
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 12 DECEMBER 2018
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 30 NOVEMBER 2018

Author	Director Finance & Corporate Strategy
Responsible Officer	Director Finance & Corporate Strategy
Link to Strategic Plans	CSP – 4.3 A financially sound Council that is responsible and sustainable DP - 4.3.1.5 Provide monthly cash balances and detailed quarterly financial reports to Council.

Executive Summary

Council's investments are made in accordance with legislative requirements and are certified as such by the Responsible Accounting Officer.

Report

Under the Local Government Act 1993 and Local Government (General) Regulation 2005, the Responsible Accounting Officer is required to report on Council's Investment portfolio on a monthly basis.

The management of Council's Investments is delegated by the General Manager to the Director of Finance and Corporate Strategy.

Council's current investment portfolio is diversified across a number of investment types and institutions. This includes term deposits, on-call accounts and managed funds. Investments are in accordance with the Office of Local Government's Guidelines and Council's Investment Policy.

The Government Guarantee on aggregated Investments up to \$1 million per account holder per institution expired 1 February 2012 and the new cap is \$250,000.

The investment portfolio decreased **\$301,699** during the reporting period. This decrease is due mostly to less Rates receipts than Capital and Operational Payments which was anticipated.

Financial Implications

The 2018/19 Budget estimates the total annual Investment Revenue as \$504,687 which represents an estimated return of 2.5% and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

The market value of Council's Investments held as at **30 November 2018** is **\$21,657,585**. The full list of investments is in **Attachment No. 1**.

NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 12 DECEMBER 2018
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 30 NOVEMBER (Cont'd)

Legal and Regulatory Compliance

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2005 – Clause 212
- Council Investment Policy adopted 11 March 2015
- Ministerial Investment Order – 12 January 2011

Risk Management Issues

Council's risk management strategy is to diversify the allocation of funds across different financial institutions and government authorities based on credit ratings as per the Investment Policy. The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk.

Certification – Responsible Accounting Officer

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

Attachments

- 1 Investments

RECOMMENDATION

1. That the report regarding Council's Investment Portfolio be received and noted;
2. That the certification of the Responsible Accounting Officer is noted and the report adopted.

John Sevil
Director Finance & Corporate Strategy
Responsible Accounting Officer

NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 12 DECEMBER 2018
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

Investments

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
Cash & At Call							
CBA	AA-	Business Online Saver - at call	A-1+	1.00%	N/A	1,843,203.63	S&P Short Term
CBA	AA-	Business Online Saver - at call	A-1+	1.00%	N/A	95,441.63	S&P Short Term
TOTAL						1,938,645.26	
Percentage Exposure of Total Portfolio						8.95%	
Average Investment Yield (annualised)						1.00%	
Term Deposits							
NAB	AA-	Term Deposit - 05/12/2018	A-1+	2.75%	196 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 12/12/2018	A-1+	2.75%	188 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 12/12/2018	A-1+	2.76%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 19/12/2018	A-1+	2.75%	195 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 08/01/2019	A-1+	2.67%	120 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 16/01/2019	A-1+	2.81%	208 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 23/01/2019	A-1+	2.85%	210 Days	750,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 13/02/2019	A-1+	2.75%	180 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 20/02/2019	A-1+	2.75%	183 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 06/03/2019	A-1+	2.65%	154 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 13/03/2019	A-1	2.80%	182 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 20/03/2019	A-1+	2.65%	189 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 10/04/2019	A-1+	2.70%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 24/04/2019	A-1+	2.70%	154 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 29/05/2019	A-1	2.70%	182 Days	1,000,000.00	S&P Short Term
TOTAL						14,750,000.00	
Percentage Exposure of Total Portfolio						68.11%	
Average Investment Yield (annualised)						2.74%	
Pooled Managed Investments							
						Market Value	Balance from 2017/2018
TCorp	AAA	T-CorpIM Long Term Growth Fund				4,968,940	5,070,102
Percentage Exposure of Total Portfolio						22.94%	
Average Investment Yield MTH						-1.04%	
Average Investment Yield FYTD						-2.00%	
Total Investment Portfolio						21,657,585	