

**Meeting Date:** Tuesday 9 November 2021  
**Location:** Online Audio Visual Meeting  
**Time:** 6.30pm

*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 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 12 October 2021**

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**Report prepared by:** Civic Services Manager**File No.:** CLM/21/1/3/2 - BP21/986

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**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 Meeting 6/21, held on 12 October 2021, be confirmed.

**ATTACHMENTS**

- 1 MINUTES - Finance and Governance Committee Meeting - 12 October 2021

**ITEM 1 (continued)**

**ATTACHMENT 1**

**Finance and Governance Committee  
MINUTES OF MEETING NO. 6/21**

**Meeting Date:** Tuesday 12 October 2021  
**Location:** Online Audio Visual Meeting  
**Time:** 6.55pm

The General Manager opened the meeting at 6.55pm.

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

**Apologies:** Nil.

**Absent:** Councillors Kim and Maggio.

**Staff Present:** General Manager, Director – Customer and Community Services, Director – Corporate Services, Director – City Planning and Environment, Chief Financial Officer, Manager – Communications and Engagement, IT Applications Support Officer, Civic Services Manager and Civic Support Officer.

**DISCLOSURES OF INTEREST**

There were no disclosures of interest.

**1 ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON**

The General Manager, as Returning Officer, gave an overview of the election process in relation to the election of the Chairperson and Deputy Chairperson.

**METHOD OF VOTING FOR CHAIRPERSON AND DEPUTY CHAIRPERSON**

The General Manager, as Returning Officer presented the options on the method of voting for Chairperson and Deputy Chairperson.

**RESOLUTION:** (Moved by Councillors Purcell and Clifton)

- (a) That the method of voting for the election of the Chairperson and Deputy Chairperson be open voting by show of hands.
- (b) That the General Manager, as Returning Officer, undertake the election of the Chairperson and Deputy Chairperson for the ensuing period up to the next Local Government Election by announcing the nominations and then conducting the election.

**ITEM 1 (continued)**

**ATTACHMENT 1**

**Record of Voting:**

For the Motion: Unanimous

**ELECTION OF CHAIRPERSON**

The General Manager, as Returning Officer advised that he had received one (1) nomination for the position of Chairperson of the Committee, namely Councillor Gordon.

The General Manager, as Returning Officer confirmed with Councillor Gordon that he accepted the nomination.

The General Manager, as Returning Officer called for any further nominations. As there were none, nominations were closed.

As there was only one nomination, **COUNCILLOR GORDON WAS DULY ELECTED CHAIRPERSON FOR THE ENSUING PERIOD.**

**ELECTION OF DEPUTY CHAIRPERSON**

The General Manager, as Returning Officer advised that he had not received any nominations for the position of Deputy Chairperson of the Committee and called for any nominations.

The General Manager received one (1) nomination for the position of Deputy Chairperson of the Committee, namely Councillor Clifton.

The General Manager, as Returning Officer confirmed with Councillor Clifton that she accepted the nomination.

The General Manager, as Returning Officer called for any further nominations. As there were none, nominations were closed.

As there was only one nomination, **COUNCILLOR CLIFTON WAS DULY ELECTED DEPUTY CHAIRPERSON FOR THE ENSUING PERIOD.**

The Chairperson, Councillor Gordon then assumed the Chair.

**ITEM 1 (continued)**

**ATTACHMENT 1**

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

**RECOMMENDATION:** (Moved by Councillors Clifton and Purcell)

That the Minutes of the Finance and Governance Committee 5/21, held on 10 August 2021, be confirmed.

On being put to the meeting, Councillor Brown abstained from voting and accordingly his vote was recorded Against the Motion.

**Record of Voting:**

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

Against the Motion: Councillor Brown

Note: This matter will be dealt with at the Council Meeting to be held on **26 OCTOBER 2021** as dissenting votes were recorded.

**3 ITEMS PUT WITHOUT DEBATE**

**RESOLUTION:** (Moved by Councillors Clifton and Brown)

That the Committee adopt Item 4, Item 5 and Item 6 on the Agenda as per the recommendations in the reports.

**Record of Voting:**

For the Motion: Unanimous

**4 INVESTMENT REPORT AS AT 31 AUGUST 2021**

**RESOLUTION:** (Moved by Councillors Clifton and Brown)

- (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.

**Record of 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**

**5 INVESTMENT REPORT AS AT 30 SEPTEMBER 2021**

**RESOLUTION:** (Moved by Councillors Clifton and Brown)

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

**Record of Voting:**

For the Motion: Unanimous

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

**6 RESOURCING STRATEGY UPDATE - LTFP**

**RESOLUTION:** (Moved by Councillors Clifton and Brown)

That Council endorses the updated Long Term Financial Plan.

**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 7.03pm.

CONFIRMED THIS 9TH DAY OF NOVEMBER 2021.

Chairperson

**2 ITEMS PUT WITHOUT DEBATE**

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**Report prepared by:** Civic Services Manager**File No.:** CLM/21/1/3/2 - BP21/987

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**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 31 OCTOBER 2021**

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**Report prepared by:** Chief Financial Officer**File No.:** GRP/21/8 - BP21/1051

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**REPORT SUMMARY**

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

Council's rate of return on investments for the reporting period is 1.40%, which is 1.41% above the benchmark figure of -0.01%.

Income from interest on investments and proceeds from sale of investments totals \$1,045K for the financial year to date, which is \$265K above the 2021/22 year-to-date adopted budget of \$780K.

**RECOMMENDATION:**

That Council endorse the Investment Report as at 31 October 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 3 (continued)**
**Discussion**

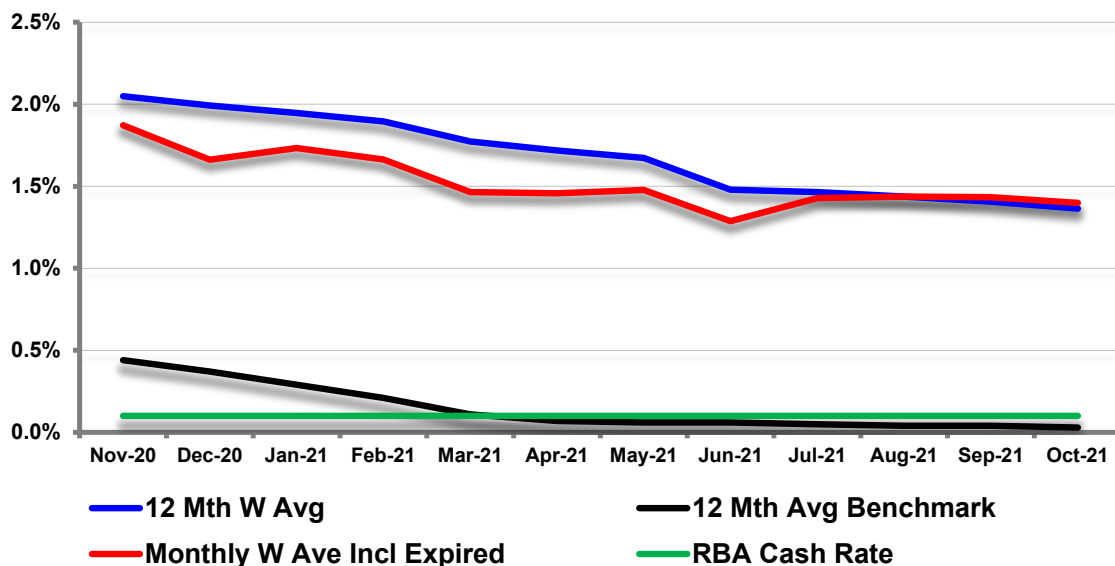
Council's Responsible Accounting Officer is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the *Local Government Act 1993*.

**Investment Performance Commentary**

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

	Sep	12 Mth	FYTD
<b>Council Return</b>	<b>1.40</b>	<b>1.36</b>	<b>1.40</b>
<b>Benchmark</b>	-0.01	<b>0.03</b>	0.01
<b>Variance</b>	<b>1.41</b>	<b>1.33</b>	<b>1.39</b>

### Performance - All Investments



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

Cash/Term Deposits	\$150.95M	65.9%
Floating Rate Notes	\$28.75M	12.5%
Fixed Bonds	\$49.47M	21.6%
<b>Total Investments</b>	<b>\$229.17M</b>	

**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.

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 October 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 3 (continued)**
**INVESTMENT SUMMARY AS AT 31 OCTOBER 2021**

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Oct-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	1.10	1.10	0.52	14/05/2025	1826
National Australia Bank	2. NAB Fixed Bond (Covered)	AAA	Y	3,747	3.10	3.10	3.06	1.64	16/03/2023	1826
Australia and New Zealand Banking Group	3. 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	4. ANZ Fixed Bond	AA-	Y	2,999	3.13	3.14	3.15	1.31	8/02/2024	1826
Australia and New Zealand Banking Group	5. ANZ Fixed Bond	AA-	Y	2,000	1.56	1.56	1.57	0.87	29/08/2024	1827
Australia and New Zealand Banking Group	6. ANZ Fixed Bond	AA-	Y	1,994	1.67	1.67	1.68	0.87	29/08/2024	1805
Australia and New Zealand Banking Group	7. ANZ Fixed Bond	AA-	Y	1,998	1.69	1.69	1.74	0.87	16/01/2025	1827
Australia and New Zealand Banking Group	8. ANZ Fixed Bond	AA-	Y	2,981	1.80	1.80	1.81	1.30	29/08/2024	1612
Australia and New Zealand Banking Group	9. ANZ Floating Rate Note	AA-	Y	1,500	0.80	0.81	0.57	0.65	18/01/2023	1826
Australia and New Zealand Banking Group	10. ANZ Floating Rate Note	AA-	Y	2,000	0.92	0.93	0.93	0.87	9/05/2023	1826
Australia and New Zealand Banking Group	11. ANZ Term Deposit	AA-	Y	4,000	1.52	1.53	1.53	1.75	10/11/2022	2557
Australia and New Zealand Banking Group	12. ANZ Term Deposit	AA-	Y	4,000	1.47	1.49	1.48	1.75	15/12/2022	2557
Commonwealth Bank of Australia	13. CBA Business Online Saver	AA-	Y	45,024	0.20	0.18	0.21	19.65		
Commonwealth Bank of Australia	14. CBA Fixed Bond	AA-	Y	3,993	3.47	3.42	3.43	1.74	25/04/2023	1916
Commonwealth Bank of Australia	15. CBA Fixed Bond	AA-	Y	3,497	3.28	3.28	3.32	1.53	16/08/2023	1826
Commonwealth Bank of Australia	16. CBA Fixed Bond	AA-	Y	3,487	3.23	3.24	3.24	1.52	11/01/2024	1826
Commonwealth Bank of Australia	17. CBA Term Deposit	AA-	Y	4,000	0.43	0.43	0.43	1.75	22/02/2022	365
National Australia Bank	18. NAB Fixed Bond	AA-	Y	3,998	3.08	3.08	3.12	1.74	10/02/2023	1918
National Australia Bank	19. NAB Fixed Bond	AA-	Y	2,998	2.95	2.95	2.99	1.31	26/02/2024	1826
National Australia Bank	20. NAB Floating Rate Note	AA-	Y	4,000	0.92	0.93	0.93	1.75	16/05/2023	1826
National Australia Bank	21. NAB Floating Rate Note	AA-	Y	2,000	0.93	0.96	0.95	0.87	19/06/2024	1827
National Australia Bank	22. NAB Term Deposit	AA-	Y	4,000	0.35	0.51	0.35	1.75	24/02/2022	371
National Australia Bank	23. NAB Term Deposit	AA-	Y	4,000	0.31	0.42	0.31	1.75	11/11/2021	231
National Australia Bank	24. NAB Term Deposit	AA-	Y	4,000	0.30	0.50	0.30	1.75	16/06/2022	273
National Australia Bank	25. NAB Term Deposit	AA-	Y	4,000	0.30	0.55	0.45	1.75	16/06/2022	273
National Australia Bank	26. NAB Term Deposit	AA-	Y	4,000	0.45	0.61	0.45	1.75	11/01/2022	357
National Australia Bank	27. NAB Term Deposit	AA-	Y	4,000	3.35	3.35	3.35	1.75	18/09/2023	1827
National Australia Bank	28. NAB Term Deposit	AA-	Y	2,000	0.50	0.50	0.50	0.87	2/12/2021	364
Westpac Banking Corporation	29. Westpac Fixed Bond	AA-	Y	2,488	3.30	3.26	3.26	1.09	24/04/2024	1917
Westpac Banking Corporation	30. Westpac Term Deposit	AA-	Y	4,000	3.55	3.55	3.55	1.75	22/02/2022	1825
Westpac Banking Corporation	31. Westpac Term Deposit	AA-	Y	4,000	3.32	3.32	3.32	1.75	9/08/2022	1813
Westpac Banking Corporation	32. Westpac Term Deposit	AA-	Y	2,000	3.38	3.38	3.38	0.87	18/08/2022	1815
Westpac Banking Corporation	33. Westpac Term Deposit	AA-	Y	4,000	1.22	1.23	1.23	1.75	17/02/2022	1826
Westpac Banking Corporation	34. Westpac Term Deposit	AA-	Y	4,000	3.14	3.14	3.14	1.75	2/11/2021	1461
Macquarie Bank	35. Macquarie Bank Fixed Bond	A+	Y	3,999	1.71	1.71	1.73	1.75	12/02/2025	1827
Suncorp-Metway	36. Suncorp-Metway Floating Rate Note (Covered)	A+	N	1,000	0.99	1.00	1.00	0.44	16/08/2022	1826
Suncorp-Metway	37. Suncorp-Metway Floating Rate Note	A+	N	1,200	1.16	1.16	1.16	0.52	24/04/2025	1823
Bank of Queensland	38. Bank of Queensland Fixed Bond	BBB+	Y	2,000	3.41	3.42	3.41	0.87	16/11/2021	1267
Bank of Queensland	39. BoQ Fixed Bond	BBB+	Y	3,794	2.14	2.14	2.14	1.66	27/10/2026	1826
Bank of Queensland	40. Bank of Queensland Term Deposit	BBB+	Y	2,000	2.55	2.55	2.55	0.87	13/06/2024	1827
Bank of Queensland	41. Bank of Queensland Term Deposit	BBB+	Y	4,000	0.43	0.71	0.47	1.75	16/09/2022	365
Bank of Queensland	42. Bank of Queensland Term Deposit	BBB+	Y	2,000	3.75	3.75	3.75	0.87	9/12/2021	1823
Bank of Queensland	43. Bank of Queensland Term Deposit	BBB+	Y	4,000	3.50	3.50	3.50	1.75	15/11/2022	1804
Bendigo and Adelaide Bank	44. 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	45. Bendigo and Adelaide Bank Floating Rate Note	BBB+	N	1,999	1.14	1.14	1.13	0.87	25/01/2023	1532
Heritage Bank	46. Heritage Bank Floating Rate Note	BBB+	N	2,000	0.81	0.83	0.83	0.87	12/08/2022	1085
MyState Bank	47. MyState FRN	BBB+	N	1,500	0.66	0.67	0.67	0.65	16/06/2025	1461
MyState Bank	48. MyState Bank Term Deposit	BBB+	N	2,000	0.65	0.65	0.65	0.87	11/10/2023	730
AMP	49. AMP At Call Account	BBB	Y	397	0.51	0.51	0.49	0.17		

**ITEM 3 (continued)**

Issuer	Investment Name	Investment Rating	Fossil Fuel	Invested at 31-Oct-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	999	1.42	1.43	1.43	0.44	30/03/2022	917
AMP	51. AMP Term Deposit	BBB	Y	1,000	0.75	0.78	0.75	0.44	2/08/2022	368
Bank Australia	52. Bank Australia Floating Rate Note	BBB	N	2,000	0.92	0.93	0.93	0.87	2/12/2022	1096
Credit Union Australia	53. CUA Floating Rate Note	BBB	N	1,000	1.16	1.16	1.16	0.44	24/10/2024	1827
Defence Bank	54. Defence Bank Term Deposit	BBB	N	2,000	0.43	0.74	0.43	0.87	8/02/2022	364
ME Bank	55. ME Bank At Call Account	BBB	N	7,575	0.60	0.63	0.60	3.31		
Me Bank	56. ME Bank TD	BBB	N	2,000	0.53	0.53	0.53	0.87	16/06/2022	363
Newcastle Permanent Building Society	57. NPBS FRN	BBB	N	2,000	0.65	0.66	0.66	0.87	4/03/2026	1826
Newcastle Permanent Building Society	58. 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	59. 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	60. P&N Bank Term Deposit	BBB	N	1,000	3.50	3.50	3.50	0.44	2/11/2023	1821
Teachers Mutual Bank	61. Teachers Mutual Bank FRM	BBB	N	1,100	0.70	0.71	0.71	0.48	16/06/2026	1826
Auswide Bank	62. Auswide Bank Floating Rate Note	BBB-	N	1,500	1.08	1.09	1.08	0.65	17/03/2023	1095
Auswide Bank	63. Auswide Bank Term Deposit	BBB-	N	2,000	1.69	1.69	1.69	0.87	15/02/2022	715
QPCU	64. QBank Floating Rate Note	BBB-	N	750	1.52	1.54	1.53	0.33	14/12/2021	1096
QPCU	65. QBank FRN	BBB-	N	1,000	0.77	0.78	0.78	0.44	22/03/2024	1096
QPCU	66. QBank Term Deposit	BBB-	N	1,000	0.50	0.60	0.50	0.44	15/12/2021	372
QPCU	67. QBank Term Deposit	BBB-	N	1,000	0.40	1.03	0.40	0.44	4/11/2021	91
QPCU	68. QBank Term Deposit	BBB-	N	1,000	0.65	1.57	1.40	0.44	30/09/2022	364
BNK Banking Corporation	69. BNK Banking TD	Unrated	?	1,950	0.55	0.55	0.55	0.85	6/01/2022	274
WAW Credit Union Co-operative Limited	70. WAW CU Term Deposit	NA	N	2,000	0.80	0.88	0.80	0.87	15/12/2021	372
Coastline Credit Union	71. Coastline CU Term Deposit	NR	?	1,000	0.55	0.65	0.55	0.44	16/12/2021	371
Gateway Bank	72. Gateway Bank Term Deposit	NR	N	2,000	0.35	0.35	0.35	0.87	4/11/2021	91
Maitland Mutual	73. Maitland Mutual Term Deposit	NR	N	2,000	0.40	0.47	0.43	0.87	11/11/2021	93
Railways Credit Union	74. MOVE Term Deposit	NR	?	1,000	0.60	0.60	0.60	0.44	19/05/2022	364
Railways Credit Union	75. MOVE TD	NR	?	1,000	0.60	0.60	0.60	0.44	12/05/2022	356
Warwick Credit Union	76. Warwick CU Term Deposit	NR	?	1,000	0.75	0.83	0.75	0.44	9/03/2023	728
Warwick Credit Union	77. Warwick CU Term Deposit	NR	?	1,000	0.30	0.47	0.36	0.44	4/11/2021	91
				<b>229,166</b>	<b>1.40</b>	<b>1.52</b>	<b>1.48</b>	<b>100</b>		

\*Monthly returns when annualised can appear to exaggerate performance

	Oct	12 Mth	FYTD
Return including Matured/Traded Investments			
Weighted Average Return	<b>1.40</b>	<b>1.36</b>	<b>1.40</b>
Benchmark Return: AusBond Bank Bill Index (%)	-0.01	0.03	0.01
Variance From Benchmark (%)	<b>1.41</b>	<b>1.33</b>	<b>1.39</b>

**Investment Income**

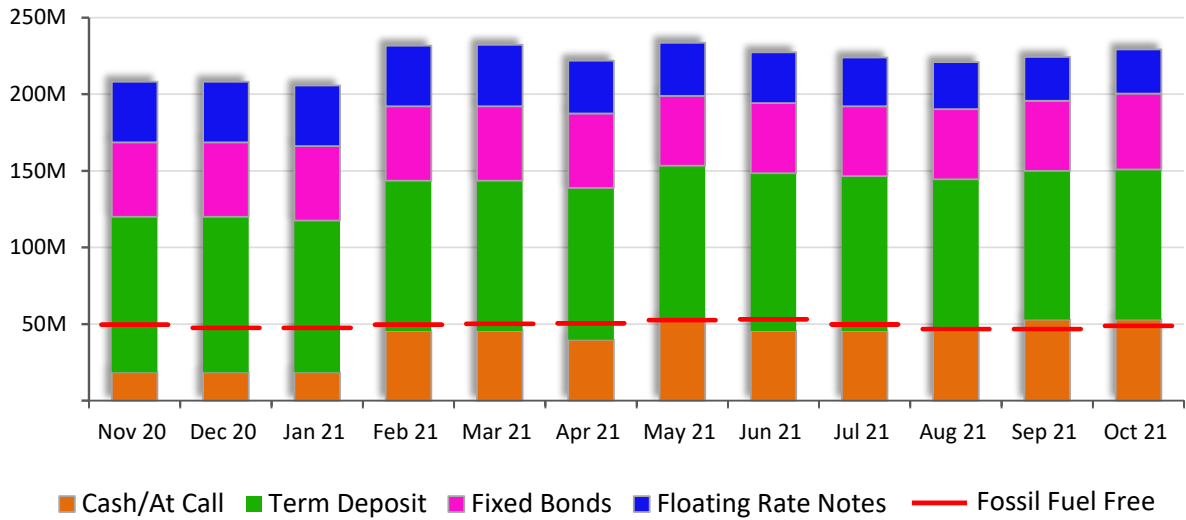
	\$000's
This Period	257
Financial Year To Date	1,045
Budget Profile	780
Variance from Budget - \$	<b>265</b>

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

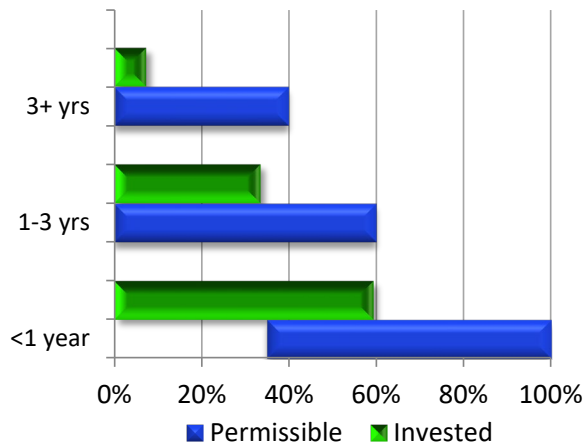
Yes	48,624
No	173,592
Unknown	6,950

**ITEM 3 (continued)**

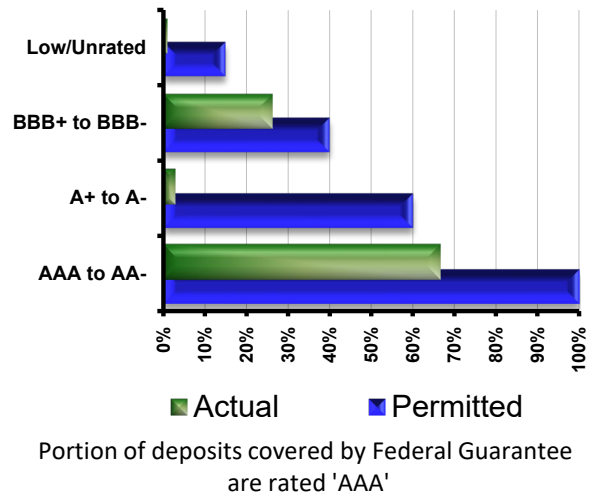
**Total Funds Invested**



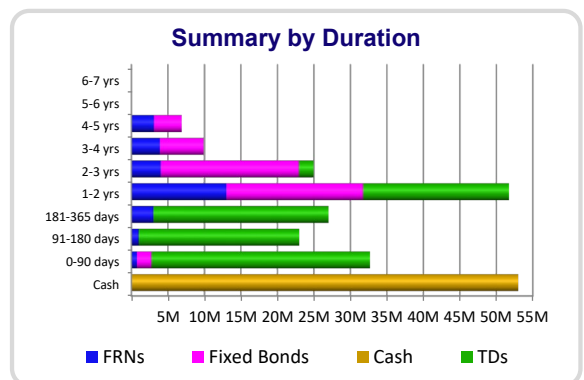
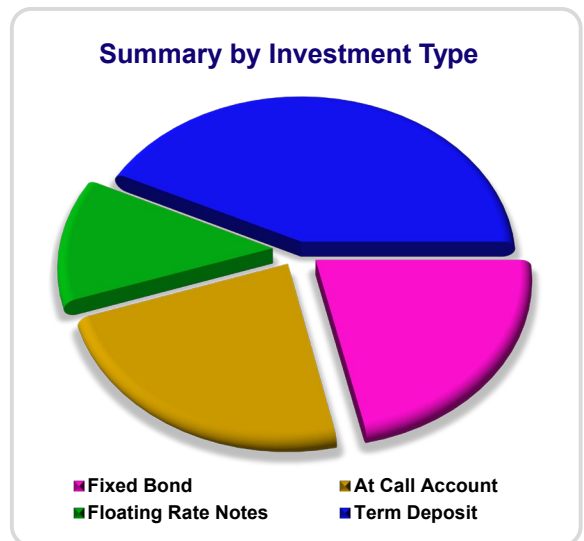
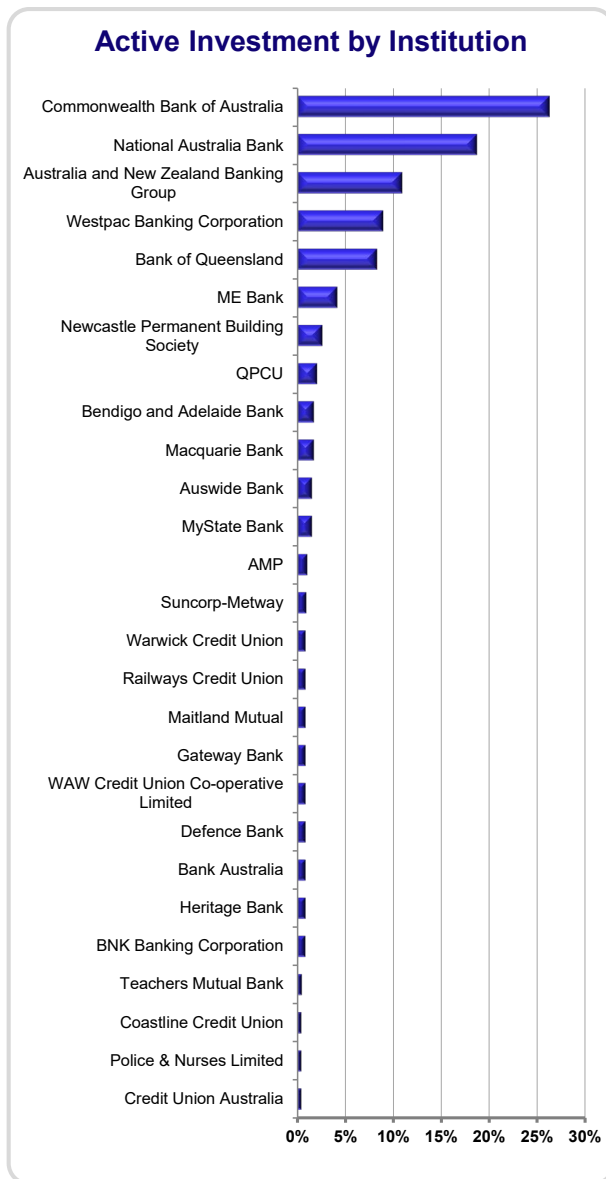
**Policy Limits on Maturities**



**Investment Summary by Rating**



**ITEM 3 (continued)**



	<365 days	>365 days
Cash/TDs	\$128.9M	\$22.0M
FRNs	\$4.7M	\$24.0M
Fixed Bonds	\$2.0M	\$47.5M
	<b>\$135.7M</b>	<b>\$93.5M</b>

**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 October 2021, Council had a total amount of \$48.6M million invested in non-fossil fuel aligned financial institutions, which is 21.22% of its 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. The implementation of the new Cash Investment Policy by the Finance Department should see this percentage grow over the coming months.

**Financial Implications**

Council's return for the reporting period is 1.40%, which is 1.41% above the benchmark figure of -0.01%. Income from interest on investments and proceeds from sales of investments totals \$1045K for the period ending 31 October 2021 and is \$265K above the 2021/22 year-to-date adopted budget of \$265K.

**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