



2012-2013 SIX-MONTH REPORT

July to December 2012

*Reporting on the Implementation of the 2012-2013 Operational Plan
(Year 3 of the Council's 2010-2013 Delivery Program)*



2012-2013 Six-Month Report



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ABOUT THIS REPORT

The provisions of Integrated Planning and Reporting under the *Local Government Act 1993* require that reports are provided to the Council on the progress in implementing the Delivery Program and Operational Plan as follows:

- Budget review statement (quarterly);
- Delivery Program progress report (6-monthly); and
- Annual report including audited financial reports (within 5 months of the end of each financial year).

This report provides the legislatively required budget review statement, as well as highlighting key achievements and any other issues to note for Quarter 2 of 2012-2013 (July to December 2012).

The Purpose of Quarterly / Six-Monthly Reports

Quarterly and Six-Monthly Reports have been designed:

- To meet legislative requirements (transparency and accountability);
- To provide a practical assessment of how the Council is tracking overall – whether we are delivering against our commitments on time and within budget; and
- To demonstrate results / achievements and to formally document any issues that arise that impact on service delivery commitments.

How the Council will be assessing progress in 2012-2013

Budget Review Statement

The budget review statement must include details on the general financial position of the Council and if this position is regarded as unsatisfactory, also include recommendations for remedial action. The budget review statement will be provided to the Council as follows:

- Quarter 1 (July to September 2011) – reported in November 2012
- Quarter 2 (October to December 2011) – reported in February 2013
- Quarter 3 (January to March 2013) – reported in May 2013
- Quarter 4 (April to June 2013) – reported in August 2013

Delivery Program and Operational Plan progress report

The method for assessing progress in implementing the Council's *Delivery Program and Operational Plan* includes:

- Qualitative Community Survey – used to measure perceptions of key stakeholders on service performance results (reported at the end of the financial year)
- Quantitative asset based measures – used to measure actual improvement in built asset condition e.g. roads, footpaths, pools (reported at the end of the council term)
- Action / project progress – tracking whether actions / projects are being delivered as planned on time and within budget
- Other service measures – used to measure specific “on the ground” results achieved by different services (reported at the end of the financial year)
- Quantitative Quadruple Bottom Line (QBL) measures – used to measure Council's environmental, social, financial and governance performance against the sixth Principal Activity of Civic Leadership – Good Government (reported at the end of the financial year)

Progress on the implementation of the 2010-2013 Delivery Program and 2012-2013 Operational Plan will be provided to the Council as follows:

- First six months (July to December 2012) – reported in February 2013
- Final six months (January to June 2013) – reported in August 2013

SUMMARY OF PROGRESS

Major Project Milestones

Major Projects are those one-off projects that have a significant capital component and / or requires significant financial / staff resources / community consultation usually over more than one financial year. As at 31 December 2012:

- **100%** of Major Project milestones for 2012-2013 were on target / completed as planned (refer to page 10).

Capital Works Projects

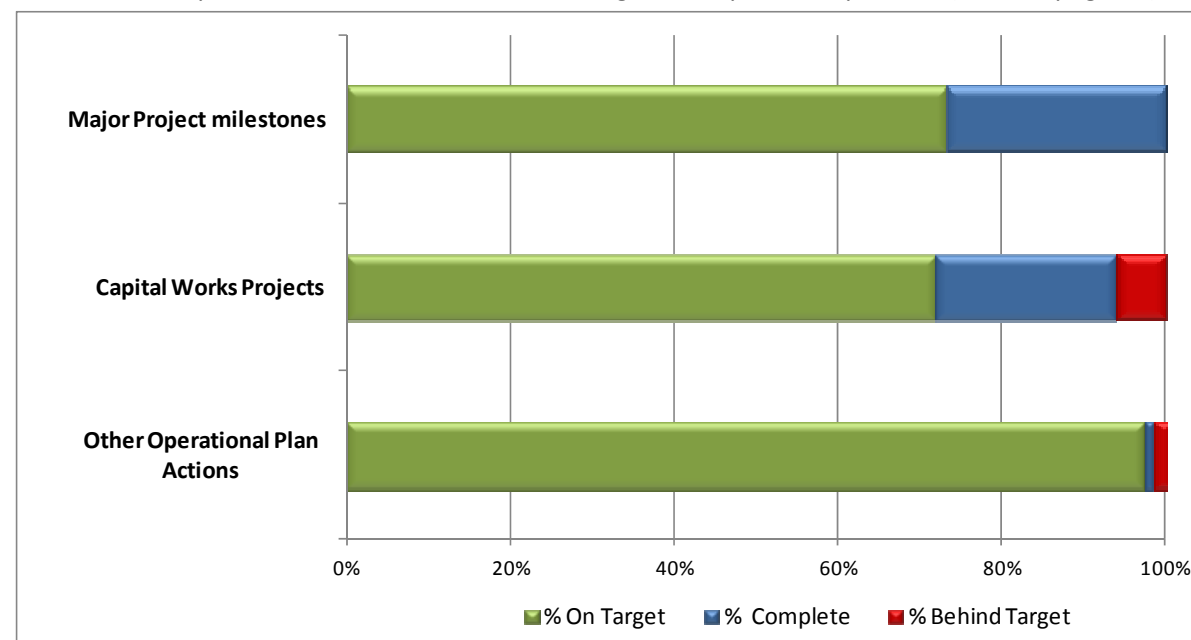
Capital projects are those projects that involve the planning and construction of new built assets or the improvement of existing built assets, such as footpaths, signage, roads and community halls. As at 31 December 2012:

- **94%** of Capital Works Program projects were on target / completed as planned (including Major Project milestones with a capital component) (refer to page 13).

Other Operational Plan Actions

The Council has committed to delivering a wide range of actions and projects through its service delivery commitments. As at 31 December 2012

98% of other Operational Plan actions were on target / completed as planned (refer to page 23).

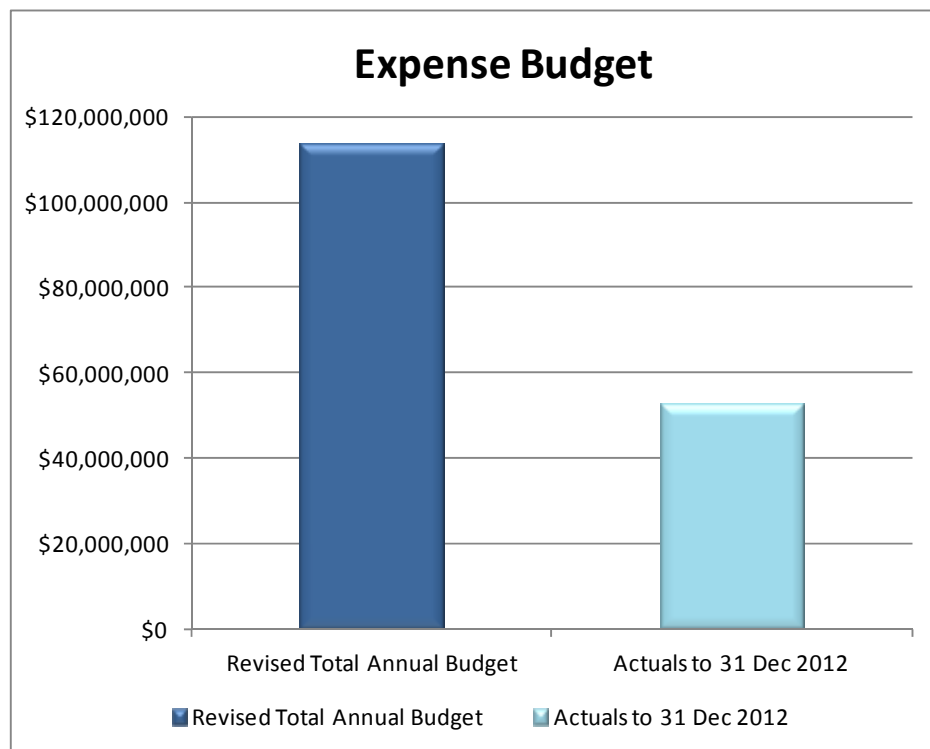


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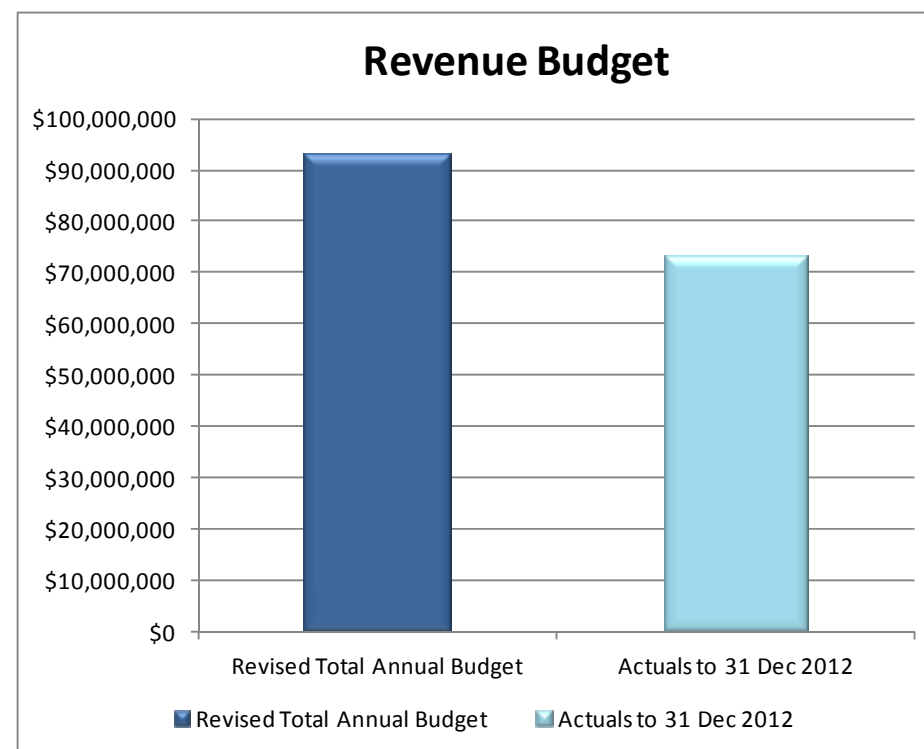
Budget Summary

The following graphs provide a summary of how the Council is tracking in terms of the operating expenditure and revenue.



- Includes depreciation

As at 31 December, **47%** of the Council's budget has been expended.



- Includes capital grants and contributions

As at 31 December, **79%** of the Council's income has been received.

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THE SERVICES PROVIDED BY COUNCIL

LOOKING AFTER ENVIRONMENT



Services

- Environmental Sustainability
- Waste Resource Management
- Water Resource Management

USING LAND AND MOVING AROUND



Services

- Burials and Ashes Placement
- Land Use Management
- Town Centres
- Transport and Public Access

LOOKING AFTER PEOPLE



Services

- Child Care
- Community Development
- Cultural Development
- Environmental Health and Regulatory Compliance
- Emergency Management
- Libraries and Information
- Sport and Recreation

SUSTAINABLE ECONOMY



Services

- Economic Development and Tourism

PROVIDING GOOD GOVERNMENT



Services

- Asset Planning
- City-wide Strategic Planning
- Corporate Strategic Planning and Reporting
- Financial Management
- Governance and Risk
- People and Safety

Other internal services supporting external service delivery include Central Warehousing and Purchasing, Customer Service, Fleet, Information Solutions, Operational Buildings, Facilities and Property

Some services contribute to multiple Key Direction goals. They are represented here under the primary Key Direction.

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SERVICE HIGHLIGHTS

LOOKING AFTER ENVIRONMENT

Environmental Sustainability: At the 6 November 2012 Council Meeting, the Council resolved that Blue Mountains City Council, as a city within a World Heritage National Park, opposes [recreational hunting in national parks](#) in NSW.

Environmental Sustainability: At the 27 November 2012 Council Meeting, the Council resolved to oppose all current or proposed [coal seam gas](#) exploration and mining practices anywhere in the Greater Blue Mountain area, including the Blue Mountains World Heritage Area and the Blue Mountains Local Government Area, because of the unacceptable risks to our water catchments, groundwater, agricultural industries, natural environment and human health.

Waste Resource Management: The process for developing a long term [Waste Strategy](#) was presented to the 16 October 2012 Council Meeting. The Waste Strategy is currently being updated with the following objectives:

- Provide a framework for waste disposal beyond 2030, including strategies to extend the life of the current landfill;
- Achieve environmentally sustainable outcomes including reducing carbon emissions, odour, leachate and other local environmental impacts;
- Provide the most economically sustainable framework possible in providing the Waste Resource Service, including reducing Council's liability to pay the NSW Waste & Environment Levy and Carbon Pricing Mechanism;
- Provide a strategic direction that engenders high community subscription and support.

Water Resource Management: The Council approved the establishment of the [South Lapstone, South Glenbrook and South Blaxland Floodplain Risk Management Advisory Committee](#) at the 16 October 2012 Council Meeting. Under the NSW State Guidelines, each Floodplain Risk Management Plan requires a Management Advisory Committee to be established to provide advice to the Council on the appropriate approach for the floodplain risk management process.

LOOKING AFTER PEOPLE

Child Care: Through [Family Day Care](#), all Family Day Care educators obtained specific asthma and anaphylaxis training by 1 January 2012 as required by the National Regulations.

Community Development: The Council adopted the [Action Plan – Options to Reduce Youth Alcohol Related Harm in the Blue Mountains](#) – at the 27 November 2012 Council Meeting. Its emphasis is on a coordinated approach involving strong local collaborative partnerships. The Action Plan advocates for a whole-of-Government and whole-of-community approach, involving stronger coordination between all three tiers of government and the local community. It has a harm minimisation approach which accepts that alcohol use occurs and does not aim to eliminate the use of alcohol but, rather, reduce the harm which may result from its use. Harm minimisation encompasses a range of strategies for dealing with safer and minimal use of alcohol.

Community Development: The Mayor hosted the [White Ribbon Day Breakfast](#) event on 26 November 2012 which aims to raise awareness of violence against women. It provided an opportunity for all members of the community to come together and take a stand on this issue. The White Ribbon Day Breakfast was a partnership between the Mayor, Blue Mountains City Council and the Blue Mountains Coalition Against Violence and Abuse.

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Cultural Development: The [Blue Mountains Cultural Centre](#) was officially opened on 3 November 2012 by Premier of NSW Barry O'Farrell. The Cultural Centre was opened to the public on 17 November 2012 with over 6,500 people attending the launch day. Public response to the Cultural Centre and its operations has been overwhelmingly positive with high attendance rates to the inaugural exhibition and World Heritage Interpretive Centre. Over 700 memberships have been taken since opening.



The new Blue Mountains Cultural Centre.

Cultural Development: The [Gully Aboriginal interpretive walk](#) was completed. After a major review of the track design and interpretive themes in 2011, the project is now complete. It provides a compelling and sensitively presented insight into Aboriginal connection to land through the story of The Gully community with the walk being an exciting addition to the City's cultural and nature-based tourism experiences.

Libraries and Information: The [new Katoomba library](#) opened on 17 November 2012 with over 2,600 people through the door on the first day.



The new Katoomba library.

Libraries and Information: As part of the 2012 National Year of Reading, Blue Mountains City Council Library held a children's [Book Cover Art Competition](#) where children were asked to re-imagine the cover of one of their favourite books. Presentations were made to the winners of the competition in December 2012.

Sport and Recreation: A dividing curtain was installed in the sports courts at [Katoomba Aquatic and Sports Centre](#) enabling multiple sports to be played simultaneously.

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USING LAND AND MOVING AROUND

Transport and Public Access: In partnership with Lithgow City Council, the Council hosted a **Motorcycle Awareness Week** event on the 27 October 2012. The event featured a free BBQ breakfast at Wentworth Falls Lake, followed by a group ride to Lithgow. Motorcyclists were then treated to morning tea at Club Lithgow, hosted by the Lithgow Ulysses Club and Lithgow City Council. Following morning tea, riders made their way to Katoomba RSL for lunch and a Show and Shine motorcycle display. Over 75 motorcyclists participated in the event which allowed more experienced riders a chance to share their skills and knowledge with newer riders, while at the same time providing a safe environment for all riders. The event also provided an opportunity to increase motorcycle rider awareness amongst other car, bus and truck drivers on our busy roads.



Motorcycle Awareness Week.

Transport and Public Access: The Council completed the early stages of **footpath replacement in Katoomba** town centre from Froma Lane, Katoomba Street, around to the Yeaman Bridge pedestrian crossing, Bathurst Road. The new footpath has been matched with a reseal of the road at the Katoomba Street and Bathurst Road intersection. Vibrant new street banners were also installed offering Season's Greeting, depicting the distinctive Blue Mountains landscape with festive sparkles for the Christmas / New Year period. Springwood, Wentworth Falls and Glenbrook are also sporting the new banners.

SUSTAINABLE ECONOMY

Economic Development and Tourism: Works at the **Glenbrook Visitor Information Centre** to improve the presentation of the facility were completed.

PROVIDING GOOD GOVERNMENT

City-wide Strategic Planning: A draft version of the **Standard Instrument Local Environment Plan** was tabled with the Department of Planning on 21 December 2012. A high level of agreement was reached on key provisions with the Sydney Region West team from the Department.

Corporate Strategic Planning and Reporting: The Council's **2011-2012 Annual Report** and **2008-2012 State of City Report** were completed, providing important information to the community about what's been achieved in the City. These reports are available on the Council's website at www.bmcc.nsw.gov.au/yourcouncil/integratedplanningforservices/20102013downloads

Financial Management: The audited **Annual General Purpose and Special Purpose Financial Statements** for the year ended 30 June 2012 were presented to the Council at the 6 November 2012 Council Meeting, pursuant to Section 419 of the Local Government Act 1993.

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Financial Management: The Council endorsed the following **financial strategies** for inclusion within the Council's Long Term Financial Plan (LTFP):

- Strategy 1- Minimise the impact of financial shocks;
- Strategy 2 - Balance the budget;
- Strategy 3 - Manage debt responsibly;
- Strategy 4 - Increase income;
- Strategy 5 - Adjust services so that we are living responsibly within our means; and
- Strategy 6 – Advocacy and partnerships that support achievement of the LTFP.

People and Safety: The Council's **Employee Survey** was completed with overall staff satisfaction with the Council as an employee rating at a very positive 77.3%.

ISSUES TO NOTE

Special Variation to Rates: At the 6 November 2012 Council Meeting, the Council approved the commencement of consultation with the community on the possible continuation of the current special variation to rates for infrastructure. The continuation of the existing infrastructure variation is a very important component of the overall strategy and plan for improving the Council's and the City of Blue Mountains long term financial sustainability.

Environmental Planning Policy and Environmental Planning and Assessment (EP&A) Act: The Department of Planning and Infrastructure released for public comment, proposed changes to State Environmental Planning Policy (Exempt & Complying Development Codes) 2008 and the EP&A Regulations. The Draft Bills are complex and comprise 161 pages in total. The proposed changes come on top of the reviews of the Local Government Act and NSW Planning system that are presently underway and the State Government's directive to Blue Mountains City Council in

relation to the conversion of LEPs 2005 and 1991 into the Standard Instrument. Council staff Officers will continue to review the Draft Bills and lodge a submission.

Standard Instrument Local Environment Plan: Further to the NSW Government's requirement considered at the 7 August 2012 Council Meeting, that the Council commit to a timetable to implement the Standard Instrument Local Environment Plan (SILEP) by mid 2013, a number of matters have been progressed. At the 16 October 2012 Council Meeting, the Council resolved to continue to seek support from both Local Members of the NSW Parliament to make representations to the Minister for Planning and Infrastructure to ensure the community values for the Blue Mountains are retained and reflected within its primary planning policy (Local Environmental Planning Instruments). The Council has been involved with ongoing negotiations with the Department with the aim of retaining, as far as possible, the core provisions of Blue Mountains LEP 2005.

The outcomes of a meeting between Council staff and officers from the Department of Planning and Infrastructure, regarding Council's ability to prepare a SILEP, were also presented to the 16 October 2012 Council Meeting. A first draft SILEP was received from the Department on 26 November 2012, and was reviewed by relevant Council staff.

As already advised, significant resources are required to undertake the SILEP conversion within the timetable required by the Planning Minister. This has led to the deferral of a number of planning projects, to enable staff to be allocated to the SILEP project. The Council endorsed as part of this process, that Council cease to accept spot rezoning applications lodged after 11 December 2012 and that instead any such requests are processed as part of the conversion to the SILEP. A report back to Council on the draft SILEP progress will be provided in March 2013.

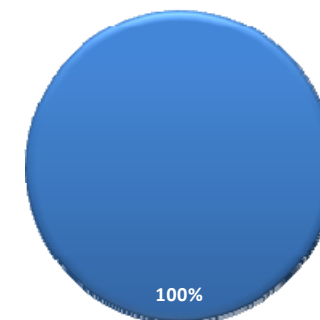
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MAJOR PROJECTS

The Council is delivering a number of Major Projects during 2012-2013. Major Projects are those one-off projects that have a significant capital component and / or requires significant financial / staff resources / community consultation usually over more than one financial year.

100% of Major Project Milestones were On Target / Completed as at 31 December 2012.



■ Actions On Target / Complete ■ Actions Behind Target

The table following table presents the details for the Major Project Milestones as at 31 December 2012.

Service	Major Project	Major Project Milestones 2012-2013	Status at 31 Dec 2012	Comment	Capital Budget*	Capital Expenditure to 31 Dec 2012
Community Development Cultural Development	Springwood Community and Cultural Facilities Upgrade	Continue detailed design, construction documentation, seek development approval and tenders for construction of the Springwood Community and Cultural Facilities Upgrade project (W949)	On Target	Development assessment report considered by Joint Regional Planning Panel and consent issued. The tender documentation for the Springwood Community and Cultural Facilities upgrade was completed. The detailed design for the upgrade of the Integral Energy building was completed.	\$4,370,000	\$765,625
		Upgrade Integral Energy Building to manage displaced users during the upgrade of community facilities in Springwood (with ultimate use of the building by community organisations) (W028-580)	On Target			
City-wide Strategic Planning	Prepare Comprehensive City-wide Local Environment Plan (LEP)	Continue Consolidated DCP Review	On Target	These milestones are now being implemented in the context of the direct conversion to the Standard Instrument Local Environment Plan (SILEP). A draft version of the SILEP was tabled with the	NA	NA
		Continue review of key issues for Consolidated LEP	On Target			
		Continue mapping for Consolidated LEP	On Target			

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Service	Major Project	Major Project Milestones 2012-2013	Status at 31 Dec 2012	Comment	Capital Budget*	Capital Expenditure to 31 Dec 2012
		Continue Draft Consolidated LEP instrument	On Target	Department of Planning on 21 December 2012. A high level of agreement was reached on key provisions with the Sydney Region West team from the Department.		
		Conduct, compare and contrast between LEP 1991 and LEP 2005 on definitions, objectives, clauses and schedules	On Target			
		Continue conversion of LEP 4 lands to 1991/2005 LEP	On Target			
Cultural Development Libraries and Information Transport and Public Access	Blue Mountains Cultural Centre, New Katoomba Library and Mixed Use Development Project	Construction of Blue Mountains Cultural Centre - \$150,000 (W925-100, W935-105, W935-204 and W925-200)	Complete	The Blue Mountains Cultural Centre was officially opened on 3 November 2012 by Premier of NSW Barry O'Farrell. The Cultural Centre was opened to the public on 17 November 2012 with over 6,500 people attending the launch day. Public response to the Cultural Centre and its operations has been overwhelmingly positive with high attendance rates to the inaugural exhibition and World Heritage Interpretive Centre.	\$1,761,188	\$1,488,088
		Enact a Stratum Building Management Agreement	Complete			
		Sign-off on completion of the Blue Mountains Cultural Centre build and fit-out and monitor / break-in major plant and equipment in the first year of operations	On Target			
		Establish the next phase of Governance for the Blue Mountains Cultural Centre to ensure sound and strategic directions for ongoing operations	On Target			
		Conversion of old library to community hall – \$500,000 (W935-104)	On Target	This project was rescoped and will now be delivered over 2012-2013 and 2013-2014. It is recommended that some budget be transferred to 2013-2014.	\$1,145,263	\$985,420
		Complete laneway connections - \$500,000 (W935-504, W935-106)	Complete		\$1,699,010	\$631,974

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Service	Major Project	Major Project Milestones 2012-2013	Status at 31 Dec 2012	Comment	Capital Budget*	Capital Expenditure to 31 Dec 2012
		Complete Katoomba Library construction and fit-out (W935-304 and W935-404) and plan for opening	Complete	The new Katoomba library opened on 17 November 2012 with over 2,600 people through the door on the first day.	\$1,712,321	\$1,770,206
Waste Resource Management	Upgrade Blaxland Resource Recovery and Waste Management Facility	Upgrade facilities (W922-100 and W922-110)	On Target	Cell excavation and lining works have been completed. The contractor, Theiss, has been appointed for design and construction of works.	\$3,206,106	\$424,176
Town Centres	Lawson Town Centre Redevelopment	Final works to complete the construction of footpaths, street trees and urban design treatments around the newly built shops including public art (W934-103 and W934-104)	NA	This project cannot commence until the completion of the shop construction.	\$1,054,311	\$3,327
TOTAL					\$14,948,199	\$6,068,816

*Includes budget carried over from 2011-2012 and recommended / adopted variations.

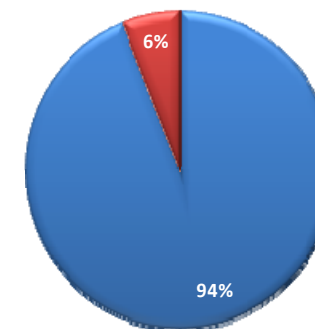
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CAPITAL WORKS PROGRAM

Capital projects are those projects that involve the planning and construction of new built assets or the improvement of existing built assets, such as footpaths, signage, roads and community halls.

94% of Capital Works Program projects were On Target / Completed as at 31 December 2012.



■ Actions On Target / Complete ■ Actions Behind Target

The following table presents the details for the Capital Works Program projects as at 31 December 2012. The table includes those capital projects that are funded by the special variation (highlighted in blue text).

Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Providing Good Government					
<i>Operational Buildings, Facilities and Property</i>	Council Headquarters Carpet Replacement - Level 2 and Lower Ground Floor (W028-210)	On Target		\$150,000	\$0
<i>Operational Buildings, Facilities and Property</i>	Council Buildings - Sustainability Initiatives (W028-240) <i>This project includes funds carried over from 2011-2012.</i>	On Target		\$315,183	\$58,367
<i>Operational Buildings, Facilities and Property</i>	Lock Replacement and Master Key System to Council-owned Building Portfolio (W028-280) <i>This project includes funds carried over from 2011-2012.</i>	Complete		\$14,554	\$2,147
<i>Operational Buildings, Facilities and Property</i>	Hat Hill Road, Blackheath Property Development	On Target		\$0	\$91,095

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Operational Buildings, Facilities and Property	Heatherbrae House Improvements - Stage 1 (W028-520)	Behind Target	This project was delayed due to budget issues. The project has been rescoped and will commence in early 2013 and will be completed by the end of the financial year.	\$325,000	\$15,308
Looking After Environment					
Water Resource Management	Drainage - Bonton Street Springwood – new drainage pipeline (W819-170) <i>This project was carried over from 2011-2012.</i>	Complete		\$100,000	\$0
Water Resource Management	Drainage - Falcon Street Hazelbrook – replace pipe (W819-200) <i>This project is funded by the special variation. This project was carried over from 2011-2012.</i>	Behind Target	This project was delayed due to the need for an additional drainage study. The project brief is still being developed. The project is planned to be completed this financial year.	\$110,000	\$0
Water Resource Management	Drainage condition inspection - CCTV Camera System (W819-210) <i>This project was carried over from 2011-2012.</i>	Complete		\$89,329	\$80,933
Using Land and Moving Around					
Burials and Ashes Placement	Springwood and Blackheath Cemetery Additional Burial Areas (W596-140) <i>This project was carried over from 2011-2012.</i>	Complete		\$0	\$550

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Burials and Ashes Placement	Upgrade drains at Katoomba Cemetery (W596-150)	Behind Target	A consultant report was not received as planned. The consultant investigation is now underway with the scope of works to be determined once the outcome from the consultant investigation is received.	\$16,000	\$0
Burials and Ashes Placement	Upgrade signs and burial areas at Lawson Cemetery (W596-160)	On Target		\$16,000	\$0
Burials and Ashes Placement	Upgrade signs and burial areas at Springwood Cemetery (W596-170)	On Target		\$16,000	\$1,181
Town Centres	Public Toilet Construction Hazelbrook Town Centre (W028-330) <i>This project was completed in 2011-2012 with final payments made in 2012-2013.</i>	Complete	This project was completed in 2011-2012 with final payments made in 2012-2013.	\$0	\$304
Town Centres	Leura Town Centre Toilets Upgrade (W028-430) <i>This project includes funding carried over from 2011-2012.</i>	On Target		\$500,480	\$174,139
Town Centres	Public Toilet Refurbishment and Refit – Blaxland, Glenbrook, Mount Riverview (W028-570) <i>This project is funded by the special variation.</i>	On Target		\$50,001	\$0
Town Centres	Katoomba Street Partial Footpath Upgrade (W463-340) <i>This project is funded by the special variation.</i> <i>This project includes funding carried over from 2011-2012.</i>	Complete		\$486,000	\$140,586

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Town Centres	Pioneer Place, Katoomba - Public Infrastructure Works (W732-152)	On Target	This project will be delivered over 2012-2013 and 2013-2014. It is recommended that some budget be transferred to 2013-2014.	\$389,000	\$0
Town Centres	Wayfinding Signage - Pedestrian Pylons (W736-220, W736-230, W736-240, W736-320, W736-330, W736-340, W736-350, W736-360) <i>This project includes funding carried over from 2011-2012.</i>	On Target		\$63,591	\$0
Town Centres	Wayfinding Signage - Town Entry Signs Renewal – various (W736-270)	On Target		\$130,000	\$38,958
Town Centres	Wayfinding Signage - Precinct Signage (W736-290) <i>This project includes funding carried over from 2011-2012.</i>	On Target		\$95,000	\$0
Town Centres	Medlow Bath Street Tree Removal/Replacement GWH (W923-110) <i>This project was carried over from 2011-2012.</i>	On Target		\$43,359	\$0
Town Centres	Glenbrook Street Trees (W923-210) <i>This project was carried over from 2011-2012.</i>	On Target		\$4,150	\$0
Town Centres	Katoomba Town Entry Roundabout Improvement Works (W923-220)	On Target		\$25,000	\$0
Transport and Public Access	Footpath - Renewal Program (W463-200) <i>This project is funded by the special variation.</i>	On Target		\$486,200	\$2,829
Transport and Public Access	Footpaths / Cycleways - Scott Avenue and Railway Parade, Leura shared path (x1500m) (W463-350)	Complete		\$120,000	\$76,673

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Transport and Public Access	Traffic Management Katoomba & Waratah Streets , Katoomba (W732-140) <i>This project including funding carried over from 2011-2012 (Minute No. 38, 31/1/12).</i>	On Target	This project is dependent on the outcomes of the Traffic Study (Minute No. 38, 31/1/112).	\$709,316	\$0
Transport and Public Access	Yeaman Bridge Katoomba (barrier repairs) (W732-119) <i>This project was carried over from 2011-2012.</i>	Withdrawn	Previous commitment for improvements to the Yeaman Bridge barriers is no longer a priority commitment of Council due to the progression of the Railcorp interface agreement which identifies the Yeaman Bridge as a Railcorp responsibility. It is recommended that the \$177K be transferred to the Bridge Renewal Program – refer below.	\$177,814	\$0
Transport and Public Access	Bridge Renewal Program (W732-153) <i>This project is funded by the special variation.</i>	On Target	Scope of works recommended by consultant currently exceeds the available budget for the identified priority locations. It is recommended that \$177K from the Yeaman Bridge project (above) be transferred to this project which should allow all identified bridge renewal projects to be undertaken.	\$350,000	\$2,542

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Transport and Public Access	Road Reseal Program (W735-100, W735-300)	On Target		\$2,195,257	\$1,134,996
Transport and Public Access	Traffic Calming Oaklands Rd, Hazelbrook (Stage 2) (W736-370)	On Target		\$20,000	\$3,500
Transport and Public Access	Construction of raised threshold children/pedestrian crossing, Railway Parade Hazelbrook (W736-390)	On Target		\$70,000	\$0
Transport and Public Access	Provision of new guardrail – Cliff Drive, Katoomba (W736-400)	Complete		\$20,000	\$20,766
Transport and Public Access	Railway Parade raised threshold (W736-420)	On Target		\$143,000	\$0
Transport and Public Access	Raised Median Katoomba Falls Road (W736-430)	On Target		\$105,000	\$0
Transport and Public Access	Sealing of Unsealed Roads Program (W740)	On Target		\$1,500,000	\$0
Transport and Public Access	Kerb & Gutter Program (W885) <i>This project is funded by the special variation.</i>	On Target		\$396,200	\$0
Looking After People					
Child Care	Construction of Hazelwood Childcare Centre (W028-420) <i>This project is a grant-funded project and includes budget carried over from 2011-2012.</i>	On Target	This project will be delivered over 2012-2013 and 2013-2014. It is recommended that some budget be transferred to 2013-2014. This is a grant-funded project.	\$1,015,881	\$181,663

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Community Development	Lawson Community Hall (Mechanics Institute) (W028-460, W034) <i>Some of this project was completed in 2011-2012 with funding carried over for parking construction.</i>	On Target	This project will be delivered over 2012-2013 and 2013-2014. It is recommended that some budget be transferred to 2013-2014. This budget includes grant funding and funding from the RMS.	\$176,393	\$0
Community Development	Mt Wilson Community Hall priority works (W028-510) <i>This project was carried over from 2011-2012.</i>	Complete		\$70,000	\$9,886
Community Development	Conversion of Old Katoomba Library for Community Hall (W028-540)	On Target	This project will be delivered over 2012-2013 and 2013-2014. It is recommended that some budget be transferred to 2013-2014.	\$255,000	\$0
Community Development	Disability Access to Community Buildings and Facilities (W037)	Behind Target	A project brief is still to be developed.	\$20,000	\$3,117
Cultural Development	Springwood School of Arts Upgrade - renewal of paving surface and artwork in public square (W028-370) <i>This project was carried over from 2011-2012.</i>	On Target		\$10,190	\$0
Cultural Development	War Memorial Restoration, Blackheath (W154-720) <i>This project is funded by the special variation. This project was carried over from 2011-2012.</i>	On Target		\$5,000	\$0
Cultural Development	Interpretation of heritage items - matching funding for grant applications (W736-410)	On Target		\$24,090	\$0
Libraries and Information	Library Building Refurbishment - Blaxland Library (W028-270) <i>This project is funded by the special variation.</i>	On Target		\$20,000	\$180

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Sport and Recreation	Replace Toilet Facilities Bulls Camp Woodford (W028-310) <i>This project was carried over from 2011-2012.</i>	On Target		\$246,682	\$765
Sport and Recreation	Toilets in Parks and Sportsgrounds - Pit Toilet Replacement Program (W028-560)	On Target		\$90,000	\$1,364
Sport and Recreation	Sports Council Minor Work - recommended by Sports Council on an annual basis (W140) <i>This includes budget carried over from 2011-2012.</i>	On Target		\$27,362	\$10,051
Sport and Recreation	Glenbrook Pool Refurbishment (W154-650) <i>This project is funded by the special variation. This includes budget carried over from 2011-2012.</i>	Complete		\$325,271	\$334,470
Sport and Recreation	Cover the program pool at Glenbrook Swim Centre (W154-830)	On Target		\$300,000	\$169,740
Sport and Recreation	Katoomba Skate Park Relocation (W154-690) <i>This project was carried over from 2011-2012.</i>	Complete		\$26,950	\$0
Sport and Recreation	Dog off-leash Whitton Park (W154-700) <i>This project was completed in 2011-2012 with funding carried over to finalise payments in 2012-2013.</i>	Complete		\$9,000	\$0
Sport and Recreation	Batman Reserve park improvements (W154-710) <i>Funding for this project was carried over from 2011-2012.</i>	On Target		\$30,000	\$0
Sport and Recreation	Renewal of unsafe Playground Equipment (W154-730) <i>This project is funded by the special variation. This includes budget carried over from 2011-2012.</i>	On Target		\$124,000	\$10,693
Sport and Recreation	Floodlights Lomatia Park (W154-760)	Complete		\$2,072	\$0
Sport and Recreation	Melrose Junior Skate Park (W154-810)	On Target		\$180,000	\$5,838
Sport and Recreation	Goldsmith Place Skate Park (W154-820)	On Target		\$60,000	\$0

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
Sport and Recreation	Tree Works and Planting (W154-840) <i>This project is funded by the special variation.</i>	On Target		\$6,000	\$0
Sport and Recreation	Replace Long Jump Pit - Tom Hunter Park (W154-850) <i>This project is funded by the special variation.</i>	Complete		\$3,000	\$2,193
Sport and Recreation	Summerhayes Park Springwood Upgrades (W154-860)	On Target		\$70,000	\$0
Sport and Recreation	Park Revitalisation Leura Cascades Design and Construction (W154-870) <i>This project is funded by the special variation.</i>	On Target		\$50,000	\$0
Sport and Recreation	Lower Mountains Field Renovation Program (W154-880)	On Target		\$245,000	\$0
Sport and Recreation	Tennis Court Redevelopment - Churchill St, Springwood (W946-190) <i>This project was carried over from 2011-2012.</i>	On Target		\$71,766	\$24,815
Sport and Recreation	Summerhayes Parks Sports Precinct Improvements (W946-220) <i>Funding for finalising this project was carried over from 2011-2012.</i>	On Target		\$2,000	\$2,000
Sport and Recreation	Katoomba Park Improvements (W947-300) <i>This project was carried over from 2011-2012.</i>	On Target		\$261,072	\$59,872
Sustainable Economy					
Economic Development and Tourism	Katoomba/Leura Visitor Infrastructure (W028-380)	On Target		\$110,000	\$8,850

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Service	Capital Works Project	Status at 31 Dec 2012	Comment (for those projects that are Behind Target)	Capital Budget*	Capital Expenditure to 31 Dec 2012
<i>Economic Development and Tourism</i>	Wayfinding Signage - Tourist Drive 5 Stage 3 - Cliff Drive, Katoomba and Leura (W736-210) <i>This project included funding carried over from 2011-2012.</i>	On Target		\$68,445	\$0
TOTAL				\$13,136,608	\$2,670,371

**Includes budget carried over from 2011-2012 and recommended / adopted variations. Excludes Major Project milestones with a capital component and IT assets and plant and equipment.*

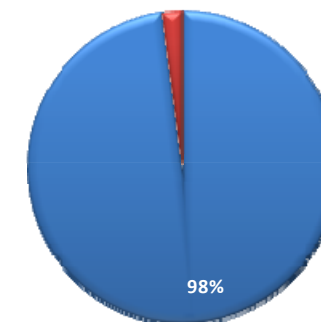
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OTHER OPERATIONAL PLAN ACTIONS - EXCEPTIONS

The Council has committed to delivering a wide range of actions and projects through its service delivery commitments.

98% of Operational Plan actions were On Target / Completed as at 31 December 2012.



■ Actions On Target / Complete ■ Actions Behind Target

The following table presents the details for Operational Plan actions that were **Behind Target** as at 31 December 2012.

Service	Operational Plan Action	Status at 31 Dec 2012	Comment
LOOKING AFTER ENVIRONMENT			
<i>Waste Resource Management</i>	Mulch kerbside green waste	Behind Target	As at 31 December this program was behind target due to the volume of material put out by residents and some breakdowns. Contractors have been engaged to assist with the service.
<i>Environmental Sustainability</i>	Commence development and implementation of a Communication Strategy to build community awareness of, support for and subscription to the Council's environment programs and outcomes	Behind Target	Project deferred due to key staff vacancy and competing organisational priorities. The Project will be completed by end of Quarter 4.
<i>Environmental Sustainability</i>	Develop a management effectiveness framework targeting bushland reserve management planning	Behind Target	Project deferred due to key staff vacancy and competing organisational priorities. The Project will be completed by end of Quarter 4.
<i>Environmental Sustainability</i>	Implement the Neighbour Relations key actions in the Communication Strategy	Behind Target	Project deferred due to key staff vacancy and competing organisational priorities. The Project will be completed by end of Quarter 4.

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Service	Operational Plan Action	Status at 31 Dec 2012	Comment
LOOKING AFTER PEOPLE			
<i>Community Development</i>	Support First Peoples Advisory Committee	Behind Target	The achievements of the First Peoples Advisory Committee were not reported to Council as planned. A forum for membership / re-election of Board members was held on 8 December, with a report to Council planned for Quarter 3.
<i>Cultural Development</i>	Continue to support and facilitate cross disciplinary cultural networks and organisations both within the City and beyond	Behind Target	The development of an online artist's register has been deferred to now be implemented under the framework of the City of the Arts Trust and is planned to be completed by the end of the financial year.
<i>Cultural Development</i>	Continue to promote events and act as a liaison point between Community Groups wishing to host events	Behind Target	A workshop on event risk management was not undertaken as planned due to resourcing issues. The workshop will be undertaken in Quarter 3.
PROVIDING GOOD GOVERNMENT			
<i>City-wide Strategic Planning and Reporting</i>	Ongoing development of Mapping Country Program (with FPAC)	Withdrawn	Deferred by Council resolution on 16 October 2012 to allow more resources to be allocated to the Standard Instrument Local Environment Plan.
<i>City-wide Strategic Planning and Reporting</i>	Commence Generic Plans of Management (dependent on the check on land status - action 5.4.6 below)	Withdrawn	Deferred by Council resolution on 16 October 2012 to allow more resources to be allocated to the Standard Instrument Local Environment Plan.
<i>City-wide Strategic Planning and Reporting</i>	Continue Heritage Review for LEP 1991 lands	Withdrawn	Deferred by Council resolution on 16 October 2012 to allow more resources to be allocated to the Standard Instrument Local Environment Plan.
<i>Commercial Activities</i>	Manage Council's commercial property portfolio – sales, acquisitions, leases and licenses, road dealings and easements - Monitor and report on rental income	Behind Target	This action is behind target due to resourcing issues. This action will be back on track in Quarter 3 when resources become available to complete and compile the information required.
<i>Operational Buildings, Facilities and Property</i>	Manage Council's operational property portfolio – sales, acquisitions, leases and licenses, road dealings and easements - Monitor and report on rental income	Behind Target	This action is behind target due to resourcing issues. This action will be back on track in Quarter 3 when resources become available to complete and compile the information required.
<i>Operational Buildings, Facilities and Property</i>	Provide operational buildings, facilities and property - determine key management requirements	Behind Target	This project is behind target due to resourcing issues. A draft protocol is to be issued for comment in Quarter 3 bringing this project back on track.

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SPECIAL RATE VARIATION FUNDED PROJECTS

Blue Mountains City Council submitted an application to the Division of Local Government to increase rates above the permissible increase of 2.6% through a special variation to general income. The Minister for Local Government, the Hon Barbara Perry MP, announced on 2 July 2010 that she partially approved the Council application for a Special Variation to rates under Section 508(2) as opposed to Section 508A of the *Local Government Act, 1993*. Special variation funding of has been allocated to a number of asset renewal and maintenance projects to be implemented in 2012-2013 (including funding carried over from 2011-2012). The tables below provide an update as at 31 December 2012, of the special variation funded asset renewal and maintenance projects that are being implemented in 2012-2013.

Service	Capital Works Project	Status at 31 Dec 2012	Comment	Budget*	Expenditure to 31 Dec 2012
Water Resource Management	Drainage - Falcon Street Hazelbrook – replace pipe (W819-200) <i>This project is funded by the special variation. This project was carried over from 2011-2012.</i>	Behind Target	This project was delayed due to the need for an additional drainage study. The project brief is still being developed. The project is planned to be completed this financial year.	\$110,000	\$0
Town Centres	Public Toilet Refurbishment and Refit – Blaxland, Glenbrook, Mount Riverview (W028-570) <i>This project is funded by the special variation.</i>	On Target		\$50,001	\$0
Town Centres	Katoomba Street Partial Footpath Upgrade (W463-340) <i>This project is funded by the special variation. This project includes funding carried over from 2011-2012.</i>	Complete		\$486,000	\$140,586
Transport and Public Access	Bridge Renewal Program (W732-153) <i>This project is funded by the special variation.</i>	On Target		\$350,000	\$2,542
Transport and Public Access	Kerb & Gutter Program (W885) <i>This project is funded by the special variation.</i>	On Target		\$396,200	\$0

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Service	Capital Works Project	Status at 31 Dec 2012	Comment	Budget*	Expenditure to 31 Dec 2012
Cultural Development	War Memorial Restoration, Blackheath (W154-720) <i>This project is funded by the special variation. This project was carried over from 2011-2012.</i>	On Target		\$5,000	\$0
Libraries and Information	Library Building Refurbishment - Blaxland Library (W028-270) <i>This project is funded by the special variation.</i>	On Target		\$20,000	\$180
Sport and Recreation	Glenbrook Pool Refurbishment (W154-650) <i>This project is funded by the special variation. This includes budget carried over from 2011-2012.</i>	Complete		\$325,271	\$334,470
Sport and Recreation	Renewal of unsafe Playground Equipment (W154-730) <i>This project is funded by the special variation. This includes budget carried over from 2011-2012.</i>	On Target		\$124,000	\$10,693
Sport and Recreation	Tree Works and Planting (W154-840) <i>This project is funded by the special variation.</i>	On Target		\$6,000	\$0
Sport and Recreation	Replace Long Jump Pit - Tom Hunter Park (W154-850) <i>This project is funded by the special variation.</i>	Complete		\$3,000	\$2,193
Sport and Recreation	Park Revitalisation Leura Cascades Design and Construction (W154-870) <i>This project is funded by the special variation.</i>	On Target		\$50,000	\$0
Town Centres / Sport and Recreation	Asset maintenance <ul style="list-style-type: none"> Two person Parks maintenance team for regular garden maintenance program in parks and town centres Two person vegetation management maintenance team for cleaning of pipes and pits, fence repairs, vegetation management, litter removal, street furniture repair and footpath sweeping 	On Target	The two person Parks maintenance team has completed 214 additional jobs that has included: <ul style="list-style-type: none"> • Garden Bed Maintenance • Footpath Maintenance • Furniture Repair • Tree and Vegetation Maintenance 	\$350,000	\$190,000

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Service	Capital Works Project	Status at 31 Dec 2012	Comment	Budget*	Expenditure to 31 Dec 2012
			<ul style="list-style-type: none"> • Mowing • Weed Treatment • Litter Removal <p>The two person vegetation management team has completed 213 additional jobs that has included:</p> <ul style="list-style-type: none"> • Tree and Vegetation Maintenance • Footpath Maintenance • Litter Removal • Drainage system maintenance • Kerb and gutter maintenance 		
TOTAL				\$2,275,472	\$680,664

**Includes funds carried over from 2011-2012*



Glenbrook Swim Centre filtration plant upgrade.



New footpath at Katoomba town centre.

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ENVIRONMENT LEVY PROGRAM



In 2005, the Council introduced a 10-year Environment Levy, to enhance its delivery of environmental services. The Council is investing an estimated \$1.45 million received from the Levy to support delivery of priority environmental services in 2012-2013. Environment Levy funding contributes to a range of environmental priority areas including:

- Aquatic Monitoring and Catchment Health;
- Natural Areas Facilities (Walking Tracks and Lookouts) Management;
- Environmental Advocacy, Education and Engagement;
- Noxious and Environmental Weed Control;
- Restoration of Endangered Ecological Communities; and
- Degraded Lands and Reserve Access Management.

Environmental Program Area	Levy Funding Spent as at 31 December 2012
Aquatic Monitoring and Catchment Health	\$73,894
Bushland and EEC Management	\$74,937
Noxious and Environmental Weed Management	\$104,917
Natural Area Visitor Facilities	\$70,541
Total Levy Expenditure as at 31 December 2012	\$324,289



Part of the Cabomba infestation at Glenbrook Lagoon, prior to treatment

The information below provides an update as at 31 December 2012, for some of the projects that are being implemented in 2012-2013 with funding from the Environment Levy.

- Aided by a \$308,000 grant from the federal government's Caring for our Country initiative, council commenced control of noxious aquatic Weed of National Significance *Cabomba caroliniana* at Glenbrook Lagoon. 50% of the water body was treated with herbicide during December 2012. A comprehensive pre-and-post treatment monitoring program was implemented, encompassing water quality, aquatic macroinvertebrates, weed condition and additional flora and fauna surveys. Grant funding will be supported by contributions from Blue Mountains City Council's Environment Levy.

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- Council responded to the Jamison Creek (Wentworth Falls) contamination incident in July 2012. **Environment Levy funding allowed** council's Aquatic Systems Officers to isolate the point of impact on Jamison Creek and to guide Environmental Protection Agency sampling whereby Bifenthrin (a termiticide) was identified as the contaminant responsible for a significant kill of crayfish and other macroinvertebrates in the creek. The source of the pollutant was identified, contaminated sediment was removed from the stormwater system and council continues to monitor creek recovery and investigate the circumstances surrounding the incident.
- Minor upgrade works undertaken at Bardens Lookout Mount York , Mount Boyce Lookout, Mount Boyce, Mount Blackheath and Hargraves Lookouts, Shipley Plateau, Paul Harris Lookout, Blackheath, Marge and Elizabeth Lookouts Glenbrook and a number of Cliff Drive Lookouts.
- Undercliff stabilisation works were undertaken on rock-climbing platforms at Mount York.
- The Council's Part 5 Assessment project is underway. It will establish clear, systematic, compliant guidelines and templates for assessment under Part 5 of the *Environment Planning and Assessment Act 1979*. A steering committee and working group have been established. Interim procedures are now in place to collect and audit current Part 5 assessments. The findings of the audit have informed draft templates. These are currently under review by the working group.
- Council's Sustainability Education and Engagement team supported a number of community events including the Katoomba Footlight Festival, the Wild Valley Art Park Open Day, the Katoomba North Primary Schools Potatoes Planting Day, the North Katoomba Organic Community Gardens Festival of Joy, the Katoomba Primary Healthy Creeks Workshop and the Festival of the Green.
- Bushcare Events held:
 - Bushcare facilitated a school holiday activity with Winmalee Neighbourhood centre with 9 children between 8-15yrs targeting privet in the Summerhayes reserve with a guided walk.
 - Three evening talks were held and the topics were Native bees – habitat and identification, Eucalyptus Dieback and Frogs of Blackheath - calls and habitat.
 - A Bird walk was held for the groups in Lapstone, Glenbrook Blaxland at Darkes Common in Glenbrook.
 - A state wide Major Day Out event was held with 25 volunteers at Central Park Wentworth Falls with a plant walk and talk.
- Delivery of bush regeneration works within 19 Reserve systems across 69 project sites targeting key invasive weed species, protecting and restoring rare and endangered forests of the lower Blue Mountains and Mount Wilson as well as Blue Mountains Swamps through the mid to upper mountains.
- As part of the restoration of degraded landscapes in the Blue Mountains, soil conservation works were undertaken to protect downstream natural systems from erosion and sedimentation at North Katoomba Quarry, The Gully, South Katoomba and Knapsack Park, Glenbrook.



Council and Environmental Protection Agency staff assess the Jamison Creek crayfish kill in July 2012.

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QUARTERLY BUDGET REVIEW STATEMENT BY THE RESPONSIBLE ACCOUNTING OFFICER

In accordance with the Local Government Act, 1993 and the provisions of clause 9 of the Financial Management Regulation, a budget review statement and revision of estimates must be completed and submitted to the Council for formal adoption at the end of each financial quarter. This report must include details on the general financial position of the Council and if this position is regarded as unsatisfactory, also include recommendations for remedial action.

The following information details the budget review statement to the end of December 2012 in accordance with the requirements of the legislation. The Division of Local Government has issued guidelines for the minimum requirements of Quarterly Budget Review Statements. The minimum requirements are mandatory from 1 July 2011. The statements included in the budget review statement by the responsible accounting officer comply with the minimum requirements of the Division of Local Government.

Working Capital Position

An analysis of actual results and revised projections as at December 2012 Quarter has resulted in an increase in the projected working capital of \$15,000 from the original 2012-2013 adopted budget and produces a revised total working capital position as at 30 June 2013 of \$1.877 million.

The 2012-2013 working capital position for Quarter 2 includes the achievement of a \$15,000 surplus. Table 2 in the enclosure highlights a number of significant favourable variations that contribute toward the \$15,000 surplus working capital result for Quarter 2.

The optimum level of working capital for the Council has previously been identified in the range of \$1.7 million to \$1.8 million, which represents the industry standard to allow for stores and the provision of hard-core debtors. Subject to the Council adopting the recommended variations, the estimated effective working capital of \$1.877 million is slightly above the optimum range, however this is not a concern at this time of the year and is quite a healthy position in the lead up to the end of the financial year.

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The following reconciliation illustrates the projected Working Capital position as at the 30 June 2013 review.

Table 1

Actual Working Capital – 1 July, 2012	1,862,000
Original Budget 2012-2013 Forecast Improvement in Working Capital	0
September 2012 Review	0
December 2012 Review	15,000
Revised Estimated Working Capital Result– 30 June 2013	1,877,000
Revised Estimated Working Capital Result– 30 June 2013. Working Capital is the net amount of uncommitted funds consisting of:	Estimated 2012-2013
Unrestricted current cash	2,772,000
Current receivables	5,905,000
Inventories	400,000
Prepayments	300,000
Payables (excluding liabilities budgeted next year 2013-2014)	(7,500,000)
Total	1,877,000

Operational Budget – Significant Variations

The significant variations that occur in this review are summarised in the table below.

Table 2 – Significant variations

Service	Operational Budget	Favourable	Unfavourable
Development Health and Customer Services			
Land Use Management	Delayed staff replacements \$150k. Additional user fees \$20k.	170,000	
Land Use Management	Recovery of legal costs.	50,000	

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Service	Operational Budget	Favourable	Unfavourable
Libraries & Information	Reserve provision for E-books, digitisation of microfiche and field technology hand held devices.		75,000
Integrated Planning and Finance			
Corporate Strategic Planning & Reporting	Community engagement strategy for continuation of special rate variation (Council meeting adopted 11/12/12).		30,000
City and Community Outcomes			
Waste Resource Management	Income for waste landfill less than anticipated in original budget.		100,000
Budget Variation as at Quarter 2		220,000	205,000
TOTAL		Favourable 15,000	

Capital Works Program – Significant Variations

The following variations relating to capital projects are recommended.

Increase/Decrease to Capital Works Program	Variation
Decrease - Lawson Community Hall (Mechanics Institute). Works deferred to 2013/14.	(44,979)
Decrease - Lawson Community Hall (Mechanics Institute). The reduced budget is funded from RMS contribution.	(100,000)
Decrease - Lawson Community Hall (Mechanics Institute) The reduced budget is funded by grant.	(31,414)
Decrease - Hazelwood Child Care Centre. Works deferred to 2013/14.	(565,881)
Decrease - Conversion of Old Katoomba Library for Community Hall. Works deferred to 2013/14.	(105,000)
Decrease - Katoomba Civic Centre Stage 2. Works deferred to 2013/14.	(500,000)
Decrease - Pioneer Place Katoomba. Works deferred to 2013/14.	(300,000)
Increase - Blackheath Glen Pit Toilet Replacement . The increased budget is funded from reserve.	20,000
Increase - Blaxland Waste Facility. The increased budget is funded from loans (LIRS).	1,372,422
Increase - Mt York Natural Area Visitor Facilities. The increased budget is funded from reserve.	325,000
Increase - Knapsack Park Trail. Increased budget funded from grant.	48,840
Decrease (transfer to project below) - Yeaman Bridge Katoomba (barrier repairs). Previous commitment for improvements to the Yeaman Bridge barriers is no longer a priority commitment of Council due to the progression of the Railcorp interface agreement which identifies the Yeaman Bridge as a Railcorp responsibility.	(177,814)

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Increase/Decrease to Capital Works Program	Variation
Increase (transfer from project above) - Bridge Renewal Program. Scope of works recommended by consultant currently exceeds the available budget of \$350K for the identified priority locations. It is recommended that \$177K from the Yeaman Bridge project (above) be transferred to this project which should allow all identified bridge renewal projects to be undertaken.	177,814
Decrease – Construction of Valley Heights RFS building. This project is complete and was managed and funded by the Department of Public Works. This decrease reflects the removal of an incorrect budget entry only.	(771,966)
Total	(652,978)

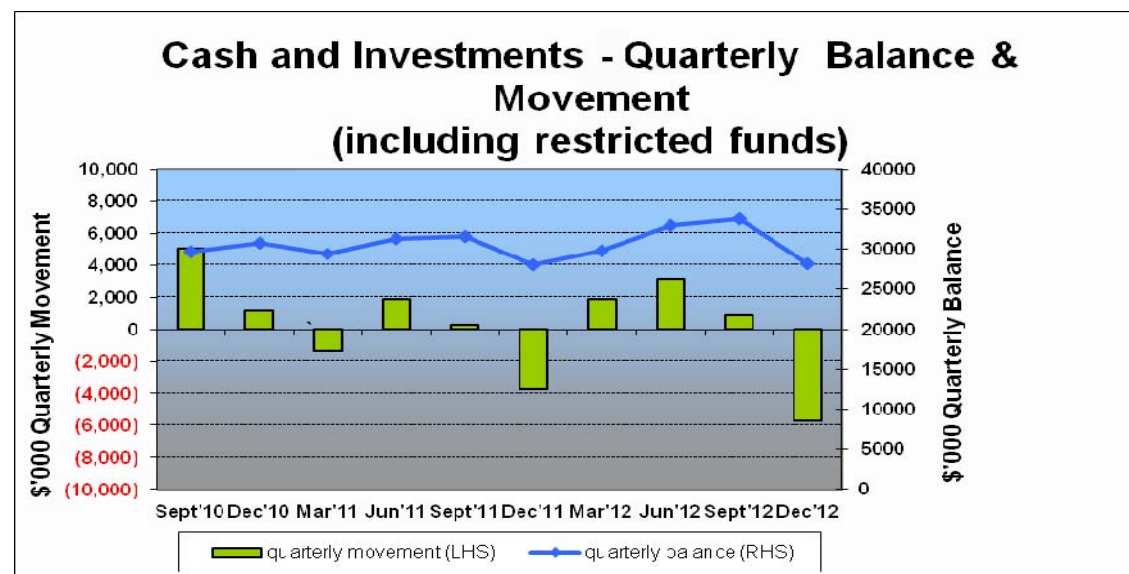
The decreased expenditure on Capital Works Program has no impact on Council's Working Capital position.

Cash Flow

To date the Council's cash position has decreased by \$4.85 million from a balance of \$32.97 million at 30 June 2012 to a balance of \$28.12 million at 31 December 2012 as presented below.

The graph below displays:-

- the level of cash each quarter from September 2010 to December 2012
- the movement up or down for each quarter.



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Loan Position

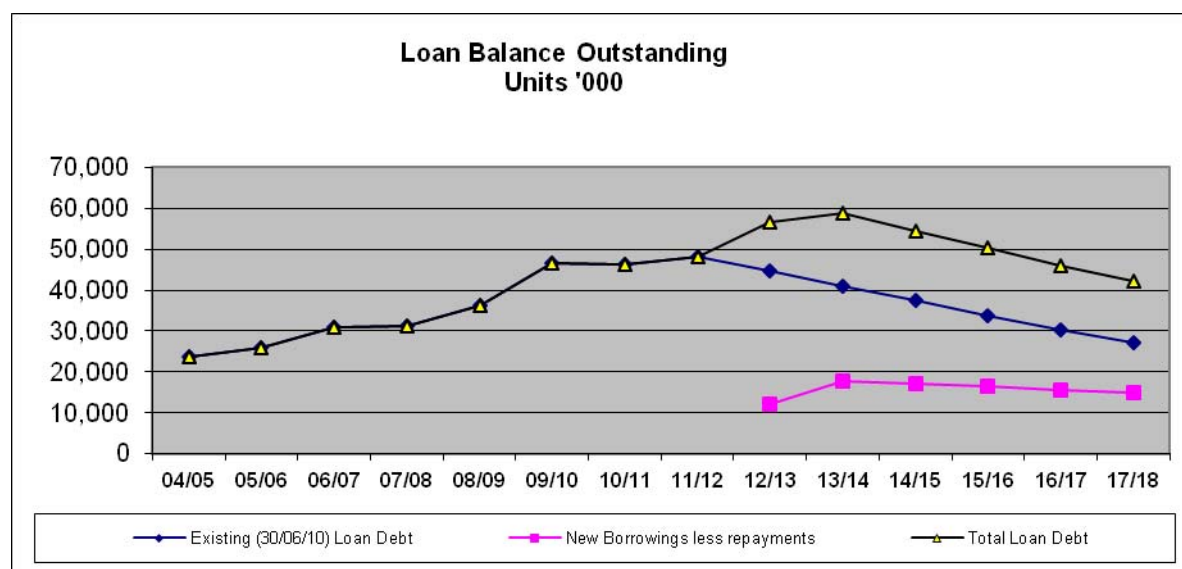
The Council's outstanding loan position as at 30 June 2012 was \$48.06 million. At the end of December 2012 the loan position stands at \$46.21 million.

The figure below indicates that the total loan balance will increase from \$46.06 million from 30 June 2012 to \$56.71 million at 30 June 2013. The new borrowings in 2012-2013 are \$12.12 and in 2013-2014 \$6.0 million, and then projected at zero million per annum each year thereafter. The total balance decreases to \$42.1 million by 2017-2018. Loans are raised over the period to fund the following major projects:

- Cultural Centre, Library and Civic Centre \$5.3 million
- Lawson Town Centre \$4.4 million
- Katoomba Waste Transfer Station \$8.8 million
- Blaxland Waste Facility \$3.3 million
- Blaxland Waste Facility \$4.86 million (LIRS)
- Springwood Community & Cultural Facilities Upgrade \$6.1 million (LIRS)

The graph below displays:-

- The total debt outstanding position for each year from 2005 to 2018. It includes the strategy for zero borrowing from 2014-2015.
- The outstanding debt position for existing loans from 30 June 2012 to 30 June 2018.
- The new borrowings for each year from 2012-2013 to 2017-2018 less the annual principal repaid for each of those years.



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The figures above are in accordance with the Council's 2011-2021 Long Term Financial Plan and include the latest anticipated loan funding required for the Cultural Centre, Lawson Town Centre, Waste Transfer Station, Blaxland Waste Facility (Local Infrastructure Renewal Scheme project) and Springwood Community & Facilities Upgrade (Local Infrastructure Renewal Scheme project).

The Council resolved at the meeting of 13 March 2012 (minute 89) to submit applications to the Division of Local Government under the NSW Government's Local Infrastructure Renewal Scheme interest subsidy funding for the Upgrade of Springwood Community and Cultural Facilities (\$4.86m) and the Blaxland Waste Management Facility Resource Recovery Centre (\$6.0m). Division of Local Government has given approval for a borrowing of \$4.86m in 2012/2013 for the Blaxland Waste Management Facility. The Council needs to resolve to raise the loan and that the Council's Common Seal be affixed to all relevant loan documents.

Measuring the Council's Financial Performance

The following series of measures are being used to monitor and report on the Council's financial performance. Results for these measures will be provided at the end of the financial year.

- Operating Result from Continuing Operations - Total operating revenue less total operating expenses (including depreciation and excluding capital grants, capital expenditure and capital movements)
- Operating Balance Ratio – Operating result from continuing operations divided by operating revenue
- Unrestricted Working Capital – Unrestricted current assets less unrestricted current liabilities
- Current Ratio (Unrestricted) – Current Assets less Externally Restricted Current Assets divided by Current Liabilities less Specific Purpose Current Liabilities
- Rates & Annual Charges Coverage Ratio – Rates and annual charges as a percentage of operating revenue
- Rates and Annual Charges Outstanding – Rates and annual charges outstanding as a percentage of Rates and annual charges collectible
- Asset Renewal Ratio (Buildings & Infrastructure) – Asset Renewals (Buildings & Infrastructure) divided by Depreciation, Amortisation & Impairment (Buildings & Infrastructure)
- Asset Renewal Gap ratio – Estimated Required Asset Renewal Expenditure divided by Current renewal expenditure on assets
- Debt Service Ratio – Interest divided by Operating Revenue

Report by Responsible Accounting Officer

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

It is my opinion that the Quarterly Budget Review Statement for Blue Mountains City Council for the quarter ended 31 December 2012 indicates that Council's projected financial position at 30/6/2013 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:

Responsible Accounting Officer

Date  **2012**

Income & Expense- General Fund Budget Review Statement for the quarter ended - 31 December 2012

	Original Budget	Approved Changes		R'meded changes for Council	Projected year end result	Actual
		Review (carry-over)	Review Budget			
				Resolution		YTD
Income						
Rates and Annual Charges	55,608,609	-104,000	562,422	56,067,031		56,128,072
User Charges and Fees	14,910,352			14,910,352	-100,000	7,064,707
Interest and Investment Revenue	1,632,629			1,632,629		765,435
Other Revenues	4,340,663			4,340,663	50,000	1,731,211
Grants & Contributions - Operating	11,578,339		-4,493,573	7,084,766		5,019,741
Grants and Contributions - Capital	5,503,090	2,855,567		8,358,657		2,646,285
Net gain from the disposal of assets	420,380			420,380		77,831
Share of interests in joint ventures				0		0
Total Income from continuing operations	93,994,062	2,751,567	-3,931,151	92,814,478	-50,000	73,433,282
Employee costs	43,295,685	175,048		43,470,733	-170,000	21,696,776
Borrowing Costs	3,382,546			3,382,546		1,694,844
Materials & Contracts	18,554,161	816,455	34,560	19,405,176		10,077,185
Depreciation	33,600,000			33,600,000		13,211,221
Legal Costs	722,500			722,500		370,183
Consultants	678,270	135,419		813,689		419,236
Other Expenses	11,931,215	9,228		11,940,443	30,000	5,254,778
Interest and Investment Losses				0		0
Net Loss from Disposal of Assets				0		0
Share of interests in joint ventures				0		0
Total Expense from continuing operations	112,164,377	1,136,150	34,560	113,335,087	-140,000	52,724,223
Net Operating Result from continuing operations - Surplus (Deficit)	-18,170,315	1,615,417	-3,965,711	-20,520,609	90,000	20,709,059
Net Operating Result before capital items - Surplus(Deficit)	-23,673,405	-1,240,150	-3,965,711	-28,879,266	90,000	18,062,774

Statement of Financial Position (including Capital Movements for Year)**Net Operating Result from continuing operations**

	Original Budget	Approved Changes			R'meded changes for Council	Projected year end result	Actual YTD
		Review (carry-over)	Review	Revised Budget	Resolution		
	-18,170,315	1,615,417	-3,965,711	-20,520,609	90,000	-20,430,609 0	20,709,059
Movements in Restricted Assets -							
Transfer from	7,824,708	12,305,311	4,148,711	24,278,730	-727,978	23,550,752	10,582,978
Sale of Assets	1,512,031			1,512,031		1,512,031	769,492
Capital Acquisitions	21,300,424	13,920,728	183,000	35,404,152	-652,978	34,751,174	10,245,965
Loan/Lease Repayments	3,466,000			3,466,000		3,466,000	1,844,710
Non Cash Budget for Depreciation	33,600,000			33,600,000		33,600,000	13,211,221
Change in Working Capital	0	0	0	0	15,000	15,000	33,182,075

Notes:

This document forms part of Blue Mountains City Council's Quarterly Budget Review Statement (QBRS) for the quarter ended and should be read in conjunction with other documents in the QBRS.

Income & Expense- Activities Budget Review Statement for the quarter ended - 31 December 2012

	Original Budget	Approved Changes			R'mended changes for Council	Projected year end result	Actual
		Review (carryover)	Review	Revised Budget			
Income							
Looking after the Environment							
- Environmental Sustainability	2,427,480			2,427,480		2,427,480	1,296,642
- Water Resource Management	25,152			25,152		25,152	51,319
- Waste Resource Management	19,479,256			19,479,256	-100,000	19,379,256	14,982,283
Looking after People							
- Child Care	1,361,243			1,361,243		1,361,243	852,963
- Community Development	1,009,226			1,009,226		1,009,226	688,982
- Emergency Management	2,429,425			2,429,425		2,429,425	2,730,529
- Cultural Development	658,081			658,081		658,081	259,903
- Environmental Health & Reg. Compliance	480,806			480,806		480,806	752,979
- Libraries & Information	396,831			396,831		396,831	61,311
- Sport & Recreation	5,469,364			5,469,364		5,469,364	2,177,443
Using Land and Moving Around							
- Burial & Ashes Placement	365,828			365,828		365,828	134,258
- Land Use Management	1,484,170			1,484,170		1,484,170	813,496
- Town Centres	253,372			253,372		253,372	39,737
- Transport & Public Access	2,640,082			2,640,082		2,640,082	438,942
Sustainable Economy							
- Economic Development & Tourism	1,754,559			1,754,559		1,754,559	649,175
Governance & Corporate Support	15,795,379			15,795,379	50,000	15,845,379	9,571,019
Non Attributable	53,490,871			53,490,871		53,490,871	52,156,995
Total Income	109,521,125	0	0	109,521,125	-50,000	109,471,125	87,657,976

Income & Expense- Activities Budget Review Statement for the quarter ended - 30 December 2012 continued

	Original Budget	Approved Changes			R'med changes for Council	Projected year end result	Actual
		Review (carryover)	Review	Revised Budget			
					Resolution		YTD
Expense							
Looking after the Environment							
- Environmental Sustainability	4,356,045			4,356,045		4,356,045	2,316,815
- Water Resource Management	374,835			374,835		374,835	343,484
- Waste Resource Management	19,482,512			19,482,512		19,482,512	9,093,115
Looking after People							
- Child Care	1,693,183			1,693,183		1,693,183	858,194
- Community Development	3,524,125			3,524,125		3,524,125	1,737,912
- Emergency Management	3,364,295			3,364,295		3,364,295	1,749,927
- Cultural Development	2,095,610			2,095,610		2,095,610	735,302
- Environmental Health & Reg. Compliance	2,258,998			2,258,998		2,258,998	1,377,031
- Libraries & Information	2,684,781			2,684,781	75,000	2,759,781	1,209,906
- Sport & Recreation	11,091,125			11,091,125		11,091,125	5,047,545
Using Land and Moving Around							
- Burial & Ashes Placement	683,584			683,584		683,584	49,317
- Land Use Management	4,189,130			4,189,130	-170,000	4,019,130	1,479,729
- Town Centres	4,077,662			4,077,662		4,077,662	931,838
- Transport & Public Access	9,627,344			9,627,344		9,627,344	3,655,618
Sustainable Economy							
- Economic Development & Tourism	2,752,345			2,752,345		2,752,345	957,352
Governance & Corporate Support	30,182,176			30,182,176	30,000	30,212,176	18,659,291
Non Attributable	7,083,375			7,083,375		7,083,375	4,273,525
				0		0	
Total Expense	109,521,125	0	0	109,521,125	-65,000	109,456,125	54,475,901

Notes:

This document forms part of Blue Mountains City Council's Quarterly Budget Review Statement (QBRs) for the quarter ended and should be read in conjunction with other documents in the QBRs.

Capital Budget Review Statement for the quarter ended - 31 December 2012

Original Budget	Approved Changes			R'mended changes for Council	Projected year end result	Actual
	Review (carry-over)	Review	Revised Budget	Resolution		YTD

Capital Funding

Rates and other untied funding	4,515,760			4,515,760		4,515,760	2,139,930
Capital Grants & Contributions	5,503,090	2,855,567	314,000	8,672,657	-1,783,485	6,889,172	2,646,285
Internal Restrictions							
- renewals	2,089,401	410,000	325,000	2,824,401		2,824,401	
- new assets	1,030,000	2,320,057		3,350,057	303,034	3,653,091	
- plant replacement	3,451,852			3,451,852		3,451,852	321,548
- Waste Facilities debt servicing	262,865			262,865		262,865	
External Restrictions							
- infrastructure levy				0		0	
- Developer Contributions	345,000	341,317	186,000	872,317		872,317	
- Specific Purpose Grants	0			0		0	
Other Capital Funding Sources				0		0	
- loans	5,967,425	7,149,916		13,117,341	827,473	13,944,814	6,004,428
Income from sale of assets							
- plant and equipment	1,512,031			1,512,031		1,512,031	473,039
- land and buildings	0			0		0	
Total Capital Funding	24,677,424	13,076,857	825,000	38,579,281	-652,978	37,926,303	11,585,230

Original Budget	Approved Changes			R'med changes for Council	Projected year end result	Actual
	Review (carry-over)	Review	Revised Budget	Resolution		YTD

Capital Expenditure

New Assets

- Plant and Equipment

- Land and Buildings

- Roads, Bridges, Footpaths & Other

Renewals (Replacement)

- Plant and Equipment

- Land and Buildings

- Roads, Bridges, Footpaths & Other

Loan Repayments (principal)

Total Capital Expenditure

			0		0	
976,244			976,244		976,244	225,840
5,040,000	5,600,464	314,000	10,954,464	-2,119,240	8,835,224	5,514,979
5,119,425	3,909,049		9,028,474	1,466,262	10,494,736	975,887
			0		0	
5,389,264			5,389,264		5,389,264	863,967
475,000	1,856,186	325,000	2,656,186		2,656,186	709,091
4,300,491	1,711,158	186,000	6,197,649		6,197,649	1,450,756
3,377,000			3,377,000		3,377,000	1,844,710
24,677,424	13,076,857	825,000	38,579,281	-652,978	37,926,303	11,585,230

Notes:

This document forms part of Blue Mountains City Council's Quarterly Budget Review Statement (QBRs) for the quarter ended and should be read in conjunction with other documents in the QBRs.

Cash and Investments Budget Review Statement for the quarter ended - 31 December 2013

note: original budget is movement 2012/2013 plus opening balance at 30 June 2012

Original Budget (incl b/fwd balance)	Approved Changes			R'meded changes for Council	Projected year end result	Actual
	Review & carry-over	Review	Revised Budget	Resolution		YTD

Unrestricted

			0		0	530,000
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Externally restricted

RTA contributions	140,287	-40,000		100,287		100,287	100,287
Developer contributions	50,894	-341,317	-186,000	-476,423		-476,423	-476,423
Other contributions	144,240			144,240		144,240	144,240
Domestic waste management	309,314	-61,945		247,369		247,369	247,369
Rural Fire Service	125,460			125,460		125,460	125,460
Special rates	53,968	-21,966		32,002		32,002	32,002
Unexpended loans	3,151,158	-3,151,158		0		0	0
Special purpose grants	4,996,665	-368,452		4,628,213		4,628,213	4,628,213
Total Externally restricted	8,971,986	-3,984,838	-186,000	4,801,148	0	4,801,148	4,801,148

Internally restricted

Employee leave entitlements	3,157,422			3,157,422		3,157,422	3,157,422
Replacement of plant and vehicles	622,147			622,147		622,147	622,147
Waste bins	364,154			364,154		364,154	364,154
Waste - Blaxland Waste Facility	311,726			311,726		311,726	311,726
Tip improvements	994,977			994,977		994,977	994,977
Waste Management - Carbon Pricing Works	0		562,422	562,422		562,422	562,422
Pay & display	1,166,503		-25,752	1,140,751		1,140,751	1,140,751
Elections	400,332			400,332		400,332	400,332
Environmental levy	627,789		-625,000	2,789		2,789	2,789
Property investment fund	1,337,913			1,337,913		1,337,913	1,337,913
Property fund (Heatherbrae)	325,500			325,500	-325,000	500	500
Property fund (Lawson town centre)	474,500	-474,500		0		0	0
Katoomba civic centre/cultural centre	1,321,216	-1,321,261		-45		-45	-45

	Original Budget (incl b/fwd balance)	Approved Changes			R'meded changes for Council	Projected year end result	Actual YTD
		Review & carry-over	Review	Revised Budget	Resolution		
Family day care	166,186			166,186		166,186	166,186
Loan repayments debt servicing	699,000			699,000		699,000	699,000
Workers compensation insurance	1,602,289			1,602,289		1,602,289	1,602,289
Insurance PR & PI	66,000			66,000		66,000	66,000
Operational improvement initiatives	35,485			35,485		35,485	35,485
Telephone/Information Systems)	215,865			215,865		215,865	215,865
Internal borrowing - Cultural Centre Café)		-217,560		-217,560		-217,560	-217,560
Local committees - halls & other	385,118			385,118		385,118	385,118
Printing equipment	49,718			49,718		49,718	49,718
Floodplain risk mngt study & plan	40,000			40,000		40,000	40,000
Works carried forward	809,504	-809,504		0		0	0
Cemeteries Improvements	35,835			35,835		35,835	35,835
Major capital projects	780,571			780,571	105,000	885,571	885,571
Sports field fees	163,096			163,096		163,096	163,096
RTA Agency Further Works	74,683			74,683		74,683	74,683
Rental on crown lands	82,544			82,544		82,544	82,544
FAG in advance	4,177,573		-4,177,573	0		0	0
Investments devaluation/losses funding	738,550			738,550		738,550	738,550
Unfunded reserves - investments downward devaluations	-1,694,475			-1,694,475		-1,694,475	-1,694,475
Special Rate Variation 10/11	391,016			391,016	-20,000	371,016	371,016
Reduced Debt/Contigent Budgets	550,000			550,000		550,000	550,000
Enviro. Sus. WaSIP funds	81,652	-81,652		0		0	0
Walking Track Improvements	56,125			56,125		56,125	56,125
Living Catchments	22,379			22,379		22,379	22,379
Rate income provision 2012/13	104,000	-104,000		0		0	0
Information Solutions	66,000			66,000		66,000	66,000

	Original Budget (incl b/fwd balance)	Approved Changes			R'meded changes for Council Resolution	Projected year end result	Actual YTD
		Review	Review	Revised Budget			
Leura Toilets (Land Sale Funding)	323,800	-323,800		0		0	0
FAG shortfall 2012/13	316,000		-316,000	0		0	0
Bi Centennial Crossing	90,000			90,000		90,000	90,000
Contingency (GM provision)	190,000			190,000		190,000	190,000
Rating Review	-20,110		20,110	0		0	0
Contingent Budget 2012/13	150,000			150,000		150,000	150,000
Economic Development Contingent 2012/13	50,000			50,000		50,000	50,000
reconnecting to Country - Interest on grant		45,090		45,090		45,090	45,090
Asset renewal & maintenance	115,809			115,809		115,809	115,809
Total Internally restricted	22,018,392	-3,287,187	-4,561,793	14,169,412	-240,000	13,929,412	13,929,412
Total Restricted	30,990,378	-7,272,025	-4,747,793	18,970,560	-240,000	18,730,560	18,730,560
Total cash and investments	30,990,378			18,970,560		18,730,560	19,260,560
Available cash	0			0		0	530,000

Notes:

The available cash position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by council for general operations. Internal restrictions are funds that council has determined will be used for a specific purpose.

This document forms part of Blue Mountains City Council's Quarterly Budget Review Statement (QBRS) for the quarter ended and should be read in conjunction with other documents in the QBRS.

Budget Review Contracts and Other Expenses for the quarter ended - 31 December 2012

PART A: Contracts Listing (lists contracts entered into during the quarter under review but have not been fully performed and have a value of \$50,000 to \$120,000)					
Contractor	Contract detail & purpose	Contract value \$	Commencement date	Duration of contract	Budgeted (Y/N)
Moodie Outdoor Products	Fabricate & deliver pit toilet	57,000	7/12/2012	1 month	y
JDH Architects Pty Ltd	Design consultancy Hazelbrook Child Care Centre	120,000	23/10/2012	1 month	y
Ontera Modular Carpets	Carpet replacement HQ	100,482	6/12/2012	1 month	y
Manoeuvre Mow Pty Ltd	Drainage Summerhayes Oval	57,656	22/11/2012	1 month	y
Manoeuvre Mow Pty Ltd	Oval renovation,soil preparation	90,200	22/11/2012	1 month	y

Note:

PART B - Consultancy and Legal expenses (actual expenditure 1/7/2012 to 31/12/2012)	Expenditure YTD	Budgeted
Expense	\$	(Y/N)
Consultancies	419,236	y
Legal Fees	370,183	y

Note:

This document forms part of Blue Mountains City Council's Quarterly Budget Review Statement (QBRS) for the quarter ended and should be read in conjunction with other documents in the QBRS.

2012-2013 Six-Month Report



Key Terms Used in this Report

- **Sustainability Performance Reporting (Quadruple Bottom Line)** – Sustainability performance measures are used to assess the Council's governance, environmental, social and financial performance or how sustainable we are as an organisation.
- **Major Projects** - Major projects are defined as those projects that have a significant capital component and / or require significant financial / staff resources / community consultation usually over more than one financial year.
- **Capital Works Projects** - Capital works are projects that broadly involve the planning and construction of new built assets or the improvement of existing built assets such as footpaths, signage, roads and community halls.
- **Operational Plan Actions** - Operational Plan actions are a comprehensive list of all activities and projects the Council is committed to delivering each year in alignment with the Council's 4-year plans.
- **Service Performance Measures** - Service performance measures are a quantitative assessment of Outputs of Council service delivery to assess whether the Council has completed planned activities to the required standard on time and within budget.
- **Delivery Program Performance Measures** - The Delivery Program performance measures focus on outcome based measures of service activity including qualitative measures on perceptions of key stakeholders on service performance results and asset based measures used to measure the condition of built assets.

How Progress is Reported

For each milestone / project / action progress will be shown as either:

- **On Target** - is applied to a milestone / project / action that is in progress as planned.
- **Complete** - is applied to a milestone / project / action that has been completed as planned.
- **Behind Target** - is applied to a milestone / project / action that is not being delivered as planned which could be due to a number of reasons such as vacancies, weather or new issues that arose during the course of project implementation.
- **Rescheduled** - this is assigned to a project by the General Manager where resources have been redirected to other agreed priorities that have emerged or where delays / issues have arisen beyond the control of the Council. This status is removed from the calculations for "% of projects On Target / Complete".
- **Withdrawn** - this is assigned to a project where the lead community partner or lead agency no longer wishes to proceed with the project. This status is removed from the calculations for "% of projects On Target / Complete".

For each performance measure progress will be shown as either:

- **Below Target**: applied to a performance target that was not achieved.
- **On Target**: applied to a performance target that was achieved or tracking in the right direction to be achieved.
- **Not Yet Available**: applied to performance targets where the result is not available. These measures are removed from the calculation for "% of performance measures on target".