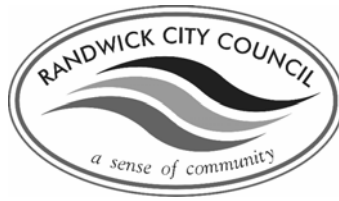


Administrative Centre  
30 Frances St  
Randwick 2031  
Tel: 02 9399 0999  
Fax 02 9319 1510  
DX 4121 Maroubra Junction  
general.manager@randwick.nsw.gov.au



INCORPORATED  
AS A MUNICIPALITY  
22 FEBRUARY 1859  
PROCLAIMED AS  
A CITY JULY 1990

**6 March 2007**

**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 13TH MARCH 2007 AT 6:00 PM**

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 28<sup>TH</sup> 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, 13<sup>TH</sup> FEBRUARY 2007.

**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' REPORT 12/2007 - INVESTMENT REPORT - JANUARY 2007.                           | 2 |
| 6.2 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 13/2007 - MONTHLY FINANCIAL REPORT AS AT 31 JANUARY 2007.             | 7 |
| 6.3 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 14/2007 - 2006/2007 CONTINGENCY FUND - STATUS AS AT 28 FEBRUARY 2007. | 9 |

**7 Confidential Items (Closed Session)**

**8 Notices of Rescission Motions**

.....  
GENERAL MANAGER

## ***Director, Governance & Financial Services' Report 12/2007***



<b>SUBJECT:</b>	INVESTMENT REPORT - JANUARY 2007
-----------------	----------------------------------

<b>DATE:</b>	14 February, 2007	<b>FILE NO:</b>	F2004/06527
--------------	-------------------	-----------------	-------------

**REPORT BY:** DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

Nil

### **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 – January 2007" outlines the investment portfolio held by Council as at the end of January 2007. All investments have been made in accordance with the Act, Regulations and Council's Investment Policy.

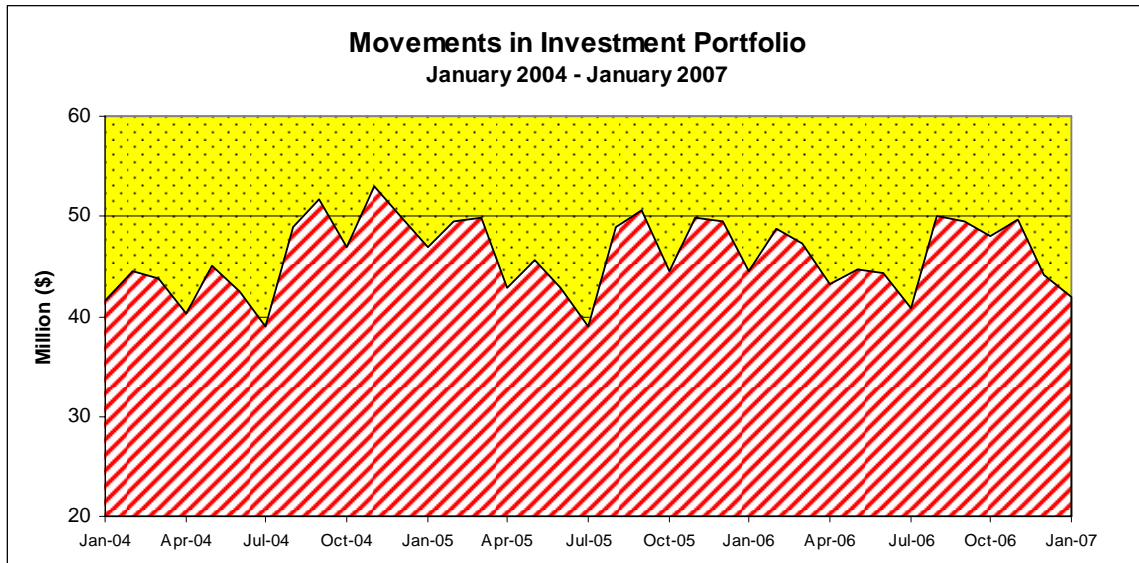
### **Investment Commentary**

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 balance of the investment portfolio as at 31 January 2007 was \$41.96 million. During January 2007 it decreased by \$2.14 million mainly due to two payroll periods which amounted to \$2.58 million. There was also \$1.10 million spent on capital works during January 2007.

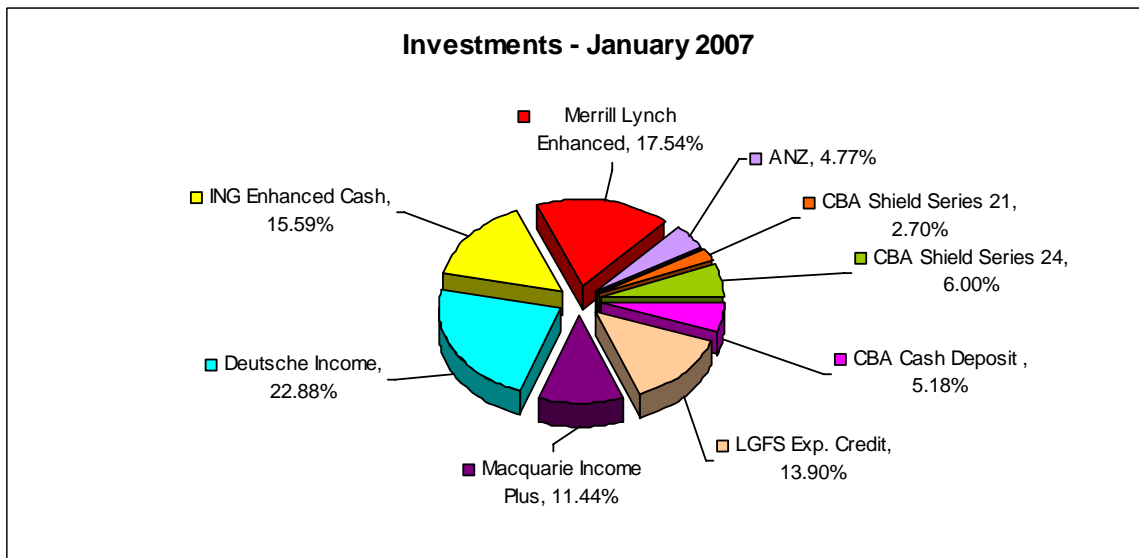
Rates collected during January 2007 amounted to \$1.89 million. Other major revenue was the December 2006 GST refund of \$568,372 received from the Australian Taxation Office, \$273,342 being fine revenue received from the Office Of State Revenue, \$310,942 being a grant from the Library Council and \$44,250 being a grant from the Department of Aged, Disability and Home Care.

The third rate instalment is due 28 February 2007 which should result in an increase in the investment portfolio for February 2007.



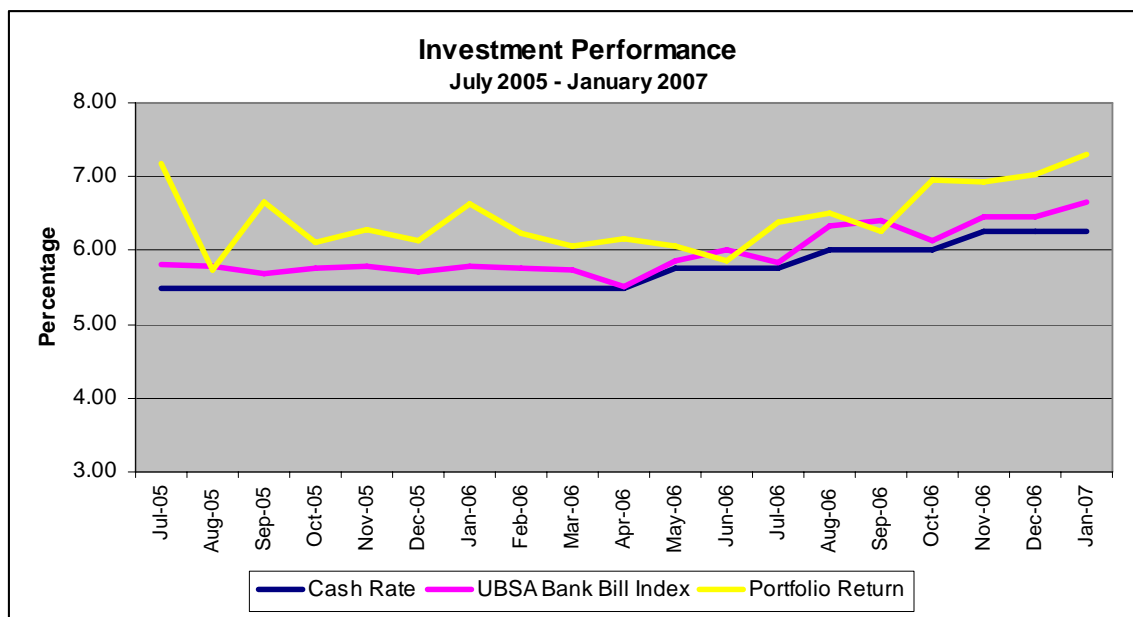
The above graph illustrates the movement in the investment portfolio since January 2004. The peaks are representative of the rates instalment periods.

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 January 2007.



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.

The graph below shows the investment return achieved against the USB Bank Bill Index and the official Reserve Bank of Australia (RBA) cash interest rate or the period July 2005 to January 2007.



Investment performance exceeded the industry benchmark UBS Australian Bank Bill Index in January 2007 with an average return after fees of 7.30%, compared with the benchmark index of 6.65%. Official Reserve Bank of Australia (RBA) cash interest rate remained at 6.25% during January 2007.

### Month in Review

Consumer prices fell in the last quarter of December 2006 resulting in the annual inflation rate being 3.3%. Employment remained strong with the unemployment rate at a 30 year low. As a result of the drop in the inflation rate economic commentary suggests that the Reserve Bank of Australia will keep the official cash rate unchanged for 2007.

### 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 \$2.737 million. Income to 31 January 2007 amounted to \$1,775,067.

### CONCLUSION:

All investments as at 31 January 2007 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 January 2007 be received and noted.

**ATTACHMENT/S:**

Investment Performance Report – January 2007.

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

.....  
GREG BYRNE  
MANAGER FINANCIAL OPERATIONS

## Investment Performance Report - January 2007

Investment	Credit Rating	Amount Invested	Interest Earned		Investment Performance		
			Period	FYTD	Period	FYTD	Past 12 Months
			\$	\$	%	%	%
CBA Cash Deposit (CDA)	AA	2,172,250	9,557	119,439	6.20	6.02	5.83
LGFS Expanded Credit Facility	Af	5,831,410	30,026	182,785	8.35	6.45	6.47
Macquarie Income Plus Enhanced Income Fund	A	4,801,572	25,893	174,440	6.57	6.55	6.27
Deutsche Income Enhanced Income Fund	A	9,600,667	64,747	348,955	7.43	6.71	6.44
ING Enhanced Cash Fund	Af	6,541,191	36,745	237,817	6.86	6.70	6.40
Merrill Lynch Diversified Credit Fund	A	7,359,710	53,565	299,357	8.98	7.47	6.81
ANZ Bank - Three Pillars	AA-	2,000,000	12,886	86,035	7.61	7.25	7.08
QIC Cash Enhanced	AAf	-	3,122	52,074	5.83	6.51	6.32
CBA Term Deposits	*	-	-	-	There were no CBA Term Deposits held as at 31 January 2007		
IMB Term Deposit	*	-	-	-	There were no IMB Term Deposits held as at 31 January 2007		
LGFS Term Deposit	*	-	21,626	43,431	There were no LGFS Term Deposits held as at 31 January 2007		
Commonwealth Bank Shield Series 21	AA	1,133,530	Purchased in April 2004. Capital is guaranteed and interest is paid at maturity. Investment estimated value as at 31 January 2007 is \$1,188,520.00 which equates to return since inception of 6.29%				
Commonwealth Bank Shield Series 24	A-Negative watch	2,518,475	16,753	112,242	7.89	7.69	7.47
Interest earned from matured investments	-	-	4,888	102,048	-	-	-
General Fund Bank Account	-	-	3,831	16,445	-	-	-
<b>Total</b>		<b>41,958,805</b>	<b>283,638</b>	<b>1,775,067</b>	<b>7.30</b>	<b>6.82</b>	<b>6.57</b>
Official (Reserve Bank of Australia) Cash Rate					6.25	6.07	5.88
UBS Australian Bank Bill Index					6.65	6.32	6.09

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

**Credit Rating:** \* Bank Bills and Term Deposits are not credit rated. The 'f' subscript to the credit rating signifies that it is a Standard & Poors fund rating and that assets are valued at their market value.

**Report Author: Aldo Meoli, Financial Accountant - Financial Operations**

## ***Director, Governance & Financial Services' Report 13/2007***



<b>SUBJECT:</b>	MONTHLY FINANCIAL REPORT AS AT 31 JANUARY 2007.
-----------------	---

<b>DATE:</b>	1 March, 2007	<b>FILE NO:</b>	F2006/00689
--------------	---------------	-----------------	-------------

**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 January 2007. 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 January 2007.

### **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.

### **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:**

That the monthly financial reports as at 31 January 2007 be noted.

**ATTACHMENT/S:**

UNDER SEPARATE COVER -

1. Income Statement and Source & Application of Funds
2. Balance Sheet.

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



## Director, Governance & Financial Services' Report 14/2007



<b>SUBJECT:</b>	2006/2007 CONTINGENCY FUND - STATUS AS AT 28 FEBRUARY 2007
-----------------	--

<b>DATE:</b>	2 March, 2007	<b>FILE NO:</b>	F2004/07396 xr F2005/00182
--------------	---------------	-----------------	-------------------------------

**REPORT BY:** DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

### INTRODUCTION:

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 43 allocations totalling \$120,567.32 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
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

MEETING	DETAILS	NET COST TO COUNCIL
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	\$2,195.91
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	Financial assistance for 2007 Australia Day Botany Bay Regatta	\$500.00
Ordinary Council – 24 Oct 2006	Contribution - Coogee Arts Festival	\$10,000.00
Ordinary Council – 24 Oct 2006	Waiving of fees for South Maroubra Village Green Carols by Candlelight	\$2,652.27
Ordinary Council – 28 Nov 2006	Waiving of fees for Epiphany Festival at Yarra Bay	\$3,917.20
Ordinary Council – 28 Nov 2006	Waiving of fees for Randwick Shield at Maroubra Beach	\$1,024.71
Ordinary Council – 28 Nov 2006	Waiving of fees for Coogee 100 years Open Surf Carnival	\$1,822.46
Ordinary Council – 28 Nov 2006	Contribution to Clovelly Precinct Committee for 'Love Clovelly Competition'	\$400.00
Ordinary Council – 28 Nov 2006	Donation to Aussie Helpers for Aussie Working Dog Program	\$100.00

MEETING	DETAILS	NET COST TO COUNCIL
Ordinary Council – 12 Dec 2006	Contribution to cost of annual Pere Receveur Historic Mass at La Perouse	\$2,642.88
Ordinary Council – 12 Dec 2006	Waiving of fees for 'Rip Curl Gromsearch' Surfing Competition at Maroubra Beach	\$884.40
Ordinary Council – 12 Dec 2006	Waiving of fees for Gracepoint Christian Church – 5 <sup>th</sup> Annual Clean Up Australia Day Community Celebration	\$1,546.50
Ordinary Council – 12 Dec 2006	Waiving of fees for hire of Community Bus – Castellorizian Ladies Auxiliary	\$346.50
Ordinary Council – 12 Dec 2006	Waiving of fees - Coogee Arts Festival	\$11,276.26
Ordinary Council – 27 Feb 2007	Waiving of fees – Use of Coogee Beach for Filming – Tropfest Film Festival	\$681.00
Ordinary Council – 27 Feb 2007	Waiving of fees – Maroubra Surfers Assoc, Southend Boardriders Inc and Surfing NSW	\$7,068.00
Ordinary Council – 27 Feb 2007	Business Enterprise Project/Young Achievement Australia 2007 - support	\$600.00
Ordinary Council – 27 Feb 2007	Waiving of fees – Filming costs for Beyond Productions ("Cool Aid – The National Carbon Test")	\$510.00
Ordinary Council – 27 Feb 2007	Maroubra Junction Uniting Church – support for free home mowing service for elderly and infirmed residents	\$340.00
<b>TOTAL:</b>		<b>\$120,567.32</b>

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.

#### 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 \$141,150.00 in the 2006/07 budget for contingencies. This amount includes \$21,150.00 (being the amount equivalent the total voted at the June 2006 Council Meeting) which was added to the original budget in conjunction with the September budget review.

#### RECOMMENDATION:

That the report be received and noted.

**ATTACHMENT/S:**

Nil

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

.....  
JULIE HARTSHORN  
SENIOR ADMINISTRATIVE  
COORDINATOR



**Confidential Items (Closed Session)**

**Notices of Rescission Motions**

---