

Notice of Council Meeting

Extra Ordinary Meeting

An EXTRA ORDINARY MEETING of LISMORE CITY COUNCIL will be held at the COUNCIL CHAMBERS, Oliver Avenue, GOONELLABAH on
October 21, 2008
and members of Council are requested to attend.

Paul G. O'Sullivan
General Manager

October 16, 2008



Agenda

Opening of Meeting and Prayer (Mayor)

Apologies and Leave of Absence

Disclosure of Interest

Public Access Session

Condolences

Mayoral Minutes

Notice of Motions

Infrastructure Australia – Casino Murwillumbah Coolangatta Rail Line1

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Strategic Plan Summary

Lismore regional city

STRATEGIC PRIORITY	AIMS	INITIATIVES
Economic Development	Build Lismore's reputation as a regional city for residents, businesses, education providers, health services and government.	<ul style="list-style-type: none"> ▶ Champion education ▶ Promote health facilities ▶ Support regional agriculture ▶ Promote cultural life ▶ Promote Lismore as a legal centre ▶ Support for sport
	Increase regional economic development, tourism and job creating investments.	<ul style="list-style-type: none"> ▶ Promote regional development ▶ Develop tourism ▶ Support businesses ▶ Pursue CBD revitalisation ▶ Assist in job creation ▶ Assist in creating new income opportunities
Quality of Life	Make Lismore a safe, healthy and caring community in which to live.	<ul style="list-style-type: none"> ▶ Increase social cohesion ▶ Support villages ▶ Provide community services ▶ Encourage sustainable development ▶ Promote recreation and leisure
Leadership by Innovation	Lead the region by demonstrating innovative practices in governance, customer service, communication, consultation, virtual amalgamation and financial management.	<ul style="list-style-type: none"> ▶ Lead the region ▶ Increase revenue from grants ▶ Improve customer service ▶ Consult the community ▶ Update technology ▶ Provide user pays services ▶ Privatise selected services ▶ Share assets and resources
Natural Environment	Preserve and rehabilitate Lismore's natural environment.	<ul style="list-style-type: none"> ▶ Provide sustainable land use planning ▶ Improve catchment management ▶ Conserve and repair the environment
Infrastructure	Further enhance Lismore's transportation, parking and pedestrian networks.	<ul style="list-style-type: none"> ▶ Improve transport systems ▶ Improve roads, cycleways and footpaths ▶ Assist with public transport ▶ Assist airport operations ▶ Support fleet operations
Water and Waste Cycle	Educate our community and lead the state in water and waste-cycle management.	<ul style="list-style-type: none"> ▶ Manage stormwater drainage systems ▶ Manage water and sewage ▶ Manage the waste stream and reduce waste

Notice of Motion

Councillor S Clough has given notice of his intention to move at the next meeting of Council:

- 1 That Lismore City Council record its support for the resolution passed by the Byron Shire Council in the following terms:

“Resolved that Council prepare and lodge a submission to Infrastructure Australia by 15 October for funding to:

- a) Refurbish the Casino Murwillumbah rail line for the introduction of commuter rail services*
- b) Construct a rail link from Murwillumbah to connect with the Queensland Rail at Coolangatta Airport.*

This submission to note the strong community support, including NOROC, for a regional and cross border rail network in the context of:

- a) The southward expansion of the South East Queensland urban corridor into NSW, which is the fastest growing urban corridor in Australia.*
- b) The expected threefold increase in truck traffic through the Pacific Highway corridor in the next ten years, which will shortly become the busiest transport corridor in the country.*
- c) The potential for an efficient rail network to assist workers, low income families, students, tourists, others and freight movement, while promoting sustainable economic growth and reducing carbon emissions.*

Copies of the submission to be forwarded to local, state and federal members and the NSW Premier and Transport Minister.”

- 2 Lismore City Council support Byron Shire Council in achieving its goal of a commuter rail service from Casino to Coolangatta.

Staff Comment

General Manager

Infrastructure Australia

Infrastructure Australia is a statutory advisory council with twelve members drawn from industry and government, including five from the private sector. Infrastructure Australia is supported by an Infrastructure Coordinator, within the Australian Government’s Infrastructure, Transport, Regional Development and Local Government portfolio.

Infrastructure Australia provides advice to governments, investors and owners of infrastructure on the following:

- Australia's current and future needs and priorities relating to nationally significant infrastructure.
- Policy, pricing and regulatory issues that may impact on the utilisation of infrastructure.
- Impediments to the efficient utilisation of national infrastructure networks.
- Options and reforms, including regulatory reforms, to make the utilisation of national infrastructure networks more efficient.
- The needs of users of infrastructure.
- Mechanisms for financing investment in infrastructure.

Infrastructure Australia's immediate tasks are to:

- Conduct an audit to determine the adequacy, capacity and condition of nationally significant water, transport, energy, and communications infrastructure.
- Produce an Infrastructure Priority List.
- Produce best practice, nationally consistent guidelines for Public Private Partnerships.

Infrastructure Australia is also in a position to provide advice on the harmonisation of policies, and laws, relating to development of, utilisation of, and investment in, infrastructure.

Infrastructure Australia will also guide the allocation of the Federal Government's Building Australia Fund. Infrastructure Australia's focus is on infrastructure issues of significance to **national** productivity.

In a media release issued on the 31st August 2008 the Federal Infrastructure and Transport Minister Anthony Albanese and Infrastructure Australia Chair Sir Rod Eddington advised until 15 October, any member of the public and business community could submit their project ideas to Infrastructure Australia for evaluation and possible inclusion on the National Infrastructure Priority List - the first of which will be handed to the Council of Australian Governments in March 2009.

"We want both industry and the community to be our partners in the long term effort to fix and modernise the nation's critical economic infrastructure: our roads; railways; ports; water and energy utilities; and telecommunications," said Mr Albanese.

Given the focus of this program is on projects of national significance it would appear that projects of vital interest to local government, i.e. the upgrading of local infrastructure such as the replacement of wooden bridges, securing water supplies, enhancement of waste disposal, local road upgrades would either not qualify for the fund or at best would receive a low priority ranking, at this early stage. The point to be made is that by Council supporting the Byron initiative Lismore City Council is not likely to prejudice its opportunities for developing an appropriate regionally based infrastructure upgrade program for the next funding round.

Report

Subject	2007/08 Financial Reports
File No	S952
Prepared by	Principal Accountant
Reason	Legislative requirement - Section 413, Local Government Act 1993
Objective	Adopt the 2007/08 Financial Reports
Strategic Plan Link	Leadership by Innovation
Management Plan Activity	Financial Services

Overview of Report

Council is required to 'form an opinion' on the financial reports and the auditor relies on this as part of the independent audit process. The purpose of this report is to provide Council with an overview of the reports and for Council to form its opinion.

A full copy of the 2007/08 Financial Reports is provided and the Auditor will present on the audit conduct and findings at this meeting.

The following is a summary of the key financial results with more information provided in the report:

- The Operating Result from Continuing Operations is a \$452,000 deficit.
- Total Expenses from Continuing Operations increased by \$15.93 million to \$73.431 million
- Total Revenues from Continuing Operations increased by \$4.68 million to \$72.98 million.
- Cash, Cash Equivalents and Investments total \$30.87 million.
- Net Assets increased by \$36.4 million.
- Unrestricted Current Ratio 2.04:1, Debt Service Ratio 5.33% and Outstanding Rates & Annual Charges 10.89%.

Background

(Due to the consolidated nature of information provided in the 2007/08 Financial Reports, Councillors may have questions which will require some research. If questions could be directed to the Manager – Finance prior to the meeting, they may be able to be answered at the meeting, if not before)

The 2007/08 Financial Reports have been completed and in accordance with the *Local Government Act 1993 (Act)*, Council is required to 'form an opinion' on them. It is also important for Council to receive a presentation on the audit conduct and findings from the Auditor. The preferred approach is for both to occur at this meeting. This is seen to be the most efficient and effective way to meet the statutory requirements.

The Act relating to the preparation of Council's annual financial reports requires that:

- a) Section 413, 415 and 416 requires a council to prepare financial reports, including Financial Reports and 'Statement by Councillors and Management' for both the General Purpose Financial Reports and Special Purpose Financial Reports; for each year, and must refer them for audit and be audited by the 31 October each year.
- b) Section 413 states that the Financial Reports must be accompanied by a Statement of Council's opinion made pursuant to a resolution of Council and signed by the Mayor, at least one other Councillor, General Manager and the Responsible Accounting Officer. The content supporting Council's opinion is prescribed and both forms are attached to this report.
- c) Fix a meeting date to present the financial reports to the public; and
- d) Advertise, for a minimum period of seven days prior to the meeting, that the financial reports and the auditor's report are available for public inspection.

In order to comply with these requirements, Council will need to 'form an opinion' at this meeting. A copy of the 2007/08 Financial Reports and audit reports will be forwarded to the Department of Local Government by November 7, 2007 and their availability to the public advertised from October 30, 2008 for seven days, and finally the formal adoption after advertising at the November 11, 2008 Council meeting.

A copy of the 2007/08 Financial Reports is provided as an attachment to the business paper. In respect to the actual content of the financial reports, it is normal practice for a detailed analysis of the year's results, as part of the financial reports document, to be provided. This attachment also provides commentary on other sections of Council's operations as well as a completed Local Government Financial Health Checks assessment. This information is titled "2007/08 Financial Reports Review" and the following key financial data information has been reproduced from this document:-

Key Financial Data – Summary

Qualified Financial Audit Reports

Council is required to have its financial reports independently audited. The auditor is required to express an opinion on the financial reports based on the audit as to the whether the reports are free of material misstatement.

For the 2007/08 Financial Reports, the auditor has provided a Qualified Independent Audit Report. The qualification specifically relates to investments held at the June 30 that have been impacted by the volatility within the financial markets over the past twelve months. Council's investment portfolio at June 30 includes Collateralised Debt Obligation (CDO) instruments which do not have a current active trading market and therefore cannot be independently valued. This lack of independent valuation has resulted in the Auditor qualifying their Independent Audit Report as an assurance can not be provided that the 2007/08 Financial Reports are not materially misstated in regards to the carrying value of investments.

General Purpose Financial Reports**Income Statement**

The net operating result for 2007/08 is a \$452,000 deficit. The following table displays the summarised information from 2005/06 to 2007/08:-

Item	2007/08 (\$'000)	% Change	2006/07 (\$'000)	% Change	2005/06 (\$'000)
Revenues from continuing operations	72,979	6.86%	68,297	(1%)	68,849
Expenses from continuing operations	73,431	28%	57,500	3%	55,602
Net operating result for the year	(452)	-104%	10,797	(18%)	13,247
Net operating result before capital grants and contributions	(8,042)	-363.4%	3,053	84%	3,287

The net operating result for the year of a \$452,000 deficit is an \$11.25m reduction from the 2006/07 operating surplus.

The major changes effecting the reduction in the net operating result were:-

- Interest and Investment Losses shows an expense of \$905,000 compared to revenue of \$2.63m for 2006/07. The revenue streams from investments (interest received) in 2007/08 was \$2.76m, an increase of 4.8% however there was a adjustment in the market value of investments of a negative \$3.66m. The adjustment in market values is required in accordance with accounting standards and represents the value of investments if they were realised at the reporting date instead of being held to maturity date. The amounts have been netted in accordance with reporting requirements which has distorted the comparison of revenues between years.
- A substantial increase in depreciation expenses of \$5.831m attributable to the increase in the fair value of Water and Wastewater assets bought to account at the end of the previous financial year.
- Works completed in 2007/08 have been funded from revenues received in the preceding year. Approximately \$3,000,000 held as working capital and unexpended grants was carried forward into 2007/08 resulting in operating expenses increasing while revenues not.

In general, revenues from continuing operations increased by 6.86% or \$4.7m however, expenses from continuing operations increased by 28% or \$15.931m. From a cash perspective, this change has been either funded or budgeted.

The 2007/08 reporting period includes increased depreciation expenses which are considerable higher than in previous years. It is anticipated that this trend will continue for the next two years as the fair value of all Council's assets are brought to account in accordance with the Department of Local Government requirements. Once asset management plans are completed for all infrastructure Council will need to consider how it will fund the required works. It is likely to be beyond Council's financial capacity and will require significant contribution from other tiers of government.

Balance Sheet

The Balance Sheet is used to summarise the total net assets under Council's control. As at June 30, 2008, total net assets were \$642m. During 2007/08, net assets increased by \$36.4m with \$452,000 decrease attributable to continuing operations and \$36.8m increase attributable to the revaluation of water, wastewater, land and building assets.

The revaluation of land & building assets for June 30, 2008 is part of the continuation of fair value for all

non current assets mandated by the Department of Local Government. Fair value is defined as being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. This is not necessarily the market-selling price of the asset, but rather the maximum value that Council would rationally pay to acquire an asset all things reasonably considered. The results from the revaluation are summarised below:-

Infrastructure Assets	Replacement Cost (\$m)	Accumulated Depreciation (\$m)	Fair Value (\$m)	Total Net Asset Increment (\$m)
Fair Value				
- Land	36.2	0	36.2	10.6
- Buildings	69.4	24.8	44.6	14.7
Total Land and Buildings	105.6	24.8	80.8	25.3
Total Land and Buildings (Pre Fair Value)	65.5	10	55.5	NA
Total Increases	40.1	14.8	25.3	NA

The major component of Council's net assets relates to infrastructure assets. Net infrastructure assets total \$519.2m and include the following categories and amounts:

Infrastructure Assets	At Cost (\$m)	Accumulated Depreciation (\$m)	Written Down Value (\$m)	At Cost/ Accumulated Depreciation %
Roads, Bridges, Footpaths & Earthworks	468.2	209.1	259.1	44
Stormwater Drainage	25.1	7.7	17.4	30
Water Supply Network	133.8*	62.1	71.6**	46
Sewerage Network	304.0*	133.0	171.1**	44
Total Infrastructure Assets	931.1	411.9	519.2	44

* Replacement Costs

** Fair Value

The Roads, Bridges, Footpaths & Earthworks and Stormwater Drainage and Other Structures components will also be revalued at fair value by June 30, 2009.

Income from continuing operations (Note 3)

Income from continuing operations increase by \$4.682m or 6.86% compared to 2006/07. A summary of the individual categories and comparisons for the last three years is provided below:

Type	2007/08 (\$'000)	% Change	2006/07 (\$'000)	% Change	2005/06 (\$'000)
Rates & Annual Charges	31,145	5	29,690	6	28,093
User Charges & Fees	21,746	11	19,656	23	15,974
Interest	0	n/a	2,634	5	2,510
Other revenues	1,570	85	850	-1	868
Grants & Contributions – Operating	10,928	27	10,076	-1	10,223
Grants & Contributions – Capital	7,590	20	4,744	-52	9,960
Gain on Disposal of Assets	0	n/a	647	-47	1,221
Total	72,979	6.8	68,297	1	68,849

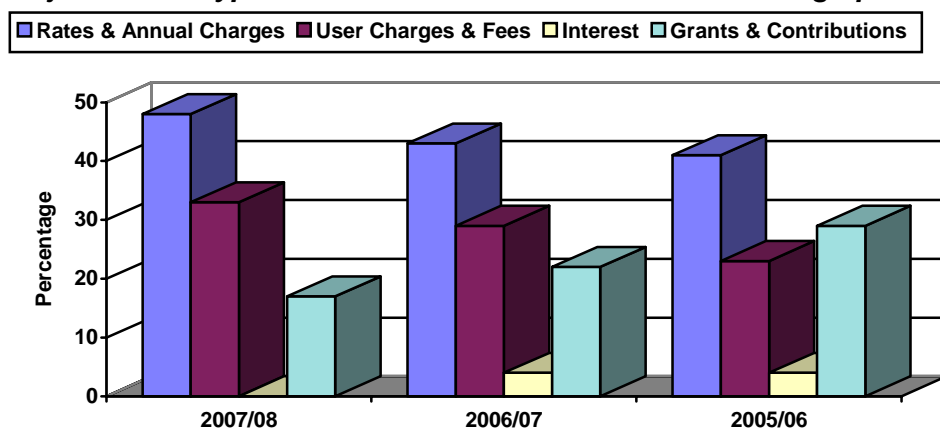
- User Charges & Fees have increased by 11% (\$2.09m) predominately due to increased Quarry sales \$1.329m (this includes revenues associated with the leasing of a new leased quarry \$1m)
- Other revenues increased by 84.7% or \$0.73m and with the majority being attributable to insurance claims received for damage to Council Buildings as a result of storms \$0.5m. The increase in insurance revenues was offset by increased costs of repairs to Council buildings with

the costs of repairs being in excess of revenues received.

- Grants & Contributions – Capital increased by 59.9% or \$2.84m with RTA contributions increasing by \$.5m; non cash dedications of sewerage assets increasing by \$1.5m and non cash dedications of water assets increasing by \$.6m.
- Interest revenues for the year amounted to \$2.76m, but a market value write off of investments for \$3.666m has reduced this to a loss of \$905,000. This loss is reflected in expenses from continuing operations.

The following graph represents the main types of income from continuing operations expressed as a percentage of total continuing income 2007/08, 2006/07 and 2005/06:

Major income types as a % of total income from continuing operations



Expenses from continuing operations (Note 4)

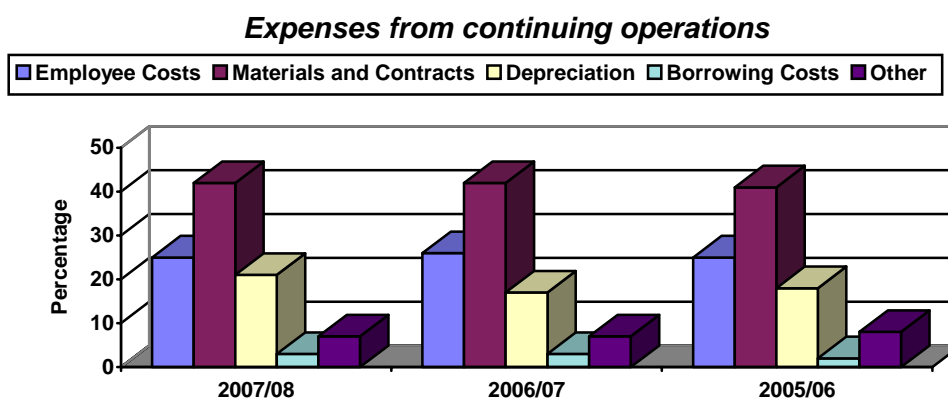
Expenses from continuing operations increased by \$17.8m or 32% from 2006/07 to 2007/08. A summary of the individual categories and comparisons for the last three years:

Type	2007/08 (\$'000)	% Change	2006/07 (\$'000)	% Change	2005/06 (\$'000)
Employee Costs	18,599	5	17,672	3	17,080
Borrowing Costs	1,826	15	1,507	15	1,309
Materials & Contracts	30,968	27	24,295	7	22,793
Depreciation	15,652	58	9,821	-2	10,072
Other	4,924	17	4,205	-2	4,348
Loss on Disposal of Assets	557	n/a	0	0	0
Interest & Investment Losses	905	n/a	0	0	0
Total	73,431	32	55,602	15	48,417

- Employee costs have increased in line with initial wage/salary growth projections.
- Materials and Contracts have shown a marked increase from previous years and can be attributed to increased quarry production costs \$1.4m (with \$1m associated with the new leased quarry), works associated with damage caused by the three natural disasters in 2008 \$2.6m, and increased ordered works from the RTA \$1.5m. These amounts were associated with increased sales revenue, insurance revenues and grants received..
- Depreciation has increased by \$5.8 million and is directly attributable to the fair value adjustment to Water and Wastewater assets in 2006/07. In accordance with DLG directive all Water and Wastewater infrastructure assets were adjusted to fair value, with the resulting impact being an increase in the depreciable value of the asset and therefore an increase in depreciation expenses for future years. It is anticipated that this trend of increasing depreciation costs will continue over the next two years as all non current assets are recognised at their fair value (buildings in 2007/08 and roads, footpaths, drainage and other structures in 2008/09).
- A Loss on Disposal of Assets of \$0.5m has also been recognised. The majority of this relates to the replacement of water and wastewater infrastructure assets being replaced and fully depreciated.
- In regards to Interest & Investment Losses, Council is required to report investments at their market value as at June 30 each year. This valuation is based on their estimated value at that date and is not reflective of the expected capital return if held to maturity. In accordance with requirements, a \$3.66m decline in the fair value of investments is reported. Throughout the year Council still received an income streams from these investments totalling \$2.7m which when netted against this adjustments results in an interest and investment loss of \$0.9m.

Investment markets around the world have been extremely turbulent over the preceding twelve months. This volatility and uncertainty has eroded the confidence and operations of investment and credit markets which in turn has reduced the market value (fair value) of investments. The majority of investment products have maintained their interest payments over the reporting period, however if markets further tighten and volatility persists, it will effect future income streams from investments and their market value.

The following graph represents the types of expenses from continuing operations expressed as a percentage of total continuing expenses for 2007/08, 2006/07 and 2005/06:



Cash, Cash Equivalents and Investments (Note 6a, 6b & 6c)

Council has total cash, cash equivalents and investments of \$30.87m as at June 30, 2008. Compared to 2006/07, this is a decrease of \$2.9m. Typically, Council's total cash, cash equivalents and investments are reasonably stable, but can fluctuate depending on the timing of cash flows and investment decisions.

Investments held are recorded at their fair value and therefore include the fair value adjustment referred to above of a negative \$3.66m.

All funds are either restricted by external legislation e.g. developer contributions - Section 94 (\$5.2 m) and Section 64 (\$6.9m), Wastewater Services (\$3.5m), Unexpended Grants (\$952,000), Trust

(\$891,000) and Domestic Waste Collection (\$68,000) or internal policy e.g. unexpended loans (\$5.8m) and reserves.

Statement of performance measures (Note 13)

To clarify the meaning and implication, a simple definition of each indicator is listed below:

- a) Unrestricted Current Ratio – the total cash or cash convertible assets available to meet liabilities within the next twelve months, or current period, expressed on a dollar for dollar basis excluding assets and liabilities.
- b) Debt Service Ratio – The amount used to repay borrowings as a percentage of total income from continuing operations excluding capital contributions and capital grants, and specific purpose contributions and grants.
- c) Rate Coverage Ratio – The amount received from rates and annual charges revenues as a percentage of total operating revenues.
- d) Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage – This percentage is based on the amount outstanding as a percentage of the amount to be collected for rates and annual charges for the current year and outstanding from previous years.
- e) Building & Infrastructure Renewal Ratios – The capital expenditure on the replacement, refurbishment or upgrade to an existing asset as a percentage of total depreciation, amortisation and impairment.

Performance Indicator	2007/08	2006/07	2005/06	2004/05
Unrestricted Current Ratio	2.04:1	2.57:1	3.20:1	3.30:1
Debt Service Ratio Percentage	5.33%	4.54%	4.77%	5.14%
Rate Coverage Ratio Percentage	42.68%	43.47%	47.70%	46.25%
Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	10.89%	10.23%	9.75%	8.45%
Building & Infrastructure Renewals Ratio	109.38%	n/a	n/a	n/a

Council's performances indicators are overall within acceptable levels however do require further monitoring. Although there has been a small decline in Council's liquidity position (Unrestricted Current Ratio), it is still satisfactory to meet all current liabilities as and when required.

The Debt Service Ratio, which was at 4.54% for 2006/07, has increased to 5.33%. This increase is anticipated and attributed to the full impact of repayments from the 2006/07 borrowing program. This ratio will increase as repayments from the 2007/08 borrowing program (\$8.419m) and future program impact.

Rates Coverage Ratio Percentage for 2007/08 when compared to 2006/07 shows a reduction in reliance upon rates and annual charges. This is as a result of the increase in fees and user charges.

The Rate, Annual Charges, Interest and Extra Charges Outstanding percentage has remained above 10%. A comprehensive approach to debt recovery has been implemented with in-house collection initially and more difficult or non compliant cases being referred to a mercantile agent for legal proceedings. These actions will cause this indicator to improve in future years.

The Building & Infrastructure Renewals Ratio indicates that funds are being expended to renewing existing assets in excess of their rate of depreciation. This ratio will dramatically change when all infrastructure assets are fair valued and depreciation costs based on current replacement costs.

Special Purpose Financial Reports

Return on Capital

Based on National Competition Policy guidelines, the following activities of Council have been nominated as business activities - Lismore Water, Lismore Wastewater, Northern Rivers Quarry & Asphalt, Northern Rivers Waste – Collection and Disposal, Lismore Memorial Gardens, Koala Child Care Centre, Commercial Properties and Industrial Estate Development.

National Competition Policy guidelines stipulate that Council must declare Water and Wastewater as business activities, even though there is some dispute as to whether these funds operate for commercial benefit or to ensure an essential service is provided at a reasonable cost. In regards to Northern Rivers Waste - Collection, as it has no assets, a return on capital cannot be calculated. The other activities have been declared as they meet the criteria established for business activities, primarily because there are competitors in the market place for which Council actively competes for market share.

The following provides a summary of the return on capital for Council's business activities during 2007/08. Based on the summary and using the 10 Year Government Bond Rate as a guide, only the Northern Rivers Waste – Disposal is returning an acceptable result. Water & Wastewater have been significantly impacted by the increased depreciation expense associated with the fair adjustment of assets in 2006/07, given the enormity of the increased depreciation costs is not anticipated that these units will achieve an acceptable return in the medium term. Based on these results, a review of the financial plans for these business units would be appropriate to ensure expectations are achievable.

Business Unit	Return %	Business Unit	Return	Business Unit	Return
Water	-3.3	Northern Rivers Waste – Collection	n/a	Koala Child Care Centre	-12.1
Wastewater	-2.5	Northern Rivers Waste – Disposal	16.6	Lismore Memorial Gardens	-1.1
Northern Rivers Quarry & Asphalt	-3.5	Properties Held for Public Benefit	7.0	Real Estate	n/a

Management Information***Loan Indebtedness***

Council's overall loan debt increased during 2007/08 by \$7m to \$32.2m. During the year, total borrowings of \$8.5m were drawn with approximately 13% or \$1.1m of these funds for the self funding activities - Waste Service Material Recovery Facility 15% and \$1.3m for Wastewater construction programs.

It is considered that the current level of debt is manageable, but this needs to be considered on an ongoing basis in light of all other expenditure commitments.

Movements in total loan indebtedness by fund for 2007/08 follow:

Fund	Balance 30/6/07	New Loans Raised	Principal Repaid	Balance 30/6/08	Movement - Increase / (Decrease)
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General	25,085	7,239	1,441	30,883	5,798
Wastewater	35	1,280	35	1,280	1,245
Water	43	0	43	0	(43)
Total	25,163	8,519	1,519	32,163	7,000

Other staff comments

Not required

Public consultation

The 2007/08 Financial Reports will be advertised calling for public submission for seven days from October 30, 2008 and will be further considered by Council at the November 11, 2008 meeting.

Conclusion

In order to comply with the statutory requirements, Council must 'form an opinion' at this meeting on the 2007/08 Financial Reports. A copy of the 2007/08 Financial Reports and audit reports will then be forwarded to the Department of Local Government. Their availability to the public will be advertised from October 1, 2008 for seven days and finally they will need to be formal adoption by Council at the November 11, 2008 meeting.

Generally, Council remains in a sound financial position with cash, cash equivalents and investments remaining relatively stable and liabilities such as loans at a manageable level. To ensure long term financial viability, it remains essential for Council to continue to examine ways in which revenue can be increased, expenses decreased or a combination of both to meet anticipated asset management demands.

During 2008/09, Council's investment portfolio and investment income stream will be challenged as financial market volatility continues. This will result in Council reviewing its future works program that is linked to this income stream. The value of investments may deteriorate in the short term due to this market volatility; however, advice received suggests that provided the underlying assets of Council's investments remain sound, the majority of Council's capital should be recouped on maturity.

The impact of the revaluation of water and wastewater network infrastructure assets to fair value in 2006/07 has resulted in a marked decline in the operating result with an additional \$5.8m being added to depreciation expenses. This is not unexpected. With land and building to be adjusted to fair value in the current year and with all Council's other infrastructure assets to be valued on a fair value basis by June 30, 2009, Council's net operating result after that time will deteriorate. The development and implementation of long term asset management and associated financial plans will be required to rationalise Council's forward outlook and strategies.

Recommendation

That Council,

1. In accordance with Section 413 (2) (c) of the Local Government Act 1993 and clause 215 of the Local Government (General) Regulation 2005, adopt the 2007/08 Financial Reports and form an opinion based on the attached 'Statement by Councillors and Management' for both the General Purpose Financial Reports and Special Purpose Financial Reports.
2. Delegate the Mayor and Deputy Mayor to sign the 'Statement by Councillors and Management' on behalf of Council.
3. Submit the 2007/08 Financial Reports to the NSW Department of Local Government and the Australian Bureau of Statistics.
4. Advertise the presentation of the 2007/08 Financial Reports to the public from October 30, 2008 and invite both inspection and submission.
5. Present the 2007/08 Financial Reports to the public at the November 11, 2008 Council meeting.

Report

Subject	2007/08 Reserves (Internally Restricted Assets)
File No	S952
Prepared by	Principal Accountant
Reason	In accordance with Policy 1.5.10
Objective	To inform Council of reserve movements and balances for the financial year 2007/08
Strategic Plan Link	Leadership by Innovation
Management Plan Activity	Various

Overview of Report

As at June 30, 2008, reserves total \$11,905,424, comprising \$11,120,603 held as cash reserves and \$784,821 as working capital reserves. The working capital portion represents amounts that were held as outstanding debtors as at the June 30, 2008 but which form part of the operating result for 2008. There has been an over all decrease in reserves from 2006/07 of \$6,086,383. The reserves are held in General and Wastewater Funds being \$7,381,400 and \$4,524,024 respectively.

After deducting restricted (Section 64) funds, there are no unrestricted cash reserves held in Water Fund. This situation is part attributable to Water Fund having approximately \$1.07 million in outstanding debtors at June 30. A concerted effort to recover all debts is in train and this will result in a large proportion of this amount and other working capital being converted to cash to meet operating costs.

All reserves held at June 30, 2008 are deemed to be at an appropriate level given that they are either within a suitable range of the nominated funding level, are for a specific purpose or the variance is manageable.

As well as providing Council with the reserves information, the opportunity was taken to review and update the policy. The recommended changes are minor and have been highlighted.

Background

Policy 1.5.10 - Reserves (Internally Restricted Assets) requires a separate annual report to be submitted to Council each year detailing all movements, appropriate levels and clarification as to needs, for reserves. This report has been prepared to meet that requirement for 2007/08.

As at June 30, 2008, reserves totalled \$11,905,424, comprising \$11,120,603 held as cash reserves and \$784,821 as working capital reserves. The working capital portion represents amounts that were held as outstanding debtors as at the June 30, 2008 but which form part of the operating result for 2008. There has been an overall net decrease in reserves from 2006/07 of \$6,086,383, which is consistent with the reserves being used for the purpose they were collected or the funds being used as an 'internal loan' for industrial and commercial development. The reserves are held in General and Wastewater Funds being \$7,381,400 million and \$4,524,024 million respectively.

For 2007/08, in accordance with the policy, interest was applied to the 'average' reserve balance held for

the year unless the amount held is specific, or only created during 2007/08, or have specific holding requirements. The interest rate for Wastewater is based on the average return on Council's investment portfolio, 6.65%, with the CPI, 4.26%, used as the base for General Fund. This equates to \$435,800 and \$413,501 for General and Wastewater Funds respectively.

All reserves held at June 30, 2008 are deemed to be at an appropriate level given that they are either within a suitable range of the nominated funding level or are for a specific purpose or the variance is manageable

A summary of all Reserves as at June 30 is provided as Attachment A and a detailed listing is provided as Attachment B.

Items Impacting Reserve Levels

- Council is required to recognise investments held at June 30 at their market value. As there continues to be significant volatility in financial markets, this valuation resulted in an investment loss being reported of \$3,665,900. The market value loss has been assigned to all Council's investments on a pro rata basis in line with the level of funds held in Reserves, Section 64 Funds and Section 94 Funds as a percentage of the total investments held. As a result, General Fund reserves were reduced by \$1,207,100, Water Fund Section 64's by \$116,900, Wastewater Fund reserves and Section 64's by \$1,397,400 and Section 94's by \$944,500. Any future positive variations to the market value will be assigned back to the investments reduced.

Attachment C details the General Fund reserves reduced by \$1,207,100.

- Council resolved to develop the Krauss Avenue Industrial Estate and construct Krauss Avenue in 2005 using reserves as a funding source. At June 30, 2008, approximately \$4.991 million remains invested in the development and therefore equivalent funding has been deducted from the following reserves:-

Plant Operations	\$3,656,300
Other Waste Management	\$ 931,700
Transport and Infrastructure	\$ 403,000

On the sale of the developed industrial land, the reserves will be reimbursed. Should at any time these reserves require unplanned access to their funds, other reserves will be used for this short term internal loan funding purpose.

- Council purchased a part of the Goonellabah Town Centre on a deferred settlement basis in 2005. The land was purchased to meet land requirements associated with the Goonellabah Sports & Aquatic Centre with the residual to be sold. Three annual progress payments have been made so far with the first two funded from funds held for GSAC. This year's progress payment and all holding costs totalling \$1.2 million are being funded by internal loan from

Property Management	\$ 41,100
Transport and Infrastructure	\$1,154,100

Commentary

Provided below is a commentary on individual reserves with balances. This should be read in-conjunction with Attachment A, which shows the opening balance at July 1, 2007, movement for the year and closing balance at June 30, 2008, and the reserves policy, which states the objective, methodology and funding level for each reserve.

A copy of the Reserves Policy is also attached. There are some minor changes to the policy recommended and these are highlighted.

More detailed information on reserve movements is available on request.

Corporate Support – Balance \$199,000

This reserve includes amounts of \$147,400 (\$65,000 reserved each year, this amount was increased from \$25,000 to recognised the significant cost increases) for Election Expenses and \$51,600 for Risk Management funded from insurance premium refunds. For 2008/09 the reserve will be applied to cover the costs of Council elections in September 2008.

The risk management component is used to support initiatives which potentially reduce future insurance claims or costs and fund uninsured costs associated with a claim if required.

Staff Development – Balance \$96,800

This reserve represents the balance of funding received in 2007/08 for up-skilling employees and specific staff development programs identified in the 2008/09 Management Plan.

Special Projects – Balance \$432,800

This reserve includes funding for specific projects with the major item being \$293,800 from reserves considered essential but not a priority and used as funding towards the 2008/09 Management Plan. The balance of \$139,000 relates to specific projects such as the replacement of Councillors computers \$16,000, Sister Cities review \$8,900, Mayoral Scholarship \$10,000 and a customer service development project \$65,000.

Legal Expenses – Balance \$31,600

The legal expenses component is used to offset actual legal costs in years that they exceed the provided budget. The suggested maximum amount held for legal expenses at any one time is equivalent to 100% of the recurrent budget which for 2007/08 is \$107,000.

Employee Leave Entitlements – Balance \$630,300

The current value of employee leave entitlements in General Fund as at June 30, 2008 is \$3.912 million. Based on the reserve balance of \$630,300, they are approximately 16% cash funded. This level of cash funding is below the policy level of 30% (\$1,159,800). Reviewing oncost rates and employee oncost related expenses will be targeted to increase this percentage to the 30% target over time.

Flood Mitigation – Balance \$40,600

This reserve is used to part fund Council's contribution towards the Lismore Flood Levee Scheme.

Lawn Cemetery – Balance \$60,000

This reserve will be used for office fit outs as outlined in the 2008/09 Management Plan.

Other Waste Management – Balance \$317,400

This reserve comprises funds held for the non domestic or 'commercial' waste collection service and waste disposal. The amount reported for the Wyrallah Road Waste Facility (waste disposal) is reduced by short term internal funding of \$931,700 used to fund the Krauss Avenue Industrial Estate development and extension of Krauss Avenue. If the internal funding for this project was not required, the total reserve would be \$1,249,100.

Parks and Recreation – Balance \$153,500

The following is a list of the major components included in this reserve: -

Name and Description	Amount
CBD Toilet Block – This project is carried forward into the 2008/09 Budget.	58,100
Shearman Park - Carried forward from 2004/05	28,800
Seed Funding – Urban Forests	5,500
Lake Gates Management Plan	7,800
Section 94 Plan Contributions - Open Space – The funds are to be used to match contributions received as part of the 2004 Recreation and Community Services Section 94 Plan with \$41,600 specifically held for Coronation Park.	53,300

Waste Minimisation – Balance \$52,900

This reserve represents the surplus funds held after all expenses associated with waste minimisation initiatives are deducted from the waste minimisation charge.

Plant Operations – Balance \$0

The amount reported is reduced by a short term internal loan of \$3,656,300 used to fund Council's Krauss Avenue Industrial Estate development and extension of Krauss Avenue. If the internal funding was not required, the plant operating reserve would be \$3,656,300 represented by:-

Program	Amount
Bridge	567,000
Crematorium and Lawn Cemetery	95,600
Parks and Recreation	180,100
Quarry	577,700
Road	1,705,700
Waste	371,700
Workshop	155,000
Cars	3,500

The Plant reserve reflects the accumulated surplus from operations after purchases and sales of bridge, crematorium, park, quarry, road, waste and workshop plant and cars. These funds are used to meet plant replacement program funding requirements.

Sporting Grounds – Balance \$41,700

The Nesbitt Park component of \$37,500 accounts for the majority of this reserve. These funds are for future development at this ground.

Quarry Management – Balance \$91,200

The reserve includes the accumulated surplus from operations and deductions for capital works for Northern Rivers Quarry and Asphalt. These funds will be applied to quarry development, enhancement and rehabilitation.

Property Management – Balance \$720,200

The reserve comprises a number of components including asset management and the Nimbin Pool. The balance as at June 30 is for the Nimbin Pool \$104,100 and Asset Management \$616,100. Funds held for Nimbin Pool is for the construction of Managers Residence and has been carried forward from 2007/08.

The major items being held in Asset Management:

Name and Description	Amount
Lift Historical Society – This project is carried forward into the 2008/09 Budget.	141,000
Roads and Drains and Property – Fair value assessment in accordance with DLG	136,000

Property Demolition	91,500
Corporate Centre Upgrade	100,000
Nimbin Carpark Lighting – This project is carried forward into the 2008/09 Budget	60,000
City Hall	21,200
Street Lighting	38,000
Nimbin Pedestrian Crossing Lighting	6,400
Asset Management Plan	12,500

Property Management also includes the shops and offices reserve, and industrial, commercial and residential land reserves. All these reserves have nil balances as at June 30, 2008. Both industrial and commercial land reserves have internal loan receipts from other reserves totalling \$5.034 million and \$1.195 million respectively. The balances in shops and offices, and residential land reserves totalling \$41,100 have been loaned to industrial and commercial land reserves.

Transportation Infrastructure – Balance \$1,463,100

The reserve in total is \$1,463,100 and includes a working capital portion of \$784,821, being amounts payable by the RTA June 30, 2008 for completed works. The amount reported is reduced by an internal loan of \$446,200 to the Krauss Avenue Industrial Estate development and extension of Krauss Avenue; as well as a short term loan of \$1,154,100 used to fund the development of the Goonellabah Commercial Town Centre.

The following is a list of the major components of this reserve:-

Name and Description	Amount
DA Contributions to Works – This relates to contributions received from developers for Council to complete specific works associated with development consent.	193,600
Contractors Reserve – Council bids for specific RTA work on a contract basis with the view to generating a profit. The profit generated is transferred to this reserve for road related works. Due to the nature of contracting, at times a loss can be generated and this reserve is used to mitigate Council's exposure to these situations. The amount reported is reduced by a short term internal loan of \$446,200 used to fund the Krauss Avenue Industrial Estate development and extension of Krauss Avenue.	159,700
Bridge – Bridge construction works	150,000
Drainage – Drainage construction works	13,400
Road Reconstruction – As has been the case in previous years, funds predominantly for capital works were not spent by June 30, primarily due to the availability of RTA funds such as for flood repairs. The decision to complete RTA works first has resulted in Council projects being carried forward to 2008/09. The amount reported is reduced by a short term internal loan of \$1,154,100 used to fund the Goonellabah Commercial Town Centre.	791,100
Special Business Rate - Security – Unexpended funds raised by the CBD special business rate and dedicated to the CitySafe program.	35,100
Car Parking – Kerb Side Dining – Fees collected from kerbside dining licenses that are to be expended on the provision of car parking spaces in the CBD.	69,300
CBD Street Lighting – Funds held for works associated with major developments in the CBD.	14,300

Planning Studies – Balance \$616,900

The main items included in this category are:-

- Section 94 Plan Administration Charges \$133,400. These are accumulated funds and represent the 2.5% administration charge on all developer levies collected. They are to be used to fund the administration and review of the Section 94 Plan.
- Stormwater Management Services Charges \$279,800. This represents unexpended funds from the past two years.
- Environmental Health specific projects \$125,700. Various project funds and matching grant contributions

- Noxious Fauna - \$50,000

Remediation Programs – Balance \$90,300

This reserve is for the remediation of the former gasworks site, which is anticipated to be completed during 2008/09.

Information Services – Balance \$819,400

These funds are to be used for the future development and replacement of the corporate information system, software and hardware.

The majority of these funds will be used to implement an electronic document management system \$642,000.

Community Services – Balance \$95,000

The following is a list of the major reserves included in this category: -

Name and Description	Amount
Multicultural Access to Services – Council matching grant.	9,000
Youth Activities – Funds carried forward from 2007/08	13,000
Incentive Matching Federal Attorneys Grant – To be used as leverage to attract further grant funding	21,000
Pedestrian Access Mobility Plan – Unexpended 2006/07 contribution to works to be carried forward.	12,000
Disability Action Plan	9,900
Museum Advisor – Council matching contribution	8,000

Child Care – Balance \$21,600

The category includes \$11,400 for Gingerbread House being to replacement playground equipment, \$9,500 for the Koala Day Care Centre and \$700 for the After School Hours Service. These funds are the accumulated surplus results to be used to offset deficit results, replacement of equipment, building improvements, etc.

Art Gallery – Balance \$74,500

This reserve comprises specific components for the art gallery foundation \$9,300, and building donations \$65,200

The building donations component represent donations for a new art gallery made to the Lismore Regional Art Gallery in its capacity as an ATO registered tax deductible recipient.

Economic Development – Balance \$459,700

The following is a list of the major components included in this reserve: -

Name and Description	Amount
Wilson River Bank Development – Represents works to be completed during 2008/09.	98,400
Lismore Promotion – Unexpended funds collected from the Special Business Rate Variation Levy for promotion.	163,600

Economic Development Projects – including investor guide carried forward from 2007/08 \$25,000, Client Services Development Officer \$20,000, Communication Development CBD revitalisation \$10,000 and Nimbin Walking Trail \$14,500.	86,300
Events – To be used during 2008/09 for seed funding events.	14,800

Community Facilities – Balance \$699,800

A total of \$649,800 is held specifically for the Goonellabah Recreation Centre. These funds will be utilised during construction planned for 2008/09.

The balance is to be applied to concept and planning works required as part of the Cultural Precinct development \$50,000.

Airport – Balance \$104,200

This reserve is predominately for uncompleted capital or future works at the Lismore Regional Airport.

Domestic Waste Management – Balance \$68,900

This reserve represents the surplus funds held after all expenses associated with Domestic Waste Management are deducted. It can only be used for Domestic Waste Management purposes.

Wastewater Services – Balance \$4,524,024

The balance reflects the net cash position of the fund to June 30 and will be used with all other revenues to operate, manage and maintain a high quality wastewater service.

Given the need and demand for significant capital works, such as Clunes Wastewater, it is likely that the majority of these funds will be utilised in the short to medium term.

Water Supplies – Balance \$0

After deducting restricted (Section 64) funds, there are no unrestricted cash reserves held in water fund. This situation is in part attributable to water fund having approximately \$1.3 million in outstanding debtors at June 30. A concerted effort to recover all debts is in train and this will result in a large proportion of this amount and other working capital being converted to cash.

Other staff comments

Not required

Public consultation

Not required

Conclusion

The report and attachments detail Council's reserve movements and balances for 2007/08. As at June 30, 2008, reserves totalled \$11,905,424, comprising \$11,120,603 held as cash reserves and \$784,821 as working capital reserves. The working capital portion represents amounts that were held as outstanding debtors as at the June 30, 2008 but which form part of the operating result for 2008.

There has been an overall net decrease in reserves from 2006/07 of \$6,086,383. The reserves are held in General and Wastewater Funds being \$7,381,400 million and \$4,524,024 million respectively.

All reserves held at June 30, 2008 are deemed to be at an appropriate level given that they are either within a suitable range of the nominated funding level or are for a specific purpose or the variance is manageable.

Councils' Policy on Internally Restricted Assets – Policy 1.5.10, has been reviewed and some minor amendments recommended.

Recommendation

That Council note the reserve balances for June 30, 2008 of \$11,905,424 as detailed on the attached summary, and amend Policy 1.5.10 - Reserves (Internally Restricted Assets) to reflect that as attached.

SUMMARY - RESERVES (INTERNALLY RESTRICTED ASSETS) AS AT JUNE 30, 2008									
ATTACHMENT A									
Reserve	Balance 1/1/07	Transfer To Council	Interest	Sub-Total	Transfers From Council	Balance 30/6/08	Cash	Working Capital	Total
Corporate Support	200,300	104,200	10,500	315,000	116,000	199,000	199,000	0	199,000
Staff Development	19,400	108,400	2,700	130,500	33,700	96,800	96,800	0	96,800
Special Project	402,600	422,800	4,800	830,200	397,400	432,800	432,800	0	432,800
Legal Expenses	49,900	0	1,700	51,600	20,000	31,600	31,600	0	31,600
Employee Leave Entitlements	727,700	89,500	36,400	853,600	223,300	630,300	630,300	0	630,300
Flood Mitigation	267,100	0	6,400	273,500	232,900	40,600	40,600	0	40,600
Lawn Cemetery & Crematorium Development	0	60,000	0	60,000	0	60,000	60,000	0	60,000
Other Waste Management	506,500	1,440,000	30,500	1,977,000	1,659,600	317,400	317,400	0	317,400
Waste Minimisation	42,900	27,500	2,500	72,900	20,000	52,900	52,900	0	52,900
Parks & Recreation	628,800	456,000	20,000	1,104,800	951,300	153,500	153,500	0	153,500
Plant Operations	0	3,656,300	0	3,656,300	3,656,300	0	0	0	0
Quarry Management	1,232,600	0	27,500	1,260,100	1,168,900	91,200	91,200	0	91,200
Sporting Grounds	36,400	3,600	1,700	41,700	0	41,700	41,700	0	41,700
Transport Infrastructure	2,724,700	3,831,300	125,700	6,681,700	5,218,600	1,463,100	678,279	784,821	1,463,100
Property Management	470,500	7,365,900	26,300	7,862,700	7,142,500	720,200	720,200	0	720,200
Planning Studies	692,300	428,200	28,000	1,148,500	531,600	616,900	616,900	0	616,900
Gasworks Remediation	91,600	0	3,800	95,400	5,100	90,300	90,300	0	90,300
Records Management Systems	47,300	18,800	0	66,100	66,100	0	0	0	0
Information Services	956,400	195,000	37,800	1,189,200	369,800	819,400	819,400	0	819,400
Community Services	101,900	21,600	4,100	127,600	32,600	95,000	95,000	0	95,000
Child Care	5,800	15,600	200	21,600	0	21,600	21,600	0	21,600
Regional Art Gallery	74,500	0	0	74,500	0	74,500	74,500	0	74,500
Economic Development	504,800	351,100	17,100	873,000	344,300	459,700	459,700	0	459,700
Community Facilities	926,300	362,500	33,800	1,322,600	622,800	699,800	699,800	0	699,800
Aerodrome	180,000	0	6,000	186,000	81,800	104,200	104,200	0	104,200
Domestic Waste Management	173,300	37,300	8,300	218,900	150,000	68,900	68,900	0	68,900
Wastewater Services	6,928,207	0	413,501	7,341,708	2,817,684	4,524,024	4,524,024	0	4,524,024
Water Supplies	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	17,991,807	18,995,600	849,301	37,836,708	25,862,284	11,905,424	11,120,603	784,821	11,905,424

DETAILS - RESERVES (INTERNALLY RESTRICTED ASSETS) AS AT JUNE 30, 2008

ATTACHMENT B

No.	Reserve	Balance 17/07		Transfer To		Interest	Sub-Total	Transfers From		Cash	Working Capital	Total
				Council				Council				
	GENERAL MANAGER'S / CHIEF EXECUTIVE											
1	GM's Office / Matching Grants	88,700	129,000		4,800	222,500	83,500	139,000	139,000	0	139,000	
23	Staff Development	19,400	108,400		2,700	130,500	33,700	96,800	96,800	0	96,800	
20	Legal Expenses	49,900	0		1,700	51,600	20,000	31,600	31,600	0	31,600	
10	Election Expenses	77,600	65,000		4,800	147,400	0	147,400	147,400	0	147,400	
12	Risk Management	122,700	39,200		5,700	167,600	116,000	51,600	293,800	0	51,600	
13	Surplus Budget Carried Forward	313,900	293,800		0	607,700	313,900	293,800	293,800	0	293,800	
15	General Fund Employee Leave Entitlements	727,700	89,500		36,400	853,600	223,300	630,300	630,300	0	630,300	
	Sub Total	1,399,900	724,900		55,100	2,180,900	790,400	1,390,500	1,390,500	0	1,390,500	
	INFRASTRUCTURE											
2	Asset Management	442,800	792,300		23,700	1,258,800	642,700	616,100	616,100	0	616,100	
8	Nimbin Pool	18,400	109,000		2,600	130,000	25,900	104,100	104,100	0	104,100	
40	Waste Minimisation Levy	42,900	27,500		2,500	72,900	20,000	52,900	52,900	0	52,900	
42	DA Contributions to Works	185,500	10,100		8,100	203,700	10,100	193,600	193,600	0	193,600	
44	Contractors Reserve	380,200	1,418,000		25,200	1,823,400	1,663,700	159,700	159,700	0	159,700	
45	Bridge Construction	0	188,500		0	188,500	38,500	150,000	150,000	0	150,000	
	Bridge - Plant	0	567,000		0	567,000	567,000	0	0	0	0	
46	Drainage Construction	72,400	0		1,800	74,200	60,800	13,400	13,400	0	13,400	
47	Road Reconstruction	1,951,500	1,813,000		84,700	3,849,200	3,058,100	791,100	6,279	784,821	791,100	
	Roadworks - Plant	0	1,705,700		0	1,705,700	1,705,700	0	0	0	0	
49	Security - Special Business Rate	41,300	225,700		1,600	268,600	233,500	35,100	35,100	0	35,100	
50	Cassons Quarry Rehabilitation	33,200	0		0	33,200	33,200	0	0	0	0	
51	Car Parking - Kerbside Dining	49,100	17,700		2,500	69,300	0	69,300	69,300	0	69,300	
53	Engineering Equipment	19,900	3,900		900	24,700	0	24,700	24,700	0	24,700	
54	TV Blackspots	7,500	0		300	7,800	0	7,800	7,800	0	7,800	
55	Lismore Carboot Market	2,400	800		0	3,200	0	3,200	3,200	0	3,200	
	Workshop - Plant	0	155,000		0	155,000	155,000	0	0	0	0	
	Motor Vehicles - Plant	0	3,500		0	3,500	3,500	0	0	0	0	
56	Flood Mitigation	267,100	0		6,400	273,500	232,900	40,600	40,600	0	40,600	
57	Rural Fire Service - Joint Paging System	0	3,600		0	3,600	2,700	900	900	0	900	
59	Parks & Recreation Projects	422,900	426,000		14,600	863,500	763,300	100,200	100,200	0	100,200	
	Parks & Recreation - Plant	0	180,100		0	180,100	180,100	0	0	0	0	
60	Section 94 Plan Contribution - Open Space	205,900	30,000		5,400	241,300	188,000	53,300	53,300	0	53,300	
62	Nesbit Park Development	32,400	3,600		1,500	37,500	0	37,500	37,500	0	37,500	
64	Oakes Oval Lighting	4,000	0		200	4,200	0	4,200	4,200	0	4,200	
66	Street Light Study	14,900	0		600	15,500	1,200	14,300	14,300	0	14,300	
76	Residential Development	0	31,800		0	31,800	31,800	0	0	0	0	
77	Industrial Development	0	5,116,100		0	5,116,100	5,116,100	0	0	0	0	
78	Commercial Properties	9,300	121,500		0	130,800	130,800	0	0	0	0	
81	Goonellabah Commercial Centre	0	1,195,200		0	1,195,200	1,195,200	0	0	0	0	
82	Infrastructure	0	150,000		0	150,000	150,000	0	0	0	0	
57	Domestic Waste Management	173,300	37,300		8,300	218,900	150,000	68,900	68,900	0	68,900	

DETAILS - RESERVES (INTERNALLY RESTRICTED ASSETS) AS AT JUNE 30, 2008

ATTACHMENT B

No.	Reserve	Balance	Transfer To	Interest	Sub-Total	Transfers From Council	Balance	Cash	Working Capital	Total
		1/7/07	Council				30/6/08			
68	Wyrallah Road Waste Facility	319,600	1,320,200	19,800	1,659,600	1,659,600	0	0	0	0
	Waste - Plant	0	371,700	0	371,700	371,700	0	0	0	0
70	Commercial Waste Management	186,900	119,800	10,700	317,400	0	317,400	317,400	0	317,400
71	Blakobrook Quarry Profit	1,199,400	0	27,500	1,226,900	1,135,700	91,200	91,200	0	91,200
	Blakobrook Quarry - Plant	0	577,700	0	577,700	577,700	0	0	0	0
72	Lawn Cemetery/Crematorium	0	60,000	0	60,000	0	60,000	60,000	0	60,000
	Lawn Cemetery/Crematorium - Plant	0	95,600	0	95,600	95,600	0	0	0	0
	Sub Total	6,062,800	16,877,900	248,900	23,209,600	20,200,100	3,009,500	2,224,679	784,821	3,009,500
	DEVELOPMENT & GOVERNANCE									
3	Riverbank Project	48,600	65,000	3,100	116,700	18,300	98,400	98,400	0	98,400
4	Economic Incentives Fund	287,000	10,000	8,200	305,200	208,600	96,600	96,600	0	96,600
5	Lismore Promotion - Special Business Rate	86,000	189,800	5,200	281,000	117,400	163,600	163,600	0	163,600
6	EDU Projects	0	86,300	0	86,300	0	86,300	86,300	0	86,300
9	Records Management Systems	47,300	18,800	0	66,100	66,100	0	0	0	0
14	Information Services	956,400	195,000	37,800	1,189,200	369,800	819,400	819,400	0	819,400
16	Community Services	101,900	21,600	4,100	127,600	32,600	95,000	95,000	0	95,000
17	Koala Child Care	3,200	6,100	200	9,500	0	9,500	9,500	0	9,500
18	Gingerbread House	2,100	9,300	0	11,400	0	11,400	11,400	0	11,400
19	After School Hours Care	500	200	0	700	0	700	700	0	700
21	Art Gallery - Foundations	9,300	0	0	9,300	0	9,300	9,300	0	9,300
21	Art Gallery - Building Donations	65,200	0	0	65,200	0	65,200	65,200	0	65,200
22	Masters Games	69,000	0	0	69,000	0	69,000	69,000	0	69,000
24	Goonellabah Sports & Aquatic Centre	863,700	362,500	31,500	1,257,700	607,900	649,800	649,800	0	649,800
29	Section 94 Plan - Administration Charges	167,100	21,000	7,300	195,400	62,000	133,400	133,400	0	133,400
30	Local Heritage Fund	2,100	0	100	2,200	600	1,600	1,600	0	1,600
31	Planning Services	34,400	12,000	1,300	47,700	22,300	25,400	25,400	0	25,400
32	City Wide Heritage Study - Implementation	10,200	0	0	10,200	9,200	1,000	1,000	0	1,000
36	Phosphorus Reduction Campaign - Regional	9,100	0	0	9,100	9,100	0	0	0	0
37	Phosphorus Reduction Campaign - Local	25,300	9,600	0	34,900	34,900	0	0	0	0
38	Environmental Health Projects	444,100	385,600	19,300	849,000	393,500	455,500	455,500	0	455,500
39	Gas Works Decontamination	91,600	95,400	3,800	190,800	5,100	90,300	90,300	0	90,300
73	Airport	180,000	0	6,000	186,000	81,800	104,200	104,200	0	104,200
74	Cultural Precinct	62,600	0	2,300	64,900	14,900	50,000	50,000	0	50,000
83	Events	14,200	0	600	14,800	14,800	14,800	14,800	0	14,800
	Sub Total	3,580,900	1,392,800	130,800	5,104,500	2,054,100	2,981,400	2,981,400	0	2,981,400
	TOTAL GENERAL RESERVES	11,063,600	18,995,600	435,800	30,495,000	23,044,600	7,381,400	6,596,579	784,821	7,381,400
	TOTAL WATER RESERVES	0	0	0	0	0	0	0	0	0
	TOTAL WASTEWATER RESERVES	6,928,207	0	413,501	7,341,708	2,817,694	4,524,024	4,524,024	0	4,524,024
	TOTAL RESERVES	17,991,807	18,995,600	849,301	37,836,708	25,862,294	11,905,424	11,120,603	784,821	11,905,424

ATTACHMENT C

RESERVES - INVESTMENT MARKET VALUE ADJUSTMENTS			
Reserve Category	Reserve No	Reserve Detail	Amount
Corporate Support	12	Risk Management	100,000
Staff Development	23	Staff Development - Interest	2,700
Employee Leave Entitlements	15	ELE Reserve	223,300
Waste Minimisation	40	Waste Minimisation Charge	20,000
Parks & Recreation	59	Parks & Recreation Projects - Gateways Project/Interest	179,600
Transport Infrastructure	44	Contractors Reserves	200,000
Transport Infrastructure	45	Bridge Maintenance	38,500
Transport Infrastructure	47	Roads Maintenance	84,700
Property Management	2	Asset Management - Lands Sales	139,000
Planning Studies	29	Section 94 Plan Administration Charges	50,000
Planning Studies	38	Environmental Health Projects - Interest	19,300
Domestic Waste Management	67	Domestic Waste Management	150,000
		TOTAL ADJUSTMENT	1,207,100



POLICY MANUAL

POLICY No: 1.5.10	RESERVES (INTERNALLY RESTRICTED ASSETS)
OBJECTIVE:	To detail the title, objective, methodology and funding level of all reserves.
STRATEGIC PLAN LINK:	Leadership by Innovation
PROGRAM:	Finance
AUTHORISED: 13/2/2001	REVIEWED: 11/10/05, 10/10/06, 24/10/07, 21/10/08

Aim

The aim of this policy is to provide guidelines for the establishment and management of reserves. Management is to actively monitor the reserves to ensure that they are at an appropriate level.

Background

The creation and use of reserves are reported to Council in the Management Plan and Quarterly Budget Review Statement. The balances of reserves are reported with the Financial Reports annually.

To ensure that the process adopted by Management is consistent with Council's requirements, the following details on process are provided: -

ADMINISTRATION

- Transfers To/From Reserve
 - a) A "Reserve Transfer Form" is to be used for all transfers to and from a reserve. This should contain all relevant information relating to the proposal and, unless approved by Council, is to be submitted to the General Manager or Executive Director for approval.
 - b) In accordance with current practice, if this has a significant budget impact, it must be reported to Council in the next Budget Quarterly Review Statement.

- Interest On Reserves
 - a) The amount allocated to general reserves for interest is to be based upon the CPI
 - b) The balance of any interest earned is to be directed to General Fund.

- Cash Funding
 - a) For financial reporting purposes, all reserves must be cash funded.
 - b) For internal management purposes, all reserves must be calculated based on the methodology and apportioned between cash and working capital. The working capital component must be supported by reconciliation to specific non-cash assets.

POLICY NO: 1.5.10 (Cont.)

RESERVES (INTERNALLY RESTRICTED ASSETS)

- Miscellaneous
 - a) The non-existence of a suitable reserve category should not prevent legitimate Reserve Request Forms from being submitted for consideration.
 - b) After suitable comment from the initiating officer and financial services staff, the General Manager or Executive Director is to determine its approval or otherwise.
 - c) In accordance with current practice, if this is significant, it is to be reported to Council in the next Budget Quarterly Review Statement.
 - d) The reserves policy should be amended at the most convenient opportunity.
- Reporting
 - a) A separate annual report must be presented to Council in October each year detailing all movements, appropriate levels and clarification as to needs.
 - b) That the estimated level of reserves as at June 30 be reported to Council at the commencement of the draft Management Plan process each year.

RESERVESReserve Title: **Corporate Support**

Objective: To provide funds for specific administrative purposes not elsewhere listed (eg Election Reserve and Furniture & Fittings Reserve)

Methodology: Transfers to and from this reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for specific administrative purposes, and
- b) A submission supporting the objective.

Funding Level: Funds to accumulate based on specific purpose requirements.

Reserve Title: **Staff Development**

Objective: To financially support human resource programs that enhances skills development within the work force.

Methodology: Transfers to and from reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for staff development programs, and
- b) A submission supporting the objective.

Funding Level: Not more than 50% of the recurrent allocation for Employee Training (Total Budget 2007/08 - \$158,000)

Reserve Title: **Specific Projects**

Objective: To provide funds for projects and items not specifically identified in other reserves.

Methodology: Transfers to and from reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for identified specific project, and
- b) A submission supporting the objective.

Funding Level: Funds to accumulate based on specific purpose requirements.

POLICY NO: 1.5.10 (Cont.)

RESERVES (INTERNALLY RESTRICTED ASSETS)

Reserve Title: Legal Expenses

Objective: To provide funds for defending or conducting legal action on Council's behalf on an ongoing basis.

Methodology: Transfers to and from reserve are based on a comparison of final results for all legal expense allocations against budget with any over expenditures being transferred out of reserves and any under expenditure being transferred to reserve.

Funding Level: Not more than 100% of the recurrent allocation for Legal Expenses
(Total Budget 2007/08 - \$107,000)

Reserve Title: Employee Leave Entitlements

Objective: To ensure that adequate funds are available to finance employee oncost such as long service leave, sick leave, annual leave, special leave, gratuities, redundancies and other associated employee entitlements.

Methodology: Transfers to and from reserve are based on a comparison of final results against budget with any over expenditures being transferred out of reserves and any under expenditure being transferred to reserve.

Funding Level: Not more than 30% of the General Fund ELE provisions.
(Total Provisions 2007/08 - \$3.912 million)

Reserve Title: Flood Mitigation

Objective: Provide funds that will assist in the construction of a flood levee for Lismore and appropriate flood prone property acquisitions.

Methodology: Transfers to and from this reserve are based on:
a) The existence of, or proposal for, an annual budget allocation for flood mitigation, and
b) A submission supporting the objective.

Funding Level: Sufficient to meet Councils contribution towards the construction of the Lismore Flood Levee.

Reserve Title: Lawn Cemetery and Crematorium Development

Objective: To provide funds for the operational and capital development of this facility.

Methodology: Transfers to and from reserve are based on:
a) The existence of, or proposal for, an annual budget allocation for the lawn cemetery and crematorium,
b) A submission supporting the objective, and
c) The net cash movement for lawn cemetery and crematorium development.
d) This is considered a business unit of Council and therefore maybe required to provide a dividend to Council operations.

Funding Level: In accordance with the Lawn Cemetery & Crematorium Business Plan.

POLICY NO: 1.5.10 (Cont.)	RESERVES (INTERNALLY RESTRICTED ASSETS)
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Reserve Title: Other Waste Management

Objective: To provide funds for the operational and capital activities related to the provision of waste disposal and collection of non-domestic waste.

Methodology: Transfers to and from reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for other waste management,
- b) A submission supporting the objective, and
- c) The net cash movement for other waste services.
- d) This is considered a business unit of Council and therefore maybe required to provide a dividend to Council operations

Funding Level: In accordance with the Waste Services Business Plan

Reserve Title: **Waste Minimisation**

Objective: Provide funds to manage the implementation of waste strategies aimed at reducing the amount of waste being disposed at landfill sites.

Methodology: Transfers to and from this reserve are based on:

- a) A comparison of final results against budget with any over expenditures being transferred out of reserves and any under expenditure being transferred to reserve.

Funding Level: Note more than 20% of the total income generated from Waste Minimisation Charge
(Total Budget 2007/08 - \$503,500).

Reserve Title: **Parks & Recreation**

Objective: Provide funds to assist in the development of parks and reserves. Priority is to be given to facilities identified in the Section 94 Recreation & Community Facilities Plan.

Methodology: Transfers to and from reserve are based on:

- a) the existence of, or proposal for, an annual budget allocation for parks and reserves,
- b) A submission supporting the objective, and
- c) Expenditure in accordance with Section 94 Recreation & Community Facilities Plan.

Funding Level: Funds to accumulate based on specific purpose requirements

POLICY NO: 1.5.10 (Cont.)

RESERVES (INTERNALLY RESTRICTED ASSETS)

- Reserve Title: **Plant Operations**
- Objective: Ensure adequate funds are available to purchase a responsive and modern plant fleet at the optimum replacement opportunity.
- Methodology: Transfers to and from this reserve are based on the net cash result after taking into account:
- a) Workshop operating result,
 - b) Plant operating result, less rural fire service and SES costs,
 - c) Loan principal and interest repayments relating to plant and workshop,
 - d) Plant purchases, and
 - e) Profit or loss on sale of plant.
- Funding Level: All surplus funds.
- Reserve Title: **Quarry Management**
- Objective: To ensure adequate funds are available to develop, enhance and restore Blake brook quarry and approved gravel quarries.
- Methodology: Transfers to and from reserve are based on:
- a) The existence of, or proposal for, an annual budget allocation for quarry management,
 - b) A submission supporting the objective, and
 - c) The net cash movement for quarry operations.
 - d) This is considered a business unit of Council and therefore maybe required to provide a dividend to Council operations
- Funding Level: In accordance with the Quarry Business Plan
- Reserve Title: **Sporting Grounds**
- Objective: Provide funds to assist in the development of sporting ground faculties.
- Methodology: on Transfers to and from reserve are based:
- a) The existence of, or proposal for, an annual budget allocation for sporting grounds, and
 - b) A submission supporting the objective.
- Funding Level: Funds to accumulate based on specific purpose requirements

POLICY NO: 1.5.10 (Cont.)**RESERVES (INTERNALLY RESTRICTED ASSETS)**

Reserve Title:	Transport Infrastructure
Objective:	Provide funds that will assist in the maintenance, construction and rehabilitation of transport related infrastructure.
Methodology:	Transfers to and from reserve are based on: <ul style="list-style-type: none"> a) The existence of, or proposal for, an annual budget allocation for transport infrastructure, and b) A submission supporting the objective.
Funding Level:	Funds to accumulate based on specific purpose requirements
Reserve Title:	Property Management
Objective:	To provide funds to assist in the maintenance, enhancement and development of Council owned properties.
Methodology:	Transfers to and from this reserve are based on: <ul style="list-style-type: none"> a) The existence of, or proposal for, an annual budget allocation for property management, b) A submission supporting the objective. c) The net of sales and expenses related to residential, industrial and commercial land development, and d) The net cash result for commercial shops and offices. e) This is considered a business unit of Council and therefore maybe required to provide a dividend to Council operations
Funding Level:	In accordance with the Property Management Business Plan
Reserve Title:	Planning Studies
Objective:	To provide funds to assist in the preparation and implementation of planning studies.
Methodology:	Transfers to and from this reserve are based on: <ul style="list-style-type: none"> a) The existence of, or proposal for, an annual budget allocation for planning services, and b) A submission supporting the objective.
Funding Level:	Funds to accumulate based on specific purpose requirements

POLICY NO: 1.5.10 (Cont.)**RESERVES (INTERNALLY RESTRICTED ASSETS)**

- Reserve Title: **Gasworks Remediation**
- Objective: Provide funds for the remediation of the former Gas Works site
- Methodology: Transfers from this reserve are based on the allocation to the gas works site remediation program.
- Funding Level: Existing funds to be reduced to nil and reserve deleted
- Reserve Title: **Record Management Systems**
- Objective: To provide funding that ensures the record management system allows optimum storage, retrieval and accessibility of information.
- Methodology: Transfers to and from this reserve are based on:
a) All archiving fees received being transferred to reserve,
b) All expenses incurred in achieving the objective should be funded from the reserve.
- Funding Level: Funds to accumulate and expended when economy of scale can be achieved or required by lack of storage capacity.
- Reserve Title: **Information Services**
- Objective: To provide adequate funds to allow for the future development and replacement of the central computer system software and hardware.
- Methodology: Transfers to and from this reserve are based on:
a) An annual transfer to reserve to ensure sufficient funds is available to meet the short, medium and long-term financial requirements,
b) All capital acquisitions to be funded from the reserve, and
c) A comparison of final results against budget with any over expenditures being transferred out of reserves and any under expenditure being transferred to reserve,
- Funding Level: To be set in accordance with the development of Information Services Strategic Plan.
- Reserve Title: **Community Services**
- Objective: Provide funds to assist in the specific delivery of Council's community services.
- Methodology: Transfers to and from reserve are based on:
a) The existence of, or proposal for, an annual budget allocation for specific community services purposes, and
b) A submission supporting the objective.
- Funding Level: Funds to accumulate based on specific purpose requirements

POLICY NO: 1.5.10 (Cont.)	RESERVES (INTERNALLY RESTRICTED ASSETS)
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Reserve Title: **Child Care**

Objective: Provide funds to assist in the development of Council's child care services.

Methodology: Transfers to and from reserve are based on:

- a) A comparison of final results against budget with any over expenditures being transferred out of reserves and any under expenditure being transferred to reserve,
- b) Support service charges are excluded from the calculation of a surplus, and,
- c) Where a service operates at a budget deficit, a final result reduction in the deficit is not to be considered for a transfer to reserve.

Funding Level: All surplus funds.

Reserve Title: **Library Services**

Objective: Provide funds to assist in the provision of library services.

Methodology: Transfers to and from this reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for library services, and
- b) A submission supporting the objective.

Funding Level: Funds to accumulate based on specific purpose requirements

Reserve Title: **Regional Art Gallery**

Objective: Provide funds to assist in the provision of a regional art gallery service.

Methodology: Transfers to and from this reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for regional art gallery services, and
- b) A submission supporting the objective.

Funding Level: Funds to accumulate based on specific purpose requirement

Reserve Title: **Economic Development**

Objective: To ensure adequate funds are available to support Council and or local business initiatives that provide much needed marketing, investment and employment opportunities.

Methodology: Transfers to and from this reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for economic development, and
- b) A submission supporting the objective.

Funding Level: Funds to accumulate based on specific purpose requirements

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POLICY NO: 1.5.10 (Cont.)**RESERVES (INTERNALLY RESTRICTED ASSETS)**

Reserve Title: **Community Facilities**

Objective: Provide funds to assist in the development of community facilities. Priority is given to major facilities included in the Section 94 Recreation & Community Facilities Plan.

Methodology: Transfers to and from this reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for community facilities, and
- b) Expenditure in accordance with the Section 94 Recreation & Community Facilities Plan.

Funding Level: Funds to accumulate based on specific purpose requirements.

Reserve Title: **Aerodrome**

Objective: To provide funds for the operating, development and enhancement of this facility.

Methodology: Transfers to and from this reserve are based on:

- a) The existence of, or proposal for, an annual budget allocation for the aerodrome,
- b) A submission supporting the objective, and
- c) The net cash movement for aerodrome operations.

Funding Level: In accordance with the Airport Business Plan.

Report

Subject	Airport Car Rental Service
File No	T2008-27/P250804
Prepared by	Manager Economic Development
Reason	To Formalise Commercial Licencing of Leased Space at Lismore Regional Airport
Objective	To Provide Car Rental Services to Airport Patrons
Strategic Plan Link	Economic Development
Management Plan Project	Enhancement of Airport Services

Overview of Report

Evaluation of bids to provide car rental services for airport patrons resulted in four of the five bids being acceptable. It is recommended that contracts be executed with the preferred four.

The nature of the fifth bid suggests an alternate approach which will require further negotiation.

Background

Accessibility to rental cars is an essential service at Lismore Regional Airport and four hire car companies have operated out of the Lismore terminal since its opening in December in 2000. The original agreements have expired and Registrations of Interest to secure a terminal desk and reserved car parking spaces were invited in May 2008. To ensure all prospects were considered, this business opportunity was notified to thirteen hire car businesses in the Lismore area.

Five registrations were received and in July all were assessed against the nominated evaluation criteria as well as factoring in local content considerations:-

- Financial proposal
- Operational proposal
- Capability
- Experience and past performance
- Risk management and OH&S
- Pricing structure

The terminal is fitted out with four desks for this purpose and the ranking of bids considered that Hertz, Budget, Thrifty and Avis are the preferred operators. Three of the four companies are franchisees and have been doing business locally for some decades. All four met the minimum criteria by offering to pay \$2000 per annum for one desk and two parking spaces, plus \$350 for each additional parking space.

The licence agreements are for five year terms and are subject to annual CPI increases. The acceptability of fees offered has been benchmarked against comparable regional airports.

Indications are that the successful bidders will require a total of 21 parking spaces out of the approximately 70 available. This is not envisaged to be an issue for other carpark users as usage

patterns have changed since the erection of the security fence and introduction of paid overnight parking with the demand for overnight parking spaces reduced due to more people using public transport or getting dropped off by friends or relatives.

Reasons for not selecting Lismore Rent-A-Car have been conveyed to the applicant and centre on the specialised nature of the bid, an inadequate financial offer, and the lack of suitable desk space. An alternative suggestion has been made to align this business more readily with Council's Visitor Information Centre. Accordingly, negotiations will continue with this operator but his bid does not warrant displacing any one of the preferred four operators.

Comments

Financial Services

Based on 4 airport rental agreements being approved and a total of 21 car parking spaces being required, \$12,745 per annum will be generated from these contracts. This is approximately \$3,300 more than anticipated in the 2008/09 Budget.

Other staff comments

Not Requested

Public consultation

Not Requested

Recommendation

- 1 That the Licence Agreements with Hertz, Budget, Thrifty and Avis to access terminal desk and car parking spaces at Lismore Regional Airport for five years be endorsed by Council and approval be given for the contract documentation to be executed under the Common Seal of the Council.
- 2 That negotiations continue with the unsuccessful bidder with a view to identifying a commercial arrangement which meets the needs of Council and the operator.

Report

Subject	Council Committee Appointments
File No	S36
Prepared by	Corporate Compliance Coordinator
Reason	Election of New Council
Objective	To Appoint Committee Members
Strategic Plan Link	Leadership by Innovation
Management Plan Project	Councillors

Overview of Report

The report seeks Councillor membership on various Council and External Committees.

Background

Council at its meeting held on September 30, 2008, selected its representatives to external organisations. A separate report (Mayoral Minute) will be presented to this meeting on the membership of the Policy Advisory Groups. This leaves only a small number of appointments to "Committees to be made and these are detailed below:

Comments

Financial Services

Not requested

Other staff comments

Various staff have provided comments on the Committees.

Public consultation

Not Requested

DISTRICT RURAL FIRE SERVICE COUNCIL LIAISON COMMITTEE

Council at its meeting held on September 30, 2008, appointed Councillor Yarnall to the Bush Fire Management Committee. Council is now advised that in addition to this appointment, Council needs to appoint two Councillors to the above Committee. This Committee meets twice a year.

It would be logical that Councillor Yarnall be appointed with another Councillor.

Recommendation

That Council determine its two representatives.

LISMORE MASTERS GAMES STEERING GROUP

The Lismore Masters Games Steering Group has traditionally consisted of 2 Councillors. The Groups aim is to conduct a biennial sporting event for mature aged athletes that benefits Lismore both socially and economically. Further goals are to:

- Promote Lismore as an events destination
- Generate revenue for businesses in the LGA
- Conduct an event that is financially responsible
- Conduct an event that generates community pride AND
- Facilitate benefits for sporting

The 2009 Games are scheduled for September 25-27, 2009. It is proposed to host an event launch in approximately February – March 2009 once all sports and sponsors have been sourced.

Recommendation

That Council determine its two Delegates.

ARTS NORTHERN RIVERS BOARD

The Arts Northern Rivers Board has been operating for approximately five years, overseeing the work undertaken by Arts Northern Rivers, an organisation set up to develop the arts industry in this region. The Board comprises representatives from each of the seven member Councils (Lismore, Ballina, Byron Bay, Tweed, Clarence Valley, Richmond Valley and Kyogle) including staff and Councillors. Each Council nominates its representative and an alternate representative at the beginning of each Council term. To date Lismore Council has elected Wendy Adriaans, Manager Community Services as its representative, and Jan Davis, representing SCU, as the alternate member. Council will be asked to confirm its representatives following the recent Council elections and the decision rests with Council as to whom they wish to nominate for the next Council term.

Recommendation

That Council determine its representative.

FATHER TONY GLYNN CENTRE COMMITTEE

The Farther Tony Glynn Centre Committee is located at the Lismore campus of the Southern Cross University. The centre acts as a language and cultural centre building on the relationships established with Japan and in particular with our sister city Yamato Takada.

The Mayor was invited on the committee, however, due to the strong interest by Councillor Swientek in this area, he attended on behalf of the Mayor.

Recommendation

That Council determine its representative.