



# Corporate & Works Committee

**Agenda:** *Corporate & Works Committee*

**Date:** *Monday 1 September 2008*

**Time:** *6.00pm*

### **Outline of Meeting Protocol & Procedure:**

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

### **Delegated Authority (“D” Items):**

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
- Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Quarterly review of Council's Management Plan.
- Finance Regulations, including:-
  - Authorisation of expenditures within budgetary provisions where not delegated;
  - Quarterly review of Budget Review Statements;
  - Quarterly and other reports on Works and Services provision; and
  - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of Minutes of its Meeting.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed below.

### **Recommendation only to the Full Council (“R” Items):**

- Such matters as are specified in Section 377 and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
  - Statutory Reporting; - Delegations.
  - Adoption of Council's Management Plans; - Policies.
  - Quality Service/Communications; - Tenders as per Regulation requirements.
  - Leases.
  - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes

**Committee Membership:**

7 Councillors

**Quorum:**

The quorum for a Committee meeting is 4 Councillors.

# WOOLLAHRA MUNICIPAL COUNCIL

## Notice of Meeting

28 August 2008

To: His Worship The Mayor, Councillor Rundle, ex-officio  
Councillors      Andrew Petrie                      (Chair)  
                         Anthony Boskovitz  
                         John Comino                      (Deputy Chair)  
                         Claudia Cullen  
                         Marcus Ehrlich  
                         Fiona Sinclair King  
                         John Walker

Dear Councillors

### **Corporate & Works Committee Meeting – 1 September 2008**

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 1 September 2008 at 6.00pm.**

Gary James  
General Manager

# **Additional Information Relating to Committee Matters**

**Site Inspection**

**Other Matters**

## Meeting Agenda

<b>Item</b>	<b>Subject</b>	<b>Pages</b>
1	Leave of Absence and Apologies	
2	Late Correspondence	
3	Declarations of Interest	

### **Items to be Decided by this Committee using its Delegated Authority**

D1	Confirmation of Minutes of Meeting held on 18 August 2008	1
D2	Gurner Lane Footpath Widening – 211	2

### **Items to be Submitted to the Council for Decision with Recommendations from this Committee**

R1	279 Edgecliff Road, Woollahra – Road Reserve Encroachment – 148.279	4
R2	June Quarter Budget Review – 2007/2008 Year End Result – 331.G 2007/2008	13
R3	General Purpose Financial Reports for the Year Ended 30 June 2008 – 331.G 2007/2008	22
R4	Double Bay Public Art Project – 1160.G Public Art (Double Bay)	32
R5	Supply & Installation of Multi-Function Poles on New South Head Road, Double Bay – Tender No. 08/12	44
R6	Progress Report – Kiaora Lands Development – 1209.G Part 2	50

**\*Note: Confidential Annexures Circulated under Separate Cover**

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of minutes of meeting held on 18 August 2008**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 18 August 2008 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

**Recommendation:**

That the Minutes of the Corporate and Works Committee Meeting of 18 August 2008 be taken as read and confirmed.

Les Windle  
Manager - Governance

**Item No:** D2 Delegated to Committee  
**Subject:** **Gurner Lane Footpath Widening**  
**Author:** Lorna Oliver – Traffic & Transport Planner  
**File No:** 211  
**Reason for Report:** For the information of the Committee.

**Recommendation:**

That the information be noted.

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**Background:**

At its meeting of 29 January 2008, the Corporate and Works Committee resolved as follows:

- “A. That the proposal for footpath widening in Gurner Street as detailed in Annexure 1 of this report be adopted.*
- B. That the Department of Education’s offer to transfer ownership of the affected section of land to Woollahra Council without cost be accepted and the necessary steps to effect the transfer be initiated.*
- C. That a further report be provided detailing the actions to be taken to effect the transfer of the land.*
- D. That these works be funded from residual funds from the deferred O’Sullivan Rd project.”*

The proposal as adopted in Part A has now been constructed and has been funded as in Part D. Steps to initiate the transfer have commenced as per Part B. This report addresses Part C of Council’s resolution.

The affected area of land has been surveyed and plans have been drawn up for the Lands Title Office. After they have been received by Council, the plans will be forwarded to the Department of Education who will prepare the transfer documents and present them to the Lands Title Office.

At this time the new Council will be required to pass a resolution, under seal, to accept the transfer of this parcel of land to Council ownership.

**Identification of Income & Expenditure:**

The Department of Education has advised that, due to the benefits of this proposal to the school and community, the affected section of land would be transferred to the Council at no cost.

**Conclusion:**

The plans will be forwarded to the Department of Education who will effect the transfer. Once this has occurred, Council will be required to pass a resolution, under seal, to accept the land.

Lorna Oliver  
**Traffic and Transport Planner**

Warwick Hatton  
**Director Technical Services**

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**Annexures: Nil**

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**Item No:** R1 Recommendation to Council  
**Subject:** **279 Edgecliff Road, Woollahra – Road Reserve Encroachment**  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 148.279  
**Reason for Report:** To give consideration to the formalisation of an existing encroachment by granting of an easement to permit existing structure to remain on roadway adjoining the property.

**Recommendation:**

- A. That the building encroachment on Attunga Street, Woollahra from the adjoining property of 279 Edgecliff Road be formalised by granting of an Easement to Permit Existing Structure to Remain, to continue for the life of the building, or the redevelopment of the site, or the redevelopment of the structure, whichever occurs first.
  - B. That compensation of \$13,000 (plus any applicable GST), and all Council's costs in this matter, be payable to Council by the owner of 279 Edgecliff Road, Woollahra in return for granting the Easement.
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**Background:**

The Corporate and Works committee considered this proposal on 19 November 2007, where it was resolved:

- A. *“That it be agreed that the preferred way forward is that the encroachment be formalised by granting of an easement to remain for the life of the building, or the redevelopment of the site, or the redevelopment of the structure, whichever occurs first.*
- B. *That a valuation be obtained for the granting of the easement.*
- C. *That following the obtaining of the valuation, a further report be provided to the Committee prior to a final decision being made to proceed.”*

A copy of the previous Corporate and Works Committee report of 5 November 2007 is attached.

The encroaching building structures comprise a masonry wall erected on top of the garage, and landscaping throughout the rear terrace area, including associated decking, and along the northern side path adjacent to Attunga Street. These works were not carried out by the existing owner.

In the report of 5 November 2007 the encroachment was identified from an old survey on Council file as being 10.26 square metres, however since then a more recent plan was obtained from a registered Surveyor which shows a reduced encroachment amount by building structures upon the road reserve in Attunga Street (Annexure 2). The encroachment has now been recalculated to be 6.218 square metres.

The owner was advised in late November 2007 of Council's resolution that granting of an easement and the amount of compensation payable would need to be the subject of a further report to Council, and any resolution to proceed would be a decision for the elected Councillors. I note that the proposed easement is in accordance with the recently adopted Council Policy for Managing Encroachments on Road Reserves.

It is acknowledged that there have been delays in achieving an agreeable position in respect of compensation payments; which has unavoidably postponed the delivery of a further report to Council pursuant to point B of the Corporate and Works Committee meeting 19 November 2007 resolution.

### **Valuation**

The building structures on the road reserve which forms the Attunga Street encroachment are shown on the attached November 2007 report site photo's (Annexure 1). This triangular area is 6.218 square metres in size, has a maximum width of 0.4 metres and is 31.09 metres long.

The owner was advised that compensation would be payable in respect of an Easement to Permit Existing Structure to Remain. Council's Valuer has since provided advice dated 12 August 2008 that compensation of \$13,000 be payable for the granting by Council of an easement in respect of the 6.218 square metre encroachment upon Attunga Street, Woollahra . The owner has agreed by email to Council in August 2008 to pay \$13,000 easement compensation plus any applicable GST (including all Council's costs).

### **Conclusion:**

The encroaching building structures comprise a masonry wall erected on top of the garage, and landscaping throughout the rear terrace area, including associated decking, and along the northern side path adjacent to Attunga Street. These works were not carried out by the existing owner.

Council resolved at its meeting of 19 November 2007 that the preferred way forward is for the encroachment to be formalised by granting of an easement to remain for the life of the building, or the redevelopment of the site, or the redevelopment of the structure, whichever occurs first.

It is therefore recommended that the encroachment in Attunga Street, Woollahra from the adjoining property of 279 Edgecliff Road be formalised by granting of an Easement to Permit Existing Structure to Remain, to continue for the life of the building, or the redevelopment of the site, or the redevelopment of the structure, whichever occurs first; and that that easement compensation of \$13000 (plus any applicable GST), and all Council's costs in this matter be payable by the owners of 279 Edgecliff Rd, Woollahra to Council.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director, Technical Services

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### **ANNEXURES:**

1. Copy of report to Corporate and Works Committee, 5 November 2007.
2. Copy of Survey plan for Attunga Street encroachment, 13 July 2007.

**Item No:** R2 Recommendation to Council  
**Subject:** **June Quarter Budget Review - 2007/2008 Year End Result**  
**Author:** Don Johnston, Manager Finance  
**File No:** 331G 2007/2008  
**Reason for Report:** To present the Committee with the final review of the 2007/2008 Budget and, in doing so, the final result for the 2007/2008 financial year

**Recommendation:**

- A. That the June Quarter Budget Review and the 2007/2008 financial results be received and noted
- B. That \$1,000,000 from the improved working funds position be transferred to a new Reserve as a provision for potential investment losses and a further \$300,000 be transferred to the Computer Reserve to support the future implementation of technological advances
- C. That \$351,000 be transferred to General Reserve from the improved working funds position to fund the withdrawal of the superannuation 'holiday' and Cooper Park Tennis Courts Disabled Toilets as adopted in the 2008/2009 Budget

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**Background:**

Over the course of each year the adopted budget is reviewed on a quarterly basis and revised forecasts made of Council's income and expenditure and overall financial position as at 30 June.

The 2007/2008 financials have now been finalised. Part of this process is the revote or rollover of unexpended funds from the 2007/2008 budget into the new financial year budget. These were considered by the Committee at its last meeting and adopted by Council on 25 August 2008.

The financial statements have also been prepared ready for audit and are the subject of a separate report on tonight's agenda seeking the adoption of Council's statement in relation to the financial reports. The audit is scheduled to commence on 8 September.

**Summary:**

The latest review of the 2007/2008 Budget in March anticipated a working funds position of \$3,169,000 and an unrestricted current ratio of 2.95:1.

The 2007/2008 financial reports disclose an operating surplus for the year of \$3.248m and a working funds position of \$3.805m. Council's reported unrestricted current ratio is 3.49:1 moving to 3.1:1 after allowing for rollovers and revotes.

This report recommends the utilisation of the improved working funds position in order to reserve funds for potential investment losses \$1,000,000, a computer reserve \$300,000 and \$351,000 to fund the withdrawal of the superannuation 'holiday' and Cooper Park Tennis Courts Disabled Toilets. Taking into account the recommended transfers to reserves from working funds, the working funds position is reduced from \$3,805,000 to \$2,154,000.

The operating result, working funds movements and variances to budget are discussed in detail later in this report.

Council's working funds and liquidity both remain sound at year end as does Council's overall financial position. There is a separate report on tonight's agenda dealing with the financial reports for the year ended 30 June 2008.

**Discussion:**

The results for the 2007/2008 financial year are summarised below.

<b>Item</b>	<b>Forecast Result</b>	<b>Actual Result</b>
Operating Result	12,383,000	3,248,000
Working Funds	3,169,000	3,805,000
Unrestricted Current Ratio	2.95:1	3.1:1

Operating Result

The operating result is substantially less than forecast. This is directly attributable to the revaluation of Council's investment portfolio which is disclosed on the Income Statement. The variances discussed in the Working Funds section of the report below have also impacted on the operating result for the year.

The revaluation, reported to the Committee at its last meeting, resulted in a write down of Council's investments of \$10.5m based on a draft valuation. The final valuation has since been received and has reduced the write down to \$9.7m. It is emphasised that this is a book entry only, as required by the accounting standards, and is not a reflection of the strength or otherwise of the securities in the portfolio. As noted in the earlier report, from the reports and information received to date, only one of Council's securities would appear to have any current indication that it may default. Council's securities are "hold to maturity" and as and when they mature, or liquidity returns to the market improving the bid prices, the fair value adjustment will be reversed. Without this write down the operating result would have been \$12,683,000 which is much closer to the forecast result.

It should be noted that the operating result includes the first payments, cash and in-kind, for the Cosmopolitan Centre Agreement for lease. The payments received were \$4 million as the first instalment of the \$8 million Lease Premium, \$2.1 million as a contribution for the cost of Council of providing alternate public car spaces, \$400,000 as compensation for removal of the Bay Street stairs. The \$6,500,000 cash payments have been transferred to the Property Reserve. In addition to the cash payments Council received the car park with an in-kind value of \$1,450,000 as consideration for the long term lease. Total consideration to date including cash and the value of the car park is \$7,950,000.

Not achieving our operating surplus forecast is not a reflection on Council's financial performance but simply the result of compliance with accounting standards and making the necessary fair value adjustment to its investments.

Working Funds

Council's working funds position has improved by some \$636,000 to \$3,805,000 compared to the forecast result of \$3,169,000.

The actual working funds result takes into consideration the revotes and rollovers recently adopted by Council. The 'gross' working funds result was \$6,476,000. This is reduced by the net of the revotes and rollovers which is set out below.

Total Revotes	1,768,000
Total Rollovers	13,503,802
	<b>15,271,802</b>
Funded by:	
Environmental & Infrastructure Levies	2,731,787
Stormwater Management Charge	273,521
Loans	6,149,132
Grants	1,214,617
Reserves	1,265,918
Section 94 & 94A	889,768
Plant & Vehicle Sales	75,910
Working Funds (Balance)	<b>2,671,149</b>

The favourable result arises from numerous variances to budget, some quite substantial, across Council. The table below summarises the major variances and provides a brief commentary.

Item	Budget	Actual	Variance	%	Comment
<b>Income</b>					
Fees & Charges (Various)	1,738,048	1,978,748	240,700	13.8	This variance relates to Council's overall fees and charges base and sundry income. There were no particularly large variations but, collectively, they contributed a substantial improvement to forecast income. Some of the larger increases include: <ul style="list-style-type: none"> <li>• DA Fees (\$23k)</li> <li>• Vehicle Crossing Inspection Fees (\$20k)</li> <li>• Compliance Levy (\$17k)</li> <li>• Hoarding Application Fees(\$40k)</li> <li>• Advertising Fees (\$13k)</li> <li>• S149 Certificate Fees (\$13k)</li> </ul>
Road Restoration Charges	700,000	915,735	215,735	30.8	In the March review, both expenditure and income were increased in the Restorations cost centre. The income forecast did not correctly reflect the restoration rates and was, therefore, understated.
Parking Meter Fees	1,254,000	1,296,286	42,286	3.4	This is not a large variance in percentage terms and quite close to the forecast. In dollar terms it contributes a significant amount to the improvement in working funds.
Interest on Investments	2,972,789	3,361,405	388,616	13.1	The interest forecast in the March review was very conservative. With the volatility in the market at the present time, and the potential for coupon non-payment it was considered appropriate to take

Item	Budget	Actual	Variance	%	Comment
					this approach. As all but one security has continued to pay coupon, the interest earned exceeded forecast. The coupon payment not received related to a \$60,000 Lehman Global Property Fund Note and related to the Fund's performance, not its underlying strength.
Fines & Penalties	4,057,890	4,156,235	98,345	2.4	Like Parking Meter Fees, this is a minor variance in percentage terms but contributes a significant amount in dollar terms to the improved position. It generally relates to the recovery of older infringements by the State Debt Recovery Office.
Building & Parks leases & hire	3,599,757	3,635,985	36,228	1.0	See comment above.
Operational Grants	3,333,014	3,383,461	50,447	1.5	See comment above.
Sydney Ferries Contribution	3,000	18,000	15,000	500.0	It was anticipated that this contribution would cease with the handover of the ferry wharves to the State. The agreement was not finalised leaving the contribution payable.
Insurance Recovery	120,000	139,864	19,864	16.6	This variation arises from the claim for the damage to the Cross Street Car park lift. The insurer covered more of the claim than originally anticipated
<b>Expenditure</b>					
Fringe Benefits Tax	170,000	144,383	25,617	15.1	This variance arises from an increase in the vehicle private use contribution paid by staff and an overpayment of 06/07 FBT refunded this financial year.
Temp Staff	330,097	471,973	-141,876	-43.0	Staffing costs are Council's largest area of expense. Council budgets for a 6% vacancy factor in its overall salaries and wages budget. Salaries & wages were on budget. However, in some areas the need to bring in temporary staff to continue to meet service requirements and standards resulted in over expenditure in this area. Examples of this include: <ul style="list-style-type: none"> <li>• Human Resources - payroll processing</li> <li>• Street Cleaning</li> <li>• Business Centres</li> <li>• Library Services</li> </ul> <p>Considered in the context of a \$22m plus salaries &amp; wages bill, this is a very small variation, 0.6%.</p>

Item	Budget	Actual	Variance	%	Comment
General Contracts	2,923,154	2,979,736	-56,582	-1.9	This is a minor variance in percentage terms but contributes a significant amount in dollar terms to the variation to the forecast. One area of over expenditure was Civil Works, where additional contract work was undertaken during periods of staff vacancies, and Restorations, where the over expenditure was offset by increase income.
Infringement Processing Bureau Charges	695,900	635,919	59,981	8.6	Savings have accrued through the utilisation of hand held devices plus fewer infringements being issued. As noted above, income levels were maintained through the receipt of older infringements recovered by the State Debt Recovery Office.
General Consultants	1,405,329	1,318,407	86,922	6.2	This is again an example of multiple small variances combining to contribute to the overall improvement. There were savings across all Divisions, the largest being: <ul style="list-style-type: none"> <li>• Business Centres where an operational review cost less than anticipated (\$15k)</li> <li>• Communications where a general consulting provision was not expended (\$20k)</li> </ul>
Appeal Consultants	90,000	294,512	-204,512	-227.2	The need for appeal consultants is largely determined by the Court. Matters contributing to this over expenditure include: <ul style="list-style-type: none"> <li>• Rose Bay Marina (\$158k)</li> <li>• Fairfax Road (\$54k)</li> <li>• Dover Road (\$14k)</li> </ul>
Interest on Loans	258,989	220,316	38,673	14.9	Delays in the commencement of the streetscapes works allowed the loan to be drawn down later than anticipated in the March review. Savings in accrued interest resulted.
Advertising	472,200	566,139	-93,939	-19.9	The main contributor to this over expenditure is Recruitment. Two Manager positions were recruited during the year which cost more than general staff recruitment.
Legal Expenses	1,277,000	1,727,510	-450,510	-35.3	Over expenditure in legal expenses was flagged at the budget workshop. The major contributor to this over expenditure is the Rose Bay Marina which incurred expenditure of \$265k. Other

Item	Budget	Actual	Variance	%	Comment
					<p>matters with significant expenditure include:</p> <ul style="list-style-type: none"> <li>• Dover Road (\$50k)</li> <li>• Dunara Gardens (\$42k)</li> <li>• John Street (\$38k)</li> <li>• Bundarra Road (\$28k)</li> <li>• Patterson Road (\$27k)</li> <li>• Fairfax Road (\$25k)</li> </ul>
Electricity Charges	212,960	180,860	32,100	15.1	Multiple small savings make up this amount. The main savings were made in Car Parks, Libraries and Depots.
Tipping Charges (non-DWM)	2,072,242	2,002,472	69,770	3.4	The major saving here was in the Trade Waste cost centre where tonnages were lower than forecast. There were further savings in Civil Works and Business Centres.
Water Rates	84,533	53,785	30,748	36.4	Billing delays and increased rainfall have both contributed to this saving.
Plant Selling Expenses	39,780	17,311	22,469	56.5	<p>This saving arises from:</p> <ul style="list-style-type: none"> <li>• Changed selling arrangements whereby the buyer now pays the auctioneers commission rather than the seller. This saved us \$5.5k each on the sale of two compactors.</li> <li>• A compactor and a street sweeper before year end. In each case the selling expense amounts to about \$6k. The changed selling arrangement will mean that the full \$6k will not be required for the sale of these vehicles in 08/09.</li> </ul>
Capital Expenditure	32,036,935	31,923,133	113,802	0.4	<p>This saving resulted from the duplication of Council's expenditure relating to the Urban Sustainability Grant program in Rose Bay Promenade and a USG Program allocation. This \$150,000 saving was offset by minor over expenditure on a number of completed projects.</p> <p>Actual expenditure includes the projects rolled over and revoted into the 2008/2009 budget.</p>
			<b>639,884</b>		

The working funds balance is now well in excess of the 'rule of thumb' minimum benchmark (Arrears of Rates plus Inventory) of \$1,614,000. The possible allocation of these 'excess' funds was discussed during the budget adoption cycle. Some of the funds were allocated to funding the withdrawal of the superannuation 'holiday' (\$321,0000) and the inclusion of the Cooper Park Tennis Courts Disabled Toilets project as the 2008/2009 Budget was adopted. This requires a transfer to reserve as at 30 June 2008 which has been formalised in part B of the recommendation.

### Investments Reserve

During the discussion of the allocation of the remainder of these funds the General Manager flagged the opportunity to set aside some funds to cover potential investment losses. The concept was well received at the time and would certainly be a prudent course of action. As a starting point, part B of the recommendation suggests a starting allocation of \$1,000,000 to this Reserve. The initial allocation would, ideally be supplemented by the benefit of the additional interest being earned to the securities in Council's portfolio. The changes required to put this in place will be discussed in the September quarter budget review of the 2008/2009 Budget.

### IT Infrastructure (Computer Reserve)

Council has made a large investment in both software and hardware to allow us to meet our service obligations. To ensure that we continue to maximise the benefits of this investment we need the capacity to move to the new software and hardware platforms as they become available, provided a service delivery benefit can be demonstrated.

To date, Council has been able to keep pace with changing technologies and service delivery demands by having access to a small Computer Reserve which has been to be supplemented by annual allocations from the capital budget. In doing so, however, we have had to heavily deplete the Computer Reserve. Making a \$300,000 transfer to the Computer Reserve will provide us with some capacity to adopt new technologies that will provide the appropriate tools to meet the challenges that lie ahead and protect our IT infrastructure investment.

These allocations would leave Council with working funds of \$2,154,000. At this level it is in excess of the minimum benchmark and is considered to be satisfactory as it continues to provide some level of flexibility above the benchmark figure.

### Unrestricted Current Ratio

The unrestricted current ratio is close to forecast at 3.1:1. It is important to note that this is calculated based on a notional adjustment being made to Reserve levels following the revaluation of Council's investment portfolio.

The table below shows the proposed notional fair value adjustments to Council's Reserves. The adjustments proposed to the external restrictions may be challenged by Council's auditors. We have taken the view that they form part of the overall portfolio and should, therefore, bear some of the notional write down. Where Reserves are fully committed no adjustment has been made.

**Externally Restricted Cash**

Purpose	Opening Balance July 07	Transfer To	Transfers From	Closing Balance June 08	Notional Fair Value Adjustment	Closing Balance June 08
Section 94 & 94A Contributions	4,034,983	2,255,251	1,155,513	5,134,721	-1,968,429	3,166,292
Unexpended Grants	625,050	5,142,050	4,834,693	932,408		932,408
Environmental Levy	1,880,777		740,620	1,140,157		1,140,157
Infrastructure Levy	639,509		382,741	256,768		256,768
Environ & Infrastructure Levy		3,105,590	1,727,419	1,378,171		1,378,171
Stormwater Mgt Charge		474,978	168,387	306,591		306,591
Domestic Waste	1,560,155	508,629	881,374	1,187,410	-455,201	732,208
	<b>8,740,473</b>	<b>11,486,498</b>	<b>9,890,746</b>	<b>10,336,225</b>	<b>-2,423,630</b>	<b>7,912,595</b>

**Internally Restricted Cash**

Employee Leave Entitlements	2,022,346	152,042	609,589	1,564,799	-599,876	964,923
Plant Replacement	301,490	94,233	199,303	196,420	-75,299	121,121
Insurance	639,143		294,447	344,696	-132,141	212,554
Computer	94,614		43,216	51,398	-19,704	31,695
Infrastructure	1,209,000		607,689	601,311	-230,517	370,795
Election Reserve	150,000	50,000		200,000		200,000
Deposits	6,045,735	555,102		6,600,837		6,600,837
Kindergarten	65,559	76,385		141,944	-54,415	87,529
Loan	1,814,704	6,525,000	2,190,404	6,149,300		6,149,300
Loan Repayment Reserve		933,023		933,023		933,023
Property Reserve	8,505,913	7,098,400	174,080	15,430,233	-5,915,280	9,514,952
Carry Over Works	2,802,336		131,319	2,671,017		2,671,017
General Reserve	1,095,360	100,000	520,318	675,042	-258,782	416,260
	<b>24,746,201</b>	<b>15,584,185</b>	<b>4,770,365</b>	<b>35,560,021</b>	<b>-7,286,014</b>	<b>28,274,007</b>
<b>Total Restricted Cash</b>	<b>33,486,674</b>	<b>27,070,683</b>	<b>14,661,111</b>	<b>45,896,246</b>	<b>-9,709,644</b>	<b>36,186,602</b>

**Conclusion:**

The final working funds position for the 2007/2008 financial year was \$3,805,000, \$640,000 more than forecast and well in excess of the minimum benchmark figure. Allocation of the improved position was considered leading up to the adoption of the 2008/2009 budget and allocations totalling \$351,000 made. A transfer to the General Reserve will need to be made to facilitate this funding.

At the budget workshop the General Manager raised the possibility of establishing a Reserve to cover potential investment losses. The suggestion was well received and would be a prudent course of action. It has been recommended that an initial transfer of \$1,000,000 be made to this reserve from working funds as well as \$300,000 for a Computer Reserve. This would leave a working funds balance of \$2,154,000 which is in excess of the minimum benchmark figure.

Notwithstanding the adjustment to Reserves due to the book entry write down of investments Council's liquidity remains sounds.

Council's operating result remains in surplus. Council has the benefit of the Cosmopolitan Centre Agreement for Lease cash and in-kind payments to offset the write down of investments which has been expensed in accordance with accounting standards. It must be remembered that this is a book entry only and does not reflect on the strength or otherwise of the securities in the investment portfolio. From the reports and information received to date, only one of Council's securities would appear to have a current indication that it may default. As and when they mature, or liquidity returns to the market improving the bid prices, the fair value adjustment will be reversed.

Council's working funds and liquidity both remain sound at year end as does Council's overall financial position. There is a separate report on tonight's agenda dealing with the financial reports for the year ended 30 June 2008.

Don Johnston  
Manager Finance

Geoff Clarke  
Director Corporate Services

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**Annexures:** Nil.

**Item No:** R3 Recommendation to Council  
**Subject:** **General Purpose Financial Reports for the Year Ended 30 June 2008**  
**Author:** Don Johnston, Manager Finance  
**File No:** 331G 2007/2008  
**Reason for Report:** To present the General Purpose Financial Reports for the year ended 30 June 2008 to the Committee and seek the adoption of Council's statement in relation to the Reports

**Recommendation:**

- 1 That Council, having noted the statement by the General Manager and Responsible Accounting Officer, adopt the following statement in relation to its Financial Reports for the year ended 30 June 2008:

That, in relation to the Financial Reports for the Year Ended 30 June 2008, Council is of the opinion that:

The Financial Reports have been drawn up in accordance with:

- i. the Local Government Act 1993 (as amended) and Regulations made thereunder;
- ii. the Local Government Code of Accounting Practice and Financial Reporting and the Asset Accounting Manual; and
- iii. the Australian Accounting Standards and professional pronouncements

and to the best of our knowledge and belief these Reports:

present fairly Council's financial position and operating result for the year; and

accord with Council's accounting and other records;

and further, the signatories to the Reports, to the best of our knowledge and belief, know of nothing that would make the reports false or misleading in any way;

- 2 That Council formally refer the 2007/2008 Financial Reports for audit; and
- 3 In anticipation of receiving the Auditor's Reports, set the Corporate & Works Committee meeting to be held on 20 October 2008 as the meeting at which the Financial Reports will be presented to the public.

## Executive Summary:

The financial reports for the financial year have been prepared and informally referred for audit. While the audit of the financial reports attached to this report has been completed, Council needs to adopt its statement in relation to the reports and formally refer them for audit prior to the provision of an auditors report.

The financial reports disclose an operating surplus for the year of \$3.248m compared to the prior year surplus of \$10.451m. Net assets have increased from \$661.53m to \$680.736m. Council's unrestricted current ratio has improved from 3.11:1 to 3.49:1.

The reduction in the operating surplus relates mainly to the revaluation of Council's investment portfolio and the resultant \$9.7m write down while the increase in net assets can largely be attributed to the revaluation of Council's building and operational land assets. Neither of these adjustments to valuation reflect on Council's financial performance as such, they are accounting entries required to comply with the relevant standards. The write down of investments in particular is not a reflection on the strength or otherwise of the securities in Council's portfolio.

As a result of the year's operations, and taking into account recommended transfers to reserves from workings funds, working funds have been reduced from \$3.805m to \$2.154m.

Overall, Council's financial position remains sound.

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## Background:

Each year, Council is required to prepare financial reports, and must refer them for audit as soon as practicable after the end of that year. The audited financial reports must be included in Council's Annual Report. The financial reports must include a general purpose financial report, other matters prescribed by Regulation, being the notes to the financial reports and special schedules, and a statement by the Council as to its opinion on the general purpose financial reports.

The Financial Reports for the Year Ended 30 June 2008 have been circulated as a separate Annexure to this report, **Annexure 1**. These Financial Reports are the financial reports of the Council only and do not, at this stage, incorporate the financial operations of Holdsworth Street Community Centre, Premsure Insurance Pool and the Waverley/Woollahra Process Plant (WWPP). It should be noted that, while Council remains a member of the Premsure Insurance Pool, it has nil equity.

It was considered appropriate to bring the financial reports to the current Council to allow it to review and adopt the reports. To this end, the separately audited financial reports from the other entities, which are not yet available, have not been consolidated. This does not impact on Council being able to adopt its statement in relation to its own financial reports, noting that the other entities will be consolidated into the reports that are ultimately presented to the public.

The general purpose financial reports must be prepared in accordance with the Local Government Act 1993 and Regulations made thereunder, Australian Accounting Standards and professional pronouncements, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

Before the financial reports can be formally referred for audit, Council is required to adopt a statement on its financial reports. The statement must indicate:

- (a) Whether or not the financial reports have been drawn up in accordance with:
  - i. the Local Government Act and Regulations;
  - ii. the Code of Accounting Practice and Financial Reporting and the Asset Accounting Manual; and
  - iii. the Australian Accounting Standards and professional pronouncements
- (b) whether or not those reports present fairly Council's financial position and operating result for the year;
- (c) whether or not those reports accord with Council's accounting and other records; and
- (d) whether or not the signatories know of anything that would make the reports false or misleading in any way.

The statement must be signed by the Mayor, at least one Councillor, the General Manager and the Responsible Accounting Officer. The Manager Finance is the responsible accounting officer.

The audit of the Financial Reports is scheduled to commence on 8 September 2008.

**Statement by the General Manager and the Responsible Accounting Officer:**

We acknowledge our responsibility for the preparation of the financial reports. We confirm, to the best of our knowledge and belief, the following:

The financial reports have been prepared in accordance with the Local Government Act 1993 (as amended) and Regulations made thereunder, Australian Accounting Standards and professional pronouncements, the Code of Accounting Practice and Financial Reporting and the Asset Accounting Manual so as to present fairly Council's financial position and operating result for the year.

There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.

We have made available to the auditors all books of account and supporting documents and all minutes of meetings of Council.

The financial reports are free of material misstatements, including omissions.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial reports in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial reports in the event of non-compliance.

We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed all guarantees that we have given to third parties.

All claims have been properly accrued in the financial reports. No other claims in connection with litigation have been or are expected to be received.

There are no formal or informal set-off arrangements with any of our cash and investment accounts. Except as disclosed in the financial reports we have no overdraft arrangements.

### **Changes to Accounting Standards and Code of Accounting Practice**

The major change to the financial reports for 2007/2008 is the commencement of the transition to 'fair value' for all assets.

In summary the Department of Local Government, together with the Local Government Accounting Advisory Group, determined that:

- All councils' operational land is to be valued at fair value by 30 June 2008.
- The fair value of community land has been deferred until 2010.
- Buildings are to be classified as specialised or non-specialised buildings and divided into depreciable components. The suggested minimum components are as follows:
  - \* the roof
  - \* fire services such as sprinkler systems
  - \* transportation services such as lifts and escalators
  - \* mechanical services such as air conditioning, hot water systems
  - \* floor coverings such as carpets, tiles, etc
  - \* the 'structural shell' of the building.
- Fair value of plant and equipment is deemed to be the depreciated replacement cost where it is evident that there is no impairment.
- Fair value of other assets has been deferred until 2009.

To meet its obligations Council appointed an independent valuer to undertake the necessary valuations. Council's building and operational land assets have been revalued and, where necessary, 'componentised' for inclusion in the 30 June 2008 financial reports.

In accounting for asset revaluations relating to building and operational land assets:

- Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve.
- To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

The effect of the revaluation is summarised below.

\$'000	30 June 2007			30 June 2008							
	Asset Cost	Acc Depn	Written Down Value	Addns	Depn	Trfs	Retro Depn Adj	Reval	Fair Value	Acc Depn	Written Down Value
Buildings	37,931	8,165	29,765	2,094	(765)	(983)	(8,397)	13,831	70,053	34,508	35,545
Operational Land	15,797		15,797					10,525	26,322		26,322
Total	53,728	8,165	45,562	2,094	(765)	(983)	(8,397)	24,356	96,375	34,508	61,867

## Overall Financial Position

At the end of the 2007/2008 financial year, Council's financial position remains sound.

### Working Funds

Working funds are accumulated funds that have not been set aside for a specific purpose and provide Council with some capacity to respond to unforeseen circumstances. After allowing for rollovers and revotes of \$2.67m, the working funds balance was \$3.805m.

There is a separate report on tonight's agenda dealing with the June quarter budget review and 2007/2008 year end result. This report recommends three adjustments to the final workings funds figure reducing it to \$2.154m. These Reserve transfers have been included in the general purpose financial reports, subject to adoption by the Committee and Council.

### Unrestricted Current Ratio

The unrestricted current ratio is the ratio of current assets to current liabilities after allowing for external restrictions on our cash such as Section 94 Contributions and unexpended grants. It provides an indication of our capacity to cover our liabilities.

The reported unrestricted current ratio is 3.49:1. After allowing for rollovers and revotes it would be 3.1:1.

As at the March Review, the 2007/2008 Budget forecast an unrestricted current ratio of 2.95:1.

It shows an improvement from the previous year (3.1:1) due to the Cosmopolitan Centre payments received and held as an internal restriction.

### Operating Result before Capital Movements

The Income Statement discloses a net operating surplus \$3.248m, a fall on last year's \$10.452m.

The surplus includes an expense of \$9,064k for Depreciation.

Income increased from \$65.991m to \$66.229m, an increase of \$238k or 0.36%. The movement in income includes the gain on sale from the WWPP site of \$8.5m received in 2006/2007 and the write down of Council's investments portfolio of \$9.7m in 2007/2008. Excluding the above transactions, the increase would have been \$5.3m or 9.3%.

Expenses increased from \$55.539m to \$62.981m, an increase of \$7.442m or 13.4%. Of this increase, \$6.331m relates to Interest & Investment losses (\$3,378 interest income less \$9.709m write down). The increase excluding this item is \$1.111m or 2.0%.

Details of the changes year to year are provided in the next section of the report.

## **Comparison - 30 June 2007 to 30 June 2008**

### **Income (Page 2 of Annexure 1)**

#### ***Rates & Annual Charges (Increased from \$33,594k to \$35,713k (\$2,119, 5.93%)) (Note 3 p.22 of Annexure 1)***

Ordinary Rates income increased from \$24,271k to \$25,202k, an increase of \$931k or 3.8% which reflects the permissible increase of 3.4% plus some growth in the rate base, particularly residential units. Special Rates increases by \$967k including the special variation for the new combined Environmental & Infrastructure Renewal Rate.

The domestic waste management charge (annual charge) increased from \$260 to \$267 for 2007/2008 or 2.7%. Income increased from \$6,793k to \$7,014k, an increase of \$221k or 3.3% based on the increased charge and the number of services provided.

#### ***User Charges & Fees (Increased from \$5,332k to \$5,682k (\$350k, 6.568%)) (Note 3 p.23 of Annexure 1)***

The largest increase relates to the Restoration Charges generating additional income of \$212k based on additional works undertaken. There were also material increases in Trade Waste Charges (\$75k), DA and related fees (\$65k), Inspection Fees (\$36k), Hoarding Application Fees (\$41k), Kindergarten Fees (\$15k), and the new Water Craft Storage Fee (\$28k). Offsetting these increases were decreases in Certificate Fees (\$45k), Temporary Rock Anchors (\$49k) and Crane Permits (\$30k).

#### ***Interest (Decreased from \$2,066k to (\$6,331k) (\$8,397k, 406.43%)) (Note 3 p.23 of Annexure 1)***

Interest disclosed in the 2007/2008 financial reports includes the fair value write down of Council's investment portfolio of \$9.71m. Actual interest earned for the year was \$3,379, and increase of \$1,313 over 2006/2007.

Investment returns were generally higher during 2007/2008 due to increased official interest rates as well as higher returns from the broadened range of investment securities now in the portfolio. The level of funds invested was also much higher with the proceeds from the sale of the Waverley/Woollahra Process Plant and Cosmopolitan Centre payments. \$580k earned from these proceeds has been transferred to the Property Reserve.

#### ***Other Revenues (Decreased from \$11,502k to \$11,238k (\$264k, 2.30%)) (Note 3 p.24 of Annexure 1)***

This item includes the fair value adjustment to Council's investment properties, a decrement of \$77k. Actual other revenues received for the year were \$11,315, a reduction of \$187k.

There were two large reductions in other income. The first is a reduction in recovered legal costs (\$255k) and the second a reduction in lease income from the O'Dea Avenue Depot site following the vacation of Schindler (\$248k). There were other reductions in infringement income (\$45k) and Risk Management Bonuses (\$24k).

Offsetting these reductions were increases in other leases and building hire (\$123k), parking meter income (\$84k), work zones (\$82k), staff vehicle private use contributions (\$18k), sale of recyclables (\$16k), local history consultations (\$13k) and sundry income (\$52k).

***Operating Grants & Contributions (Decreased from \$3,170k to \$2,864k (\$306k, 9.65%)) (Note 3 p.25 of Annexure 1)***

The major decrease year to year was the \$247k Regulatory Reduction Incentive Fund grant. The Holdsworth Community Centre again repaid some unexpended Council subsidy, \$46k compared to the \$100k repayment in 06/07, a reduction of \$54k.

There were other minor changes in other grant programs based on the projects undertaken.

***Capital Grants & Contributions (Increased from \$1,829k to \$10,706k (\$8,877k, 485.34%)) (Note 3 p.25 of Annexure 1)***

Revenue from capital grants can vary significantly from year to year depending on the nature of projects being undertaken and the timing of related expenditure and also the payment policies of funding bodies.

The major variance between 2006/2007 and 2007/2008 is the receipt of the cash and in-kind payments related to the Cosmopolitan Centre Agreement for Lease. These payments totalled \$7,950k. Another significant increase was \$465k in Section 94A contributions.

There were also increases in capital grants for Bike Routes (\$56k), Open Space grants (\$173) and Flood Studies (\$224k)

***Gain/(Loss) on Sale of Assets (Decreased from \$8,499k Gain to \$26k Gain (\$8,473k)) (Note 5 p.29 of Annexure 1)***

The major variance in this item is the gain on sale of the WWPP site of \$8,500k recognised in the 2006/2007 financial reports.

The remainder of the variance arises from the timing of the disposal of plant and vehicles and to a general improvement in the proceeds from sales.

***Expenses (Page 2 of Annexure 1)***

***Employee Costs (Decreased from \$25,949k to \$25,450k (\$499k, 1.9%)) (Note 4 p27, Annexure 1)***

The two major reductions in this item relate to a reduction in the provision for employee leave entitlements (\$440k), in-service leave payments (\$197k), termination payments (\$43k) and redundancy payments (\$316k). FBT also fell by \$81k due to a prior year refund and increased vehicle private use contributions.

As a result of award and market increases, salaries and wages and superannuation expenses increased year-on-year by \$302k. Workers' Compensation insurance increased by \$254k.

***Borrowing Costs (Increased from \$192k to \$220k (\$28k 14.58%)) (Note 4 p27, Annexure 1)***

This increase relates to the small interest accrual associated with the draw down of the \$6.525m in June 2008.

***Materials & Contracts (Increased from \$10,863k to \$11,774k (\$911k, 8.38%)) (Note 4 p27, Annexure 1)***

Raw Materials & Consumables (Increased by \$212k)

Increases in this area included materials utilisation in Civil Works (\$94k), Woollahra Seniors Centre which was new to the budget in 07/08 (\$20k), grant related expenditure in Planning & Development Management (\$16) and increases in maintenance agreements for IT (\$31k) and hand held infringement devices (\$36k).

Contractor & Consultancy Costs (Increased by \$456k)

The main increases were in the use of general contracts \$323k (with the majority of this increase being in Civil Works \$143k), temporary staff \$116k, assessment consultants \$104k, graffiti removal contract \$41k and contract plant hire \$34k. These increases were offset by reductions in infringement processing \$107k and general consultants \$81k.

Audit Fees

No major variances

Legal Expenses (Increased by \$244k)

There were reductions in legal expenses for property management \$170k, compliance \$126k, executive services \$45k, public liability \$27k and open space \$15k. There was, however, increases in development control for legal expenses \$397k and assessment consultants \$160k. Legal expenses also increased in the finance area \$81k.

Operating Leases (Unchanged)

Operating lease payments continued to be paid on our various equipment leases.

***Depreciation (Increased from \$8,902k to \$9,064k (\$162k, 1.8%) (Note 4 p.28 of Annexure 1)***

There were increases across most asset classes as a result of the full year depreciation of 2006/2007 acquisitions.

***Other Expenses (Increased from \$9,633k to \$10,141k (\$508k, 5.272%) (Note 4 p.28 of Annexure 1)***

There are numerous increases and decreases making up this overall variance. Among the increases were advertising (\$137k), street lighting charges (\$82k), NSW Fire Brigades contribution (\$166k) and waste disposal costs (\$238k). There were decreases in expenditure arising from utilities charges (\$60k) and insurance claims recovery (\$80k).

**Comparison – 30 June 2007 Actual to 30 June 2007 Original Budget**

This comparison forms part of the financial reports, appearing on Note 50 on page 49 of Annexure 1.

**Other Entities**

Holdsworth Street Community Centre's financial reports are consolidated into Council's as a controlled entity. The HSCC is subject to separate audit and Council receives financial reports from it for consolidation purposes.

Two other organisations are included in Council's Financial Reports by way of joint ventures. These are the Premsure Insurance Pool and the Waverley Woollahra Process Plant. Again these organisations are subject to separate audit and Council is provided with financial reports for the purposes of consolidation.

These financial reports were not available for consolidation at the time of preparing Council's financial reports. Rather than wait, it was considered appropriate to bring Council's financial reports to the current Council to allow it to review the year end results and adopt its statement in relation to the reports.

The audited financial reports from these entities will be consolidated into Council's reports for presentation to the public in October.

**Conclusion:**

Whilst there have been a number of variances, which have been detailed in this report, Council's year end result was still favourable. Working funds and liquidity are both adequate and Council's overall financial position as at 30 June 2008 is sound.

Don Johnston  
Manager Finance

Gary James  
General Manager

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**ANNEXURES:**

Financial Reports for the year ended 30 June 2008

**Item No:** R4 Recommendation to Council  
**Subject:** **Double Bay Public Art Project**  
**Author:** Jo Jansyn – Cultural Development Coordinator  
Trent Scrivener – Project Engineer - Streetscapes  
**File No:** 1160 G Public Art (Double Bay)  
**Reason for Report:** To recommend to Council a final concept for the Double Bay Public Art Project

**Recommendation:**

- A. That Council enter the commissioning stage of the Double Bay Public Art Project (subject to any Development Application considerations) with artist Bronwyn Berman, with the objective to create and install an eastern gateway artwork by early 2009.
- B. That short-listed artists/teams be advised of the assessment of short-listed concepts.

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**Background**

This report outlines the process of assessment of short-listed concepts for the Double Bay Public Art Project.

**Double Bay Public Art Project**

On Monday 23 July 2007, Council resolved to:

*“support the recommendation that a national open competition is staged for the design of the eastern gateway which will link to the western gateway as part of the public domain improvements for Double Bay; and that a working party (of the Public Art Advisory Committee) be established to facilitate the competition, with invitations to key community members to become part of the working party”.*

The Double Bay Public Art Project is a component of the Gateway treatment, and currently part of the program of public domain improvements works for Double Bay. The budget for the Double Bay Gateway treatment was contained in the *Public Domain Improvements – Double Bay Commercial Centre* report presented to the Urban Planning Committee in June 2007 and adopted by Council 25 June 2007.

The \$100,000 budget allocated to the Double Bay Public Art Project from the Gateway treatment budget was minuted in the 2 August 2007 minutes of the Public Art Advisory Committee, and presented in a report and noted by Council’s Community and Environment Committee on 27 August 2007.

The Public Art Advisory Committee, through the Working Party, developed a brief and timeline for the project (Annexure 1). A call for Expressions of Interest for the Double Bay Public Art Project proceeded in the period 27 February to 8 April, 2008.

Forty nine Expressions of Interest were received for the Double Bay Public Art Project. On 10 April 2008, three artists/teams were short-listed by the Double Bay Public Art Project Working Party for the concept development stage of the project. This was minuted in the 12 June 2008 minutes of the Public Art Advisory Committee and presented in a report noted by Council's Community and Environment committee on 23 June 2008.

### **Assessment of short-listed concepts**

The submission date for the three developed concepts was extended from 6 June 2008 to 4 July 2008. The reason for the extension was due to the detailed investigation of site specific complexities such as the location of underground services. A detailed 'footprint' for the Double Bay Public Art Project is contained in Annexure 2.

Following receipt of the submissions, an initial staff assessment involving the Director – Technical Services, Urban Design Planner, Project Engineer – Streetscapes and Cultural Development Coordinator was conducted to ensure that concept design proposals contained the required information identified in the brief. Further clarification was sought from each short-listed artists/team regarding aspects of their submission.

Working Party membership comprised Councillor Tanya Excell, Director –Technical Services, Project Engineer – Streetscapes, Cultural Development Coordinator and Public Art Advisory Committee community representatives Simon Chan, Chris Howe and Ruark Lewis.

Assessment of the short-listed concepts by the Working Party focused on the aesthetic, conceptual and technical expertise demonstrated in the proposed work with consideration given to the following:

- artistic merit of the proposed concept
- the way in which the project meets the various requirements of the briefing paper, including its appropriateness in terms of scale and material and the aesthetic and conceptual response to the site and brief
- the ability of the artwork to communicate its concept and underpinnings
- response to any stakeholder consultation and feedback
- the proposed budget and timeline including evidence of ability to work to timelines
- some demonstrated experience with material of relevance to the required project outcome
- demonstrated consideration of public safety, risk and maintenance issues

Criteria were indicated as an 'Annexure A' to the short-listed concept design agreement (Annexure 3).

### **Analysis of short-listed concepts**

Short-listed concepts were given a score on each item of the selection criteria, which resulted in a total score out of 100. Concepts were ranked in accordance with their scores.

The following table shows the scores and rankings compiled by the Working Party of the short-listed concepts. The scores are based on the opinion formed by the Working Party from information provided in the submitted concept proposals. The figures tabled below represent the agreed scores from Working Party members.

**Table 1.**

Concept (in rank order)	Artistic merit 20	Response to briefing paper 20	Concept communication 15	Response to consultation 15	Ability to work within timelines/budgets 10 10	Materials experience 10	Consideration of Risk, PL and Maintenance 10	Total 100	Rank
Bronwyn Berman	12.08	17.50	13.13	13.13	7.50	7.50	8.13	78.96	1
Thylacine Art Projects	12.50	13.75	12.19	13.13	8.13	8.75	7.50	75.94	2
Louisa Dawson	11.67	12.92	11.25	11.25	7.50	7.50	8.13	70.21	3

A brief summary of each submission follows, in order from lowest to highest ranked.

### **Louisa Dawson**

This concept was submitted by artist Louisa Dawson. The concept proposed a sculpture of twenty five suitcases cast in aluminium and configured in a curved wave shape. The idea behind the work is the notion of passing through a ‘gateway’ and arriving into an area to live.

The artistic merit and involvement of local community in the development of the work were highly regarded by the Working Party. The artist also provided demonstrated consideration of maintenance, risk management and public liability.

The Working Party ranked this concept third, with a score of 70.21, reflective of a lower score in the aesthetic and conceptual connection to the site in comparison to the two other concepts.

### **Thylacine Art Projects**

This concept was submitted by a multi-disciplinary urban design organisation who have demonstrated considerable experience in delivering small to very large scale cultural projects in the urban environment.

The concept proposed a work which utilises a combination of photo-anodised images and fibre-optic lighting to create a kinetic illuminated sculpture. This concept exhibited an impressive use of technology, however it was felt by the Working Party that the proposed work would be more suited to a controlled environment or high pedestrian area.

The Working Party ranked this concept second, with a score of 75.94, reflective of a lower score in the aesthetic connection to the site as well as some maintenance concerns.

### **Bronwyn Berman**

This concept was submitted by artist Bronwyn Berman. The proposed artwork references the original environment of Double Bay, which exhibited wetland characteristics.

The Working Party ranked this concept the best with a score of 78.96, reflecting the consistent scores in all criteria except, rating a higher score than the other two submissions in the concept’s aesthetic and conceptual connection to the site.

The Working Party decision was further supported unanimously by the Public Art Advisory Committee who met on 7 August 2008.

**Conclusion:**

The Public Art Advisory Committee recommends that the Double Bay Public Art Project Working Party analysis of short-listed concepts received for the Double Bay Public Art Project be supported and that Council proceed to a commissioning agreement stage (subject to any Development Application considerations) with Bronwyn Berman to create and install the proposed concept. It is anticipated that the commissioning stage would involve further detailed concept resolution and the objective would be to complete installation in early 2009.

Jo Jansyn  
Cultural Development Coordinator

Trent Scrivener  
Project Engineer – Streetscapes

Kylie Walshe  
Director – Community Services

Warwick Hatton  
Director – Technical Services

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**Annexures:**

1. Brief for Expression of Interest for Double Bay Public Art Project
2. Detailed footprint for proposed Double Bay Public Art Project site
3. Short listed concept assessment criteria

**Item No:** R5 Recommendation to Council  
**Subject:** **Supply And Installation of Multi-Function Poles on New South Head Road, Double Bay**  
**Author:** Mark Ramsay – Manager Depot & Waste Services  
**File No:** Tender No 08/12  
**Reason for Report:** To recommend to Council the acceptance of a Tender

**Recommendation:**

- A. That Council enter into a contract with Power Serve for the lump sum price of \$1,311,364.00 to deliver the Double Bay multi-function pole scheme along New South Head Road
- B. That the successful and unsuccessful tenderers be advised accordingly.
- 

**Background:**

As part of the Double Bay business centre streetscape improvement works Council has resolved to upgrade the presentation of the centre along New South Head Road by reducing the existing clutter of lighting and signage poles, and installing high quality street furniture in their place.

Council had previously called tenders in November 2007 for the design, supply and construct of a multi-function pole scheme along New South Head Road. 2 tenders were received for \$1,451,007 and \$1,845,215. These prices included design costs of \$95,170 and \$143,900 respectively.

Council resolved 25 February 2008-08-27:

- A. *That Council decline to accept any tender, because neither tender represents sufficient value for money.*
- B. *That Council proceed to prepare a streetlight layout and design to establish fixed quantities of components; and*
- C. *That Council then call a lump sum tender for supply and installation, based on this layout.*
- D. *That the tenderers be advised accordingly.*

A streetlight layout was subsequently commissioned for \$8,645. It comprises 33 multi-function poles from west of Bay Street to north of Cross Street. **(Note: A copy of the layout will be available at the meeting. It is too large to reproduce as an Annexure.)**

Council subsequently invited suitably qualified parties to submit tenders for the supply and installation of a multi-function-pole scheme along New South Head Road, Double Bay (Annexure 1). The scope of works is broadly defined as follows:

- Supply of multi-function-poles and associated components / fittings / devices in accordance with the design;
  - Installation of the multi-function-pole scheme for New South Head Road site complete with footings and including electrical reticulation design to supply lighting, traffic signals and signage;
  - Interim reinstatement of footpath paving. The footpath will subsequently be repaved as part of the pavement upgrading program.
-

- Commissioning of multi-function-poles, associated components / fittings / devices and connection to electrical supply; and
- System must be capable of supporting potential future services, banners, lights, etc; to enhance the visual aesthetics along New South Head Road.

### **Tenders Received**

Tender 08/12 for the “Supply and Installation of Multi-Function Poles on New South Head Road, Double Bay” was advertised in the tender section of the Sydney Morning Herald commencing on Tuesday 15 July, 2008, and in the Wentworth Courier on Wednesday 16 July 2008.

Tenders for this work closed at 2:30pm, 13 August, 2008. Four tenders were received prior to the closing date and time.

All the tenders received by the closing time are listed in the following table:

<b>TENDERERS</b>	<b>TENDER PRICE</b>
1. Civil and Maintenance Group Pty Ltd	\$1,202,747.50
2. HUB Street Equipment	\$1,777,869.75
3. Eco Civil Constructions Pty Ltd	\$1,450,865.68
4. Power Serve Australia	\$1,311,364.00

The tenders were assessed in accordance with the agreed selection criteria stated in the tender documents. The tender panel comprised:

Mark Ramsay – Manager Depot & Waste Services  
Trent Scrivener - Commissioning Officer; and  
Peter Cassilles – Project Manager.

Council has resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. This contract was deemed to meet this definition and it was agreed that a probity adviser should be included in the tender process. Les Windle, Manager Governance, has acted as Probity Adviser.

### **Tender Assessment**

A Pre-tender Meeting was convened on 30 July, 2008 at which several items were clarified for the tenderers.

Prior to the closing date the tender panel agreed on the weightings that would be used against the published selection criteria.

The tenders were initially given a score on each item of the selection criteria, which resulted in a score out of 100, with points being allocated.

Following the closure of tenders each of the tenderers were requested to clarify their tenders through written submissions and a post tender meeting held on 25 August 2008. The tender scores were adjusted based on the information provided in this process.

The following table shows the final scores and rankings of all tenders considered.

TENDERER	Cost and Pricing	Program	Demonstrated Experience	Quality and Range of Product	Quality Management	Company Resources	OHS & Environmental Capabilities	Tender & Business Requirements	Total Score	Ranking
<b>Maximum score possible</b>	30	20	15	15	7.5	5	5	2.5	<b>100</b>	
<b>Civil and Maintenance Group Pty Ltd</b>	25.00	2.50	5.63	15.00	3.75	3.00	4.25	2.50	<b>61.63</b>	4
<b>Eco Civil Constructions Pty Ltd</b>	24.08	7.50	9.38	15.00	5.63	4.50	4.25	2.50	<b>72.83</b>	3
<b>HUB Street Equipment</b>	21.03	10.00	11.25	15.00	3.75	3.50	3.00	2.50	<b>70.03</b>	2
<b>Power Serve Australia</b>	28.34	7.50	13.13	15.00	7.50	4.50	3.50	2.50	<b>81.97</b>	1

**Notes on Table:**

**Cost and Pricing:** The lowest priced tender will score maximum points. The other prices will be given score as a percentage of the best price on a pro-rata basis. Tenderers have been asked to provide a comprehensive list of additional components to gain maximum score for these criteria. In order for Council to keep control of costs and time the tenderer will score highly if the number of qualifications and departures is low.

**Program & Methodology:** Tenderers are to demonstrate to the tender panel a clear understanding by the tenderer of the tasks required to complete the project through the design and construction phases. The more detailed the methodology / program / hazard control plan the better the score for these criteria. Tenderers should include draft site management plans environmental management plans and a monthly cash-flow projection with their submission to score maximum points.

**Demonstrated Experience:** Tenderers are to demonstrate past experience on similar projects. The more experience the better the score for this criterion. At least 2 referees should be contacted by tender evaluation panel and a score allocated to tenderer based on referee's comments regarding quality of work. The tenderer is to provide photos and descriptions for the tender panel to review. The better the visual examples and description of similar jobs the better the score for this criterion. Tenderers are to also demonstrate proposed project team's skills and experience. The more experience of project team on similar projects, the better the score for this criterion. The tenderer is to address coordinating subcontractors on the project. Council is trying to reduce its risk by having minimal subcontractors.

**Quality and Range of Product:** High points shall be awarded if tenderer provides evidence of quality control procedures and checks during manufacture process. The tenderer has been assessed on the range of product made available to Council to cover all requirements of the project scope. High points are awarded if all of Council's requirements for products under this project's scope can be met.

**Quality Management:** If a tenderer's system is endorsed by ISO or government agency then a maximum score will be given (subject to tenderer providing evidence of endorsement). Examples of the tenderer's quality system procedures should be submitted with tender document. The tenderer is requested to have compatible electronic systems with Council's electronic systems to enable quality communication between the two parties through the duration of the project.

**Company Resources:** The more experience of project team on similar projects, the better the score for this criterion. Council is trying to reduce its risk by knowing which subcontractors will be working on this project. Points are taken away from this criterion if Council recognises a subcontractor to be problematic from past contracts. The more plant (relevant to this type of work) the better the score.

**OHS & Environmental Capabilities:** If a system is endorsed by ISO or government agency then a maximum score will be given (subject to tenderer providing evidence of endorsement). Examples of the tenderer's OHS system procedures should be submitted as part of this schedule. If the tenderer is not endorsed but does have ticks in the "Yes" column for all OHS requirements and provides evidence of the processes the tender evaluation panel should reward the tenderer with a high score (subject to level of evidence provided). If the LTIs are high for a tenderer their score will be low. Company References provided by the short-listed tenderers in this schedule should be checked by the tender panel before a preferred tenderer recommendation is made.

**Tender & Business Requirements:** Declarations for conflict of interest and collusive tendering must be signed or the tender will score a zero and may be deemed to be non-conforming by the tender evaluation panel. The tenderers are to confirm that they are GST registered with the ATO or the tender will score a zero and may be deemed to be non-conforming by the tender evaluation panel. Current insurance information to be provided with maximum scores allocated to tenderers providing copies of their Certificates of Currency. If no insurance information is provided the tender will score a zero and may be deemed to be non-conforming by the tender evaluation panel.

## Assessment Summaries

### General

Each of the tenderers was asked to confirm the approval of any subcontractors/suppliers for the use of any propriety item regarding patents in association with the delivery of the project. All tenderers confirmed compliance with this matter. All of the tenders submitted were deemed conforming.

Each of the companies who submitted tenders had different management structures and experience. Three of the tenders submitted included the subcontractor Streetscapes for the supply of the Multi-function Poles. The fourth tender was submitted by HUB Street Equipment, who supply their own product. The tender assessment panel assessed the "Quality and Range of Product" section of the criteria equally for all tenders. The assessment of any exclusions is summarised below. All of the tenderers anticipated the construction phase of the project would not commence until mid January unless approvals from the relevant authorities could be fast tracked.

#### 1 Civil and Maintenance Group Pty Ltd

Civil and Maintenance Group will engage a series of subcontractors to undertake the design, civil and electrical components and the multi-function pole supply.

Although Civil and Maintenance Group submitted the lowest tender price they scored lower than the other tenderers in the assessment criteria of:

- Program
- Demonstrated Experience
- Quality Management
- Company Resources

In addition, Civil and Maintenance Group advised that the cost of a major exclusion, Non-standard Footings, was estimated to be an additional \$100,000 based on an assumption of 20 non-standard footings at a rate of \$5,000 per footing "extra over" the submitted tender price. The addition of this amount to the lump sum tender price changes the Total Tender Score, however it does not change the final rankings of the tenders.

#### 2 HUB Street Equipment

HUB Street Equipment is a consortium of companies which will undertake the design, civil works and multi-function pole supply. The electrical component is provided by a separate subcontractor. HUB has experience with the installation of Multi-function poles at one interstate, one international and three Sydney locations.

HUB Street Equipment scored lower than the other tenders in the assessment criteria of:

- Cost and Pricing
- Quality Management
- OH&S and Environmental Capabilities

During the clarification phase of the tender assessment, HUB Street Equipment explained their tender price submitted was based on night work (contrary to tender requirements) and the cost to provide the project in accordance with standard daytime working hours would be an additional \$22,488. In addition the program would be prolonged by two weeks. Taking these two items into consideration, the Total Tender Score changes, however it does not change the final ranking of the

tenders. HUB has also allowed for the installation of non-standard footings within their lump sum price. HUB also scored lower in OH&S record due to the number of lost time injuries when compared to two other tenderers. However, HUB is a relatively large organisation when compared to the other tenderers with a diverse range of activities which may explain their lower score in this criteria.

### 3 Eco Civil Constructions Pty Ltd

Eco Civil Construction is a civil works contractor who will engage a subcontractor to provide the design and electrical components and multi-function pole supply.

Eco Civil Constructions scored lower than the other tenders in the assessment criteria of:

- Cost and Pricing
- Demonstrated experience

Eco Civil has limited experience in projects associated with the installation of power cables and Multi-function poles. They also have the second highest lump sum tender price.

### 4 Power Serve Australia

Power Serve is an electrical contractor who will engage subcontractors for the design and civil works component and multi-function pole supply.

Power Serve is the highest ranked tenderer. Power Serve has extensive experience with the installation of electrical components including overhead and underground services and is an accredited service provider for Energy Australia, which is considered an advantage due to the potential requirements Energy Australia will place on the installation of the electrical cabling and multi-function poles. This observation is based on Council's experience at the Five Ways, Paddington, project. Power Serve also have extensive experience in similar projects and a good understanding of the detail involved in the design and installation of the project. Power Serve has allowed for the installation of non-standard footings within their lump sum price.

Power Serve scored lower in the criterion of program, as they had the longest construction time of 33 weeks when compared to the other tenderers. However, based on recent experiences of undergrounding of power within Woollahra Local Government area and Power Serve's experience, their estimate to undertake the work appears acceptable. Power Serve also scored lower in OH&S record due to the number of lost time injuries when compared to two other tenderers. However, Power Serve is a relatively large organisation with a diverse range of activities which includes the installation of power cables and electrical components in many different and difficult environments which may explain their lower score in this criteria.

### **Identification of Income and Expenditure:**

Council has carried forward \$1,213,505 from its 2007/2008 capital expenditure budget to the 2008/09 budget for the New South Head Road multi-function pole scheme.

Based on the Power Serve lump sum price of \$1,311,364 there would be a shortfall of \$97,779 in the capital expenditure budget for the allocated works.

This project is to be funded from loan funds which Council has resolved to obtain to fund a number of streetscape projects in Double Bay, including Gumtree / Goldman / Short Street reconstruction. The extent of this latter project is dependant upon completion of the Cosmopolitan development and redevelopment of the 2 Short Street site for which a Section 96 application has recently been submitted. The scope and timing of this project still has to be resolved.

It is therefore proposed to transfer allocated funds from the Gumtree / Goldman / Short Street reconstruction project to make up the shortfall in the multi-function pole project. The final scope and timing of the Gumtree / Goldman / Short Street reconstruction project will be the subject of a further report, when the adjoining private development projects are further advanced.

**Conclusion:**

The tender assessment panel, when considering all aspects of the tender assessment criteria of the tenders, believes Power Serve offers the best value for money for the project. However, they have the highest scores in the criteria of Quality Management, Demonstrated Experience and Cost and Pricing. Power Serve is not the lowest tender, however, when the estimated cost of the exclusion for non-standard footings is taken into account, the Civil & Maintenance price would come to only \$8,616.50 less than Power Serve's lump sum offer.

The tender panel recommends that Council enter into a lump sum contract tender price of \$1,311,364 with Power Serve to deliver the supply and installation of Multi-Function Poles on New South Head Road, Double Bay

Mark Ramsay  
Manager Depot & Waste Services

Warwick Hatton  
Director Technical Services

**Item No:** R6 Recommendation to Council  
**Subject:** **Progress Report – Kiaora Lands Development**  
**Author:** Gary James – General Manager  
**File No:** 1209.G Part 2  
**Reason for Report:** To provide a progress report on commercial negotiations with Woolworths in relation to Kiaora Lands Development proposal.

**Recommendation:**

That the Briefing Report be noted and resubmitted to the Council following the September 2008 Elections.

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**Background:**

Council at its meeting on 25 February 2008 resolved the following:

- 1. That the briefing report be noted.*
- 2. That the Mayor appoint a Working party comprising the Chairman of the Corporate and Works Committee and two other Councillors to negotiate the specifics of the Commercial arrangement.*

The Working Party and the General Manager in consultation with Mr Wayne Redman of CB Richard Ellis (CBRE) determined the perimeters of the Commercial arrangements for negotiations with Woolworths and submitted a proposal.

Woolworths provided a response to a proposal prepared by CBRE on behalf of Council that envisaged Woolworths constructing the new supermarket complex, with Council funding its take-out through debt finance provided by Woolworths. The analyses undertaken by CBRE and subsequent negotiations with Woolworths relating to this offer provided a financial structure which enabled Council's debt obligations to be 'self-funded' out of rental income, and an overall return that was more in-line with the estimate for Council's land contribution.

With the parameters of this new supermarket site broadly agreed in principle with Woolworths, which gave an acceptable financial result to Council, discussions proceeded with the consideration of the New South Head Road site. Council has insisted that this site be included as part of the overall redevelopment consideration, including Council's potential ownership of this property. Whilst there were several iterations to the design scheme for the site in order to fully address Council / Woolworths' requirements, CBRE assisted in coordinating a 'final' schematic design plan that broadly satisfies both parties. In addition, a financial structure was considered for the site which saw Woolworths developing the site and Council funding the take-out on completion. Rental income derived from the property adequately serving Council's debt obligations .

Overall, Council had reached a potentially satisfactory outcome for the combined site and a return which was a substantial improvement from Woolworths' original offer. The commercial parameters subject to design considerations were close to being complete providing a lead-in to an agreement in principle on commercial terms. The next step was to report this to Council for its consideration.

However, it was during this stage of negotiations with Council, Woolworths advised on 2 July 2008 that they had acquired adjacent landholdings in the Kiaora Road precinct, as a result of a legal settlement regarding their previous dealings with a third party under the 2003 development proposal. As a consequence, with a larger site area the project mix was reconfigured and has implications in terms of GFA, construction costs, land value expectations and rental income to the Council. Accordingly, the key parameters for the development proposal and related financial analysis and value sharing between the parties had to be reconsidered and restructured.

### **Current Situation**

Woolworths most recent proposal involves them developing a new supermarket complex on their extended landholdings as well as Council's land, (see Confidential Annexure 1), with the redeveloped site transferred to Council's ownership. This proposal enhances the value of Council's land contribution and the increases the options available for Council to achieve a well designed, high quality integrated local precinct through a considered master plan.

The advice from CBRE is attached as Confidential Annexure 2. Information contained within this advice would, if disclosed, confer a commercial advantage to another party and contains commercial information of a confidential nature that would, if disclosed, prejudice Council's commercial position and/or confer a commercial advantage to another party. The advice outlines the key changes between the previous and current schemes in terms of the scale of the development and the financial assessment of Woolworths current offer. The key catalyst for the change is the increase in Woolworths land contribution to the development project, from 1,880m<sup>2</sup> to 3,922m<sup>2</sup>. Woolworths have stated that the inclusion of these additional lands will improve the urban design and amenity of the precinct; it will also increase the financial return to both parties.

The earlier proposal at the Kiaora Lands site included: a supermarket 5,349 m<sup>2</sup>, specialty retail 556 m<sup>2</sup>, and 360 car parking spaces.

The latest proposal received in July 2008 proposes: a smaller supermarket 4,800 m<sup>2</sup>, specialty retail 350 m<sup>2</sup>, complimentary retail to the supermarket 2,600m<sup>2</sup>, commercial 2,130 and 520 car parking spaces.

The proposal at the New South Head Road site has not significantly changed and includes specialty retail 1,200 m<sup>2</sup>, library 2,000m<sup>2</sup> and commercial 2,990m<sup>2</sup>

Council's land contribution does not change . However, there are several matters relating to this proposal, which still have to be further discussed with Woolworths, before a formal assessment can be made. These have been highlighted in the confidential annexures.

Council will also be discussing with Woolworths in due course the conceptual design specifications and uses for this site before further planning deliberations between both parties is undertaken. This is a separate exercise being managed by the Council's Planning & Development Division and outcomes will be reported to the Urban Planning Committee of Council. A rezoning of the land is also required.

### **Conclusion**

Even though these discussions are at an early stage, there exists a clear distinction internally, between Council's dual roles in these discussions, i.e. Planning Authority as well as land holder. The meetings with Woolworths mainly relate to Council's position and objectives for the proposed re-development. Woolworths have been reminded that even though the best commercial outcome will be pursued by Council, Council will pursue design excellence as a priority.

In anticipation of a mutually beneficial agreement, a submission has been provided to the Department of Local Government to advise them of Council's considerations in compliance with the PPP legislation.

A further update to the next Council will be provided once discussions with Woolworths are further advanced and the financial parameters firmed which are potentially acceptable to both parties. This report will also recommend a Working Party, comprising the Mayor, Chairman of the Corporate and Works Committee and two other Councillors (to be appointed by the Mayor) be appointed to finalise the specifics of the commercial arrangement. As advised in earlier reports, consideration of planning issues would remain the responsibility of the Urban Planning Committee to ensure a continuation of the separation of planning powers and the Council's position as land owner. The final arrangement will be reported to Council for its consideration and endorsement. CBRE envisage that if agreement is reached with Council and Woolworths the Heads of Agreement can be achieved before the end of 2008 or early 2009, moving into formalisation of legal documentation potentially in the first half of 2009.

Councillors are reminded that all matters currently under consideration are subject to negotiation and should be handled on a confidential basis. Final outcomes, Heads of Agreement, Development Application process, reports to the Public, Private Partnership Board (PPPB) are all subject to public report which will ensure adequate levels of public accountability and scrutiny at the appropriate time.

Gary James  
General Manager

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#### **CONFIDENTIAL ANNEXURES:**

In accordance with Section 10A of the Local Government Act, as information contained within this advice would, if disclosed, confer a commercial advantage to another party and contains commercial information of a confidential nature that would, if disclosed, prejudice Council's commercial position and/or confer a commercial advantage to another party.

1. CBRE letter dated 21 August 2008 – Financial Evaluation of revised scheme
2. Proposed Terms Sheet – dated 13 August 2008