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**NARROMINE SHIRE COUNCIL**  
**ORDINARY MEETING BUSINESS PAPER – 10 OCTOBER 2018**  
**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

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**1. INVESTMENT REPORT AS AT 30 SEPTEMBER 2018**

<b>Author</b>	Director Finance & Corporate Strategy
<b>Responsible Officer</b>	Director Finance & Corporate Strategy
<b>Link to Strategic Plans</b>	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.

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**Executive Summary**

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

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**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 **\$199,189** 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 September 2018** is **\$23,180,243**. The full list of investments is in ***Attachment No. 1***.

**1. INVESTMENT REPORT AS AT 30 SEPTEMBER 2018 (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.

## **2. RATES AND CHARGES WRITE-OFF**

<b>Author</b>	Manager Revenue & Customer Relations
<b>Responsible Officer</b>	Director Finance and Corporate Strategy
<b>Link to Strategic Plans</b>	CSP – 4.3 A financially sound Council that is responsible and sustainable

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### **Executive Summary**

The purpose of this report is for Council to consider writing off an amount of \$5,765.04 for rates and charges.

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### **Report**

The owner of the property described as Lot 5 Section 20 DP 758983 in the Parish of Gundong, County of Narromine was declared bankrupt in August 2010. The property was subsequently transferred into the name of the Insolvency Trustee in October 2011. In January 2018 Council was advised by the Trustee that the property was not readily saleable and that he had disclaimed his interest in the property pursuant to *Section 133 (1) of the Bankruptcy Act 1966*. Accordingly, the Trustee's interest in the property was escheated to the State of NSW. Council has received a Notice of Sale advising that the property has been now been vested in the State of New South Wales.

### **Summary**

Rates and charges levied on assessment 11458562 to the 7<sup>th</sup> September 2018 equates to \$5,765.04.

### **Financial Implications**

Total write off amount is \$5,765.04. A provision of \$5,390.86 was set aside in the 30 June 2018 financial year end.

### **Legal and Regulatory Compliance**

Local Government Act, 1993 – Section 607. The regulations may specify circumstances, in addition to those for which provision is made in this Chapter, in which a council may write off rates and charges and interest accrued on unpaid rates and charges.

Local Government Act, 1993 – Section 555 (1). The following land is exempt from all rates: (a) land owned by the Crown, not being land held under lease for private purposes.

Local Government (General) Regulation 2005 – Clause 131(4). An amount of rates or charges can be written off under this clause only: (b) the amount is not lawfully recoverable.

**2. RATES AND CHARGES WRITE OFF (Cont'd)**

Local Government Act, 1993 – Section 377. Council's General Manager is authorised to write off amounts of fees, charges and interest accrued not exceeding \$5,000 where appropriate circumstances exist.

***Risk Management Issues***

Nil

***Internal/External Consultation***

Legal opinion was sought from Nelson Keane & Hemingway.

Under the Local Government Act unpaid rates constitute a charge on the land, however the State of NSW is exempt from payment of rates and the State does not discharge money owed to creditors such as Narromine Shire Council.

**Attachments**

Provided to Council under separate cover.

**RECOMMENDATION**

That Council write off \$5,765.04 in rates and charges owing for land described as Lot 5 Section 20 DP758983 in the Parish of Gundong, County of Narromine, owned by the State of New South Wales

John Sevil  
Director Finance & Corporate Strategy  
Responsible Accounting Officer

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Attachment 1      **Investments**

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
<b>Cash &amp; At Call</b>							
CBA	AA-	Business Online Saver - at call	A-1+	1.10%	N/A	1,116,337.96	S&P Short Term
CBA	AA-	Business Online Saver - at call	A-1+	1.10%	N/A	95,441.63	S&P Short Term
<b>TOTAL</b>						<b>1,211,779.59</b>	
<b>Percentage Exposure of Total Portfolio</b>						<b>5.23%</b>	
<b>Average Investment Yield (annualised)</b>						<b>1.10%</b>	
<b>Term Deposits</b>							
Bankwest	AA-	Term Deposit - 03/10/2018	A-1+	2.70%	177 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 10/10/2018	A-1+	2.65%	183 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 24/10/2018	A-1+	2.80%	124 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 14/11/2018	A-1	2.75%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 21/11/2018	A-1+	2.75%	182 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 28/11/2018	A-1	2.75%	181 Days	1,000,000.00	S&P Short Term
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
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
<b>TOTAL</b>						<b>16,750,000.00</b>	
<b>Percentage Exposure of Total Portfolio</b>						<b>72.26%</b>	
<b>Average Investment Yield (annualised)</b>						<b>2.75%</b>	
<b>Pooled Managed Investments</b>							
TCorp	AAA	T-CorpIM Long Term Growth Fund				5,218,463	Balance from 2017/2018 5,070,102
<b>Percentage Exposure of Total Portfolio</b>						<b>22.51%</b>	
<b>Average Investment Yield MTH</b>						<b>-0.11%</b>	
<b>Average Investment Yield FYTD</b>						<b>2.93%</b>	
<b>Total Investment Portfolio</b>						<b>23,180,243</b>	

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