

Meeting Date: Tuesday 13 April 2021
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
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

Item	Page
1 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 9 February 2021	1
2 ITEMS PUT WITHOUT DEBATE	5
3 INVESTMENT REPORT AS AT 28 FEBRUARY 2021.....	6
4 INVESTMENT REPORT AS AT 31 MARCH 2021	14

**1 CONFIRMATION OF MINUTES - Finance and Governance Committee
Meeting held on 9 February 2021**

Report prepared by: Civic Services Manager
File No.: CLM/21/1/3/2 - BP21/67

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 1/21, held on 9 February 2021, be confirmed.

ATTACHMENTS

- 1 MINUTES - Finance and Governance Committee Meeting - 9 February 2021

ITEM 1 (continued)

ATTACHMENT 1

Finance and Governance Committee Meeting
MINUTES OF MEETING NO. 1/21

Meeting Date: Tuesday 9 February 2021
Location: Online Audio Visual Meeting
Time: 6.45pm

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

Apologies: Councillor Maggio.

Staff Present: General Manager, Acting Director – Customer and Community Services, Acting Director – Corporate Services, Acting Director – City Planning and Environment, Director – City Works, Chief Financial Officer, System 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 10 November 2020

RESOLUTION: (Moved by Councillors Gordon and Pedersen)

That the Minutes of the Finance and Governance Committee 4/20, held on 10 November 2020, be confirmed.

Record of the Voting:

For the Motion: Unanimous

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

ITEM 1 (continued)

ATTACHMENT 1

2 ITEMS PUT WITHOUT DEBATE

RESOLUTION: (Moved by Councillors Pedersen and Purcell)

That the Committee adopt Item 3 and Item 6 on the Committee Agenda as per the recommendations in the reports.

Record of the Voting:

For the Motion: Unanimous

3 INVESTMENT REPORT AS AT 30 NOVEMBER 2020

RESOLUTION: (Moved by Councillors Pedersen and Purcell)

That Council endorse the Investment Report as at 30 November 2020.

Record of the Voting:

For the Motion: Unanimous

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

6 INVESTMENT REPORT AS AT 31 JANUARY 2021

RESOLUTION: (Moved by Councillors Pedersen and Purcell)

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

Record of the Voting:

For the Motion: Unanimous

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

3 INVESTMENT REPORT AS AT 30 NOVEMBER 2020

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

ITEM 1 (continued)

ATTACHMENT 1

4 INVESTMENT REPORT AS AT 31 DECEMBER 2020

RECOMMENDATION: (Moved by Councillors Purcell and Pedersen)

That Council endorse the Investment Report as at 31 December 2020.

Record of the Voting:

For the Motion: Councillors Brown, 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 **23 FEBRUARY 2021** as dissenting votes were recorded.

5 2021 AUSTRALIAN LOCAL GOVERNMENT WOMEN'S ASSOCIATION (ALGWA) NSW ANNUAL CONFERENCE - 18 TO 20 MARCH 2021

RECOMMENDATION: (Moved by Councillors Purcell and Pedersen)

That Council endorse the Mayor, Councillor Laxale and Councillor Pedersen's request to attend the 2021 Australian Local Government Women's Association (ALGWA) NSW Annual Conference, including attendance fees, travel and other associated expenses.

Record of the Voting:

For the Motion: Councillors Brown, 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 **23 FEBRUARY 2021** as dissenting votes were recorded and it is outside the Committee's delegations.

LATE REPORT

6 INVESTMENT REPORT AS AT 31 JANUARY 2021

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

The meeting closed at 6.56pm

CONFIRMED THIS 13TH DAY OF APRIL 2021

Chairperson

2 ITEMS PUT WITHOUT DEBATE

Report prepared by: Civic Services Manager

File No.: CLM/21/1/3/2 - BP21/68

REPORT SUMMARY

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

RECOMMENDATION:

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

OR

That the Committee determine all Items on the Agenda.

3 INVESTMENT REPORT AS AT 28 FEBRUARY 2021

Report prepared by: Chief Financial Officer

File No.: GRP/21/8 - BP21/145

REPORT SUMMARY

This report details Council's performance of its investment portfolio as at 28 February 2021 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio and loan liabilities.

Council's return for the reporting period is 1.66%, which is 1.67% above the benchmark figure of -0.01%.

Income from interest on investments and proceeds from sale of investments totals \$2,556K for the financial year to date, which is \$89K above the 2020/21 year-to-date adopted budget of \$2,467K.

RECOMMENDATION:

That Council endorse the Investment Report as at 28 February 2021.

ATTACHMENTS

There are no attachments for this report.

Report Prepared By:

Pav Kuzmanovski
Chief Financial Officer

Report Approved By:

Marnie Mitchell
Acting Director - Corporate Services

ITEM 3 (continued)

Discussion

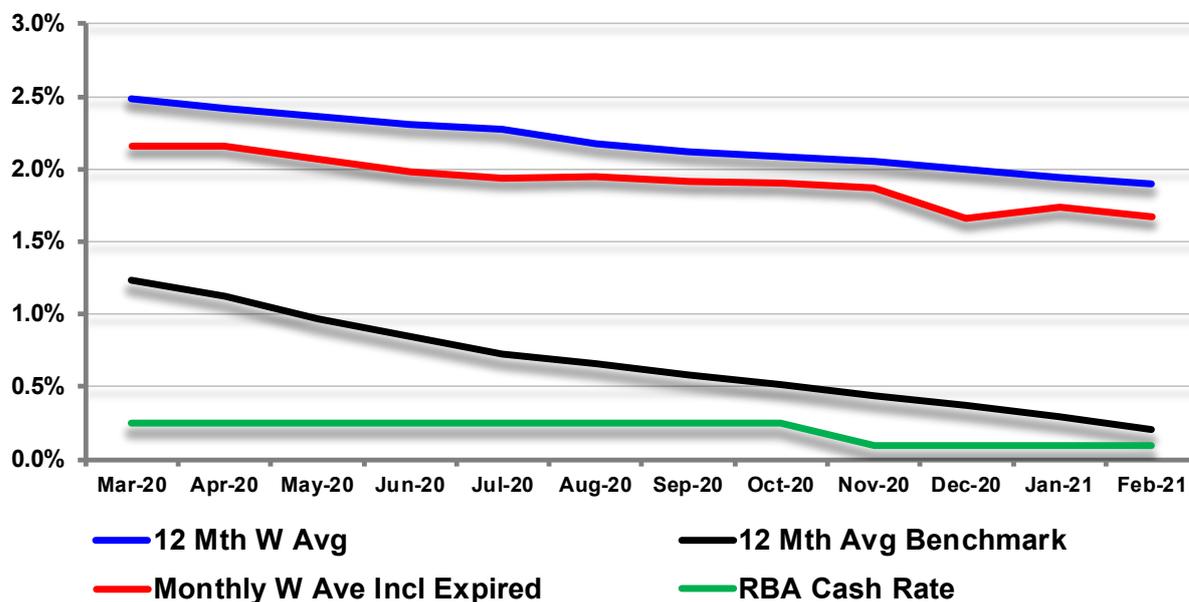
Council’s Responsible Accounting Officer is required to report monthly on Council’s Investment Portfolio and certify that the Investments are held in accordance with Council’s Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

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

	Feb	12 Mth	FYTD
Council Return	1.66	1.90	1.80
Benchmark	-0.01	0.21	0.07
Variance	1.67	1.69	1.73

Performance - All Investments



Council’s investment portfolio as at 28 February 2021 was as follows:

Cash/Term Deposits	\$141.5M	61.6%
Floating Rate Notes	\$39.5M	17.2%
Fixed Bonds	\$48.7M	21.2%
Total Investments	\$229.7M	

ITEM 3 (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.

Whilst Council has moved some of its investment portfolio out to longer terms to lock in future returns, it should be noted that there is approximately \$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 28 February was \$1.3 million 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 3 (continued)
INVESTMENT SUMMARY AS AT 28 FEBRUARY 2021

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 28-Feb-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2020	% of Total Invested	Maturity	Tenor
Bank of Queensland	1. Bank of Queensland Floating Rate Note	AAA	Y	1,200	1.09	1.14	1.14	0.52	14/05/2025	1826
National Australia Bank	2. NAB Fixed Bond (Covered)	AAA	Y	3,745	3.10	3.09	3.08	1.63	16/03/2023	1826
Suncorp-Metway	3. Suncorp-Metway Floating Rate Note	AAA	N	4,000	1.11	1.33	1.18	1.74	22/06/2021	1826
Australia and New Zealand Banking Group	4. ANZ Fixed Bond	AA-	Y	1,499	3.15	3.16	3.17	0.65	18/01/2023	1826
Australia and New Zealand Banking Group	5. ANZ Fixed Bond	AA-	Y	2,999	3.19	3.14	3.15	1.31	8/02/2024	1826
Australia and New Zealand Banking Group	6. ANZ Fixed Bond	AA-	Y	1,999	1.56	1.55	1.56	0.87	29/08/2024	1827
Australia and New Zealand Banking Group	7. ANZ Fixed Bond	AA-	Y	1,993	1.66	1.66	1.67	0.87	29/08/2024	1805
Australia and New Zealand Banking Group	8. ANZ Fixed Bond	AA-	Y	1,997	1.69	1.68	1.67	0.87	16/01/2025	1827
Australia and New Zealand Banking Group	9. ANZ Fixed Bond	AA-	Y	2,977	1.79	1.79	1.79	1.30	29/08/2024	1612
Australia and New Zealand Banking Group	10. ANZ Floating Rate Note	AA-	Y	4,000	1.20	1.39	1.27	1.74	7/04/2021	1826
Australia and New Zealand Banking Group	11. ANZ Floating Rate Note	AA-	Y	1,500	0.78	0.97	0.85	0.65	18/01/2023	1826
Australia and New Zealand Banking Group	12. ANZ Floating Rate Note	AA-	Y	2,000	0.92	1.14	0.97	0.87	9/05/2023	1826
Australia and New Zealand Banking Group	13. ANZ Term Deposit	AA-	Y	4,000	1.52	1.74	1.57	1.74	10/11/2022	2557
Australia and New Zealand Banking Group	14. ANZ Term Deposit	AA-	Y	4,000	1.48	1.70	1.53	1.74	15/12/2022	2557
Commonwealth Bank of Australia	15. CBA At Call Account	AA-	Y	12,529	0.12	0.15	0.00	5.46		
Commonwealth Bank of Australia	16. CBA Fixed Bond	AA-	Y	3,990	3.42	3.39	3.42	1.74	25/04/2023	1916
Commonwealth Bank of Australia	17. CBA Fixed Bond	AA-	Y	3,496	3.22	3.28	3.28	1.52	16/08/2023	1826
Commonwealth Bank of Australia	18. CBA Fixed Bond	AA-	Y	3,483	3.22	3.24	3.24	1.52	11/01/2024	1826
Commonwealth Bank of Australia	19. CBA Term Deposit	AA-	Y	2,000	0.43	0.43	0.43	0.87	22/02/2022	365
National Australia Bank	20. NAB Fixed Bond	AA-	Y	2,999	3.15	3.15	3.14	1.31	12/05/2021	1826
National Australia Bank	21. NAB Fixed Bond	AA-	Y	3,996	2.91	3.07	3.07	1.74	10/02/2023	1918
National Australia Bank	22. NAB Fixed Bond	AA-	Y	2,998	2.80	2.94	2.94	1.31	26/02/2024	1826
National Australia Bank	23. NAB Floating Rate Note	AA-	Y	4,000	0.92	1.15	0.97	1.74	16/05/2023	1826
National Australia Bank	24. NAB Floating Rate Note	AA-	Y	2,000	0.94	1.18	1.00	0.87	19/06/2024	1827
National Australia Bank	25. NAB Term Deposit	AA-	Y	4,000	0.35	1.02	0.90	1.74	24/02/2022	371
National Australia Bank	26. NAB Term Deposit	AA-	Y	4,000	0.65	1.00	0.83	1.74	25/03/2021	189
National Australia Bank	27. NAB Term Deposit	AA-	Y	4,000	0.90	1.10	0.90	1.74	18/03/2021	268
National Australia Bank	28. NAB Term Deposit	AA-	Y	4,000	0.60	1.10	0.92	1.74	16/10/2021	365
National Australia Bank	29. NAB Term Deposit	AA-	Y	4,000	0.45	1.27	1.19	1.74	11/01/2022	357
National Australia Bank	30. NAB Term Deposit	AA-	Y	4,000	3.35	3.35	3.35	1.74	18/09/2023	1827
National Australia Bank	31. NAB Term Deposit	AA-	Y	2,000	0.50	0.50	0.50	0.87	2/12/2021	364
Westpac Banking Corporation	32. Westpac At Call Account	AA-	Y	25,013	0.00	0.00	0.00	10.89		
Westpac Banking Corporation	33. Westpac Floating Rate Note	AA-	Y	2,485	3.25	3.23	3.22	1.08	24/04/2024	1917
Westpac Banking Corporation	34. Westpac Term Deposit	AA-	Y	2,000	0.70	1.18	0.94	0.87	21/09/2021	364
Westpac Banking Corporation	35. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.74	22/02/2022	1825
Westpac Banking Corporation	36. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.74	9/08/2022	1813
Westpac Banking Corporation	37. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.87	18/08/2022	1815
Westpac Banking Corporation	38. Westpac Term Deposit	AA-	Y	4,000	1.22	1.46	1.27	1.74	17/02/2022	1826
Westpac Banking Corporation	39. Westpac Term Deposit	AA-	Y	4,000	3.15	3.14	3.14	1.74	2/11/2021	1461
Macquarie Bank	40. Macquarie Bank Fixed Bond	A+	Y	3,999	1.62	1.71	1.70	1.74	12/02/2025	1827
Macquarie Bank	41. Macquarie Bank Term Deposit	A+	Y	2,000	1.70	1.71	1.70	0.87	1/04/2021	364
Suncorp-Metway	42. Suncorp-Metway Floating Rate Note (Covered)	A+	N	1,000	0.99	1.22	1.04	0.44	16/08/2022	1826
Suncorp-Metway	43. Suncorp-Metway Floating Rate Note	A+	N	1,200	1.14	1.21	1.20	0.52	24/04/2025	1823
Bank of Queensland	44. Bank of Queensland Fixed Bond	BBB+	Y	1,995	3.40	3.42	3.41	0.87	16/11/2021	1267
Bank of Queensland	45. Bank of Queensland Term Deposit	BBB+	Y	2,000	2.55	2.55	2.55	0.87	13/06/2024	1827
Bank of Queensland	46. Bank of Queensland Term Deposit	BBB+	Y	4,000	0.50	2.45	2.13	1.74	16/09/2021	273
Bank of Queensland	47. Bank of Queensland Term Deposit	BBB+	Y	2,000	0.50	2.53	2.03	0.87	13/05/2021	182
Bank of Queensland	48. Bank of Queensland Term Deposit	BBB+	Y	2,000	3.75	3.75	3.75	0.87	9/12/2021	1823
Bank of Queensland	49. Bank of Queensland Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.74	15/11/2022	1804

ITEM 3 (continued)

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 28-Feb-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2020	% of Total Invested	Maturity	Tenor
Bendigo and Adelaide Bank	50. Bendigo and Adelaide Bank Fixed Bond	BBB+	N	2,000	3.54	3.55	3.55	0.87	25/01/2023	1826
Bendigo and Adelaide Bank	51. Bendigo and Adelaide Bank Floating Rate Note	BBB+	N	1,998	1.11	1.31	1.18	0.87	25/01/2023	1532
Heritage Bank	52. Heritage Bank Floating Rate Note	BBB+	N	1,400	1.26	1.46	1.32	0.61	29/03/2021	1096
Heritage Bank	53. Heritage Bank Floating Rate Note	BBB+	N	2,000	0.82	1.04	0.87	0.87	12/08/2022	1085
AMP	54. AMP At Call Account	BBB	Y	396	0.51	0.64	0.56	0.17		
AMP	55. AMP Floating Rate Note	BBB	Y	2,000	1.14	1.34	1.20	0.87	10/09/2021	729
AMP	56. AMP Floating Rate Note	BBB	Y	996	1.40	1.62	1.47	0.43	30/03/2022	917
AMP	57. AMP Term Deposit	BBB	Y	1,000	0.80	1.28	0.80	0.44	30/07/2021	365
Bank Australia	58. Bank Australia Floating Rate Note	BBB	N	1,000	1.07	1.55	1.36	0.44	30/08/2021	1096
Bank Australia	59. Bank Australia Floating Rate Note	BBB	N	2,000	0.92	1.10	0.97	0.87	2/12/2022	1096
Credit Union Australia	60. CUA Floating Rate Note	BBB	N	1,000	1.14	1.33	1.20	0.44	24/10/2024	1827
Defence Bank	61. Defence Bank Term Deposit	BBB	N	2,000	0.43	1.58	1.54	0.87	8/02/2022	364
ME Bank	62. ME Bank At Call Account	BBB	N	7,544	0.69	0.74	0.73	3.28		
ME Bank	63. ME Bank Floating Rate Note	BBB	N	1,600	1.30	1.47	1.36	0.70	16/04/2021	1095
Newcastle Permanent Building Society	64. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.87	27/01/2022	1092
Newcastle Permanent Building Society	65. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.87	10/02/2022	1095
Police & Nurses Limited	66. P&N Bank Term Deposit	BBB	N	1,000	3.50	3.50	3.50	0.44	2/11/2023	1821
Teachers Mutual Bank	67. Teachers Mutual Bank Floating Rate Note	BBB	N	1,400	1.39	1.59	1.46	0.61	2/07/2021	1096
Auswide Bank	68. Auswide Bank Floating Rate Note	BBB-	N	1,500	1.07	1.26	1.13	0.65	17/03/2023	1095
Auswide Bank	69. Auswide Bank Term Deposit	BBB-	N	2,000	1.69	1.69	1.69	0.87	15/02/2022	715
Auswide Bank	70. Auswide Bank Term Deposit	BBB-	N	2,000	0.50	0.75	0.75	0.87	12/08/2021	182
QPCU	71. QBank Floating Rate Note	BBB-	N	1,000	1.43	1.64	1.49	0.44	22/03/2021	1098
QPCU	72. QBank Floating Rate Note	BBB-	N	750	1.53	1.75	1.58	0.33	14/12/2021	1096
QPCU	73. QBank Term Deposit	BBB-	N	1,000	0.50	1.40	1.25	0.44	15/12/2021	372
QPCU	74. QBank Term Deposit	BBB-	N	1,000	1.65	1.80	1.65	0.44	6/05/2021	364
QPCU	75. QBank Term Deposit	BBB-	N	1,000	1.65	1.65	1.65	0.44	1/10/2021	365
WAW Credit Union Co-operative Limited	76. WAW CU Term Deposit	NA	N	2,000	0.80	1.55	1.43	0.87	15/12/2021	372
Coastline Credit Union	77. Coastline CU Term Deposit	NR	?	1,000	0.55	1.49	1.33	0.44	16/12/2021	371
Maitland Mutual	78. Maitland Mutual Term Deposit	NR	N	2,000	0.50	0.91	0.50	0.87	10/08/2021	180
Police Credit Union	79. Police CU (SA) Term Deposit	NR	?	1,000	0.86	1.32	1.16	0.44	13/04/2021	187
Queensland Country Bank	80. Queensland Country Bank Term Deposit	NR	?	1,000	1.60	1.60	1.60	0.44	16/03/2021	371
Warwick Credit Union	81. Warwick CU Term Deposit	NR	?	1,000	0.70	1.60	1.45	0.44	11/03/2021	91
Warwick Credit Union	82. Warwick CU Term Deposit	NR	?	1,000	0.55	0.55	0.55	0.44	5/08/2021	183
				229,676	1.67	1.93	1.83	100		

*Monthly returns when annualised can appear to exaggerate performance

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

Return including Matured/Traded Investments

Weighted Average Return

Benchmark Return: AusBond Bank Bill Index (%)

Variance From Benchmark (%)

	Feb	12 Mth	FYTD
Return including Matured/Traded Investments	1.66	1.90	1.80
Benchmark Return: AusBond Bank Bill Index (%)	-0.01	0.21	0.07
Variance From Benchmark (%)	1.67	1.69	1.73

Investment Income

	\$000's
This Period	261
Financial Year To Date	2,556
Budget Profile	2,467
Variance from Budget - \$	89

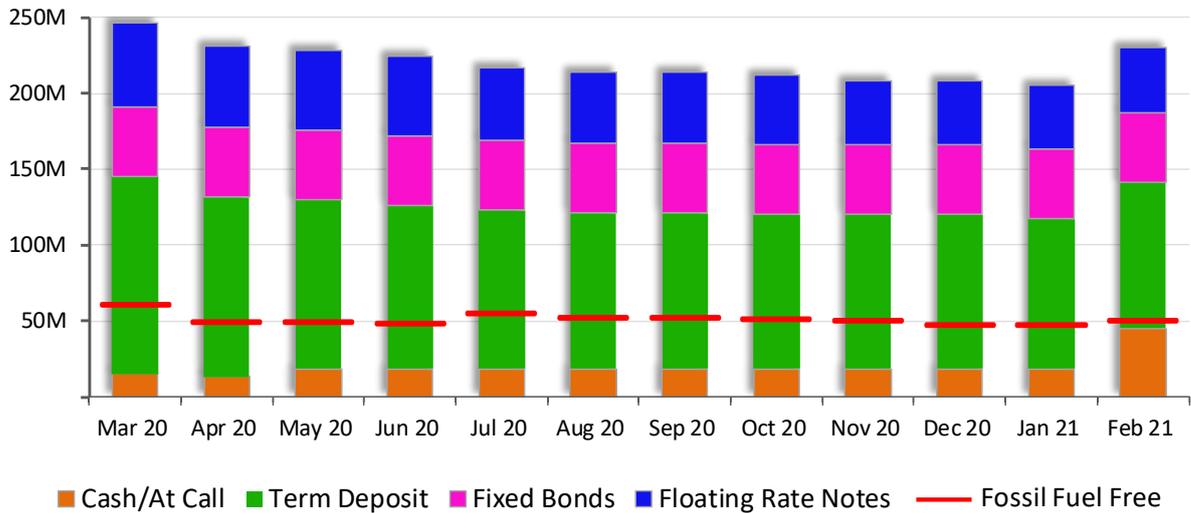
Fossil Fuel Free (000's)

Yes	49,392
No	175,284
Unknown	5,000

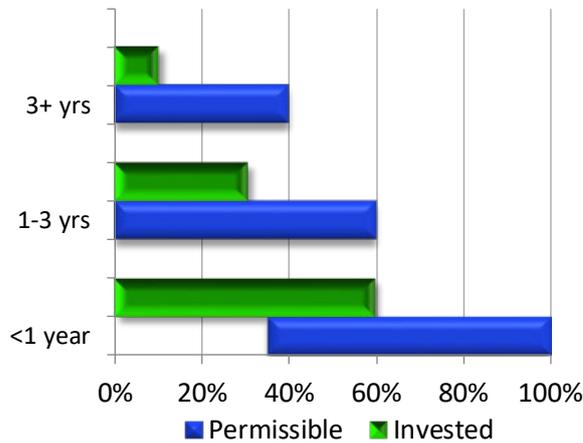
ITEM 3 (continued)

Analysis of investments

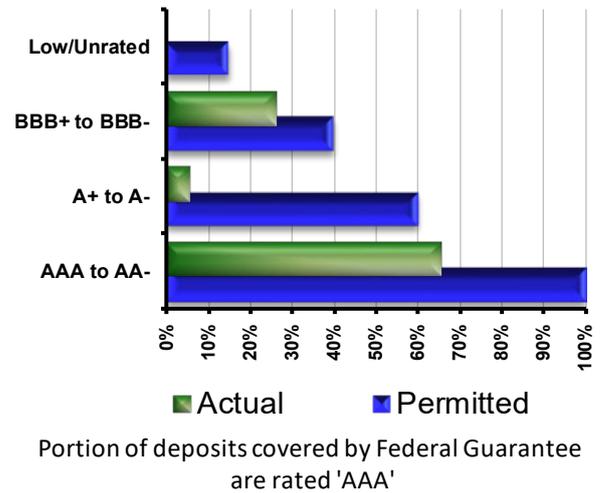
Total Funds Invested



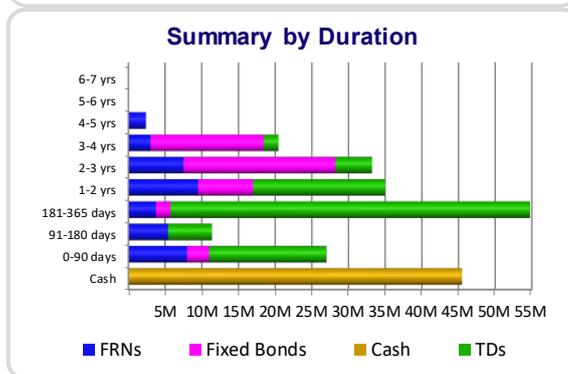
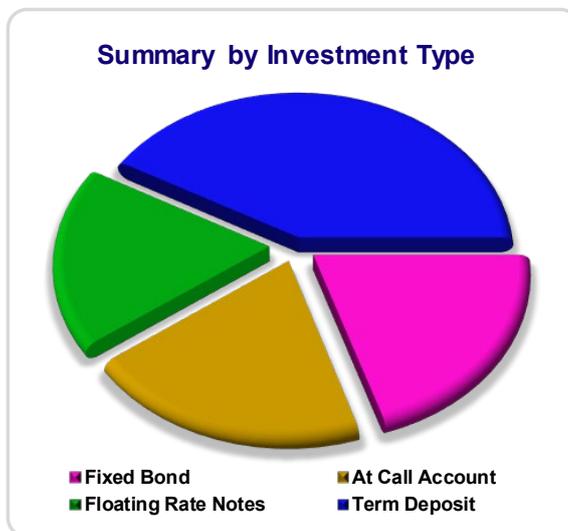
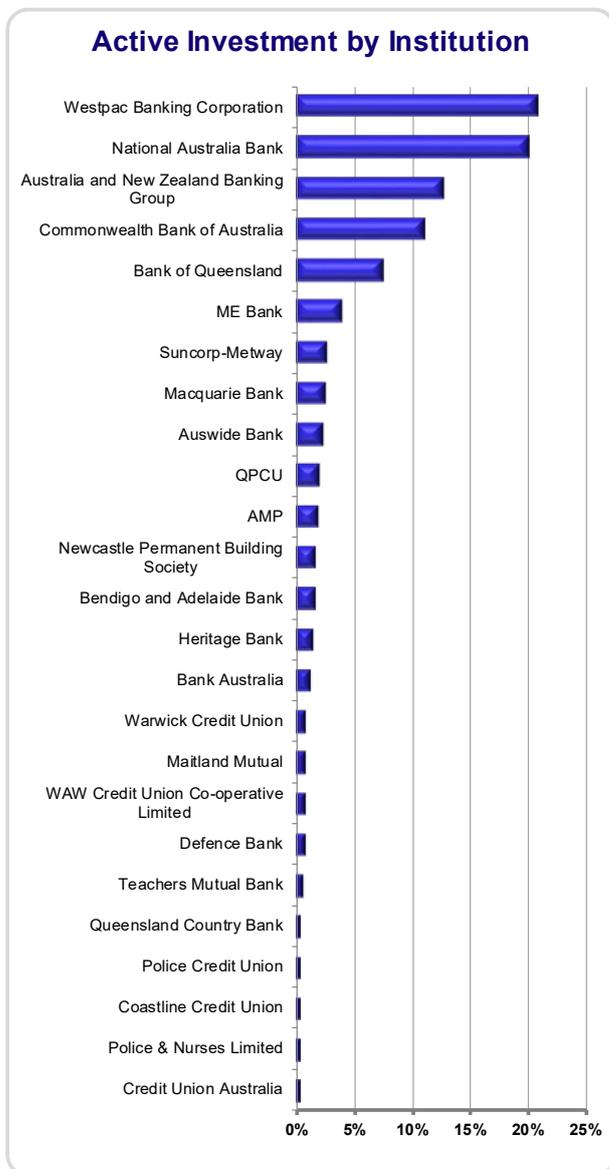
Policy Limits on Maturities



Investment Summary by Rating



ITEM 3 (continued)



	<365 days	>365 days
Cash/TDs	\$116.5M	\$25.0M
FRNs	\$17.1M	\$22.4M
Fixed Bonds	\$5.0M	\$43.7M
	\$138.6M	\$91.1M

Divestment of Fossil Fuel Aligned Financial Institutions

As at 28 February 2021, Council had a total amount of \$49.4 million invested in non-fossil fuel aligned financial institutions. A further \$5 million was invested in unrated financial institutions where their 'alignment status' is unclear/undetermined. It is almost certain all of these unrated financial institutions are non-fossil fuel aligned institutions as their lending profiles are almost identical to other unrated institutions. If it is assumed those institutions are non-fossil fuel aligned financial institutions, then the total amount is \$54.4 million (23.7% of Council's total investment portfolio).

ITEM 3 (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 1.66%, which is 1.67% above the benchmark figure of -0.01%. Income from interest on investments and proceeds from sales of investments totals \$2,556K for the period ending 28 February 2021 and is \$89K above the 2020/21 year-to-date adopted budget of \$2,467K.

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, 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

4 INVESTMENT REPORT AS AT 31 MARCH 2021

Report prepared by: Chief Financial Officer**File No.:** GRP/21/8 - BP21/279

REPORT SUMMARY

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

Council's return for the reporting period is 1.48%, which is 1.46% above the benchmark figure of 0.02%.

Income from interest on investments and proceeds from sale of investments totals \$2,841K for the financial year to date, which is \$66K above the 2020/21 year-to-date adopted budget of \$2,775K.

RECOMMENDATION:

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

ATTACHMENTS

There are no attachments for this report.

Report Prepared By:

Pav Kuzmanovski
Chief Financial Officer

Report Approved By:

Marnie Mitchell
Acting Director - Corporate Services

ITEM 4 (continued)

Discussion

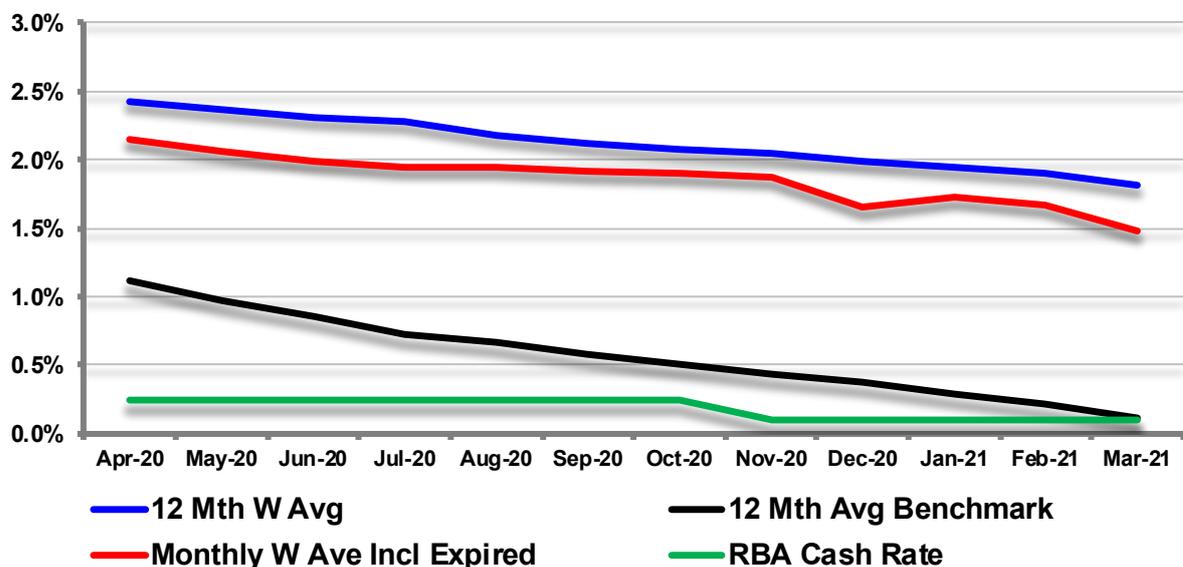
Council's Responsible Accounting Officer is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

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

	Mar	12 Mth	FYTD
Council Return	1.48	1.81	1.74
Benchmark	0.02	0.11	0.05
Variance	1.46	1.70	1.69

Performance - All Investments



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

Cash/Term Deposits	\$143.5M	61.8%
Floating Rate Notes	\$40.2M	17.3%
Fixed Bonds	\$48.7M	20.9%
Total Investments	\$232.3M	

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.

Whilst Council has moved some of its investment portfolio out to longer terms to lock in future returns, it should be noted that there is approximately \$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 March was \$1.3 million 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 MARCH 2021

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Mar-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2020	% of Total Invested	Maturity	Tenor
Bank of Queensland	1. Bank of Queensland Floating Rate Note	AAA	Y	1,200	1.09	1.14	1.13	0.52	14/05/2025	1826
National Australia Bank	2. NAB Fixed Bond (Covered)	AAA	Y	3,745	3.24	3.10	3.10	1.61	16/03/2023	1826
Suncorp-Metway	3. Suncorp-Metway Floating Rate Note	AAA	N	4,000	1.12	1.26	1.17	1.72	22/06/2021	1826
Australia and New Zealand Banking Group	4. ANZ Fixed Bond	AA-	Y	1,499	3.16	3.16	3.17	0.65	18/01/2023	1826
Australia and New Zealand Banking Group	5. ANZ Fixed Bond	AA-	Y	2,999	3.13	3.14	3.15	1.29	8/02/2024	1826
Australia and New Zealand Banking Group	6. ANZ Fixed Bond	AA-	Y	2,000	1.58	1.56	1.56	0.86	29/08/2024	1827
Australia and New Zealand Banking Group	7. ANZ Fixed Bond	AA-	Y	1,993	1.69	1.67	1.67	0.86	29/08/2024	1805
Australia and New Zealand Banking Group	8. ANZ Fixed Bond	AA-	Y	1,997	1.69	1.68	1.67	0.86	16/01/2025	1827
Australia and New Zealand Banking Group	9. ANZ Fixed Bond	AA-	Y	2,977	1.82	1.79	1.79	1.28	29/08/2024	1612
Australia and New Zealand Banking Group	10. ANZ Floating Rate Note	AA-	Y	4,000	1.21	1.31	1.26	1.72	7/04/2021	1826
Australia and New Zealand Banking Group	11. ANZ Floating Rate Note	AA-	Y	1,500	0.78	0.90	0.84	0.65	18/01/2023	1826
Australia and New Zealand Banking Group	12. ANZ Floating Rate Note	AA-	Y	2,000	0.92	1.06	0.96	0.86	9/05/2023	1826
Australia and New Zealand Banking Group	13. ANZ Term Deposit	AA-	Y	4,000	1.52	1.67	1.57	1.72	10/11/2022	2557
Australia and New Zealand Banking Group	14. ANZ Term Deposit	AA-	Y	4,000	1.49	1.64	1.53	1.72	15/12/2022	2557
Commonwealth Bank of Australia	15. CBA At Call Account	AA-	Y	12,530	0.11	0.15	0.01	5.39		
Commonwealth Bank of Australia	16. CBA Fixed Bond	AA-	Y	3,991	3.41	3.39	3.42	1.72	25/04/2023	1916
Commonwealth Bank of Australia	17. CBA Fixed Bond	AA-	Y	3,496	3.28	3.28	3.28	1.51	16/08/2023	1826
Commonwealth Bank of Australia	18. CBA Fixed Bond	AA-	Y	3,483	3.23	3.24	3.24	1.50	11/01/2024	1826
Commonwealth Bank of Australia	19. CBA Term Deposit	AA-	Y	4,000	0.43	0.43	0.43	1.72	22/02/2022	365
National Australia Bank	20. NAB Fixed Bond	AA-	Y	3,000	3.16	3.15	3.14	1.29	12/05/2021	1826
National Australia Bank	21. NAB Fixed Bond	AA-	Y	3,996	3.08	3.07	3.07	1.72	10/02/2023	1918
National Australia Bank	22. NAB Fixed Bond	AA-	Y	2,998	2.95	2.94	2.94	1.29	26/02/2024	1826
National Australia Bank	23. NAB Floating Rate Note	AA-	Y	4,000	0.91	1.07	0.96	1.72	16/05/2023	1826
National Australia Bank	24. NAB Floating Rate Note	AA-	Y	2,000	0.95	1.12	0.99	0.86	19/06/2024	1827
National Australia Bank	25. NAB Term Deposit	AA-	Y	4,000	0.35	0.92	0.84	1.72	24/02/2022	371
National Australia Bank	26. NAB Term Deposit	AA-	Y	4,000	0.31	0.95	0.81	1.72	11/11/2021	231
National Australia Bank	27. NAB Term Deposit	AA-	Y	4,000	0.30	0.99	0.83	1.72	16/09/2021	182
National Australia Bank	28. NAB Term Deposit	AA-	Y	4,000	0.60	1.03	0.88	1.72	16/10/2021	365
National Australia Bank	29. NAB Term Deposit	AA-	Y	4,000	0.45	1.19	1.10	1.72	11/01/2022	357
National Australia Bank	30. NAB Term Deposit	AA-	Y	4,000	3.35	3.35	3.35	1.72	18/09/2023	1827
National Australia Bank	31. NAB Term Deposit	AA-	Y	2,000	0.50	0.50	0.50	0.86	2/12/2021	364
Westpac Banking Corporation	32. Westpac At Call Account	AA-	Y	25,013	0.01	0.01	0.01	10.77		
Westpac Banking Corporation	33. Westpac Floating Rate Note	AA-	Y	2,485	3.25	3.23	3.22	1.07	24/04/2024	1917
Westpac Banking Corporation	34. Westpac Term Deposit	AA-	Y	2,000	0.70	1.10	0.91	0.86	21/09/2021	364
Westpac Banking Corporation	35. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.72	22/02/2022	1825
Westpac Banking Corporation	36. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.72	9/08/2022	1813
Westpac Banking Corporation	37. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.86	18/08/2022	1815
Westpac Banking Corporation	38. Westpac Term Deposit	AA-	Y	4,000	1.22	1.38	1.26	1.72	17/02/2022	1826
Westpac Banking Corporation	39. Westpac Term Deposit	AA-	Y	4,000	3.14	3.14	3.14	1.72	2/11/2021	1461
Macquarie Bank	40. Macquarie Bank Fixed Bond	A+	Y	3,999	1.71	1.71	1.70	1.72	12/02/2025	1827
Macquarie Bank	41. Macquarie Bank Term Deposit	A+	Y	2,000	1.70	1.70	1.70	0.86	1/04/2021	364
Suncorp-Metway	42. Suncorp-Metway Floating Rate Note (Covered)	A+	N	1,000	0.98	1.15	1.03	0.43	16/08/2022	1826
Suncorp-Metway	43. Suncorp-Metway Floating Rate Note	A+	N	1,200	1.14	1.20	1.19	0.52	24/04/2025	1823
Bank of Queensland	44. Bank of Queensland Fixed Bond	BBB+	Y	1,996	3.41	3.42	3.41	0.86	16/11/2021	1267
Bank of Queensland	45. Bank of Queensland Term Deposit	BBB+	Y	2,000	2.55	2.55	2.55	0.86	13/06/2024	1827
Bank of Queensland	46. Bank of Queensland Term Deposit	BBB+	Y	4,000	0.50	2.23	1.94	1.72	16/09/2021	273
Bank of Queensland	47. Bank of Queensland Term Deposit	BBB+	Y	2,000	0.50	2.28	1.86	0.86	13/05/2021	182
Bank of Queensland	48. Bank of Queensland Term Deposit	BBB+	Y	2,000	3.75	3.75	3.75	0.86	9/12/2021	1823
Bank of Queensland	49. Bank of Queensland Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.72	15/11/2022	1804

ITEM 4 (continued)

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Mar-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2020	% of Total Invested	Maturity	Tenor
Bendigo and Adelaide Bank	50. Bendigo and Adelaide Bank Fixed Bond	BBB+	N	2,000	3.54	3.55	3.55	0.86	25/01/2023	1826
Bendigo and Adelaide Bank	51. Bendigo and Adelaide Bank Floating Rate Note	BBB+	N	1,998	1.11	1.24	1.17	0.86	25/01/2023	1532
Heritage Bank	52. Heritage Bank Floating Rate Note	BBB+	N	2,000	0.81	0.96	0.86	0.86	12/08/2022	1085
AMP	53. AMP At Call Account	BBB	Y	396	0.51	0.61	0.56	0.17		
AMP	54. AMP Floating Rate Note	BBB	Y	2,000	1.16	1.29	1.19	0.86	10/09/2021	729
AMP	55. AMP Floating Rate Note	BBB	Y	997	1.41	1.55	1.46	0.43	30/03/2022	917
AMP	56. AMP Term Deposit	BBB	Y	1,000	0.80	1.16	0.80	0.43	30/07/2021	365
Bank Australia	57. Bank Australia Floating Rate Note	BBB	N	1,000	1.34	1.48	1.35	0.43	30/08/2021	1096
Bank Australia	58. Bank Australia Floating Rate Note	BBB	N	2,000	0.93	1.05	0.96	0.86	2/12/2022	1096
Credit Union Australia	59. CUA Floating Rate Note	BBB	N	1,000	1.14	1.26	1.19	0.43	24/10/2024	1827
Defence Bank	60. Defence Bank Term Deposit	BBB	N	2,000	0.43	1.47	1.41	0.86	8/02/2022	364
ME Bank	61. ME Bank At Call Account	BBB	N	7,548	0.61	0.72	0.71	3.25		
ME Bank	62. ME Bank Floating Rate Note	BBB	N	1,600	1.29	1.40	1.35	0.69	16/04/2021	1095
Newcastle Permanent Building Society	63. NPBS FRN	BBB	N	2,000	0.66	0.66	0.66	0.86	4/03/2026	1826
Newcastle Permanent Building Society	64. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.86	27/01/2022	1092
Newcastle Permanent Building Society	65. Newcastle Permanent Building Society Term Deposit	BBB	N	2,000	3.05	3.05	3.05	0.86	10/02/2022	1095
Police & Nurses Limited	66. P&N Bank Term Deposit	BBB	N	1,000	3.50	3.50	3.50	0.43	2/11/2023	1821
Teachers Mutual Bank	67. Teachers Mutual Bank Floating Rate Note	BBB	N	1,400	1.38	1.51	1.45	0.60	2/07/2021	1096
Auswide Bank	68. Auswide Bank Floating Rate Note	BBB-	N	1,500	1.08	1.26	1.12	0.65	17/03/2023	1095
Auswide Bank	69. Auswide Bank Term Deposit	BBB-	N	2,000	1.69	1.69	1.69	0.86	15/02/2022	715
Auswide Bank	70. Auswide Bank Term Deposit	BBB-	N	2,000	0.50	0.72	0.72	0.86	12/08/2021	182
QPCU	71. QBank Floating Rate Note	BBB-	N	750	1.54	1.69	1.58	0.32	14/12/2021	1096
QPCU	72. QBank FRN	BBB-	N	1,000	0.76	0.76	0.76	0.43	22/03/2024	1096
QPCU	73. QBank Term Deposit	BBB-	N	1,000	0.50	1.30	1.17	0.43	15/12/2021	372
QPCU	74. QBank Term Deposit	BBB-	N	1,000	1.65	1.73	1.65	0.43	6/05/2021	364
QPCU	75. QBank Term Deposit	BBB-	N	1,000	1.65	1.65	1.65	0.43	1/10/2021	365
WAW Credit Union Co-operative Limited	76. WAW CU Term Deposit	NA	N	2,000	0.80	1.47	1.36	0.86	15/12/2021	372
Coastline Credit Union	77. Coastline CU Term Deposit	NR	?	1,000	0.55	1.38	1.24	0.43	16/12/2021	371
Maitland Mutual	78. Maitland Mutual Term Deposit	NR	N	2,000	0.50	0.50	0.50	0.86	10/08/2021	180
Police Credit Union	79. Police CU (SA) Term Deposit	NR	?	1,000	0.86	1.26	1.12	0.43	13/04/2021	187
Queensland Country Bank	80. Queensland Country Bank Term Deposit	NR	?	1,000	0.45	1.55	1.53	0.43	15/07/2021	121
Warwick Credit Union	81. Warwick CU Term Deposit	NR	?	1,000	0.75	1.50	1.37	0.43	9/03/2023	728
Warwick Credit Union	82. Warwick CU Term Deposit	NR	?	1,000	0.55	0.55	0.55	0.43	5/08/2021	183
				232,286	1.48	1.84	1.77	100		

*Monthly returns when annualised can appear to exaggerate performance

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

Return including Matured/Traded Investments

Weighted Average Return

Benchmark Return: AusBond Bank Bill Index (%)

Variance From Benchmark (%)

	Mar	12 Mth	FYTD
Return including Matured/Traded Investments	1.48	1.81	1.74
Benchmark Return: AusBond Bank Bill Index (%)	0.02	0.11	0.05
Variance From Benchmark (%)	1.46	1.70	1.69

Investment Income

	\$000's
This Period	285
Financial Year To Date	2,841
Budget Profile	2,775
Variance from Budget - \$	66

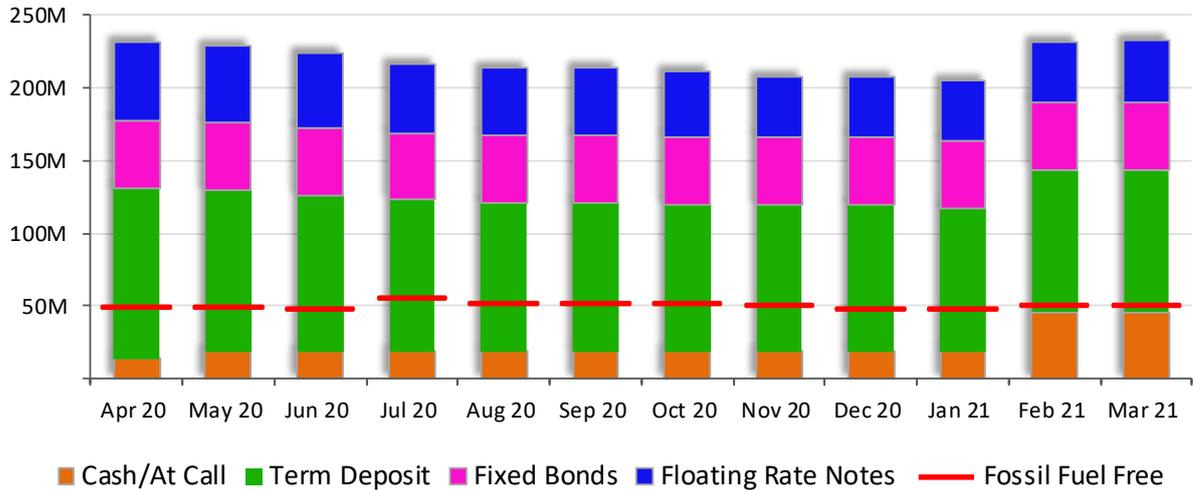
Fossil Fuel Free (000's)

Yes	49,996
No	177,290
Unknown	5,000

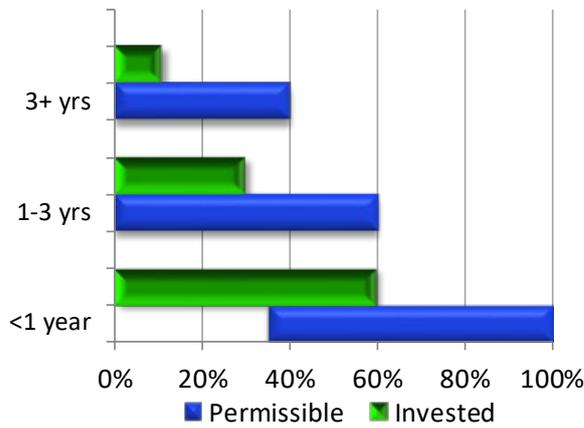
ITEM 4 (continued)

Analysis of investments

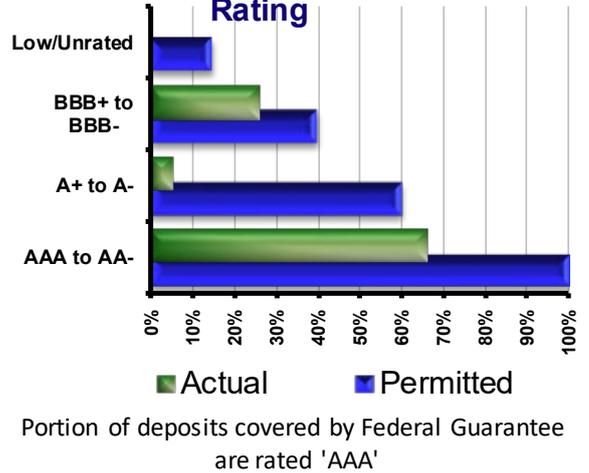
Total Funds Invested



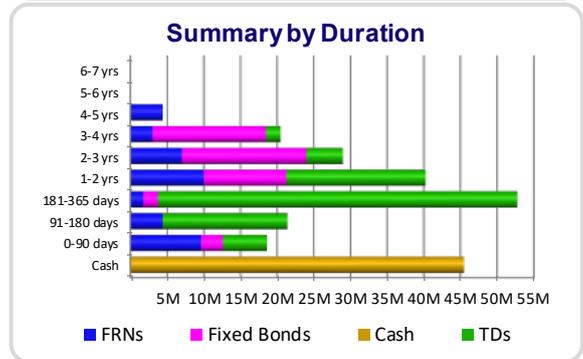
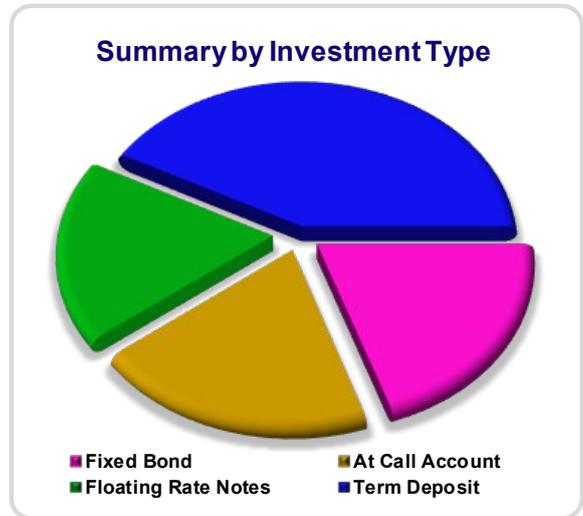
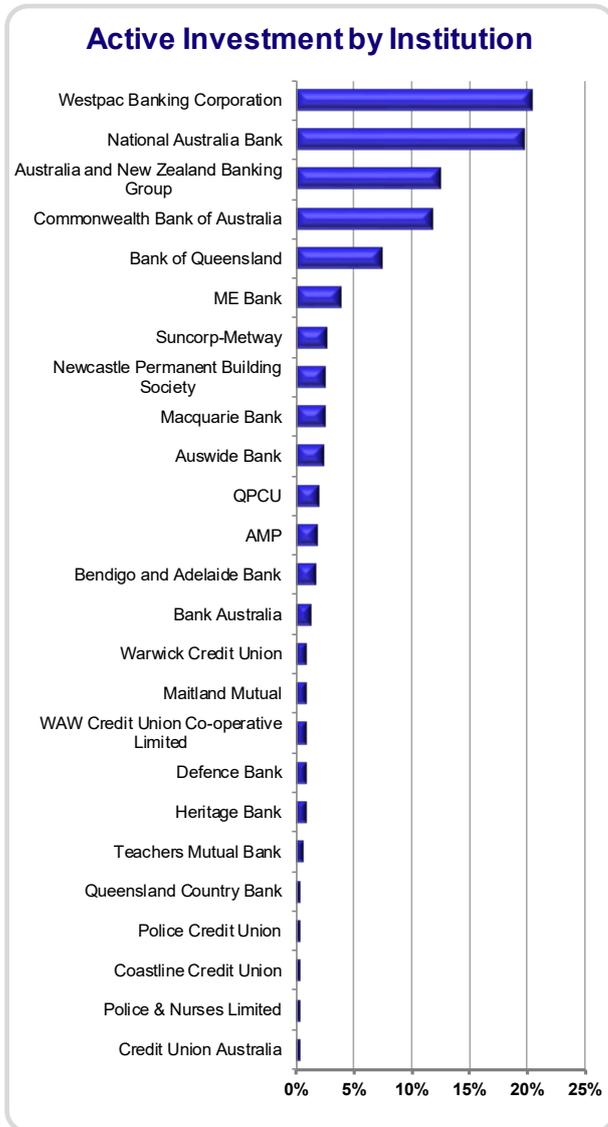
Policy Limits on Maturities



Investment Summary by Rating



ITEM 4 (continued)



	<365 days	>365 days
Cash/TDs	\$117.5M	\$26.0M
FRNs	\$15.7M	\$24.4M
Fixed Bonds	\$5.0M	\$43.7M
	\$138.2M	\$94.1M

Divestment of Fossil Fuel Aligned Financial Institutions

As at 31 March 2021, Council had a total amount of \$50M million invested in non-fossil fuel aligned financial institutions. A further \$5 million was invested in unrated financial institutions where their ‘alignment status’ is unclear/undetermined. It is almost certain all of these unrated financial institutions are non-fossil fuel aligned institutions as their lending profiles are almost identical to other unrated institutions. If it is assumed those institutions are non-fossil fuel aligned financial institutions, then the total amount is \$55 million (23.7% of Council’s total investment portfolio).

ITEM 4 (continued)

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

Financial Implications

Council's return for the reporting period is 1.48%, which is 1.46% above the benchmark figure of 0.02%. Income from interest on investments and proceeds from sales of investments totals \$2,841K for the period ending 31 March 2021 and is \$66K above the 2020/21 year-to-date adopted budget of \$2,467K.

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, 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