



6th November, 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 NOVEMBER, 2007 AT 6:00 P.M.

Committee Members: The Mayor, Cr B. Notley-Smith, 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, 9TH OCTOBER, 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 67/2007 - INVESTMENT REPORT - SEPTEMBER 2007. | 2 |
| 6.2 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 68/2007 - 2007/08 CONTINGENCY FUND - STATUS AS AT 31 OCTOBER 2007. | 7 |
| 6.3 | DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 69/2007 - MONTHLY FINANCIAL REPORT AS AT 30 SEPTEMBER 2007. | 10 |
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7 Confidential Items (Closed Session)

8 Notices of Rescission Motions

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GENERAL MANAGER

Director, Governance & Financial Services' Report 67/2007



SUBJECT:	INVESTMENT REPORT - SEPTEMBER 2007
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DATE:	2 November 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 – September 2007" outlines the investment portfolio held by Council as at the end of September 2007. All investments have been made in accordance with the Act, Regulations and Council's Investment Policy.

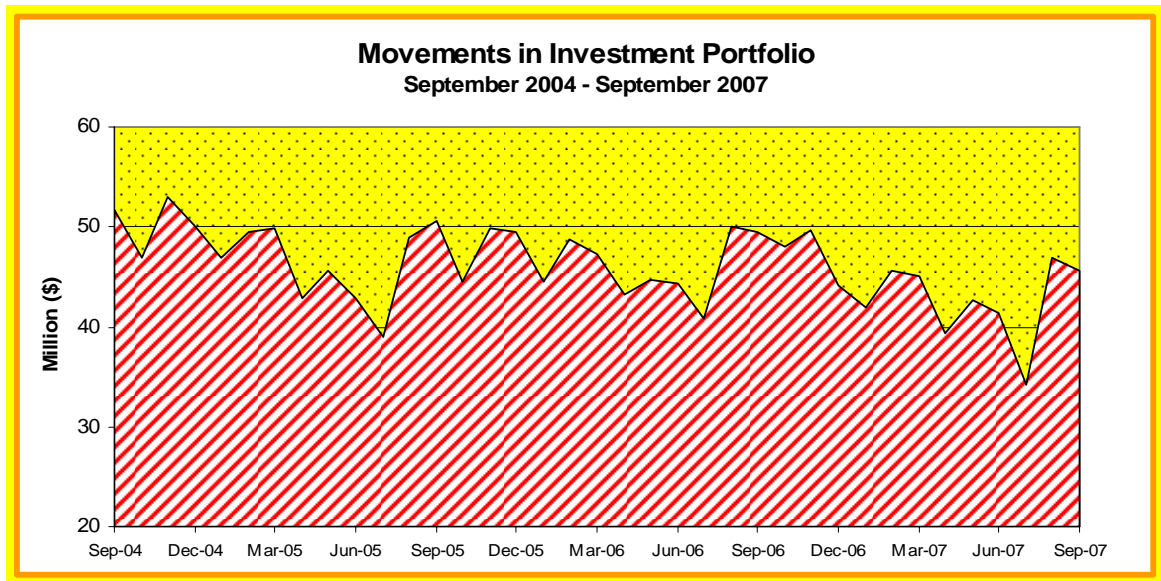
Investment Commentary

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 September 2007 was \$45.70 million. During September 2007 the portfolio decreased by \$1.20 million.

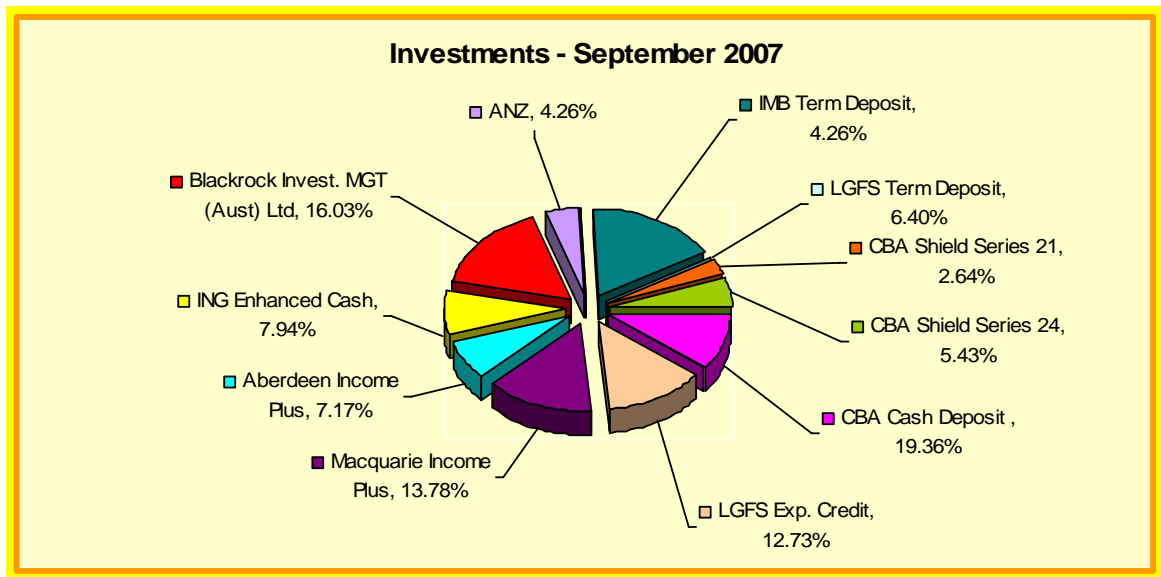
The main source of revenue during the month was from rate collections which amounted to \$5.54 million. The second instalment is due 30 November 2007. Other major revenue during September 2007 was from Office of State Revenue fine income \$293,534 and GST refund of \$538,134 from the ATO.

There were two payroll periods during the month and payroll related expenditure during September 2007 amounted to \$2.11 million. Other operating expenses for the month amounted to \$5.88 million which included capital works expenditure of \$3.67 million.



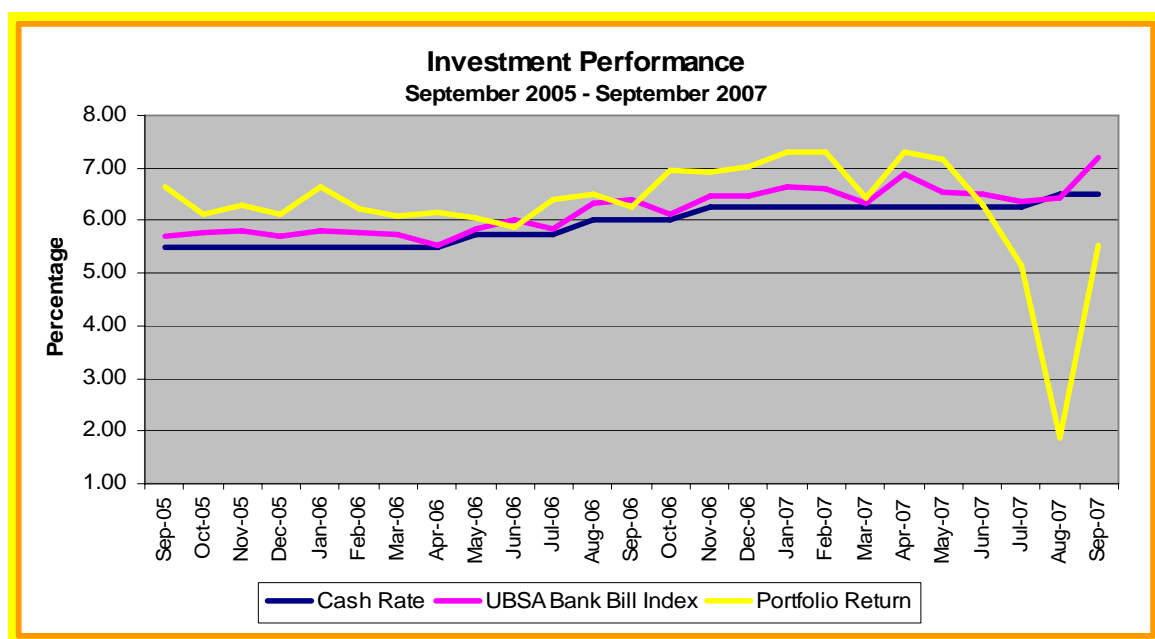
The above graph illustrates the movement in the investment portfolio since September 2004. The peaks are representative of the rates instalment periods.

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 September 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 September 2007.



Investment performance was lower than the industry benchmark UBS Australian Bank Bill Index in September 2007 with an average return after fees of 5.52%, compared with the benchmark index of 7.19%. Official Reserve Bank of Australia (RBA) cash interest rate remained 6.50% during September 2007.

Month in Review

As expected the Reserve Bank of Australia kept interest rates on hold in September waiting to assess the domestic impact of the credit market volatility and a weak US economy. Nevertheless, the Reserve Bank remains optimistic that Australian growth will withstand recent events and as such, further rate hikes are possible and hinge on the consumer price and other inflation data which was due October 24. At the time of preparing this report the results were unavailable.

During September the United States Federal Government cut both its discount rate, the rate that the central bank lends to commercial banks, as well as federal funds in response to the sub-prime crises.

Australia has not been affected by the sub-prime to any extent like the UK, USA and Europe as the local banks have absorbed much of the funding rate increases. The smaller low doc lenders have been hit and smaller increases in short term debt (credit cards etc), but for the majority of home loans there has been no flow through effects.

Changes have been made to Council's investment strategy and Council's Financial Operations staff will continue to hold ongoing discussions with financial advisors in an attempt to minimise the effects of the recent events on Council's investment portfolio.

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 2007/2008 and outperforming the USB Australian Bank Bill Index over a 12 month period. The budget provision for income from this source is \$2,995,000. Income to 30 September 2007 amounted to \$298,687.

Recent market events have resulted in diminished investment returns for the first three months of the current financial year, however, economic commentators believe that recovery has begun and returns should be on the increase, as evidenced by the better returns received in September. The situation is being monitored closely and adjustments to the investment strategy are being taken. Any changes to budgeted income from investment earnings will be reported in subsequent quarterly reviews.

CONCLUSION:

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

ATTACHMENT/S:

Investment Performance Report – September 2007.

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

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GREG BYRNE
MANAGER FINANCIAL OPERATIONS

Investment Performance Report - September 2007							
Investment	Credit Rating	Amount Invested	Interest Earned		Investment Performance		
			Period	FYTD	Period	FYTD	Past 12 Months
			\$	\$	%	%	%
CBA Cash Deposit (CDA)	AA	4,789,580	28,484	75,367	6.45	6.37	6.22
LGFS Expanded Credit Facility	Af	5,984,312	12,456	(5,998)	2.57	5.01	6.35
Macquarie Income Plus Enhanced Income Fund	A	6,488,306	26,344	60,663	5.12	4.35	6.08
Aberdeen Income Fund	A	3,376,905	15,824	42,369	5.34	4.01	6.08
ING Enhanced Cash Fund	Af	3,742,917	19,088	41,006	6.44	4.60	6.24
Blackrock Invest. MGT (Aust) Ltd	A	7,532,524	12,261	(33,779)	2.19	(1.59)	(5.51)
ANZ Bank - Three Pillars	AA-	2,000,060	12,556	38,510	7.64	7.64	7.57
					3 month BBSW + 1.20%		
IMB Term Deposit	*	2,000,000	-	-	Purchased 4 September 2007. Maturing 10 October 2007 being 36 Days @ 7.03% pa.		
IMB Term Deposit	*	2,000,000	-	-	Purchased 4 September 2007. Maturing 10 October 2007 being 43 Days @ 7.02% pa.		
IMB Term Deposit	*	2,000,000	-	-	Purchased 21 August 2007. Maturing 22 October 2007 being 62 Days @ 6.87% pa.		
IMB Term Deposit	*	2,000,000	-	-	Purchased 4 September 2007. Maturing 31 October 2007 being 57 Days @ 7.03% pa.		
Commonwealth Bank Shield Series 21	AA	1,239,240	-	-	Purchased in April 2004. Capital is guaranteed and interest is paid at maturity. Investment estimated value as at 30 September 2007 is \$1,205,830 which equates to return since inception of 5.49%		
Commonwealth Bank Shield Series 24	AA-Negative watch	2,546,250	16,575	49,925	8.38	8.02	7.90
					3 month BBSW + 1.50%		
Interest earned from matured investments	-	-	17,308	23,836	-	-	-
General Fund Bank Account	-	-	2,680	6,789	-	-	-
Total		45,700,094	163,575	298,687	5.52	4.80	5.12
Official (Reserve Bank of Australia) Cash Rate					6.50	6.42	6.27
UBS Australian Bank Bill Index					7.19	6.66	6.54

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 68/2007



SUBJECT:	2007/08 CONTINGENCY FUND - STATUS AS AT 31 OCTOBER 2007
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DATE:	31 October, 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 29 allocations totalling \$95,781.42 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
Ordinary Council – 28 August 2007	Waiving of fees - usage of Yarra Bay for the Emerging Athlete Program for Junior Lifesavers	\$485.90
Ordinary Council – 28 August 2007	Contribution - Maroubra Fun Run, Oktoberfest and Market Day	\$4,538.00
Ordinary Council – 28 August 2007	Waiving of fees - Development Application lodgement - South Coogee Primary School	\$1,941.00
Ordinary Council – 28 August 2007	Contribution - Gallery East "Hula Dreams" ukuleles exhibition and performance	\$2,000.00
Ordinary Council – 28 August 2007	Waiving of fees – Use of Maroubra Beach for Rugby League Tag	\$626.90
Ordinary Council – 25 September 2007	Waiving of Fees - St Marks Anglican Church, Malabar - Carols By Candlelight	\$10,513.83
Ordinary Council – 25 September 2007	Rosella Aboriginal Women's Vigoro Sporting Club – 75 year celebrations	\$2,000.00
Ordinary Council – 30 October 2007	Carols by Candlelight – Matraville	\$8,000.00
Ordinary Council – 30 October 2007	Financial contribution & waiving of fees - Coogee Family Fun Day – Goldstein Reserve	\$16,655.30
Ordinary Council – 30 October 2007	Waiving of fees – Randwick Shield at Coogee Beach	\$1,297.10
Ordinary Council – 30 October 2007	Waiving of fees – Express Glass Island Challenge – Coogee Beach	\$1,832.10
Ordinary Council – 30 October 2007	Financial assistance – Australia Day Botany Bay Regatta	\$500.00
Ordinary Council – 30 October 2007	Sponsorship – Our Lady of the Sacred Heart Church – World Youth Day Launch	\$500.00
Ordinary Council – 30 October 2007	Financial contribution – Australia East Timor Association – Weavers' Tour	\$400.00
Ordinary Council – 30 October 2007	Waiving of fees – South Sydney Football Club – Membership promotion	\$1,375.00
Ordinary Council – 30 October 2007	East Timor Scholarships (x2)	\$10,000.00
TOTAL:		\$95,781.42

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

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JULIE HARTSHORN
SENIOR ADMINISTRATIVE
COORDINATOR

Director, Governance & Financial Services' Report 69/2007



SUBJECT:	MONTHLY FINANCIAL REPORT AS AT 30 SEPTEMBER 2007
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DATE:	19 October, 2007	FILE NO:	F2006/00690
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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 30 September 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 September 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:

There is no direct financial impact for this matter.

RECOMMENDATION:

The monthly financial reports as at 30 September 2007 be noted.

ATTACHMENT/S:

1. INCOME STATEMENT
2. STATEMENT OF FINANCIAL POSITION (Both Under Separate Cover)

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GEOFF BANTING
DIRECTOR, GOVERNANCE & FINANCIAL
SERVICES

Director, Governance & Financial Services' Report 70/2007



SUBJECT:	SUPPORT FOR LOCAL COMMUNITY INFRASTRUCTURE RENEWALS FUND
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DATE:	1 November, 2007	FILE NO:	F2004/08250
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REPORT BY: DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

INTRODUCTION:

The Australian Local Government Association (ALGA) has released a Federal Election document entitled "A 10 Point Plan to Reinvigorate Local Communities." Councils have been asked to respond to the document, which outlines Local Government's key priorities in the lead up to the Federal Election.

ISSUES:

An important aspect of the plan is the call for a \$250 million annual Local Community Infrastructure Renewals Fund, which would help clear the infrastructure backlog facing NSW councils. The ALGA has requested Council's assistance in getting support for the fund and for the Plan in general. The ALGA believes this will be crucial leading up to the election.

A copy of the "10 Point Plan to Reinvigorate Local Communities" has been provided separately to all Councillors. In light of the recent issues concerning Council's infrastructure backlog, support for this Local Community Infrastructure Renewals Fund is an extremely worthwhile initiative.

To show Council' support for the Local Community Infrastructure Renewals Fund and for the 10 Point Plan to Reinvigorate Local Communities, the ALGA requests that Council send a copy of the attached letter to the Local Member, and other appropriate government representatives, and to issue the attached Media Release detailing Council's support for both initiatives.

RELATIONSHIP TO CITY PLAN:

The relationship with the City Plan is as follows:

Outcome 2: A Sense of Community
 Direction 2d: New and upgraded community facilities that are multi purpose and in accessible locations.

FINANCIAL IMPACT STATEMENT:

There is no direct financial impact for this matter.

CONCLUSION:

This issue is currently at the forefront of Local Government debate and the implementation of the Local Community Infrastructure Renewals Fund would be of great assistance to Randwick and all other NSW councils in addressing the issues raised recently in various media reports. Councils need assistance to be able to maintain and improve local infrastructure and the ALGA's plan is a chance for Local Government to get that support.

RECOMMENDATION:

That:

- (a) Council respond to the "10 Point Plan to Reinvigorate Local Communities" and in particular voice its support for the \$250 million annual Local Community Infrastructure Renewals Fund by forwarding a copy of the attached letter to the Local Member, and other appropriate government representatives, and issuing the attached Media Release detailing Council's support for both initiatives; and
- (b) Council's Manager Communications be authorised to make suitable amendments to both attached documents prior to their release.

ATTACHMENTS:

1. Letter to be sent to Local Member
2. Copy of Media Release
3. ALGA Federal Election document - A 10 Point Plan – Under Separate Cover

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GEOFF BANTING
DIRECTOR, GOVERNANCE & FINANCIAL
SERVICES

Mr Michael Daley MP
Member for Maroubra
PO Box 535
Maroubra NSW 2035

Dear Minister,

Attached is a copy of 'A 10-Point Plan to Reinvigorate Local Communities' produced by the Australian Local Government Association in consultation with the State and Territory Local Government and Shires Associations.

The plan outlines the key priorities for local government in the lead-up to the federal election and we have asked the major parties to respond to the 10-points outlined in the document.

The priorities fit into our '3Fs' agenda of Fair Funding, Fair Treatment and Formal Recognition. We have added a '4th F' – Meeting Future Challenges - to include issues of concern to local councils such as climate change, broadband, urban transport and water shortages.

Local government has identified the Local Community Infrastructure Renewals Fund (LCIRF) as recommended by the PricewaterhouseCoopers report into local government financing as one of its main priorities for 2007.

We have lobbied for this fund of \$250 million per annum over 4-years to be included in the election platforms of the Australian Government and the Opposition and so far have received encouraging feedback. Community infrastructure urgently needs upgrading, such as swimming pools, playgrounds, sporting facilities, walking tracks, senior citizen centre's, better library facilities – the list goes on.

Local government is keeping up the momentum and we would appreciate your support. Councils around Australia have registered on-line over 1,000 examples of projects that could be funded under such an initiative and this has demonstrated the strength of community need.

We look forward to your response.

Yours sincerely

Ray Brownlee
General Manager

Draft Media Release

Local Government calls on major parties to commit to a Community Infrastructure Renewals Fund.

Randwick City Council has backed the need for a Local Community Infrastructure Renewals Fund and called on local MPs, Senators and candidates to take the message to Canberra in the lead-up to the election campaign.

Randwick City has a number of community facilities requiring urgent attention, such as Pioneers Park, the Women's Athletic Fields Chifley, Heffron Park, the Des Renford Aquatic Centre, Coogee Senior Citizens Centre, Matraville Youth & Cultural Hall, Clovelly Senior Citizens Hall, Coogee Oval and the Burnie Park Community Hall.

These facilities were built or developed in the 1950s and 1960s and have reached their use-by date and required upgrading.

Councils around Australia face an infrastructure backlog of \$14.5 billion and the establishment of a Local Community Infrastructure Renewals Fund would allow councils to meet local priorities and would allow other upgrading work to be brought forward.

"We call on the Federal Government and the Opposition to commit to a 4-year \$250 million per annum fund to support key facilities in our community."

Copies of the Australian Local Government Association's election document – 'A 10-Point Plan to Reinvigorate Local Communities' – is available on the ALGA website, www.alga.asn.au

Dianne Brien
Manager Communications