



# **FINANCE & RESOURCES COMMITTEE MEETING AGENDA**

**to be held on Tuesday 2 March 2004 at 6.30 pm  
at the Richmond Town Hall**

## **COUNCILLOR MEMBERSHIP**

Councillor Jackie Fristacky (Chairperson)

Councillor Greg Barber

Councillor Sue Corby

Councillor Jenny Farrar

Councillor Li Lai

### **I. ATTENDANCE**

### **II. DECLARATIONS OF PECUNIARY INTEREST**

### **III. COMMITTEE BUSINESS REPORTS**

***Welcome to the City of Yarra.  
Council acknowledges the  
Wurundjeri community as the first  
owners of this country.  
Today, they are still the custodians  
of the cultural heritage of this land.***

## **FINANCE & RESOURCES COMMITTEE MEETING**

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## 1.1 City Plan 2003/06

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File: (25/40/04/07)  
Responsible Officer: Coordinator Council Plan

### Purpose

1. To provide Council with a mid year report on progress with the City Plan 2003/06 and the status of outstanding items from the City Plan 2002/05.

### Background

2. Council is required under Section 153A of the *Local Government Act* 1989 to prepare a corporate plan (known as the Yarra City Plan), which is a key planning document for Council.
3. At its meeting of 10 June 2003, Council adopted the City Plan 2003/06 and determined that it would receive a report for each quarter on progress with that plan.
4. Council also determined at its meeting of 12 August 2003 to receive a report in November 2003 and February 2004 on the status of the forty incomplete items as at 30 June 2003 for the City Plan 2002/05.

### Issues

5. Some of the important achievements in addition to City Plan actions to the middle of this financial year were:
  - (a) Yarra Council hosted a forum to examine issues relating to public transport in the City in November 2003;
  - (b) a revised policy on Footpath Trading, ensuring footpaths in Yarra remain unobstructed and are accessible to everyone came into effect in October 2003;
  - (c) improvements to Alexander Reserve in Berry Street, Richmond were completed. These improvements included the establishment of garden bed and lawn areas, new playground equipment, the creation of pathways and the planting of new trees to provide shade and bird habitat;
  - (d) a monthly newsletter *The Water Saver* has been developed to inform local sporting clubs and schools of the effect of stage two water restrictions on Council owned and managed sporting reserves;
  - (e) a series of community consultations have been completed to inform the development of the Arts and Cultural Plan;
  - (f) the pilot Green Streets Program was launched in November 2003. Yarra is hosting this Program in Smith Street, Collingwood. The Program will cover topics such as waste management, sustainable use of water and energy and offers business and marketing advice. It aims to create

sustainable small businesses and educate the larger community on sustainability practices; and

- (g) the Collingwood Children's Farm, Carlton North Preschool Centre and North Richmond Estate received City Pride Environmental Awards this year as part of the Keep Australia Beautiful Program.
6. The Annual Planning Working Group (APWG) has been established to review Yarra's annual planning processes. It will focus on the Council Plan and community planning, and integrate the communications and engagement strategy, capital works, budget and the community grants processes as well as asset planning and operational planning.
7. The APWG is working towards a number of broad strategic changes, such as:
- (a) the implementation of a strategic framework based on sustainability principles;
  - (b) the development and reporting on strategic indicators of community and organisational performance;
  - (c) increased accountability and transparency through the use of existing consultative committees to establish, monitor and review performance measures;
  - (d) enhanced community consultation to ensure community issues are addressed and feedback obtained for the development of future reports;
  - (e) the increased investment in active Council and community collaboration and decision making; and
  - (f) Council's advocacy strategy.
8. The attached City Plan report analyses all 78 actions in the Yarra City Plan 2003/06 of which:
- (a) thirteen actions or 17% are complete;
  - (b) two actions or 3% have not commenced;
  - (b) two actions or 3% are rated as not applicable (N/A) due to a change in policy; and
  - (c) thirty-four actions or 44% are more than 50% complete.
9. For the City Plan 2002/05 with 22 outstanding items as at 30 September 2003 these items are now (as at 31 December 2003):
- (a) one item (5%) is now 100% complete;
  - (b) fifteen or 68% items are 50% or more complete; and
  - (c) two items (9%) are considered to be not applicable as one project has been abandoned and the other has been superseded by another project.

## **Consultations**

10. The majority of actions undertaken as part of the City Plan have required community consultation. The development of the City Plan 2002/05 and the City Plan 2003/06 depended on the outputs of significant consultation during the development of "Our Future 2010" City Vision in 2000.

## **Resource and Financial Implications**

11. The City Plan provides direction for the organisation during the financial year and influences Council's planning and budgetary processes.

## **City Plan, Strategy and Policy Implications**

12. The City Plan was developed after a review and analysis of the outcomes of previous City Plans, analysis of community surveys and the goals and objectives of the 2010 City Vision.

## **Legal Implications**

13. Council is required to prepare an annual Council plan (Yarra City Plan) pursuant to section 125 of the *Local Government Act 1989*.

## **Proposal**

14. That Council notes the mid year report on the City Plan 2003/06 as at 31 December 2003.
15. That Council notes the report on the outstanding items remaining from 30 June 2003 for the City Plan 2002/05.

## **RECOMMENDATION**

16. That the City Plan 2003/06 report as at 31 December 2003 be noted.
17. That the outstanding items from 30 June 2003 for the City Plan 2002/05 be noted.

**CONTACT OFFICER:** Sue Williams  
**TITLE:** Coordinator, Council Plan  
**TEL:** 9205 5391

**Attachment 1 – Yarra City Plan 2003/06 report as at 31 December 2003**

**Attachment 2 – Yarra City Plan 2002/05 outstanding items report**



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## 1.2 Electoral representation review – Council’s preliminary submission

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File: 25/30/02/01  
Responsible Officer: Manager Governance

### Purpose

1. To consider Council’s preliminary submission to the Victorian Electoral Commission (Reviewer) as part of the electoral representation review (Review) being conducted in accordance with section 219C of the *Local Government Act 1989* (the Act).

### Background

2. At its meeting on 10 February 2004, Council was advised of the appointment of the Reviewer and pending Review. The review timetable is provided below.

	Date	Particulars	Status
1.	16 February	VEC delivered (ie: by mail) to voters, an information brochure to coincide with the publication of the public notice. The public notice provided information in relation to the Review and opportunity to submit preliminary written submissions.	Completed
2.	24 February	Public information session held at – Richmond Town Hall 7.30pm to 8.30pm.	Completed
3.	15 March	Closing date for preliminary submissions.	
4.	5 April	Publication of notice announcing the release of the preliminary report and inviting submissions.	
5.	26 April	Closing date for submissions.	
6.	Week commencing 3 May	Public hearing for people to be heard in support of their submission.	
7.	17 May	Reviewer to submit final report to the Council and the Minister.	
8.	Early June	Minister to recommend to Governor in Council the making of such orders under section 220Q as are necessary to implement the final report.	

Table 1

3. The aim of the review is to ensure fair and equitable representation for the voters of the City of Yarra. The review will consider:
  - (a) the number of councillors;
  - (b) the electoral structure of the City (whether the City should be unsubdivided or divided into wards, how many wards there should be and the number of councillors per ward); and
  - (c) the boundaries of the wards (if the City is to be divided into wards) and ward names.
4. The closing date for preliminary submissions is the 15 March 2004. Council will have a further opportunity to comment following the release of the preliminary report on 5 April 2004.
5. At a Councillors' Briefing on 16 February, Councillors considered a range of issues concerning the future electoral structure for Yarra and a draft preliminary submission is detailed in Attachment 1.

### **Issues**

6. The draft submission covers the following matters:
  - (a) options for the number of wards (*three multi member wards based on nine councillors, or four wards comprising three councillors or three wards comprising four councillors based on 12 councillors*);
  - (b) possible increase in the total number of councillors (*from nine councillors to 12 councillors*); and
  - (c) issues influencing ward boundary redesign such as communities of interest, geographical influences, mix of public housing infrastructure across wards.
7. The matter of naming wards has yet to be considered. The Reviewer, in its 'Guide for Submissions' details a variety of approaches to the naming of wards, including:
  - (a) place names – i.e. locality or suburb names;
  - (b) compass directions – i.e. north, south, east, west or central;
  - (c) names of historic buildings;
  - (d) names of natural features;
  - (e) names of pioneers and former prominent citizens; and
  - (f) Aboriginal names.
8. It is proposed that further consideration be given to naming of wards prior to the Council meeting.

## Consultations

9. The submission has been formulated following consultation with councillors.

## Resource and Financial Implications

10. There will be resource and financial implications in implementing any new electoral structure, particularly if there is an increase in the number of councillors for the municipality.

## Environmental Implications

11. There are no environmental implications.

## City Plan, Strategy and Policy Implications

12. A strong and effective democratic electoral representation system will provide a sound framework for strong community participation, government and leadership.

## Legal Implications

13. The review is being conducted in accordance with section 219C of the Act.

## Proposal

14. It is proposed that Council endorse the draft preliminary submission as provided in Attachment 1 as part of the electoral representation review (Review) currently being conducted in accordance with section 219C of the Act.

## RECOMMENDATION

15. That Council endorse the attached submission entitled “ *Yarra City Council Preliminary Submission in Response to the Electoral Representation Review of the City of Yarra*” and forward it to the Victorian Electoral Commission as part of the electoral representation review being conducted pursuant to section 219C of the *Local Government Act 1989*.

**CONTACT OFFICER:** Gary Mills  
**TITLE:** Senior Governance Officer  
**TEL:** 9205 5128

## Attachment 1 – Preliminary Submission in Response to the Electoral Representation Review of the City of Yarra



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### 1.3 2003/04 Monthly Financial Report – Period Ending 31 January 2004

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File: 40/40/02  
Responsible Officer: Manager, Management Accounting

#### **Purpose**

1. To provide a financial report for the seven months ending 31 January 2004 and information on the current status of Council's financial performance and position.

#### **Background**

2. The 2003/04 Annual Budget was adopted by Council on 8 July 2003.
3. This report is being presented in accordance with Regulation 18 of the *Local Government Regulations 2001*.
4. The report has been prepared on an accrual basis, to ensure accurate matching of income and expenditure, both operating and capital, for the period ending 31 January 2004.

#### **Issues**

5. The end of year forecast operating result at 31 January 2004, before transfers, is projected to be a surplus of \$3.016m being an unfavourable variance of \$0.240m compared to the Annual Budget surplus of \$3.256m. This result is reflected by an unfavourable forecast income variance of \$1.150m and a favourable forecast expenditure variance of \$0.909m. The overall forecast variance comprises of the following significant variances:
  - (a) parking revenue unfavourable to budget by \$1.056m;
  - (b) user charges, fees & fines favourable to budget by \$0.227m;
  - (c) leisure centre fees unfavourable to budget by \$0.235m;
  - (d) employee costs favourable to budget by \$0.532m;
  - (e) contract payments unfavourable to budget by \$0.316m;
  - (f) other materials and services favourable to budget by \$1.251m; and
  - (g) provision for doubtful parking debtors unfavourable to budget by \$0.365m.
6. As outlined in the Statement of Financial Performance, the year to date operating result before reserve transfers reflects a favourable variance of \$2.128m.

7. The overall year to date variance in income is an unfavourable result of \$0.386m comprising the following significant variances:
  - (a) government grants are unfavourable to budget by \$0.212 (6.89%) as a result of year to date timing differences and the effect of the reduction in Child Care Benefit income as a result of lower than budgeted utilisation of the Family Day Care service. This will be offset by lower than anticipated payments to care providers.
  - (b) parking revenue is unfavourable to budget by \$0.639m (6.68%) due to a significant decline in the number of PINs issued to date;
  - (c) user charges, fees & fines income favourable to budget by \$0.442m (11.51%) mainly as a result of income generated from the Burnley Golf Course and Local Law and permit income to date; and
  - (d) leisure centre fees \$0.107m (3.39%) favourable to budget as a result of strong membership sales to date.
  
8. The overall year to date variance in expenses is a favourable result of \$2.128m comprising the following variances:
  - (a) employee costs are favourable compared to budget by \$0.363m (2.23%) due to a higher than planned level of vacant positions across the staff establishment for some Council activities;
  - (b) contract payments are favourable compared to budget by \$0.249m (2.96%) reflecting a lower than anticipated cost of various contract services to date;
  - (c) maintenance is favourable compared to budget by \$0.204 (9.15%) primarily due to the timing differences of software maintenance payments.
  - (d) other materials & services is favourable compared to budget by \$1.538m (13.13%) primarily reflecting lower than planned expenditure for consultants and professional services, contributions, materials, training and other expenses.
  
9. Council's 2003/04 adopted budget from a rate determination perspective would result in a rates surplus carried forward of \$2.025m. The current forecast result is for a rates surplus carried forward of \$3.612m. The favourable budget variance of \$1.584m is mainly as a result of a forecasted under spending of the capital works program (\$1.029), a favourable carry forward rate surplus (\$0.696) and an unfavourable operating result of \$0.140m.
  
10. Council's cash position at the end of January stood at \$7.02m, reflecting a net cash outflow of \$2.508m for the year to date.
  
11. Rates outstanding as at the end of January totalled \$23.22m, of which \$1.26m pertains to rates outstanding from previous rate years.
  
12. Parking debtors amounted to \$6.2m (net of provision for doubtful debts). Infringements outstanding for more than 90 days are referred to the PERIN Court for collection.

13. Other debtors (excluding GST-ATO) outstanding at the end of January were \$1.336m of which \$0.5m has been outstanding for more than 90 days.
14. The attached capital works report reflects expenditure to the end of January of \$5.4m compared to a year to date budget of \$9.7m and represents 34% of the annual capital works program. The current year end Capital Works program forecast is currently \$15.3m, which represents an under spending to budget of \$1.03m.
15. The purchase order compliance rate for the month of January was 98.7% against a target of 100% (excluding exempt payments).

### **Community Implications**

16. The 2003/04 Annual Budget resources the second year of the City Plan 2002-05 adopted by Council on 25 June 2002 and thus ensures achievement of the major strategies and actions of the key commitment areas of the City Plan.

### **RECOMMENDATION**

17. That the financial report for the seven months ending 31 January 2004, be noted by Council.

**CONTACT OFFICER:** Marc Giglio  
**TITLE:** Manager, Management Accounting  
**TEL:** 9205 5022

### **Attachment 1 – Monthly Financial Report For The Period Ended 31 January 2004**



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## 1.4 Audit committee – external membership

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File: 25/15/07-02  
Responsible Officer: Manager Governance

### Purpose

1. The purpose of this report is to recommend the short-term re-appointment of Mr Ray Liggett to the Audit Committee.

### Background

2. Mr Ray Liggett's term of office as a member of the Audit Committee is due to expire on 30 September 2004. Mr Liggett was appointed to the Committee on 4 March 1996. The term of office of the other external member, Hugh Parkes, expires on 30 September 2006.
3. The Audit Committee Charter provides:  
  
*“External members shall be appointed by the Council from time to time for a term of up to three years.*  
  
*External members of the Committee may be re-appointed to a second or subsequent term, subject to a maximum of nine years in all”.*
4. Accordingly, there is a need to resolve the membership issue and whilst Mr Liggett is in his third term as an Audit Committee member, by 30 September 2004, his term of service on the Committee will not have reached the maximum of nine years. Additionally, the matter needs to be considered in view of the fact that the Council elections have been brought forward to November 2004

### Consultation

5. The matter has been discussed with the Audit Committee and the internal auditors who support the recommendation.

### Proposal

6. The requirement for an Audit Committee becomes mandatory pursuant to recent amendments to the *Local Government Act 1989*, although in Yarra's case, it has existed since 1996. The Committee has a clear Charter and an important role.
7. In view of the timing of the elections, it is suggested that the Council's best interests are served by re-appointing Mr Liggett to 3 March 2005. This would:
  - (a) still leave the external two appointments “staggered” in terms of their expiry dates which is a positive in terms of providing some continuity on the Committee;
  - (b) ensure the nine year limit expressed in the Charter is observed; and
  - (c) enable the new Council to address the matter of a replacement member.

**Resource Implications**

8. There are no resource implications.

**Financial Implications**

9. There are no financial implications.

**Policy Implications**

10. There are no policy implications.

**RECOMMENDATION**

11. That Mr Ray Liggett be re-appointed to the Audit Committee for a term ending on 3 March 2005.

**CONTACT OFFICER:** Tim Brown  
**TITLE:** Manager Governance  
**TEL:** 9205-5010

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## CONFIDENTIAL BUSINESS REPORTS

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The following item is deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89 (2) of the *Local Government Act 1989*. In accordance with that Act, Council may resolve to consider these issues in open or closed session.

### RECOMMENDATION

1. That the meeting be closed to members of the public, in accordance with section 89 (2) of the *Local Government Act 1989*, to allow consideration of:
  - (a) contractual matters.
2. That all information contained within the Confidential Business Reports section of this agenda and reproduced as Council Minutes be treated as being and remaining strictly confidential in accordance with the provisions of sections 77 and 89 of the *Local Government Act 1989* until Council resolves otherwise.