



# Corporate & Works Committee

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

**Date:** *Monday 18 February 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;
  - Adoption of Council's Management Plans;
  - Quality Service/Communications;
  - Leases.
  - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes
- Delegations.
- Policies.
- Tenders as per Regulation requirements.

**Committee Membership:**

7 Councillors

**Quorum:**

The quorum for a Committee meeting is 4 Councillors.

# WOOLLAHRA MUNICIPAL COUNCIL

## Notice of Meeting

14 February 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 – 18 February 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 18 February 2008 at 6.00pm.**

Gary James  
General Manager

# **Additional Information Relating to Committee Matters**

**Site Inspection**

**Other Matters**

## Meeting Agenda

Item	Subject	Pages
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 4 February 2008	1
D2	Village Lower Road, Vaucluse – Traffic Calming – 474.	2
D3	Monthly Financial Report – January 2008 – 349.G	5
D4	4 Wunulla Road, Point Piper – Proposed Road Closure & Sale – 505.4	15
D5	Bus Shelter Designs – 900.G – 262.G Part 12	18
D6	Environmental, Infrastructure & Stormwater Works Program – 2 <sup>nd</sup> Quarter Management Plan Review – 827.G 04-07	31

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

R1	Double Bay Multi-Function Poles – Tender 07/21	46
R2	Port Jackson South Estuary Strategic Review – 1142.G General Grants	82
R3	The Crescent, Vaucluse – Hopetoun Ave, Stage 1 Stormwater Drainage Upgrade – Tender No. 07/22	85
R4	2007/2008 Budget Review for the Quarter ended 31 December 2007 – 331.G	92
R5	Progress Report – Kiaora Lands Development – 1209.G Part 7	116

**Note: Confidential Annexure Disturbed under Separate Cover**

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of minutes of meeting held on 4 February 2008**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 4 February 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 4 February 2008 be taken as read and confirmed.

Les Windle  
Manager - Governance

**Item No:** D2 Delegated to Committee  
**Subject:** Village Lower Road, Vaucuse – Traffic Calming  
**Author:** Frank Rotta, Traffic Engineer.  
**File No:** 474.  
**Reason for Report:** Result of Public Consultation.

**Recommendation:**

- A. That Stages 1&2 of the proposed traffic calming works at Village Lower Road, be approved.
- B. That the construction of a median island in Serpentine Parade at Village Lower Road (Stage 1) proceed.
- C. That the kerb narrowing in the vicinity of Nos 3 & 8 Village Lower Road (Stage 2) be deferred and only be introduced if vehicle speeds in Village Lower Road do not reduce following the implementation of works detailed in B above.

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**Background:**

A proposal for the introduction of traffic calming measures in Village Lower Road, Vaucuse, was considered by the Woollahra Traffic Committee at its meeting held on 3 October, 2006 and subsequently by Council at its C&E Committee meeting dated 9 October, 2006 when it was resolved:

- A. *That “in principle approval” be given for the concept plan for Village Lower Road including:*
  - i. *A median island in Hopetoun Avenue and associated linemarking to regulate the right turn from Hopetoun Avenue into Village Lower Road*
  - ii. *A median island in Serpentine Parade at Village Lower Road and associated linemarking to square up the intersection*
  - iii. *Kerb narrowing in the vicinity of Nos.3-6 Village Lower Road to reduce the width of road to a single lane in accordance with advice previously received from the RTA’s Policy & Guidelines section.*
- B. *That the “in principle approval” be subject to the majority of property owners / residents of all properties with a frontage to Village Lower Road being in favour of this scheme.*
- C. *The cost of implementing this scheme, estimated at \$40,000, be included in the 2007/08 Draft budget for consideration by Council.*

The works described in part A(i) of the above resolution have already been introduced as part of the traffic calming works recently completed in Hopetoun Avenue.

Sketch plans with respect to parts A(ii) and A(iii) of the above resolution were circulated to all owners/residents of properties with a frontage to Village Lower Road as required by Part B of the above resolution.

The Village Lower Road traffic calming project has been included in Council’s current Capital Works Program in accordance with Part C of the resolution and the works are programmed for construction during the first half of 2008.

**Issues:**

Letters were sent to owners/residents of the 31 properties with a frontage to Village Lower Road in January, 2008, to determine whether a majority of owners/residents are in favour of this scheme. A total of 21 submissions were received with 18 respondents (or 86% of submissions received) being in favour of the scheme and 3 respondents (or 14% of submissions received) being opposed to the scheme. Not surprisingly the 3 responses against the scheme are clustered close to the proposed road narrowing in the vicinity of Nos 3 & 8 Village Lower Road.

Comments from respondents who support the proposal varied from requests for additional traffic calming facilities to expressions of gratitude to Council for developing this proposal. It should be noted that the 18 favourable responses received equate to a 58% majority of the 31 residences in Village Lower Road.

The 3 negative responses state reasons such as the banking up of traffic, noise created by braking and accelerating traffic, loss of parking and unsightly signage as reasons not to proceed with the road narrowing proposal. It should be pointed out, however, that one of these respondents actually supports the proposal for a median island and associated linemarking in Serpentine Parade as per Part A(iii) of Council's resolution. This respondent has suggested that this median could by itself have the desired effect of lowering vehicle speeds in Village Lower Road which would obviate the need for a road narrowing.

Traffic speed counts carried out in 2006 indicate that the 85<sup>th</sup> percentile speed travelling up the hill was 42 kph and the 85<sup>th</sup> percentile speed travelling down the hill was 46 kph. Both speeds are within the statutory 50 kph speed limit for urban areas and would not normally be considered as excessive. The speed of vehicles in Village Lower Road is, however, exacerbated by the narrow carriageway width for a two-way road with kerbside parking.

**Conclusion:**

Although a majority of responses are in favour of this proposal, the adoption of a staged program of traffic calming measures, as proposed by one of the respondents, is considered a more effective approach to this problem as additional works need only proceed if the speeding problem is not corrected. It is therefore proposed that Council proceed with the construction of the median island and associated linemarking in Serpentine Parade at Village Lower Road to square up the intersection (Stage 1), and that the kerb narrowing in the vicinity of Nos 3 & 8 Village Lower Road (Stage 2) be deferred and only be introduced if vehicle speeds in Village Lower Road do not reduce following the implementation of these works. Speed counts will be taken approximately six months following Stage 1 to determine the necessity of proceeding with Stage 2 of the project.

Frank Rotta  
**Traffic Engineer**

Warwick Hatton  
**Director Technical Services**

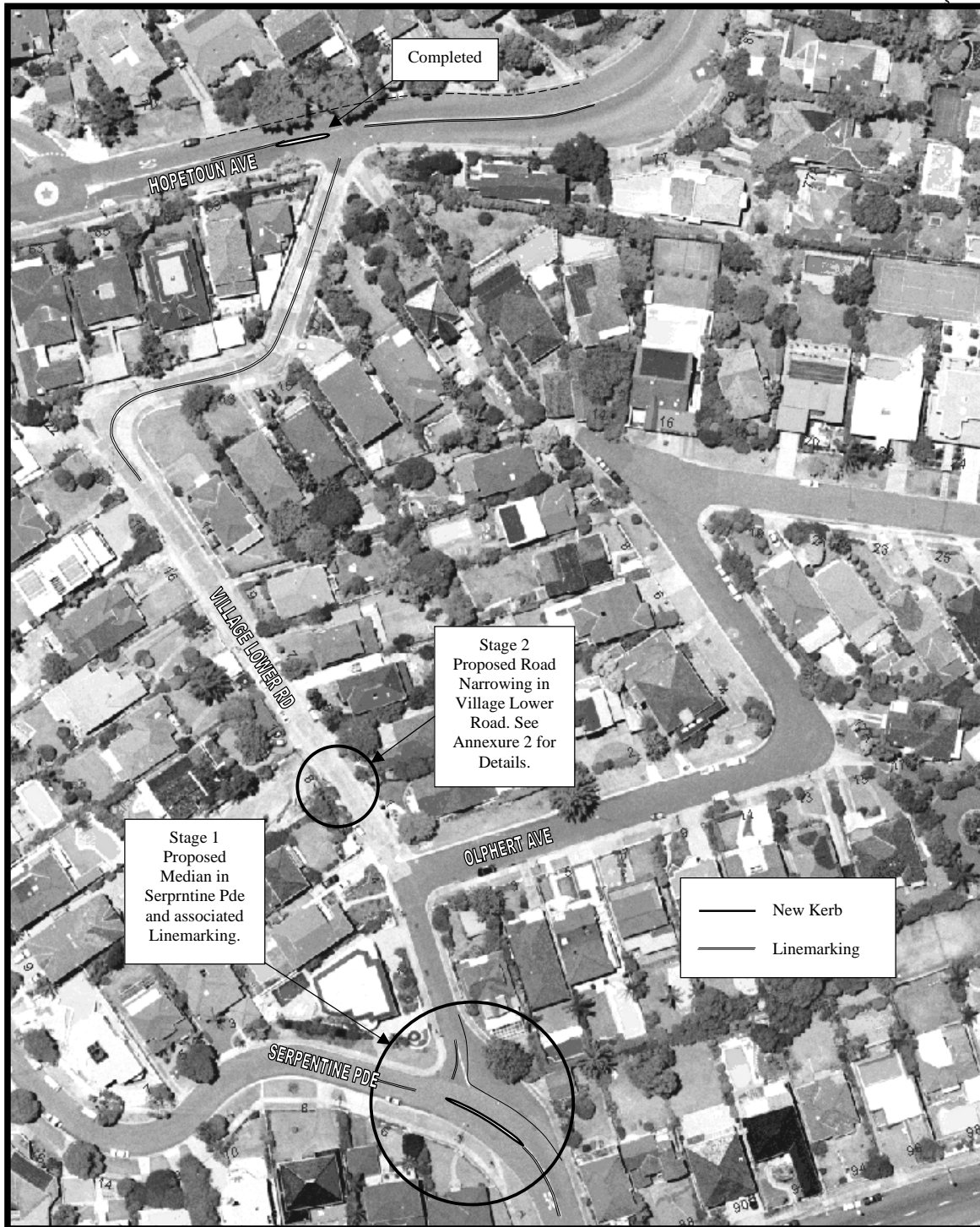
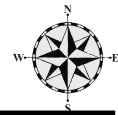
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**Annexures:**

1. Village Lower Road - Plan of Staged Works

Annexure 1  
**VILLAGE LOWER ROAD – STAGED WORKS**

11 February 2008



**Do not scale from this plan**

**Item No:** D3 Delegated to Committee  
**Subject:** **Monthly Financial Report – January 2008**  
**Author:** Tracey Walker, Financial Accountant  
Michelle Phair, Acting Manager Finance  
**File No:** 349G  
**Reason for Report:** To present the monthly financial report for January 2008

**Recommendation:**

A. THAT the monthly financial report for January 2008 be received and noted.

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**Background:**

The monthly financial report for January 2008 is submitted to the Committee for consideration.

The monthly report includes the following:-

- Summary of Investments
- Summary of Receipts, Payments and Bank Balance

**Discussion:**

*Bid Updates:*

The latest CDO bid updates will be tabled at the meeting.

*Summary of Investments:*

Investment portfolio returns for the month of January 2008 were -5.56% for Lehman Brothers and Oakvale Capital returned 0.01%. Portfolio returns calculated by Council since the portfolio's inception were -8.96% Lehman Brothers and 4.94% for Oakvale.

Monthly reports from Oakvale and Lehman Brothers are attached as **ANNEXURES 1 & 2** respectively.

*Investment Working Group:*

The Investment Working Group met on 31 January 2008 to draft correspondence to Lehman Brothers and Oakvale Capital regarding Council's CDO holdings. Confidential copies of the correspondence were tabled at the Corporate & Works meeting of 4 February 2008. Discussions with both advisors are ongoing and a further update will be tabled at the meeting.

Michelle Phair  
Team Leader Financial Services

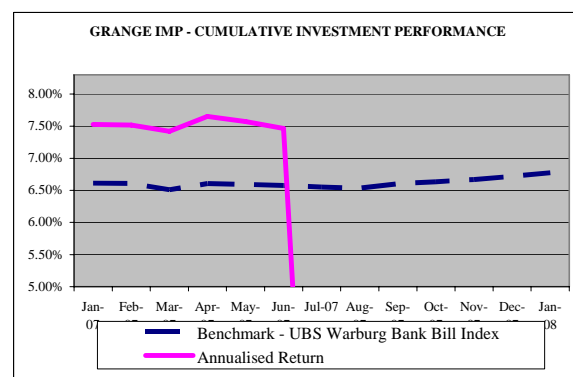
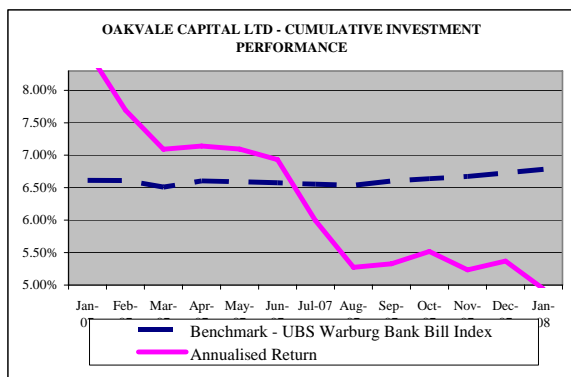
Tracey Walker  
Financial Accountant

Don Johnston  
Manager Finance

**INVESTMENTS AS AT 31 JANUARY 2008**

CATEGORY	PURCHASE DATE	MATURITY DATE	DAYS	%	FACE VALUE \$	TOTAL \$
<b><u>1. WMC INVESTMENTS</u></b>						
<b><u>BANK WEST</u></b>						
TERM DEPOSIT	30/11/2007	28/02/2008	90	7.35	1,000,000.00	
TERM DEPOSIT	22/01/2008	25/03/2008	63	7.14	2,000,000.00	
TERM DEPOSIT	20/12/2007	18/02/2008	60	7.33	1,000,000.00	
TERM DEPOSIT	18/01/2008	19/03/2008	61	7.13	1,000,000.00	
TERM DEPOSIT	18/01/2008	17/04/2008	90	7.20	1,500,000.00	
<b><u>NAB LIMITED</u></b>						
BANK BILL	25/01/2008	26/02/2008	32	7.12	2,000,000.00	
<b><u>ST GEORGE BANK LTD</u></b>						
BANK BILL	25/01/2008	24/04/2008	90	7.28	1,000,000.00	
TERM DEPOSIT	18/01/2008	18/03/2008	60	7.05	1,000,000.00	
<b><u>METWAY</u></b>						
TERM DEPOSIT	18/01/2008	20/02/2008	33	6.99	1,000,000.00	
<b><u>CITIBANK</u></b>						
TERM DEPOSIT	03/12/2007	05/03/2008	93	7.30	1,500,000.00	
<b><u>COMMONWEALTH BANK</u></b>						
TERM DEPOSIT	18/01/2008	18/03/2008	60	7.04	1,000,000.00	
ONLINE SAVER A/C					<u>2,321,956</u>	16,321,956

CATEGORY	MONTHLY RETURN ANNUALISED %	MONTHLY BENCHMARK %	MARGIN	TECHNICAL VALUATION \$	TOTAL \$
<b><u>2. OAKVALE CAPITAL Limited</u></b>					
Funds under management *	4.94	6.78	-1.84	<u>8,423,069</u>	8,423,069
* See Annexure 1					
<b><u>3. GRANGE SECURITIES Limited</u></b>					
Individually Managed Portfolio (IMP) *	-8.96	6.78	-15.74	<u>16,462,114</u>	16,462,114
* See Annexure 2					
<b>GRAND TOTAL</b>				<u>41,207,139</u>	



I hereby certify that the above investments have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's investment policy.

M. Phair  
TEAM LEADER FINANCIAL SERVICES

D. Johnston  
MANAGER FINANCE

Woollahra Municipal Council Portfolio							TECHNICAL VALUATIONS		
Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	30-Nov-07	31-Dec-07	31-Jan-07	
<b>GRANGE SECURITIES</b>									
<b>Issued by non-ADIs</b>									
Lehman Global Property Note	13/06/2007	15/06/2009	60,000	0	60,000	55,770	55,026	54,660	
Herald Limited (Quartz AA)	04/07/2007	20/12/2010	400,000	2,428	402,428	354,416	334,700	266,368	
BELO (Kalgoorlie AA+)	27/02/2007	27/02/2012	500,000	0	500,000	494,350	495,200	487,550	
Magnolia (Flinders AA)	08/06/2007	20/03/2012	500,000	4,950	504,950	423,120	401,325	370,060	
Omega (Henley AAA)	20/12/2006	22/06/2012	450,000	0	450,000	375,786	364,023	318,398	
Helium (Esperance AA+)	04/07/2007	20/03/2013	500,000	125	500,125	415,930	397,565	336,580	
Zircon (Merimbula AA)	06/06/2007	20/06/2013	250,000	0	250,000	175,140	169,005	142,053	
Corsair (Torquay AA)	04/07/2007	20/06/2013	500,000	400	500,400	385,725	376,480	326,290	
Start (Blue Gum AA-)	08/01/2007	22/06/2013	400,000	1,316	401,316	335,752	323,380	268,348	
Corsair (Kakadu AA)	22/01/2007	20/03/2014	500,000	-50	499,950	299,580	290,700	246,475	
Helium (Scarborough AA)	17/01/2007	23/06/2014	400,000	844	400,844	320,040	312,332	255,228	
Helium (Scarborough AA)	04/07/2007	23/06/2014	500,000	1,320	501,320	400,050	390,415	319,035	
Helium (Scarborough AA)	23/07/2007	23/06/2014	500,000	850	500,850	400,050	390,415	319,035	
Zircon (Coolangatta AA)	20/03/2007	20/09/2014	500,000	0	500,000	364,225	346,495	276,495	
Beryl (AAA Global Bank Note)	03/04/2007	20/09/2014	100,000	0	100,000	90,549	90,008	88,019	
Zircon (Coolangatta AA)	04/07/2007	20/09/2014	500,000	-50	499,950	364,225	346,495	276,495	
Beryl (AAA Global Bank Note)	04/07/2007	20/09/2014	350,000	-25	349,976	316,922	315,028	308,067	
Aphex (Glenelg AA-)	04/07/2007	22/12/2014	500,000	145	500,145	419,455	408,760	346,205	
Aphex (Glenelg AA-)	10/01/2007	22/12/2014	500,000	-30	499,970	419,455	408,760	346,205	
MAS6-7 (Parkes IIA 'AA-')	13/06/2007	20/06/2015	450,000	2,822	452,822	275,900	264,060	205,560	
MAS6-7 (Parkes IIA 'AA-')	04/07/2007	20/06/2015	500,000	2,700	502,700	306,555	293,400	228,400	
Zircon (Miami AA)	16/04/2007	20/03/2017	50,000	-5	49,996	31,757	30,418	26,591	
			8,910,000	37,706	8,947,706	7,024,751	6,803,990	5,812,116	
<b>Issued by ADIs</b>									
ANZ Principal Protected Yield Curve Note (AA)	17/07/2007	17/07/2008	100,000	0	100,000	94,995	92,065	91,716	
Bank of Queensland (BBB+)	04/07/2007	30/10/2008	1,000,000	10,620	1,010,620	1,010,930	1,017,490	1,003,110	
Home Building Society FRN (BBB+)	10/01/2007	17/08/2009	500,000	6,080	506,080	501,235	504,875	507,145	
Home Building Society FRN (BBB+)	11/01/2007	17/08/2009	500,000	6,070	506,070	501,235	504,875	507,145	
Royal Bank of Scotland (AA)	04/07/2007	28/10/2009	500,000	2,000	502,000	499,315	502,645	495,170	
Elders Rural Bank Sub Debt (BBB-)	04/07/2007	23/03/2010	500,000	3,880	503,880	497,280	491,280	491,660	
NM Rothschild FRSD (unrated)	09/07/2007	10/08/2010	1,000,000	1,310	1,001,310	989,520	991,050	987,580	
HSBC Sub Debt (AA-)	04/07/2007	20/05/2011	500,000	-50	499,950	489,450	492,870	494,875	
Suncorp Metway Sub Debt (A)	19/01/2007	22/06/2011	500,000	705	500,705	492,565	487,745	488,270	
St George Bank Sub Debt (A+)	10/01/2007	26/07/2011	1,000,000	1,120	1,001,120	978,950	988,890	967,960	
HSBC FRN (AA-)	07/02/2007	22/09/2011	500,000	1,170	501,170	487,725	482,300	481,965	
CBA FRN (AA)	19/01/2007	28/09/2011	500,000	1,600	501,600	495,575	489,215	488,695	
CBA FRN (AA)	31/01/2007	28/09/2011	500,000	1,635	501,635	495,575	489,215	488,695	
CBA FRN (AA)	04/07/2007	28/09/2011	500,000	1,805	501,805	495,575	489,215	488,695	
Westpac FR Sub Debt (AA)	07/02/2007	24/01/2012	500,000	295	500,295	487,305	490,770	483,365	
Royal Bank of Scotland (AA)	31/07/2007	17/02/2012	1,000,000	1,460	1,001,460	973,260	981,880	982,000	
Adelaide Bank FRN (BBB+)	04/07/2007	28/03/2012	500,000	885	500,885	487,420	485,390	487,040	
			10,100,000	41,400	10,141,400	9,977,910	9,981,770	9,935,086	
Macquarie Cash Trust (AAA)			CASH	0	CASH	10,853	247,683	64,913	
Bank West 11am at call			650,000	0	650,000	650,000	650,000	650,000	
			650,000	0	650,000	660,853	897,683	714,913	
<b>Total Grange Securities</b>			<b>19,660,000</b>	<b>79,106</b>	<b>19,739,106</b>	<b>17,663,514</b>	<b>17,683,442</b>	<b>16,462,114</b>	

Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	30-Nov-07	31-Dec-07	31-Jan-07
<b>OAKVALE CAPITAL</b>								
Aramis (Merrill Lynch) - ABS	02/04/2007	20/12/2012	1,000,000	0	1,000,000	1,002,178	990,407	997,153
Momentum CDO-Credit Linked Note	29/06/2007	30/06/2012	1,000,000	0	1,000,000	976,750	963,960	965,960
Emerald Reverse Mortgage Series 2007-1 Class F	06/07/2007	06/07/2011	1,000,000	0	1,000,000	1,007,740	1,011,190	996,070
Merrill Lynch-Blackrock Diversified Credit Fund	05/01/2007		3,000,000	0	3,000,000	3,047,159	3,063,077	3,037,793
Adelaide Bank MF-AMF Yield Fund (AAA Saver)			2,426,093	0	2,426,093	2,926,093	2,926,093	2,426,093
<b>Total Oakvale Capital</b>			<b>8,426,093</b>	<b>0</b>	<b>8,426,093</b>	<b>8,959,919</b>	<b>8,954,727</b>	<b>8,423,069</b>
<b>WMC Investments</b>								
St George Bank Bill (7.28% 90 days)	25/01/2008	24/04/2008	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000
St George Term Deposit (7.05% 60 days)	18/01/2008	18/03/2008	1,000,000	0	1,000,000	0	0	1,000,000
St George Term Deposit (6.95% 86 days)	26/09/2007	21/12/2007	1,000,000	0	1,000,000	1,000,000	MATURED	MATURED
NAB Bank Bill (7.12% 32 days)	25/01/2008	26/02/2008	2,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000
ANZ Bank bill (6.92% 84 days)	26/09/2007	19/12/2007	1,000,000	0	1,000,000	1,000,000	MATURED	MATURED
Citibank Term Deposit (7.30% 90 days)	03/12/2007	05/03/2008	1,500,000	0	1,500,000	0	1,500,000	1,500,000
Bank West Term Deposit (7.35% 90 days)	30/11/2007	28/02/2008	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000
Bank West Term Deposit (7.14% 63 days)	22/01/2008	25/03/2008	2,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000
Bank West Term Deposit (7.03% 85 days)	26/09/2007	20/12/2007	1,000,000	0	1,000,000	1,000,000	MATURED	MATURED
Bank West Term Deposit (7.33% 60 days)	20/12/2007	18/02/2008	1,000,000	0	1,000,000	0	1,000,000	1,000,000
Bank West Term Deposit (7.13% 61 days)	18/01/2008	19/03/2008	1,000,000	0	1,000,000	0	0	1,000,000
Bank West Term Deposit (7.20% 90 days)	18/01/2008	19/03/2008	1,000,000	0	1,000,000	0	0	1,500,000
Metway Term Deposit (6.99% 33days)	18/01/2008	20/02/2008	1,000,000	0	1,000,000	0	0	1,000,000
CBA Term Deposit (7.04% 60days)	18/01/2008	18/03/2008	1,000,000	0	1,000,000	0	0	1,000,000
CBA Online Saver			CASH	0	CASH	2,007,529	1,563,232	2,321,956
<b>Total WMC Investment</b>			<b>16,500,000</b>	<b>0</b>	<b>16,500,000</b>	<b>11,007,529</b>	<b>10,063,232</b>	<b>16,321,956</b>
<b>Total Portfolio</b>			<b>44,586,093</b>	<b>79,106</b>	<b>44,665,199</b>	<b>37,630,963</b>	<b>36,701,402</b>	<b>41,207,139</b>

**Summary of Receipts, Payments and Bank Balance**

Cash Book Balance as at 31 December 2007 - 996,343.79

**Receipts**

Rates 297,862.95  
Other 15,441,990.85 15,739,793.80

**Total Receipts**

Description	Amount
Glovinia - First Instalment of Lease Premium	7,550,000.00
S94 & S94A Contributions	538,456.92
Other Debtor Receipts	441,235.09
Deposits & Bonds	379,183.00
GST Refund - December	344,562.00
Parking Fines	326,945.00
Rates Receipts	297,862.95
Car Park Leases	177,895.22
Disposal of Plant Assets	141,606.70
Library Special Grants	135,115.00

**Payments - Cheque**

Cheque Payments (1,015,962.02)

Cancelled Cheques 3,418.96

Total Cheque Payments for period (1,012,543.06)

Cheque No	Cheque Date	Payee	Description	Amount
198085	04/01/2008	Hurstville City Council	Transfer of Employee Entitlements	- 85,856.31
198187	17/01/2008	Energy Australia	Street Lighting - December	- 71,400.16
198047	04/01/2008	Department of Lands	Land Valuations	- 51,938.70
198078	04/01/2008	Botany Bay Council	Transfer of Employee Entitlements	- 34,939.58
198209	17/01/2008	Schindler Lifts Australia Pty Ltd	Maintenance Cross St Lift	- 30,734.00
198144	11/01/2008	Suttons City Holden-Rosebery	Purchase of Council's Plant	- 29,933.15
198322	25/01/2008	Withheld	Security Deposit Refund	- 28,700.00
198241	24/01/2008	Crown Lift Trucks Pty Ltd	Purchase of Council's Plant	- 27,872.90
198220	17/01/2008	Triple M Technologies Pty Ltd	Computers	- 27,450.50
198352	31/01/2008	Energy Australia	Street Lighting - December	- 22,093.21

**Payments - EFT**

EFT Payments (12,383,460.46)

Returned EFT Payments 27,209.65

Total EFT Payments for period (12,386,250.81)

Reference	EFT Date	Payee	Description	Amount
16390	18/01/2008	GMV Urban Pty Ltd	Progress Payment - Five Ways Paddington	-343,692.22
16369	17/01/2008	Kelbon Project Services Pty Ltd	Progress Payment - Bennelong Crescent	-218,944.46
16361	17/01/2008	Local Govt Super Scheme-Div.A	Employee Superannuation Contributions	-167,621.46
16399	24/01/2008	Applied Cleansing Solutions Pty Ltd	Purchase of Council's Plant	-158,886.00
16452	24/01/2008	WSN Environmental Solutions	Tipping Charges - 16/11 to 16/12/07	-156,623.54
16410	24/01/2008	Collex Waste Management Pty Ltd	Weekly Recycling Collection - December	-112,676.05
16263	04/01/2008	Oz pave (Aust) Pty Ltd	Progress Payment - Mitchell Rd	-112,396.95
27	15/01/2008	Australian Taxation Office	PAYG Tax Wk27	-107,621.99
16317	11/01/2008	WSN Environmental Solutions	Tipping Charges - 12/11 to 15/11/07	-98,986.85
16506	31/01/2008	WSN Environmental Solutions	Tipping Charges - 17/12 to 30/12/07	-97,361.34

**Payments - Direct Debits From Bank A/c**

Payroll (1,496,964.78)

Bank Charges (8,269.36)

Credit Cards (4,195.68)

Total Direct Debits for period (1,509,429.82)

**Total Payments**

- 14,888,223.69

**Cash Book Balance as at 31 January 2008**

- 144,773.68

Unpresented Cheques No. of Cheques: 235 291,328.75

Outstanding Deposits & Miscellaneous Items 85,677.35

**Reconciled Cash Book Balance as at 31 January 2008** 232,232.42

**Bank A/c Balance as at 31 January 2008** 232,232.42

**Unpresented Cheques > \$30,000.00**

Cheque No.	Cheque Date	Payee	Amount
198078	04/01/2008	Botany Bay Council	34,939.58

**Item No:** D4 Delegated to Committee  
**Subject:** **4 Wunulla Road, Point Piper - Proposed Road Closure and Sale**  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 505.4  
**Reason for Report:** To give consideration to the closure and subsequent sale of unmade roadway adjoining the property.

**Recommendation:**

- A. That the subject portion of unmade road reserve adjoining 4 Wunulla Road, Point Piper, be valued for its market sale price.
- B. That a further report be submitted, following Point A above.

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**Background:**

The Corporate and Works Committee considered this proposal on 5 November 2007, where it was resolved:

- A. *That the proposal to sell a portion of unmade road reserve adjoining 4 Wunulla Road, Point Piper be advertised and notified to adjoining properties.*
- B. *That a further report be submitted, following pt A above.*

Pursuant to Council resolution, an advertisement was placed in the Wentworth Courier of 21 November 2007 calling for any submissions to be made within 28 days of the date of public notice. Adjoining neighbours within 50 metres of the subject land were also sent a letter of Notice, including a plan which detailed Council's proposal to close and sell the unmade road portion to the adjoining owner of 4 Wunulla Road, Point Piper.

No letters were received from the public in regard to the advertisement.

As there has not been any objection received to the proposed road closure and sale; the next step in this process would be to have the subject land valued. Following the property valuation by Council, a letter will be sent to the purchaser advising them of Council's sale price.

A written agreement will be sought from the purchaser to proceed with the sale at the land valuation price; and upon obtaining agreement a further report brought back to Council advising of the purchaser's intention.

The owners of 4 Wunulla Road have previously agreed in their letter of 28 August 2007 to pay all Council's costs in connection with purchase of the unmade road portion. They are keen to further progress this matter.

**Conclusion:**

No letters were received in response to the public advertisement of 21 November 2007 and notice given to adjoining neighbours of Council's intention to close and sell a portion of the subject unmade road. It can be concluded that the public have no objection to this proposed action of Council.

This rectangular shaped portion of the unmade road reserve will enable the purchaser to formalise the existing encroachment; comprising a low rise sandstone retaining wall and garden landscaping. It is beneficial for them to purchase the said portion, consolidating it with their existing land title.

There is also community benefit to the Council from the proceeds of the sale of a portion of road; which is not required for road purposes.

It is therefore recommended that Council now proceed with obtaining a market valuation, and a further report be submitted.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director, Technical Services

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**Annexure:**

1. Bottaro Nett, Land Surveyor's plan of the proposed unmade road closure.

**Item No:** D5 Delegated to Committee  
**Subject:** **Bus Shelter Designs**  
**Author:** Sam Badalati - Project Manager Civil Works  
**File No:** 900.G, 263.G Part12  
**Reason for Report:** To report on the progress of the design of the Lyne Park bus shelter, and enhancement of the "Towns Road" bus shelter design.

**Recommendation:**

1. That a further report on the Lyne Park shelter design be provided once quotations have been obtained.
2. That the pre-cast upstand element, as provided to the Towns Road bus shelter trial be installed to bus shelters on steep slopes.

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The Council at its meeting of 17 December 2007 resolved as follows:

*“That a report be provided on progress with the “Lyne Park” bus shelter design and on how the design of the “Towns Road” style bus shelters, where installed on slopes, could be modified to provide better protection against run-off and “wet feet”.*”

The following information is provided in response to the above resolution:

**Progress of Lyne Park bus shelter design**

D\_CONSTRUCT Architects were engaged to design the heritage style bus shelter in accordance with concept plans approved by Council. A progress design was received in December 2007. A copy of the architectural drawings is provided in Annexure A.

These drawings were evaluated and some design issues were identified which need to be addressed.

**Design Issues**

There are a few key design issues that require attention

1. The concrete base element is 500 mm wide at the base (see drawing DD- 08). This is considered to add to the costs, take too much footpath space and would restrict its suitability to only wide footpaths.
2. Some of the shelter’s elements appear too slender (metal T shaped roof support). These and various other structural details are being looked at by the structural engineer to ensure that the various elements and the structure as a whole are structurally adequate.
3. There are also issues with various connection details, especially the detail of how the glass panels are fixed to the base element. The proposed arrangement appears to be very vulnerable to damage.
4. There is a general concern about the potential cost of the design. The consultant has been asked to review the design for possible cost savings while maintaining the design concept.

### **Cost Implications**

The cost estimate provided by the designer based on the concept design is approximately \$31,000. Based on current design drawings the cost is likely to be \$35,000 to \$40,000. A more accurate costing will be possible once the design issues have been resolved and drawings finalised.

Council's current costs for fabricating and installing the "Towns Road" style shelters is \$26,000 to \$28,000 depending on whether the footings have to be amended to allow for underground services.

The designer is currently working on resolving the design issues and looking at ways of reducing the cost of manufacturing the shelter. Once the plans and documentation are available, quotations for fabricating and installing the bus shelter can be obtained from interested parties and a final decision taken on whether to use this design.

### **Modifications to Towns Road Type bus shelters**

In relation to providing better protection against surface run-off and "wet feet" for the Towns Road style bus shelter, an upstand pre-cast concrete element has been fixed to the Towns Road bus shelter, underneath the side glass panel to divert footpath surface water. A photograph showing the upstand element is provided in Annexure B. This solution has been monitored during rainfall periods, and proved successful at deflecting footpath surface flow (photograph in Appendix B shows this). This solution will be implemented in "Towns Road" style bus shelters where installed on slopes.

Sam Badalati  
Project Manager Civil Works

Warwick Hatton  
Director – Technical Services

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### **Annexures:**

- A. Lyne Park Preliminary Design Drawings.
- B. Photographs showing up stand.

**Item No:** D6 Delegated to Committee  
**Subject:** **Environmental, Infrastructure and Stormwater Works Program - 2<sup>nd</sup> Quarter Management Plan Review**  
**Author:** Warwick Hatton - Director Technical Services  
**File No:** 827.G 04-07  
**Reason for Report:** To review the status of works, services and projects for the Management Plan principal activity 8.0 Environmental, Infrastructure and Stormwater Works Program for the three months ending 31 December 2007.

**Recommendation:**

- A. That the status of projects for the principal activity 8.0 Environmental, Infrastructure and Stormwater Works Program be noted.
- B. That the variations to projects be agreed, subject to adoption of the relevant budget variations included in the separately reported quarterly financial review.

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**Background:**

Section 407(1) of the Local Government Act requires that Council review the progress of the adopted Management Plan on a quarterly basis. Included with this report is the second quarterly review of Principal Activity No 8 of the Management Plan, which is the "Environmental, Infrastructure and Stormwater Works Program". This principal activity has the following sub-activities:

- 8.1 Administration
- 8.2 Water Quality "at source" treatment program
- 8.3 Water quality "end of line" treatment program
- 8.4 Watercourse and bushland vegetation treatment program
- 8.5 Road Infrastructure Assets (Includes road pavements, footpaths and kerb & gutter works)
- 8.6 Seawalls
- 8.7 Retaining Walls
- 8.8 Floodplain Risk Management Program – Project Implementation
- 8.9 Stormwater Works

The Annexure includes all the details for this principal activity, whereas, set out in the following part of this report is a commentary on variations, changes, exception, completed works, achievements, etc. The purpose being to provide Councillors with a snapshot of the key influences or issues arising from this quarterly review.

Comments on budget variations, where they are material or have an impact on the program of works or projects, may be included in this report. However, the budget review and confirmation of any changed forecast will be considered in a separate budget report, which reviews the overall financial position of the Council at the end of the quarter. It should be noted that this program is funded from a special rate levy and needs to meet the special rate requirements when it comes to variations and changes

Following is the commentary on each sub activity:

## **8.1 Administration and Auditing**

The implementation of the Environmental Works Program (EWP) requires project management support. Management of capital works construction has been transferred to Manager Property and Projects. Management of Sustainability Projects (policy matters, research, education and information programs, etc) has been transferred to Sustainability Projects Coordinator reporting to Manager Public Open Space. Details of projects completed are summarised in 8.9 Stormwater Works in this Principal Activity 8, and in 2.8 Sustainability Education in Principal Activity 2.

## **8.2 Water Quality "at source" Treatment Program**

The objectives of this program are to prevent pollutants, litter, vegetation matter and sediment entering the Harbour. Targeted education programs and installation of water quality devices, such as stormwater inlet pit baskets, are the types of projects that meet this objective.

Achievements over the last quarter in this program are summarised in 8.9 Stormwater Works in this principal activity and within 2.2 Stormwater Systems, 2.5 Street Cleaning and 2.8 Sustainability Education in Principal Activity 2 - Natural Environment.

Refer 8.9 Stormwater Works for achievements in this program.

## **8.3 Water Quality "End of Line" Treatment Program**

The objectives of this program are to prevent pollutants, litter, vegetation matter and sediment entering the Harbour. This may be achieved by projects such as installation of larger water quality devices, such as GPT's and Stormwater Booms, constructed low in the catchment, at the end of the stormwater network, prior to discharging into the Harbour.

Refer 8.9 Stormwater Works for achievements in this program.

## **8.4 Watercourse and Bushland Vegetation Treatment Program**

The objective of this program is to prevent uncontrolled run-off, erosion, nutrient transport and weed intrusion into remnant bushland.

Achievements in this program over the last quarter include;

- Options report for Upper Pond Rehabilitation, Cooper Park, Bellevue Hill has been developed and will be reported to Council March 2008.

## **8.5-8.7 Infrastructure Works Projects (includes 8.5 Road Infrastructure Assets; 8.6 Seawalls; 8.7 Retaining Walls)**

Achievements over the quarter for the Infrastructure Works Projects include:

*Road, footpath and Kerb & Gutter Reconstruction Projects completed:*

- Caledonia Street and Whelan Lane Paddington.
- Benelong Crescent from #15 Benelong Crescent to Birriga Road.

Road pavement works completed:

- Cliff Street Vacluse (heritage interpretation component).

*Footpath reconstruction works completed:*

- Benelong Crescent to Bundarra Road Pedestrian Stairs.
- Dover Road Rose Bay.

*Retaining Wall Works completed:*

- Harkness Street Woollahra, Road Impact Barrier.

## **8.8 Floodplain Risk Management Program – Project Implementation**

Achievements over the quarter for the Floodplain Risk Management Program are:

- A consultant has been engaged to undertake the Rushcutters Bay Floodplain Management Study and Plan. This has now been commenced.
- The Double Bay Catchment Flood Study has been completed and adopted by Council. Printing of the final documents is pending.
- A draft brief has been prepared to invite consultants to quote on the Double Bay Floodplain Management Study and Plan, pending review and approval of the Flood Plain Risk Management Committee in February 2008.
- The Rose Bay Flood Study is 90% complete and a draft report will be reviewed by the Floodplain Risk Management Committee in February 2008.
- We successfully secured grant funding from the Department of Environment and Climate Change for the various projects in our adopted Floodplain Risk Management Program for 2007/08.

## **8.9 Stormwater Works**

Achievements over the quarter for the Stormwater Works Program are:

*Stormwater Reconstruction Projects completed in conjunction with road infrastructure projects:*

- Caledonia Street and Whelan Lane Paddington.

*Stormwater upgrade and reconstruction works to be tendered in the next quarter:*

- A strategy was adopted for drainage upgrades and water quality treatment for the catchment draining to Parsley Bay. Detailed design and tender documents were completed and will be tendered for construction in the 2<sup>nd</sup> Quarter (see The Crescent below)

*Water Quality 'At Source' Treatment Program*

- Rose Bay Promenade Stormwater Treatment & Re-use project contract works under way; reinstatement of light standards commenced; water filtration and retention tanks commenced
- The Crescent, Vacluse; tenders received and assessment under way

*Stormwater Works for installation of 'End of Line' Stormwater Devices*

- Queens Ave Gross Pollutant Device has been installed.
- A contractor has been engaged to install the Harbourview Park Gross Pollutant Trap upstream of the park located at Rowe Street and Edgecliff Road.

- Fisher Avenue and Boronia Road; tenders closed but prices not acceptable; Scope of works are currently being reviewed and a report on the outcome will be presented to Council in March 2008.
- Camp Street, Watsons Bay Drainage: civil works completed; heritage interpretation component completed.

Warwick Hatton  
Director Technical Services

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**Annexures:**

1. December 2007 Quarterly Review of Principal Activity: Environmental Works Program

**Item No:** R1 Recommendation to Council  
**Subject:** **Double Bay Multi-Function Poles**  
**Author:** Trent Scrivener  
**File No:** Tender 07/21  
**Reason for Report:** Information for Councillors

**Recommendation:**

That Council determine to proceed in accordance with Recommendation 1 or Recommendation 2 below.

**Recommendation 1:**

- A. That Council enter into schedule of rates contract in accordance with the offer of 6 December 2007 from Hub Street Equipment to deliver the Double Bay multi-function pole scheme along New South Head Road;
- B. That a further report be submitted with a lump sum price for the Double Bay multi-function-pole scheme from Hub Street Equipment based on the schedule of rates, a review of the extent and scope of works and a detailed lighting design; and
- C. That successful and unsuccessful tenderers be advised accordingly.

*OR*

**Recommendation 2:**

- 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 successful and unsuccessful tenderers be advised accordingly.

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**Background:**

On 4 February 2008 the Corporate & Works Committee considered a report on the Design and Construction of Multi-Function Poles Along New South Head Road, Double Bay – Tender 07/21. The Committee resolved to recommend to Council:

*That consideration of the tender be deferred until the next C&W Committee so that a report can be prepared on:*

1. *The legislation and probity requirements for further negotiations with one or more of the tenderers.*
2. *The additional information before the Committee.*
3. *The impact on the budget having regard to the tender prices.*

4. *The design finish and aesthetics of the various poles tendered.*
5. *The impact on timing of the works in Double Bay if changes to the process or form of tender are proposed.*

This report addresses points 1-5 of the Committee recommendation.

**1. The legislation and probity requirements for further negotiations with one or more of the tenderers.**

The Department of Local Government has prepared *Tendering Guidelines for NSW Local Government – Consultation Draft*. With respect to rejecting tenders and negotiating following a tender process, these state:

*2.14. Tender Negotiation*

*“If after the tendering process none of the tenders are acceptable, either due to the level of non-conformance or because they do not represent sufficient value for money, the council may, under clause 178 of the Regulation, decide by resolution to enter into negotiations with any person with the intention to enter a contract. The resolution of Council must state the reasons for declining to advertise and invite fresh tenders. Councils should not use such tender negotiations as an opportunity to trade-off one tenderer’s prices against other tenderers’ prices in order to obtain lower prices.*

*As a general rule direct negotiations should be avoided due to the risks associated with the process.*

*When the decision to undertake direct negotiation with one supplier, buyer or proponent has been made, council should demonstrate commitment to a fair and accountable process...”*

The relevant clause of the Local Government (General) Regulation 2005 states:

*178 Acceptance of tenders*

- “(1) After considering the tenders submitted for a proposed contract, the council must either:*
- (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or*
  - (b) decline to accept any of the tenders.*
- (2) A council must ensure that every contract it enters into as a result of a tender accepted by the council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful tender was made by the council (as provided for in section 55 (2A) of the Act), the council is not required to enter into any contract in order to carry out the requirements of the proposed contract.*
- (3) A council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:*
- (a) postpone or cancel the proposal for the contract,*
  - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,*
  - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,*
  - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,*
  - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,*
  - (f) carry out the requirements of the proposed contract itself.”*

*(4) If a council resolves to enter into negotiations as referred to in subclause (3) (e), the resolution must state the following:*

    - (a) the council’s reasons for declining to invite fresh tenders or applications as referred to in subclause (3) (b)–(d),*
    - (b) the council’s reasons for determining to enter into negotiations with the person or persons referred to in subclause (3) (e).*

From the regulation and guidelines it is concluded that Council may resolve to not accept any tender, but must provide reasons, and further; that Council may resolve to negotiate, but must give reasons. The Department Guidelines suggest that the reasons must be “*either due to the level of non-conformance or because they do not represent sufficient value for money*”. In the case of the tender for multi-function poles, neither tender could be rejected for non-conformance, so the reason would have to be insufficient value for money.

There is some ambiguity in the wording of the legislation with regard to whether Council may negotiate with more than one party [compare 178(3)(e) with 178(4)(b)]. It is normal to read legislation down; part (3) appears to allow for negotiation with only one party but part (4) refers to negotiation with more than one party. However, the Department Guidelines are quite explicit that Council should not use such tender negotiations to trade-off one tenderer’s prices against other tenderer’s prices in order to obtain lower prices.

If Council were to resolve to not accept any tender and to negotiate with both tenderers, it would be difficult to avoid the perception that Council was proposing to trade off one tenderer’s prices against the other. It would be open to the unsuccessful tenderer to challenge the process on this basis.

Furthermore, we do not at this stage have a final design layout or quantities of components on which to base such negotiations. This was the reason for inviting schedule of rates tenders in the first place. A design would have to be developed and agreed with each tenderer on which to base the negotiations.

In the circumstances, this course of action is not recommended.

If Council were to resolve to not accept any tender and to negotiate with one of the tenderers, the choice of tenderer with whom to negotiate would have to be justified in terms of price, capacity, product offered, etc.

The staff report of 4 February 2008 recommended acceptance of the HUB schedule of rates based on these considerations. HUB’s capacity and product were considered by the tender assessment panel to be comparable to Streetscape’s, but HUB’s prices were considerably lower, in the order of 30% on average, for the majority of line items for every phase of the project; design, supply and construction.

On the other hand, Streetscape have suggested (after the close of tenders) that they could offer reduced prices depending on the final quantities of components to be installed. However, this may also be the case with HUB, if offered the opportunity.

Further, as noted above, we do not at this stage have a final design layout or quantities of components on which to base such negotiations. This was the reason for inviting schedule of rates tenders in the first place. A design would have to be developed and agreed with the tenderer on which to base the negotiations.

In the circumstances, rejecting the tenders and negotiating with one tenderer is not recommended.

Taking the above matters into consideration it is recommended that Council adopt the recommendation made in the report to the Corporate & Works Committee namely:

- A. That Council enter into schedule of rates contract with Hub Street Equipment to deliver the Double Bay multi-function pole scheme along New South Head Road;

- B. That a further report be submitted with a lump sum price for the Double Bay multi-function-pole scheme to be negotiated with Hub Street Equipment following a review of the extent and scope of works and a detailed lighting design; and
- C. That successful and unsuccessful tenderers be advised accordingly.

However, if this course of action is not accepted, the recommended alternative course of action for Council to pursue at this stage would be:

- 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;
- C. That Council then call a lump sum tender for supply and installation, based on this layout; and
- D. That successful and unsuccessful tenderers be advised accordingly.

This process will take considerably more time, which is why the schedule of rates approach was adopted initially, but it will allow tenderers to take into account the scope of works and quantities of components in forming their offer.

## **2. The additional information before the Committee.**

The Committee had before it an item of late correspondence from Streetscape Projects which expressed concerns about the tendering process.

The tender invitation was for a schedule of rates contract, where the rates would be applied to a finalised design. You cannot, as suggested in Streetscapes' correspondence, submit unit prices in a tender and then argue they are only "...a guide as to price". If Streetscape wished to offer discounts for volume, it was open for them to do so in the tender. The extent of the installation was known, and Streetscape could have estimated with a considerable degree of certainty the number of streetlight poles required. In the post-tender interview, Streetscape mentioned that they could offer a discount on commissioning and installing, depending on quantities, but made no reference to offering discounts on supply of their products.

The quantities were not "cherry-picked" to disadvantage Streetscape, as is suggested in the correspondence. Following tenderer interviews, items such as installing and commissioning special items such CCTV, telecommunications, solar panels, VMS signs and hanging planters were removed from the tender evaluation as Streetscape stated that their prices for these items were for a worst case scenario and the prices would reduce as the quantity increased. If anything this "cherry picking" favoured Streetscape as it removed more expensive items from the estimated lump sum price to be evaluated.

The tender panel set up an estimate of the quantities of items prior to the closing date of the tender to help assess the price criteria of the tender scores. This aspect of the tender evaluation was explained to tenderers at the pre-tender meeting. If further information was required, Streetscape could have put a request to staff to clarify the issue further prior to the tender closing date. If Streetscape wanted to offer bulk discounts on items they should have qualified this in their tender submission.

A spreadsheet with the estimated quantities, and a copy of the rates tendered, were sent to each tenderer to confirm that their rates had been correctly applied to the items. Streetscape's reply confirmed the rates were correct. However, Streetscapes in their response also offered additional discounts, which could not be accepted at that stage under the Local Government tender regulations.

The statement that "incorrect products were used" refers to the fact that Streetscape provided the project engineer a price for another Streetscape product designed to be used without traffic signals, which was not included in their original tender. The newly introduced pole price could not be accepted at that stage under the Local Government tender regulations. Had the pole been included within the tender price evaluation it would have lowered the Streetscape lump sum price by \$15,750.

The estimated lump sum price evaluated from these pre-determined quantities was not intended to be the value of this specific contract, but was a way to compare tenderers' lump sum prices against one another for evaluation purposes.

Following a comparative evaluation of prices, as well as other tender components, it was intended that Council would adopt the rates of the successful tenderer, develop a design layout with the successful tenderer, and be able to negotiate a lump sum price that would fit Council's budget. Currently, the estimated lump sums based on both tenderers' rates would not enable Council to carry out all the works included in the allocated budget (see 3. below).

### **3. The impact on the budget having regard to the tender prices.**

Council has allocated \$2,000,000 in its 2007/2008 capital expenditure budget for the Double Bay domain improvement works to include:

1. Repaving of Goldman, Short and Gum Tree Lanes (approx. \$400,000);
2. Double Bay gateway treatment (approx. \$380,000); and
3. New South Head Rd multi-function pole scheme (approx. \$1,220,000).

Based on the estimated HUB lump sum price of \$1,451,007 there would be shortfall of approximately \$230,000 in the 2007/2008 capital expenditure budget for the allocated works. Based on the estimated Streetscape lump sum price of \$1,845,215 there would be shortfall of approximately \$624,000 in the 2007/2008 capital expenditure budget for the allocated works.

A review of the MFP scope of works will be necessary with the objective of accommodating the available funds to carry out the multi-function poles project as well as the Goldman Lane, Short and Gum Tree Lanes and gateway treatment projects. It is necessary to have a detailed schedule of rates from a supplier so the MFP installation can be tailored to match Council's budget.

The tender prices are good for 90 days from the Tender Closing Date on 6 December 2007.

### **4. The design finish and aesthetics of the various poles tendered.**

Both of the tenderers' finishes protecting their products appear to be of a high standard. In terms of material quality and product treatment both of the tenderers aluminum poles are anodised to withstand the elements and the internal structural steel core is hot dip galvanized as an additional layer of corrosion protection:

## HUB

- 25 microns anodising on 6063 T6 Al (marine grade), hot-dipped galv. mild steel core.
- Produced in China & Taiwan.
- Hub has provided evidence of quality testing by their representatives in China and also provides cross checking of their imported products through NATA laboratory testing.
- All products are designed to meet the requirements of relevant Australian and RTA standards.

## STREETSCAPE

- Streetscape – 25 microns anodising on 6082 T6 Al (marine grade), hot-dipped galv. mild steel core.
- Produced in Australia (but is also produced in China and the UAE).
- Streetscape products are NATA laboratory tested.
- All products are designed to meet the requirements of relevant Australian and RTA standards.

See Annexures 2 and 3 for Streetscape and Hub material and product specifications.

It is not adopted Council policy to favour Australian-made products, so this was not part of the tender evaluation.

An assessment of the aesthetics of the two different poles is subjective. The HUB pole appears to be less complicated with a simple collar fastened to a smooth exterior, allowing components to be attached around the entire 360 degree circumference. In comparison the Streetscape pole appears more complex with the integrated universal track running the length of the pole on four faces, restricting component orientation.

Council's urban planner has been consulted on this matter. The project engineer and the urban planner have inspected both Streetscape and Hub installations. Tom Jones' comments are attached as Annexure 1. His conclusion is:

*"I prefer the appearance of the HUB street pole. The three sections in the length of the pole are visually more satisfactory, there is a clearly expressed base, mid section and top. The HUB pole diminishes in dimension as it gets higher using the three different sections. This makes the HUB pole look more elegant than the Streetscape pole.*

*The unfluted main section and the single method of fitting appendages, give the HUB fitting a simpler less industrial look.*

*My conclusion is that the HUB pole would be best suited to use in Woollahra."*

### **5. The impact on timing of the works in Double Bay if changes to the process or form of tender are proposed.**

If Council chooses to adopt the course of preparing a lighting design to establish the quantities of poles before advertising for a lump sum supply & install tender it is estimated it will take a further 4 months to produce a design, as follows:

- Prepare documentation and advertise for quotations: approx. 2 - 3 weeks;
- Quotation period: approx. 2 - 3 weeks;
- Quotation evaluation and recommendation: approx. 2 weeks; and
- Design of multi-function pole scheme: approx. 2 months.

Council can then tender a Supply & Install contract around June, accept a preferred tenderer in August and have a construction period of 4-5 months, meaning completion of the Double Bay multi-function pole scheme by the end of January 2009.

The extra 4 months to deliver the multi-function pole scheme should not impact on the overall Double Bay streetscape improvement works.

### **Installations in New South Wales**

The question was asked at the meeting of 4 February 2008 whether there were any examples of the HUB pole being installed in NSW. Thirty-four HUB poles were installed at the Australian Technology Park, Sydney in 2007.

North Sydney Council has reached an agreement with the RTA and will be installing the Hub MFP this month.

### **Conclusion:**

From the regulation and guidelines it is concluded that Council may resolve to not accept any tender, but must provide reasons and may resolve to negotiate, but must give reasons. Council should not enter into negotiations with both tenderers.

However, taking into account the issues raised in the sections above it is considered that Council should adopt the recommendation made in the 4 February 2008 report to the Corporate & Works Committee namely:

- A. That Council enter into schedule of rates contract with Hub Street Equipment to deliver the Double Bay multi-function pole scheme along New South Head Road;
- B. That a further report be submitted with a lump sum price for the Double Bay multi-function-pole scheme to be negotiated with Hub Street Equipment following a review of the extent and scope of works and a detailed lighting design; and
- C. That successful and unsuccessful tenderers be advised accordingly.

However, if this course of action is not acceptable to Council it is recommended that the alternative course of action should be:

- 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;
- C. That Council then call a lump sum tender for supply and installation, based on this layout; and
- D. That successful and unsuccessful tenderers be advised accordingly.

Should the alternative course of action be adopted by Council the estimated extra 4 months to deliver the multi-function pole scheme should not impact on the overall Double Bay streetscape improvement works.

Both of the tenderers' finishes protecting their products are of a comparably high standard with the aluminum poles being anodised to withstand the elements and the internal structural steel core galvanized adding an additional layer of corrosion protection.

From an urban planning point of view the appearance of the HUB street pole is visually more satisfactory when compared with the Streetscape pole and would be best suited to use in Woollahra.

Author: Trent Scrivener

Director: Warwick Hatton:

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**Annexures:**

Annexure 1 – Urban Planning Memorandum: Hub Multi-Function Poles.

Annexure 2 - Streetscape Material and Product Specification.

Annexure 3 - Hub Material and Product Specification.

**Item No:** R2 Recommendation to Council  
**Subject:** **Port Jackson South Estuary Strategic Review**  
**Author:** Melanie Tasker – Sustainability Projects Co-ordinator  
**File No:** 1142.G General Grants  
**Reason for Report:** To advise Council of and gain approval to accept grant funding offer from the NSW State Government for the Implementation of the Port Jackson South Estuary Strategic Review Project.

**Recommendation:**

- A. That Council accept the grant funding offer totalling \$25,000 by the NSW Government for the implementation of the Port Jackson South Estuary Strategic Review Project.
- B. That Council thank the Minister for Climate Change, Environment and Water for approving grant funding for Woollahra Council's estuary management initiatives.

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**Background:**

In February 2007, an application for grant funding was submitted under the 2007/2008 Estuary Management Program for the implementation of the Port Jackson South Estuary Strategic Review Project. The NSW Government has advised (refer Annexure 1) that a grant has been approved of up to \$25,000 under the Program for 50% of Council's actual expenditure for the project.

**The Project:**

This report discusses the offer and acceptance of the grant funding from the NSW State Government under the 2007/2008 Estuary Management Program.

The aim of the Port Jackson South Estuary Strategic Review Project is to prepare a detailed strategic review of the Environmental Works Program (EWP) to date ie 2002/03 to the current 2007/08 program. In addition, the project will include a review of the Port Jackson South Stormwater Management Plan and associated 'actions' which formed the basis for the original EWP. The review will be prepared in the context of Council's Sustainability Plan, NSW Government Estuary Management Manual and the Sydney Metropolitan Catchment Management Authority's Catchment Action Plan (once finalised).

Since the inception of the Environmental Levy and related EWP in 2002/03, we have implemented a wide variety of environmental projects. As the Levy, in its original form, ceased mid 2007 (replaced with the new combined Environmental & Infrastructure Levy 2007-12), we believe it is an opportune time to review the successes and failures of the program to date and to reconsider the structure and direction of the EWP in line with current legislation, contemporary approaches to sustainable and integrated environmental management and external grant funding trends.

The review will make recommendations for better future management of the estuary and act as a strategic planning tool, identifying and prioritising key environmental and sustainability issues, and sites within Council's LGA for future project work. In accordance with grant conditions, the process and outcomes of the review will continue to be reported to our established Environmental Levy Community Reference Group to ensure community feedback. Advice and involvement from DECC representatives will be sought throughout the project.

### **Grant Offer**

The recent grant offer, dated 20 December 2007, of up to \$25,000 from the Minister for Climate Change, Environment and Water is for the strategic review of the EWP & Port Jackson South Stormwater Management Plan. To match the grant offer of \$25,000 Council requires \$25,000 which is currently allocated under the 2007/08 Environment Levy Works program. The grant funds offered are sufficient to complete this project.

### **Identification of Income & Expenditure:**

Council has allocated adequate Environmental & Infrastructure Levy funds in the 2007/2008 EWP for the preparation of the Port Jackson South Estuary Strategic Review Project and the available funds are adequate to match the grant offer.

### **Conclusion:**

It is recommended that Council accept the grant funding offer totalling \$25,000 by the NSW Government for the preparation of the Port Jackson South Estuary Strategic Review Project. It is further recommended that Council thank the Minister for Climate Change, Environment and Water for approving grant funding for Woollahra Council's estuary management initiatives.

**Melanie Tasker**  
Sustainability Projects Co-ordinator

**Warwick Hatton**  
Director Technical Services

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### **ANNEXURE:**

Letter of grant offer from the Acting Minister for Climate Change, Environment and Water.

**Item No:** R3 Recommendation to Council  
**Subject:** **The Crescent, Vaucluse – Hopetoun Ave, Stage 1 Stormwater Drainage Upgrade**  
**Author:** Joe Cavagnino – Purchasing Coordinator  
**File No:** Tender No 07/22  
**Reason for Report:** To recommend to Council the acceptance of a Tender

**Recommendation:**

That:

- A. Council enter into a Contract with Kingston Civil Pty Ltd for Part A of The Crescent, Vaucluse Project (Hopetoun Ave, Stage 1 Stormwater Drainage Upgrade) for the sum of \$406,781 (excluding GST).
- B. Successful and unsuccessful tenderers be advised accordingly.
- C. Council seek further funding through Floodplain Risk Management Program Grants to assist funding future stages of this project.
- D. A further report regarding the reallocation of residual funds be provided as part of the 3<sup>rd</sup> quarter budget review.

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**Background**

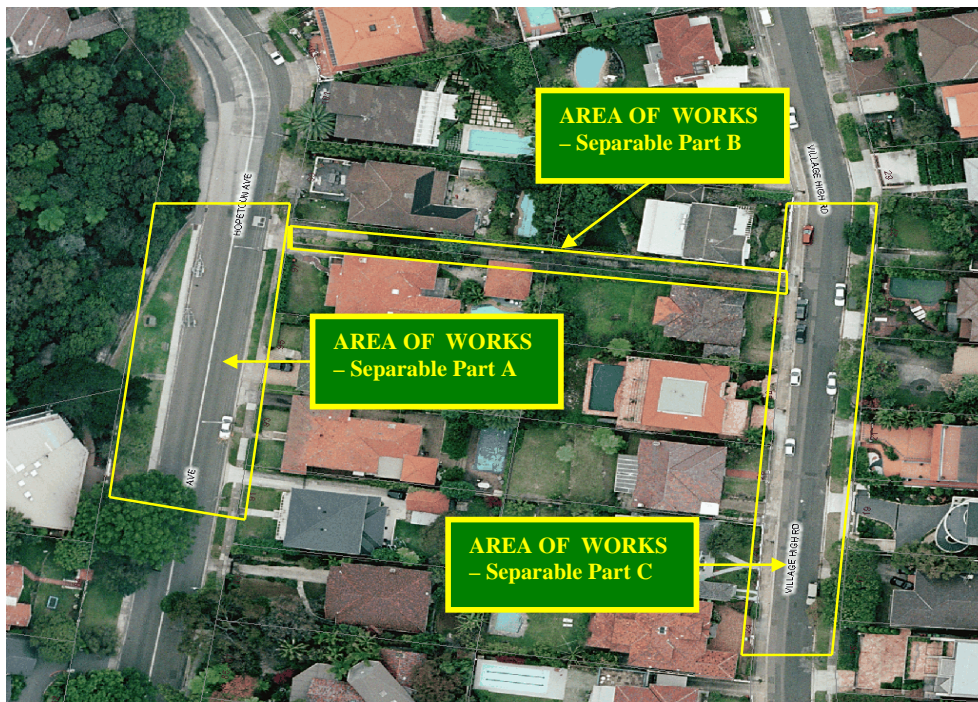
On the 13 November 2006 Council resolved (in part) that:

- A. *That Council support a combined drainage upgrade and environmental stormwater treatment project to address local flooding and treat stormwater that discharges into Parsley Bay.*
- B. *That the upgrade of the GPT in Hopetoun Avenue, that is currently not allocated, is placed on a forward program and considered as part of a combined Environmental & Infrastructure Levy Application in 2007.*

As per resolution B, this project was included as part of the combined Environmental and Infrastructure Works Program for 2007/08. The area of works tendered under this contract is shown in the location map and aerial photograph following.

Works under this contract comprise of the following:

- Excavation, removal and disposal of existing stormwater lines;
- Protection of existing services as required;
- Installation of new stormwater lines and pits;
- Installation of two gross pollutant traps in Hopetoun Ave;
- Construction of two bio-retention basins adjacent to Hopetoun Ave;
- Restoration of all disturbed surrounding areas including but not limited to pavement, footpaths and stairways; and
- CCTV of all new pipes.



**Location Map and Aerial Photograph**

The contract contains three separate parts that can be commenced and completed as individual separate jobs. However, the sequence must be in the order of works from the downstream end of the project that is Separable Part A, then B, then C. The contract was tendered in three separate parts having regard to the budget available and the pre-tender estimates completed for this project.

**Tender Assessment**

Tender 07/22 for The Crescent, Vaucluse – Hopetoun Ave, Stage 1 Stormwater Drainage Upgrade Project was advertised in the tender section of the Sydney Morning Herald commencing on Tuesday 20 November 2007, and in the Wentworth Courier on Wednesday 21 November 2007.

Tenders for this work closed at 2.30pm on Tuesday 18 December 2007. A total of five tenders was received prior to the closing date and time.

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

<b>TENDERER</b>
Chrisos Construction Pty Ltd
Diona Pty Ltd
Kingston Civil Constructions
Quality Management & Constructions Pty Ltd
Tiltime Civil Pty Ltd

The tender panel completed an initial evaluation and found that all five tenderers had left out information that required clarification. Tenderers were asked to supply this information by way of clarification. All five tenderers responded and provided information, however Tiltime Civil Pty Ltd, did not supply information that was critical to the tender evaluation and also proposed changes to their original tender, thus the tender panel deemed this offer to be non-conforming and the tender was excluded from the evaluation.

The tenderers deemed to have submitted conforming tenders, and their lump sum prices for the separable portions are listed in the table below. Note that Kingston Civil's price for Separable Part B, and consequently their total tendered price, has been corrected for an arithmetical error:

<b>TENDERER</b>	<b>LUMP SUM TENDER PRICE Separable Part A (excluding GST)</b>	<b>LUMP SUM TENDER PRICE Separable Parts A &amp; B combined (excluding GST)</b>	<b>LUMP SUM TENDER PRICE Separable Parts A, B &amp; C combined (excluding GST)</b>
Chrisos Construction	\$615,285.00	\$1,156,980.00	\$1,805,354.00
Diona Pty Ltd	\$1,086,799.92	\$1,822,470.18	\$2,708,358.65
Kingston Civil	\$406,780.85	\$814,770.05*	\$1,250,575.35*
Quality Management	\$850,716.00	\$1,518,818.00	\$2,507,368.00

\* Note: Kingston Civil's Part B price has been corrected by adding \$120,620.07 to the amount shown on the tender form

The tenders were assessed in accordance with the agreed selection criteria stated in the tender documents. The tender panel comprised Mr Joe Cavagnino as the independent member of the tender panel, Mr Jake Matuzic who is the Commissioning Officer, Mr Peter Cassilles who is the Project Manager managing the delivery of the Project and Mr Les Windle who acted as the Probity Advisor.

### **Probity Adviser**

Following recent reports to Council regarding the tender evaluation process and the Corporate and Works Committee's recommendation of 3 September 2007, it was recommended that the procedure of including a probity adviser during the tender assessment stage should be continued for high risk, high value and sensitive projects. In this case, the contract for The Crescent, Vaucluse – Hopetoun Ave, Stage 1 Stormwater Drainage Upgrade Project was deemed to be within the above definition and it was agreed that the assessment should be carried out with a probity observer.

### **Tender Analysis**

Prior to the closing date, on the 18 December 2007, the tender panel agreed on the weightings that would be used against the published selection criteria. The same weightings apply to each combination of separable parts considered.

The tenders were given a score on each item of the selection criteria, which resulted in a score out of 100, with points being allocated as indicated in Tables 1, 2 and 3 (see page 5).

### **Assessment Summary**

Following the original assessment of the tenders all of the tenderers were requested to clarify information in their tenders. All but one of the tenderers supplied the requested information.

Tilttime Pty Ltd did not adequately clarify their tender and proposed changes to their original tender. Consequently their tender was deemed to be non-conforming and excluded from the tender process. The remaining tenders were re-evaluated, having regard to the clarifications.

The highest ranked tenderer, Kingston Civil Pty Ltd, was invited to a post-tender interview by the tender selection panel. The purpose of the post-tender interview was to clarify details of each tender offer and confirm that the tender panel had properly understood particulars of the offer. Following, is a brief summary of information provided at the post-tender interview.

Prior to the post-tender interview referee checks were undertaken.

Clarity was sought regarding the following matters:

1. Program:

The tenderer advised that the programs submitted for each of the Separable Parts of the contract were independent of each other. The contractor exhibited a good understanding of the work required to undertake the project, inclusive of traffic and pedestrian management, environmental protection and consultation with the adjoining property owners.

Referee checks were undertaken which indicated that the tenderer had performed past projects of a similar type and complexity to this project on time and to budget.

2. Capacity to undertake the Work (Resources):

The tenderer provided information regarding the company including, current resources (personnel, plant and equipment) and management structure which convinced the tender panel of its capacity to achieve the contracted works in accordance with its program.

This tenderer has confirmed that Separable Part A of the project would take eleven weeks, Separable Part B would take eight weeks and Separable Part C would take eleven weeks.

3. Projects of a similar type to the Contract

The tenderer was requested to provide a list of similar project types to the contract. This was subsequently provided to the tender panel. The projects inspected were of a quality which would meet Council's specifications and requirements.

4. An arithmetical error was identified in the Schedule of Rates and Amounts for Separable Part B. This discrepancy amounted to an additional \$120,000 approximately. The tenderer's price for Separable Part B, total tendered price and scores were adjusted accordingly. Note that this adjustment had no effect on this tenderer's overall ranking.

Tables 1,2 and 3 below show the scores and rankings of all tenders considered;

**Table 1 – Separable Part A – Hopetoun Ave Works**

TENDERER	Demonstrated Experience 15	Duration of Works 7.5	Program & Methodology 7.5	Quality Management 15	Organisational Capability 15	Price Components 5	Price 30	Addressing Tender Requirements 5	Total Score 100	Ranking
Chrisos Construction	10.18	3.59	3.75	8.75	8.75	4.25	19.83	4.71	63.81	2
Diona Pty Ltd	9.11	6.35	4.50	8.75	10.00	4.25	11.23	4.71	58.90	4
Kingston Civil	8.57	7.50	3.38	8.13	10.00	4.00	30.00	4.71	76.29	1
Quality Management	10.18	6.88	4.13	8.75	10.00	3.75	14.34	4.71	62.74	3

**Table 2 – Separable Part A & B – Hopetoun Ave & Macquarie Place Works**

TENDERER	Demonstrated Experience 15	Duration of Works 7.5	Program & Methodology 7.5	Quality Management 15	Organisational Capability 15	Price Components 5	Price 30	Addressing Tender Requirements 5	Total Score 100	Ranking
Chrisos Construction	10.18	6.20	3.75	8.75	8.75	4.25	21.13	4.71	67.72	2
Diona Pty Ltd	9.11	7.50	4.50	8.75	10.00	4.25	13.41	4.71	62.23	4
Kingston Civil	8.57	7.50	3.38	8.13	10.00	4.00	30.00	4.71	76.29	1
Quality Management	10.18	5.94	4.13	8.75	10.00	3.75	16.09	4.71	63.55	3

**Table 3 – Separable Part A, B & C – Hopetoun Ave, Macquarie Place and Village High Road Works**

TENDERER	Demonstrated Experience 15	Duration of Works 7.5	Program & Methodology 7.5	Quality Management 15	Organisational Capability 15	Price Components 5	Price 30	Addressing Tender Requirements 5	Total Score 100	Ranking
Chrisos Construction	10.18	5.00	3.75	8.75	8.75	4.25	20.78	4.71	66.17	2
Diona Pty Ltd	9.11	7.03	4.50	8.75	10.00	4.25	13.85	4.71	62.20	4
Kingston Civil	8.57	7.50	3.38	8.13	10.00	4.00	30.00	4.71	76.29	1
Quality Management	10.18	6.25	4.13	8.75	10.00	3.75	14.96	4.71	62.73	3

1. **Demonstrated Experience:** Information was requested pertaining to size and value of past works, types of works performed and complexity of past works. From this information the evaluation panel assessed the level of demonstrated experience for each tenderer.
2. **Duration of Works:** the shortest time is deemed to achieve 100% for that weighting. Other tenderers' duration of works are then ranked by a percentage fraction of the shortest time frame.
3. **Program & Methodology:** Information was requested pertaining to project program and time to complete, construction management plan, traffic management plan and environmental management plan. From the information received the evaluation panel were able to assess the contractor's ability to sequentially carry out the works.

4. **Quality Management:** Information was requested pertaining to quality systems, quality of works, quality of past council works and the quality of key subcontractors.
5. **Organisational Capability:** Information was requested pertaining to quality systems, occupational health and safety systems, industrial relations, management team experience and plant & equipment. From this information the evaluation panel assessed the level of demonstrated quality management experience for each tenderer.
6. **Price Components:** Tenderers provided information on prices that were outside the lump sum price. The assessment panel considered areas such as qualifications, was the job fully priced, risk of additional claims and necessary rates for pricing extras.
7. **Price:** the lowest price is deemed to achieve 100% for that weighting. Other tenderers' prices are then ranked by a percentage fraction of the lowest price.
8. **Addressing the Tender:** Points were deducted for missing or incomplete information required to be submitted with the Tender.

The tender panel is of the opinion that on the basis of value for money, quality of work and the ability to complete the works within an acceptable time frame the contract should be awarded to Kingston Civil Pty Ltd.

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

A total sum of \$663,149 is allocated in the 2007/08 Environmental and Infrastructure Works Program for The Crescent, Vacluse – Hopetoun Ave, Stage 1 Stormwater Drainage Upgrade Project. To date a total of \$51,569 has been spent on the completion of the survey, detailed design and tendering. The remaining budget is \$611,580.

The highest ranked tenderer was Kingston Civil Pty Ltd. This tender was the lowest priced tender.

The cost to undertake Parts A, B and C combined using this tenderer is \$1,250,575 (exc GST). This amount significantly exceeds the available budget.

The cost to undertake Parts A and B combined using this tenderer is \$814,770 (exc GST). This amount also significantly exceeds the available budget.

The cost to undertake Part A using this tenderer is \$406,781 (exc GST). This amount is within the available budget.

An aspect of the tender is the extent of rock which we expect to encounter during construction. It has been provisionally estimated that 50% of the proposed excavation material will be rock. In the event this proportion increases, Kingston Civil has provided the lowest rate to excavate rock. Should the proportion of rock increase to 75% the increase in the contract amount for Part A would be approximately \$25,000.

In addition there are a number of underground services which we are aware of, however typically in a project of this size we can expect some potential variations associated with the necessary relocation of these services.

Given the available budget it is recommended to proceed with Part A only, at a cost of \$406,781 (exc GST). Approximately \$205,000 of the remaining budget allocated is available to cover potential variation claims, such as excavation and disposal of rock and below ground service relocation as required, project management costs and any other design incidentals. Residual funds can be reallocated to other projects once the extent of possible variations are known.

Part A includes the upgrade of drainage lines on and across Hopetoun Ave, the installation of two gross pollutant traps, and the construction of two bio-remediation basins. Part A has a significant benefit to environmental sustainability and stormwater management associated with this project. Part A can be done independently of Parts B and C, but neither Parts B or C can be done until Part A is completed.

**Conclusion:**

The tender panel recommends that Council enter into a Contract with Kingston Civil Pty Ltd. for Separable Part A of The Crescent, Vaucluse – Hopetoun Ave, Stage 1 Stormwater Drainage Upgrade Project for the sum of \$406,781 (excluding GST).

Given that the project is part of Council's listed Floodplain Risk Management Program, it is recommended that Council seek further grant funding under the program to assist funding future stages of this project and that a further report regarding the reallocation of residual funds be provided as part of the 3<sup>rd</sup> quarter budget review.

Joe Cavagnino  
Purchasing Coordinator

Warwick Hatton  
Director Technical Services

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**Annexures:**

Nil

**Item No:** R4 Recommendation to Council  
**Subject:** 2007/2008 Budget Review for the Quarter Ended 31 December 2007  
**Author:** Michelle Phair – Team Leader Financial Services  
**File No:** 331.G  
**Reason for Report:** To report on the review of the 2007/2008 Budget for the quarter ended 31 December 2007

**Recommendation:**

A. THAT the report be received and noted and the variations to the Budget be adopted.

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**Background:**

The requirement for a quarterly review of the budget arises from Clause 203 of the Local Government (General) Regulation 2005. It requires that, not later than two months after the end of each quarter, the responsible accounting officer of a council prepare and submit to the Council a budget review statement that shows, by reference to the estimates of income and expenditure set out in the Management Plan that the Council has adopted for the relevant year, a revised estimate of the income and expenditure for that year. A budget review statement must include or be accompanied by a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimates of income and expenditure. If that position is unsatisfactory recommendations for remedial action must also be provided.

This report provides the information and recommendation to fulfill these obligations. Each of the budget managers has provided a revised forecast of expenditure and income for their respective areas. Where necessary, money has been recommended for voting to meet additional expenditure to that anticipated in the budget.

**Discussion:**

*Overall Financial Position*

The revised forecasts of Council's expenditure and income indicate an increase in working funds by \$20,904 to \$3,262,461. The Statement of Financial Performance (below) for the current year shows our operating result will increase by \$682,521. Full details of the variations are provided later in the report. The revised forecast indicates our unrestricted current ratio remains constant at 2.39:1. A reconciliation between the working funds and operating results is provided with the Statement of Financial Performance.

Overall, at these levels, our financial position will remain sound.

**BUDGET 2007/2008**  
**STATEMENT OF FINANCIAL PERFORMANCE**

	<b>Original Budget</b>	<b>Revised Budget &amp; Revotes</b>	<b>Actual to Date</b>	<b>% of Revised Budget</b>	<b>Proposed Change to Forecast</b>	<b>Revised Forecast</b>
<b>OPERATING REVENUES</b>						
Rates & Annual Charges	35,616,588	35,703,250	35,821,288	100.3	0	35,703,250
Fees & Charges	5,022,944	5,022,944	2,608,948	51.9	89,031	5,111,975
Interest	2,897,400	2,897,400	1,266,277	43.7	60,000	2,957,400
Grants & Contributions	2,547,316	2,564,981	1,191,045	46.4	87,947	2,652,928
Other Revenue	10,701,007	10,840,874	5,235,656	48.3	221,790	11,062,664
	<b>56,785,255</b>	<b>57,029,449</b>	<b>46,123,214</b>	<b>80.9</b>	<b>458,768</b>	<b>57,488,217</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	25,927,086	25,886,652	13,079,480	50.5	-139,501	25,747,151
Materials & Contracts	10,239,824	10,738,816	5,768,682	53.7	521,463	11,260,279
Borrowing Costs	467,387	467,387	91,060	19.5	-208,398	258,989
Depreciation	8,907,684	8,907,684	4,680,152	52.5	0	8,907,684
Other Costs	10,103,032	10,170,809	6,051,976	59.5	128,193	10,299,002
	<b>55,645,013</b>	<b>56,171,348</b>	<b>29,671,351</b>	<b>52.8</b>	<b>301,757</b>	<b>56,473,105</b>
<b>CAPITAL REVENUES</b>						
Capital Grants & Contributions	1,658,883	2,164,835	973,366	45.0	399,966	2,564,801
Net Gain/(Loss) on Sale of Assets	-311,970	-155,790	-75,937	48.7	125,544	-30,246
<b>CHANGE IN NET ASSETS</b>	<b>2,487,155</b>	<b>2,867,146</b>	<b>17,349,292</b>		<b>682,521</b>	<b>3,549,667</b>
<b>LESS:</b>						
					Forecast increase in Capital Expenditure	-685,372
					Transfers to Reserve from Operating	-208,398
					Reduction in utilisation of Reserves	-199,412
<b>ADD:</b>						
					Transfers from Reserves for Operating	87,000
					Transfers from Reserves for Capital	344,565
					Reduction in Section 94 Interest	
<b>Working Funds Movement</b>						<b>20,904</b>

In addition to the Statement of Finance Performance above, Council's Statement of Financial Position and Reserve levels summarise the results of the budget review and appear as **ANNEXURES 1 and 2** respectively. **ANNEXURE 3** provides a summary of the Capital Budget and proposed variations.



Item	Variation (Favourable)/ Unfavourable \$'000	Comment
<b>CORPORATE SERVICES:</b>		
<p><i>Risk Management (202):</i></p> <ul style="list-style-type: none"> <li>- Printing &amp; Stationery</li> <li>- Insurance Premium</li> </ul> <p>Bonus</p> <ul style="list-style-type: none"> <li>- Claims Experience Performance</li> <li>- Claims Recovery</li> </ul> <p>State</p> <ul style="list-style-type: none"> <li>- Workers Compensation Insurance / Cover Levy</li> <li>- Transfer from Insurance Reserve</li> <li>- Risk Management Bonus</li> <li>- Self Funded Losses</li> </ul>	<p>3</p> <p>(12)</p> <p>(4)</p> <p>(18)</p> <p>87</p> <p>(87)</p> <p>(13)</p> <p>70</p>	<p>Business cards, printmedia and Fleet Safe induction documentation.</p> <p>Saving of (\$1k) on Fidelity Guarantee Insurance and (\$11k) on Council's Property Insurance premium.</p> <p>Bonus received for good claims experience.</p> <p>Increase claims recovery (\$3k) for Public Liability damages in Paddington. (\$15k) in Council's Property Insurance.</p> <p>Workers Compensation Insurance premium higher than anticipated. Increase offset by a transfer from the insurance reserve.</p> <p>Refer comment above.</p> <p>Risk Management Bonus received for Council's Property Insurance.</p> <p>Increase in self-funded losses. \$60k in motor vehicle claims and \$10k in Property Insurance.</p>
<p><i>Finance (205):</i></p> <ul style="list-style-type: none"> <li>- Recoverable Expense</li> <li>- Legal Cost Raised</li> <li>- Ex Gratia Rates</li> <li>- NSW Fire Brigades Contribution</li> <li>- S.94A Contributions</li> <li>- Financial Assistance Grant</li> <li>- Interest on Investments</li> <li>- Transfer to Loan Repayment Reserve</li> </ul>	<p>6</p> <p>(6)</p> <p>(8)</p> <p>105</p> <p>(25)</p> <p>25</p> <p>(17)</p> <p>(60)</p> <p>386</p> <p>(386)</p>	<p>Recoverable expense raised for recovery of outstanding rates.</p> <p>Refer comment above.</p> <p>Increase in Ex Gratia Rates received.</p> <p>Increase as per NSW Fire Brigades advice. Council contribution towards the cost of fire protection in the Sydney Fire District for 2007/2008 is \$1,692,964.</p> <p>Increase in S.94A contributions received.</p> <p>Increase transfer to S.94 contributions reserve.</p> <p>Increase FAG as per advice from NSW Local Gov't Grants Commission for 2007/2008 distribution.</p> <p>Increase interest forecast. Assumes continued payment of coupon on current investments.</p> <p>Increase transfer to loan repayment reserve due to funds not being drawn down as originally anticipated.</p> <p>Refer comment above. Decrease interest on loan and repayment of loan principal.</p>
<p><i>Human Resource Management (206):</i></p> <ul style="list-style-type: none"> <li>- Medicals</li> <li>- Temporary Staff</li> <li>- Corporate Training</li> <li>- Advertising</li> </ul>	<p>2</p> <p>13</p> <p>(19)</p> <p>50</p>	<p>There have been a number of medicals &amp; psych assessments conducted to ascertain fitness for duties and to verify ongoing absence problems.</p> <p>An additional temporary staff member required while the Payroll Team Leader is unavailable.</p> <p>Grant received for staff training.</p> <p>Recruitment remains at a high level and there have been and will be more expensive recruitment campaigns for senior positions eg, Mgr Development Control &amp; for difficult to fill positions, eg, Strategic Planner.</p>

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
<b>Small variations within Corporate Services:</b>	(3)	
<b>Total variation for Corporate Services:</b>	<b>89</b>	
<b>TECHNICAL SERVICES:</b>		
<i>Public Infrastructure (302):</i>		
<ul style="list-style-type: none"> <li>- Salaries &amp; Wages</li> <li>- Temporary Staff</li> </ul>	<ul style="list-style-type: none"> <li>(3)</li> <li>3</li> </ul>	<ul style="list-style-type: none"> <li>Salaries &amp; Wages budget has been transferred to Temporary Staff. Temporary Staff increase is due to position vacancies.</li> <li>Refer comment above.</li> </ul>
<i>Civil Works (303):</i>		
<ul style="list-style-type: none"> <li>- Salaries &amp; Wages</li> <li>- General Contracts</li> <li>- Restoration Charges</li> <li>- Materials: Goods &amp; Services</li> <li>- General Consultants</li> </ul>	<ul style="list-style-type: none"> <li>(82)</li> <li>82</li> <li>119</li> <li>(140)</li> <li>19</li> <li>(15)</li> </ul>	<ul style="list-style-type: none"> <li>Unable to fill all vacant positions. The reduced staffing level has led to increases in other expense areas. Salaries &amp; Wages savings transferred across General Contracts; Contract Plant Hire; Temporary Staff and Materials: Goods &amp; Services.</li> <li>Refer comment above.</li> <li>Increase General Contracts in Restorations area offset by increased income.</li> <li>Refer comment above.</li> <li>Increase due to the purchase of Toughbooks for the implementation of the asset management system.</li> <li>General consultants reduced (\$45k) in Infrastructure Asset Management area and transferred \$30k to Civil Works Administration and Management to pay for the ongoing monthly charges for the implementation of the AXIM asset maintenance system. Remaining (\$15k) partially offsets the cost of Toughbooks (see above).</li> </ul>
<i>Parks &amp; Street Trees (304):</i>		
<ul style="list-style-type: none"> <li>- General Contracts</li> <li>- Water Rates</li> <li>- General Consultants</li> <li>- Materials: Goods &amp; Services</li> <li>- Printing &amp; Stationery</li> <li>- Temporary Staff</li> </ul>	<ul style="list-style-type: none"> <li>18</li> <li>(18)</li> <li>9</li> <li>(3)</li> <li>(3)</li> <li>6</li> </ul>	<ul style="list-style-type: none"> <li>Increase General Contracts for tree removals and planting. Increase offset by decrease in water rates.</li> <li>Water rates reduced due to increase in rain. Refer comment above.</li> <li>Increase consultants re. upgrade and repair of Queen St fountain.</li> <li>Decrease Materials to cover cost of temporary staff in Horticultural Projects.</li> <li>Decrease Printing &amp; Stationery to cover cost of temporary staff in Horticultural Projects.</li> <li>Refer comments above.</li> </ul>
<i>Public Open Space (305):</i>		
<ul style="list-style-type: none"> <li>- Temporary Staff</li> <li>- Filming Fees</li> <li>- Water Craft Storage</li> <li>- General Consultants</li> <li>- Legal Expense</li> <li>- Damage deposits transferred &amp; inspection fees</li> <li>- Document Sales</li> </ul>	<ul style="list-style-type: none"> <li>(8)</li> <li>7</li> <li>(15)</li> <li>45</li> <li>10</li> <li>(5)</li> <li>(2)</li> </ul>	<ul style="list-style-type: none"> <li>Temporary staff not required. Partially offsets the use of consultants.</li> <li>Reduced number of bookings and income associated with wet weather cancellations.</li> <li>New water craft storage fee.</li> <li>Consultants engaged to fill two staff vacancies and reduce backlog in DA referrals</li> <li>Prosecutions for unauthorised tree removals being pursued.</li> <li>Income received for inspection fees and damage deposit bonds retained.</li> <li>Income received for document sales.</li> </ul>

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
<p><i>Property &amp; Projects (306):</i></p> <ul style="list-style-type: none"> <li>- General Contracts</li> <li>- General Consultants</li> <li>- Materials: Goods &amp; Services</li> <li>- Stores Issue</li> <li>- Advertising</li> <li>- Legal Expense</li> <li>- Recovered Costs</li> <li>- Commercial Property Leases</li> <li>- Kiosk Leases</li> <li>- Tennis Court Lease</li> <li>- Easement Compensation Payment</li> <li>- Road Sales</li> </ul>	<p>8</p> <p>(7)</p> <p>(22)</p> <p>3</p> <p>10</p> <p>6</p> <p>(4)</p> <p>8</p> <p>2</p> <p>16</p> <p>(8)</p> <p>(160)</p>	<p>Increase in General Contracts for Cross St Carpark due to the replacement of emergency light bulbs and additional painting \$24k. Increase for Schindler Building while it is not leased \$10k. Increase in Council Offices General Contracts \$15k. Decrease in General Contracts across areas: Grafton St carpark (\$5), Park/Oval Buildings Maintenance (\$5k), Public Toilet Maintenance (\$8k), Depots (\$11k), Trades Support (\$12k).</p> <p>Small decrease in General Consultants expense across areas: Property Maintenance Carparks; Parks/Ovals Building Maintenance; Property Services; Community Facilities; Council Offices.</p> <p>Decrease Materials across areas: Property Maintenance Depots; Other Commercial; Council Offices; Property Maintenance.</p> <p>Increased requirement for stores in Property Maintenance depots area.</p> <p>Increase in advertising due to additional tenders.</p> <p>Decrease legal expense (\$2k) Property Services. Increase legal expense \$8k in Property Management for contract advice.</p> <p>Increase recovered costs for restaurants and other commercial properties.</p> <p>Small decrease in expected income for Commercial Property Leases including: Dunbar House; Chiswick Gardens Restaurant; Cooper Park Garage.</p> <p>Small decrease in expected income for Camp Cove and Watsons Bay Kiosks.</p> <p>Decrease in expected income primarily due to new contract not being awarded for Trumper Park tennis courts.</p> <p>Receipt of easement compensation payment.</p> <p>Sale of road reserve Bellevue Hill.</p>
<p><i>Depot &amp; Waste (307):</i></p> <ul style="list-style-type: none"> <li>- Other Special Purpose Grant</li> <li>- Transfer to DWM Reserve</li> <li>- General Consultants</li> <li>- DWM funding</li> <li>- Courses &amp; Seminars</li> </ul>	<p>(89)</p> <p>89</p> <p>(10)</p> <p>10</p> <p>(8)</p>	<p>Department of Environment and Climate change grant received.</p> <p>Grant transferred to reserve. Refer comment above.</p> <p>Greenwaste audit no longer required as proposed service will now be an organics collection.</p> <p>DWM funding reduced in line with removal of Waste Audit.</p> <p>Decrease courses and seminars not to be utilised this year.</p>
<p><b>Small variations within Technical Services:</b></p>	<p>(5)</p>	
<p><b>Total variation for Technical Services:</b></p>	<p>(142)</p>	

Item	Variation (Favourable)/ Unfavourable \$'000	Comment
<b>PLANNING &amp; DEVELOPMENT:</b>		
<i>Director Planning &amp; Development (401):</i> - Materials: Goods & Services	15	RRIF project. Additional expenditure over and above grant monies received.
<i>Strategic Planning (402):</i> - Salaries & Wages  - General Consultants	(24)  24	Work undertaken by consultant while staff member on maternity leave. Transfer savings from salaries & wages. Refer comment above.
<i>Development Control (404):</i> - Salaries & Wages  - Assessment Consultants  - Development Application Fees - s.82 A Review Fees - s.96 Amendment Fees - Pre-Lodgement Advice Fees	(35)  95  (15) (3) (5) (5)	Rolling staff vacancies leading to reduced employee costs has offset the need for additional Assessment Consultants. Refer comment above. Large portion of Consultants time re. Rose Bay Marina, this currently comprises \$35k expenditure. Increase in anticipated fee income.. Increase in anticipated fee income. Increase in anticipated fee income. Increase in anticipated fee income.
<i>Compliance (406):</i> - Legal Costs  - Pt 4A Certificate Registration Fees - PCA Service Fee  Applications - Construction Certificate  - Building Certificate Applications  - F/path Crossing Deposit Admin Fee - Hoarding Application Fees  - File Retrieval Charges  - Fire Safety Statement Lodgement  Fee - Place of Public Entertainment Fee  - Salaries & Wages	45  (5) 40  40  (5)  (15) 25  (3)  (5)  12  (50)	Legal proceedings commenced beyond initial estimate. Increase \$50k in Building & Compliance but decrease (\$5k) in Animal Control area. Increase in anticipated fee income. PCA appointments continue to fall. Revised estimate for the year is 110, compared with 122 in 2006/07 and 140 in 2005/06.  As with PCA appointments, the number of construction certificates being lodged with Council for determination has continued to fall. Revised estimate for the year is 145, compared with 160 in 2006/07 and 176 in 2005/06. Number of Building certificates lodged are above estimate and Council is pro-actively pursuing re-inspection fees. Income for year tracking well above estimate. Number and extent of hoarding applications below estimate. No major applications evident in near future. Due to the increased number of building certificate applications, file retrieval income has increased. Improvements made to reminder notice system. With the change of legislation there is no longer an annual approval available. Savings have been achieved due to a number of Ranger Services staff vacancies throughout the first



<b>Item</b>	<b>Variation (Favourable)/ Unfavourable \$'000</b>	<b>Comment</b>
<i>Property &amp; Projects</i>	62  8 23  (19) 120 (120)	Transfer of \$32k and \$30k from Community Services Operating budget for Double Bay Library Upgrade project.  Transfer of \$8k to Gaden Reserve project from Community Services Operating budget. O'Dea Ave Fuel Containment Pits. PH correction equipment and oil separator unit required as Sydney water will not allow water to be discharged to sewer. Small savings across other projects. Kiaora Lands redevelopment project. Funding via Transfer from Property Reserve.
<i>Infrastructure Renewal</i>	0	A number of re-allocations have been made between projects.
<i>Environmental Works</i>	75  (75)	Rose Bay Promenade Stormwater works to be completed within the Environmental Works section. Grant funding of \$75k to be received. Refer comment above. A number of re-allocations have been made between projects.
<i>Domestic Waste</i>	(50)  50	Grant funding of (\$50k) received for Paddington bin replacement. Reduce funding from DWM by \$50k.
<i>Plant Replacement</i>	0	A number of re-allocations have been made across the Plant Replacement budget. Including Applied Sweeper written off in accident \$145k; insurance refund (\$80k) with the remainder of the replacement cost being funded by plant reserve (\$65k).
<b>Total Variance in Capital Funds</b>	<b>86</b>	
<b>TOTAL INCREASE IN WORKING FUNDS</b>		<b>(20)</b>

**ANNEXURE 4** provides a report of the proposed variations to forecasts by Manager and Cost Centre.

**Conclusion:**

Following the review of the estimates of expenditure and income made in the original budget, the Statement of Financial Performance (Annexure 1) shows a rise in our operating result of \$682,521. The major changes giving rise to this improvement have been detailed in the report. The Statement of Financial Position (Annexure 2) shows liquidity at 2.39:1 with working funds position at \$3,262,461.

Having regard to the initial estimates of income and expenditure, and the proposed variations, Council's financial position will remain sound at 30 June 2008.

Michelle Phair  
Team Leader Financial Services

Geoff Clarke  
Director Corporate Services

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**Annexures:**

1. Forecast Statement of Financial Position for the year ending 30 June 2008
2. Forecast Reserve Levels as at 30 June 2008
3. Summary of Capital Budget as at 31 December 2007 with Proposed Variations
4. Revised Forecasts of Expenditure and Income by Manager and Cost Centre

**ANNEXURE 1**

**BUDGET 2007/2008  
BALANCE SHEET**

	Actual 06/07	Revote & Rollovers into 07/08	Original Budget & Revotes	September Review 07/08	September Forecast 07/08	December Review 07/08	December Forecast 07/08
<b>Current Assets</b>							
Cash & Investments	37,986,774	26,925,070	27,768,070	-740,767	27,027,303	174,661	27,201,964
Receivables	3,329,240	3,329,240	3,300,240		3,300,240		3,300,240
Inventories & Other Assets	206,907	206,907	209,907		209,907		209,907
Non Current Assets held for sale	0	0	0		0		0
Other	953,000	953,000	1,100,000		1,100,000		1,100,000
	<b>42,475,921</b>	<b>31,414,217</b>	<b>32,378,217</b>	<b>-740,767</b>	<b>31,637,450</b>	<b>174,661</b>	<b>31,812,111</b>
<b>Current Liabilities</b>							
Payables	15,994,311	15,994,311	15,500,311		15,500,311		15,500,311
Interest Bearing Liabilities	241,073	241,073	726,073		726,073		726,073
Provisions	6,896,476	6,896,476	6,900,476		6,900,476		6,900,476
	<b>23,131,860</b>	<b>23,131,860</b>	<b>23,126,860</b>	<b>0</b>	<b>23,126,860</b>	<b>0</b>	<b>23,126,860</b>
<b>NET CURRENT ASSETS</b>	<b>19,344,061</b>	<b>8,282,357</b>	<b>9,251,357</b>	<b>-740,767</b>	<b>8,510,590</b>	<b>174,661</b>	<b>8,685,251</b>
<b>Non-Current Assets</b>							
Receivables	75,736	75,736	100,736		100,736		100,736
Investment Properties	11,110,000	11,110,000	11,110,000		11,110,000		11,110,000
Property, Plant & Equipment	634,241,827	643,967,164	651,139,164	841,908	651,981,072	685,372	652,666,444
	<b>645,427,562</b>	<b>655,152,899</b>	<b>662,349,899</b>	<b>841,908</b>	<b>663,191,807</b>	<b>685,372</b>	<b>663,877,179</b>
<b>Non-Current Liabilities</b>							
Payables	0	0	0		0		0
Interest Bearing Liabilities	2,601,207	2,601,207	8,285,207		8,285,207		8,285,207
Provisions	482,522	482,522	478,522		478,522		478,522
	<b>3,083,729</b>	<b>3,083,729</b>	<b>8,763,729</b>	<b>0</b>	<b>8,763,729</b>	<b>0</b>	<b>8,763,729</b>
<b>NET ASSETS</b>	<b>661,687,894</b>	<b>660,351,527</b>	<b>662,837,527</b>	<b>101,141</b>	<b>662,938,668</b>	<b>860,033</b>	<b>663,798,701</b>
<b>EQUITY</b>							
Opening Equity	652,220,867	661,687,894	661,687,894		661,687,894		661,687,894
Operating Result	9,467,027	-1,336,367	1,149,633		1,250,774		2,110,807
Closing Equity	<b>661,687,894</b>	<b>660,351,527</b>	<b>662,837,527</b>	<b>0</b>	<b>662,938,668</b>	<b>0</b>	<b>663,798,701</b>
<b>Working Funds</b>							
Current Assets	19,344,061	8,282,357	9,251,357		8,510,590		8,685,251
ADD:							
Current Prov'n for ELE	6,896,476	6,896,476	6,900,476		6,900,476		6,900,476
Current Deposits	10,577,914	10,577,914	10,577,914		10,577,914		10,577,914
Current Loan Liability	241,073	241,073	726,073		726,073		726,073
LESS:							
External Restrictions	-8,740,473	-4,689,310	-4,950,425		-4,296,636		-4,456,003
Internal Restrictions	-21,943,865	-17,735,701	-18,929,135		-18,929,135		-18,923,525
Other Joint Venture Net Assets	-157,852	-157,852	-157,852		-157,852		-157,852
Fair Value Adjustments	-89,873	-89,873	-89,873		-89,873		-89,873
	<b>6,127,461</b>	<b>3,325,084</b>	<b>3,328,535</b>	<b>0</b>	<b>3,241,557</b>	<b>0</b>	<b>3,262,461</b>
<b>Movement in Working Funds</b>		<b>-2,802,377</b>	<b>3,451</b>		<b>-86,978</b>		<b>20,904</b>
<b>Restricted Current Ratio</b>	<b>2.95</b>	<b>2.33</b>	<b>2.40</b>		<b>2.39</b>		<b>2.39</b>
<b>Current Liabilities not to be paid out</b>							
Refundable Deposits & Bonds	7,467,818	7,467,818	7,467,818		7,467,818		7,467,818
Provisions:							
Annual Leave	292,002	292,002	292,002		292,002		292,002
Sick Leave	905,511	905,511	905,511		905,511		905,511
Long Service Leave	2,918,827	2,918,827	2,918,827		2,918,827		2,918,827
Gratuities	94,478	94,478	94,478		94,478		94,478
	<b>11,678,636</b>	<b>11,678,636</b>	<b>11,678,636</b>		<b>11,678,636</b>		<b>11,678,636</b>

**ANNEXURE 2**

**WOOLLAHRA MUNICIPAL COUNCIL  
Forecast Restricted Cash Balances - 30th June 2008**

Externally Restricted Cash		REVOTES		ORIGINAL BUDGET				SEPTEMBER REVIEW				DECEMBER REVIEW		
Purpose	Closing Balance Jun 07	Transfers From	Closing Balance Jun 07	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 07	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 07	Transfer To	Interest Earned	Transfers From
Section 94 Contributions	4,034,983	1,123,974	2,911,009	650,000	250,000	644,000	3,167,009			320,000	2,847,009	25,000		4,565
Unexpended Grants	625,050	207,172	417,878			68,113	349,765			31,000	318,765			
Environmental Levy	1,880,777	1,867,833	12,944				12,944				12,944			
Infrastructure Levy	639,509	637,184	2,325				2,325				2,325			
Environmental & Infrastructure Levy	0		0	3,104,000		3,104,000	0	1,590			1,590			
Stormwater Levy	0		0	450,000		450,000	0	24,978			24,978			
Domestic Waste	1,560,155	215,000	1,345,155	620,000		546,772	1,418,383	45,000		374,357	1,089,026	88,932		-50,000
	<b>8,740,473</b>	<b>4,051,163</b>	<b>4,689,310</b>	<b>4,824,000</b>	<b>250,000</b>	<b>4,812,885</b>	<b>4,950,425</b>	<b>71,568</b>	<b>0</b>	<b>725,357</b>	<b>4,296,636</b>	<b>113,932</b>	<b>0</b>	<b>-45,435</b>

**Internally Restricted Cash**

Purpose	Closing Balance Jun 07	Transfers From	Closing Balance Jun 07	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 07	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 07	Transfer To	Interest Earned	Transfers From
Employee Leave Entitlements	2,022,346	792,933	1,229,413	644,077		644,077	1,229,413				1,229,413			
Plant Replacement	301,490		301,490				301,490				301,490	35,480		65,000
Insurance	639,143		639,143			148,357	490,786				490,786			87,000
Computer	94,614	43,216	51,398				51,398				51,398			
Infrastructure	1,209,000	525,024	683,976				683,976				683,976			155,000
Election	150,000		150,000	50,000			200,000				200,000			
Deposits	6,045,735		6,045,735				6,045,735				6,045,735			
Kindergarten	65,559		65,559	22,000			87,559				87,559			
Property	8,505,913		8,505,913		598,400		9,104,313				9,104,313			120,000
Loan Repayments	0		0		583,191	11,800	571,391				571,391	385,910		
Loan Funds	1,814,704	1,814,704	0	6,525,000		6,525,000	0				0			
General Reserve	1,095,360	1,032,287	63,073	100,000			163,073				163,073			
	<b>21,943,865</b>	<b>4,208,164</b>	<b>17,735,701</b>	<b>7,341,077</b>	<b>1,181,591</b>	<b>7,329,234</b>	<b>18,929,135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,929,135</b>	<b>421,390</b>	<b>0</b>	<b>427,000</b>

<b>Total Restricted Cash</b>	<b>30,684,338</b>	<b>8,259,327</b>	<b>22,425,011</b>	<b>12,165,077</b>	<b>1,431,591</b>	<b>12,142,119</b>	<b>23,879,560</b>	<b>71,568</b>	<b>0</b>	<b>725,357</b>	<b>23,225,771</b>	<b>535,322</b>	<b>0</b>	<b>381,565</b>
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**ANNEXURE 3**

**Capital Expenditure Summary  
Expenditure & Commitments to Period 6**

	<b>Original Budget</b>	<b>Revotes</b>	<b>Current Forecast</b>	<b>Actual Expenditure</b>	<b>Committed</b>	<b>Total Expenditure</b>	<b>% of Forecast Spent</b>	<b>Proposed Variations</b>	<b>Revised Expenditure Forecasts</b>
910 - Domestic Waste	0	0	300,000	0	0	0	0.0	-50,000	250,000
920 - Roads and Kerb & Gutter Infrastructure	0	27,293	27,293	5,190	18,790	23,980	87.9	0	27,293
933 - Traffic Infrastructure	546,500	479,966	1,026,466	316,527	36,648	353,175	34.4	0	1,026,466
938 - Open Space Capital Works Project Mgmt	40,000	0	40,000	12,049	0	12,049	30.1	0	40,000
939 - Parks & Reserves	822,500	493,314	1,586,891	252,224	164,195	416,419	26.2	54,041	1,640,932
941 - Playgrounds	55,000	133,639	188,639	2,678	18,000	20,678	11.0	96,766	285,405
942 - Sportsfields	80,000	61,153	190,076	14,400	0	14,400	7.6	-45,000	145,076
945 - Streetscapes	7,344,550	4,997,077	12,737,169	3,336,678	2,764,140	6,100,818	47.9	205,572	12,942,741
949 - Infrastructure Renewal Program	251,540	1,475,839	1,624,942	847,652	119,546	967,198	59.5	-36,832	1,588,110
950 - Library General	267,500	83,252	350,752	111,710	32,757	144,467	41.2	36,750	387,502
953 - Library - Paddington	53,000	0	53,000	17,124	10,828	27,953	52.7	0	53,000
954 - Community Services	99,700	0	99,700	40,197	5,497	45,694	45.8	0	99,700
959 - Environmental Works Program	350,000	2,358,138	2,357,679	367,070	246,583	613,653	26.0	75,000	2,432,679
968 - Stormwater Levy Works	397,500	0	397,500	3,328	0	3,328	0.8	-138,935	258,565
969 - Environmental & Infrastructure Program	3,855,338	0	3,957,775	592,653	841,106	1,433,759	36.2	205,767	4,163,542
981 - Computers & Office Equipment	378,000	100,301	483,332	99,554	45,652	145,206	30.0	13,570	496,902
982 - Commercial/Leased Properties	55,000	133,410	205,410	57,783	44,180	101,963	49.6	-11,627	193,783
983 - Sportsfield Buildings	5,000	0	11,645	6,806	8,895	15,701	134.8	4,056	15,701
984 - Parks / Ovals Buildings	35,000	23,289	58,289	18,289	3,490	21,779	37.4	0	58,289
985 - Depots	25,000	0	23,700	1,629	16,185	17,814	75.2	26,300	50,000
986 - Council Offices	85,000	123,397	208,397	92,977	44,895	137,872	66.2	-2,230	206,167
987 - Community Facilities	147,500	171,759	366,289	81,796	20,348	102,144	27.9	-4,640	361,649
988 - Library Buildings	57,000	134,915	188,915	0	0	0	0.0	61,750	250,665
989 - Car Parks	45,000	45,000	166,326	93,236	37,940	131,176	78.9	120,000	286,326
990 - Plant Replacement Program	2,455,230	619,160	3,148,483	1,318,722	944,972	2,263,694	71.9	110,544	3,259,027
	<b>17,450,858</b>	<b>11,460,902</b>	<b>29,798,668</b>	<b>7,690,272</b>	<b>5,424,648</b>	<b>13,114,919</b>	<b>44.0</b>	<b>720,852</b>	<b>30,519,520</b>

**ANNEXURE 4**

**Budget Review by Manager and Cost Centre**  
as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
<b><i>OPERATING BUDGET</i></b>						
<b><i>101 Director Community Services</i></b>						
<b><i>502 Community Services Management</i></b>						
Expenditure	1,117,131	1,117,131	754,687	68	-27,753	1,089,378
Income	-134,813	-134,813	-30,341	23	-25,000	-159,813
<b><i>104 Library Services</i></b>						
<b><i>512 Library Information Services</i></b>						
Expenditure	450,329	459,911	249,443	54	0	459,911
Income	-15,100	-21,061	-18,208	86	0	-21,061
<b><i>513 Library - Paddington Service</i></b>						
Expenditure	378,572	378,572	175,532	46	0	378,572
Income	-190,100	-190,100	-46,112	24	0	-190,100
<b><i>515 Library Admin. Collection Support</i></b>						
Expenditure	790,591	790,591	415,152	53	9,000	799,591
Income	-160,050	-160,050	-8,866	6	36,805	-123,245
<b><i>516 Library Lending Services</i></b>						
Expenditure	642,863	650,698	317,442	49	-9,000	641,698
Income	-33,400	-41,235	-15,393	37	0	-41,235
<b><i>105 Family &amp; Community Development</i></b>						
<b><i>521 Family &amp; Community Development</i></b>						
Expenditure	473,779	476,475	200,447	42	-9,328	467,147
Income	-40,440	-40,440	-20,290	50	-4,530	-44,970
<b><i>522 EJ Ward Centre Operating</i></b>						
Expenditure	151,101	141,101	42,753	30	-96,968	44,133
Income	-62,612	-62,612	-11,911	19	50,700	-11,912
<b><i>523 Kindergarten</i></b>						
Expenditure	661,277	661,277	331,637	50	0	661,277
Income	-661,500	-661,500	-398,204	60	0	-661,500
<b><i>525 Woollahra Community Centre</i></b>						
Expenditure	0	0	14,973	-	100,512	100,512
Income	0	0	-22,890	-	-57,655	-57,655
<b><i>526 Aged &amp; Disability Service Mgt &amp; Planning</i></b>						
Expenditure	0	1,059	0	0	-1,059	0
Income	0	0	0	-	0	0
<b><i>107 Cultural Development</i></b>						
<b><i>503 Cultural Development</i></b>						
Expenditure	141,757	150,305	91,156	61	0	150,305
Income	-41,455	-37,735	-38,453	102	-1,150	-38,885
<b><i>201 Director Corporate Services</i></b>						
<b><i>771 Executive Services</i></b>						
Expenditure	639,911	664,179	346,234	52	0	664,179
Income	-10,629	-34,897	-5,501	16	0	-34,897
<b><i>202 Risk Management</i></b>						
<b><i>731 Risk Management</i></b>						
Expenditure	384,263	389,263	206,191	53	2,100	391,363
Income	-16,851	-16,851	-13,039	77	-4,248	-21,099
<b><i>732 Public Liability/Professional Indemnity</i></b>						
Expenditure	1,037,000	1,072,000	1,096,303	102	0	1,072,000

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Income	-60,000	-60,000	-2,737	5	-2,737	-62,737
<b><u>733 Workers' Compensation</u></b>						
Expenditure	1,253,000	1,253,000	896,430	72	87,000	1,340,000
Income	-373,590	-373,590	-152,995	41	-87,000	-460,590
<b><u>734 Motor Vehicle Insurance</u></b>						
Expenditure	216,000	216,000	193,418	90	60,000	276,000
Income	-59,418	-59,418	-38,960	66	0	-59,418
<b><u>735 Council's Property Insurance</u></b>						
Expenditure	212,000	212,000	193,722	91	-1,000	211,000
Income	-32,948	-32,948	-53,982	164	-28,250	-61,198
<b><i>203 Governance</i></b>						
<b><u>711 Elected Officials</u></b>						
Expenditure	556,765	556,765	267,437	48	1,194	557,959
Income	0	0	-2,440	-	-2,440	-2,440
<b><u>712 Governance</u></b>						
Expenditure	654,690	654,690	354,614	54	0	654,690
Income	-12,720	-12,720	-7,780	61	-1,500	-14,220
<b><i>205 Finance</i></b>						
<b><u>721 Finance</u></b>						
Expenditure	827,281	867,281	350,130	40	0	867,281
Income	-39,973	-39,973	-20,551	51	0	-39,973
<b><u>722 Rates</u></b>						
Expenditure	526,190	526,190	281,836	54	6,000	532,190
Income	-339,359	-339,359	-238,809	70	-14,240	-353,599
<b><u>800 Statutory Contributions</u></b>						
Expenditure	2,479,300	2,479,300	1,436,488	58	130,000	2,609,300
Income	-650,000	-650,000	-674,476	104	-25,000	-675,000
<b><u>801 Untied Grants</u></b>						
Expenditure	0	0	0	-	0	0
Income	-1,376,000	-1,376,000	-754,396	55	-17,300	-1,393,300
<b><u>802 Interest on Investments</u></b>						
Expenditure	1,275,400	1,275,400	11,659	1	0	1,275,400
Income	-2,897,400	-2,897,400	-1,265,181	44	-60,000	-2,957,400
<b><u>803 General Rate Income</u></b>						
Expenditure	3,654,000	3,680,568	0	0	0	3,680,568
Income	-	-	-	-	-	-
	28,678,389	28,765,051	28,826,012	100	0	28,765,051
<b><u>804 Debt Servicing</u></b>						
Expenditure	1,024,085	1,024,085	0	0	0	1,024,085
Income	-11,800	-11,800	0	0	0	-11,800
<b><i>206 Human Resources</i></b>						
<b><u>741 Human Resources Administration</u></b>						
Expenditure	604,078	609,062	352,919	58	15,604	624,666
Income	-52,034	-52,034	-28,299	54	-400	-52,434
<b><u>742 Corporate Training</u></b>						
Expenditure	152,500	152,500	119,066	78	0	152,500
Income	-17,626	-17,626	-30,114	171	-18,500	-36,126
<b><u>743 Recruitment</u></b>						
Expenditure	114,500	144,500	140,923	98	50,000	194,500
Income	-9,480	-9,480	-4,966	52	0	-9,480
<b><i>207 Information Systems</i></b>						

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
<b><u>751 Information Technology Management</u></b>						
Expenditure	921,011	921,011	446,983	49	0	921,011
Income	-21,029	-21,029	-11,494	55	-512	-21,541
<b><u>752 Information Systems</u></b>						
Expenditure	500,200	500,200	341,746	68	0	500,200
Income	-9,379	-9,379	-4,913	52	0	-9,379
<b><u>753 Network - Telecommunications</u></b>						
Expenditure	157,400	157,400	106,789	68	220	157,620
Income	-2,558	-2,558	-1,340	52	0	-2,558
<b><i>209 Customer Services &amp; Records</i></b>						
<b><u>611 Customer Service</u></b>						
Expenditure	966,613	985,963	506,813	51	0	985,963
Income	-73,621	-73,621	-38,563	52	0	-73,621
<b><u>713 Records Management</u></b>						
Expenditure	489,624	489,624	219,643	45	0	489,624
Income	-13,844	-13,844	-6,135	44	0	-13,844
<b><i>301 Director Technical Services</i></b>						
<b><u>781 Technical Services Management</u></b>						
Expenditure	385,530	385,530	195,428	51	0	385,530
Income	-10,510	-10,510	-5,421	52	0	-10,510
<b><i>302 Public Infrastructure</i></b>						
<b><u>142 Infrastructure Development Assessment</u></b>						
Expenditure	200,557	200,557	112,108	56	0	200,557
Income	0	0	0	-	0	0
<b><u>321 Traffic Investigation &amp; Reports</u></b>						
Expenditure	366,894	428,472	149,685	35	0	428,472
Income	-400,000	-400,000	-326,741	82	0	-400,000
<b><u>333 Parking Meters</u></b>						
Expenditure	310,000	310,000	162,823	53	0	310,000
Income	-1,254,000	-1,254,000	-539,057	43	0	-1,254,000
<b><u>341 Street Lighting</u></b>						
Expenditure	1,075,000	1,075,000	443,667	41	0	1,075,000
Income	-278,100	-278,100	0	0	0	-278,100
<b><u>782 Public Infrastructure Management</u></b>						
Expenditure	116,757	116,757	81,190	70	0	116,757
Income	-105,000	-105,000	-41,885	40	-120	-105,120
<b><i>303 Civil Works &amp; Assets</i></b>						
<b><u>221 Drainage Maintenance</u></b>						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
<b><u>308 Civil Works - Area A</u></b>						
Expenditure	407,353	407,353	190,432	47	0	407,353
Income	0	0	-3,011	-	0	0
<b><u>309 Civil Works - Area B</u></b>						
Expenditure	405,057	405,057	200,573	50	0	405,057
Income	0	0	-11	-	0	0
<b><u>310 Civil Works - Reactive Works</u></b>						
Expenditure	507,179	507,179	255,208	50	-2,565	504,614
Income	0	0	-11	-	0	0
<b><u>311 Road Pavement Maintenance</u></b>						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
<u>312 Kerb &amp; Gutter Maintenance</u>						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
<u>313 Infrastructure Assets Depreciation</u>						
Expenditure	5,771,000	5,771,000	3,063,617	53	0	5,771,000
Income	0	0	0	-	0	0
<u>314 Footpath Maintenance</u>						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
<u>315 Traffic Devices-Lines &amp; Signs</u>						
Expenditure	128,752	128,752	102,095	79	0	128,752
Income	-120,000	-120,000	-61,201	51	0	-120,000
<u>316 Restorations</u>						
Expenditure	301,666	301,666	233,944	78	119,040	420,706
Income	-560,000	-560,000	-293,841	52	-140,000	-700,000
<u>319 Civil Works Management &amp; Admin</u>						
Expenditure	385,336	385,336	241,897	63	51,535	436,871
Income	-79,900	-79,900	-33,771	42	0	-79,900
<u>444 Harbour Facilities</u>						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
<u>445 Ferry Wharves</u>						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
<u>785 Infrastructure Asset Management</u>						
Expenditure	496,353	597,161	182,028	30	-45,170	551,991
Income	-150,200	-178,662	-236	0	0	-178,662
<u>791 Fletcher Street - Operations</u>						
Expenditure	99,615	99,615	60,358	61	0	99,615
Income	0	0	0	-	0	0
<b><u>304 Parks &amp; Street Trees</u></b>						
<u>231 Trees Maintenance</u>						
Expenditure	694,989	696,589	383,305	55	19,000	715,589
Income	0	0	-172	-	-330	-330
<u>235 Trees View Pruning Service</u>						
Expenditure	34,749	34,749	7,599	22	0	34,749
Income	-37,333	-37,333	-18,717	50	0	-37,333
<u>426 Depot Operations</u>						
Expenditure	112,200	112,200	51,890	46	-16,000	96,200
Income	0	0	0	-	0	0
<u>427 Parks and Street Trees Management</u>						
Expenditure	377,445	377,445	214,046	57	10,700	388,145
Income	-520	-520	-236	45	0	-520
<u>431 Bush Regeneration</u>						
Expenditure	542,734	542,734	285,710	53	-5,950	536,784
Income	0	0	-61	-	-115	-115
<u>452 Parks Area Team East</u>						
Expenditure	538,057	537,257	308,475	57	3,000	540,257
Income	0	0	0	-	0	0
<u>454 Parks Area Team West</u>						
Expenditure	606,782	605,982	305,144	50	-6,000	599,982

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Income	0	0	0	-	0	0
<b><u>455 Horticultural Projects</u></b>						
Expenditure	459,677	459,677	253,634	55	3,950	463,627
Income	0	0	0	-	0	0
<b><i>305 Public Open Space</i></b>						
<b><u>411 Public Open Space Management</u></b>						
Expenditure	148,150	148,150	76,122	51	-4,120	144,030
Income	-330,260	-333,260	-175,722	53	-8,000	-341,260
<b><u>412 Tree Management</u></b>						
Expenditure	233,730	233,730	172,685	74	54,400	288,130
Income	-39,755	-39,755	-24,149	61	-5,000	-44,755
<b><u>413 Public Open Space Planning &amp; Asset Manag</u></b>						
Expenditure	221,272	230,392	104,574	45	-4,120	226,272
Income	0	0	-123	-	-230	-230
<b><u>783 Sustainability Projects</u></b>						
Expenditure	49,564	49,564	31,934	64	0	49,564
Income	0	0	-1,514	-	-1,500	-1,500
<b><i>306 Property and Projects Management</i></b>						
<b><u>331 Property Maintenance - Carparks</u></b>						
Expenditure	913,370	922,060	432,290	47	21,222	943,282
Income	-1,437,000	-1,437,000	-493,700	34	0	-1,437,000
<b><u>441 Parks/Ovals Buildings Maint &amp; Repairs</u></b>						
Expenditure	700,857	709,681	369,917	52	-7,000	702,681
Income	-10,000	-10,000	-4,537	45	0	-10,000
<b><u>442 Property Maintenance - Tennis Courts</u></b>						
Expenditure	8,511	8,811	3,231	37	243	9,054
Income	-900	-1,200	-658	55	0	-1,200
<b><u>443 Property Maintenance - Public Toilets</u></b>						
Expenditure	82,497	82,497	27,603	33	-8,000	74,497
Income	0	0	0	-	0	0
<b><u>514 Property Maintenance - Libraries</u></b>						
Expenditure	147,197	147,197	54,185	37	-1,000	146,197
Income	0	0	0	-	0	0
<b><u>524 Property Maintnce - Community Facilities</u></b>						
Expenditure	190,654	191,597	86,633	45	-5,679	185,918
Income	-19,330	-20,273	-1,719	8	0	-20,273
<b><u>761 Property Services</u></b>						
Expenditure	289,050	289,050	180,002	62	-4,950	284,100
Income	-220	-220	-118	54	0	-220
<b><u>762 Property Projects</u></b>						
Expenditure	234,963	234,916	110,181	47	0	234,916
Income	-130	-130	-95	73	0	-130
<b><u>763 Property Maintenance - Depots</u></b>						
Expenditure	121,793	121,793	47,988	39	-13,000	108,793
Income	0	0	0	-	0	0
<b><u>764 Restaurants/Other Commercial</u></b>						
Expenditure	121,685	116,685	54,360	47	8,105	124,790
Income	-22,153	-22,153	-12,758	58	-4,397	-26,550
<b><u>765 Property Maintenance - Council Offices</u></b>						
Expenditure	655,862	655,862	308,614	47	3,829	659,691
Income	0	0	0	-	0	0
<b><u>767 Property Maintenance - Trades Support</u></b>						

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Expenditure	313,479	309,655	131,566	42	-12,000	297,655
Income	0	0	-123	-	0	0
<b><u>768 Property Management</u></b>						
Expenditure	331,444	357,745	187,092	52	13,000	370,745
Income	-1,950,930	-1,983,430	-1,037,277	52	-143,727	-2,127,157
<b><u>769 Property Mtce - Street Furniture &amp; Fence</u></b>						
Expenditure	153,766	153,766	71,525	47	0	153,766
Income	0	0	0	-	0	0
<b><u>307 Depot and Waste Services</u></b>						
<b><u>241 Waste Services Domestic</u></b>						
Expenditure	7,148,846	7,148,846	3,531,973	49	-10,537	7,138,309
Income	-7,148,844	-7,148,844	-7,146,822	100	0	-7,148,844
<b><u>242 Waste Services Trade</u></b>						
Expenditure	921,754	921,754	429,817	47	0	921,754
Income	-1,103,000	-1,103,000	-526,875	48	0	-1,103,000
<b><u>246 Waste Services Recycling</u></b>						
Expenditure	1,280,324	1,280,324	512,939	40	0	1,280,324
Income	-1,280,324	-1,280,324	-670,646	52	0	-1,280,324
<b><u>247 Waste Services Garden Refuse</u></b>						
Expenditure	683,205	693,205	351,758	51	-6,260	686,945
Income	-629,723	-639,723	-332,753	52	0	-639,723
<b><u>248 Waste Services Supervision</u></b>						
Expenditure	501,184	521,184	242,453	47	0	521,184
Income	-463,799	-473,799	-243,484	51	0	-473,799
<b><u>249 Waste Projects</u></b>						
Expenditure	163,908	163,908	70,822	43	78,632	242,540
Income	-153,764	-153,764	-169,475	110	-79,147	-232,911
<b><u>251 Street Cleaning General</u></b>						
Expenditure	1,571,002	1,571,002	763,724	49	-15,040	1,555,962
Income	-445,534	-460,534	-268,019	58	752	-459,782
<b><u>421 Business Centres Streetscape Maintenance</u></b>						
Expenditure	1,455,165	1,455,165	728,794	50	10,500	1,465,665
Income	0	0	-184	-	0	0
<b><u>723 Purchasing/Stores</u></b>						
Expenditure	183,923	183,923	99,596	54	0	183,923
Income	-27,588	-27,588	-14,451	52	0	-27,588
<b><u>792 Depot &amp; Waste Services Management &amp; Admin</u></b>						
Expenditure	128,687	128,687	80,831	63	-1,500	127,187
Income	-19,433	-19,433	-10,229	53	0	-19,433
<b><u>793 O'Dea Ave Depot Operations</u></b>						
Expenditure	320,589	320,589	146,791	46	0	320,589
Income	-95,697	-95,697	-66,782	70	0	-95,697
<b><u>794 Plant Workshop</u></b>						
Expenditure	268,740	268,740	153,544	57	11,400	280,140
Income	-30,233	-30,233	-17,176	57	0	-30,233
<b><u>795 SES</u></b>						
Expenditure	31,004	31,004	2,296	7	0	31,004
Income	0	0	0	-	0	0
<b><u>796 Plant Operations</u></b>						
Expenditure	0	0	162	-	0	0
Income	-298,800	-298,800	-156,226	52	0	-298,800

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
<b>401 Director Planning &amp; Development</b>						
<u>171 Planning &amp; Development Mgmt &amp; Admin</u>						
Expenditure	354,876	354,876	185,257	52	15,100	369,976
Income	-400	-400	-201	50	0	-400
<b>402 Strategic Planning</b>						
<u>111 Environmental Planning</u>						
Expenditure	471,474	479,669	159,188	33	0	479,669
Income	-8,200	-8,200	-4,882	60	-1,000	-9,200
<u>121 Heritage Planning</u>						
Expenditure	194,477	194,477	61,891	32	0	194,477
Income	0	0	-233	-	0	0
<u>161 Certificates Processing</u>						
Expenditure	71,861	71,861	34,360	48	0	71,861
Income	-391,550	-391,550	-237,529	61	0	-391,550
<u>211 Environmental Protection</u>						
Expenditure	101,655	124,349	46,369	37	0	124,349
Income	0	0	0	-	0	0
<b>403 Urban Design</b>						
<u>131 Urban Design</u>						
Expenditure	195,734	239,871	49,374	21	0	239,871
Income	0	0	0	-	0	0
<b>404 Development Control</b>						
<u>141 Development Control</u>						
Expenditure	3,118,829	3,118,829	1,612,976	52	60,000	3,178,829
Income	-1,315,200	-1,315,200	-697,165	53	-28,000	-1,343,200
<b>406 Compliance</b>						
<u>151 Building &amp; Compliance</u>						
Expenditure	983,968	983,968	653,982	66	50,000	1,033,968
Income	-941,600	-956,600	-327,714	34	77,000	-879,600
<u>152 Fire Safety Management</u>						
Expenditure	125,574	125,574	45,407	36	0	125,574
Income	-99,000	-99,000	-37,261	38	6,803	-92,197
<u>332 Ranger Services Parking Enforcement</u>						
Expenditure	1,790,797	1,820,797	754,278	41	-45,000	1,775,797
Income	-3,985,000	-4,035,000	-1,923,945	48	-165,000	-4,200,000
<u>530 Immunisation</u>						
Expenditure	10,350	10,350	7,380	71	0	10,350
Income	-8,000	-8,000	-4,459	56	0	-8,000
<u>531 Environment &amp; Public Health Services</u>						
Expenditure	316,045	316,045	153,041	48	0	316,045
Income	-85,200	-88,200	-52,641	60	-1,000	-89,200
<u>532 Ranger Services</u>						
Expenditure	347,248	347,248	160,160	46	0	347,248
Income	-62,500	-62,500	-20,889	33	15,000	-47,500
<u>533 Animal Control</u>						
Expenditure	120,760	120,760	45,208	37	-5,000	115,760
Income	-26,650	-26,250	-12,040	46	3,000	-23,250
<b>501 General Manager</b>						
<u>621 Business Centre Support</u>						
Expenditure	73,700	73,700	33,699	46	0	73,700
Income	0	0	0	-	0	0
<b>503 Communications</b>						

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
<u>612 Communications</u>						
Expenditure	387,378	402,672	169,696	42	0	402,672
Income	-10,092	-10,092	-5,511	55	0	-10,092
<b>Operating Budget Total Variation</b>					<b>-106,681</b>	
 <b>CAPITAL BUDGET</b>						
<b>101 Director Community Services</b>						
<u>954 Community Services</u>						
Expenditure	99,700	99,700	45,694	46	0	99,700
Income	0	0	0	-	0	0
 <b>104 Library Services</b>						
<u>950 Library General</u>						
Expenditure	267,500	350,752	144,467	41	36,750	387,502
Income	0	-48,940	0	0	-36,750	-85,690
 <b>207 Information Systems</b>						
<u>981 Computers &amp; Office Equipment</u>						
Expenditure	378,000	483,332	145,206	30	13,570	496,902
Income	0	-43,216	0	0	0	-43,216
 <b>303 Civil Works &amp; Assets</b>						
<u>920 Roads and Kerb &amp; Gutter Infrastructure</u>						
Expenditure	0	27,293	23,980	88	0	27,293
Income	0	0	0	-	0	0
 <u>930 Drainage Infrastructure</u>						
Expenditure	0	0	0	-	0	0
Income	0	0	0	-	0	0
 <u>933 Traffic Infrastructure</u>						
Expenditure	546,500	1,026,466	353,175	34	0	1,026,466
Income	-75,000	-186,273	-4,333	2	0	-186,273
 <u>945 Streetscapes</u>						
Expenditure	7,344,550	12,737,169	6,100,818	48	205,572	12,942,741
Income	-7,203,426	11,987,618	-50,572	0	-205,572	12,193,190
 <u>968 Stormwater Levy Works</u>						
Expenditure	397,500	397,500	3,328	1	-138,935	258,565
Income	-397,500	-397,500	0	0	138,935	-258,565
 <b>305 Public Open Space</b>						
<u>938 Open Space Capital Works Project Mgmt</u>						
Expenditure	40,000	40,000	12,049	30	0	40,000
Income	-40,000	-40,000	0	0	0	-40,000
 <u>939 Parks &amp; Reserves</u>						
Expenditure	822,500	1,586,891	416,419	26	54,041	1,640,932

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
Income	-802,500	-1,566,295	0	0	-54,041	-1,620,336
<u>941 Playgrounds</u>						
Expenditure	55,000	188,639	20,678	11	96,766	285,405
Income	-35,000	-167,237	0	0	-98,168	-265,405
<u>942 Sportsfields</u>						
Expenditure	80,000	190,076	14,400	8	-45,000	145,076
Income	0	-110,076	0	0	45,000	-65,076
<b><i>306 Property and Projects Management</i></b>						
<u>982 Commercial/Leased Properties</u>						
Expenditure	55,000	205,410	101,963	50	-11,627	193,783
Income	0	0	0	-	0	0
<u>983 Sportsfield Buildings</u>						
Expenditure	5,000	11,645	15,701	134	4,056	15,701
Income	0	0	0	-	0	0
<u>984 Parks / Ovals Buildings</u>						
Expenditure	35,000	58,289	21,779	31	0	58,289
Income	0	0	0	-	0	0
<u>985 Depots</u>						
Expenditure	25,000	23,700	17,814	75	26,300	50,000
Income	0	0	0	-	0	0
<u>986 Council Offices</u>						
Expenditure	85,000	208,397	137,872	66	-2,230	206,167
Income	0	-1,411	0	0	0	-1,411
<u>987 Community Facilities</u>						
Expenditure	147,500	366,289	102,144	28	-4,640	361,649
Income	-8,000	-69,690	-37,550	54	0	-69,690
<u>988 Library Buildings</u>						
Expenditure	57,000	188,915	0	0	61,750	250,665
Income	0	-104,257	0	0	0	-104,257
<u>989 Car Parks</u>						
Expenditure	45,000	166,326	131,176	79	120,000	286,326
Income	0	-85,000	2,000	-2	-120,000	-205,000
<b><i>307 Depot and Waste Services</i></b>						
<u>910 Domestic Waste</u>						
Expenditure	0	300,000	0	0	-50,000	250,000
Income	0	-300,000	0	0	50,000	-250,000
<u>990 Plant Replacement Program</u>						
Expenditure	2,455,230	3,148,483	2,263,694	72	110,544	3,259,027
Income	-1,606,330	-2,041,867	-308,331	15	-110,544	-2,152,411

### ***707 Environmental Works Program***

## Budget Review by Manager and Cost Centre

as at 31 December 2007

	<i>Original Budget</i>	<i>Current Forecast</i>	<i>Total Inc/Exp</i>	<i>% Spent</i>	<i>Proposed Variation</i>	<i>Revised Forecast</i>
<u>959 Environmental Works Program</u>						
Expenditure	350,000	2,357,679	613,653	26	75,000	2,432,679
Income	-279,182	-2,276,388	-24,874	1	-75,000	-2,351,388
 <b>708 Infrastructure Renewal Program</b>						
<u>949 Infrastructure Renewal Program</u>						
Expenditure	251,540	1,624,942	967,198	60	-36,832	1,588,110
Income	-208,776	-835,202	0	0	16,268	-818,934
 <u>969 Environmental &amp; Infrastructure Program</u>						
Expenditure	3,855,338	3,957,775	1,433,759	36	205,767	4,163,542
Income	-2,682,499	-2,809,831	-30,000	1	-185,203	-2,995,034
<b>Capital Budget Total Variation</b>					85,777	
<b>TOTAL PROPOSED VARIATION</b>					-20,904	

**Item No:** R5 Recommendation to Council  
**Subject:** **Progress Report – Kiaora Lands Development**  
**Author:** Zubin Marolia, Manager - Property and Projects  
**File No:** 1209.G Part 7  
**Reason for Report:** To provide a progress report on discussions with Woolworths in relation to Kiaora Lands Development proposal and advise on future steps

**Recommendation:**

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.

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**Background:**

Council at its meeting on 4 April 2007 resolved the following:

*That Council proceed with discussions with Woolworths in relation to the development of the Kiaora Lands subject to compliance with the Guidelines and Principles of ICAC on direct negotiations.*

The Corporate and Works Committee on 3 September 2007 while considering the report regarding the Assets Working Party, resolved the following in relation to the Woolworths letter (dated??) for Kiaora Lands.

- i. General Manager to engage a financial consultant to evaluate the proposal – structure, term, financial arrangements rental reviews etc.*
- ii. General Manager to prepare a brief and circulate to Working Party members for comments.*

The brief prepared by the General Manager in consultation with Mr Wayne Redman of CBRE was distributed to all Councillors in September 2007 for comment. At the Assets Working Party meeting held on 22 November 2007, Councillors were briefed by CBRE, regarding options for the Kiaora Lands site development with Woolworths. Woolworths were subsequently asked to respond to a proposal prepared by CBRE on behalf of Council. Following this process, CBRE were engaged and a number of meetings have been held between CBRE and Woolworths.

**Progress Update**

Woolworths' initial proposal involved them developing a new supermarket complex on their landholdings as well as Council's land, (see Annexure 1), with the redeveloped site transferred to Council's ownership. Whilst this transfer was proposed at no cost to Council, the lease payments over the proposed lease term to Council, as lessor, significantly undervalued Council's land contribution.

This has led Council to consideration of a series of alternative structuring options with the aim of bridging this 'value gap'. This option comprises of a proposed recalibration of the rent structure for the proposed supermarket site and the redevelopment of the Woolworths' New South Head Road site.

A proposed terms sheet designed around the parameters of this option was prepared and which formed the framework for initial negotiations with Woolworths in December 2007, following the Assets Working Party briefing. Woolworths has recently responded to Council's proposal, which specifically focused on enhancing the value of Council's land contribution to the proposed supermarket site that this revised proposal has raised Council's value proposition closer to the initial estimate placed on Council's landholdings. Please see confidential Annexure 2. There are several matters relating to this proposal which are required to be further discussed and confirmed with Woolworths, before a formal assessment can be made of the proposal.

Additionally, as part of this redevelopment program, Woolworths is also reviewing the proposal for the redevelopment of their New South Head Road site. Council has introduced the concept to Woolworths that this site be included as part of the overall redevelopment consideration, including Council's potential ownership of this property. This proposal has been put to Woolworths for their review, including key design and accommodation mix considerations.

Council will be discussing with Woolworths in due course the conceptual design specifications and uses for this site before further planning deliberations between both parties be 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 further update will be provided once discussions with Woolworths on the above outstanding matters are sufficiently advanced and the financial parameters firmed which are acceptable to both parties.

### **ICAC advice**

In accordance with the Council resolution, General Manager has been in contact with ICAC to advise them of Council's intent to enter into direct negotiations with Woolworths. Their advice, dated 31 May 2007, is attached as Annexure 3.

ICAC advise that they are "not in a position to endorse or proscribe Woollahra Council's proposed course of action and cannot provide legal advice". The letter recalls the internal Committee structure instituted in 2001 and 2003, and understands that this structure is still in place and will be utilised in the current negotiations with Woolworths.

### **Council's Dual Role**

Even though these discussions are at a very 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 via CBRE that though the best commercial outcome will be pursued by Council, Council will pursue design excellence as a priority. Councillors were briefed by CBRE late last year on the progress of the discussions and agree on a negotiation strategy. CBRE have reviewed the options being considered by Woolworths and identified structuring options. Some options include acquisition of the supermarket site are being considered. A negotiation strategy to achieve the preferred outcomes is being identified. The strategy will include the framework and terms.

## **Conclusion**

When there is a firmer agreement with Woolworths, CBRE will undertake financial modelling and submit to Council a preferred structure. In anticipation of a mutually beneficial agreement, a submission will be provided to the Department of Local Government in compliance with the PPP legislation.

In anticipation that a satisfactory commercial arrangement can be reached with Woolworths, it is recommended 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 negotiate the specifics of the commercial arrangement. 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 would be reported to Council for its consideration and endorsement.

Zubin Marolia  
Manager – Property and Projects

Gary James  
General Manager

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## **Annexures:**

1. Sites subject to negotiations
2. Confidential Annexure
3. ICAC advice dated 31 May 2007.