,795,660)	\$4,766,103
Expenditure	1,960,462	2,966,786	2,966,786	\$4,166,967	(\$1,200,181)
Total	(45,470,341)	(51,062,771)	(51,062,771)	(\$54,628,692)	\$3,565,922

Budget Commentary

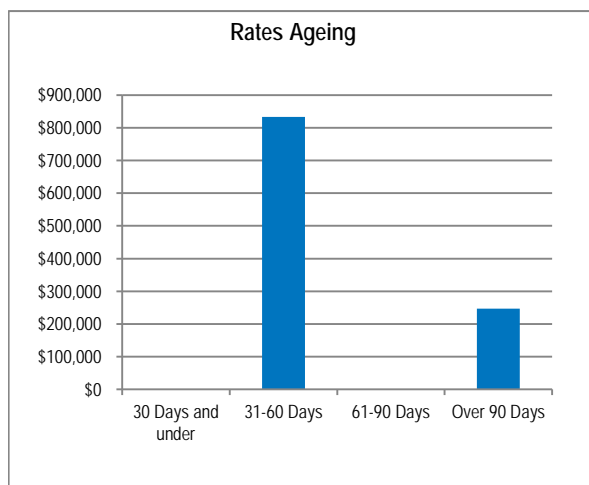
PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Financial Reports	Monthly Financial Reports to 2 nd Meeting of following month. Target 100%	●●●●●
	Quarterly Financial Reports submitted within 6 weeks of quarter end. Target 100%	●●●●●
	Annual Financial Reports, completed, audited & submitted by end Nov. Target 100% (Pre-audit 31 Aug; lodged DLG 31 Oct; Auditor reports to council by 30 Nov)	○
Rates	Supplementary rates levies processed within one (1) month of receipt. Target 90%	●●●●●
	Levy and instalments reminders are issued within statutory timeframes (31 Jul, 31 Oct, 31 Jan, 30 Apr)	●●●●●
	Increase in the number of electronically issued Rates per year	●●●●●
	Rate Collections are within YTD targets	●●●●●
Operations Accounting	Suppliers invoices are paid in accordance with agreed terms	●●●●●
	Collections for council's invoices are within council's terms	●●●●●
Financial Management Reporting	Presentation of Actual v Budget and this year v last comparisons	●●●●●
	Annual Operating Budget	●●●●●
	Investment - KPIs for Interest earned and Principal Invested (YTD compared to last year). Reported to Council monthly.	●●●●●
	Average interest rate earned to meet Bank Bill Swap Rate	●●●●●
Payroll	Employees paid accurately in accordance with the Award	●●●●●
	Payroll is remitted to Employees Bank Accounts on Wednesday	●●●●●
	Superannuation contributions remitted to Super Funds by 5 working days after month end	●●●●●

Score: For details on how to interpret the score see page 3.

Receivables as at 30/06/2014

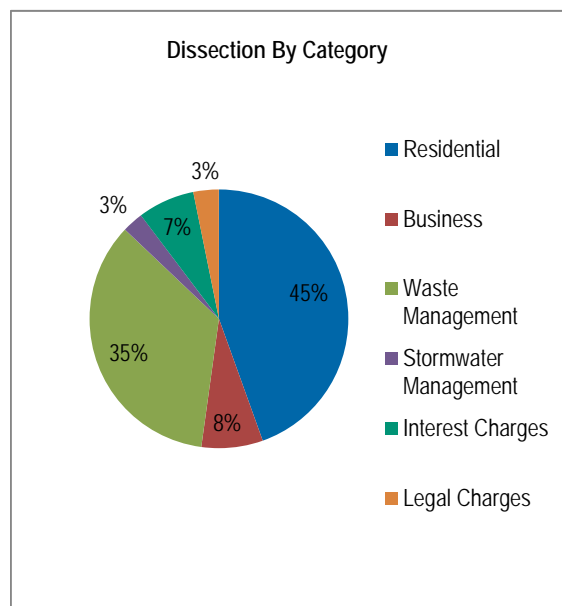
Rates - Ageing

Ageing	Value	Percent	Cumulative %
30 Days and under			0%
31-60 Days	\$833,400	77%	77%
61-90 Days			77%
Over 90 Days	\$246,600	23%	100%
Total	\$1,080,000	100%	



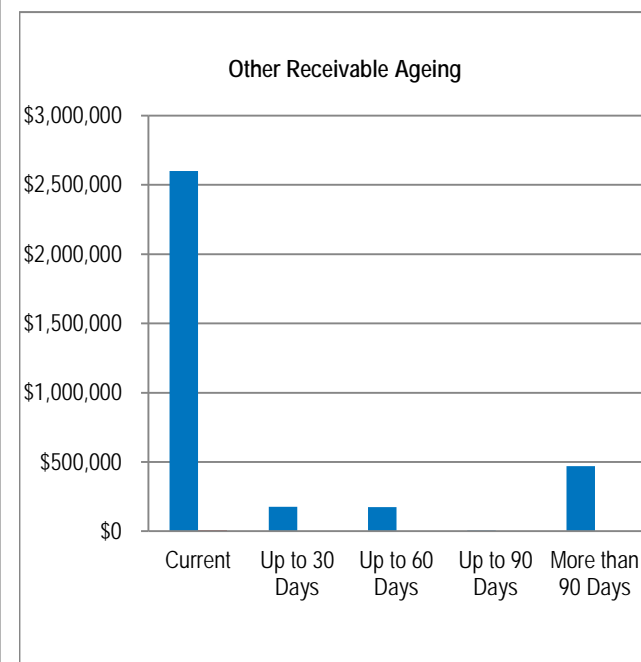
Rates - Dissection

Dissection	Value	Percent
Residential	\$480,700	45%
Business	\$82,900	8%
Waste Management	\$377,000	35%
Stormwater Management	\$28,400	3%
Interest Charges	\$76,600	7%
Legal Charges	\$34,400	3%
Total	\$1,080,000	100%



Other Receivables

Ageing	Value	Percent	Cumulative %
Current	\$2,599,857	76%	76%
Up to 30 Days	\$176,239	5%	81%
Up to 60 Days	\$173,354	5%	86%
Up to 90 Days	\$4,702	0%	86%
More than 90 Days	\$469,500	14%	100%
Total	\$3,423,653	100%	



Department: Customer Services

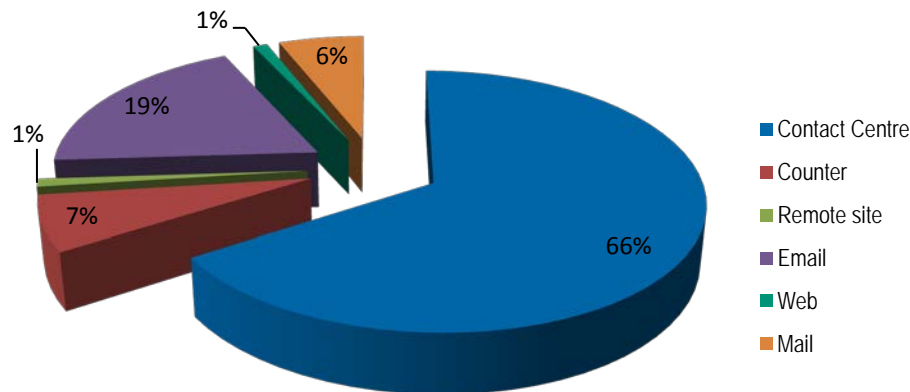
OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Contact centre responded to 40,883 calls, a 1.01% increase/decrease from previous quarter last year.
- Total number of Customer requests processed across the organisation was 9,641. The previous quarter had a total of 11,374. Therefore a 1.17% decrease
- Top customer request for the quarter: 149 certificates from a total of 648 requests
- Complaint Handling - 41 complaints were received for the quarter, compared to 26 in the previous quarter, an increase of 37%
- Quarterly Newsletter on Council website <http://www.canadabay.nsw.gov.au/sports-facilities-and-fields-sports-quarter-newsletter-page.html>

Community Channels of Contact to Council

Breakdown of Community Channels



BUDGET REVIEW

Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(325,240)	(325,240)	(325,240)	(\$374,032)	\$48,792
Expenditure	1,300,685	1,279,330	1,279,330	\$1,256,415	\$22,915
Total	975,445	954,090	954,090	\$882,383	\$71,707

Budget Commentary

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Complaints	Complaints received for Quarter. Target <25	●●●
	Complaints processed as per KPI. Target >95%	●●●●
Contact Centre	No. calls received per quarter. 40,883	●●●●●
	Calls answered within 60 secs. Target >80%	●●●●●
	Average call-handling time. Target <1min 50secs	●●●●
	% calls resolved at first point of contact. Target >90%	●●●●●
	Abandonment Rate. Target <8%	●●●●●
Counter	No of customer per quarter 4735	
	Average waiting time for service. Target <180seconds	●●●●●
	% enquires or transactions resolved at first point of contact. Target >95%	●●●●●
	Receipt of applications. Target <2days	●●●●●
Administration	No. applications processed within agreed KPIs. Target >90%	●●●●●
	Task list and validations processed as per KPIs. Target >90%	●●●●●
Recreation	% enquiries resolved at first point of contact. Target >90%	●●●●●
	Calls returned within 2hrs. Target >90%	●●●●●
	Applications are processed within KPIs. Target >90%	●●●●●
	License Agreement bookings within KPIs. Target >90%	●●●●●
	Emails responded to. Target <1 working day	●●●●●
	Sports Forum. Target 2+ held per year	●●●●●
	Income target met as per Council adopted budget >90%	●●●●●
Street Fairs/Community Events	No. community events Council tent at to market services Council is providing to the community	○
	% enquiries resolved at first point of contact. Target >90%	○
	Council displays. Target 2+ council departments at each event.	○

Score: For details on how to interpret the score see page 3.

Department: Information Systems

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- TOP – Successful implementation of Stage 2 Financials including procure to pay and GL. Ongoing work for stage 3 P&R, ECM renovation and EAM aiming towards December 1 go-live for these. Still to come, Payroll, Eservices, Mobility, BI and Corporate Planning
- GIS redesign and Techone integration ongoing.
- Telephony (desktop) needs analysis – voice communications platform redesign completed. Key Design doc will be put to EOI post July 2014 with the aim of rebuilding our voice services to accommodate Disaster Recovery (DR) and organisational needs and improve customer service.
- Backup and DR Site – selection of new backup and recovery solution for the DR site completed. Currently in build/implementation stage of the project with full roll out to be completed by November 2014.
- WAN redesign –EOI on LGP Vendor panel completed with contracts signed. Cost savings expected despite significant expansion of network performance.
- Microsoft EA renegotiation – agreement ending July 2014.EOI on LGP Vendor panel completed with agreement resigned.
- Mobile telephone contract renewal and smartphone rollout – Evaluation via LGP completed with resigning to Telstra also completed. Replacing Blackberry fleet with smartphones and roll-out of new iPads through the next quarter.
- Depot, Drummoyne and office Refits – Progressing well with GM and TS&O Director's and PA's offices largely finalised and core TS&O data cabling underway. Awaiting go-ahead for works to meeting room and old director's office to be started. Additional works to be completed in the TS&O staff lunch room.

BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(19,421)	(19,421)	(19,421)	\$0	(\$19,421)
Expenditure	4,003,222	4,188,152	4,188,152	\$2,707,283	\$1,480,869
Total	3,983,801	4,168,731	4,168,731	\$2,707,283	\$1,461,448

Budget Commentary

Despite challenging project deadlines and commitments the IS budget has balanced with some savings initiatives through the financial year assisting this small surplus.

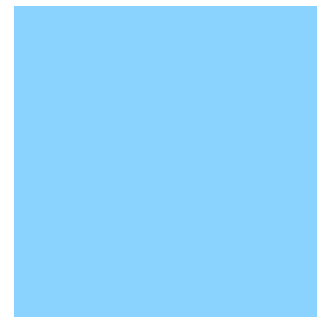
PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Incident and Problem Management	Ticket service level compliance >= 90%	●●●●●
	Incidents and problems raised - numbers tracked and reported monthly	●●●●●
Project Management	Projects tracked and reported - Monthly	●●●●●
	Projects implemented to budget	●●●
	Projects implemented within timeframes	●●●
Service Availability	Internet connection available >= 99%	●●●●●
	Core business applications available >= 90%	●●●●●
	Core internal network available >=99%	●●●●●
	Core internal infrastructure >=90%	●●●●●
Budget	Budget maintained within agreed levels - reported quarterly	●●●●●
Voice and Data	Fixed voiced costs tracked and reported - Monthly	●●●●●
	Mobile voice costs tracked and reported - Monthly	●●●●●
	Mobile Hardware costs tracked and reported - Monthly	●●●●●
	Fixed voice services available >= 99%	●●●●

Score: For details on how to interpret the score see page 3.



6

Community Development



- City of Canada Bay Rugby Festival hosted
- Community Safety and Crime Prevention Plan 2014-18 adopted
- Council performance survey undertaken



Community Development Overview

6.1 Budget – Community Development Division

Income/ Expenditure	Original Budget	Q1 Revised Budget	Q2 Revised Budget	Q3 Revised Budget	Q4 Revised Budget	YTD Actuals 30/06/2014	YTD Revised Variance
Income	(\$6,236,650)	(\$6,233,050)	(\$6,232,226)	(\$6,240,929)	(\$6,240,929)	(\$6,445,399)	\$204,470
Expenditure	\$8,123,580	\$8,251,283	\$8,273,699	\$8,194,382	\$8,251,272	\$7,902,700	\$348,571
Total	\$1,886,930	\$2,018,233	\$2,041,473	\$1,953,453	\$2,010,343	\$1,457,302	\$553,041

Comment

Overall the budget is on track. Key areas of note are in the Library Services and Corporate Strategy area where there is under-expenditure in the staff areas due to staff vacancies and recruitment following the finalisation of the new structure.

Community Life is tracking well overall. The two key areas for further focus are the:

- Barnwell Park and Massey Golf courses, where income is lower than anticipated as a result of a decrease in green fees from members of the Public. Marketing and promotion will be a focus for the coming quarter.
- Drummoynes Meals on Wheels service where the numbers of clients has decreased and consequently the grant income received has also decreased. Strategies to respond to this will be investigated over the coming quarter.

Overall Highlights / Issues

Community Precinct planning

Concord West Community Precinct Long Day Care Centre will be directly managed by Council, and is currently accepting expressions of interest for the waiting list, with enrolment applications to be released during the next quarter. The project is an innovative partnership with NSW Department of Education and Communities that will deliver a new 600 student school, 47 place child care centre, early childhood health facilities and services and consulting rooms for use by health professionals to provide an integrated service for families with children birth to year six. Construction is underway and on track for completion in December 2014 with the school due to open Day 1

Achievements

- Concord West Community Precinct – Concept Plans
- Community Safety and Crime Prevention Plan 2014-2018 adopted by Council
- City of Canada Bay Rugby Festival hosted



in Term 1 2015.

Drummoyne Oval Precinct

The Drummoyne Oval Precinct hosted a Rugby Festival between 7 – 9 June, consisting of the U/15 State Championships, the inaugural Ken Williams Cup involving Brias Rugby and the Drummoyne Dirty Reds and a Shute Shield match involving West Harbour and Gordon. The Festival involved the major rugby clubs in the local area, as well as matches involving the best 15 year olds in the state.

Key events to be staged in the coming months include the ‘Summer of Cricket’ with Cricket Australia expressing interest in utilising Drummoyne Oval as a venue to play up to five domestic one day cricket matches, as well as the Oval to be used as a training venue for international teams during the ICC World Cup being held in February 2015.

Corporate Strategy

The Community Safety and Crime Prevention Plan 2014-2018 was adopted by Council in April after community and stakeholder consultation/review. The Plans will see Council assume a lead role in working with neighbouring councils, NSW Police, local businesses, residents and community groups to prevent and reduce crime. The focus of the Plan is to around seven priority areas:

1. Reduce incidence of break and enter (dwelling), including fraud;
2. Reduce incidence of theft from retail stores;
3. Actively pursue Crime Prevention Through Environmental Design (CPTED);
4. Continue to contribute to and support the Liquor Licensing Accord;
5. Further reduce incidence of steal from motor vehicle;
6. Further reduce the level of visible graffiti across the City of Canada Bay; and
7. Combat community fears around crime through effective communication.



Department: Community Life

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Interim financial result for Five Dock Leisure Centre and Wellbank Children's Centre have resulted in better than expected budget performance
- Wellbank Children's Centre operating at 100% capacity
- Partnership developed with Home Library Service for volunteers of Meals on Wheels to work across both services

Issues

- Five Dock Leisure Centre Health Club trending a decline in income/membership. Marketing and Retention strategies to be implemented.
- A review of the Family Day Care service will be conducted in light of a recent announcement outlining Federal Government funding changes from July 2015. Council will be reviewing the service in light of this to ensure the long term sustainability of family day care locally.
- Meals on Wheels future options are being investigated due to declining usage, with associated grant funding also reduced as a result.

BUSINESS CASES (Also see Section 2)

Barnwell Park Golf Course

- Recommendations from audit of Barnwell Golf Course to be actioned

COMMERCIAL ENTITIES (Also see Section 9)

Community Life is responsible for the following commercial and major enterprises (Section 9 provides further detail)

- Affordable Housing Portfolio
- Five Dock Leisure Centre
- Barnwell Park Golf Course / Massey Park Golf Course
- Drummoyne Swimming Centre / Cabarita Swimming Centre
- Wellbank Children's Centre

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

58. Consider increasing charges for entry to swimming pools and golf courses.
60. Consider increasing the cost of school holiday programs to cover expenses.
62. Consider increasing the cost of Senior's bus trips.
75. Investigate possible efficiencies to the Council Bus service to reduce the cost to Council.
76. Consider a volunteer driver program to reduce the need for the bus service.

Work on these recommendations is proceeding. See Section 2 for details.

BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(5,898,780)	(5,891,083)	(5,891,083)	(\$6,089,044)	\$197,961
Expenditure	4,909,433	4,857,706	4,857,706	\$4,809,378	\$48,328
Total	(989,347)	(1,033,377)	(1,033,377)	(\$1,279,666)	\$246,288

Budget Commentary

Overall the anticipated actual result for Community Life has performed \$246,288 better than budgeted, returning a \$1.2M surplus. This is due to higher than anticipated income and / or lower than anticipated expenditure, largely within Wellbank Children's Centre and the Five Dock Leisure Centre. Further detail of Community Life services are contained in section 9.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Five Dock Leisure Centre	Centre visits Target >300,000 per annum	●●●●●
	Over 1,000 enrolments in the Bayside Kids School Holiday Program per annum: 1084	●●●●●
	Over 1,000 new Health Club members per annum	●●
	Over 1300 new gymnastics enrolments in calendar year: 1,571	●●●●●
Wellbank Children's Services	Compliance with legislation, assessment and rating Result: Exceeding National Standard	●●●●●
	Operating at a minimum 96% capacity: Operating at 100%	●●●●●
	90% Client satisfaction with service (annual survey): 96% satisfaction	●●●●●
Seniors Bus Service	Trips operating at over 95% capacity	●●●●●
	Active Adults: 86%	●●
	Bay Connection: 61%	●●
Meals on Wheels	At least 90% client satisfaction with service (annual survey) Result: 95% satisfaction	●●●●●
	Number of new clients: 3	●●
	Number of meals delivered (output level): 1691	●
Family Day Care	90% client satisfaction with service: not yet completed	NA
	Number of new clients: 5	●
	Up to 5 new educators recruited over financial year: 3 new educators	●●
Affordable Housing	Educators operating at a minimum 80% utilisation: 90% utilisation	●●●●●
	Compliance with legislation, assessment and rating: Meeting National Standards	●●●●●
	90% Client satisfaction with service (annual survey)	NA
Affordable Housing	Affordable Housing Program, Occupancy Rate: Target > 95%	●●●●●

Score: For details on how to interpret the score see page 3

Department: Corporate Strategy

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

Corporate Strategy has made strong progress in a number of areas through this quarter. A three day rugby festival was hosted at Drummoyne Oval which included an inaugural friendly match between Briars and Drummoyne as well as a Shute Shield match between West Harbour and Gordon. The 2014-15 iteration of Council's Integrated Planning documents was successfully developed and adopted as per legislative requirements.

The final round of the Intergenerational project working with Harry's Shed and Concord High School was completed in accordance with Council's budget allocation. A thorough submission on the NSW Government's review of Crown Land was coordinated and developed for submission in line with the timeframes.

Council has undertaken a performance survey as part of the 2013-17 Delivery Plan to assess performance against FP20 directions. Work has also commenced on possible submissions/ consideration of other pending areas of strategic change for Council including child care reforms, changes to National Rental Affordability Scheme funding and the Federal Government's Federalism White Paper.

Issues

Progress on the refurbishment of the Concord Community Centre slowed while negotiations were ongoing with existing users in relation to space with the facility. This is expected to be resolved and further progressed in the next quarter. Recruitment for the Recreation Planner position has not yet fielded a successful outcome and the position will be readvertised shortly.

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

- 64. Provision of certainty to community based early childhood services around rental lease agreements.
- 68. Work toward equalising the subsidy for sport and recreation based on a per-user basis.

Highlights

Work on the Fair Use of Council Facilities Policy Panel is addressing recommendation 64 (a partnership project with the New Democracy Foundation). During this quarter the panel met three times, with steady progress made on their consideration of potential recommendations to Council. The project is progressing to schedule and expectations.

Issues

Recommendation 68 will not be addressed in the short term.

BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(76,110)	(88,330)	(70,496)	(\$96,689)	\$6,999
Expenditure	839,078	944,102	674,774	\$743,434	\$216,889
Total	762,968	855,772	604,278	\$646,745	\$223,887

Budget Commentary

Budget result at the end of the quarter reflect salary savings made as a result of staff vacancies and delays in some projects where budgets will be rolled over into the next quarter.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Integrated planning	Legislative compliance for all IPR requirements.	●●●●●
	Implementation of relevant strategies and plans specific to department	●●●
Community reporting and engagement	Quarterly performance reports provided to community	●●●●●
	Diversity and success of engagement tools used in projects undertaken by department	●●●
Policy/industry/trend oversight and advice	Number of and timeliness of advice provided to Executive and Councillors	●●●●●
Direct community projects	Delivery of projects within designated scope, timeframe and resources	●●●
Advocacy and collaborations	Participation in regional planning initiatives	●●●
	Development and maintenance of relevant partnerships	●●●

Score: For details on how to interpret the score see page 3.

Department: Library Services

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- The Library's loans for the 2013-14 financial year have increased by 5.51% to 482,479 loans, compared to the 2012-13 financial year with 457,276 loans. This is the highest number of loans since 2009-10 reflecting the improvement in collections made through increased numbers of new material and weeding unused older material, ensuring the libraries' collections are up to date and relevant for our community.
- Programs and events for April to June included: Author Talks from Jane Caro, Sneh Roy, Walter Mason, Lee Holmes and Bob Carr; National Law Week information sessions on Fair Trading and Legal Aid;
- Wii Hotspot logins have increased by 78.71% to 25,774 in the Q4, indicating the large increase in visitors bringing their own devices to the library
- Use of the Library's online collections is increasing rapidly with 5,475 downloads in Q4 compared to 1,153 in Q1. 2,871 of the downloads in Q4 were from the newly launched Zinio emagazine service.
- Almost 800 signatures have been collected for the Library Funding Campaign, contributing to the 46,000 signatures that have been collected across the state. The first parliamentary debate on the library funding issue, triggered by the tabling of two tranches of 10,000 petitions each, will take place on 7 August. A second debate is now scheduled for September 11, when Gareth Ward MP will table the second batch of petitions. Greg Piper MP has offered to table a third bundle, if this comes to fruition a third debate may be triggered.
- The NSW State Budget has made some concessions to the funding campaign with a Library Infrastructure fund of \$15M over 4 years being set up to separate capital funding from the per capita subsidy, resulting in an annual increase in library funding of \$1M, restoring funding to 2005-06 levels. Ongoing commitments are required to ensure funding levels are maintained an ideally further increases are required to restore library funding to more equitable levels.

Issues

- Online resource use has again declined compared to the same period last year due to their location on the website. The *Community* tab has been renamed *Community & Libraries* to improve navigation, traffic will be monitored to gauge impact and library content to be re-arranged to add to ease of navigation.

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

Highlights

37: Furniture in study room at Five Dock Library upgraded, reviewing furniture in Concord Library meeting room. Expressions of Interest will be developed to gauge interest from tutors.

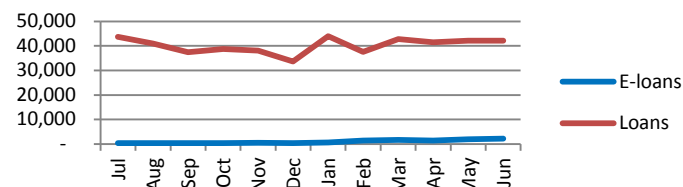
BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(261,760)	(260,156)	(260,156)	(\$259,442)	(\$714)
Expenditure	2,070,252	2,128,427	2,128,427	\$2,063,455	\$64,972
Total	1,808,492	1,868,271	1,868,271	\$1,804,014	\$64,257

Budget Commentary

Program was delivered within budget.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Community participation	Library membership increasing: Number compared to 46,699 as at July 2013: 46,535	●●●●
	Visits: % change on same period last year: - 3.37% (number of visits this quarter = 87,925)	●●●●●●
Programs	Children's Programs: 120; attendance 4,554 Number of programs > 100; attendance >4,300	●●●●●●
	Youth Programs: 16; attendance 794 number of programs > 20; attendance > 350	●●●●●●
	Adult programs: 15; attendance 459 number of programs > 15; attendance > 250	●●●●●●
	Home Library Service: number of loans > 2,000: 2,903 number of members >100: 102	●●●●
Collections	Number of Loans:% change on same period last year +4.69% (number of loans this quarter = 125,736)	●●●●●●
	Age of Collection: % improvement against State Library Guidelines: <5yo + 3.98%; < 10yo - 3.98% (number of new items added this quarter = 2,380)	●●●●●●
Technology	Online Resource Use: % change on same period last year -21.6% (number of downloads this quarter = 13,083)	●●●
	Library web page visits: % change on same period last year N/A (number of visits this quarter = 26,953)	●●●●●●
	Hotspot Logins: % change on same period last year +78.71% (number of logins this quarter =25,774)	●●●●●●
	PC Bookings: % change on same period last year -7.63% (number of bookings this quarter = 14,361)	●●●●

Score: For details on how to interpret the score see page 3.





7

Planning & Environment



- **Strathfield Triangle planning proposal gazetted**
- **Five Dock Town Centre Design Study adopted by Council**
- **Successful sustainability initiatives completed**



Planning and Environment Overview

7.1 Budget – Planning and Environment

Income/ Expenditure	Original Budget	Q1 Revised Budget	Q2 Revised Budget	Q3 Revised Budget	Q4 Revised Budget	YTD Actuals 30/06/2014	YTD Revised Variance
Income	(\$17,097,980)	(\$17,097,980)	(\$17,271,950)	(\$18,133,450)	(\$18,133,450)	(\$18,905,173)	\$771,723
Expenditure	\$16,633,083	\$17,457,744	\$17,668,564	\$17,699,399	\$17,699,399	\$16,492,453	\$1,199,947
Total	(\$464,897)	\$359,764	\$396,614	(\$434,051)	(\$434,051)	-\$2,412,720	\$1,971,670

Comment upon budget

Income is greater than anticipated and expenditure is less than anticipated.

7.2 Highlights / Issues

- The Strathfield Triangle Planning Proposal was gazetted by the Minister on 1 June 2014.
- The Five Dock Town Centre Urban Design Study was adopted by Council on 24 June 2014
- Development Application for development of 153 units on the former Five Dock Bowling Club site has been approved by the Joint Regional Planning Panel.

The following Land and Environment Court Appeals are currently being defended by Council:

Appeal No.	Address	Type	Status	Costs To Date
10828/2013	65 – 71 St Albans Street, Abbotsford	Class 1 Appeal against refusal of DA 197/2013 for residential aged care facility	Section 34 Conciliation Conference process terminated. Amended Plans lodged 10 April 2014. Council resolved to enter into Consent Orders hearing process which is yet to be convened.	\$60,000 approx.
10418/2013	147 – 149 Great North Road, Five Dock	Class 1 Appeal against deemed refusal of Section 96 Modification for commercial building	Section 34 Conciliation Conference commenced on 21 February 2014. Applicant amended plans and matter has now been settled through consent orders.	\$7,834
10275/2014	64 Burns Crescent, Chiswick	Class 1 Appeal against deemed refusal of S96 Modification for 2 lot subdivision and new dwellings	Section 34 Conciliation Conference commenced on 10 July 2014 and proceeds to a hearing on 11 July 2014. Commissioner has reserved her decision.	\$6703

Achievements



- Strathfield Triangle Planning Proposal Gazetted
- Five Dock Town Centre Urban Design Study adopted by Council
- Excellent financial result for the year
- Successful Sustainability Initiatives

Department Health, Building & Environment

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights:

- Delivered litter prevention workshop at Domremy College with over 800 students in attendance.
- Council was a successful recipient of the following grants to supplement Council funded projects:
 - \$126,800 – BINTRIM Program
 - \$38,470 – Food Waste Avoidance for Business
 - \$26,026 – Bin your Butts
 - \$41,663 – Litter Reduction
- Delivered 12 waterways education workshops with Keep NSW Beautiful with over 340 students at three local schools in attendance.
- Distributed \$10,500 in Sustainable Schools Small Environmental grants.

Issues

- Staff resourcing due to the Technology Upgrade (TOP) implementation.

BUSINESS CASES (Also see Section 2)

Development Certification

- Building Certificate revenue for unauthorised works continues to rise
- Complying development income has increased

Highlights

- Hoarding revenue has increased by 200%
- Public space occupation has increased by 580%

Issues

- Construction certificate revenue is below forecasts

COMMERCIAL ENTITIES (Also see Section 9)

Regulatory Services

- Infringement income has exceeded forecast revenue
- Daily parking enforcement of major precincts

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

70. Look at promoting energy efficiency within new developments.

Highlights

- Council continues to promote energy efficiency within new developments as applications are received.
- Council has increased revenue in Complying Development Certificates

BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(16,019,066)	(16,962,316)	(16,962,316)	(\$17,796,375)	\$834,059
Expenditure	14,067,535	14,495,006	14,495,006	\$13,593,276	\$894,730
Total	(1,951,531)	(2,467,310)	(2,467,310)	(\$4,203,099)	\$1,728,789

Budget Commentary

Increased income from Hoarding fees, parking management and waste (increased nos of dwellings and sale of recyclables). Expenditure down due to timing of payment of waste payment bill. Excellent financial result.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	Score
Waste	Ensure waste collection services to all residential properties on a weekly basis. Target 99%	●●●●●
	Repair and delivery of residential waste receptacles are undertaken within 5 working days. Target 95%	●●●●●
	Provide waste comments on all referred development applications within 10 working days. Target 95%	●●●●●
	Investigate all waste related matters within 5 working days. Target 95%	●●●●●
Sustainability	Review monthly Council's greenhouse gas emissions and identify opportunities for efficiency gains. Target 100%	●●●●●
	Engage with schools to improve sustainability programs. Target 2 per quarter	●●●●●
Health Officers	140 primary food business inspections undertaken quarterly. Target 95%	●●●●●
	Inspections of all regulated systems (cooling towers) commenced March – June. Target 100%	●●●●●
	10 primary skin penetration (tattooing & beauty salons) business inspections undertaken quarterly. Target 95%	●●●●●
Building & Development Compliance	Building certificates applications determined within 21 days (subject to all info being provided). Target 95%	●●●●●
	30 fire safety audit inspections undertaken quarterly. Target 95%	○
	Construction certificate applications issued within 10 working days, where all required information is provided. Target 95%	●●●●●
	Complying Development Certificates issued within 10 working days, where all required information is provide. Target 95%	●●●●●
	Unauthorised works & uses investigated within 5 working days. Target 95%	●●●●●
	200 swimming pool inspections undertaken quarterly; Target 95%	●●●●●
Law Enforcement & Parking Patrol	Parking enforcement of all major precincts undertaken daily. Target 95%	●●●●●
	School zone enforcement undertaken daily on school days. Target 95%	●●●●●
	Dog attacks reported to Council investigated within 24 hours. Target 95%	●●●●●

Score: For details on how to interpret the score see page 3.

Department: Statutory Planning

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Council received two significant development applications:
 - New application for former Drummoyne RSL site at 162 – 166 Victoria Road and 69 Renwick Street, Drummoyne.
 - Multi-purpose Community Centre in Shoreline Drive, Rhodes
- Significant increase in number of formal DA Pre-lodgement Applications.

Issues

- Reduction in the duty planner service to three days per week.
- Staff resourcing due to resignations and secondment to the TOP project
- Increase in number of Complying Development Certificates being issued by private certifiers.

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

29. All consultation and feedback to be in up-front, simplified language – gradual review of templates for notification letters and public notices etc. to ensure plain English within the legislative parameters that must be adhered to. This has been completed.

BUDGET REVIEW

Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(746,180)	(746,180)	(746,180)	(\$662,687)	(\$83,493)
Expenditure	1,185,718	1,035,718	1,035,718	\$1,054,069	(\$18,350)
Total	439,538	289,538	289,538	\$391,381	(\$101,843)

Budget Commentary

Development application fees have decreased and expenditure has gone down due to staff attrition following the organisation review. As a result the nett result is an improvement of \$110,314.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Development Applications	No. of DAs processed within 42 calendar days where all required information is provided. Target: 80%	●●●
	DA referrals sent within five (5) working days of receipt of DA. Target: 100%	●●●●●
	No. of S96s processed within 42 calendar days where all required information is provided. Target: 80%	●●●●●
	Duty Planner Enquiries. Target: 100% of phone and counter enquiries answered on same day of duty	●●●●●
	No. of applications placed on public notification. Target: 100% of required notifications sent out within 5 working days	●●●●●
	Number of undetermined DAs on hand. Target: <150	●●●●●

Score: For details on how to interpret the score see page 3.

Department: Strategic Planning

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Planning Proposal for the Strathfield Triangle gazetted on 1 June. This amends the Canada Bay Local Environmental Plan 2013 and will deliver increased densities, a new public park, streetscape improvements and improved bicycle and pedestrian connections.
- Five Dock Urban Design Study adopted by Council on 24 June. The Study provides a bold and exciting 20-year vision for Five Dock and seeks to ensure the centre continues to provide a strong focus for the community, is a better place to live and work, creates improved opportunities for investment, is easy to get around and provides an enhanced built environment.

Issues

- Staff resourcing due to resignations and secondment to the TOP project

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

7. 8. Use Citizens Panels for significant development proposals as well as decisions on developer contribution plans – citizens panels recommended for Parramatta Road Urban Renewal project.

Proposed Five Dock New Town Square



BUDGET REVIEW					
Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(288,920)	(381,140)	(381,140)	(\$407,696)	\$26,556
Expenditure	927,760	1,301,605	1,301,605	\$1,166,954	\$134,651
Total	638,840	920,465	920,465	\$759,257	\$161,208

Budget Commentary

Income from s149 Certificates up.
Budget was on track

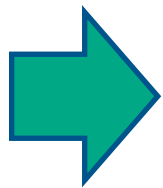
PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Planning Certificates	Planning Certificates issued within 5 working days. Target 95%	●●●●●
Property Updates	Subdivision & property updates completed with 10 working days. Target 80%	●●●●●
Property Information	Property information requests completed within 5 working days. Target 95%	●●●●●
Heritage Advisor	Heritage Advisor referrals are completed within 10 working days. Target 80%	●●●●●

Score: For details on how to interpret the score see page 3.



8

Technical Services & Operations



- Completion of Blaxland Road Rhodes
- Installation of Traffic Signals Blaxland Rd and Leads St
- Review of Resident Parking



Technical Services and Operations Overview

8.1 Budget – Technical Services and Operations Division

Income/ Expenditure	Original Budget	Q1 Revised Budget	Q2 Revised Budget	Q3 Revised Budget	Q4 Revised Budget	YTD Actuals 30/06/2014	YTD Revised Variance
Income	(\$8,503,062)	(\$10,163,300)	(\$10,259,524)	(\$10,029,184)	(\$10,029,184)	(\$8,944,948)	(\$1,084,236)
Expenditure	\$23,663,692	\$25,331,581	\$25,322,230	\$24,723,998	\$24,683,998	\$22,294,322	\$2,396,677
Total	\$15,160,630	\$15,168,281	\$15,062,706	\$14,694,814	\$14,654,814	\$13,349,374	\$1,312,440

Comment upon budget

Major Variations

- Continuing to monitor the level of income for external restorations works.
- Continuing to watch building maintenance due to additional work required at Drummoyne Pool

8.2 Highlights / Issues

- Trial implementation of Cashless transactions for parking meters underway
- Completion of Ausgrid restoration works in Cintra Park
- Continuing the reduction in areas that need to be mowed by use of mulch.

Achievements



- Program for Replacement and installation of new Bus Shelters finalised.
- Program for upgrading of Bus Stops that do not have shelters underway.
- Completion of Road Rehabilitation and Renewal Program provided funds for new sporting field car parks

Department: City Services

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights:

- External works continues to be primary focus for income creation.
- Introduction of bio-diesel at Massey Park golf cars to improve environmental outcomes.
- Carrey's Avenue restoration underway.
- Rhodes team currently a team of four staff, this will be increased to five in the 2014-15 financial year. Recruitment underway for a street sweeper.
- Sportsfield overscreening project completed which has improved playing surfaces on fields. Feedback from local clubs has been positive.

Issues:

- A review of processes and documentation provided to utilities and developers in underway to clarify obligations.

COMMERCIAL ENTITIES (Also see Section 9)

Private Works – Restorations

Highlights: Outputs achieved for current FY. These figures include out-of-area work.

Category of Asset	Footpath (m2)	Driveways (m2)	Concrete Road Slabs (m2)	K & G (m)	Pram Ramps (qty)	Asphalt (m2)	Pavers (m2)	Turf (m2)
JULY-MARCH	7,301	1,192	2	4,800	98	3,925	161	882
APRIL - JUNE	265	96	0	40	12	320	30	0

Issues: Backlog of restorations and road openings is the current focus.

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

43. Eliminate any unnecessary expenses incurred by poor management of council equipment.

Highlights: To reduce mowing the grassed area along Norman St Concord, on the Concord Golf Club side has been poisoned and mulched, currently we are investigating any other areas where this can occur.

Issues: Implementation of new Fleet Management System and data rectification, are the two issues for primary focus in 2014-15.

BUDGET REVIEW

Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(601,787)	(780,037)	(780,037)	(\$1,630,859)	(\$486,945)
Expenditure	5,401,087	5,141,575	5,141,575	\$3,860,448	\$418,028
Total	4,799,300	4,361,538	4,361,538	\$2,229,589	(\$68,917)

Budget Commentary

The budget expenditure is within normal operating limits overall.

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Parks & Sportsfields		
Passive Areas	Maintained to a prescribed length	●●●●
Sportsfields	Maintained to requirements of specific sports activity	●●●●
Gardens	Maintained in accordance with established work schedules	●●●●
Cleansing	Maintained in accordance with established work schedules Illegal dumps to be removed within specified timeframe	●●●●
Trees	Tree Permit Application Forms to be actioned within specified timeframes	●●●●
Golf Course	Maintained to prescribed standard for various features within golf course (eg: Greens, Fairways, Rough, Tees)	●●●●
Bushcare	Control of Private Property noxious weeds: Written response within specified timeframe. Control of undesirable plant species within bushcare areas.	●●●●
Civil Infrastructure		
Road Pavements	Respond to safety issues within specified timeframe (24 hrs) General Maintenance implemented to prevent further deterioration of asset	●●●●
Footpaths	Planned asset renewal as defined by Capital Renewal Program.	
Kerb & Gutter	Deliver infrastructure in a commercial competitive manner	
Drainage		
Property Maintenance		
	Respond to safety issues within specified timeframe (24 hrs). General Maintenance implemented to prevent further deterioration of asset Planned asset renewal as defined by Capital Renewal Program.	●●●●
Fleet Operations		
Equipment Servicing	Maintained in accordance with manufacturer's specifications.	●●●●
Equipment Replacement	Replaced to meet Operational requirements and in terms of reliability and cost efficiency.	●●●●
Emergency Response		
	Ensure operational preparedness for emergency response situations	●●●●

Score: For details on how to interpret the score see page 3.

Department: City Assets

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights:

- Completion of 100% of the Road Rehabilitation Program. This program of renewal is the largest program of works undertaken and demonstrates our commitment to maintaining the community's infrastructure to a reasonable standard.
- Also delivered was the construction of an asphalt carpark adjacent Cintra Park Tennis Courts and eight asphalt netball courts delivered as part of an AUSGRID restoration (100% complete).
- Loftus St Carpark asphalt surface renewal (50% complete)
- Cintra Park Driving Range delivery of shale material to site from NSRU (50% complete). Income of \$400,000 received this quarter.
- \$3m road renewal program proposed for 2014-15.
- Statewide Civil has been engaged to undertake road and drainage works in Victoria Avenue, Concord West in association with the new Community Precinct (including school and child care centre).

BUSINESS CASES (Also see Section 2)

Turf Wickets – Strategy prepared, stakeholder consultation to be undertaken to provide subsidy equity in the provision of turf wickets.

Storage of Dinghies – Grant funding received to undertake strategy and plan development to better manage the community's foreshore parks

COMMERCIAL ENTITIES (Also see Section 9)

Water Security and Energy Efficiencies

Water for Our Community – Reticulation pipeline installation occurring. Next quarter pilot treatment plants will be installed to proof test the harvested stormwater against the Australian guidelines for Recycled Water.

Community Energy Efficiency Programme – This programme has seen significant Energy Savings via improvements in lighting and air conditioning at: Drummoyne Civic, Five Dock Leisure Centre, Canada Bay Depot and Concord Oval.

BUDGET REVIEW

Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(601,787)	(780,037)	(780,037)	(\$1,197,700)	\$417,663
Expenditure	5,401,087	5,141,575	5,141,575	\$5,157,278	(\$8,703)
Total	4,799,300	4,361,538	4,361,538	\$3,959,578	\$408,961

Budget Commentary

Budget currently on target for the 2013-14 financial year

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Parks	100% of parks program completed by 30 June 2014	●●●●●
Roads	100% of roads program completed by 30 June 2014	●●●●●
Footpath	90% of footpath program completed by 30 June 2014	●●●●●
Drainage	90% of drainage programs completed by 30 June 2014	●●●●●
Asset Renewal	100% of asset renewal program nominated by 30 June 2014	●●●
Maintenance	100% of the maintenance programs nominated by 30 June 2014	●●●
Plan of Management	Completion of St Lukes/Cintra Park Plan of Management by 30 January 2015	●●

Score: For details on how to interpret the score see page 3.

Department: Building & Property

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Bus shelter agreement executed and roll-out being prepared due to be executed 1 July 2014 with roll-out in September/ October 2014
- All halls for hire had weekly inspections
- Successful re-lease of 106 Great North Road, Five Dock (old Subway site) for a three-year period
- Currently negotiating new lease agreements for The Cove at Drummoyne, Oliveto's Restaurant and Angelo's on the Bay café and restaurant.
- 100% leased properties inspected as part of the Building Maintenance Program

Issues

- Subway lease terminated due to non-payment of rent. The matter has been resolved with a Deed of Release between Council and Subway

BUSINESS CASES (see Section 2 for detail)

Waterfront Cafes

- One site identified with pop-up café for trial

Advertising – Bus Shelters

- Council resolution adopting tenderer

Advertising – Large Format

- DAs to be prepared

Highlights

- Council adoption of Bus Shelter Tender by Adshel. This resulted in a significant increase in income over the next 10 years.

Issues

- Current economic climate is resulting in difficulty for some commercial tenancies. Income levels are being watched to ensure no further defaults.

BUDGET REVIEW

Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(2,888,205)	(3,092,675)	(3,092,675)	(\$3,114,069)	\$21,394
Expenditure	858,734	857,934	857,934	\$969,253	(\$111,319)
Total	(2,029,471)	(2,234,741)	(2,234,741)	(\$2,144,816)	(\$89,925)

Budget Commentary

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Leasing/Licensing of Council Property	Residential properties leased to an occupancy rate of >95%	●●●●●
	Commercial properties (not used by Community Groups) leased to an occupancy rate of >95%	●●●●●
	Rental arrears does not exceed 3% across the property portfolio	●●●●●
Building Management (Civic Centre)	Respond to safety issues within specified timeframe (24 hrs).	●●●●●
	General Maintenance implemented to schedule to prevent further deterioration of asset	●●●●●
	Upgrade Civic Centre to schedule to ensure a better working environment for Council staff	●●●●●
Business Use of Footpath	Days to determine footpath dining application – Target 21 days	●●●●●

Score: For details on how to interpret the score see page 3.

Department: Traffic & Transport

OPERATING PLAN HIGHLIGHTS/ISSUES

Highlights

- Review of existing Bike Plan and consultation with stakeholders currently underway.
- Parking strategy has been drafted
- Review of current parking management practices and draft parking policy covering on-street parking, resident parking, resident visitor parking, business parking, mobility parking and car share.
- Liaising with local car share provider to identify potential car share pods

BUSINESS CASES (Also see Section 2)

Parking Strategy

- Commuter park and ride
- Paid residential stickers
- Business and residential parking review

Highlights

Draft parking strategy was presented to Council. Cost recovery for resident parking permits was approved by Council and affected residents have been notified of the relevant fees.

Issues

Awaiting adoption of draft on-street parking policy and direction from Council regarding the proposed introduction of additional parking meters.

CITIZEN PANEL RECOMMENDATIONS (Also see Section 2)

72. Review of parking signs/permits during peak weekend times in areas of congestion.

79: Use of parking meters in strategic locations

Highlights

Blaxland Road at Rhodes intersection lights operational.

Review of Park Avenue Drummoyne peak weekend parking signs has been completed.

Resident Parking Scheme in Concord West has been extended.

Issues

Park Avenue residents opposed the loss of weekend on-street parking in front of their properties.

Concord West residents requesting more permits than they are eligible for.

BUDGET REVIEW

Cost Centre	Original	Revised	YTD Revised	YTD Actual 30/06/2014	YTD Revised Variance
Income	(762,265)	(762,265)	(762,265)	(\$886,085)	\$123,820
Expenditure	558,783	558,783	558,783	\$489,605	\$69,178
Total	(203,482)	(203,482)	(203,482)	(\$396,480)	\$192,998

Budget Commentary

PROGRAM	KEY PERFORMANCE INDICATOR (KPI)	SCORE
Traffic & Parking	Traffic Committee. Target 10 meetings per year	●●●●●
	Traffic Committee. Target > 90% decisions undertaken within 30days of Council resolution	●●●●●
	Parking Meters. Target >95% Operational availability	●●●●●
	Process stand plant applications within 3 days of receipt	●●●●●
	WHS. Target Nil Accidents	●●●●●
Road Safety	Implement 3 road safety programs per year	●●●●●
	Facilitate 2 road safety steering committee meetings per year	●●●●●

Score: For details on how to interpret the score see page 3.



9 Council Emission Report



10.1 COUNCIL EMISSION REPORTING

The following tables, graphs and charts detail the quarterly Green House Gas (GHG) emissions from key Council facilities, as introduced in Section 1.8.

Greenhouse Gas Emissions: *Greenhouse gas (GHG) emissions* - Table 1 shows that Council's annual GHG emissions for financial year 2012-13 were 6,575 tonnes of CO₂e, a fall of 4.8% compared to the previous 12 months. This fall may be attributed to a decrease in diesel, ethanol and petrol consumption in the fleet and a 5% decrease in electricity consumption.

Table 1: Annual GHG emissions (Co₂e(t)) per source for whole of Council operations

Source	2011-12	2012-13	2013-14
Copy Paper CO ₂ e(t)	19.31	20.26	
Diesel Transport CO ₂ e(t)	533.32	484.25	
Electricity CO ₂ e(t)	5,731.20	5,456.07	
Ethanol E10 Transport CO ₂ e(t)	289.21	265.24	
LPG Transport post CO ₂ e(t)	5.13	15.59	
Natural Gas CO ₂ e(t)	132.07	145.55	
Petrol Transport CO ₂ e(t)	174.44	168.64	
Waste - General CO ₂ e(t)	19.07	19.06	
Sum of Total CO₂e(t)	6,904	6,575	

Electricity Consumption: Figure 1 shows Council's annual kWh consumption for 2013-14 split into types of facilities. Streetlights account for over 50% of Council's electricity use followed by sporting ovals at 11.6%, libraries at 10.3% and pools at 6.8%.

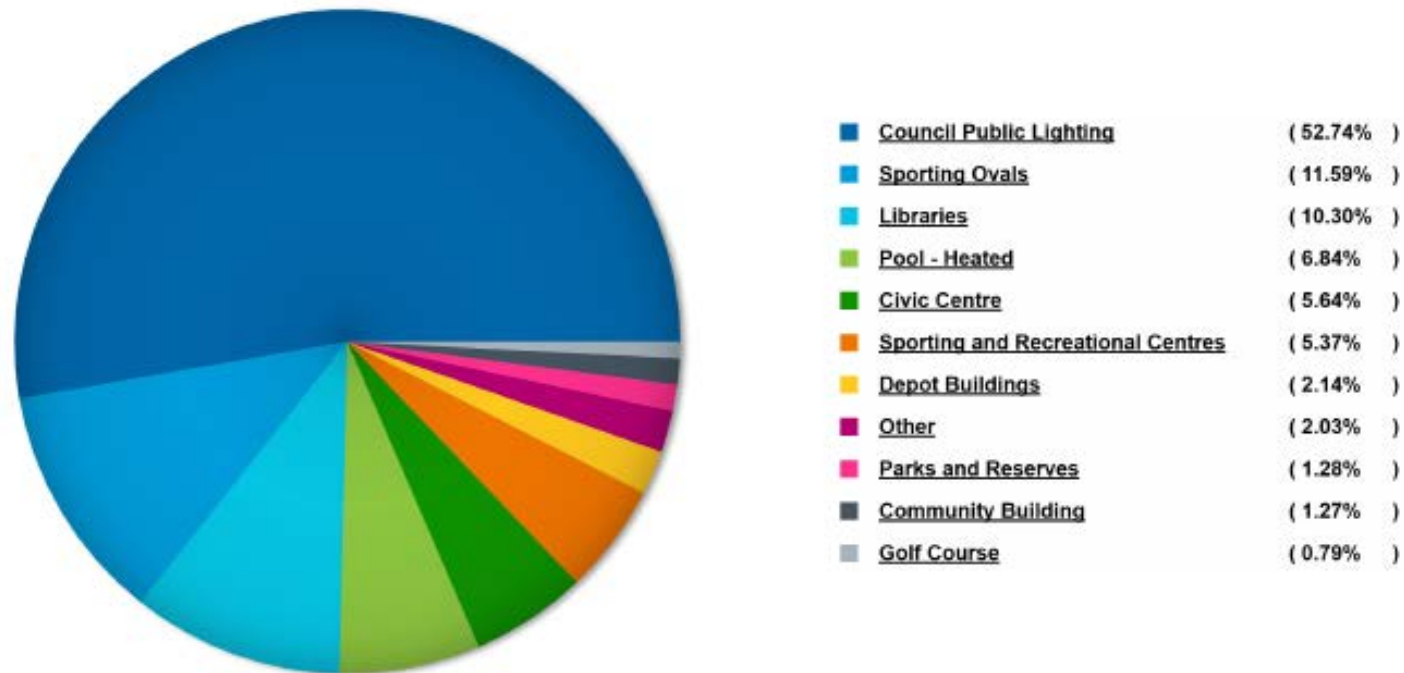


Figure 1: Annual kWh consumption per group for FY 2013-14

Top Sites Electricity Costs: Table 2 shows the total costs of the top ten facilities in order of highest to lowest in the previous financial year. Cost in financial year 2012-13 is compared to costs in 2013-14. The percentage difference highlighted in green demonstrates that the four facilities that underwent energy efficiency upgrades have all decreased in electricity costs.

In financial year 2013-14, Concord Library has the highest cost for electricity across our facilities. This facility is to be investigated for potential energy efficiency opportunities, followed by Cintra Park, Drummoyne Pool and Cabarita Pool which all saw increases in consumption of more than 5%. The increases may be due to various factors including; increase in operating hours, decrease in efficiency of equipment, or an increase in charges from electricity retailer.

Table 2: Total annual costs of electricity for the top ten facilities for FY 2012-13 and 2013-14 with percentage difference

Facilities	Total Cost 2012-13	Total Cost 2013-14	% Difference
Concord Library	\$94,838	\$96,957	2.23
Drummoyne Oval	\$90,572	\$91,639	1.16
Canada Bay Civic Centre	\$99,796	\$78,642	-21.2
Five Dock Leisure Centre	\$86,385	\$72,271	-16.34
Concord Oval	\$65,782	\$61,134	-7.06
Cabarita Pool	\$52,801	\$56,817	7.61
Five Dock Library	\$49,459	\$50,744	2.6
Cintra Park	\$33,266	\$37,680	13.27
City Services Depot	\$39,097	\$34,337	-12.18
Drummoyne Pool	\$29,417	\$32,031	8.89
Campbell Park	\$20,121	\$19,262	-4.27
Total cost of top ten sites	\$570,962	\$539,876	-5.44

Drummoyne Oval: Figure 2 provides the running cost of electricity at Drummoyne Oval over two years for comparison. Note that the costs are a combination of two electricity accounts, which supply the club house, pavilion and Drummoyne Oval lights.

The new lights were installed in November 2012 which correlates with the initial spike in the graph from averaging \$2,000 a month to \$10,000 to \$12,000 a month in costs. During the first half of 2013 the costs remain high due to testing of the lights. From mid-2013 the costs plateau to around \$7,000 to \$9,000 a month as use of the lights comes under better control.

The table below indicates the sporting or training events when the clubs have used above the standard 100Lux level of lighting. The spike in cost in April 2014 which can be seen at the end of the graph in Figure 2 is likely due to testing of the lights, as it does not correspond to sporting events in Table 3.

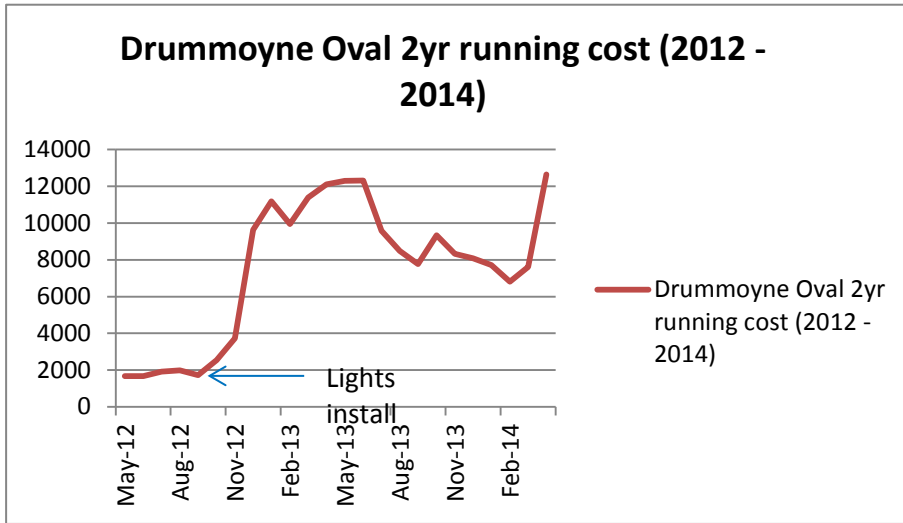


Figure 2: Cost of electricity at Drummoyne Oval from May 2012 to April 2014

	Cricket NSW	CCB event	Rugby Union	AFL
12/04/2013				>250
7/06/2013			>500	
12/07/2013				>250
26/07/2013				>250
16/12/2013		>500		
21/12/2013	>500			
22/10/2013	>500			
26/11/2013	>500			
2/05/2014				>250
30/05/2014				>250
1/08/2014				>250

Table 3: Sporting clubs and date of lights used at above 100 LUX

Community Energy Efficiency Program (CEEP) Facilities: Figures 3 to 6 below show the monthly electricity (kWh) consumption for 10 months since the CEEP energy efficiency upgrades were implemented across four facilities; Civic Centre, Five Dock Leisure Centre, Concord Oval and City Services Depot. Each figure compares the consumption of the facility over ten months before the upgrades occurred, to the consumption that was predicted to occur as a result of the upgrades, and the actual consumption that has been realised since the upgrades were completed in October 2013. The predicted consumption is calculated by subtracting the estimated savings in kWh's from the consumption of the previous year prior to the project completion.

Civic Centre: The consumption at the Civic Centre is achieving the savings in kWh as predicted. There has been a rise in consumption over the month of June which may be attributed to the change in temperature and managing the new air conditioning system and user comfort.

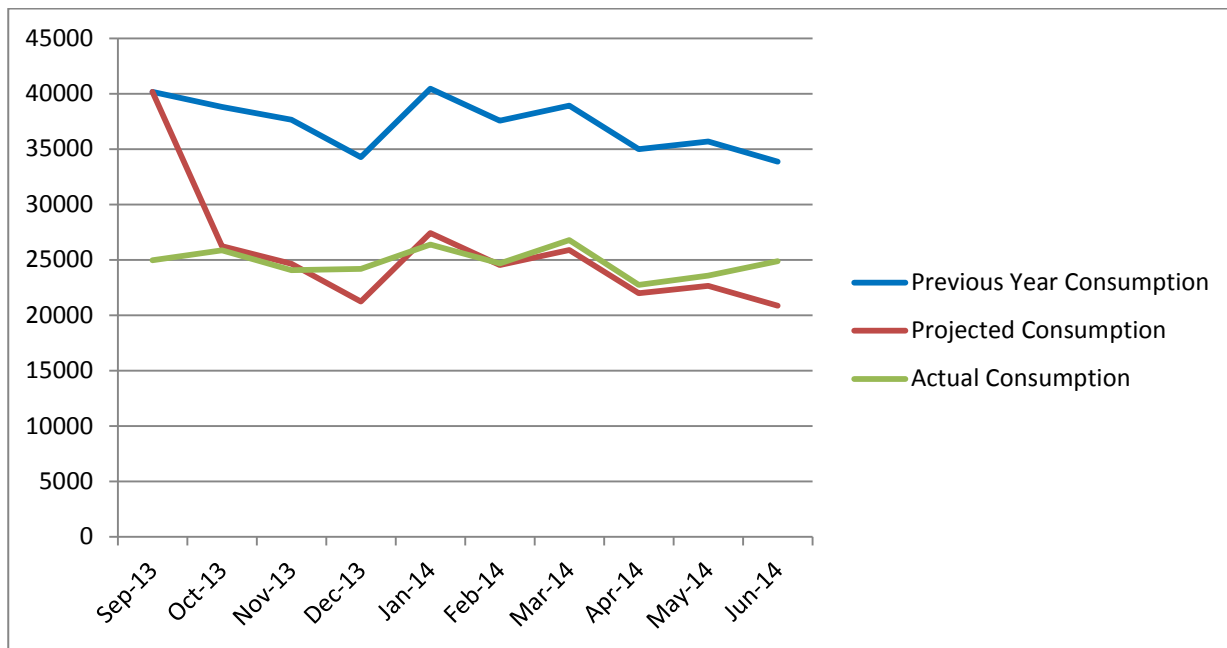


Figure 3: Civic Centre actual kWh consumption (2013-14) and previous kWh consumption (2012-13), compared to projected consumption

Five Dock Leisure Centre: On average the facility has achieved the savings that were predicted. The consumption over the last 10 months has also been much more consistent than previous years. Consumption in the last quarter has not been reduced as much as expected, however this may be caused by a variety of variables such as average temperatures, level of use of equipment, seasonal use, opening hours, number of patrons. Ongoing monitoring of the site and analysis of sub-metered data will be used to better manage the energy consumption at this site into the future.

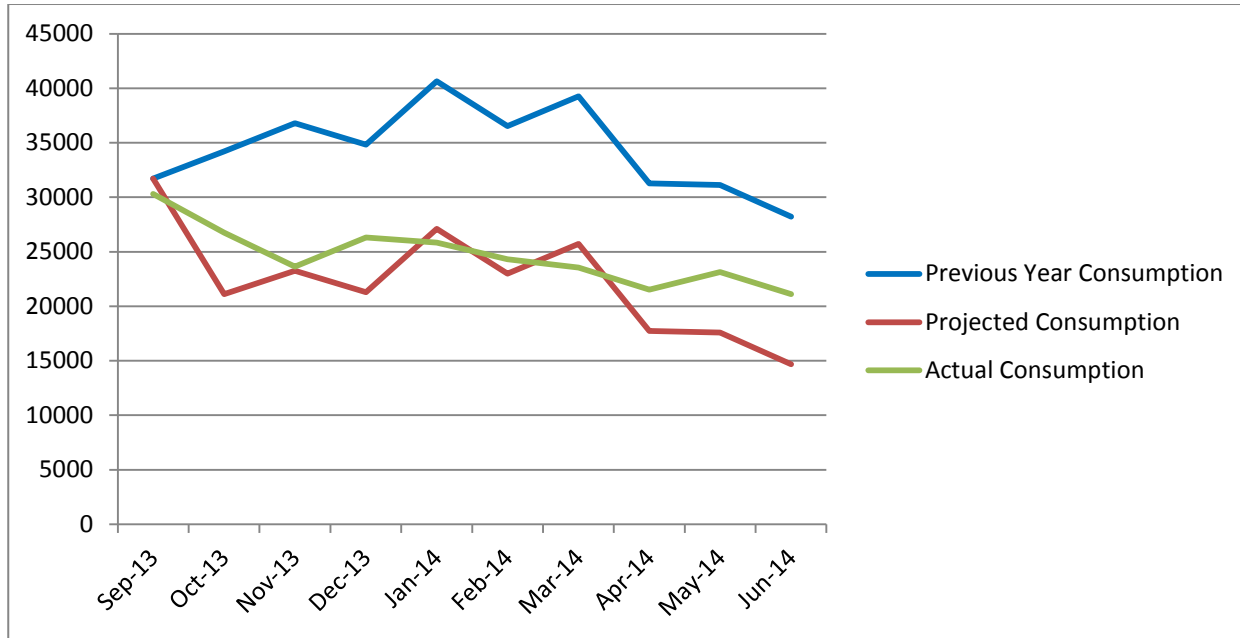


Figure 4: FDLC actual kWh consumption (2013-14) and previous kWh consumption (2012-13), compared to projected consumption

City Services Depot: This graph shows that only roughly 50% of the savings that were predicted were actually realised at the City Service Depot. The reason for this is likely due to the installation of new split air-conditioning systems and an upgrade to the outdoor staff amenities which included a new water boiling unit, lighting and spilt system air-conditioning. Although there has been an increase in efficiency as a result of the upgrade, the electricity consumption has also increased as a result of new additional appliances.

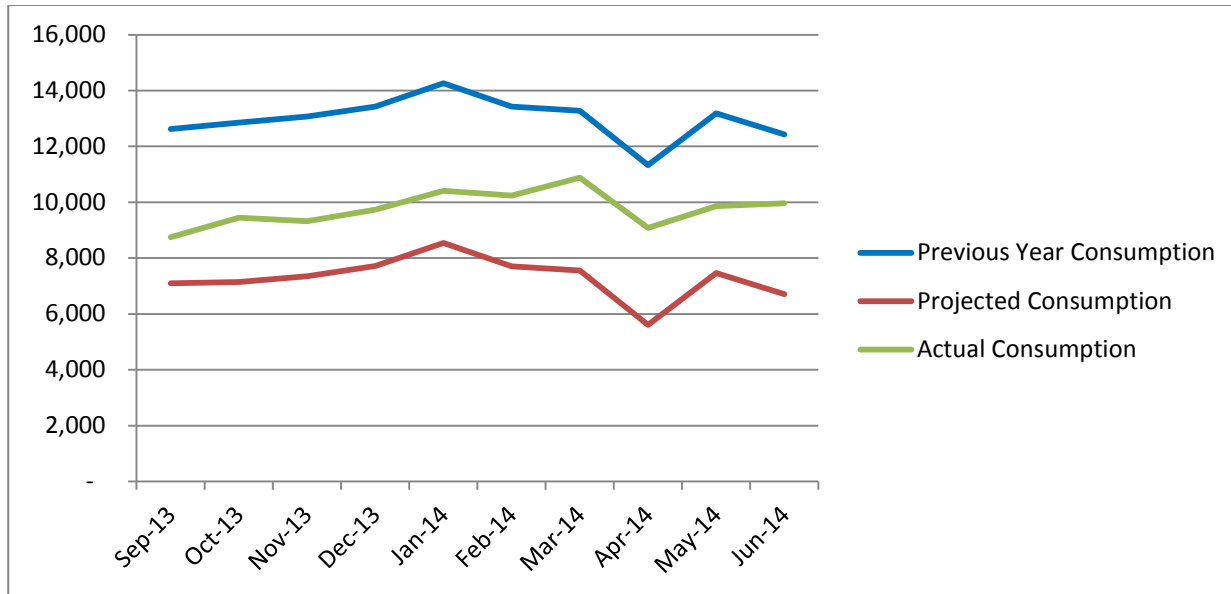


Figure 5: Depot actual kWh consumption (2013-14) and previous kWh consumption (2012-13), compared to projected consumption

Concord Oval: The graph shows that the savings predicted at Concord Oval have not been made. The consumption at this site is influenced by numerous variables such as seasonal use and number of users, as well as facilities with high electricity demand including an altitude room, spa room and gym equipment. The facility is one of the challenging sites to manage as there are multiple user groups, without core hours. Consumption has dropped in the last quarter, and the site will continue to be monitored to track if consumption remains lower than average or if an increase is observed again.

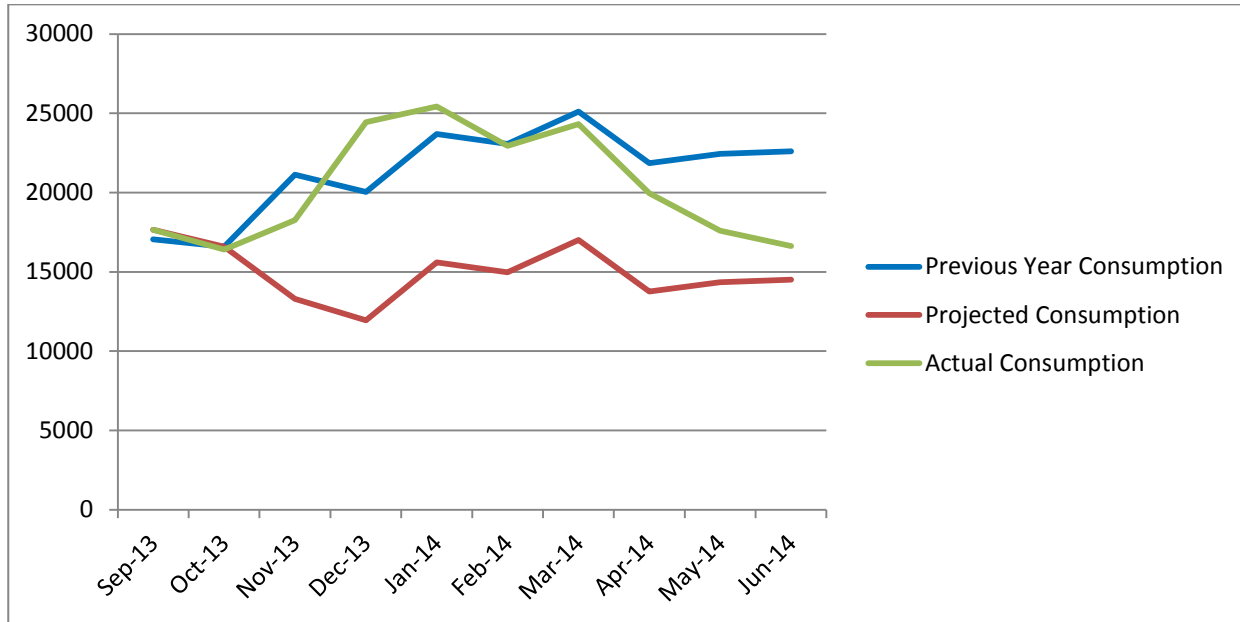


Figure 6: Concord Oval actual kWh consumption (2013-14) and previous kWh consumption (2012-13), compared to projected consumption

Water Consumption: Table 4 indicates a reduction in water consumption of 11.6% from financial year 2012-13 to 2013-14. The decrease in consumption in the previous year may be a result of fixing two major water leaks that occurred in that period.

Table 4: Total kL consumption for whole of Council operations per financial year and percentage difference

Total kL consumption 2012-2013	Total kL consumption 2013-2014	Difference %
194,634	172,044	-11.61

Figure 7 shows there was a significant increase in water consumption in the first quarter of 2013-14 compared to the consumption of the same quarter in the previous year. This may be due to differences in weather patterns and sporting field use.

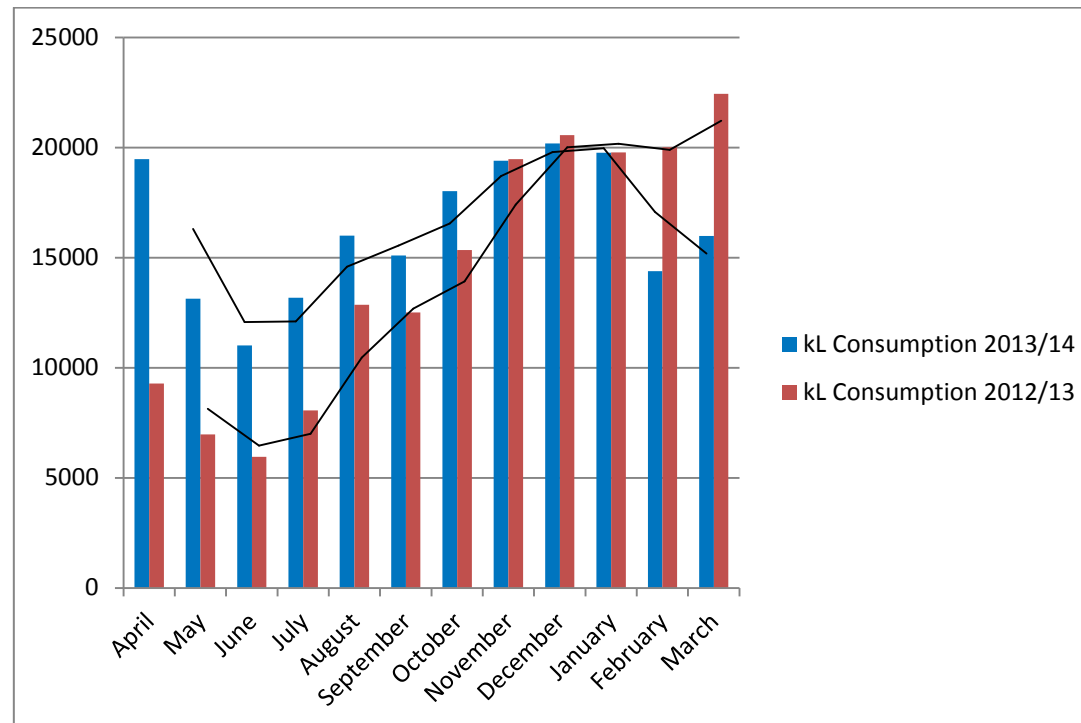


Figure 7: Total kL consumption for whole of Council operations per month for FY 2013-14, compared to previous FY

Fuel Consumption: Figure 8 presents the yearly consumption of the four types of fuel used at Council comparing financial year 2011-12 litre consumption to 2012-13 litre consumption. This includes both staff motor vehicles and City Services plant. Diesel accounts for 46% of overall fuel consumption. All fuel use has decreased in consumption except for LPG gas which has more than doubled in consumption. The increase in LPG can be attributed to the increase from one to three vehicles that run on LPG. This is beneficial to Council's carbon footprint with LPG gas having the lowest emissions factor. The overall reduction in fuel consumption may be attributed to vehicles improving year on year in fuel economy, some as much as 20% due to reduced engine capacities and improvements in technology such as 'start – stop' engines and more efficient transmissions.

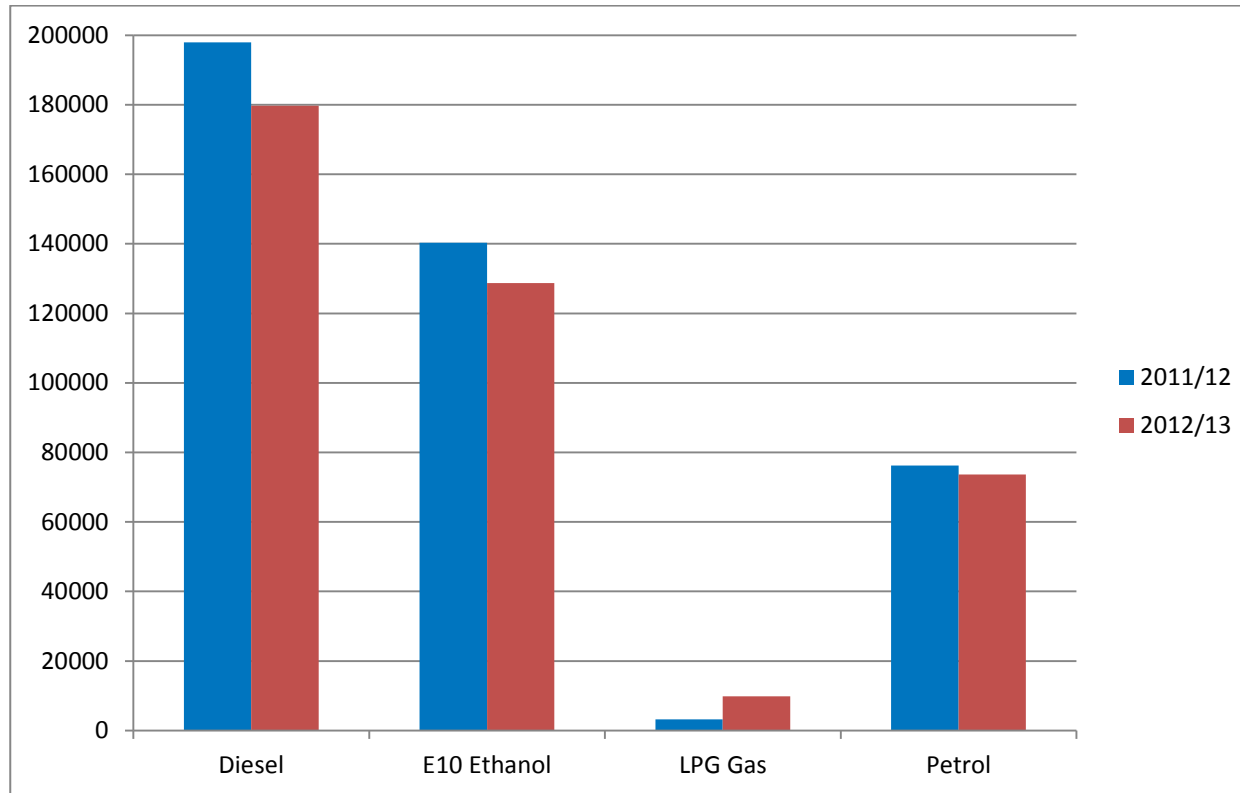


Figure 8: Fuel consumption (L) per fuel type for FY 2012-13 compared to previous year



10

Commercial Enterprises



Commercial Entities

This part of the Quarterly Report contains project information that is commercial in confidence and is not accessible for public viewing.

General Purpose Financial Statements



City of Canada Bay

General Purpose Financial Statements

for the financial year ended 30 June 2014

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for City of Canada Bay.
- (ii) City of Canada Bay is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 30 October 2014. Council has the power to amend and reissue these financial statements.
-

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council & Community.

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2014.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

About the Councillor/Management Statement

The financial statements must be certified by Senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for & ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant & Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "Net Wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "Net Wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance & financial position.

Who uses the Financial Statements ?

The financial statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

City of Canada Bay

General Purpose Financial Statements
for the financial year ended 30 June 2014

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

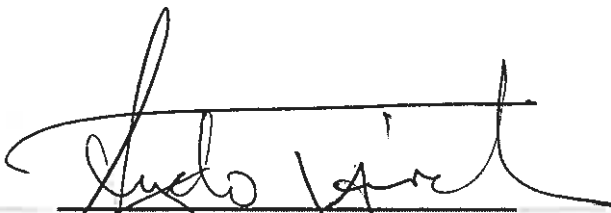
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render the Reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 02 September 2014.




Cr. Angelo Tsirekas
MAYOR



Cr. Pauline Tyrrell
COUNCILLOR



Ms. Lisa Miscamble
ACTING GENERAL MANAGER



Mr. Bruce Cook
RESPONSIBLE ACCOUNTING OFFICER

City of Canada Bay

Income Statement

for the financial year ended 30 June 2014

Budget ¹ 2014	\$ '000	Notes	Actual 2014	Actual 2013
Income from Continuing Operations				
Revenue:				
44,900	Rates & Annual Charges	3a	45,367	42,924
11,637	User Charges & Fees	3b	12,003	11,868
2,439	Interest & Investment Revenue	3c	2,744	3,525
5,331	Other Revenues	3d	9,523	9,874
3,148	Grants & Contributions provided for Operating Purposes	3e,f	4,294 ²	4,881
9,864	Grants & Contributions provided for Capital Purposes	3e,f	17,524	17,743
Other Income:				
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
77,319	Total Income from Continuing Operations		91,455	90,815
Expenses from Continuing Operations				
29,318	Employee Benefits & On-Costs	4a	28,240	27,144
15	Borrowing Costs	4b	114	51
22,263	Materials & Contracts	4c	20,428	20,380
13,754	Depreciation & Amortisation	4d	11,087	10,225
-	Impairment	4d	-	-
10,596	Other Expenses	4e	12,528	12,155
-	Net Losses from the Disposal of Assets	5	256	423
75,946	Total Expenses from Continuing Operations		72,653	70,378
1,373	Operating Result from Continuing Operations		18,802	20,437
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
1,373	Net Operating Result for the Year		18,802	20,437
1,373	Net Operating Result attributable to Council		18,802	20,437
-	Net Operating Result attributable to Non-controlling Interests		-	-
(8,491)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		1,278	2,694

¹ Original Budget as approved by Council - refer Note 16

² Financial Assistance Grants for 13/14 are lower, reflecting a timing difference due to a change in how the grant is paid - refer Note 3 (e)

City of Canada Bay

Statement of Comprehensive Income

for the financial year ended 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
Net Operating Result for the year (as per Income statement)		18,802	20,437
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	54,898	(2,190)
Adjustment to correct prior period errors		-	(326)
Total Items which will not be reclassified subsequently to the Operating Result		54,898	(2,516)
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		54,898	(2,516)
Total Comprehensive Income for the Year		73,700	17,921
Total Comprehensive Income attributable to Council		73,700	17,921
Total Comprehensive Income attributable to Non-controlling Interests		-	-

City of Canada Bay

Statement of Financial Position

as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	3,423	29,296
Investments	6b	64,471	25,000
Receivables	7	6,241	5,627
Inventories	8	53	63
Other	8	369	754
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		74,557	60,740
Non-Current Assets			
Investments	6b	2,500	1,500
Receivables	7	-	36
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	3,479,412	3,417,198
Investments accounted for using the equity method	19	-	-
Investment Property	14	21,067	18,815
Intangible Assets	25	2,009	797
Total Non-Current Assets		3,504,988	3,438,346
TOTAL ASSETS		3,579,545	3,499,086
LIABILITIES			
Current Liabilities			
Payables	10	15,227	12,798
Borrowings	10	390	368
Provisions	10	8,154	8,267
Total Current Liabilities		23,771	21,433
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	4,479	-
Provisions	10	262	320
Total Non-Current Liabilities		4,741	320
TOTAL LIABILITIES		28,512	21,753
Net Assets		3,551,033	3,477,333
EQUITY			
Retained Earnings	20	1,960,189	1,941,387
Revaluation Reserves	20	1,590,844	1,535,946
Council Equity Interest		3,551,033	3,477,333
Non-controlling Interests		-	-
Total Equity		3,551,033	3,477,333

City of Canada Bay

Statement of Changes in Equity
for the financial year ended 30 June 2014

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		1,941,387	1,535,946	3,477,333	-	3,477,333
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		1,941,387	1,535,946	3,477,333	-	3,477,333
c. Net Operating Result for the Year		18,802	-	18,802	-	18,802
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	54,898	54,898	-	54,898
Other Comprehensive Income		-	54,898	54,898	-	54,898
Total Comprehensive Income (c&d)		18,802	54,898	73,700	-	73,700
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,960,189	1,590,844	3,551,033	-	3,551,033

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		1,921,276	1,538,136	3,459,412	-	3,459,412
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		1,921,276	1,538,136	3,459,412	-	3,459,412
c. Net Operating Result for the Year		20,437	-	20,437	-	20,437
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	(2,190)	(2,190)	-	(2,190)
- Other Movements	20a	(326)	-	(326)	-	(326)
Other Comprehensive Income		(326)	(2,190)	(2,516)	-	(2,516)
Total Comprehensive Income (c&d)		20,111	(2,190)	17,921	-	17,921
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,941,387	1,535,946	3,477,333	-	3,477,333

City of Canada Bay

Statement of Cash Flows

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Cash Flows from Operating Activities				
Receipts:				
44,851	Rates & Annual Charges		45,231	42,955
11,504	User Charges & Fees		13,624	11,344
2,448	Investment & Interest Revenue Received		2,287	2,744
13,416	Grants & Contributions		21,337	22,426
-	Bonds, Deposits & Retention amounts received		2,561	1,112
5,314	Other		10,964	5,647
Payments:				
(28,472)	Employee Benefits & On-Costs		(29,149)	(26,180)
(22,234)	Materials & Contracts		(20,661)	(21,628)
(15)	Borrowing Costs		(114)	(51)
-	Bonds, Deposits & Retention amounts refunded		(2,229)	(1,157)
(10,596)	Other		(14,142)	(11,571)
16,216	Net Cash provided (or used in) Operating Activities	11b	29,709	25,641
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		25,000	2,006
1,300	Sale of Infrastructure, Property, Plant & Equipment		444	643
Payments:				
-	Purchase of Investment Securities		(65,471)	(14,750)
(18,506)	Purchase of Infrastructure, Property, Plant & Equipment		(20,056)	(16,320)
(17,206)	Net Cash provided (or used in) Investing Activities		(60,083)	(28,421)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		5,000	-
Payments:				
(368)	Repayment of Borrowings & Advances		(499)	(780)
(368)	Net Cash Flow provided (used in) Financing Activities		4,501	(780)
(1,358)	Net Increase/(Decrease) in Cash & Cash Equivalents		(25,873)	(3,560)
29,296	plus: Cash & Cash Equivalents - beginning of year	11a	29,296	32,856
27,938	Cash & Cash Equivalents - end of the year	11a	3,423	29,296
Additional Information:				
	plus: Investments on hand - end of year	6b	66,971	26,500
Total Cash, Cash Equivalents & Investments			70,394	55,796

Please refer to Note 11 for additional cash flow information.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

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n/a - not applicable

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

(a) Basis of preparation

(i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Accordingly in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act (LGA), Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

Refer further to paragraph (ab) relating to a summary of the effects of Standards with future operative dates.

(v) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

(vi) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

- (i) Estimated fair values of investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Critical judgements in applying the entity's accounting policies

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that

future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, **(i)** it is probable that the economic benefits comprising the contribution will flow to the Council and **(ii)** the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

A detailed Note relating to developer contributions can be found at Note 17.

User Charges, Fees and Other Income

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided as at balance date.

Sale of Infrastructure, Property, Plant and Equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30 June 2014) and (ii) all the related operating results (for the financial year ended the 30th June 2014).

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated Fund:

- *General Purpose Operations*
- *The total income and expenditure from continuing operations of the Five Dock Leisure Centre.*

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Trust monies and property subject to Council's control have been included in these statements.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these statements.

A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) Joint Ventures

Council has no interest in any Joint Venture Entities, Assets or Operations.

(iv) County Councils

Council is not a member of any County Councils.

(v) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

Finance Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash **on hand**,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are “held for trading”.

A financial asset is classified in the “held for trading” category if it is acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the “Loans & Receivables” classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

Financial Assets – Reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

(ii) Subsequent Measurement

Available-for-sale financial assets and **financial assets at fair value through profit and loss** are subsequently carried at fair value.

Loans and receivables and **held-to-maturity** investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "**fair value through profit or loss**" category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as "**available-for-sale**" are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the

present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Infrastructure, Property, Plant and Equipment (I,PP&E)

Acquisition of assets

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Division of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(p),
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths** (/Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Community Land** (Deprival Valuation)
- **Land Improvements** (as approximated by depreciated historical cost)
- **Other Structures** (as approximated by depreciated historical cost)
- **Other Assets** (as approximated by depreciated historical cost)

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5 year cycle.

Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following:

Land

- council land	100% Capitalised
- open space	100% Capitalised
- land under roads	100% Capitalised

Plant & Equipment

Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000

Buildings & Land Improvements

Park Furniture & Equipment	> \$10,000
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Building

- construction/extensions	100% Capitalised
- renovations	> \$10,000

Other Structures	> \$10,000
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Stormwater Assets

Drains & Culverts	> \$10,000
Other	> \$10,000

Transport Assets

Road construction & reconstruction	> \$10,000
Reseal/Re-sheet & major repairs:	> \$10,000

Bridge construction & reconstruction	> \$10,000
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Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

Plant & Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	4 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	5 to 15 years

Other Equipment

- Playground equipment	5 to 15 years
- Benches, seats etc	10 to 20 years

Buildings

- Buildings : Masonry	50 to 100 years
- Buildings : Other	20 to 40 years

Stormwater Drainage

- Drains, Channels, GPTs, Pits	60 to 100 years
- Culverts	50 to 80 years
- Pipe	100 years

Transportation Assets

- Sealed Roads: Wearing Course	40 years
- Sealed Roads: Road Base	50 years
- Unsealed roads	20 years
- Bridge: Concrete	80 years
- Bridge: Other	30-50 years
- Kerb, Gutter & Paths	75 years

Detailed examination of the roads data held by Council's Asset Management Section was reviewed in 2013 to accurately reflect the depreciation charge for road assets in light of the enhanced maintenance and renewal program that Council has for these assets. Amended remaining useful lives were identified for the roads network. The amended useful life is then applied to the written down value of the individual roads and a more appropriate depreciation figure calculated.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

In 2013 Council reviewed and amended the useful lives and residual value for its road, drainage, other structure and depreciable land improvement asset classes to more accurately reflect the consumption of these assets. This change in method of incorporating both a change in useful lives and the use of residual value resulted in a decrease in depreciation expense from the previous year and now more realistically represents the consumption of these assets. This review will also be conducted in future years.

Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

(l) Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

(m) Intangible Assets

IT Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from 3-5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(n) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating the reserves are recognised within Council's Income Statement.

Representations are currently being sought across State and Local Government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(o) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

The last full revaluation for Council's Investment Properties was dated 30/06/13.

(p) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either **(i)** their carrying amount and **(ii)** fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the entity that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

(q) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(r) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(t) Borrowing costs

Borrowing costs are expensed except to the extent that they are incurred during the construction of qualifying assets.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

(u) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events;

- it is more likely than not that an outflow of resources will be required to settle the obligation; and

- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

(v) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the

reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

The last valuation of the Scheme was performed by Mr Martin Stevenson BSC,FIA,FIAA on 20/02/13 and covers the period ended 30/06/13.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2014 the prior period deficit still exists.

Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2014 was \$526,112.

The amount of additional contributions included in the total employer contribution advised above is \$212,573.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/14.

(w) Self insurance

A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note 10.

(x) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

(y) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(z) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2014.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

Applicable to Local Government but not relevant to Council at this stage;

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a “partial disposal” concept.

Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in paragraph (v) (iii) and so these changes will not have an impact on its reported results.

Not applicable to Local Government per se;

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(aa) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(ab) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or

City of Canada Bay

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

individually reported for the first time within these financial statements and/or the notes.

(ac) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2013	2014	2013
Governance	-	148	13,030	999	906	3,045	(999)	(758)	9,985	144	-	5,241	317
Administration	8,797	19,155	8,172	5,976	6,315	17,906	2,821	12,840	(9,734)	83	8	100,637	97,719
Public Order & Safety	2,967	3,718	2,957	2,632	2,595	2,884	335	1,123	73	-	-	507	498
Health	170	165	155	484	416	299	(314)	(251)	(144)	11	-	114	144
Environment	15,234	15,992	15,322	17,731	16,873	15,427	(2,497)	(881)	(105)	1,731	2,185	74,243	75,326
Community Services & Education	1,776	2,010	1,854	4,419	4,256	2,694	(2,643)	(2,246)	(840)	444	434	7,786	7,884
Housing & Community Amenities	1,775	1,821	2,177	7,032	7,440	4,722	(5,257)	(5,619)	(2,545)	422	477	94,973	75,666
Recreation & Culture	6,076	6,879	7,360	21,701	20,522	13,927	(15,625)	(13,643)	(6,567)	224	2,487	2,090,933	2,089,765
Mining, Manufacturing & Construction	521	425	342	1,456	1,330	793	(935)	(905)	(451)	-	-	419	469
Transport & Communication	3,661	4,745	2,337	12,005	10,839	7,576	(8,344)	(6,094)	(5,239)	968	362	1,204,673	1,151,276
Economic Affairs	708	509	960	1,511	1,161	1,105	(803)	(652)	(145)	21	-	19	22
Total Functions & Activities	41,685	55,567	54,666	75,946	72,653	70,378	(34,261)	(17,086)	(15,712)	4,048	5,953	3,579,545	3,499,086
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	35,634	35,888	36,149	-	-	-	35,634	35,888	36,149	1,557	2,562	-	-
Operating Result from Continuing Operations	77,319	91,455	90,815	75,946	72,653	70,378	1,373	18,802	20,437	5,605	8,515	3,579,545	3,499,086

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 2(b). Council Functions / Activities - Component Descriptions

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

GOVERNANCE

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

ADMINISTRATION

Corporate Support and Other Support Services (not otherwise attributed to the listed functions / activities).

PUBLIC ORDER & SAFETY

Fire protection, animal control, beach control, enforcement of local government regulations, emergency services, other.

HEALTH

Inspection, immunisations, food control, health centres, other, administration.

ENVIRONMENT

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

COMMUNITY SERVICES & EDUCATION

Administration, family day care, child care, youth services, other family and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

HOUSING & COMMUNITY AMENITIES

Housing, town planning, street lighting, other sanitation and garbage, public cemeteries, public conveniences,

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens (lakes), other sport and recreation.

FUEL & ENERGY - Gas Supplies

AGRICULTURE

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RMS works, other.

ECONOMIC AFFAIRS

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, commercial nurseries, other business undertakings.

City of Canada Bay

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		27,962	26,532
Business		4,525	4,333
Total Ordinary Rates		32,487	30,865
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		12,182	11,378
Stormwater Management Services		698	681
Total Annual Charges		12,880	12,059
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>45,367</u>	<u>42,924</u>

Council has used 2012 year valuations provided by the NSW Valuer General in calculating its rates.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		557	521
Total User Charges		557	521
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Regulation		302	270
Planning & Building Regulation		712	735
Private Works - Section 67		490	953
Registration Fees		43	24
Section 149 Certificates (EPA Act)		253	218
Section 603 Certificates		171	136
Section 611 Charges		54	53
Total Fees & Charges - Statutory/Regulatory		2,025	2,389
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Admission & Service Fees		1,220	1,314
Aged Care		85	96
Child Care		1,377	1,278
Golf Course Fees		1,481	1,457
Halls & Meeting Rooms		273	275
Leaseback Fees - Council Vehicles		297	284
Leisure Centre		2,571	2,438
Library		12	11
Park Rents		291	266
Parking Fees		672	559
Restoration Charges		1,091	969
Sundry Sales		-	9
Other		50	2
Total Fees & Charges - Other		9,420	8,958
TOTAL USER CHARGES & FEES		12,003	11,868

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		104	116
- Interest earned on Investments (interest & coupon payment income)		2,640	2,528
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		-	881
TOTAL INTEREST & INVESTMENT REVENUE		<u>2,744</u>	<u>3,525</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		104	116
General Council Cash & Investments		1,740	2,606
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		480	510
-Voluntary Planning Agreements		420	293
Total Interest & Investment Revenue Recognised		<u>2,744</u>	<u>3,525</u>
(d) Other Revenues			
Fair Value Adjustments - Investment Properties	14	2,252	3,686
Rental Income - Investment Properties	14	243	238
Rental Income - Affordable Housing		231	225
Rental Income - Other Council Properties		2,110	2,022
Fines - Building Compliance		37	55
Fines - Parking		3,125	2,827
Fines - Other		11	8
Legal Fees Recovery - Rates & Charges (Extra Charges)		74	82
Legal Fees Recovery - Other		14	2
Bad Debts Recovered		30	88
Commissions & Agency Fees		2	4
Diesel Rebate		7	6
Energy Certificates		69	-
North Strathfield Rail Underpass Project		600	-
Sale of Abandoned Vehicles		5	13
Sales - General		315	10
Sponsorships		53	49
Waste Management Performance Bonus		231	497
Other		114	62
TOTAL OTHER REVENUE		<u>9,523</u>	<u>9,874</u>

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	865	1,615	-	-
Financial Assistance - Local Roads Component	294	555	-	-
Pensioners' Rates Subsidies - General Component	398	392	-	-
Total General Purpose	1,557	2,562	-	-
¹ The Financial Assistance Grant for 13/14 reflects a one off reduction due to the fact that this grant is no longer being paid in advance by up to 50% as has occurred in previous years - it does not represent a loss of income but is instead a timing difference.				
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	156	153	-	-
Community Care	701	674	-	-
Employment & Training Programs	12	8	-	-
Environmental Projects	208	7	1,355	2,025
Environmental Protection	32	-	-	-
Heritage & Cultural	15	46	7	-
Interest Subsidy Local Infrastructure Loan (LIRS)	52	-	-	-
Library	224	221	-	-
Planning	-	33	-	-
Recreation & Culture	-	8	190	-
Sport & Recreation	-	-	574	2,255
Street Lighting	158	158	-	-
Traffic Route Subsidy	31	27	-	-
Transport (Roads to Recovery)	287	291	-	-
Transport (Road Safety Funding)	46	47	-	-
Total Specific Purpose	1,922	1,673	2,126	4,280
Total Grants	3,479	4,235	2,126	4,280
Grant Revenue is attributable to:				
- Commonwealth Funding	2,045	2,461	1,288	1,088
- State Funding	1,401	1,774	335	3,192
- Other Funding	33	-	503	-
	3,479	4,235	2,126	4,280

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 93F - Contributions using Planning Agreements	-	-	7,335	6,547
S 94 - Contributions towards amenities/services	-	-	4,020	5,400
S 94A - Fixed Development Consent Levies	-	-	1,590	1,031
Total Developer Contributions	-	-	12,945	12,978
Other Contributions:				
Development Assessment Contributions	94	105	-	-
Insurance Incentive Scheme Contribution	157	56	-	-
Recreation & Culture	1	-	802	154
RMS Contributions (Regional Roads, Block Grant)	405	385	1,651	331
Other - Environmental Contributions	102	50	-	-
Other	56	50	-	-
Total Other Contributions	815	646	2,453	485
Total Contributions	815	646	15,398	13,463
TOTAL GRANTS & CONTRIBUTIONS	4,294	4,881	17,524	17,743

\$ '000	Actual 2014	Actual 2013
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	28,691	19,322
add: Grants & contributions recognised in the current period but not yet spent:	14,314	17,125
less: Grants & contributions recognised in a previous reporting period now spent:	(9,764)	(7,756)
Net Increase (Decrease) in Restricted Assets during the Period	4,550	9,369
Unexpended and held as Restricted Assets	33,241	28,691
Comprising:		
- Specific Purpose Unexpended Grants	1,397	2,227
- Developer Contributions	31,844	26,464
	33,241	28,691

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Employee Benefits & On-Costs			
Salaries and Wages		22,349	21,093
Travelling		20	16
Employee Leave Entitlements (ELE)		2,375	2,704
Superannuation - Guarantee Levy		1,859	1,734
Superannuation - Defined Benefit Plans		526	586
Workers' Compensation Insurance		573	801
Fringe Benefit Tax (FBT)		190	155
Payroll Tax		-	20
Training Costs (other than Salaries & Wages)		107	139
Protective Clothing		64	55
Maternity Leave		54	105
Other		123	103
Total Employee Costs		28,240	27,511
less: Capitalised Costs		-	(367)
TOTAL EMPLOYEE COSTS EXPENSED		28,240	27,144
Number of "Equivalent Full Time" Employees at year end		296	314
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		114	51
Total Interest Bearing Liability Costs Expensed		114	51
(ii) Other Borrowing Costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		114	51

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Materials & Contracts			
Raw Materials & Consumables		1,673	2,006
Contractor & Consultancy Costs			
- Cleaning		432	423
- Golf Course Management		208	211
- Information Technology		301	350
- Rate Payment Agencies		131	111
- Swimming Pool Management		150	150
- Waste Management		7,271	7,296
- Contractor & Consultancy Costs		14	-
- Other Contractor & Consultancy Costs		8,225	8,207
Auditors Remuneration ⁽¹⁾		47	54
Infringement Notice Contract Costs (SEINS)		430	409
Legal Expenses:			
- Legal Expenses: Planning & Development		396	213
- Legal Expenses: Debt Recovery		73	83
- Legal Expenses: Other		704	394
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		329	421
Other		44	52
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>20,428</u>	<u>20,380</u>
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		47	54
Remuneration for audit and other assurance services		<u>47</u>	<u>54</u>
Total Auditor Remuneration		<u>47</u>	<u>54</u>
2. Operating Lease Payments are attributable to:			
Buildings		4	35
Computers		303	329
Other		22	57
		<u>329</u>	<u>421</u>

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2014	Actual 2013	Actual 2014	Actual 2013
Plant and Equipment		-	-	710	695
Office Equipment		-	-	31	31
Furniture & Fittings		-	-	68	85
Land Improvements (depreciable)		-	-	896	694
Buildings - Non Specialised		-	-	1,579	1,798
Buildings - Specialised		-	-	62	185
Other Structures		-	-	1,094	1,882
Infrastructure:					
- Roads		-	-	3,902	3,853
- Bridges		-	-	57	-
- Footpaths		-	-	1,047	-
- Stormwater Drainage		-	-	1,131	749
- Water Supply Network		-	-	-	-
- Sewerage Network		-	-	-	-
- Swimming Pools		-	-	62	-
- Other Open Space/Recreational Assets		-	-	-	-
- Other Infrastructure		-	-	-	-
Other Assets					
- Library Books		-	-	161	136
- Other		-	-	128	117
Intangible Assets	25	-	-	159	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	11,087	10,225

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(e) Other Expenses			
Advertising		191	195
Agency Personnel		1,000	702
Bad & Doubtful Debts		23	38
Bank Charges		84	78
Child Care - Parent Fees		250	166
Computer Software Charges		878	810
Contributions/Levies to Other Levels of Government			
- Department of Planning Levy		153	149
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		106	98
- NSW Fire Brigade Levy		1,329	1,298
- Waste Levy		1,935	1,893
Councillor Expenses - Mayoral Fee		42	37
Councillor Expenses - Councillors' Fees		155	148
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		13	8
Donations, Contributions & Assistance to other organisations (Section 356)			
- Meals on Wheels Volunteers		2	6
- Donations, Contributions & Assistance		334	311
Election Expenses		-	344
Electricity & Heating		801	839
Fuel & Oil		524	503
Insurance - Premiums		1,075	1,103
Insurance - Excess		87	167
Motor Vehicle Registrations		89	87
Postage		123	116
Printing & Stationery		123	131
Strata Levies	14	19	50
Street Lighting		1,418	1,321
Subscriptions & Publications		276	236
Telephone & Communications		360	359
Valuation Fees		108	101
Water		546	352
Other		484	509
<u>TOTAL OTHER EXPENSES</u>		<u>12,528</u>	<u>12,155</u>

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2014	Actual 2013
Property (excl. Investment Property)			
Proceeds from Disposal - Property		-	4
less: Carrying Amount of Property Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	4
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		444	639
less: Carrying Amount of P&E Assets Sold / Written Off		(538)	(731)
Net Gain/(Loss) on Disposal		(94)	(92)
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(162)	(335)
Net Gain/(Loss) on Disposal		(162)	(335)
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		25,000	2,006
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(25,000)	(2,006)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>(256)</u>	<u>(423)</u>

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2014	2014	2013	2013
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,758	-	1,568	-
Cash-Equivalent Assets ¹					
- Deposits at Call		1,665	-	1,962	-
- Short Term Deposits		-	-	25,766	-
Total Cash & Cash Equivalents		3,423	-	29,296	-
Investments (Note 6b)					
- Long Term Deposits		63,971	1,000	25,000	1,000
- NCD's, FRN's (with Maturities > 3 months)		500	1,500	-	500
Total Investments		64,471	2,500	25,000	1,500
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		67,894	2,500	54,296	1,500

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		3,423	-	29,296	-
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Investments

b. "Held to Maturity"	6(b-ii)	64,471	2,500	25,000	1,500
Investments		64,471	2,500	25,000	1,500

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of investments held.

Note 6(b-ii)**Reconciliation of Investments classified as "Held to Maturity"**

Balance at the Beginning of the Year		25,000	1,500	25,000	1,500
Additions		64,471	1,000	-	-
Disposals (sales & redemptions)		(25,000)	-	-	-
Balance at End of Year		64,471	2,500	25,000	1,500

Comprising:

- Long Term Deposits		63,971	1,000	25,000	1,000
- NCD's, FRN's (with Maturities > 3 months)		500	1,500	-	500
Total		64,471	2,500	25,000	1,500

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2014	2014	2013	2013
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	67,894	2,500	54,296	1,500
attributable to:				
External Restrictions (refer below)	43,661	2,500	34,248	1,500
Internal Restrictions (refer below)	14,058	-	12,795	-
Unrestricted	10,175	-	7,253	-
	67,894	2,500	54,296	1,500

2014 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	-	3,500	-	3,500
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External Restrictions - Included in Liabilities	-	3,500	-	3,500
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External Restrictions - Other

Developer Contributions - General (D)	26,464	13,450	(8,070)	31,844
Specific Purpose Unexpended Grants (F)	2,227	-	(830)	1,397
Domestic Waste Management (G)	6,433	2,778	(571)	8,640
Stormwater Management (G)	499	698	(507)	690
Sustainability Levy (G)	125	-	(35)	90

External Restrictions - Other	35,748	16,926	(10,013)	42,661
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Total External Restrictions	35,748	20,426	(10,013)	46,161
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- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- D** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- F** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G** Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2014 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	706	25	-	731
Infrastructure Replacement - Parking	90	460	(525)	25
Employees Leave Entitlement	1,706	-	-	1,706
Carry Over Works	1,012	1,887	(1,341)	1,558
Deposits, Retentions & Bonds	850	100	-	950
Affordable Housing	1,130	477	(8)	1,599
Building Reserve	227	177	-	404
Concord Library and Childcare Centre	397	177	(12)	562
Concord Oval	184	-	(98)	86
Drainage Loan	-	1,500	-	1,500
Drummoyne Oval Lights Reserve	177	-	(47)	130
Election of Councillors	105	75	-	180
Energy Efficiency Reserve	-	29	-	29
Financial Assistance Grant Advance Payment	1,130	-	(1,130)	-
Financial Sustainability	2,673	691	(1,412)	1,952
Five Dock Leisure Centre	273	122	-	395
Investment Fund	1,327	15	(5)	1,337
Massey Park Golf Course	79	14	(79)	14
North Strathfield Rail Underpass	-	200	-	200
Rhodes Traffic Management Reserve	86	-	(86)	-
Risk Management Reserve	177	97	(29)	245
Strathfield Triangle Reserve	34	222	(233)	23
Workers Compensation	432	-	-	432
Total Internal Restrictions	12,795	6,268	(5,005)	14,058
TOTAL RESTRICTIONS	48,543	26,694	(15,018)	60,219

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 7. Receivables

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		969	-	814	19
Interest & Extra Charges		111	-	74	17
User Charges & Fees		229	-	375	-
Private Works		109	-	347	-
Accrued Revenues					
- Interest on Investments		825	-	388	-
Employee Advances		34	-	41	-
General Debtors		938	-	783	-
Government Grants & Subsidies		1,421	-	936	-
Infringements		721	-	744	-
Loans to Non Profit Organisations		40	-	50	-
Property Leases		129	-	103	-
Net GST Receivable		524	-	449	-
Road Restorations		246	-	656	-
Other Debtors		11	-	16	-
Total		6,307	-	5,776	36
less: Provision for Impairment					
Other Debtors		(66)	-	(149)	-
Total Provision for Impairment - Receivables		(66)	-	(149)	-
<u>TOTAL NET RECEIVABLES</u>		<u>6,241</u>	<u>-</u>	<u>5,627</u>	<u>36</u>
Externally Restricted Receivables					
Domestic Waste Management		377	-	336	-
Stormwater Management		28	-	28	-
- Sustainability Levy		-	-	2	-
Total External Restrictions		405	-	366	-
Internally Restricted Receivables					
- Affordable Housing *		307	-	296	-
- Nth Strathfield Rail Underpass		400	-	-	-
Internally Restricted Receivables		707	-	296	-
Unrestricted Receivables		5,129	-	4,965	36
<u>TOTAL NET RECEIVABLES</u>		<u>6,241</u>	<u>-</u>	<u>5,627</u>	<u>36</u>

* Comprising \$248K (\$240K) disclosed in Government Grants and Subsidies and \$59K (\$56K) disclosed in General Debtors (2013).

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 9.00% (2013 10.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

City of Canada Bay

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 8. Inventories & Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		53	-	63	-
Total Inventories		53	-	63	-
Other Assets					
Prepayments		369	-	754	-
Total Other Assets		369	-	754	-
TOTAL INVENTORIES/OTHER ASSETS		422	-	817	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Other Disclosures**(a) Inventory Write Downs**

There were no amounts recognised as an expense relating to the write down of Inventory balances held during the year.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other assets held.

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2013					Asset Movements during the Reporting Period					as at 30/6/2014				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	WIP Transfers	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value						Cost	Fair Value	Dep'n	Impairment	Value
Capital Work in Progress	1,368	-	-	-	1,368	5,737	-	-	(1,201)	-	5,904	-	-	-	5,904
Plant & Equipment	-	6,772	2,627	-	4,145	1,061	(538)	(710)	-	-	-	6,977	3,019	-	3,958
Office Equipment	-	1,215	1,003	-	212	-	-	(31)	-	-	-	1,215	1,034	-	181
Furniture & Fittings	-	1,183	724	-	459	18	-	(68)	-	-	-	1,201	792	-	409
Land:															
- Operational Land	-	62,380	-	-	62,380	396	-	-	-	-	-	62,776	-	-	62,776
- Community Land	-	2,035,112	-	-	2,035,112	-	-	-	-	-	-	2,035,112	-	-	2,035,112
- Land under Roads (pre 1/7/08)	-	895,327	-	-	895,327	-	-	-	-	47,539	-	942,866	-	-	942,866
- Land under Roads (post 30/6/08)	-	8,650	-	-	8,650	-	-	-	-	7,359	-	16,009	-	-	16,009
Land Improvements - non depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - depreciable	-	33,385	7,334	-	26,051	740	(74)	(896)	8	-	-	34,026	8,197	-	25,829
Buildings - Non Specialised	-	101,130	50,753	-	50,377	321	(88)	(1,579)	22	-	-	100,501	51,448	-	49,053
Buildings - Specialised	-	9,906	6,908	-	2,998	-	-	(62)	-	-	-	9,906	6,970	-	2,936
Other Structures	-	128,172	87,422	-	40,750	1,752	-	(1,094)	152	-	-	130,076	88,516	-	41,560
Infrastructure:															
- Roads	-	271,359	81,079	-	190,280	1,792	-	(3,902)	365	-	-	273,517	84,982	-	188,535
- Bridges	-	6,800	3,094	-	3,706	5	-	(57)	-	-	-	6,805	3,151	-	3,654
- Footpaths	-	53,333	19,931	-	33,402	6,337	-	(1,047)	593	-	-	60,262	20,977	-	39,285
- Stormwater Drainage	-	109,553	53,528	-	56,025	318	-	(1,131)	61	-	-	109,931	54,658	-	55,273
- Swimming Pools	-	4,860	994	-	3,866	30	-	(62)	-	-	-	4,890	1,056	-	3,834
Other Assets:															
- Heritage Collections	-	-	-	-	-	9	-	-	-	-	-	9	-	-	9
- Library Books	-	2,880	2,089	-	791	323	-	(161)	-	-	-	3,204	2,251	-	953
- Other	-	2,005	706	-	1,299	105	-	(128)	-	-	-	2,110	834	-	1,276
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	1,368	3,734,022	318,192	-	3,417,198	18,944	(700)	(10,928)	-	54,898	5,904	3,801,393	327,885	-	3,479,412

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$9,937K) and New Assets (\$2,559K). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other Infrastructure, Property, Plant & Equipment.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

Council has no Externally Restricted Infrastructure, Property, Plant & Equipment.

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		3,868	-	2,069	-
Goods & Services - capital expenditure		-	-	137	-
Payments Received In Advance		714	-	397	-
Accrued Expenses:					
- Salaries & Wages		-	-	681	-
- Other Expenditure Accruals		1,958	-	1,159	-
Security Bonds, Deposits & Retentions		8,687	-	8,355	-
Total Payables		15,227	-	12,798	-
Borrowings					
Loans - Secured ¹		390	4,479	368	-
Total Borrowings		390	4,479	368	-
Provisions					
Employee Benefits:					
Annual Leave		2,329	-	2,320	-
Sick Leave		285	-	368	-
Long Service Leave		5,483	262	5,522	320
Sub Total - Aggregate Employee Benefits		8,097	262	8,210	320
Self Insurance - Other		57	-	57	-
Total Provisions		8,154	262	8,267	320
Total Payables, Borrowings & Provisions		23,771	4,741	21,433	320
(i) Liabilities relating to Restricted Assets					
Externally Restricted Assets					
Domestic Waste Management		-	681	730	-
Liabilities relating to externally restricted assets		-	681	730	-
Total Liabilities relating to restricted assets		-	681	730	-
Total Liabilities relating to Unrestricted Assets		23,771	4,060	20,703	320
TOTAL PAYABLES, BORROWINGS & PROVISIONS		23,771	4,741	21,433	320

¹ Loans are secured over the General Rating Income of Council

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2014	Actual 2013
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	5,800	5,500
Payables - Security Bonds, Deposits & Retentions	6,000	5,000
	11,800	10,500

Note 10b. Description of and movements in Provisions

Class of Provision	2013		2014			
	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/14
Annual Leave	2,320	1,632	(1,623)	-	-	2,329
Sick Leave	368	4	(87)	-	-	285
Long Service Leave	5,842	741	(838)	-	-	5,745
Self Insurance	57	-	-	-	-	57
TOTAL	8,587	2,377	(2,548)	-	-	8,416

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2014	Actual 2013
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	3,423	29,296
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		3,423	29,296
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		18,802	20,437
Adjust for non cash items:			
Depreciation & Amortisation		11,087	10,225
Net Losses/(Gains) on Disposal of Assets		256	423
Non Cash Capital Grants and Contributions		(396)	-
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		-	(881)
- Investment Properties		(2,252)	(3,686)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(495)	(865)
Increase/(Decrease) in Provision for Doubtful Debts		(83)	(75)
Decrease/(Increase) in Inventories		10	(23)
Decrease/(Increase) in Other Assets		385	(405)
Increase/(Decrease) in Payables		1,799	(1,225)
Increase/(Decrease) in other accrued Expenses Payable		118	1,083
Increase/(Decrease) in Other Liabilities		649	(237)
Increase/(Decrease) in Employee Leave Entitlements		(171)	870
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		29,709	25,641

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Non-Cash Investing & Financing Activities			
S94 Contributions "in kind"		396	-
Total Non-Cash Investing & Financing Activities		396	-
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		500	500
Credit Cards / Purchase Cards		150	150
Total Financing Arrangements		650	650
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		24	72
Total Financing Arrangements Utilised		24	72

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

(e) Bank Guarantees

Council has guaranteed an amount of \$5,000 to Agility Management Pty Ltd as security for Contract Works relating to the permanent reinstatement of road, footpath and paved surfaces and associated works in NSW. This guarantee was executed on 30 September 2004.

Council has guaranteed an amount of \$10,000 to Jemena Asset Management (4) P/L as security for Contract Works relating to the permanent reinstatement of road, footpath and paved surfaces. This guarantee was executed on 24 January 2014.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2014	Actual 2013
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		13,000	2,737
Recreational Projects		4,525	2,242
Roads, Bridges & Footpaths		3,724	7,501
Stormwater Drainage		2,029	3,132
Total Commitments		23,278	15,612
These expenditures are payable as follows:			
Within the next year		23,278	15,612
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
Total Payable		23,278	15,612
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		3,574	1,963
Future Grants & Contributions		2,194	3,544
Sect 64 & 94 Funds/Reserves		13,730	6,513
Externally Restricted Reserves		500	2,860
Internally Restricted Reserves		3,280	732
Total Sources of Funding		23,278	15,612

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(b) Finance Lease Commitments			
Nil			
(c) Operating Lease Commitments (Non Cancellable)			
a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:			
Within the next year		269	260
Later than one year and not later than 5 years		386	578
Later than 5 years		-	-
Total Non Cancellable Operating Lease Commitments		655	838

b. Non Cancellable Operating Leases include the following assets:

Computers and Office Equipment

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

(d) Investment Property Commitments

Nil

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 2013 2012	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	<u>(718)</u>	-1.00%	-2.12%	-2.57%
Total continuing operating revenue ⁽¹⁾ (excl. Capital Grants & Contributions)	71,679			
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(less ALL Grants & Contributions)</u>	<u>67,385</u>	75.54%	73.77%	75.69%
Total continuing operating revenue ⁽¹⁾	89,203			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	<u>30,491</u>	2.55 : 1	2.56	2.32
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	<u>11,971</u>			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	<u>10,483</u>	17.10	10.62	
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	<u>613</u>			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	<u>1,080</u>	2.32%	2.10%	2.25%
Rates, Annual and Extra Charges Collectible	<u>46,469</u>			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents including All Term Deposits	<u>68,394</u>	12.29	10.81	
Payments from cash flow of operating and financing activities	<u>5,566</u>			

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and net share of interests in joint ventures.

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

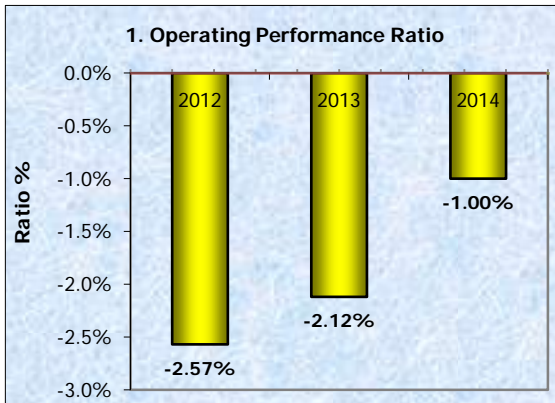
⁽³⁾ Refer to Note 10(a).

⁽⁴⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

City of Canada Bay

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Purpose of Operating Performance Ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

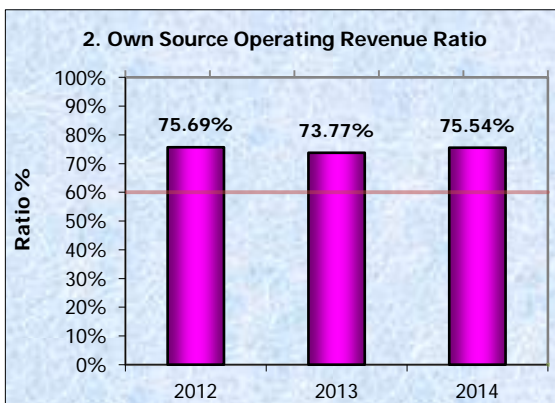
Commentary on 2013/14 Result

2013/14 Ratio -1.00%

This ratio is focussing on operating performance and hence excludes Capital Grants and Contributions. Whilst TCorp has used in its initial benchmark assessment, a benchmark of greater than negative 4% for the short term, TCorp views that Councils, for this benchmark, should be achieving at least a breakeven operating position, on average, over the long term.

— Minimum 0.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting



Purpose of Own Source Operating Revenue Ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

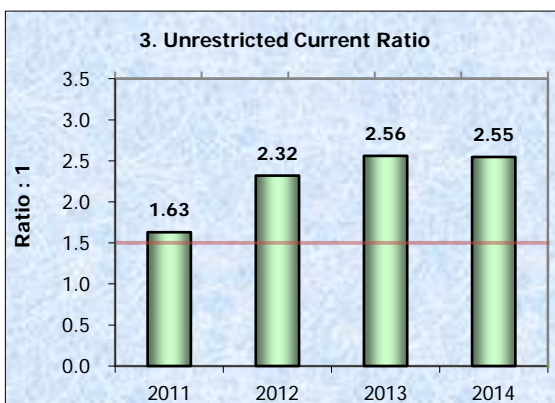
Commentary on 2013/14 Result

2013/14 Ratio 75.54%

A Council's financial flexibility improves the higher the level of its own source revenue. The Division of Local Government considers the benchmark to be 60% which Council has exceeded for the past 3 years.

— Minimum 60.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting



Purpose of Unrestricted Current Ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2013/14 Result

2013/14 Ratio 2.55 : 1

The Unrestricted Current Ratio excludes cash reserves that are restricted for specific projects and which cannot be used to meet Council's other operating and borrowing costs.

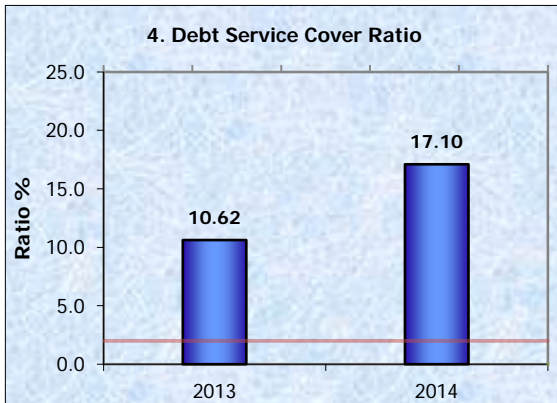
— Minimum 1.50

Source for Benchmark: Code of Accounting Practice and Financial Reporting

City of Canada Bay

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



— Minimum 2.00

Source for Benchmark: NSW Treasury Corporation

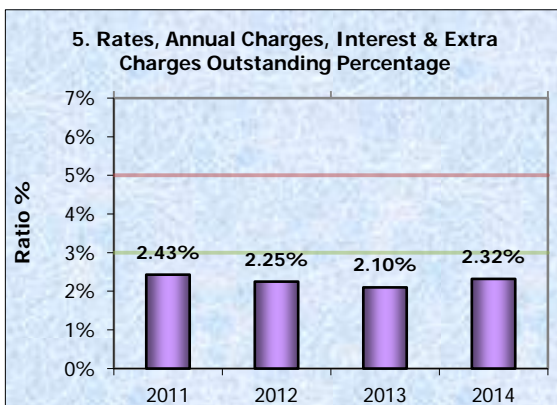
Purpose of Debt Service Cover Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2013/14 Result

2013/14 Ratio 17.10

Council has capacity for further borrowings if required.



— Minimum 3.00% — Maximum 5.00%

Source for Benchmark: Office of Local Govt - Comparative Information (10/11)

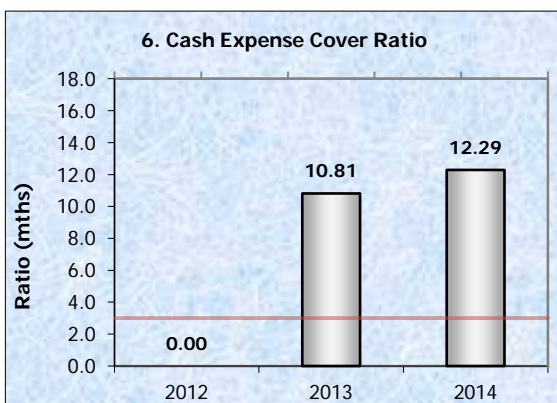
Purpose of Rates & Annual Charges Outstanding Ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2013/14 Result

2013/14 Ratio 2.32%

This result is within Council's target of 3% and is significantly better than the industry benchmark for Urban Councils of 5%. The average over the last 4 years is 2.27%



— Minimum 3.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Purpose of Cash Expense Cover Ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on Result

2013/14 Ratio 12.29

Ratio is over 4 times stronger than the industry benchmark.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 14. Investment Properties

\$ '000	Notes	Actual 2014	Actual 2013
(a) Investment Properties at Fair value			
Investment Properties on Hand		<u>21,067</u>	<u>18,815</u>
Reconciliation of Annual Movement:			
Opening Balance		18,815	15,129
- Net Gain/(Loss) from Fair Value Adjustments		<u>2,252</u>	<u>3,686</u>
CLOSING BALANCE - INVESTMENT PROPERTIES		<u>21,067</u>	<u>18,815</u>
(b) Valuation Basis			
The basis of valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.			
The 2014 revaluations were based on Independent Assessments made by: Liquid Pacific Valuers. Principal Valuer - Martin Burns, certified and chartered practicing valuer			
(c) Contractual Obligations at Reporting Date			
Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.			
(d) Leasing Arrangements			
Details of leased Investment Properties are as follows;			
Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are receivable as follows:			
Within 1 year		250	243
Later than 1 year but less than 5 years		1,033	1,018
Later than 5 years		<u>267</u>	<u>263</u>
Total Minimum Lease Payments Receivable		<u>1,550</u>	<u>1,524</u>
(e) Investment Property Income & Expenditure - summary			
Rental Income from Investment Properties:			
- Minimum Lease Payments		243	238
Direct Operating Expenses on Investment Properties:			
- that generated rental income		<u>(14)</u>	<u>(41)</u>
Net Revenue Contribution from Investment Properties		<u>229</u>	<u>197</u>
plus:			
Fair Value Movement for year		<u>2,252</u>	<u>3,686</u>
Total Income attributable to Investment Properties		<u>2,481</u>	<u>3,883</u>

Refer to Note 27- Fair Value Measurement for information regarding the fair value of investment properties held.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management

\$ '000

Risk Management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2014	2013	2014	2013
Financial Assets				
Cash and Cash Equivalents	3,423	29,296	3,423	29,296
Investments				
- "Held to Maturity"	66,971	26,500	66,971	26,500
Receivables	6,241	5,663	6,241	5,663
Total Financial Assets	76,635	61,459	76,635	61,459
Financial Liabilities				
Payables	14,513	12,401	14,513	12,401
Loans / Advances	4,869	368	4,869	368
Total Financial Liabilities	19,382	12,769	19,382	12,769

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at fair value through profit & loss"** or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and it's staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price Risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest Rate Risk** - the risk that movements in interest rates could affect returns and income.
- **Credit Risk** - the risk that the investment counterparty) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2014				
Possible impact of a 1% movement in Interest Rates	704	704	(704)	(704)
2013				
Possible impact of a 1% movement in Interest Rates	558	558	(558)	(558)

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise **(i) Rates & Annual charges** and **(ii) User Charges & Fees**.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates & annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2014 Rates & Annual Charges	2014 Other Receivables	2013 Rates & Annual Charges	2013 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	74%	0%	70%
Overdue	100%	26%	100%	30%
	100%	100%	100%	100%
(ii) Ageing of Receivables - value				
Current (not yet overdue)	-	4,404	-	3,368
Past due by up to 30 days	-	176	532	469
Past due between 31 and 60 days	833	173	-	-
Past due between 61 and 90 days	-	5	-	-
Past due by more than 90 days	247	469	392	1,051
	1,080	5,227	924	4,888
(iii) Movement in Provision for Impairment of Receivables			2014	2013
Balance at the beginning of the year			149	224
+ new provisions recognised during the year			23	38
- amounts already provided for & written off this year			(76)	(25)
- amounts provided for but recovered during the year			(30)	(88)
Balance at the end of the year			66	149

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2014									
Trade/Other Payables	8,687	5,826	-	-	-	-	-	14,513	14,513
Loans & Advances	-	660	660	660	660	660	3,066	6,366	4,869
Total Financial Liabilities	8,687	6,486	660	660	660	660	3,066	20,879	19,382
2013									
Trade/Other Payables	8,355	4,046	-	-	-	-	-	12,401	12,401
Loans & Advances	-	380	-	-	-	-	-	380	368
Total Financial Liabilities	8,355	4,426	-	-	-	-	-	12,781	12,769

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities & interest rate structures.

The following interest rates were applicable to Council's Borrowings at balance date:

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Loans & Advances - Fixed Interest Rate	4,869	5.6%	368	6.3%
	<u>4,869</u>		<u>368</u>	

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 13/14 was adopted by the Council on 25 June 2013.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Note that for Variations* of Budget to Actual :

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2014 Budget	2014 Actual	2014 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	44,900	45,367	467	1%	F
User Charges & Fees	11,637	12,003	366	3%	F
Interest & Investment Revenue	2,439	2,744	305	13%	F
*Interest on Investment Income for the year was originally budgetted for at \$2.3M. Actual Income of \$2.6M exceeded budget by \$300K as a result of more funds being available to invest than initially forecast.					
Other Revenues	5,331	9,523	4,192	79%	F
*Income from the North Strathfield Rail Underpass Project amounted to \$600K. Relates to the receipt and management of clean fill from the railway project being utilised for the Crane St Park rehabilitation works. Project not anticipated at time of preparing the 2013-14 Budget.					
*Income from Parking Management exceeded original budget by \$625K.					
*Income from the EPA's Better Waste & Recycling Program amounted to \$231K which was not anticipated at the time of preparing the 2013-14 Budget.					
Operating Grants & Contributions	3,148	4,294	1,146	36%	F
*Family Day Care Child care assistance grant exceeded budget by \$158K. Grant represents 100% of exp incurred.					
*Concord West Industrial Precinct Contributions from property owners of \$94K not originally budgetted for.					
*Contributions received from Council's Insurer of \$97K not originally budgetted for.					
*Environmental Grants amounting to \$126K for Bush Regeneration including Native Habitat Restoration not originally budgetted for.					
*Roads to Recovery Grant of \$287K has been classified as an Operating Grant but was budgetted for as Capital.					
Capital Grants & Contributions	9,864	17,524	7,660	78%	F
*Contribution from Dept of Education and SOPA towards Powell's Creek School Project amounting to \$427K not originally budgetted for.					
*Developer Contributions of \$12.9M received against the original budgetted amount of \$6.3M. Contributions are restricted for specific works allowed for in the Contribution Plans.					

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 16. Material Budget Variations (continued)

\$ '000	2014 Budget	2014 Actual	2014 Variance*		
EXPENSES					
Employee Benefits & On-Costs	29,318	28,240	1,078	4%	F
Borrowing Costs	15	114	(99)	(660%)	U
*Two loans were secured during 2013-14 that were not included in the original budget. \$3.5M was drawn down in Oct with interest rate fixed at 5.91% for the 10 year term of the loan. Interest payments for the two quarters amounted to \$102K. The second loan was drawn down in June 2014 with repayments commencing September 2014.					
Materials & Contracts	22,263	20,428	1,835	8%	F
Depreciation & Amortisation	13,754	11,087	2,667	19%	F
* Council had adopted the budget of \$13.75M for depreciation, before it was able to complete the review into the useful lives and residual values of its assets. We have adopted our current 2014/15 and future budgets to reflect the consumption of these assets more accurately					
Other Expenses	10,596	12,528	(1,932)	(18%)	U
*Greater than anticipated use of agency personnel during the year, \$740K Council's water bills increased significantly, greater than budget by \$150K. Fuel \$524K and Software and Hardware Costs (878K), where reclassified from Materials and Contracts to Other expenses.					
Net Losses from Disposal of Assets	-	256	(256)	0%	U
*Net loss on sale of property, plant and equipment amounting to \$256K not anticipated at time of budget preparation.					

Budget Variations relating to Council's Cash Flow Statement include:

Cash Flows from Operating Activities	16,216	29,709	13,493	83.2%	F
*The original budget did not account for the favourable cash flows as detailed in the explanations provided above for "Interest and Investment Revenue" and "Operating and Capital Grants and Contributions".					
Cash Flows from Investing Activities	(17,206)	(60,083)	(42,877)	249.2%	U
*Greater than anticipated purchase of term deposit investments with maturities greater than 90 days. Overall total Investments as at 30 June have increased from \$26.5M to \$66.9M. The \$40.4M increase in "Long Term Deposits" was a result of taking advantage of more favourable interest rates being offered for longer dated investments.					
Cash Flows from Financing Activities	(368)	4,501	4,869	(1323.1%)	F
*Two loans were secured during 2013-14 that were not included in the original budget. \$3.5M was drawn down in Oct with interest rate fixed at 5.91% for the 10 year term of the loan. This loan is subsidised under the Local Government Infrastructure Renewal Scheme with an interest rebate of 3%. Funds will be used for Strathfield Triangle Civic Works. \$1.5M was drawn down in June 2014 with interest fixed at 5.24% for the 10 year term of the loan. Funds will be used for Stormwater Rehabilitation works in Concord.					

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	3,825	352	-	51	(2,356)	-	1,872	357	(2,229)	-	-
Parking	130	3	-	4	(6)	-	131	-	(131)	-	-
Open Space	7,033	1,566	396	180	(1,311)	-	7,468	680	(8,148)	-	-
Community Facilities	6,816	1,652	-	230	(767)	-	7,931	778	(8,709)	-	-
Administration	-	5	-	-	-	-	5	-	(5)	-	-
Community Infrastructure	-	46	-	1	-	-	47	-	(47)	-	-
Other	113	-	-	2	-	-	115	-	(115)	-	-
S94 Contributions - under a Plan	17,917	3,624	396	468	(4,440)	-	17,569	1,815	(19,384)	-	-
S94A Levies - under a Plan	206	1,590	-	13	(550)	-	1,259				-
Total S94 Revenue Under Plans	18,123	5,214	396	481	(4,990)	-	18,828				-
S93F Planning Agreements	8,341	7,335	-	420	(3,080)	-	13,016				
Total Contributions	26,464	12,549	396	901	(8,070)	-	31,844	1,815	(19,384)	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

Contribution Plan - Canada Bay

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	655	31	-	14	(202)	-	498	-	(498)	-	-
Parking - Victoria Road	47	3	-	1	(6)	-	45	-	(45)	-	-
Open Space	1,423	634	-	44	(325)	-	1,776	-	(1,776)	-	-
Community Facilities	775	189	-	25	(124)	-	865	-	(865)	-	-
Community Infrastructure	-	46	-	1	-	-	47	-	(47)	-	-
Administration	-	5	-	-	-	-	5	-	(5)	-	-
Total	2,900	908	-	85	(657)	-	3,236	-	(3,236)	-	-

CONTRIBUTION PLAN - Concord Area (Rhodes)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	3,033	316	-	34	(2,154)	-	1,229	357	(1,586)	-	-
Parking	62	-	-	2	-	-	64	-	(64)	-	-
Open Space	4,849	602	396	127	(986)	-	4,592	680	(5,272)	-	-
Community Facilities	5,159	587	-	151	(643)	-	5,254	663	(5,917)	-	-
Total	13,103	1,505	396	314	(3,783)	-	11,139	1,700	(12,839)	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Concord Area (Strathfield Triangle)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	137	5	-	3	-	-	145	-	(145)	-	-
Parking	21	-	-	1	-	-	22	-	(22)	-	-
Open Space	761	330	-	9	-	-	1,100	-	(1,100)	-	-
Community Facilities	274	156	-	23	-	-	453	-	(453)	-	-
Other	113	-	-	2	-	-	115	-	(115)	-	-
Total	1,306	491	-	38	-	-	1,835	-	(1,835)	-	-

CONTRIBUTION PLAN - Breakfast Point Community Enhancement

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	608	720	-	31	-	-	1,359	115	(1,474)	-	-
Total	608	720	-	31	-	-	1,359	115	(1,474)	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94A LEVIES - UNDER A PLAN

CONTRIBUTION PLAN NUMBER XX

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	206	1,590	-	13	(550)	-	1,259	-	-	-	-
Total	206	1,590	-	13	(550)	-	1,259				-

S93F PLANNING AGREEMENTS

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Strathfield Trianlge	488	-	-	12	-	-	500	-	(500)	-	-
Rhodes General	6,063	7,335	-	251	(2,701)	-	10,948	4,900	(15,848)	-	-
Canada Bay General	1,790	-	-	157	(379)	-	1,568	-	(1,568)	-	-
Total	8,341	7,335	-	420	(3,080)	-	13,016	4,900	(17,916)	-	-

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the Fund Years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the Company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

(iv) Other Guarantees

Council has guaranteed an amount of \$5,000 to Agility Management Pty Ltd as security for Contract Works relating to the permanent reinstatement of road, footpath and paved surfaces and associated

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

(iv) Other Guarantees (continued)

works in NSW. This guarantee was executed on 30 September 2004. Council has guaranteed an amount of \$10,000 to Jemena Asset Management (4) P/L as security for Contract Works relating to the permanent reinstatement of road, footpath and paved surfaces. This guarantee was executed on 24 January 2014.

2. Other Liabilities

(i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council

Council has classified a number of privately owned land parcels as Local Open Space or Bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (& subsequent land asset) from such potential acquisitions has not been possible.

(iv) Legal Matters

Council is defending proceedings in respect of a previous judgement handed down in the Court of Appeal on 1 April 2010 regarding lease and advertising signage.

Council was previously successful in defending the claim lodged by Phoenix Commercial Enterprises however the claim has now been lodged by the former Directors of that Company. The outcome of these current proceedings is expected to be known in November 2014.

Council is also defending a matter commenced by three related companies - Omayya Investments Pty Ltd, Omayya Holding Pty Ltd, and Arinson Pty Limited.

The matter concerns the related companies claiming a right to purchase 1A Chapman Street and /or easements over 1A Chapman Street. Judgement on this matter was handed down in May 2014. The plaintiff has since lodged an appeal against part of the judgement which will involve further expenditure by Council in defending the appeal.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2014	Actual 2013
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,941,387	1,921,276
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	(326)
d. Net Operating Result for the Year		18,802	20,437
Balance at End of the Reporting Period		<u>1,960,189</u>	<u>1,941,387</u>
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		1,590,844	1,535,946
Total		<u>1,590,844</u>	<u>1,535,946</u>
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		1,535,946	1,538,136
- Revaluations for the year	9(a)	54,898	(2,190)
- Balance at End of Year		<u>1,590,844</u>	<u>1,535,946</u>
TOTAL VALUE OF RESERVES		<u>1,590,844</u>	<u>1,535,946</u>
(iii) Nature & Purpose of Reserves			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.			

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2014	Actual 2013
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(c) Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

Correction of errors as disclosed in last year's financial statements:

As part of Council's revaluation cycle to measuring all its I,PP&E at Fair Values, Council last year revalued and brought to account Fair Values for the following Asset Classes:

- Buildings - Non-Specialised Asset Class
- Buildings - Specialised Asset Class

As part of that evaluation & measurement process, the remaining useful life of each asset was reassessed to actual.

This reassessment resulted in a material difference as to where some assets actually sat in with respect to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.

Council did not have sufficient and reliable information that would allow the restatement of information prior to 30/6/12 (the closing date for the comparative figures in last year's report).

As a result, Council adjusted the accumulated depreciation for the Asset Classes below as at 30/6/12 to reflect the correct value of accumulated depreciation;

Buildings - Non-Specialised (increase)/decrease to accumulated depreciation	63
Buildings - Specialised (increase)/decrease to accumulated depreciation	(389)

This adjustment resulted in a net increase / (decrease) in Council's Accumulated Surplus as at 30/6/12.

(d) Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 21. Financial Result & Financial Position by Fund

Council utilises only a General Fund for its operations.

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 23. Events occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2014) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 30/10/14.

Events that occur after the Reporting Period represent one of two types:

(i) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2014.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2014 and which are only indicative of conditions that arose after 30 June 2014.

Council is unaware of any material or significant "non-adjusting events" that should be disclosed.

Note 24. Discontinued Operations

Council has not classified any of its Operations as "Discontinued".

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 25. Intangible Assets

\$ '000	Actual 2014	Actual 2013
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	797	-
Accumulated Amortisation (1/7)	-	-
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	797	-
Movements for the year		
- Purchases	1,371	797
- Amortisation charges	(159)	-
Closing Values:		
Gross Book Value (30/6)	2,168	797
Accumulated Amortisation (30/6)	(159)	-
Accumulated Impairment (30/6)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>2,009</u>	<u>797</u>

¹ The Net Book Value of Intangible Assets represent:

- Software and IT System Development Costs	2,009	797
	<u>2,009</u>	<u>797</u>

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

City of Canada Bay

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

The Council measures the following assets and liabilities at fair value on a recurring basis.

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council:

30 June 2014	Note	Level 1 Active Market (\$000's)	Level 2 (\$) Significant observable inputs (\$000's)	Level 3 Significant unobservable inputs (\$000's)	Total (\$000's)
Investment properties	14	-	-	21,067	21,067
Infrastructure, Property, Plant and Equipment	9				
- Operational land		-	-	62,776	62,776
- Community land		-	-	2,035,112	2,035,112
- Land under roads		-	-	958,875	958,875
- Buildings (Specialised and non-specialised)		-	-	51,989	51,989
- Roads, Bridges, Footpaths		-	-	231,474	231,474
- Storm water drainage		-	-	55,273	55,273
- Swimming Pools		-	-	3,834	3,834
- Plant and Equipment				3,958	3,958
- Office Equipment				181	181
- Other Structures				41,915	41,560

The Council's financial assets relates to its investments in term deposits and floating rate notes. The information included under 6(b) is considered sufficient to meet the Fair Value disclosures requirements hence additional information is not included under this note.

The Council does not have any liabilities which are fair valued.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Valuation processes

Council's non-current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Division of Local Government. Further details of the revaluations policy is provided under note 1(j).

Level 3 measurements

Investment properties

On an annual basis, the Council engages external, independent and qualified valuers to determine the fair value of its investment properties. As at 30 June 2014, the fair values of the land and buildings have been determined by Liquid Pacific Valuers. Principal Valuer – Martin Burns, certified and chartered practicing valuer.

All investment property valuations are included in level 3 of the hierarchy. The value of investment property has determined using either using the capitalisation of rental income or with reference to value of similar properties within the area. The key unobservable input to the valuation is the rent or price per square metre. Further details have been provided below.

Buildings

Council engages external, independent and qualified valuers to determine the fair value of Council's buildings. Buildings were last revalued in the 30 June 2013 financial year and the fair values were determined by Liquid Pacific Valuers.

Gross Value of each building, which is obtained by applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. The key unobservable input being the rate square metre has been benchmarked to construction costs of similar properties across the industry.

Further details relating to the rate per square metre has been provided below.

Land (Operational, Community and Land under road)

The Council engages external, independent and qualified valuers to determine the fair value of the Council's Operational Land. Valuations for Community Land and Land under roads is performed by the Council's internal valuations team.

The fair value of land has been determined by referencing it to current prices in an active market for similar properties. Where such information is not available, current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences are considered. Appropriate adjustments are also made for the inherent features of the property such as fire-prone, flood zonings and usability of the land.

The fair value for Community land and Land under roads has been determined using a unit rate per square metre, derived from the Valuer General's valuation performed for rating purposes, and applying to the total area. Given the nature of Community land and Land under roads, comparable sales data is generally not available. As the Valuer General's valuation considers land in all zoning, average unit derived from Valuer's General's valuation is considered the most practicable approach to valuing Community Land and Land under roads.

Community land was last revalued at 30 June 2009. Land under Roads was revalued in the current year and Operational land was last revalued at 30 June 2013.

The key unobservable input to the valuation is the rate per square metre, for which, further details have been provided below

Infrastructure assets

Valuations for infrastructure assets are performed internally by the Council's internal engineering team. The gross value of the infrastructure assets are determined by unit rate to total volume which is normally square metres, cubic metres or lineal metres.

The unit rates, which is a key unobservable input, is determined using rates stipulated in contracts with third party suppliers. Infrastructure assets were last revalued at 30 June 2010.

City of Canada Bay

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

The information presented below on unobservable input has been limited to significant components of the infrastructure assets as it is impracticable to provide information for all components.

Reconciliation of movements

The items classified under level 3 are investment properties and property, plant and equipment (including infrastructure assets). The reconciliation of movements in these assets are presented under note 14 and 9 respectively.

Asset / Liability Category	Carrying amount (At fair value) (\$000's)	Key Unobservable inputs	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment Properties	21,067	Rate per square metre and rental rate per square metre	\$270 - \$6,500 per square metre \$485 - \$8,600 per square metre	Land Component. Building Component The higher the rate, the higher the fair value.
Infrastructure, Property, Plant and Equipment²				
- Operational land	62,776	Rate per square metre	\$270 - \$6,500 per square metre	The higher the rate, the higher the fair value. Significant variances in the rate per square metre is reflective of the inherent features of the land such as zoning and useability,
- Community land	2,035,112	Rate per square metre	\$979 per square metre – average	The higher the rate, the higher the fair value.
- Land under roads	958,875	Rate per square metre	\$234 per square metre – average	The higher the rate, the higher the fair value.
- Buildings (Specialised and non-specialised)	55,408	Rate per square metre	\$485 - \$8,600 per square metre	The higher the rate, the higher the fair value. Significant variances in the rate is reflective of the condition of the building, nature of the building and materials used to construct the building.
- Roads, Bridges, Footpaths	231,473	Rate per square metre or cubic metre	Car Parking - \$20 - \$100 per Square Metre Footpath- \$82 to \$116 per square metre	The higher the rate, the higher the fair value.

City of Canada Bay

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

Asset / Liability Category	Carrying amount (At fair value) (\$000's)	Key Unobservable inputs	Expected range of inputs	Description of how changes in inputs will affect the fair value
			Kerb & Gutter - \$113 per square metre - average Road Pavement - \$100 to \$800 per cubic metre Road Seal - \$10 to \$210 per square metre	
- Storm water drainage	55,273	Rate per lineal metre or unit	Conveyance - Pipe - \$98 to \$2,965 per Lineal Metre Conveyance - Box Culvert \$302 to \$4,488 per lineal Metre Node - \$1,700 to \$2,584 per item	The higher the rate, the higher the fair value.

Transfers between levels of the hierarchy

There were no transfers of assets and liabilities between the hierarchies.

Highest and best use

All of Council's non- financial assets are considered to being utilised for their highest and best use.

City of Canada Bay

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 28. Financial Review

\$ '000

Key Financial Figures of Council over the past 5 years (consolidated)

Financial Performance Figures	2014	2013	2012	2011	2010
Inflows:					
Rates & Annual Charges Revenue	45,367	42,924	41,000	39,224	37,583
User Charges Revenue	12,003	11,868	12,026	10,785	10,557
Interest & Investment Revenue (Losses)	2,744	3,525	3,049	1,528	1,120
Grants Income - Operating & Capital	5,605	8,515	6,229	6,682	6,134
Total Income from Continuing Operations	91,455	90,815	81,282	73,766	75,664
Sale Proceeds from I,PP&E	444	643	848	937	2,218
New Loan Borrowings & Advances	5,000	-	-	-	-
Outflows:					
Employee Benefits & On-cost Expenses	28,240	27,144	25,911	24,119	23,497
Borrowing Costs	114	51	94	135	178
Materials & Contracts Expenses	20,428	20,380	17,824	17,469	18,400
Total Expenses from Continuing Operations	72,653	70,378	68,361	61,163	58,963
Total Cash purchases of I,PP&E	20,056	16,320	8,313	9,588	12,677
Total Loan Repayments (incl. Finance Leases)	499	780	737	696	710
Operating Surplus/(Deficit) (excl. Capital Income)	1,278	2,694	(1,200)	427	(816)
Financial Position Figures	2014	2013	2012	2011	2010
Current Assets	74,557	60,740	50,788	33,344	21,969
Current Liabilities	23,771	21,433	21,083	19,675	18,620
Net Current Assets	50,786	39,307	29,705	13,669	3,349
Available Working Capital (Unrestricted Net Current Assets)	1,392	1,760	912	(1,039)	(1,522)
Cash & Investments - Unrestricted	10,175	7,253	8,987	7,035	5,144
Cash & Investments - Internal Restrictions	14,058	12,795	10,790	6,918	4,229
Cash & Investments - Total	70,394	55,796	45,731	29,051	17,487
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	4,869	368	1,148	1,885	2,581
Total Value of I,PP&E (excl. Land & Earthworks)	750,534	733,921	707,648	700,642	543,682
Total Accumulated Depreciation	327,885	318,192	291,334	278,560	176,972
Indicative Remaining Useful Life (as a % of GBV)	56%	57%	59%	60%	67%

Source: Published audited financial statements of Council (current year & prior year)

City of Canada Bay

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 29. Council Information & Contact Details

Principal Place of Business:

1A Marlborough Street
Drummoyne NSW 2047

Contact Details

Mailing Address:

Locked Bag 1470
Drummoyne NSW 2047

Opening Hours:

8:30am to 4:30pm
Monday to Friday

Telephone: 02 9911 6555

Facsimile: 02 9911 6550

Internet: www.canadabay.nsw.gov.au

Email: council@canadabay.nsw.gov.au

Officers

GENERAL MANAGER

Ms. Lisa Miscamble

RESPONSIBLE ACCOUNTING OFFICER

Mr. Bruce Cook

PUBLIC OFFICER

Mr. Bob Pigott

AUDITORS

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
GPO Box 2650
SYDNEY NSW 1171

Elected Members

MAYOR

Cr. Angelo Tsirekas

COUNCILLORS

Cr. Tanveer Ahmed
Cr. Mirjana Cestar
Cr. Tony Fasanella
Cr. Neil Kenzler
Cr. Helen McCaffrey
Cr. Michael Megna
Cr. Marian O'Connell
Cr. Pauline Tyrrell

Other Information

ABN: 79 130 029 350



The City of Canada Bay Council

Independent auditor's report to the Council – s417(2) Report on the general purpose financial statements

Report on the financial statements

We have audited the accompany financial statements of the City of Canada Bay Council, which comprise the statement of financial position as at 30 June 2014 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accompanying notes to the financial statements and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillors' responsibility for the financial statements

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993 and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial statements.

Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in notes 2(a) and 16 and the

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Projections disclosed in note 17 to the financial statements, nor the attached Special Schedules, and accordingly, we express no opinion on them.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditor's opinion:

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2 (the Division); and
- (b) the financial statements:
 - (i) have been presented, in all material respects, in accordance with the requirements of this Division
 - (ii) are consistent with the Council's accounting records
 - (iii) present fairly, in all material respects, the Council's financial position as of 30 June 2014 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written above the printed name.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', is written above the printed name.

Peter Buchholz
Partner

Sydney
30 October 2014



Private & Confidential
The Mayor
Councillor Angelo Tsirekas
City of Canada Bay
Locked Bag 1470
DRUMMOYNE NSW 1470

Dear Councillor Tsirekas

**Report on the conduct of the Audit for year ended 30 June 2014 –
Section 417(3)**

We have completed our audit of the financial reports of the Council for the year ended 30 June 2014, in accordance with Section 415 of the Local Government Act 1993.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial reports are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial reports are presented fairly in accordance with Australian Accounting Standards as well as statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

This report should be read in conjunction with our audit opinion on the general purpose financial statements provided under Section 417(2) of the Local Government Act 1993.

Flowing from our audit, there are a number of comments we wish to raise concerning the trends in Council's finances. These are set out below.

Operating result

Council's operating surplus declined from \$20 million in the previous year to \$19 million in the current period. The net operating result before Capital Contributions was a surplus of \$1.3 million against the previous year's \$2.7 million.

Cash position

Council's overall cash position improved from \$56 million to \$70 million during the period under review. The following table highlights the composition of cash.

	2014 \$m	2013 \$m
Externally restricted	46	36
Internally restricted	14	13
Unrestricted	10	7
Total	70	56

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Working capital

Council’s net current assets improved from \$39 million to \$51 million during the period under review. The value of net current assets needs to be adjusted in order to establish the available working capital position.

	2014 \$m	2013 \$m
Net current assets	51	39
Less: External restrictions	(46)	(34)
Internal restrictions	(14)	(13)
Add: Current liabilities deferred	12	11
Available working capital	3	3

The effective unrestricted or available working capital upon which Council could build its 2015 budget was \$3 million.

Performance indicators

The financial reports disclose of a number of indicators in Note 13 and these are detailed below:

	2014 %	2013 %
Operating Performance Ratio	(1)	(2)
Own Source Operating Revenue Ratio	76	74
Unrestricted Current Ratio	255	256
Debt Service Cover Ratio	1710	1062
Rates Outstanding Ratio	2.3	2.1
Cash Expense Cover Ratio	13	11

The Operating Performance Ratio improved but remained below the industry benchmark of 0%.

The Own Source Operating Revenue Ratio improved to 76% and remained above the industry benchmark of 60%.

The Unrestricted Current Ratio was stable and remained above the industry benchmark of 150%.

The Debt Service Cover Ratio is significantly better than the industry benchmark of 200%.

The Rates Outstanding Ratio increased but remained below the industry benchmark of 5%.

The Cash Expense Cover Ratio indicated that Council could continue to cover its operating costs for 13 months should cash inflows cease. This compares very favourably with the industry benchmark of 3 months.

Council is considered to be in a sound and stable financial position.



General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner. We thank the General Manager and his staff for the cooperation and courtesy extended to us during the course of our audit.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'P. L. Buchholz', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'P. L. Buchholz', written in a cursive style.

P L Buchholz
Partner
30 October 2014

Special Schedules



City of Canada Bay

Special Schedules

for the financial year ended 30 June 2014

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- Special Schedule No. 3	Water Supply Operations - incl. Income Statement	n/a
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¹ Special Schedules are not audited (with the exception of Special Schedule 9).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

City of Canada Bay

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	906	2	146	(758)
Administration	6,315	6,155	13,000	12,840
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	233	-	-	(233)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	2,341	3,675	-	1,334
Animal Control	-	43	-	43
Other	21	-	-	(21)
Total Public Order & Safety	2,595	3,718	-	1,123
Health	416	165	-	(251)
Environment				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	2,528	515	1,271	(742)
Solid Waste Management	10,441	13,448	-	3,007
Street Cleaning	2,389	-	-	(2,389)
Drainage	1,306	-	60	(1,246)
Stormwater Management	209	698	-	489
Total Environment	16,873	14,661	1,331	(881)
Community Services and Education				
Administration & Education	1,001	74	-	(927)
Social Protection (Welfare)	216	15	-	(201)
Aged Persons and Disabled	332	129	-	(203)
Children's Services	2,707	1,792	-	(915)
Total Community Services & Education	4,256	2,010	-	(2,246)
Housing and Community Amenities				
Public Cemeteries	-	-	-	-
Public Conveniences	510	-	-	(510)
Street Lighting	2,312	158	-	(2,154)
Town Planning	4,306	1,070	-	(3,236)
Other Community Amenities	312	593	-	281
Total Housing and Community Amenities	7,440	1,821	-	(5,619)
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

City of Canada Bay

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	4,329	280	-	(4,049)
Museums	33	-	-	(33)
Art Galleries	-	-	-	-
Community Centres and Halls	831	294	-	(537)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	809	136	-	(673)
Sporting Grounds and Venues	7,212	3,300	-	(3,912)
Swimming Pools	707	25	-	(682)
Parks & Gardens (Lakes)	2,963	351	-	(2,612)
Other Sport and Recreation	3,638	1,720	773	(1,145)
Total Recreation and Culture	20,522	6,106	773	(13,643)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	1,330	425	-	(905)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	1,330	425	-	(905)
Transport and Communication				
Urban Roads (UR) - Local	5,223	1,760	664	(2,799)
Urban Roads - Regional	507	-	-	(507)
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	-	-	-	-
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	28	-	-	(28)
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	29	-	-	(29)
Parking Areas	122	684	-	562
Footpaths	2,853	-	1,579	(1,274)
Aerodromes	-	-	-	-
Other Transport & Communication	2,077	48	10	(2,019)
Total Transport and Communication	10,839	2,492	2,253	(6,094)
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	1,161	488	21	(652)
Total Economic Affairs	1,161	488	21	(652)
Totals – Functions	72,653	38,043	17,524	(17,086)
General Purpose Revenues ⁽²⁾		35,888		35,888
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT ⁽¹⁾	72,653	73,931	17,524	18,802

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

City of Canada Bay

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2014

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	368	-	368	5,000	499	-	-	114	390	4,479	4,869
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	368	-	368	5,000	499	-	-	114	390	4,479	4,869
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	368	-	368	5,000	499	-	-	114	390	4,479	4,869

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Gross Book Value (GBV) ⁽⁴⁾	Assets in Condition as a % of GBV ^{(4), (5)}				
						1	2	3	4	5
Buildings	Council Offices / Administration Centres	-	295	303	14,479	0%	13%	87%	0%	0%
	Childcare Centre(s)	-	55	63	8,201	0%	67%	33%	0%	0%
	Community Centres	-	173	205	28,919	53%	24%	24%	0%	0%
	Leased/Commercial	-	24	40	10,762	39%	46%	15%	0%	0%
	Operational	-	554	284	8,162	0%	4%	96%	0%	0%
	Parks	125	463	483	29,732	19%	30%	50%	2%	0%
	Public Toilets	9	7	11	2,251	0%	6%	93%	2%	0%
	Leisure Centre	-	58	52	7,901	0%	100%	0%	0%	0%
	sub total	134	1,629	1,441	110,407	22.7%	32.9%	43.9%	0.6%	0.0%
Other Structures	Marine - Structures	122	19	9	3,738	45%	27%	22%	0%	6%
	Marine - Sea Walls	9,649	71	38	96,580	29%	7%	29%	30%	4%
	Parks - Civil/Landscaping	131	163	184	10,474	51%	22%	22%	5%	0%
	Parks - Furniture/Monuments etc	41	81	55	8,716	63%	18%	19%	0%	1%
	Parks - Playgrounds	-	116	89	1,182	90%	10%	0%	0%	0%
	Parks - Playing Courts	-	6	27	1,345	82%	17%	1%	0%	0%
	Parks - Playing Fields etc	-	181	356	8,041	47%	52%	1%	0%	0%
	sub total	9,943	637	758	130,076	36.0%	12.6%	25.1%	22.7%	3.6%

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Gross Book Value (GBV) ⁽⁴⁾	Assets in Condition as a % of GBV ^{(4), (5)}				
						1	2	3	4	5
Roads	Sealed Roads Surface	265	845	1,233	45,036	40%	37%	20%	2%	0%
	Road Pavement	477	-	-	167,605	52%	32%	16%	1%	0%
	Bridges	32	-	-	6,805	8%	62%	29%	0%	1%
	Footpaths/Cycleways	1,136	1,314	1,059	60,262	15%	10%	68%	7%	0%
	Kerb and Gutter	2,068	118	166	44,096	9%	12%	62%	15%	2%
	Roadside Assets		320	325	-	74%	11%	14%	1%	
	Road Structures	10	167	114	3,455	66%	13%	20%	1%	0%
	Traffic Facilities	340	462	402	13,325	12%	21%	58%	7%	2%
	sub total	4,328	3,226	3,299	340,584	35.8%	26.2%	33.4%	4.3%	0.4%
Stormwater Drainage	Drainage Reticulation	4,442	297	195	106,476	9%	45%	31%	16%	1%
	Environmental Quality Devices	-	21	28	3,455	100%	0%	0%	0%	0%
	sub total	4,442	318	223	109,931	11.6%	43.1%	29.6%	15.1%	0.6%
Open Space/	Swimming Pools	20	178	236	4,890	51%	4%	44%	2%	0%
	sub total	20	178	236	4,890	50.6%	3.6%	44.2%	1.6%	0.0%
TOTAL - ALL ASSETS		18,867	5,988	5,957	695,888	30.0%	27.2%	33.0%	8.8%	0.9%

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2014

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Gross Book Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). **Infrastructure Asset Condition Assessment "Key"**

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

City of Canada Bay

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2014

\$ '000	Amounts	Indicator	Prior Periods	
	2014	2014	2013	2012
Infrastructure Asset Performance Indicators Consolidated				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) ⁽¹⁾	<u>9,937</u>	126.75%	0.90	40.04%
Depreciation, Amortisation & Impairment	<u>7,840</u>			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	<u>18,867</u>	0.03	0.06	0.09
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	<u>695,888</u>			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	<u>5,957</u>	0.99	1.05	1.08
Required Asset Maintenance	<u>5,988</u>			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	<u>18,944</u>	1.71	1.43	0.77
Annual Depreciation	<u>11,087</u>			

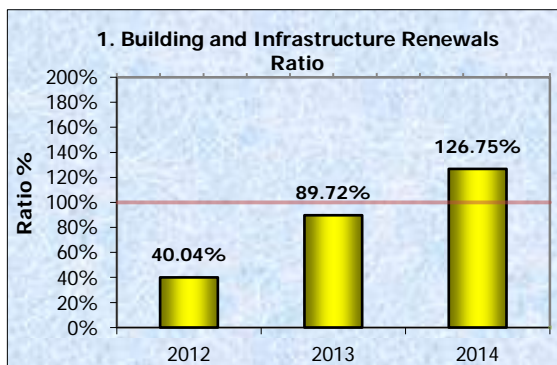
Notes

⁽¹⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

⁽²⁾ Gross Book Value

City of Canada Bay

Special Schedule No. 7 - Report on Infrastructure Assets (continued) for the financial year ended 30 June 2014



— Minimum 100.00%

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

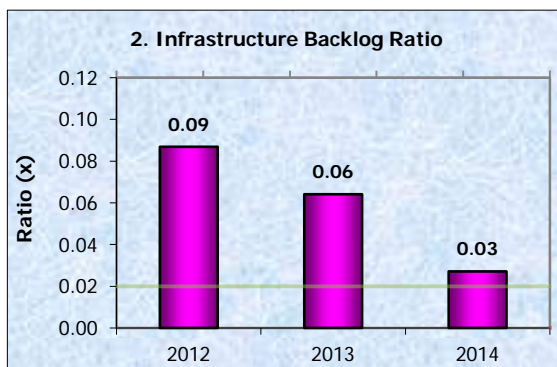
Purpose of Asset Renewals Ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2013/14 Result

2013/14 Ratio 126.75%

Council has commenced a strategic asset management programme to effectively manage Council's assets. Renewal Expenditure at levels in excess of benchmark are planned and address the legacy infrastructure backlog.



— Maximum .02

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

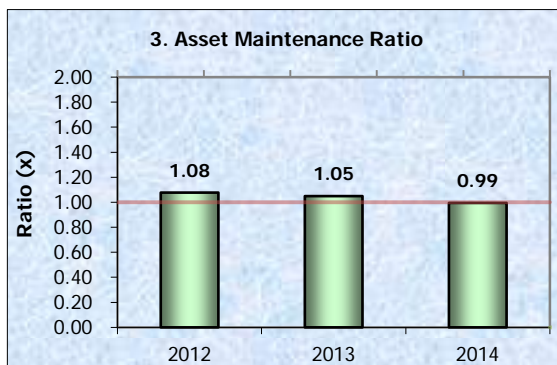
Purpose of Infrastructure Backlog Ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2013/14 Result

2013/14 Ratio 0.03 x

Council's strategic asset management programme is effectively addressing the backlog. Increasing investment in Infrastructure renewal is expected to bring the backlog ratio to benchmark in 2014/15.



— Minimum 1.00

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

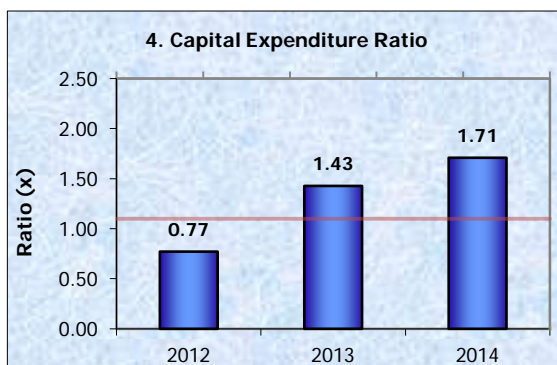
Purpose of Asset Maintenance Ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

Commentary on 2013/14 Result

2013/14 Ratio 0.99 x

Council has commenced a strategic asset management programme to effectively manage Council's assets.



— Minimum 1.10

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

Commentary on 2013/14 Result

2013/14 Ratio 1.71 x

The Capital Expenditure Ratio is well above benchmark which is as a result of Council's commitment to increase investment in the renewal of existing infrastructure assets along with providing new community assets to meet the needs of an increasing population.

City of Canada Bay

Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual ⁽¹⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23	Forecast ⁽³⁾ 23/24
(i) OPERATING BUDGET											
Income from continuing operations	91,455	83,813	82,567	86,550	92,495	95,073	100,357	101,099	103,658	106,308	109,439
Expenses from continuing operations	72,653	76,494	77,941	80,482	83,846	86,615	89,493	92,699	95,273	98,352	101,551
Operating Result from Continuing Operations	18,802	7,319	4,626	6,068	8,649	8,458	10,864	8,400	8,385	7,956	7,888
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	2,559	11,500	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343
Replacement/Refurbishment of Existing Assets	16,385	13,778	13,356	9,689	15,179	14,490	19,210	19,916	20,368	20,831	21,321
Total Capital Budget	18,944	25,278	15,356	11,729	17,260	16,612	21,375	22,124	22,620	23,128	23,664
Funded by:											
– Loans	-	2,000	1,000	1,000	1,000	-	-	-	-	-	-
– Asset sales	444	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
– Reserves	13,896	15,510	7,520	5,082	9,049	9,271	13,899	14,511	14,866	15,229	15,603
– Grants/Contributions	4,579	2,194	3,536	2,307	3,830	3,919	4,011	4,105	4,202	4,302	4,418
– Recurrent revenue	25	4,274	-	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343
– Other	-	-	-	-	-	-	-	-	-	-	-
	18,944	25,278	13,356	11,729	17,260	16,612	21,375	22,124	22,620	23,128	23,664

Notes:

(1) From 13/14 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

City of Canada Bay

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2015

\$'000		Calculation 2013/14	Calculation 2014/15
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	33,042	32,866
Plus or minus Adjustments ⁽²⁾	b	(1,087)	714
Notional General Income	c	31,955	33,580
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
or Rate peg percentage	e	3.40%	2.30%
or Crown land adjustment incl. rate peg percentage	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = c x d	-	-
or plus Rate peg amount	i = c x e	1,086	772
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	33,041	34,352
plus (or minus) last year's Carry Forward Total	l	3	178
less Valuation Objections claimed in the previous year	m	-	-
sub-total	n = (l + m)	3	178
Total Permissible income	o = k + n	33,044	34,531
less Notional General Income Yield	p	32,866	34,525
Catch-up or (excess) result	q = o - p	178	6
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	-	-
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	t = q + r - s	178	6

Notes

- ¹ The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- ² Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- ³ The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- ⁴ Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- ⁵ Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.



The City of Canada Bay Council

Independent auditor's report Report on the Special Schedule No. 9

Report on the Special Schedule No. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of the City of Canada Bay Council ("the Council") for the year ended 30 June 2015.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers, ABN 52 780 433 757

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Audit Opinion

In our opinion, Special Schedule No. 9 of the City of Canada Bay Council for the year ended 30 June 2015 is properly drawn up in all material respects in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Restriction on distribution

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the council and the Division of Local Government.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

Peter Buchholz
Partner

Sydney
30 October 2014

