



1 May 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, 8TH MAY 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 AND FINANCE COMMITTEE MEETING HELD ON TUESDAY, 10<sup>TH</sup> APRIL 2007.

### 3 Declaration of Pecuniary & Non-Pecuniary Interests

### 4 Addressing of Committee by Members of the Public

### 5 Urgent Business

### 6 Finance

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| 6.1 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 22/2007 - INVESTMENT REPORT - MARCH 2007.                          | 2  |
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### 7 Confidential Items (Closed Session)

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GENERAL MANAGER

## ***Director, Governance & Financial Services' Report 22/2007***



<b>SUBJECT:</b>	INVESTMENT REPORT - MARCH 2007		
<b>DATE:</b>	24 April, 2007	<b>FILE NO:</b>	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 – March 2007" outlines the investment portfolio held by Council as at the end of March 2007. All investments have been made in accordance with the Act, Regulations and Council's Investment Policy.

### **Investment Commentary**

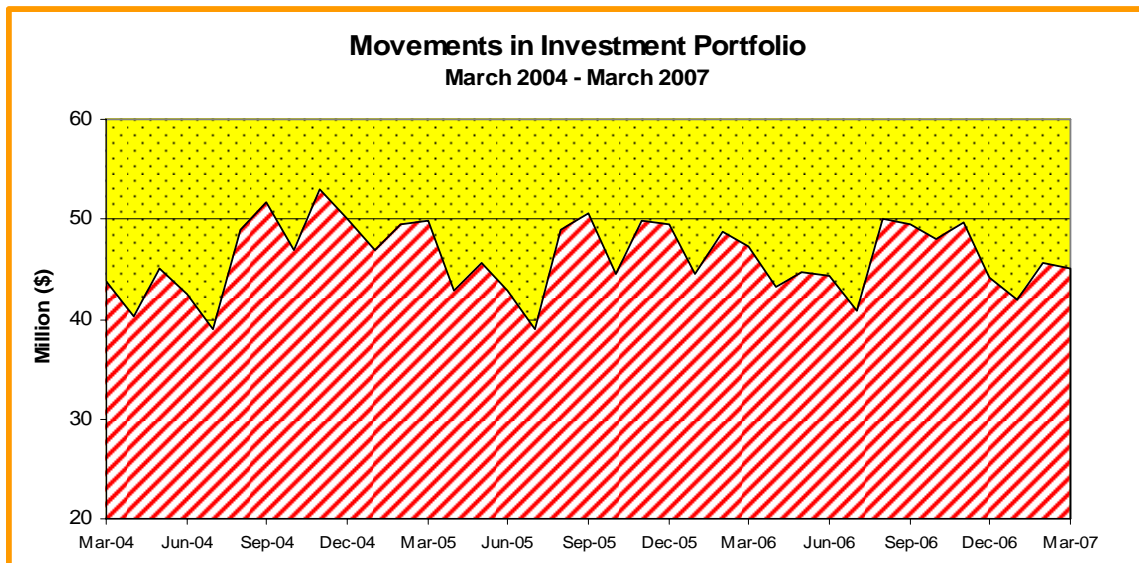
The size of the investment portfolio may vary significantly from month to month as a result of cash flows for the period. Cash outflows (expenditure) are typically relatively stable from one month to another. Cash inflows (income) are cyclical and are largely dependent on the rates instalment due dates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

The balance of the investment portfolio as at 31 March 2007 was \$45.10 million. During March 2007 the portfolio decreased by \$546,000.

During March 2007 there was capital works expenditure of \$1.19 million. There were also two payroll periods during the month and payroll related expenditure during March 2007 amounted to \$3.04 million.

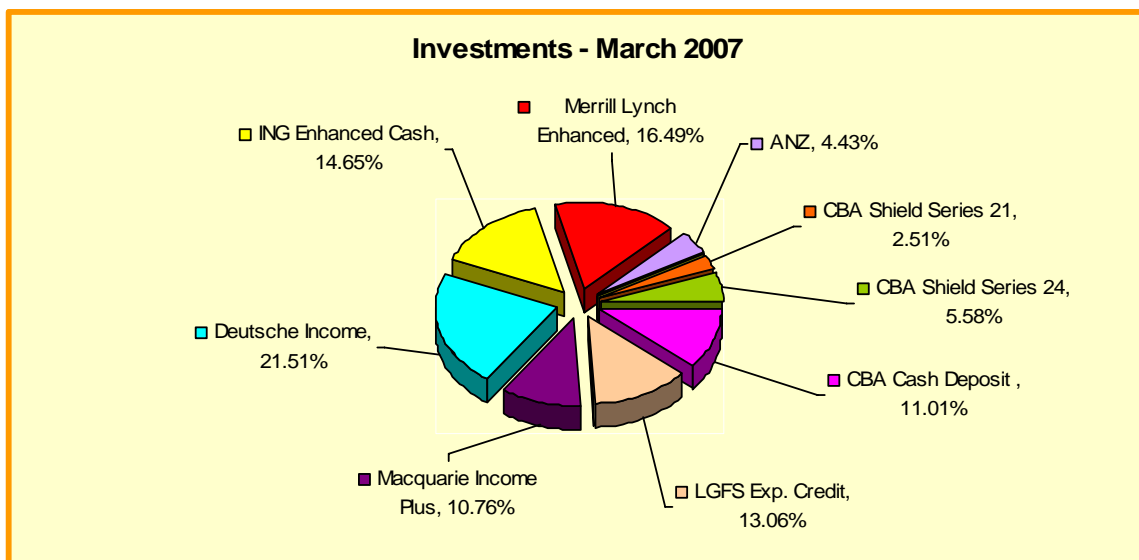
The main source of revenue during the month was from rate collections which amounted to \$2.5 million. Other major revenue during March 2007 was \$121,000 being a grant from the Department of Transport for road maintenance; \$257,000 fine revenue from the Office of State Revenue and the February 2007 GST refund of \$302,381.

The fourth and final rate instalment for this financial year is due 31 May 2007.



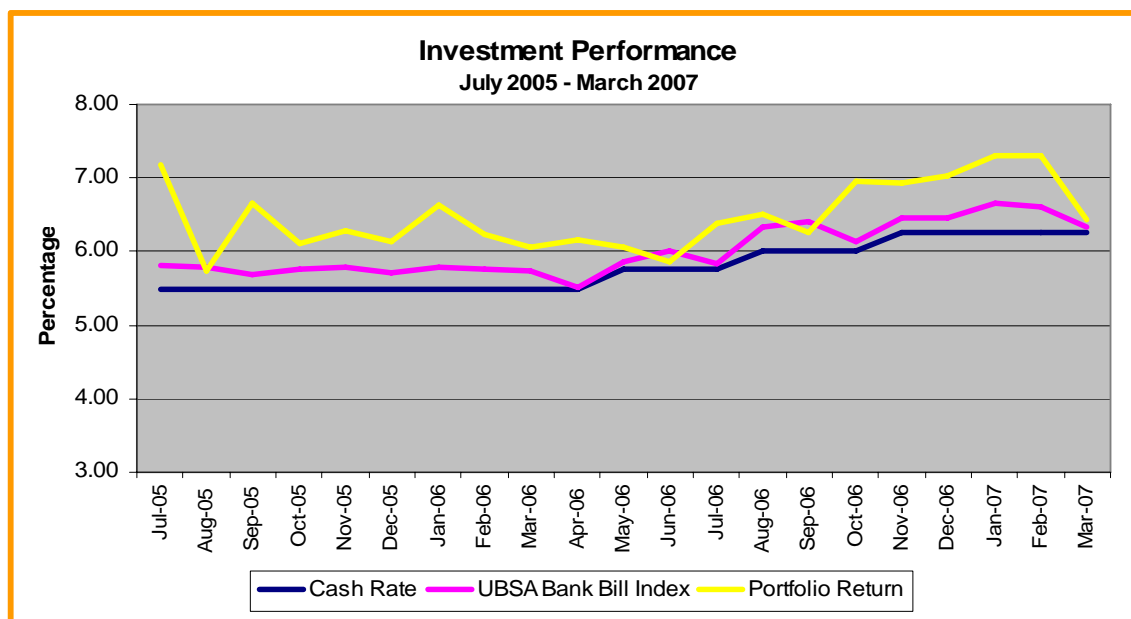
The above graph illustrates the movement in the investment portfolio since March 2004. The peaks are representative of the rates instalment periods.

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 March 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 March 2007.



Investment performance exceeded the industry benchmark UBS Australian Bank Bill Index in March 2007 with an average return after fees of 6.43%, compared with the benchmark index of 6.34%. Official Reserve Bank of Australia (RBA) cash interest rate remained at 6.25% during March 2007.

### Month in Review

The Reserve Bank kept the cash rate unchanged at 6.25% at the March meeting. However with inflation remaining near the top of the 2-3% target range, a tight labour market and a strong domestic economy, all indications are that a rate rise will occur in the near future.

### 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 March 2007 amounted to \$2,242,403.

### CONCLUSION:

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

**ATTACHMENT/S:**

Investment Performance Report – March 2007.

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GEOFF BANTING  
DIRECTOR, GOVERNANCE & FINANCIAL  
SERVICES

.....  
GREG BYRNE  
MANAGER FINANCIAL OPERATIONS

## Investment Performance Report - March 2007

Investment	Credit Rating	Amount Invested	Interest Earned		Investment Performance		
			Period	FYTD	Period	FYTD	Past 12 Months
			\$	\$	%	%	%
CBA Cash Deposit (CDA)	AA	4,966,519	35,610	169,761	6.20	6.06	5.95
LGFS Expanded Credit Facility	Af	5,890,161	28,068	241,535	5.79	6.49	6.52
Macquarie Income Plus Enhanced Income Fund	A	4,851,707	24,724	224,574	6.20	6.58	6.38
Deutsche Income Enhanced Income Fund	A	9,703,255	49,290	451,543	6.18	6.77	6.52
ING Enhanced Cash Fund	Af	6,609,380	34,136	306,007	6.29	6.71	6.50
Merrill Lynch Diversified Credit Fund	A	7,436,494	32,710	376,141	5.33	7.28	6.91
ANZ Bank - Three Pillars	AA-	2,000,000	12,927	110,638	7.61	7.33	7.21
					3 month BBSW + 1.20%		
QIC Cash Enhanced	AAf	-	-	-	There were funds with QIC Cash Enhanced during March 2007		
CBA Term Deposits	*	-	-	-	There were no CBA Term Deposits held as at 31 March 2007		
IMB Term Deposit	*	-	-	-	There were no IMB Term Deposits held as at 31 March 2007		
LGFS Term Deposit	*	-	-	-	There were no LGFS Term Deposits held as at 31 March 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 March 2007 is \$1,202,480.00 which equates to return since inception of 6.34%				
Commonwealth Bank Shield Series 24	A-Negative watch	2,518,475	16,690	144,064	7.86	7.73	7.60
					3 month BBSW + 1.50%		
Interest earned from matured investments	-	-	0	197,553	-	-	-
General Fund Bank Account	-	-	1,829	20,586	-	-	-
<b>Total</b>		<b>45,109,520</b>	<b>235,985</b>	<b>2,242,403</b>	<b>6.43</b>	<b>6.87</b>	<b>6.70</b>
Official (Reserve Bank of Australia) Cash Rate					6.25	6.11	6.00
UBS Australian Bank Bill Index					6.34	6.35	6.21

G: VACCTS\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 23/2007***



<b>SUBJECT:</b>	MONTHLY FINANCIAL REPORTS AS AT 31 MARCH 2007
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<b>DATE:</b>	16 April, 2007	<b>FILE NO:</b>	F2006/00689
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**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 March 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 March 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 March 2007 be noted.



**ATTACHMENT/S:**

UNDER SEPARATE COVER:

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

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GEOFF BANTING  
DIRECTOR, GOVERNANCE & FINANCIAL  
SERVICES

## ***Director, Governance & Financial Services' Report 24/2007***



<b>SUBJECT:</b>	GOODS AND SERVICES TAX CERTIFICATE
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<b>DATE:</b>	26 April, 2007	<b>FILE NO:</b>	F2004/06546
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**REPORT BY:** DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

### **INTRODUCTION:**

In 2006 the Department of Local Government introduced changes to the methodology concerning certification of Council's GST compliance. Councils are now required to supply a Goods and Services Tax Certificate to the Department of Local Government on an annual basis.

### **ISSUES:**

The Department of Local Government requires all local governing bodies to complete a GST certificate of compliance confirming that all GST payments have been made and that adequate management arrangements and internal controls are in place to enable Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.

The Department will collate the returns from Councils and will provide advice to the NSW Treasury for confirmation with the Commonwealth Commissioner of Taxation.

The Goods and Services Tax Certificate requires the signature of the Mayor, another Councillor, the General Manager and the Responsible Accounting Officer.

### **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.

### **RECOMMENDATION:**

That the Goods and Services Tax Certificate for the period 1 May 2006 to 30 April 2007 be approved and signed by the Mayor, another Councillor, the General Manager and the Responsible Accounting Officer.

**ATTACHMENT/S:**

Goods and Services Tax Certificate for the period 1 May 2006 to 30 April 2007.

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GEOFF BANTING  
DIRECTOR, GOVERNANCE & FINANCIAL  
SERVICES

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GREG BYRNE  
MANAGER FINANCIAL OPERATIONS

**RANDWICK CITY COUNCIL****GOODS AND SERVICES TAX CERTIFICATE****Payment of Voluntary GST 1 May 2006 to 30 April 2007**

To assist compliance with Section 114 of the Commonwealth Constitution, we certify that:

Voluntary GST has been paid by Randwick City Council for the period 1 May 2006 to 30 April 2007.

Adequate management arrangements and internal controls were in place to enable the Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.

No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

Signed in accordance with a resolution of Council made on 8 May 2007.

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Cr Paul Tracey  
**MAYOR**

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**COUNCILLOR**

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Ray Brownlee  
**GENERAL MANAGER**

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Geoff Banting  
**RESPONSIBLE ACCOUNTING  
OFFICER**

## ***Director, Governance & Financial Services' Report 25/2007***



<b>SUBJECT:</b>	2006/2007 CONTINGENCY FUND - STATUS AS AT 30 APRIL 2007
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<b>DATE:</b>	26 April, 2007	<b>FILE NO:</b>	F2004/07396
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**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 50 allocations totalling \$145,122.47 as listed in the table below.

<b>MEETING</b>	<b>DETAILS</b>	<b>NET COST TO COUNCIL</b>
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
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

MEETING	DETAILS	NET COST TO COUNCIL
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	Annual contribution (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
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

MEETING	DETAILS	NET COST TO COUNCIL
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
Ordinary Council – 27 March 2007	Waiving of fees – Salvation Army’s Red Shield Appeal	\$3,972.00
Ordinary Council – 27 March 2007	Waiving of fees – Malabar Ocean Swim	\$1,048.44
Ordinary Council – 24 April 2007	Financial assistance - “Racing to the Top” project	\$4,000.00
Ordinary Council – 24 April 2007	Waiving of fees and other costs – Community Fair Coral Sea Park	\$8,741.71
Ordinary Council – 24 April 2007	Waiving of fees – Maroubra Swimming Club’s annual fundraiser	\$660.00
Ordinary Council – 24 April 2007	Financial assistance – Local young persons’ healing retreat	\$5,000.00
Ordinary Council – 24 April 2007	Waiving of filming fees – television commercial for the Sydney Children’s Hospital Foundation	\$1,133.00
<b>TOTAL:</b>		<b>\$145,122.47</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.

It is recommended that the budget for the 2006/07 Contingency Fund be increased by \$15,000 to cover expenditure for the balance of the 2006/07 financial year.

**RECOMMENDATION:**

That the report be received and noted and the 2006/07 Contingency Fund budget be increased by \$15,000 (to \$156,150).

**ATTACHMENT/S:**

Nil

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GEOFF BANTING  
DIRECTOR, GOVERNANCE & FINANCIAL  
SERVICES

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JULIE HARTSHORN  
SENIOR ADMINISTRATIVE  
COORDINATOR





**Confidential Items (Closed Session)**

**Notices of Rescission Motions**

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