

**Meeting Date:** Tuesday 8 June 2021  
**Location:** Council Chambers, Level 1A, 1 Pope Street, Ryde and Online  
**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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## **LATE ITEMS**

### **7 INVESTMENT REPORT AS AT 31 MAY 2021**

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**Report prepared by:** Chief Financial Officer  
**File No.:** GRP/21/8 - BP21/523

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#### **REPORT SUMMARY**

This report details Council's performance of its investment portfolio as at 31 May 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 1.43% above the benchmark figure of 0.05%.

Income from interest on investments and proceeds from sale of investments totals \$3,394K for the financial year to date, which is \$2K above the 2020/21 year-to-date adopted budget of \$3,392K.

#### **RECOMMENDATION:**

That Council endorse the Investment Report as at 31 May 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 7 (continued)**
**Discussion**

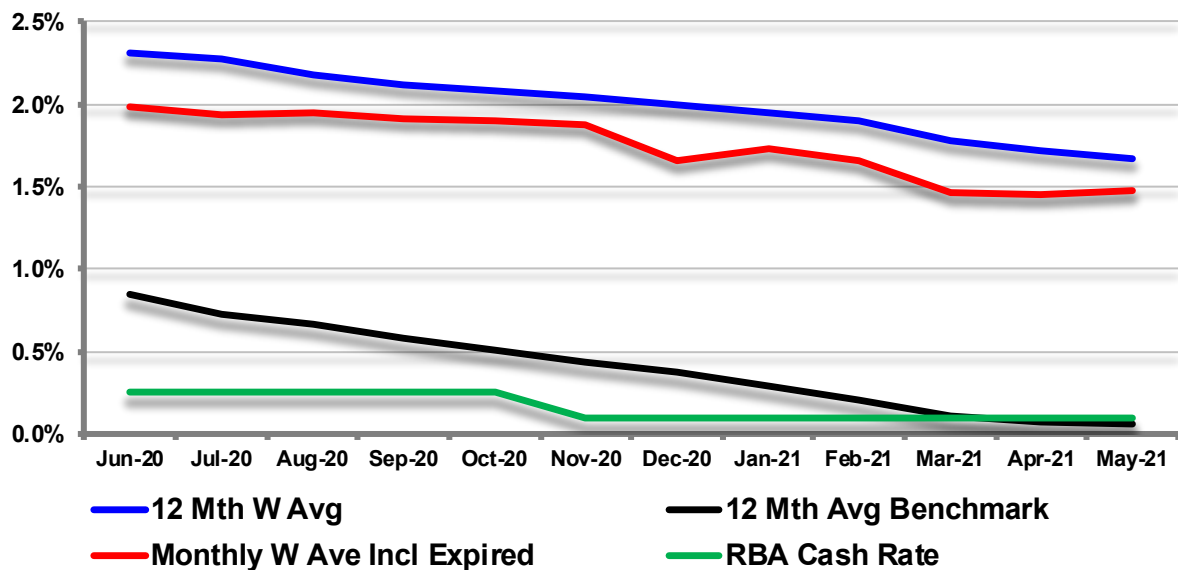
Council's Responsible Accounting Officer is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the Local Government Act.

**Investment Performance Commentary**

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

	May	12 Mth	FYTD
<b>Council Return</b>	<b>1.48</b>	<b>1.67</b>	<b>1.66</b>
<b>Benchmark</b>	0.05	<b>0.06</b>	0.06
<b>Variance</b>	<b>1.43</b>	<b>1.61</b>	<b>1.60</b>

### Performance - All Investments



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

Cash/Term Deposits	\$153.3M	65.6%
Floating Rate Notes	\$34.5M	14.8%
Fixed Bonds	\$45.7M	19.6%
<b>Total Investments</b>	<b>\$233.5M</b>	

**ITEM 7 (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 May 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 7 (continued)**
**INVESTMENT SUMMARY AS AT 31 MAY 2021**

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-May-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	1.10	1.13	1.13	0.51	14/05/2025	1826
National Australia Bank	2. NAB Fixed Bond (Covered)	AAA	Y	3,746	3.10	3.10	3.10	1.60	16/03/2023	1826
Suncorp-Metway	3. Suncorp-Metway Floating Rate Note	AAA	N	4,000	1.14	1.17	1.16	1.71	22/06/2021	1826
Australia and New Zealand Banking Group	4. ANZ Fixed Bond	AA-	Y	1,499	3.16	3.17	3.16	0.64	18/01/2023	1826
Australia and New Zealand Banking Group	5. ANZ Fixed Bond	AA-	Y	2,999	3.13	3.14	3.14	1.28	8/02/2024	1826
Australia and New Zealand Banking Group	6. ANZ Fixed Bond	AA-	Y	2,000	1.56	1.56	1.56	0.86	29/08/2024	1827
Australia and New Zealand Banking Group	7. ANZ Fixed Bond	AA-	Y	1,993	1.67	1.67	1.67	0.85	29/08/2024	1805
Australia and New Zealand Banking Group	8. ANZ Fixed Bond	AA-	Y	1,998	1.69	1.68	1.68	0.86	16/01/2025	1827
Australia and New Zealand Banking Group	9. ANZ Fixed Bond	AA-	Y	2,979	1.80	1.79	1.79	1.28	29/08/2024	1612
Australia and New Zealand Banking Group	10. ANZ Floating Rate Note	AA-	Y	1,500	1.22	0.89	0.89	0.64	18/01/2023	1826
Australia and New Zealand Banking Group	11. ANZ Floating Rate Note	AA-	Y	2,000	0.95	0.96	0.96	0.86	9/05/2023	1826
Australia and New Zealand Banking Group	12. ANZ Term Deposit	AA-	Y	4,000	1.54	1.56	1.56	1.71	10/11/2022	2557
Australia and New Zealand Banking Group	13. ANZ Term Deposit	AA-	Y	4,000	1.49	1.52	1.52	1.71	15/12/2022	2557
Commonwealth Bank of Australia	14. CBA At Call Account	AA-	Y	12,527	0.01	0.03	0.01	5.36		
Commonwealth Bank of Australia	15. CBA Fixed Bond	AA-	Y	3,991	3.41	3.42	3.42	1.71	25/04/2023	1916
Commonwealth Bank of Australia	16. CBA Fixed Bond	AA-	Y	3,497	3.28	3.28	3.28	1.50	16/08/2023	1826
Commonwealth Bank of Australia	17. CBA Fixed Bond	AA-	Y	3,484	3.23	3.24	3.24	1.49	11/01/2024	1826
Commonwealth Bank of Australia	18. CBA Term Deposit	AA-	Y	4,000	0.43	0.43	0.43	1.71	22/02/2022	365
National Australia Bank	19. NAB Fixed Bond	AA-	Y	3,997	3.08	3.07	3.07	1.71	10/02/2023	1918
National Australia Bank	20. NAB Fixed Bond	AA-	Y	2,998	2.95	2.94	2.94	1.28	26/02/2024	1826
National Australia Bank	21. NAB Floating Rate Note	AA-	Y	4,000	0.93	0.96	0.95	1.71	16/05/2023	1826
National Australia Bank	22. NAB Floating Rate Note	AA-	Y	2,000	0.96	0.99	0.98	0.86	19/06/2024	1827
National Australia Bank	23. NAB Term Deposit	AA-	Y	4,000	0.35	0.77	0.75	1.71	24/02/2022	371
National Australia Bank	24. NAB Term Deposit	AA-	Y	4,000	0.31	0.74	0.68	1.71	11/11/2021	231
National Australia Bank	25. NAB Term Deposit	AA-	Y	4,000	0.30	0.75	0.74	1.71	16/09/2021	182
National Australia Bank	26. NAB Term Deposit	AA-	Y	4,000	0.60	0.88	0.83	1.71	16/10/2021	365
National Australia Bank	27. NAB Term Deposit	AA-	Y	4,000	0.45	1.02	0.98	1.71	11/01/2022	357
National Australia Bank	28. NAB Term Deposit	AA-	Y	4,000	3.35	3.35	3.35	1.71	18/09/2023	1827
National Australia Bank	29. NAB Term Deposit	AA-	Y	2,000	0.50	0.50	0.50	0.86	2/12/2021	364
Westpac Banking Corporation	30. Westpac At Call Account	AA-	Y	31,869	0.01	0.01	0.01	13.65		
Westpac Banking Corporation	31. Westpac Floating Rate Note	AA-	Y	2,486	3.25	3.23	3.23	1.06	24/04/2024	1917
Westpac Banking Corporation	32. Westpac Term Deposit	AA-	Y	2,000	0.70	0.94	0.87	0.86	21/09/2021	364
Westpac Banking Corporation	33. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.71	22/02/2022	1825
Westpac Banking Corporation	34. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.71	9/08/2022	1813
Westpac Banking Corporation	35. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.86	18/08/2022	1815
Westpac Banking Corporation	36. Westpac Term Deposit	AA-	Y	4,000	1.23	1.26	1.26	1.71	17/02/2022	1826
Westpac Banking Corporation	37. Westpac Term Deposit	AA-	Y	4,000	3.14	3.14	3.14	1.71	2/11/2021	1461
Macquarie Bank	38. Macquarie Bank Fixed Bond	A+	Y	3,999	1.71	1.71	1.70	1.71	12/02/2025	1827
Suncorp-Metway	39. Suncorp-Metway Floating Rate Note (Covered)	A+	N	1,000	0.99	1.03	1.03	0.43	16/08/2022	1826
Suncorp-Metway	40. Suncorp-Metway Floating Rate Note	A+	N	1,200	1.17	1.19	1.19	0.51	24/04/2025	1823
Bank of Queensland	41. Bank of Queensland Fixed Bond	BBB+	Y	1,997	3.46	3.42	3.42	0.86	16/11/2021	1267
Bank of Queensland	42. Bank of Queensland Term Deposit	BBB+	Y	2,000	2.55	2.55	2.55	0.86	13/06/2024	1827
Bank of Queensland	43. Bank of Queensland Term Deposit	BBB+	Y	4,000	0.50	1.80	1.68	1.71	16/09/2021	273
Bank of Queensland	44. Bank of Queensland Term Deposit	BBB+	Y	2,000	3.75	3.75	3.75	0.86	9/12/2021	1823
Bank of Queensland	45. Bank of Queensland Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.71	15/11/2022	1804
Bendigo and Adelaide Bank	46. 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	47. Bendigo and Adelaide Bank Floating Rate Note	BBB+	N	1,998	1.15	1.17	1.16	0.86	25/01/2023	1532
Heritage Bank	48. Heritage Bank Floating Rate Note	BBB+	N	2,000	0.84	0.86	0.86	0.86	12/08/2022	1085
AMP	49. AMP At Call Account	BBB	Y	396	0.51	0.56	0.55	0.17		

**ITEM 7 (continued)**

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-May-21 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2020	% of Total Invested	Maturity	Tenor
AMP	50. AMP Floating Rate Note	BBB	Y	2,000	1.16	1.19	1.19	0.86	10/09/2021	729
AMP	51. AMP Floating Rate Note	BBB	Y	997	1.43	1.46	1.46	0.43	30/03/2022	917
AMP	52. AMP Term Deposit	BBB	Y	1,000	0.80	0.80	0.80	0.43	30/07/2021	365
Bank Australia	53. Bank Australia Floating Rate Note	BBB	N	1,000	1.42	1.36	1.36	0.43	30/08/2021	1096
Bank Australia	54. Bank Australia Floating Rate Note	BBB	N	2,000	0.93	0.96	0.96	0.86	2/12/2022	1096
Credit Union Australia	55. CUA Floating Rate Note	BBB	N	1,000	1.17	1.19	1.19	0.43	24/10/2024	1827
Defence Bank	56. Defence Bank Term Deposit	BBB	N	2,000	0.43	1.26	1.23	0.86	8/02/2022	364
ME Bank	57. ME Bank At Call Account	BBB	N	7,556	0.60	0.69	0.69	3.24		
Newcastle Permanent Building Society	58. NPBS FRN	BBB	N	2,000	0.66	0.66	0.66	0.86	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	0.86	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	0.86	10/02/2022	1095
Police & Nurses Limited	61. P&N Bank Term Deposit	BBB	N	1,000	3.50	3.50	3.50	0.43	2/11/2023	1821
Teachers Mutual Bank	62. Teachers Mutual Bank Floating Rate Note	BBB	N	1,400	1.41	1.44	1.44	0.60	2/07/2021	1096
Auswide Bank	63. Auswide Bank Floating Rate Note	BBB-	N	1,500	1.09	1.12	1.12	0.64	17/03/2023	1095
Auswide Bank	64. Auswide Bank Term Deposit	BBB-	N	2,000	1.69	1.69	1.69	0.86	15/02/2022	715
Auswide Bank	65. Auswide Bank Term Deposit	BBB-	N	2,000	0.50	0.67	0.67	0.86	12/08/2021	182
QPCU	66. QBank Floating Rate Note	BBB-	N	750	1.55	1.57	1.57	0.32	14/12/2021	1096
QPCU	67. QBank FRN	BBB-	N	1,000	0.78	0.78	0.78	0.43	22/03/2024	1096
QPCU	68. QBank Term Deposit	BBB-	N	1,000	0.50	1.10	1.05	0.43	15/12/2021	372
QPCU	69. QBank Term Deposit	BBB-	N	1,000	0.40	1.55	1.54	0.43	5/08/2021	91
QPCU	70. QBank Term Deposit	BBB-	N	1,000	1.65	1.65	1.65	0.43	1/10/2021	365
BNK Banking Corporation	71. BNK Banking TD	Unrated	?	1,950	0.55	0.55	0.55	0.84	6/01/2022	274
WAW Credit Union Co-operative Limited	72. WAW CU Term Deposit	NA	N	2,000	0.80	1.30	1.25	0.86	15/12/2021	372
Coastline Credit Union	73. Coastline CU Term Deposit	NR	?	1,000	0.55	1.18	1.12	0.43	16/12/2021	371
Gateway Bank	74. Gateway Bank Term Deposit	NR	N	2,000	0.35	0.35	0.35	0.86	5/08/2021	90
Maitland Mutual	75. Maitland Mutual Term Deposit	NR	N	2,000	0.50	0.50	0.50	0.86	10/08/2021	180
Queensland Country Bank	76. Queensland Country Bank Term Deposit	NR	?	1,000	0.45	1.35	1.32	0.43	15/07/2021	121
Railways Credit Union	77. MOVE Term Deposit	NR	?	1,000	0.60	0.60	0.60	0.43	19/05/2022	364
Railways Credit Union	78. MOVE TD	NR	?	1,000	0.60	0.60	0.60	0.43	12/05/2022	356
Summerland Financial Services	79. Summerland CU Term Deposit	NR	N	2,000	0.40	0.40	0.40	0.86	6/07/2021	90
Warwick Credit Union	80. Warwick CU Term Deposit	NR	?	1,000	0.75	1.31	1.26	0.43	9/03/2023	728
Warwick Credit Union	81. Warwick CU Term Deposit	NR	?	1,000	0.55	0.55	0.55	0.43	5/08/2021	183
				<b>233,506</b>	<b>1.47</b>	<b>1.68</b>	<b>1.66</b>	<b>100</b>		

\*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 (%)**

	May	12 Mth	FYTD
Weighted Average Return	<b>1.48</b>	<b>1.67</b>	<b>1.66</b>
Benchmark Return: AusBond Bank Bill Index (%)	0.05	0.06	0.06
Variance From Benchmark (%)	<b>1.43</b>	<b>1.61</b>	<b>1.60</b>

**Investment Income**

	\$000's
This Period	267
Financial Year To Date	3,394
Budget Profile	3,392
Variance from Budget - \$	<u>2</u>

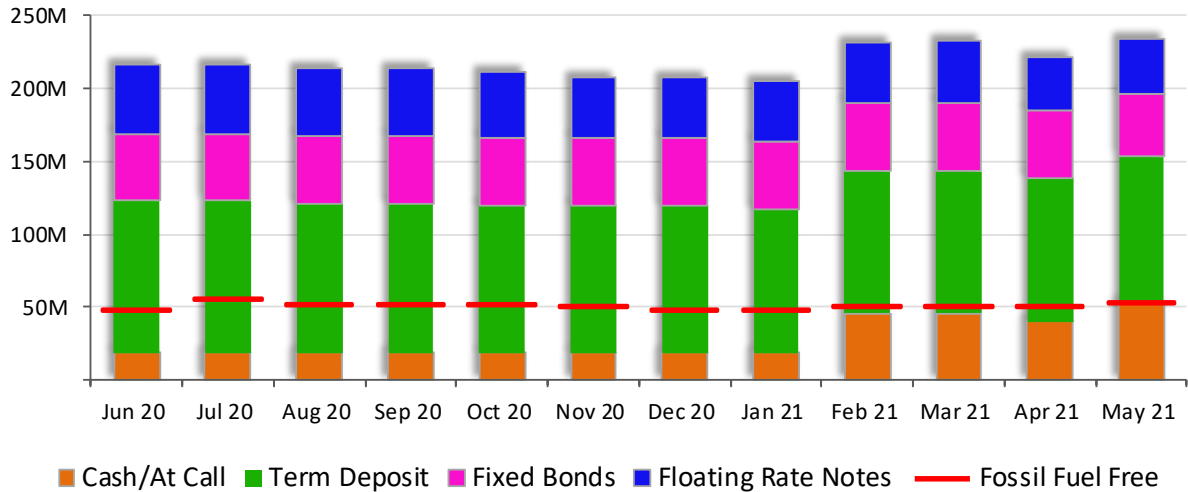
**Fossil Fuel Free (000's)**

Yes	52,404
No	173,152
Unknown	7,950

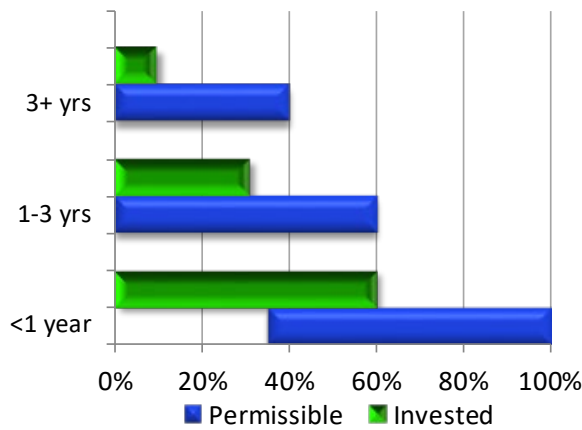
**ITEM 7 (continued)**

**Analysis of investments**

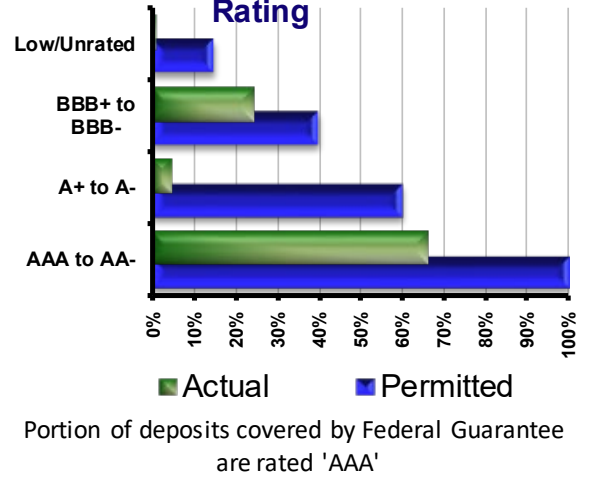
**Total Funds Invested**



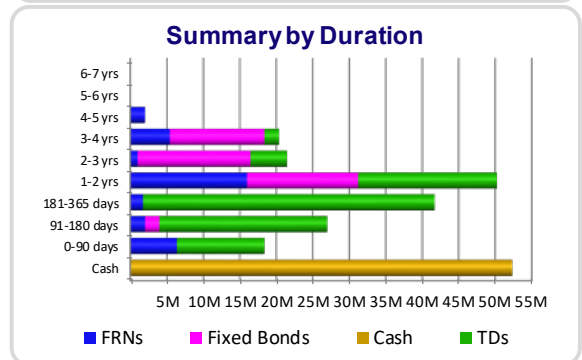
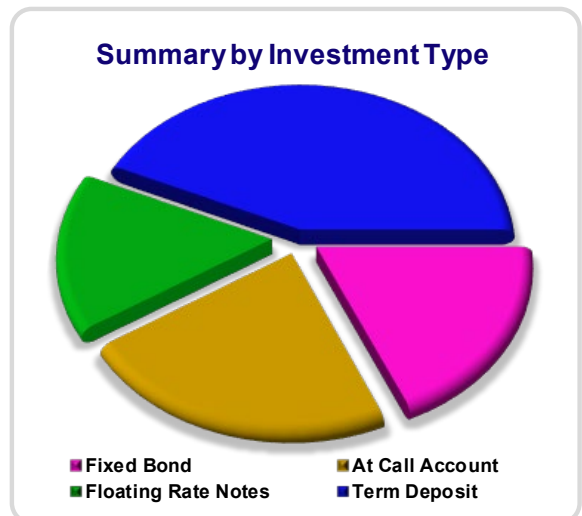
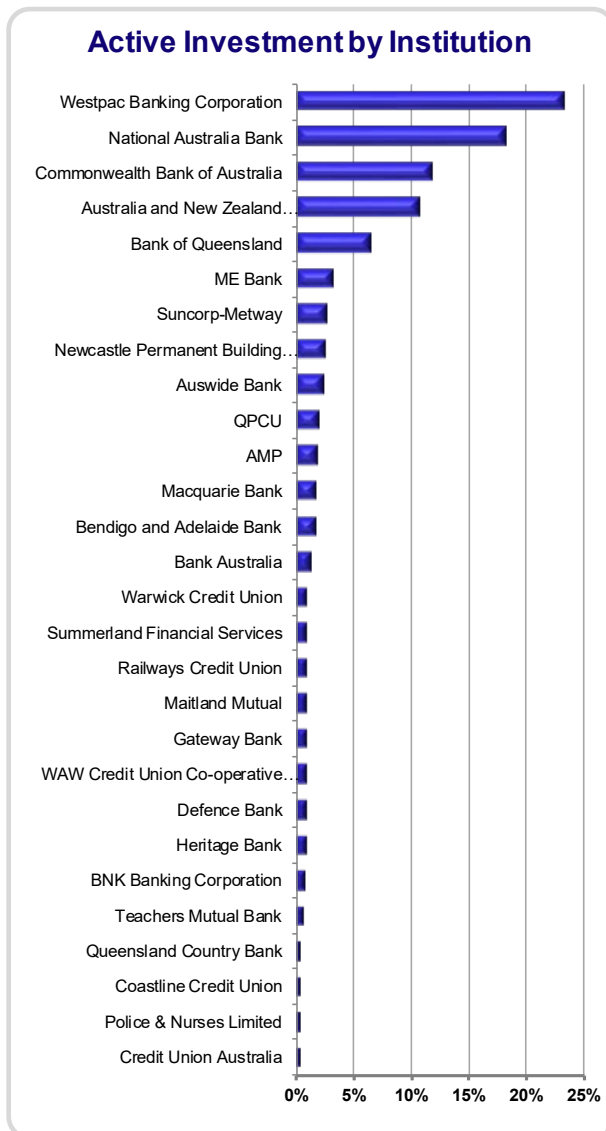
**Policy Limits on Maturities**



**Investment Summary by Rating**



**ITEM 7 (continued)**



	<365 days	>365 days
Cash/TDs	\$127.3M	\$26.0M
FRNs	\$10.1M	\$24.4M
Fixed Bonds	\$2.0M	\$43.7M
	<b>\$139.4M</b>	<b>\$94.1M</b>

**Divestment of Fossil Fuel Aligned Financial Institutions**

Council uses 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 May 2021, Council had a total amount of \$52.4M million invested in non-fossil fuel aligned financial institutions, which is 22.4% of its total investment portfolio.

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



**ITEM 7 (continued)****Financial Implications**

Council's return for the reporting period is 1.48%, which is 1.43% above the benchmark figure of 0.05%. Income from interest on investments and proceeds from sales of investments totals \$3,394K for the period ending 31 May 2021 and is \$2K above the 2020/21 year-to-date adopted budget of \$3,392K.

**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

## 8 ANNUAL RATES RECEIPT

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**Report prepared by:** Chief Financial Officer

**File No.:** GRP/21/8 - BP21/507

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### REPORT SUMMARY

At the September 2020 Council meeting, Council resolved to maintain financial transparency for ratepayers on how Council income is spent. In implementing this resolution, a report for a personalised Annual Rates Receipt to all ratepayers as an insert accompanying the 2021/22 Annual Rates Notice to come back to Council in March 2021.

This report outlines the implementation of the resolution of Council from the September 2020 meeting and the proposed personalised Annual Rates Receipt.

### RECOMMENDATION:

That Council receives and notes the report.

### ATTACHMENTS

- 1 Annual Rates Receipt

Report Prepared By:

**Pav Kuzmanovski**  
**Chief Financial Officer**

Report Approved By:

**Mark Eady**  
**Director - Corporate Services**

**ITEM 8 (continued)****Discussion**

At the September 2020 Council meeting, the following resolution of Council was passed:-

*That Council: -*

- (a) Acknowledge that Council's service provider does not yet offer the capability to deliver a cost-effective replica of the ATO's 'Annual Rates Receipt' notice, as outlined in the report;*
- (b) Maintains its support for ratepayers to receive transparent financial information about how their rates are spent by the City of Ryde;*
- (c) As an interim measure, endorse a general newsletter containing Council's 2020/21 budgeted income and expenditure to be provided to all ratepayers as part of an insert in the 2020 November Rates Instalment Notice and made publicly available on Council's website.*
- (d) Implement a personalised financial information notice to all ratepayers as an insert accompanying the 2021/22 Annual Rates Notice with a report to come back to Council in March 2021.*

In implementing the above Council resolution, a non personalised breakdown was incorporated into the November 2020 newsletter that was issued to ratepayers that received a November 2020 instalment notice. The same version of this financial breakdown was also published on the Council's website for the public to view the following information:-

- How Council sources its revenue;
- How Council allocated its base budget;
- How Council allocates its capital budget;
- A sample of how rates funds are allocated.

The proposed personalised Annual Rates Receipt (with sample information) can be found at **ATTACHMENT 1**. The format of the Annual Rates receipt is similar to that of the ATO tax payment receipt and the allocations on the receipt will be based on the 2021/22 Operational Plan and aligned to Council's Programs.

The personalised Annual Rates Receipt will be included with the Annual rates notice issued in mid July 2021. In order to ensure that the personalised Annual Rates Receipt is issued with the Annual Rates notice, it is suggested that only changes to the wording on template are made due to the lead time required in making changes to the proposed template.

**ITEM 8 (continued)****Financial Implications**

The proposed rates receipt will be funded from the existing base budget as there are adequate budget within the 21/22 base budget.

**Conclusion**

To date, Council Officers have included financial information in the November 2020 newsletter issued with the November 2020 rates instalment and created a webpage on how Council spends its budget. The personalised Annual Rates Receipt is proposed to be issued in as a part Annual Rates installment in mid-July 2021.

