

YARRA CITY COUNCIL

**FINANCE & RESOURCES
COMMITTEE MEETING**

AGENDA

**to be held on Tuesday 7 February 2006 at 6.00 pm
at the Richmond Town Hall**

Councillor Membership

Cr Jenny Farrar (Chair)
Cr Jackie Fristacky
Cr Stephen Jolly
Cr Kathleen Maltzahn
Cr Kay Meadows

Council Officer Attendees

Lydia Wilson (Chief Executive Officer)
Geoff Cockram (Director Corporate Services)
Jane Homewood (Director City Development)
Craig Kenny (Director Community Development)
Bryan Lancaster (Director Asset Management)
Erin Nairn-Marcon (Governance Adviser)

- I. ATTENDANCE**

- II. DECLARATIONS OF PECUNIARY INTEREST AND CONFLICT OF INTEREST**

- III. COMMITTEE BUSINESS REPORTS**

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***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.***

***Further to this, Council acknowledges
there are other Aboriginal and Torres
Strait Islander people who have lived,
worked and contributed to the
cultural heritage of Yarra.***



Public participation at Council and Committee meetings

PoLICY

1. Council welcomes the opportunity for members of the public to address the Finance and Resources Committee, the Planning and Community Development Committee, the Internal Development Approvals Committee, and in certain circumstances, Council.
2. The following guidelines shall apply to public submissions:
 - (a) in any matter before and under discussion by Council or a Committee, where a member of the public has been invited to make a submission, a **five-minute** restriction shall be placed on the speaker;
 - (b) the Chairperson shall have the sole discretion as to extending the speaking time or varying the conditions of these guidelines in any other respect;
 - (c) it is the responsibility of the minute clerk or the Chief Executive Officer to advise the Chairperson when the times allocated or extended as permitted pursuant to this policy have expired;
 - (d) there will be no time restriction imposed on submissions made pursuant to section 223 of the *Local Government Act 1989*, however submitters will be encouraged to accord to the spirit of these guidelines;
 - (e) where prior notice has been given, Council officers will facilitate arrangements to enable members of the public to nominate representative speakers on their behalf where necessary. In circumstances where a group of people wish to make a submission on the same subject and no prior notice given, a representative speaker on the group's behalf shall be encouraged;
 - (f) all public comment is to be made prior to commencement of debate on matters to be determined;
 - (g) any person accepting the Chairperson's invitation to address the meeting shall confine himself or herself to the subject under consideration;
 - (h) people making submissions shall address the meeting as a whole and the debate shall be conducted at the conclusion of submissions; and
 - (i) town planning permit applicants shall be given an opportunity to present their submission before objectors and may exercise a right of reply following the hearing of all submissions.
3. The general provisions of these guidelines shall be made known to all intending speakers and members of the public, prior to the commencement of business at meetings.

Responsible Officer	Approval date:	Document No.	Page:
Manager Governance	Approved: Council 22 July 1996 Amended: Cnl 10 February 1997 Reviewed: 31 October 2003	govcnl.pol.00022	1

FINANCE & RESOURCES COMMITTEE MEETING

ITEM		PAGE	REC. PAGE	REPORT PRESENTER
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1.2	Apprenticeships Plus – Quarterly Report	23	25	Geoff Cockram
1.3	Yarra / Melbourne Regional Library Corporation – Quarterly Report	26	28	Geoff Cockram

CONFIDENTIAL ITEMS

1.4	Contractual Matter	30	33	Geoff Ovens
1.5	Industrial Matter	38	44	Ivan Gilbert

1.1 2005/06 Financial Report – Quarter Ending 31 December 2005

File: 40/40/02
Responsible Officer: Manager Finance

Purpose

1. To provide a financial report for the six months ending 31 December 2005 and information on the current status of Council's financial performance and position.

Background

2. The 2005/06 Annual Budget was adopted by Council on 12 July 2005.
3. This report is being presented in accordance with section 138 of the *Local Government Act 1989* and Regulation 5 of the *Local Government (Finance & Reporting) Regulations 2004*.
4. The report has been prepared on an accrual basis, to ensure accurate matching of income and expenditure, both operating and capital, for the quarter ending 31 December 2005.
5. The report is prepared on the basis of year to date, year end forecast, cash and key balance sheet items analysing trends against budget.

Issues

6. The end of year forecast operating result at 31 December 2005 is projected to be a surplus of \$6.917m being a favourable variance of \$0.773m compared to the Annual Budget surplus of \$6.14m. This result is reflected by a favourable forecast income variance of \$2.41m and an unfavourable forecast expenditure variance of \$1.63m. The overall forecast variance comprises of the following significant variances:
 - (a) government grants favourable to budget by \$0.313m;
 - (b) reimbursements & contributions favourable to budget by \$2.130m;
 - (c) employee Costs unfavourable to budget by \$0.348m;
 - (d) maintenance unfavourable to budget by \$0.419m;
 - (e) other materials & services unfavourable to budget by \$0.218m; and

- (f) depreciation & amortisation unfavourable to budget by \$0.600m.

For the detailed forecast results, refer paragraph 16.

- 7. As outlined in the Statement of Financial Performance, the year to date operating result, before reserve transfers, reflects a favourable variance of \$4.533m. Refer paragraph 16.
- 8. The overall year to date variance in income is a favourable result of \$1.821m comprising the following significant variances:
 - (a) government grants are favourable compared to budget by \$0.406m, or 15.7 percent, as a result of the receipt of January 2006 receipts in the month of December;
 - (b) parking revenue is unfavourable to budget by \$0.233m, or 2.00 percent as a result of lower than anticipated receipts generated from parking ticket machines during the month of December.
 - (c) User charges, fees & fines are favourable to budget by \$0.570m, or 12.68 percent mainly due to higher than expected Public Open Space contributions raised for the year to date due to receipts from larger scale subdivisions;
 - (d) reimbursements and contributions income favourable to budget by \$1.597m, or 246 percent, mainly due to a \$100k Capital grant for open space projects, additional road opening reimbursement from services authorities not expected with the introduction of the Road Management Act. and the receipt of first instalment from the settlement for Victoria Park building works with the Collingwood Football Club;
 - (e) proceeds from the disposal of assets is unfavourable to budget by \$0.360m, or 70.03 percent, due to the delay in the budgeted proportional change over of Councils vehicle fleet which was anticipated to be completed in the first quarter of this financial year.
- 9. The overall year to date variance in expenses is a favourable result of \$2.713m comprising the following variances:
 - (a) contract payments are favourable compared to budget by \$0.510m, or 6.4 percent, which mainly represents the delay in the timing of contracted services expected to occur in the next quarter;

- (b) other materials & services are favourable compared to budget by \$2.153m, or 19.86 percent, primarily reflecting lower than anticipated expenditure for consultants and professional services, contributions, materials, training and other expenses for the year to date;
 - (c) depreciation and amortisation unfavourable to budget by \$0.373m or 5.3 percent, and due to the higher than anticipated capitalisation of work in progress during the 2004/05 financial year; and
 - (d) written down value of assets sold is favourable to budget by \$0.467m, or 100 percent, due to the delay in the change over of Councils vehicle fleet anticipated to be completed in the first quarter of 2005/06.
10. Council's cash position at the end of December stood at \$16.2m, reflecting a net cash inflow of \$4.8m for the year to date.
 11. Rates outstanding as at the end of December totalled \$26.3m, of which \$1.2m pertains to rates outstanding from previous rate years.
 12. Parking debtors amounted to \$3.5m (net of doubtful debt provisions). Infringements outstanding for more than 90 days are referred to the PERIN Court for collection.
 13. Other debtors (net of doubtful debt provisions), including GST receivable, outstanding at the end of December were \$3.5m of which \$1.1m has been outstanding for more than 90 days.
 14. The attached capital works report reflects expenditure to the end of December of \$4.8m compared to a year to date budget of \$8.8m and represents 24.4 percent of the annual capital works program. The current year end Capital Works program forecast is currently \$19.7m, which represents the achievement of the total Capital Works program.
 15. The purchase order compliance rate for the month of December was 99.9 percent against a target of 100 percent (excluding exempt payments). This reflects invoices processed against purchase orders in total. The compliance rate for purchase orders raised before the invoice date is 84.2% against a target of 90 percent.

16. Standard Statement of Financial Performance for the quarter ending 31 December 2005

	Actual YTD \$,000	Budget YTD \$,000	Variance YTD \$,000	Adopted Budget \$,000	Current Forecast \$,000	Budget Variance \$,000
Revenue from ordinary activities						
Rates	26,758	26,717	41	53,529	53,537	8
Victoria Grants Commission	735	735	0	1,470	1,470	(0)
Government Grants	2,993	2,587	406	5,177	5,490	313
Parking Revenue	8,172	8,405	(233)	16,655	16,655	0
User Charges, Fees and Other Fines	5,065	4,495	570	9,332	9,419	87
Leisure Centre Fees	2,641	2,791	(151)	5,527	5,429	(98)
Interest Received from Other Entities	275	325	(50)	650	650	0
Reimbursements & Contributions	2,244	647	1,597	1,175	3,305	2,130
Proceeds from Disposal of Assets	153	514	(360)	514	514	(0)
Inner Northern Group Training Pty Limited	0	0	0	34	0	(34)
	49,036	47,215	1,821	94,063	96,469	2,406
Expenses from ordinary activities						
Employee Costs	15,469	15,547	78	31,142	31,490	(348)
Contract Payments	7,405	7,915	510	15,837	15,884	(47)
Maintenance	2,359	2,251	(108)	4,318	4,737	(419)
Other Materials and Services	8,688	10,842	2,153	19,495	19,713	(218)
Bad and Doubtful Debts	684	715	31	1,430	1,430	0
Depreciation & Amortisation	7,371	6,997	(373)	14,000	14,600	(600)
Borrowing Costs	661	615	(46)	1,230	1,230	0
Written Down Value of Assets Sold	0	467	467	467	467	0
	42,636	45,349	2,713	87,919	89,552	(1,633)
Net Result before Transfers	6,399	1,866	4,533	6,144	6,917	773
Transfers to Reserves	(1,268)	(705)	(563)	(1,410)	(1,410)	0
Transfers from Reserves	0	0	0	1,118	1,118	0
Net Result after Transfers	5,132	1,161	3,970	5,852	6,625	773

Community Implications

17. The 2005/2006 budget resources year six of the ten year vision endorsed by Council on 12 June 2001 and thus ensures achievement of the Council's strategic objectives and actions of the key strategic activities of the Council Plan 2005/09 adopted by Council at its meeting on Tuesday, 14 June 2005.

RECOMMENDATION

18. That the financial report for the six months ending 31 December 2005 as attached be noted by Council.

CONTACT OFFICER: Marc Giglio
TITLE: Manager Finance
TEL: 9205 5236

Attachment 1 –Financial Report – Quarter Ending 31 December 2005



Adobe Acrobat
Document

1.2 Apprenticeships Plus – Quarterly Report

File: 10/10/07-18
Responsible Officer: Director Corporate Services

Purpose

1. To provide Council with a quarterly report on the operations of Inner Northern Group Training Limited, trading as Apprenticeships Plus (A+).

Background

2. A+ was registered in Victoria as a public company limited by guarantee on 7 June 1983. A+ is a not-for-profit enterprise and promotes new apprenticeships by employing and training apprentices and placing them with businesses. The guarantee is limited to \$50 per member.
3. A+ is effectively 'owned' by three inner northern metropolitan Councils: Darebin Yarra and Moreland City Councils ('the Councils') who are the 'members' of Inner Northern Group Training.
4. A+ revenue for the year ended 30 June 2005 was \$12.67m and its earnings before income tax for that period were \$264k. At 30 June 2005, the company had net assets of \$4.18m. A+ has a 50% interest in the Melbourne Apprenticeship Services (MAS) national joint venture, which is also involved in the employment industry, and a 42.12% interest in Inner Source Pty Ltd, a computer software company.
5. The A+ Board ('the Board') comprises seven members, four independent members appointed by the Board and three members appointed by the Councils. The Councils each appoint one member to the Board. Currently these positions are held by Council officers.. The four independent members are selected for their expertise in various aspects of A+'s activities. The Directors of A+ as at end of June 2005 are: Alan Brown (Chair); Michael Francis (Deputy Chair), Kevin Breen (Darebin City Council); Roger Collins (Moreland City Council); Geoff Cockram (Yarra City Council); Elizabeth Board; and Naomi Corlett.
6. The company's objectives are to:
 - (a) employ persons in training and second such persons to employers;
 - (b) administer a group-training scheme;
 - (c) encourage, promote and undertake training;
 - (d) advise on training;
 - (e) engage in such lawful activities as the directors determine;
 - (f) take such steps as may be deemed expedient for the purpose of procuring contributions in the form of donations, annual subscriptions or otherwise; and

- (g) provide a forum for discussions of questions of common interest to all persons involved in the company.
- 7. A+ is a not-for-profit business and no part of the income or property of the company may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to the members.
- 8. Council will receive quarterly information reports on the activities of A+ in February, May, August and November 2006.
- 9. A+ had 469 apprentices and trainees at the end of November 2005 placed with a variety of industries, mainly within the northern suburbs. Council does not have any direct placements of apprentices but CityWide and Spotless both have apprentices placed within their organisations. Apprenticeship / traineeship commencements to end of November were 36 against a budget of 53. Graduations are 68 year-to-date against a budget of 29.
- 10. A+ is joint venture partner of MAS, which delivers apprenticeship administration services on behalf of the federal government. The MAS performance summary for the month of October 2005 indicates there was a surplus of \$22,547 for the month against a budget loss of \$12,124. The cash balance at the end of October 2005 was \$897,471.
- 11. The Board has recently confirmed an original decision to allocate 20% of the company's retained earnings including the MAS distribution under the Social Investment Policy.
- 12. A+ currently occupies leased premises in Sydney Road, Coburg and the purchase of a property has been a continuing priority for the Board. The Board has identified a suitable property at 192-198 High Street, Northcote. An offer has been submitted and has been verbally accepted.

Work and Training Limited

- 13. Work and Training Limited, a Tasmanian based not-for-profit group training Company was acquired by A+ in October 2004.
- 14. Despite some initial operational and financial challenges the company is now making a modest surplus. The number of apprentices at the end of November was 414.

Consultations

- 15. No significant community consultation occurred during the preparation of this report.

Financial Implications

- 16. Council cannot and does not derive direct financial benefit from the operations of A+.
- 17. In 2004/05, Council's 'interest' in A+ was derecognised because Council, while having a position on the Board, has no right to any share of the company nor does it have any obligation for any current or future liability other than the originally agreed guarantee amount of \$50.

Economic Implications

18. The generation of employment for young people, and the organisation of apprenticeship training across the Northern Region is Melbourne is very important for the Yarra community.
19. Officers are working with A+ for the provision of eleven part-time trainees and one full-time trainee in the Revenue Management Unit through the State Government's Jobs for Young People programme.

Environmental Implications

20. There are no environmental implications arising from the report.

Social Implications

21. Employment is a key risk and protective factor in regard to social and cultural disadvantage. It is clear from Council's experience on neighbourhood renewal sites that real and ongoing employment is a key priority for these communities.
22. Discussions have been held recently between Council officers and officers of A+ about opportunities for greater utilisation of services offered by A+ to advance employment opportunities for Yarra residents and to assist with the recruitment requirement for Council.

Council Plan, Strategy and Policy Implications

23. The provision of apprenticeship and employment opportunities for young people in the community is a priority for Council.

Legal Implications

24. Nil.

Conclusion

25. A+ is a major provider of apprenticeship and training services in the northern region. It has operated effectively for over 22 years and continues to make available employment and apprenticeship opportunities for young people from the region and broader metropolitan area.

RECOMMENDATION

26. That Council note the Apprenticeships Plus Quarterly Report.

CONTACT OFFICER: Geoff Cockram
TITLE: Director Corporate Services
TEL: 9205 5438

1.3 Yarra Melbourne Regional Library Corporation – Quarterly Report

File: 52/20/03/02
Responsible Officer: Director Corporate Services

Purpose

1. To provide Council with a quarterly report on the operations of the Yarra-Melbourne Regional Library Corporation (YMRLC).

Background

2. The YMRLC was established in 1995 when the Melbourne and Yarra City Councils entered into a Regional Library Agreement (RLA) under Section 196 of the *Local Government Act 1989*.
3. The RLA has been reviewed twice since, in 2000 and 2003.
4. A three-year Service and Funding Agreement (SFA) between the YMRLC and the member Councils came into effect on 1 July 2000 and a three-year option to extend has since been exercised (to 30 June 2006).

YMRLC Board

5. Current membership of the Board is six. Table 1 provides details of Board membership.

Name	Position	Note
Cr Kay Meadows	Yarra City Council	
Cr David Wilson	Melbourne City Council	
James Milne	Regional Library Community Advisory Committee	
Vacant	Independent Professional Person	
Sue Morrell	Melbourne City Council	Senior Officer
Geoff Cockram	Yarra City Council	Senior Officer

Table 1

Alternate Delegates

6. Cr. Paul D'Agastino is substitute for Cr. Meadows. Mr. Craig Kenny is substitute for Mr. Cockram.
7. The Board is responsible for the Corporation's strategy, finances and governance, on behalf of Melbourne City Council and Yarra City Council and their communities.

Sub-Committees

8. Cr. Meadows serves on the Governance Sub-Committee. Mr. Cockram serves on the Finance Sub-Committee.

Operations

9. YMRLC operates libraries at the following locations:
 - (a) Carlton, 667 Rathdowne Street, North Carlton;
 - (b) Collingwood, 11 Stanton Street, Collingwood;
 - (c) East Melbourne, Trinity Hall, Trinity Lane;
 - (d) Fitzroy, 128 Moor Street, Fitzroy (Fitzroy Town Hall);
 - (e) North Fitzroy, 240 St Georges Road, North Fitzroy;
 - (f) North Melbourne, 66 Errol Street, North Melbourne; and
 - (g) Richmond, 415 Church Street, Richmond.
10. The YMRLC operates the following services in addition to branch operations:
 - (a) LibraryLink – café library access point;
 - (b) City of Melbourne's Corporate Library; and
 - (c) administration and technical services.
11. YMRLC also operates the City Library (opened May 2004) under a Service Agreement between YMRLC and Joint Venture partners (Melbourne City Council and CAE)

Key Issues – 2005/06

12. Current issues of importance that are being considered by the Board and will be reported to Council over coming months are:
 - (a) governance review;
 - (b) operation of the Melbourne City Council and Council of Adult Education Joint Venture at the City Library;
 - (c) appointment of a new Chief Executive Officer
 - (d) review of the SFA between the Yarra and Melbourne City Councils.
 - (e) review of the RLA.

Consultations

13. No community consultation was necessary in the preparation of this report.

Financial Implications

14. Nil.

Economic Implications

15. The YMRLC is a key service delivery agent for Yarra and Melbourne City Councils.

Environmental Implications

16. There are no significant environmental implications contained within the report.

Social Implications

17. The YMRLC has a commitment to responding to social issues within the community through service delivery to disadvantaged communities. This is expressed through services such as: homebound library services, homework clubs, partnerships with key agencies in the community, education and lifelong learning opportunities and the Aboriginal Resource Library at Fitzroy.

Council Plan, Strategy and Policy Implications

18. Commitments relating to Library Services are made in the 2005/9 Council Plan:

“Community Development

5.5 Ensure the Regional Library Corporation continues to provide accessible facilities and services.

5.5.1 Continue the refurbishment of the Richmond Carringbush Library to ensure disability access meets current standards;

5.5.2 Progress options for the redevelopment of the North Fitzroy Library to meet community needs for the area, provide equity of service and compliance with building and safety regulations.”

Legal Implications

19. There are no legal implications contained within the report.

RECOMMENDATION

20. That the Yarra Melbourne Regional Library Corporation Quarterly Report be noted.

CONTACT OFFICER: Geoff Cockram
TITLE: Director Corporate Services
TEL: 9205 5438

CONFIDENTIAL BUSINESS REPORTS

The following items were 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; and
 - (b) industrial 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.