



AGENDA

OPERATIONS COMMITTEE MEETING Tuesday 28 November 2006

Chairman: Mr Frank Willan

**Administrators: Mr Frank Willan
Ms Lucy Turnbull
Mr Max Boyd AM**

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ITEMS FOR CONSIDERATION OF THE COMMITTEE:

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REPORTS THROUGH THE GENERAL MANAGER

01 [GC-OC] Amended Tweed Shire Council Audit Charter

ORIGIN:

Corporate Compliance

SUMMARY OF REPORT:

At Council's meeting of 7 February 2006, it resolved to establish an Audit Committee and adopt the Audit Committee Charter.

At the Audit Committee's July meeting, amendments were suggested to the Audit Committee Charter. The October Audit Committee meeting endorsed those amendments and now refer the amended Audit Committee Charter to Council for adoption.

The charter provides the Audit Committee with the resources and authority necessary to meet its objectives.

The existence of an Audit Committee is recognised as an essential part of good corporate governance.

RECOMMENDATION:

That Council adopts the amended Audit Committee Charter:

Preamble

This Charter establishes the authority and responsibilities conferred on the Audit Committee by Council and explain the role of the Audit Committee within the Council.

The Audit Committee is an advisory Committee of the Council and does not have executive power or authority to implement actions.

The role of the Audit Committee is to, independently of management, report to Council and provide appropriate advice on recommendations on matters relevant to this Charter.

Objectives

~~The Audit Committee is an advisory committee of the Council.~~

The Audit Committee's primary function is to assist Council to ensure that:

- *Business Systems and procedures have been established by the Executive Management Team and are effective;*
- *Appropriate risks and exposures are effectively managed;*
- *A culture of adherence to Council policies and procedures is promoted;*
- *Statutory compliance is promoted and monitored;*
- *The audit processes (both internal and external) are effective;*
- *The external reporting is objective and credible;*

Charter

The Council and Audit Committee are expected to review the Audit Committee Charter at least annually every four years and no later than six months after a Council election. Only Council can amend the Charter.

Duties and Responsibilities

The Audit Committee's duties and responsibilities are including, is expected, but not necessarily limited to:

INDEPENDENCE

- *Have unrestricted access to all information including documents and personnel, and have adequate resources in order to fulfil its oversight responsibilities;*
- *Have the right to seek information from the General Manager, Executive Management Team, Council Personnel ~~Professional Officers~~ and to consult directly with Internal and External Audit.*

FINANCIAL REPORTS

- *Review significant accounting and reporting issues and understand their impact on the financial report. These issues include:*
 - Complex or unusual transactions and highly judgmental areas;*
 - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Council's application of accounting principles.*
 - Review and approve all significant accounting policy changes.*
- *Review reports prepared by management setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial report of the Council.*
- *Review with management and the external auditor the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.*

INTERNAL CONTROL

- *Have the right to inquire of the General Manager about significant risks or exposures and assess the policies and procedures being taken to minimise such risks.*
- *Consider the effectiveness of the Council's internal control system, including information technology security and control.*
- *Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations together with management's responses.*

EXTERNAL AUDIT

The Audit Committee has no power of direction over external audit or the manner in which the external audit is planned or undertaken but will act as a forum for the consideration of external audit findings as well as management responses.

- *At the completion of the annual financial statements, the Audit Committee shall meet to review the audited statements and External Auditor's General Purpose Financial Report and the Audit Report before the documents are presented to ~~the Operations Committee~~ Council;*

INTERNAL AUDIT

- *The Internal Audit function shall be ~~administratively managed through the Governance Unit~~ administered through the General Manager, however ~~reports are made directly to the General Manager~~ ultimate reporting responsibility is to the Audit Committee;*
- *Review and approve the Annual Internal Audit Plan. This plan should be risk based and its preparation to the Audit Committee conducted in accordance with AS/NZS4360:2004, with input from the Executive Management Team, External Audit and Internal Audit;*
- *Monitor the progress of the Annual Internal Audit Plan and review all recommendations in audits completed and the General Manager's implementation of recommendations;*
- *The Internal Auditor shall have direct contact with the Audit Committee Chairman to discuss sensitive matters and issues in reports prior to Audit Committee meetings, ~~but subsequent to the Executive Management Team agreement to matters raised in the Internal Auditor Reports~~ but with input from the Executive Management Team.*

COMPLIANCE

- *Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.*
- *Review the findings of any examinations by regulatory agencies, and any auditor observations.*

- Review the process of communicating the Council's code of conduct and other corruption resistance controls to personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and the Council's legal representatives regarding compliance matters.

Membership

The Audit Committee shall consist of at least ~~five~~ four members who shall serve at the pleasure of Tweed Shire Council, with any changes to be subject to Council's approval:

The Committee consists of:

- ~~Two Independent Members – appointed by Administrators and;~~
- ~~Two Administrators, including the Chairman of the Operations Committee; and~~
- ~~General Manager or Nominee.~~

EX-OFFICIO MEMBERS

Council's General Manager, Internal Auditor and External Auditor shall be available to attend all Audit Committee meetings but are not members of the committee and do not have voting rights.

~~All independent appointments members will be appointed by Council for a term of two years. Councillors shall be appointed as part of the annual Committee selection process.~~

INDEPENDENT MEMBER SKILLS

Independent members must have appropriate skills and time to fulfill their role on the Committee with at least one member having significant qualifications, experience and skills with financial matters. It is desirable that the other independent member has public sector corporate management, legal and risk management qualifications and experience.

INDEPENDENT MEMBER APPOINTMENT PROCESS

Independent members shall be requested to nominate their services through a public invitation process. The initial evaluation of potential members will be undertaken by the General Manager and Chairman of the Operations Committee, taking into account the experience of the nominees and their ability to apply appropriate analytical and strategic management skills. The General Manager and Chairman of the Operations Committee will then nominate selected independent members to Council for approval.

~~The report on the initial evaluation shall be presented to Council to determine the appointment of the two independent members. Any vacancy of the independent members during the two-year term will follow the same process as at the commencement of the two-year term.~~

A Chairman shall be elected by a majority vote by the members of the Audit Committee.

The Audit Committee is required to adhere to Council's Code of Conduct and Code of Meeting Practice.

Powers

The Audit Committee can propose and/or request that the General Manager conduct investigations into any matters within the Audit Committee's scope of responsibilities.

The Audit Committee may invite ex-officio members, members of the Executive Management Team, other ~~Professional Officers~~ Council Personnel or external parties to attend any meeting and provide pertinent information within the Audit Committee's scope of responsibilities.

The Audit Committee has no line responsibilities for the audit function, except for the Chairman of the Audit Committee liaising with the General Manager or Internal Auditor on the establishment of the meeting agenda or discussion on sensitive matters and issues contained in Internal Audit Reports to the Audit Committee.

Reporting

The Audit Committee shall after each meeting report its activities by way of circulation of the confirmed minutes of the ~~previous meeting~~, together with a report explaining any specific recommendations and key outcomes to the ~~Operations Committee~~ Council Committee of the Whole for consideration. ~~Matters of a confidential nature, principally relating to fraud or staff will be reported in the Confidential Section of the Operations Committee.~~

The Audit Committee shall after each meeting, report to Council ~~direct on situations where the General Manager has failed to implement an on the status of the Audit Committee's recommendations, which has been adopted by Council.~~

Meetings

The Audit Committee will meet at least four times per year or more frequently as circumstances require. Matters, which must be discussed at a meeting, include:

- **Review and recommendation of the Annual Internal and External Audit Plan;**
- ~~Review of the Annual Financial Statements and External Auditor's General Purpose Financial Report.~~
- **Review the Annual General Purpose and Special Purpose Financial Reports;**
- **Review and assess Internal Audit Reports; and**
- **Review and assess External Audit management letters.**

The Chairman may call a meeting if requested to do so by the General Manager or External Auditor.

Minutes will be taken at these meetings, detailing matters discussed and action agreed. These minutes will be provided to Council for review and ratification.

A quorum shall be three Committee members.

In the event of an equality of votes the Chairman shall have the casting vote.

Meeting Agenda

It is the responsibility of the Chairman of the Audit Committee and General Manager to set the Audit Committee meeting agenda. It is the responsibility of the General Manager to distribute to the Audit Committee members reports for consideration at the meeting. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

Agenda items for consideration at an Audit Committee meeting can be referred to the Chairman of the Audit Committee by Council, General Manager, Audit Committee members, Internal Auditor or External Auditor.

Assessing Audit Committee's Performance

The Audit Committee shall be subject to a review annually. The review shall be conducted by Council's three (3) Administrators and General Manager. The review criteria to be determined by the above Assessing persons but should include the Audit Committee Performance Assessment tool which is described below.

Ethical Practices

Members of the Audit Committee will, at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity and probity and not engage knowingly in acts or activities that have the potential to bring discredit to the Council.

Members must also refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties. Members must not use Council information for any personal gain for themselves or their immediate families or any manner that would be contrary to law or detrimental to the welfare of the Council.

Further, members must not publicly comment on matters relative to activities of the Committee other than as authorised by Council.

Audit Committee Performance Assessment

This simple tool is designed to assist assessing the effectiveness of the audit committee. The tool takes the form of a series of assertions, which should be awarded a rating on a scale of 1 to 5 by individual audit committee members,

~~or by the committee as a whole. The matters highlighted should be discussed at the next audit committee.~~

~~1 = Hardly ever/Poor, 2 = Occasionally/Below average, 3 = Some of the time/average, 4 = Most of the time/Above average, 5 = All of the time/Fully satisfactory~~

Behaviours	1	2	3	4	5
Understanding of core business All Audit Committee members have a good understanding of the different risks inherent in the Council's business activities.					
Focus on appropriate areas The Audit Committee focuses on the right questions and is effective.					
Quality of interaction with external auditors The Audit Committee actively engages with the external auditors regarding scope of work, audit findings and other relevant matters.					
Understanding of key financial issues The Audit Committee has a good understanding of the key financial issues.					
Rigor of debate Audit Committee meetings encourage a high quality of debate with robust and probing discussions.					
Reaction to bad news The Audit Committee responds positively and constructively to bad news in order to encourage future transparency.					
Quality of Chairmanship The chairmanship operates satisfactorily in terms of promoting effective and efficient meetings.					
Processes	1	2	3	4	5
Members with appropriate skills and experience The Audit Committee comprises members with an appropriate mix of skills and experience, including recent and relevant financial experience.					
Structured and appropriate annual audit plan There is a structured annual audit plan to focus on the appropriate areas.					
Sufficient number of meetings and access to resources The number and length of meetings and access to resources is sufficient to allow the Audit Committee to fully discharge its duties.					

<p>Concise, relevant and timely information Audit Committee papers are concise, relevant and timely and are received sufficiently far in advance of meetings.</p>					
<p>Right people invited to attend and present at meetings</p>					
<p>Attendance and contribution at meetings All Audit Committee members attend and actively contribute at meetings</p>					
<p>Sufficient time and commitment to undertake responsibilities All Audit Committee members have sufficient time and commitment to fulfil their responsibilities.</p>					

REPORT:

As per summary.

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

Nil.

POLICY IMPLICATIONS:

Nil.

UNDER SEPARATE COVER/FURTHER INFORMATION:

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website www.tweed.nsw.gov.au or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

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02 [GC-OC] Tweed Heads - Visitor Information Centre

ORIGIN:

Business Undertakings

SUMMARY OF REPORT:

The Department of State and Regional Development and Council have agreed, in principle, to develop a Visitor Information Centre at Jack Evans Boat Harbour, Tweed Heads.

This report recommends the approval and signing of a Deed of Agreement between Council and Tourism NSW, a division of the Department of State and Regional Development, for the funding of construction of the Centre.

RECOMMENDATION:

That :-

1. **Council approves the Deed of Agreement with Tourism NSW for the development of the Gateway Information Centre, Jack Evans Boat Harbour, Tweed Heads,**
2. **All documentation be executed under the common seal of Council.**

REPORT:

Council and the Department of State and Regional Development have agreed in principle to jointly develop a Visitor Information Centre (VIC) within the Jack Evans Boat Harbour precinct.

This project, known as the Gateway Information Centre envisages the VIC being established on the corner of the intersection of Bay and Wharf Streets, Tweed Heads.

Funding in the amount of approximately \$120,000 will be provided in trust to Council for this project, subject to the execution of a Deed of Agreement between Council and Tourism New South Wales – a division of the Department of State and Regional Development.

The Manager of Business and Economic Development recommends Council approves the Deed and executes all documentation in this respect.

Figure 1: *Deed of Agreement – Gateway Information Centre*

THIS DEED made the _____ day of _____, 2006.

BETWEEN Tweed Shire Council of the Civic and Cultural Centre, Tumbulgum Road, Murwillumbah in the State of New South Wales (called "**Council**") and **Tourism New South Wales** a division of the Department of State and Regional Development acting for the Crown in right of the State of New South Wales of Tourism House, 55 Harrington Street, The Rocks, Sydney in the State of New South Wales ("**Tourism New South Wales**").

WHEREAS it is intended that a regional Gateway Information Centre will be developed at Tweed Heads and Kingscliff (called the "Gateway Information Centre") on the lands described in Schedule 1 (the "Lands").

AND WHEREAS Tourism New South Wales has agreed to contribute funding to the construction of the Gateway Information Centre on the basis set out in this Agreement.

NOW THIS DEED WITNESSETH as follows:-

- 1) **Tourism New South Wales** will instruct Northern Rivers Tourism as the holder of the Gateway funds, to pay to **Council** an amount of \$..... (the "Grant") plus GST.
- 2) **Council** shall place the Grant in a separate trust account (the "Trust Account") for the Project as set out in Clause 5 and until all funds are spent or the funds are disposed of otherwise in accordance with this Deed the Grant monies are to be maintained in that Trust Account.
- 3) **Council** shall be responsible for the administration of the Project budget in conjunction with the project management by the Gateway Implementation Group, whose membership is described in Schedule 2 (the "GIG")
- 4) The GIG will be responsible for managing all budget aspects of the Project.
- 5) The Gateway Information Centre will be established within Jack Evans Boat Harbour, Tweed Heads and Kingscliff in the locations specified in Schedule 1 and in accordance with plans, specifications and Development Consent approved by all relevant consent authorities and by **Tourism New South Wales** (the "Project").
- 6) The GIG will finalise the preparation of the concept designs, building plans, development application and signage works (signage design, dimensions and location) which will form part of the building works and Council will pay for such building works out of the Grant monies held in the Trust Account referred to in Clause 2 above. **Council** must ensure that all documentation is submitted to **Tourism New South Wales** for approval prior to the lodgement of the development application and commencement of building works.
- 7) The location of the Gateway Information Centre and any other material aspect of the Project may not be varied without the written approval of **Tourism New South Wales** and, where relevant, the statutory consent authority.
- 8) **Council** is authorised to draw funds down from the Trust Account and apply these to expenditure incurred by **Council** in accordance with the Development Consent and approved Building Plans for the Project and to use the Trust Account funds to make progress payments to the contractor for the building works in accordance with the Progress Payments Schedule upon written confirmation being issued by **Tourism New South Wales** that it has received from the GIG satisfactory

documentary proof of the following:

- a) Development Approval being granted for the Gateway Information Centre;
- b) A suitable building works tender having been selected in accordance with all relevant procurement requirements;
- c) A proposed schedule of progress payments for the building works (called the "Progress Payments Schedule"); and
- d) The proposed commencement date of building works.

9) The **Tourism New South Wales** cash contribution to **Council** for the Gateway Information Centre will be limited to..... dollars (.....) plus GST.

10) In addition to the cash contribution for building works specified in Clause 9, **Council** acknowledges that **Tourism New South Wales** has already expended \$20,000 on the Gateway concept development and the Gateway touch screen software, plus \$12,250 on a feasibility study. In addition, \$..... has been spent on the dispersed Gateway model already established in the Tweed.

11) In the event that the Project is not completed by 30 June 2008 then, within 7 days, **Council**, shall refund to **Tourism New South Wales** the unspent portion of the Grant held in the Trust Account.

12) **Council** will be in breach of the Deed, if **Council**:

- a) fails to expend the Gateway Information Centre funds in accordance with the Budget and approvals by the Gateway Implementation Group and **Tourism New South Wales**;
- b) fails to complete the Project in accordance with the Development Consent, approved Building Plans and project timelines specified in clause 11 and approvals by the Gateway Implementation Group and **Tourism New South Wales**.

13) If **Council** is in breach of the Deed, **Tourism New South Wales** may terminate the Deed at any time by giving written notice.

14) Upon termination of this Deed by **Tourism New South Wales** in accordance with Clause 13 of this Deed, following receipt by the Council of a written termination notice:

- a) **Council** will no longer be authorised to expend any further funds out of the Trust Account and within 7 days shall refund to **Tourism New South Wales** all of the funds remaining in the Trust Account as at the date of receipt of the written termination notice; and
- b) **Tourism New South Wales** will not be liable for any consequential loss (including without limitation, loss of profit, business interruption or indirect costs) suffered by **Council** which arises directly or indirectly from the termination of this Deed by **Tourism New South Wales**.

15) Within 28 days of completion of construction and fit-out of the Gateway Information Centre, Council shall advise Tourism New South Wales in writing (electronic advice is acceptable) of such completion and of the proposed commencement dates for operations of the Gateway Information Centres. Any variation to the proposed commencement dates should also be advised in writing. Further **Tourism New South Wales** will be acknowledged in any promotion of the Gateway Information Centre and will be represented at any official opening.

16) Within three (3) months of completion of construction and fit-out of the Project the **Council** shall provide to **Tourism New South Wales** audited accounts showing the disbursement of all Grant monies and all other project costs incurred in the Project. After three

(3) months of operation of the Gateway Information Centre, **Council** must provide a report to **Tourism New South Wales** as to the operation of the Gateway Information Centre including hours of operation, numbers of visitors, and types of enquiries.

17) **Council** acknowledges that there will be no further funding from **Tourism New South Wales** for the operation of the Gateway Information Centre, except as provided for in this Deed.

18) A party is not to be held liable for any failure to observe obligations under this Deed where such failure is wholly or substantially due to any cause beyond the control of that party provided that in any circumstances the party seeking to rely on the benefit of this clause must use its best endeavours to put itself in a position where it is able to meet its obligations under this Deed as quickly as possible.

19) The parties must use reasonable efforts to resolve any dispute, which arises between them under this Agreement, by mediation or by other recognised methods or alternative dispute resolution before commencing court proceedings to resolve this dispute.

20) This Deed will commence on the last execution by the parties and will terminate on the later of one (1) month after receipt by **Tourism New South Wales** of the final report under Clause 16 and 30 September 2008.

21) Except as specifically provided in this Deed, nothing in it is to constitute or be deemed to constitute a partnership among the parties or any party for any other purpose. No party shall have authority to bind another or contract in the name of another in any way or for any purpose.

22) No variation or amendment of or to this Deed shall be binding unless in writing and signed or acknowledged by both parties.

23) No failure to exercise and no delay in exercising any right, power or remedy under this Deed will operate as a waiver nor will any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy

SCHEDULE OF LANDS (Schedule 1)

The Gateway Information Centres will be located within Jack Evans Boat Harbour at the NE corner of the intersection of Bay and Wharf Streets, Tweed Heads and also at the Kingscliff Amenities Hall, Kingscliff or such other location as agreed by the GIG, the Council and **Tourism New South Wales**.

SCHEDULE 2

The Gateway Implementation Group (the GIG) will comprise:

Trevor Wilson (Chair): Department of State and Regional Development
Elisbeth Allen: Tourism New South Wales
Terry Watson: Tweed and Coolangatta Tourism Incorporated
Richards Adams: Tweed Shire Council
A representative from Northern Rivers Tourism

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

This report recommends the approval and signing of a Deed of Agreement between Council and Tourism NSW for funding the construction of a Visitor Information Centre at Jack Evans Boat Harbour, Tweed Heads.

POLICY IMPLICATIONS:

Nil.

UNDER SEPARATE COVER/FURTHER INFORMATION:

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Nil.

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03 [GC-OC] Murwillumbah Civic Centre Office Extensions

ORIGIN:

Acting Director Governance & Corporate Services

SUMMARY OF REPORT:

The major Civic Centre short term extension project is the two storey in-fill behind the Council Chambers.

The Civic Centre works are funded from loan borrowings with a large proportion being repaid from Section 94 Developer Contributions Plan 18 – Council Administration Offices and Technical Support Facilities.

The number of staff requiring housing in the Civic Centre has advanced more rapidly than anticipated, and this request for funding will allow for much needed office accommodation and finalise the short term construction phase of the Civic Centre.

RECOMMENDATION:

That Council:

- 1. Receives and notes the report; and**
- 2. Votes \$1,500,000 in Loan Funds, for construction of the Civic Centre two Storey in-fill, in the September 2006 Quarterly Budget Review.**

REPORT:

Background:

New residential development and population growth, and associated industrial, commercial, retail and other development, will create additional demands for the provision of a range of public services and facilities provided and managed by Tweed Shire Council.

Council's administration offices accommodate most of the staff and office-based needs of a range of services and amenities to the wider community, including Engineering Services, Community Services, financial administration services, Environmental Health services, Development Assessment and Strategic Planning Services, Recreation Services and Emergency Services.

Council's works depot and technical support services facilitate the construction and maintenance of many diverse public amenities and services, mainly related to the provision and maintenance of engineering infrastructure, including roads, drainage, parks and gardens, sewage and water supply, and related staff training, staff accommodation, vehicle maintenance, etc.

From 2005 to 2025 the population of Tweed Shire is expected to grow by 40,000 and this is expected to generate a need for additional Council staff at the rate of 8 staff per 1,000 persons or a total of 320 persons being 142 indoor and 178 outdoor at a 45:55 ratio.

The projected increase in indoor staff at a rate of 8 staff per 1,000 population and a 45:55 indoor/outdoor staff ratio is estimated at:

2005	288
2025	<u>430</u>
Increase	142

Accommodation Needs for additional Indoor Staff

Based on current demands and other research it is estimated that there is a need for 17m² gross floor area (includes 8 to 9m² net floor area plus allowance for meeting rooms, amenities, corridors, auxiliary space etc) per staff member.

Total floor space requirement is: $142 \times 17\text{m}^2/\text{staff} = 2,414\text{m}^2$ of gross office space

It is proposed to build in two stages.

Firstly an interim expansion/optimisation of the existing Council building to increase by 594 m² which will provide for (594m²/17m²) 35 extra staff. This will satisfy needs until about 2008.

Secondly in the longer term, after 2007 provide a new building(s) for the remaining staff $2,414 - 594 = 1,820 \text{ m}^2$

Costs of Additional Building

(a) The short term extension costs per m2

Building works	\$1,000
Survey, design, approvals, project management, etc	\$85
Computers, furnishings, etc	\$294
Parking	\$250
	\$1,629 per m2 *

(b) Long term new building costs, 2008

Building works	\$1,700
Survey, design, approvals, project management, etc	\$170
Computers, furnishings, etc	\$294
Land (based on cost of land to relocate SES)	\$121
Parking	\$250
	\$2,535 per m2 *

* Figures from Section 94 Developer Contributions Plan 18 – Council Administration Offices and Technical Support Facilities

Over the past two years Council has implemented minor short term extensions to the Civic Centre, including:-

- Refurbishment of the old ranger's area to offices;
- Relocation of the Financial Services Unit to top floor;
- New IT Workshop and Records Unit facility;
- Relocation of the IT Services Unit;
- New IT Server room;
- Relocation of the Strategic Planning Unit;
- Refurbish Old Art Gallery building for Community Services; and
- Demolition of Old Bakery building site and excavation to car park.

Expenditure

2004/05	2005/06	Total to 1 July 2006
\$220,588	\$887,321	\$1,107,909

The major short term extension project is the two storey in-fill behind the Council Chambers. After detailed design it is expected this project will cost \$1,500,000.

The number of staff requiring housing in the Civic Centre has advanced more rapidly than anticipated, and this request for funding will allow for much needed office accommodation and finalise the short term construction phase of the Civic Centre.

The Civic Centre works are funded from loan borrowings with a large proportion being repaid from Section 94 Developer Contributions Plan 18 – Council Administration Offices and Technical Support Facilities.

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

As per report.

POLICY IMPLICATIONS:

Nil.

UNDER SEPARATE COVER/FURTHER INFORMATION:

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Nil.

04 [GC-OC] Quarterly Budget Review - 30 September 2006

ORIGIN:

Financial Services

SUMMARY OF REPORT:

This is the first quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2006/07 Budget based on projections to 30 June 2007.

This statutory report is prepared in accordance with the Local Government (General) Regulations 2005, Regulation 202 and 203. Based on current projections, Council will have a balanced budget as at 30 June 2007 in the General Fund, Water and Sewer Funds.

RECOMMENDATION:

That the:

- 1. Quarterly Budget Review Statement as at 30 September 2006 be adopted.**
- 2. Expenditure and income, as summarised below and detailed within the report, be voted and adjusted in accordance with the revised total expenditure and income for the year ending 30 June 2007:**

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Operating - Materials, Contracts, Labour	5,982,328	
Capital	7,836,462	0
Transfers to Reserves		40,000
	13,818,790	40,000
<u>Income</u>		
Operating - User Charges & Fees		23,000
Operating - Grants & Contributions		1,943,739
Capital - Grants & Conts		1,460,288
Loan Funds		4,938,070
Recoupments	0	721,900
Transfers from Reserves	0	5,057,929
Asset Sales	366,136	0
	366,136	14,144,926

Net Surplus/(Deficit) 0

Description	Change to Vote	
	Deficit	Surplus
Water Fund		
<u>Expenses</u>		
Operating - Materials, Contracts, Labour	67,426	
Capital		13,131,000
Loan Repayments		
Transfers to Reserves		424,426
	67,426	13,555,426
<u>Income</u>		
Recoupments from s64/s94 funds	10,755,200	
Transfers from Reserves	2,732,800	
	13,488,000	0
Net Surplus/(Deficit)		0
Sewer Fund		
<u>Expenses</u>		
Operating - Materials, Contracts, Labour	37,624	
Capital	6,391,118	
	6,428,742	0
<u>Income</u>		
Recoupments from s64/s94 funds		4,772,618
Transfers from Reserves		1,656,124
Asset Sales		0
	0	6,428,742
Net Surplus/(Deficit)		0

REPORT:

BUDGET REVIEW 30 SEPTEMBER 2006 (QUARTERLY BUDGET REVIEW)

In accordance with Regulation 203(1) of the Local Government (General) Regulation 2005, a Budget Review Statement and revision of the estimates of income and expenditure must be submitted to Council within two months of the close of each quarter.

The Regulation requires that the quarterly financial review must include the following:

- A revised estimate for income and expenditure for the year; and
- A report as to whether or not such statements indicate that the financial position of the Council is satisfactory and if the position is unsatisfactory, make recommendations for remedial action.

REPORT BY RESPONSIBLE ACCOUNTING OFFICER

The Quarterly Budget Review Reports are prepared to provide Council and the community with information in relation to Council's financial performance and proposed amendments to its budget and forward estimates. The reports are prepared under accrual accounting principles in accordance with the requirements of the Local Government Act 1993.

The Financial reports included in the Quarterly Budget Review are as follows:

1. Variations
 - a) Variations Proposed
 - b) Introduced During Quarter – by Council Resolution
 - c) Funds carried forward from 2005/06
2. Budget Summary
 - a) By Type (including Available Working Capital)
 - b) By Corporate Goal

Variations

There are three variations reports included in the Quarterly Budget Review during this quarter:

- Variations Proposed;
- Council Resolutions;
- Funds carried forward.

The Variations Proposed report details all of the recommended changes to budget that have been put forward by management at this review for Councils consideration.

The Council Resolutions report is provided as information to the Council and the community to explain the adjustments that have been included in the approved Budget during the quarter.

A Funds carried forward report is included to show projects incomplete in 2005/06 that are proposed to be expended in 2006/07.

Statement of Financial Performance

The Statement of Financial Performance measures Council's financial performance over the period and shows whether or not Council has earned sufficient revenues to support its activities during that period, and whether or not surpluses have been created to fund additional or replacement assets to service community needs.

The statements show where Council's money comes from (Revenue) and how that revenue is consumed (Expenses) in providing the ordinary activities and services of the Council.

Statement of Funding Result Reconciliation

The Funding Statement provides information about the source of cash and "cash like" funds, and how they have been (or are budgeted to be) applied in the Management Plan.

The "source" of funds includes the surplus or deficit (a negative source) from ordinary activities of Council as expressed in the Statement of Financial Performance. In other words all of the ordinary activities of Council including collection of rates and other general income and provision of services are netted off and the remainder is available to provide a source of funds for other expenditure such as asset acquisition, loan repayments and transfer to reserve for future expenditure programs.

Budget Summary

The budget summary reports provides the 2006/07 estimates of income and expenditure by accounting category and by Council Corporate Goals, for each individual fund.

Unrestricted Working Capital

The Unrestricted Working Capital report provides details of the underlying cash position of each fund.

Unrestricted Working Capital is the level of cash available, and needed, by Council to continue to operate until receipts from rate payments are collected to fund the new financial years' budget.

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
1. Proposed Variations					
General					
1	In	RTA bridges funding	(1,000,000)	(137,513)	Additional funding from Regional Rds block grant
1	Ex	Perch Creek Bridge	45,000	137,513	Expenditure of above
2	Ex	Wollumbin St Traffic signals	0	80,000	Black Spot funding
2	Ex	Condong St median island	0	50,000	Black Spot funding
2	In	Black Spot funding	0	(130,000)	Black Spot funding
3	Ex	Regional roads maintenance	1,669,000	(104,000)	Grant less than anticipated
3	In	Regional roads grant	(1,669,000)	104,000	Grant less than anticipated
4	Ex	Traffic facilities classified roads	214,000	6,000	Grant more than anticipated
4	In	Traffic facilities grant	(214,000)	(6,000)	Grant more than anticipated
5	Ex	Road safety officer	71,218	6,950	Grant less than anticipated
5	Ex	Road safety officer ancillary	8,000	(4,500)	Grant less than anticipated
5	Ex	Road safety officer programs	19,000	(18,866)	Grant less than anticipated
5	In	Road safety officer grant	(59,000)	16,416	Grant less than anticipated
6	Ex	Bogangar precinct toilets	15,200	12,000	Reflect actual 2005/06 costs
7	Ex	Pottsville precinct toilets	17,300	17,000	Reflect actual 2005/06 costs
8	In	Sale of Tyalgum pre-school land	0	(133,864)	Proceeds of sale
9	In	Financial Assistance Grant - general component	(5,876,297)	206,325	Grant less than anticipated
10	In	Financial Assistance Grant - roads component	(1,830,000)	(25,825)	Grant more than anticipated
10	Ex	Financial Assistance Grant roads expenditure	1,830,000	25,825	Grant more than anticipated
11	Ex	Tweed District Rescue Squad	23,100	20,000	Request for additional funds
12	Ex	Workers Compensation Insurance	2,000,000	(230,000)	Savings
13	In	Section 94 Administration Levy	(128,551)	(186,000)	s94 income more than anticipated 3rd administrator not budgeted for, Administrator Payne funded by DLG
14	Ex	Administrators' fees & expenses	185,000	50,000	Contribution higher than earlier advice
15	Ex	Richmond Tweed Regional Library	1,501,154	15,768	Fencing/remediation works
16	Ex	Tweed Heads Cemetery	0	30,000	Funding for above
16	In	Cemeteries asset management reserve	0	(30,000)	Tweed Roads Contributions Plan item
17	Ex	Scenic Drive diversion	0	300,000	Funding for above
17	In	Recoupment from s94 funds	(760,000)	(300,000)	New cell, environmental controls, rehabilitation
18	Ex	Solid waste cell, Bartletts Quarry	0	360,000	Funding for above
18	In	Environmental management reserve	0	(330,000)	Funding for above
18	In	Rehabilitation reserve	0	(30,000)	Funding for above
18	Ex	Stotts Creek landfill/transfer station	0	663,000	Monitoring, environmental controls, rehabilitation
18	In	Environmental management reserve	0	(150,000)	Funding for above
18	In	Rehabilitation reserve	0	(413,000)	Funding for above
18	In	Recycling reserve	0	(100,000)	Funding for above
18	Ex	Stotts Creek inert waste	0	120,000	Rehabilitation, drainage
18	In	Environmental management reserve	0	(100,000)	Funding for above
18	In	Rehabilitation reserve	0	(20,000)	Funding for above
18	Ex	Eviron future landfill sites	0	100,000	Management plan, EIS
18	In	Management plan reserve	0	(70,000)	Funding for above

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
18	In	EIS reserve	0	(30,000)	Funding for above
18	Ex	Domestic Waste employee costs	165,900	40,000	Additional clerical assistant
18	Ex	Domestic Waste provision for future expenses	1,051,937	(40,000)	Funding for above
19	Ex	Proclaim One revival project	0	318,089	Proclaim database project
19	In	Software & equipment reserve	0	(208,000)	Funding for above
19	Ex	IT salaries (vacant position)	1,049,016	(50,089)	Funding for above
19	Ex	Data cleansing	100,000	(60,000)	Funding for above, see item 140
20	Ex	Nullum Street property	13,400	10,000	Roof repairs
20	In	Community facilities asset management reserve	0	(10,000)	Funding for above
21	In	Building control legal income	(2,000)	(8,000)	Projected income
21	In	Advertising fees (Building)	0	(10,000)	Projected income
21	In	Modifying Dev Consent fees (Building)	0	(5,000)	Projected income
22	Ex	Parks asset management	0	10,000	Vehicle running costs
23	Ex	Plans of Management - Community Land	0	20,000	In conjunction with proposed open space strategy
24	Ex	Tugun Bypass consent conditions	0	10,000	Monitoring costs
25	Ex	Blossom bat habitat replacement	0	200,000	Casuarina Beach DA
25	In	Contribution from developer	0	(200,000)	Funding for above
26	Ex	Fire brigade contribution	300,152	(2,412)	Advice received
27	Ex	Byrill Creek catchment restoration	0	205,000	Grant/council funded project
27	Ex	Transfer from other catchment projects	0	(105,000)	Council funds for above
27	In	Grant income	0	(100,000)	Grant funding for above
28	Ex	7 Year Plan Regional Sport & Rec facilities	1,666,667	(500,000)	Transfer budget to Coastal Landscape Strategy below
28	Ex	7 Year Plan Coastal Landscape Strategy	0	500,000	Transfer budget from above
28	Ex	7 Year Plan Coastline Management Plan	500,000	(500,000)	Funding source not available (see below)
28	In	Coastline Man Plan Income	(500,000)	500,000	Funding source not available
29	Ex	Cycleways budget	187,000	(187,000)	Transfer budget to specific items below
29	Ex	Condong St	0	60,500	Specific program identified after grants advised
29	Ex	Nullum St	0	68,000	Specific program identified after grants advised
29	Ex	Jack Evan Boatharbour	0	185,900	Specific program identified after grants advised
29	In	Grant funding cycleways	(93,500)	(34,450)	Additional funding for above
29	In	s94 funding cycleways	(88,261)	(92,950)	Additional funding for above
30	Ex	Tweed Heads South locality plan	0	130,000	Studies required to complement/facilitate LEP review
31	Ex	Pottsville locality plan	0	84,183	Studies required to complement/facilitate LEP review
32	Ex	Civic Centre Extensions	0	1,500,000	Civic Centre extensions – refer report to this Council meeting
32	In	Civic Centre loans	0	(1,500,000)	Loan funding for above

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
Water Fund					
33	Ex	Various capital works	28,669,700	(13,131,000)	Deferrals and adjustments
33	Ex	Operating Expenses	5,126,831	67,426	Adjustment to estimates
33	Ex	Transfers to Asset replacement reserve	2,264,629	(424,426)	Adjustment to funding estimates
33	In	Transfers from Asset Replacement Reserve	(8,911,550)	2,732,800	Adjustment to funding estimates
33	In	Transfers from Capital Contributions Reserve	(17,887,775)	10,755,200	Adjustment to funding estimates
Sewer Fund					
34	Ex	Various capital works	40,707,150	6,391,118	New items and net increase to estimates
34	Ex	Operating Expenses	7,026,039	37,624	Adjustment to estimates
34	Ex	Transfers from Revenue reserve	(1,025,717)	(797,324)	Adjustment to funding estimates
34	In	Transfers from Asset Replacement Reserve	(12,521,100)	(858,800)	Adjustment to funding estimates
34	In	Transfers from Capital Contributions Reserve	(22,762,000)	(4,772,618)	Adjustment to funding estimates
				<u>0</u>	

2. Variations Arising from Council Resolutions

35	Ex	Estuary management plans	0	27,800	Council meeting 12 April 2006
35	In	Northern Rivers Catchment Management grant		(27,800)	Council meeting 12 April 2006
35	Ex	Coastline management plan		22,500	Council meeting 12 April 2006
35	In	Northern Rivers Catchment Management grant		(22,500)	Council meeting 12 April 2006
36	Ex	Shire wide community facilities program	0	50,000	Council meeting 25 July 2006
36	In	Community facilities fund no 96	0	(50,000)	Council meeting 25 July 2006
37	Ex	Civic Precinct Planning	0	10,000	Council meeting 4 July 2006
37	In	Community facilities asset management reserve	0	(10,000)	Council meeting 4 July 2006
38	In	Jack Evans Boatharbour cycleway	0	185,900	Council meeting 25 July 2006
38	Ex	Grant funding for above	0	(92,950)	Council meeting 25 July 2006
38	In	CP 22 s94 funding for above	0	(92,950)	Council meeting 25 July 2006
39	Ex	Tyalgum Road pavement rehabilitation	0	185,000	Council meeting 17 October 2006
39	Ex	Bilambil Creek Road pavement rehabilitation	0	275,000	Council meeting 17 October 2006
39	Ex	Coronation Avenue pavement rehabilitation	0	190,000	Council meeting 17 October 2006
39	Ex	Wardrop Valley Road widening/strengthening	0	378,110	Council meeting 17 October 2006
39	In	Roads to Recovery Supplementary Program grant	0	(1,028,110)	Council meeting 17 October 2006
				0	

3. Proposed Works Carried Forward to 2006/07

3a Loans

40	Ex	Open Space		152,769	
40	In	Open Space Loan funding		(152,769)	
41	Ex	Chillingham Village Common		79,237	
41	In	Chillingham Village Common Loan funding		(79,237)	

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
42	Ex	Server room fitout (was Data Cabling)		97,156	
42	In	Software - Data Cabling Loan funding		(97,156)	
43	Ex	Tweed Heads Skate Park		26,456	
43	In	Tweed Heads Skate Park Loan funding		(26,456)	
44	Ex	Tweed Respite Centre		986,160	
44	In	Tweed Respite Centre Loan funding		(986,160)	
46	Ex	Bilambil Sports Field		30,561	
46	In	Bilambil Sports Field Loan funding		(30,561)	
47	Ex	Public Toilets		40,424	
47	In	Public Toilets Loan funding		(40,424)	
48	Ex	Museum		293,850	
48	In	Museum Loan funding		(293,850)	
49	Ex	Tweed Depot		289,389	
49	In	Tweed Depot Loan funding		(289,389)	
50	Ex	Building renovations (was Records Management)		300,000	
50	In	Records Management Loan funding		(300,000)	
51	Ex	Office Extensions		43,310	
51	In	Office Extensions Loan funding		(43,310)	
52	Ex	Pottsville drainage		13,121	
52	In	Pottsville drainage Loan funding		(13,121)	
53	Ex	Lavender Creek Flood Pumps		173,512	
53	In	Lavender Creek Flood Pumps Loan funding		(173,512)	
54	Ex	Flood Mitigation		222,300	
54	In	Flood Mitigation Loan funding		(222,300)	
55	Ex	Voluntary Purchase 2:1		18,969	
55	In	Voluntary Purchase 2:1 Loan funding		(18,969)	
56	Ex	Byangum Bridge		22,981	
56	In	Byangum Bridge Loan funding		(22,981)	
57	Ex	Quinns Bridge Reserve Creek		229,632	
57	In	Quinns Bridge Reserve Creek Loan funding		(229,632)	
58	Ex	Boatharbour Bridge		99,681	
58	In	Boatharbour Bridge Loan funding		(99,681)	
59	Ex	Wadamp Boat Ramps - Lakes Drive 50%		4,651	
59	In	Wadamp Boat Ramps - Lakes Drive 50% Loan funding		(4,651)	
60	Ex	Wadamp Boat Ramps - Public Jetties 50%		41,925	
60	In	Wadamp Boat Ramps - Public Jetties 50% Loan funding		(41,925)	
61	Ex	Boat ramps		53,445	
61	In	Boat ramps Loan funding		(53,445)	
62	Ex	Coastline Management Plan		218,541	
62	In	Coastline Management Plan Loan funding		(218,541)	

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
3b Grants					
63	Ex	Sustainable Regions Prg Develop		20,500	1
63	In	Sustainable Regions Prg Develop		(20,500)	
64	Ex	Tweed Heads Masterplan Implementation		174,611	
64	In	Tweed Heads Masterplan Implementation		(174,611)	
65	Ex	TV Transport Info Service		1,000	
65	In	TV Transport Info Service		(1,000)	
66	Ex	International Womens Day		900	
66	In	International Womens Day		(900)	
67	Ex	NSW State Emerg mgmt C'tee - Nat Disaster Mitigation Pgm		22,727	
67	In	NSW State Emerg mgmt C'tee - Nat Disaster Mitigation Pgm		(22,727)	
68	Ex	Ministry for Arts - City of the Arts		49,305	
68	In	Ministry for Arts - City of the Arts		(27,611)	
69	Ex	Special Purpose Grant 2005		9,125	
69	In	Special Purpose Grant 2005		(9,125)	
70	Ex	Special Purpose Grant 2006		54,000	
70	In	Special Purpose Grant 2006		(54,000)	
71	Ex	Museums & Galleries Foundation of NSW		328	
71	In	Museums & Galleries Foundation of NSW		(191)	
72	Ex	Ministry for Arts - Strat. Apprch Hist. & Museums		4,445	
72	In	Ministry for Arts - Strat. Apprch Hist. & Museums		(4,445)	
73	Ex	Heritage Study		1,690	
73	In	Heritage Study		(845)	
74	Ex	Sustainable Living Project		1,406	
74	In	Sustainable Living Project		(1,406)	
75	Ex	COP Other		38,831	
75	In	COP Other		(38,831)	
76	Ex	Youth Week		988	
76	In	Youth Week		(988)	
77	Ex	Anti-Racism & Community Harmony		1,818	
77	In	Anti-Racism & Community Harmony		(1,818)	
78	Ex	Volunteerism		119	
78	In	Volunteerism		(119)	
79	Ex	SAS - AMP		8,919	
79	In	SAS - AMP		(8,919)	
80	Ex	SAS - CC		251	
80	In	SAS - CC		(251)	
81	Ex	COMPACKS		97,646	
81	In	COMPACKS		(97,646)	
82	Ex	COMPACKS - Winter Bed Strategy		14,784	
82	In	COMPACKS - Winter Bed Strategy		(14,784)	

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
83	Ex	COPS Veterans Brokerage Project		231,416	
83	In	COPS Veterans Brokerage Project		(231,416)	
84	Ex	Env Trust - Coastal Vegetation		8,460	
84	In	Env Trust - Coastal Vegetation		(8,460)	
85	Ex	Bitou Bush		1,460	
85	In	Bitou Bush		(1,460)	
86	Ex	Acid Soil Action - Ti Tree/Pasture		1,990	
86	In	Acid Soil Action - Ti Tree/Pasture		(1,990)	
87	Ex	Acid Soil Action - Tanglewood		11,900	
87	In	Acid Soil Action - Tanglewood		(11,900)	
88	Ex	Acid Soil Action - Cudgen Lake Catchment		10,397	
88	In	Acid Soil Action - Cudgen Lake Catchment		(10,397)	
89	Ex	Hot Spots Program		1,845	
89	In	Hot Spots Program		(1,845)	
90	Ex	Nth Rivers Catchmt - Blacks Drain& Tidal Floodgate		47,789	
90	In	Nth Rivers Catchmt - Blacks Drain& Tidal Floodgate		(47,789)	
91	Ex	Nth Rivers Catchmt - Coastal Floodplain & ASS Mgmt Projects Cont. No. 22		17,764	
91	In	Nth Rivers Catchmt - Coastal Floodplain & ASS Mgmt Projects Cont. No. 22		(11,369)	
92	Ex	NSW Dept Primary Indust - Fish Habitat Program		13,807	
92	In	NSW Dept Primary Indust - Fish Habitat Program		(7,987)	
93	Ex	Nth Rivers Catchmt - Terranora Bwtr Mgmt Floodgated Wetland		38,108	
93	In	Nth Rivers Catchmt - Terranora Bwtr Mgmt Floodgated Wetland		(38,108)	
95	Ex	Brett/Boyd St R'bout		11,132	
95	In	Brett/Boyd St R'bout		(11,132)	
96	Ex	FAG		928,665	
96	In	FAG		(928,665)	
97	Ex	Nat Black Spot Pgm 2005		23,397	
97	In	Nat Black Spot Pgm 2005		(11,231)	
98	Ex	Nat Black Spot Pgm 2005		56,185	
98	In	Nat Black Spot Pgm 2005		(28,092)	
99	Ex	Repair Kyogle Rd/Numinbah Rd		17,883	
99	In	Repair Kyogle Rd/Numinbah Rd		(8,941)	
100	Ex	High School		12,165	
100	In	High School		(6,083)	
101	Ex	Cycleways - Terranora Tce		21,305	
101	In	Cycleways - Terranora Tce		(10,653)	
102	Ex	Chillingham Foot/Cycleway		12,831	
102	In	Chillingham Foot/Cycleway		(12,831)	
103	Ex	Wommin Bay Cycleway		1,464	
103	In	Wommin Bay Cycleway		(732)	

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
104	Ex	NSW Coastline Cycleways (DIPNR)		13,270	
104	In	NSW Coastline Cycleways (DIPNR)		(6,635)	
105	Ex	Cycleway 2006 Greenway/Machinery Dr		3,305	
105	In	Cycleway 2006 Greenway/Machinery Dr		(802)	
106	Ex	Cycleway 2006 Coronation Ave- Seabreeze		27,505	
106	In	Cycleway 2006 Coronation Ave- Seabreeze		(13,753)	
107	Ex	Pedestrian Safety		4,866	
107	In	Pedestrian Safety		(4,866)	
108	Ex	PAMP - Pedestrian Facilities-2005		30,966	
108	In	PAMP - Pedestrian Facilities-2005		(13,315)	
109	Ex	Safety around Schools - Mbah High		11,656	
109	In	Safety around Schools - Mbah High		(5,828)	
110	Ex	Temp Rd Safety Banners		2,983	
110	In	Temp Rd Safety Banners		(2,983)	
111	Ex	SAS -Minor Traffic Fac - Cudgen Primary		5,512	
111	In	SAS -Minor Traffic Fac - Cudgen Primary		(2,756)	
112	Ex	SAS - Minor Traffic Fac - Clothiers Ck Rd		4,926	
112	In	SAS - Minor Traffic Fac - Clothiers Ck Rd		(2,463)	
113	Ex	Mooball/Crabbes Crk		112,200	
113	In	Mooball/Crabbes Crk		(112,200)	
114	Ex	Country Pass Transp Infra 2004 - Interchange upgrade		34,702	
114	In	Country Pass Transp Infra 2004 - Interchange upgrade		(34,702)	
115	Ex	Country Pass Trans Infra 2005 - Interchange		86,636	
115	In	Country Pass Trans Infra 2005 - Interchange		(86,636)	
116	Ex	Envirofund Coast Care Project - Hastings Pt Dune Care		24	
116	In	Envirofund Coast Care Project - Hastings Pt Dune Care		(24)	
117	Ex	Coast care 98/99		106	
117	In	Coast care 98/99		(106)	
118	Ex	NRCMA Estuary Grants		22,000	
118	In	NRCMA Estuary Grants		(22,000)	
119	Ex	Lower Twd Rvr Mgt		617,295	
119	In	Lower Twd Rvr Mgt		(411,530)	
120	Ex	Byrrill Creek Riparian Restoration Project		40,000	
120	In	Byrrill Creek Riparian Restoration Project		(40,000)	
121	Ex	Tweed Coast Estuaries Mgt		35,212	
121	In	Tweed Coast Estuaries Mgt		(17,606)	
122	Ex	Road Safety Direct Prog 50%		5,187	
122	In	Road Safety Direct Prog 50%		(2,593)	

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
123	Ex	MAA - Arrive Alive		13	
123	In	MAA - Arrive Alive		(13)	
124	Ex	Cycleway map development		5,000	
124	In	Cycleway map development		(5,000)	
125	Ex	Natural Disaster Funding - 30 June Flood		65,734	
125	In	Natural Disaster Funding - 30 June Flood		(64,113)	
126	Ex	Far Nth Coast Regional Strategy Grant		10,000	
126	In	Far Nth Coast Regional Strategy Grant		(10,000)	
127	Ex	Regional Arts NSW - Multi Arts Perf. Proj - Disability Arts Group		7,940	
127	In	Regional Arts NSW - Multi Arts Perf. Proj - Disability Arts Group		(7,940)	
128	Ex	MFA - Migration Heritage		11,000	
128	In	MFA - Migration Heritage		(11,000)	
129	Ex	Visual Arts & Crafts Ministry for Arts		16,000	
129	In	Visual Arts & Crafts Ministry for Arts		(16,000)	
130	Ex	Wooyung Coastal Veg Mgmt Plan		3,565	
130	In	Wooyung Coastal Veg Mgmt Plan		(2,004)	
131	Ex	Tweed Floodgate Modification Project		42,910	
131	In	Tweed Floodgate Modification Project		(42,910)	
132	Ex	Floodplain project work		32,287	
132	In	Floodplain project work		(32,287)	
133	Ex	Cudgera Creek Road Reseal		82,683	
133	In	Cudgera Creek Road Reseal		(82,683)	
134	Ex	SAILS		7,284	
134	In	SAILS		(7,284)	
135	Ex	Portable Beach lockers		12,400	
135	In	Portable Beach lockers		(12,400)	
136	Ex	Domestic abuse awareness		7,500	
136	In	Domestic abuse awareness Works carried forward		(7,500)	
137	In	reserve		(382,293)	
3c Works Carried Forward Reserve					
138	Ex	Members' Equipment		12,484	
139	Ex	New Business Systems - GIS Project		20,000	
140	Ex	New Business Systems - HR/OHS Dataworks		20,000	
141	Ex	New Computer Items - Data Cleansing		100,000	less 60000 to Proclaim project Item 19
142	Ex	New Computer Items - Asset Management System		140,000	
143	Ex	Records Compliance/ Back Scanning		90,000	
144	Ex	Richmond Tweed Council Co-operation		1,460	
145	Ex	North Coast Safety Group NCSG		4,492	
146	Ex	Civic Liaison/Consultation		21,332	
147	Ex	Shire Newsletter		20,140	

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
148	Ex	Pt Danger Lighthouse Asset Mgt		17,000	
149	Ex	Murwillumbah Aerodrome		9,000	
149	Ex	Murwillumbah Cattle saleyards (previously Aerodrome)		20,000	
150	Ex	Murwillumbah Main Street		30,000	
151	Ex	Tourism & Promotion		23,489	
152	Ex	Village projects		109,966	
153	Ex	Wardrop Valley Project		70,081	
154	Ex	Bus Route Rate Rise Surplus/Deficit - Rolling Balance		12,749	
155	Ex	Drainage Rate Rise surplus/deficit		77,957	
156	Ex	Footpath repairs (Rate Rise)		46,276	
157	Ex	Asphalt Resheeting (Rate Rise)		(4,984)	
158	Ex	Community Project Officer		2,373	
159	Ex	Public Toilets Capital		19,476	
160	Ex	Cultural Development Fund		23,578	
161	Ex	Tweed Shire Comm. Based Heritage Study		3,380	
163	Ex	Knox Park Pond Project		98,624	
164	Ex	Youth Support		15,405	
165	Ex	Youth Survey		88,000	
166	Ex	Anti Drugs Campaign		36,105	
167	Ex	Health Education & Equip		3,529	
168	Ex	Sportsfields Capital Work		39,356	
169	Ex	Oxley Cove Traffic/Access		20,317	
170	Ex	Botanic Gardens		11,162	
171	Ex	Pottsville Env Park (Bond Inc)		53,141	
172	Ex	Krekelberg Environmental Park		7,000	
173	Ex	Cudgen Lake Acid Mgt		16,650	
174	Ex	Reafforestation Committee		4,410	
175	Ex	Significant Tree Identification		7,631	
176	Ex	North Arm Road		94,811	
177	Ex	Footpaths		104,239	
179	Ex	Koala Beach Stg7 LEP Amendment		3,500	
180	Ex	Cudgen Lake Acid Management		18,264	
181	Ex	Art Gallery Extensions		60,742	
182	Ex	Museum operating expenses		4,200	
183	Ex	Historical signage - allocate to Web Site/Education Kit		7,041	
184	Ex	Boat ramp maintenance		6,000	
185	Ex	Wharves maintenance		8,000	
186	Ex	Canal maintenance		10,000	
187	Ex	Community project officer		4,615	
188	Ex	Civic Liaison		21,332	
189	Ex	Cultural development fund		23,549	
190	Ex	City of the Arts		70,361	
191	Ex	Risk management		51,464	
192	Ex	Risk management signage		65,495	
193	Ex	Fire control expenses		83,426	
194	Ex	Community worker costs		6,677	
195	Ex	Koala Beach LEP 57		19,719	
196	Ex	Kyogle Road LEP 30		6,957	
197	Ex	Acquisitive Prize BAP		2,600	
198	Ex	CPM Exhibition		2,600	

Item	In/Ex	Description	Current Vote	Change to Vote	Comments
199	Ex	Olive Cotton		10,440	
		Urban Road Reconstruction			
200	Ex	05/06		468,486	
		Rural Road Reconstruction			
201	Ex	05/06		376,285	
		Works Carried Forward			
202	In	Reserve		(2,822,382)	
3d Other Reserves					
203	Ex	Revolving Energy Fund		84,863	
		Revolving Energy Fund			
204	In	reserve		(84,863)	
205	Ex	Access funding	47,700	171,172	
		Access funding - Committee			
206	Ex	expenditure	12,000	23,140	
207	In	Access funding reserve		(194,312)	
208	Ex	Museum capital		73,079	
		Museum asset management			
208	In	reserve		(73,079)	
Summary of Revotes by Type					
		2006/07 Variations		0	
		Council Resolutions		0	
		Carried forward		0	
				<u>0</u>	
Summary of Revotes - by Category					
Expenses					
		Operating - Materials, Contracts, Labour		6,087,378	
		Capital		1,096,580	
		Transfers to Reserves		(464,426)	
				6,719,532	
Income					
		Operating - User Charges & Fees		(23,000)	
		Operating - Grants & Contributions		(1,943,739)	
		Capital - Grants & Conds		(1,460,288)	
		Loan Funds		(4,938,070)	
		Recoupments		5,260,682	
		Transfers from Reserves		(3,981,253)	
		Asset Sales		366,136	
				(6,719,532)	
		Net		<u>0</u>	
Summary of Revotes - by Corporate Goal					
		Community		567,577	
		Economy		192,455	
		Environment		475,883	
		Infrastructure		1,107,862	
		Governance		(2,343,777)	
				<u>0</u>	

Financial Summary

	General Fund		Water Fund		Sewer Fund		Total
	Original Budget	Revised Budget	Original Budget	Revised Budget	Original Budget	Revised Budget	
Statement of Financial Performance							
Operating Expenses							
Materials & Contracts	19,567	25,549	1,155	1,155	573	611	27,315
Employee Costs	26,600	26,600	3,300	3,300	5,100	5,100	35,000
Interest Charges	2,200	2,200			321	321	2,521
Depreciation	15,419	15,419	6,551	6,551	4,748	4,748	26,718
Other Operating Expenses	8,475	8,475	385	385	640	640	9,500
	72,261	78,243	11,391	11,391	11,382	11,420	101,054
Operating Revenue							
Rates & Annual Charges	32,002	32,002	2,696	2,696	12,518	12,518	47,216
User Charges & Fees	13,041	13,064	8,574	8,574	475	475	22,113
Interest	1,279	1,279	100	100	100	100	1,479
Other Operating Revenue	674	674	50	50	5	5	729
Grants & Contributions	10,586	12,529	400	400	370	370	13,299
	57,582	59,548	11,820	11,820	13,468	13,468	84,836
Surplus/(Deficit) before Capital Amounts	(14,679)	(18,695)	429	429	2,086	2,048	(16,218)
Grants & Contributions (Capital amounts)	4,815	6,275	1,672	1,672	2,108	2,108	10,055
Surplus/(Deficit) after Capital Amounts	(9,864)	(12,420)	2,101	2,101	4,194	4,156	(6,163)

Funding Result Reconciliation

Add Back non-funded items:

Depreciation	15,419	15,419	6,551	6,551	4,748	4,748	26,718
Internal Transfers	5,455	5,455	(2,890)	(2,890)	(2,565)	(2,565)	0
	11,010	8,454	5,762	5,762	6,377	6,339	20,555
Transfers from Externally Restricted Cash	3,789	4,511	17,888	17,888	22,762	27,535	49,934
Transfers from Internally Restricted Cash	1,377	6,435	8,912	8,912	13,547	15,203	30,550
Proceeds from sale of assets	1,800	1,434				0	1,434
Loan Funds Utilised	13,704	17,256				0	17,256
Repayments from Deferred Debtors							
	31,680	38,090	32,562	32,562	42,686	49,077	119,729

	General Fund		Water Fund		Sewer Fund		
	Original Budget	Revised Budget	Original Budget	Revised Budget	Original Budget	Revised Budget	
<i>Funds were applied to:</i>							
Purchase and construction of assets	(24,704)	(31,154)	(28,670)	(28,670)	(40,707)	(47,098)	(106,922)
Repayment of principal on loans	(3,239)	(3,239)			(439)	(439)	(3,678)
Transfers to Externally Restricted Cash	(1,761)	(1,761)	(1,627)	(1,627)	(1,540)	(1,540)	(4,928)
Transfers to Internally Restricted Cash	(1,976)	(1,936)	(2,265)	(2,265)		0	(4,201)
Increase/(Decrease) in Available Working Capital	0	0	0	0	0	0	0

Available Working Capital Previous Financial Year	2,068	2,068	3,517	3,517	2,073	2,073	7,658
Available Working Capital as at 30 June 2007	<u>2,068</u>	<u>2,068</u>	<u>3,517</u>	<u>3,517</u>	<u>2,073</u>	<u>2,073</u>	<u>7,658</u>

Summary by Corporate Goals

Surplus/(Deficit)							
Community	13,771	13,771	0	0	0	0	0
Economy	1,597	1,597	0	0	0	0	0
Environment	6,650	6,650	0	0	0	0	0
Infrastructure	13,596	13,596	0	0	0	0	0
Governance	(35,614)	(35,614)	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

General Fund

Based on current projections the General Fund is expected to remain as a “balanced budget”. Furthermore, any approval for funding of additional programs has been offset by a reduction in an alternative program.

Water Fund

The Water Fund remains in a sound financial position with sufficient reserves to meet any unexpected costs and is expected to remain as a balanced budget. It should be noted that major capital expenditure for the Murwillumbah Water Treatment Plant is programmed for the next 2 – 3 years.

Sewer Fund

The Sewer Fund remains in a sound financial position with sufficient reserves to meet any unexpected costs and is expected to remain as a balanced budget. It should be noted that major capital expenditure for the Kingscliff Sewerage Treatment Plant is programmed for the next 2 – 3 years.

**Statutory Statement – Local Government (General) Regulations 2005
(Sections 202 & 203) by “Responsible Accounting Officer”**

202 Responsible accounting officer to maintain system for budgetary control

The responsible accounting officer of a Council must:

- (a) *establish and maintain a system of budgetary control that will enable the council’s actual income and expenditure to be monitored each month and to be compared with the estimate of the council’s income and expenditure, and*
- (b) *if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.*

203 Budget review statements and revision of estimates

- (1) *Not later than 2 months after the end of each quarter, the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the management plan that the council has adopted for the relevant year, a revised estimate of the income and expenditure for that year.*
- (2) *A budget review statement must include or be accompanied by:*
 - (a) *a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and*
 - (b) *if that position is unsatisfactory, recommendations for remedial action.*
- (3) *A budget review statement must also include any information required by the Code to be included in such a statement.*

Statutory Statement

I consider that the financial position of Council is satisfactory “having regard to the original estimate of income and expenditure”.



M A Chorlton
“Responsible Accounting Officer”
Manager Financial Services
Tweed Shire Council

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

Nil.

POLICY IMPLICATIONS:

Nil.

UNDER SEPARATE COVER/FURTHER INFORMATION:

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website www.tweed.nsw.gov.au or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

O5 [GC-OC] Monthly Investment Report for Period Ending 31 October 2006

ORIGIN:

Financial Services

SUMMARY OF REPORT:

This report is provided to Council to advise details of monies Council has invested in accordance with Section 625 of the Local Government Act 1993.

RECOMMENDATION:

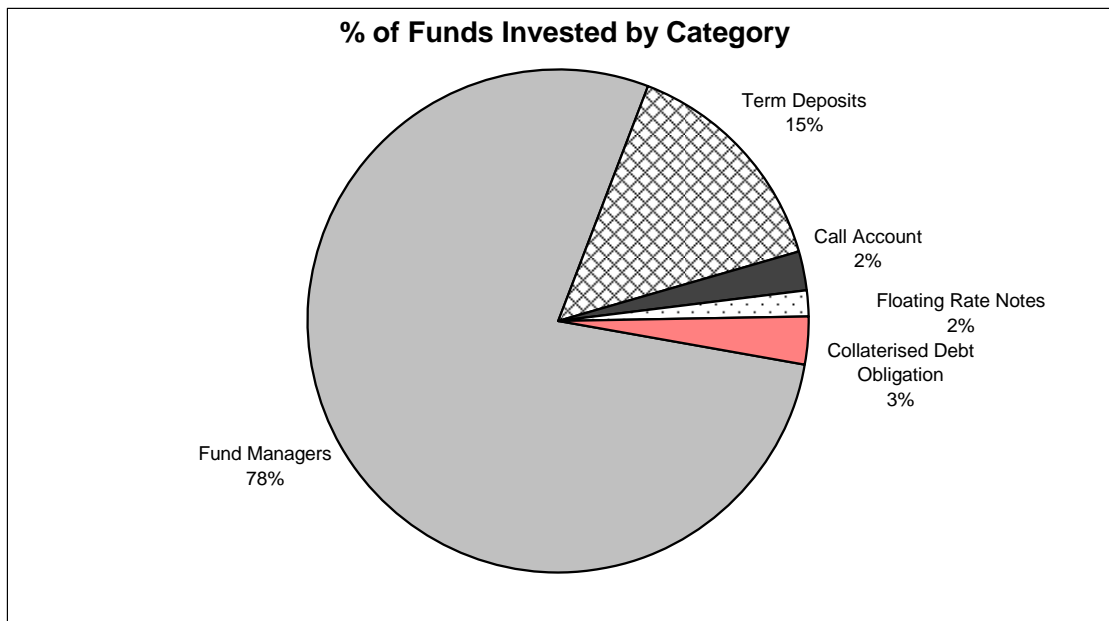
That in accordance with Section 625 of the Local Government Act 1993 the monthly investment report as at 31 October 2006 totalling \$127,666,828.15 be received and noted.

REPORT:

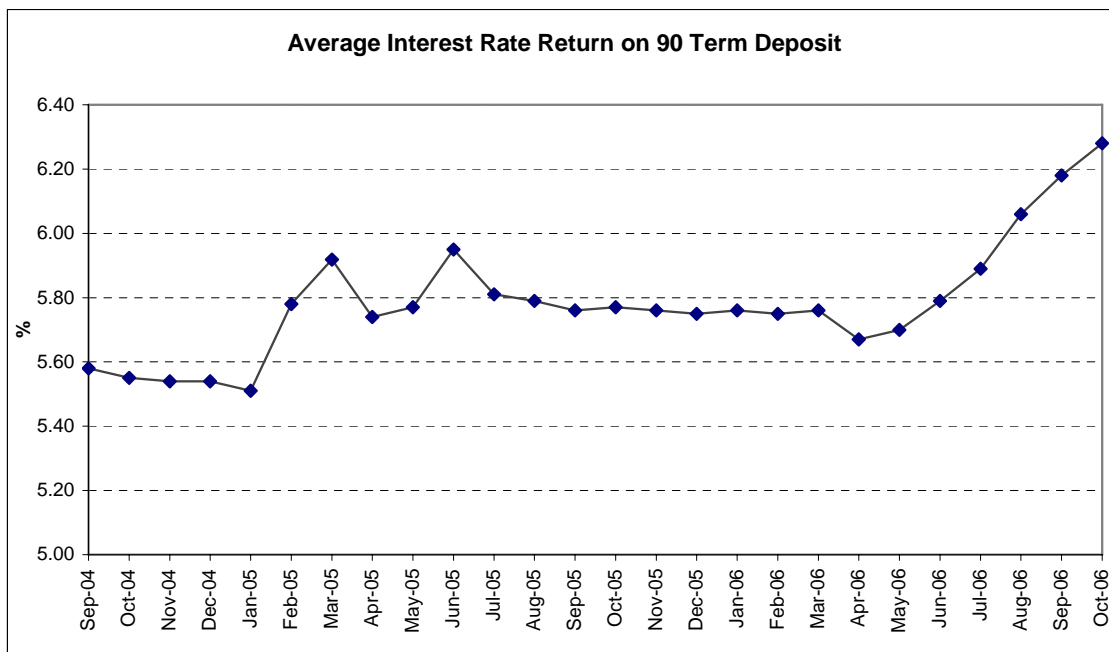
Report for Period Ending 31 October 2006

The "Responsible Accounting Officer" must report monthly to Council, setting out details of all the funds Council has invested and certification has been made in accordance with Section 625 of the Local Government Act (1993), Clause 212 of the Local Government (General) Regulations and Council policies.

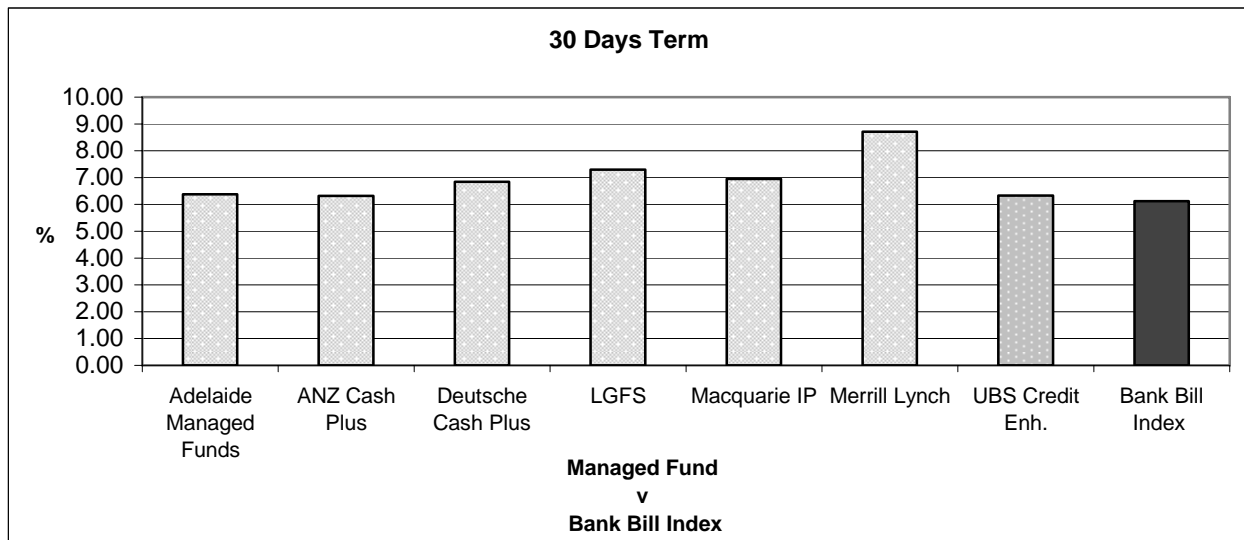
1. CURRENT INVESTMENT PORTFOLIO BY CATEGORY



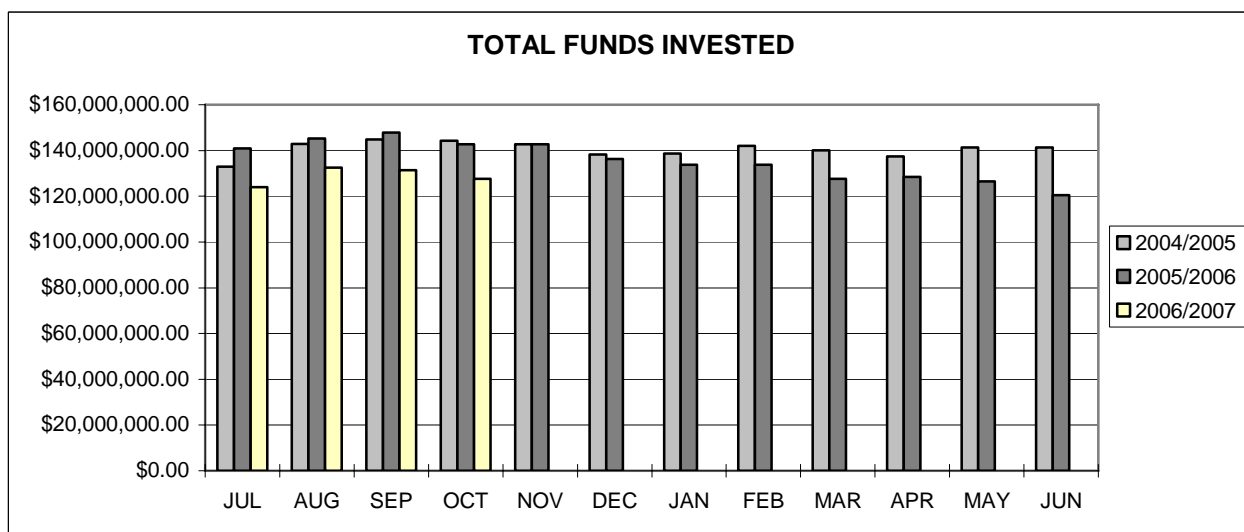
2. INVESTMENT RATES - 90 DAY BANK BILL RATE (%)



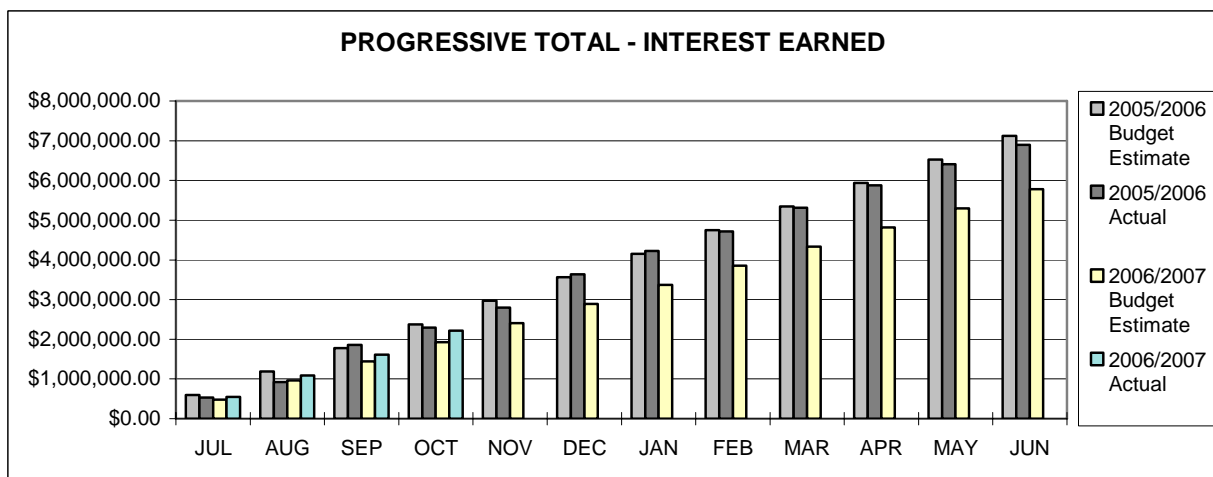
3. ANNUALISED RATE OF RETURN FOR FUNDS MANAGERS - NET OF FEES



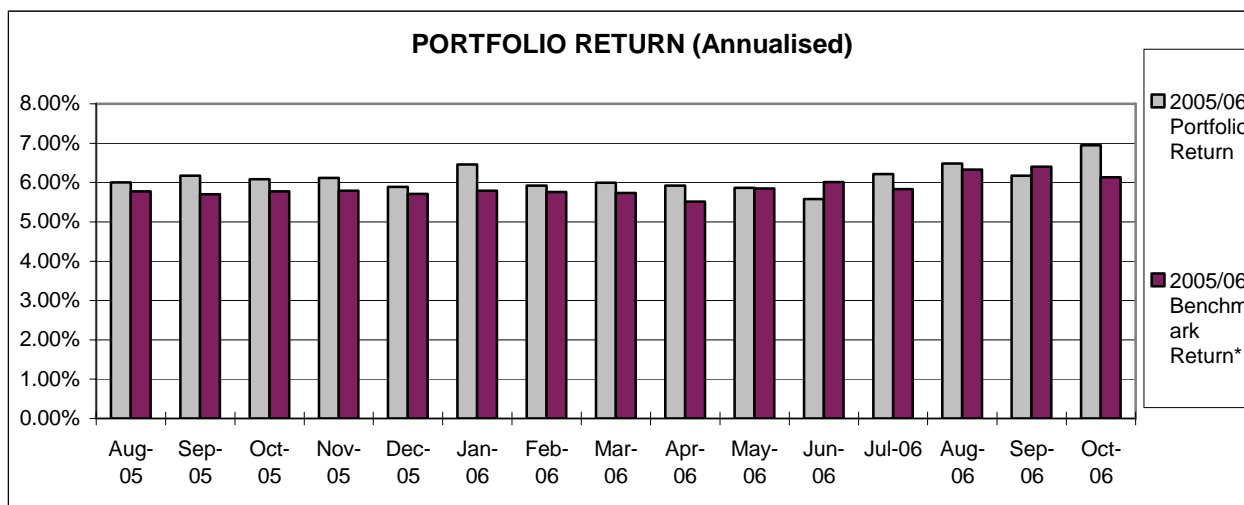
4. MONTHLY COMPARISON OF TOTAL FUNDS INVESTED



5. ANNUAL PROGRESSIVE TOTAL OF INTEREST ON TOTAL FUNDS INVESTED



6. PORTFOLIO PERFORMANCE



*UBS Warburg AUD Bank Bill Index

7. MARKET COMMENTARY

Domestic Economy

The Consumer Price Index for the September Quarter rose to 3.9% for the year. Underlying inflation continued to trend upward due to strong global growth, high upstream price pressures, low levels of spare capacity and robust demand for credit. The Reserve Bank of Australia raised interest rates on 8 November to 6.25% pa.

Global Economy

Strong momentum in the global economy has continued. The major risk facing the global economy is the failure of inflation to moderate in many economies. As interest rates increase globally, major central banks are faced with the decision regarding the pace of their tightening schedule.

Oakvale Capital Investment Portfolio Monthly Review

The unemployment rate held steady at 4.8% in September, while the October unemployment rate dropped to 4.6% pa. Labour market conditions remained tight and businesses are reporting high levels of capacity usage.

The Board of the Reserve Bank of Australia judged the risk of inflation exceeding 2% to 3% over the medium term remained significant. Monetary policy has been responding to these risks for some time, with increases in interest rates in May and August. Some effect of these measures is becoming evident in demand for credit by households. Nonetheless, the Board's judgement on 8 November was that a more restrictive stance on monetary policy was required to moderate inflation over time and thereby secure sustainable growth.

Source: Oakvale Capital October Economic Commentary

8. INVESTMENT SUMMARY AS AT 30 OCTOBER 2006

GENERAL FUND				
	TERM DEPOSITS		17,117,125.00	
	FUND MANAGERS		39,121,658.76	
	COLLATERISED DEBT OBLIGATION		4,034,820.00	
	FLOATING RATE NOTE		2,013,480.00	
	CALL		3,000,000.00	65,287,083.76
WATER FUND				
	TERM DEPOSITS		0.00	
	FUND MANAGERS		25,778,132.35	25,778,132.35
SEWERAGE FUND				
	TERM DEPOSITS		2,000,000.00	
	FUND MANAGERS		34,601,612.04	
	CALL		0.00	
	FLOATING RATE NOTE		0.00	36,601,612.04
		TOTAL INVESTMENTS		127,666,828.15

It should be noted that the General Funds investments of \$65 million are not available to be used for general purpose expenditure. It is virtually all restricted by legislation and council resolution for such purposes as unexpended loans, developer contributions, unexpended grants and various specific purpose reserves such as domestic waste, land development and employee leave entitlements.

Statutory Statement - Local Government (General) Regulation 2005 Clause 212

I certify that Council's investments have been made in accordance with the Local Government Act 1993, the Local Government (General) Regulations and Council's investment policies.



Chief Financial Officer (Responsible Accounting Officer)

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

Nil.

POLICY IMPLICATIONS:

Nil.

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Nil.
