



28th November, 2006

ADMINISTRATION AND FINANCE COMMITTEE MEETING

NOTICE IS HEREBY GIVEN THAT AN ADMINISTRATION AND FINANCE COMMITTEE MEETING OF THE COUNCIL OF THE CITY OF RANDWICK WILL BE HELD IN THE COUNCIL CHAMBER, TOWN HALL, 90 AVOCA STREET, RANDWICK, ON TUESDAY, 5TH DECEMBER, 2006 AT 6:00 P.M.

Committee Members: The Mayor, Cr P. Tracey, Andrews (Chairperson), Hughes, Kenny, Matson, Nash (Deputy Chairperson), Seng & Woodsmith.

Quorum: Five (5) members.

NOTE: AT THE EXTRAORDINARY MEETING HELD ON 28TH SEPTEMBER, 2004, THE COUNCIL RESOLVED THAT THE ADMINISTRATION AND FINANCE COMMITTEE BE CONSTITUTED AS A COMMITTEE WITH FULL DELEGATION TO DETERMINE MATTERS ON THE AGENDA.

1 Apologies/Granting of leave of absences

2 Confirmation of the Minutes

CONFIRMATION OF THE MINUTES OF THE ADMINISTRATION & FINANCE COMMITTEE MEETING HELD ON TUESDAY, 21ST NOVEMBER, 2006.

3 Declaration of Pecuniary & Non-Pecuniary Interests

4 Addressing of Committee by Members of the Public

5 Urgent Business

6 Finance

6.1 DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' 2
REPORT 77/2006 - MONTHLY FINANCIAL REPORTS AS AT 31
OCTOBER 2006.

6.2 DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' 4
REPORT 78/2006 - 2006/2007 CONTINGENCY FUND - STATUS
AS AT 23 NOVEMBER 2006.

6.3 DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' 7
REPORT 79/2006 - INVESTMENT REPORT - OCTOBER 2006.

7 Confidential Items (Closed Session)

8 Notices of Rescission Motions

.....
GENERAL MANAGER

Director, Governance & Financial Services' Report 77/2006



SUBJECT:	MONTHLY FINANCIAL REPORTS AS AT 31 OCTOBER 2006
-----------------	---

DATE:	20 November, 2006	FILE NO:	F2004/06526
--------------	-------------------	-----------------	-------------

REPORT BY: DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

INTRODUCTION:

Section 202 of the Local Government (General) Regulation 2005 requires that the responsible accounting officer of a council must:

- (a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of the council's income and expenditure, and
- (b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.

ISSUES:

This report provides the financial results of Council as at 31 October 2006. Attachment 1 summarises Council's Financial Performance and its Source and Application of Funds. It also summarises the operating result for each of Council's principal activities. Attachment 2 details the financial position of Council as at 31 October 2006.

RELATIONSHIP TO CITY PLAN:

The relationship with the City Plan is as follows:

Outcome: Outcome 1: Leadership in Sustainability
 Direction: 1c: Long term financial viability is achieved.

FINANCIAL IMPACT STATEMENT:

There is no direct financial impact for this matter.

CONCLUSION:

Council's Director Governance & Financial Services as the responsible accounting officer, advises that the projected financial position is satisfactory.

RECOMMENDATION:

The monthly financial reports as at 31 October 2006 be noted.

ATTACHMENT/S:

1. Income Statement & Source and Application of Funds –
2. Balance Sheet – ALL UNDER SEPERATE COVER.

.....
GEOFF BANTING
DIRECTOR, GOVERNANCE &
FINANCIAL SERVICES



Director, Governance & Financial Services' Report 78/2006

SUBJECT:	2006/2007 CONTINGENCY FUND - STATUS AS AT 23 NOVEMBER 2006
-----------------	--

DATE:	16 November, 2006	FILE NO:	F2004/07369 xr F2005/00182
--------------	-------------------	-----------------	-------------------------------

REPORT BY: DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

The purpose of this report is to detail the progressive amount of donations, allocations, waiving of fees and other similar contributions for the 2006/07 financial year.

ISSUES:

In the 2006/07 financial year there have been twenty-eight (28) allocations totalling \$88,170.95 as listed in the table below.

MEETING	DETAILS	NET COST TO COUNCIL
Ordinary Council – 27 June 2006	<u>Annual contribution</u> – Waiving of Greenwaste Disposal Fees or the Guriwal Aboriginal Community at La Perouse	\$6,500.00
Ordinary Council – 27 June 2006	Waiving of fees for Carols by the Sea – St Paul's Anglican Church Coogee	\$1,063.18
Ordinary Council – 27 June 2006	Waiving of fees for the installation of a banner - Our Lady of the Sacred Heart Primary School, Randwick	\$1,188.00
Ordinary Council – 27 June 2006	Structural maintenance works associated with the lease of 30-32 Waratah Street, Randwick – Randwick Open Care for Kids (ROCK)	\$5,000.00
Ordinary Council – 27 June 2006	<u>Annual contribution</u> - Waiving of fees for Special Rubbish Pick Up Service – Ronald McDonald House	\$650.00
Ordinary Council – 27 June 2006	Financial assistance for 2006 Rock Eisteddfod – Randwick Girls & Boys High Schools	\$5,000.00
Ordinary Council – 27 June 2006	Financial assistance for Sports Coast Flags – Randwick City Tourism	\$1,740.00
Ordinary Council – 25 July 2006	Financial assistance – installation & dismantling of Learning Links banner	\$709.83

MEETING	DETAILS	NET COST TO COUNCIL
Ordinary Council – 25 July 2006	<u>Annual contribution</u> (3 years from 2006/07) - SSROC East Timor Partnership	\$4,000.00
Ordinary Council – 25 July 2006	“Our City” banner – Wylies Baths Trust	\$265.00
Ordinary Council – 22 August 2006	Use of Des Renford Aquatic Centre - Des Renford Chair of Heart Research Swim Challenge and Charity Day	\$5,700.00
Ordinary Council – 22 August 2006	Waiving of fees for Fun Run/Oktoberfest/Market Day - Maroubra Chamber of Commerce	\$4,741.75
Ordinary Council – 22 August 2006	Donation of Plants - Coogee Public School.	\$500.00
Ordinary Council – 22 August 2006	Contribution - two (2) joint display banners for use at business related functions - Eastern Suburbs Business Enterprise Centre & Randwick City Combined Chambers of Commerce	\$1,200.00
Ordinary Council – 22 August 2006	Sponsorship - Annual Sydney Body Art Ride (SBAR) Fundraising Event.	\$3,000.00
Ordinary Council – 26 Sept 2006	Waiving of fees for Coogee Family Fun Day - Goldstein Reserve	\$9,119.25
Ordinary Council – 26 Sept 2006	Waiving of fees for St Marks Anglican Church, Malabar – Carols by Candlelight	\$6,833.30
Ordinary Council – 26 Sept 2006	Waiving of fees for use of Kokoda Park, Kensington for Carols by Candlelight	\$2,959.45
Ordinary Council – 26 Sept 2006	Waiving of fees for Surf Life Saving NSW – Carnival at Maroubra Beach	\$2,929.00
Ordinary Council – 26 Sept 2006	<u>Annual contribution</u> (7 years from 2006/07) Interest foregone on interest free loan - Coogee Surf Life Saving Club renovations	\$4,500.00
Ordinary Council – 26 Sept 2006	Waiving of fees for East Coast Ocean Challenge	\$783.30
Ordinary Council – 24 Oct 2006	Waiving of fees for use of Maroubra Beach for the Molloy Shield Surf Carnival	\$800.34
Ordinary Council – 24 Oct 2006	Waiving of fees for Express Glass Island Challenge (Coogee Surf Life Saving Club)	\$1,704.28
Ordinary Council – 24 Oct 2006	Waiving of fees for Rainbow Street Public School for installation of banner	\$1,132.00
Ordinary Council – 24 Oct 2006	Maroubra Surf Life Saving Club Centenary Dinner – purchase tickets for 2 tables of 10	\$3,000.00
Ordinary Council – 24 Oct 2006	2007 Australia Day Botany Bay Regatta – financial assistance	\$500.00
Ordinary Council – 24 Oct 2006	2007 Coogee Arts Festival – waiving of fees and financial assistance	\$10,000.00
Ordinary Council – 24 Oct 2006	Waiving of fees for South Maroubra Village Green Carols by Candlelight	\$2,652.27
TOTAL:		\$88,170.95

The amounts shown in the table above reflect the net cost to Council in providing the donation, grant or assistance. The GST, where applicable, has not been shown because it will be claimed back from the Australian Taxation Office.

The total amount of contingency fund votes has not changed from that presented to the 21 November 2006 Council Meeting as the business paper for this meeting was prepared prior to the 28 November 2006 Council Meeting.

RELATIONSHIP TO CITY PLAN:

The relationship with the City Plan is as follows:

- Outcome 2:** A vibrant and diverse community
Our community will be proud to be part of our City and celebrate its range of cultures and people.
- Direction 2b:** Enrich our range of community services that meet our community's needs.
- Key Action:** - Support the provision of services and facilities to meet the needs of our Target Groups.
- Celebrate the range of cultures and people within Randwick City.

FINANCIAL IMPACT STATEMENT:

Council has allocated \$120,000.00 in the 2006/07 budget for contingencies.

The budget for Council contingencies is to be increased by \$21,150.00 (being the amount equivalent the total voted at the June 2006 Council Meeting) in conjunction with the September budget review. The September budget review will be considered at the 28 November 2006 Council Meeting.

RECOMMENDATION:

That the report be received and noted.

ATTACHMENT/S:

Nil

.....
GEOFF BANTING
DIRECTOR, GOVERNANCE &
FINANCIAL SERVICES

.....
JULIE HARTSHORN
SENIOR ADMINISTRATIVE
COORDINATOR



Director, Governance & Financial Services' Report 79/2006

SUBJECT:	INVESTMENT REPORT - OCTOBER 2006
-----------------	----------------------------------

DATE:	20 November, 2006	FILE NO:	F2004/06527
--------------	-------------------	-----------------	-------------

REPORT BY: DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

INTRODUCTION:

The Local Government (General) Regulation requires that the responsible accounting officer provide a written report to the ordinary meeting of the Council giving details of all monies invested and a certificate as to whether or not the investments have been made in accordance with the Act, the regulations and Council's Investment Policy No: 3.02.07.

ISSUES:

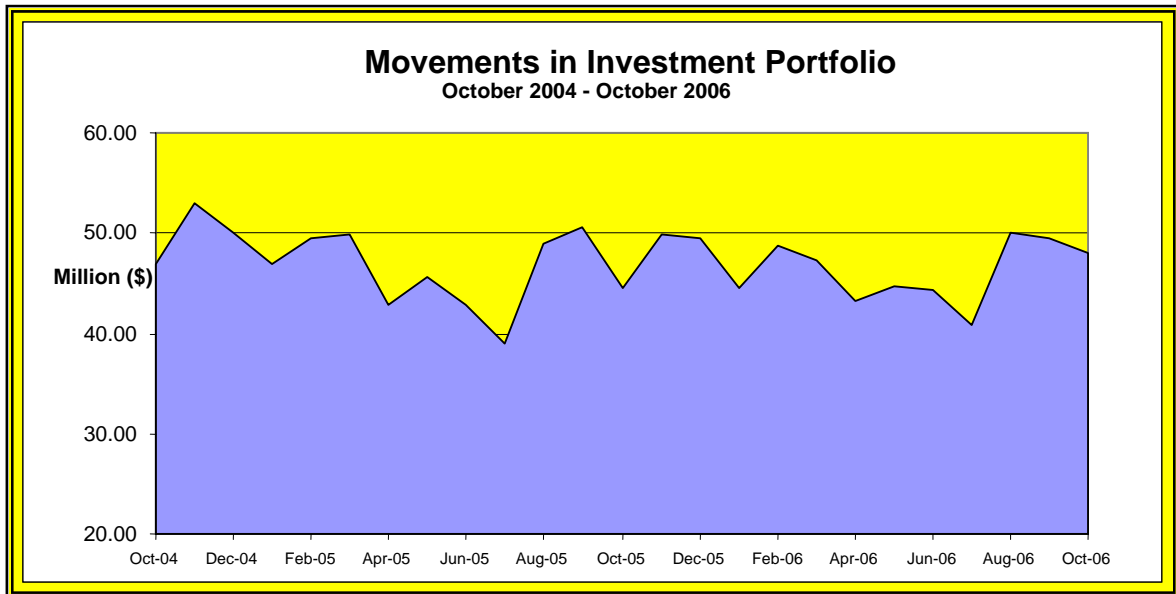
Council is authorised by s625 of the Local Government Act to invest its surplus funds. Funds may only be invested in the form of investment notified by Order of the Minister dated 23 September, 2005. The Local Government (General) Regulation prescribes the records that must be maintained in relation to Council's investments.

The attached table titled "Investment Performance Report – October 2006" outlines the investment portfolio held by Council as at the end of October 2006. All investments have been made in accordance with the Act, Regulations and Council's Investment Policy.

Investment Commentary

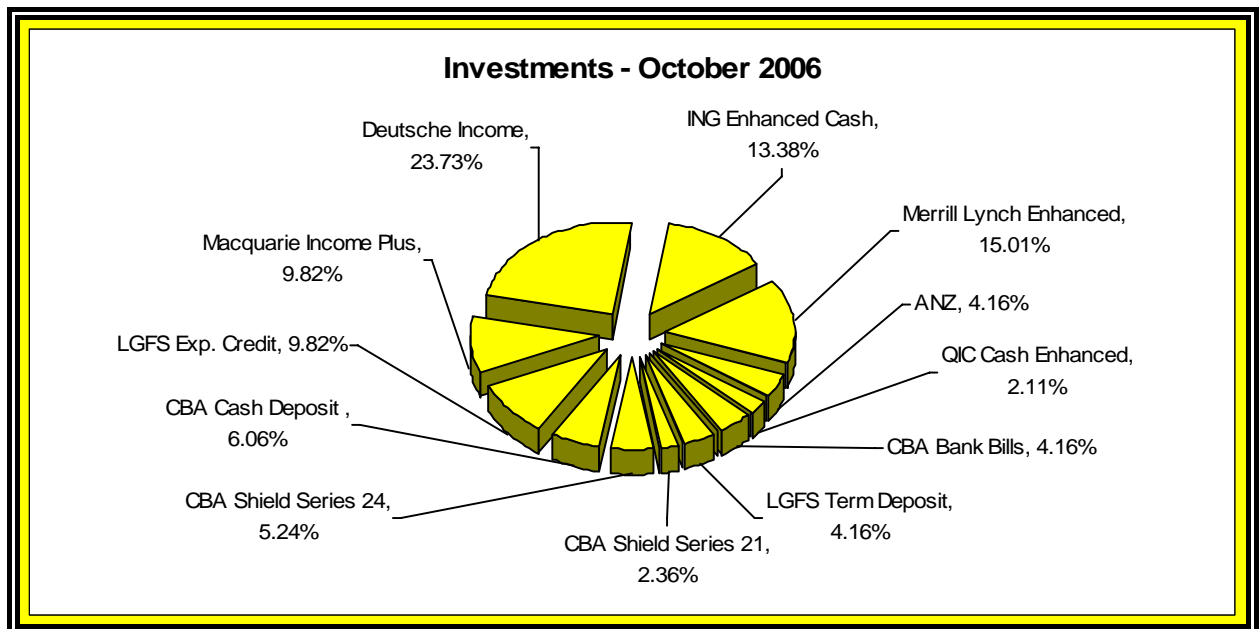
The size of the investment portfolio may vary significantly from month to month as a result of cash flows for the period. Cash outflows (expenditure) are typically relatively stable from one month to another. Cash inflows (income) are cyclical and are largely dependent on the rates instalment due dates and the timing of grant payments including receipt of the Financial Assistance Grant.

The investment portfolio decreased by \$1.5 million during October 2006. The decrease is representative of the negative cash flow for the month as expenditure exceeded revenue.

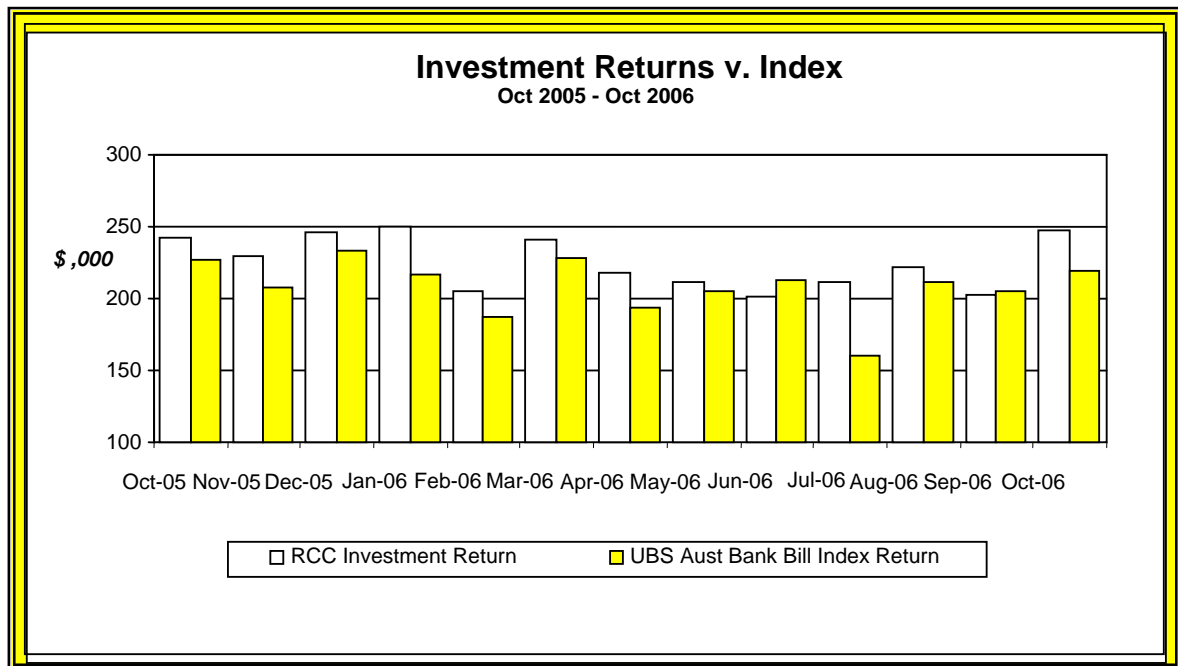


The above graph illustrates the movement in the investment portfolio since October 2004. The peaks are representative of the rates instalment periods.

The investment portfolio is diversified across a number of investment types and is spread across a number of financial institutions. The various investment types may include managed funds, term deposits, rolling rate investments, floating rate notes and on-call accounts. The following graph indicates the various investments held during October 2006.



The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk. Comparisons are made between existing investments with available products that are not part of Council's portfolio. Independent advice is sought on new investment opportunities.



Investment performance exceeded the industry benchmark UBS Australian Bank Bill Index in October 2006 with an average return after fees of 6.96%, compared with the benchmark index of 6.13%.

Official Reserve Bank of Australia (RBA) cash interest rate remained at 6.00%.

RELATIONSHIP TO CITY PLAN:

The relationship with the City Plan is as follows:

Outcome 1: Leadership in Sustainability.

Direction 1c: Long term financial viability is achieved.

Key Action: Investment Policy and Procedures.

FINANCIAL IMPACT STATEMENT:

Funds are invested with the aim of achieving budgeted income in 2006/2007 and outperforming the USB Australian Bank Bill Index over a 12 month period. The budget provision for income from this source is \$2.702 million. Income to 31 October 2006 amounted to \$945,759.

CONCLUSION:

All investments as at 31 October 2006 have been made in accordance with Policy No: 3.02.07 and the provisions of s625 of the Local Government Act and the Local Government (General) Regulation have been complied with.

RECOMMENDATION:

That the investment report for October 2006 be received and noted.

ATTACHMENT/S:

Investment Performance Report – October 2006.

.....
GEOFF BANTING
DIRECTOR, GOVERNANCE &
FINANCIAL SERVICES

.....
GREG BYRNE
MANAGER FINANCIAL
OPERATIONS

Investment Performance Report - October 2006

Investment	Credit Rating	Amount Invested	Interest Earned		Investment Performance		
			Period	FYTD	Period	FYTD	Past 12 Months
			\$	\$	\$	%	%
CBA Cash Deposit (CDA)	AA	2,915,170	14,759	84,156	5.95	5.89	5.64
LGFS Expanded Credit Facility	Af	4,723,366	28,181	96,366	7.30	6.09	6.07
Macquarie Income Plus Enhanced Income Fund	Af	4,722,705	25,491	95,573	6.58	6.32	6.12
Deutsche Income Enhanced Income Fund	Af	11,414,859	60,659	163,145	6.47	6.51	6.28
ING Enhanced Cash Fund	Af	6,433,529	33,519	130,156	6.34	6.45	6.24
Merrill Lynch Diversified Credit Fund	Af	7,219,244	50,865	158,890	8.68	6.99	6.53
ANZ Bank - Three Pillars	AA-	2,000,000	12,448	48,536	7.34	7.12	6.92
					3 month BBSW + 1.20%		
QIC Cash Enhanced	AA	1,016,592	5,240	16,593	6.27	6.35	6.16
CBA Bank Bills	*	2,000,000	0	9,374	Purchased 15 September 2006. Maturing 13 November 2006 being 59 Days @ 6.14% pa.		
IMB Term Deposit	*	-	20,515	20,515	There were no IMB Term Deposits held in October		
LGFS Term Deposit	*	2,000,000	11,301	11,301	Purchased 31 October 2006. Maturing 30 November 2006 being 30 Days @ 6.39% pa.		
Commonwealth Bank Shield Series 21	AA	1,133,530	Purchased in April 2004. Capital is guaranteed and interest is paid at maturity. Investment value as at 30 September 2006 is \$1,130,070.00 which equates to return since inception of 5.20%				
Commonwealth Bank Shield Series 24	A- Negative watch	2,518,475	16,328	62,990	7.69	7.54	7.27
					3 month BBSW + 1.50%		
Interest earned from matured investments	-	-	5,819	38,925	-	-	-
General Fund Bank Account	-	-	3,158	9,238	-	-	-
Total		48,097,470	288,284	945,759	6.96	6.58	6.36
Official (Reserve Bank of Australia) Cash Rate					6.00	5.94	5.69
UBS Australian Bank Bill Index					6.13	6.17	5.90

G:\ACCTS\Financial Operations\Investments\Investment Performance Report\TABLES

* Bank Bills and Term Deposits are not credit rated.

Report Author: Aldo Meoli, Financial Accountant - Financial Operations

