



**Randwick City
Council**
a sense of community

**ADMINISTRATION AND FINANCE
COMMITTEE MEETING**

BUSINESS PAPER

TUESDAY 14 JUNE 2016

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ADMINISTRATION AND FINANCE COMMITTEE MEETING

Notice is hereby given that a Administration and Finance Committee Meeting of the Council of the City of Randwick will be held in the Council Chamber, First Floor, 90 Avoca Street Randwick on Tuesday, 14 June 2016 at 6:00 p.m.

Committee Members: The Mayor N D'Souza, Andrews, Belleli, Bowen (Deputy Chairperson), Garcia, Matson, Moore, Nash, Neilson (Chairperson), Roberts, Seng, Shurey, Smith, Stavrinou and Stevenson

Quorum: Eight (8) members

NOTE: At the Extraordinary Meeting held on 28 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.

Apologies/Granting of Leave of Absences

Confirmation of the Minutes

Administration and Finance Committee Meeting - 10 May 2016

Declarations of Pecuniary and Non-Pecuniary Interests

Address of Committee by Members of the Public

Privacy warning;

In respect to Privacy & Personal Information Protection Act, members of the public are advised that the proceedings of this meeting will be recorded for the purposes of clause 69 of Council's Code of Meeting Practice.

Urgent Business

Administration Reports

Nil

Finance Reports

F8/16	Monthly Financial Report as at 30 April 2016	1
F9/16	Contingency Fund Status - as at 31 May 2016	11

Notice of Rescission Motions

Nil

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Ray Brownlee
GENERAL MANAGER

Finance Report No. F8/16

Subject: Monthly Financial Report as at 30 April 2016

Folder No: F2015/00181

Author: Oliver Guo, Management Accountant



Introduction

Section 202 of *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 the Council as at 30 April 2016. Attachment 1 summarises the Council's financial performance and its source and application of funds. It also summarises the operating result for each of the Council's principal activities. Attachment 2 details the financial position of the Council as at 30 April 2016. Attachment 3 details the cash flow of the Council as at 30 April 2016.

Relationship to City Plan

The relationship with the City Plan is as follows:

Outcome 1: Leadership in Sustainability.

Direction 1b: Council is a leader in the delivery of social, financial and operational activities.

Financial impact statement

There is no direct financial impact for this matter.

Conclusion

The Council's Manager Corporate and Financial Planning, as the Responsible Accounting Officer, advises that the projected financial position is satisfactory. The Current Ratio as at 30 April 2016 is 3.65 compared to 2.34 as at 30 June 2015. The Current Ratio is a financial indicator specific to local government and represents its ability to meet its debts and obligations as they fall due.

Recommendation

That the Administration and Finance Committee acknowledges that the Responsible Accounting Officer has advised that the projected financial position of Council is satisfactory.

Attachment/s:

F8/16

1. Monthly Financial Statements - Income Statements April 2016
2. Monthly Financial Statements - Balance Sheet April 2016
3. Monthly Financial Statements - Cash Flow Statement April 2016

F8/16

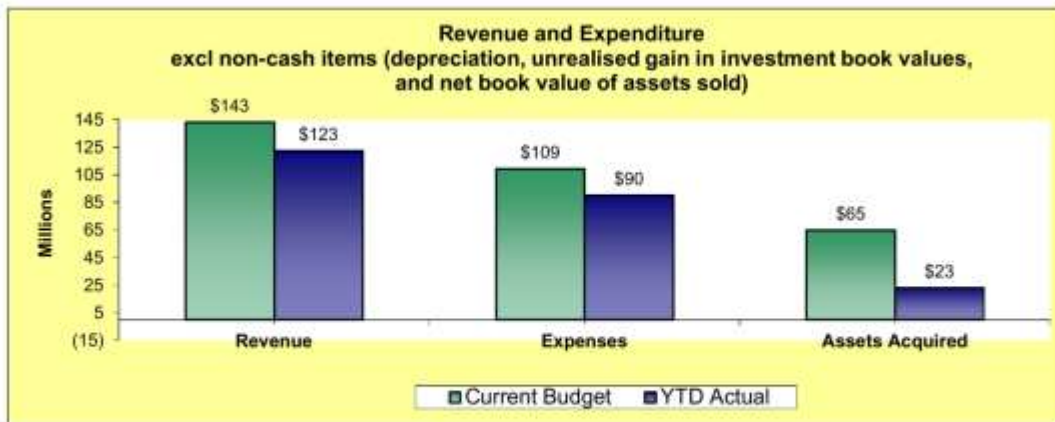


INCOME STATEMENT

for the financial year as at 30 April 2016

% OF YEAR EXPIRED AT 30 Apr 2016	83%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	57,704	57,729	49,446	85.7%
Materials & Contracts	33,944	37,169	29,302	78.8%
Depreciation & Amortisation	23,278	23,278	19,627	84.3%
Other Operating Expenses	14,313	14,603	11,421	78.2%
Total Expenses from Continuing Operations	129,239	132,778	109,794	82.7%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	102,134	102,897	85,718	83.3%
User Charges And Fees	16,195	16,814	16,297	96.9%
Interest	2,510	2,510	1,936	77.2%
Other Revenues	8,286	9,126	8,446	92.5%
Operating Grants and Contributions	6,543	7,145	6,042	84.6%
Capital Grants and Contributions	4,467	4,743	4,040	85.2%
Gain/(Loss) on Disposal of Assets	1,450	1,450	97	6.7%
Total Revenue from Continuing Operations	141,584	144,683	122,577	84.7%
Net Operating Result - Surplus/(Deficit)	12,345	11,905	12,783	
FUNDING STATEMENT				
SOURCE OF FUNDS				
Surplus/(Deficit) from Operations - Accrual	12,345	11,905	12,783	107.4%
Add Back Non-Funded Transactions included in Operations above				
- Depreciation	23,278	23,278	19,627	84.3%
- Sales of Assets (Book Value)	-	-	868	0.0%
- Transfer from Internal Reserves	5,848	22,525	5,758	25.6%
- Transfer from External Reserves	10,952	25,787	5,899	22.9%
- Unrealised Gain/(Loss) on Market Value of Invest	-	-	(142)	
Net Funds Available	52,423	83,496	44,793	53.6%
APPLICATION OF FUNDS				
Assets Acquired	34,169	64,987	23,148	35.6%
Transfer to Internal Reserves	8,188	8,188	7,805	95.3%
Transfer to External Reserves	10,047	10,282	8,657	84.2%
Total Funds Applied	52,404	83,457	39,611	47.5%
Total Funds Surplus/(Deficit)	19	39	5,182	



F8/16

F8/16

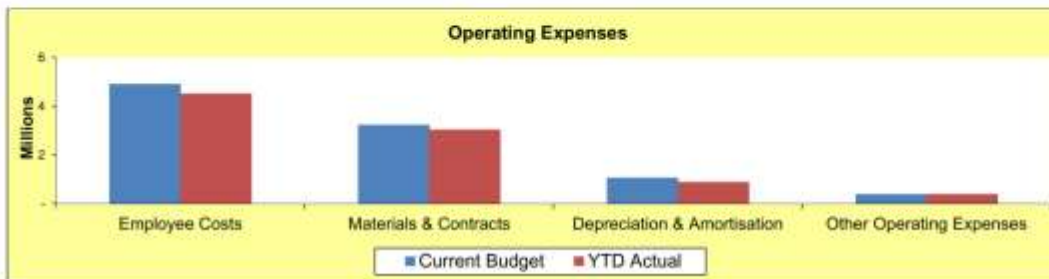


OFFICE OF THE GENERAL MANAGER INCOME STATEMENT

for the financial year as at 30 April 2016

% OF YEAR EXPIRED AT 30 Apr 2016	83%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	4,917	4,917	4,511	91.7%
Materials & Contracts	3,050	3,240	3,047	94.0%
Depreciation & Amortisation	1,066	1,066	889	83.3%
Other Operating Expenses	381	381	384	100.9%
Total Expenses from Continuing Operations	9,414	9,604	8,830	91.9%
REVENUE FROM CONTINUING OPERATIONS				
Other Revenues	-	-	4	0.0%
Operating Grants and Contributions	-	-	95	0.0%
Total Revenue from Continuing Operations	-	-	99	0.0%
Net Operating Result - Surplus/(Deficit)	(9,414)	(9,604)	(8,731)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	2,065	2,724	1,011	37.1%
<i>Detail as following:</i>				
IT Equipment	2,065	2,724	1,011	37.1%



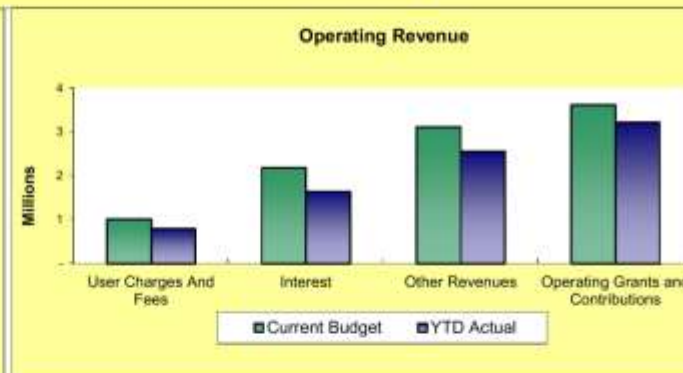
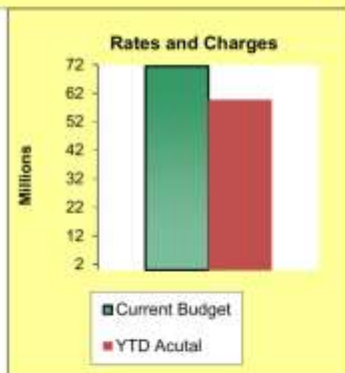
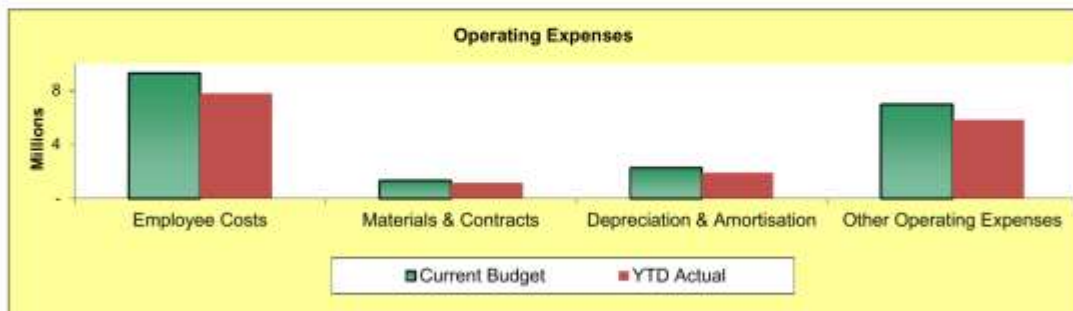


GOVERNANCE AND FINANCIAL SERVICES INCOME STATEMENT

for the financial year as at 30 April 2016

% OF YEAR EXPIRED AT 30 Apr 2016	83%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	9,296	9,296	7,789	83.8%
Materials & Contracts	1,271	1,335	1,132	84.8%
Depreciation & Amortisation	2,283	2,283	1,903	83.3%
Other Operating Expenses	6,945	6,978	5,836	83.6%
Total Expenses from Continuing Operations	19,795	19,892	16,660	83.8%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	71,031	71,521	59,622	83.4%
User Charges And Fees	1,011	1,011	798	79.0%
Interest	2,179	2,179	1,645	75.5%
Other Revenues	3,012	3,111	2,558	82.2%
Operating Grants and Contributions	3,545	3,616	3,220	89.1%
Total Revenue from Continuing Operations	80,779	81,438	67,844	83.3%
Net Operating Result - Surplus/(Deficit)	60,984	61,546	51,183	



F8/16

F8/16

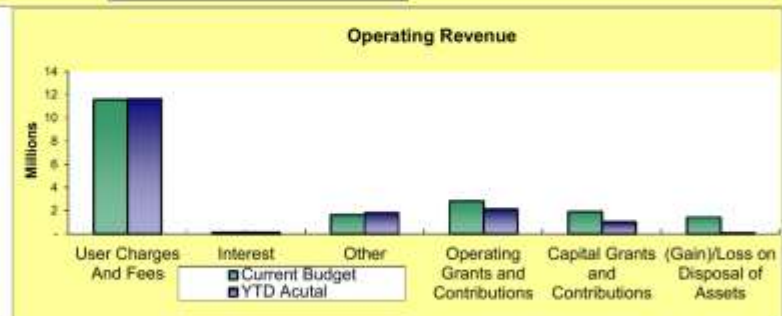
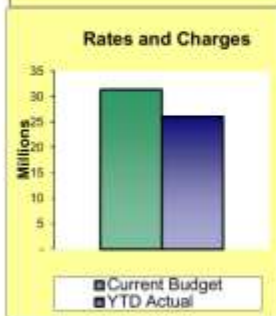
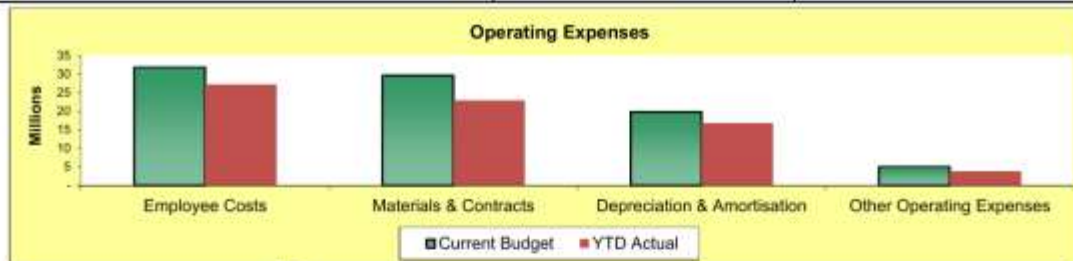


CITY SERVICES INCOME STATEMENT

for the financial year as at 30 April 2016

% OF YEAR EXPIRED AT 30 Apr 2016	83%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	31,978	31,978	27,267	85.3%
Materials & Contracts	27,320	29,738	22,877	76.9%
Depreciation & Amortisation	19,928	19,928	16,835	84.5%
Other Operating Expenses	5,135	5,128	3,777	73.7%
Total Expenses from Continuing Operations	84,361	86,772	70,755	81.5%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	31,102	31,375	26,096	83.2%
User Charges And Fees	11,145	11,589	11,675	100.7%
Interest	169	169	157	93.0%
Other Revenues	914	1,668	1,819	109.1%
Operating Grants and Contributions	2,339	2,844	2,153	75.7%
Capital Grants and Contributions	1,667	1,943	1,047	53.9%
(Gain)/Loss on Disposal of Assets	1,450	1,450	97	6.7%
Total Revenue from Continuing Operations	48,787	51,036	43,044	84.3%
Net Operating Result - Surplus/(Deficit)	(35,574)	(35,736)	(27,712)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	31,883	62,005	22,104	35.6%
<i>Detail as following:</i>				
Parks Construction	7,262	13,240	8,359	63.1%
Roads Construction	9,867	17,911	5,644	31.5%
Drainage Construction	1,220	2,249	371	16.5%
Building Construction	6,965	21,066	3,694	17.5%
Library Resources	397	397	197	49.6%
Vehicular Access	500	500	343	68.5%
Plant and Equipment	5,672	6,642	3,496	52.6%



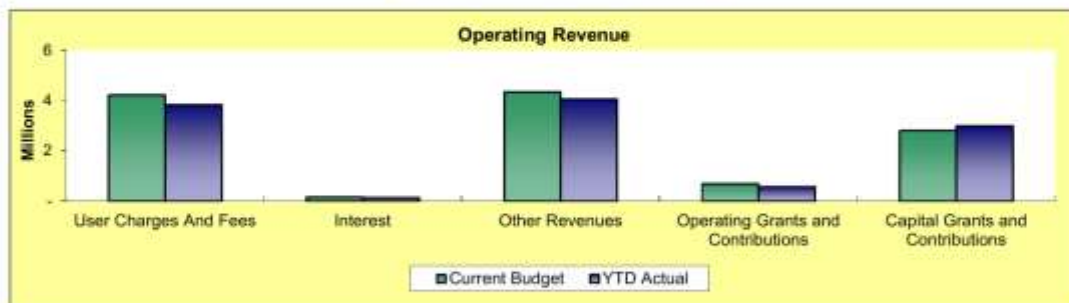


CITY PLANNING INCOME STATEMENT

for the financial year as at 30 April 2016

% OF YEAR EXPIRED AT 30 Apr 2016	83%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	11,513	11,538	9,878	85.6%
Materials & Contracts	2,303	2,855	2,246	78.7%
Other Operating Expenses	1,852	2,116	1,424	67.3%
Total Expenses from Continuing Operations	15,669	16,509	13,548	82.1%
REVENUE FROM CONTINUING OPERATIONS				
User Charges And Fees	4,039	4,215	3,824	90.7%
Interest	162	162	135	83.3%
Other Revenues	4,359	4,347	4,064	93.5%
Operating Grants and Contributions	658	686	574	83.7%
Capital Grants and Contributions	2,800	2,800	2,993	106.9%
Total Revenue from Continuing Operations	12,017	12,209	11,591	94.9%
Net Operating Result - Surplus/(Deficit)	(3,652)	(4,301)	(1,958)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
Total Purchases	221	258	32	12.6%
<i>Detail as following:</i>				
Sustaining Our City Capital Projects	221	258	32	12.6%



F8/16

F8/16



BALANCE SHEET

at 30 April 2016

	Actual as at 30 April 2016 (\$'000s)	Actual as at 30 June 2015 (\$'000s)
CURRENT ASSETS		
Cash, Cash Equivalents & Investments	66,914	64,430
Receivables	3,430	6,840
Inventories	464	524
Other	329	854
TOTAL CURRENT ASSETS	71,136	72,648
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	1,408,595	1,405,946
TOTAL NON-CURRENT ASSETS	1,408,595	1,405,946
TOTAL ASSETS	1,479,731	1,478,594
CURRENT LIABILITIES		
Payables	7,087	14,550
Provisions & Prepayments	12,379	16,562
TOTAL CURRENT LIABILITIES	19,466	31,112
NON-CURRENT LIABILITIES		
Payables	260	260
Provisions & Prepayments	311	311
TOTAL NON-CURRENT LIABILITIES	571	571
TOTAL LIABILITIES	20,037	31,683
NET ASSETS	1,459,693	1,446,911
EQUITY		
Retained Earnings	795,688	782,906
Revaluation Reserves	664,005	664,005
TOTAL EQUITY	1,459,693	1,446,911



STATEMENT OF CASH FLOW at 30 April 2016

	Actual as at 30 April 2016 (\$'000)	Actual as at 30 June 2015 (\$'000)
Cash Flows from Operating Activities		
Receipts:		
Rates & Annual Charges	84,586	98,740
User Charges & Fees	16,626	18,967
Investment & Interest Revenue Received	1,935	2,689
Grants & Contributions	10,923	13,071
Bonds, Deposits & Retention amounts received	877	551
Other	7,744	14,614
Payments:		
Employee Benefits & On-Costs	(52,693)	(56,214)
Materials & Contracts	(30,987)	(41,832)
Borrowing Costs	-	-
Bonds, Deposits & Retention amounts refunded	(847)	(307)
Other	(13,496)	(16,653)
Net Cash provided (or used in) Operating Activities	24,667	33,626
Cash Flows from Investing Activities		
Receipts:		
Sale of Investment Securities	52,147	69,818
Sale of Infrastructure, Property, Plant & Equipment	737	995
Payments:		
Purchase of Investment Securities	(53,255)	(77,227)
Purchase of Infrastructure, Property, Plant & Equipment	(22,920)	(28,065)
Net Cash provided (or used in) Investing Activities	(23,292)	(34,479)
Cash Flows from Financing Activities		
Receipts:		
Nil		
Payments:		
Nil		
Net Cash Flow provided (used in) Financing Activities	0	0
Net Increase/(Decrease) in Cash & Cash Equivalents	1,375	(853)
plus: Cash & Cash Equivalents - beginning of year	3,237	4,090
Cash & Cash Equivalents - end of the period/year	4,613	3,237
Additional Information:		
plus: Investments on hand - end of period/year	62,301	61,193
Total Cash, Cash Equivalents & Investments	66,914	64,430

F8/16

Finance Report No. F9/16



Subject: Contingency Fund Status - as at 31 May 2016

Folder No: F2004/07396

Author: Julie Hartshorn, Senior Administrative Coordinator

Introduction

The purpose of this report is to detail the progressive amount of donations, allocations, waiving of fees and other similar contributions for the 2015-16 and 2016-17 financial years.

Issues

For the 2015-16 financial year there have been 33 allocations totalling \$188,831.50 and for the 2016-17 financial year there have been 3 allocations totalling \$11,000.00, as listed in the table below.

Meeting	Details	Approved allocation
Annual contributions (ongoing)		
Ord Council – 22 Feb 2011	<u>Annual contribution</u> (5 years from 2011-12 to 2015-16) - Randwick Girls High School - 'Mayor's Award'	\$1,000.00
Planning Committee – 13 Mar 2012	<u>Annual contribution</u> – Australia Day Botany Bay Regatta	\$750.00
Ord Council – 25 June 2013	<u>Annual contribution</u> Sponsorship of the Westpac Rescue Helicopter Lifesaver Service – 3 year agreement 2013-14 to 2015-16	\$15,000.00
Ord Council 17 Sept 2013	<u>Annual Contribution</u> (5 years from 2015-16 to 2019-20) Waiving of Fees – Rainbow Club Australia Inc – Murray Rose's Malabar Magic Ocean Swim	\$14,500.00
Ord Council 23 Sept 2014	<u>Annual contribution</u> (5 years from 2015-16 to 2019-20) - Randwick Boys High School - 'Mayor's Award'	\$1,000.00
Ord Council – 26 April 2016	<u>Annual contribution</u> (5 year from 2015-16 - Sydney Children's Foundation Gold Telethon)	\$5,000.00
2015-16 Contingency Fund allocations		
Ord Council – 23 Sept 2014	POW Hospital's request for financial support to use Prince Henry Centre – to celebrate 50 th year since the first kidney transplant in NSW	\$3,600.00
Ord Council – 28 Apr 2015	Waiving of fees - South Maroubra Surf Club use of DRLC for the Annual Nippers Proficiency Test	\$1,210.00
Ord Council – 23 June 2015	Waiving of fees - Saint George Coptic Orthodox Church Annual Community Fete	\$1,545.00
Ord Council – 23 June 2015	Waiving of fees - Des Renford Leisure Centre for Maroubra Swim Club Carnivals	\$4,100.00
Ord Council – 23 June 2015	Sponsorship - Eastern Beaches Masquerade Ball (supporting the Eastern Beaches LAC)	\$6,500.00
Ord Council – 23 June 2015	Waiving of Fees - Indonesian Presbyterian Church Community BBQ	\$165.00
Ord Council – 28 July 2015	New Mayor's Award for Outstanding Contribution to the Randwick Business Community	\$2,000.00

F9/16

F9/16

Meeting	Details	Approved allocation
Ord Council – 25 Aug 2015	Waiving of fees and financial contribution - NSW Police Force International Student Beach Soccer Day	\$4,533.00
Ord Council – 25 Aug 2015	Waiving of fees - Handball Australia	\$3,685.00
Ord Council – 25 Aug 2015	Waiving of Fees - Our Lady of the Rosary School, Kensington Christmas Fair	\$7,000.00
Ord Council – 25 Aug 2015	Waiving of fees - Salvation Army Community Christmas Lunch	\$2,220.00
Ord Council – 25 Aug 2015	15th Annual Des Renford Chair of Hearts Research Family Gala and Charity Day	\$8,500.00
Ord Council – 25 Aug 2015	Waiving of fees - South Coogee Public School Biennial Fiesta	\$7,000.00
Ord Council – 25 Aug 2015	Waiving of fees and financial contribution – Surfing NSW	\$23,533.00
Ord Council – 22 Sept 2015	Donation - 'A National Act of Recognition' Fund	\$2,500.00
Ord Council – 27 Oct 2015	Waiving of fees - Greek Epiphany Festival 2016	\$10,212.00
Ord Council – 27 Oct 2015	Waiving of fees - St Nicolas' Anglican Church "Carols by the Sea"	\$1,732.00
Ord Council – 27 Oct 2015	Waiving of fees - Closure of Edgar St, Maroubra between Henning Ave and Cooper St Maroubra	\$3,000.00
A&F Comm - 10 Nov 2015	Waiving of fees – 2015 Taste of Coogee event	\$14,795.50
Ord Council – 24 Nov 2015	Waiving of fees - Maroubra Diggers Junior Swimming Club – for carnivals at Des Renford Leisure Centre	\$2,040.00
Ord Council – 24 Nov 2015	Waiving of fees - Rainbow Club Australia - lane hire at Des Renford Leisure Centre	\$9,600.00
Ord Council – 23 Feb 2016	Waiving of fees – Surfing NSW – events at Maroubra Beach	\$7,341.00
Ord Council – 23 Feb 2016	Donation to Can Too Foundation (to acknowledge World Marathon Challenge - Heather Hawkins)	\$500.00
Ord Council – 23 Feb 2016	Waiving of fees - Des Renford Leisure Centre to assist in raising funds for the Maroubra Swim Club	\$4,100.00
Ord Council – 22 Mar 2016	Waiving of fees – Fundraising walk - Children's Tumour Foundation	\$170.00
Ord Council – 26 Apr 2016	Grant Application under Stronger Communities Program	\$5,000.00
Ord Council – 24 May 2016	Financial assistance - Spinal Cord Injuries Australia	15,000.00
Total - 2015-16 Contingency Fund allocations		\$188,831.50
Annual contribution (ongoing)		
Ord Council – 26 April 2016	Annual contribution (5 year from 2016-17 - Sydney Children's Foundation Lights for Kids Christmas campaign)	\$2,000.00
2016-17 Contingency Fund allocations		
Ord Council – 22 Mar 2016	Financial assistance - Prince of Wales Hospital Foundation	\$5,000.00
Ord Council – 22 Mar 2016	Sponsorship – Randwick Girls and Boys High Schools – 2016 Show	\$4,000.00
Total – 2016-17 Contingency Fund allocations		\$11,000.00

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 Actions: Support the provision of services and facilities to meet the needs of our Target Groups and celebrate the range of cultures and people within Randwick City.

Financial impact statement

Council has allocated \$151,721.00 in the 2015-16 Budget for contingencies (including the March quarterly review adjustment).

Recommendation

That the status of the contingency fund allocations for 2015-16 and 2016-17, be noted.

Attachment/s:

Nil