



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 15 October 2007*

Time: *6.00pm*

Outline of Meeting Protocol & Procedure:

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

Delegated Authority (“D” Items):

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

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

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

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

11 October 2007

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 – 15 October 2007

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 15 October 2007 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 2 October 2007	1
D2	Investments Update – 389.G	2
D3	Monthly Financial Report – September 2007 – 987.G	4
D4	Disclosure of Pecuniary Interest Returns by Councillors & Designated Persons – 169.G	15
D5	4 Wunulla Road, Point Piper – Proposed Road Closure & Sale – 505.4	18

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

R1	Financial Reports for the Year Ended 30 June 2007 – 331.G	24
R2	Report on Notice of Motion to Limit the Casting Vote of Chairman of Committees – 900.G	140
R3	Water Craft Storage Fees – 871.G	143

Item No: D1 Delegated to Committee
Subject: **Confirmation of Minutes of Meeting held on 8 October 2007**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Tuesday 2 October 2006 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 2 October 2007 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: D2 Delegated to Committee
Subject: **Investments Update**
Author: Don Johnston, Manager Finance
Michelle Phair, Team Leader Financial Services
File No: 389.G
Reason for Report: To update the Committee on Council's CDO investments.

Recommendation:

That the report be received and noted

Background:

At the Extraordinary Council meeting held on 17 September 2007 a confidential resolution was adopted. In open session, the Mayor advised:

That the Council has resolved to embark upon a course of action to continue the monitoring and reviewing of Council's investments and that the Council's decisions made in closed session are to remain confidential.

An update report will come to each meeting of the Corporate & Works Committee as a result of this resolution.

Discussion:

Bid Updates

The first bid update was tabled at the meeting on 2 October. Both Grange Securities and Oakvale Capital have been asked to provide bids for each of our CDOs on an ongoing basis. The bids will be provided to us on the Monday of a Committee meeting, as at the previous Friday, and will be tabled at the Corporate & Works Committee meetings. The latest of these bid updates will be tabled at the meeting.

Independent advice

Staff met with representatives from Ernst & Young on Tuesday 25 September with a view to engaging them to provide independent advice on our investment portfolio. Based on discussion at that meeting, Ernst & Young submitted a proposal. The proposal was circulated to the Committee on the meeting of 2 October where the appointment of Ernst & Young was noted.

Ernst & Young will be in attendance at this meeting of the Corporate & Works Committee to present the results of their review. A copy of their report will be circulated when it is received.

Conclusion:

Council will continue to monitor and review its investments and provide an update report to each meeting of the Corporate & Works Committee.

Michelle Phair
Team Leader Financial Services

Don Johnston
Manager Finance

Annexures:

Nil.

Item No: D3 Delegated to Committee
Subject: **Monthly Financial Report - September 2007**
Author: Tracey Walker, Financial Accountant
Michelle Phair, Team Leader Financial Services
File No: 987G
Reason for Report: To present the monthly financial report for September 2007

Recommendation:

A. THAT the monthly financial report for September 2007 be received and noted.

Background:

The monthly financial report for September 2007 is submitted to the Committee for consideration.

The monthly report includes the following:-

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

Further, when the Committee considered the monthly financial report for August it was resolved in part:

- B. *THAT there be an explanation of the payment, to the Sydney Diocesan Secretariat, provided with the next monthly financial report.*
- C. *THAT future reports include a description of the payments listed.*

Discussion:

In response to part B of the resolution, the payment made to the Sydney Diocesan Secretariat was for the refund of a security deposit.

Part C of the resolution has been covered in the Summary of Receipts, Payments and Bank Balance which now provides the description of the 10 largest payments for the month. It should be noted that, for privacy purposes, where the payment has been made to an individual that individual's name has been withheld from the public document.

Summary of Investments:

In accordance with Council's resolution to revert to the previous Investment Policy, the Committee will note the purchase of several bank bills and term deposits with a number of major banks.

The Summary of Investments has been expanded on pages 4 and 5 of this report to include additional details of the securities held by Council.

The investment portfolio returns for the month of September 2007 for both Grange and Oakvale were positive returns of 0.47% and 0.46% respectively. Portfolio returns calculated by Council since the portfolio's inception were 0.60% and 5.33% for Grange and Oakvale respectively.

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

Michelle Phair
Team Leader Financial Services

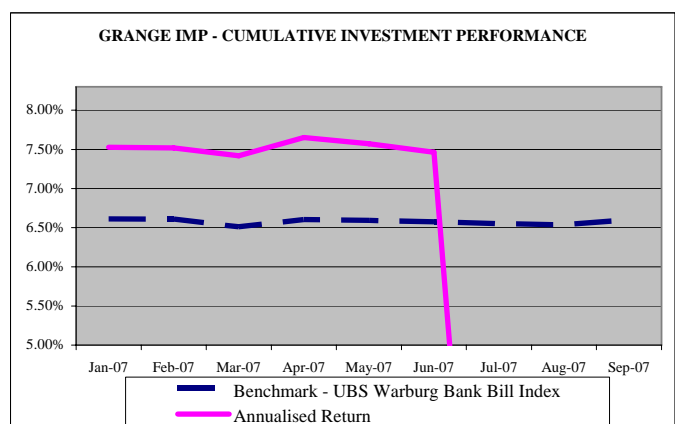
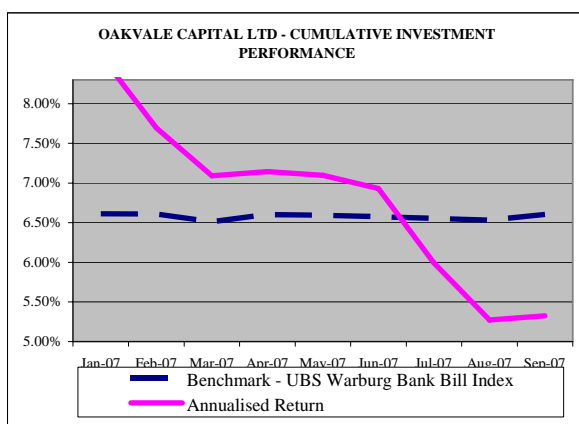
Tracey Walker
Financial Accountant

Don Johnston
Manager Finance

INVESTMENTS AS AT 30 SEPTEMBER 2007

CATEGORY	PURCHASE DATE	MATURITY DATE	DAYS	%	FACE VALUE \$	TOTAL \$
1. WMC INVESTMENTS						
<u>ANZ BANK LIMITED</u>						
BANK BILL	26/09/2007	26/11/2007	61	6.86	1,000,000.00	
BANK BILL	26/09/2007	19/12/2007	84	6.92	1,000,000.00	
<u>BANK WEST</u>						
TERM DEPOSIT	26/09/2007	20/12/2007	85	7.03	1,000,000.00	
<u>METWAY</u>						
TERM DEPOSIT	26/09/2007	30/10/2007	34	6.86	1,000,000.00	
<u>NAB LIMITED</u>						
BANK BILL	26/09/2007	26/11/2007	61	6.87	2,000,000.00	
<u>ST GEORGE BANK LTD</u>						
TERM DEPOSIT	26/09/2007	21/12/2007	86	6.95	1,000,000.00	
BANK BILL	26/09/2007	27/11/2007	62	6.88	1,000,000.00	
<u>COMMONWEALTH BANK</u>						
BANK BILL	26/09/2007	23/11/2007	58	6.86	<u>2,000,000</u>	10,000,000

CATEGORY	MONTHLY RETURN ANNUALISED %	MONTHLY BENCHMARK K %	MARGIN	TECHNICAL VALUATION \$	TOTAL \$
2. OAKVALE CAPITAL Limited					
Funds under management *	5.33	6.61	-1.28	<u>9,587,597</u>	9,587,597
* See Annexure 1					
3. GRANGE SECURITIES Limited					
Individually Managed Portfolio (IMP) *	0.60	6.61	-6.01	<u>19,322,730</u>	19,322,730
* See Annexure 2					
GRAND TOTAL				<u><u>38,910,327</u></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									
Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	TECHNICAL VALUATIONS			
						31-Jul-07	31-Aug-07	30-Sep-07	
GRANGE SECURITIES									
Issued by non-ADIs									
Lehman Global Property Note	13/06/2007	15/06/2009	60,000	0	60,000	55,254	55,710	56,580	
Bishopgate (Wentworth AA-)	07/02/2007	30/09/2010	500,000	9,515	509,515	507,930	510,250	SOLD	
Herald Limited (Quartz AA)	04/07/2007	20/12/2010	400,000	2,428	402,428	382,824	380,204	384,436	
Saphir (Endeavour AAA)	04/07/2007	04/08/2011	500,000	10,450	510,450	503,280	504,955	SOLD	
BELO (Kalgoorlie AA+)	27/02/2007	27/02/2012	500,000	0	500,000	513,210	497,945	501,770	
Magnolia (Flinders AA)	08/06/2007	20/03/2012	500,000	4,950	504,950	369,445	427,805	431,145	
Omega (Henley AAA)	20/12/2006	22/06/2012	450,000	0	450,000	397,485	414,833	415,152	
Helium (Esperance AA+)	04/07/2007	20/03/2013	500,000	125	500,125	439,500	458,660	463,240	
Zircon (Merimbula AA)	06/06/2007	20/06/2013	250,000	0	250,000	212,843	213,115	213,815	
Corsair (Torquay AA)	04/07/2007	20/06/2013	500,000	400	500,400	453,905	452,310	446,400	
Start (Blue Gum AA-)	08/01/2007	22/06/2013	400,000	1,316	401,316	353,032	371,640	374,784	
Corsair (Kakadu AA)	22/01/2007	20/03/2014	500,000	-50	499,950	394,945	409,360	405,525	
Helium (Scarborough AA)	17/01/2007	23/06/2014	400,000	844	400,844	350,564	362,864	361,136	
Helium (Scarborough AA)	04/07/2007	23/06/2014	500,000	1,320	501,320	438,205	453,580	451,420	
Helium (Scarborough AA)	23/07/2007	23/06/2014	500,000	850	500,850	438,205	453,580	451,420	
Zircon (Coolangatta AA)	20/03/2007	20/09/2014	500,000	0	500,000	393,710	416,310	411,965	
Beryl (AAA Global Bank Note)	03/04/2007	20/09/2014	100,000	0	100,000	95,256	94,063	94,884	
Zircon (Coolangatta AA)	04/07/2007	20/09/2014	500,000	-50	499,950	393,710	416,310	411,965	
Beryl (AAA Global Bank Note)	04/07/2007	20/09/2014	350,000	-25	349,976	333,396	329,221	332,094	
Aphex (Glenelg AA-)	04/07/2007	22/12/2014	500,000	145	500,145	459,270	471,860	466,520	
Aphex (Glenelg AA-)	10/01/2007	22/12/2014	500,000	-30	499,970	459,270	471,860	466,520	
MAS6-7 (Parkes IIA 'AA-')	13/06/2007	20/06/2015	450,000	2,822	452,822	419,162	414,225	408,609	
MAS6-7 (Parkes IIA 'AA-')	04/07/2007	20/06/2015	500,000	2,700	502,700	465,735	460,250	454,010	
Zircon (Miami AA)	16/04/2007	20/03/2017	50,000	-5	49,996	35,724	37,751	37,295	
			9,910,000	37,706	9,947,706	8,865,859	9,078,660	8,040,685	
Issued by ADIs									
Bendigo Bank FR Sub Debt (BBB+)	08/06/2007	24/10/2007	500,000	1,935	501,935	501,735	504,420	507,390	
ANZ Principal Protected Yield Curve Note (AA)	17/07/2007	17/07/2008	100,000	0	100,000	94,750	95,680	94,330	
Bank of Queensland (BBB+)	08/06/2007	08/08/2007	500,000	815	500,815	508,940	MATURED	0	
Bank of Queensland (BBB+)	04/07/2007	30/10/2008	1,000,000	10,620	1,010,620	1,009,000	1,015,050	1,020,030	
Home Building Society FRN (BBB+)	10/01/2007	17/08/2009	500,000	6,080	506,080	508,870	502,375	504,890	
Home Building Society FRN (BBB+)	11/01/2007	17/08/2009	500,000	6,070	506,070	508,870	502,375	504,890	
Royal Bank of Scotland (AA)	04/07/2007	28/10/2009	500,000	2,000	502,000	501,550	503,830	506,255	
Elders Rural Bank Sub Debt (BBB-)	04/07/2007	23/03/2010	500,000	3,880	503,880	505,260	508,075	497,275	
NM Rothschild FRSD (unrated)	09/07/2007	10/08/2010	1,000,000	1,310	1,001,310	1,011,020	998,800	1,005,390	
HSBC Sub Debt (AA-)	04/07/2007	20/05/2011	500,000	-50	499,950	501,915	497,550	498,830	
Suncorp Metway Sub Debt (A)	19/01/2007	22/06/2011	500,000	705	500,705	501,455	502,705	495,730	
St George Bank Sub Debt (A+)	10/01/2007	26/07/2011	1,000,000	1,120	1,001,120	996,010	999,170	1,003,670	
HSBC FRN (AA-)	07/02/2007	22/09/2011	500,000	1,170	501,170	500,430	498,985	492,570	
CBA FRN (AA)	19/01/2007	28/09/2011	500,000	1,600	501,600	502,020	503,970	495,915	
CBA FRN (AA)	31/01/2007	28/09/2011	500,000	1,635	501,635	502,020	503,970	495,915	
CBA FRN (AA)	04/07/2007	28/09/2011	500,000	1,805	501,805	502,020	503,970	495,915	
Westpac FR Sub Debt (AA)	07/02/2007	24/01/2012	500,000	295	500,295	498,920	498,665	499,195	
Royal Bank of Scotland (AA)	31/07/2007	17/02/2012	1,000,000	1,460	1,001,460	1,008,980	994,210	994,740	
Adelaide Bank FRN (BBB+)	04/07/2007	28/03/2012	500,000	885	500,885	497,085	500,950	486,165	
			11,100,000	43,335	11,143,335	11,160,850	10,634,750	10,599,095	
Macquarie Cash Trust (AAA)			CASH	0	CASH	143,881	594,720	32,951	
Bank West 11am at call			650,000	0	650,000	0	650,000	650,000	
			650,000	0	650,000	143,881	1,244,720	682,951	
Total Grange Securities			21,660,000	81,041	21,741,041	20,170,590	20,958,129	19,322,730	

Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	TECHNICAL VALUATIONS		
						31-Jul-07	31-Aug-07	30-Sep-07
OAKVALE CAPITAL								
Aramis (Merrill Lynch) - ABS	20/06/2007	20/12/2012	1,000,000	0	1,000,000	1,002,066	1,000,607	989,114
Momentum CDO-Credit Linked Note	29/06/2007	30/06/2012	1,000,000	0	1,000,000	976,480	983,010	971,310
Emerald Reverse Mortgage Series 2007-1 Class	06/07/2007	06/07/2011	1,000,000	0	1,000,000	1,003,430	1,009,060	1,015,240
Merrill Lynch-Blackrock Diversified Credit Fu	05/01/2007		3,000,000	0	3,000,000	3,106,795	3,080,550	3,085,840
Adelaide Bank Managed Funds AAA Saver			3,526,093	0	3,526,093	3,526,093	3,526,093	3,526,093
Total Oakvale Capital			9,526,093	0	9,526,093	9,614,864	9,599,320	9,587,597
WMC Investments								
St George Bank Bank Bill (6.88% 62 days)	26/09/2007	27/11/2007	1,000,000	0	1,000,000			1,000,000
St George Bank Term Deposit (6.95% 86 days)	26/09/2007	21/12/2007	1,000,000	0	1,000,000			1,000,000
NAB Bank Bill (6.87% 61 days)	26/09/2007	26/11/2007	2,000,000	0	2,000,000			2,000,000
ANZ Bank Bill (6.86% 61 days)	26/09/2007	26/11/2007	1,000,000	0	1,000,000			1,000,000
ANZ Bank bill (6.92% 84 days)	26/09/2007	19/12/2007	1,000,000	0	1,000,000			1,000,000
Bank West Term Deposit (7.03% 85 days)	26/09/2007	20/12/2007	1,000,000	0	1,000,000			1,000,000
Metway Term Deposit (6.86% 34 days)	26/09/2007	30/10/2007	1,000,000	0	1,000,000			1,000,000
CBA Bank Bill (6.86% 58 days)	26/09/2007	23/11/2007	2,000,000	0	2,000,000			2,000,000
CBA Online Saver			CASH	0	CASH	2,079,648	7,587,009	0
Total WMC Investment			10,000,000	0	10,000,000	2,079,648	7,587,009	10,000,000
Total Portfolio			41,186,093	81,041	41,267,133	31,865,102	38,144,458	38,910,327

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 31 August 2007 2,300,669.76

Receipts

Rates 4,100,666.21
Other 14,204,488.89 18,305,155.10

Total Receipts

Description	Amount
Rates Receipts	4,100,666
Other Debt Receipts	666,086
Parking fines	441,789
Deposits & Bonds	311,190
Disposal of Plant Assets	118,774
S94 Contributions	114,336
Car Park Leases	112,793
Parking Meters	98,274
Insurance Recovery	90,344
Trade waste Debtor Receipts	84,878

Payments - Cheque

Cheque Payments (1,715,752.81)
Cancelled Cheques 34,908.18
Total Cheque Payments for period (1,680,844.63)

Cheque No	Cheque Date	Payee	Description	Amount
196492	20/09/2007	NSW Fire Brigades	2nd Quarter Local Govt. Contribution	-435,570.00
196584	27/09/2007	Holdsworth St Community Centre	1st & 2nd Quarter Grant	-368,500.00
196581	27/09/2007	Energy Australia Sydney	Street Lighting - August	-70,774.01
196499	20/09/2007	State Debt Recovery Office	Infringement Processing Fees - August	-60,232.70
196553	21/09/2007	Withheld	Security Deposit Refund	-55,000.00
196388	14/09/2007	Advanced Buildings Pty Ltd	Repairs to Bus Shelters	-44,011.00
196386	11/09/2007	Withheld	Public Liability Claim	-35,000.00
196367	06/09/2007	Withheld	Rates Overpayment Refund. Payee Error	-33,255.70
196344	06/09/2007	City Ford	Purchase of Council's Fleet	-30,704.51
196361	06/09/2007	Patterson Britton & Partners Pty Ltd	Progress Payment - The Crescent, Vaucluse	-30,178.50

Payments - EFT

EFT Payments (15,043,499.42)
Returned EFT Payments 287.58
Total EFT Payments for period (15,043,211.84)

Reference	EFT Date	Payee	Description	Amount
15147	06/09/2007	Eco Civil Constructions Pty Ltd	Progress Payments - Rose Bay Promenade	-293,371.45
15169	06/09/2007	Ozpave (Aust) Pty Ltd	Progress Payments - Wentworth Rd & Bell Rd 40K	-263,458.43
15236	17/09/2007	Australian Taxation Office	August BAS Payment	-218,060.00
15375	28/09/2007	Eco Civil Constructions Pty Ltd	Progress Payments - Rose Bay Promenade	-211,979.45
15181	06/09/2007	Volvo Truck & Bus	Purchase of Council's Fleet	-166,106.00
15281	20/09/2007	MacDonald Johnston Engineering Co.P/L	Purchase of Council's Fleet	-141,311.10
15201	14/09/2007	Eco Civil Constructions Pty Ltd	Progress Payments - Rose Bay Promenade	-140,316.82
15159	06/09/2007	Local Govt Super Scheme-Div.A	Employee Superannuation Contributions	-130,771.09
15138	06/09/2007	Collex Waste Management Pty Ltd	Weekly Recycling Collection - August	-112,676.05
735	27/09/2007	GMW Urban Pty Ltd	Progress Payments - 5 Ways, Paddington	-111,967.06

Payments - Direct Debits From Bank A/c

Payroll (1,199,036.44)
Councillor fees - September (18,000.00)
Bank Charges (37,468.39)
Total Direct Debits for period (1,254,504.83)

Total Payments

- 17,978,561.30

Cash Book Balance as at 30 September 2007

2,627,263.56

Unpresented Cheques No. of Cheques: 195 675,715.35
Outstanding Deposits & Miscellaneous Items 38,584.25

Reconciled Cash Book Balance as at 30 September 2007

3,341,563.16

Bank A/c Balance as at 30 September 2007

- 3,341,563.16

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Amount
196499	20/09/2007	State Debt Recovery Officer	60,232.70
196553	21/09/2007	Security Deposit Refund	55,000.00
196584	27/09/2007	Holdsworth St Community Centre	368,500.00

Item No: D4 Delegated to Committee
Subject: **Disclosure of Pecuniary Interest Returns by Councillors and Designated Persons**
Author: Les Windle - Manager Governance
File No: 169.G
Reason for Report: To table the returns disclosing pecuniary interests of Councillors and designated persons in accordance with legislative requirements.

Recommendation:

1. That Council notes that the Disclosure of Interest Returns of Councillors and Designated Persons are tabled.
2. That Council notes that the Disclosure of Interest Returns have been submitted in accordance with the requirements of the Local Government Act, 1993.

Councillors and designated persons are required to lodge a disclosure of interest return within three months of becoming a Councillor or designated person and for each July 1 to June 30 period, during which the person is a Councillor or designated person.

The purpose of this report is to table the Ordinary Returns of the Councillors and Designated Persons who have lodged Ordinary Returns for the period 1 July 2006 to 30 June 2007 and the Primary (first) Returns of new staff members determined as Designated Persons who were required to submit a return during the period 1 July 2007 to 30 September 2007.

A designated person is described in Section 441 of the Local Government Act as:

S441 Who are 'designated persons'

For the purposes of this chapter, "designated persons" are:

- *the general manager*
- *other senior staff of the council*
- *a person (other than a member of the senior staff of the council) who is a member of staff of the council or a delegate of the council and who holds a position identified by the council as the position of a designated person because it involves the exercise of functions under this or any other Act (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict of interest between the person's duty as a member of staff or delegate and the person's private interest*
- *a person (other than a member of the senior staff of the council) who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of the Council's functions under this or any other Act (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member's duty as a member of the committee and the member's private interest.*

The occupants of the following Council positions have been determined to be designated persons for the purpose of Section 441 of the Local Government Act:

General Manager	Determined by Local Government Act
Directors	Senior staff of Council
Managers	Exercises designated persons functions
Assessment Officers	Exercises designated persons functions
Blg/DA/Hording Compliance Officers	Exercises designated persons functions
Design/Urban Design Team Leaders	Exercises designated persons functions
Team Leader – Strategic Planning	Exercises designated persons functions
Senior Strategic Planner	Exercises designated persons functions
Development Engineers	Exercises designated persons functions
Environmental Health Officers	Exercises designated persons functions
Environmental Protection Co-ordinator	Exercises designated persons functions
Fire Safety Officers	Exercises designated persons functions
Heritage Officers	Exercises designated persons functions
Landscape Development/Tree Officers	Exercises designated persons functions
Co-ordinator Trees Maintenance	Exercises designated persons functions
Co-ordinator Parks Maintenance	Exercises designated persons functions
Property Officers	Exercises designated persons functions
Program Development Officers	Exercises designated persons functions
Ranger Supervisor	Exercises designated persons functions
Team Leader – Traffic and Transport	Exercises designated persons functions
Admin Assistant - Printing & Purchasing	Exercises designated persons functions
Lending Services Librarian	Exercises designated persons functions
Branch Librarian	Exercises designated persons functions
Children's & Young Adult Librarian	Exercises designated persons functions
Plant & Fleet Co-ordinator	Exercises designated persons functions
Waste Services Co-ordinator	Exercises designated persons functions
Purchasing Co-ordinator	Exercises designated persons functions
Trades Supervisor	Exercises designated persons functions
Co-ordinator Civil Services	Exercises designated persons functions
Construction Engineer	Exercises designated persons functions
Property Services Co-ordinator	Exercises designated persons functions
Parks and Recreation Co-ordinator	Exercises designated persons functions
Team Leader – Development Assessment	Exercises designated persons functions
Team Leader – Infrastructure Asset Management	Exercises designated persons functions

The Local Government Act requires, at Section 450A(1), the General Manager to keep a register of returns disclosing the interests of Councillors and designated persons.

Section 450A(2) requires the returns lodged with the General Manager to be tabled at the next meeting of Council after the due date. The due date for the Ordinary Returns (period 1 July 2006 to 30 June 2007) was 30 September 2007.

This report also tables the Primary Returns of Designated employees who were required to submit returns during the period 1 July to 30 September 2007.

Tabling of Returns:

Councillors

All Councillors submitted their returns in accordance with the legislative requirements.

Designated Persons:

All designated persons required to complete Ordinary Returns and four new designated employees required to complete Primary Returns during the respective periods submitted their Returns in accordance with the legislative requirements.

Planning Consultants:

Three planning consultants submitted returns in accordance with legislative requirements.

Conclusion:

All Councillors, designated persons and planning consultants have completed their declaration of interest returns in accordance with legislative requirements and are tabled in accordance with the provisions of the Local Government Act. It is recommended that the information be noted.

Les Windle
Manager Governance

Geoff Clarke
Director Corporate Services

ANNEXURES:

Nil

Item No: D\$ 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:

That the site be inspected prior to the Corporate and Works Committee meeting of 5 November 2007.

Background:

Council has received a request from the owners of 4 Wunulla Road, Point Piper to purchase a rectangular shaped section of unmade road adjoining their property.

The subject land is shown in hatched detail on the attached plan of Land Surveyors, Bottaro Nett (Annexure 1). This unmade road reserve area is an estimated 180 square metres in size. I understand that the owners wish to purchase the subject land to formalise the existing encroachment which comprises a low rise sandstone retaining wall and garden landscaping.

The neighbour property owners of 6 and 14A Wunulla Road have already purchased the unmade road reserve fronting their property; which would seem to diminish the possibility of any future road widening (Annexure 2). No 6 Wunulla Rd was the most recent purchase to which the Council meeting of 9 April 2001 had resolved to sell. On that occasion a 185.8 m² portion of unmade road reserve was sold for \$ 180,000 (exclusive of GST).

The Manager of Public Infrastructure and I inspected the subject land on 19 September 2007 (Annexure 3). The Manager had no objection to the proposal to purchase this portion of road. The previous disposal of the land at the front of No 6 effectively precludes any future road widening in Wunulla Rd. Road widening between No 4 and the intersection with New South Head Rd is neither advantageous or likely to be undertaken in the future.

It was observed on the site inspection that the proposed purchase included land in front of No 1 Wentworth Rd. However, the Manager of Public Infrastructure stated that he was only prepared to recommend sale on the basis that the line of the proposed allotment be the extension of the existing property boundaries on both side of the property.

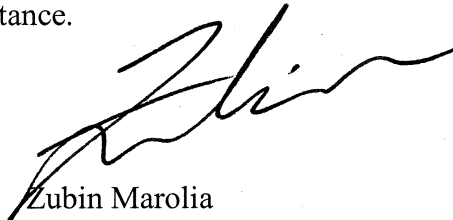
The owners of 4 Wunulla Rd have since been advised that Council would only consider a request for land sale that was contained within the property frontage and not falling in front of another's property boundary (i.e. 1 Wentworth Rd). Although the survey plan shows an area of 183.8 m², it should be noted that this would be reduced to approximately 180 m², if only the land directly in front of No 4 was included. The owners of 4 Wunulla Rd were agreeable to this condition of proposed sale and have agreed to pay all Councils costs in connection with purchase of the unmade road portion.

Conclusion:

In accordance with Council's Policy and Procedure for the Sale of Council Land, it is recommended that the Committee inspect the site in the first instance.



Anthony Sheedy
Property Officer



Zubin Marolia
Acting Director, Technical Services

Annexures:

1. Land Surveyors, Bottaro Nett plan of proposed road closure (shown hatched).
2. Cadastral Plan of Wunulla Rd showing area of proposed road closure and neighbouring properties.
3. Site photos.

Item No: R1 Recommendation to Council
Subject: **Financial Reports for the Year Ended 30 June 2007**
Author: Don Johnston, Manager Finance
File No: 331.G
Reason for Report: To present the Financial Reports for the year ended 30 June 2007 to the Committee for the purpose of recommending to Council the adoption of its statement in regard to the Financial Reports and to set the date of the meeting at which the Reports will be presented to the public.

Recommendation:

- 1 That the review of the 2006/2007 actual results against Budget forecasts be noted;
- 2 That Council, having noted the statement by the General Manager and Responsible Accounting Officer, adopt the following statement in relation to its Financial Reports for the year ended 30 June 2007:

That, in relation to the Financial Reports for the Year Ended 30 June 2007, Council is of the opinion that:

The Financial Reports have been drawn up in accordance with:

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

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

- present fairly Council's financial position and operating result for the year; and
- accord with Council's accounting and other records;

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

- 3 That Council formally refer the 2006/2007 Financial Reports for audit; and
- 4 In anticipation of receiving the Auditor's Reports, set the Corporate & Works Committee meeting to be held on 5 November 2007 as the meeting at which the Financial Reports will be presented to the public.

Executive Summary:

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

The financial reports disclose and operating surplus for the year of \$9.56m compared to the prior year deficit of \$0.276m. Net assets have increased from \$652.725m to \$662.285m. Council's unrestricted current ratio has improved from 2.59:1 to 3.07:1.

As a result of the year's operations, working funds have increased from \$2.024m to \$3.325m.

Overall, Council's financial position remains sound.

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Background:

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

The Financial Reports for the Year Ended 30 June 2007 have been circulated as a separate Annexure to this report, **Annexure 1**. These Financial Reports are the consolidated financial reports of the Council incorporating the financial operations of Holdsworth Street Community Centre, Premsure Insurance Pool and the Waverley/Woollahra Process Plant (WWPP). It should be noted that, while Council remains a member of the Premsure Insurance Pool, it has a nil equity interest and that the WWPP site was sold on 29 June 2007.

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

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

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

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

The financial reports have been informally referred for audit. The audit of the Financial Reports circulated was completed on 20 September 2007.

Statement by the General Manager and the Responsible Accounting Officer:

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

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

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

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

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

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

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

There has been an event subsequent to the end of the financial year which required disclosure in the Notes to the financial reports. This disclosure, made on Note 22, refers to the July 'credit crisis' which has had an impact on the mark-to-market valuation of Council's investment portfolio. The mark-to-market valuation had reduced by \$902k as at 31 August 2007.

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

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

CHANGES TO ACCOUNTING STANDARDS AND CODE OF ACCOUNTING PRACTICE

The 2006/2007 financial reports are the second to be prepared under AIFRS. Last year a series of disclosures reconciled the movement from AGAAP to AIFRS. These disclosures are not required for 2006/2007.

Since the preparation of the 2005/2006 financial reports, the Department of Local Government has mandated, through the Code of Accounting Practice and Financial Reporting, that the 'fair value' valuation methodology on a transitional basis from 2007/2008 as follows:

Property, plant & equipment, land, buildings and other	2007/2008
Roads, bridges, footpaths and drainage	2008/2009

This will incur cost in obtaining valuations of property, plant & equipment, land, buildings and other assets in 2007/2008. Council is currently working with a group of Councils in conjunction with Jeff Roorda & Associates in regard to the fair valuation of our roads, bridges, footpaths and drainage assets.

Overall Financial Position

At the end of the 2006/2007 financial year, Council's financial position remains sound.

Working Funds

Working funds are accumulated funds that have not been set aside for a specific purpose and provide Council with some capacity to respond to unforeseen circumstances. After allowing for rollovers and revotes of \$2.802m, the working funds balance was \$3.325m.

As at the March Review, the 2006/2007 Budget forecast a working funds balance of \$2.077m. The actual working funds balance of \$3.325m is an improvement of \$1.248m over the forecast. Variations which give rise to this improvement are detailed later in the report.

Unrestricted Current Ratio

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

After allowing for rollovers and revotes the unrestricted current ratio is 2.42:1.

As at the March Review, the 2006/2007 Budget forecast an unrestricted current ratio of 2.99:1.

The forecast result allowed for a payment from the Cosmopolitan Centre commercial arrangement which was not received prior to year end. Notwithstanding this, liquidity improved from the 30 June 2006 level of 1.76:1 due primarily to the proceeds from the sale of the Waverley / Woollahra Process Plant (WWPP) site.

Operating Result before Capital Movements

The Income Statement discloses a surplus before capital movements of \$7.732m, an improvement on last year's \$1.201m deficit. The surplus includes an expense of \$8,977k for Depreciation. Income increased from \$52.63m to \$66.292m, an increase of \$13.662m or just under 26%. The increase in income includes the gain on sale from the WWPP site of \$7.654m which accounts for 56% of the increase. The increase excluding the gain on sale is \$6.012m 11.42%.

Expenses increased from \$52.905m to \$56.732m, an increase of \$3.827m or just over 7.2%. Of this increase, \$666k relates to increases offset by income, \$370k in redundancy payments and \$190k in loan interest repayments. The increase excluding these items is \$2.601m or 4.9%.

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

Comparison - 30 June 2006 to 30 June 2007

Council's financial reports include the consolidation of the Holdsworth Street Community Centre financial reports. The comparison below shows Council's figures only by excluding any increases or decreases associated with the consolidation. A table showing the adjustments made in this regard is included as Annexure 4.

Income (Page 2 of Annexure 1)

Rates & Annual Charges (Increased from \$30,945k to \$33,594k (\$2,649, 8.56%)) (Note 3 p.22 of Annexure 1)

Ordinary Rates income increased from \$23,443k to \$24,271k, and increase of \$807k or 3.53% which reflects the permissible increase of 3.5% less some minor changes to the rating base. Special Rates increases by \$1,519k including the new Infrastructure renewal Rate of \$1,483k. The remaining \$36k increase reflects the permissible increase in the Environmental Works Rate.

The domestic waste management charge (annual charge) remained increased from \$251 to \$260 for 2006/2007 or 3.6%. Income increased from \$6,492k to \$6,793k, and increase of \$481k or 7.41% based on the increased charge and the number of services provided.

User Charges & Fees (Increased from \$4,531k to \$5,332k (\$801k, 17.68%)) (Note 3 p.23 of Annexure 1)

The largest increase relates to the Compliance Levy introduced in 2006/2007 generating income of \$265k. There was also increased development activity year to year resulting in increased application and certificate fees of \$255k while restoration charges, due to more restoration works being undertaken, increased by \$188k. Other material increases include Inspection Fees and Kindergarten Fees of \$42k and \$39k respectively. Income from Principal Certifying Authority Fees decreased by \$41k due to fewer appointments while Hoarding Fees reduced by \$23k due to fewer applications.

'Other' fees and charges increased by \$83k, including temporary rock anchor fees \$66k and crate/bin sales increased, \$23k.

Interest (Increased from \$1,487k to \$2,060k (\$573k, 38.53%)) (Note 3 p.23 of Annexure 1)

Investment returns were generally higher during 2006/2007 due to increased official interest rates as well as higher returns from a broadened range of investment securities made since the change in Council's Investment Policy in September 2006. The level of funds invested was also higher in 2006/2007 compared to 2005/2006 due to several major projects not being completed.

Other Revenues (Increased from \$10,948k to \$11,502k (\$554k, 5.06%)) (Note 3 p.24 of Annexure 1)

The largest increases year to year were parking fines (\$633k) and recovered costs and reimbursements (\$318k). There were also increases in lease income (\$117k), parking meters (\$46k), private use contributions (\$44k), construction zone charges (\$50k) and 'Other' revenues (\$29k).

There were two large reductions in income in this area being the fair value adjustment to investment properties in 2005/2006 of \$110k and the \$750k option fee from the Kiaora Land project received in 2006/2007.

Operating Grants & Contributions (Increased from \$2,803k to \$3,170k (\$367k, 13.09%)) (Note 3 p.25 of Annexure 1)

The two major increases year to year are the receipt of \$247k under the Regulatory Reduction Incentive Fund and the \$100k repayment of Council subsidy by the Holdsworth Street Community Centre. Transport grants reduced by \$178k as a result of the supplementary Roads to Recovery funding received at the end of 2005/2006.

The \$100k received from the Holdsworth Street Community Centre will fund, in the 2007/2008 budget, improvement works at the Centre to the value of \$31k while the balance will offset the Council subsidy payment to the Centre.

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

Capital Grants & Contributions (Increased from \$925k to \$1,829k (\$904k, 97.73%)) (Note 3 p.25 of Annexure 1)

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

The major variance between 2005/2006 and 2006/2007 was the \$899k increase in Section94A levies in the first full year of the plans operation. Water grants of \$106k received in 2005/2006 for the installation of rainwater tanks at various locations resulted in a decrease in income while there were increases in transport and open space grants of \$97k and \$53k respectively.

Expenses (Page 2 of Annexure 1)

Employee Costs (Increased from \$23,859k to \$25,949k (\$2,090k, 8.76%)) (Note 4 p27, Annexure 1)

Salaries and wages increased by \$970k year on year, \$560 of which can be attributed to an award increase. \$85k relates to an increase in overtime, predominantly in the areas of Human Resources, Civil Works and Waste Services. The remainder relates to a combination of a generally lower vacancy rate plus market related increases and skills assessments (including back pay) during 2006/2007. As a result of increased salaries and wages, superannuation expenses increased by \$89k. Leave entitlements expensed increased by \$666k, partly as a result of increased termination payments but also due to the inclusion of all relevant allowances in the entitlements calculation.

Redundancy payments associated with organisational change increased employee costs by \$323k.

Borrowing Costs (Increased from \$2k to \$192k (\$190k)) (Note 4 p27, Annexure 1)

2006/2007 was the first full year of loan repayments for the 2005/2006 loan draw down.

Materials & Contracts (Increased from \$10,099k to \$10,863k (\$764k, 7.57%)) (Note 4 p27, Annexure 1)

Raw Materials & Consumables (Increased by \$132k)

Fuel costs were the largest increase in this area (\$49k). Other increases relate to stores issues (\$38k) and vehicle parts and repairs (\$28k).

Contractor & Consultancy Costs (Increased by \$308k)

The main increases were in the use of general consultants \$106k, graffiti removal contract \$85k, assessment consultants \$50k and recycling contracts \$49k (funded by the DWM Charge). Other increases were in infringement processing \$42k (offset by increased income), contract plant hire \$29k and temporary staff \$25k. These increases were offset by reductions in recurrent contracts \$73k and general contracts \$38k.

Audit Fees

No major variances

Legal Expenses (Increased by \$403k)

There was a reduction in planning and development related legal costs of \$122k. There was, however, an increase in 'other' legal expenses of \$525k with the majority of the increase being in Compliance (\$297k) and Property Management (\$196k). Of these increases, \$147k of the Compliance legals and \$165k of the Property Management legals are recoverable.

The overall increase, net of the recoverable amounts, is only \$91k.

Operating Leases (Decreased by \$85k)

The operating lease of Council's PABX and telephone handsets ended late in 2005/2006 and a buy out payment made. Lease payments reduced by \$85k as a result.

Depreciation (Increased from \$8,714k to \$8,902k (\$188k, 2.16%)) (Note 4 p.28 of Annexure 1)

There were increases across most asset classes as a result of the full year depreciation of 2005/2006 acquisitions.

Other Expenses (Increased from \$8,891k to \$9,633k (\$742k, 8.35%)) (Note 4 p.28 of Annexure 1)

There are numerous increases and decreases making up this overall variance. Among the increases were street lighting charges (\$79k), contributions and donations (\$36k), NSW Fire Brigades contribution (\$61k), waste disposal costs (\$151k), advertising expenses (\$87k), water and council rates (\$67k) and vehicle registration (\$58k). 'Other' expenses increased by (\$106k) made up of recoverable expenses (\$58k), contributions to other organisations (\$24k), postage (\$14k) and recruitment (\$13k). Smaller increases across the remaining line items totalled \$71k.

Gain/(Loss) on Sale of Assets (Increased from \$316k Loss to \$7,647k Gain (\$7,963k)) (Note 5 p.29 of Annexure 1)

The major variance in this item is the gain on sale of the WWPP site of \$7,648k. Total proceeds from the sale were \$8.5m while the book value of the WWPP at disposal was \$0.858m.

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

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

This comparison forms part of the financial reports, appearing on Note 16 on page 49 of Annexure 1.

COMPARISON - 30 JUNE 2007 ACTUAL TO 30 JUNE 2007 BUDGET FORECAST

As mentioned earlier in the report, the working funds position as at 30 June 2007 was \$3.325m some \$1.248m greater than forecast at the March Review. This increase arises from a number of major variations to the forecasts which are detailed in the table below.

Description	March Forecast	Amount Favourable/ (Unfavourable) \$'000
Trade Waste Service Charges The forecast of \$1,082k was an ambitious target that was not met.	1,082	(51)
Miscellaneous Sales This improvement relates mainly to the disposal of abandoned vehicles which was not budgeted for and also the disposal of old small plant such as brushcutters, blowers and chainsaws	29	19
Recovered Costs This improvement relates mainly to recovered legal costs in Development Control (\$30k) that were not anticipated in the budget, Compliance (\$105k) where the forecast was exceeded and Property Management (\$50k) where an additional contribution to legal costs was received. These amounts offset increased legal costs below.	260	175
Private use contributions The private use contribution for Council vehicles was increased during the year providing additional income	268	19
Road Restoration Charges Charges exceeded budget expectations due to additional work undertaken.	619	85

The additional contributions received were all transferred to the Section 94 reserve		(325)
Proceeds from sale of assets	1,404	30
Proceeds from the routine cyclical replacement of plant and vehicles exceeded forecast by \$30k reflecting improved returns across the fleet.		
Employee Costs Across Council there was over-expenditure in employee costs of \$127k. This includes termination and redundancy payment made as a result of organisational restructure. It represents less than 1% of the total employee costs budget.	24,220	(127)
Materials & consumables Expenditure budgets in this area were not fully spent over the course of the year	2,175	94
Recurrent Contracts There were savings in expenditure on recurrent contract over the year in Car Park management (\$47k), Parks and Street Trees (\$10k) and telephone equipment (\$21k)	975	78
Contract expenses There was overall under expenditure in contract expenses across Council. The main areas of under expenditure were parking meter maintenance (\$78k), reactive property maintenance (\$46k), street furniture maintenance (\$38k), restorations (\$55k) and operating lease contracts (\$12k). This under expenditure was offset by over expenditure on contract plant hire in the areas of trees maintenance (\$7k), infrastructure maintenance (\$12k) and O'Dea Avenue Depot operations (\$14k)	2,885	189
Appeal Consultants The use of appeal consultants in the Development Control area exceed budget forecast by \$44k	90	(44)
Advertising The key area of over expenditure on advertising was Development Control. In addition to an increase in activity in this area additional costs were incurred as a result of the advertising / notifications associated with the Rose Bay Marina.	385	(43)
Contributions Council was not billed for its contribution to the cleaning and maintenance of Paddington Library.	16	16
Claims Recovery An insurance claim for the Cross Street car park lift works completed before year end (\$76k) was offset by minor shortfalls in anticipated recoveries in other insurance classes.	52	71
Legal expenses As has been the case in previous years, legal expenses have been over expended, particularly in the areas of Development Control (\$30k), Compliance (\$156k), Environment & Public Health (\$18k), Public Liability (\$11k) and Property Management (\$66k). In the cases of Compliance and Property Management the over expenditure was partly offset by increased cost recovery outlined above.	1,367	(277)
SES subsidy In last financial year the SES subsidy went unpaid resulting in an expenditure saving of \$23k. This payment has now been made in 2006/2007 resulting in a corresponding over expenditure.	10	(25)

Phone Charges Savings continue to accrue as a result of the renewed land line contract with a new carrier during the year resulting in a reduction an expenditure	137	17
Tipping Charges Across the budget, aside from Domestic Waste Management, there was significant under expenditure in tipping charges. Thee include drainage maintenance (\$18k), trade waste (\$60k), street cleaning (\$37k), footpath maintenance (\$28k) and business centres (\$47k).	2,156	191
Self funded losses Self funded losses in both public liability and motor vehicles classes exceeded budget as a result of increased claims against Council	340	(82)
Plant Running expenses Plant running expenses, net of those attributable to the domestic waste management charge, exceed budget by \$56k.	2,520	(56)
Training Courses & Seminars Specific cost centre based budget provisions were under expended across Council while the Corporate training provision was over expenditure. There was a net under expenditure of \$48k.	319	48
Capital projects Overall expenditure on capital projects is managed through the roll over and revote process. Even though this is the case, there was over expenditure of \$76k related to the lift replacement at Cross Street car park which was offset by an insurance recovery above. This over expenditure was offset by savings in completed projects totalling \$60k across the whole capital budget.	21,744	(16)
Total of Major Variations		1,239

Restricted Cash

The levels of restricted cash as at 30 June 2007 are as follows:

Externally Restricted Cash

Purpose	Opening Balance Jul 06	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 07
Developer Contrib.	3,212,256.05	1,425,761.77	216,739.02	819,774.00	4,034,982.84
Unexpended Grants	609,957.33	1,697,823.02	144.38	1,682,874.28	625,050.45
Environmental Levy	1,487,194.73	1,044,352.85		650,771.00	1,880,776.58
Infrastructure Levy	0.00	1,485,531.50		846,023.00	639,508.50
Domestic Waste	1,909,304.57	462,004.00		811,154.00	1,560,154.57
	7,218,712.68	6,115,473.14	216,883.40	4,810,596.28	8,740,472.94

Internally Restricted Cash

Employee Leave Entitlements	2,224,550.98			202,205.00	2,022,345.98
Plant Replacement	301,490.00				301,490.00
Insurance	680,496.98	159,119.00		200,473.00	639,142.98
Computer	176,411.45			81,797.00	94,614.45
Infrastructure	1,559,677.45			350,677.00	1,209,000.45
Election Reserve	100,000.00	50,000.00			150,000.00
Deposits	5,000,000.00	1,045,735.00			6,045,735.00
Kindergarten	9,497.00	56,062.00			65,559.00
Loan	2,265,613.27			450,909.00	1,814,704.27
Property Reserve	0.00	8,505,913.00			8,505,913.00
Carry Over Works	2,378,781.00	423,555.00			2,802,336.00
General Reserve	1,229,532.00			134,172.00	1,095,360.00
	15,926,050.13	10,240,384.00	0.00	1,420,233.00	24,746,201.13

Total Restricted Cash	23,144,762.81	16,355,857.14	216,883.40	6,230,829.28	33,486,674.07
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Other Entities

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

The Financial Reports provided to Council are attached as **ANNEXURE 2**.

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

The Financial Reports provided to Council by the Waverley / Woollahra Process Plant are attached as **ANNEXURE 3**.

Council continues to have zero equity in the Premsure insurance pool, which is close to being wound down. As a result there are no financial statements to provide. Notwithstanding this, Council is still a participating member of the pool and is required to disclose its participation. This disclosure is made in Note 19 and appears on page 56 of Annexure 1.

Conclusion:

Whilst there have been a number of variances, which have been detailed in this report, Council's year end result was still favourable. Working funds and liquidity are both adequate and Council's overall financial position as at 30 June 2007 is sound.

While the financial reports have been audited, the adoption of the statement in relation to the financial reports will allow them to be formally referred for audit and the auditors reports signed off.

Don Johnston
Manager Finance

Gary James
General Manager

ANNEXURES:

- ANNEXURE 1** Financial Reports for the year ended 30 June 2007
- ANNEXURE 2** Financial Reports for the year ended 30 June 2007 – Holdsworth Street Community Centre
- ANNEXURE 3** Financial Reports for the year ended 30 June 2007 – WWPP
- ANNEXURE 4** Consolidation adjustments for Comparison - June 07 to June 06

Item No: R2 Recommendation to Council
Subject: **Report on Notice of Motion to Limit the Casting Vote of Chairman of Committees**
Author: Les Windle - Manager Governance
File No: 900.G
Reason for Report: To report on a Notice of Motion

Recommendation:

THAT Council's Code of Meeting Practice be amended by inclusion of the new section 7.2 (Committee Chairperson to have casting vote in limited circumstances) and "Guidelines for the use of a casting vote by Committee Chairpersons" note.

Background:

The following Notice of Motion was adopted by Council on 24 September 2007:

"That a report be submitted to the Corporate & Works Committee with a view to varying Council's Code of Meeting Practice to limit the casting vote of Chairman of Committees to circumstances that progress the matter but do not finally determine the matter and in all circumstances where a casting vote would (if exercised) finalise the matter, the recommendations or alternate recommendations receiving equal votes be referred to the Council for its decision."

Clause 265 (Procedure in committees) of the Local Government (General) Regulation 2005 allows Council to determine whether a Committee Chairperson can exercise a casting vote on a matter when the voting on the matter is equal. Clause 265 states:

- "(1) Subject to subclause (3), each committee of a council may regulate its own procedure.*
- (2) Without limiting subclause (1), a committee of a council may decide that, whenever the voting on a motion put to a meeting of the committee is equal, the chairperson of the committee is to have a casting vote as well as an original vote.*
- (3) Voting at a committee meeting is to be by open means (such as on the voices or show of hands)."*

Council's current policy is to allow the Chairperson of Committees to use, at their discretion, a casting vote for individual circumstances or they may refer the matter to full Council. This policy is contained in section 7.2 of Council's Code of Meeting Practice which states:

"The Chairperson of a Committee can use, at his or her discretion, a casting vote for individual circumstances or may refer the matter to full Council."

The current policy on the use of the casting vote gives discretion to the Committee Chair whether they use the casting vote to decide a matter or leave the vote tied and the recommendation referred to full Council with a notation that the vote was tied. Similarly there has been occasions where a vote has been tied on both an amendment and a motion and the Committee Chair has declined to use a casting vote and both recommendations have been forwarded to Council for consideration.

The Notice of Motion seeks to vary Council's Code of Meeting Practice to limit the casting vote of Chairpersons of Committees to circumstances that progress the matter but do not finally determine the matter and in all circumstances where a casting vote would (if exercised) finalise the matter, the recommendations or alternate recommendations receiving equal votes be referred to Council for its decision.

Proposal:

Section 7.2 of Council's Code of Meeting Practice could be amended to read as follows:

7.2 Committee Chairperson to have casting vote in limited circumstances

The Chairperson of a Committee can use, at his or her discretion, a casting vote for individual circumstances provided that the casting vote is used only to progress consideration of the matter and does not finally determine the matter. Under no circumstances can a casting vote be used to finalise the matter and in circumstances where the use of a casting vote would (if exercised) finalise the matter, the recommendation or alternate recommendations receiving equal votes must be referred to the Council for its decision.

The Chairperson may use a casting vote for an R Item where, through Council's delegations, policies and safeguards, the matter is referred to full Council for determination.

The Chairperson may also decline to use a casting vote and refer the matter to full Council for determination.

If the above amendment was adopted, the following guidelines for the use of a casting vote could be included as a "note" to Council's Code of Meeting Practice.

"Guidelines for the use of a casting vote by Committee Chairpersons

The Chairperson may use a casting vote where the vote is equal on matters similar to the following circumstances:

- *Where there is a motion or amendment to defer a matter to obtain additional information,*
- *Where there is a motion or amendment to defer the matter for an additional report,*
- *Where there is a motion or amendment to defer and confer on a matter,*
- *Where there is a motion or amendment to attend a site inspection,*
- *Where part of a motion or amendment is to require a further report,*
- *Where a motion or amendment would progress the matter in some other way but not finally determine the matter.*
- *At any time for an R Item where, through Council's delegations, policies and safeguards, the matter is referred to full Council for determination.*

The Chairperson may not use a casting vote where the vote is equal on a matter where the casting vote would (if exercised) finally determine a matter by approving or refusing an application or adopting a specific course of action on a matter.

Where a vote is equal and a casting vote would (if exercised) finalise a matter, the recommendation or alternate recommendations receiving equal votes must be referred to the Council for its decision."

Consultation:

As a general requirement, Section 361 of the Local Government Act requires Council to advertise and place on public exhibition proposed changes to its Code of Meeting Practice prior to adopting any changes however discussions with the Department of Local Government have indicated that if Council considers that a proposed change is of such a minor nature that it will have little impact on the overall operation of Council's decision making process, then the advertising requirements do not need to be undertaken.

It is considered that this proposed change to the Code of Meeting Practice is minor therefore public exhibition is not required.

Conclusion:

It is recommended that Council's Code of Meeting Practice be amended by inclusion of the new section 7.2 (Committee Chairperson to have casting vote in limited circumstances) and "Guidelines for the use of a casting vote by Committee Chairpersons" note.

Les Windle
Manager Governance

Geoff Clarke
Director Corporate Services

Annexures:

Nil

Item No: R3 Recommendation to Council
Subject: Water Craft Storage Fees
Author: David Sheils - Manager Public Open Space
File No: 871.G
Reason for Report: To adopt publicly advertised fees for the storage of water craft on public land.

Recommendation:

That Council adopt the following fees for the storage of water craft on Council managed land:

	Permit type	
	Annual	Three years
Resident / ratepayer	\$80 / yr	\$200
Non-resident	\$150 / yr	\$400

Background:

Council, at its meeting of 27 August 2007, resolved the following:

"A. That Council adopt the Water Craft Storage Policy (Annexure 6).

B. That Council adopt for exhibition the fee scale outlined in the report being:

	Permit type	
	Annual	Three years
<i>Resident / ratepayer</i>	<i>\$80 / yr</i>	<i>\$200</i>
<i>Non resident</i>	<i>\$150 / yr</i>	<i>\$400</i>

C. That the fees outlined in (B) be publicly exhibited for at least 28 days in accordance with the requirements of the Local Government Act (1993), with a following report to be presented for Council's consideration.

D. That Council notify Rose Bay swing mooring holders of the need to apply for use of the newly installed storage facility if they wish to store water craft in Rose Bay Park.

E. That following the installation of fixing points along Marine Parade, Council notify Watsons Bay mooring holders of the need to apply for use of Marine Parade for water craft storage.

F. That adjoining residents and property owners be consulted regarding proposed dinghy storage facilities located in Tingira Memorial Park and Gibsons Beach Reserve, and following this consultation a further report be prepared for Council's consideration."

This report responds to part B and C of this resolution.

Consultation:

We advertised the proposed fees on Council's website and in the Wentworth Courier, commencing 5 September 2007 and closing 5 October 2007. During this time, we received two submissions, which are contained in Annexure 1.

A submission provided by the Vaucluse Progress Association supported the introduction of fees for the use of water craft storage facilities provided by Council.

The other submission provided by Mr Kurt Braune, a resident of Potts Point, opposed the proposed fees on the basis that boat owners already pay fees such as RTA registration, land tax and Council rates. In response to this submission, the provision and administration of water craft storage facilities involves some direct cost to Council, which are recouped from the fees. The recommended fees are considered to be modest when compared to other Council's, which charge for water craft storage; and minimal when considering costs associated generally with boat ownership. For example, a three-year permit for Mr Braune, a non-Woollahra resident / ratepayer (\$400), would equate to \$2.56 / week.

Conclusion:

Following the adoption of the water craft storage fees, we will commence to issue permits for the newly installed dinghy storage facility at Rose Bay Park.

This year, we also plan install discrete fixing points along Marine Parade at Watsons Bay to improve the current storage of vessels. We are also awaiting the results of grant applications submitted for storage facilities at Gibsons Beach Reserve and Tingira Memorial Park. For these facilities we will consult with adjacent residents and address any concerns if any are raised and report back to Council.

These facilities will generally improve the appearance of, and preserve public access to, our foreshore parks and beaches and provide water craft owners the ability to secure water craft along the foreshore.

David Sheils
Manager Public Open Space

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Acting Director Technical Services

ANNEXURES:

1. Community and Environment Committee Report dated 13 August 2007
2. Public submissions