

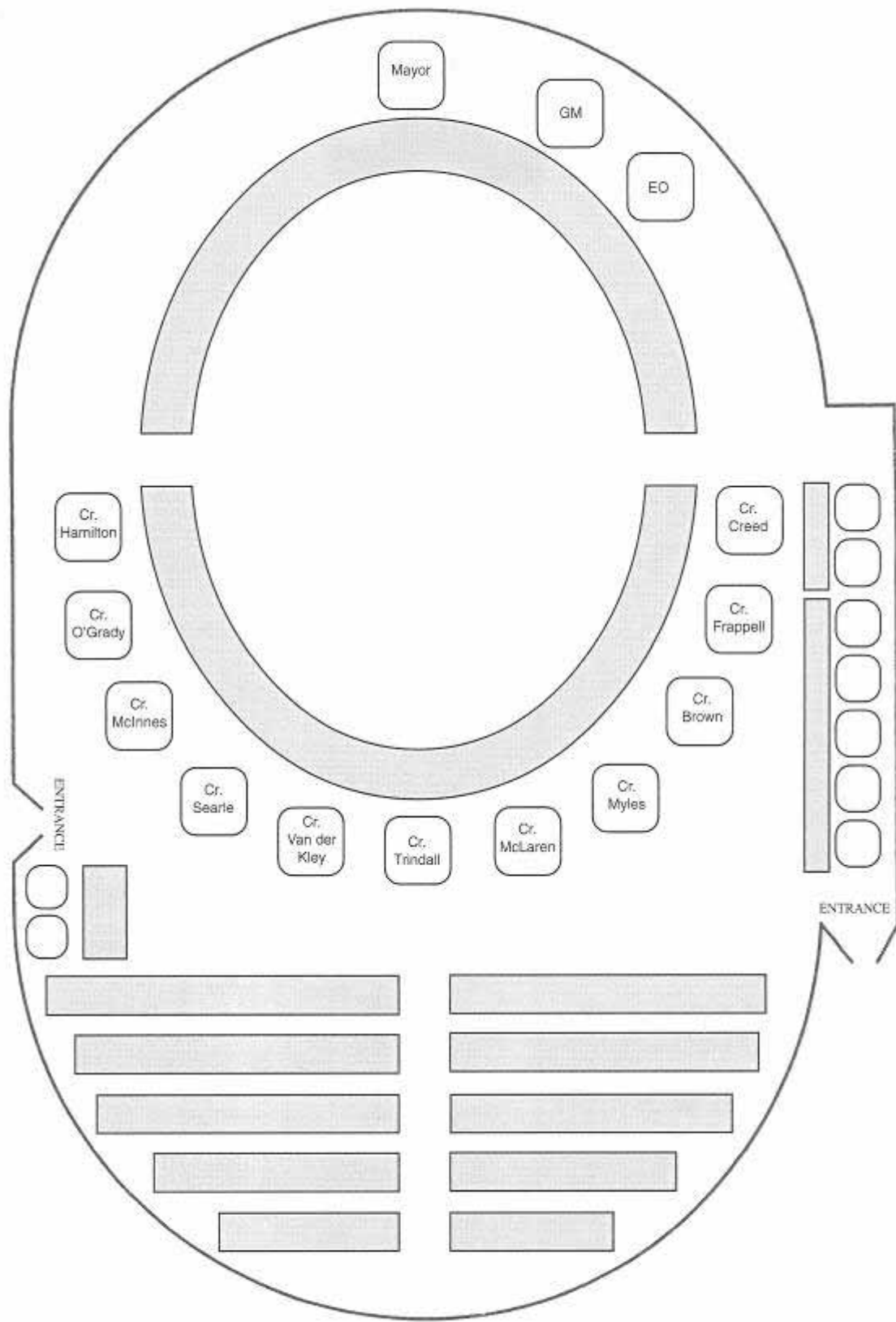


EXTRAORDINARY MEETING

TUESDAY, 24 OCTOBER 2006

AGENDA

ITEM NO.	PAGE	SUBJECT	COMMENTS
1	1	<p><u>PRAYER/REFLECTION</u> <u>(and Recognition of the Traditional Owners, the Darug and Gundungurra People)</u></p> <p><u>APOLOGIES</u></p> <p><u>DECLARATIONS OF INTEREST</u></p> <p><u>MINUTE BY MAYOR</u></p> <p><u>OFFICERS' REPORTS</u></p> <p><u>PROVIDING GOOD GOVERNMENT</u></p> <p>Completion of Financial Reports for the Year Ended 30 June 2006</p>	



THE COUNCIL MEETING

All Council meetings are open to the public except when confidential matters are being considered. The information set out below is to assist the public in participating in Council's decision making process.

1. Public Participation

Members of the public are welcome to address Council on any items of business in the Business Paper other than Notices of Motion (including rescission motions) and Minutes by the Mayor. A "Guide to Public Speakers" will be handed out at each meeting.

Members of the public may make representations to or at a meeting before any part of the meeting is closed to the public as to whether that part of the meeting should be closed. The representations may be made either in writing or by addressing Council at the meeting.

Those wishing to so address the Council should advise the Council Administrative Officer present in the Council Chamber either prior to the commencement of the Meeting or, if the Meeting has begun, when they arrive at the Meeting. **Members of the public will not be able to address the Council on a particular item after the business on that item has been completed.**

Members of the public who wish to speak must complete a form to allow Council staff to arrange the smooth flow of business at the meeting. The form will include details of:

- name
- address
- organisation (if applicable)
- item on business paper to be addressed
- a clear statement as to whether the person is for (supports) or against (opposes) the recommendation or proposition as printed in the business paper.
- interest of speaker (as affected neighbour or as applicant or applicant's spokesperson, or as interested citizen).

Only persons who have completed the form and clearly indicated their intention to speak for or against a recommendation or proposition in the business paper may address Council. Speakers who do not speak in accordance with their stated intention shall forfeit the right to continue speaking.

Council encourages members of the public to present their views to meetings in order that Council deliberations may be better informed. Council will give the opportunity to speak to persons representing a diverse range of views and opinions in preference to hearing the same view stated repeatedly or sequentially. Organisations may be restricted in number of speakers.

Up to 3 speakers for each opposing viewpoint will be permitted to address Council.

On development applications, the applicant (or a spokesperson) will be permitted a final 3 minute address. In selecting other speakers preference will be given to neighbours who would be affected by the proposal whether favourably or unfavourably.

If more than 3 persons wishing to speak on each of the differing views on an issue register through lodging a completed form with Council staff, the Mayor or Chairperson will seek the guidance of the Council as to the number of speakers to be heard. The question will be put without debate, and decided on a show of hands.

If the number of persons requesting to speak exceeds the number Council has nominated, the Mayor shall invite persons to voluntarily withdraw and, if necessary Council staff will conduct a draw to determine the speakers. Provided that on development applications the speakers shall include the applicant (or a spokesperson) as above and at least one neighbour for and one against the recommendation. Where necessary a separate ballot will be conducted to determine the two neighbour speakers.

Public speakers are restricted to three (3) minutes. No extensions of time will be granted.

All speakers must state their name and address, organisation (if applicable) and interest in the issue before speaking.

Presentations and questions should be made or put courteously and concisely, and without hectoring. Councillors will observe the same courtesies while members of the public are addressing Council.

Personal allegations against Councillors and/or staff may not be made. A member of the public making such allegations forfeits forthwith the opportunity to address Council. The Mayor shall insist that an offending speaker cease speaking.

Councillors may ask questions of speakers at the conclusion of their address.

Those in the public gallery shall not ask questions of members of the public addressing Council or otherwise canvass issues in a public way.

If, during a meeting, Council proposes to close part of a meeting to the public as a matter of urgency and notice has not been given in the agenda, an invitation will be extended to members of the public by the Chairperson to make representations as to whether or not the meeting should be closed.

2. Tape Recordings by the Public

Unless Council otherwise resolves, no recording equipment, excepting the official recording system will be permitted at meetings of Council or its committees. This prohibition applies to tape recorders, video cameras and any electronic devices capable of recording speech, whether a magneticord or not.

A person may be expelled from a meeting for using a recording device in contravention of the above. (see Clause 3.10)

3. Effect of Resolutions

Once a motion has been passed it becomes a resolution of Council and is immediately effective and the General Manager must ensure that it is implemented without undue delay as required by Section 335(1) of the Act.

A resolution of Council will not be implemented for a period of two days after the meeting at which a motion has been passed to allow time for rescission motions to be lodged. Provided that action necessary to give effect to Council's decision must be commenced immediately to avoid excessive delay in implementation.

This means that decisions of Council will not be implemented until the third day after a meeting or until after any notices of rescission have been dealt with. Council decisions should not therefore be acted upon until officially communicated in writing.

4. Items of Business

The Meeting Agenda lists the item of business.

5. Meeting Schedule

The Council generally meets every third Tuesday. The Meetings commence at 7.30 p.m. and are scheduled to finish at 11.30 p.m. Council can, by resolution, extend past this time. This schedule may be varied from time to time. Extraordinary Meetings may be held outside this schedule.

* * * * *

DEVELOPMENT APPLICATIONS - MATTERS FOR CONSIDERATION

When determining a development application the Council is required to take certain matters into consideration.

These must be relevant to the development application under consideration.

The considerations are detailed under Section 79C of the Environmental Planning and Assessment Act and are reproduced below. It should be noted that a more detailed Guide has been prepared by the Department of Urban Affairs and Planning on this Section of the Act and can be viewed at Council's Business and Information Centres.

The relevant Section of the Act is as follows:-

79C(1) In determining a development application, a consent authority is to take into consideration such of the following matters as are of relevance to the development the subject of the development application:

- (a) the provisions of:
 - (i) any environmental planning instrument, and
 - (ii) any draft environmental planning instrument that is or has been placed on public exhibition and details of which have been notified to the consent authority; and
 - (iii) any development control plan, and
 - (iv) any matters prescribed by the regulations, that apply to the land to which the development application relates,
- (b) the likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality,
- (c) the suitability of the site for the development,
- (d) any submissions made in accordance with this Act or the regulations,
- (e) the public interest.

OFFICER(S) REPORT(S)

ITEM NO: 1

**SUBJECT: COMPLETION OF FINANCIAL REPORTS FOR THE YEAR
ENDED 30 JUNE 2006**

FILE NO: C00738

Recommendations:

1. *That the Council form the opinion that:*
 - a) *The Annual Financial Reports and Special Purpose Financial Reports for the financial year ended 30 June 2006 have been drawn up in accordance with:*
 - *the Local Government Act, 1993 and Regulations;*
 - *the Local Government Code of Accounting Practice and Financial Reporting;*
 - *the Local Government Asset Accounting Manual;*
 - *the Australian Accounting Standards;*
 - (b) *The Annual Financial Reports and Special Purpose Financial Reports present fairly the Council financial position and operating result for the year;*
 - (c) *The Annual Financial Reports and Special Purpose Financial Reports accord with the Council accounting and other records;*
 - (d) *There are no circumstances known that would make the Annual Financial Reports or Special Purpose Financial Reports false or misleading in any way.*
 2. *That the attached statement be made and signed on behalf of the Council by the Mayor, one other Councillor, the General Manager and the Responsible Accounting Officer.*
 3. *That the 2005/2006 General Purpose and Special Purpose Financial Reports be forwarded to the Council external auditor for audit.*
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Report by Group Manager, Community and Corporate:

Background

The Annual General Purpose Financial Reports and Special Purpose Financial Reports for the year ended 30 June 2006 have been completed and now need to be formally referred for audit to PriceWaterhouseCoopers, who are the Council auditors.

As required by the Local Government Act, 1993, the financial reports have been prepared in accordance with the Australian Accounting Standards, Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

The Council opinion under section 413(2)(c) of the Act, now needs to be formed and the Annual and Special Purpose Financial Reports formally referred to PriceWaterhouseCoopers for audit.

A copy of the draft financial reports has been distributed to each Councillor with this Business Paper.

The financial reports have been prepared on the accrual basis of accounting, and except for those assets which are held at current cost or valuation, the reports have been prepared in accordance with the historical cost convention. They contain details of the Council financial transactions for the year to 30 June 2006 and have been prepared in a manner that satisfies the requirements as previously outlined.

On the basis that the Council passes the required resolution to form the opinion, a statement in the prescribed form (as attached to this report) must be signed by the Mayor, one other Councillor, the General Manager and the Responsible Accounting Officer. The statement will then form part of the Annual Financial Reports. As indicated, this will allow the auditors to undertake the audit and present to the Council an audit report that will also form part of the Annual Financial Reports.

Format of Financial Reports

The financial reports comprise the following:

- a) General purpose financial reports consisting of a statement of financial performance, statement of financial position, statement of changes in equity, and statement of cash flows along with a number of explanatory notes. These are presented for audit by the Council independent external auditors;
- b) Special schedules which present financial information specifically required by the Department of Local Government, the Department of Public Works, the Department of Urban Affairs and Planning and the Australian Bureau of Statistics; and
- c) Special purpose financial reports consisting of an operating statement by business activity, a statement of financial position also by business activity, and appropriate explanatory notes. These are also presented for audit by the Council independent external auditors.

Statement of Financial Performance

This statement shows that operations for the year, including the charge of \$13,869,000 for depreciation on assets held during the year, resulted in an operating loss of \$3,040,000. This also included capital grants and contributions of \$2,210,000 (compared to \$2,041,000 in the previous financial year). In the Statement of Financial Performance this is called the “surplus/deficit from ordinary activities” because it is the net amount by which equity (i.e. total assets less total liabilities) increases or decreases as a result of operations for the year. It is important to remember that the operating result is different to the budget result. It is simply the net increase or decrease in assets or liabilities after meeting operating expenses for the reported year.

Statement of Financial Position

The Statement of Financial Position, which is sometimes referred to as the Balance Sheet, discloses the Council assets, liabilities and equity as at the reporting date. Along with the explanatory notes, it provides information about the resources controlled by the Council, its financial structure and solvency.

The Statement of Financial Position can be summarised as follows:

	Current	Non-current	Net
	\$ '000	\$ '000	\$ '000
Assets	14,588	413,977	428,565
<i>Less:</i> Liabilities	16,002	24,644	40,646
Net Assets	(1,414)	389,333	387,919

The column headed “Current” generally refers to assets expected and able to be realised in the next twelve-month period and liabilities due during the next twelve-month period. The column headed “Non-current” generally refers to assets not expected or able to be realised during the next twelve-month period, or liabilities due beyond the next twelve-month period. The total net assets (total assets less total liabilities) may also be referred to as the accumulated surplus or equity of the Council.

Statement of Changes in Equity

Equity, which is the residual interest in the Council assets after deducting liabilities, decreased by \$3,040,000 as a result of operations. The total equity of \$387,919,000 represents the accumulated surplus, or net assets, as shown in the statement of financial position.

Not all of the accumulated surplus is available for funding future operations. The analysis on the following page identifies the proportion of the surplus that is working capital from a budgetary viewpoint:

PROVIDING GOOD GOVERNMENT

Item 1 - Extraordinary Meeting,
24/10/2006

	Current \$ '000	Non-current \$ '000	Net \$ '000
Non-current Receivables		315	
Investments accounted for using equity method		249	
Property, Plant & Equipment & Investment Property		404,702	
		<u>404,266</u>	
<u>Less:</u> Debt and Provisions		<u>34,247</u>	371,019
Restricted Investments			15,559
Working Capital *			<u>1,341</u>
Accumulated Surplus (Net assets)			<u><u>387,919</u></u>
 * Working Capital is a component of the above Accumulated Surplus amount and comprises:			
Cash and Investments		16,915	
<u>Less:</u> Overdraft	407		
Restricted Investments	<u>15,559</u>	<u>15,966</u>	949
Receivables		5,477	
Inventories		358	
Other assets		<u>549</u>	6,384
			<u>7,333</u>
<u>Less:</u> Liabilities			<u>5,992</u>
			<u><u>1,341</u></u>

Statement of Cash Flows

The Statement of Cash Flows shows the nature and amounts of the Council cash inflows and outflows. The following summary shows in net terms the cash flows for the year:

	\$ '000	\$ '000	Net \$ '000
Cash at 30 June 2005	7,739		
Net Cash from Operations	<u>10,291</u>	18,030	
<u>Less:</u> Cash used to purchase assets	17,533		
Cash used to reduce Borrowings	<u>5,812</u>	<u>23,345</u>	(5,315)
Proceeds from loans and other sources			<u>7,968</u>
Cash at 30 June 2006			<u><u>2,653</u></u>

It should be noted that the cash on hand is not available for general purposes but is subject to restrictions as to its use as shown below:

	\$ '000
Restricted by Legislation to specific purposes	689
Restricted by Council to specific purposes	1,015
Operational Cash/Investments	949
	<u>2,653</u>

Specific details relating to restricted assets are contained within Note 6 of the General Purpose Financial Reports.

Actual Result & Budget Result

As already indicated in this report, the operating result is not the budget result for the year. The Statement of Financial Performance in the General Purpose Financial Report contains the cost of goods and services provided and the extent to which that cost has been recovered from revenues during the reporting period. As such, the operating result does not reflect the basis upon which rates have been levied for the year. The budget is prepared to plan the inflow of funds from revenues, borrowings and sale of assets and the outflow of funds on operations, the acquisition of assets and the repayment of long-term debt. The budget result also excludes non-cash items such as depreciation, which is not cash funded.

Further Action

Following receipt of the Auditor's reports the Council is required under the Act to take the following steps:

- a) Submit copies of the financial reports and the Auditor's report to the Director General of the Department of Local Government and to the Australian Bureau of Statistics.
- b) Present the financial reports and Auditor's reports to a meeting of the Council of which public notice has been given. The public notice must be given at least two weeks before the meeting and the meeting must be held not more than one month after the receipt of the Auditor's reports. The auditor may attend the meeting and must do so if requested in writing by the Council.
- c) The public notice must specify that the financial reports and Auditor's reports will be considered at the meeting and must indicate the right of any person to lodge submissions within 14 days after the meeting. The notice must include a summary of the financial reports.
- d) Consider submissions at a subsequent meeting of the Council and advise the Department of any matter which requires amendment to the financial reports.
- e) Have available for public inspection copies of the financial reports and Auditor's reports.

A request has been made to the Auditor that they attend the Council Meeting at which the financial reports and Auditor's reports will be formally presented.

Attachment 1

BLUE MOUNTAINS CITY COUNCIL

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

**STATEMENT BY COUNCILLORS AND MANAGEMENT
MADE PURSUANT TO SECTION 413 (2)(c)
OF THE LOCAL GOVERNMENT ACT 1993 (as amended)**

The attached Annual Financial Statements have been drawn up in accordance with

- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Local Government Code of Accounting Practice and Financial Reporting,
- The Local Government Asset Accounting Manual, and
- The Australian Accounting Standards and professional pronouncements.

To the best of our knowledge and belief, these reports

- Present fairly the Council financial position and operating result for the year, and
- Accord with the Council accounting and other records.

We are not aware of any matter that would render the reports false or misleading in any way.

Signed.....
MAYOR

Signed.....
COUNCILLOR

Signed.....
GENERAL MANAGER

Signed.....
RESPONSIBLE ACCOUNTING OFFICER

Date:.....