



# Corporate & Works Committee Agenda

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

**Date:** *Monday 20 July 2015*

**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).

**Recommendation only to the Full Council:**

- Such matters as are specified in Section 377 of the Local Government Act 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 Community Strategic Plan, Delivery Program and Operational Plan;
  - Delegations; and
  - Policies.
- Tenders as per Regulation requirements.
- Leases required to be determined by Full Council by specific legislative requirements
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

**Delegated Authority:**

- 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.
- Statutory reviews of Council's Delivery Program and Operational 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.
- 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 the Minutes of its Meetings.
- Any other matter falling within the responsibility of the Corporate & Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.

**Committee Membership:** 7 Councillors

**Quorum:** The quorum for a Committee meeting is 4 Councillors.

# Woollahra Municipal Council

## Notice of Meeting

16 July 2015

To: Her Worship the Mayor, Councillor Toni Zeltzer ex-officio  
Councillors Deborah Thomas (Chair)  
Peter Cavanagh  
Andrew Petrie  
Matthew Robertson  
Susan Wynne  
Jeff Zulman (Deputy Chair)

Dear Councillors

### **Corporate & Works Committee – 20 July 2015**

In accordance with the provisions of the Local Government Act 1993, I request your attendance at Council's **Corporate & Works Committee** meeting to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 20 July 2015 at 6.00pm.**

Gary James  
General Manager

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## Meeting Agenda

Item	Subject	Page
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 6 July 2015 - 15/95416 .....	1
D2	Monthly Financial Report - June 2015 (FY 259-02) - 15/93920 .....	3

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

R1	Licence of Woollahra Golf Course, O'Sullivan Road, Rose Bay to Woollahra Golf Club Ltd (SC 363-03) - 15/92407 .....	13
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**Item No:** D1 Delegated to Committee  
**Subject:** **CONFIRMATION OF MINUTES OF MEETING HELD ON 6 JULY 2015**  
**Author:** Sue O'Connor - Governance  
**File No:** 15/95416  
**Reason for Report:** The Minutes of the Corporate & Works Committee of 6 July 2015 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 & Works Committee Meeting of 6 July 2015 be taken as read and confirmed.

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Craig Bennett  
Manager Governance & Council Support



**Item No:** D2 Delegated to Committee  
**Subject:** **MONTHLY FINANCIAL REPORT - JUNE 2015 (FY 259-02)**  
**Author:** Don Johnston, Chief Financial Officer  
**Approver:** Stephen Dunshea, Director - Corporate Services  
**File No:** 15/93920  
**Reason for Report:** To present the monthly financial report for June 2015.

**Recommendation:**

That the Committee:

- A. Receive and note the Monthly Financial Report – June 2015.
- B. Note that Council's 12 months weighted average return on its direct investment portfolio of 3.00% continues to exceed the June 2015 benchmark 90 day term deposit index of 2.47%.
- C. Note that the total interest earned for the twelve months to June 2015 of \$1,936k exceeds the revised 2014/15 Budget Forecast of \$1,686k.

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**1. Background:**

Clause 212 of the Local Government (General) Regulation 2005 requires the responsible accounting officer (Council's Chief Financial Officer) to provide the Council with a monthly report setting out details of all money that the Council has invested.

The Monthly Financial Report for June 2015 is submitted to the Committee for consideration and includes the following:

- Investment Transactions for the Month
- Summary of Receipts, Payments and Bank Balance
- Summary of Investments
- Details of Investment Portfolio
- Statement of Investment Policy Compliance
- Charts:
  - ◆ Weighted Average Maturity and Weighted Average Returns
  - ◆ Weighted Average Returns v Australian 90 day Term Deposit Index
  - ◆ Actual Interest Earned v Original Budget & Revised Forecast
  - ◆ Maturity Profile Chart
- Movements in Book Value of Investments
- Quarterly update on Arrears of Rents & Fees.

## 2. Investment Transactions for the Month

Date	Transaction	Description	Amount (\$)
31 May		Book Value of Investments Held	75,610,730.68
02 Jun	Maturity	National Australia Bank, 365 days @ 3.65%	(1,000,000.00)
02 Jun	Purchase	ANZ Bank, 150 days @ 2.81%	1,000,000.00
02 Jun	Purchase	National Australia Bank, 90 days @ 2.90%	4,000,000.00
02 Jun	Purchase	Suncorp, 150 days @ 2.95%	1,000,000.00
12 Jun	Maturity	Suncorp, 150 days @ 3.45%	(1,000,000.00)
12 Jun	Maturity	St George Bank, 150 days @ 3.23%	(1,000,000.00)
12 Jun	Maturity	National Australia Bank, 150 days @ 3.47%	(2,000,000.00)
19 Jun	Maturity	Bankwest, 107 days @ 3.10%	(4,000,000.00)
19 Jun	Purchase	Bankwest, 31 days @ 2.40%	4,000,000.00
23 Jun	Purchase	ANZ Bank, 90 days @ 2.75%	1,000,000.00
23 Jun	Purchase	ANZ Bank, 365 days @ 2.84%	1,000,000.00
23 Jun	Purchase	National Australia Bank, 365 days @ 2.98%	4,000,000.00
23 Jun	Purchase	St George Bank, 365 days @ 2.74%	1,000,000.00
23 Jun	Purchase	Suncorp, 90 days @ 2.90%	1,000,000.00
26 Jun	Purchase	Bankwest, 270 days @ 2.90%	7,000,000.00
26 Jun	Purchase	National Australia Bank, 332 days @ 2.98%	2,000,000.00
30 Jun	Adjustment	Annual Fair Value adjustment – Emerald Reverse Mortgage	(40,000.00)
30 Jun	Adjustment	Annual Fair Value adjustment – CBA HA FRN	16,900.00
Various	Net Movement	Net Movement in Online Savings Cash Accounts	5,067.14
Various	Net Movement	Net Movement in UBS Cash Management Trust Account (Coupon payments + UBS interest + Deposits– UBS Fees)	96.73
		Net Change in Portfolio	17,982,063.87
30 Jun		Book Value of Investments Held	93,592,794.55

### Commentary:

During the month \$9m in term deposits matured and \$27m was placed in new term deposits. The majority of new investments were as a consequence of receipt of the \$9.4m third instalment of the delayed settlement arrangement for O’Dea Avenue Depot and the drawdown of the \$8m loan associated with the construction of Stage 2 of Kiaora Place.

## 3. Investment Working Party Update

In relation to the Lehman matter, IMF Bentham has advised that the interim dividend will now be declared on 3 August 2015.

IMF has also proposed an amendment to the litigation funding agreement to ensure that costs of the project are allocated fairly and proportionately among the group members regardless of when they signed on. The amendment has been agreed by Council and returned to IMF.

Further updates in relation to the Lehman matter will be provided as they come to hand.



#### 4. Summary of Receipts, Payments and Bank Balance:

Cash Book Balance as at 31 May 2015 1,387,350.61

##### Receipts

Rates 3,051,382.00  
Investment Maturities 9,000,000.00  
Transfers In from At Call Accounts 7,160,000.00  
Other 20,883,741.26

##### Total Receipts

40,095,123.26

Description	Amount
Property Sales - Odea depot	9,400,000.00
Non Current Loans Received	8,000,000.00
Deposits & Bonds	549,499.49
Parking Fines	506,684.01
Sundry Debtors	468,176.58
S.94A Contributions	263,356.94
Trade Waste Debtors	192,166.23
GST Refund	191,798.75
Parking Meter Charges	161,989.15
Development Application Fees	59,973.33

##### Payments - Cheque

Cheque Payments -508,986.65  
Cancelled Cheques 4,343.28  
Total Cheque Payments for period -504,643.37

Cheque No	Cheque Date	Payee	Description	Amount
222245	4/06/2015	Withheld	Refund of security deposit	-52,167.07
222254	5/06/2015	Withheld	Refund of security deposit	-50,575.55
222294	18/06/2015	Armour Fabrications Pty Ltd	Fleet purchases	-46,805.00
222248	4/06/2015	Withheld	Refund of security deposit	-28,853.02
222333	18/06/2015	Sydney Water	Water rates - Kiaora Pl/Chiswick Grd/Cosmo Centre	-28,011.55
222256	5/06/2015	Withheld	Refund of security deposit	-24,142.81
222270	11/06/2015	Grant Thornton Australia Ltd	Consulting services	-21,692.00
222255	5/06/2015	Withheld	Refund of security deposit	-21,634.33
222389	26/06/2015	Withheld	Refund of security deposit	-12,405.18
222293	18/06/2015	AGL Sydney	Electricity costs - Chamber/Cross St/St Brigids Lib	-11,490.61

##### Payments - EFT

EFT Payments -4,510,352.47  
Returned EFTs  
Total EFT Payments for period -4,510,352.47

Reference	EFT Date	Payee	Description	Amount
20615	2/06/2015	National Australia Bank	Loan repayment	-482,813.26
50027	25/06/2015	SUEZ Environment Recycling & Waste Recov	Tipping charges - 1-18/5	-226,000.09
290615	29/06/2015	Commonwealth Bank of Australia	Loan repayment	-210,165.13
49813	11/06/2015	United Resource Management Group Pty Ltd	Recycling contract - May'15	-206,150.14
50043	26/06/2015	Local Govt Super Scheme-Div.A	Employer/employee super - Jun'15	-203,747.83
49743	9/06/2015	Local Govt Super Scheme-Div.A	Employer/employee super - May'15	-200,565.54
150615	15/06/2015	National Australia Bank	Loan repayment	-169,710.31
49749	11/06/2015	Ausgrid	Street lighting - May'15	-168,020.47
49825	18/06/2015	Ally Property Services Pty Ltd	Gen works - Rose Bay Av & Kambala Rd	-127,914.16
49935	18/06/2015	Structco Engineering Services Pty Ltd	Gen works - 10-12 The Crescent & SES relocation	-115,478.00

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

Payroll -1,651,570.22  
PAYG Tax -545,431.00  
Bank Charges -28,255.06  
Investment Purchases -27,000,000.00  
Transfers to At Call Accounts -7,140,000.00  
Credit Cards -2,667.85  
Councillors' fees -22,681.00  
Total Direct Debits for period -36,390,605.13

##### Total Payments

-41,405,600.97

##### Cash Book Balance as at 30 June 2015

76,872.90

Unpresented Cheques No of Cheques: 152 Value: 153,468.89  
Outstanding Deposits & Miscellaneous Items 19,045.23

##### Reconciled Cash Book Balance as at 30 June 2015

249,387.02

##### Bank A/c Balance as at 30 June 2015

249,387.02

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

Cheque No.	Cheque Date	Payee	Description	Amount
222156	29/05/2015	Energy Australia	Elec supply - 1 Kiaora Rd - 10/6-21/9/14	42,461.16

#### Commentary:

This statement presents Council's bank reconciliation as at 30 June 2015. The top ten receipt and payment items are provided in the report. Excluding investment transactions, receipts exceeded payments for the month by some \$16.7m largely generated by the receipt of \$9.4m in property sale receipts and a further \$8.0m in non-current loans from the National Australia Bank.

5. Investment Portfolio as at 30 June 2015:

INVESTMENTS AS AT 30 JUNE 2015

CATEGORY		FACE VALUE \$	BOOK VALUE \$					
<b>1. FORMERLY MANAGED BY LEHMAN BROTHERS</b>								
UBS Cash Management Trust Account		51,822	51,822					
<b>2. FORMERLY MANAGED BY OAKVALE CAPITAL</b>								
Emerald Reverse Mortgage Series 2007-1 Class B		1,000,000	640,500					
RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TOTAL TERM (DAYS)	REMAINING DAYS TO MATURITY	%	FACE VALUE \$	BOOK VALUE \$
<b>3. WMC DIRECT INVESTMENTS</b>								
<b>TERM DEPOSITS: (in order of Maturity)</b>								
<b><u>BANKWEST</u></b>								
	TERM DEPOSIT	19/06/2015	20/07/2015	31	20	2.40	4,000,000	4,000,000
<b><u>BENDIGO/ADELAIDE BANK</u></b>								
	TERM DEPOSIT	30/07/2014	30/07/2015	365	30	3.65	1,000,000	1,000,000
<b><u>BENDIGO/ADELAIDE BANK</u></b>								
	TERM DEPOSIT	31/07/2014	31/07/2015	365	31	3.65	1,000,000	1,000,000
<b><u>ST GEORGE</u></b>								
	TERM DEPOSIT	9/10/2014	5/08/2015	300	36	3.48	2,000,000	2,000,000
<b><u>AMP BANK</u></b>								
	TERM DEPOSIT	11/11/2014	10/08/2015	272	41	3.50	2,000,000	2,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	18/03/2015	17/08/2015	152	48	2.89	4,000,000	4,000,000
<b><u>NATIONAL AUSTRALIA BANK</u></b>								
	TERM DEPOSIT	2/06/2015	31/08/2015	90	62	2.90	4,000,000	4,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	23/06/2015	21/09/2015	90	83	2.75	1,000,000	1,000,000
<b><u>SUNCORP</u></b>								
	TERM DEPOSIT	23/06/2015	21/09/2015	90	83	2.90	1,000,000	1,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	26/09/2014	28/09/2015	367	90	3.51	2,000,000	2,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	2/06/2015	30/10/2015	150	122	2.81	1,000,000	1,000,000
<b><u>SUNCORP</u></b>								
	TERM DEPOSIT	2/06/2015	30/10/2015	150	122	2.95	1,000,000	1,000,000
<b><u>NATIONAL AUSTRALIA BANK</u></b>								
	TERM DEPOSIT	7/11/2014	6/11/2015	364	129	3.55	2,000,000	2,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	7/11/2014	6/11/2015	364	129	3.47	3,000,000	3,000,000
<b><u>ST GEORGE</u></b>								
	TERM DEPOSIT	21/05/2015	17/11/2015	180	140	2.71	4,000,000	4,000,000
<b><u>NATIONAL AUSTRALIA BANK</u></b>								
	TERM DEPOSIT	21/05/2015	17/12/2015	210	170	2.93	4,000,000	4,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	21/05/2015	17/12/2015	210	170	2.80	6,000,000	6,000,000
<b><u>COMMONWEALTH BANK</u></b>								
	FLOATING RATE NOTE*	5/03/2012	24/12/2015	1389	177	3.31	1,000,000	1,000,000
<b><u>NATIONAL AUSTRALIA BANK</u></b>								
	TERM DEPOSIT	13/01/2015	8/01/2016	360	192	3.56	2,000,000	2,000,000
<b><u>NATIONAL AUSTRALIA BANK</u></b>								
	TERM DEPOSIT	18/05/2015	13/01/2016	240	197	2.93	5,000,000	5,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	18/05/2015	13/01/2016	240	197	2.81	2,000,000	2,000,000
<b><u>ING DIRECT</u></b>								
	TERM DEPOSIT	10/02/2015	5/02/2016	360	220	3.00	1,000,000	1,000,000
<b><u>ING DIRECT</u></b>								
	TERM DEPOSIT	10/02/2015	5/02/2016	360	220	3.00	1,000,000	1,000,000
<b><u>BANKWEST</u></b>								
	TERM DEPOSIT	26/06/2015	22/03/2016	270	266	2.90	7,000,000	7,000,000
<b><u>ST GEORGE</u></b>								
	TERM DEPOSIT	27/04/2015	26/04/2016	365	301	2.80	3,000,000	3,000,000
<b><u>NATIONAL AUSTRALIA BANK</u></b>								
	TERM DEPOSIT	26/06/2015	23/05/2016	332	328	2.98	2,000,000	2,000,000
<b><u>ST GEORGE</u></b>								
	TERM DEPOSIT	23/06/2015	22/06/2016	365	358	2.74	1,000,000	1,000,000
<b><u>ANZ BANK</u></b>								
	TERM DEPOSIT	23/06/2015	22/06/2016	365	358	2.84	1,000,000	1,000,000
<b><u>NATIONAL AUSTRALIA BANK</u></b>								
	TERM DEPOSIT	23/06/2015	22/06/2016	365	358	2.98	4,000,000	4,000,000
<b>AT CALL:</b>								
<b><u>COMMONWEALTH BANK</u></b>								
	ONLINE SAVER A/C					1.95	17,807,340	17,807,340
<b><u>AMP BANK</u></b>								
	31DAY NOTICE ACCT					2.70	2,043,133	2,043,133
<b><u>ANZ BANK</u></b>								
	11AM CALL ACCT					2.00	50,000	50,000
Total WMC Direct Investments							92,900,472	92,900,472
Weighted Average Days to Maturity of WMC Direct Investments					166.84			
Weighted Average Return of WMC Direct Investments						2.99		
<b>PORTFOLIO TOTALS</b>							<b>93,952,295</b>	<b>93,592,795</b>

\* BBSW + 1.05%p.a.

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.

D. Johnston  
CHIEF FINANCIAL OFFICER

**Investment Policy Compliance Report  
as at 30 June 2015**

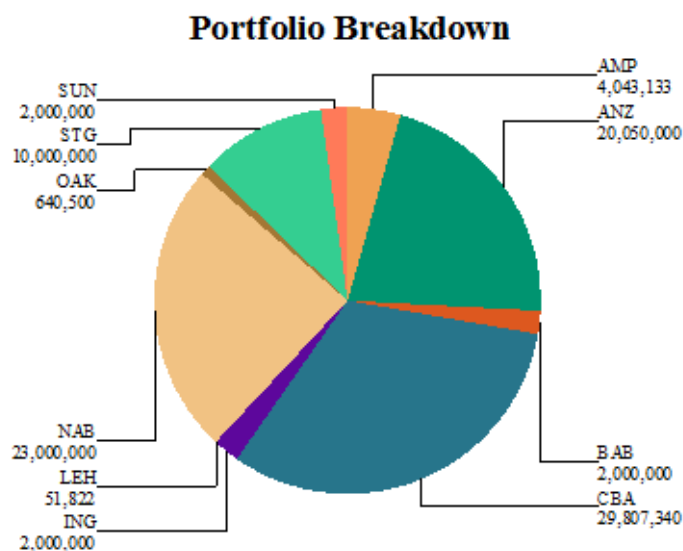
Acct	Bank	Policy Ref.	Policy Limit	Current Holdings	% of Total	Compliance
AMP	AMP Bank	TIER2	5,000,000	4,043,133	4.3%	Complies - \$ 956,867 available
ANZ	ANZ Bank	TIER1	23,398,199	20,050,000	21.4%	Complies - \$ 3,348,198 available
BAB	Bendigo Adelaide Bank	TIER3	2,000,000	2,000,000	2.1%	Complies - \$ 0 available
CBA	Commonwealth Bank	TIER1	23,398,199	29,807,340	31.8%	Over Policy Limit by \$ 6,409,140
ING	ING Direct	TIER2	5,000,000	2,000,000	2.1%	Complies - \$ 3,000,000 available
LEH	Lehman Brothers	NA	0	51,822	0.1%	Grandfathered - Complies
NAB	National Australia Bank	TIER1	23,398,199	23,000,000	24.6%	Complies - \$ 398,198 available
OAK	Oakvale Capital	NA	0	640,500	0.7%	Grandfathered - Complies
STG	St George Bank	TIER1	23,398,199	10,000,000	10.7%	Complies - \$13,398,198 available
SUN	Suncorp	TIER3	2,000,000	2,000,000	2.1%	Complies - \$ 0 available
<b>Total Portfolio as at 30 June 2015</b>				<b>93,592,795</b>		

**Secondary Compliance for Tier 1 & Tier 2 Investments, maximum term of 12 months**

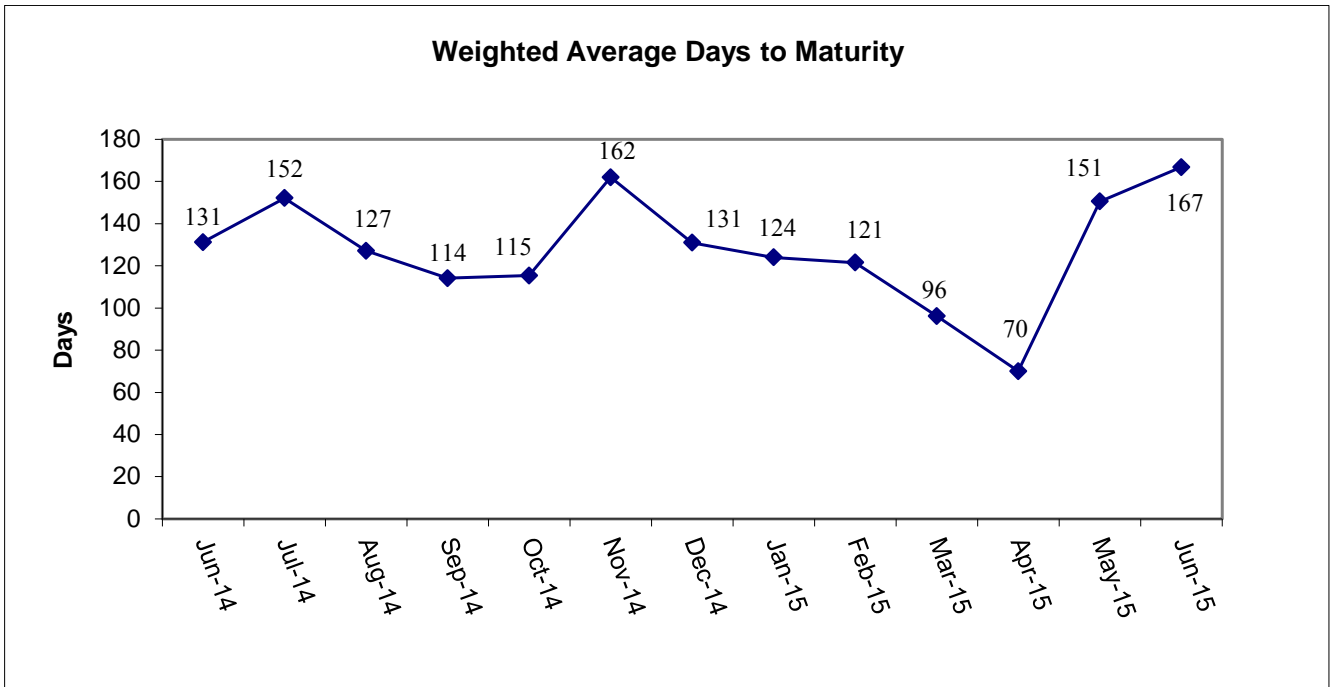
		Maximum Term (Days)	
AMP	AMP Bank	272	Complies
BAB	Bendigo Adelaide Bank	365	Complies
ING	ING Direct	360	Complies
SUN	Suncorp	150	Complies

**Final Compliance , Tier 2 maximum \$10,000,000 invested and Tier 3 maximum of \$6,000,000 invested**

Total Investment in Tier 2 Banks : 6,043,133 Complies - \$3,956,867 available  
 Total Investment in Tier 3 Banks : 4,000,000 Complies - \$2,000,000 available

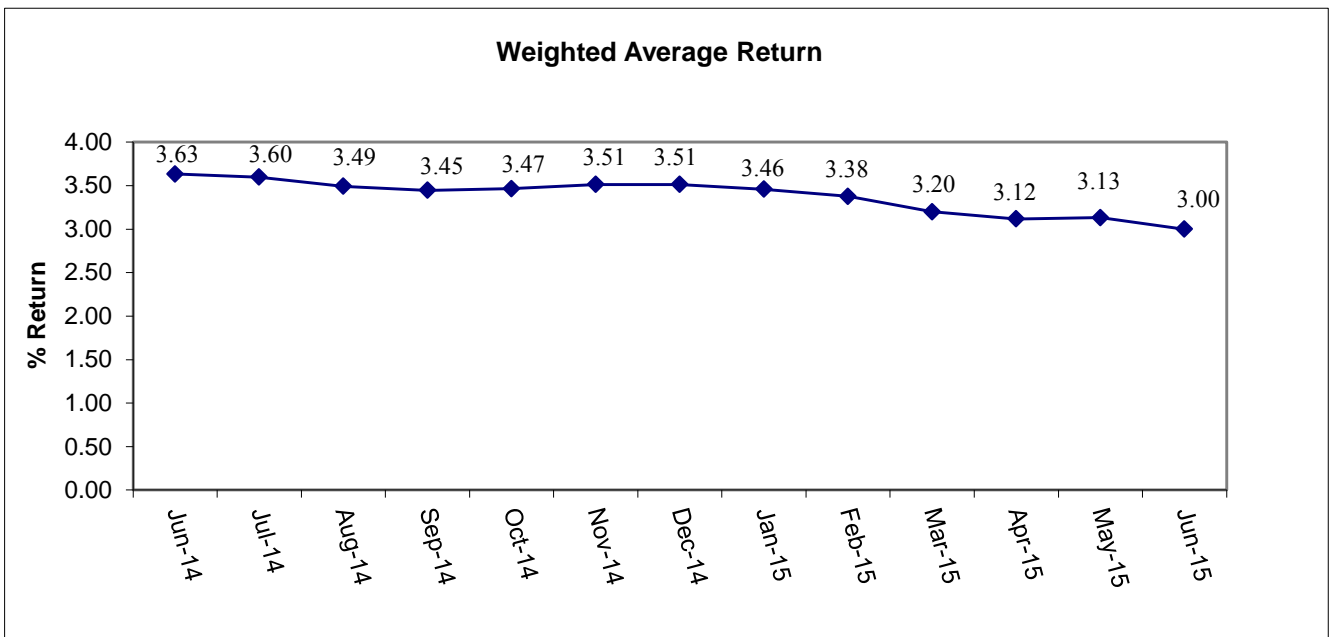


The Commonwealth Bank currently exceeds the 25% threshold due to the requirement to have \$12m readily available for the settlement due on our Alexandria Integrated Facility.



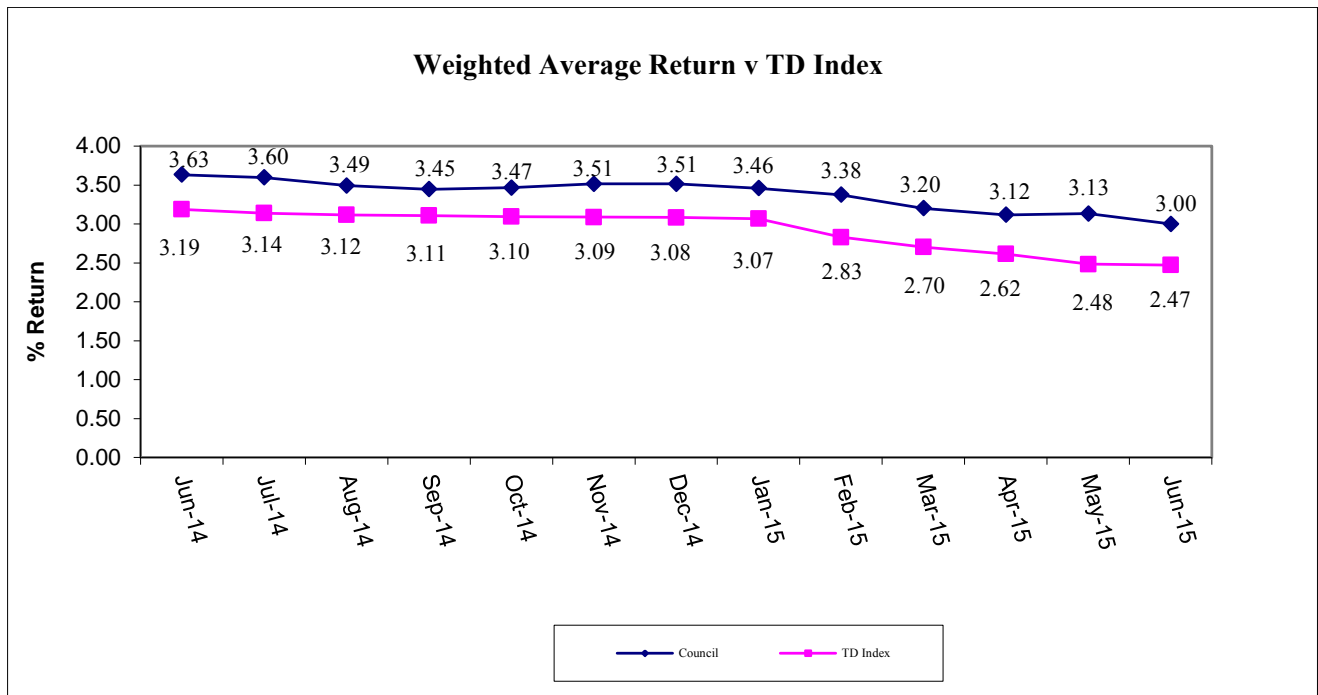
Commentary:

The weighted average increased by 16 days between June and May with the bulk of new investments lodged on terms ranging from 150 to 365 days.



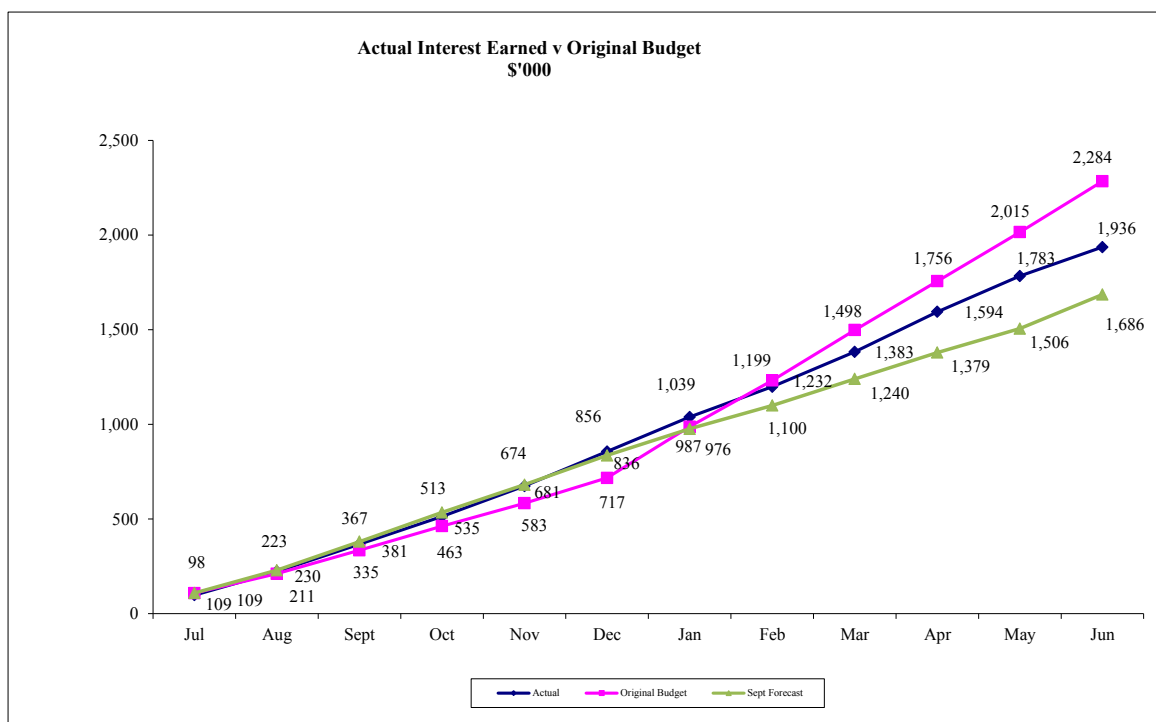
Commentary:

The weighted average return fell 13 basis points during June with a significant part of new investments placed on terms less than the previous month average (new investments ranging from 2.81% to 2.98%).



Commentary:

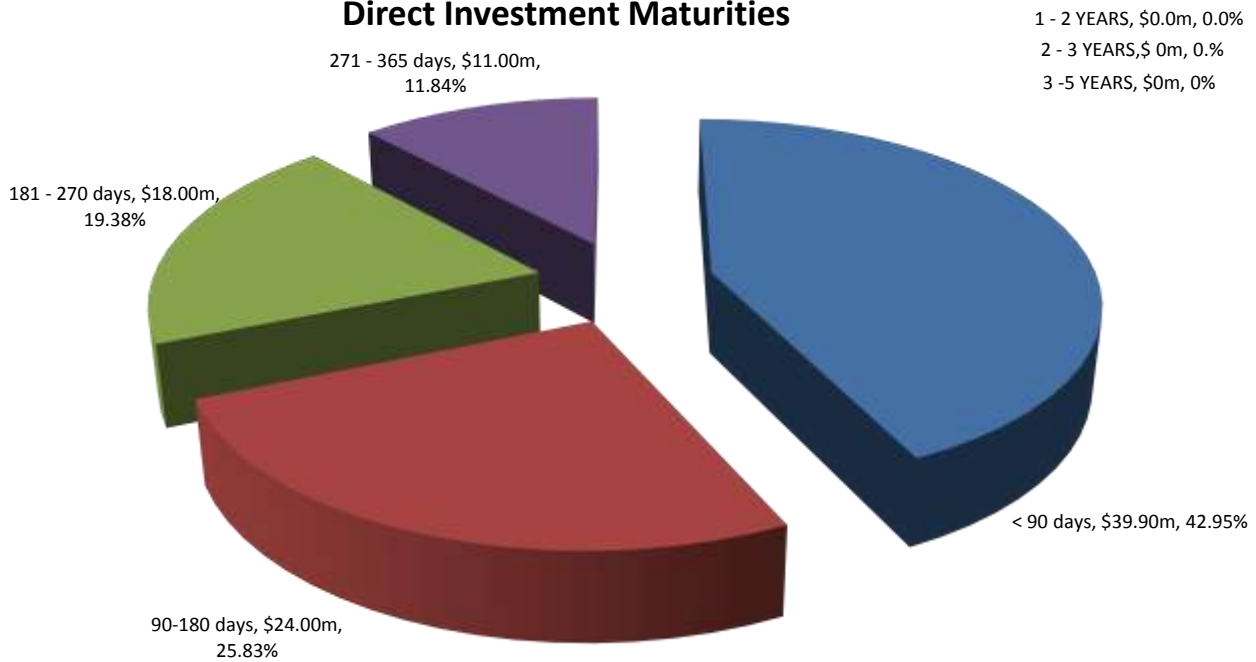
This chart tracks Council’s weighted average return on its direct investment portfolio against a 90 day term deposit index. The drop in the weighted average for Council this month was due new investments attracting lower rates.



Commentary:

The Actual v. Budget chart shows the total accrued interest for the 2014/15 financial year of \$1,936k which is ahead of the revised budget forecast of \$1,686k for the same period. The budget forecast has been exceeded mainly due to holding funds associated with Kiaora Place Stage 2 and the Alexandria Integrated Facility for longer than forecast.

### Direct Investment Maturities



Maturity Range	\$M Invested	% of Portfolio
< 90 days	39.90	42.95
90 - 180 days	24.00	25.83
181 - 270 days	18.00	19.38
271 - 365 days	11.00	11.84
1 - 2 years	0.00	0.0
2 - 3 years	0.00	0.0
3 -5 years	0.00	0.0
	<b>92.90</b>	<b>100.0</b>

Commentary:

The chart and table reflect Council's position of generally rolling short term investments.

## 6. Movement in Book Value (Fair Value) of Investments:

### Formerly managed by Lehman Brothers

Date	Description	Securities	UBS Cash	Total
			Management Trust	Book Value
30/06/2014	Balance brought forward		14,427.27	14,427.27
15/07/2014	CBA FRN - quarterly interest		9,400.00	23,827.27
23/07/2014	UBS Fee - Jun'14 management fee		(61.22)	23,766.05
11/08/2014	UBS Fee - Jul'14 management fee		(63.32)	23,702.73
9/09/2014	UBS Fee - Aug'14 management fee		(63.72)	23,639.01
30/09/2014	Interest - UBS Cash Account		88.74	23,727.75
15/10/2014	CBA FRN - quarterly interest		9,400.00	33,127.75
16/10/2014	UBS Fee - Sep'14 management fee		(59.44)	33,068.31
10/11/2014	UBS Fee - Oct'14 management fee		(62.65)	33,005.66
5/12/2014	UBS Fee - Nov'14 management fee		(61.10)	32,944.56
31/12/2014	Interest - UBS Cash Account		129.63	33,074.19
15/01/2015	CBA FRN - quarterly interest		9,500.00	42,574.19
20/01/2015	UBS Fee - Dec'14 management fee		(63.26)	42,510.93
5/02/2015	UBS Fee - Jan'15 management fee		(63.28)	42,447.65
12/03/2015	UBS Fee - Feb'15 management fee		(57.53)	42,390.12
31/03/2015	Interest - UBS Cash Account		158.68	42,548.80
15/04/2015	CBA FRN - quarterly interest		9,300.00	51,848.80
23/04/2015	UBS Fee - Mar'15 management fee		(61.73)	51,787.07
7/05/2015	UBS Fee - Apr'15 management fee		(61.65)	51,725.42
5/06/2015	UBS Fee - May'15 management fee		(64.09)	51,661.33
30/06/2015	Interest - UBS Cash Account		160.82	51,822.15
		<b>0.00</b>	<b>51,822.15</b>	

### Formerly managed by Oakvale Capital

	Description	Securities	Blackrock	Total
			Managed Fund	Book Value
30/06/2014	Balance brought forward	680,500.00		680,500.00
30/06/2015	Fair value adjustments	(40,000.00)		640,500.00
		<b>640,500.00</b>	<b>0.00</b>	

### Direct Investments

	Description	Securities	Total
30/06/2014	Balance brought forward	983,100.00	983,100.00
30/06/2015	Fair value adjustments	16,900.00	1,000,000.00
		<b>1,000,000.00</b>	

### Commentary:

The table above details any movements in Council's portfolio formerly managed by Lehman Brothers and Oakvale Capital along with Council's direct investment floating rate note. It typically includes the maturity or sale of securities, quarterly coupon payments and fair value (market) adjustments. It will also include small payments of interest earned on Council's cash management accounts and the deduction of fees associated with Council's safe custody arrangements.

No coupons were due for June.

The annual fair value adjustments for the Emerald security and the CBA FRN were recognised at 30 June 2015 seeing a reduction in Emerald's fair value of \$40,000 whilst the CBA FRN was re-valued to face value with an increase of \$16,900.

**7. Arrears of Rents and Fees:**

The table below summarises the arrears (greater than 30 days) of rents and fees as at 30 June 2015. The Corporate & Works Committee has previously requested that this information be provided on a quarterly basis along with details of any outstanding debts greater than \$50,000.

Comparative information is also provided for the previous quarter and the same quarter last year.

Type	Total Collectible (14/15 Revenue + Arrears)	ARREARS								
		> 30 days			> 60 days			> 90 days		
		Jun'15	Mar'15	Jun'14	Jun'15	Mar'15	Jun'14	Jun'15	Mar'15	Jun'14
General	22,180,795	216,717	338,732	33,094	68,313	25,457	20,979	197,678	123,851	154,465
% of Total Revenue		1.0%	1.9%	0.4%	0.3%	0.1%	0.2%	0.9%	0.7%	1.8%
Environmental Health	118,101	2,640	1,280	1,714	2,080	0	2,473	27,782	26,272	18,233
% of Total Revenue		3.2%	1.9%	2.1%	2.5%	0.0%	3.0%	33.4%	39.5%	22.0%
Preschool	848,844	0	270	0	888	0	0	27,909	17,565	12,338
% of Total Revenue		0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	3.5%	2.9%	1.6%
Trade Waste	2,294,796	22,998	27,112	439	0	15,792	41,045	61,957	50,958	35,094
% of Total Revenue		1.1%	1.7%	0.0%	0.0%	1.0%	1.9%	2.9%	3.1%	1.6%
<b>Total</b>	<b>25,442,536</b>	<b>242,354</b>	<b>367,394</b>	<b>35,247</b>	<b>71,281</b>	<b>41,249</b>	<b>64,496</b>	<b>315,325</b>	<b>218,646</b>	<b>220,129</b>
% of Total Revenue		1.0%	1.8%	0.3%	0.3%	0.2%	0.6%	1.3%	1.1%	1.9%

The aging in the above table is based on invoice date.

The amount outstanding for greater than 90 days under the heading of 'Environmental Health' relates to health inspection fees which are extremely difficult to recover cost effectively.

Outstanding Rents and Fees Debts greater than \$50,000

In the \$216,717 appearing in > 30 days for General debtors is an amount of \$100,000 related to the outstanding contribution towards the SES Depot Project from the NSW State Emergency Service. The amount was due for payment on 24 June 2015.

**Annexures**

Nil



**Item No:** R1 Recommendation to Council  
**Subject:** LICENCE OF WOOLLAHRA GOLF COURSE, O'SULLIVAN ROAD, ROSE BAY TO WOOLLAHRA GOLF CLUB LTD (SC 363-03)  
**Author:** Minnie Cai, Property Officer  
**Approvers:** Zubin Marolia, Manager - Property & Projects  
Tom O'Hanlon, Director - Technical Services  
**File No:** 15/92407  
**Reason for Report:** To seek Council approval to enter into a Licence agreement with Woollahra Golf Club for Woollahra Golf Course, O'Sullivan Road, Rose Bay

**Recommendation:**

- A. That Council resolve to enter into a licence agreement with Woollahra Golf Club Ltd for part of Woollahra Park for a licenced area of 15.25 hectares known as Woollahra Golf Course, O'Sullivan Road, Rose Bay; subject to the following terms and conditions:
- (a) A Licence term of twenty one (21) years.
  - (b) Licence fee of \$39,500 per annum (exclusive GST) plus outgoings and Function Fee of \$2,000 per annum (exclusive of GST)
  - (c) Market rent review at the 7<sup>th</sup> and 14<sup>th</sup> anniversary of the Licence commencement date assessed by independent Valuer, with CPI reviews during the intervening years

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**1. Background:**

Council has a current licence agreement with Woollahra Golf Club Ltd for Woollahra Park (Whole of land comprised in Conveyance Book 1319 No. 958, Conveyance Book 1286 No. 52 and Folio's 1/1128933, 2/1128933 and 1/83823) known as Woollahra Golf Course. The Licence was entered into 1 October 1994 for a 21 year term and is due to expire 30 September 2015.

The commencing rental was the higher of \$13,120 per annum (exclusive of GST) with CPI annual rent reviews or 12.5% of golf course fees comprising of green fees, professional training fees and income collected from fundraising and events conducted by the Club.

**2. Proposal:**

Council received a request from the Club in July 2011 to renew the Licence for a further term to enable the Club to make long term plans for the ongoing and future financial success of the Club. A possibility being extra income secured by holding events other than golf related activities. Under Council's Plan of Management for Woollahra Park this is permissible. In accordance with Section 46 (3) of the Local Government Act 1993, Council is empowered to grant a licence on community land for a maximum permissible term of 21 years.

The rent was assessed by independent Valuer, Chaloner Valuations on 4 March 2013 at \$45,000 per annum (exclusive of GST). The Club requested Council factor into its consideration that the Club maintains the grounds and improvements through its own resources with a project to upgrade the irrigation system at a cost of \$500,000 over the next 5 years. This project is to be funded through a special levy on the Club's members. The Club also has an important role in community services in the Woollahra Council area where many members reside and is not run for the profit of its members. Funds are spent back on the premises, the course and community services. The annual Licence Fee was negotiated to \$39,500 per annum (exclusive of GST). It should be noted that the licence agreement provides for the higher of the annual Licence Fee or 12.5% of golf course fees and historically the percentage fee has always been higher.

The Club requested Council permit use of the licenced premise for more commercial activities to allow the Club to explore ways of increasing income from third party use of the premises through social functions not connected to Club members. This use is permitted under the Plan of Management for Woollahra Park. This additional benefit should entitle Council to an additional Licence Fee.

Council sought advice from Chaloner Valuations as to the amount of additional fee that should be sought for social and ancillary activities provided by the Club. Examples of these additional activities include social and ancillary activities (other than green fees and golf related member activities) such as weddings, corporate golf tournaments and real estate and general auctions. As there is no trading records or proposed budget it was hard to ascertain what income the Club may potentially generate. Neither were there market evidence from other golf courses and Clubs where Council could rely on as a comparison. It was recommended a 12.5% turnover rent would be fair and reasonable. To encourage the Club to explore these revenue streams from social and ancillary activities, a nominal fee of \$2000 per annum was proposed and accepted with annual CPI rent reviews and market review in line with the licence agreement.

As part of our negotiations with the Club, Council requested one half of the cottage known as Rose Bay Play Group to be surrendered back to Council for community use. The Club advised the cottage is occupied as a residence by a staff member and wish to continue with this arrangement.

Section 47 (1) and 47 (2) of the Local Government Act requires Council to advertise the proposal. An advertisement was placed in the Wentworth Courier of 6 May 2015 and on Council's web site home page under the "Have your say" section; calling for any submissions to be made within 28 days of the date of public notice. Adjoining neighbours of the golf course were also sent a letter of Notice. No objections were received.

### **3. Conclusion:**

It is recommended that Council enter into a new licence agreement with Woollahra Golf Club Ltd for Woollahra Golf Course for a 21 year term at a rental of \$39,500 per annum (exclusive of GST) with CPI annual reviews except for market rent review in Year 7 and Year 14 of the Licence term as determined by independent Valuer.

### **Annexures**

Nil

**Political Donations – matters to be considered by Councillors at Meetings**

