

Meeting Date: Tuesday 17 October 2017
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
Time: 6.00pm

NOTICE OF BUSINESS

Item	Page
1 ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON.....	1
2 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 15 August 2017.....	2
3 INVESTMENT REPORT AS AT 31 AUGUST 2017	9
4 INVESTMENT REPORT AS AT 30 SEPTEMBER 2017	21
5 ANNUAL DISCLOSURE OF PECUNIARY INTERESTS.....	33
CONFIDENTIAL ITEMS	
6 REQUEST FOR TENDER - TENDER EVALUATION REPORT COR- RFT-11/17 FOR THE PROVISION OF BUS OPERATORS FOR THE SHOP RYDER COMMUNITY BUS SERVICE FOR THE PERIOD UP TO 30 JUNE 2020.....	36
7 ADVICE ON COURT ACTIONS.....	50

1 ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON

Report prepared by: Senior Coordinator - Governance

File No.: CLM/17/1/5/2 - BP17/1005

REPORT SUMMARY

The Chairperson and Deputy Chairperson of the Finance and Governance Committee are elected for a one (1) year term and the following procedures are to be followed for the election process:

- (a) Determination of method of voting (ordinary ballot, preferential ballot or open voting).
- (b) Announcement of nominations.
- (c) Conduct of election.

RECOMMENDATION:

- (a) That the Committee determine the method of voting for the election of the Chair and Deputy Chair.
- (b) That the Acting General Manager or his delegate, as Returning Officer, undertake the election of the Chair and Deputy Chair for the ensuing twelve (12) months by announcing the nominations and then conducting the election.

ATTACHMENTS

There are no attachments for this report.

Report Prepared By:

Amanda Janvrin
Senior Coordinator - Governance

Report Approved By:

John Schanz
Manager - Risk, Audit and Governance

Roy Newsome
Director - Corporate and Organisational Support Services

2 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 15 August 2017

Report prepared by: Senior Coordinator - Governance
File No.: CLM/17/1/5/2 - BP17/1004

REPORT SUMMARY

In accordance with Council's Code of Meeting Practice, a motion or discussion with respect to such minutes shall not be in order except with regard to their accuracy as a true record of the proceedings.

RECOMMENDATION:

That the Minutes of the Finance and Governance Committee 7/17, held on 15 August 2017, be confirmed.

ATTACHMENTS

- 1 MINUTES - Finance and Governance Committee Meeting - 15 August 2017

ITEM 2 (continued)

ATTACHMENT 1

**Finance and Governance Committee
MINUTES OF MEETING NO. 7/17**

Meeting Date: Tuesday 15 August 2017
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
Time: 6.00pm

Councillors Present: Councillors Maggio (Chairperson), Laxale, Perram, Stott and Yedelian OAM.

Apologies: Councillor Pendleton.

Absent: Councillor Simon.

Staff Present: Acting General Manager, Acting Director – Customer and Community Services, Acting Director – Corporate and Organisational Support Services, Acting Director – City Planning and Development, Acting Director – City Works and Infrastructure, General Counsel, Acting Manager – Business Infrastructure, Acting Manager – Community Services, Senior Coordinator – Ranger and Parking Services, Senior Coordinator – Community Engagement, Research and Insights Coordinator, Senior Coordinator – Governance and Governance, Risk and Audit Coordinator.

DISCLOSURES OF INTEREST

Councillor Stott disclosed a Less than Significant Non-Pecuniary Interest in Item 6 – Licence to Putney Tennyson Bowling and Community Club Ltd – Part Morrison Bay Park for the reason that she is an ordinary member of the Putney Tennyson Bowling Club, with no decision making powers.

**1 CONFIRMATION OF MINUTES - Finance and Governance Committee
Meeting held on 18 July 2017**

RECOMMENDATION: (Moved by Councillors Stott and Laxale)

That the Minutes of the Finance and Governance Committee 6/17, held on 18 July 2017, be confirmed.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

ITEM 2 (continued)

ATTACHMENT 1

2 INVESTMENT REPORT AS AT 31 JULY 2017

RECOMMENDATION: (Moved by Councillors Stott and Perram)

That Council endorse the Investment Report as at 31 July 2017.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

**3 JUNE QUARTERLY REVIEW REPORT - FOUR YEAR DELIVERY PLAN
2016-2020 AND 2016/2017 OPERATIONAL PLAN**

RECOMMENDATION: (Moved by Councillors Stott and Laxale)

- (a) That the report of the Chief Financial Officer on the 2017 June Quarterly Review Report - Four Year Delivery Plan 2016-2020 and One Year Operational Plan 2016/2017 be received and endorsed.
- (b) That the proposed budget adjustments included in this report resulting in a net increase of \$0.04 million to Council's Working Capital for a projected balance as at 30 June 2017 of \$4.85 million, be endorsed and included in the 2016/2017 Budget.
- (c) That the proposed transfers to and from Reserves as detailed in the report, and included as budget adjustments, totalling a net increase in Transfers to Reserves of \$2.29 million, be endorsed.
- (d) That the Certificate of the Responsible Accounting Officer, dated 1 August 2017 be endorsed.
- (e) That Council endorse the Projects recommended for cancellation, deferral, being placed on hold or proposed to be carried over as outlined in this Report.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

ITEM 2 (continued)

ATTACHMENT 1

4 CITY OF RYDE END OF TERM REPORT UPDATE

RECOMMENDATION: (Moved by Councillors Stott and Laxale)

- (a) That Council endorse this End of Term Report 2012-2017; and
- (b) That Council publishes a copy of the End of Term Report 2012-2017 on its website from October 2017 in line with the OLG guidelines.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

5 THE NEW PARKED BOAT TRAILER LEGISLATION

RECOMMENDATION: (Moved by Councillors Stott and Laxale)

- (a) That Council at this stage adopts not to enforce the parking of boat trailers within the City of Ryde under the changes to the "Impounding Act 1993 No 31".
- (b) That this matter be reviewed by the Manager Community Services in August 2018 and reported back to Council should there be significant changes in the level of reported incidents relating to parked boat trailers within the City of Ryde.
- (c) That Council notify all people who participated in the community consultation process and advise the community via Council's media channels.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

ITEM 2 (continued)

ATTACHMENT 1

CLOSED SESSION

ITEM 6 - LICENCE TO PUTNEY TENNYSON BOWLING AND COMMUNITY CLUB LTD - PART MORRISON BAY PARK

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

ITEM 7 – REQUEST FOR TENDER - COR-RFP-04/17 REQUEST FOR PROPOSAL: TRANSACTIONAL CUSTOMER SATISFACTION RESEARCH PROGRAM

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

ITEM 8 - ADVICE ON COURT ACTIONS

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

RESOLUTION: (Moved by Councillors Stott and Maggio)

That the Committee resolve into Closed Session to consider the above matters.

Record of Voting:

For the Motion: Unanimous

Note: The Committee closed the meeting at 6.14pm. The public and media left the chamber.

ITEM 2 (continued)

ATTACHMENT 1

6 LICENCE TO PUTNEY TENNYSON BOWLING AND COMMUNITY CLUB LTD - PART MORRISON BAY PARK

Note: Councillor Stott disclosed a Less than Significant Non-Pecuniary Interest in this Item for the reason that she is an ordinary member of the Putney Tennyson Bowling Club, with no decision making powers.

RECOMMENDATION: (Moved by Councillors Maggio and Stott)

- (a) That subject to no objections being received following the statutory advertising of the proposal, a five(5) year licence of part of Morrison Bay Park (aka 68 Frances Road), Putney comprising some 8880 square metres be granted to the Putney Tennyson Bowling and Community Club Ltd on the key terms outlined within this Report.
- (b) That should any submission objecting to the licence proposal be received following the statutory advertising, a further report be submitted for consideration of Council.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

7 REQUEST FOR TENDER - COR-RFP-04/17 REQUEST FOR PROPOSAL: TRANSACTIONAL CUSTOMER SATISFACTION RESEARCH PROGRAM

RECOMMENDATION: (Moved by Councillors Stott and Laxale)

- (a) That Council accept the tender from Micromex Research for the City of Ryde Transactional Research Program for a 12 month contract with 2 x 1 year option. The cost of commissioning this program is \$85,502.38 (excl. GST) in year 1, \$86,835.38 (excl. GST) in year 2 and \$90,641.91 (excl. GST) in year 3. The total amount tendered for the works over three (3) years will therefore be \$262,979.68 (excl. GST).
- (b) That Council delegate to the General Manager the authority to enter into a contract with Micromex Research on the terms contained within the tender and for minor amendments to be made to the contract documents that are not of a material nature.
- (c) That Council advise all the respondents to the Request for Proposal of Council's decision.

ITEM 2 (continued)

ATTACHMENT 1

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

8 ADVICE ON COURT ACTIONS

RECOMMENDATION: (Moved by Councillors Laxale and Stott)

That the report of the General Counsel be received.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **22 AUGUST 2017** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

OPEN SESSION

RESOLUTION: (Moved by Councillors Laxale and Stott)

That the Committee resolve itself into open Council.

Record of Voting:

For the Motion: Unanimous

Note: Open Council resumed at 6.16pm.

The meeting closed at 6.16pm.

CONFIRMED THIS 17TH DAY OF OCTOBER 2017.

Chairperson

3 INVESTMENT REPORT AS AT 31 AUGUST 2017

Report prepared by: Chief Financial Officer

File No.: CSG/17/1/6/1 - BP17/944

REPORT SUMMARY

This report details Council's performance of its investment portfolio as at 31 August 2017 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio and loan liabilities.

Council's financial year to date return is 2.85%, which is 1.14% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$1.01M for the period ended 31 August 2017, which is \$326K above original budget.

RECOMMENDATION:

That Council endorse the Investment Report as at 31 August 2017.

ATTACHMENTS

1 P02 Investment Report August 2017 Attachment

Report Prepared By:

Steven Kludass
Chief Financial Officer

Report Approved By:

Roy Newsome
Director - Corporate and Organisational Support Services

ITEM 3 (continued)

Discussion

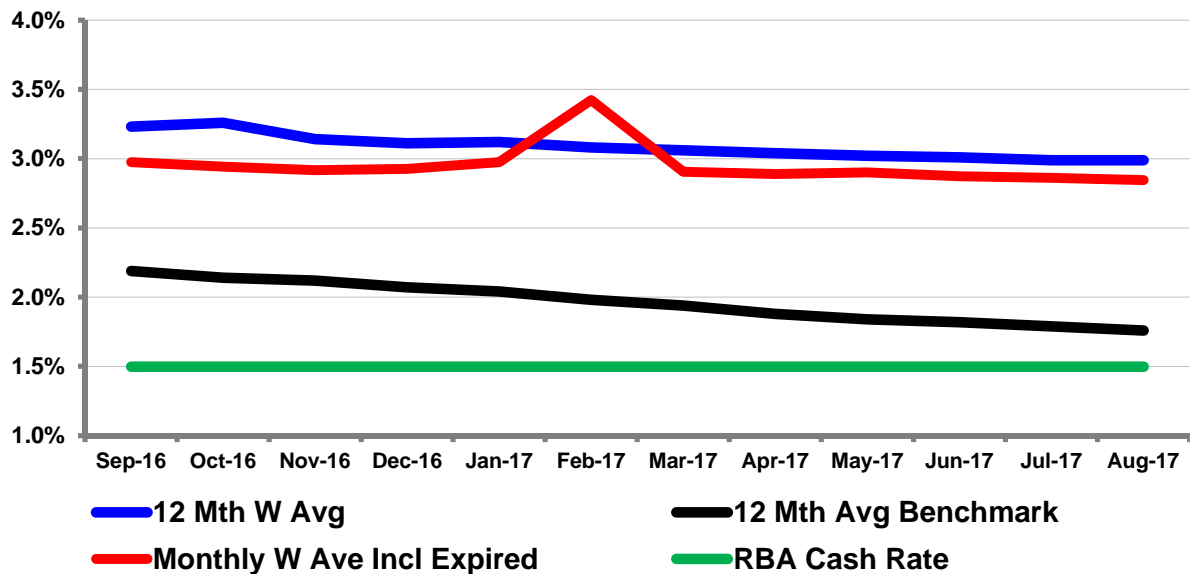
Council’s Responsible Accounting Officer, is required to report monthly on Council’s Investment Portfolio and certify that the Investments are held in accordance with Council’s Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

Council’s performance against the benchmark for returns of its investment portfolio for August 2017 and the past 12 months are as follows:

	Aug	12 Mth	FYTD
Council Return	2.83	2.99	2.85
Benchmark	1.69	1.76	1.71
Variance	1.14	1.23	1.14

Performance - All Investments



ITEM 3 (continued)

Council's investment portfolio as at 31 August 2017 was as follows:

Cash/Term Deposits	\$134.4M	69.4%
Floating Rate Notes	\$48.4M	25.0%
Fixed Bonds	\$11.0M	5.7%
Total Cash Investments	\$193.8M	
Investment Properties	\$141.4M	
Total Investments	\$335.2M	

Council's investment properties, valued as at 30 June 2016, are shown in **ATTACHMENT 1**. Values as at 30 June 2017 will be available once the 2017 Annual Financial Statements have been audited.

The valuations listed have been undertaken in accordance with the revaluation process to 'best use' by an independent valuer, in compliance with the Australian Accounting Standards.

Council continues to utilise the Federal Government's current guarantee (\$250K) investing in Term Deposits with a range of Authorised Deposit Taking Institutions (ADI's) on short to medium term investments (generally 30 days to 180 days maturity) where more competitive rates are available.

Whilst Council has moved some of its investment portfolio out to longer terms, to lock in future returns, it should be noted that there is approximately \$83 million of Council's funds held in Internal Reserves.

Should Council consider utilising its Internal Reserves, this will have a direct impact on the amount of investment income that will be realised and will require a reduction in the future projected investment income and will place pressure on Council to be able to maintain its current level of expenditure on capital projects or maintenance.

Council's income from investments is above the revised projections, due mainly to Council receiving more funds from Developer (Section 94) Contributions, with investment income for General Revenue remaining steady.

ITEM 3 (continued)**Loan Liability**

Council's loan liability as at 31 August 2017 was \$3.2 million which represents the balance of:

1. A \$6.8M 15 year loan drawn down in 2004 at 90 Day BBSW + 20 basis points for the Civic Centre Redevelopment and refinancing the West Ryde Tunnel. The interest rate for this loan is reset every quarter;

There is no advantage to Council in changing the arrangements or repaying the loan earlier than planned. Council is receiving a better rate of return on its investments than it is paying in interest on this loan.

The following two loans were established under the Local Infrastructure Renewal Scheme (LIRS). Council receives a 3% interest subsidy payment from the OLG twice a year.

2. A \$1.5M 10 year loan drawn down 31 January 2014 at 180 day BBSW +175 basis points for the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 2. The interest rate for this loan is reset every six months;
3. A \$1.5M 10 year loan drawn down 1 September 2014 at 4.95% for Phase 2 of the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 3.

ITEM 3 (continued)
INVESTMENT SUMMARY AS AT 31 AUGUST 2017

Issuer	Investment Name	Investment Rating	Invested at 31-Aug-17 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2017	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Westpac	1. Westpac At Call	AA-	459	0.60	0.69	0.60	0.24	459	100.00%
Westpac	2. Westpac Term Deposit	AA-	4,000	2.56	2.60	2.56	2.06	4,000	100.00%
Bank of Queensland	3. Bank of Queensland TD	BBB+	2,000	2.68	2.80	2.68	1.03	2,000	100.00%
CBA	4. Bankwest Term Deposit	AA-	2,000	2.52	2.56	2.52	1.03	2,000	100.00%
NAB	5. NAB Term Deposit	AA-	4,000	2.53	2.69	2.53	2.06	4,000	100.00%
Westpac	6. Westpac Term Deposit	AA-	4,000	3.55	3.55	3.55	2.06	4,000	100.00%
Westpac	7. Westpac Term Deposit	AA-	4,000	3.32	3.32	3.32	2.06	4,000	100.00%
NAB	8. NAB Term Deposit	AA-	2,000	2.47	2.79	2.47	1.03	2,000	100.00%
AMP	9. AMP TD	A	1,000	2.60	2.93	2.60	0.52	1,000	100.00%
Westpac	10. Westpac Term Deposit	AA-	2,000	3.38	3.38	3.38	1.03	2,000	100.00%
NAB	11. NAB Term Deposit	AA-	2,000	2.70	2.70	2.70	1.03	2,000	100.00%
CBA	12. Bankwest Term Deposit	AA-	2,000	2.52	2.58	2.52	1.03	2,000	100.00%
CBA	13. Bankwest TD	AA-	1,000	2.62	2.60	2.62	0.52	1,000	100.00%
CBA	14. Bankwest TD	AA-	2,000	2.52	2.52	2.52	1.03	2,000	100.00%
CBA	15. Bankwest Term Deposit	AA-	1,000	2.27	2.53	2.40	0.52	1,000	100.00%
NAB	16. NAB Term Deposit	AA-	2,000	2.65	2.65	2.65	1.03	2,000	100.00%
Defence Bank	17. Defence Bank TD	BBB	1,000	3.10	3.10	3.10	0.52	1,000	100.00%
Regional Australia Bank	18. Regional Australia Bank TD	Unrated	2,000	3.10	3.10	3.10	1.03	2,000	100.00%
QBank	19. Qbank	BBB-	1,000	3.00	3.00	3.00	0.52	1,000	100.00%
Bendigo and Adelaide Bank	20. Bendigo Bank TD	BBB+	1,000	2.80	2.80	2.80	0.52	1,000	100.00%
Hunter United Credit Union	21. Hunter United Credit Union TD	Unrated	1,000	2.82	2.83	2.82	0.52	1,000	100.00%
CUA	22. Credit Union Australia TD	BBB	1,000	2.75	2.93	2.75	0.52	1,000	100.00%
Australian Military Bank	23. Australian Military Bank	Unrated	1,000	2.76	2.76	2.76	0.52	1,000	100.00%
Banana Coast CU	24. Bananacoast CU TD	Unrated	500	2.70	2.83	2.70	0.26	500	100.00%
CBA	25. CBA TD	AA-	2,000	2.53	2.53	2.53	1.03	2,000	100.00%
CBA	26. Bankwest Term Deposit	AA-	4,000	2.42	2.60	2.45	2.06	4,000	100.00%
IMB	27. IMB TD	BBB	1,000	2.60	2.65	2.60	0.52	1,000	100.00%
Maitland Mutual	28. Maitland Mutual Bldg Soc TD	Unrated	1,000	2.47	2.91	2.71	0.52	1,000	100.00%
AMP	29. AMP Business Saver	A	1,029	2.07	2.07	2.07	0.53	1,029	100.00%
South West CU	30. South West CU TD	Unrated	1,000	2.82	2.82	2.82	0.52	1,000	100.00%
CBA	31. CBA Term Deposit	AA-	1,000	2.55	2.55	2.55	0.52	1,000	100.00%
Gateway CU	32. Gateway CU TD	Unrated	1,000	2.67	2.67	2.67	0.52	1,000	100.00%
Newcastle Perm Bldg Soc	33. Newcastle Perm Bldg Soc	BBB+	1,000	3.10	3.10	3.10	0.52	1,000	100.00%
Greater Bank	34. Greater Bank TD	BBB	1,000	3.00	3.00	3.00	0.52	1,000	100.00%
AMP	35. AMP TD	A	1,000	2.61	2.79	2.69	0.52	1,000	100.00%
CBA	36. CBA TD	AA-	1,500	2.56	2.56	2.56	0.77	1,500	100.00%
Rabobank	37. Rabodirect At-call	AA-	5	1.68	1.77	1.69	0.00	5	100.00%
Me Bank	38. ME Bank At Call Account	BBB	28	1.77	1.86	1.77	0.01	28	100.00%
B&E Ltd	39. B & E Building Society TD	Unrated	1,000	2.61	2.61	2.61	0.52	1,000	100.00%
Bendigo and Adelaide Bank	40. Rural Bank TD	BBB+	2,000	2.70	2.76	2.70	1.03	2,000	100.00%
Bank of Queensland	41. Bank of Queensland TD	BBB+	1,000	5.15	5.15	5.15	0.52	1,000	100.00%
Bank of Queensland	42. Bank of Queensland TD	BBB+	2,000	2.66	2.70	2.66	1.03	2,000	100.00%
ING	43. ING Floating Rate TD	A	1,000	4.09	4.12	4.09	0.52	1,000	100.00%
Bank of Queensland	44. Bank of Queensland TD	BBB+	2,000	3.55	3.55	3.55	1.03	2,000	100.00%
NAB	45. NAB TD	AA-	4,000	2.80	2.80	2.80	2.06	4,000	100.00%
Me Bank	46. ME Bank TD	BBB	1,000	2.66	2.83	2.66	0.52	1,000	100.00%
Bendigo and Adelaide Bank	47. Bendigo Bank TD	BBB+	1,000	2.46	2.77	2.63	0.52	1,000	100.00%
CBA	48. CBA TD	AA-	2,000	2.56	2.56	2.56	1.03	2,000	100.00%
NAB	49. NAB TD	AA-	4,000	2.54	2.72	2.54	2.06	4,000	100.00%
NAB	50. NAB Term Deposit	AA-	2,000	2.52	2.72	2.63	1.03	2,000	100.00%
AMP	51. AMP Term Deposit	A	2,000	2.96	3.13	2.96	1.03	2,000	100.00%
Bank of Queensland	52. Bank of Queensland TD	BBB+	2,000	3.75	3.75	3.75	1.03	2,000	100.00%

ITEM 3 (continued)

Issuer	Investment Name	Investment Rating	Invested at 31-Aug-17 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2017	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
NAB	53. NAB TD	AA-	2,000	2.50	2.54	2.50	1.03	2,000	100.00%
Bendigo and Adelaide Bank	54. Bendigo and Adelaide Bank FRN	BBB+	2,000	3.01	3.06	3.03	1.03	2,012	100.61%
Bendigo and Adelaide Bank	55. Rural Bank TD	BBB+	1,000	2.67	2.67	2.67	0.52	1,000	100.00%
Banana Coast CU	56. Bananacoast CU TD	Unrated	1,000	2.65	2.78	2.65	0.52	1,006	100.61%
CBA	57. Bankwest TD	AA-	1,000	2.27	2.57	2.45	0.52	1,000	100.00%
Bank of Queensland	58. Bank of Queensland FRN	BBB+	1,000	2.75	2.79	2.75	0.52	1,002	100.23%
AMP	59. AMP Notice Account	A	1,088	2.16	2.20	2.17	0.56	1,088	100.00%
Newcastle Perm Bldg Soc	60. Newcastle Perm Bldg Soc TD	BBB+	1,000	3.50	3.50	3.50	0.52	1,002	100.23%
Bendigo and Adelaide Bank	61. Bendigo Bank TD	BBB+	2,000	2.70	2.70	2.70	1.03	2,000	100.00%
CUA	62. CUA TD	BBB	1,000	2.81	2.91	2.81	0.52	1,000	100.00%
P&N Bank	63. P&N Bank	BBB	1,000	3.17	3.17	3.17	0.52	1,000	100.00%
ANZ	64. ANZ FRN	AA-	2,000	2.58	2.63	2.60	1.03	2,017	100.86%
Me Bank	65. ME Bank FRN	BBB	2,000	2.76	2.78	2.76	1.03	2,001	100.06%
NAB	66. NAB TD	AA-	2,000	2.70	2.70	2.70	1.03	2,017	100.86%
CBA	67. Bankwest TD	AA-	1,000	2.51	2.52	2.51	0.52	1,001	100.06%
QT Mutual Bank	68. Queensland Teachers Mutual Bank FRN	Unrated	1,000	2.80	2.84	2.80	0.52	1,000	100.03%
Teachers Mutual Bank	69. Teachers Mutual Bank	BBB	1,000	2.81	2.84	2.81	0.52	1,000	100.03%
Auswide Bank	70. Auswide Bank TD	BBB-	1,000	2.70	2.70	2.70	0.52	1,000	100.03%
CBA	71. Bankwest TD	AA-	2,000	2.52	2.54	2.52	1.03	2,001	100.03%
Westpac	72. Westpac FRN	AA-	2,000	2.62	2.70	2.64	1.03	2,019	100.93%
Macquarie Bank	73. Macquarie Bank FRN	A	750	2.86	2.89	2.86	0.39	753	100.36%
CBA	74. CBA TD	AA-	4,000	2.55	2.55	2.55	2.06	4,037	100.93%
Newcastle Perm Bldg Soc	75. Newcastle Perm Bldg Soc FRN	BBB+	1,000	3.08	3.16	3.09	0.52	1,000	100.05%
Heritage Bank	76. Heritage Bank FRN	A-	1,000	2.88	2.93	2.90	0.52	1,001	100.07%
Bendigo and Adelaide Bank	77. Bendigo Bank TD	BBB+	2,000	3.05	3.05	3.05	1.03	2,001	100.05%
CBA	78. CBA FRN	AA-	2,000	2.63	2.71	2.66	1.03	2,018	100.92%
Westpac	79. Westpac FRN	AA-	1,000	2.62	2.69	2.64	0.52	1,009	100.93%
CBA	80. CBA TD	AA-	2,000	2.71	2.63	2.71	1.03	2,018	100.92%
Bendigo and Adelaide Bank	81. Bendigo Bank FRN	BBB+	1,000	2.87	2.89	2.87	0.52	1,006	100.63%
NAB	82. NAB TD	AA-	2,000	2.75	2.75	2.75	1.03	2,000	100.00%
NAB	83. NAB Snr FRN	AA-	3,984	2.72	2.75	2.72	2.06	4,000	100.40%
CBA	84. CBA FRN	AA-	2,000	2.51	2.58	2.52	1.03	2,007	100.37%
Suncorp-Metway	85. Suncorp FRN	A+	800	2.99	3.06	3.00	0.41	812	101.53%
NAB	86. NAB FRN	AA-	2,000	2.81	2.86	2.83	1.03	2,027	101.34%
ANZ	87. ANZ Floating TD	AA-	4,000	3.28	3.30	3.28	2.06	4,061	101.53%
AMP	88. AMP FRN	A	1,600	2.86	2.90	2.86	0.83	1,604	100.26%
CBA	89. CBA TD	AA-	2,000	2.74	2.71	2.74	1.03	2,000	100.00%
ANZ	90. ANZ Flexi TD	AA-	4,000	3.21	3.26	3.21	2.06	4,010	100.26%
CBA	91. CBA FRN	AA-	1,987	2.89	2.97	2.91	1.03	2,005	100.92%
CUA	92. CUA FRN	BBB	2,000	3.35	3.43	3.36	1.03	2,006	100.31%
Newcastle Perm Bldg Soc	93. NPBS FRN	BBB+	1,000	3.36	3.42	3.36	0.52	1,006	100.61%
ANZ	94. ANZ FRN	AA-	4,000	2.92	2.99	2.93	2.06	4,066	101.65%
NAB	95. NAB Fixed Bond	AA-	2,988	3.16	3.15	3.16	1.54	3,003	100.49%
CBA	96. Bankwest 11am Account	AA-	1,784	2.02	2.02	2.02	0.92	1,813	101.65%
Westpac	97. Westpac MTN	AA-	3,992	3.19	3.19	3.19	2.06	4,026	100.85%
Suncorp-Metway	98. Suncorp FRN (Covered)	AAA	4,000	2.84	2.91	2.84	2.06	4,043	101.09%
Newcastle Perm Bldg Soc	99. Newcastle Perm Bldg Soc FRN	BBB+	994	3.33	3.41	3.34	0.51	994	100.05%
ANZ	100. ANZ Fixed Bond	AA-	3,987	3.05	2.92	2.99	2.06	3,978	99.78%
Defence Bank	101. Defence Bank TD	BBB	1,000	2.85	2.85	2.85	0.52	1,000	100.05%
Bendigo and Adelaide Bank	102. Bendigo and Adelaide Bank TD	BBB+	2,000	2.70	2.70	2.70	1.03	1,996	99.78%
Me Bank	103. ME Bank FRN	BBB	1,001	2.99	3.19	3.09	0.52	1,004	100.27%
Westpac	104. WBC Floating TD	AA-	4,000	2.95	2.98	2.96	2.06	4,000	100.00%
Greater Bank	105. Greater Bank FRN	BBB	1,000	3.23	3.25	3.23	0.52	999	99.88%
Banana Coast CU	106. Bananacoast CU TD	Unrated	1,000	2.95	2.95	2.95	0.52	1,000	100.00%
CUA	107. CUA FRN	BBB	2,000	3.05	3.09	3.05	1.03	1,998	99.88%
Heritage Bank	108. Heritage Bank FRN	A-	1,300	3.02	3.05	3.05	0.67	1,301	100.05%
Suncorp-Metway	109. Suncorp FRN	A+	1,000	2.69	2.69	2.69	0.52	1,000	100.00%
			193,776	2.83	2.86	2.84	100	194,293	

ITEM 3 (continued)

*Monthly returns when annualised can appear to exaggerate performance

**Market valuations are indicative prices only, and do not necessarily reflect the price at which a transaction could be entered into.

Return including Matured/Traded Investments	<u>Aug</u>	<u>12 Mth</u>	<u>FYTD</u>
Weighted Average Return	2.83	2.99	2.85
Benchmark Return: AusBond Bank Bill Index (%)	1.69	1.76	1.71
Variance From Benchmark (%)	<u>1.14</u>	<u>1.23</u>	<u>1.14</u>

Investment Income

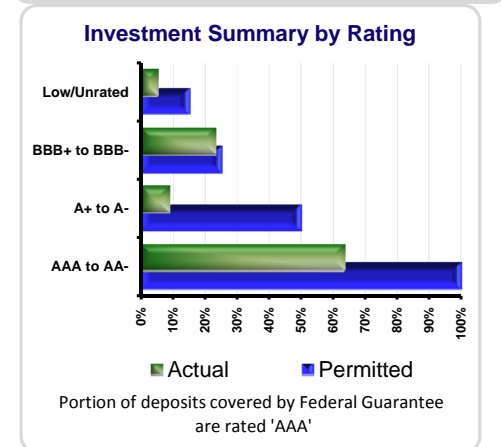
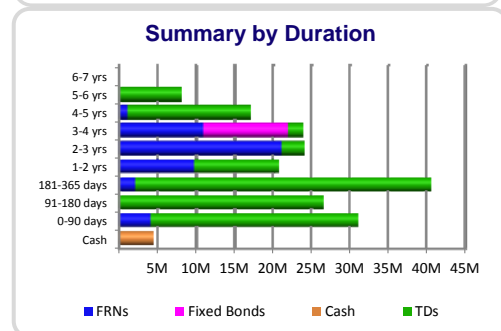
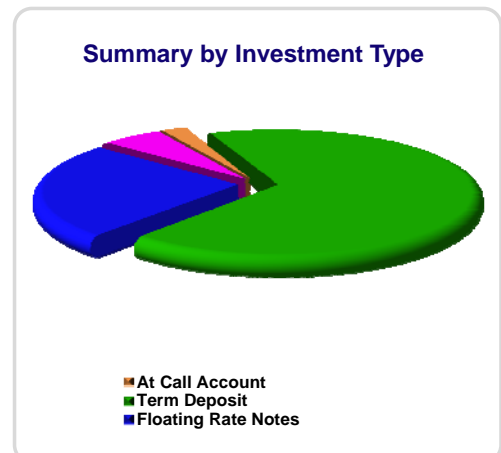
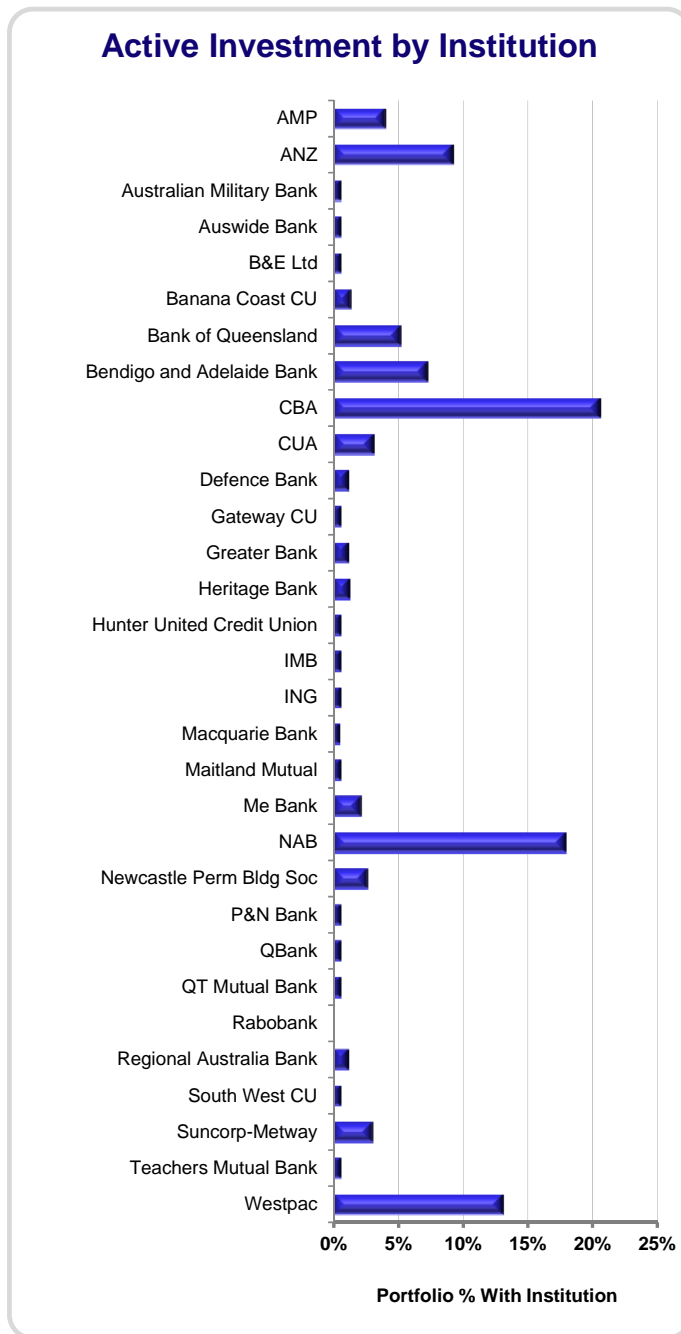
	<u>\$000's</u>
This Period	546
Financial Year To Date	1,007
Budget Profile	<u>681</u>
Variance from Budget - \$	<u>326</u>

Analysis of investments

The following graphs show analysis of the total cash investments by:

- Type of investment
- Institution
- Duration
- Rating

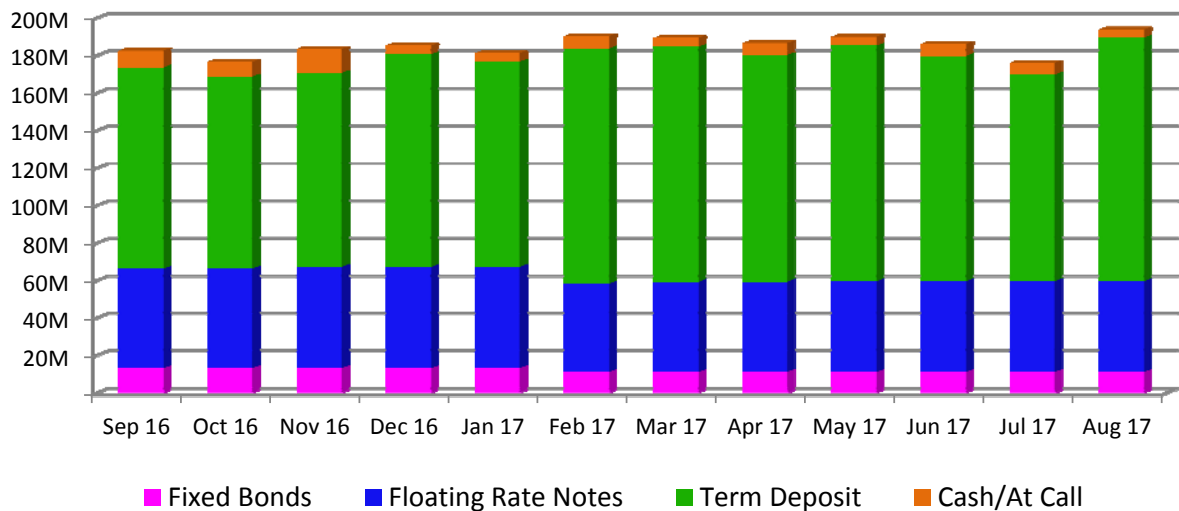
ITEM 3 (continued)



	<365 days	>365 days
Cash/TDs	\$87.4M	\$47.0M
FRNs	\$6.0M	\$42.4M
Fixed Bonds	\$0.0M	\$11.0M
	<u>\$93.4M</u>	<u>\$100.4M</u>

ITEM 3 (continued)

Total Funds Invested



Financial Implications

Income from interest on investments and proceeds from sales of investments totals \$1.01M for the period ended 31 August 2017, \$326K above the Original 2017/18 Budget.

Summary

Council's financial year to date return is 2.85%, which is 1.14% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$1.01M for the period ended 31 August 2017, which is \$326K above the Original 2017/18 Budget.

The recommendation in this report is consistent with Section 625 of the Local Government Act, which deals with the investment of surplus funds by Councils.

Certificate of the Chief Financial Officer (Responsible Accounting Officer)

I certify that as at the date of this report, the investments listed have been made and are held in compliance with Council's Investment Policy and applicable legislation.

Steven Kludass
Chief Financial Officer

ITEM 3 (continued)

ATTACHMENT 1

Council's Property Investment Portfolio

The following properties were held as part of Council's Property Investment portfolio;

Property	\$' M
1A Station St, West Ryde	0.90
2 Dickson Ave, West Ryde	1.10
8 Chatham Rd, West Ryde	1.37
202 Rowe Street, Eastwood	3.09
226 Victoria Rd, Gladesville	0.35
7 Anthony Road, West Ryde	5.10
7 Coulter Street, Coulter St Car Park, Gladesville	21.88
6-12 Glen Street, Glen Street Car Park, Eastwood	35.52
2 Pittwater Road, John Wilson Car Park, Gladesville	8.30
150 Coxs Road, Cox Rd Car Park, North Ryde	1.45
33-35 Blaxland Road, Argyle Centre, Ryde	5.45
19-21 Church Street and 16 Devlin Street, Ryde	10.63
6 Reserve Street, West Ryde	3.55
Herring Road Air Space Rights	0.50
741-747 Victoria Road, Ryde (Battery World)	7.06
53-71 Rowe Street, Eastwood	6.90
Total Investment Properties as per the Financial Statements	113.16
1 Constitution Road, Operations Centre, Ryde ⁽¹⁾	28.25
PROPERTIES HELD FOR RE-SALE	141.41

(1) The value for this is currently held in Non-Current Assets in Note 9, and once vacated by Council; it will be transferred to Investment Properties within the Financial Statements.

(2) The above figures refer to the land only as valued at "best use", and do not include the value of any structures.

Benchmark

The Bloomberg Ausbond Bank Bill index is constructed as a benchmark to represent the performance of a passively managed short-term money market portfolio. It comprises thirteen Bank Bills of equal face value, each with a maturity seven days apart. The average term to maturity is approximately 45 days.

A Bank Bill is a non-interest bearing security issued by a bank whereby the bank takes on an obligation to pay an investor a fixed amount (face value) at a fixed future date. It is sold to an investor at a discount to the face value. Bank Bills are short-term money market investments with maturities usually between 30 days and 180 days.

ITEM 3 (continued)

ATTACHMENT 1

Types of Investments

The following are the types of investments held by Council:

At Call refers to funds held at a financial institution, and can be recalled by Council either same day or on an overnight basis.

A Floating Rate Note (FRN) is a debt security issued by a company with a variable interest rate. This can either be issued as Certificates of Deposit (CD) or as Medium Term Notes (MTN). The interest rate can be either fixed or floating, where the adjustments to the interest rate are usually made quarterly and are tied to a certain money market index such as the Bank Bill Swap Rate.

A Fixed Rate Bond is a debt security issued by a company with a fixed interest rate over the term of the bond.

Credit Rating Information

Credit ratings are generally a statement as to an institution's credit quality. Ratings ranging from AAA to BBB- (long term) are considered investment grade.

A general guide as to the meaning of each credit rating is as follows:

AAA: the best quality companies, reliable and stable

AA: quality companies, a bit higher risk than AAA

A: economic situation can affect finance

BBB: medium class companies, which are satisfactory at the moment

BB: more prone to changes in the economy

B: financial situation varies noticeably

CCC: currently vulnerable and dependent on favourable economic conditions to meet its commitments

CC: highly vulnerable, very speculative bonds

C: highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations

D: has defaulted on obligations and it is believed that it will generally default on most or all obligations

Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

ITEM 3 (continued)

ATTACHMENT 1

Council's Investment Powers

Council's investment powers are regulated by Section 625 of the Local Government Act, which states:

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.

Council's investment policy requires that all investments are to be made in accordance with;

- Local Government Act 1993 - Section 625
- Local Government Act 1993 - Order (of the Minister) dated 12 January 2011
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2)
- Local Government (Financial Management) Regulation 1993
- Investment Guidelines issued by the Department of Local Government

4 INVESTMENT REPORT AS AT 30 SEPTEMBER 2017

Report prepared by: Chief Financial Officer

File No.: CSG/17/1/6/1 - BP17/1006

REPORT SUMMARY

This report details Council's performance of its investment portfolio as at 30 September 2017 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio and loan liabilities.

Council's financial year to date return is 2.84%, which is 1.12% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$1.45M for the period ended 30 September 2017, which is \$430K above the Original 2017/18 Budget.

RECOMMENDATION:

That Council endorse the Investment Report as at 30 September 2017.

ATTACHMENTS

1 P03 Investment Report September 2017 Attachment

Report Prepared By:

Steven Kludass
Chief Financial Officer

Report Approved By:

Roy Newsome
Director - Corporate and Organisational Support Services

ITEM 4 (continued)

Discussion

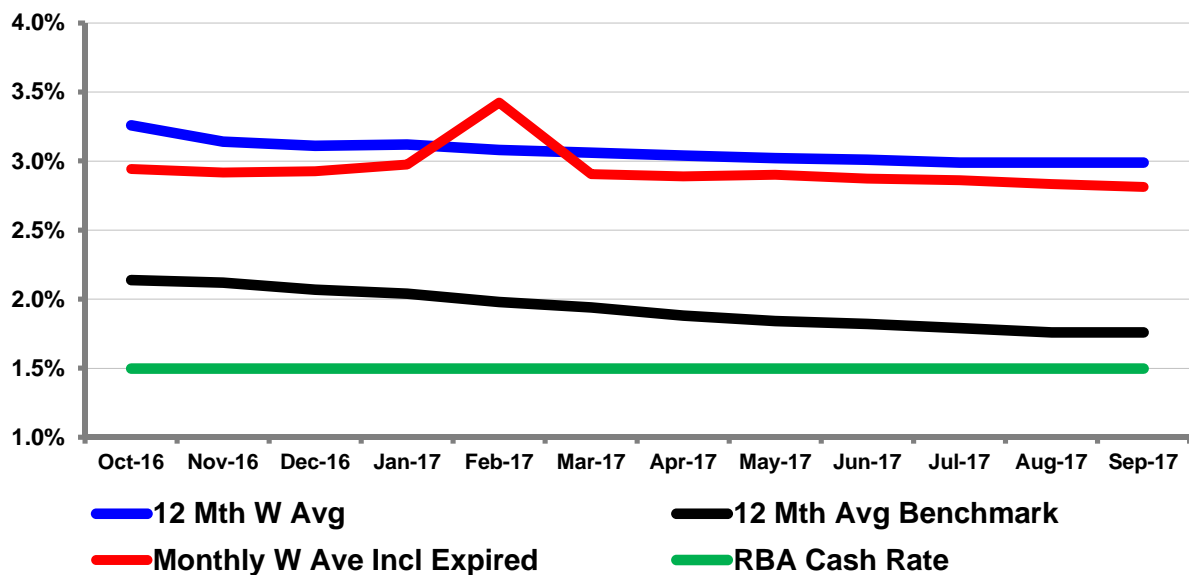
Council's Responsible Accounting Officer, is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

Council's performance against the benchmark for returns of its investment portfolio for September 2017 and the past 12 months are as follows:

	Sep	12 Mth	FYTD
Council Return	2.81	2.99	2.84
Benchmark	1.74	1.76	1.72
Variance	1.07	1.23	1.12

Performance - All Investments



ITEM 4 (continued)

Council's investment portfolio as at 30 September 2017 was as follows:

Cash/Term Deposits	\$135.4M	69.5%
Floating Rate Notes	\$48.4M	24.9%
Fixed Bonds	\$11.0M	5.6%
Total Cash Investments	\$194.8M	
Investment Properties	\$141.4M	
Total Investments	\$336.2M	

Council's investment properties, valued as at 30 June 2016, are shown in **ATTACHMENT 1**. Values as at 30 June 2017 will be available once the 2016/17 Annual Financial Statements have been audited.

The valuations listed have been undertaken in accordance with the revaluation process to 'best use' by an independent valuer, in compliance with the Australian Accounting Standards.

Council continues to utilise the Federal Government's current guarantee (\$250K) investing in Term Deposits with a range of Authorised Deposit Taking Institutions (ADI's) on short to medium term investments (generally 30 days to 180 days maturity) where more competitive rates are available.

Whilst Council has moved some of its investment portfolio out to longer terms, to lock in future returns, it should be noted that there is approximately \$83 million of Council's funds held in Internal Reserves.

Should Council consider utilising its Internal Reserves, this will have a direct impact on the amount of investment income that will be realised and will require a reduction in the future projected investment income and will place pressure on Council to be able to maintain its current level of expenditure on capital projects or maintenance.

Council's income from investments is above the revised projections, due mainly to Council receiving more funds from Developer (Section 94) Contributions, with investment income for General Revenue remaining steady.

ITEM 4 (continued)**Loan Liability**

Council's loan liability as at 30 September 2017 was \$3.2 million which represents the balance of:

1. A \$6.8M 15 year loan drawn down in 2004 at 90 Day BBSW + 20 basis points for the Civic Centre Redevelopment and refinancing the West Ryde Tunnel. The interest rate for this loan is reset every quarter;

There is no advantage to Council in changing the arrangements or repaying the loan earlier than planned. Council is receiving a better rate of return on its investments than it is paying in interest on this loan.

The following two loans were established under the Local Infrastructure Renewal Scheme (LIRS). Council receives a 3% interest subsidy payment from the OLG twice a year.

2. A \$1.5M 10 year loan drawn down 31 January 2014 at 180 day BBSW +175 basis points for the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 2. The interest rate for this loan is reset every six months;
3. A \$1.5M 10 year loan drawn down 1 September 2014 at 4.95% for Phase 2 of the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 3.

ITEM 4 (continued)
INVESTMENT SUMMARY AS AT 30 SEPTEMBER 2017

Issuer	Investment Name	Investment Rating	Invested at 30-Sep-17 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2017	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Westpac	1. Westpac At Call	AA-	459	0.59	0.68	0.60	0.24	459	100.00%
Westpac	2. Westpac Term Deposit	AA-	4,000	2.56	2.59	2.56	2.05	4,000	100.00%
Bank of Queensland	3. Bank of Queensland TD	BBB+	2,000	2.68	2.78	2.68	1.03	2,000	100.00%
CBA	4. Bankwest Term Deposit	AA-	2,000	2.52	2.56	2.52	1.03	2,000	100.00%
NAB	5. NAB Term Deposit	AA-	4,000	2.53	2.66	2.53	2.05	4,000	100.00%
Westpac	6. Westpac Term Deposit	AA-	4,000	3.55	3.55	3.55	2.05	4,000	100.00%
Westpac	7. Westpac Term Deposit	AA-	4,000	3.32	3.32	3.32	2.05	4,000	100.00%
NAB	8. NAB Term Deposit	AA-	2,000	2.47	2.76	2.47	1.03	2,000	100.00%
AMP	9. AMP TD	A	1,000	2.60	2.90	2.60	0.51	1,000	100.00%
Westpac	10. Westpac Term Deposit	AA-	2,000	3.38	3.38	3.38	1.03	2,000	100.00%
NAB	11. NAB Term Deposit	AA-	2,000	2.70	2.70	2.70	1.03	2,000	100.00%
CBA	12. Bankwest Term Deposit	AA-	2,000	2.52	2.56	2.52	1.03	2,000	100.00%
CBA	13. Bankwest TD	AA-	1,000	2.62	2.60	2.62	0.51	1,000	100.00%
CBA	14. Bankwest TD	AA-	2,000	2.52	2.52	2.52	1.03	2,000	100.00%
CBA	15. Bankwest Term Deposit	AA-	1,000	2.27	2.51	2.36	0.51	1,000	100.00%
NAB	16. NAB Term Deposit	AA-	4,000	2.57	2.64	2.61	2.05	4,000	100.00%
Defence Bank	17. Defence Bank TD	BBB	1,000	3.10	3.10	3.10	0.51	1,000	100.00%
Regional Australia Bank	18. Regional Australia Bank TD	Unrated	2,000	3.10	3.10	3.10	1.03	2,000	100.00%
QBank	19. Qbank	BBB-	1,000	3.00	3.00	3.00	0.51	1,000	100.00%
Bendigo and Adelaide Bank	20. Bendigo Bank TD	BBB+	1,000	2.80	2.80	2.80	0.51	1,000	100.00%
CUA	21. Credit Union Australia TD	BBB	1,000	2.75	2.90	2.75	0.51	1,000	100.00%
Peoples Choice CU	22. Peoples Choice CU	BBB	1,000	2.61	2.84	2.61	0.51	1,000	100.00%
Australian Military Bank	23. Australian Military Bank	Unrated	1,000	2.76	2.76	2.76	0.51	1,000	100.00%
Banana Coast CU	24. Bananacoast CU TD	Unrated	500	2.70	2.80	2.70	0.26	500	100.00%
CBA	25. CBA TD	AA-	2,000	2.53	2.53	2.53	1.03	2,000	100.00%
CBA	26. Bankwest Term Deposit	AA-	4,000	2.42	2.56	2.43	2.05	4,000	100.00%
IMB	27. IMB TD	BBB	1,000	2.60	2.62	2.60	0.51	1,000	100.00%
Maitland Mutual	28. Maitland Mutual Bldg Soc TD	Unrated	1,000	2.47	2.87	2.63	0.51	1,000	100.00%
AMP	29. AMP Business Saver	A	1,031	2.04	2.06	2.06	0.53	1,031	100.00%
South West CU	30. South West CU TD	Unrated	1,000	2.82	2.82	2.82	0.51	1,000	100.00%
CBA	31. CBA Term Deposit	AA-	1,000	2.55	2.55	2.55	0.51	1,000	100.00%
Gateway CU	32. Gateway CU TD	Unrated	1,000	2.67	2.67	2.67	0.51	1,000	100.00%
Newcastle Perm Bldg Soc	33. Newcastle Perm Bldg Soc	BBB+	1,000	3.10	3.10	3.10	0.51	1,000	100.00%
Greater Bank	34. Greater Bank TD	BBB	1,000	3.00	3.00	3.00	0.51	1,000	100.00%
AMP	35. AMP TD	A	1,000	2.61	2.77	2.66	0.51	1,000	100.00%
CBA	36. CBA TD	AA-	1,500	2.56	2.56	2.56	0.77	1,500	100.00%
Rabobank	37. Rabodirect At-call	AA-	5	1.69	1.76	1.69	0.00	5	100.00%
Me Bank	38. ME Bank At Call Account	BBB	28	0.00	1.83	1.18	0.01	28	100.00%
B&E Ltd	39. B & E Building Society TD	Unrated	1,000	2.61	2.61	2.61	0.51	1,000	100.00%
Bendigo and Adelaide Bank	40. Rural Bank TD	BBB+	2,000	2.70	2.74	2.70	1.03	2,000	100.00%
Bank of Queensland	41. Bank of Queensland TD	BBB+	1,000	5.15	5.15	5.15	0.51	1,000	100.00%
Bank of Queensland	42. Bank of Queensland TD	BBB+	2,000	2.66	2.69	2.66	1.03	2,000	100.00%
Bank of Queensland	43. Bank of Queensland TD	BBB+	2,000	3.55	3.55	3.55	1.03	2,000	100.00%
NAB	44. NAB TD	AA-	4,000	2.80	2.80	2.80	2.05	4,000	100.00%
Me Bank	45. ME Bank TD	BBB	1,000	2.66	2.80	2.66	0.51	1,000	100.00%
Bendigo and Adelaide Bank	46. Bendigo Bank TD	BBB+	1,000	2.46	2.74	2.57	0.51	1,000	100.00%
CBA	47. CBA TD	AA-	2,000	2.56	2.56	2.56	1.03	2,000	100.00%
NAB	48. NAB TD	AA-	4,000	2.54	2.65	2.54	2.05	4,000	100.00%
NAB	49. NAB Term Deposit	AA-	2,000	2.52	2.70	2.59	1.03	2,000	100.00%
AMP	50. AMP Term Deposit	A	2,000	2.96	3.10	2.96	1.03	2,000	100.00%
Bank of Queensland	51. Bank of Queensland TD	BBB+	2,000	3.75	3.75	3.75	1.03	2,000	100.00%
NAB	52. NAB TD	AA-	2,000	2.50	2.53	2.50	1.03	2,000	100.00%

ITEM 4 (continued)
INVESTMENT SUMMARY AS AT 30 SEPTEMBER 2017

Issuer	Investment Name	Investment Rating	Invested at 30-Sep-17 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2017	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Bendigo and Adelaide Bank	53. Bendigo and Adelaide Bank FRN	BBB+	2,000	2.99	3.05	3.01	1.03	2,013	100.63%
Bendigo and Adelaide Bank	54. Rural Bank TD	BBB+	1,000	2.67	2.67	2.67	0.51	1,006	100.61%
Banana Coast CU	55. Bananacoast CU TD	Unrated	1,000	2.65	2.76	2.65	0.51	1,000	100.00%
CBA	56. Bankwest TD	AA-	1,000	2.27	2.54	2.39	0.51	1,006	100.61%
Bank of Queensland	57. Bank of Queensland FRN	BBB+	1,000	2.75	2.78	2.75	0.51	1,002	100.24%
AMP	58. AMP Notice Account	A	1,090	2.17	2.19	2.17	0.56	1,093	100.23%
Newcastle Perm Bldg Soc	59. Newcastle Perm Bldg Soc TD	BBB+	1,000	3.50	3.50	3.50	0.51	1,000	100.00%
Bendigo and Adelaide Bank	60. Bendigo Bank TD	BBB+	2,000	2.60	2.69	2.67	1.03	2,005	100.23%
CUA	61. CUA TD	BBB	1,000	2.81	2.89	2.81	0.51	1,000	100.00%
P&N Bank	62. P&N Bank	BBB	1,000	3.17	3.17	3.17	0.51	1,000	100.00%
ANZ	63. ANZ FRN	AA-	2,000	2.57	2.62	2.59	1.03	2,019	100.93%
Me Bank	64. ME Bank FRN	BBB	2,000	2.77	2.78	2.76	1.03	2,001	100.04%
CBA	65. Bankwest TD	AA-	1,000	2.51	2.52	2.51	0.51	1,001	100.06%
QT Mutual Bank	66. Queensland Teachers Mutual Bank FRN	Unrated	1,000	2.80	2.83	2.80	0.51	1,000	100.04%
Teachers Mutual Bank	67. Teachers Mutual Bank	BBB	1,000	2.82	2.83	2.81	0.51	1,000	100.03%
Auswide Bank	68. Auswide Bank TD	BBB-	1,000	2.60	2.69	2.67	0.51	1,000	100.03%
CBA	69. Bankwest TD	AA-	2,000	2.52	2.53	2.52	1.03	2,001	100.03%
Westpac	70. Westpac FRN	AA-	2,000	2.62	2.68	2.63	1.03	2,021	101.03%
Macquarie Bank	71. Macquarie Bank FRN	A	750	2.87	2.88	2.86	0.39	754	100.59%
CBA	72. CBA TD	AA-	4,000	2.55	2.55	2.55	2.05	4,037	100.93%
Newcastle Perm Bldg Soc	73. Newcastle Perm Bldg Soc FRN	BBB+	1,000	3.09	3.14	3.09	0.51	1,001	100.07%
Heritage Bank	74. Heritage Bank FRN	A-	1,000	2.87	2.93	2.89	0.51	1,001	100.11%
Bendigo and Adelaide Bank	75. Bendigo Bank TD	BBB+	2,000	3.05	3.05	3.05	1.03	2,001	100.05%
CBA	76. CBA FRN	AA-	2,000	2.63	2.69	2.65	1.03	2,021	101.03%
Westpac	77. Westpac FRN	AA-	1,000	2.62	2.68	2.63	0.51	1,010	101.04%
CBA	78. CBA TD	AA-	2,000	2.71	2.64	2.71	1.03	2,018	100.92%
Bendigo and Adelaide Bank	79. Bendigo Bank FRN	BBB+	1,000	2.87	2.89	2.87	0.51	1,006	100.64%
CBA	80. CBA TD	AA-	4,000	2.57	2.57	2.57	2.05	4,037	100.92%
NAB	81. NAB TD	AA-	2,000	2.75	2.75	2.75	1.03	2,013	100.63%
NAB	82. NAB Snr FRN	AA-	3,984	2.73	2.75	2.72	2.05	4,031	100.78%
CBA	83. CBA FRN	AA-	2,000	2.51	2.56	2.52	1.03	2,008	100.39%
Suncorp-Metway	84. Suncorp FRN	A+	800	2.98	3.04	2.99	0.41	813	101.61%
NAB	85. NAB FRN	AA-	2,000	2.80	2.86	2.82	1.03	2,030	101.49%
ANZ	86. ANZ Floating TD	AA-	4,000	3.19	3.29	3.25	2.05	4,054	101.34%
AMP	87. AMP FRN	A	1,600	2.87	2.89	2.86	0.82	1,605	100.33%
CBA	88. CBA TD	AA-	2,000	2.74	2.70	2.74	1.03	2,005	100.26%
ANZ	89. ANZ Flexi TD	AA-	4,000	3.21	3.25	3.21	2.05	4,000	100.00%
CBA	90. CBA FRN	AA-	1,987	2.89	2.95	2.90	1.02	2,021	101.03%
CUA	91. CUA FRN	BBB	2,000	3.35	3.40	3.35	1.03	2,007	100.37%
Newcastle Perm Bldg Soc	92. NPBS FRN	BBB+	1,000	3.35	3.40	3.36	0.51	1,006	100.61%
ANZ	93. ANZ FRN	AA-	4,000	2.91	2.97	2.92	2.05	4,074	101.85%
NAB	94. NAB Fixed Bond	AA-	2,988	3.15	3.15	3.16	1.53	3,009	100.31%
CBA	95. Bankwest 11am Account	AA-	1,786	1.77	2.00	1.97	0.92	1,795	100.49%
Westpac	96. Westpac MTN	AA-	3,992	3.19	3.19	3.19	2.05	4,026	100.66%
Suncorp-Metway	97. Suncorp FRN (Covered)	AAA	4,000	2.84	2.89	2.84	2.05	4,047	101.17%
Newcastle Perm Bldg Soc	98. Newcastle Perm Bldg Soc FRN	BBB+	995	3.33	3.38	3.34	0.51	1,001	100.10%
ANZ	99. ANZ Fixed Bond	AA-	3,987	2.92	2.92	2.96	2.05	3,984	99.60%
Defence Bank	100. Defence Bank TD	BBB	1,000	2.85	2.85	2.85	0.51	998	99.78%
Me Bank	101. ME Bank FRN	BBB	1,001	3.13	3.18	3.10	0.51	1,004	100.44%
Westpac	102. WBC Floating TD	AA-	4,000	2.93	2.98	2.95	2.05	3,991	99.78%
Greater Bank	103. Greater Bank FRN	BBB	1,000	3.20	3.24	3.22	0.51	1,001	100.11%
Banana Coast CU	104. Bananacoast CU TD	Unrated	1,000	2.95	2.95	2.95	0.51	1,000	100.00%
CUA	105. CUA FRN	BBB	2,000	3.05	3.09	3.05	1.03	2,002	100.12%
Heritage Bank	106. Heritage Bank FRN	A-	1,300	3.03	3.05	3.04	0.67	1,300	100.00%
Suncorp-Metway	107. Suncorp FRN	A+	1,000	2.69	2.69	2.69	0.51	1,002	100.23%
			194,783	2.81	2.85	2.82	100	195,404	

ITEM 4 (continued)

*Monthly returns when annualised can appear to exaggerate performance

**Market valuations are indicative prices only, and do not necessarily reflect the price at which a transaction could be entered into.

Return including Matured/Traded Investments	<u>Sep</u>	<u>12 Mth</u>	<u>FYTD</u>
Weighted Average Return	2.81	2.99	2.84
Benchmark Return: AusBond Bank Bill Index (%)	1.74	1.76	1.72
Variance From Benchmark (%)	<u>1.07</u>	<u>1.23</u>	<u>1.12</u>

Investment Income

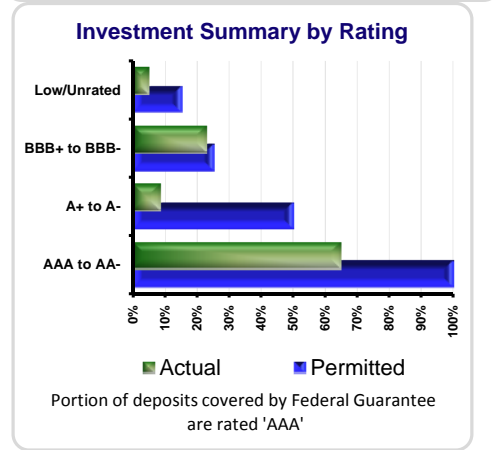
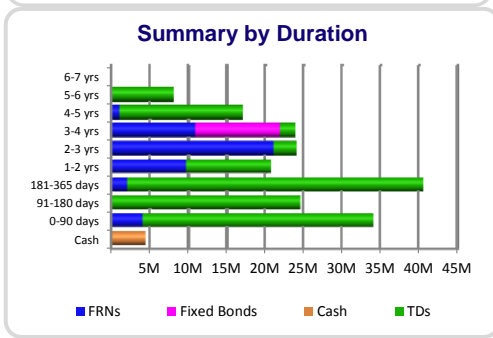
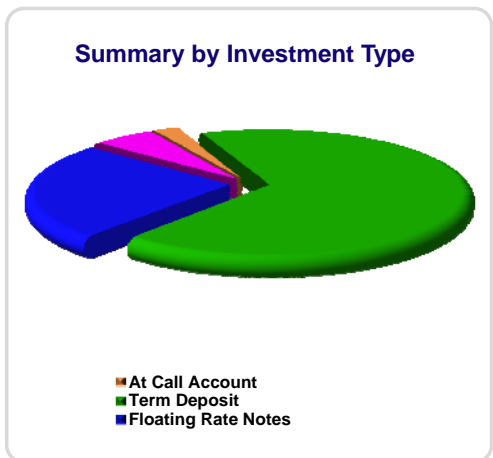
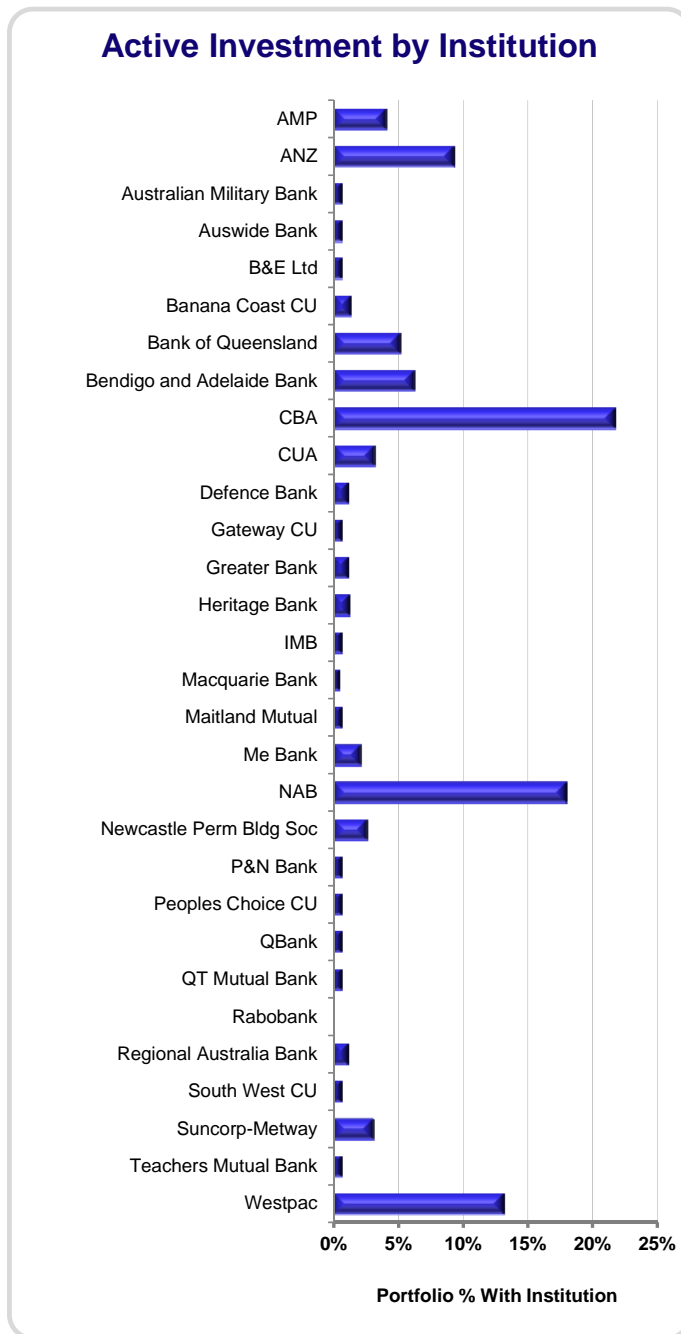
	<u>\$000's</u>
This Period	445
Financial Year To Date	1,452
Budget Profile	<u>1,022</u>
Variance from Budget - \$	<u>430</u>

Analysis of investments

The following graphs show analysis of the total cash investments by:

- Type of investment
- Institution
- Duration
- Rating

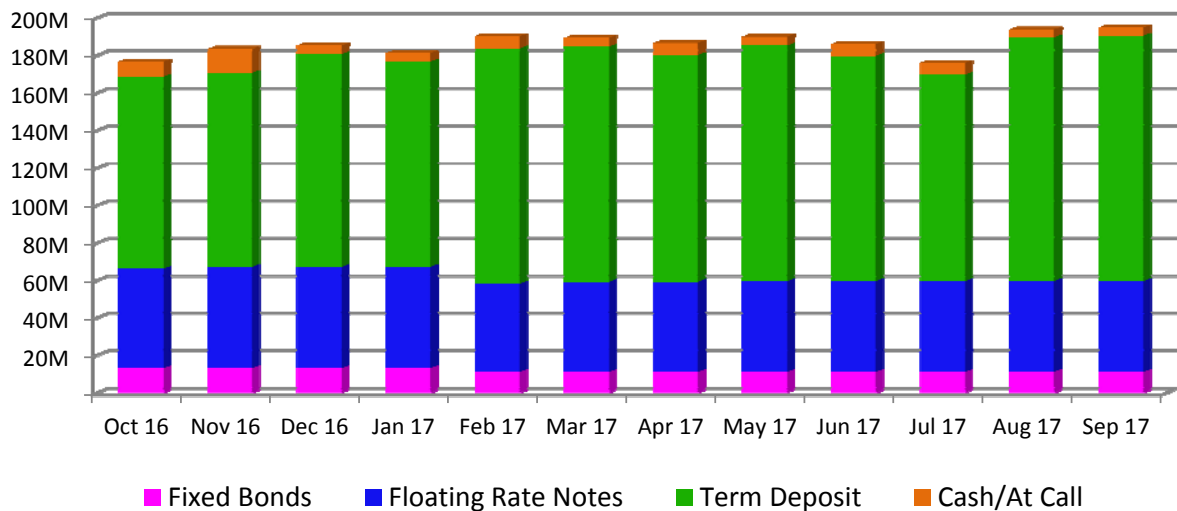
ITEM 4 (continued)



	<365 days	>365 days
Cash/TDs	\$96.4M	\$39.0M
FRNs	\$6.0M	\$42.4M
Fixed Bonds	\$0.0M	\$11.0M
	<u>\$102.4M</u>	<u>\$92.4M</u>

ITEM 4 (continued)

Total Funds Invested



Financial Implications

Income from interest on investments and proceeds from sales of investments totals \$1.45M for the period ended 30 September 2017, \$430K above the Original 2017/18 Budget.

Summary

Council’s financial year to date return is 2.84%, which is 1.12% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$1.45M for the period ended 30 September 2017, which is \$430K above the Original 2017/18 Budget. This favourable budget variance will be brought to account in the upcoming 2017 September Quarterly Budget Review.

The recommendation in this report is consistent with Section 625 of the Local Government Act, which deals with the investment of surplus funds by Councils.

Certificate of the Chief Financial Officer (Responsible Accounting Officer)

I certify that as at the date of this report, the investments listed have been made and are held in compliance with Council’s Investment Policy and applicable legislation.

Steven Kludass
Chief Financial Officer

ITEM 4 (continued)

ATTACHMENT 1

Council's Property Investment Portfolio

The following properties were held as part of Council's Property Investment portfolio;

Property	\$' M
1A Station St, West Ryde	0.90
2 Dickson Ave, West Ryde	1.10
8 Chatham Rd, West Ryde	1.37
202 Rowe Street, Eastwood	3.09
226 Victoria Rd, Gladesville	0.35
7 Anthony Road, West Ryde	5.10
7 Coulter Street, Coulter St Car Park, Gladesville	21.88
6-12 Glen Street, Glen Street Car Park, Eastwood	35.52
2 Pittwater Road, John Wilson Car Park, Gladesville	8.30
150 Coxs Road, Cox Rd Car Park, North Ryde	1.45
33-35 Blaxland Road, Argyle Centre, Ryde	5.45
19-21 Church Street and 16 Devlin Street, Ryde	10.63
6 Reserve Street, West Ryde	3.55
Herring Road Air Space Rights	0.50
741-747 Victoria Road, Ryde (Battery World)	7.06
53-71 Rowe Street, Eastwood	6.90
Total Investment Properties as per the Financial Statements	113.16
1 Constitution Road, Operations Centre, Ryde ⁽¹⁾	28.25
PROPERTIES HELD FOR RE-SALE	141.41

(1) The value for this is currently held in Non-Current Assets in Note 9, and once vacated by Council; it will be transferred to Investment Properties within the Financial Statements.

(2) The above figures refer to the land only as valued at "best use", and do not include the value of any structures.

Benchmark

The Bloomberg Ausbond Bank Bill index is constructed as a benchmark to represent the performance of a passively managed short-term money market portfolio. It comprises thirteen Bank Bills of equal face value, each with a maturity seven days apart. The average term to maturity is approximately 45 days.

A Bank Bill is a non-interest bearing security issued by a bank whereby the bank takes on an obligation to pay an investor a fixed amount (face value) at a fixed future date. It is sold to an investor at a discount to the face value. Bank Bills are short-term money market investments with maturities usually between 30 days and 180 days.

ITEM 4 (continued)

ATTACHMENT 1

Types of Investments

The following are the types of investments held by Council:

At Call refers to funds held at a financial institution, and can be recalled by Council either same day or on an overnight basis.

A Floating Rate Note (FRN) is a debt security issued by a company with a variable interest rate. This can either be issued as Certificates of Deposit (CD) or as Medium Term Notes (MTN). The interest rate can be either fixed or floating, where the adjustments to the interest rate are usually made quarterly and are tied to a certain money market index such as the Bank Bill Swap Rate.

A Fixed Rate Bond is a debt security issued by a company with a fixed interest rate over the term of the bond.

Credit Rating Information

Credit ratings are generally a statement as to an institution's credit quality. Ratings ranging from AAA to BBB- (long term) are considered investment grade.

A general guide as to the meaning of each credit rating is as follows:

AAA: the best quality companies, reliable and stable

AA: quality companies, a bit higher risk than AAA

A: economic situation can affect finance

BBB: medium class companies, which are satisfactory at the moment

BB: more prone to changes in the economy

B: financial situation varies noticeably

CCC: currently vulnerable and dependent on favourable economic conditions to meet its commitments

CC: highly vulnerable, very speculative bonds

C: highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations

D: has defaulted on obligations and it is believed that it will generally default on most or all obligations

Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

ITEM 4 (continued)

ATTACHMENT 1

Council's Investment Powers

Council's investment powers are regulated by Section 625 of the Local Government Act, which states:

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.

Council's investment policy requires that all investments are to be made in accordance with;

- Local Government Act 1993 - Section 625
- Local Government Act 1993 - Order (of the Minister) dated 12 January 2011
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2)
- Local Government (Financial Management) Regulation 1993
- Investment Guidelines issued by the Department of Local Government

5 ANNUAL DISCLOSURE OF PECUNIARY INTERESTS

Report prepared by: Governance Coordinator

File No.: CLR/07/8/8/10/1 - BP17/987

REPORT SUMMARY

This report provides a summary of the status of all Disclosure of Pecuniary Interest Returns that were required to be lodged for the period 1 July 2016 to 30 June 2017, in accordance with the *Local Government Act 1993* (the Act).

Under Section 449 of the Act, Councillors and designated persons are required to lodge an annual Disclosure of Pecuniary Interests Return by 30 September each year. In addition, Section 450A of the Act requires the General Manager to keep a register of the pecuniary interest returns that are required to be lodged, and of those that have been lodged.

Council is advised that all Returns have been completed as detailed in the report and therefore the Register of Disclosure of Pecuniary Interest Returns is tabled at this Council meeting.

RECOMMENDATION:

That the Register of Disclosure of Pecuniary Interest Returns is tabled as required under Section 450A of the *Local Government Act, 1993*.

ATTACHMENTS

There are no attachments for this report.

Report Prepared By:

Lorie Parkinson
Governance Coordinator

Report Approved By:

John Schanz
Manager - Risk, Audit and Governance

Roy Newsome
Director - Corporate and Organisational Support Services

ITEM 5 (continued)**Discussion**

Section 449(3) of the *Local Government Act 1993* (the Act) requires Councillors and designated persons to lodge an annual Disclosure of Pecuniary Interests Return with the General Manager by 30 September each year.

Section 450A of the Act requires the General Manager to keep a register of these Disclosure of Pecuniary Interest Returns and to table these returns at the first Council meeting after the lodgement date.

Council is advised that 12 Councillors and 208 Council staff lodged their completed forms by the 30 September 2017 deadline, thus meeting the Section 449(3) requirement. It should be noted that one Council officer did not submit their form by the deadline due to being on annual leave, however this form has now been received.

In accordance with Section 450A(2)(b), the 2016-2017 Register of Disclosure of Pecuniary Interests Returns is tabled.

Financial Implications

Adoption of the recommendation will have no financial impact.

CONFIDENTIAL ITEMS

6 REQUEST FOR TENDER - TENDER EVALUATION REPORT COR-RFT-11/17 FOR THE PROVISION OF BUS OPERATORS FOR THE SHOP RYDER COMMUNITY BUS SERVICE FOR THE PERIOD UP TO 30 JUNE 2020

Report prepared by: Senior Sustainability Transport Coordinator

Report approved by: Manager - Environment, Health and Building; Acting Director - City Planning and Development

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

File Number: GRP/09/6/10 - BP17/994

Page Number: 36

7 ADVICE ON COURT ACTIONS

Confidential

This item is classified CONFIDENTIAL under Section 10A (2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

This matter is classified confidential because it contains advice concerning legal matters that are:-

- (a) substantial issues relating to a matter to which the Council is involved.
- (b) clearly identified in the advice, and
- (c) fully discussed in that advice.

It is not in the public interest to reveal all details of this matter as it would prejudice Council's position in any court proceedings.

Report prepared by: Solicitor

File Number: GRP/09/5/8 - BP17/931

Page Number: 50