

Meeting Date: Tuesday 12 October 2021
Location: Online Audio Visual Meeting
Time: 6.45pm

Committee Meetings will be recorded on audio tape for minute-taking purposes as authorised by the Local Government Act 1993. Committee Meetings will also be webcast.

NOTICE OF BUSINESS

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1 ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON

Report prepared by: Civic Services Manager

File No.: CLM/21/1/3/2 - BP21/903

REPORT SUMMARY

The Chairperson and Deputy Chairperson of the Finance and Governance Committee are usually elected for a one (1) year term. As the next Local Government election is scheduled for 4 December 2021, the Chairperson and Deputy Chairperson elected at this meeting will undertake the role for the ensuing period up to the next Local Government Election.

Set out below are the procedures 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 of the Finance and Governance Committee.
- (b) That the General Manager or his delegate, as Returning Officer, undertake the election of the Chair and Deputy Chair for the ensuing period up to the next Local Government Election by announcing the nominations and then conducting the election.

ATTACHMENTS

There are no attachments for this report.

Report Prepared By:

Amanda Janvrin
Civic Services Manager

Report Approved By:

John Schanz
Manager - Corporate Governance

Mark Eady
Director - Corporate Services

2 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 10 August 2021

Report prepared by: Civic Services Manager**File No.:** CLM/21/1/3/2 - BP21/775

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 5/21, held on 10 August 2021, be confirmed.

ATTACHMENTS

- 1 MINUTES - Finance and Governance Committee Meeting - 10 August 2021

ITEM 2 (continued)

ATTACHMENT 1

**Finance and Governance Committee
MINUTES OF MEETING NO. 5/21**

Meeting Date: Tuesday 10 August 2021
Location: Online Audio Visual Meeting
Time: 6.52pm

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

Apologies: Councillor Brown.

Absent: Councillor Maggio.

Note: The Deputy Chairperson, Councillor Purcell chaired the meeting on behalf of the Chairperson, Councillor Clifton.

Staff Present: General Manager, Director – Customer and Community Services, Director – Corporate Services, Director – City Planning and Environment, Director – City Works, Manager – People and Performance, Manager – Communications and Engagement, Manager – Urban Strategy, Developer Contributions Coordinator, IT Applications Support Officer, Civic Services Manager and Civic Support Officer.

DISCLOSURES OF INTEREST

There were no disclosures of interest.

**1 CONFIRMATION OF MINUTES - Finance and Governance Committee
Meeting held on 8 June 2021**

RECOMMENDATION: (Moved by Councillors Gordon and Pedersen)

That the Minutes of the Finance and Governance Committee 4/21, held on 8 June 2021, be confirmed.

Councillor Kim abstained from voting and accordingly his vote was recorded as Against the Motion.

Record of Voting:

For the Motion: Councillors Clifton, Gordon, Pedersen and Purcell

Against the Motion: Councillor Kim

Note: This matter will be dealt with at the Council Meeting to be held on **24 AUGUST 2021** as dissenting votes were recorded.

ITEM 2 (continued)

ATTACHMENT 1

2 ITEMS PUT WITHOUT DEBATE

RESOLUTION: (Moved by Councillors Gordon and Clifton)

That the Committee adopt Items 3 and 4 on the Committee Agenda as per the recommendations in the reports.

Record of Voting:

For the Motion: Unanimous

3 INVESTMENT REPORT AS AT 30 JUNE 2021

RESOLUTION: (Moved by Councillors Gordon and Clifton)

That Council endorse the Investment Report as at 30 June 2021.

Record of Voting:

For the Motion: Unanimous

Note: This is now a resolution of Council in accordance with the Committee's delegated powers.

4 INVESTMENT REPORT AS AT 31 JULY 2021

RESOLUTION: (Moved by Councillors Gordon and Clifton)

That Council endorse the Investment Report as at 31 July 2021.

Record of Voting:

For the Motion: Unanimous

Note: This is now a resolution of Council in accordance with the Committee's delegated powers.

5 DRAFT SECTION 7.11 DEVELOPER CONTRIBUTIONS PLAN 2020 - MINOR UPDATE

RESOLUTION: (Moved by Councillors Gordon and Kim)

- (a) That Draft Section 7.11 Developer Contributions Plan 2020 - (Version 1.1) be adopted by Council and become operational from the date the adoption notice is published on Council's website in accordance with Clause 31(4) of the Environmental Planning and Assessment Regulation 2000.

ITEM 2 (continued)

ATTACHMENT 1

- (b) That the notice on Council's website be published with 28 days of Council's resolution of item (a) above, in accordance with Clause 31(2) of the Environmental Planning and Assessment Regulation 2000.

Record of Voting:

For the Motion: Unanimous

Note: This is now a resolution of Council in accordance with the Committee's delegated powers.

The meeting closed at 7.14pm.

CONFIRMED THIS 12TH DAY OF OCTOBER 2021.

Chairperson

3 ITEMS PUT WITHOUT DEBATE

Report prepared by: Civic Services Manager

File No.: CLM/21/1/3/2 - BP21/776

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.

4 INVESTMENT REPORT AS AT 31 AUGUST 2021

Report prepared by: Chief Financial Officer

File No.: GRP/21/8 - BP21/908

REPORT SUMMARY

This report details Council's performance of its investment portfolio as at 31 August 2021, and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio and loan liabilities.

Council's rate of return on investments for the reporting period is 1.44%, which is 1.42% above the benchmark figure of 0.02%.

Income from interest on investments and proceeds from sale of investments totals \$534K for the financial year to date, which is \$144K above the 2021/22 year-to-date adopted budget of \$390K.

RECOMMENDATION:

- (a) That Council endorse the Investment Report as at 31 August 2021.
- (b) That Council endorse the updated investment policy as attached to this report.

ATTACHMENTS

- 1 Draft Cash Investment Policy

Report Prepared By:

Pav Kuzmanovski
Chief Financial Officer

Report Approved By:

Mark Eady
Director - Corporate Services

ITEM 4 (continued)
Discussion

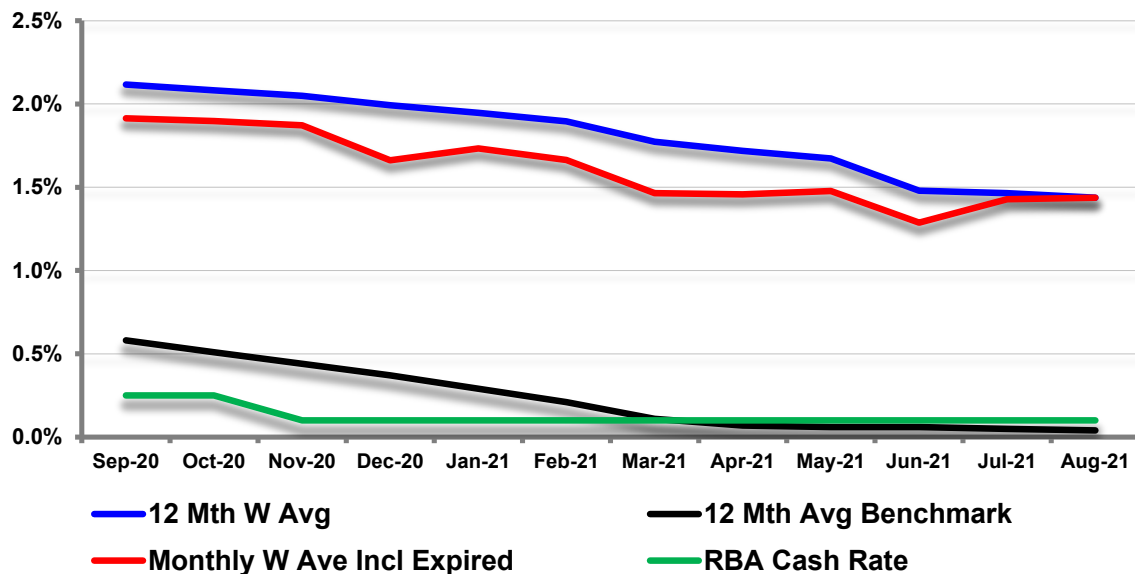
Council's Responsible Accounting Officer is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the *Local Government Act 1993*.

Investment Performance Commentary

Council's performance against the benchmark for returns of its investment portfolio for August 2021 and the past 12 months are as follows:

	Aug	12 Mth	FYTD
Council Return	1.44	1.44	1.43
Benchmark	0.02	0.04	0.02
Variance	1.42	1.40	1.41

Performance - All Investments



Council's investment portfolio as at 31 August 2021 was as follows:-

Cash/Term Deposits	\$144.5M	65.4%
Floating Rate Notes	\$30.8M	13.9%
Fixed Bonds	\$45.7M	20.7%
Total Investments	\$220.9M	

ITEM 4 (continued)

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.

Council has pushed some of its investment portfolio out for longer terms to provide greater certainty about future returns. It should be noted that there is approximately \$100.8 million of Council's funds held in Internal Reserves (as at 30 June 2020).

Council's income from investments continues to exceed budgeted expectations, primarily due to Council's cash reserves balances being higher than anticipated.

Loan Liability

Council's loan liability as at 31 August 2021, was \$1M which represents the balance of two loans which were established under the Local Infrastructure Renewal Scheme (LIRS). Council receives a 3% interest subsidy payment from the OLG twice a year.

1. A \$1.5M 10 year loan drawn down 31 January 2014 at 180 day Bank Bill Swap rate (BBSW) of +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.
2. 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 AUGUST 2021

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Aug-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2021	% of Total Invested	Maturity	Tenor
Bank of Queensland	1. Bank of Queensland Floating Rate Note	AAA	Y	1,200	1.10	1.12	1.11	0.54	14/05/2025	1826
National Australia Bank	2. NAB Fixed Bond (Covered)	AAA	Y	3,746	3.10	3.10	3.10	1.70	16/03/2023	1826
Australia and New Zealand Banking Group	3. ANZ Fixed Bond	AA-	Y	1,499	3.16	3.16	3.18	0.68	18/01/2023	1826
Australia and New Zealand Banking Group	4. ANZ Fixed Bond	AA-	Y	2,999	3.19	3.14	3.16	1.36	8/02/2024	1826
Australia and New Zealand Banking Group	5. ANZ Fixed Bond	AA-	Y	2,000	1.58	1.56	1.57	0.91	29/08/2024	1827
Australia and New Zealand Banking Group	6. ANZ Fixed Bond	AA-	Y	1,994	1.69	1.67	1.68	0.90	29/08/2024	1805
Australia and New Zealand Banking Group	7. ANZ Fixed Bond	AA-	Y	1,998	1.69	1.69	1.79	0.90	16/01/2025	1827
Australia and New Zealand Banking Group	8. ANZ Fixed Bond	AA-	Y	2,980	1.82	1.80	1.81	1.35	29/08/2024	1612
Australia and New Zealand Banking Group	9. ANZ Floating Rate Note	AA-	Y	1,500	0.80	0.82	0.34	0.68	18/01/2023	1826
Australia and New Zealand Banking Group	10. ANZ Floating Rate Note	AA-	Y	2,000	0.93	0.95	0.94	0.91	9/05/2023	1826
Australia and New Zealand Banking Group	11. ANZ Term Deposit	AA-	Y	4,000	1.53	1.55	1.54	1.81	10/11/2022	2557
Australia and New Zealand Banking Group	12. ANZ Term Deposit	AA-	Y	4,000	1.48	1.50	1.48	1.81	15/12/2022	2557
Commonwealth Bank of Australia	13. CBA At Call Account	AA-	Y	12,527	-0.04	-0.03	-0.02	5.67		
Commonwealth Bank of Australia	14. CBA Business Online Saver	AA-	Y	25,010	0.22	0.16	0.23	11.32		
Commonwealth Bank of Australia	15. CBA Fixed Bond	AA-	Y	3,992	3.41	3.42	3.41	1.81	25/04/2023	1916
Commonwealth Bank of Australia	16. CBA Fixed Bond	AA-	Y	3,497	3.43	3.28	3.36	1.58	16/08/2023	1826
Commonwealth Bank of Australia	17. CBA Fixed Bond	AA-	Y	3,486	3.23	3.24	3.26	1.58	11/01/2024	1826
Commonwealth Bank of Australia	18. CBA Term Deposit	AA-	Y	4,000	0.43	0.43	0.43	1.81	22/02/2022	365
National Australia Bank	19. NAB Fixed Bond	AA-	Y	3,997	3.23	3.08	3.16	1.81	10/02/2023	1918
National Australia Bank	20. NAB Fixed Bond	AA-	Y	2,998	3.10	2.95	3.03	1.36	26/02/2024	1826
National Australia Bank	21. NAB Floating Rate Note	AA-	Y	4,000	0.93	0.94	0.94	1.81	16/09/2023	1826
National Australia Bank	22. NAB Floating Rate Note	AA-	Y	2,000	0.96	0.97	0.96	0.91	19/06/2024	1827
National Australia Bank	23. NAB Term Deposit	AA-	Y	4,000	0.35	0.61	0.35	1.81	24/02/2022	371
National Australia Bank	24. NAB Term Deposit	AA-	Y	4,000	0.31	0.48	0.31	1.81	11/11/2021	231
National Australia Bank	25. NAB Term Deposit	AA-	Y	4,000	0.30	0.60	0.30	1.81	16/09/2021	182
National Australia Bank	26. NAB Term Deposit	AA-	Y	4,000	0.60	0.67	0.60	1.81	16/09/2021	335
National Australia Bank	27. NAB Term Deposit	AA-	Y	4,000	0.45	0.78	0.45	1.81	11/01/2022	357
National Australia Bank	28. NAB Term Deposit	AA-	Y	4,000	3.35	3.35	3.35	1.81	18/09/2023	1827
National Australia Bank	29. NAB Term Deposit	AA-	Y	2,000	0.50	0.50	0.50	0.91	2/12/2021	364
Westpac Banking Corporation	30. Westpac Fixed Bond	AA-	Y	2,487	3.25	3.23	3.25	1.13	24/04/2024	1917
Westpac Banking Corporation	31. Westpac Term Deposit	AA-	Y	2,000	0.70	0.70	0.70	0.91	21/09/2021	364
Westpac Banking Corporation	32. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.81	22/02/2022	1825
Westpac Banking Corporation	33. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.81	9/08/2022	1813
Westpac Banking Corporation	34. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.91	18/08/2022	1815
Westpac Banking Corporation	35. Westpac Term Deposit	AA-	Y	4,000	1.23	1.25	1.24	1.81	17/02/2022	1826
Westpac Banking Corporation	36. Westpac Term Deposit	AA-	Y	4,000	3.14	3.14	3.14	1.81	2/11/2021	1461
Macquarie Bank	37. Macquarie Bank Fixed Bond	A+	Y	3,999	1.80	1.71	1.76	1.81	12/02/2025	1827
Suncorp-Metway	38. Suncorp-Metway Floating Rate Note (Covered)	A+	N	1,000	1.00	1.01	1.01	0.45	16/08/2022	1826
Suncorp-Metway	39. Suncorp-Metway Floating Rate Note	A+	N	1,200	1.15	1.17	1.16	0.54	24/04/2025	1823
Bank of Queensland	40. Bank of Queensland Fixed Bond	BBB+	Y	1,999	3.41	3.42	3.41	0.91	16/11/2021	1267
Bank of Queensland	41. Bank of Queensland Term Deposit	BBB+	Y	2,000	2.55	2.55	2.55	0.91	13/06/2024	1827
Bank of Queensland	42. Bank of Queensland Term Deposit	BBB+	Y	4,000	0.50	1.15	0.50	1.81	16/09/2022	365
Bank of Queensland	43. Bank of Queensland Term Deposit	BBB+	Y	2,000	3.75	3.75	3.75	0.91	9/12/2021	1823
Bank of Queensland	44. Bank of Queensland Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.81	15/11/2022	1804
Bendigo and Adelaide Bank	45. Bendigo and Adelaide Bank Fixed Bond	BBB+	N	2,000	3.54	3.55	3.57	0.91	25/01/2023	1826
Bendigo and Adelaide Bank	46. Bendigo and Adelaide Bank Floating Rate Note	BBB+	N	1,999	1.12	1.15	1.14	0.91	25/01/2023	1532
Heritage Bank	47. Heritage Bank Floating Rate Note	BBB+	N	2,000	0.83	0.84	0.84	0.91	12/08/2022	1085
MyState Bank	48. MyState FRN	BBB+	N	1,500	0.67	0.67	0.67	0.68	16/06/2025	1461
AMP	49. AMP At Call Account	BBB	Y	397	0.44	0.51	0.48	0.18		

ITEM 4 (continued)

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Aug-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2021	% of Total Invested	Maturity	Tenor
AMP	50. AMP Floating Rate Note	BBB	Y	2,000	1.15	1.17	1.15	0.91	10/09/2021	729
AMP	51. AMP Floating Rate Note	BBB	Y	998	1.43	1.44	1.43	0.45	30/03/2022	917
AMP	52. AMP Term Deposit	BBB	Y	1,000	0.75	0.79	0.75	0.45	2/08/2022	368
Bank Australia	53. Bank Australia Floating Rate Note	BBB	N	2,000	0.93	0.94	0.93	0.91	2/12/2022	1096
Credit Union Australia	54. CUA Floating Rate Note	BBB	N	1,000	1.15	1.17	1.16	0.45	24/10/2024	1827
Defence Bank	55. Defence Bank Term Deposit	BBB	N	2,000	0.43	0.95	0.43	0.91	8/02/2022	364
ME Bank	56. ME Bank At Call Account	BBB	N	7,567	0.60	0.65	0.60	3.43		
Me Bank	57. ME Bank TD	BBB	N	2,000	0.53	0.53	0.53	0.91	16/06/2022	363
Newcastle Permanent Building Society	58. NPBS FRN	BBB	N	2,000	0.66	0.66	0.66	0.91	4/03/2026	1826
Newcastle Permanent Building Society	59. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.91	27/01/2022	1092
Newcastle Permanent Building Society	60. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.91	10/02/2022	1095
Police & Nurses Limited	61. P&N Bank Term Deposit	BBB	N	1,000	3.50	3.50	3.50	0.45	2/11/2023	1821
Teachers Mutual Bank Auswide Bank	62. Teachers Mutual Bank FRM	BBB	N	1,100	0.71	0.71	0.71	0.50	16/06/2026	1826
Auswide Bank	63. Auswide Bank Floating Rate Note	BBB-	N	1,500	1.08	1.10	1.08	0.68	17/03/2023	1095
Auswide Bank	64. Auswide Bank Term Deposit	BBB-	N	2,000	1.69	1.69	1.69	0.91	15/02/2022	715
QPCU	65. QBank Floating Rate Note	BBB-	N	750	1.53	1.55	1.53	0.34	14/12/2021	1096
QPCU	66. QBank FRN	BBB-	N	1,000	0.78	0.78	0.78	0.45	22/03/2024	1096
QPCU	67. QBank Term Deposit	BBB-	N	1,000	0.50	0.80	0.50	0.45	15/12/2021	372
QPCU	68. QBank Term Deposit	BBB-	N	1,000	0.40	1.23	0.40	0.45	4/11/2021	91
QPCU	69. QBank Term Deposit	BBB-	N	1,000	1.65	1.65	1.65	0.45	1/10/2021	365
BNK Banking Corporation	70. BNK Banking TD	Unrated	?	1,950	0.55	0.55	0.55	0.88	6/01/2022	274
WAW Credit Union Co-operative Limited	71. WAW CU Term Deposit	NA	N	2,000	0.80	1.05	0.80	0.91	15/12/2021	372
Coastline Credit Union	72. Coastline CU Term Deposit	NR	?	1,000	0.55	0.86	0.55	0.45	16/12/2021	371
Gateway Bank	73. Gateway Bank Term Deposit	NR	N	2,000	0.35	0.35	0.35	0.91	4/11/2021	91
Maitland Mutual	74. Maitland Mutual Term Deposit	NR	N	2,000	0.40	0.48	0.45	0.91	11/11/2021	93
Queensland Country Bank	75. Queensland Country Bank Term Deposit	NR	?	1,000	0.30	1.02	0.30	0.45	14/10/2021	91
Railways Credit Union	76. MOVE Term Deposit	NR	?	1,000	0.60	0.60	0.60	0.45	19/05/2022	364
Railways Credit Union	77. MOVE TD	NR	?	1,000	0.60	0.60	0.60	0.45	12/05/2022	356
Warwick Credit Union	78. Warwick CU Term Deposit	NR	?	1,000	0.75	1.03	0.75	0.45	9/03/2023	728
Warwick Credit Union	79. Warwick CU Term Deposit	NR	?	1,000	0.30	0.51	0.43	0.45	4/11/2021	91
				220,869	1.44	1.49	1.44	100		

*Monthly returns when annualised can appear to exaggerate performance

Return including Matured/Traded Investments	Aug	12 Mth	FYTD
Weighted Average Return	1.44	1.44	1.43
Benchmark Return: AusBond Bank Bill Index (%)	0.02	0.04	0.02
Variance From Benchmark (%)	1.42	1.40	1.41

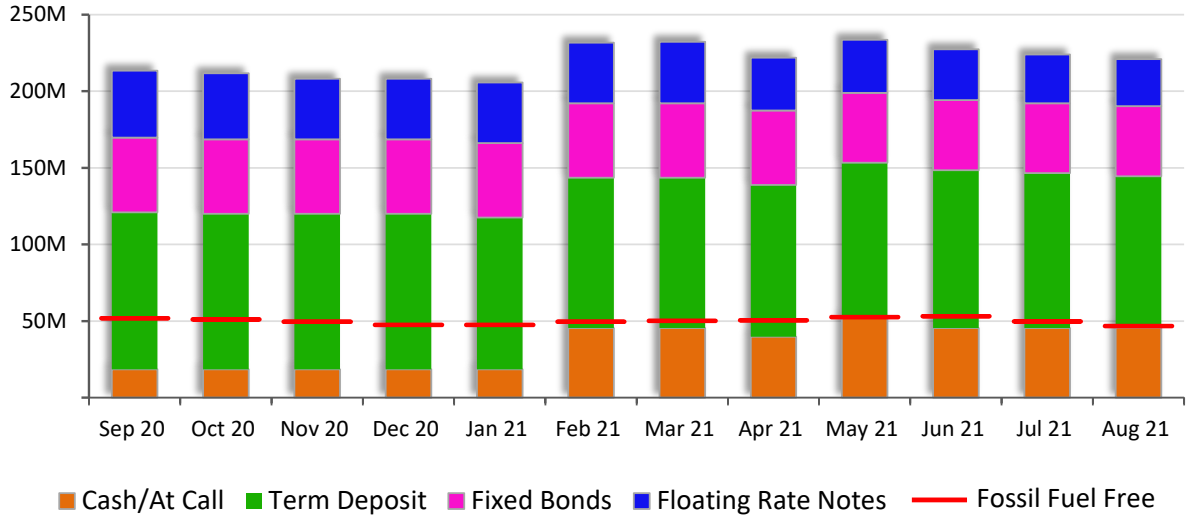
Investment Income

	\$000's
This Period	267
Financial Year To Date	534
Budget Profile	390
Variance from Budget - \$	144

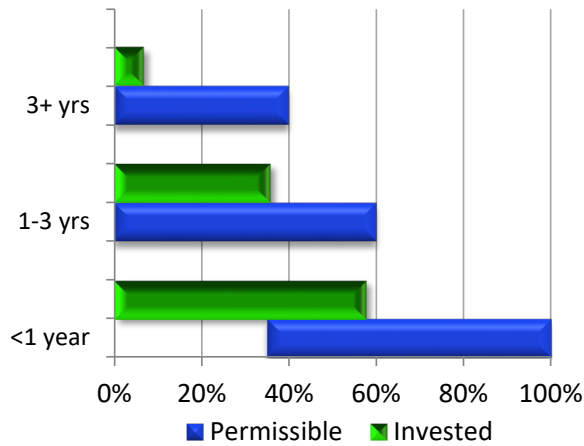
	Fossil Fuel Free (000's)
Yes	46,616
No	166,303
Unknown	7,950

ITEM 4 (continued)

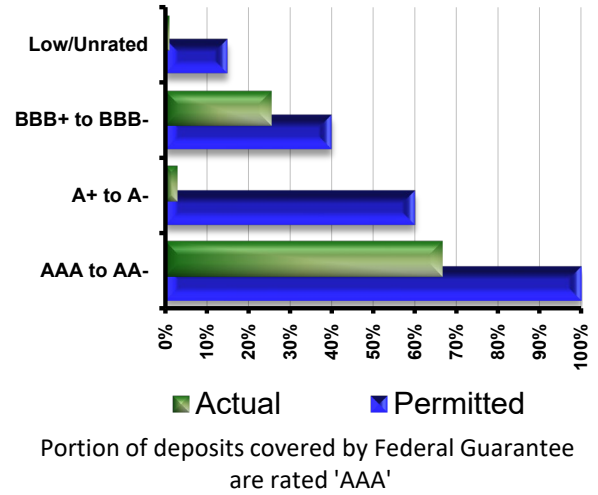
Total Funds Invested



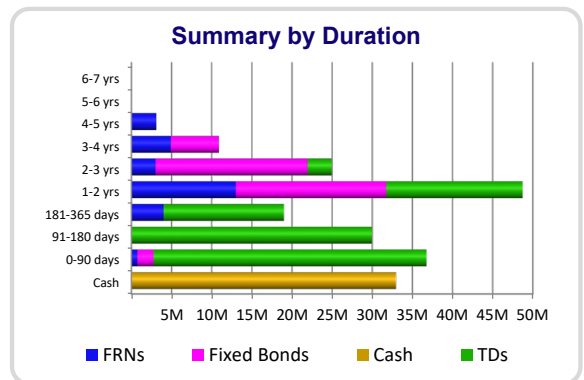
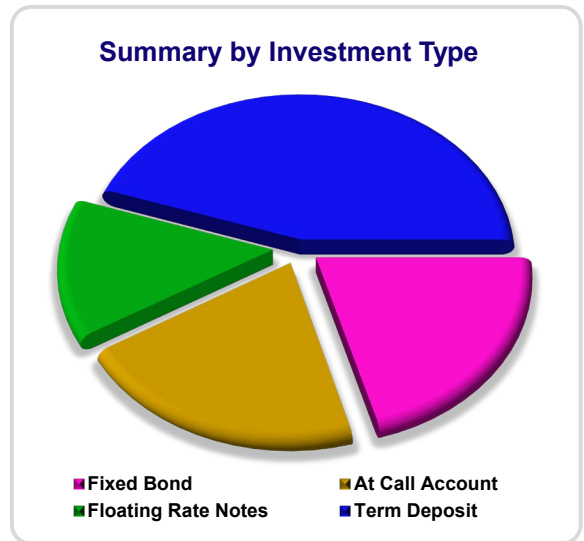
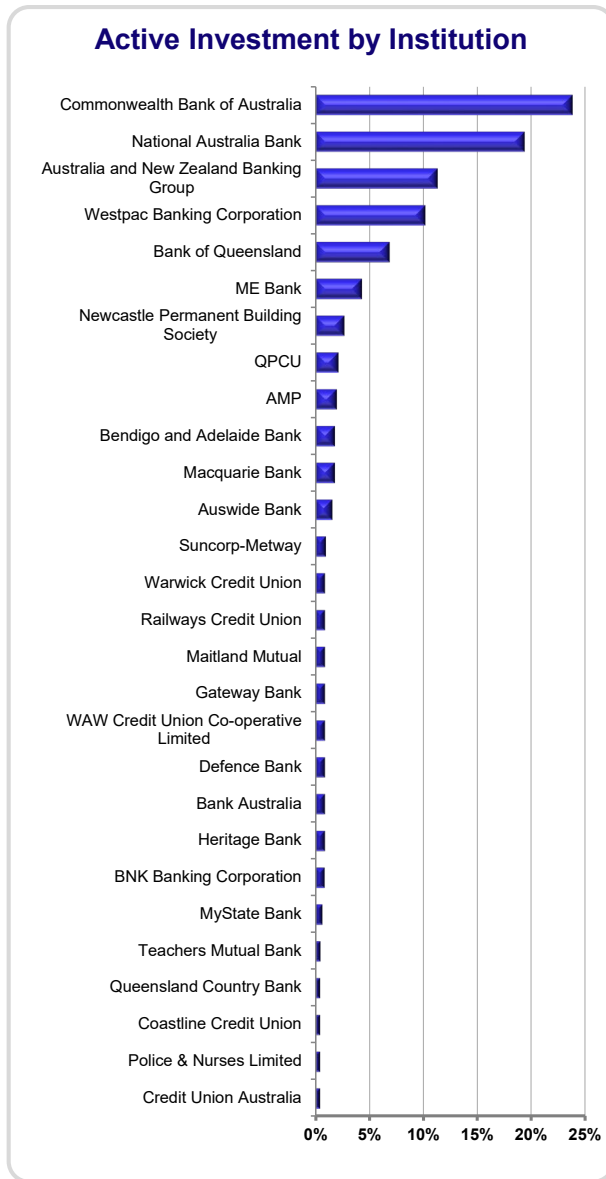
Policy Limits on Maturities



Investment Summary by Rating



ITEM 4 (continued)



	<365 days	>365 days
Cash/TDs	\$120.5M	\$24.0M
FRNs	\$6.7M	\$24.0M
Fixed Bonds	\$2.0M	\$43.7M
	\$129.2M	\$91.7M

Divestment of Fossil Fuel Aligned Financial Institutions

Council uses the entity Market Forces to validate its classes of investments into either Fossil Fuel or Non Fossil fuel aligned institutions. The figures below do not include any financial institutions that have not declared if they are Fossil Fuel or Non Fossil Fuel aligned.

As at 31 August 2021, Council had a total amount of \$46.6M million invested in non-fossil fuel aligned financial institutions, which is 21.1% of its 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 policy inception on 31 January 2018.

Investment Policy Review

Council is required to review its investment policy to ensure it aligns with legislation and the financial projections outlined in the Long Term Financial Plan. During the current review of Council's investment policy, the following considerations have been incorporated:-

- Council's resolution to divest from fossil fuel to non-fossil fuel aligned financial institutions when competitive rates can be obtained; and
- The impact of investment preferences on interest rates that can be achieved for potential loan borrowings.

The updated investment policy can be found at **ATTACHMENT 1**.

Revised approach to divesting from Fossil Fuel aligned institutions

In reviewing Council's investment policy, considerations have been made to stabilise and grow the amount of funds invested in Non Fossil aligned institutions. Council's existing policy requires investments to be made where the interest rate is the most favourable rate of interest available at the time (subject to institutional and risk limits) irrespective of the alignment of the financial institution. The result of existing policy position has seen the amount of funds invested in Non-Fossil Fuel aligned institutions fluctuate as the global investment market responds to economic conditions.

The proposed policy will see any funds that have been invested with a Non Fossil Fuel aligned institutions remain with a Non Fossil Fuel aligned institution upon maturity and reinvestment. These funds will be reinvested at the most favourable return of interest at the time offered by Non-Fossil Fuel aligned institutions. All other funds will be invested on the basis of where the interest rate is the most favourable rate of interest available at the time. If the investment is made with an institution that is Non Fossil Fuel aligned, upon maturity, the amount of funds must be re-invested in Non-Fossil Fuel aligned institutions.

In considering divesting from Fossil Fuel aligned institutions, considerations for Green and Socially Responsible investments have also been provided for with revised investment policy. These investments may not be strictly Non-Fossil fuel aligned, but they do encourage low carbon capital expenditure along with funding for renewable energy projects.

ITEM 4 (continued)

In implementing and reporting the proposed changes to the investment policy, the key indicator to determine how Council is transitioning to Non-Fossil Fuel aligned investments is the amount of funds invested. Currently, the amount invested should not reduce but should steadily increase over a period of time (subject to investment market conditions).

Investment Risk Profile

In reviewing Council's investment policy, adjustments have also been made to Council's investment risk profile. Council will be required to seek funding from lending institutions as outlined in the Long Term Financial Plan. To ensure the borrowing process is competitive and Council is able to receive the best possible interest rate, it is proposed to reduce the investment risk profile. The risk profile is aligned with the borrowing requirements of TCORP. The proposed changes within the investments policy will see Council's investment risk profile reduced and the class of investments it can invest in limited to higher grade investments.

As a result of these proposed changes to the investment policy, all investments will be grandfathered until maturity. Once an investment matures, they will be required to be invested in accordance with the revised policy.

The financial implications of this revised policy have been considered in Council's Long Term Financial Plan.

Council Officers have consulted with its investment advisor in developing this policy.

Financial Implications

Council's return for the reporting period is 1.44%, which is 1.42% above the benchmark figure of 0.02%. Income from interest on investments and proceeds from sales of investments totals \$534K for the period ending 31 August 2021 and is \$144K above the 2021/22 year-to-date adopted budget of \$390K.

Summary

Council's investment portfolio continues to perform well with returns above benchmark. The recommendation in this report is consistent with Section 625 of the *Local Government Act 1993*, which deals with the investment of surplus funds by Councils.

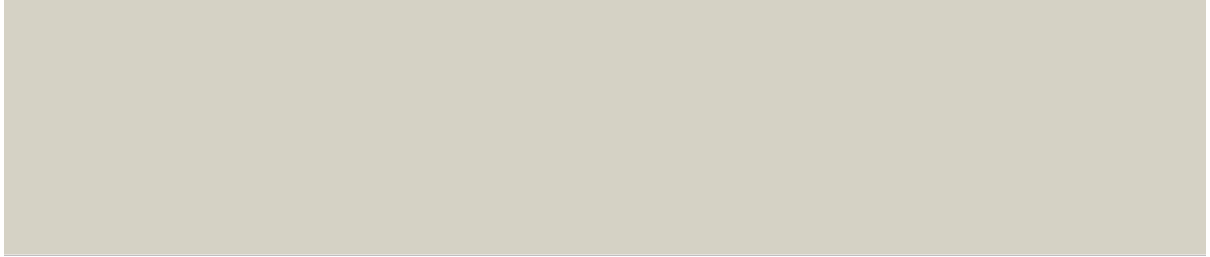
ITEM 4 (continued)**Certificate of the Chief Financial Officer (Responsible Accounting Officer)**

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 4 (continued)

ATTACHMENT 1



Lifestyle and opportunity @ your doorstep



Cash Investment Policy

ITEM 4 (continued)

ATTACHMENT 1

Investment Policy

Document Version Control

Document Name:	Investment Policy
CM Reference WORD:	D21/
CM Reference PDF:	D21/
Document Status:	Approved by Council
Version Number:	Version 1.1
Review Date:	07 May 2021
Owner:	City of Ryde
Endorsed By:	Council on [Date]
Distribution:	Internal and External

Change History

Version	Review Date	Author	Reason for Change
1.0		Finance	Adopted by Council
1.1	07 May 2021	Finance	Document moved to align with Council's new policy templates

Investment Policy		
Owner: Finance	Accountability: Investment Management	Endorsed by Council:
CM Reference: D21/	Last review date: 07 May 2021	Next review date: September 2023

ITEM 4 (continued)

ATTACHMENT 1

Investment Policy



Lifestyle and opportunity
@ your doorstep

1. Scope

This policy applies decisions by Council and Council staff about the investment and divestment of City of Ryde cash assets in accordance with legislation.

2. Purpose

To provide investment principles and set risk tolerances for Councils funds to be invested.

This policy also outlines Council's position in divesting from fossil fuel aligned financial institutions to those financial institutions that are not aligned with the fossil fuel industry. It also seeks to direct environmentally sustainable and socially responsible investments.

3. Investment Principles and Risk Tolerances

The following principles and risks are required to be considered to ensure Councils financial position is optimised for highest and best outcomes:

Preservation of Capital and Rate of Return

The preservation of capital is the principal objective of this policy. Investments are to be placed in a manner that ensures security and safeguarding the investment portfolio. Funds are to be invested at the most favourable rate of interest available at the time, whilst having due consideration for the preservation of capital and the other parameters outlined below (including Non-Fossil Fuel divestment provisions within this policy).

Liquidity

The term of an investment should be made to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements without incurring significant costs due to the unanticipated sale of an investment.

Legislative compliance

Investments are to be made in accordance with the Local Government Act 1993, Local Government Regulations 2005 and to the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government (refer Schedule 1). All investments must be denominated in Australian Dollars.

Investment Policy		
Owner: Finance	Accountability: Investment Management	Endorsed by Council:
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ITEM 4 (continued)

ATTACHMENT 1

Investment Policy

Institutional Limitations

Notwithstanding the limitations set under the Counterparty/Institution framework below, the following limitations will also apply:

- Council will not invest with any ADI that is an Australian subsidiary of a foreign owned bank.
- All ADIs which are utilised by Council are to comply with prevailing Total Capital Adequacy Ratio requirements as defined by the Basel Committee and monitored by APRA.

Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating*	Maximum %
AAA/AA	100%
A	70%
BBB+	35%
BBB	15%
BBB- or unrated	0%

* Or Moody's / Fitch equivalents

Counterparty/Institution Credit Framework

Exposure to an individual counterparty/institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating*	Maximum %
AAA/AA	50%
A	40%
BBB+	10%
BBB	5%
BBB- or unrated	0%

Term to Maturity Framework

The investment portfolio is to be invested within the following maturing constraints:

Overall Portfolio Return to Maturity		
Portfolio % <1 year	Min 35%	Max 100%
Portfolio % >1 year and <3 years	Min 0%	Max 60%
Portfolio % >3 years	Min 0%	Max 30%

Investment Policy		
Owner: Finance	Accountability: Investment Management	Endorsed by Council:
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ITEM 4 (continued)

ATTACHMENT 1

Investment Policy

4. Preference for Non-Fossil Fuel ADIs and Environmentally Sustainable and Socially Responsible Investments

From the implementation of this policy, consideration of non-Fossil Fuel institutions will be required. Where funds placed in fossil fuel aligned investments mature, they are to be invested at the most favourable rate of interest available at the time (taking into consideration the investment principles and tolerances of this policy). Preference will be given to non-fossil fuel aligned institutions, environmentally sustainable term deposits from the major financial institutions and environmentally sustainable and socially responsible investments where the interest rate is the most favourable rate of interest available at the time of placing the investment.

Funds that have already been invested with a non-fossil fuel aligned financial institutions, are only to be reinvested with non-fossil Fuel aligned institutions upon maturity at the most favourable rate of interest available at the time.

5. Reporting

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

In reporting the performance of the Cash Investment Portfolio, the return is to be measured against the UBS Warburg 90 Day Bank Bill Index.

6. Grandfathering Provisions

Any investments that were invested prior to the adoption of this version of the Cash Investment policy will be grandfathered until maturity unless a financial gain to be made by Council in redeeming the investment prior to maturity or otherwise advised by Councils Investment advisors. Once an investment matures, it will be required to be invested in accordance with this policy.

7. References and Legislation

All investments are required to comply with the following:

- Local Government Act 1993

Investment Policy		
Owner: Finance	Accountability: Investment Management	Endorsed by Council:
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ITEM 4 (continued)

ATTACHMENT 1

Investment Policy



Lifestyle and opportunity
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- Local Government Act 1993 – Order (of the Minister) Circular No: 11/01 gazetted on 17 February 2011, or most current.
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2); and
- Local Government (General) Regulation 2005

8. Review Process and Endorsement

This Policy should be reviewed annually or as required in the event of legislative change by Council. Any amendment to the Policy must be by way of Council resolution.

Investment Policy		
Owner: Finance	Accountability: Investment Management	Endorsed by Council:
CM Reference: D21/	Last review date: 07 May 2021	Next review date: September 2023

ITEM 4 (continued)

ATTACHMENT 1

Investment Policy

APPENDIX 1



Circular No. 11-01
Date 17 February 2011
Doc ID: A202103

Contact: Finance Policy Section
02 4428 4100
dlg@dlg.nsw.gov.au

REVISED MINISTERIAL INVESTMENT ORDER

A revised Investment Order pursuant to section 625 of the *Local Government Act 1993* has been issued. The Minister for Local Government signed the revised Order on 12 January 2011 and it was published in the NSW Government Gazette on 11 February 2011. It replaces the Order dated 31 July 2008. The revised Order is attached to this circular.

Changes to the Investment Order include:

- the removal of the ability to invest in the mortgage of land (part (c) of the Investment Order dated 31 July 2008)
- the removal of the ability to make a deposit with the Local Government Financial Services Pty Ltd (part (f) of the order dated 31 July 2008)
- the addition of "Key Considerations" in the revised Investment Order, which includes a comment that a council's General Manager, or any other staff, with delegated authority by a council to invest in funds on behalf of the council must do so in accordance with the council's adopted investment policy.

Councils are reminded that on 25 May 2010 the Division of Local Government issued Investment Policy Guidelines (Circular to Councils 10-11 refers). It is expected that all councils will by now have adopted an Investment Policy in accordance with the Guidelines.



Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

Department of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4208
E dlgs@dlg.nsw.gov.au W www.dlg.nsw.gov.au ABN 99 607 903 105

Owner: Finance	Accountability: Investment Management	Endorsed by Council:
CM Reference: D21/	Last review date: 07 May 2021	Next review date: September 2023

ITEM 4 (continued)

ATTACHMENT 1

Investment Policy

LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER
(Relating to investments by councils)

I, the Hon. Barbara Perry MP, Minister for Local Government, in pursuance of section 625(2) of the Local Government Act 1993 and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the Local Government Act 1993 (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation;

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Orders, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Key Considerations


An investment is not in a form of investment notified by this order unless it also complies with an investment policy of council adopted by a resolution of council.

All councils should by resolution adopt an investment policy that is consistent with this Order and any guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet, from time to time.

The General Manager, or any other staff member, with delegated authority by a council to invest funds on behalf of a council must do so in accordance with the council's adopted investment policy.

Councils have a fiduciary responsibility when investing. Councils should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

When exercising the power of investment councils should consider, but not be limited by, the risk of capital or income loss or depreciation, the likely income return and the timing of income return, the length of the term of the proposed investment, the liquidity and marketability of the proposed investment, the likelihood of inflation affecting the value of the proposed investment and the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Dated this 12th day of January 2011 
Hon BARBARA PERRY MP
Minister for Local Government

Investment Policy		
Owner: Finance	Accountability: Investment Management	Endorsed by Council:
CM Reference: D21/	Last review date: 07 May 2021	Next review date: September 2023

5 INVESTMENT REPORT AS AT 30 SEPTEMBER 2021

Report prepared by: Chief Financial Officer**File No.:** GRP/21/8 - BP21/937

REPORT SUMMARY

This report details Council's performance of its investment portfolio as at 30 September 2021, and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio and loan liabilities.

Council's rate of return on investments for the reporting period is 1.43%, which is 1.42% above the benchmark figure of 0.01%.

Income from interest on investments and proceeds from sale of investments totals \$789K for the financial year to date, which is \$204K above the 2021/22 year-to-date adopted budget of \$585K.

RECOMMENDATION:

That Council endorse the Investment Report as at 30 September 2021.

ATTACHMENTS

There are no attachments for this report.

Report Prepared By:

Pav Kuzmanovski
Chief Financial Officer

Report Approved By:

Mark Eady
Director - Corporate Services

ITEM 5 (continued)
Discussion

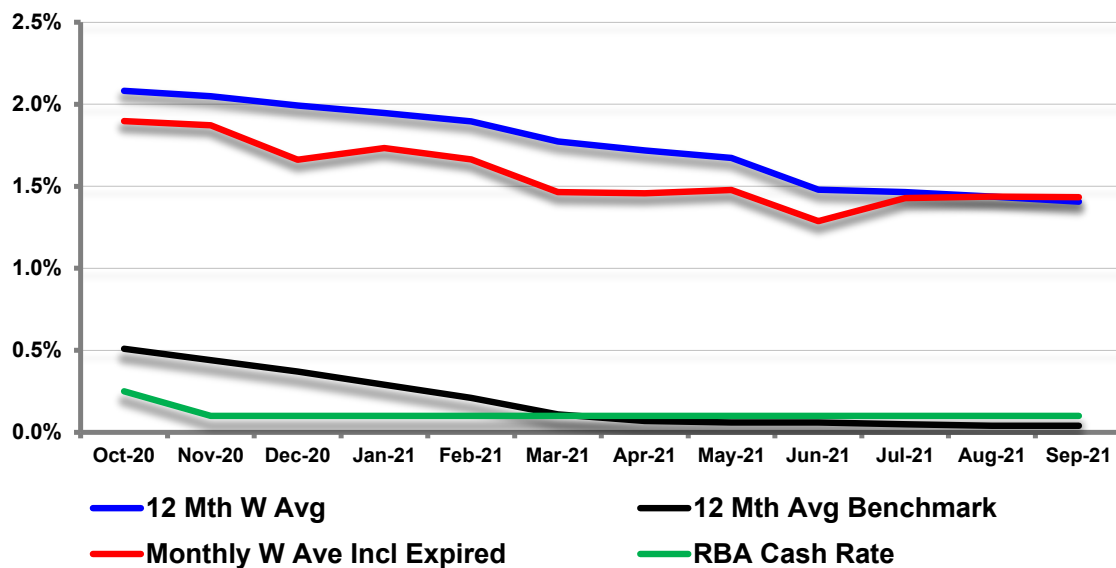
Council's Responsible Accounting Officer is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the *Local Government Act 1993*.

Investment Performance Commentary

Council's performance against the benchmark for returns of its investment portfolio for September 2021 and the past 12 months are as follows:

	Aug	12 Mth	FYTD
Council Return	1.43	1.41	1.43
Benchmark	0.01	0.04	0.02
Variance	1.42	1.37	1.41

Performance - All Investments



Council's investment portfolio as at 30 September 2021 was as follows:

Cash/Term Deposits	\$149.9M	66.8%
Floating Rate Notes	\$38.8M	12.8%
Fixed Bonds	\$45.7M	20.4%
Total Investments	\$220.9M	

ITEM 5 (continued)

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.

Council's income from investments continues to exceed budgeted expectations, primarily due to Council's cash reserves balances being higher than anticipated.

Loan Liability

Council's loan liability as at 30 September 2021 was \$968K which represents the balance of two loans which were established under the Local Infrastructure Renewal Scheme (LIRS). Council receives a 3% interest subsidy payment from the OLG twice a year.

1. A \$1.5M 10 year loan drawn down 31 January 2014 at 180 day Bank Bill Swap rate (BBSW) of +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.
2. 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 5 (continued)
INVESTMENT SUMMARY AS AT 30 SEPTEMBER 2021

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 30-Sep-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2021	% of Total Invested	Maturity	Tenor
Bank of Queensland	1. Bank of Queensland Floating Rate Note	AAA	Y	1,200	1.09	1.11	1.10	0.53	14/05/2025	1826
National Australia Bank	2. NAB Fixed Bond (Covered)	AAA	Y	3,746	2.94	3.10	3.05	1.67	16/03/2023	1826
Australia and New Zealand Banking Group	3. ANZ Fixed Bond	AA-	Y	1,499	3.15	3.16	3.17	0.67	18/01/2023	1826
Australia and New Zealand Banking Group	4. ANZ Fixed Bond	AA-	Y	2,999	3.14	3.14	3.15	1.34	8/02/2024	1826
Australia and New Zealand Banking Group	5. ANZ Fixed Bond	AA-	Y	2,000	1.56	1.56	1.57	0.89	29/08/2024	1827
Australia and New Zealand Banking Group	6. ANZ Fixed Bond	AA-	Y	1,994	1.67	1.67	1.68	0.89	29/08/2024	1805
Australia and New Zealand Banking Group	7. ANZ Fixed Bond	AA-	Y	1,998	1.70	1.69	1.76	0.89	16/01/2025	1827
Australia and New Zealand Banking Group	8. ANZ Fixed Bond	AA-	Y	2,981	1.80	1.80	1.81	1.33	29/08/2024	1612
Australia and New Zealand Banking Group	9. ANZ Floating Rate Note	AA-	Y	1,500	0.79	0.82	0.49	0.67	18/01/2023	1826
Australia and New Zealand Banking Group	10. ANZ Floating Rate Note	AA-	Y	2,000	0.93	0.94	0.94	0.89	9/05/2023	1826
Australia and New Zealand Banking Group	11. ANZ Term Deposit	AA-	Y	4,000	1.52	1.54	1.53	1.78	10/11/2022	2557
Australia and New Zealand Banking Group	12. ANZ Term Deposit	AA-	Y	4,000	1.48	1.50	1.48	1.78	15/12/2022	2557
Commonwealth Bank of Australia	13. CBA Business Online Saver	AA-	Y	45,016	0.19	0.17	0.22	20.06		
Commonwealth Bank of Australia	14. CBA Fixed Bond	AA-	Y	3,993	3.41	3.42	3.41	1.78	25/04/2023	1916
Commonwealth Bank of Australia	15. CBA Fixed Bond	AA-	Y	3,497	3.27	3.28	3.33	1.56	16/08/2023	1826
Commonwealth Bank of Australia	16. CBA Fixed Bond	AA-	Y	3,486	3.23	3.24	3.25	1.55	11/01/2024	1826
Commonwealth Bank of Australia	17. CBA Term Deposit	AA-	Y	4,000	0.43	0.43	0.43	1.78	22/02/2022	365
National Australia Bank	18. NAB Fixed Bond	AA-	Y	3,997	3.08	3.08	3.13	1.78	10/02/2023	1918
National Australia Bank	19. NAB Fixed Bond	AA-	Y	2,998	2.95	2.95	3.00	1.34	26/02/2024	1826
National Australia Bank	20. NAB Floating Rate Note	AA-	Y	4,000	0.92	0.94	0.93	1.78	16/05/2023	1826
National Australia Bank	21. NAB Floating Rate Note	AA-	Y	2,000	0.94	0.96	0.95	0.89	19/06/2024	1827
National Australia Bank	22. NAB Term Deposit	AA-	Y	4,000	0.35	0.56	0.35	1.78	24/02/2022	371
National Australia Bank	23. NAB Term Deposit	AA-	Y	4,000	0.31	0.45	0.31	1.78	11/11/2021	231
National Australia Bank	24. NAB Term Deposit	AA-	Y	4,000	0.30	0.55	0.30	1.78	16/06/2022	273
National Australia Bank	25. NAB Term Deposit	AA-	Y	4,000	0.30	0.58	0.50	1.78	16/06/2022	273
National Australia Bank	26. NAB Term Deposit	AA-	Y	4,000	0.45	0.70	0.45	1.78	11/01/2022	357
National Australia Bank	27. NAB Term Deposit	AA-	Y	4,000	3.35	3.35	3.35	1.78	18/09/2023	1827
National Australia Bank	28. NAB Term Deposit	AA-	Y	2,000	0.50	0.50	0.50	0.89	2/12/2021	364
Westpac Banking Corporation	29. Westpac Fixed Bond	AA-	Y	2,488	3.25	3.23	3.25	1.11	24/04/2024	1917
Westpac Banking Corporation	30. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.78	22/02/2022	1825
Westpac Banking Corporation	31. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.78	9/08/2022	1813
Westpac Banking Corporation	32. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.89	18/08/2022	1815
Westpac Banking Corporation	33. Westpac Term Deposit	AA-	Y	4,000	1.22	1.24	1.23	1.78	17/02/2022	1826
Westpac Banking Corporation	34. Westpac Term Deposit	AA-	Y	4,000	3.15	3.14	3.14	1.78	2/11/2021	1461
Macquarie Bank	35. Macquarie Bank Fixed Bond	A+	Y	3,999	1.71	1.71	1.74	1.78	12/02/2025	1827
Suncorp-Metway	36. Suncorp-Metway Floating Rate Note (Covered)	A+	N	1,000	0.99	1.01	1.00	0.45	16/08/2022	1826
Suncorp-Metway	37. Suncorp-Metway Floating Rate Note	A+	N	1,200	1.15	1.17	1.15	0.53	24/04/2025	1823
Bank of Queensland	38. Bank of Queensland Fixed Bond	BBB+	Y	1,999	3.40	3.42	3.41	0.89	16/11/2021	1267
Bank of Queensland	39. Bank of Queensland Term Deposit	BBB+	Y	2,000	2.55	2.55	2.55	0.89	13/06/2024	1827
Bank of Queensland	40. Bank of Queensland Term Deposit	BBB+	Y	4,000	0.43	0.93	0.48	1.78	16/09/2022	365
Bank of Queensland	41. Bank of Queensland Term Deposit	BBB+	Y	2,000	3.75	3.75	3.75	0.89	9/12/2021	1823
Bank of Queensland	42. Bank of Queensland Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.78	15/11/2022	1804
Bendigo and Adelaide Bank	43. Bendigo and Adelaide Bank Fixed Bond	BBB+	N	2,000	3.53	3.55	3.56	0.89	25/01/2023	1826
Bendigo and Adelaide Bank	44. Bendigo and Adelaide Bank Floating Rate Note	BBB+	N	1,999	1.12	1.14	1.13	0.89	25/01/2023	1532
Heritage Bank	45. Heritage Bank Floating Rate Note	BBB+	N	2,000	0.82	0.84	0.83	0.89	12/08/2022	1085
MyState Bank	46. MyState FRN	BBB+	N	1,500	0.67	0.67	0.67	0.67	16/06/2025	1461
AMP	47. AMP At Call Account	BBB	Y	397	0.51	0.51	0.49	0.18		
AMP	48. AMP Floating Rate Note	BBB	Y	998	1.43	1.44	1.43	0.44	30/03/2022	917
AMP	49. AMP Term Deposit	BBB	Y	1,000	0.75	0.79	0.75	0.45	2/08/2022	368

ITEM 5 (continued)

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 30-Sep-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2021	% of Total Invested	Maturity	Tenor
Bank Australia	50. Bank Australia Floating Rate Note	BBB	N	2,000	0.92	0.94	0.93	0.89	2/12/2022	1096
Credit Union Australia	51. CUA Floating Rate Note	BBB	N	1,000	1.15	1.16	1.15	0.45	24/10/2024	1827
Defence Bank	52. Defence Bank Term Deposit	BBB	N	2,000	0.43	0.85	0.43	0.89	8/02/2022	364
ME Bank	53. ME Bank At Call Account	BBB	N	7,571	0.60	0.64	0.60	3.37		
Me Bank	54. ME Bank TD	BBB	N	2,000	0.53	0.53	0.53	0.89	16/06/2022	363
Newcastle Permanent Building Society	55. NPBS FRN									
		BBB	N	2,000	0.65	0.66	0.66	0.89	4/03/2026	1826
Newcastle Permanent Building Society	56. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.89	27/01/2022	1092
Newcastle Permanent Building Society	57. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.89	10/02/2022	1095
Police & Nurses Limited	58. P&N Bank Term Deposit	BBB	N	1,000	3.50	3.50	3.50	0.45	2/11/2023	1821
Teachers Mutual Bank	59. Teachers Mutual Bank FRM	BBB	N	1,100	0.70	0.71	0.71	0.49	16/06/2026	1826
Auswide Bank	60. Auswide Bank Floating Rate Note	BBB-	N	1,500	1.07	1.09	1.08	0.67	17/03/2023	1095
Auswide Bank	61. Auswide Bank Term Deposit	BBB-	N	2,000	1.69	1.69	1.69	0.89	15/02/2022	715
QPCU	62. QBank Floating Rate Note	BBB-	N	750	1.53	1.55	1.53	0.33	14/12/2021	1096
QPCU	63. QBank FRN	BBB-	N	1,000	0.77	0.78	0.78	0.45	22/03/2024	1096
QPCU	64. QBank Term Deposit	BBB-	N	1,000	0.50	0.70	0.50	0.45	15/12/2021	372
QPCU	65. QBank Term Deposit	BBB-	N	1,000	0.40	1.13	0.40	0.45	4/11/2021	91
QPCU	66. QBank Term Deposit	BBB-	N	1,000	1.65	1.65	1.65	0.45	1/10/2021	365
BNK Banking Corporation	67. BNK Banking TD	Unrated	?	1,950	0.55	0.55	0.55	0.87	6/01/2022	274
WAW Credit Union Co-operative Limited	68. WAW CU Term Deposit	NA	N	2,000	0.80	0.97	0.80	0.89	15/12/2021	372
Coastline Credit Union	69. Coastline CU Term Deposit	NR	?	1,000	0.55	0.76	0.55	0.45	16/12/2021	371
Gateway Bank	70. Gateway Bank Term Deposit	NR	N	2,000	0.35	0.35	0.35	0.89	4/11/2021	91
Maitland Mutual	71. Maitland Mutual Term Deposit	NR	N	2,000	0.40	0.47	0.43	0.89	11/11/2021	93
Queensland Country Bank	72. Queensland Country Bank Term Deposit	NR	?	1,000	0.30	0.91	0.30	0.45	14/10/2021	91
Railways Credit Union	73. MOVE Term Deposit	NR	?	1,000	0.60	0.60	0.60	0.45	19/05/2022	364
Railways Credit Union	74. MOVE TD	NR	?	1,000	0.60	0.60	0.60	0.45	12/05/2022	356
Warwick Credit Union	75. Warwick CU Term Deposit	NR	?	1,000	0.75	0.93	0.75	0.45	9/03/2023	728
Warwick Credit Union	76. Warwick CU Term Deposit	NR	?	1,000	0.30	0.49	0.38	0.45	4/11/2021	91
				224,355	1.44	1.56	1.51	100		

*Monthly returns when annualised can appear to exaggerate performance

	Sep	12 Mth	FYTD
Return including Matured/Traded Investments			
Weighted Average Return	1.43	1.41	1.43
Benchmark Return: AusBond Bank Bill Index (%)	0.01	0.04	0.02
Variance From Benchmark (%)	1.42	1.37	1.41

Investment Income

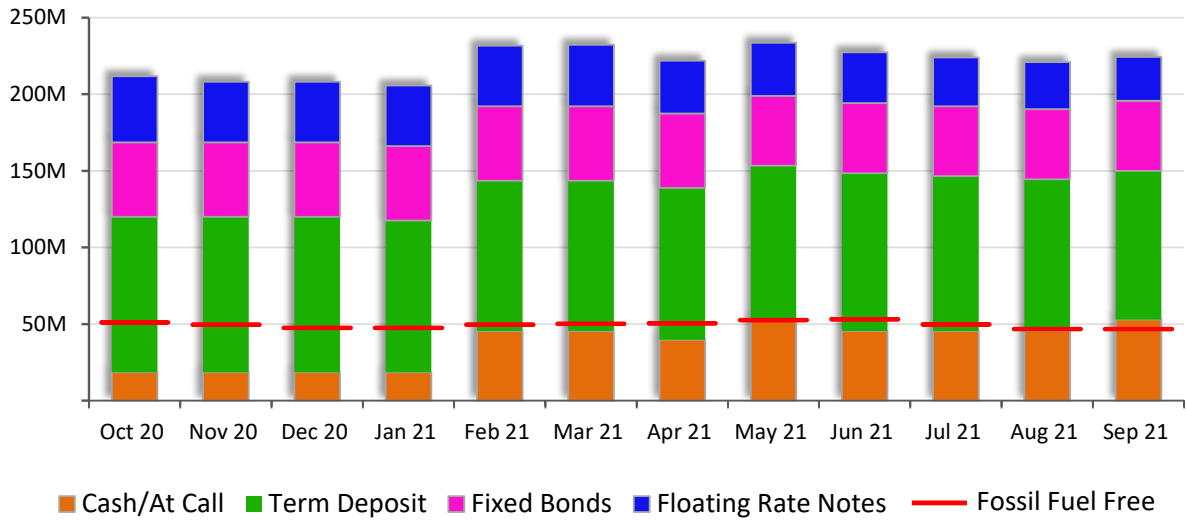
	\$000's
This Period	254
Financial Year To Date	789
Budget Profile	585
Variance from Budget - \$	204

Fossil Fuel Free (000's)

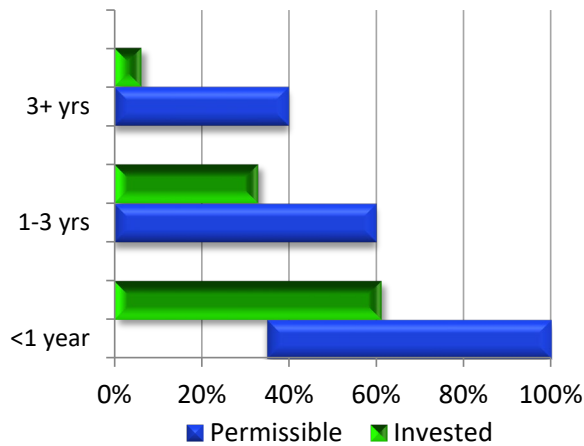
Yes	46,620
No	169,785
Unknown	7,950

ITEM 5 (continued)

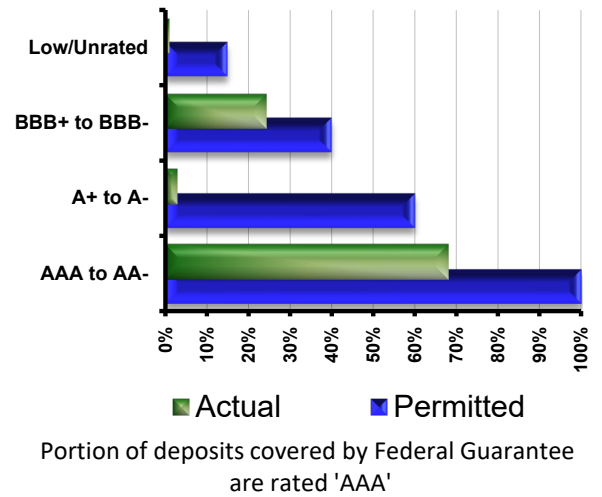
Total Funds Invested



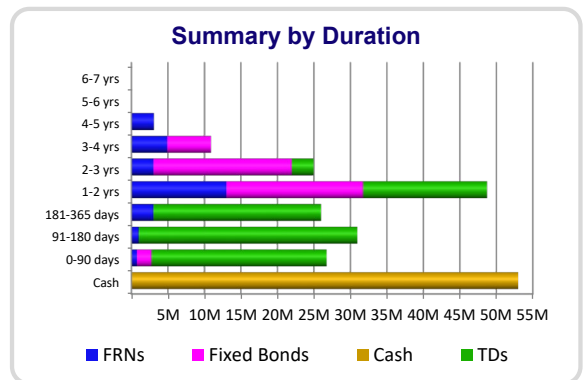
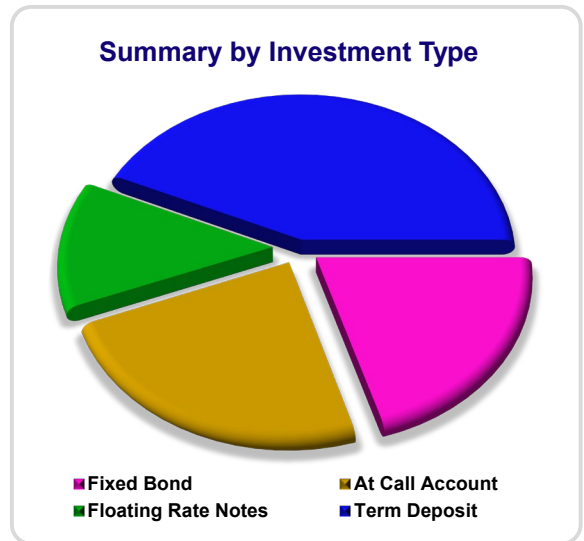
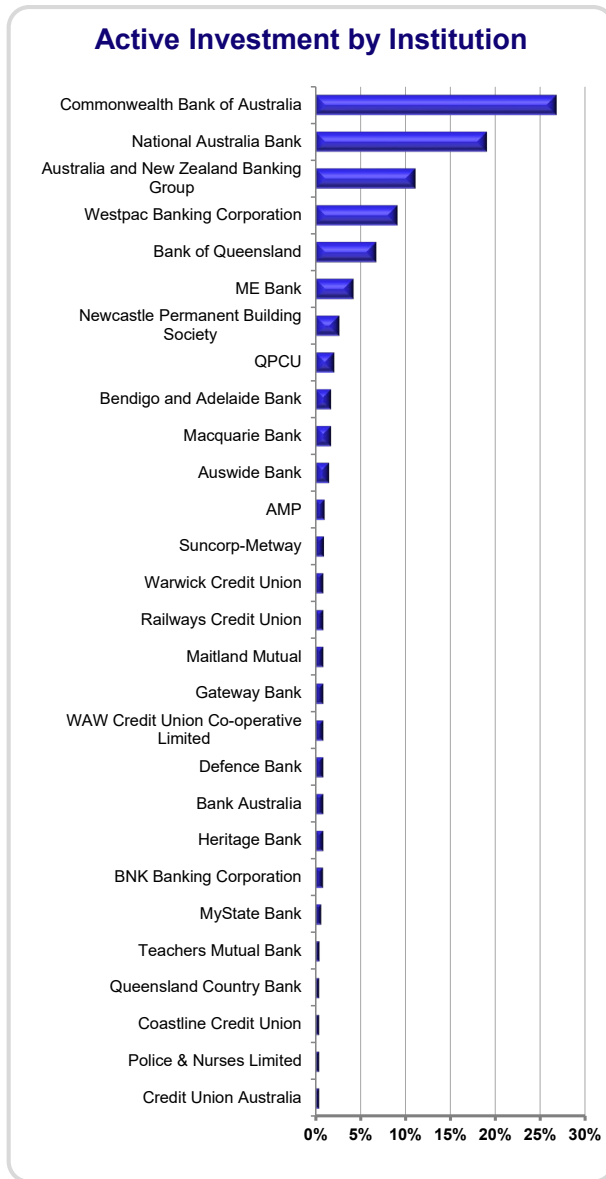
Policy Limits on Maturities



Investment Summary by Rating



ITEM 5 (continued)



	<365 days	>365 days
Cash/TDs	\$129.9M	\$20.0M
FRNs	\$4.7M	\$24.0M
Fixed Bonds	\$2.0M	\$43.7M
	\$136.7M	\$87.7M

Divestment of Fossil Fuel Aligned Financial Institutions

Council uses the entity Market Forces to validate its classes of investments into either Fossil Fuel or Non Fossil fuel aligned institutions. The figures below do not include any financial institutions that have not declared if they are Fossil Fuel or Non Fossil Fuel aligned.

As at 30 September 2021, Council had a total amount of \$46.6M million invested in non-fossil fuel aligned financial institutions, which is 20.8% of its total investment portfolio.

ITEM 5 (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 policy inception on 31 January 2018.

Financial Implications

Council's return for the reporting period is 1.43%, which is 1.42% above the benchmark figure of 0.01%. Income from interest on investments and proceeds from sales of investments totals \$789K for the period ending 30 September 2021 and is \$204K above the 2021/22 year-to-date adopted budget of \$585K.

Summary

Council's investment portfolio continues to perform well with returns above benchmark. The recommendation in this report is consistent with Section 625 of the *Local Government Act 1993*, 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

6 RESOURCING STRATEGY UPDATE - LTFP

Report prepared by: Chief Financial Officer**File No.:** FIM/21/63 - BP21/912

REPORT SUMMARY

Council staff are required to periodically review Council's Long Term Financial Plan (LTFP) to ensure alignment with the adopted budgets. This iteration of Council's LTFP has been developed in accordance with Office of Local Government guidelines which requires two scenarios to be presented (Business as Usual and aspirational scenarios). The updated LTFP is aligned with the 2021- 2025 Delivery Program and 2021/22 Operational Plan adopted by Council in June 2021 and is a 10 year projection of Council's financial position.

RECOMMENDATION:

That Council endorses the updated Long Term Financial Plan.

ATTACHMENTS

- 1 2021-31 Draft Long Term Financial Plan

Report Prepared By:

Pav Kuzmanovski
Chief Financial Officer

Report Approved By:

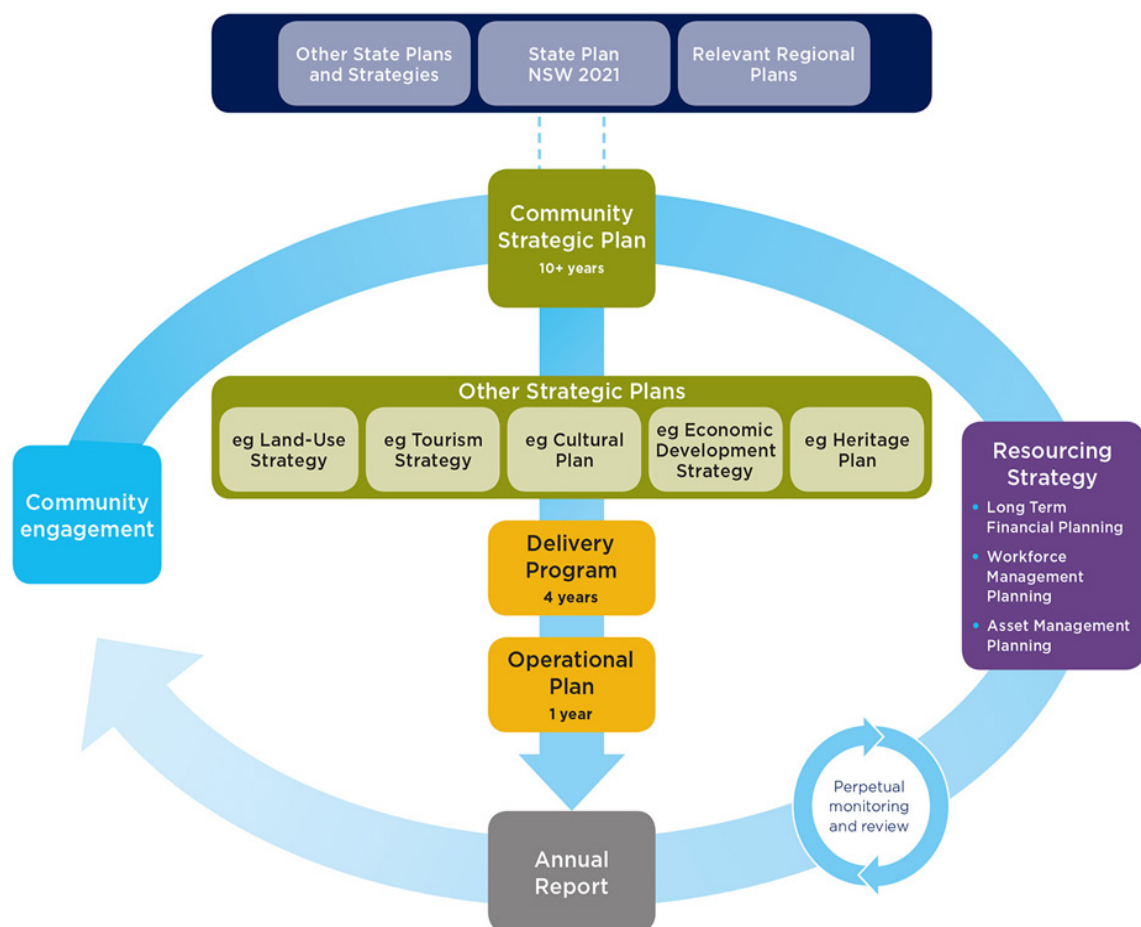
Mark Eady
Director - Corporate Services

ITEM 6 (continued)

Discussion

Council’s suite of Integrated Planning and Reporting documents includes the Community Strategic Plan, Resource Strategy and Plans, Delivery Program and Operational Plan.

Council’s Resourcing Strategy (and the Resource Plans that underpin the strategy) is the conduit that connects the Community Strategic Plan to the Delivery Program and Operational Plan (refer to diagram below):-



Council’s Resourcing Strategy is essentially its ‘resource response’ to the Community Strategic Plan. It asks the question “within the resources we have at our disposal, how will Council deliver the outcomes contained in the Community Strategic Plan?”

Resourcing Plans acknowledge that whilst other partners (eg State Agencies, the development industry etc) have important roles to play in delivering outcomes, they are ostensibly restricted to the financial, people, asset and technology resources Council has available to advance the Community Strategic Plan.

ITEM 6 (continued)

Periodic reviews of Council's Integrated Planning and Reporting documents are vital as they provide a strategic insight into Council's resource ability and capacity to deliver the outcomes contained in the Delivery Program and Community Strategic Plan.

The focus of this review centered on Council's updated budget forecasts based on the recently adopted 2021-2025 Delivery Program and includes the impacts of updated population forecasts and revised capital infrastructure estimates over the next 10 years.

A full review of Council's Integrated Planning and Reporting documents will be undertaken as a part of the 2022/23 budget process.

1. Long Term Financial Plan (LTFP)

The Long Term Financial Plan (LTFP), provided for in **ATTACHMENT 1**, has been updated to incorporate the recently adopted 2021-2025 Delivery Program. In accordance with Office of Local Government guidelines, the Long Term Financial Plan has been developed with two scenarios and projected over a ten year period with a number of assumptions outlined within the document. Importantly, the LTFP pulls together the financial aspects of the other Resource Plans, such as Asset Management Plans, and incorporates the long term financial impacts of each of those Plans. The financial performance indicators and benchmarks prescribed by the Office of Local Government have also been included as a part of this LTFP to track Council's long term performance.

The two scenarios presented in the Long Term Financial Plan represent different assumptions and projection and how these could impact Council. The first scenario in the LTFP is a "Business as Usual" approach and is based on current services levels that have been outlined in the adopted Delivery Program and Operational Plan. The second scenario is aspirational, which sees the City of Ryde experiencing larger than expected population growth and these implications on revenue and infrastructure. This scenario is hypothetical, and the assumptions have been outlined in the LTFP document.

The review of financial indicators forecast that Council will continue to exceed Office of Local Government benchmark indicators for the majority of Council's key financial performance indicators. The current COVID-19 pandemic poses a significant financial challenge for the City of Ryde, particularly from an income perspective and the inevitable increase in outstanding rates.

ITEM 6 (continued)

Council must continue to exercise prudent financial management, pursue continuous improvement initiatives, explore new income producing opportunities and advocate for more Federal and State Government financial assistance (and relaxed compliance burdens) if it is to meet the inevitable funding challenges associated with growth. Population growth over the next 10 years is forecast to be significant. It is important for the City of Ryde to respond to growth in a measured and sustainable manner.

Overall, it is projected that Council's long term financial position is sound, noting that Council will need to be proactive in developing new opportunities to mitigate future shocks to income and expenditure.

Financial Implications

Adoption of the recommendation will have no financial impact.

ITEM 6 (continued)

ATTACHMENT 1

**Draft Long Term Financial Plan
2021/22 – 2030/31**



ITEM 6 (continued)

ATTACHMENT 1

DOCUMENT STATUS

Ref	Version	Approving Manager / Director	Date
	1	Pav Kuzmanovski - CFO	September 2021

ITEM 6 (continued)

ATTACHMENT 1

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EXECUTIVE SUMMARY

The City of Ryde is committed to sustainable long term financial management. This means achieving operating surpluses, servicing debt without compromising services, prudent funds management, managing operating costs and identifying new income producing opportunities. This commitment is critical to achieving the community's aspirations as espoused in the Community Strategic Plan.

This document examines the context of the long term financial planning framework for local government and the principles and assumptions that underpin the long term financial forecasts as presented in the two scenarios within this Plan. The Long Term Financial Plan (LTFP) forms part of Council's "Resourcing Strategy" incorporating the Workforce Management Plan (our people), the Information and Communications Technology Plan (our technology) and the Asset Management Plan (our assets).

The LTFP is a tool aimed at assisting decision-making and forecasting Council's future financial position. It is not intended to be set in stone – it is a guide for future action. The modelling that occurs as part of this plan will attempt to help Council to mitigate any future financial risks and ensure prudent long term financial planning. It will also provide an opportunity for Council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

The overall objective of this iteration of the LTFP is to ensure that the Council remains financially sustainable and capable of meeting the challenges of growth and community expectations in to the future.

Given these challenges, this LTFP examines two scenarios:

1. The Base Case Scenario (founded on 'current state')
2. The Growth Scenario (focused on 'future state')

The Base Case Scenario is a "current state" scenario underpinned by assumptions for maintaining existing service levels. The Growth Scenario examines the likely impacts of growth using a range of assumptions as well as changes to the Base Case sensitivity analysis, risk assessment and financial performance measures.

The LTFP is assessed against a range of performance measures that inform the success of the plan and the ability for Council to meet its financial management objectives, asset management obligations and quality service delivery standards. The LTFP will be continually monitored and updated annually as part of Council's commitment to the delivering the aspirations as espoused in the Community Strategic Plan.

ITEM 6 (continued)

ATTACHMENT 1

INTRODUCTION

Our City

The City of Ryde has a rich history with the traditional Aboriginal owners of the land being the Wallumedegal clan of the Dharug people.

Our city is located in Sydney's north-western suburbs 12 kilometres from the Sydney CBD. Set in scenic surrounds between the Parramatta and Lane Cove River, we are connected to other parts of metropolitan Sydney via major road systems, rail, bus and ferry services. The City of Ryde neighbours Hornsby Shire and the Ku-ring-gai council area in the north, Willoughby City, the Lane Cove River and the Hunters Hill Municipality in the east and Parramatta City in the west. Our city includes 16 suburbs; Chatswood West (part), Denistone, Denistone East, Denistone West, East Ryde, Eastwood (part), Gladesville (part), Macquarie Park, Marsfield, Meadowbank, Melrose Park (part), North Ryde, Putney, Ryde, Tennyson Point and West Ryde.

The City of Ryde Local Government Area (LGA) encompasses a total land area of approximately 40 square kilometres, including waterways and parklands. Also within the City of Ryde LGA sits:

- Macquarie Park Business Park,
- 4 town centres
- Macquarie University
- Ryde and Meadowbank Colleges of TAFE
- 13,360 local businesses,
- 5 public libraries,
- 27 primary schools and nine secondary schools
- 5 hospitals.

Global, national and metropolitan trends and issues present both opportunities and challenges in the way that communities, such as the City of Ryde, are planned and supported. The City of Ryde is an integrated major centre of Sydney and faces the same challenges as detailed in The Department of

Planning and Environment's 'A Plan For Growing Sydney.' Our city is part of an ever changing dynamic global market, and our economic development, particularly the Macquarie Park Corridor, contributes significantly to New South Wales' Global Domestic Product.

Integrated Planning and Reporting Framework

The Integrated Planning and Reporting framework recognises that most communities share similar aspirations: a safe, healthy and pleasant place to live, a sustainable environment, opportunities for social interaction, opportunities for employment and reliable infrastructure. The difference lies in how each community responds to these needs. It also recognises that council plans and policies should not exist in isolation and that they in fact are connected.

This framework allows Council to draw their various plans together, understand how they interact and get the maximum leverage from their efforts by planning holistically for the future. Importantly, the Long Term Financial Plan draws upon the requirements of other Resource Plans such as the Asset Management Plan, Workforce Plan and Information and Communications Technology Plan. Together these four Plans represent Council's resource response to the Community Strategic Plan, Ryde 2028.

ITEM 6 (continued)

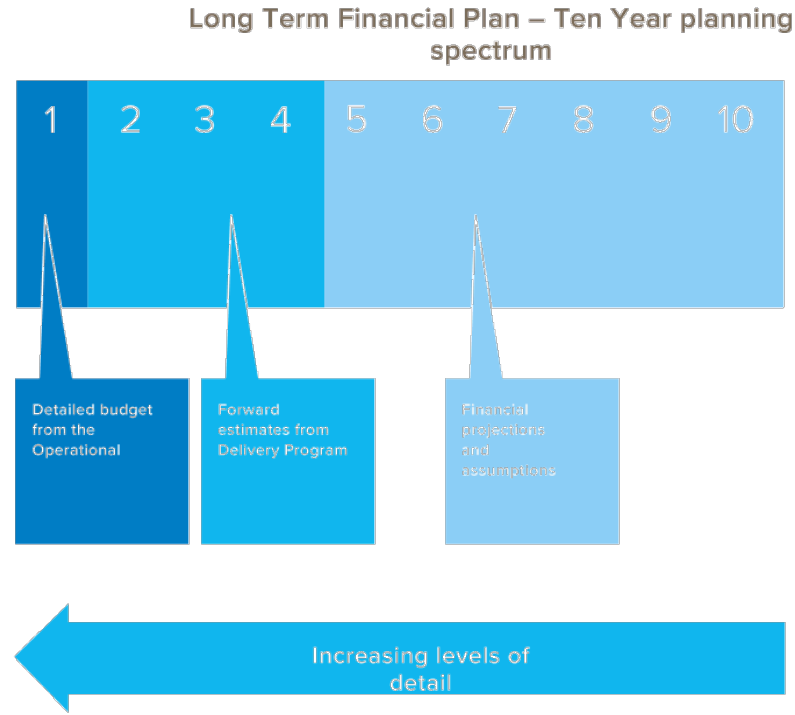
ATTACHMENT 1

Long Term Financial Planning

This ten-year LTFP forms part of the NSW Local Government Integrated Planning and Reporting Framework requirements of Council. The formulation of the LTFP is underpinned by the following key elements:

- Planning assumptions used to develop the plan
- Projected income and expenditure, balance sheet and cash flow statement
- Sensitivity analysis (factors/assumptions most likely to affect the plan)
- Financial modelling for two different Scenarios
- Methods of monitoring financial performance.

The LTFP is reviewed and updated annually to align with Council's Operational Plan and Delivery Program. The ten year planning process is illustrated as follows:



ITEM 6 (continued)

ATTACHMENT 1

Purpose of the Long Term Financial Plan

The primary purpose of this LTFP is to facilitate effective financial decision-making to financially align the outcomes, goals and strategies that underpin the vision in the Community Strategic Plan:

The place to be for lifestyle and opportunity @ your doorstep.

This plan will model the financial implications of the Community Strategic Plan and Delivery Program, along with the ability to maintain existing facilities and infrastructure based on a range of assumptions and within known constraints.

Challenges and Opportunities

Council's Community Strategic Plan highlights the many challenges and opportunities for the City of Ryde, including:

- Our growing population
- Our changing population
- Our part in Sydney's future
- Valuing our cultural heritage
- Managing traffic and congestion
- Adapting to climate change.

ITEM 6 (continued)

ATTACHMENT 1

LONG TERM FINANCIAL SUSTAINABILITY

How do we define long term financial sustainability?

A financially sustainable council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without imposing special rate increases on future generations. This definition has been translated into five key financial sustainability principles which Council is committed to.

- Council should aspire to achieve a **fully funded operating position** reflecting that Council collects enough revenue to fund operational expenditure
- Council should **maintain sufficient cash reserves** to ensure that it can meet its short-term working capital requirements
- Council should have an appropriately **funded capital works program** where the source of funding is identified and secured for both capital renewal and new capital works
- Council should **maintain its asset base** by renewing ageing infrastructure which is identified, and by ensuring cash reserves are set asides for those works which are yet to be identified
- Council should aspire to achieve **the benchmark financial performance** over the period of the plan.

The 2021 review of the LTFP highlights that Council is projected to be on track to be financially sustainable in the short, medium and longer term. This iteration of the LTFP has not factored in COVID-19 related impacts of the current social distancing restrictions as it was not factored into Council's adopted Operational Plan (due to the timing of the latest COVID-19 outbreak). Any COVID-19 related impacts on Council's budget will be adjusted in the next iteration of Council's LTFP as the City of Ryde adjusts to living with COVID-19.

ITEM 6 (continued)

ATTACHMENT 1

How is long term financial sustainability measured?

Council must report annually the following financial indicators (prescribed by the Office of Local Government) as a part of its Annual Financial Statements audited by the Audit Office of NSW. These performance measures are replicated in Council's Long Term Financial Plan and are detailed in the following table:

RATIO	CALCULATION	WHAT IS BEING MEASURED?	SUSTAINABLE TARGET
Operating Performance	Total operating revenue (excluding capital grants and contributions) less total operating expenditure. Divided by continuing operating revenue (excluding capital grants and contributions).	Council's achievement of containing operating expenditure within operating revenue.	>0%
Own Source Operating Revenue	Total continuing operating revenue (excluding capital grants and contributions). Divided by continuing operating revenue.	Council's achievement of containing operating expenditure within operating revenue.	>60%
Unrestricted current ratio	Current assets less all external restrictions. Divided by current liabilities less specific purpose liabilities.	Designed to represent a council's ability to meet short term obligations as they fall due.	> 1.5 times
Debt Service Cover Ratio	Operating results before capital excluding interest and depreciation. Divided by principal repayments + borrowing costs.	Indicates whether Council has excessive debt servicing costs relative to operating revenue.	>2 times
Rates and annual charges outstanding percentage	Rates and annual charges outstanding. Divided by rates and annual charges collectible.	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	<5%
Cash expense cover ratio	Current year's cash, cash equivalents and term deposits. Divided by payments from cash flow of operating and financing activities.	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	>3 months
Asset Renewal Ratio (Buildings and Infrastructure)	Asset renewal expenditure divided by depreciation.	To assess the rate at which these assets are being renewed against the rate at which they are depreciating.	>100%
Infrastructure Backlog Ratio	Estimated cost to bring assets to a satisfactory condition. Divided by total value of infrastructure, building and other structures.	What proportion the infrastructure backlog is against the total value of a council's infrastructure.	<=2%
Asset Maintenance Ratio	Actual asset maintenance. Divided by required asset maintenance.	Are the assets being adequately maintained?	>100%
Real Operating expenditure per capita	Operating expenditure divided by population.	Operating efficiency of the Council.	Declining trend over time

ITEM 6 (continued)

ATTACHMENT 1

Financial Management at a Glance

Guidance on financial reporting and accounting practices is provided by the State Government in the form of the “Local Government Code of Accounting Practice and Financial Reporting”. Applying Australian Accounting Standard, the Code aims to provide:

- A basis for providing assistance in the interpretation and application of management reporting, accounting, auditing and financial reporting requirements of Chapter 13 of the *Local Government Act 1993*(NSW) (the Act)
- A mechanism which will ensure that appropriate accounting policies and practices are implemented by all councils.
- A basis for audit and review functions to be undertaken in the context of comprehensive and approved accounting standards.
- Reliable, comparable and readily comprehensible financial information which will be invaluable for making and evaluating decisions about the allocation of scarce resources, and which will assist in assessing the performance, financial position, finances and investments of councils.
- Enhanced accountability of councils to the community.

The LTFP has been prepared on this basis providing the following core financial reports:

- Income Statement (projected continuing operating income and expenditure)
- Statements of Financial Position (a balance sheet of assets and liabilities)
- Statement of Cash Flows (the flow of cash from operating, investing and financing activities).

The budgetary framework for the LTFP can be categorised as:

- Continuing Operations – income and expenditure
- Discretionary Projects – generally “one-off” expenditure that are non-recurring and non-capital in nature.
- Capital works – renewal, expansion and new capital expenditure on assets.

Reporting on an accrual basis of accounting, our budget identifies capital sources of income that have been brought to account in prior reporting periods such as contributions from developers. Capital sources of income are held as external or internal restrictions of cash and are effectively “drawn down” to fund future capital expenditure.

This framework enables Council to implement, manage and monitor strategies, plans and objectives to achieve the principles of long term financial sustainability.

Population Growth Forecasts

The City of Ryde population and household forecasts present what is driving population change in the community and how the population, age structure and household types will change each year between now and 2036.

The forecasts are designed to provide community groups, Council, investors, business, students and the general public with knowledge to make confident decisions about the future.

The City of Ryde population as at 2020 was estimated at 133,224 and is forecast to grow by an additional 25,000 people to 160,000 by 2031.

Other key assumptions and forecasts are discussed within each of the 2 Scenarios considered in this Plan.

Scenarios Modelled

As part of its Resource Strategy, Council explored 2 Scenario options.

1. Scenario One – Base Case

This scenario is predicated on existing services remaining largely the same over the next 10 years with a primary reliance on rates revenue and developer contributions to fund capital works, and ongoing income streams funding the renewal of existing assets.

This Scenario has a multiple assumptions and indices (current and historical income and expenditure patterns) applied in determining future budget allocations. Growth forecasts are modest and largely based on historical trends. Similarly, growth in Council's staff establishment (Full Time Equivalent Staff) is largely reviewed and considered as part of the annual budget process and is generally limited to addressing short term critical needs.

The base scenario also incorporates Council's Civic Centre redevelopment known as the Ryde Central Project. Further details on the significance of this redevelopment will be outlined separately (Appendix 3).

2. Scenario Two – Growth Case

This Scenario is modelled using the following inputs and parameters:

- Population growth of 25,000 (based on a historical five year average annual population increase of 2.3%)
- Number of new dwellings is estimated to increase by approximately 10,000 (predominantly residential apartments/units)
- Growth in rates revenue and fees and charges income to reflect the growth in dwellings and population
- Growth in materials and contracts costs and other expenses to reflect increases in growth forecasts. An efficiency factor has been applied to the growth in materials and contracts, acknowledging the efficiency gains (economies of scale) that accrue from growth.
- Consequential changes to depreciation to reflect depreciation on new assets, and increased asset value
- Actual maintenance spend has been increased to reflect the new required levels of maintenance (including asset growth).
- Employee costs have been increased to reflect additional employee retention and development costs (to match industry benchmarks) and costs associated with an increased workforce based on a population increase of 25,000.
- An Efficiency / Productivity factor that includes a 1.0% productivity/ efficiency saving for employee costs, materials and contracts and 'other expenses'.
- Construction and ongoing operations relating to a new library based at Macquarie Park.

ITEM 6 (continued)

ATTACHMENT 1

Outcomes of Modelling

In applying the 2 Scenarios, the following high level outcomes are evident:

- Rates revenue in Scenario 2 will be higher than Scenario 1. This reflects the increase in revenue from the proposed growth in the rating base under Scenario 2
- Operating Surpluses (before Capital Grants and Contributions) increase over the next 10 years under Scenario 2
- Over half a billion dollars in capital works (assets) over the next 10 years.
- Real operating expenditure per capita is lower under Scenario 2 due to population growth and efficiency/productivity has been factored in the Scenario 2.

The Ryde Central Project

In March 2020, Council resolved to proceed with the redevelopment of the site owned by Council, referred to as Ryde Central, which previously accommodated Council's administration and civic centre in the Ryde Civic Centre Building and includes the Ryde Civic Hall located at Devlin Street, Ryde.

The scope of the redevelopment of the Ryde Central site is the creation of a number of major asset components as follows:

- A six-storey administration and commercial building in the south of the site (referred to as the 'Civic Centre'). The Civic Centre is to be used as Ryde Council's main administration building and includes a café on the ground floor, 2 floors of lettable commercial space for external tenants, 3 levels of office space for Council staff and administrative functions, a separate level for the Council chambers and publicly accessible meeting rooms, and a food outlet on the rooftop level;
- A multi-purpose community and cultural building in the north of the site (referred to as the 'community & cultural hub' CCH). The CCH contains a performance hall with seating for up to almost 700 patrons, activity rooms, meeting rooms, an art exhibition / function space, public amenities and a bar/kiosk – all designed for community and public access and use;
- Two levels of basement car parking shared between the two buildings.

- Provision of a public plaza, open space areas and landscaping throughout the site. The public plaza is to be located primarily on the western side of the site and comprises open paved areas, large grassed area, seating, alfresco dining, and landscaping. A community garden is also proposed on the northern end of the site; and
- Realignment of Blaxland Road to form a new T-intersection at Parkes Street.

The Project provides Council with an opportunity to advance the strategic priorities of Council by:

- Creating and delivering a much needed and enhanced community space which is 4 times larger than that currently provided on the site with flexibility of that space to cater for a diverse range of community needs
- Re-establishing Council's civic and administrative presence on the site through development of a new administration and Civic Centre which then negates the need for Council to rent space elsewhere.
- Enabling Council to retain 100% ownership of the site in a manner considered both affordable and feasible;
- Controlling development to ensure a thoughtful, low scale / low impact use of the site with purposefully integrated open space, landscaping and public domain; and
- Providing Council with opportunities for additional income streams from new complimentary uses leased to third parties such as additional commercial space and retail outlets.

Council has undertaken early staged works and following the awarding of the contract, Taylor Construction Group have commenced work on the project with completion currently expected in 2023. All capital and operating income and expenditure relating to the Ryde Central Project has been factored into Council's Long Term Financial Plan.

ITEM 6 (continued)

ATTACHMENT 1

LTFP FINANCIAL MODEL SCENARIO 1 – BASE CASE

Introduction and Assumptions

The Base Case Scenario or “current state” is predicated on:

- Continuation of existing services at current service levels
- Continuation of existing levels of investment in infrastructure maintenance and renewal
- Continuation of existing income sources
- Limited growth contemplated - no new expansionary infrastructure expenditure beyond the current Delivery Program (2019-23) and only a limited number of new positions in Council’s staff establishment.

Observations

Whilst Scenario 1 provides a framework for long term financial planning and modelling purposes, its inclusion of development related growth in a strategic and deliberate manner is limited, particularly in year’s 5 to 10.

The assumptions used in Scenario 1 are sound with the vast majority of those assumptions carrying through to Scenario 2. Similarly, Risk Assessment applied in Scenario 1 is robust and much of this analysis and assessment holds true in Scenario 2.

Base Case Scenario Financial Assumptions – Revenue

REVENUE ITEM	ASSUMPTION
Rates and Annual Charges	Rates – 2.0% rate peg for 2021/22 and 2.6% onwards. Domestic Waste –2.0% increase for 2021/22 and 2.6% onwards.
User Charges and Fees	2.0% increase 2021/22 and 2.6% for 2022/23 and beyond and not including the introduction of new revenue sources.
Grants and Contributions	Income from grants and contributions is included where funding arrangements are in known. Recurring grant income tied to expenditure is increased by an index of 2.0% for 2021/22 and 2.6% onwards.
Interest and Investment Revenue	The City of Ryde’s Investment Policy is based on optimising returns from its investment portfolio within the statutory limitations of Ministerial Orders. The City of Ryde has set a budget target to achieve 0.85% above the Bloomberg Ausbond Bank Bill index.
Other Revenue	2.0% increase 2021/22 and 2.6% for 2021/223 and beyond not including the introduction of new revenue sources.

ITEM 6 (continued)

ATTACHMENT 1

Base Case Scenario Financial Assumptions – Expenditure

EXPENDITURE ITEM	ASSUMPTIONS
Employee Costs	2.0% increase for 2021/22 and 2022/23 and 2.6% for 2023/24 and beyond. \$500K additional funding included in the LTFP from 2021/22 to 2024/25 per year in line with the superannuation guarantee rate increase.
Borrowing Costs	Borrowing costs for the Ryde Central Project have been included in this scenario.
Materials and Contracts	CPI of zero percent for 2021/22 and 2.6% thereafter has been applied throughout the LTFP with additional materials and contract related costs factored in where known.
Depreciation	Depreciation has been modelled in accordance with the Asset Management Plans and statutory accounting practices. Rates will vary dependent on asset classes and components.
Utilities	2.5% increase for 2021/22 and 2.6% for 2022/23 and beyond.
IT Licensing	5.0% increase for 2021/22 and 2.6% for 2022/23 and beyond.
Other Expenses	CPI of zero percent for 2021/22 and 2.6% thereafter has been applied throughout the LTFP with additional 'other expense' related costs factored in where known.

*CPI = Consumer Price Index – Sydney All Groups, Australian Bureau of Statistics.

ITEM 6 (continued)

ATTACHMENT 1

Base Case Scenario Risk Analysis

Council's LTFP is exposed to external impacts such as legislation, technology, the environment, a changing labour force market and vendor relationships. These external factors, in combination with the ability for Council to control the overall revenue or expenditure class, help identify the risks associated with these associated items.

CLASS REVENUE	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTROL
Rates and Annual Charges	<p>Rates - 2.0% rate peg for 2021/22 and 2.6% onwards.</p> <p>Domestic Waste –2.0% increase for 2021/22 and 2.6% onwards.</p>	Rates and annual charges are the main source of Council income and fund core services including infrastructure, community services, sports and recreation, public health, environmental protection and waste collection, disposal and remediation. The NSW State Government “pegs” the maximum percentage by which rates can be increased annually. Council’s ability to levy rates and annual charges are legislated under the <i>Local Government Act 1993</i> .	High	Rates – Low Domestic Waste - medium
User Charges and Fees	2.0% increase 2021/22 and 2.6% onwards not including the introduction of new revenue sources.	<p>Impact: User fees and charges generally fall into 3 categories</p> <ol style="list-style-type: none"> 1. Statutory Fees and Charges – established by the State Government. 2. Discretionary Fees and Charges 1 – Council subsidises a service by establishing fees and charges that only partially recover the costs of the service provided. 3. Discretionary Fees and Charges 2 – Council seeks to recover the full cost of the service provided. 	Medium Medium Medium	Low High High
Interest and Investment Revenue	The City of Ryde’s Investment Policy is based on optimising returns from its investment portfolio within the statutory limitations of Ministerial Orders. The City of Ryde has set a budget target to achieve 0.85% above the Bloomberg Ausbond Bank Bill index.	Impact: The Council has a large investment portfolio that is subject to movements in interest rates. Investments are placed and managed in accordance with the Council’s adopted Investment Policy in compliance with the <i>Local Government Act</i> . As a custodian of the community’s funds, the Council ensures funds are invested with the same care, diligence and skill that a prudent person would exercise.	Medium	Low

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CLASS <i>REVENUE</i>	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTROL
Grants and Contributions	Income from grants and contributions is included where funding arrangements are in known. Recurring grant income tied to expenditure is increased by an index of 2.0%.	Grants and contributions are awarded for operating and capital purposes and are usually tied directly to services. Operating grants assist in providing important services to the community such as road safety and environmental initiatives. Capital grants contribute to infrastructure expansion and public amenity aligned to growth and development. If grants are not received, Council will generally not continue to provide that service unless an alternate funding source is identified.	Low	Low
Other Revenues	2.0% increase 2021/22 and 2.6% onwards not including the introduction of new revenue sources.	Includes revenue from parking fines, investment property rentals and employee contributions to vehicle private use. Other revenue may fluctuate as a result of fair value increments.	Medium	High

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CLASS <i>EXPENDITURE</i>	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTROL
Employee Benefits and On-Costs	2.0% increase 2021/22 and 2.0% for 2022/23 and 2.6% onwards. \$500K additional funding included in the LTFP from 2021/22 to 2024/25 per year in line with the superannuation guarantee rate increase.	Employee costs are the largest expenditure category (40%). Council's Workforce Strategy includes actions to secure a skilled and agile workforce committed to excellence and safety	High	Medium
Borrowing Costs	Borrowing costs for the Ryde Central Project have been included in this scenario.	While Council looks to retire it's existing debt obligations, Council will look to borrow to fund the Ryde Central Project. Council will repay the vast majority of this loan obligation (interest and principal) with Section 7.11 Developer Contributions.	Medium	Medium
Materials and Contracts	CPI of zero percent for 2021/22 and 2.6% thereafter has been applied throughout the LTFP with additional materials and contract related costs factored in where known.	Council's reliance on contractors is significant and reflects the need to be agile in meeting changes in service delivery demands. Contracts are managed in a procurement framework than promotes transparency and value for money principles.	High	Medium

ITEM 6 (continued)

ATTACHMENT 1

CLASS EXPENDITURE	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTROL
Depreciation and Amortisation	Depreciation has been modelled in accordance with the Asset Management Plans and statutory accounting practices. Rates will vary dependent on asset classes and components.	Depreciation is the annualised deterioration of Council assets captured in a financial context (using a straight-line methodology). Asset classes are revalued up to every 5 years which will have an impact on depreciation. Further information can be found in Council's Strategic Asset Management Plan.	High	High
Utilities	CPI of 2.5% for 2021/22 and 2.6% thereafter has been applied throughout the LTFP with additional utilities related costs factored in where known.	Utilities including street lighting, electricity, water, gas and telecommunications	Medium	Low
IT Licensing	CPI of 5.0% for 2021/22 and 2.6% thereafter has been applied throughout the LTFP with additional utilities related costs factored in where known.	IT Licensing including Software Charges, Maintenance & Support Fees and Software License Fees	Medium	Low
Other Expenses	CPI of zero percentage for 2021/22 and 2.6% thereafter has been applied throughout the LTFP with additional 'other expense' related costs factored in where known.	Includes contributions to other levels of government (such as waste levies, fire control and valuation fees) and insurances. Whilst Council works closely with other levels of government, the ability to control or influence costs cannot be guaranteed.	Medium	Low

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ATTACHMENT 1

LTFP FINANCIAL MODEL SCENARIO 2 – PROJECTED POPULATION GROWTH OF 25,000 RESIDENTS

Introduction and Assumptions

Scenario 2 is predicated on:

- All of the assumptions in the Base Case PLUS:
 - Population growth of 25,000 people over the 10 year period of the plan (or 1.9% compounding growth per annum)
 - Both operating income and expenditure will increase in line with the forecast population growth (as above), however some economies of scale are assumed during the growth period
 - Expansion and new Capital Works exceeding \$282 million, funded primarily by developer contributions (via cash, works in kind or voluntary planning agreements) including a new library at Macquarie Park
 - Operating expenditure (depreciation, maintenance and operating expenses) associated with the New Capital Works (as above) will increase
 - The inclusion of a 1% efficiency saving for employee costs, materials and contracts and other expenses
 - An increase of 74 additional full-time equivalent (FTE) staff (from 539 in 2021/22 to 613 in 2030/31) to assist in servicing the growth.

Observations

Scenario 2 builds on the foundations of Scenario 1. The major difference with Scenario 2 is that it anticipates a more deliberate growth forecast that impacts Council's Operating Statement, Balance Sheet and Cash Flow Statement.

The inclusion of more than half a billion in capital works and an increase of 74 additional FTE staff has a significant impact on Council's long term financial sustainability but has a much more realistic outlook than that of Scenario 1.

ITEM 6 (continued)

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Scenario 2 Sensitivity and Risk Assessment

In addition to the sensitivity and risk assessment of items identified in Scenario 1 – Base Case Scenario, the following items are considered unique to Scenario 2.

OTHER ITEMS	ASSUMPTIONS	IMPACT AND SENSITIVITY	IMPACT RATING	CONTROL RISK
Population Growth	<p>Population growth is generally reflected in an increase in the rates base (commonly referred to as supplementary rates). Growth in the rates base has traditionally been conservative.</p> <p>An assumed population growth of 25,000 has been established under Scenario 2.</p>	<p>Growth has a major impact on both income and expenditure forecasts. The primary income stream that benefits from population growth is rates revenue, though user fees and charges, operational grants and other revenue do increase proportionally.</p> <p>Population growth also impacts on employee costs, materials and contracts, depreciation and other expenses. An increased population places additional pressure on existing assets and services. New services, an expansion of existing services and the provision of new assets all have expenditure impacts that must be managed carefully.</p>	Medium	Medium
Expanded Asset Growth	<p>Total expanded asset expenditure of \$282 million has been included in Scenario 2 . These new assets will be constructed to help service the needs of the additional 25,000 population and are derived from a Draft iteration of the Section 7.11 Plan.</p>	<p>Impact: The \$282 million in new assets will not only add value to Council's Balance Sheet (non-current assets) but also its Operating Statement via additional Depreciation, Maintenance and Operating Expenses.</p>	Medium	Medium
Efficiency / Productivity Improvement Plan	<p>An Efficiency / Productivity Improvement Plan is necessary to ensure expenditure increases are moderated by targeted savings.</p>	<p>Improvement Plans provide a prudent means of focusing on efficiency targets to contain expenditure increases. The recommended Improvement Plan includes targeted expenditure savings in employee costs (staff turnover), materials and contracts and other expenses.</p>	Medium	Low
Workforce Expansion (FTE Staff)	<p>In light of the 25,000 additional population and their anticipated service needs, Council's workforce (full-time equivalent staff) is expected to grow by 74 FTE staff.</p>	<p>Impact: the additional 74 FTE Staff represents a 14% increase in Council's current staff establishment and equates to approximately \$7.5 million in expenditure over the next 10 years.</p>	Medium	Medium

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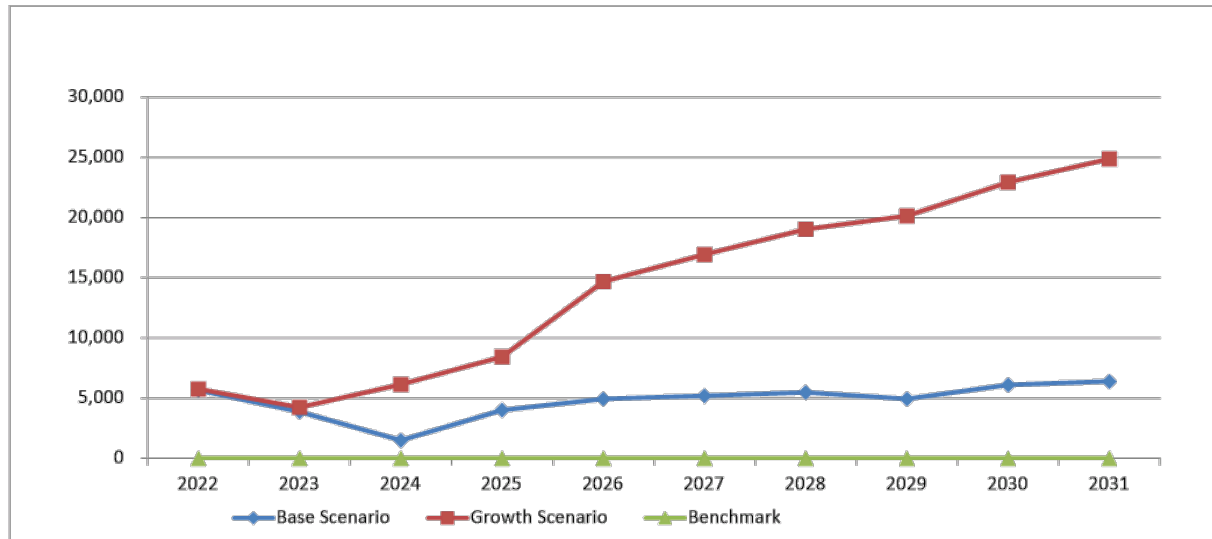
KEY PERFORMANCE INDICATORS

The following measures, indicators and ratios are provided to give the reader an insight into the relative financial impacts of the 2 Scenarios when compared with one another. Financial modelling indicates that Council will continue to perform well under both Scenarios over the next 10 years. The only exception is the Asset Maintenance Ratio. This is not considered a major issue as Council is forecasting an Asset Renewal Ratio well in excess of the benchmark. By reallocating funding from asset renewal to asset maintenance will resolve this issue.

Operating Performance (excl Capital Grants and Contributions)

This ratio measures a council’s achievement of containing operating expenditure within operating revenue. It is important to emphasise that this ratio focuses on operating performance, and hence capital grants and contributions, fair value adjustments, and reversal of revaluation adjustments are excluded.

The benchmark is greater than 0%.



NOTE:

\$2.5 million Depreciation for New Office Building has been included in 2023/24, but North Ryde Office Building Lease will be expired in May 2024. This will have a non-cash impact on the Operating Surplus.

ITEM 6 (continued)

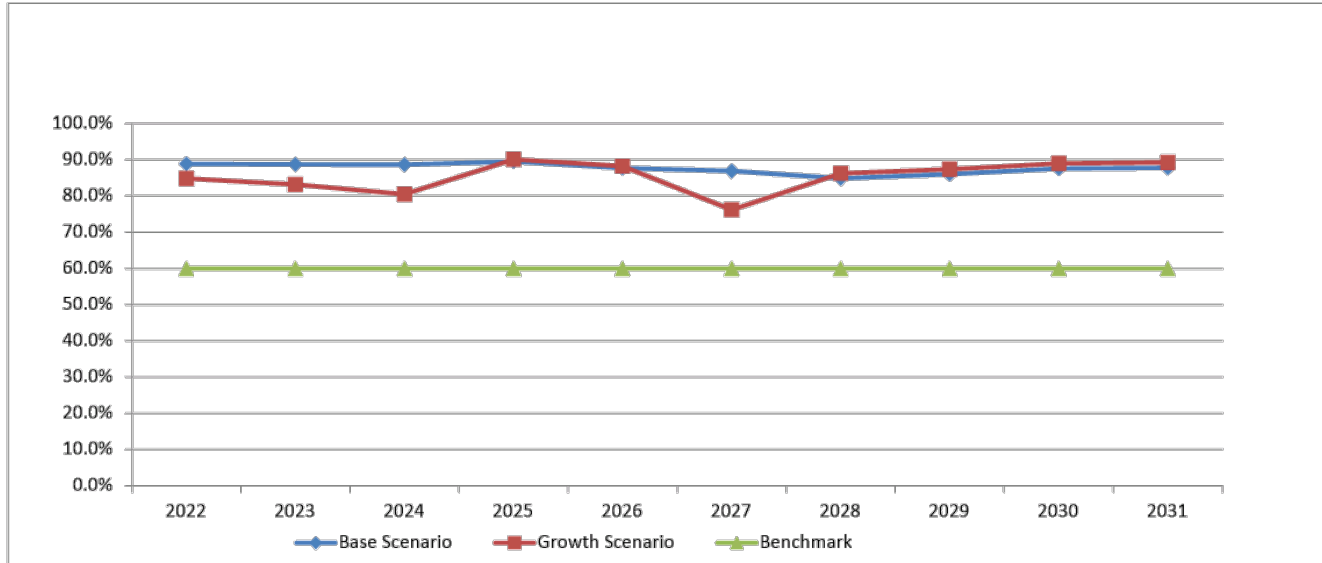
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Own Source Operating Revenue

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. A council's financial flexibility improves as its own source revenue increases.

The benchmark is greater than 60%.

Own Source Revenue Ratio (General Fund) – Annual Measure



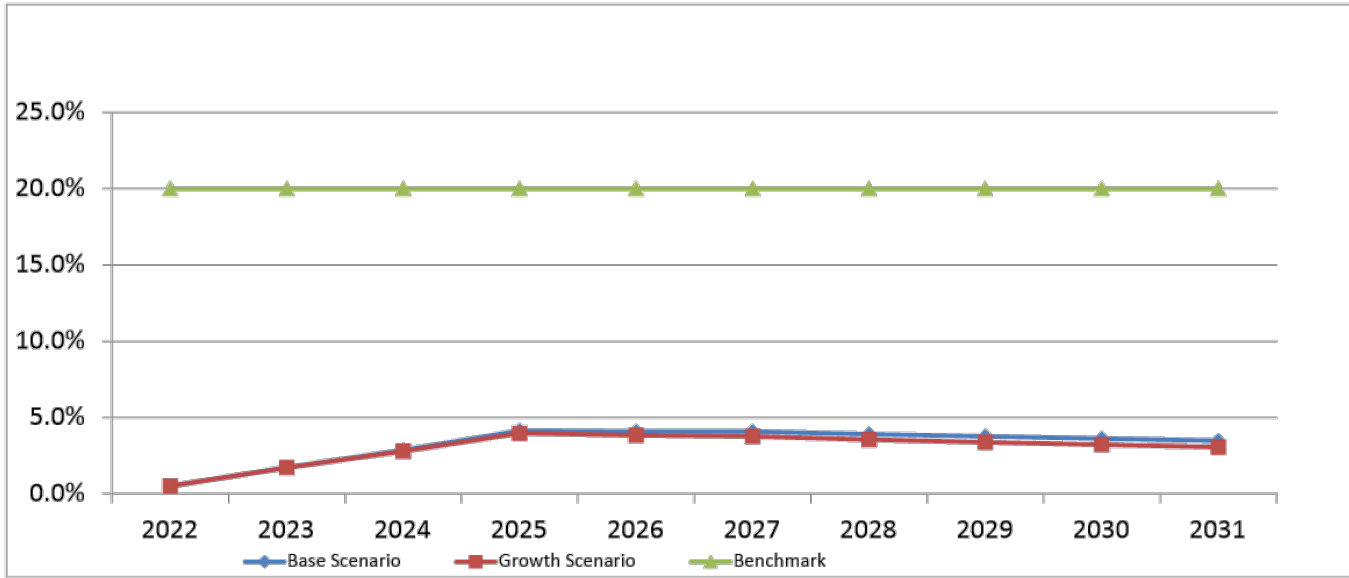
ITEM 6 (continued)

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Debt Service Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.
 The benchmark is greater than two times.

Debt Service Ratio (General Fund) - Annual Measure



NOTE:

In the 2024/25 financial year, the increase in this ratio is attributed to commencement of loan service (Principal and Interest) for the Ryde Central project and potential redevelopment of 33-35 Blaxland Road Property Project

ITEM 6 (continued)

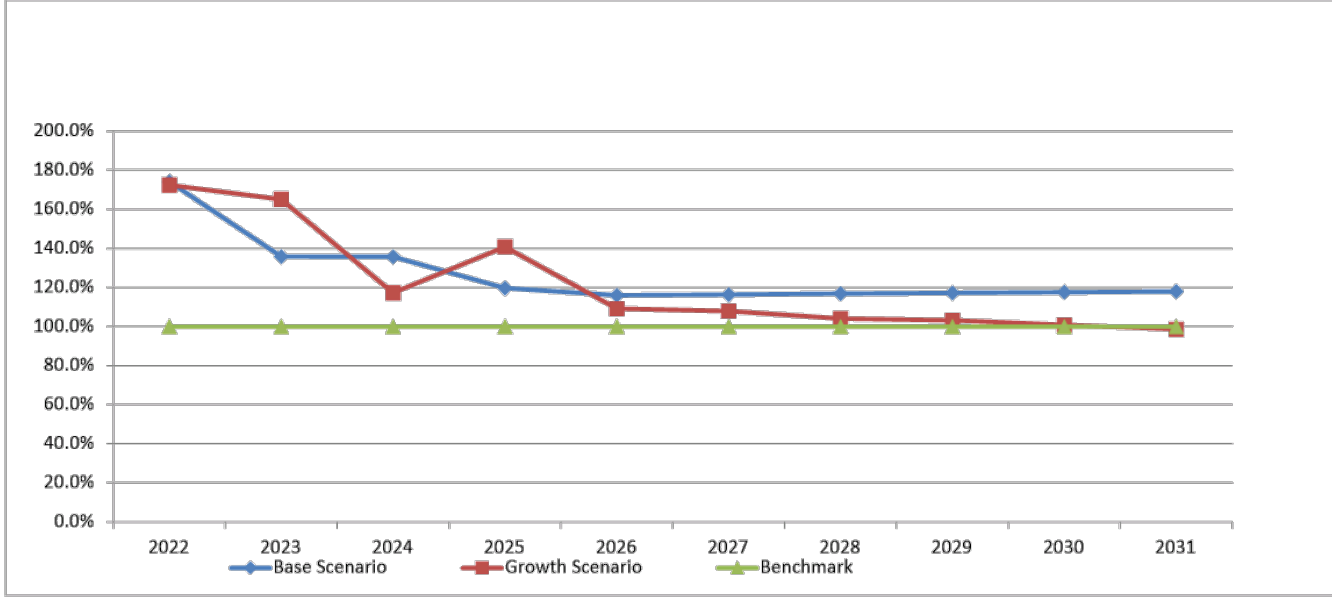
ATTACHMENT 1

Buildings and Infrastructure Renewals Ratio

To assess the rate at which these assets are being renewed against the rate at which they are depreciating.

The benchmark is greater than 100%.

Buildings and Infrastructure Renewals Ratio (General Fund) – Annual Measure



NOTE:

Any excess funds received could be redirected to service any maintenance shortfalls.

ITEM 6 (continued)

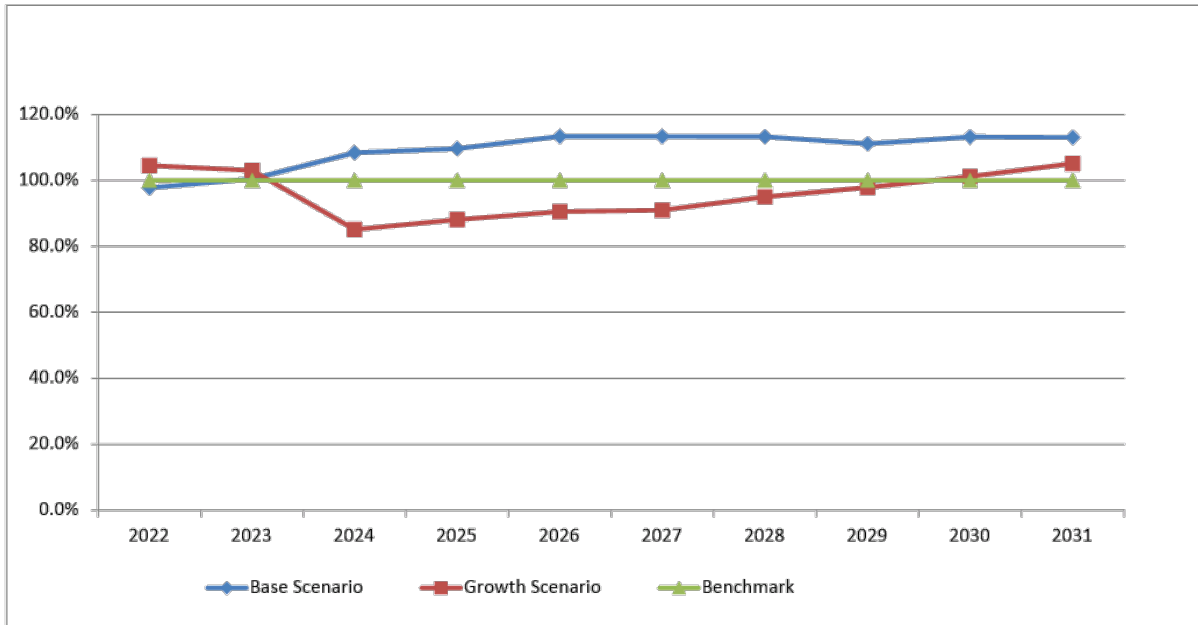
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Asset Maintenance Ratio

This ratio highlights how much Council is spending on the maintenance of its assets in comparison to the asset maintenance required to be spent, as indicated in Special Schedule 7.

The benchmark is greater than 100%.

Asset Maintenance Ratio (General Fund) – Annual Measure



NOT:

The Growth Scenario indicates the Asset Maintenance Ratio will deteriorate over the next 10 years, falling well below the 100% targeted benchmark. This will need to be corrected with a reallocation of funding from Asset Renewal (currently well above the targeted benchmark of 100%) to Asset Maintenance.

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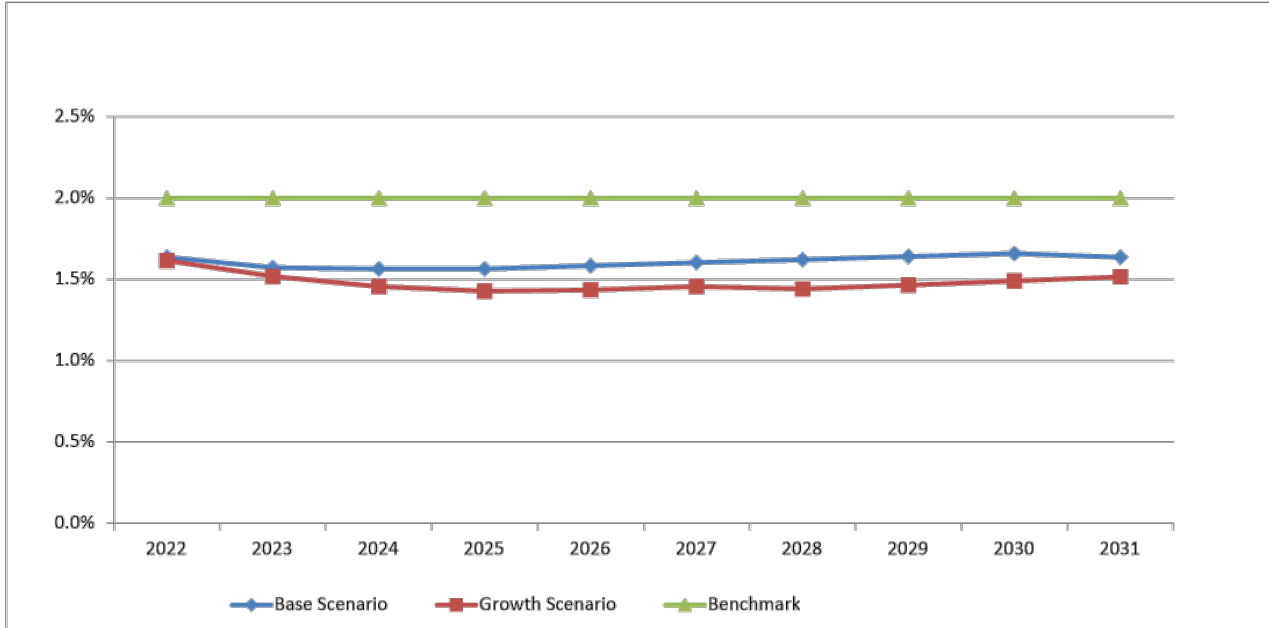
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Infrastructure Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. 'Backlog' is defined as the sum of Condition 5 (Poor Condition) Assets in Council's infrastructure asset network.

The benchmark is less than 2%.

Infrastructure Backlog Ratio (General Fund) – Annual Measure



NOTE:
Council will continue to monitor the backlog as it collects accurate information on the condition of its assets.

ITEM 6 (continued)

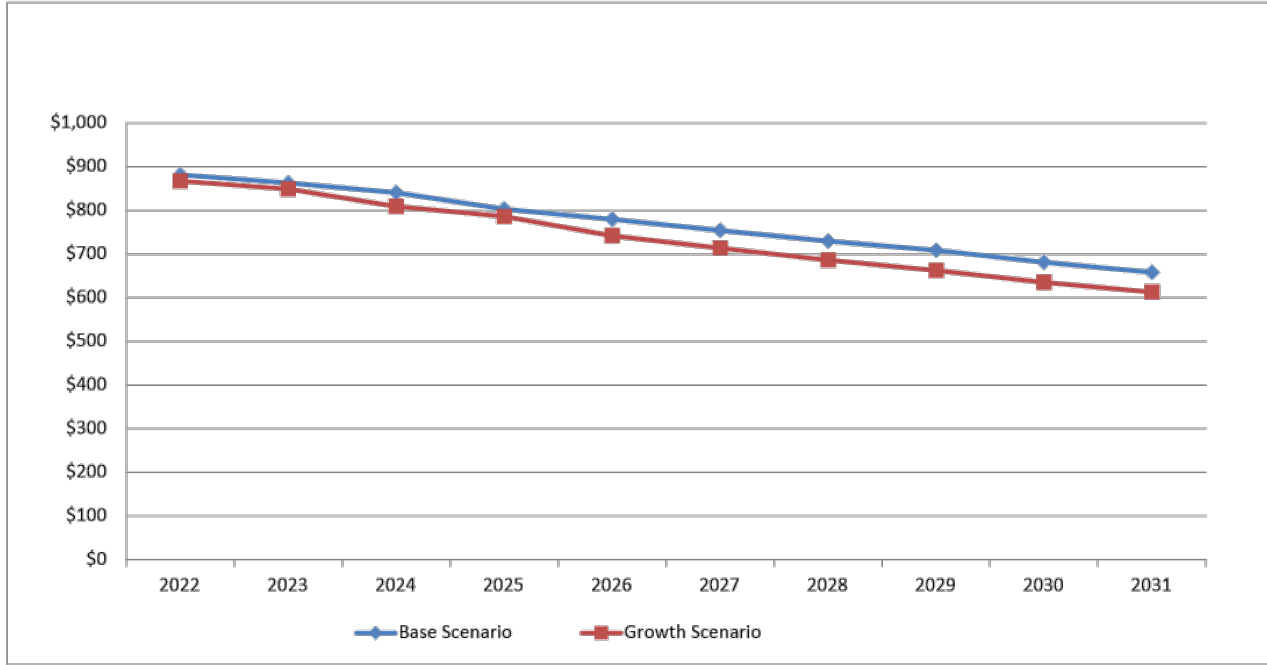
ATTACHMENT 1

Real Operating Expenditure Per Capita

This figure is a function of both total operating expenses and population.

The benchmark is for a declining trend over time.

Real Operating Expenditure per Capita (General Fund) – Annual Measure



NOTE:
Over the term of the Long Term Financial Plan, Council will achieve an efficiency of Operating Expenditure per Capita.

ITEM 6 (continued)

ATTACHMENT 1

CONCLUSION

In this Long Term Financial Plan, Council has outlined 2 Scenarios (each with underlying assumptions) that affect Council's financial sustainability in slightly different ways. Those Scenarios are as follows:

- **Scenario 1** - This scenario is predicated on existing services remaining largely the same over the next 10 years with a primary reliance on developer and internal reserve funded capital works, and the ongoing SRV income stream funding the renewal of existing assets.
- **Scenario 2** - This Scenario is predicated on available data indicating an additional population of 25,000 by 2028 with a direct correlation between population growth and service provision (both capital and operating) and incorporates an efficiency dividend principally the result of Council's focus on long term financial sustainability and the opportunities that are likely to transpire through economies of scale, asset optimisation and the use of technology over time.

The analysis in this Plan concentrates on the impacts of growth and measures those impacts against the Office of Local Government benchmarks over the next 10 years. This Plan acknowledges that long term financial forecasting has its limitations. Detailed assumptions, impacts and sensitivity analysis accompany the Plan in an attempt to put the modelled outcomes into perspective.

Whilst both Scenarios have varying degrees of validity, Scenario 1 is considered the most probable scenario and as such will be used as a high level guide to assist in financial decision making from 2022/23 onwards.

NOTE:

For completeness, and so that readers of this LTFP can assess council's overall financial position, the projected financial statements for both Scenarios are presented in Appendix 1 and Appendix 2 to this document.

APPENDIX 1 – BASE CASE FINANCIALS

City of Ryde 10 Year Financial Plan for the Years ending 30 June 2031	2021/2022 to 2030/2031 Base Case Scenario										
	Approved Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME STATEMENT											
<i>REVENUE FROM CONTINUING OPERATIONS</i>											
Rates and annual charges	98,714	102,242	104,900	107,628	110,426	113,298	116,244	119,266	122,367	125,549	128,813
User charges and fees	12,936	18,719	19,206	19,706	20,218	20,744	21,283	21,836	22,404	22,986	23,584
Interest and investment revenue	3,700	2,486	1,367	1,826	2,223	2,279	2,337	2,396	2,456	2,519	2,583
Other revenues	10,713	13,050	13,378	15,315	15,647	17,297	17,752	18,219	18,699	19,265	19,764
Grants & contributions - Operating	4,976	6,040	6,144	6,221	6,340	6,463	6,588	6,717	6,849	6,984	7,123
Grants & contributions - Capital	14,362	10,936	11,382	12,198	10,959	14,971	16,983	21,996	20,009	17,022	17,036
Net gain from the disposal of assets	0	100	100	100	100	103	105	108	111	114	117
TOTAL INCOME FROM CONTINUING OPERATIONS	145,402	153,573	156,478	162,993	165,914	175,153	181,291	190,538	192,894	194,439	199,020
<i>EXPENSES FROM CONTINUING OPERATIONS</i>											
Employee benefits and on-costs	53,755	57,198	58,992	61,223	63,117	65,080	66,753	68,491	70,273	72,102	73,977
Borrowing costs	183	168	1,655	1,519	1,745	1,667	1,588	1,507	1,423	1,338	1,250
Materials and contracts	37,244	36,441	36,360	38,401	38,951	39,223	40,276	41,358	43,279	43,611	44,779
Depreciation and amortisation	21,133	21,762	22,306	24,936	23,303	24,683	25,238	25,806	26,389	26,986	27,598
Other expenses	22,971	21,306	21,818	23,119	23,721	24,505	25,144	25,799	26,472	27,162	27,866
TOTAL EXPENSES FROM CONTINUING OPERATIONS	135,285	136,875	141,131	149,198	150,837	155,138	158,998	162,960	167,836	171,199	175,471
OPERATING RESULT FROM CONTINUING OPERATIONS	10,117	16,699	15,347	13,795	15,077	20,015	22,293	27,578	25,058	23,240	23,549
NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES EXCLUDING DISCONTINUED OPERATIONS	-4,246	5,762	3,965	1,598	4,118	5,044	5,310	5,582	5,049	6,218	6,513

ITEM 6 (continued)

ATTACHMENT 1

BALANCE SHEET		Approved Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
		2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Ryde City Council												
10 Year Financial Plan for the		2021/2022 to 2030/2031										
Years ending 30 June 2031		Base Case Scenario										
CURRENT ASSETS												
Cash and cash equivalents		20,837	17,805	16,074	14,341	13,652	14,389	15,766	17,838	19,622	20,965	22,431
Investments		57,084	48,780	44,037	39,290	37,402	39,421	43,194	48,870	53,758	57,437	61,453
Receivables		5,134	5,276	5,411	5,549	5,691	5,837	5,987	6,141	6,299	6,461	6,628
Inventories		695	695	695	695	695	695	695	695	695	695	695
Other		2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164
TOTAL CURRENT ASSETS		85,914	74,720	68,382	62,039	59,604	62,507	67,807	75,709	82,538	87,722	93,371
NON-CURRENT ASSETS												
Investments		99,264	84,823	76,576	68,322	65,038	68,550	75,110	84,980	93,479	99,876	106,860
Receivables		9	10	10	10	10	11	11	11	12	12	12
Infrastructure, property, plant and equipment		1,339,849	1,413,966	1,471,948	1,498,124	1,520,658	1,532,140	1,543,053	1,554,227	1,565,824	1,579,524	1,591,904
Investment property		120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715
TOTAL NON CURRENT ASSETS		1,559,837	1,619,514	1,669,249	1,687,171	1,706,421	1,721,415	1,738,889	1,759,934	1,780,029	1,800,127	1,819,492
TOTAL ASSETS		1,645,751	1,694,234	1,737,631	1,749,210	1,766,025	1,783,922	1,806,695	1,835,643	1,862,568	1,887,849	1,912,862
CURRENT LIABILITIES												
Payables		44,648	44,220	40,891	34,564	32,113	29,669	29,424	29,920	30,820	31,849	32,364
Borrowings		332	2,790	2,868	3,123	3,153	3,232	3,313	3,397	3,482	3,570	
Lease Liabilities		2,310	2,394	2,055								
Provisions		18,431	21,793	25,259	28,857	32,567	36,390	40,313	44,338	48,468	52,705	57,053
TOTAL CURRENT LIABILITIES		65,720	71,197	71,074	66,544	67,833	69,291	73,051	77,655	82,771	88,124	89,417
NON-CURRENT LIABILITIES												
Payables		7,638	7,565	6,996	5,913	5,494	5,076	5,034	5,119	5,273	5,449	5,537
Borrowings		759	29,469	60,201	63,528	64,325	61,093	57,780	54,383	50,901	47,331	47,331
Lease Liabilities		4,449	2,055									
Provisions		355	420	486	556	627	701	776	854	933	1,015	1,098
TOTAL NON-CURRENT LIABILITIES		13,202	39,509	67,682	69,997	70,446	66,869	63,590	60,355	57,107	53,794	53,966
TOTAL LIABILITIES		78,922	110,706	138,757	136,541	138,279	136,161	136,641	138,010	139,877	141,919	143,383
NET ASSETS		1,566,829	1,583,528	1,598,874	1,612,669	1,627,746	1,647,762	1,670,055	1,697,633	1,722,691	1,745,930	1,769,479
EQUITY												
Retained earnings		1,210,188	1,226,887	1,242,233	1,256,028	1,271,105	1,291,121	1,313,414	1,340,992	1,366,050	1,389,289	1,412,838
Revaluation Reserves		356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641
TOTAL EQUITY		1,566,829	1,583,528	1,598,874	1,612,669	1,627,746	1,647,762	1,670,055	1,697,633	1,722,691	1,745,930	1,769,479

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Ryde City Council 10 Year Financial Plan for the Years ending 30 June 2031	2021/2022 to 2030/2031 Base Case Scenario										
	Approved Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOW STATEMENT											
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts											
Rates and Annual Charges	105,536	102,100	104,765	107,490	110,284	113,151	116,093	119,112	122,209	125,386	128,647
User Charges and Fees	12,936	18,719	19,206	19,706	20,218	20,744	21,283	21,836	22,404	22,986	23,584
Investment and Interest Revenue Received	3,700	2,486	1,367	1,826	2,223	2,279	2,337	2,396	2,456	2,519	2,583
Grants and Contributions	19,338	16,976	17,526	18,419	17,300	21,434	23,571	28,712	26,857	24,006	24,159
Other	10,713	13,050	13,378	15,315	15,647	17,297	17,752	18,219	18,699	19,265	19,764
Payments											
Employee benefits and on-costs	(50,535)	(53,772)	(55,459)	(57,556)	(59,336)	(61,162)	(62,754)	(64,388)	(66,064)	(67,784)	(69,546)
Materials and contracts	(23,106)	(36,942)	(40,259)	(45,811)	(41,821)	(42,085)	(40,562)	(40,778)	(42,224)	(42,407)	(44,176)
Borrowing costs	(183)	(168)	(1,655)	(1,519)	(1,745)	(1,667)	(1,588)	(1,507)	(1,423)	(1,338)	(1,250)
Other	(22,971)	(21,306)	(21,818)	(23,119)	(23,721)	(24,505)	(25,144)	(25,799)	(26,472)	(27,162)	(27,866)
Net cash provided from (or used) in operating activities	55,430	41,144	37,052	34,751	39,048	45,484	50,987	57,805	56,442	55,473	55,898
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Sale of investments	49,617	22,745	12,990	13,001	5,172						
Sale of infrastructure, property, plant and equipment	1,420	1,330	1,395	1,491	1,542	1,582	1,623	1,665	1,709	1,753	1,799
Payments											
Purchase of investments						(5,532)	(10,333)	(15,547)	(13,386)	(10,076)	(11,000)
Purchase of property, plant and equipment	(110,782)	(97,109)	(81,583)	(52,503)	(47,279)	(37,645)	(37,669)	(38,538)	(39,583)	(42,325)	(41,661)
Net cash provided from (or used in) investing activities	(59,745)	(73,034)	(67,198)	(38,010)	(40,564)	(41,594)	(46,378)	(52,419)	(51,261)	(50,648)	(50,862)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Borrowings and advances		31,500	33,600	6,450	3,950						
Payments											
Borrowings and advances repaid	(317)	(332)	(2,790)	(2,868)	(3,123)	(3,153)	(3,232)	(3,313)	(3,397)	(3,482)	(3,570)
Lease liabilities	(1,981)	(2,310)	(2,394)	(2,055)							
Net cash provided from (or used in) financing activities	(2,298)	28,858	28,415	1,526	827	(3,153)	(3,232)	(3,313)	(3,397)	(3,482)	(3,570)
Net increase/(decrease) in cash & cash equivalents	(6,613)	(3,031)	(1,731)	(1,733)	(889)	737	1,377	2,072	1,784	1,343	1,466
Cash & cash equivalents at beginning reporting period	27,449	20,836	17,805	16,074	14,341	13,652	14,389	15,766	17,838	19,622	20,965
Cash & Cash Equivalents at end of Reporting Period	20,836	17,805	16,074	14,341	13,652	14,389	15,766	17,838	19,622	20,965	22,431
<i>plus: Investments on hand - EOY</i>	<i>156,348</i>	<i>133,603</i>	<i>120,613</i>	<i>107,612</i>	<i>102,439</i>	<i>107,971</i>	<i>118,304</i>	<i>133,850</i>	<i>147,237</i>	<i>157,313</i>	<i>168,313</i>
Total Cash, Cash Equivalents and Investments	177,184	151,408	136,687	121,953	116,091	122,360	134,070	151,689	166,859	178,278	190,744

ITEM 6 (continued)

ATTACHMENT 1

APPENDIX 2 – GROWTH CASE FINANCIALS

Ryde City Council 10 Year Financial Plan for the Years ending 30 June 2031	2021/2022 to 2030/2031 Growth Case Scenario											
	Approved Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
INCOME STATEMENT												
REVENUE FROM CONTINUING OPERATIONS												
Rates and annual charges	98,714	102,242	106,530	110,997	115,652	120,502	125,555	130,820	136,306	142,022	147,978	
User charges and fees	12,936	18,719	19,504	20,322	22,075	23,000	23,965	24,970	26,017	27,108	28,245	
Interest and investment revenue	3,700	2,486	1,915	2,875	3,946	4,297	4,807	4,902	4,509	4,426	4,477	
Other revenues	10,713	13,050	13,378	15,956	17,002	18,795	19,289	19,797	20,318	20,933	21,476	
Grants & contributions - Operating	4,976	6,040	6,144	6,221	6,340	6,463	6,588	6,717	6,849	6,984	7,123	
Grants & contributions - Capital	14,362	10,936	11,382	12,198	10,959	14,971	16,983	21,996	20,009	17,022	17,036	
In-Kind Contributions - Capital (non-cash)		7,280	11,000	17,932		597	30,600					
Net gain from the disposal of assets		100	100	100	100	103	105	108	111	114	117	
TOTAL INCOME FROM CONTINUING OPERATIONS	145,402	160,853	169,953	186,602	176,074	188,727	227,893	209,310	214,119	218,609	226,450	
EXPENSES FROM CONTINUING OPERATIONS												
Employee benefits and on-costs	53,755	57,198	60,526	62,755	65,108	66,986	69,086	70,623	72,583	74,586	76,629	
Borrowing costs	183	168	1,655	1,519	1,745	1,667	1,588	1,507	1,423	1,338	1,250	
Materials and contracts	37,244	36,441	36,241	36,729	39,160	39,461	40,952	42,627	45,377	46,636	49,045	
Depreciation and amortisation	21,133	21,762	22,953	25,694	24,106	25,300	25,876	28,827	27,048	27,661	28,288	
Other expenses	22,971	21,306	21,860	23,528	26,455	24,965	25,760	26,583	27,432	28,309	29,211	
TOTAL EXPENSES FROM CONTINUING OPERATIONS	135,285	136,875	143,236	150,225	156,574	158,380	163,261	168,167	173,865	178,530	184,424	
OPERATING RESULT FROM CONTINUING OPERATIONS	10,117	23,979	26,718	36,377	19,500	30,347	64,631	41,143	40,254	40,079	42,027	
NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES EXCLUDING DISCONTINUED OPERATIONS	-4,246	5,762	4,336	6,247	8,540	14,779	17,048	19,147	20,245	23,057	24,991	

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ATTACHMENT 1

Ryde City Council 10 Year Financial Plan for the Years ending 30 June 2031		2021/2022 to 2030/2031 Growth Case Scenario									
BALANCE SHEET	Approved Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS											
Cash and cash equivalents	20,837	17,805	16,205	15,072	15,141	17,142	20,241	24,359	28,528	32,669	37,206
Investments	57,084	48,780	44,397	41,290	41,481	46,961	55,454	66,734	78,155	89,501	101,929
Receivables	5,134	5,276	5,488	5,711	5,981	6,227	6,482	6,748	7,024	7,313	7,613
Inventories	695	695	695	695	695	695	695	695	695	695	695
Other	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164
TOTAL CURRENT ASSETS	85,914	74,720	68,950	64,932	65,462	73,189	85,036	100,699	116,566	132,342	149,607
NON-CURRENT ASSETS											
Investments	99,264	84,823	77,202	71,800	72,132	81,661	96,428	116,043	135,904	155,634	177,245
Receivables	9	10	10	11	11	11	12	12	13	13	14
Infrastructure, property, plant and equipment	1,339,849	1,421,246	1,489,443	1,532,855	1,554,231	1,564,860	1,603,071	1,610,503	1,616,832	1,623,347	1,628,382
Investment property	120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715	120,715
TOTAL NON CURRENT ASSETS	1,559,837	1,626,794	1,687,370	1,725,380	1,747,089	1,767,247	1,820,227	1,847,273	1,873,463	1,899,709	1,926,356
TOTAL ASSETS	1,645,751	1,701,514	1,756,320	1,790,313	1,812,552	1,840,436	1,905,263	1,947,972	1,990,030	2,032,051	2,075,963
CURRENT LIABILITIES											
Payables	44,648	44,220	40,845	34,296	32,599	29,762	29,155	29,709	30,437	31,254	31,992
Borrowings	332	2,790	2,868	3,123	3,153	3,232	3,313	3,397	3,482	3,570	
Lease Repayments	2,310	2,394	2,055								
Provisions	18,431	21,793	25,350	29,038	32,864	36,801	40,861	45,011	49,277	53,660	58,163
TOTAL CURRENT LIABILITIES	65,720	71,197	71,118	66,456	68,615	69,794	73,329	78,117	83,196	88,484	90,156
NON-CURRENT LIABILITIES											
Payables	7,638	7,565	6,988	5,867	5,577	5,092	4,988	5,083	5,207	5,347	5,473
Borrowings	759	29,469	60,201	63,528	64,325	61,093	57,780	54,383	50,901	47,331	47,331
Lease Repayments	4,449	2,055									
Provisions	355	420	488	559	633	708	787	867	949	1,033	1,120
TOTAL NON-CURRENT LIABILITIES	13,202	39,509	67,676	69,954	70,535	66,893	63,554	60,332	57,057	53,711	53,924
TOTAL LIABILITIES	78,922	110,706	138,795	136,411	139,150	136,688	136,883	138,449	140,253	142,195	144,080
NET ASSETS	1,566,829	1,590,808	1,617,525	1,653,902	1,673,401	1,703,749	1,768,380	1,809,523	1,849,777	1,889,856	1,931,883
EQUITY											
Retained earnings	1,210,188	1,234,167	1,260,884	1,297,261	1,316,760	1,347,108	1,411,739	1,452,882	1,493,136	1,533,215	1,575,242
Revaluation Reserves	356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641	356,641
TOTAL EQUITY	1,566,829	1,590,808	1,617,525	1,653,902	1,673,401	1,703,749	1,768,380	1,809,523	1,849,777	1,889,856	1,931,883

ITEM 6 (continued)

ATTACHMENT 1

Ryde City Council 10 Year Financial Plan for the Years ending 30 June 2031		2021/2022 to 2030/2031 Growth Case Scenario									
		Approved Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
		2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOW STATEMENT											
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts											
Rates and Annual Charges	105,536	102,100	106,317	110,774	115,382	120,255	125,299	130,554	136,029	141,734	147,677
User Charges and Fees	12,936	18,719	19,504	20,322	22,075	23,000	23,965	24,970	26,017	27,108	28,245
Investment and Interest Revenue Received	3,700	2,486	1,915	2,875	3,946	4,297	4,807	4,902	4,509	4,426	4,477
Grants and Contributions	19,338	16,976	17,526	18,419	17,300	21,434	23,571	28,712	26,857	24,006	24,159
Other	10,713	13,050	13,378	15,956	17,002	18,795	19,289	19,797	20,318	20,933	21,476
Payments											
Employee benefits and on-costs	(50,535)	(53,772)	(56,901)	(58,996)	(61,208)	(62,974)	(64,947)	(66,393)	(68,235)	(70,119)	(72,039)
Materials and contracts	(23,106)	(36,942)	(40,194)	(44,398)	(41,148)	(42,783)	(41,662)	(41,978)	(44,525)	(45,679)	(48,181)
Borrowing costs	(183)	(168)	(1,655)	(1,519)	(1,745)	(1,667)	(1,588)	(1,507)	(1,423)	(1,338)	(1,250)
Other	(22,971)	(21,305)	(21,860)	(23,528)	(26,455)	(24,965)	(25,760)	(26,583)	(27,432)	(28,309)	(29,211)
Net cash provided from (or used) in operating activities	55,430	41,144	38,031	39,905	45,147	55,391	62,974	72,475	72,115	72,762	75,352
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Sale of investments	49,617	22,745	12,004	8,508							
Sale of infrastructure, property, plant and equipment	1,420	1,330	1,395	1,491	1,542	1,582	1,623	1,665	1,709	1,753	1,799
Payments											
Purchase of investments					(523)	(15,009)	(23,260)	(30,895)	(31,282)	(31,076)	(34,039)
Purchase of property, plant and equipment	(110,782)	(97,109)	(81,445)	(52,565)	(46,924)	(36,811)	(35,005)	(35,815)	(34,975)	(35,815)	(35,005)
Net cash provided from (or used in) investing activities	(59,745)	(73,034)	(68,046)	(42,566)	(45,905)	(50,238)	(56,642)	(65,045)	(64,549)	(65,138)	(67,246)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Borrowings and advances		31,500	33,600	6,450	3,950						
Payments											
Borrowings and advances repaid	(317)	(332)	(2,790)	(2,868)	(3,123)	(3,153)	(3,232)	(3,313)	(3,397)	(3,482)	(3,570)
Lease liabilities	(1,981)	(2,310)	(2,394)	(2,055)							
Net cash provided from (or used in) financing activities	(2,298)	28,858	28,415	1,526	827	(3,153)	(3,232)	(3,313)	(3,397)	(3,482)	(3,570)
Net increase/(decrease) in cash & cash equivalents	(6,612)	(3,031)	(1,600)	(1,134)	70	2,000	3,100	4,117	4,169	4,142	4,536
Cash & cash equivalents at beginning reporting period	27,449	20,837	17,805	16,205	15,072	15,141	17,142	20,241	24,359	28,528	32,669
Cash & Cash Equivalents at end of Reporting Period	20,837	17,805	16,205	15,072	15,141	17,142	20,241	24,359	28,528	32,669	37,206
<i>plus: Investments on hand - EOY</i>	156,348	133,603	121,599	113,090	113,614	128,622	151,882	182,777	214,059	245,135	279,174
Total Cash, Cash Equivalents and Investments	177,184	151,408	137,804	128,162	128,755	145,764	172,124	207,136	242,587	277,804	316,380

ITEM 6 (continued)

8 City of Ryde

ATTACHMENT 1



		-1		Years		Year6	
1,500.00	2,600.00	1,210.00	4,012.00	5,000.00			
2,600.00	2,300.00	4,800.00	6,801.00	3,200.00		4,094.00	
3,055.00	3,540.00	3,102.00	1,020.00	8,200.00		0,930.00	
4,800.00	7,010.00	4,801.00	2,143.00	11,000.00		2,861.00	
3,330.00	4,323.00	5,402.00	3,501.00	4,004.00		3,819.00	
1,460.00	8,400.00	7,200.00	1,890.00	7,800.00		7,856.00	
4,870.00	2,607.00	8,700.00	10,000.00	1,230.00		2,104.00	
				1,100.00		8,000.00	

