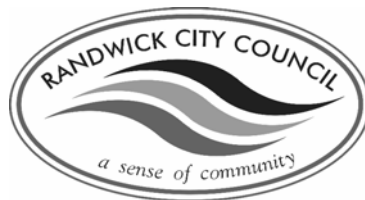


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INCORPORATED
AS A MUNICIPALITY
22 FEBRUARY 1859
PROCLAIMED AS
A CITY JULY 1990

7th August, 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, 14TH AUGUST, 2007 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, 10TH JULY, 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 45/2007 - INVESTMENT REPORT - JUNE 2007. | 2 |
| 6.2 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 46/2007 - MONTHLY FINANCIAL REPORTS AS AT 30 JUNE 2007 (UNAUDITED). | 7 |
| 6.3 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 47/2007 - 2007/08 CONTINGENCY FUND - STATUS AS AT 31 JULY 2007. | 9 |

7 Administration

- | | | |
|-----|--|----|
| 7.1 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 48/2007 - COMPULSORY ACQUISITION OF SEWERAGE PUMPING STATION AT 46R CLIFFBROOK PARADE, CLOVELLY. | 11 |
|-----|--|----|

8 Confidential Items (Closed Session)

9 Notices of Rescission Motions

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GENERAL MANAGER

Director, Governance & Financial Services' Report 45/2007



SUBJECT:	INVESTMENT REPORT - JUNE 2007
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DATE:	28 June, 2007	FILE NO:	F2004/06527
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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 – June 2007" outlines the investment portfolio held by Council as at the end of June 2007. All investments have been made in accordance with the Act, Regulations and Council's Investment Policy.

Investment Commentary

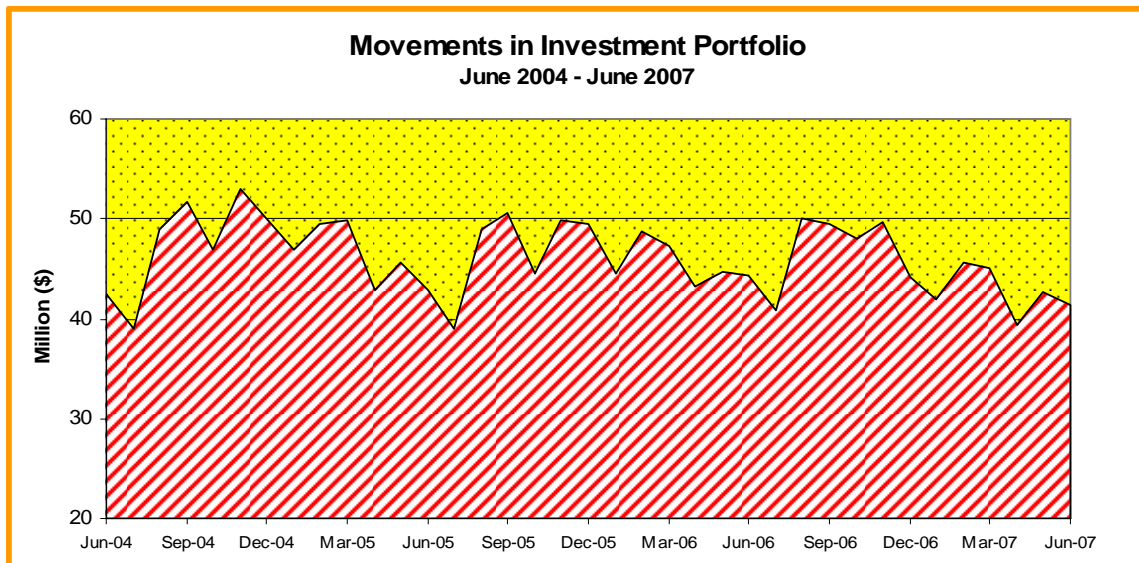
The size of the investment portfolio may vary significantly from month to month as a result of cash flows for the period. Cash outflows (expenditure) are typically relatively stable from one month to another. Cash inflows (income) are cyclical and are largely dependent on the rates instalment due dates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

The balance of the investment portfolio as at 30 June 2007 was \$41.44 million. During June 2007 the portfolio decreased by \$1.33 million.

There was capital works expenditure of \$1.70 million during June 2007. There were also two payroll periods during the month and payroll related expenditure during June 2007 amounted to \$2.55 million. Other operating expenses for the month amounted to \$3.15 million.

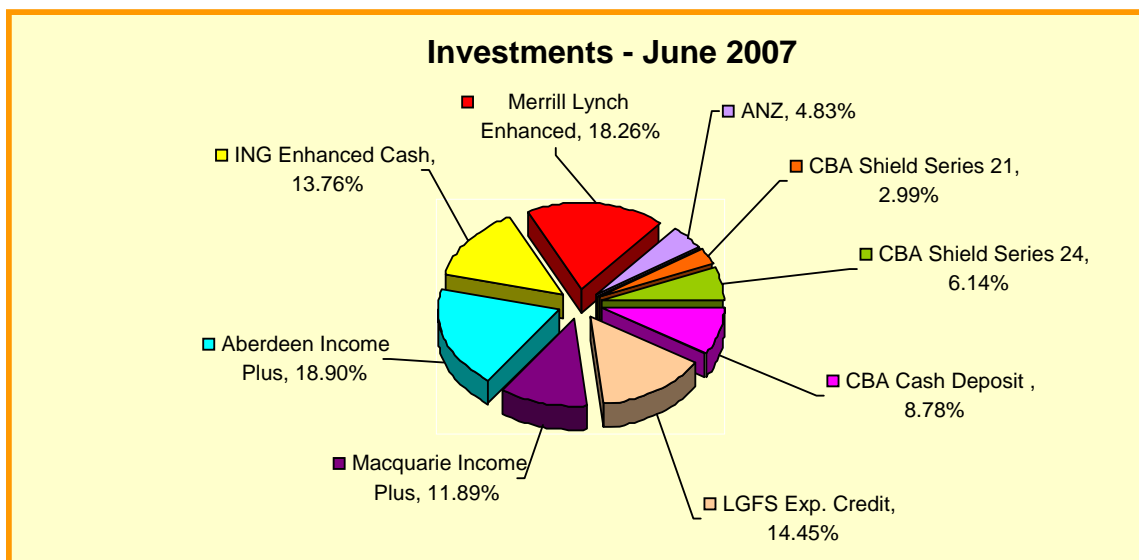
The main source of revenue during the month was from rate collections which amounted to \$3.07 million. Other major revenue during June 2007 was \$350,883 investment interest, \$125,737 being Bus Routes Grant from the Roads and Transport Authority for road maintenance; \$371,967 fine revenue from the Office of State Revenue; and the May 2007 GST refund of \$488,339.

The rate notices for the 2007/2008 year were mailed to the ratepayers on 20 July 2007. The first rate instalment is due 31 August 2007.



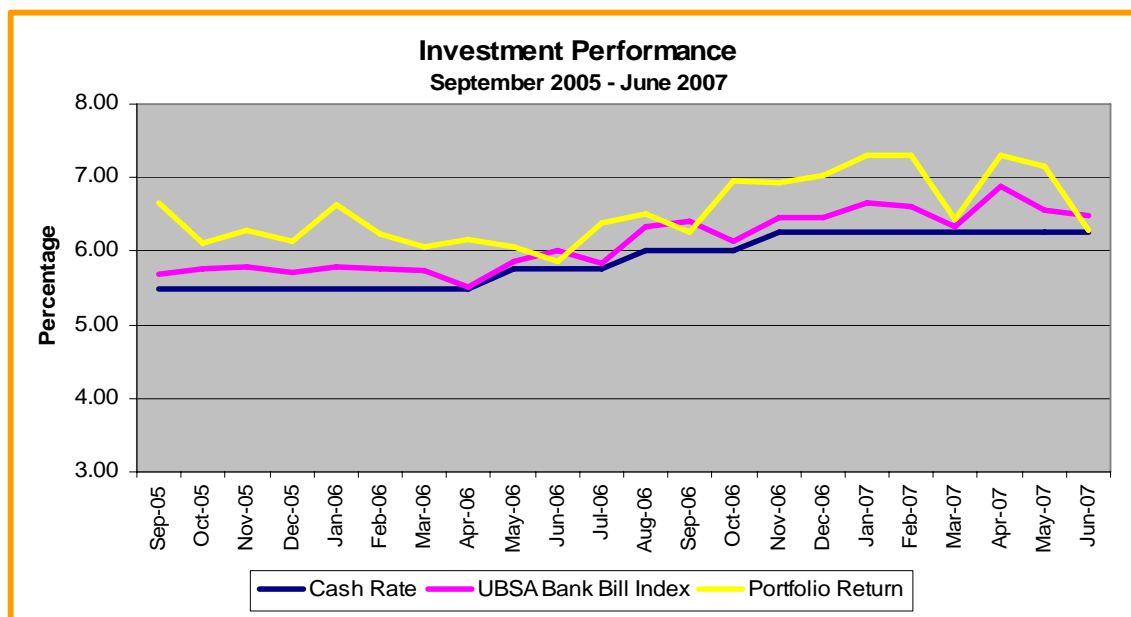
The above graph illustrates the movement in the investment portfolio since June 2004. The peaks are representative of the rates instalment periods.

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 June 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 for the period September 2005 to June 2007.



Investment performance was slightly lower than the industry benchmark UBS Australian Bank Bill Index in June 2007 with an average return after fees of 6.29%, compared with the benchmark index of 6.49%. Official Reserve Bank of Australia (RBA) cash interest rate remained at 6.25% during June 2007.

Month in Review

The Reserve Bank of Australia (RBA) kept the cash rate unchanged at 6.25% at its June meeting – being unable to justify a rate rise after two consecutive weak CPI readings. The RBA were quick to re-emphasise that medium term inflation risks remain on the upside.

Over the month, short term returns were very stable and well below the highs of the previous months, while longer returns were on the increase. The stability in rates in the short term reflects the market belief that interest rates are on hold this year with upside pressure in 2008.

There has been recent media reports about councils investing in high risk investments that place ratepayers funds in jeopardy. In particular, the reports refer to high risk collateralised debt obligations (CDOs) that have exposure to the US sub-prime mortgage market. Council's investment portfolio includes two CDOs, one purchased through ANZ bank and the other through the Commonwealth Bank. Both institutions have confirmed that the investments held by Council remain highly rated and do not have exposure to the US sub-prime mortgage market that were the subject of the recent reports.

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 \$2,737,500. Income to 30 June 2007 amounted to \$3,085,377.

CONCLUSION:

All investments as at 30 June 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 June 2007 be received and noted.

ATTACHMENT/S:

Investment Performance Report – June 2007.

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

.....
GREG BYRNE
MANAGER FINANCIAL OPERATIONS

Investment Performance Report - June 2007

Investment	Credit Rating	Amount Invested	Interest Earned		Investment Performance		
			Period	FYTD	Period	FYTD	Past 12 Months
			\$	\$	%	%	%
CBA Cash Deposit (CDA)	AA	3,636,810	30,889	235,330	6.20	6.09	6.09
LGFS Expanded Credit Facility	Af	5,990,311	24,027	341,685	5.01	6.85	6.85
Macquarie Income Plus Enhanced Income Fund	A	4,927,643	23,762	300,510	6.06	6.56	6.56
Aberdeen Income Fund	A	7,834,536	36,374	582,824	5.83	6.72	6.72
ING Enhanced Cash Fund	Af	5,701,911	28,550	398,538	6.30	6.70	6.70
Merrill Lynch Diversified Credit Fund	A	7,566,304	32,365	505,951	5.35	7.30	7.30
ANZ Bank - Three Pillars	AA-	2,000,060	12,718	149,043	7.70	7.42	7.42
Commonwealth Bank Shield Series 21	AA	1,239,240	105,710	105,710	Purchased in April 2004. Capital is guaranteed and interest is paid at maturity. Investment estimated value as at 30 June 2007 is \$1,239,240.00 which equates to return since inception of 6.82%		
					7.86	7.76	7.76
Commonwealth Bank Shield Series 24	A-Negative watch	2,546,250	43,912	220,794	3 month BBSW + 1.50%		
Interest earned from matured investments	-	-	10,989	220,295	-	-	-
General Fund Bank Account	-	-	1,587	24,697	-	-	-
Total		41,443,065	350,883	3,085,377	6.29	6.93	6.93
Official (Reserve Bank of Australia) Cash Rate					6.25	6.14	6.14
UBS Australian Bank Bill Index					6.49	6.42	6.42

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 46/2007



SUBJECT:	MONTHLY FINANCIAL REPORTS AS AT 30 JUNE 2007 (Unaudited)
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DATE:	6 July, 2007	FILE NO:	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 unaudited financial results of Council as at 30 June 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 30 June 2007.

The attached Financial Reports for 30 June 2007 is unaudited and year end adjustments are currently being undertaken. Carryovers have not been finalised and this listing together with the unaudited Financial Statements will be reported to Council for referral to auditors on 28 August 2007.

Funds allocated for programs across the four divisions have been spent in accordance with the approved budget.

The anticipated surplus prior to audit and further adjustments is currently \$44,507.

Council currently holds \$5.323 million in bonds, deposits and retentions of which \$4.303 million is considered non-current. An additional \$20,500 has been allocated to the Bonds and Deposits reserve, retaining the balance of the reserve to 100% of the non-current liability.

Council's Employee Leave Entitlements liability as at 30 June 2007 is \$11.702 million of which \$3.119 million is held in reserve. Movements to and from the reserve based on changes in leave taken and accrued, leave the reserve representing 28% of the liability.

The surplus following the completion of the 2006/2007 Audit is recommended to be transferred to the Infrastructure Reserve.

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. The organisation has provided sound financial management during the 2006/2007. A Long Term Financial Plan has been adopted, Monthly Financial Reporting established and a comprehensive Budgeting and Executive Information System implemented.

CONCLUSION:

Council's Director Governance & Financial Services, as the Responsible Accounting Officer, advises that the projected financial position is satisfactory.

RECOMMENDATION:

That:

- (a) the unaudited monthly financial reports as at 30 June 2007 be noted; and
- (b) the unaudited surplus of \$44,507 be noted.

ATTACHMENT/S:

- 1. Income Statement & Source and Application of Funds - UNDER SEPARATE COVER.
- 2. Balance Sheet - UNDER SEPARATE COVER.

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

Director, Governance & Financial Services' Report 47/2007



SUBJECT:	2007/08 CONTINGENCY FUND - STATUS AS AT 31 JULY 2007
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DATE:	6 August, 2007	FILE NO:	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 2007/08 financial year.

ISSUES:

In the 2007/08 financial year there have been 13 allocations totalling \$35,096.29 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	<u>Annual contribution</u> - Waiving of fees for Special Rubbish Pick Up Service – Ronald McDonald House	\$650.00
Ordinary Council – 25 July 2006	<u>Annual contribution</u> (3 years from 2006/07) - SSROC East Timor Partnership	\$4,000.00
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 June 2007	Coogee Surf Life Saving Club – Centenary Dinner	\$1,200.00
Ordinary Council - 26 June 2007	Financial assistance for 2007 Rock Eisteddfod – Randwick Girls & Boys High Schools	\$5,000.00
Ordinary Council - 26 June 2007	Waiving of fees - installation of banner – Eastern Suburbs Teachers Association	\$1,132.00
Ordinary Council - 26 June 2007	Waiving of fees - World Youth Day - "Journey of the World Youth Day Cross and Icon" event	\$1,371.29
Ordinary Council - 26 June 2007	Sponsorship - S.O.S Preschool	\$1,400.00
Ordinary Council – 24 July 2007	Waiving of fees - St Pauls Anglican Church Coogee - Carols by the Sea	\$1,095.00
Ordinary Council – 24 July 2007	8th Annual Des Renford Chair of Heart Research Family Gala and Charity Day – use of Des Renford Aquatic Centre	\$6,500.00

MEETING	DETAILS	NET COST TO COUNCIL
Ordinary Council – 24 July 2007	Waiving of fees – use of Town Hall for Cana Ball	\$1,548.00
Ordinary Council – 24 July 2007	Our Lady of the Rosary College - centenary celebrations	\$200.00
TOTAL:		\$35,096.29

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 \$120,000 in the 2007/08 budget for contingencies.

RECOMMENDATION:

That the report be received and noted.

ATTACHMENT/S:

Nil

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GEOFF BANTING
DIRECTOR, GOVERNANCE & FINANCIAL
SERVICES

.....
JULIE HARTSHORN
SENIOR ADMINISTRATIVE
COORDINATOR

Director, Governance & Financial Services' Report 48/2007



SUBJECT:	COMPULSORY ACQUISITION OF SEWERAGE PUMPING STATION AT 46R CLIFFBROOK PARADE, CLOVELLY
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DATE:	26 July, 2007	FILE NO:	F2004/06324
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REPORT BY: DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

INTRODUCTION:

To meet the guidelines of the Environmental Protection Authority and the community, Sydney Water under its Sewerfix programme reconstructed its Sewerage Pumping Station (SPS) No. 113 at 46R Cliffbrook Parade, Clovelly. For access and maintenance of the infrastructure Sydney Water is now seeking to acquire the land and an easement for access.

ISSUES:

Sydney Water have sought and have been granted approval from the Minister for Water Utilities and the Governor to compulsorily acquire the land and easement which will be processed under the provisions of the Land Acquisitions (Just Terms Compensation) Act 1991.

To facilitate the acquisition of the land, Council engaged the services of a Certified Valuer to determine the market value of the land in question.

In order to deal with the land, authority must be granted to the General Manager to execute the Land Acquisition (Just Terms Compensation) Act, 1991, Form 2, Section 39 Claim for compensation form and statutory declaration.

RELATIONSHIP TO CITY PLAN:

The relationship with the City Plan is as follows:

Outcome: 6. A Liveable City.

Direction: 6a. Our public assets are planned, managed and funded to meet the community expectations and defined levels of service.

FINANCIAL IMPACT STATEMENT:

The Valuer's assessment of the residential value of the land has been determined at \$769,500. Claiming the value compensation and costs incurred would generate a one-off payment of \$771,000 + GST.

CONCLUSION:

The Claim for Compensation must be completed and returned to Sydney Water prior to 18 August 2007. The documentation must be executed by the General Manager. An assessment will then be undertaken by Sydney Water Corporation to determine what level of compensation they feel is just.

RECOMMENDATION:

That authority is granted to the General Manager to sign the required documentation to transfer the land known as 46R Cliffbrook Avenue, Clovelly to Sydney Water.

ATTACHMENT/S:

Nil

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GEOFF BANTING
DIRECTOR, GOVERNANCE & FINANCIAL
SERVICES

.....
SHARON PLUNKETT
PROPERTY COORDINATOR

