

Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 9 May 2011*

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 (“R” Items)

- 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.
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

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.
- 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.
- 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 the Minutes of its Meetings.
- 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 above.

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

5 May 2011

To: Her Worship The Mayor, Councillor Isabelle Shapiro ex-officio
Councillors Andrew Petrie (Chair)
Ian Plater (Deputy)
Anthony Boskovitz
Sean Carmichael
Susan Jarnason
Greg Medcraft
David Shoebridge

Dear Councillors

Corporate & Works Committee Meeting – 9 May 2011

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 9 May 2011 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 18 April 2011	1
D2	Monthly Financial Report – March 2011 – 349G	2

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

R1	Goods and Services Tax Compliance Certification – 329G	15
R2	Delivery Program 2009 to 2013 and Operational Plan 2011/12 – 1229.G 2011/12	18
R3	Reconstruction of Stephen Lane, Paddington – Tender No 11/04	34

Item No: D1 Delegated to Committee
Subject: **CONFIRMATION OF MINUTES OF MEETING HELD ON 18 APRIL 2011**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 18 April 2011 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Corporate and Works Committee Meeting of 18 April 2011 be taken as read and confirmed.

Les Windle
Manager – Governance

Item No: D2 Delegated to Committee
Subject: MONTHLY FINANCIAL REPORT – MARCH 2011
Author: Don Johnston, Manager Finance
File No: 349G
Reason for Report: To present the monthly financial report for March 2011

Recommendation:

That the monthly financial report for March 2011 be received and noted.

Background:

The monthly financial report for March 2011 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
- 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

Investment Transactions for the Month

Date	Transaction	Description	Amount (\$)
28 Feb		Book Value of Investments Held	38,325,213.86
24 Mar	Maturity	Bank of Queensland, 150 days @ 6.00%	(1,000,000.00)
26 Mar	Maturity	Bananacoast Community CU, 365 days @ 7.00%	(1,000,000.00)
31 Mar	Revaluation	Quarterly fair value adjustment to Floating Rate Notes	109,265.00
Various	-	Net Movement in AMP Easy Cash Management Acct	0.00
Various	Deposit	Net Movement in Online Savings Cash Account	865,116.60
Various	Withdrawal	Net Movement in UBS Cash Management Trust Account (Coupon payments + UBS interest + Deposits– UBS Fees - Withdrawals)	111,919.67
Various	Deposit	Net Movement in Macquarie Cash Trust (Macquarie interest – Macquarie Fees - Withdrawals)	7.60
		Net Change in Portfolio	(913,691.13)
31 Mar		Book Value of Investments Held	37,411,522.73

Commentary:

A reduction in the investment portfolio is consistent with a non-rates instalment month.

Investments Working Party Update

The Investment Working Party has not met since the last monthly financial report was considered.

However, further updates on the Lehman Brothers action have been received from IMF (Australia) Ltd by email and forwarded to the members of the working party with a courtesy copy to Corporate & Works Committee members not on the working party.

On 24 March, IMF (Australia) Ltd advised:

1. *the lawyers for the applicant councils, including Senior Counsel, continue to be pleased with how the trial has progressed to date;*
2. *all three representative councils have concluded their (non expert) lay evidence;*
3. *Lehman Brothers Australia elected not to call any lay evidence in reply; and*
4. *accordingly, on Friday 25 March, expert evidence will commence with the trial expected to conclude on Wednesday 30 March 2011.*

Further, on 1 April, IMF (Australia) Ltd advised:

1. *Each of the three representative Councils presented their lay (non-expert) evidence.*
2. *Lehman Australia chose not to present any lay evidence in reply.*
3. *Expert evidence was then presented by each party and this concluded on 31 March 2011.*
4. *The proceedings have been adjourned for a period while the parties prepare written submissions.*
5. *A date has been fixed in late May (the weeks commencing 30 May) for oral submissions by each party after which time the judge will reserve his decision. A decision is not expected until around October 2011.*
6. *Piper Alderman in conjunction with the representative councils are seeking to continue settlement discussions with the liquidators.*
7. *Piper Alderman and Senior Counsel have informed IMF that they were satisfied with the presentation of the evidence at the hearing.*

As and when further updates are received they will be circulated to the working party and reported to the Corporate & Works Committee.

Arrangements are being made for the next meeting of the Investments Working Party to be held on Monday 23 May 2011.

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 28 February 2011 248,474.23

Receipts

Rates 2,832,993.29
Investment Maturities 4,254,039.76
Other 3,149,372.37

Total Receipts 10,236,405.42

Description	Amount
S/Dr's-Rates	-2,832,993.29
Sundry Debtors Control	-721,458.37
Deposits & Bonds Control Account	-641,312.25
Parking Fines	-356,276.96
Other Developer Contributions	-185,078.91
Parking Meter Charges	-163,214.07
Trade Waste Debtors Control	-142,813.07
GST Clearing Balance Account	-112,396.00
Build/Construction LS Levy Clearing	-71,149.50
Roads Act Fees	-61,843.64

Payments - Cheque

Cheque Payments -962,786.72
Cancelled Cheques 8,497.72
Total Cheque Payments for period -954,289.00

Cheque No	Cheque Date	Payee	Description	Amount
210386	17/03/2011	Energy Australia	Street lighting - Feb'11	-84,408.47
210454	24/03/2011	Corporation Sole EPA Act	Statutory contribution - Dept of Planning	-64,037.25
210287	03/03/2011	Boral Asphalt	Road pavement maintenance - various locs	-58,716.35
210518	31/03/2011	Cleanevent Australia Pty Ltd	2011 New Years Eve clean-up	-56,697.63
210403	17/03/2011	State Debt Recovery Office	Infringement processing fees - Feb'11	-53,040.00
210281	02/03/2011	Withheld	Refund of security deposit	-50,707.98
210345	10/03/2011	Kumar Motors (Bankstown) Pty Ltd	Fleet purchases	-47,067.00
210407	17/03/2011	Telstra Corporation Limited	General works - Bellevue Hill	-41,338.15
210330	09/03/2011	Withheld	Refund of security deposit	-32,795.27
210442	17/03/2011	Telstra Integrity Services	General works - Cooper Street	-24,675.65

Payments - EFT

EFT Payments -4,282,075.01
Returned EFT Payments
Total EFT Payments for period -4,282,075.01

Reference	EFT Date	Payee	Description	Amount
30575	31/03/2011	Emergency Management	NSW Fire Brigade 4th qtr contribution	-704,202.64
30522	24/03/2011	WSN Environmental Solutions	Garden/green waste tipping fees 31/1-27/2	-320,563.84
30387	17/03/2011	Holdsworth St Community Centre	Grant funding - 4th qtr	-198,000.00
30398	17/03/2011	Local Govt Super Scheme-Div.A	Employer/employee super - Feb'11	-166,775.82
30435	17/03/2011	WSN Environmental Solutions	Garden/green waste tipping fees 17/1-30/1	-155,896.79
30555	31/03/2011	Downer EDI Works Pty Ltd	Road maintenance - various locations	-129,498.74
30264	10/03/2011	Veolia Environmental Services	Weekly collection of recyclables 1-31/1/11	-126,174.16
160311	17/03/2011	Australian Taxation Office	PAYG Wk 38	-116,585.14
20311	02/03/2011	Australian Taxation Office	PAYG Wk 36	-112,139.14
30399	17/03/2011	Local Govt Super Scheme-Div.B	Employer/employee super - Feb'11	-110,341.29

Payments - Direct Debits From Bank A/c

Payroll -1,878,613.08
Bank Charges -20,199.67
Investment Purchases -3,100,000.00
Councillors' fees -20,250.37
Total Direct Debits for period -5,019,063.12

Total Payments -10,255,427.13

Cash Book Balance as at 31 March 2011

Unpresented Cheques No. of Cheques: 172 229,452.52
Outstanding Deposits & Miscellaneous Items 201,233.68
113,482.67

Reconciled Cash Book Balance as at 31 March 2011 544,168.87

Bank A/c Balance as at 31 March 2011 544,168.87

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Amount
210518	31/03/2011	Cleanevent Australia Pty Ltd	56,697.63

Commentary:

This statement presents Council's bank reconciliation as at 31 March 2011. The top ten receipt and payment items are provided in the report. Excluding investment transactions, payments exceeded receipts for the month by some \$1.2m, consistent with a non-instalment month.

INVESTMENTS AS AT 31 MARCH 2011

CATEGORY	FACE VALUE \$	BOOK VALUE \$
1. LEHMAN BROTHERS (formerly Grange Securities Ltd)		
Funds previously under management	14,379,392	7,827,617
2. OAKVALE CAPITAL Limited		
Funds previously under management	6,247,114	2,323,825

RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TOTAL TERM (DAYS)	REMAINING DAYS TO MATURITY	%	FACE VALUE \$	BOOK VALUE \$	GOV'T GUARANTEE
3. WMC DIRECT INVESTMENTS									
<i>TERM DEPOSITS: (in order of Maturity)</i>									
AAA*	<u>SUNCORP METWAY LTD</u>								
	TERM DEPOSIT	04/11/2010	04/04/2011	151	4	5.96	1,000,000	1,000,000	Guaranteed
AAA*	<u>BANK OF CYPRUS</u>								
	TERM DEPOSIT	25/10/2010	27/04/2011	184	27	6.25	1,000,000	1,000,000	Guaranteed
AAA*	<u>HERITAGE BUILDING SOCIETY</u>								
	TERM DEPOSIT	04/11/2010	03/05/2011	180	33	6.11	1,000,000	1,000,000	Guaranteed
AAA*	<u>QUEENSLAND POLICE CREDIT UNION</u>								
	TERM DEPOSIT	23/11/2010	23/05/2011	181	53	6.38	1,000,000	1,000,000	Guaranteed
AAA*	<u>POLICE CREDIT UNION SA</u>								
	TERM DEPOSIT	04/01/2011	03/06/2011	150	64	6.25	1,000,000	1,000,000	Guaranteed
AAA*	<u>MEMBERS EQUITY BANK</u>								
	TERM DEPOSIT	10/01/2011	09/06/2011	150	70	6.30	1,000,000	1,000,000	Guaranteed
AAA*	<u>QANTAS STAFF CREDIT UNION</u>								
	TERM DEPOSIT	17/01/2011	16/06/2011	150	77	6.25	1,000,000	1,000,000	Guaranteed
AAA*	<u>THE ROCK BUILDING SOCIETY</u>								
	TERM DEPOSIT	09/02/2011	11/07/2011	152	102	6.16	1,000,000	1,000,000	Guaranteed
AAA*	<u>MY STATE FINANCIAL CREDIT UNION</u>								
	TERM DEPOSIT	09/02/2011	11/07/2011	152	102	6.21	1,000,000	1,000,000	Guaranteed
AAA*	<u>SGE CREDIT UNION</u>								
	TERM DEPOSIT	14/02/2011	14/07/2011	150	105	6.15	1,000,000	1,000,000	Guaranteed
AAA*	<u>SUTHERLAND CREDIT UNION</u>								
	TERM DEPOSIT	14/02/2011	14/07/2011	150	105	6.15	1,000,000	1,000,000	Guaranteed
AAA*	<u>HUNTER UNITED CREDIT UNION</u>								
	TERM DEPOSIT	28/02/2011	28/07/2011	150	119	6.20	1,000,000	1,000,000	Guaranteed
AAA*	<u>IMB</u>								
	TERM DEPOSIT	11/08/2010	11/08/2011	365	133	6.35	1,000,000	1,000,000	Guaranteed
AAA*	<u>QUAY CREDIT UNION</u>								
	TERM DEPOSIT	21/02/2011	21/08/2011	181	143	6.25	1,000,000	1,000,000	Guaranteed
AAA*	<u>LAIKI BANK</u>								
	TERM DEPOSIT	05/09/2010	05/09/2011	365	158	6.30	1,000,000	1,000,000	Guaranteed
AAA*	<u>INVESTEC AUSTRALIA LTD</u>								
	TERM DEPOSIT	26/11/2009	12/10/2011	685	195	6.61	1,000,000	1,000,000	Guaranteed
AAA*	<u>ELDERS RURAL BANK</u>								
	TERM DEPOSIT	24/11/2009	24/11/2011	730	238	6.60	1,000,000	1,000,000	Guaranteed
AAA*	<u>RABO DIRECT</u>								
	TERM DEPOSIT	28/02/2011	01/03/2012	367	336	6.60	1,000,000	1,000,000	Guaranteed
AAA*	<u>ING DIRECT</u>								
	TERM DEPOSIT	28/02/2011	28/02/2013	731	700	6.74	1,000,000	1,000,000	Guaranteed
AA	<u>COMMONWEALTH BANK</u>								
	TERM DEPOSIT	16/12/2008	16/12/2011	1095	260	6.03	1,000,000	1,000,000	
AT CALL:									
AA	<u>COMMONWEALTH BANK</u>								
	ONLINE SAVER A/C					4.50	6,260,086	6,260,086	1st \$1m Gteed
AAA*	<u>AMP BANK</u>								
	CASH MNGMT ACCT	11/06/2009				4.75	999,995	999,995	Guaranteed
Total WMC Direct Investments							27,260,081	27,260,081	
Weighted Average Days to Maturity of WMC Direct Investments					151.20				
Weighted Average Return of WMC Direct Investments						6.29			
% Government Guarantee of WMC Direct Investments									69%
PORTFOLIO TOTALS							47,886,587	37,411,523	

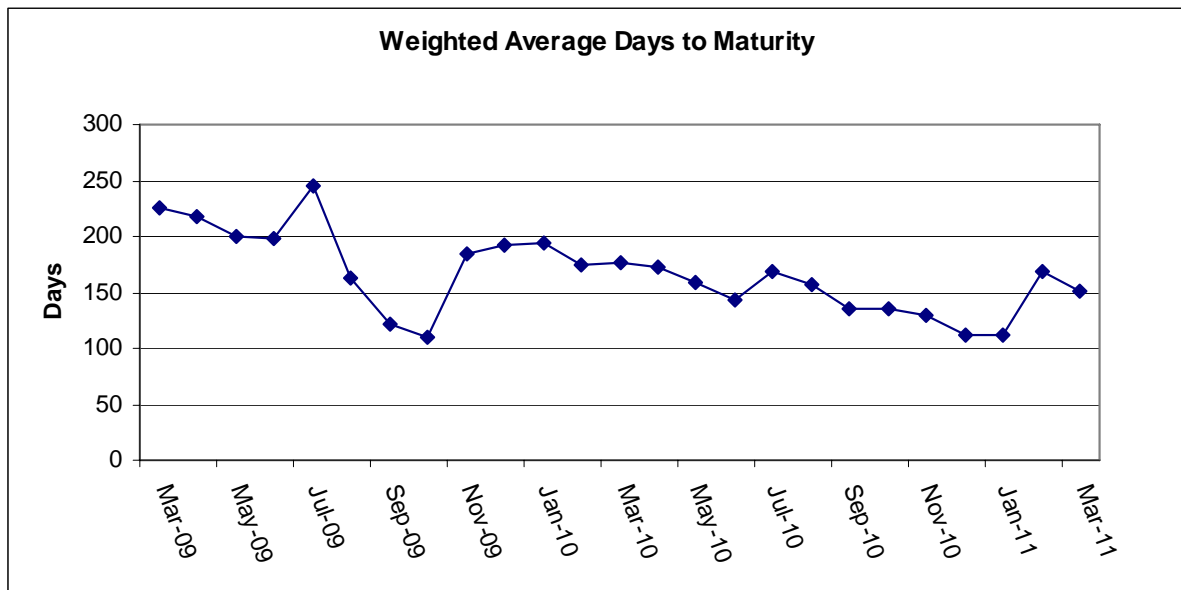
* Government Guaranteed deposits have been rated AAA

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
MANAGER FINANCE

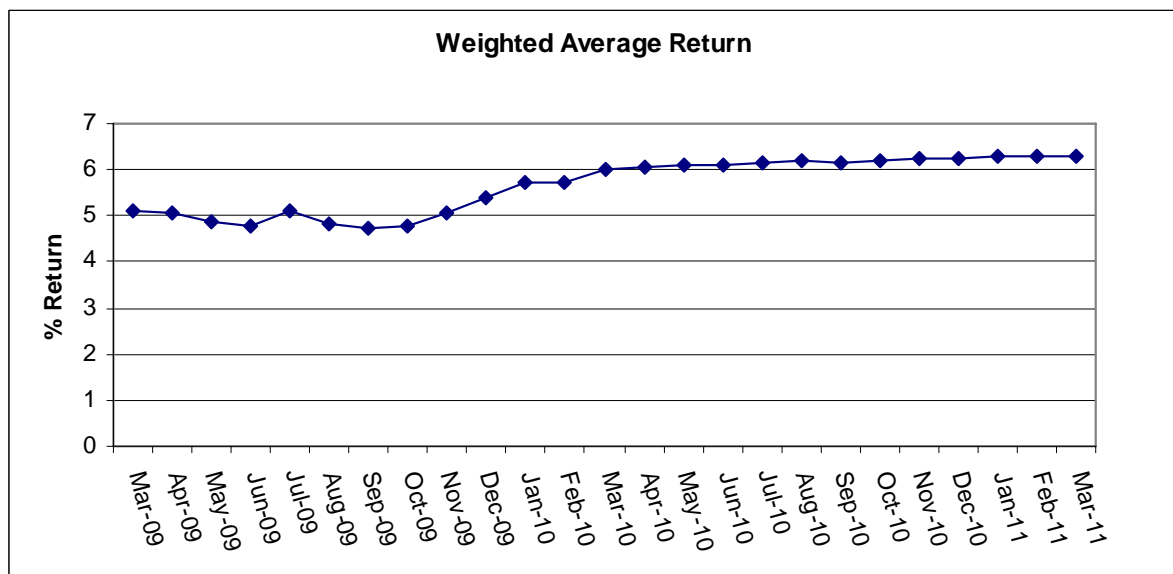
INVESTMENTS PORTFOLIO AS AT 31 MARCH 2011							
Security	Classification	Purchase Date	Final Maturity Date	Face Value (FV)	Total Purchase Price	Current Book Value	Notes
1. LEHMAN BROTHERS (formerly GRANGE SECURITIES)							
Issued by non-ADIs							
Lehman Global Property Note	Other	13/06/2007	15/06/2009	60,000	60,000	0	1
Magnolia (Flinders AA)	CDO	08/06/2007	20/03/2012	500,000	513,670	0	1
Helium (Esperance AA+)	CDO	04/07/2007	20/03/2013	500,000	501,565	0	1
Zircon (Merimbula AA)	CDO	06/06/2007	20/06/2013	250,000	250,000	175,000	1
Corsair (Torquay AA)	CDO	04/07/2007	20/06/2013	500,000	501,860	0	1
Start (Blue Gum AA-)	CDO	08/01/2007	22/06/2013	400,000	402,768	0	1
Corsair (Kakadu AA)	CDO	22/01/2007	20/03/2014	500,000	503,300	0	1
Helium (Scarborough AA)	CDO	17/01/2007	23/06/2014	400,000	402,620	0	1
Helium (Scarborough AA)	CDO	04/07/2007	23/06/2014	500,000	502,270	0	1
Helium (Scarborough AA)	CDO	23/07/2007	23/06/2014	500,000	503,810	0	1
Zircon (Coolangatta AA)	CDO	20/03/2007	20/09/2014	500,000	500,000	350,000	1
Beryl (AAA Global Bank Note)	Other	03/04/2007	20/09/2014	100,000	100,000	70,000	1
Zircon (Coolangatta AA)	CDO	04/07/2007	20/09/2014	500,000	501,430	350,000	1
Beryl (AAA Global Bank Note)	Other	04/07/2007	20/09/2014	350,000	350,917	245,000	1
Aphex (Glenside AA-)	CDO	10/01/2007	22/12/2014	500,000	501,960	0	1
Aphex (Glenside AA-)	CDO	04/07/2007	22/12/2014	500,000	501,405	0	1
MAS6-7 (Parkes IIA 'AA-')	CDO	13/06/2007	20/06/2015	450,000	461,687	0	1
MAS6-7 (Parkes IIA 'AA-')	CDO	04/07/2007	20/06/2015	500,000	504,315	0	1
Zircon (Miami AA)	CDO	16/04/2007	20/03/2017	50,000	50,137	35,000	1
				7,560,000	7,613,714	1,225,000	
Issued by ADIs							
			Call Date				
Royal Bank of Scotland (AA)	FRN	04/07/2007	28/10/2009	500,000	508,290	451,445	2
HSBC Sub Debt (AA-)	FRN	04/07/2007	20/05/2011	500,000	503,915	499,345	2
Suncorp Metway Sub Debt (A)	FRN	19/01/2007	22/06/2011	500,000	503,285	496,795	2
St George Bank Sub Debt (A+)	FRN	10/01/2007	26/07/2011	1,000,000	1,014,990	997,580	2
HSBC FRN (AA-)	FRN	07/02/2007	22/09/2011	500,000	505,470	499,485	2
CBA FRN (AA)	FRN	19/01/2007	28/09/2011	500,000	503,640	498,185	2
CBA FRN (AA)	FRN	31/01/2007	28/09/2011	500,000	504,785	498,185	2
CBA FRN (AA)	FRN	04/07/2007	28/09/2011	500,000	502,360	498,185	2
Westpac FR Sub Debt (AA)	FRN	07/02/2007	24/01/2012	500,000	501,590	496,080	2
Royal Bank of Scotland (AA)	FRN	31/01/2007	17/02/2012	1,000,000	1,014,560	851,310	2
Adelaide Bank FRN (BBB+)	FRN	04/07/2007	28/03/2012	500,000	501,445	496,630	2
				6,500,000	6,564,330	6,283,225	
Macquarie Cash Trust (AAA)	Cash			2,119	2,119	2,119	5
UBS Cash Management Trust	Cash			317,274	317,274	317,274	5
				319,392	319,392	319,392	
Total Lehman Brothers					14,379,392	14,497,436	7,827,617
2. OAKVALE CAPITAL							
Emerald Reverse Mortgage Series 2007-1 Class B	Mortgage Backed	06/07/2007	06/07/2011	1,000,000	1,000,000	930,000	1
Momentum (Calyon Nickel) Credit Linked Note	CDO	15/05/2007	30/06/2012	1,000,000	1,000,000	0	3
Aramis (Merrill Lynch) Clear 40 - ABS	CDO	02/04/2007	20/12/2012	1,000,000	1,000,000	0	3
Blackrock (Merrill Lynch) Diversified Credit Fund	Managed Fund	05/01/2007		3,247,114	3,247,114	1,393,825	4
Total Oakvale Capital					6,247,114	6,247,114	2,323,825

Security	Classification	Purchase Date	Final Maturity Date	Face Value (FV)	Total Purchase Price	Current Book Value	Notes
3. WMC INVESTMENTS							
Suncorp Metway Ltd (5.96% 151d)	TD	04/11/2010	04/04/2011	1,000,000	1,000,000	1,000,000	5
Bank of Cyprus (6.25% 184d)	TD	25/10/2010	27/04/2011	1,000,000	1,000,000	1,000,000	5
Heritage Blg Society (6.11% 180d)	TD	04/11/2010	03/05/2011	1,000,000	1,000,000	1,000,000	5
Queensland Police CU (6.38% 181d)	TD	23/11/2010	23/05/2011	1,000,000	1,000,000	1,000,000	5
Police CU SA (6.25% 150d)	TD	04/01/2011	03/06/2011	1,000,000	1,000,000	1,000,000	5
Members Equity Bank Pty Ltd (6.3% 150d)	TD	10/01/2011	09/06/2011	1,000,000	1,000,000	1,000,000	5
Qantas Staff CU (6.25% 150d)	TD	17/01/2011	16/06/2011	1,000,000	1,000,000	1,000,000	5
The Rock Building Society (6.16% 152d)	TD	09/02/2011	11/07/2011	1,000,000	1,000,000	1,000,000	5
My State Financial CU (6.21% 152d)	TD	09/02/2011	11/07/2011	1,000,000	1,000,000	1,000,000	5
SGE CU (6.15% 150d)	TD	14/02/2011	14/07/2011	1,000,000	1,000,000	1,000,000	5
Sutherland CU Ltd (6.15% 150d)	TD	14/02/2011	14/07/2011	1,000,000	1,000,000	1,000,000	5
Hunter United Employees CU (6.20% 150d)	TD	28/02/2011	28/07/2011	1,000,000	1,000,000	1,000,000	5
IMB (6.35% 365d)	TD	11/08/2010	11/08/2011	1,000,000	1,000,000	1,000,000	5
Quay CU (6.25% 181d)	TD	21/02/2011	21/08/2011	1,000,000	1,000,000	1,000,000	5
Laiiki Bank (6.30% 365d)	TD	05/09/2010	05/09/2011	1,000,000	1,000,000	1,000,000	5
Investec Bank (6.61% 685d)	TD	26/11/2009	11/07/2011	1,000,000	1,000,000	1,000,000	5
Elders Rural Bank (6.6% 730d)	TD	24/11/2009	24/11/2011	1,000,000	1,000,000	1,000,000	5
CBA TCD (90day BBSW + 1.6% - 3yrs)	TD	16/12/2008	16/12/2011	1,000,000	1,000,000	1,000,000	5
Rabobank Aust (6.60% 367d)	TD	28/02/2011	01/03/2012	1,000,000	1,000,000	1,000,000	5
ING Direct (6.74% 731d)	TD	28/02/2011	28/02/2013	1,000,000	1,000,000	1,000,000	5
AMP Cash Management Account	Cash	16/06/2009		999,995	999,995	999,995	5
CBA Online Saver	Cash			6,260,086	6,260,086	6,260,086	5
Total Direct Investments				27,260,081	27,260,081	27,260,081	
Total Portfolio				47,886,587	48,004,631	37,411,523	
PORTFOLIO SUMMARISED BY CLASSIFICATION							
CDO				9,050,000	9,102,797	910,000	
FRN				6,500,000	6,564,330	6,283,225	
Mortgage Backed				1,000,000	1,000,000	930,000	
Managed Fund				3,247,114	3,247,114	1,393,825	
TD				20,000,000	20,000,000	20,000,000	
Cash				7,579,473	7,579,473	7,579,473	
Other				510,000	510,917	315,000	
				47,886,587	48,004,631	37,411,523	
1. Book Value (Fair Value) as at 30 June 2010							
2. Mark-to-Market Valuation 31 March 2011							
3. Defaulted							
4. Current Value. Fund Closed - Assets being sold and repaid							
5. Face value of deposit / bank bill							
CDO - Collateralised Debt Obligation	CDOs are constructed from a portfolio of assets. These assets are divided by the issuer into different tranches: senior tranches (rated AAA), mezzanine tranches (AA to BB), and equity tranches (unrated). Losses are applied in reverse order of seniority and so junior tranches offer higher coupons (interest rates) to compensate for the added default risk.						
FRN - Floating Rate Note	Floating rate notes (FRNs) are bonds that have a variable coupon, equal to a money market reference rate, plus a spread. The spread is a rate that remains constant. Almost all FRNs have quarterly coupons, i.e. they pay out interest every three months.						
Managed Fund	Managed Funds are a way of investing money with other people to participate in a wider range of investments than those feasible for most individual investors, and to share the costs of doing so.						
Mortgage Backed Security	A mortgage-backed security is an asset-backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans. Payments are typically made monthly over the lifetime of the underlying loans.						
Term Deposit	Term Deposit is a money deposit at an approved deposit taking (ADI) institution for a fixed term at a fixed interest rate. When the term is over it can be withdrawn or it can be held for another term.						



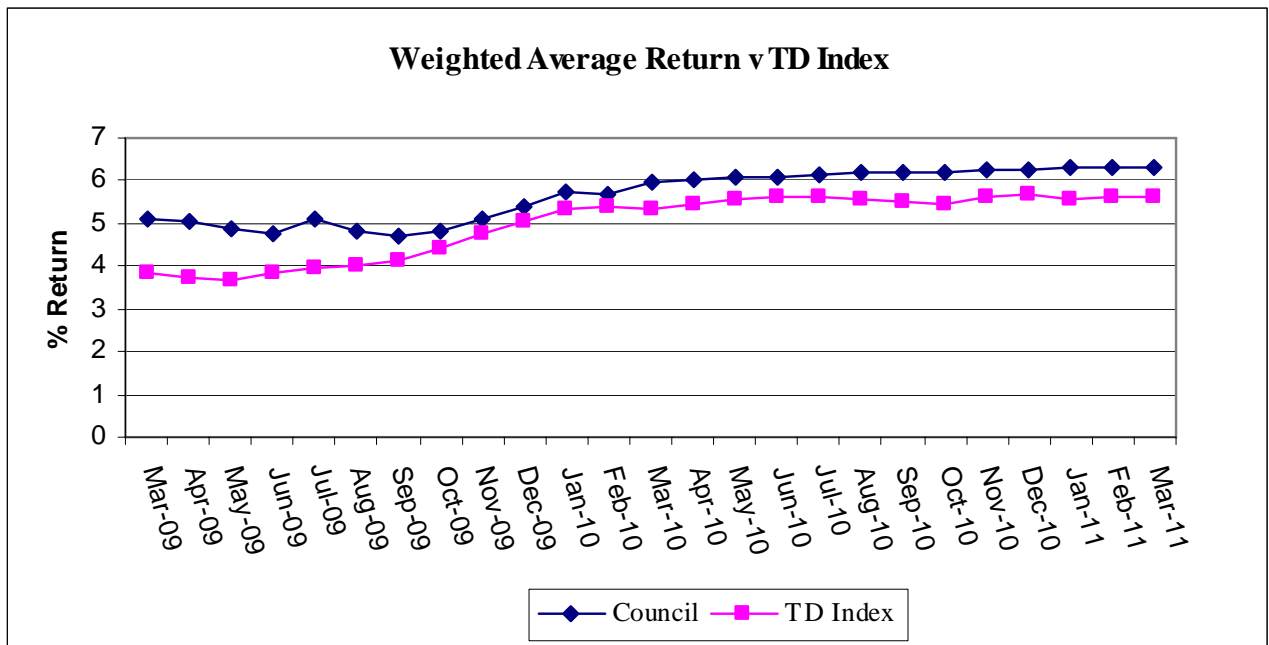
Commentary:

The weighted average is trending downwards as the term deposits progress toward maturity.



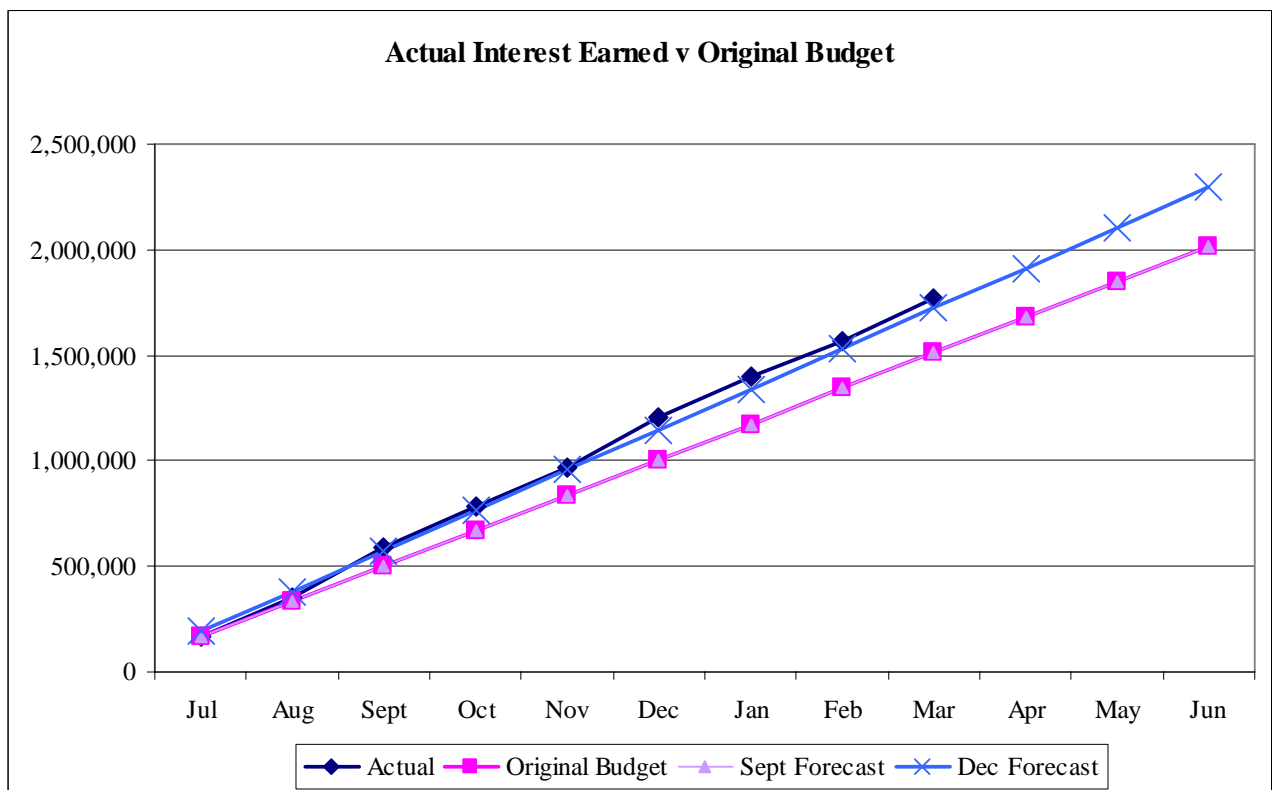
Commentary:

There was little variation in the interest rates of the maturing investments and the re-investment of term deposits. The weighted average return effectively remained unchanged from February. Council's forecast rate of return of 6% has been slightly exceeded which is reflected in the earnings chart below.



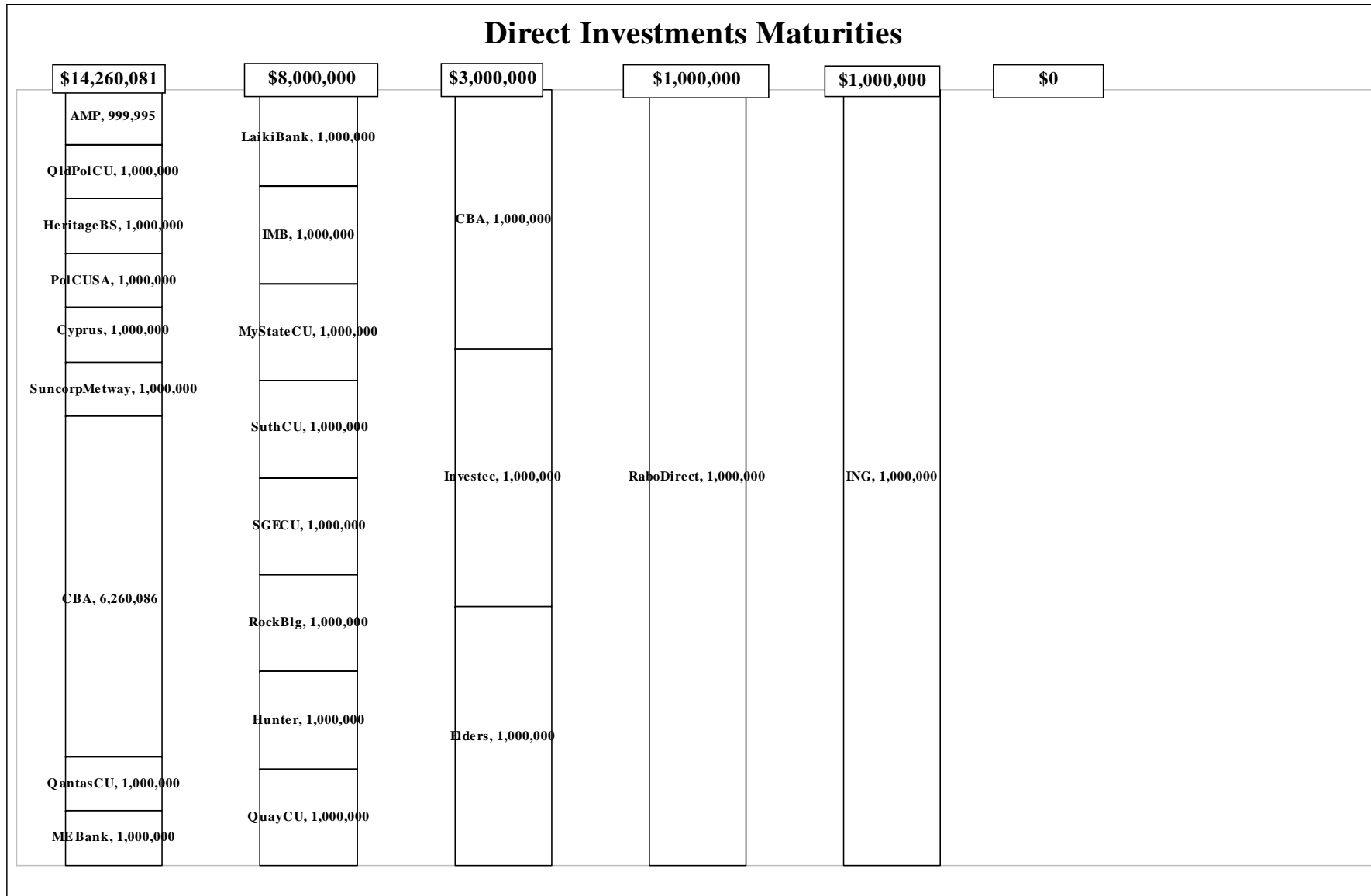
Commentary:

This chart tracks Council’s weighted average return on its direct investment portfolio against a 90 day bank bill index. As Council’s portfolio has become more weighted toward 90 day term deposits as illustrated in the Weighted Average Days to Maturity chart above, the margin Council is achieving above the 90 day term deposit index has contracted. The small margin effectively remained unchanged for March.



Commentary:

This chart tracks the original and revised forecasts of Council’s interest on investments against actual accrued interest to date. Accrued interest to the end of March continues to track slightly ahead of the revised budget forecast as expected due to the higher levels of investments during the first half of the year..



Commentary:

The chart reflects Council's position of generally rolling short term investments.

Movements in Book Value of Investments

Formerly managed by Lehman Brothers

Date	Description	Securities	Cash (Macq Trust)	Grove Portfolio Online/UBS Cash	Total Book Value
				Management Trust	
01/07/2010		8,774,880.00	1,988.94	151,240.08	8,928,109.02
01/07/2010	Interest - GPO Cash Account			243.52	8,928,352.54
12/07/2010	GPO Fee			(653.55)	8,927,698.99
Various	July Coupons			24,649.32	8,952,348.31
02/08/2010	Interest - GPO Cash Account			599.71	8,952,948.02
10/08/2010	Redemption of NM Rothschild FRNs	(1,000,000.00)		1,000,000.00	8,952,948.02
	FV Adjustment (BV @ maturity \$996,290)	3,710.00			8,956,658.02
11/08/2010	GPO Fee			(676.63)	8,955,981.39
30/08/2010	GPO Fee			(666.61)	8,955,314.78
Various	August Coupons			41,399.51	8,996,714.29
01/09/2010	GPO Fee 30/08/2010 reversed			666.61	8,997,380.90
30/09/2010	Redemption of BELO Kalgoorlie	(486,500.00)		486,500.00	8,997,380.90
	FV Adjustment (BV @ maturity \$480,000)	6,500.00			9,003,880.90
30/09/2010	Interest - UBS Cash Account			3,652.48	9,007,533.38
30/09/2010	Mark-to-Market Valuation adjustment	78,905.00			9,086,438.38
Various	September Coupons			124,197.37	9,210,635.75
Various	October Coupons			26,446.44	9,237,082.19
Various	Macquarie Cash Management Account - interest (net)		89.20		9,237,171.39
02/11/2010	Withdrawal - UBS Cash Management Account			(1,800,000.00)	7,437,171.39
03/11/2010	UBS Fee - Sept'10 qtr management fee			(394.53)	7,436,776.86
17/11/2010	UBS Fee - Dec'10 qtr management fee			(681.73)	7,436,095.13
25/11/2010	Redemption of Omega (Henley) CDO	(38,750.00)			7,397,345.13
25/11/2010	FV Adjustment (BV @ maturity \$0)	38,750.00			7,436,095.13
Various	November Coupons			19,005.62	7,455,100.75
14/12/2010	UBS Fee - Dec'10 qtr management fee			(604.34)	7,454,496.41
20/12/2010	Maturity of Herald FRN	(400,000.00)		400,000.00	7,454,496.41
20/12/2010	FV Adjustment (BV @ maturity \$0)	400,000.00			7,854,496.41
31/12/2010	Interest - UBS Cash Account			6,901.07	7,861,397.48
31/12/2010	Mark-to-Market Valuation adjustment	21,465.00			7,882,862.48
Various	December Coupons			124,625.89	8,007,488.37
Various	Macquarie Cash Management Account - interest (net)		16.03		8,007,504.40
19/01/2011	UBS Fee - Dec'10 qtr management fee			(630.66)	8,006,873.74
24/01/2011	Blackrock cash distribution (all capital) to UBS account			145,731.83	8,152,605.57
24/01/2011	Withdrawal - UBS Cash Management Account			(600,000.00)	7,552,605.57
Various	January Coupons			26,693.65	7,579,299.22
Various	Macquarie Cash Management Account - interest (net)		9.23		7,579,308.45
11/02/2011	UBS Fee - Mar'11 qtr management fee			(633.45)	7,578,675.00
Various	February Coupons			27,742.39	7,606,417.39
Various	Macquarie Cash Management Account - interest (net)		7.61		7,606,425.00
15/03/2011	UBS Fee - Mar'11 qtr management fee			(551.29)	7,605,873.71
31/03/2011	Mark-to-Market Valuation adjustment	109,265.00			7,715,138.71
Various	March Coupons			112,470.96	7,827,609.67
Various	Macquarie Cash Management Account - interest (net)		7.60		7,827,617.27
		7,508,225.00	2,118.61	317,273.66	

Formerly managed by Oakvale Capital

Date	Description	Securities	Blackrock	Total Book Value
			Managed Fund	
01/07/2010		930,000.00	1,539,556.44	2,469,556.44
24/01/2011	BlackRock cash distribution to UBS		(145,731.83)	2,323,824.61
		930,000.00	1,393,824.61	

Commentary:

The table above details any movements in Council's portfolio formerly managed by Lehman Brothers and Oakvale Capital. 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 the Grove Portfolio Online cash management account and the deduction of fees associated with Council's current safe custody arrangements.

Council received all expected coupon payments for the month of March.

Arrears of Rents and Fees

The table below summarises the arrears (greater than 30 days) of rents and fees as at 31 March 2011.

Type	Total Collectible (10/11 Revenue + Arrears)	ARREARS		
		> 30 days	> 60 days	> 90 days
General	6,842,774	287,802	100,211	135,841
% of Total Collectible		4.2%	1.5%	2.0%
Environmental Health	89,247	2,560	160	20,414
% of Total Collectible		2.9%	0.2%	22.9%
Preschool	699,822	2,280	0	19,029
% of Total Collectible		0.3%	0.0%	2.7%
Trade Waste	1,486,428	30,149	25,649	69,514
% of Total Collectible		2.0%	1.7%	4.7%
Total	9,118,270	322,791	126,020	244,798
% of Total Collectible		3.5%	1.4%	2.7%

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

There is one Rents and Fees debt greater than \$50,000 outstanding and overdue.

- \$51,163.10 – Energy Australia – restoration works

Staffing changes within Energy Australia have resulted in delays in paying Council invoices. An undertaking has been given to pay the overdue amount.

Grant & Contribution Debts greater than \$50,000

There are three Grant & Contribution debts greater than \$50,000 outstanding at the end of the quarter.

- \$210,000 – Department of Health & Ageing – Gap Park

This amount forms part of the grant funding supporting the works at Gap Park. It has since been paid.

- \$83,347 – Randwick Council – Sustainable Business Program

As part of the 3 Council Ecological Footprint Program, Council has engaged a Sustainable Business Program officer for which grant funding is received. This amount has since been paid.

- \$56,736.62 – City of Sydney – second quarterly contribution to Paddington Library

Council has a funding agreement in place with the City of Sydney in relation to the operation of the Paddington Library. 2010/11 is the second year of the current agreement's operation. This amount has since been paid.

Further, the Committee should note that the amount outstanding for greater than 90 days for Environmental Health is comprised of 129 debtors. Of these, 113 are for amounts of less than \$200 and are extremely difficult to recover cost effectively. Only 3 exceed the \$500 threshold for recovery action.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

ANNEXURES:

1. Mark-to-market valuation of Council's Floating Rate Notes as at 31 March 2011.

Security	Holding	Call Date	Final Maturity Date	Yield / Margin 31 Dec 10	Yield / Margin 31 Mar 11	Valuation 31 Dec 10	Valuation 31 Mar 11	Movement in Value Current Quarter	Movement in Value Year to Date
<i>Current Investments:</i>									
Royal Bank of Scotland (AA)	500,000	28/10/2009	28/10/2014	+5.78%	+4.13%	424,965	451,445	26,480	30,560
HSBC Sub Debt (AA-)	500,000	20/05/2011	20/05/2016	+3.75%	+1.40%	493,465	499,345	5,880	14,765
Suncorp Metway Sub Debt (A)	500,000	22/06/2011	22/06/2016	+3.30%	+3.30%	493,480	496,795	3,315	15,155
St George/Westpac Bank Sub Debt (A+)	1,000,000	26/07/2011	26/07/2016	+1.30%	+1.14%	994,600	997,580	2,980	11,390
HSBC FRN (AA-)	500,000	22/09/2011	22/09/2016	+4.40%	+0.55%	496,025	499,485	3,460	25,335
CBA FRN (AA)	1,500,000	28/09/2011	28/09/2016	+1.30%	+1.14%	1,490,055	1,494,555	4,500	17,250
Westpac FR Sub Debt (AA)	500,000	24/01/2012	24/01/2017	+1.35%	+1.28%	494,515	496,080	1,565	6,665
Royal Bank of Scotland (AA)	1,000,000	17/02/2012	17/02/2017	+22.39%	+19.60%	791,030	851,310	60,280	83,040
Adelaide Bank FRN (BBB+)	500,000	28/03/2012	28/03/2017	+1.10%	+1.10%	495,825	496,630	805	5,475
	6,500,000					6,173,960	6,283,225	109,265	209,635
<i>Maturities:</i>									
NM Rothschild FRSD (unrated) ¹	1,000,000	10/08/2010							3,710
Total FRNs	7,500,000							109,265	213,345

1. Matured on 10 August at full face value of \$1,000,000

Item No: R1 Recommendation to Council
Subject: **GOODS AND SERVICES TAX COMPLIANCE CERTIFICATION**
Author: Don Johnston, Manager Finance
File No: 329G
Reason for Report: To seek a recommendation to Council in regard to Goods and Services Tax compliance certification.

Recommendation:

THAT Council, having noted this report and the statement by the Responsible Accounting Officer, make the following resolution in regard to goods and services tax:

To assist compliance with Section 114 of the Commonwealth Constitution, Council certifies that:

- Voluntary GST has been paid by Woollahra Municipal Council for the period 1 May 2010 to 30 April 2011.
- Adequate management arrangements and internal controls were in place to enable Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

Background:

The Division of Local Government (DLG) requires Councils to certify that it has adequate management systems and internal controls in relation to the goods and services tax (GST) regime. In accordance with the DLG's requirements, the following certification needs to be resolved by Council and signed by the Mayor, a Councillor, the General Manager and the Responsible Accounting Officer (Manager Finance):

To assist compliance with Section 114 of the Commonwealth Constitution, Council certifies that:

- Voluntary GST has been paid by Woollahra Municipal Council for the period 1 May 2010 to 30 April 2011.
- Adequate management arrangements and internal controls were in place to enable Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

A question has been raised with regard to the use of the term 'voluntary' in the above certification. The DLG advises this terminology has been used to merely reflect language applied under Section 5 of *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*. Council only makes GST payments which it is obliged by legislation to make.

The purpose of the GST compliance certificate via separate Council resolution is to allow the DLG to provide more accurate and current information to NSW Treasury. The certification covers the period of 1 May 2010 to 30 April 2011. The due date for the certification to the Department of Local Government is 31 May 2011.

Discussion:

Council's Auditors, Spencer Steer, undertake a continuing transactional based audit throughout the year which includes a check of GST transactions. The latest audit letter of 14 May 2010 reveals no non-compliance in Council's GST management.

Council incorporates tight controls into its GST management procedures. Preparation of the monthly Business Activity Statement (BAS) includes transactional checks for items over \$5,000 to ensure correct GST treatment is applied. Additionally, all transactions with a GST category other than inclusive of GST are individually checked during BAS preparation. Furthermore, the GST control accounts are reconciled to the Business Activity Statement each month.

Council's GST management procedures and internal controls continue to enable compliance with GST Legislation. Council has not received any correspondence from the Australian Taxation Office with regard to outstanding taxation debts attributable to a Business Activity Statement. All Business Activity Statements have been lodged on time and Council's financial system and records together with Australian Taxation Office records via its electronic client interface confirm Council's Business Activity Statements for the period 1 May 2010 to 30 April 2011 have been lodged.

As Responsible Accounting Officer, I am very comfortable in recommending Council accept the GST compliance certification and I also certify that:

- Voluntary GST has been paid by Council for the period 1 May 2010 to 30 April 2011.
- Adequate management arrangements and internal controls are in place to enable Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events have been identified by or raised with the Australian Taxation Office.

Conclusion:

Council's GST compliance certification for the period 1 May 2010 to 30 April 2011 is due to the Department of Local Government by 31 May 2011. Council is required to, by resolution, make the certification set out in the recommendation to this report. To assist in making the required resolution, as Responsible Accounting Officer I confirm that Council's GST management systems and internal controls are tightly managed and this is reflected in its auditor's statement and in the continuing transactional reviews performed which reveal no non-compliance events.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

Annexures:

Nil.

Item No: R2 Recommendation to Council
Subject: **DELIVERY PROGRAM 2009 TO 2013 & OPERATIONAL PLAN 2011/12**
Author: Don Johnston, Manager Finance
Helen Tola, Governance & Corporate Planning Coordinator
File No: 1229.G 2011/12
Reason for Report: For the Committee to review submissions received following public exhibition of the draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 and make a recommendation for the adoption of the Delivery Program 2009 to 2013 and Operational Plan 2011/12.

Recommendation:

1. That Council note the three (3) submissions received on the draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 in response to the public exhibition.
 2. That Council adopt the exhibition copy of the draft Delivery Program 2009 to 2013 and Operational Plan 2011/12, including the Special Rate Variation Approval Scenario Budget and with the minor amendments detailed in this report, as its Delivery Program 2009 to 2013 and Operational Plan 2011/12.
 3. That Council make and levy the Rates for 2011/12 as follows:
 - If the Special Rate Variation is approved: As set out in the Rating Structure – Scenario 1: Special Variation Approved - incorporating the 2.8% permissible increase plus a 7.02% Special Variation including renewal of the Environmental & Infrastructure Renewal Levy, resulting in an effective increase of 3.94%, subject to approval by the Independent Pricing & Regulatory Tribunal of its Special Rate Variation application.
 - If the Special Rate Variation is not approved in its entirety: As set out in the Rating Structure – Scenario 2: Special Variation Not Approved - incorporating only the 2.8% permissible increase and reduction of the Environmental & Infrastructure Renewal Levy by the expiring amount of \$1,739,111.
 4. That advice of Council's adoption of its Delivery Program 2009 to 2013 and Operational Plan 2011/12, including the Special Rate Variation Approval Scenario Budget, be provided to the Independent Regulatory & Pricing Tribunal in accordance with the Special Rate Variation Application Guidelines.
 5. That a further report be presented to the Corporate & Works Committee advising in respect of the Independent Pricing and Regulatory Tribunal (IPART) determination of Council's Special Rate Variation Application.
 6. That the further report referred to in Recommendation 5 above include details of any amendments required to Council's 2011/12 budget and rating structure in the event that the Special Rate Variation is not approved in its entirety.
-

Background:

In considering Council's Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 at its meeting on 28 March 2011, Council resolved:

1. *THAT the Committee note that the Special Rate Variation Approval Budget Scenario (retention of the levies) presented to the Corporate & Works Committee at its meeting on 7 March 2011 and now incorporated into the draft DPOP, was prepared with its principle strategy being to provide sufficient funding for all continuing services, essential service expansions, infrastructure renewal and capital improvements at similar levels and ratios, and maintenance of an adequate working capital balance.*
2. *THAT Council's Special Rate Variation application impress upon IPART the Woollahra Community's strong support for the continuation of existing service delivery and retention of the existing levies paid for the past 5 years for environmental & infrastructure renewal and service standards, which is highlighted through recent Community Survey results.*
3. *THAT the Special Rate Variation Non-Approval Scenario Budget (removal of the levies funding) be included in the Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 on the basis of not funding the infrastructure renewal program to the value of the Special Rate Variation application, i.e. \$2.089 million.*
4. *THAT the resolutions from the Urban Planning and Community & Environment Committees endorsing the inclusion of actions considered by them in the Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 be received and noted.*
5. *THAT the 2011/2012 Draft Schedule of Fees & Charges be updated with the following structure of the Advertising & Neighbour Notification Fee:*

Value of Works	Fee
<i>Less than \$100,000</i>	<i>\$224</i>
<i>\$100,000 - \$499,999</i>	<i>\$400</i>
<i>\$500,000 - \$749,999</i>	<i>\$530</i>
<i>\$750,000 and above</i>	<i>\$830 (maximum fee permitted)</i>

6. *THAT, in light of funding requests received from the Holdsworth Community Centre (including the impacts of the equal pay case) and the Paddington Business Partnership and pending a staff report being presented in relation to future usage of the EJ Ward Centre, the surplus funds identified in the report be held until a review of these matters is completed.*
7. *The Committee note that in the event of an unsuccessful Special Rate Variation Application, significant funding cuts will be required for priority items in the budget. Council will need to undertake a comprehensive review of its long term financial plan given the significant impact such a decision will have on both operational and capital funding.*
8. *That, for the purposes of public exhibition, the Scenario 1 rating structure be updated in accordance with the late correspondence from the Manager Finance tabled at this meeting.*
9. *That the Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 incorporating the Draft 2011/12 Budget, be placed on public exhibition for 28 days in accordance with the requirements of Sections 404 and 405 of the Local Government Act 1993 and submissions sought from the public in respect of the Draft Plan.*

10. *That a further report be presented to the Corporate & Works Committee following the public exhibition period advising of any submissions received with a recommendation to Council regarding the adoption of the Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12.*

The contents of the Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 have been developed through a series of Council and Committee meetings. The following timetable has been followed.

2011 Corporate Planning Timetable

Month	Date	Activity
Mar	7	Councillor Information Session with <i>Review Today</i> consultants on the Long Term Financial Plan (LTFP) and proposed Special Rate Variation application.
Mar	7	Corporate & Works Committee to consider the <i>Draft Delivery Program 2009 to 2013 & Operational Plan 2011/12 including draft Budget.</i>
Mar	14	Community & Environment Committee and Urban Planning Committee to consider Actions as reported to the Committee via the Quarterly Reviews process.
Mar	21	Corporate & Works Committee to consider <i>Draft Delivery Program 2009 to 2013 & Operational Plan 2011/12 & draft Budget</i> for public exhibition.
Mar	25	Lodgement of SRV Application with IPART.
Mar	28	Council meeting to endorse exhibition of <i>Draft Delivery Program 2009-2013 and draft Operational Plan 2011/12.</i>
April	6	Commence public exhibition of <i>Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12</i> (28 days).
May	4	End of Public Exhibition.
May	9	Corporate & Works Committee meeting to consider submissions received and recommend adoption of <i>Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12</i> to Council.
May	16	Council meeting to adopt the <i>Delivery Program 2009 to 2013 and Operational Plan 2011/12.</i>
June	10	Deadline for IPART to advise Council of SRV Application.

Submissions received:

Exhibition of the *Draft Delivery Program 2009 to 2013 and Draft Operational Plan 2011/12* commenced on Wednesday 6 April 2011 and closed on Wednesday 4 May 2011.

By the conclusion of the public exhibition period, three submissions had been received.

Copies of the submissions are provided as **ANNEXURE 1**.

A summary of the matters raised in the submissions along with suggested Council responses to the matters raised in the submissions, is provided below:

Summary of Submission		Suggested Council Response
1	<p>This submission supports the retention of the existing Environmental and Infrastructure Renewal Levy; makes a suggestion that <i>Quality Places and Spaces</i> is the most important theme followed by <i>Community Leadership and Participation</i>; seeks capital expenditure for the development of a major places and spaces project; and suggests Council align its four division organisational structure more in unison with the 5 themes.</p>	<p>The comments supporting the retention of the Environmental & Infrastructure Renewal Levy are reflective of the results of the recent community survey undertaken which demonstrated overwhelming community support for continuation of the levy.</p> <p>Whilst Council's Delivery Program and Operational Plan are structured around 5 broad and interrelated Themes, all Themes are considered to be of equal importance.</p> <p>The suggestion of a major places and spaces project could be the subject of consultation with the community on the preparation of Council's next four year Delivery Program. The focus at this time has been to secure retention of the existing Levy to ensure the continuation of environmental & infrastructure projects for the remaining 2 years of Council's current Delivery Program.</p> <p>Council's current organisational structure is considered appropriate in ensuring the effective and efficient delivery of services to the community. Reporting of Council's achievements against the Priorities and Actions contained in the Delivery Program and Operational Plan is aligned to the 5 Themes. It is also noted that the Delivery Program and Operational Plan includes clear reference to the 'Responsible Person' within Council's organisational structure who has responsibility for delivery of the relevant Priorities and Actions.</p>
2	<p>This submission is not supportive of the Special Rate Variation (SRV) to IPART, outlines concerns relating to the principle of funding all continuing services, promotes the setting of Development Application fees by Council and reiterates Council's views of the inequity of the distribution of the Emergency Services Levy.</p>	<p>Whilst Council acknowledges the views in relation to the Special Rate Variation (SRV), they are not reflective of the results of the recent community survey undertaken which demonstrated overwhelming community support for continuation of the Environmental & Infrastructure Renewal Levy.</p> <p>The principle of funding all continuing services and service levels in Council's draft budget is based on community survey outcomes that indicate the wide range of services are viewed as important and that Council's budget is well targeted at delivery those services.</p>

Summary of Submission	Suggested Council Response
	<p>There is no doubt that if Council were able to set development application fees itself there would be the potential for financial benefit. However, while the fees remain set by legislation, this benefit cannot be realised.</p> <p>Council has taken every opportunity to oppose the existing method of distributing the Fire Brigade component of the Emergency Management Contribution. A more equitable proposal in IPART's Review of State Taxation for "a transparent property based levy" and "exclusion from the municipal rates cap" was supported.</p> <p>The de-regulation of DA fees and the Emergency Management Levy funding methodology are matters to be addressed with the new State Government.</p>
<p>3 This application is supportive of the Special Rate Variation (SRV) for many projects which need special attention. It also raises two items for future consideration being a community centre for Rose Bay and encouraging residents and ratepayers not to litter their beautiful suburbs.</p>	<p>The comments supporting the retention of the Environmental & Infrastructure Renewal Levy are reflective of the results of the recent community survey undertaken which demonstrated overwhelming community support for continuation of the levy.</p> <p>In relation to a community centre for Rose Bay, consultants have been engaged to complete the Woollahra Community Facilities Study. The project is anticipated to be completed by May 2011 providing recommendations for Council consideration in line with the broader asset management strategy.</p> <p>Residents are kept informed of issues and campaigns concerning waste services through our website and relevant educational and promotional materials.</p>

It is very pleasing to note that 2 of the submissions received are supportive of the Special Rate Variation Application that seeks to retain the existing Environmental & Infrastructure Renewal Levy.

In many respects this is not surprising given the strong community support for the proposal that was evident through the community survey conducted in February 2011. The results from the random telephone survey showed that 84% of residents surveyed supported the continuation of the levy and 68% of residents surveyed supported the 1.1% increase in rates over the next two financial years to cover the extraordinary increases in the Emergency Management Levy. These results demonstrated that infrastructure continues to be a key priority for the Woollahra community.

An invitation to attend the Corporate and Works Committee on 9 May 2011, along with a copy of this report was forwarded to each submitter for their perusal, prior to the meeting.

Council also received a brief letter of support for the Special Rate Variation (SRV) as a result of earlier publicity also commenting on Council's rating structure. A copy of this letter is attached as

ANNEXURE 2.

Details of any further submissions received will be forwarded to Councillors for consideration via late correspondence.

Amendments:

Delivery Program 2009 to 2013 and Operational Plan 2011/12

There are no amendments to the *draft Delivery Program 2009 to 2013 and draft Operational Plan 2011/12* recommended in response to the submissions received.

The *draft Delivery Program 2009 to 2013 and Operational Plan 2011/12* was reviewed internally during the exhibition period with a minor typographical error to priority 11.2.1 being identified and corrected as a result.

2011/12 Fees and Charges:

Subsequent to placing the *draft Delivery Program 2009 to 2013 and Operational Plan 2011/12* on public exhibition, Council received notification from the Division of Local Government in relation to the fee determined for Section 603 Certificates (certificates of outstanding rates and charges). The fee for 2011/12 has been determined as \$65.00, a \$5.00 increase on the \$60.00 advertised. This is the first increase since 2008/09 when the fee was increased from \$55.00 to \$60.00.

There has also been an amendment to the Supplementary Information provided in relation to the reduction and waiver of fees and charges related to solar panels and solar electricity panels as per Council's resolution of 23 March 2009. The Supplementary Information for development application fees for 2010/11 read:

Excluding the cost of works for photovoltaic systems and solar hot water (including gas boosted) systems.

To reflect the updated legislation, expanding the systems covered, the Supplementary Information has been amended to read:

Excluding the cost of works for any proposed Solar Energy System including the following:

- *a photovoltaic electricity generating system/s, and/or*
- *a solar hot water system/s, and/or*
- *a solar air heating system/s.*

Further Review of the 2011/12 Budget:

The draft Budget for 2011/12 contained in the Council's Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 is predicated on a successful Special Rate Variation application in relation to renewal of Council's Environmental & Infrastructure Renewal Levy and substantial increases in its Emergency Management contributions.

It is expected that IPART will hand down its determination in respect of Council's Special Rate Variation application on 10 June 2011. A further report will be presented to the Corporate & Works Committee advising in respect of the IPART determination.

As outlined in the report to the Corporate & Works Committee in March, the impact of IPART not approving Council's Special Rate Variation application is significant and will result in Council needing to undertake a comprehensive review of its long term financial plan given the significant impact such a decision will have on both operational and capital funding.

It should also be noted that the draft 2011/12 Budget has retained surplus funding in the order of \$69,000 pending a review of the of the additional funding requests received from the Holdsworth Community Centre (including the impacts of the equal pay case) and the Paddington Business Partnership, and pending a staff report being presented in relation to future usage of the EJ Ward Centre. It is considered that further consideration of these matters await the outcome of the IPART decision.

Conclusion:

On 28 March 2011 Council resolved to place the draft Delivery Program 2009 to 2013 and Operational Plan 2011/12 on public exhibition.

Three submissions have been received as a result of the public exhibition of the draft Plan. Details of the matters raised in the submissions, along with suggested Council responses to the submissions are provided in the report. There are no amendments to the *Draft Delivery Program 2009 to 2013 and Operational Plan 2011/12* recommended in response to the submissions received.

Having considered the submissions received, it will be recommended that Council adopt the exhibition copy of the draft Delivery Program 2009 to 2013 and Operational Plan 2011/12, including the Special Rate Variation Approval Scenario Budget and with the minor amendments detailed in this report, as its Delivery Program 2009 to 2013 and Operational Plan 2011/12.

Subject to Council's adoption of the recommendation in respect of the Delivery Program and Operational Plan, advice will be provided to the Independent Regulatory & Pricing Tribunal in accordance with the Special Rate Variation Application Guidelines.

It is also recommended that a further report be presented to the Corporate & Works Committee advising in respect of the Independent Pricing and Regulatory Tribunal (IPART) determination of Council's Special Rate Variation expected to be handed down on 10 June 2011 with the further report to include details of any amendments required to Council's 2011/12 budget and rating structure in the event that the Special Rate Variation is not approved in its entirety.

Don Johnston
Manager Finance

Helen Tola
Governance & Corporate Planning Coordinator

Stephen Dunshea
Director Corporate Services

Gary James
General Manager

ANNEXURES:

- Annexure 1 Submissions received in response to the *draft Delivery Program 2009 to 2013 and Operational Plan 2011/12*.
- Annexure 2 Letter of support of Council's Special Rate Variation Application.

Item No: R3 Recommendation to Council
Subject: **Reconstruction of Stephen Lane, Paddington.**
Author: Jake Matuzic, Manager Civil Works and Infrastructure
File No: Tender No 11/04
Reason for Report: To recommend Council not accept any tenders

Recommendation

- A. That Council decline to accept any of the tenders and advise the unsuccessful tenderers accordingly.
- B. That Council proceed with the project as per the revised scope of works described in this report, by entering into negotiations with any contractor (whether or not the contractor was a tenderer) with a view to entering into a contract in relation to the revised scope of works, through undertaking the necessary procurement processes for a project of this size.

Background

Council has included the reconstruction of Stephen Lane, Paddington as part of its 2010/11 Capital Works Program. The area of works to be carried out under this contract is shown on the aerial photograph below:



Invitation to Tender

Tender 11/04 for the reconstruction of Stephen Lane, Paddington was advertised in the Tenders section of the Sydney Morning Herald commencing on Tuesday 8 March 2011, and in the Wentworth Courier on Wednesday 9 March 2011.

A pre-tender meeting was held on Wednesday 23 March 2011. All tenderers who had registered their interest in the tender were invited to attend. Questions raised by tenderers were answered and a record of the questions and answers was circulated to all tenderers who attended or who registered on Council's website. Tenders for this project closed at 2:30pm on Thursday 31 March 2011. Five (5) tenders were received by the closing date and time. No late tenders were received.

TENDERER	LUMP SUM TENDER PRICE	TIME (Weeks)
Ozpave Aus Pty Ltd	\$147,108.26	6
Civil Works (NSW) Pty Ltd	\$147,970	4
Melhemcorp Pty Ltd	\$156,666	5
Sydney Civil Pty Ltd	\$196,284	5
North Shore Paving	\$356315.38	12

Tender Assessment

The works that were tendered included a full reconstruction of the road pavement, reconstruction of the sandstone kerb and concrete gutter on both sides of the laneway, reconstruction of the majority of the concrete footpath and driveways and establishment of a new piped drainage system. The intent of the works was to renew the dilapidated infrastructure and improve vehicular and pedestrian access to several properties in the laneway. The three lowest priced tenders received were in the order of \$150,000 to \$160,000.

During the assessment a revised scope of works was considered, including reconstruction of the road pavement, reconstruction of only two driveways and repair to the failed sections of path, retaining the majority of footpath and driveways which are in good condition, retaining the majority of sandstone kerb and concrete gutter which is also in good condition, and no new piped drainage system. A cost estimate for the revised scope of works using the rates submitted by Council's asphalt works and minor civil works contractors is approximately \$60,000.

This revised scope of works would achieve the same outcome, renewing the dilapidated infrastructure, improving vehicular access and pedestrian access to several properties in the laneway for approximately half the cost.

Identification of Income and Expenditure

Expenditure to date for survey, design and setout for this project is approximately \$20,000. Council has allocated a budget of \$50,000 in the 2010/2011 Capital Works Program for the construction of Stephen Lane.

Prior to tendering it was recognised that the budget for this project would be insufficient to cover the tendered scope of works. The intention was to draw down additional funds from the Infrastructure Levy Reserve to cover the over expenditure.

The revised scope of works will require additional funds of \$30,000 to be allocated to this project, but this is significantly less than would be required if the works proceed as per the tendered scope.

The additional \$30,000 budget required can be transferred to this project from the Infrastructure Levy Reserve as part of the March budget review process.

Recommendation

It is recommended that Council decline to accept any of the tenders and advise the unsuccessful tenderers accordingly.

It is recommended that Council proceed with the project as per the revised scope of works described in this report, by entering into negotiations with any contractor (whether or not the contractor was a tenderer) with a view to entering into a contract in relation to the revised scope of works, through undertaking the necessary procurement processes for a project of this size.

Jake Matuzic
Manager Civil Works and Infrastructure

Tom O'Hanlon
Director Technical Services

**POLITICAL DONATIONS DECISION MAKING FLOWCHART
FOR THE INFORMATION OF COUNCILLORS**

