

Meeting Date: Tuesday 12 February 2019
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
Time: 6.45pm

NOTICE OF BUSINESS

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1 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 13 November 2018

Report prepared by: Civic Services Manager
File No.: CLM/18/1/5/2 - BP18/1305

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 7/18, held on 13 November 2018, be confirmed.

ATTACHMENTS

- 1 MINUTES - Finance and Governance Committee Meeting - 13 November 2018

ITEM 1 (continued)

ATTACHMENT 1

Finance and Governance Committee
MINUTES OF MEETING NO. 7/18

Meeting Date: Tuesday 13 November 2018
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
Time: 6.45pm

Councillors Present: Councillors Clifton (Chairperson), Gordon, Pedersen, and Purcell.

Apologies: Councillor Moujalli.

Leave of Absence: Councillor Zhou.

Staff Present: General Manager, Director – Customer and Community Services, Director – Corporate Services, Director – City Planning and Environment, General Counsel, Manager – Parks, Manager – Communications and Engagement, Senior Coordinator – Civic Support and Civic Support Officer.

DISCLOSURES OF INTEREST

There were no disclosures of interest.

**1 CONFIRMATION OF MINUTES - Finance and Governance Committee
Meeting held on 9 October 2018**

RECOMMENDATION: (Moved by Councillors Pedersen and Purcell)

That the Minutes of the Finance and Governance Committee 6/18, held on 9 October 2018, be confirmed.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **27 NOVEMBER 2018** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

ITEM 1 (continued)

ATTACHMENT 1

2 ITEMS PUT WITHOUT DEBATE

RESOLUTION: (Moved by Councillors Purcell and Gordon)

That the Committee adopt Item 4 on the Agenda as per the recommendation in the report.

Record of Voting:

For the Motion: Unanimous

4 REQUEST FOR TENDER - COR-RFT 01/18 - PLUMBING

RECOMMENDATION: (Moved by Councillors Purcell and Gordon)

- (a) That Council accepts the tender from AW Edwards Pty Limited and Roseville Plumbing, for the programmed plumbing maintenance and testing of the Backflow Devices and Thermostatic Mixing Valve equipment within the City of Ryde buildings to the amount of \$45,000 per annum for a 3 year period with an option to extend for a further 2 years as recommended in the Tender Evaluation Report (**ATTACHMENT 1**) and Tender Evaluation Summary (**ATTACHMENT 2**)
- (b) That Council accepts the tenders from Trustee for CW and TW Family Trust trading as Answer Plumbing be engaged as back-up should either of the nominated contractors fail to provide the specified and contracted services and for competitive reactive repairs of the plumbing installations within the City of Ryde buildings.
- (c) That Council delegate to the General Manager the authority to enter into a contract with AW Edwards Pty Limited, Roseville Plumbing and Trustee for CW and TW Family Trust trading as Answer Plumbing 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.
- (d) That Council advise all the respondents of Council's decision.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **27 NOVEMBER 2018** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

ITEM 1 (continued)

ATTACHMENT 1

3 ANNUAL REPORT ON CODE OF CONDUCT COMPLAINT STATISTICS

RECOMMENDATION: (Moved by Councillors Purcell and Gordon)

- (a) That Council note the **ATTACHED** table of Code of Conduct complaints for the period from 1 September 2017 to 31 August 2018.
- (b) That Council provide these statistics to the Office of Local Government as required by the Model Code of Conduct – Complaints Procedure.

Record of Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **27 NOVEMBER 2018** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice and Councillor **MAGGIO** requested that the matter be referred to the next Council Meeting.

CLOSED SESSION

ITEM 5 - 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 Pedersen and Purcell)

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

Record of Voting:

For the Motion: Unanimous

Note: The Committee closed the meeting at 6.54pm. The public and media left the chamber.

ITEM 1 (continued)

ATTACHMENT 1

4 REQUEST FOR TENDER - COR-RFT 01/18 - PLUMBING

Note: This Item was considered earlier in the meeting as detailed in these Minutes.

5 ADVICE ON COURT ACTIONS

RECOMMENDATION: (Moved by Councillors Purcell and Pedersen)

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 **27 NOVEMBER 2018** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

OPEN SESSION

RESOLUTION: (Moved by Councillors Pedersen and Gordon)

That the Committee resolve itself into open Council.

Record of Voting:

For the Motion: Unanimous

Note: Open Council resumed at 7.02pm.

The meeting closed at 7.02pm.

CONFIRMED THIS 12TH DAY OF FEBRUARY 2019.

Chairperson

2 ITEMS PUT WITHOUT DEBATE

Report prepared by: Civic Services Manager**File No.:** CLM/18/1/5/2 - BP18/1306

REPORT SUMMARY

In accordance with Council's Code of Meeting Practice, the Committee can determine those matters on the Agenda that can be adopted without the need for any discussion.

RECOMMENDATION:

That the Committee determine the Items on the Agenda that will be adopted without any debate.

OR

That the Committee determine all Items on the Agenda.

3 INVESTMENT REPORT AS AT 30 NOVEMBER 2018

Report prepared by: Chief Financial Officer**File No.:** CSG/17/1/6/1 - BP19/10

REPORT SUMMARY

This report details Council's performance of its investment portfolio as at 30 November 2018 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio and loan liabilities.

Council's return for the reporting period is 2.97%, which is 1.07% above the benchmark figure of 1.90%.

Income from interest on investments and proceeds from sale of investments totals \$2.77M for the financial year to date, which is \$362K above the 2018/19 year-to-date revised Budget.

RECOMMENDATION:

That Council endorse the Investment Report as at 30 November 2018.

ATTACHMENTS

1 Investment Report Attachment P05 - November 2018

Report Prepared By:

Pav Kuzmanovski
Chief Financial Officer

Report Approved By:

Steven Kludass
Director - Corporate Services

ITEM 3 (continued)

Discussion

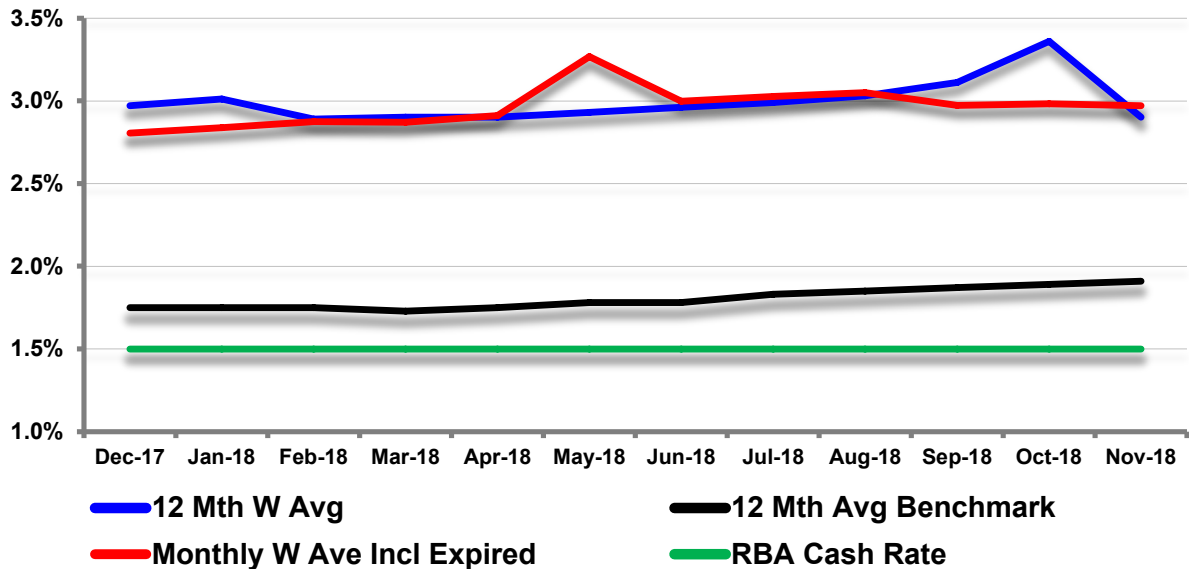
Council’s Responsible Accounting Officer, is required to report monthly on Council’s Investment Portfolio and certify that the Investments are held in accordance with Council’s Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

Council’s performance against the benchmark for returns of its investment portfolio for November 2018 and the past 12 months are as follows:

	Nov	12 Mth	FYTD
Council Return	2.97	2.90	2.97
Benchmark	1.90	1.91	2.02
Variance	1.07	0.99	0.95

Performance - All Investments



ITEM 3 (continued)

Council's investment portfolio as at 30 November 2018 was as follows:

Cash/Term Deposits	\$160.4M	67.0%
Floating Rate Notes	\$51.3M	21.4%
Fixed Bonds	\$27.7M	11.6%
Total Cash Investments	\$239.4M	100.0%
Investment Properties	\$155.8M	
Total Investments	\$395.2M	

Council's Investment Properties, valued as at 30 June 2018, are shown in **ATTACHMENT 1**.

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 \$95.1 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 continues to exceed budgeted expectations, due primarily to Council receiving significant Developer Contributions. Interest on investments relating to available General Revenue funds also continues to rise.

Loan Liability

Council's loan liability as at 30 November 2018 was \$2.4 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 redevelopment works at Council's Civic Centre and refinancing the West Ryde Tunnel. The interest rate for this loan is reset every quarter;

ITEM 3 (continued)

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 30 NOVEMBER 2018

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 30-Nov-18 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2018	% of Total Invested	Maturity	Tenor
NAB	1. NAB Covered Bond	AAA	Y	3,740	3.10	3.07	3.05	1.56	16/03/2023	1826
Suncorp-Metway	2. Suncorp FRN (Covered)	AAA	N	4,000	3.06	3.08	3.16	1.67	22/06/2021	1826
ANZ	3. ANZ Fixed Bond	AA-	Y	3,991	2.92	2.92	2.95	1.67	16/08/2021	1826
ANZ	4. ANZ Fixed Bond	AA-	Y	1,498	3.15	3.17	3.19	0.63	18/01/2023	1826
ANZ	5. ANZ FRN	AA-	Y	4,000	3.15	3.15	3.23	1.67	7/04/2021	1826
ANZ	6. ANZ FRN	AA-	Y	1,500	2.73	2.75	2.79	0.63	18/01/2023	1826
ANZ	7. ANZ FRN	AA-	Y	2,000	2.88	2.89	2.89	0.84	9/05/2023	1826
ANZ	8. ANZ Floating TD	AA-	Y	4,000	3.49	3.40	3.49	1.67	10/11/2022	2557
ANZ	9. ANZ Flexi TD	AA-	Y	4,000	3.41	3.41	3.49	1.67	15/12/2022	2557
CBA	10. Bankwest 11am Account	AA-	Y	6,764	1.77	1.77	1.73	2.83		
CBA	11. CBA At Call Deposit	AA-	Y	2,035	1.48	1.48	1.48	0.85		
CBA	12. CBA Fixed Bond	AA-	Y	3,980	3.41	3.41	3.42	1.66	25/04/2023	1916
CBA	13. CBA MTN	AA-	Y	3,493	3.27	3.27	3.27	1.46	16/08/2023	1826
CBA	14. CBA FRN	AA-	Y	2,000	2.87	2.86	2.93	0.84	17/07/2020	1827
CBA	15. CBA FRN	AA-	Y	1,992	3.13	3.12	3.19	0.83	17/07/2020	1613
CBA	16. Bankwest Term Deposit	AA-	Y	2,000	2.71	2.52	2.71	0.84	3/10/2019	314
CBA	17. Bankwest TD	AA-	Y	4,000	2.74	2.68	2.74	1.67	16/04/2019	231
CBA	18. Bankwest Term Deposit	AA-	Y	2,000	2.76	2.64	2.76	0.84	18/04/2019	237
CBA	19. CBA TD	AA-	Y	3,000	2.59	2.59	2.59	1.25	11/12/2018	292
CBA	20. Bankwest TD	AA-	Y	2,000	2.81	2.70	2.81	0.84	4/04/2019	280
CBA	21. Bankwest TD	AA-	Y	4,000	2.77	2.64	2.75	1.67	5/02/2019	182
CBA	22. Bankwest TD	AA-	Y	2,000	2.71	2.57	2.71	0.84	11/07/2019	289
CBA	23. Bankwest TD	AA-	Y	4,000	2.81	2.81	2.81	1.67	14/05/2019	267
CBA	24. Bankwest TD	AA-	Y	2,000	2.76	2.76	2.76	0.84	16/04/2019	235
CBA	25. CBA TD	AA-	Y	2,000	2.74	2.74	2.74	0.84	21/02/2019	730
NAB	26. NAB Fixed Bond	AA-	Y	2,992	3.20	3.16	3.17	1.25	12/05/2021	1826
NAB	27. NAB Fixed Bond	AA-	Y	3,992	3.08	3.08	3.15	1.67	10/02/2023	1918
NAB	28. NAB FRN	AA-	Y	2,000	3.05	2.99	3.08	0.84	5/11/2020	1827
NAB	29. NAB FRN	AA-	Y	4,000	2.89	2.86	2.87	1.67	16/05/2023	1826
NAB	30. NAB Term Deposit	AA-	Y	4,000	2.73	2.60	2.73	1.67	31/10/2019	358
NAB	31. NAB Term Deposit	AA-	Y	2,000	2.71	2.70	2.71	0.84	25/06/2019	285
NAB	32. NAB TD	AA-	Y	4,000	2.72	2.79	2.78	1.67	31/10/2019	364
NAB	33. NAB Term Deposit	AA-	Y	4,000	2.70	2.70	2.70	1.67	17/09/2019	376
NAB	34. NAB TD	AA-	Y	4,000	3.35	3.35	3.35	1.67	18/09/2023	1827
NAB	35. NAB TD	AA-	Y	2,000	2.76	2.75	2.76	0.84	27/06/2019	280
Westpac	36. Westpac At Call	AA-	Y	13	0.44	0.50	0.50	0.01		
Westpac	37. Westpac FRN	AA-	Y	2,000	2.91	2.85	2.93	0.84	22/01/2020	1826
Westpac	38. Westpac FRN	AA-	Y	1,000	2.84	2.81	2.90	0.42	28/07/2020	1827
Westpac	39. Westpac Term Deposit 2	AA-	Y	81	2.45	2.55	2.45	0.03	19/04/2019	365
Westpac	40. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.67	22/02/2022	1825
Westpac	41. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.67	9/08/2022	1813
Westpac	42. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.84	18/08/2022	1815
Westpac	43. WBC Floating TD	AA-	Y	4,000	3.19	3.08	3.18	1.67	17/02/2022	1826
Westpac	44. Westpac TD	AA-	Y	4,000	3.15	3.14	3.14	1.67	2/11/2021	1461
Suncorp-Metway	45. Suncorp FRN	A+	N	800	3.21	3.20	3.27	0.33	20/10/2020	1827
Suncorp-Metway	46. Suncorp FRN	A+	N	1,000	2.95	2.84	2.94	0.42	16/08/2022	1826
AMP	47. AMP Business Saver	A	Y	386	1.82	1.91	1.78	0.16		
AMP	48. AMP FRN	A	Y	1,600	3.06	3.04	3.12	0.67	11/06/2019	1278
AMP	49. AMP TD	A	Y	1,000	3.05	2.90	3.05	0.42	30/07/2019	365
AMP	50. AMP TD	A	Y	2,000	2.97	2.87	2.97	0.84	10/01/2019	237
AMP	51. AMP TD	A	Y	2,000	3.01	3.01	3.01	0.84	14/02/2019	247
Macquarie Bank	52. Macquarie Bank FRN	A	Y	750	3.09	3.01	3.10	0.31	3/03/2020	1827
Bank of Queensland	53. Bank of Queensland Fixed Bond	BBB+	Y	1,980	3.25	3.38	3.38	0.83	16/11/2021	1267
Bank of Queensland	54. Bank of Queensland TD	BBB+	Y	2,000	2.78	2.65	2.68	0.84	4/07/2019	273
Bank of Queensland	55. Bank of Queensland TD	BBB+	Y	4,000	3.10	3.08	3.10	1.67	17/12/2020	1071
Bank of Queensland	56. Bank of Queensland TD	BBB+	Y	2,000	3.55	3.55	3.55	0.84	12/11/2020	1827
Bank of Queensland	57. Bank of Queensland TD	BBB+	Y	2,000	3.75	3.75	3.75	0.84	9/12/2021	1823
Bank of Queensland	58. BoQ Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.67	15/11/2022	1804
Bendigo and Adelaide Bank	59. Bendigo Fixed MTN	BBB+	N	1,999	3.53	3.55	3.57	0.84	25/01/2023	1826
Bendigo and Adelaide Bank	60. Bendigo Bank FRN	BBB+	N	1,000	3.09	2.98	3.08	0.42	18/08/2020	1827
Bendigo and Adelaide Bank	61. Bendigo and Adelaide Bank FRN	BBB+	N	1,996	3.05	3.05	3.05	0.83	25/01/2023	1532

ITEM 3 (continued)

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 30-Nov-18 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2018	% of Total Invested	Maturity	Tenor
Bendigo and Adelaide Bank	62. Rural Bank Term Deposit	BBB+	N	1,500	2.84	2.84	2.84	0.63	24/01/2019	223
Bendigo and Adelaide Bank	63. Rural Bank TD	BBB+	N	2,000	2.75	2.70	2.75	0.84	24/10/2019	335
Bendigo and Adelaide Bank	64. Bendigo Bank TD	BBB+	N	2,000	2.76	2.63	2.76	0.84	9/05/2019	262
Bendigo and Adelaide Bank	65. Rural Bank TD	BBB+	N	1,000	2.77	2.64	2.73	0.42	31/01/2019	182
Bendigo and Adelaide Bank	66. Bendigo Bank TD	BBB+	N	2,000	2.80	2.80	2.80	0.84	5/12/2019	728
Heritage Bank	67. Heritage Bank FRN	BBB+	N	1,300	3.28	3.22	3.31	0.54	4/05/2020	1096
Heritage Bank	68. Heritage Bank FRN	BBB+	N	1,400	3.21	3.31	3.31	0.58	29/03/2021	1096
Members Banking Group	69. RACQ FRN	BBB+	?	1,500	3.09	3.08	3.09	0.63	11/05/2020	731
Newcastle Perm Bldg Soc	70. Newcastle Perm Bldg Soc FRN	BBB+	N	1,000	3.33	3.33	3.41	0.42	7/04/2020	1827
Newcastle Perm Bldg Soc	71. NPBS FRN	BBB+	N	1,000	3.59	3.59	3.68	0.42	22/03/2019	1095
Newcastle Perm Bldg Soc	72. Newcastle Perm Bldg Soc FRN	BBB+	N	997	3.56	3.57	3.65	0.42	7/04/2020	1352
Newcastle Perm Bldg Soc	73. Newcastle Perm Bldg Soc TD	BBB+	N	1,000	3.50	3.50	3.50	0.42	28/02/2019	1092
Aus Unity	74. Aus Unity Bank TD	BBB	?	2,000	2.80	2.80	2.80	0.84	30/10/2019	364
Bank Australia	75. Bank Australia	BBB	N	1,000	3.29	3.29	3.29	0.42	30/08/2021	1096
CUA	76. CUA FRN	BBB	N	2,000	3.59	3.59	3.69	0.84	1/04/2019	1095
CUA	77. CUA FRN	BBB	N	2,000	3.26	3.27	3.35	0.84	20/03/2020	1096
CUA	78. Credit Union Australia TD	BBB	N	2,000	2.71	2.72	2.71	0.84	9/07/2019	280
Defence Bank	79. Defence Bank TD	BBB	N	1,000	2.70	2.74	2.70	0.42	5/03/2019	362
Greater Bank	80. Greater Bank FRN	BBB	N	1,000	3.44	3.35	3.44	0.42	24/02/2020	1095
IMB	81. IMB TD	BBB	N	1,000	2.76	2.66	2.76	0.42	28/03/2019	252
Me Bank	82. ME Bank At Call Account	BBB	N	3,074	1.77	1.76	1.77	1.28		
Me Bank	83. ME Bank FRN	BBB	N	1,000	3.38	3.35	3.43	0.42	18/07/2019	962
Me Bank	84. ME Bank FRN	BBB	N	1,500	3.24	3.15	3.25	0.63	9/11/2020	1096
Me Bank	85. ME Bank FRN	BBB	N	1,600	3.25	3.34	3.32	0.67	16/04/2021	1095
Me Bank	86. ME Bank TD	BBB	N	1,000	2.75	2.75	2.75	0.42	6/08/2019	340
MyState Bank	87. MyState Bank TD	BBB	N	2,000	2.84	2.84	2.84	0.84	22/01/2019	229
MyState Bank	88. MyState TD	BBB	N	2,000	2.71	2.80	2.79	0.84	25/07/2019	268
P&N Bank	89. P&N Bank	BBB	N	1,000	3.50	3.50	3.50	0.42	2/11/2023	1821
P&N Bank	90. P&N Bank TD	BBB	N	1,000	3.17	3.17	3.17	0.42	6/12/2018	1093
Teachers Mutual Bank	91. Teachers Mutual Bank FRN	BBB	N	1,400	3.35	3.45	3.45	0.58	2/07/2021	1096
Auswide Bank	92. Auswide Bank TD	BBB-	N	2,500	2.73	2.65	2.70	1.04	27/06/2019	280
G&C Mutual Bank	93. G&C Mutual Bank	BBB-	N	1,000	2.72	2.72	2.72	0.42	19/03/2019	211
G&C Mutual Bank	94. G&C Mutual Bank TD	BBB-	N	1,000	2.85	2.85	2.85	0.42	12/09/2019	379
QBank	95. QBank FRN	BBB-	N	1,000	3.39	3.46	3.48	0.42	22/03/2021	1098
QBank	96. Qbank Term Deposit	BBB-	N	1,000	3.00	3.00	3.00	0.42	19/02/2019	719
QBank	97. QBank TD	BBB-	N	1,000	2.85	2.85	2.85	0.42	14/05/2019	364
QBank	98. QBank TD	BBB-	N	1,000	2.80	2.80	2.80	0.42	7/11/2019	349
Australian Military Bank	99. Australian Military Bank TD	Unrated	N	2,000	2.90	2.68	2.89	0.84	26/09/2019	386
Bananacoast CU	100. Bananacoast CU TD	Unrated	N	500	2.65	2.65	2.65	0.21	3/01/2019	364
Bananacoast CU	101. Bananacoast CU TD	Unrated	N	500	2.78	2.67	2.73	0.21	17/01/2019	119
Bananacoast CU	102. Bananacoast CU TD	Unrated	N	1,000	2.95	2.95	2.95	0.42	14/02/2019	716
Bank of Sydney	103. Bank of Sydney TD	Unrated	?	1,000	2.70	2.70	2.70	0.42	14/03/2019	364
Bank of Sydney	104. Bank of Sydney TD	Unrated	?	1,000	2.81	2.81	2.81	0.42	11/04/2019	238
Bank of us	105. Bank of us TD	Unrated	?	1,000	2.82	2.82	2.82	0.42	11/04/2019	238
Bank of us	106. Bank of us TD	Unrated	?	1,000	2.76	2.66	2.73	0.42	11/04/2019	238
Coastline CU	107. Coastline Credit Union TD	Unrated	?	1,000	2.95	2.95	2.95	0.42	19/12/2019	386
Gateway CU	108. Gateway CU	Unrated	N	1,000	2.86	2.86	2.86	0.42	8/01/2019	238
Goldfields Money Ltd	109. Goldfields Money Ltd TD	Unrated	?	2,000	2.72	2.72	2.72	0.84	14/03/2019	195
Hunter United Credit Union	110. Hunter United Credit Union TD	Unrated	?	1,000	2.66	2.66	2.66	0.42	13/12/2018	302
Hunter United Credit Union	111. HUECU TD	Unrated	?	1,000	2.92	2.92	2.92	0.42	17/01/2019	225
Maitland Mutual	112. Maitland Mutual Bldg Soc TD	Unrated	N	1,000	2.70	2.66	2.70	0.42	12/03/2019	362
Maitland Mutual	113. Maitland Mutual	Unrated	N	1,000	2.91	2.91	2.91	0.42	28/03/2019	317
Police CU (SA)	114. Police CU - SA Term Deposit	Unrated	?	1,000	2.90	2.77	2.84	0.42	12/11/2019	362
Police CU (SA)	115. Police CU - SA	Unrated	?	1,000	2.90	2.89	2.89	0.42	7/11/2019	365
Queensland Country CU	116. Qld Country Credit Union TD	Unrated	?	1,000	2.66	2.66	2.66	0.42	13/12/2018	302
Queensland Country CU	117. QCCU TD	Unrated	?	1,000	2.72	2.72	2.72	0.42	12/03/2019	193
Regional Australia Bank	118. Regional Australia Bank TD	Unrated	N	2,000	3.10	3.10	3.10	0.84	13/08/2020	1093
South West CU	119. South West CU TD	Unrated	?	1,000	2.82	2.82	2.82	0.42	16/05/2019	182
Summerland CU	120. Summerland CU TD	Unrated	N	1,000	2.62	2.62	2.62	0.42	10/12/2019	364
Summerland CU	121. Summerland CU TD	Unrated	N	1,000	2.90	2.90	2.90	0.42	12/09/2019	372
Warwick CU	122. Warwick CU TD	Unrated	?	1,000	3.01	3.01	3.01	0.42	19/12/2019	386
				239,353	2.96	2.97	2.99	100		

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

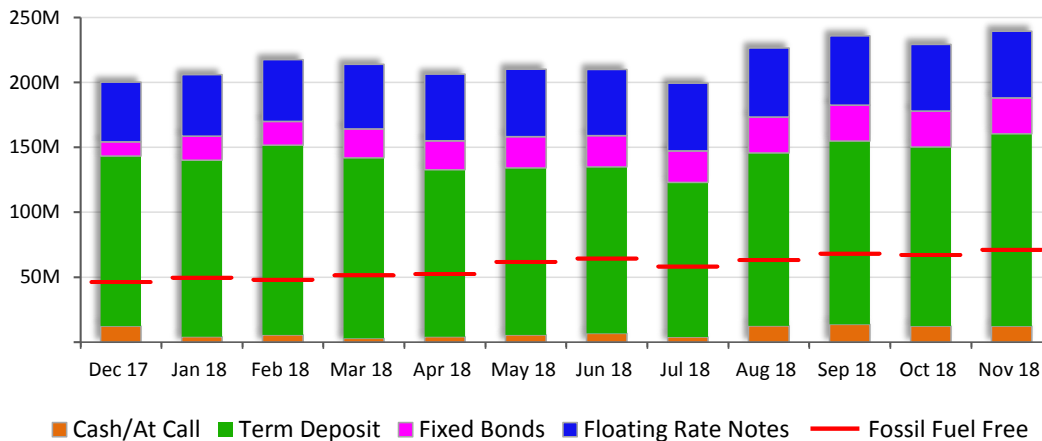
	Nov	12 Mth	FYTD
Weighted Average Return	2.97	2.90	2.97
Benchmark Return: AusBond Bank Bill Index (%)	1.90	1.91	2.02
Variance From Benchmark (%)	1.07	0.99	0.95

Investment Income

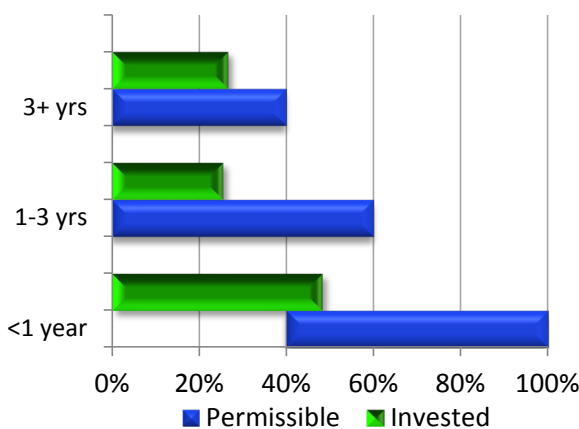
	\$000's	Fossil Fuel Free (000's)
This Period	578	Yes 71,066
Financial Year To Date	2,772	No 149,787
Budget Profile	2,410	Unknown 18,500
Variance from Budget - \$	362	

Analysis of investments

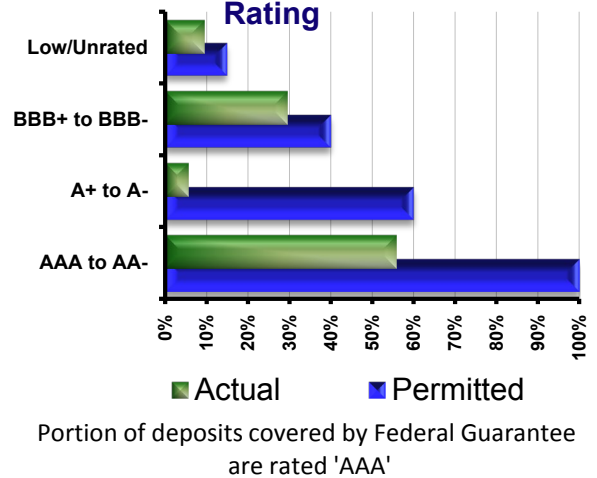
Total Funds Invested



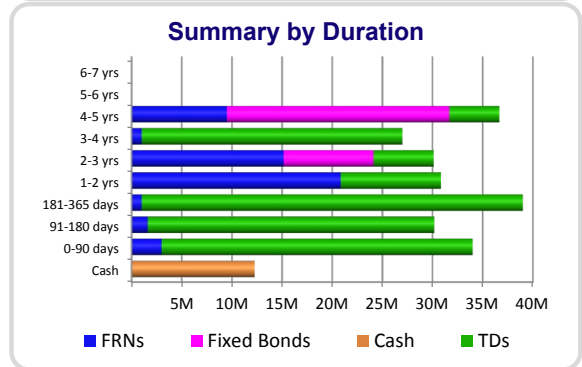
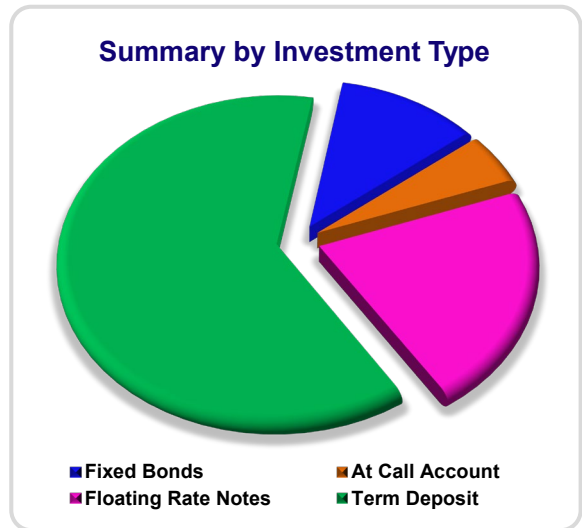
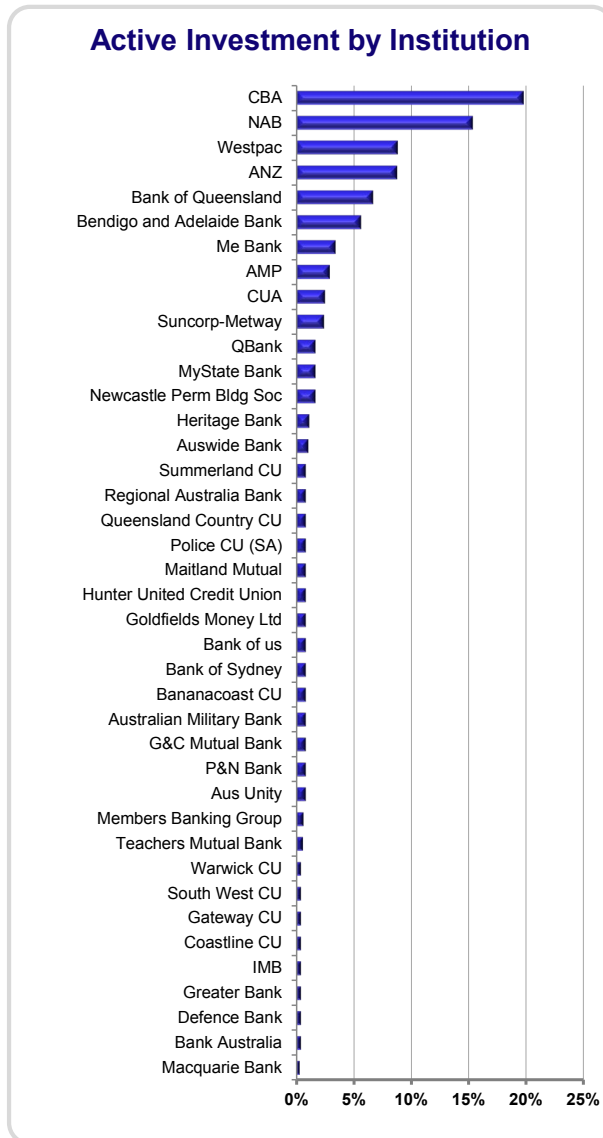
Policy Limits on Maturities



Investment Summary by Rating



ITEM 3 (continued)



	<365 days	>365 days
Cash/TDs	\$110.4M	\$50.0M
FRNs	\$5.6M	\$45.7M
Fixed Bonds	\$0.0M	\$27.7M
	\$116.0M	\$123.4M

ITEM 3 (continued)**Divestment of Fossil Fuel Aligned Financial Institutions**

As at 30 November 2018, Council had a total amount of \$71.1 million (29.7% of Council's total investment portfolio) invested in non-fossil fuel aligned financial institutions. A further \$18.5 million was invested in unrated financial institutions where their 'alignment status' is unclear/undetermined. It is almost certain all of these unrated financial institutions are non-fossil fuel aligned institutions as their lending profiles are almost identical to other unrated institutions. If it assumed those institutions are non-fossil fuel aligned financial institutions, then the total amount is \$89.5 million (37.4% of Council's total investment portfolio).

By way of comparison, Council had \$50.5 million (24.5% of its total investment portfolio) invested in non-fossil fuel aligned financial institutions, as at 31 January 2018.

Financial Implications

Income from interest on investments and proceeds from sales of investments totals \$2.77M for the period ended 30 November 2018, \$362K above the 2018/19 year-to-date revised Budget.

Summary

Council's return for the reporting period is 2.97%, which is 1.07% above the benchmark figure of 1.90%. Income from interest on investments and proceeds from sale of investments totals \$2.77M for the financial year to date, which is \$362K above the 2018/19 year-to-date Budget. Appropriate adjustments to the Interest on Investments Budget will be proposed in the forthcoming Budget Quarterly Review report to Council.

Council's investment portfolio continues to perform well with returns well above benchmark.

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.

ITEM 3 (continued)**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.

Pav Kuzmanovski
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	0.960
2 Dickson Ave, West Ryde	1.300
8 Chatham Rd, West Ryde	1.420
202 Rowe Street, Eastwood	3.235
226 Victoria Rd, Gladesville	0.390
7 Anthony Road, West Ryde	5.230
7 Coulter Street, Coulter St Car Park, Gladesville	22.175
6-12 Glen Street, Glen Street Car Park, Eastwood	36.820
2 Pittwater Road, John Wilson Car Park, Gladesville	8.820
150 Coxs Road, Cox Rd Car Park, North Ryde	1.655
33-35 Blaxland Road, Argyle Centre, Ryde	5.630
19-21 Church Street and 16 Devlin Street, Ryde	10.990
6 Reserve Street, West Ryde	3.700
Herring Road Air Space Rights	0.535
741-747 Victoria Road, Ryde (Battery World)	7.130
53-71 Rowe Street, Eastwood	7.175
Total Investment Properties as per the Financial Statements	117.165
1 Constitution Road, Operations Centre, Ryde ⁽¹⁾	38.620
PROPERTIES HELD AS INVESTMENT PROPERTIES	155.785

(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 31 DECEMBER 2018

Report prepared by: Chief Financial Officer**File No.:** CSG/17/1/6/1 - BP19/13

REPORT SUMMARY

This report details Council's performance of its investment portfolio as at 31 December 2018 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio and loan liabilities.

Council's return for the reporting period is 2.97%, which is 1.16% above the benchmark figure of 1.81%.

Income from interest on investments and proceeds from sale of investments totals \$3.37M for the financial year to date, which is \$589K above the 2018/19 year-to-date revised Budget. Appropriate adjustments will be proposed in the forthcoming Budget Quarterly Review report to Council.

RECOMMENDATION:

That Council endorse the Investment Report as at 31 December 2018.

ATTACHMENTS

1 Investment Report Attachment P06 - December 2018

Report Prepared By:

Pav Kuzmanovski
Chief Financial Officer

Report Approved By:

Steven Kludass
Director - Corporate Services

ITEM 4 (continued)

Discussion

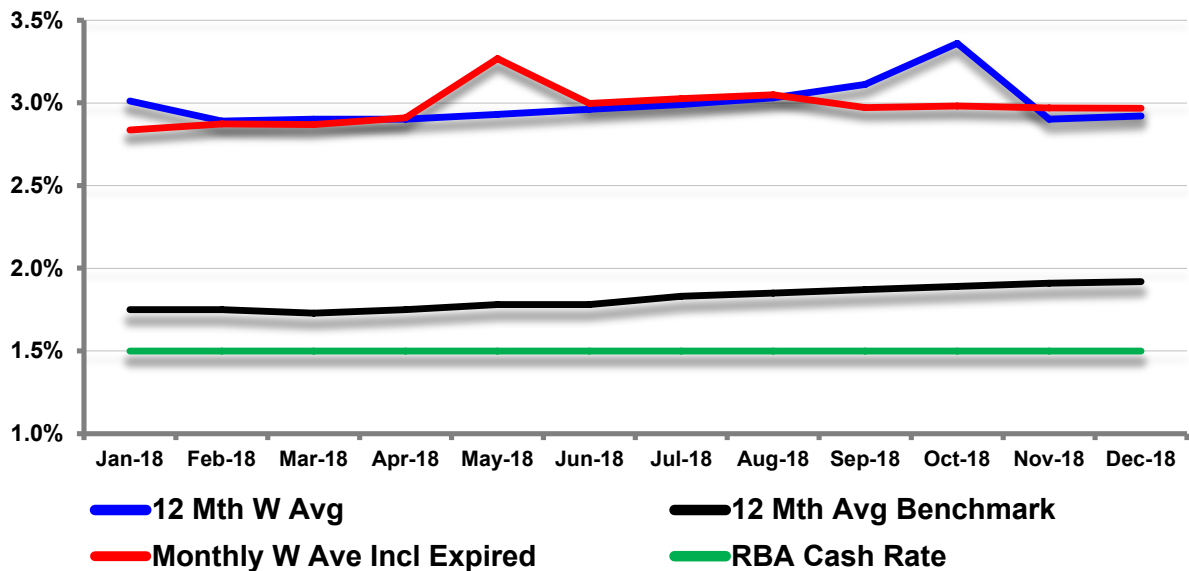
Council’s Responsible Accounting Officer, is required to report monthly on Council’s Investment Portfolio and certify that the Investments are held in accordance with Council’s Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

Council’s performance against the benchmark for returns of its investment portfolio for December 2018 and the past 12 months are as follows:

	Dec	12 Mth	FYTD
Council Return	2.97	2.92	2.97
Benchmark	1.81	1.92	1.98
Variance	1.16	1.00	0.99

Performance - All Investments



ITEM 4 (continued)

Council's investment portfolio as at 31 December 2018 was as follows:

Cash/Term Deposits	\$156.4M	66.2%
Floating Rate Notes	\$52.1M	22.1%
Fixed Bonds	\$27.7M	11.7%
Total Cash Investments	\$236.1M	100.0%
Investment Properties	\$155.8M	
Total Investments	\$391.9M	

Council's Investment Properties, valued as at 30 June 2018, are shown in **ATTACHMENT 1**.

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 \$95.1 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 continues to exceed budgeted expectations, due primarily to Council receiving significant Developer Contributions. Interest on investments relating to available General Revenue funds also continues to rise.

Loan Liability

Council's loan liability as at 31 December 2018 was \$2.2 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 redevelopment works at Council's Civic Centre and refinancing the West Ryde Tunnel. The interest rate for this loan is reset every quarter;

ITEM 4 (continued)

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 31 DECEMBER 2018

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Dec-18 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2018	% of Total Invested	Maturity	Tenor
NAB	1. NAB Covered Bond	AAA	Y	3,740	3.10	3.07	3.06	1.58	16/03/2023	1826
Suncorp-Metway	2. Suncorp FRN (Covered)	AAA	N	4,000	3.11	3.10	3.15	1.69	22/06/2021	1826
ANZ	3. ANZ Fixed Bond	AA-	Y	3,991	2.92	2.92	2.94	1.69	16/08/2021	1826
ANZ	4. ANZ Fixed Bond	AA-	Y	1,498	3.16	3.17	3.18	0.63	18/01/2023	1826
ANZ	5. ANZ FRN	AA-	Y	4,000	3.14	3.17	3.22	1.69	7/04/2021	1826
ANZ	6. ANZ FRN	AA-	Y	1,500	2.74	2.75	2.78	0.64	18/01/2023	1826
ANZ	7. ANZ FRN	AA-	Y	2,000	2.88	2.89	2.89	0.85	9/05/2023	1826
ANZ	8. ANZ Floating TD	AA-	Y	4,000	3.48	3.42	3.49	1.69	10/11/2022	2557
ANZ	9. ANZ Flexi TD	AA-	Y	4,000	3.46	3.43	3.48	1.69	15/12/2022	2557
CBA	10. Bankwest 11am Account	AA-	Y	6,774	1.77	1.77	1.74	2.87		
CBA	11. CBA At Call Deposit	AA-	Y	2,037	1.48	1.48	1.48	0.86		
CBA	12. CBA Fixed Bond	AA-	Y	3,980	3.41	3.41	3.42	1.69	25/04/2023	1916
CBA	13. CBA MTN	AA-	Y	3,493	3.28	3.28	3.28	1.48	16/08/2023	1826
CBA	14. CBA FRN	AA-	Y	2,000	2.86	2.88	2.92	0.85	17/07/2020	1827
CBA	15. CBA FRN	AA-	Y	1,993	3.13	3.14	3.18	0.84	17/07/2020	1613
CBA	16. Bankwest Term Deposit	AA-	Y	2,000	2.71	2.54	2.71	0.85	3/10/2019	314
CBA	17. Bankwest TD	AA-	Y	4,000	2.74	2.70	2.74	1.69	16/04/2019	231
CBA	18. Bankwest Term Deposit	AA-	Y	2,000	2.76	2.67	2.76	0.85	18/04/2019	237
CBA	19. Bankwest TD	AA-	Y	2,000	2.81	2.71	2.81	0.85	4/04/2019	280
CBA	20. Bankwest TD	AA-	Y	4,000	2.77	2.65	2.76	1.69	5/02/2019	182
CBA	21. Bankwest TD	AA-	Y	2,000	2.71	2.58	2.71	0.85	11/07/2019	289
CBA	22. Bankwest TD	AA-	Y	4,000	2.81	2.81	2.81	1.69	14/05/2019	267
CBA	23. Bankwest TD	AA-	Y	2,000	2.76	2.76	2.76	0.85	16/04/2019	235
CBA	24. CBA TD	AA-	Y	2,000	2.74	2.74	2.74	0.85	21/02/2019	730
NAB	25. NAB Fixed Bond	AA-	Y	2,992	3.16	3.16	3.17	1.27	12/05/2021	1826
NAB	26. NAB Fixed Bond	AA-	Y	3,992	3.08	3.08	3.14	1.69	10/02/2023	1918
NAB	27. NAB FRN	AA-	Y	2,000	3.05	3.01	3.08	0.85	5/11/2020	1827
NAB	28. NAB FRN	AA-	Y	4,000	2.87	2.86	2.87	1.69	16/05/2023	1826
NAB	29. NAB Term Deposit	AA-	Y	4,000	2.73	2.69	2.73	1.69	31/10/2019	358
NAB	30. NAB Term Deposit	AA-	Y	2,000	2.71	2.70	2.71	0.85	25/06/2019	285
NAB	31. NAB TD	AA-	Y	4,000	2.72	2.79	2.77	1.69	31/10/2019	364
NAB	32. NAB Term Deposit	AA-	Y	4,000	2.70	2.70	2.70	1.69	17/09/2019	376
NAB	33. NAB TD	AA-	Y	4,000	3.35	3.35	3.35	1.69	18/09/2023	1827
NAB	34. NAB TD	AA-	Y	2,000	2.76	2.75	2.76	0.85	27/06/2019	280
Westpac	35. Westpac At Call	AA-	Y	13	0.40	0.49	0.50	0.01		
Westpac	36. Westpac FRN	AA-	Y	2,000	2.92	2.87	2.93	0.85	22/01/2020	1826
Westpac	37. Westpac FRN	AA-	Y	1,000	2.84	2.83	2.89	0.42	28/07/2020	1827
Westpac	38. Westpac Term Deposit 2	AA-	Y	81	2.45	2.55	2.45	0.03	19/04/2019	365
Westpac	39. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.69	22/02/2022	1825
Westpac	40. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.69	9/08/2022	1813
Westpac	41. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.85	18/08/2022	1815
Westpac	42. WBC Floating TD	AA-	Y	4,000	3.18	3.10	3.18	1.69	17/02/2022	1826
Westpac	43. Westpac TD	AA-	Y	4,000	3.14	3.14	3.14	1.69	2/11/2021	1461
Suncorp-Metway	44. Suncorp FRN	A+	N	800	3.22	3.22	3.27	0.34	20/10/2020	1827
Suncorp-Metway	45. Suncorp FRN	A+	N	1,000	2.94	2.87	2.94	0.42	16/08/2022	1826
AMP	46. AMP Business Saver	A	Y	387	1.82	1.87	1.79	0.16		
AMP	47. AMP FRN	A	Y	1,600	3.11	3.06	3.12	0.68	11/06/2019	1278
AMP	48. AMP TD	A	Y	1,000	3.05	2.93	3.05	0.42	30/07/2019	365
AMP	49. AMP TD	A	Y	2,000	2.97	2.89	2.97	0.85	10/01/2019	237
AMP	50. AMP TD	A	Y	2,000	3.01	3.01	3.01	0.85	14/02/2019	247
Macquarie Bank	51. Macquarie Bank FRN	A	Y	750	3.08	3.03	3.10	0.32	3/03/2020	1827
Bank of Queensland	52. Bank of Queensland Fixed Bond	BBB+	Y	1,981	3.42	3.38	3.38	0.84	16/11/2021	1267
Bank of Queensland	53. Bank of Queensland TD	BBB+	Y	2,000	2.78	2.66	2.70	0.85	4/07/2019	273
Bank of Queensland	54. Bank of Queensland TD	BBB+	Y	4,000	3.10	3.10	3.10	1.69	17/12/2020	1071
Bank of Queensland	55. Bank of Queensland TD	BBB+	Y	2,000	3.55	3.55	3.55	0.85	12/11/2020	1827
Bank of Queensland	56. Bank of Queensland TD	BBB+	Y	2,000	3.75	3.75	3.75	0.85	9/12/2021	1823
Bank of Queensland	57. BoQ Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.69	15/11/2022	1804
Bendigo and Adelaide Bank	58. Bendigo Fixed MTN	BBB+	N	1,999	3.54	3.55	3.57	0.85	25/01/2023	1826
Bendigo and Adelaide Bank	59. Bendigo Bank FRN	BBB+	N	1,000	3.07	3.00	3.08	0.42	18/08/2020	1827
Bendigo and Adelaide Bank	60. Bendigo and Adelaide Bank FRN	BBB+	N	1,996	3.06	3.06	3.06	0.85	25/01/2023	1532
Bendigo and Adelaide Bank	61. Rural Bank Term Deposit	BBB+	N	1,500	2.84	2.84	2.84	0.64	24/01/2019	223

ITEM 4 (continued)

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Dec-18 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2018	% of Total Invested	Maturity	Tenor
Bendigo and Adelaide Bank	62. Rural Bank TD	BBB+	N	2,000	2.75	2.72	2.75	0.85	24/10/2019	335
Bendigo and Adelaide Bank	63. Bendigo Bank TD	BBB+	N	2,000	2.76	2.66	2.76	0.85	9/05/2019	262
Bendigo and Adelaide Bank	64. Rural Bank TD	BBB+	N	1,000	2.77	2.65	2.74	0.42	31/01/2019	182
Bendigo and Adelaide Bank	65. Bendigo Bank TD	BBB+	N	2,000	2.80	2.80	2.80	0.85	5/12/2019	728
Heritage Bank	66. Heritage Bank FRN	BBB+	N	1,300	3.27	3.24	3.30	0.55	4/05/2020	1096
Heritage Bank	67. Heritage Bank FRN	BBB+	N	1,400	3.24	3.30	3.30	0.59	29/03/2021	1096
Members Banking Group	68. RACQ FRN	BBB+	?	1,500	3.08	3.08	3.09	0.64	11/05/2020	731
Newcastle Perm Bldg Soc	69. Newcastle Perm Bldg Soc FRN	BBB+	N	1,000	3.33	3.35	3.40	0.42	7/04/2020	1827
Newcastle Perm Bldg Soc	70. NPBS FRN	BBB+	N	1,000	3.62	3.61	3.67	0.42	22/03/2019	1095
Newcastle Perm Bldg Soc	71. Newcastle Perm Bldg Soc FRN	BBB+	N	997	3.57	3.59	3.64	0.42	7/04/2020	1352
Newcastle Perm Bldg Soc	72. Newcastle Perm Bldg Soc TD	BBB+	N	1,000	3.50	3.50	3.50	0.42	28/02/2019	1092
Aus Unity	73. Aus Unity Bank TD	BBB	?	2,000	2.80	2.80	2.80	0.85	30/10/2019	364
Bank Australia	74. Bank Australia	BBB	N	1,000	3.29	3.29	3.29	0.42	30/08/2021	1096
CUA	75. CUA FRN	BBB	N	2,000	3.58	3.61	3.67	0.85	1/04/2019	1095
CUA	76. CUA FRN	BBB	N	2,000	3.31	3.29	3.34	0.85	20/03/2020	1096
CUA	77. Credit Union Australia TD	BBB	N	2,000	2.71	2.72	2.71	0.85	9/07/2019	280
CUA	78. CUA TD	BBB	N	2,000	3.00	3.00	3.00	0.85	3/12/2020	728
Defence Bank	79. Defence Bank TD	BBB	N	1,000	2.70	2.73	2.70	0.42	5/03/2019	362
Greater Bank	80. Greater Bank FRN	BBB	N	1,000	3.43	3.36	3.44	0.42	24/02/2020	1095
IMB	81. IMB TD	BBB	N	1,000	2.76	2.68	2.76	0.42	28/03/2019	252
Me Bank	82. ME Bank At Call Account	BBB	N	3,079	1.77	1.76	1.77	1.30		
Me Bank	83. ME Bank FRN	BBB	N	1,000	3.37	3.37	3.42	0.42	18/07/2019	962
Me Bank	84. ME Bank FRN	BBB	N	1,500	3.23	3.17	3.24	0.64	9/11/2020	1096
Me Bank	85. ME Bank FRN	BBB	N	1,600	3.25	3.33	3.31	0.68	16/04/2021	1095
Me Bank	86. ME Bank TD	BBB	N	1,000	2.75	2.75	2.75	0.42	6/08/2019	340
MyState Bank	87. MyState Bank TD	BBB	N	2,000	2.84	2.84	2.84	0.85	22/01/2019	229
MyState Bank	88. MyState TD	BBB	N	2,000	2.71	2.79	2.78	0.85	25/07/2019	268
P&N Bank	89. P&N Bank	BBB	N	1,000	3.50	3.50	3.50	0.42	2/11/2023	1821
Teachers Mutual Bank	90. Teachers Mutual Bank FRN	BBB	N	1,400	3.35	3.43	3.43	0.59	2/07/2021	1096
Auswide Bank	91. Auswide Bank TD	BBB-	N	2,500	2.73	2.67	2.71	1.06	27/06/2019	280
G&C Mutual Bank	92. G&C Mutual Bank	BBB-	N	1,000	2.72	2.72	2.72	0.42	19/03/2019	211
G&C Mutual Bank	93. G&C Mutual Bank TD	BBB-	N	1,000	2.85	2.85	2.85	0.42	12/09/2019	379
QBank	94. QBank FRN	BBB-	N	1,000	3.42	3.46	3.47	0.42	22/03/2021	1098
QBank	95. QBank FRN	BBB-	N	750	3.57	3.57	3.57	0.32	14/12/2021	1096
QBank	96. Qbank Term Deposit	BBB-	N	1,000	3.00	3.00	3.00	0.42	19/02/2019	719
QBank	97. QBank TD	BBB-	N	1,000	2.85	2.85	2.85	0.42	14/05/2019	364
QBank	98. QBank TD	BBB-	N	1,000	2.80	2.80	2.80	0.42	7/11/2019	349
Australian Military Bank	99. Australian Military Bank TD	Unrated	N	2,000	2.90	2.73	2.89	0.85	26/09/2019	386
Bananacoast CU	100. Bananacoast CU TD	Unrated	N	500	2.65	2.65	2.65	0.21	3/01/2019	364
Bananacoast CU	101. Bananacoast CU TD	Unrated	N	500	2.78	2.68	2.74	0.21	17/01/2019	119
Bananacoast CU	102. Bananacoast CU TD	Unrated	N	1,000	2.95	2.95	2.95	0.42	14/02/2019	716
Bank of Sydney	103. Bank of Sydney TD	Unrated	?	1,000	2.70	2.70	2.70	0.42	14/03/2019	364
Bank of Sydney	104. Bank of Sydney TD	Unrated	?	1,000	2.81	2.81	2.81	0.42	11/04/2019	238
Bank of us	105. Bank of us TD	Unrated	?	1,000	2.82	2.82	2.82	0.42	11/04/2019	238
Bank of us	106. Bank of us TD	Unrated	?	1,000	2.76	2.67	2.74	0.42	11/04/2019	238
Coastline CU	107. Coastline Credit Union TD	Unrated	?	1,000	2.95	2.95	2.95	0.42	19/12/2019	386
Gateway CU	108. Gateway CU	Unrated	N	1,000	2.86	2.86	2.86	0.42	8/01/2019	238
Goldfields Money Ltd	109. Goldfields Money Ltd TD	Unrated	?	2,000	2.72	2.72	2.72	0.85	14/03/2019	195
Hunter United Credit Union	110. HUECU TD	Unrated	?	1,000	2.92	2.92	2.92	0.42	17/01/2019	225
Maitland Mutual	111. Maitland Mutual Bldg Soc TD	Unrated	N	1,000	2.70	2.68	2.70	0.42	12/03/2019	362
Maitland Mutual	112. Maitland Mutual	Unrated	N	1,000	2.91	2.91	2.91	0.42	28/03/2019	317
Police CU (SA)	113. Police CU - SA Term Deposit	Unrated	?	1,000	2.90	2.78	2.85	0.42	12/11/2019	362
Police CU (SA)	114. Police CU - SA	Unrated	?	1,000	2.90	2.89	2.89	0.42	7/11/2019	365
Queensland Country CU	115. QCCU TD	Unrated	?	1,000	2.72	2.72	2.72	0.42	12/03/2019	193
Regional Australia Bank	116. Regional Australia Bank TD	Unrated	N	2,000	3.10	3.10	3.10	0.85	13/08/2020	1093
South West CU	117. South West CU TD	Unrated	?	1,000	2.82	2.82	2.82	0.42	16/05/2019	182
Summerland CU	118. Summerland CU TD	Unrated	N	1,000	2.98	2.66	2.68	0.42	10/12/2019	364
Summerland CU	119. Summerland CU TD	Unrated	N	1,000	2.90	2.90	2.90	0.42	12/09/2019	372
Warwick CU	120. Warwick CU TD	Unrated	?	1,000	3.01	3.01	3.01	0.42	19/12/2019	386
				236,123	2.97	2.98	3.00	100		

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

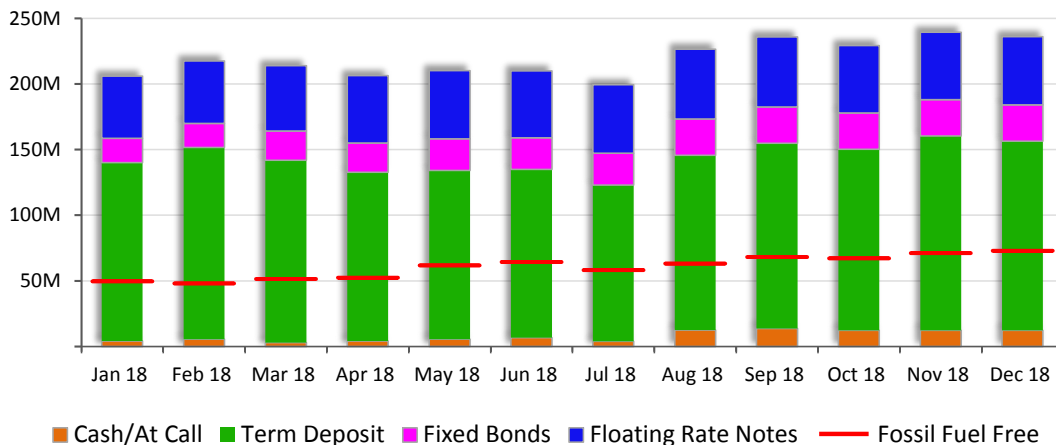
	<u>Dec</u>	<u>12 Mth</u>	<u>FYTD</u>
Weighted Average Return	2.97	2.92	2.97
Benchmark Return: AusBond Bank Bill Index (%)	1.81	1.92	1.98
Variance From Benchmark (%)	1.16	1.00	0.99

Investment Income

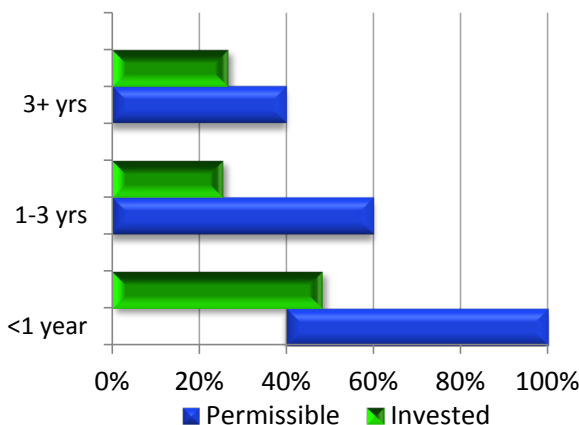
	<u>\$000's</u>	<u>Fossil Fuel Free (000's)</u>
This Period	597	Yes 72,821
Financial Year To Date	3,369	No 146,802
Budget Profile	2,780	Unknown 16,500
Variance from Budget - \$	589	

Analysis of investments

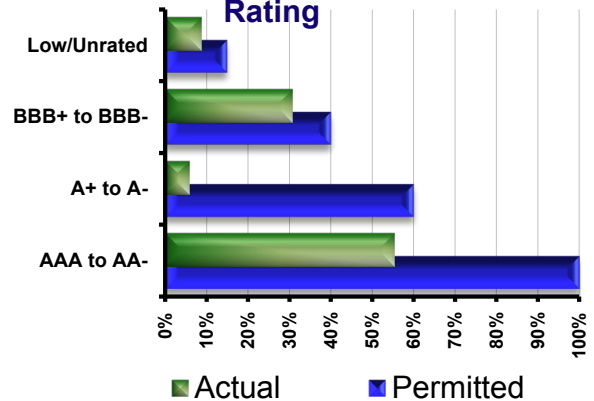
Total Funds Invested



Policy Limits on Maturities

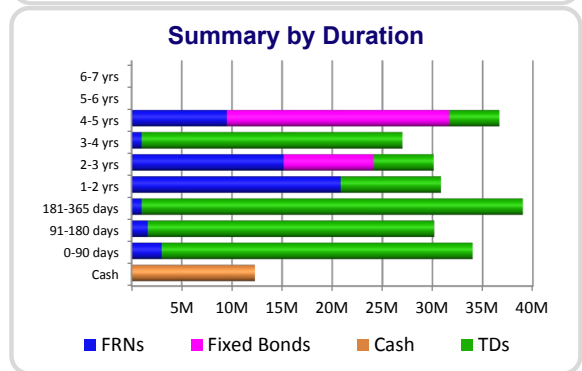
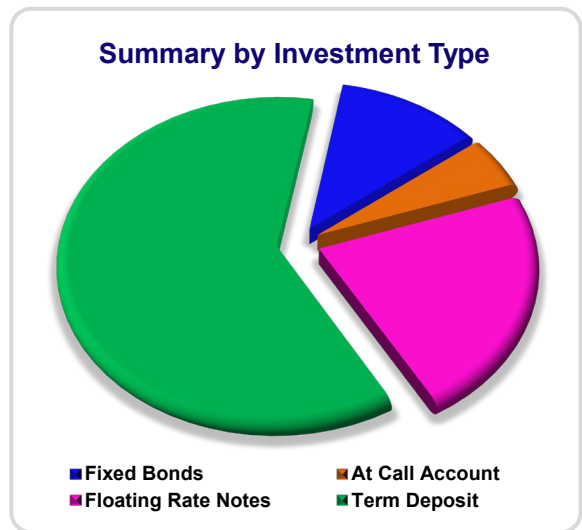
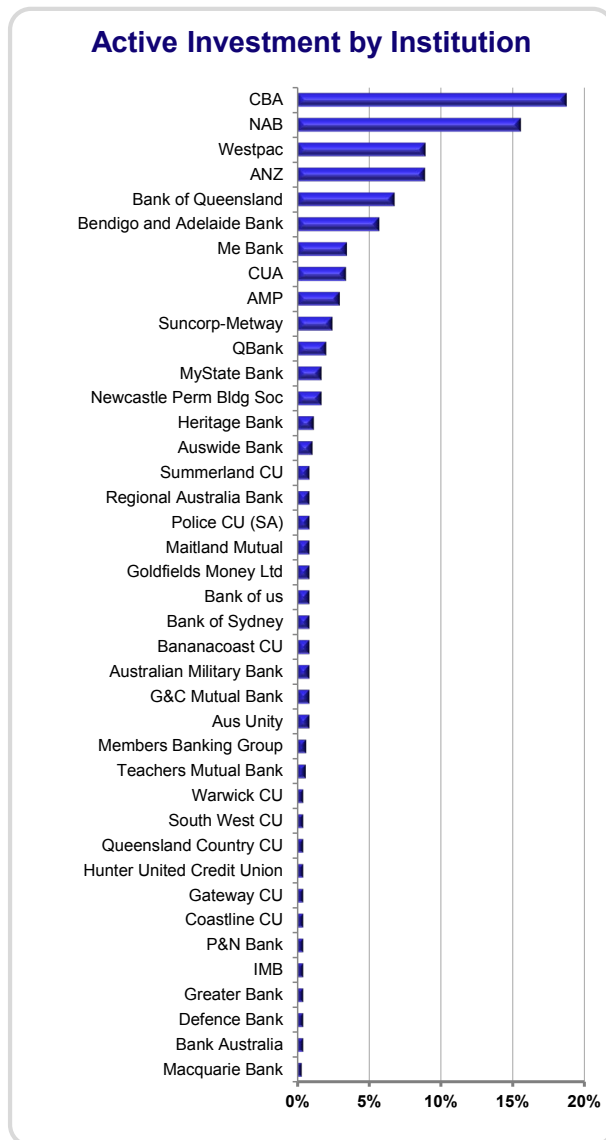


Investment Summary by Rating



Portion of deposits covered by Federal Guarantee are rated 'AAA'

ITEM 4 (continued)



	<365 days	>365 days
Cash/TDs	\$109.4M	\$47.0M
FRNs	\$5.6M	\$46.5M
Fixed Bonds	\$0.0M	\$27.7M
	\$115.0M	\$121.2M

Divestment of Fossil Fuel Aligned Financial Institutions

As at 31 December 2018, Council had a total amount of \$72.8 million (30.8% of Council’s total investment portfolio) invested in non-fossil fuel aligned financial institutions. A further \$16.5 million was invested in unrated financial institutions where their ‘alignment status’ is unclear/undetermined. It is almost certain all of these unrated financial institutions are non-fossil fuel aligned institutions as their lending profiles are almost identical to other unrated institutions. If it assumed those institutions are non-fossil fuel aligned financial institutions, then the total amount is \$89.3 million (37.8% of Council’s total investment portfolio).

ITEM 4 (continued)

By way of comparison, Council had \$50.5 million (24.5% of its total investment portfolio) invested in non-fossil fuel aligned financial institutions, as at 31 January 2018.

Financial Implications

Income from interest on investments and proceeds from sales of investments totals \$3.37M for the period ended 31 December 2018, \$589K above the 2018/19 year-to-date revised Budget.

Summary

Council's return for the reporting period is 2.97%, which is 1.16% above the benchmark figure of 1.81%. Income from interest on investments and proceeds from sale of investments totals \$2.77M for the financial year to date, which is \$589K above the 2018/19 year-to-date Budget. Appropriate adjustments to the Interest on Investments Budget will be proposed in the forthcoming Budget Quarterly Review report to Council.

Council's investment portfolio continues to perform well with returns well above benchmark.

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.

Pav Kuzmanovski
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	0.960
2 Dickson Ave, West Ryde	1.300
8 Chatham Rd, West Ryde	1.420
202 Rowe Street, Eastwood	3.235
226 Victoria Rd, Gladesville	0.390
7 Anthony Road, West Ryde	5.230
7 Coulter Street, Coulter St Car Park, Gladesville	22.175
6-12 Glen Street, Glen Street Car Park, Eastwood	36.820
2 Pittwater Road, John Wilson Car Park, Gladesville	8.820
150 Coxs Road, Cox Rd Car Park, North Ryde	1.655
33-35 Blaxland Road, Argyle Centre, Ryde	5.630
19-21 Church Street and 16 Devlin Street, Ryde	10.990
6 Reserve Street, West Ryde	3.700
Herring Road Air Space Rights	0.535
741-747 Victoria Road, Ryde (Battery World)	7.130
53-71 Rowe Street, Eastwood	7.175
Total Investment Properties as per the Financial Statements	117.165
1 Constitution Road, Operations Centre, Ryde ⁽¹⁾	38.620
PROPERTIES HELD AS INVESTMENT PROPERTIES	155.785

(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

CONFIDENTIAL ITEMS**5 REQUEST FOR TENDER - COR-RFT - 14/18 CRUSHING AND SCREENING SERVICES**

Report prepared by: Construction Recycling Manager**Report approved by:** Manager - Business Infrastructure; Director - City Works

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: (a) personnel matters concerning particular individuals (other than councillors); AND (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

File Number: GRP/09/3/15 - BP19/28**Page Number:** 33**6 REQUEST FOR TENDER - COR-RFT-29/18 - PROVISION OF PLANT HIRE**

Report prepared by: Senior Coordinator - Fleet Operations**Report approved by:** Manager - Business Infrastructure; Director - City Works

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: (a) personnel matters concerning particular individuals (other than councillors); AND (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

File Number: GRP/09/3/15 - BP19/26**Page Number:** 58