

Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 7 September 2009*

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:

6 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

4 September 2009

To: His Worship The Mayor, Councillor Andrew Petrie ex-officio
Councillors Greg Medcraft (Chair)
Anthony Boskovitz
Peter Cavanagh (Deputy)
Nicola Grieve
Ian Plater
Isabelle Shapiro

Dear Councillors

Corporate & Works Committee Meeting – 7 September 2009

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 7 September 2009 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 17 August 2009	1
D2	June Quarter Budget Review – 2008/2009 Year End Result – 331G 2008/2009	2
D3	Council Depot, O’Dea Avenue – Right of Access Licence for Amelia Street – 797.G	9
D4	9 Fisher Avenue, Vaucluse – Proposed Road Closure and Sale – 166.9	16
D5	Results of Expressions of Interest Related to Payment for Parking via Mobile Phones – 1038.G	19

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

R1	Statutory Review Payment of Expenses and Provision of Facilities to the mayor, Deputy Mayor and Councillors Policy – 18.G	26
R2	General Purpose Financial Report for the year ended 30 June 2009 – 331G 2008/2009 *Annexure 2 distributed separately	43
R3	Attunga Street (Formerly Queen Street East), Woollahra – Acquisition of Roadway for Public Use – 17 (Part 2)	56
R4	10 Wharf Road, Vaucluse – Proposed Road Closure and Sale – 492.10	71
R5	48 Cranbrook Road, Bellevue Hill, Proposed Lease – 119.48	77
R6	Collection, Counting and Banking of Parking Meter Fees – Tender 09/10	80

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 7 September 2009**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 17 August 2009 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 17 August 2009 be taken as read and confirmed.

Les Windle
Manager – Governance

Item No: D2 Delegated to Committee
Subject: **June Quarter Budget Review - 2008/2009 Year End Result**
Author: Don Johnston, Manager Finance
File No: 331G 2008/2009
Reason for Report: To present the Committee with the final review of the 2008/2009 Budget and the final result for the 2008/2009 financial year

Recommendation:

- A. That the June Quarter Budget Review and the 2008/2009 financial results be received and noted
-

Background:

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

The 2008/2009 financials have now been finalised. Part of this process is the revote or rollover of unexpended funds from the 2008/2009 budget into the new financial year budget. These were considered by the Committee at its last meeting and adopted by Council on 24 August 2009.

The general purpose financial report has also been prepared and audited and is the subject of a separate report on tonight's agenda seeking the adoption of Council's statement in relation to the financial report.

This report presents the Committee with a final review of the 2008/2009 Budget, comparing Council's actual result for the year with the most recent revised forecast made in the March Quarterly Budget review.

Summary:

The latest review of the 2008/2009 Budget in March anticipated a working funds position of \$2.098m and an unrestricted current ratio of 2.17:1.

The 2008/2009 financial reports disclose an operating deficit for the year of \$1.317m and an unrestricted current ratio is 2.51:1. Council's budget result for the year however was a \$0.156m deficit resulting in a working funds position of \$2.010m.

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

Council's working funds and liquidity both remain sound at year end as does Council's overall financial position. There is a separate report on tonight's agenda dealing with the general purpose financial report for the year ended 30 June 2009.

Discussion:

The results for the 2008/2009 financial year are summarised below.

Item	Original Budget \$'000	March Forecast Result \$'000	Actual Result \$'000
Operating Result	1,082 (Surplus)	1,698 (Surplus)	(1,317) (Deficit)
Budget Result (Working Funds Movement)	2 (Increase)	(68) (Decrease)	(156) (Decrease)
Working Funds	2,166	2,098	2,010
Unrestricted Current Ratio	2.22:1	2.17:1	2.51:1

Operating Result

The operating result is less than forecast. This is partly attributable to a \$1.323m revaluation of Council's investment portfolio which is disclosed on the Income Statement (reducing Interest & Investment Revenue income). Full details of this fair value adjustment are provided in the separate report on Council's General Purpose Financial Report also on tonight's agenda. The variances discussed in the Working Funds section of the report below have also impacted on the operating result for the year.

Working Funds

The movement in Council's working funds has deteriorated by some \$88k for the June quarter to a reduction of \$156k for 2008/2009, the budget result, leaving a working funds balance of \$2.010m at 30 June compared to the March forecast result of \$2.098m. The reduction arises from numerous variances to budget across Council. The table below summarises the major variances and provides a brief commentary.

Item	March Forecast \$'000	Actual \$'000	Variance Favourable (Unfavourable) \$'000	%	Comment
Income					
Trade Waste Service Charges	1,142	1,220	78	6.8%	\$64k of the increase arose from an increase in the number of services provided with a further \$14k coming from increased utilisation of the paper recycling service.
Recovered Costs	171	276	105	61.4%	The variance arises from 3 sources <ul style="list-style-type: none"> • \$30k prepaid works • \$34k Preschool income (transferred to restricted cash at year end) • Various property related recoveries exceeding forecast by \$40k
			(34)		Transfer of Preschool contributions to restricted cash.

Restoration Charges	1,877	1,757	(120)	6.4%	The December Budget Review forecast a substantial increase in restoration activity and a consequential increase in income. Issues around utilities (particularly Energy Australia) contesting charges saw income not reach forecast levels.
DA and associated Fees	985	864	(121)	12.3%	Optimistically, income forecasts were not revised down over the course of the year. The largest contributor to this shortfall was DA Fees, falling by \$108k, reflecting reduced development activity.
Compliance Levy	260	153	(107)	41.2%	This shortfall arose from the need to correct the GST treatment of the Levy for the current and previous years.
Other Fees & Charges	424	513	89	21.0%	There were increases above forecast for a number of fees and charges which, individually are not material, but together contribute to an improvement in income. The main items are: <ul style="list-style-type: none"> • Crane Permits \$24k • Premises Inspection \$11k • Vehicle Crossing Inspections \$25k • Advertising Fees \$34k
Infringements	4,050	4,260	210	5.2%	Reflects an increase in the number of infringements paid over the year.
Car Park Leases	1,576	1,696	120	7.6%	Utilisation of the Cross St car park was higher than forecast and the liquidated damages from the Cosmopolitan Centre car park exceeded forecast.
Risk Management Bonus	179	109	(70)	39.1%	The Budget provided for an OHS performance rebate and Workers' Comp. Scheme Rebate. The Board of Council's insurer resolved not to pay the Scheme Rebate and did not advise Council.

Sundry Income	27	81	54	200.0%	<p>This variance arises from numerous small variances, the main ones being:</p> <ul style="list-style-type: none"> \$20k prepaid works transferred to income based on previous year expenditure \$14k in late payment penalties from Premier Parking <p>Some of this increased income was transferred to the Preschool Reserve</p>
			(7)		
Interest on Investments	2,838	3,070	232	8.2%	<p>Interest returns over the last quarter of the year were higher than anticipated, particularly from the BlackRock managed fund which is being sold down.</p> <p>The improved returns, along with incomplete capital projects, resulted in an increased transfer to Section 94</p>
			(65)		
Grants & Contributions	2,587	3,128	541	20.9%	<p>The largest variations were \$340k from an advance payment of the Financial Assistance Grant (restricted at year end) and Library RFID grants \$98k (also restricted at year end). There were other small variances in operating grants across Council including \$19k in the Preschool's operating grant (restricted at year end) \$13k in Traffic Route Lighting subsidy and \$17k in Sydney Ferries contribution</p> <p>Restriction of FAG, RFID and Preschool grants</p>
			(494)		
Expenditure					
Salaries & Wages	25,847	25,858	(31)	0.1%	<p>Total employee costs were in line with budget forecasts.</p> <p>Over-expenditure relating to the Domestic Waste Management (DWM) service and funded from the DWM Reserve.</p>
			194		
Materials, Stationery & Stores Issues	3,695	3,585	110	3.0%	<p>There were no individually material variations, however, across Council the savings contributing to a reduction in forecast expenditure.</p>

General Contracts	3,556	3,898	(342)	8.1%	<p>Again this variance arose from variations across Council. There were, however, two material over-expenditures:</p> <ul style="list-style-type: none"> \$194k in restoration contract works \$60k Recycling Contract (funded by DWM) <p>DWM funding of Recycling Contract over-expenditure.</p>
Legal Expenses & Appeal Consultants	2,061	2,702	(641)	31.1%	<p>The Original Budget of \$1,187k was increased in quarterly Budget Reviews over the year to \$2,061k (an increase of \$874k). These expenses in Development Control exceeded budget by a further \$543k. Over the course of the year, \$553k was spent in relation to the Marinas alone.</p> <p>There was also over-expenditure in the Property area of \$44k including Dunbar House (\$15k) and the Cosmopolitan Centre (\$29k)</p> <p>The remaining \$54k variance arose from smaller variations across Council.</p>
Contributions to Other Organisations	380	277	103	27.1%	<p>The two main variances here are:</p> <ul style="list-style-type: none"> Council's \$ for \$ contribution to the Double Bay Partnership requiring only \$125k of the \$200k budget. Council's \$16k contribution to the cleaning of Paddington Library not required.
Insurance Premiums (other than Workers' Comp)	1,171	1,057	114	9.7%	<p>A saving in Council's Public Liability/Professional Indemnity (PL/PI) Premium arose from an increase in the deductible from \$20k to \$50. Part of this saving was transferred to the Insurance Reserve with the remainder offsetting increased self funded losses.</p> <p>Transfer to Insurance Reserve</p>
			60		
			(51)		

Workers' Compensation Insurance	1,355	1,264	91	6.7%	The saving reflects improved claims experience to 30 June 09.
			155		In addition to this saving, the amount attributable to the DWM Service increased based on a revised calculation.
			(139)		As a result of these overall savings, a forecast transfer from the Insurance Reserve was not required.
Street Lighting Charges	1,149	1,106	43	3.7%	The forecast was based on a 9% increase in charges that did not eventuate.
Self Funded Losses	435	499	(64)	14.7%	This net increase in self funded losses relates to PL/PI claims and if offset by a reduction in Premium. It is also worth noting that, in gross terms, it includes \$449k expended in 2008/2009 on repairs at Bellevue Hill. A debtor has been raised against Sydney Water for the recovery of these costs.
Tipping Charges	2,353	2,624	(271)	11.5%	This over-expenditure is a combination of increased tonnages tipped and increased State Government charges. Some of the over-expenditure is recovered through the DWM Charge.
Recoverable Expenses	176	212	(36)	20.5%	This increased expenditure is offset by increased Recovered Costs relating to Property matters as outlined in 'Recovered Costs' above.
Plant & Vehicle Running Costs	2,390	2,350	40	1.7%	There were minor savings in running costs across Council's fleet.
Sales of Unmade Roads	200	110	(90)	45.0%	Projected sales did not reach contract exchange.
Other Minor Variations			22		This is the net off other variations in the Budget bringing the total movement to \$88k.
Capital Budget					
Project Expenditure	27,025	26,940	85	0.3%	There were small savings across a range of projects that were not required for revote or rollover.
Reduction in Working Funds			(88)		

Conclusion:

The final budget result for the year was a reduction in working funds of \$156k, \$88k more than forecast in the March Budget Review, resulting in a working funds balance of \$2.010m at 30 June. At this level the working funds balance is slightly below the minimum benchmark figure of \$2.083m.

Council's operating result for the year was a deficit of \$1.317m including depreciation expense of \$10.092m and a further fair value adjustment to Council's investment portfolio of \$1.323m.

The report details the major variances to Council's forecast result.

Council's working funds and liquidity both remain sound at year end as does Council's overall financial position. There is a separate report on tonight's agenda dealing with the financial reports for the year ended 30 June 2009.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

Annexures: Nil.

Item No: D3 Delegated to Committee
Subject: Council Depot, O' Dea Ave - Right of Access Licence for Amelia St
Author: Anthony Sheedy, Property Officer
File No: 797.G
Reason for Report: To consider a request from the Lessee of an adjoining property for the use of an area of Council's Depot, to allow improved access to their property.

Recommendation:

That Council grant Pacific Industrial Converting Pty Ltd a licence for a right of access across a 65.83 square metre portion of Council's O'Dea Street depot (Lot 3 in deposited plan 789878) adjoining Amelia Street, Waterloo; subject to the following conditions:

- a) Licence term is for 4 years.
- b) Payment of a licence fee of \$4761 per annum plus GST, with annual CPI review.
- c) Licensee may give three months notice of licence termination in year four of the licence on account of their lease being terminated due to Lessor's demolition.
- d) The applicant agreeing to pay all Council's costs associated with licence preparation.

Background:

A right of way in favour of the owner 28 Amelia Street (lot 11/DP 849026) exists across a corner portion of the Council's Waste services depot at 52-54 O'Dea Avenue, Waterloo being lot 3 in deposited plan 789878.

Council has received a request from the Lessee of 28 Amelia Street, Waterloo being Pacific Industrial Converting Pty Ltd (ACN 095 577 843) to licence the use (right of access) of an additional 65.83 square metre area of Council's O'Dea Ave Depot in Waterloo to their property for warehouse vehicle movements (see plan of proposed licence area in Annexure 1).

I note that the owner of 28 Amelia Street (South Dowling Pty Ltd) was successful in obtaining a previous grant of licence over the same 65.83 square metre area from Woollahra Council in 2006, where the Corporate and Works Committee resolved at its meeting of 18 September 2006:

That Council grant South Dowling Pty Ltd a licence for a right of way access across a 65.83 square metre portion of Council's O'Dea Street Depot adjoining Amelia Street, Waterloo; subject to the following conditions:

- a) *Licence term is for 2 years, commencing 3 February 2006.*
- b) *Payment of a licence fee of \$4761 per annum plus GST, with annual CPI review.*
- c) *The applicant agreeing to pay all Council's costs associated with licence preparation.*

A copy of the Committee report 18 September 2006 is attached (Annexure 1).

In April 2008 South Dowling Pty Ltd requested that the licence be terminated, to which Council did not unreasonably withhold its consent.

Pacific Industrial Converting Pty Ltd (PIC) has since entered into a Lease with South Dowling Pty Ltd. The Manager of PIC has stated in his letter of 8 May 2009, that it is important for them to gain access to their leased warehouse (28 Amelia Street) via Council's Depot land so as to facilitate the movement of six small vehicles in and out of the warehouse.

PIC has a 4 year lease with the warehouse owner, and the lease also has a 4 year option attached which may be exercised by the lessee. They would like the ability to give 3 months notice of termination of the licence within the fourth year of the licence commencement, as this would be in accord with their lease which has a 3 month demolition clause for site redevelopment. It is preferred that lease and licence have concurrent termination dates, so we recommend that this request is accepted as proposed.

The proposed licence area has been valued by consultant Valuer, Corporeal Property Valuers and they have determined that “the market rental for a right of access over the rear of 52-54 O’Dea Ave, Waterloo [28 Amelia Street] as at 29 May 2009 is \$4,761 per annum”. This amount is exclusive of GST, which is payable by the Licensee under the terms of the licence agreement.

PAC has agreed to pay a licence commencement rental of \$4761 per annum plus GST for a “right of access across the additional 65.83 square metres of Council land. PAC has also agreed to pay all Council’s costs associated with the licence preparation, including but not limited to valuation and legal fees.

Conclusion:

It is recommended that Council enter into a 4 year term licence agreement with Pacific Industrial Converting Pty Ltd, at the rental of \$4761 per annum plus GST as determined by the consultant Valuer, with annual rent review to CPI.

The applicant has provided written acceptance of Council’s terms and conditions, and now requests formalisation of the licence agreement.

Anthony Sheedy
Property Officer

Warwick Hatton
Director, Technical Services

ANNEXURE:

1. Copy of Corporate and Works Committee meeting report 18 September 2006.
2. Site photo.

Item No: D4 Delegated to Committee
Subject: **9 Fisher Avenue, Vacluse - Proposed Road Closure And Sale**
Author: Anthony Sheedy, Property Officer
File No: 166.9
Reason for Report: To give consideration to the closure and subsequent sale of unmade roadway adjoining the property.

Recommendation:

- A. That the subject portion of Fisher Avenue road reserve adjoining 9 Fisher Avenue, Vacluse, be valued for its current market sale price.
 - B. That a further report be submitted, following Point A above.
-

Background:

The Corporate and Works Committee considered this matter on 6 July 2009, where it was resolved:

That the proposal to sell a section of unmade road reserve adjoining 9 Fisher Avenue, Vacluse, be advertised and notified to adjoining properties.

That a further report be submitted, following part A above.

Council has received a request from the owner of 9 Fisher Avenue, Vacluse to purchase an estimated 126 square metre irregular shaped section of Gilliver Avenue road reserve which adjoins their property; for the purpose of formalising the existing encroachment upon the road reserve, being brush fencing and landscaping.

The subject land is identified hatched on the attached survey plan (Annexure 1) and is steeply sloping with no need for pedestrian access. There is no benefit to Council to widen the road at this location.

Pursuant to the Council resolution of 6 July 2009, an advertisement was placed in the Wentworth Courier of 22 July 2009 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 within 50 metres of the subject land were also sent a letter of Notice, including a plan which detailed Council's proposal to close and sell the unmade road portion to the adjoining owner of 9 Fisher Avenue, Vacluse.

No letters of objection were received from the public in regard to the advertisement and proposal for sale of road reserve to the owner of 9 Fisher Avenue. It is considered appropriate that the encroachments are formalised by the owner purchasing the land at the current market sale price as determined by valuation, in accordance with the procedures for the Sale of Council land; and a further report be submitted.

I note that the owner of 9 Fisher Avenue, Vacluse has agreed to pay all Council's costs (including valuation) in connection with the purchase of the subject road reserve portion.

Conclusion:

In accordance with Council's Policy and Procedure for the Sale of Council Land, it is recommended that the proposal be valued for its current market sale price; and a further report be submitted.

Anthony Sheedy
Property Officer

Warwick Hatton
Director, Technical Services

ANNEXURE:

1. Survey Plan identifying the subject road reserve portion.

Item No: D5 Delegated to Committee
Subject: **Results of Expressions of Interest Related to Payment for Parking Via Mobile Phones**
Author: Trent Scrivener – Project Engineer Streetscapes
File No: 1038.G
Reason for Report: To provide Council with information in response to a resolution to seek expressions of interest for mobile phone based parking payment systems to supplement on-street meters

Recommendation:

That Council not supplement its parking meters at this time with a mobile phone based payment system as systems offered are either not authorised or have not demonstrated they are cost effective or of benefit to users or meter system operators.

Background

During 2007/08 several matters relating to parking meters were raised by Councillors, including the use of credit cards or smart cards for payment, the introduction of other payment methods, and alternatives to parking meters. Additionally, the Double Bay Chamber of Commerce also requested that Council take steps to upgrade meters in Double Bay to accept credit card payments to improve customer service and convenience.

At the Corporate & Works Committee meeting held on 4 August 2008 it was resolved:

- A. *That, in order to improve convenience and flexibility of payment for users, Council's paid parking system be upgraded to provide credit card payment facilities as a matter of priority, and options for other methods of payment be actively pursued and a further report provided.*
- B. *That, to give effect to (A),*
 - 1. *Tenders be called for the replacement of existing meters in Oxford Street, Paddington and Double Bay with Pay & Display on-street meters equipped with credit card reader facilities, and*
 - 2. *Expressions of Interest be called for mobile phone based parking payment systems to supplement on-street meters, and that a further report be submitted on the proposals received.*

Tenders were called in June 2009 and at the Council meeting on 24 August 2009 Council resolved that the contract for the supply, installation and maintenance of new Pay & Display meters be awarded to Reino International Pty Ltd.

In respect of Council resolution B(2) above a separate expression of interest (EOI) regarding mobile phone payment for parking has been called. The results of the EOI are the subject of this report.

Expressions of Interests Received

An EOI for 'Parking Meter Payment via Mobile Phone' was advertised in the Sydney Morning Herald on Tuesday 16 June 2009, and in the Wentworth Courier on Wednesday 17 June 2009.

EOIs were invited from companies that have developed a working system to facilitate payment for parking meters using mobile phones. EOI submissions were to include a covering letter outlining the company's profile, details on how their mobile phone payment system works, a list of clients who have already adopted the system and any other information the company believes will support their submission.

The EOI closed at 4.00pm 31 July 2009. Five submissions were received prior to the closing date and time. The companies that provided an EOI are listed in the following table:

Table 1 - Companies replying to the EOI for payment of parking meters using mobile phones

1. U-Park-It NSW
2. ePark Australia
3. eFuel Pty Ltd
4. Verrus
5. mPark

Mobile Phone Parking Payment Summaries

The following information outlines how each of the above company's mobile phone parking payment systems work.

1. U-Park-It NSW

U-Park-It NSW represents an American based company called Clancy Systems which has implemented its mobile phone parking payment system in over 40 sites in the USA over the past six years.

U-Park-It is currently not RTA approved and the system has not been implemented in Australia.

Should the U-Park-It system be approved by the RTA in the future the process to set up the mobile phone parking payment system is as follows:

- a) Motorists are initially required to register a major credit card with U-Park-It at their website. The motorist will be charged an annual membership fee. Following registration the motorist is sent a dashboard card with their membership number to be displayed when parking.
- b) Upon arrival at a parking bay the motorist calls the toll free U-Park-It number from their mobile phone and provides the location number displayed on the meter and duration of parking. The motorist incurs normal single phone call charge as per their telco provider.
- c) The U-Park-It system is free to Council. All transaction and mobile phone charges are borne by the motorist.
- d) U-Park-It charges the motorist's credit card for parking at the end of each month, plus a convenience fee. U-Park-It deposits mobile phone payment transactions into Council's bank account on a monthly basis.
- e) The motorist then walks away. A printed ticket validating parking is not necessary.

- f) To patrol parking Council's rangers will have to use their handheld PDAs to access the U-Park-It website and type in the motorist's membership number displayed on the dashboard card number and to check for parking validity.

Motorists can log on to U-Park-It's website at any time to check and print out the history of their parking transactions.

2. ePark Australia

ePark Australia is a branch of an international company that has established the ePark system in Israel, Europe and the Bahamas. The ePark system has more than 1,450,000 subscribers worldwide.

ePark is RTA approved as it provides a 'digital' ticket to validate parking, however, the company does not yet have any Australian clients.

The ePark system does not require any parking meters. Motorists purchase a small digital device (similar to a pager) from Council or participating businesses. The device is pre-programmed with zones, parking restrictions and tariff information.

The process to set up ePark's system to support Council's pay parking scheme is as follows:

- a) Council will be required to purchase a number of ePark devices and make them available across the customer services counter. Council must also signpost parking zones which have been pre-programmed into the device indicating parking restrictions and tariffs.
- b) Motorists can purchase the device from Council at a cost of \$40 and top up their parking credit using cash or credit card at participating businesses. (There are no participating businesses at present, however ePark are in discussions with Woolworths/Caltex and Australia Post.)
- c) The ePark system is free to Council for the first two years. After the initial two year period Council can expect to incur a maximum cost of 12% of the parking fee. If the uptake of the ePark system is high the percentage of the parking fee cost charged to Council by ePark will go down.
- d) Upon arrival at a parking bay the motorist turns on the device, scrolls through the menu to the appropriate parking zone which has been signposted by Council. Once the appropriate zone has been selected the motorist activates the device and a timer counts down from the maximum time limit allowed for that zone.
- e) The device is then displayed on the dashboard of the vehicle. The remaining time and other relevant parking information can be seen by the rangers on the device's LCD screen. A printed ticket validating parking is not necessary.
- f) Once the motorist returns the device timer is stopped and the motorist's account is debited by ePark for the parking time. Funds are transferred weekly from ePark's account to Council's account.

Motorists can log on to ePark's website at any time to check and print out the history of their parking transactions.

3. eFuel Pty Ltd

eFuel is an Australian owned and operated company based in Sydney. eFuel uses a system called 'PANGO' which is currently operating in 41 cities worldwide.

eFuel is currently not RTA approved and the system has not been implemented in Australia.

Should the eFuel system be approved by the RTA in the future the process to set up the mobile phone parking payment system is as follows:

- a) Motorists are initially required to register a major credit card with eFuel either at the eFuel website or over the phone. Following registration the motorist is sent an identifying sticker which is to be placed on their vehicle's windscreen.
- b) The eFuel system is free to Council. All transactions and mobile phone charges are borne by the motorist.
- c) Upon arrival at a parking bay the motorist calls eFuel's 'PANGO' system from their mobile phone and provides the location number displayed on the meter and duration of parking. The motorist incurs normal single phone call charge as per their telco provider.
- d) eFuel charges the motorist's credit card for parking. The motorist incurs a transaction cost of up to 40c. eFuel deposits mobile phone payment transactions into Council's bank account immediately following transaction.
- e) The motorist then walks away. A printed ticket validating parking is not necessary.
- f) To patrol parking Council's rangers will have to use their handheld PDAs to access the eFuel 'PANGO' website, type in vehicle's registration number and to check parking validity for each vehicle that has an eFuel sticker displayed on the windscreen.

Motorists can log on to eFuel's website at any time to check and print out the history of their parking transactions. Family members can have their phone numbers linked to a single account. Business accounts can have a number of mobile phones linked to a business account and charged to one bill.

4. Verrus

Verrus provides an international mobile phone parking payment system, operating throughout North America and the UK, covering more than 375,000 spaces.

Verrus is currently not RTA approved and the system has not been implemented in Australia. However, it is undergoing a trial with the City of Sydney at the UNSW campus.

Should the Verrus system be approved by the RTA in the future the process to set up the mobile phone parking payment system is as follows:

- a) Motorists are initially required to register a major credit card with Verrus either at the Verrus website or over the phone.
- b) Verrus would charge Council up to 40c per transactions. (The fee to Council if 10% of payment for parking was by the Verrus mobile phone payment system could be up to \$100,000 per year.)

- c) Upon arrival at a parking bay the motorist will call or text Verrus from their mobile phone and provide the location number displayed on the meter and duration of parking. The motorist incurs normal single phone call charge as per their telco provider.
- d) Verrus charges motorists credit card for parking. The motorist incurs a transaction cost of up to 40c. Verrus deposits mobile phone payment transactions into Council's bank account immediately following the transaction.
- e) The motorist walks away. A printed ticket validating parking is not necessary.
- f) To patrol parking Council's rangers will have to use their handheld PDAs to access the Verrus website, type in the vehicle registration number and location number to check parking validity for each vehicle that does not have a ticket displayed on its dashboard.

Motorists can log on to Verrus' website at any time to check and print out the history of their parking transactions.

5. mPark

mPark provides an international mobile phone parking payment system, operating throughout Europe, the US, Greater Sydney and across Australia for over six years. mPark is exclusively licensed to Duncan Solutions, who are also the company supplying, installing and maintaining Council's new Reino Pay & Display parking meter network in Double Bay and Paddington shopping precincts.

mPark is RTA approved. Some of mPark's Australian clients include the City of Sydney, North Sydney, Ryde, Marrickville, Pittwater and Warringah Councils, the Royal National Park and the Royal Botanical Gardens.

The process to set up the mPark mobile phone parking payment system is as follows:

- a) Council will be charged a one-off connection establishment fee of \$40 per meter. (For 54 new Pay & Display meters this would be \$2,160.) mPark also charges Council an 'access fee' on a monthly basis. Access fees equal \$8.50 per meter, per month. (For 54 new Pay & Display meters this would be \$5,508 per year.)
- b) Motorists are initially required to register a major credit card with mPark either at the mPark website or over the phone.
- c) Upon arrival at a parking bay the motorist calls mPark from their mobile phone. The motorist incurs normal phone call charges as per their telco provider. mPark charges Council per transaction. Council incurs the greater of either 40c or 9% of transaction fee and the motorist is not charged further. mPark deposits mobile phone payment transactions into Council's bank account on a weekly basis.
- d) Following approval of the transaction the mPark system automatically sends an SMS message to the Pay & Display parking meter, which then requires the motorist to choose time required on the meter. Once the time has been selected a ticket is automatically printed. mPark advise this process takes only a few seconds. The motorist incurs a 30c + GST fee for the SMS message.
- e) Motorists can opt to have mPark send them a 'reminder text' when they have five minutes left of valid parking. The motorist does not incur any additional charge for this text and Council is not charged.

- f) To patrol parking Council's rangers simply have to check the ticket displayed on the motorist's dashboard to verify parking validity.

Motorists can log on to mPark's website at any time to check and print out the history of their parking transactions. Family members can have their phone numbers linked to a single account. Business accounts can have a number of mobile phones linked to a business account and charged to one bill.

The Current Climate of Mobile Phone Parking Payment Technology

In NSW, on-street pay parking is controlled by Government legislation. The RTA is the organisation responsible for maintaining the pay parking legislation on behalf of the NSW Government.

Current pay parking legislation only permits parking meter, ticket machine or coupon schemes. The legislation only permits payment by mobile phone if it results in a ticket being printed (e.g. the mPark system). The related guidelines for these schemes are contained in the RTA document 'Pay Parking'. However, the RTA has been investigating for many months now the possibility of modifying the existing legislation to allow the introduction of alternative mobile phone parking payment schemes.

As part of this State's governance process, any legislative change needs to consider the views of, and impacts on, all stakeholders. In this instance the organisations responsible for enforcement (namely the local Councils and the NSW Police) are key stakeholders.

The RTA is still endeavouring to ascertain the exact position of the NSW Police, who under a pay by phone system would have great difficulty enforcing the system. Until this issue is resolved the RTA is unable to proceed with the necessary legislative and guideline changes which are required to allow the use of such schemes on roads in NSW.

Because the U-Park-It, Verrus and eFuel payment systems do not use parking meter, ticket machine or coupons, these systems are currently not permissible.

Should the RTA approve the mobile phone parking payment systems it is probable that separate systems would be adopted by different Councils, meaning motorists would have to register with multiple system providers if they wanted to use the technology around Sydney. Motorists may reject the technology based on the complication of having to use different systems from one municipality to the next.

Following the introduction of credit card facilities within their parking meters, Mosman Council found that 40% - 45% of parking payment transactions were by credit card. Mosman Council have recently had the mPark system removed from their pay parking scheme due to the small uptake of the mobile phone parking payment technology by motorists. Mosman Council advised that the upkeep of the mPark system was not cost effective.

The City of Sydney pays mPark \$100,000 per annum to provide the system for their meters. The City of Sydney have approximately 0.5% of parking transactions through mPark and believe the system is ineffective. The City of Sydney have advised that it will be removing the mPark system from its pay parking options following the completion of the mPark contract.

In New Zealand payment for parking by mobile phone is popular, taking up to 40% of all parking transactions where the technology is available. The reason for its popularity in New Zealand is because motorist's transactions are charged directly to their phone bill. There is no need to register a credit card with a separate mobile phone parking payment company. There are only two telcos in New Zealand and they have cooperated together to allow this parking payment system to flourish.

In the Australian telecommunications market there are multiple telcos. Cooperation between Australia's multiple telcos to allow payment parking transactions to be charged directly to a motorist's phone bill does not appear to be forthcoming.

Conclusions

Mobile phone pay parking appears beneficial for families and businesses that frequent pay parking areas, having all parking fees directed to one nominated credit card bill.

Motorists have the benefit of topping up their parking time without having to return to their vehicle. This only works for payment systems that don't require the motorist to print out a ticket, unlike mPark, but rely on the parking ranger to look up the parking details of the vehicle on their PDA (U-Park-It, Verrus and eFuel). The motorist can only use this topping up option if they have not initially paid for the full parking time allowed.

Currently only mPark and ePark are RTA approved, however ePark is not proven in Australia and lacks the supporting infrastructure for topping up credit on their parking device.

The mobile phone parking payment systems submitted for this EOI are either currently unapproved by the RTA or, in the opinion of existing clients, are not cost effective and are of little benefit to users.

For the convenience of using a mobile phone to pay for parking, motorists can expect a parking fee increase by approximately \$1 (subject to motorists' telco contract conditions and credit card transaction fees).

Given that credit card facilities will be available in the new Pay & Display meters being commissioned before December 2009, it is considered that a majority of motorists would prefer to use their credit card at the parking meter and display a ticket on their dashboard, which was the case with Mosman Council. There would be little benefit in providing a mobile phone parking payment option at this time given the current technologies and pay parking climate.

Trent Scrivener
Project Engineer Streetscapes

Warwick Hatton
Director Technical Services

Item No: R1 Recommendation to Council
Subject: **Statutory Review Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy**
Author: Les Windle - Manager Governance
File No: 18.G
Reason for Report: To adopt a Policy following public exhibition

Recommendation:

That the draft Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy contained in Annexure 2 to the report to the Corporate and Works Committee on 7 September 2009 be adopted.

Background:

A report concerning the statutory requirement to annually review Council's Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy was considered by the Corporate and Works Committee on 6 July 2009.

The recommendation from the Committee was submitted to the Council Meeting on 13 July 2009 and Council resolved as follows:

- A. *THAT Council's current Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy as contained in Annexure 1 of the report to the Corporate and Works Committee meeting on 6 July 2009 be placed on public exhibition for a period of not less than 28 days as Council's proposed policy for the ensuing twelve months.*
- B. *THAT a further report be submitted to the Committee at the conclusion of the exhibition period.*
- C. *That the further report also include details of expenses claimed by Councillors (in aggregate) under the Policy.*

Consultation:

The draft policy was on exhibition during the period Wednesday 29 July to Friday 28 August 2009.

The exhibition of the draft policy was advertised in the Wentworth Courier on 29 July, 12 August and 19 August and Council's website and a copy of the draft policy was available at Council's Customer Service Centre, Council's website and Council's Libraries.

No submissions were received to the draft policy.

Details of expenses paid under the policy:

Part C of the resolution requires information concerning the details of expenses claimed by Councillors (in aggregate) under the policy.

The following table shows the cost of Councillor expenses and provision of facilities to Councillors and the Mayor in accordance with Council's Policy over the periods 2006/7, 2007/8 and 2008/9. The information is shown in the details required to be included in Council's Annual Report.

Expense/Facility	Cost 2006/2007	Cost 2007/2008	Cost 2008/2009
Provision of facilities to the Mayor and Councillors			
Stationery	Nil	\$1,070	\$2,719
Motor vehicle expenses	\$8,159	\$9,258	\$7,818
Sub total	\$8,159	\$10,328	\$10,537
Conferences, Seminars and Councillors training			
Conferences and Seminars	\$11,785	\$636	\$17,965
Training and skill development	\$2,656	\$3,011	\$13,293
Sub total	\$14,441	\$3,647	\$31,258
Reimbursement of expenses incurred by Councillors			
Telephone line rental and internet access costs	\$2,710	\$454	\$2,220
Mobile phone calls	\$3,927	\$3,017	\$1,416
Provision of care for a child	\$4,440	\$1,950	\$3,414
Sub total	\$11,077	\$5,421	\$7,050
Other			
Interstate visits undertaken by Councillors	Nil	Nil	Nil
Overseas visits undertaken by Councillors	Nil	Nil	Nil
Expenses of spouse or partners	Nil	Nil	Nil
Sub total	Nil	Nil	Nil
Total	\$33,677	\$19,396	\$48,845

An explanation of the major changes in costs over the three periods is provided below.

Provision of facilities to the Mayor and Councillors

The reason for the increased costs from the 2006/07 period to the 2008/9 period is mainly due to additional stationery requirements for the newly elected Councillors following the September 2008 election.

Conferences, Seminars and Councillors training

The reasons for the large variation in costs between the periods are:

Conferences and Seminars

- The 2006 Local Government Association Conference was held in the Blue Mountains and the transport costs to attend the conference were low.
- Council did not attend the 2007 Conference in Coffs Harbour therefore there was no expenditure for this item.
- The 2008 Conference was held in Broken Hill and the transport costs to attend the conference were high.

Training and skill development

Increased training, including the joint session between Woollahra, Waverley and Randwick Councillors and other local government seminars/workshops were attended by Councillors following the September 2008 election.

Reimbursement of expenses incurred by Councillors

These costs are dependent on Councillors claiming reimbursement for the cost they have incurred in relation to telephone line rental, internet access, mobile phone calls and the provision of care for a child not by a family member. These costs will vary depending on reimbursement claims submitted by Councillors.

Conclusion:

It is recommended that the draft Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy as exhibited and contained in Annexure 2 to this report be adopted.

Les Windle
Manager Governance

Stephen Dunshea
Director Corporate Services

Annexures:

1. Report to Corporate & Works Committee 6 July 2009
2. Draft Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy recommended for adoption

Item No: R2 Recommendation to Council
Subject: **General Purpose Financial Report for the Year Ended 30 June 2009**
Author: Don Johnston, Manager Finance
File No: 331G 2008/2009
Reason for Report: To present the General Purpose Financial Report for the year ended 30 June 2009 to the Committee and seek the adoption of Council's statement in relation to the Reports

Recommendation:

1. That Council, having noted the statement by the General Manager and Responsible Accounting Officer, adopt the following statement in relation to its Financial Report for the year ended 30 June 2009:

That, in relation to the Financial Report for the Year Ended 30 June 2009, Council is of the opinion that:

The Financial Report has been drawn up in accordance with:

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

and to the best of our knowledge and belief the Report:

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

accords with Council's accounting and other records;

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

2. That Council formally refer the 2008/2009 Financial Reports for audit; and
3. In anticipation of receiving the Auditor's Reports, set the Corporate & Works Committee meeting to be held on 19 October 2009 as the meeting at which the General Purpose Financial Report will be presented to the public.

Executive Summary:

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

The financial report discloses:

Income Statement

- an operating deficit for the year of \$1.317m compared to the prior year surplus of \$3.256m.

Balance Sheet

- Net assets having decreased from \$680.745m to \$679.428m.

Performance Measurement Indicators (Note 13)

- Council's unrestricted current ratio reducing from 3.22:1 to 2.51:1 reflecting the expenditure of previously restricted cash reserve, in particular unexpended loan funds.
- Council's debt service ratio increasing to 2.36% from 0.85% reflecting the first full year's repayments of Council's loan portfolio.
- The Rates and Annual Charges Coverage ratio increasing to 58.75% of Council's revenue. The 52.87% ratio for 2007/2008 reflected the one off receipt of \$7.95m associated with the Cosmopolitan Centre Agreement.
- Outstanding Rates increasing to 4.86% from 4.21%. While still below the 5% benchmark for metropolitan Councils, the increase is indicative of the difficult economic conditions that prevailed over the financial year.
- The relatively new Building & Infrastructure renewals ratio remains well above 100% at 124.02%, up slightly from 121.28% reflecting Council's commitment to infrastructure asset renewal.

As a result of the year's operations, working funds have been reduced from \$2.164m to \$2.010m. An earlier report on tonight's business paper details the movement in working funds.

Overall, Council's financial position remains sound.

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Background:

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

The Financial Report for the Year Ended 30 June 2009 has been circulated as a separate Annexure to this report, **Annexure 1**. This Financial Report is the financial report of the Council only and does not, at this stage, incorporate the financial operations of Holdsworth Street Community Centre or Premeasure Insurance Pool. It should be noted that, while Council remains a member of the Premeasure Insurance Pool, it has nil equity.

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

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

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

- (a) Whether or not the financial report has been drawn up in accordance with:
 - i. the Local Government Act 1993 (as amended) and Regulations made thereunder;
 - ii. the Australian Accounting Standards and professional pronouncements; and
 - iii. the Local Government Code of Accounting Practice and Financial Reporting
- (b) whether or not those report presents fairly Council's operating result and financial position for the year;
- (c) whether or not the report accords with Council's accounting and other records; and
- (d) whether or not the signatories know of anything that would make the report false or misleading in any way.

The statement must be signed by the Mayor, at least one Councillor (generally the Chair of the Corporate & Works Committee), the General Manager and the Responsible Accounting Officer. The Manager Finance is the Responsible Accounting Officer.

The audit of the Financial Report commenced on 24 August and concluded on 28 August 2009.

Statement by the General Manager and the Responsible Accounting Officer:

To assist Councillors with their decision in respect of the recommendations to this report, the following statement by the General Manager and Responsible Accounting Officer is provided:

We acknowledge our responsibility for the preparation of the general purpose financial report.

We confirm, to the best of our knowledge and belief, the following:

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

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

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

The financial report is free of material misstatements, including omissions.

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

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

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

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

Overall Financial Position

At the end of the 2008/2009 financial year, Council's financial position remains sound. A summary of the three indicators provided with each quarterly review of the Budget is provided below.

Working Funds

Working funds are accumulated funds that have not been set aside for a specific purpose and provide Council with some capacity to respond to unforeseen circumstances. Council's working funds reduced from \$2.164m to \$2.010m as a result of the year's operations.

At this level, Council's workings funds balance is a little below the benchmark (arrears of Rates plus Inventory) of \$2.083m.

There is a separate report on tonight's agenda dealing with the June quarter budget review and 2008/2009 year end result

Unrestricted Current Ratio

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

The reported unrestricted current ratio is 2.51:1. As at the March Review, the 2008/2009 Budget forecast an unrestricted current ratio of 2.17:1.

At this level, Council's unrestricted current ratio remains above the minimum benchmark level of 1:1.

The ratio shows a reduction from the previous year (3.22:1) due to the expenditure of previously restricted cash reserves, particularly unexpended loan funds.

Operating Result before Capital Movements

The Income Statement discloses a net operating deficit \$1.317m compared to last year's surplus of \$3.256m.

The operating deficit includes an expense of \$10.092m for Depreciation and a further fair value adjustment of Council's investment portfolio of \$1.323m.

Total income decreased from \$66.228m in 2007/2008 to \$63.090m in 2008/2009, a decrease of \$3.138k or 4.74%. The movement in income includes the Cosmopolitan Centre Agreement for Lease payments of \$7.95m received in 2007/2008 and Interest & Investment Losses on 2007/2008 returning to Interest & Investment Revenue in 2008/2009. Allowing for these impacts, the increase of other income sources was \$3.06m or 5.25%.

Expenses increased from \$62.972m to \$64.407m, an increase of \$1.435m or 2.28%. The movement includes \$6.319m relating to Interest & Investment in 2007/2008. Allowing for this, the increase in other expenditure was \$7.75m or 13.7%.

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

Comparison - 30 June 2008 to 30 June 2009

Income (Page 3 of Annexure 1)

Rates & Annual Charges (Increased from \$35,713k to \$37,066k (\$1,353)) (Note 3 p.26 of Annexure 1)

Ordinary Rates income increased from \$25,202k to \$26,013k, an increase of \$811k or 3.2% which reflects the permissible increase of 3.2%. Special Rates increases by \$99k also reflecting the 3.2% permissible increase.

The domestic waste management charge (annual charge) increased from \$267 to \$281 for 2008/2009 or 5.2%. Income increased from \$7,014k to \$7,453, an increase of \$439k or 6.3% based on the increased charge and the number of services provided.

These variations add to \$1,349k.

User Charges & Fees (Increased from \$7,293k to \$7,873 (\$580k)) (Note 3 pp.27 - 28 of Annexure 1)

The largest increase relates to the Restoration Charges generating additional income of \$838k based on additional works undertaken (and offset by an \$820k increase in Contract expenditure noted later in the report). There were also material increases in Trade Waste Service charges \$88k and Kindergarten Fees \$44k. Decreases in income relate to Development Application Fees (\$169k), Compliance Levy (\$94k), PCA Service Fees (\$64k) and Certificate fees (\$76k).

These variations add to \$567k.

Interest (Increased from (\$6,319)k to \$1,748k (\$8,067k)) (Note 3 p.29 of Annexure 1)

Interest disclosed in the 2008/2009 financial reports improved by \$8,067 from Interest Losses of \$6,039 to Interest Revenues of \$1,748k. The 2007/2008 Interest Losses included a fair value adjustment of \$9,709k while the 2008/2009 figure includes a fair value adjustment of Council's investment portfolio of \$1.323m. The reduction in fair value adjustments was \$8,386k.

Actual interest earned for the year was \$3,070m, a decrease of \$320k over 2007/2008.

Investment returns were generally lower during 2008/2009 due to the global financial crisis and official interest rates decreasing over the course of the year.

These variations add to \$8.07m.

Other Revenues (Increased from \$9,626k to \$10,013k (\$387k)) (Note 3 p.30 of Annexure 1)

Major increases year to year relate to Car Park Leases \$326k, Parking Fines \$264k, Recovered Costs \$95k, 2007/2008 Fair Value adjustments to Investment Properties \$76k, Sportsfield Leases \$73k and Legal Costs Raised \$65k. These increases were offset by the following reductions in income, Depot Leases (\$287k) following the vacation of the tenant from O'Dea Avenue, (\$101k) in Risk Management Bonuses arising from the timing of payments from Council's insurer, (\$35k) in Sales of Recyclables, (\$31k) in Work Zone Charges and (\$23k) in Pre Lodgement Advice fees.

These variations add to \$422k.

Operating Grants & Contributions (Decreased from \$9,364k to \$2,994k (\$6,370k)) (Note 3 pp. 31-32 of Annexure 1)

Last year this item included payments related to the Cosmopolitan Centre Agreement for Lease totalling (\$6,500k).

The major increase year to year was the \$435k in the Financial Assistance Grant (FAG) which includes the early payment of the first quarter of the 2009/2010 FAG as part of the Federal Government's stimulus package. This payment of \$340k has been restricted as at 30 June.

The Roads to Recovery grant of (\$172k) was previously disclosed as Operating however a change to the Code of Accounting Practice and Financial Reporting now requires this grant to be disclosed as Capital.

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

These variations add to (\$6,237k).

Capital Grants & Contributions (Decreased from \$4,206k to \$3,396k (\$810k)) (Note 3 pp. 31-32 of Annexure 1)

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

The major variance between 2007/2008 and 2008/2009 is the receipt of an in-kind contribution last year related to the Cosmopolitan Centre Agreement for Lease Car Park works of (\$1,450k). There were also increases in capital grants for Open Space including Gap Park \$248k (again part of the Federal Government's stimulus package) and Christison Park Irrigation \$155k.

As noted above, the Roads to Recovery grant of \$172k is now disclosed as Capital as per the Code of Accounting Practice and Financial Reporting.

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

These variations add to (\$875k).

Gain/(Loss) on Sale of Assets (Decreased from \$26k Gain to \$272k Loss (\$298k)) (Note 5 p.38 of Annexure 1)

Part of this reduction relates to proceeds from the sale of unmade roads falling from \$167k to \$110k, a reduction of (\$57k). The remainder of the decrease arises from variations in the routine disposal of Council's plant and vehicle fleet.

These variations add to (\$298k).

Expenses (Page 2 of Annexure 1)

Employee Costs (Increased from \$25,452k to \$27,976 (\$2,524k)) (Note 4 p.34, Annexure 1)

Salaries and wages increased year-on-year by (\$1,379k) or 6.2%. This increase includes an Award increase of 3.5%, market increases allowing Council to remain competitive in attracting and retaining staff and a lower vacancy rate (Council budgets for a 6% vacancy rate).

Superannuation expenses increased by (\$438k) (24.3%), \$331k of which is attributable to increased Retirement Scheme contributions. Last year's reduction in the provision for employee leave entitlements changed to an increase in the 2008/2009 year, a movement of (\$876k).

Workers' Compensation insurance decreased by \$114k.

These variations add to (\$2,579k).

Borrowing Costs (Increased from \$220k to \$680k (\$460k)) (Note 4 p34, Annexure 1)

This increase relates to the first full year's repayments of the \$6.525m loan drawn down in June 2008.

Materials & Contracts (Increased from \$11,775k to \$13,907 (\$2,132k)) (Note 4 p.35, Annexure 1)

Raw Materials & Consumables (Increased by \$504k)

Increases in this area included materials utilisation in:

- Garden Refuse - a grant funded Organics Trial, \$125k;
- Information Systems and Network Telecommunications - software and telecommunications annual maintenance agreements, \$131k;
- Business Centres Streetscape Maintenance \$52k; and
- A new Library book maintenance contract \$28k.

The remainder relates to projects budgeted as part of the Capital Budget but not capitalised such as:

- external works at depots \$31k;
- repairs to community centres \$33k;
- property inspections \$34k;
- painting \$28k; and
- various small plant purchases \$42k

These variations add to \$504k.

Contractor & Consultancy Costs (Increased by \$870k)

The main increase in the use of general contracts relates to restorations work \$820k offset by increase in income. Other increases include recycling contract \$165k and maintenance and security contracts \$46k. These increases are offset by decreases in other Civil Works contracts (\$43k), contracts for Traffic, Signs and Lines (\$34k) and Finance consultants (\$62k).

These variations add to \$892k.

Audit Fees

No major variances

Legal and Appeals Consultants Expenses (Increased by \$680k)

There was a reduction in legal expenses for compliance (\$158k), however, this was offset by increases in Development Control \$622k, Finance \$80k, Environment and Public Health \$59k, Human Resources and Organisational Support \$25k and Animal Control \$20k.

These variations add to \$648k.

Operating Leases (Decreased by \$18k)

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

Depreciation (Increased from \$9,064k to \$10,092 (\$1,028k) (Note 4 p.36 of Annexure 1)

There were increases across most asset classes as a result of the full year depreciation of 2007/2008 acquisitions plus the increase in value of building assets as a result of fair value revaluation at 30 June 2008.

Other Expenses (Increased from \$10,142k to \$11,480 (\$1,338k)) (Note 4 p.37 of Annexure 1)

There are numerous increases and decreases making up this overall variance. Among the increases were NSW Fire Brigades contribution \$179k, waste disposal costs \$349k, election expenses \$265k, insurance deductibles and claims payments \$186k, contribution to Double Bay partnership \$125k, recoverable expenses \$74k and street lighting charges \$61k. There was a decrease in expenditure arising from advertising (\$109k).

These variations add to \$1,130k.

30 June 2009 Actual to 30 June 2009 Original Budget (Material Variations)

Details of material variations between the 2008/2009 Original Budget and Actuals form part of the notes to the financial report and are disclosed at Note 16 on page 62 of Annexure 1.

Valuation of Council's Investments Portfolio

For the 30 June 2008 year end Council used a combination of bid pricing (CDOs) and mark-to-market valuations (FRNs) to value its investment portfolio. This resulted in a write down in the value of the portfolio of \$9.709m.

For the 30 June 2009 year end, with a view to providing a more realistic portfolio valuation, "at maturity" valuations have been applied to CDOs except for those with Lehman Brothers as the swap counter party. These securities have been valued at 70 cents in the dollar on the basis that the collateral is to be returned to noteholders, although it is the subject of ongoing Court proceedings.

Supporting this view, Council's independent investment advisor has advised as follows in regard to Council's CDOs:

The risk of universal default in credit CDOs must be contemplated – the Lehman CDOs of course are looking at unwinding near face value (a technical default), but the default environment is so severe that it is difficult to be confident about any others.

Only the 'Kalgoorlie' CCO is genuinely on track to repay full capital; the risk (previously regarded as somewhat speculative) has eased with the strong recovery in metals prices. The valuation would currently be well into the \$90's.

All other CDOs are rated in the CCC range or worse, other than 'Flinders' with a somewhat dated BB (Negative Watch) rating.

On this basis, all other CDOs have been valued at \$0 at 30 June 2009. The Kalgoorlie CCO security has been valued at 82 cents based on a 30 June 2009 bid. FRNs continue to be valued on a mark-to-market basis.

This approach is effectively a worst case scenario and results in a further \$1.323m write down in the value of Council's portfolio bringing the total write down over the two years to \$11.03m. Within this amount is a \$692k write down of FRNs that can be confidently anticipated to be written back upon the maturity of the respective FRNs. Council has already received full repayment of \$1m from its Home Building Society FRN. A full list of securities and their valuations has been attached as **Annexure 2**.

Restricted Cash Balances

The table below details Council's restricted cash balances and the notional fair value adjustment arising the valuation of Council's investment portfolio.

Externally Restricted Cash

Purpose	Opening Balance July 08	Transfer To	Transfers From	Closing Balance June 09	Notional Fair Value Adjustment	Closing Balance June 09
Section 94 Contributions	3,541,442	533,968	107,301	3,968,109	-1,919,102	2,049,007
Section 94A Contributions	1,593,279	1,599,980	1,033,675	2,159,584		2,159,584
Unexpended Grants	932,408	938,730	454,966	1,416,172		1,416,172
Environmental Levy	1,140,156		931,054	209,102		209,102
Infrastructure Levy	256,768		247,277	9,491		9,491
Enviro & Infrastructure Levy	1,378,171	3,207,053	2,570,369	2,014,855		2,014,855
Stormwater Mgt Charge	306,591	478,783	486,889	298,485		298,485
Domestic Waste	1,187,410	7,558	349,426	845,542	-443,794	401,748
	10,336,225	6,766,072	6,180,956	10,921,340	-2,362,896	8,558,444

Internally Restricted Cash

Employee Leave Entitlements	1,564,799		23,558	1,541,241	-584,844	956,397
Plant Replacement	196,420	55,955	123,620	128,755	-73,412	55,343
Insurance	344,696	60,280	111,225	293,750	-128,830	164,920
Computer	351,398	392,636		744,034	-131,335	612,699
Infrastructure	601,311		25,741	575,570	224,740	350,830
Election Reserve	200,000	50,000	200,000	50,000		50,000
Deposits	6,600,837			6,600,837		6,600,837
Kindergarten	141,944	114,301		256,245	-53,052	203,193
Loan	6,149,300		3,336,504	2,812,796		2,812,796
Loan Repayment Reserve	933,023		920,312	12,711		12,711
Property Reserve	15,430,233	874,400	547,194	15,757,439	-7,089,933	8,667,506
Carry Over Works	2,671,017		355,374	2,315,643		2,315,643
Investments Reserve	1,000,000			1,000,000		1,000,000
Financial Assistance Grant		339,937		339,937		339,937
General Reserve	1,026,042		614,949	411,093	-383,483	27,610
	37,211,021	1,887,509	6,258,478	32,840,052	-8,669,629	24,170,423
Total Restricted Cash	47,547,246	8,653,581	12,439,435	43,761,392	-11,032,525	32,728,867

Events Occurring After Balance Sheet Date

Details of events occurring after balance sheet date form part of the notes to the financial report and are disclosed at Note 23 on page 81 of Annexure 1. Disclosures have been made in relation to Council joining the IMF funded action against Lehman Brothers Australia, the voluntary administration of Premier Parking (the operators of Council's three car parks) and the ongoing remediation works at Bellevue Hill.

Other Entities

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

Another organisation included in Council's Financial Report by way of joint venture is the Premsure Insurance Pool, although Council holds zero equity. Again Premsure is subject to separate audit and Council is provided with financial reports for the purposes of consolidation. These financial reports are not available for consolidation at this time. Rather than wait, it was considered appropriate to bring Council's financial reports to the Council to allow it to review the year end results and adopt its statement in relation to its general purpose financial report. This is consistent with the approach taken for last year's Financial Report.

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

Conclusion:

Each year Council is required to prepare a general purpose financial report. Council's 30 June 2009 financial report has been prepared and audited. This report has outlined the major variances between the 30 June 2008 and 30 June 2009 results while Note 16 to the financial report contains the material variances to the original Budget. An earlier report on tonight's business paper has provided details of the 30 June result compared to Council's revised budget forecasts.

As at 30 June 2009, working funds and liquidity are both adequate and Council's overall financial position is sound.

This report recommends adoption of Council's statement in relation to its General Purpose Financial Report for the year ended 30 June 2009.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

Gary James
General Manager

ANNEXURES:

1. General Purpose Financial Report for the year ended 30 June 2009 (circulated separately)
2. Valuation of Council's Investment Portfolio

Item No: R3 Recommendation to Council
Subject: **Attunga Street (Formerly Queen Street East), Woollahra - Acquisition of Roadway for Public Use**
Author: Zubin Marolia, Manager - Property and Projects
File No: 17 (Part 2)
Reason for Report: To formalise the status of Attunga Street as a public road

Recommendation:

- A. That Council proceed with the dedication of Attunga Street, Woollahra under Section 16 of the Roads Act 1993 as recommended by HWL Lawyers by undertaking the following actions:
- a) Affixing a notice on Attunga Street, Woollahra in a conspicuous place for 28 days.
 - b) Placing an advertisement in a local newspaper advising of Councils intention to dedicate all of Attunga Street, Woollahra as a public road in accordance with Section 16 of the Roads Act 1993 (draft copies of the notices and advertisement are attached).
- B. That Council instruct HWL Ebsworth Lawyers to execute the necessary actions to effectively have Attunga Street, Woollahra dedicated as a public road.
- C. That Council authorise the Mayor and General Manager to execute and affix the Council seal on all necessary legal documents.
-

Background:

On 5 November 2007 a report was presented to the Corporate and Works Committee to give consideration to the closure and subsequent sale of roadway (small portion of Attunga Street) adjoining property at 279 Edgecliff Road, Woollahra.

An on-site inspection was scheduled for 5pm on Monday 19 November 2007 by the Councillors of the day. A resolution was adopted on 20 November 2007 as follows:

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

A valuation was completed by Egan National Valuers on 21 December 2007 with an addendum letter on 12 August 2008 which resulted from a re-survey showing the encroached area to be less than first instructed.

On 1 September 2008 a report was presented to Council recommending they give consideration to granting an Easement to Permit Existing Structures to Remain. This was adopted on 8 September 2008 by the following resolution:

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

On 20 November 2008 instructions were given to HWL Ebsworth Lawyers to prepare a Deed of Agreement and a S88B Instrument for the encroaching structure to remain. However, these documents could not be prepared until a survey plan was obtained. HWL Ebsworth submitted the draft document to Council in early March 2009.

In early 2009 Bee and Lethbridge Pty Ltd consulting surveyors prepared a survey plan at the request of the adjoining property owner.

In April 2009 investigations were undertaken to confirm Council's Title to Attunga Street.

On 11 May 2009 Legalstream Australia Pty Limited provided their search report which stated that "Extensive searches conducted in the General Register of Deeds from 1830 to date disclosed that the documentary title owner to the site in Attunga Street subject to your enquiry would seem to be Daniel Cooper by virtue of Deeds Book 210 No. 258 and Book 255 No. 968".

Further investigation located the following:

- Letter dated 12 February 1903 dedicating the said land to Council. The dedication was accepted, signed and sealed on 9 March 1903.
- Government Gazette dated 24 December 1920 Folio 7655 which classifies Queen Street to be a secondary residential road.
- Government Gazette dated 6 November 1936 Folio 4700 remaining Queen Street as Attunga Street.
- Since 1903 Council has constructed and maintained Attunga Street (formerly Queen Street East) as if it were a public road in order to provide pedestrian and vehicular access to the public.

This information gives Council a common law right to the land comprising Attunga Street. However, in order to formalise the encroachment, Council must acquire Torrens Title to such land and cause the land to be dedicated as public road.

Options:

After looking into the available alternatives to successfully acquire ownership of Attunga Street, the Council could adopt one of the following methods:

1. Application under Section 16 of the Roads Act 1993.
2. Possessory Title.
3. Compulsory Acquisition.

HWL Lawyers advised Council that acquisition by compulsory acquisition would expose Council to a claim for compensation in accordance with the Land Acquisition (Just Terms Compensation) Act 1991.

Possessory Title was also considered less effective than an application under Section 16 of the Roads Act 1993 because Section 45D(5) of the Real Property Act may require evidence, for example, searches on the deceased estate of the registered owner resulting in notices being served on these owners who are long deceased and further delaying acquisition by Council.

Dedication pursuant to Section 16 of the Roads Act 1993 was considered to be the most beneficial to Council. Section 16 applies to land that is set aside for the purposes of a road left in a subdivision of land effected before 1 January 1907, or in a plan of subdivision that was registered by the Registrar General before 1 January 1920.

Under Section 16, but subject to Section 17 of the Roads Act 1993:

- Council may, by notice published in the Gazette, dedicate the land as a public road.
- On such publication, the land is dedicated as a public road.
- No compensation is payable arising from the operation of Section 16; and
- Land may not be dedicated as a public road if the Land and Environment Court makes a declaration under Section 17.

Under Section 17:

- Before dedicating land as a public road under Section 16, the Council must cause at least 28 days notice of its intention to do so to be served on the owner of the land.
- During that period, the owner of the land may apply to the Land and Environment Court for a declaration that the land should not be dedicated as a public road; and
- The Court may make such decision as it sees fit with respect to the application.

As the present owner is deceased, to secure title a notice Council can affix a notice on Attunga Street, Woollahra in a conspicuous place for 28 days and place an advertisement in a local newspaper advising of Council's intention to dedicate all of Attunga Street, Woollahra as a public road in accordance with Section 16 of the Roads Act 1993.

Conclusion:

It is recommended that Council:

- Proceed with the placement of the notice in a conspicuous place in Attunga Street, Woollahra and lodgement of the advertisement in a local newspaper.
- Instruct HWL Ebsworth Lawyers to execute the necessary actions to effectively have Attunga Street, Woollahra dedicated as a public road.
- Subject to this, and the adjoining owner agreeing to the Deed of Agreement, implement the Council resolution made on 8 September 2008.

Zubin Marolia
Manager – Property and Projects

Warwick Hatton
Director – Technical Services

Annexures:

1. Search report from Service First Registration Pty Ltd.
2. Municipality of Woollahra Road Register.
3. NSW Government Gazette No. 216 24.12.1920.
4. NSW Government Gazette No. 182 06.11.1936.
5. Letter dedicating continuation of Queen Street (now Attunga Street).

Item No: R4 Recommendation to Council
Subject: **10 Wharf Road, Vaucluse - Proposed Road Closure and Sale**
Author: Anthony Sheedy, Property Officer
File No: 492.10
Reason for Report: To give consideration to the closure and subsequent sale of unmade roadway adjoining the property.

Recommendation:

- A. That Council proceed with the road closure, subject to a deposit of \$14,300 being received by Council before the application to close the road is made. This amount is to be non-refundable except where the Minister's approval to the closure is not given.
- B. That subject to the portion of Road being closed, Council proceed with the sale of unmade roadway adjoining 10 Wharf Road, Vaucluse with the following conditions:
- a) A purchase price of \$4,213 per square metre plus GST; purchase price to be subject to final survey.
 - b) The balance of the purchase price is to be paid in full upon Gazettal of the road closure and completion of the sale.
 - c) The owner of 10 Wharf Rd, Vaucluse is to pay all costs, including but not limited to, GST, legal, survey etc associated with the closure and sale.
- C. That the Seal of Council be affixed to all necessary documentation to effect the Road closure and sale, i.e. Contract for Sale, Plan of Road Closure, Transfer documents etc.
-

Background:

The Corporate and Works Committee considered this proposal on 6 July 2009, where it was resolved:

- A. *“That a valuation be obtained for the sale of the unmade roadway adjoining 10 Wharf Road, Vaucluse.*
- B. *That a further report be submitted, following part A above.”*

Council has received a request from the owner of 10 Wharf Rd, Vaucluse to purchase an estimated 34 square metre crescent shaped section of Wharf Road reserve which adjoins their property; for the purpose of formalising the existing encroachment upon the road reserve, being front boundary retaining walls, garden landscaping and access stairs to Wharf Road.

A copy of the survey plan prepared by Dunlop Thorpe & Co, Land Surveyors, identifying the portion of unmade roadway as the shaded area is attached (Annexure 1). I note that the shaded area shown on this plan as 36 square metres has since been reduced to 34 square metres, on account of providing a more even line of footpath area (Annexure 2). This is a longstanding encroachment as the owner's retaining walls have encroached upon the road reserve for over 90 years. On 19 November 2007 Council provided consent for DA 206/2007 subject to conditions, which included details of said road reserve works.

The proposal to close and subsequently sell the unmade portion of roadway adjoining 10 Wharf Road, Vaucluse was advertised in the Council Notices section of the Wentworth Courier on Wednesday 20 May 2009; notices were also circulated to adjoining neighbours and to the Vaucluse Sailing Club. I note that Council has received no objections to this proposal, and that the Committee has resolved to proceed with valuation of the subject road reserve.

In accordance with the 6 July 2009 resolution of the Committee a market sale price has been determined by a registered consultant Valuer. In determining a market sale price value for the unmade road portion, the Valuer assessed the difference the land may have to the overall property value of 10 Wharf Road, should the sale transaction proceed.

The principal valuation method used was the direct comparison approach with reference to comparable portions of unmade road that were recently sold in the Woollahra LGA. Considerations were made in regards of size, shape, topography, location, and position relevant to the adjacent property, and to the fact that the site area of approximately 34 square metres was incapable of being redeveloped in isolation, and has a restricted market with the only likely purchaser being the adjoining owner.

Considering all the foregoing information the Valuer has determined that the current 'add on' market value of the subject land as at 20 August 2009 is \$4213 per square metre (exclusive of GST), which equates to say \$143,000 subject to final survey for the estimated land parcel size of 34 square metres. GST is payable on all sales of unmade road reserve, and accordingly the adjoining owner of 10 Wharf Road was advised of Council's sale price valuation and the requirement for GST payment.

On 25 August 2009, the owner of 10 Wharf Road, Vaucluse wrote to Council and offered to purchase the said land portion for \$4213 per square metre, plus pay the applicable GST, subject to final survey.

The next step in the Road closure and sale procedure is for Council to resolve to sell the land. A deposit of \$14,300 (10%) will be required from the purchaser prior to lodging a road closure application with the Minister for the NSW Department of Lands.

Council will further apply to the Department of Lands and arrange for the closing and public Gazettal of the unmade road portion.

Conclusion:

Pursuant to the 6 July 2009 resolution, the subject portion of unmade Road has been valued at \$4213 per square metre (exclusive of GST), being \$143,000 for an estimated 34 square metres parcel size subject to final survey.

The adjoining owner of 10 Wharf Road has agreed to purchase the portion for \$4213 per square metre (exclusive of GST) subject to final survey, to pay the applicable GST, pay all Council's costs, and has requested Council perform all necessary steps to progress the matter to settlement.

The adjoining owner is seeking to purchase this land so that they may formalise a proposed encroachment which will comprise retaining walls, garden landscaping, and access stairs to Wharf Road, pursuant to DA 206/2007 consent conditions.

It is beneficial for them to purchase the said portion, consolidating it with their existing land title and there is a community benefit to the Council in the proceeds from sale of a portion of road, which is not required for road purposes.

Anthony Sheedy
Property Officer

Warwick Hatton
Director, Technical Services

ANNEXURE:

1. Dunlop Thorpe & Co survey plan drawing 16016 showing detail of 36 square metre area of proposed road reserve sale (hatched).
2. Architect's plan drawing showing detail of 34 square metre area of proposed road reserve sale (hatched).
3. Site aerial photo.

Item No: R5 Recommendation to Council
Subject: 48 Cranbrook Road, Bellevue Hill - Proposed Lease
Author: Anthony Sheedy, Property Officer
File No: 119.48
Reason for Report: To give consideration to the lease of unmade roadway adjoining the property.

Recommendation:

A. That Council grant Robyn Chapman a road lease for occupation of a 35 square metre portion of Council's road reserve adjoining 48 Cranbrook Road, Bellevue Hill; subject to the following terms and conditions:

- (a). Lease term of 5 years.
- (b). Payment of a lease commencement rent of \$3120 per annum plus GST, with annual review to CPI.
- (c). Public Liability insurance of minimum \$20 million.
- (d). The applicant agreeing to pay all Council's costs associated with lease preparation.

That the common Seal of the Council be affixed to all legal documents relating to this matter, subject to certification from Council's solicitors that the document protects the Council's interests.

Background:

The existing Road Lease has expired and Council received an application from the current owner of 48 Cranbrook Rd, Bellevue Hill to enter into a new lease for an estimated 35 square metre rectangular section of road reserve adjoining their property (Annexure 1).

This area comprises a concrete hardstand and is being used as a car parking space for two motor vehicles. The owner's intention is to once again formalise this matter by entering into another 5 year term road lease with Council. It is proposed that the remaining encroachments comprising retaining wall, stairs and garden landscaping are formalised by entering into an Easement with Council (being the subject of a forthcoming report).

The Corporate and Works Committee further considered this proposal on 30 March 2009, where it was resolved:

- A. *That the subject portion of unmade road reserve adjoining 48 Cranbrook Road, Bellevue Hill be valued for its current market lease rental.*
- B. *That a further report be submitted, following pt A above.*

Pursuant to Council resolution a valuation was obtained from a consultant Valuer. The consultant observed that subject road reserve area is utilised for parking of two motor vehicles by the owner 48 Cranbrook Road. In their assessment of the market rental they have compared the subject land with current rents for car spaces in the general area. The Valuer determined that as at 5 May 2009, the market rental of the 35 square metre road reserve area is \$3120 per annum exclusive of GST.

Following the property valuation by Council, a letter was sent to the owner No 48 advising them of the proposed road lease rental and the requirement to pay GST. On 12 August 2009, the owner of

48 Cranbrook Rd responded by email letter to Council, and accepted the proposed offer to rent the 35 square metre road reserve portion for \$3120 per annum, plus pay the applicable GST.

I note that the owner of 48 Cranbrook Road has agreed to pay all Council's costs in this matter, and is keen to further progress this matter.

Conclusion:

No letters were received in response to the public advertisement on 11 February 2009, nor from the notice given to adjoining neighbours of Council's intention to lease a portion of the subject unmade road. It can be concluded that the public have no objection to this proposed action of Council.

This rectangular shaped portion of the unmade road reserve will enable the owner to formalise this existing encroachment; comprising a 35 square metre concrete hardstand on a portion of the road reserve adjoining their property. The area is being used as a car parking space for two motor vehicles. It is proposed that the remaining encroachments are formalised by an easement with Council.

It is recommended that Council grant Robyn Chapman, the adjoining owner of 48 Cranbrook Road, Bellevue Hill a Road Lease for occupation of a 35 square metre portion of Council's unmade road reserve; in accord with the following terms and conditions.

A maximum lease term of 5 years as specified by the Roads Act, 1993, with a commencement rent of \$3120 per annum plus GST, and annual rent review to CPI. The lessee must also have a minimum \$20Million Public Liability insurance policy, and agree to pay all Council's costs associated with lease preparation.

The common Seal of the Council is be affixed to all legal documents relating to this matter, subject to certification from Council's solicitors that the document protects the Council's interests.



Anthony Sheedy
Property Officer



Warwick Hatton
Director Technical Services

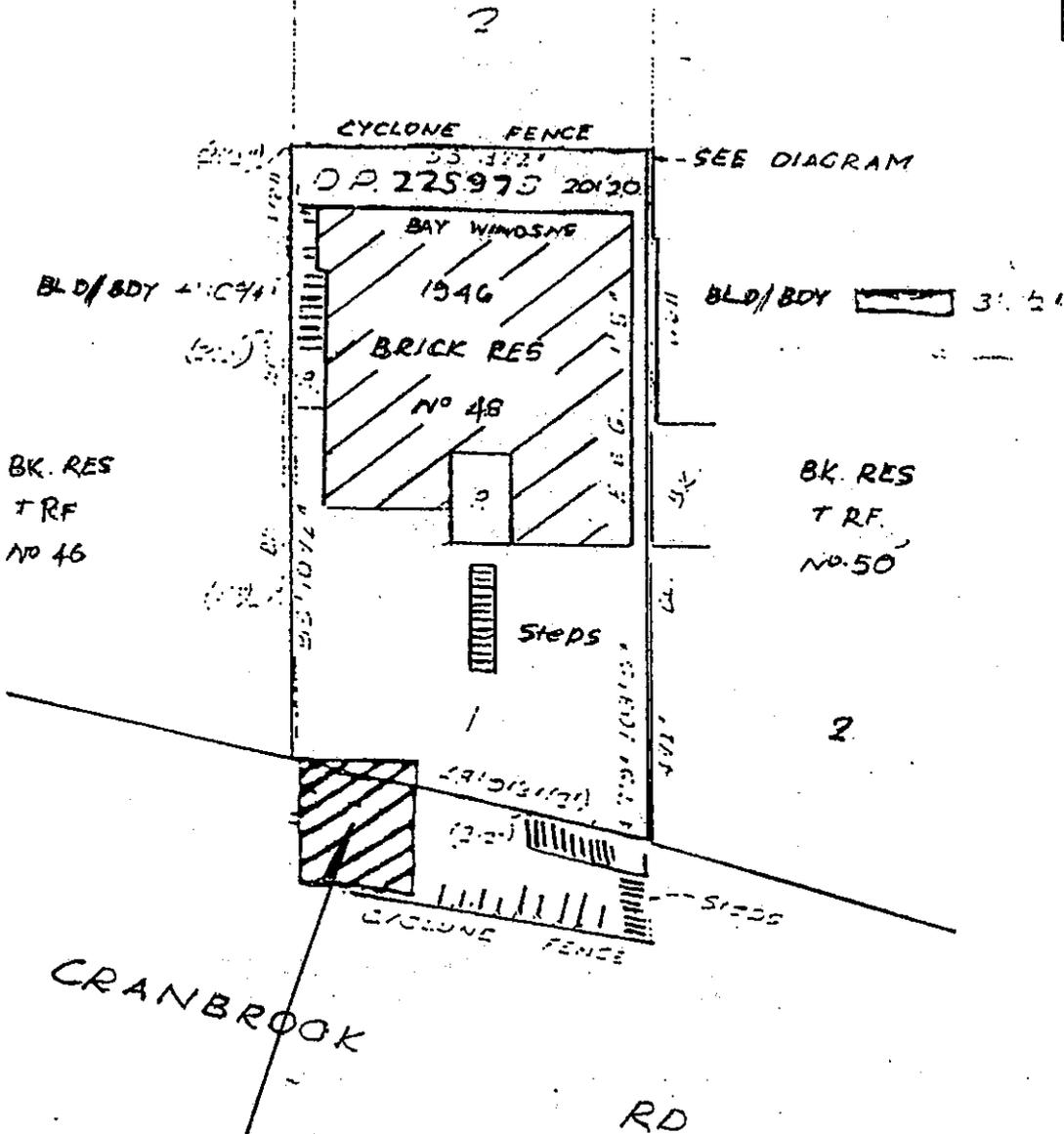
Annexure:

1. Sketch plan of the proposed unmade road portion for lease.

EASEMENT FOR SUPPORT

50' 00"

DIAGRAM
(NOT TO SCALE)



AREA = 35m²

PROPOSED AREA TO BE LEASED
SHOWN HATCHED.

Item No: R6 Recommendation to Council
Subject: **Collection, Counting and Banking of Parking Meter Fees**
Author: Trent Scrivener – Project Engineer Streetscapes
File No: Tender No. 09/10
Reason for Report: To recommend to Council the acceptance of a Tender

Recommendation:

- A. That Council enter into a contract with ECS International Security for the lump sum price of \$38,880 to provide secure cash collection, counting and banking services to support the new Pay & Display meter network over a period of three years.
 - B. That the successful and unsuccessful tenderers be advised accordingly.
-

Background

At the Corporate & Works Committee meeting held on 4 August 2008 it was resolved to call tenders for the supply, installation and maintenance of new Pay & Display parking meters to replace the existing dilapidated Multi-Bay parking meters.

Tenders were called in June 2009 and at the Council meeting on 24 August 2009 Council resolved that the contract for the supply, installation and maintenance of new Pay & Display meters be awarded to Reino International Pty Ltd.

To provide cash collection services for the new Pay & Display meter network Council also called tenders for the ‘Collection, Counting and Banking of Parking Meter Fees’, which is the subject of this report.

Tenders Received

Tender 09/10 for the ‘Collection, Counting and Banking of Parking Meter Fees’ was advertised in the Sydney Morning Herald on Tuesday 16 July 2009, and in the Wentworth Courier on Wednesday 17 July 2009.

Tenderers were requested to submit a lump sum price to provide a secure cash collection service for Council’s new Pay & Display meters for a three year period. It is anticipated that this cash collection contract will start at the beginning of December 2009, following commissioning of the new meters.

Tenders for this contract closed at 2:30pm, 23 July 2009. Four tenders were received prior to the closing date and time.

The cost breakdown of the tenders is detailed in Table 1 below.

Table 1 – Tenderers and Prices

TENDERERS	LUMP SUM PRICE
1. ECS International Security	\$38,880.00
2. Currency Logistic Service Pty Ltd (Nycon Security Group)	\$81,648.00
3. Sydney Night Patrol & Inquiry Pty Ltd	\$203,061.00
4. Security Specialist Australia Pty Ltd	\$290,628.00

Tender Assessment

A Pre-tender Meeting was held at Council Chambers on 2 July 2009 at which several items were clarified for the tenderers.

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

The tender panel comprised:

- Alan Opera – Manager Engineering Services;
- Gary Gale – Business Centre & Street Cleaning Coordinator;
- Armodee Reece – Traffic & Transport Administration Officer; and
- Trent Scrivener - Commissioning Officer.

All of the received tender submissions were deemed to be conforming by the tender panel.

The tenders were assessed in accordance with the agreed selection criteria stated in the tender documents. The tenders were initially given a score against each item of the selection criteria by the tender panel, which resulted in a score out of 100.

Following the closure of tenders each of the tenderers were requested to clarify their tenders through written submissions. The tender scores were then adjusted by the tender panel based on the information provided.

Table 2 shows the final scores and rankings of all tenders considered.

Table 2 – Final Tender Scores

TENDERER	Tender & Business Requirements <i>Weighting: 0</i>	Demonstrated Experience <i>Weighting: 20</i>	Company Resources <i>Weighting: 10</i>	Program <i>Weighting: 2.5</i>	Quality Management <i>Weighting: 2.5</i>	OHS Capabilities <i>Weighting: 5</i>	Price <i>Weighting: 60</i>	Total Score <i>Weighting: 100</i>	Ranking
ECS International Security	n/a	17.50	10.00	1.88	1.88	5.00	60.00	96.26	1
Currency Logistics Service (Nycon)	n/a	17.50	10.00	0.63	0.63	2.50	28.57	59.83	2
Sydney Night Patrol & Inquiry	n/a	17.50	7.50	2.50	2.50	5.00	11.49	46.49	3
Security Specialist Australia	n/a	17.50	10.00	1.88	1.88	5.00	8.03	44.29	4

1. **Tender & Business Requirements:** Tenderers were asked to provide fundamental tender information such as the Form of Tender, collusive tendering & conflict of interest declarations and insurance information. These mandatory tender requirements carry no weighting but are necessary for probity reasons.
2. **Demonstrated Experience:** Tenderers were asked to provide details of key personnel and their past cash handling experience. Tenderers clients were also contacted for references.
3. **Company Resources:** Tenderers were asked to provide details of security vehicles, proposed subcontractors and the company's financial condition.
4. **Program:** Information was requested from the tenderer demonstrating their understanding of Council's cash collection requirements based on a collection every two weeks from the Paddington and Double Bay shopping precincts.
5. **Quality Management:** Information was requested from the tenderer demonstrating company quality management systems and any accreditations.
6. **OHS Capabilities:** Information was requested from the tenderer demonstrating company OH&S management systems and any accreditations.
7. **Price:** The lowest evaluated tender price is allocated 100% for the price weighting. Other tenderers' prices are then ranked by a percentage fraction of the lowest price.

Assessment Summaries

Security Specialist Australia Pty Ltd – Ranked No. 4

Security Specialists Australia (SSA) have excellent cash handling experience and well trained personnel. They provide services for Marrickville, Willoughby and Burwood Councils. Good references were provided by their existing clients.

SSA are a member of the Australian Security Industry Association Limited and the Institute of Security Executives and fully comply with these institutions' standard practices and OH&S requirements.

SSA's quality management system is not ISO accredited but appears to be comprehensive.

SSA have an excellent range of security vehicles available to provide cash collection services and provided an adequate program meeting Council's requirement to have the new Pay & Display meters emptied every two weeks.

SSA was the highest priced tenderer with a lump sum of \$290,628 to provide a secure cash collection service for Council's new Pay & Display meters for a three year period. This equates to \$96,876 per annum.

Sydney Night Patrol & Inquiry Pty Ltd – Ranked No. 3

Sydney Night Patrol (SNP) has excellent cash handling experience and well trained personnel. They provide cash collection services for Campbelltown Council, Newcastle City Council and TABCorp. Good references were provided by their existing clients.

SNP's quality management system and OH&S system is ISO 9001 accredited.

SNP have a satisfactory range of security vehicles available to provide Council's cash collection service and SNP provided an excellent program meeting Council's requirement to have the new Pay & Display meters emptied every two weeks.

SNP were the second highest priced tenderer with a lump sum of \$203,061 to provide a secure cash collection service for Council's new Pay & Display meters for a three year period. This equates to \$67,687 per annum.

Currency Logistic Service Pty Ltd (Nycon Security Group) – Ranked No. 2

Currency Logistic Service (CLS) have good cash handling experience and well trained personnel. They are currently providing a satisfactory cash collection service for Woollahra Council's existing Multi-Bay meters. They also provide cash collection services for Manly, Randwick and Mosman Councils. Good references were provided by their existing clients.

CLS's quality management system is not ISO accredited and appears to be limited. Their OH&S management system appears to be satisfactory.

CLS have an adequate range of security vehicles available to provide Council's cash collection services.

CLS provided a limited program with their submission that did not appear to address Council's requirement to have the new Pay & Display meters emptied every two weeks.

CLS were the second lowest priced tenderer with a lump sum of \$81,648 to provide a secure cash collection service for Council's new Pay & Display meters for a three year period. This equates to \$27,216 per annum.

ECS International Security – Ranked No. 1

ECS International Security (ECS) have excellent cash handling experience and well trained personnel. They provide services for Waverley Council, Premier Parking and the Sydney Cricket & Sports Ground Trust. Good references were provided by their existing clients.

ECS's quality management system is not ISO accredited but appears to be comprehensive. Their OH&S management system is accredited by Sydney Water.

ECS have an excellent range of security vehicles available to provide cash collection services and provided an adequate program meeting Council's requirement to have the new Pay & Display meters emptied every two weeks.

ECS were the lowest priced tenderer with a lump sum of \$38,880 to provide a secure cash collection service for Council's new Pay & Display meters for a three year period. This equates to \$12,960 per annum. This low price can be justified by ECS as they have other cash collections in the Double Bay and Paddington areas and have passed on the economy of bulk collections to Council.

Conclusions

Each of the four tenderers have excellent cash handling experience and could all adequately provide cash collection, counting and banking services to support Council's new Pay & Display meters.

The tender scores were comparable for all four tenderers, except on price. ECS International Security have dominated the price criteria by submitting a much lower price than the other three tenderers. This has resulted in a large difference between the ECS tender score and the other three tender scores due to the large weighting attributed to the price criteria.

ECS International Security offer the best value for money to Council with a the lump sum price of \$38,880 to provide secure cash collection, counting and banking services to support the new Pay & Display meter network over a period of three years.

Identification of Income and Expenditure

In the current operating budget Council has allocated \$150,000 for all meter maintenance and cash collection services.

On 24 August 2009 Council resolved to accept the tender from Reino International Pty Ltd to supply, install and maintain the new Pay & Display meters for a period of three years. Reino's contract includes \$51,858.66 per annum for three years for the maintenance of the new Pay & Display meter network.

ECS International Security will provide Council with secure cash collection, counting and banking services for an annual cost of \$12,960 for a period of three years.

It is apparent that the current operational budget of \$150,000 will be sufficient to cover all operational costs to December 2009 when the new Pay & Display meters will be installed and also cover the Reino maintenance and the ECS International Security cash collection costs for the remainder of 2009/10.

Trent Scrivener
Project Engineer Streetscapes

Warwick Hatton
Director Technical Services

POLITICAL DONATIONS DECISION MAKING FLOWCHART FOR THE INFORMATION OF COUNCILLORS

