
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 25 JUNE 2025
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 31 MAY 2025

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. This report details Council's investments as at 31 May 2025.

Report

Under the Local Government Act 1993 and Local Government (General) Regulation 2021, the Responsible Accounting Officer is required to report on Council's Investment portfolio monthly. The report must be made up to the last day of the month immediately preceding the meeting.

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

Council's investments are made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2021, Ministerial Investment Order issued February 2011, the Office of Local Government's Guidelines and Council's Investment Policy.

Council's investment portfolio is managed through term deposits and the current interest rates range from 3.80% to 5.05%. During May, Council's total cash and investments decreased by \$1,999M from \$18,905M to \$16,906M. This is due to the transfer of funds from the investments to the cheque account for cash flow purposes. Council's investment portfolio as at 31 May 2025 is attached as **Attachment No. 1**.

Financial Implications

The 2024/25 Budget estimates the total annual Investment Revenue as \$880,000 which represents an estimated return of 4.29% and is split proportionally across General, Water and Sewer Funds and changes monthly in accordance with cash flow requirements.

Legal and Regulatory Compliance

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2021 – Clause 212
- Council Investment Policy 2023
- Ministerial Investment Order – 12 January 2011

NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 25 JUNE 2025
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 31 May 2025 (Cont'd)

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 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 2021 and Council's Investment Policy.

Attachments

- Investment Portfolio as at 31 May 2025 (***Attachment No. 1***)

RECOMMENDATION

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

2. FINANCIAL REPORT – 31 MAY 2025

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.3.1 – Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies. Delivery Program – 4.3.1.5 - Provide monthly cash balances and detailed quarterly financial reports to Council.

Executive Summary

This report provides information to Council regarding its financial performance and position for the period ended 31 May 2025 and progress of the 2024/25 capital works program.

Report

The financial report as 31 May 2025 has been prepared and is presented to Council as ***Attachment No.2.***

This report provides information to Council regarding its actual income and expenditure for the period ended 31 May 2025 and compares it to the budgeted income and expenditure for the year. Council adopted its budget for the 2024-25 financial year as part of the Operational Plan at the June 2024 Ordinary Council Meeting.

2. FINANCIAL REPORT – 31 MAY 2025 (Cont'd)

Legal and Regulatory Compliance

The Local Government (General) Regulation 2021 (the Regulations) clause 202, states that Council's Responsible Accounting Officer must:

- "a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of Council's income and expenditure; and
- b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of Council."

Financial Implications

There are no variations proposed to Council in this report.

Attachments

- Financial report as at 31 May 2025 (***Attachment No. 2***)

RECOMMENDATION

That the financial report as at 31 May 2025 be received and noted.

3. INVESTMENT POLICY

Author	Director Finance & Corporate Strategy
Responsible Officer	Director Finance & Corporate Strategy
Link to Strategic Plans	CSP – 4.3.1 – Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies.

Executive Summary

The Investment Policy has been reviewed, and the policy is presented for Council's consideration and endorsement.

Report

The Investment Policy is a governing document that guides the investment process. The objective of this policy is to provide a framework to ensure Council's surplus funds are invested in an accountable and responsible manner.

3. INVESTMENT POLICY (Cont'd)

The Office of Local Government issued Investment Policy Guidelines in 2010 that apply to all Councils in New South Wales. The objectives of the guidelines are to:

- Assist Councils in investing funds in a prudent and appropriate manner;
- Outline legislation associated with the investment of surplus funds;
- Assist Councils in preparing a suitable investment policy;
- Outline key issues when investing funds;
- Define duties and obligations of the Council and Council Officers;
- Outline requirements for internal control procedures; and
- Establish proper reporting and monitoring procedures.

The policy has been reviewed, and only minor administrative changes are recommended at this stage.

Financial Implications

Operational Plan and Budget 2025-26.

Legal and Regulatory Compliance

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2021 – Clause 212
- Ministerial Investment Order – 12 January 2011
- Investment Policy Guidelines (2010)

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.

Attachments

- Investment Policy (***Attachment No. 3***)

RECOMMENDATION

That the Investment Policy attached to the report be endorsed.

Barry Bonthuys
Director Finance & Corporate Strategy
Responsible Accounting Officer

Attachment 1 - Investments as at 31 May 2025

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
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Cash & At Call

Commonwealth Bank	AA-	Business Online Saver - at call - Interest - Special rate 3.80%	A-1+	3.80%	N/A	1,906,489.32	S&P Short Term
TOTAL						1,906,489.32	
Percentage of Total Portfolio						11.28%	
Average Investment Yield						3.80%	

Term Deposits

Commonwealth Bank	AA-	Term Deposit - 03/06/2025	A-1+	4.73%	243 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 03/07/2025	A-1+	5.05%	242 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 05/08/2025	A-1+	5.05%	244 Days	2,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 05/09/2025	A-1+	4.75%	241 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 01/10/2025	A-1+	4.85%	243 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 24/10/2025	A-1+	4.70%	241 Days	3,000,000.00	S&P Short Term
TOTAL						15,000,000.00	
Percentage of Total Portfolio						88.72%	
Average Investment Yield						4.86%	

**Total Investment
Portfolio**

16,906,489.32



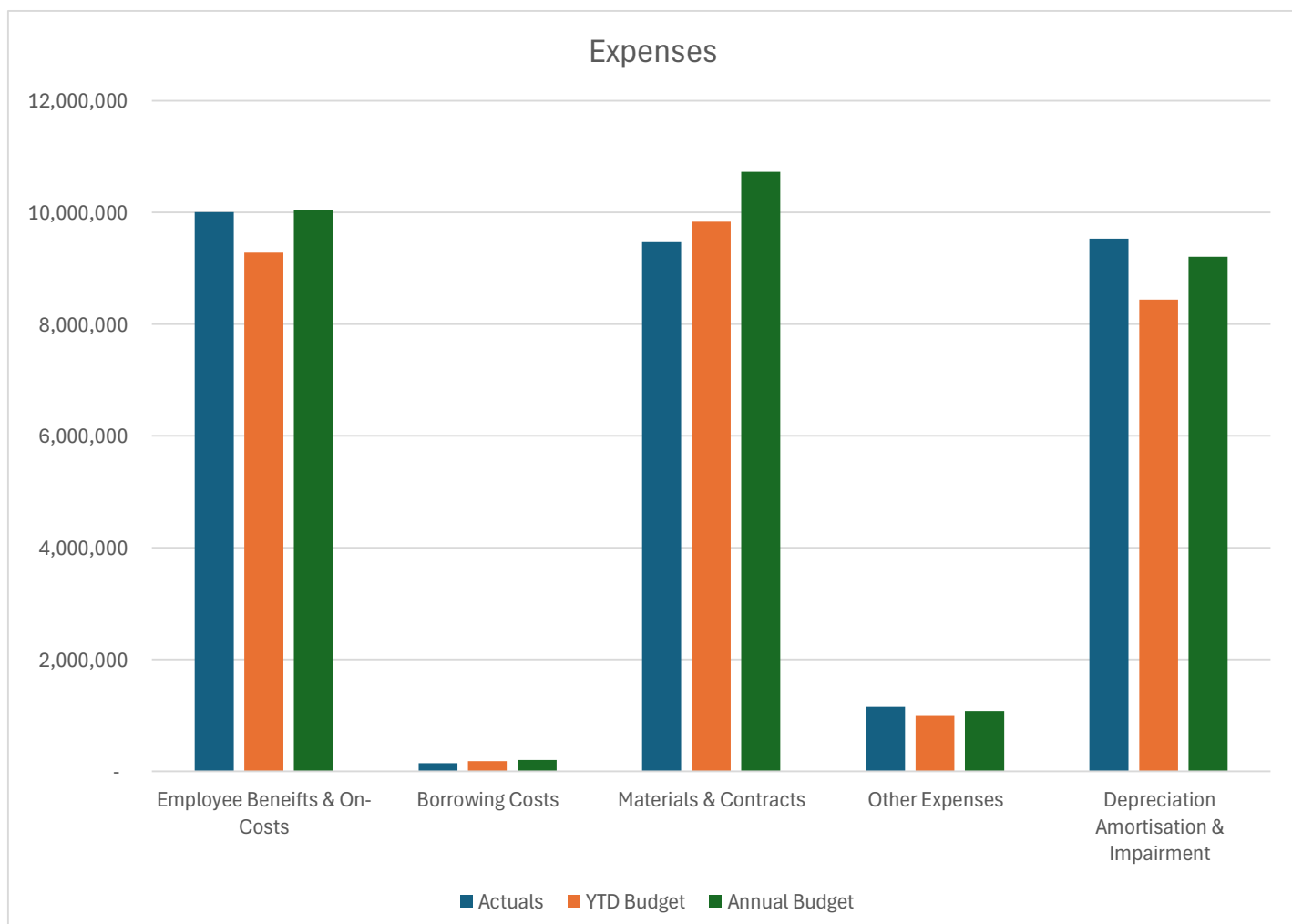
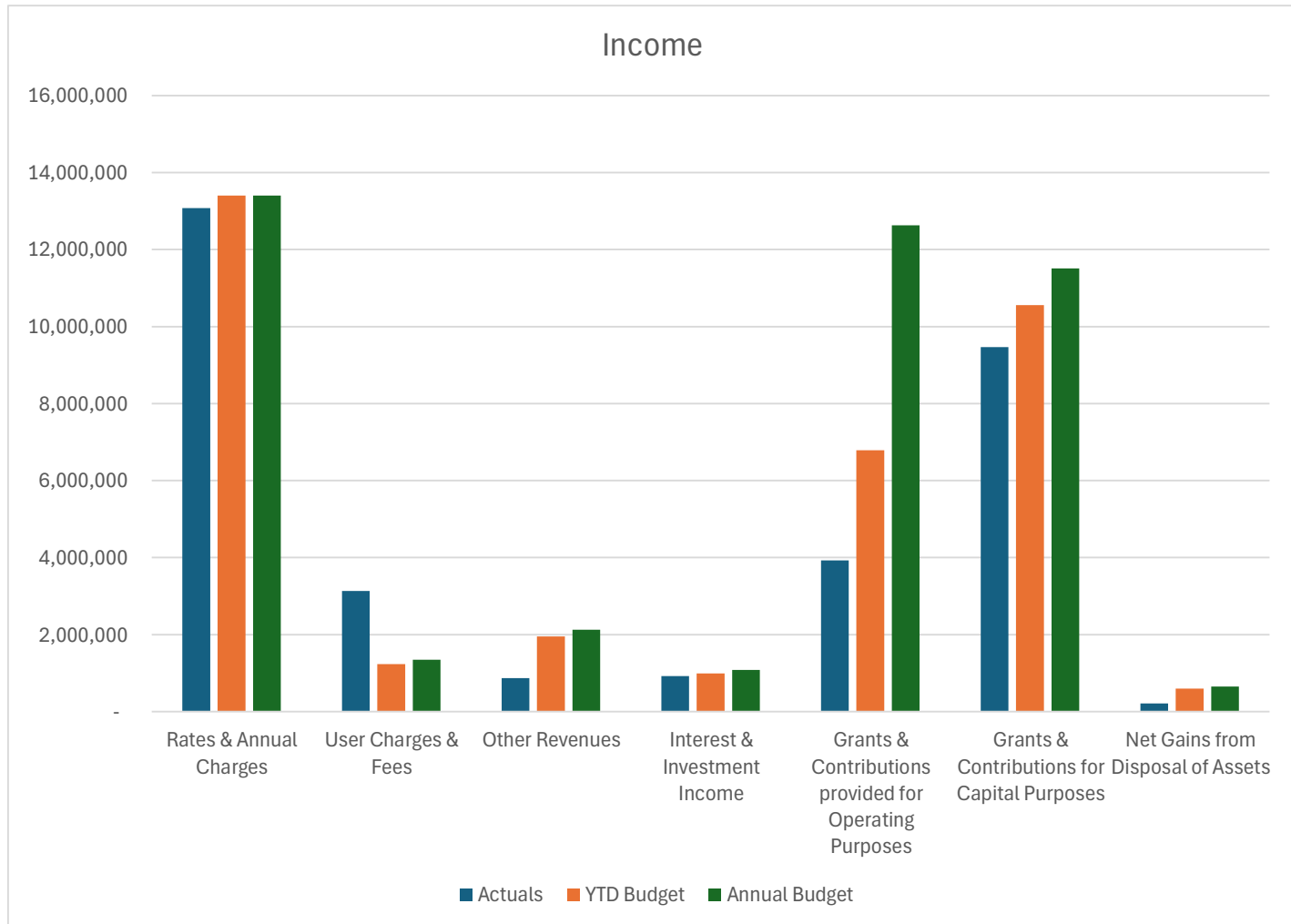
Financial Report

**For the period ended
31 May 2025**

Narromine Shire Council
Income Statement
for the financial year to date 31 May 2025

Resource Group	Actual YTD	YTD Budget	YTD Budget Variance %	Annual Budget	Variance \$	Variance %
Income						
Rates & Annual Charges	13,074,000	13,401,000	98%	13,401,000	327,000	98%
User Charges & Fees	3,134,000	1,232,917	254%	1,345,000	(1,789,000)	233%
Other Revenues	874,000	1,956,167	45%	2,134,000	1,260,000	41%
Interest & Investment Income	931,000	996,417	93%	1,087,000	156,000	86%
Grants & Contributions provided for Operating Purposes	3,933,000	6,787,429	58%	12,627,000	8,694,000	31%
Grants & Contributions for Capital Purposes	9,466,000	10,553,583	90%	11,513,000	2,047,000	82%
<i>Other Income</i>					-	
Net Gains/(Losses) from Disposal of Assets	216,000	601,333	36%	656,000	440,000	33%
Income Total	31,628,000	35,528,846	89%	42,763,000	11,135,000	74%
Expenditure						
Employee Benefits & On-Costs	10,005,000	9,277,846	108%	10,051,000	46,000	100%
Borrowing Costs	146,000	183,333	80%	200,000	54,000	73%
Materials & Contracts	9,465,000	9,834,000	96%	10,728,000	1,263,000	88%
Other Expenses	1,153,000	990,000	116%	1,080,000	(73,000)	107%
Depreciation Amortisation & Impairment	9,534,000	8,441,583	113%	9,209,000	(325,000)	104%
Expenditure Total	30,303,000	28,726,763	105%	31,268,000	965,000	97%
Total	1,325,000	6,802,083	19%	11,495,000	10,170,000	12%
Net Operating Result Before Grants and Contributions Provided for Capital Purposes	(8,141,000)	(3,751,500)	217%	(18,000)	8,123,000	45228%

Narromine Shire Council
Income and Expenses Summary
for the financial year to dated 30 April 2025



Narromine Shire Council
Budget 2024-25
BALANCE SHEET

	Actual YTD \$'000	Budget 2024-25 \$'000	Variance %
ASSETS			
Current Assets			
Cash & cash equivalents	3,117	2,847	109.48%
Investments	15,000	20,000	75.00%
Receivables	3,368	1,358	248.01%
Inventories	8,664	5,618	154.22%
Contract assets	0	0	0.00%
Other	0	97	0.00%
Total Current Assets	30,149	29,920	100.77%
Non-Current Assets			
Infrastructure, property, plant & equipment	406,656	396,878	102.46%
Investments accounted for using the equity method	406	406	100.00%
Total Non-Current Assets	407,062	397,284	102.46%
TOTAL ASSETS	437,211	427,204	102.34%
LIABILITIES			
Current Liabilities			
Payables	312	1,103	28.29%
Contract liabilities	0	0	0.00%
Borrowings	962	1,105	87.06%
Employee benefit provision	1,585	1,789	88.60%
Total Current Liabilities	2,859	3,997	71.53%
Non-Current Liabilities			
Borrowings	3,031	2,532	119.71%
Employee benefit provisions	54	56	96.43%
Provisions	1,986	1,544	128.63%
Total Non-Current Liabilities	5,071	4,132	122.73%
TOTAL LIABILITIES	7,930	8,129	97.55%
Net Assets	429,281	419,075	102.44%
EQUITY			
Accumulated Surplus	171,246	184,867	92.63%
Revaluation Reserves	258,035	234,208	110.17%
Council Equity Interest	429,281	419,075	102.44%
Total Equity	429,281	419,075	102.44%

Narromine Shire Council
Budget 2024-25
CASH FLOW STATEMENT

	Actual YTD \$'000	Budget 2024-25 \$'000	Variance %
Cash Flows from Operating Activities			
Receipts:			
Rates & Annual Charges	10,989	11,631	94.48%
User Charges & Fees	3,684	836	440.67%
Interest & Investment Revenue Received	1,285	1,072	119.87%
Grants & Contributions	8,890	23,336	38.10%
Other	1,004	1,903	52.76%
Payments:			
Employee Benefits & On-Costs	(8,136)	(10,319)	78.84%
Materials & Contracts	(14,155)	(13,385)	105.75%
Borrowing Costs	(147)	(177)	83.05%
Other	(803)	(1,095)	73.33%
Net Cash provided (or used in) Operating Activities	2,611	13,802	18.92%
Cash Flows from Investing Activities			
Receipts:			
Sale of Real Estate Assets	238	2,212	10.76%
Sale of Infrastructure, Property, Plant & Equipment	207	285	72.63%
Payments:			
Acquisition of Term Deposits	5,000	0	100.00%
Purchase of Infrastructure, Property, Plant & Equipment	(14,167)	(18,699)	75.76%
Purchase of Real Estate Assets	(2)	0	0.00%
Net Cash provided (or used in) Investing Activities	(8,724)	(16,202)	53.85%
Cash Flows from Financing Activities			
Receipts:			
Proceeds from Borrowings & Advances	1,300	0	0.00%
Payments:			
Repayment of Borrowings & Advances	(1,167)	(1,405)	83.06%
Net Cash Flow provided (used in) Financing Activities	133	(1,405)	-9.47%
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,980)	(3,805)	157.16%
plus: Cash, Cash Equivalents & Investments - beginning of year	9,097	6,623	137.35%
Cash & Cash Equivalents - end of the year	3,117	2,818	110.61%
Investments on hand at end of the year	15,000	20,000	75.00%
Total cash, cash equivalents & investments	18,117	22,818	79.40%
Representing:			
- External Restrictions	13,517	10,724	126.04%
- Internal Restrictions	2,831	5,910	47.90%
- Unrestricted	1,769	6,184	28.61%
	18,117	22,818	79.40%

Narromine Shire Council
Income Statement by Department
for the financial year to date 31 May 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Corporate Services	8,584,000	12,106,000	3,522,000	71%
Community Services (*1)	901,000	377,000	(524,000)	239%
Development and Environmental Services	671,000	562,000	(109,000)	119%
Governance (*2)	130,000	102,000	(28,000)	127%
Engineering (*3)	13,942,000	21,755,000	7,813,000	64%
Waste Management	2,211,000	2,226,000	15,000	99%
Water	3,791,000	3,660,000	(131,000)	104%
Sewer	1,932,000	1,975,000	43,000	98%
Income Total	32,162,000	42,763,000	10,601,000	75%
Expenditure				
Corporate Services (*4)	2,032,000	1,350,000	(682,000)	151%
Community Services	2,172,877	2,102,000	(70,877)	103%
Development and Environmental Services	1,816,000	1,634,000	(182,000)	111%
Governance	2,090,123	2,365,000	274,877	88%
Engineering	17,726,000	18,601,000	875,000	95%
Waste Management *5)	1,732,000	1,385,000	(347,000)	125%
Water	2,115,000	2,547,000	432,000	83%
Sewer	1,153,000	1,284,000	131,000	90%
Expenditure Total	30,837,000	31,268,000	431,000	99%
Total	1,325,000	11,495,000	10,170,000	12%

*1 Year's worth of catchup rent received. Proceeds for sale of property also allocated here, profit on sale not yet calculated.

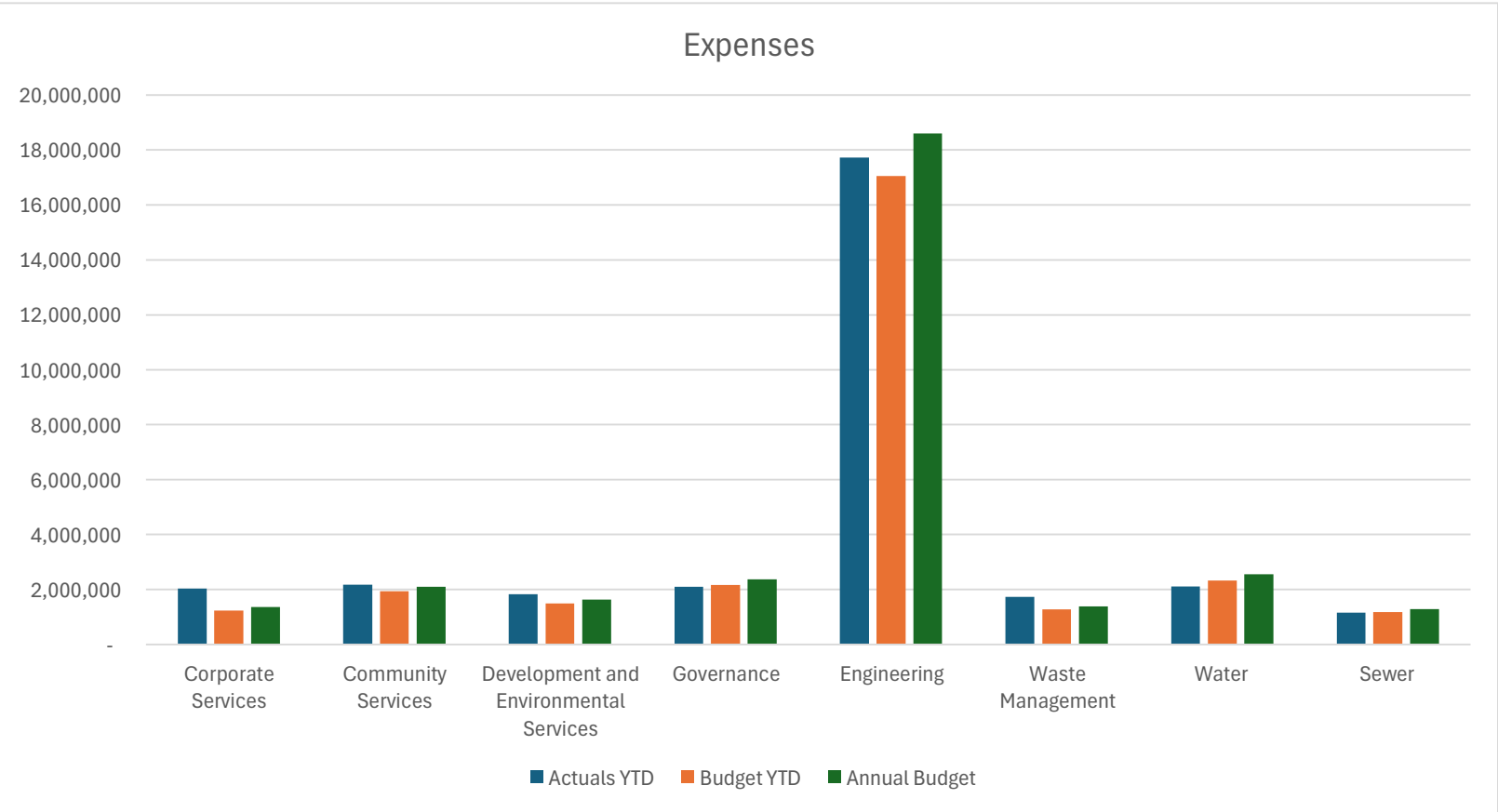
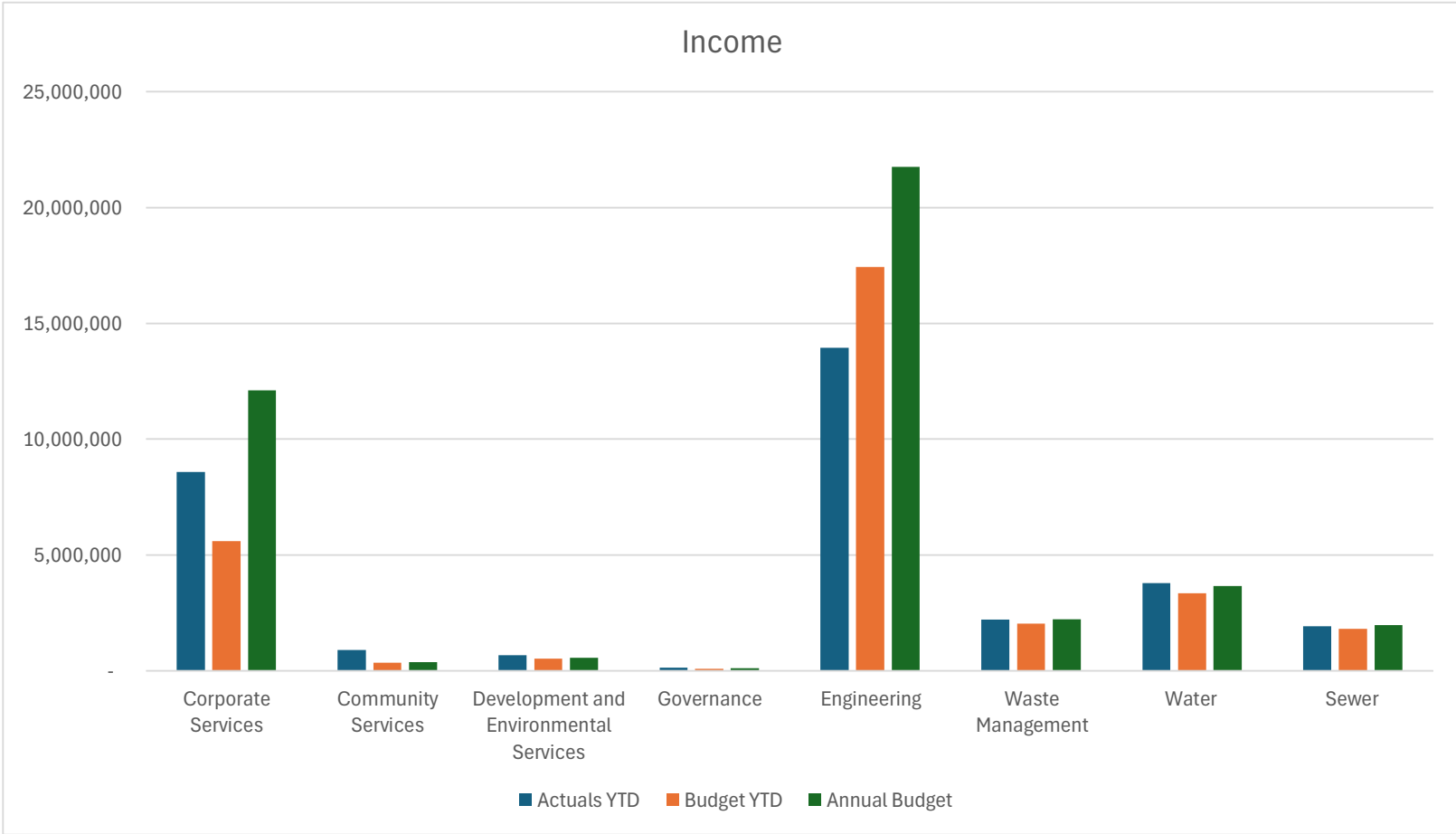
*2 Contributions received exceed budget.

*3 Outstanding AGRN flood monies still to be received and FAGS road component.

*4 Adjustment to be processed for internal allocations.

*5 Asbestos cleanup costs and waste depot maintenance costs are higher than budgeted.

Narromine Shire Council
Income Statement by Department
for the financial year to date 31 May 2025



Narromine Shire Council - Revenue and Expenditure Budget

Master Account	Actuals YTD 2025	Budget	Variance \$	Budget %
Income - Operating				
Community Services				
02400 - Saleyards	(1,164)	-	1,164	100%
02410 - Health Services	(103,897)	(116,889)	(12,992)	89%
02460 - Community Service	(435)	-	435	100%
02470 - Libraries	(82,479)	(86,549)	(4,070)	95%
02480 - Youth Services	(12,400)	(12,000)	400	103%
02600 - Tourism Operations	(64,821)	(153,891)	(89,070)	42%
02640 - Hub-N-Spoke	(69,141)	(67,491)	1,650	102%
02650 - Economic Development	(30,000)	-	30,000	100%
02700 - Real Estate Development	(242,632)	(182,937)	59,695	133%
Community Services Total	(606,968)	(619,757)	(12,789)	98%
Corporate Services				
01100 - Corporate Services Mgmt (Note 1)	62,809	(473,479)	(536,288)	-13%
01110 - Financial Services (Note 1)	(1,613,085)	(4,808,977)	(3,195,892)	34%
01130 - IT Services	(7,385)	8,120	15,505	-91%
01150 - Human Resources Mgmt	(26,756)	(25,000)	1,756	107%
01180 - Workers Compensation Claims Mgmt	(75,058)	(53,330)	21,728	141%
02240 - Corporate Administration Buildings	(6,751)	6,826	13,577	-99%
02990 - General Purpose Revenue	(6,799,912)	(6,786,480)	13,432	100%
Corporate Services Total	(8,466,137)	(12,132,320)	(3,666,183)	70%
Development and Environmental Services				
01210 - Noxious Weeds Operations	(51,752)	(47,752)	4,000	108%
02800 - Environment	(3,683)	-	3,683	100%
02810 - Animal & Pest Control	(20,745)	(17,710)	3,035	117%
02830 - Building Control Services	(348,010)	(457,348)	(109,338)	76%
02831 - Building Control Services - Swim Pool Compliance	(2,946)	(2,898)	48	102%
02840 - Health Administration & Inspection	(6,425)	(6,999)	(574)	92%
02850 - Rural Fire Service Administration	(616)	(536)	80	115%
02880 - Rural Fire Service Mtce	(128,124)	(126,354)	1,770	101%
Development and Environmental Services Total	(562,301)	(659,597)	(97,296)	85%
Engineering				
01200 - Engineering Mgmt	(673,506)	(606,659)	66,847	111%
01220 - Parks & Reserves	(205)	(32,562)	(32,357)	1%
01240 - Sports Grounds	2,594	(1,876)	(4,470)	-138%
01290 - Mining	(165,760)	(168,000)	(2,240)	99%
01340 - Rural Roads (Note 2)	(293,531)	(1,917,360)	(1,623,829)	15%
01341 - Flood Damaged Roads ARGN (Note 2)	(1,516,395)	(5,060,756)	(3,544,361)	30%
01360 - Regional Roads (Note 2)	-	(411,534)	(411,534)	0%
01370 - Street Lighting	(49,000)	(111,780)	(62,780)	44%
02100 - Stormwater Mgmt	(205,894)	(205,426)	468	100%
02190 - Aerodrome Operations	(123,825)	(128,039)	(4,214)	97%
02200 - Quarry Operations	(1,151,639)	(1,051,652)	99,987	110%
02210 - Cemetery Operations	(101,389)	(101,172)	217	100%
02220 - Plant Operations	(3,983,682)	(2,366,604)	1,617,078	168%
02230 - Private Works	(127,362)	(292,690)	(165,328)	44%
02260 - Buildings - Halls	(179)	(335)	(156)	53%
02500 - Sports Centre	(67,737)	(88,656)	(20,919)	76%
02750 - Swimming Pools	(110,918)	(41,003)	69,915	271%
03200 - Water Supply	(3,411,379)	(3,293,047)	118,332	104%
03201 - Water Supply - Lease Income	(1,626)	(19,104)	(17,478)	9%
03300 - Sewerage Services	(1,931,578)	(1,975,321)	(43,743)	98%
03400 - Commercial Waste Operations	(401,821)	(487,094)	(85,273)	82%
03410 - Domestic Waste Operations	(1,638,236)	(1,558,585)	79,651	105%
03420 - Waste Management	(173,932)	(179,666)	(5,734)	97%
Engineering Total	(16,127,001)	(20,098,921)	(3,971,920)	80%

Governance

01010 - Elected Members Operations	(752)	-	752	100%
01020 - Governance	(750)	(1,050)	(300)	71%
04110 - Alliance of Western Councils Operations	(75,898)	(65,000)	10,898	117%
04600 - NSRAC Operations	(34,391)	(28,519)	5,872	121%
04700 - TSRAC Operations	(13,721)	(3,681)	10,040	373%
04900 - Trangie Memorial Hall Operations	(112)	-	112	100%
Governance Total	(125,623)	(98,250)	26,621	128%
Income Total	(25,888,031)	(33,608,845)	(7,721,566)	77%

Expenditure**Community Services**

02280 - Community Buildings	88,360	87,977	(383)	100%
02300 - Library Buildings	104,699	112,194	7,495	93%
02400 - Saleyards	78,228	67,056	(11,172)	117%
02410 - Health Services	190,383	203,624	13,241	93%
02460 - Community Service	50,245	59,313	9,068	85%
02470 - Libraries	473,746	446,311	(27,435)	106%
02480 - Youth Services	12,523	20,452	7,929	61%
02600 - Tourism Operations	328,878	389,028	60,150	85%
02640 - Hub-N-Spoke	2,046	1,768	(278)	116%
02650 - Economic Development	344,243	457,064	112,821	75%
02700 - Real Estate Development	318,358	312,707	(5,651)	102%
Community Services Total	1,991,711	2,157,494	165,783	92%

Corporate Services

01100 - Corporate Services Mgmt	200,591	260,016	59,425	77%
01110 - Financial Services (Note 1)	(298,953)	(1,186,111)	(887,158)	25%
01130 - IT Services	864,399	927,229	62,830	93%
01140 - Records Services	177,887	156,578	(21,309)	114%
01150 - Human Resources Mgmt	843,938	975,784	131,846	86%
01180 - Workers Compensation Claims Mgmt	105,191	50,594	(54,597)	208%
02240 - Corporate Administration Buildings (Note 3)	233,167	165,107	(68,060)	141%
Corporate Services Total	2,126,219	1,349,197	(777,022)	158%

Development and Environmental Services

01210 - Noxious Weeds Operations	275,626	224,345	(51,281)	123%
02800 - Environment (Note 4)	145,635	67,566	(78,069)	216%
02810 - Animal & Pest Control	168,947	132,448	(36,499)	128%
02820 - Planning	311,339	290,576	(20,763)	107%
02830 - Building Control Services	21,336	16,765	(4,571)	127%
02840 - Health Administration & Inspection	105,787	105,471	(316)	100%
02850 - Rural Fire Service Administration	594,808	654,223	59,415	91%
02870 - State Emergency Service	18,329	16,633	(1,696)	110%
02880 - Rural Fire Service Mtce	58,437	126,342	67,905	46%
Development and Environmental Services Total	1,700,243	1,634,369	(65,874)	104%

Engineering

01190 - Depot - Store Operations	365,944	310,065	(55,879)	118%
01200 - Engineering Mgmt	1,818,393	2,042,036	223,643	89%
01220 - Parks & Reserves	2,295,678	1,907,648	(388,030)	120%
01240 - Sports Grounds (Note 5)	338,294	224,819	(113,475)	150%
01250 - Bridges - Local Rds	162,371	159,403	(2,968)	102%
01270 - Bridges - Regional Rds	143,094	66,477	(76,617)	215%
01290 - Mining	148,178	150,000	1,822	99%
01320 - Urban Streets	1,440,697	887,605	(553,092)	162%
01340 - Rural Roads	3,519,660	3,596,940	77,280	98%
01341 - Flood Damaged Roads ARGN	3,511,069	3,902,099	391,030	90%
01360 - Regional Roads	965,362	1,039,928	74,566	93%
01370 - Street Lighting	103,710	126,025	22,315	82%
01380 - Road Structures	13,014	13,025	11	100%
02100 - Stormwater Mgmt	447,809	697,770	249,961	64%
02110 - Public Amenities	151,846	146,297	(5,549)	104%

02190 - Aerodrome Operations	920,781	865,078	(55,703)	106%
02200 - Quarry Operations	1,014,554	1,274,852	260,298	80%
02210 - Cemetery Operations	184,840	119,995	(64,845)	154%
02220 - Plant Operations	2,152,643	2,140,850	(11,793)	101%
02230 - Private Works	201,133	145,010	(56,123)	139%
02260 - Buildings - Halls	238,767	232,089	(6,678)	103%
02320 - Depot Buildings	140,523	137,970	(2,553)	102%
02500 - Sports Centre	146,611	119,772	(26,839)	122%
02750 - Swimming Pools	714,153	598,582	(115,571)	119%
03200 - Water Supply	2,114,244	2,547,391	433,147	83%
03300 - Sewerage Services	1,152,610	1,283,990	131,380	90%
03400 - Commercial Waste Operations	307,171	190,636	(116,535)	161%
03410 - Domestic Waste Operations	1,296,897	1,111,631	(185,266)	117%
03420 - Waste Management	114,361	82,316	(32,045)	139%
Engineering Total	26,124,407	26,120,299	(4,108)	100%
Governance				
01000 - Executive Services	1,286,902	1,455,334	168,432	88%
01010 - Elected Members Operations	233,040	298,712	65,672	78%
01020 - Governance	518,342	539,532	21,190	96%
04110 - Alliance of Western Councils Operations	13,521	37,366	23,845	36%
04600 - NSRAC Operations	29,620	20,388	(9,232)	145%
04700 - TSRAC Operations	4,887	13,312	8,425	37%
04900 - Trangie Memorial Hall Operations	26	-	(26)	100%
Governance Total	2,086,337	2,364,644	278,307	88%
Expenditure Total	34,028,916	33,626,003	(402,913)	101%
Total	8,140,884	17,158	(8,124,480)	47447%
Income - Capital				
Community Services				
02280 - Community Buildings	(340,867)	(270,953)	69,914	0%
02300 - Library Buildings	111,138	(400,000)	(511,138)	-28%
02700 - Real Estate Development	(58,125)	(150,000)	(91,875)	39%
Community Services Total	(287,854)	(820,953)	(533,099)	35%
Corporate Services				
02240 - Corporate Administration Buildings	(52,677)	(150,000)	(97,323)	100%
Corporate Services Total	(52,677)	(150,000)	(97,323)	100%
Engineering				
01220 - Parks & Reserves (Note 6)	(63,384)	(9,826)	53,558	645%
01240 - Sports Grounds	348,684	-	(348,684)	100%
01320 - Urban Streets	34,935	(15,000)	(49,935)	-233%
01340 - Rural Roads	(2,407,928)	(3,844,913)	(1,436,985)	63%
01360 - Regional Roads	(6,635,537)	(4,340,369)	2,295,168	153%
02100 - Stormwater Mgmt	-	(1,923,713)	(1,923,713)	0%
02110 - Public Amenities	24,268	(47,771)	(72,039)	-51%
02190 - Aerodrome Operations	(170,100)	-	170,100	100%
02500 - Sports Centre	(89,183)	(155,188)	(66,005)	57%
02750 - Swimming Pools	(6,348)	-	6,348	100%
03200 - Water Supply	(159,380)	(205,000)	(45,620)	78%
Engineering Total	(9,123,972)	(10,541,780)	(1,417,808)	87%
Income Total	(9,464,502)	(11,512,733)	(2,048,230)	82%
Total	(1,323,617)	(11,495,575)	(10,172,710)	12%

Notes relating to material variances:

1. Adjustment to be processed for internal allocations at 30 June
2. Waiting on grant funding to be received
3. Significant repairs to Chambers building
4. Additional expenditure due to asbestos cleanup/disposal
5. Additional maintenance required on sports grounds
6. Additional funding received under the Community Assets Program for the upgrade of Mungery Hall.

CAPITAL WORKS PROGRAM 2024/25								
Asset Class	Town	Project Description						
			Actuals	Committed	Total	Annual Budget	Variance	Budget %
Corporate and Financial Services	Shire	Capital Contingency Fund	117,100	-	117,100	200,000	82,900	59%
Total Corporate and Financial Services			117,100	-	117,100	200,000	82,900	59%
Buildings	Narromine	Council Chamber - Rear Shed Flooring	3,829	1,818	5,647	20,000	14,353	28%
Buildings	Shire	Mungery Hall Upgrade (CAP 023)	189,725	-	189,725	278,964	89,239	68%
Buildings	Narromine	Narromine Sports Air Conditioner Replacement (CAP013)	20,423	-	20,423	19,384	- 1,039	105%
Buildings	Narromine	Narromine Rotary Park Furniture & Carpark Upgrade (CAP013)	99,146	-	99,146	98,862	- 284	100%
Buildings	Narromine	Cale Oval - CCTV Installation (Section 7.12 Contributions)	14,000	-	14,000	14,000	-	100%
Buildings	Narromine	Customer and Payment Centre - Awning (Roof Patio)	14,925	-	14,925	18,000	3,075	83%
Buildings	Narromine	Depot Upgrade - Improved Storage, Automated Gates, Awning, Generator, Switchboard	94,429	-	94,429	94,430	1	100%
Buildings	Trangie	Public Amenities Dandaloo St Public Toilets Screening - Stronger Country Communities Round 4	168	1,200	1,368	32,997	31,629	4%
Buildings	Trangie	Library Extension - Local Roads and Community Infrastructure Program Phase 4	15,571	205,500	221,071	250,000	28,929	88%
Buildings	Narromine	Library Upgrade - Local Roads and Community Infrastructure Program Phase 4	212,446	35,897	248,343	260,000	11,657	96%
Buildings	Narromine	Council Chambers Roof Replacement - Local Roads and Community Infrastructure Program Phase 4	259,946	101,463	361,409	370,000	8,591	98%
Total Buildings			924,608	345,878	1,270,486	1,456,637	186,151	87%
Cemeteries	Narromine	Baby Graves Upgrade	23,145	4,545	27,690	25,000	- 2,690	111%
Total Cemeteries			23,145	4,545	27,690	25,000	- 2,690	111%
IT Services	Narromine	Civica eServices	17,666	-	17,666	20,000	2,334	88%
IT Services	Narromine	Optic Fibre Cable Network - Stage 3	36,316	-	36,316	35,000	- 1,316	104%
IT Services	Narromine	Virtual Hardware Server Replacement - Main Site and Disaster Recovery Site	125,014	-	125,014	125,000	- 14	100%
IT Services	Narromine	Records System Upgrade to CM10	14,790	-	14,790	15,000	210	99%
IT Services	Narromine	UPS (Battery Back-up) Replacements	-	29,750	29,750	25,000	- 4,750	119%
IT Services	Narromine	Street Watch CCTV Server Upgrade	17,000	-	17,000	17,000	-	100%
Total IT Services			210,786	29,750	240,536	237,000	- 3,536	101%
Real Estate Development	Trangie	Subdivision & Development of Derribong St Trangie Land	317,439	10,405	327,844	328,057	213	100%
Real Estate Development	Narromine	Industrial Estate Land Development - Business Planning Freight Exchange	62,970	14,435	77,405	150,000	72,595	52%
Real Estate Development	Narromine	Residential Land Development - 36 Jones Circuit	1,177,342	-	1,177,342	1,177,342	-	100%
Total Real Estate Development			1,557,751	24,840	1,582,591	1,655,399	72,808	96%
Recreation Facilities	Narromine	Fowler Engine Restoration	-	-	-	5,000	5,000	0%
Recreation Facilities	Narromine	Pool Upgrade Works - Fencing, Benches & Seating, Entrance Landscaping	86,576	-	86,576	88,161	1,585	98%
Recreation Facilities	Narromine	Stronger Country Communities Round 5 - SCCF5 - 00281 - Upgrade Public Facilities Dundas Park	70,681	-	70,681	70,681	-	100%
Recreation Facilities	Narromine	Narromine Sports Centre Roof and Gutter Capital Upgrade (CAP013)	5,925	-	5,925	5,925	-	100%
Recreation Facilities	Narromine	FAGS 2023-24 - Wetlands Extension	40,883	-	40,883	80,375	39,492	51%
Total Recreation Facilities			204,065	-	204,065	250,142	46,077	82%
Roads	Narromine	Gainsborough and Tullamore Roads Intersection Upgrade - Turning and Slip Lanes (LRCIP Phase 4)	2,289	-	2,289	1,887	- 402	121%
Roads	Narromine	Burraway Street Upgrade (Gravel Resheeting Program - LRCIP Phase 3)	54,963	-	54,963	12,650	- 42,313	434%
Roads	Shire	Rural Roads - Resources For Regions - Round 9 - R4R9 - Road Resheeting & Sealing Across The Shire	702,377	7,727	710,104	982,197	272,093	72%
Roads	Narromine	2023-24 FAGS - Narromine Foothpths - Cycleways - Pedestrian Facility (Budget Only)	51,970	11,844	63,814	87,926	24,112	73%
Roads	Trangie	2023-24 FAGS - Trangie Foothpths - Cycleways - Pedestrian Facility (Budget Only)	-	-	-	23,963	23,963	0%
Roads	Narromine	2023-24 FAGS - Derribong Street - New Footpath Construction	35,755	-	35,755	35,756	1	100%

CAPITAL WORKS PROGRAM 2024/25								
Asset Class	Town	Project Description						
			Actuals	Committed	Total	Annual Budget	Variance	
Roads	Shire	2023-24 FAGS - Rural Roads Gravel Resheet Program (Budget Only)	76,247	18,044	94,291	360,500	266,209	26%
Roads	Shire	Rural Roads - Rural Culvert Replacement Program	44,333	-	44,333	102,269	57,936	43%
Roads	Trangie	Truck Wash Upgrade - Restart NSW Funding (RNSW2331)	15,190	-	15,190	22,968	7,778	66%
Roads	Narromine	Roads to Recovery - Narromine Kerb & Gutter - A'Beckett St	190,325	-	190,325	180,000	- 10,325	106%
Roads	Narromine	Tullamore Road (McGrane Way) Improvements - Reconstruction, Widening and Resealing (Regional and Local Roads Repair Program Funding)	53,222	329,248	382,470	724,729	342,259	53%
Roads	Narromine	Upgrade of Bus Stops (Country Passenger Transport Infrastructure Funding)	21,615	-	21,615	27,000	5,385	80%
Roads	Shire	Betterment Improvement Program- Tomingley	33,906	15,822	49,728	45,977	- 3,751	108%
Roads	Shire	Betterment Improvement Funding - Momo Road	106,029	-	106,029	184,800	78,771	57%
Roads	Shire	Betterment Improvement Funding - Lincoln Lane	319,104	6,200	325,304	335,382	10,078	97%
Roads	Shire	Betterment Improvement Funding - Jobs Road	-	-	-	2,822	2,822	0%
Roads	Shire	Betterment Improvement Funding - Herrings Lane	58,268	-	58,268	132,199	73,931	44%
Roads	Shire	Betterment Improvement Funding - Hamilton's Road	76,288	-	76,288	231,441	155,153	33%
Roads	Shire	Betterment Improvement Funding - Fairview Road	40,970	11,626	52,596	365,257	312,661	14%
Roads	Shire	Betterment Improvement Funding - Haberworth Road	9,090	-	9,090	9,408	318	97%
Roads	Shire	Betterment Improvement Funding - Frecklingtons Road	354,682	-	354,682	249,026	- 105,656	142%
Roads	Shire	Betterment Improvement Funding - Farrendale Road	-	-	-	73,382	73,382	0%
Roads	Shire	Betterment Improvement Funding - Euromedah Road	24,460	-	24,460	24,460	-	100%
Roads	Shire	Betterment Improvement Funding - Eureka Road	-	-	-	22,848	22,848	0%
Roads	Shire	Gainsborough Road - Tomingley Intersection Widening and Land Acquisition	-	-	-	40,000	40,000	0%
Roads	Narromine	Towards Zero Rd2 - Tullamore Road (McGrain Way) Curve Safety Improvements 30km-33km	34,078	24,055	58,133	50,000	- 8,133	116%
Roads	Narromine	Block Grant - Eumungerie Road Heavy Patching and Sealing	526,878	26,193	553,071	647,240	94,169	85%
Roads	Narromine	Block Grant - Dandaloo Street Corssing Approaches, Asphalt and Sealing	311,443	4,545	315,988	370,000	54,012	85%
Roads	Trangie	Roads to Recovery - Asphalt Mill & Fill, End of Dandaloo Street	148,224	-	148,224	150,000	1,776	99%
Roads	Trangie	Roads to Recovery - Enmore Street Drainage Upgrade	-	-	-	150,000	150,000	0%
Roads	Tomingley	Safer Local Roads & Infrastructure Projects - Tomingley Heavy Vehicle Rest Area Design & Upgrade	-	-	-	20,000	20,000	0%
Roads	Narromine	FAGS 2024-25 170 Algalah Kerb and Gutter Remediation	27,873	-	27,873	30,000	2,127	93%
Roads	Shire	FAGS 2024-25 Roads Reseal, Resheeting and Upgrades	738,139	1,780	739,919	1,000,000	260,081	74%
Roads	Shire	Roads Reseal, Resheeting and Upgrades (Regional and Local Roads Repair Program Funding)	2,000,000	-	2,000,000	2,000,000	-	100%
Roads	Shire	FAGS 2024-25 Guard Rails Replacement and Upgrades	-	-	-	200,000	200,000	0%
Total Roads			6,057,718	457,084	6,514,802	8,896,087	2,381,285	73%
Sewer	Trangie	Sewer Treatment Plant Capital Upgrade - Trangie	5,514	6,000	11,514	20,000	8,486	58%
Sewer	Trangie	New Switch Boards - 4 Stations	125,299	2,533	127,832	240,000	112,168	53%
Sewer	Shire	Minor Capital Works	-	-	-	24,487	24,487	0%
Sewer	Shire	Telemetry Upgrade High End Servers, Drives and Software	6,698	4,132	10,830	12,000	1,170	90%
Total Sewer			137,511	12,665	150,176	296,487	146,311	51%
Stormwater	Narromine	Drainage - Mingelo Street Narromine	69,055	3,182	72,237	72,336	99	100%
Stormwater	Trangie	Trangie Lined and Unlined Open Channel Drain - Capital Program	14,605	-	14,605	14,605	-	100%
Stormwater	Tomingley	Lined & Outlined Open Channel Drain - Capital Program	839	-	839	10,000	9,161	8%
Stormwater	Narromine	Resources For Regions - Round 9 - R4R9 - Narromine Northern Catchment Storm Water Project - Stage 1	2,080,122	486,012	2,566,134	2,423,713	- 142,421	106%
Total Stormwater			2,164,621	489,194	2,653,815	2,520,654	- 133,161	105%
Waste Management	Trangie	Trangie Transfer Station Design	24,945	-	24,945	25,000	55	100%

CAPITAL WORKS PROGRAM 2024/25								
Asset Class	Town	Project Description						
			Actuals	Committed	Total	Annual Budget	Variance	
Waste Management	Narromine	2 X Fire fighting tanks including pumps and sprays - Waste Facilities	37,553	-	37,553	32,862	- 4,691	114%
Waste Management	Narromine	Security upgrades extra cameras - Waste Facilities	4,555	-	4,555	22,830	18,275	20%
Waste Management	Narromine	CCTV	8,914	4,050	12,964	80,000	67,036	16%
Total Waste Management			75,967	4,050	80,017	160,692	80,675	50%
Water Supply	Narromine	Resources For Regions Round 9 - R4R9 - Narromine Northern Zone Water Pressure Booster System	196,534	-	196,534	200,000	3,466	98%
Water Supply	Narromine	Concept and Detailed Design WTP	-	2,291	2,291	6,091	3,800	38%
Water Supply	Shire	Network Mains Replacement	179,025	-	179,025	202,155	23,130	89%
Water Supply	Trangie	Harris Street Main Replacement and Relocation of Treated Water Standpipe	25,991	-	25,991	67,980	41,989	38%
Water Supply	Shire	Water Quality Online Monitoring Systems	28,550	-	28,550	27,825	- 725	103%
Water Supply	Tomingley	Water Tank (Alkane Fund)	165,321	-	165,321	140,000	- 25,321	118%
Water Supply	Tomingley	Installation of Generator at Tomingley Water Treatment Plant (Alkane Fund)	20,205	2,123	22,328	15,000	- 7,328	149%
Water Supply	Tomingley	Installation of Smart Meter Receiver (Alkane Fund)	11,362	-	11,362	15,000	3,638	76%
Water Supply	Tomingley	Installation of Satellite Internet Connection (Alkane Fund)	2,588	-	2,588	12,000	9,412	22%
Total Water Supply			629,576	4,414	633,990	686,051	52,061	92%
Plant and Equipment	Narromine	New and Replacement - Plant and Vehicles 24/25	819,351	55,150	874,501	870,013	- 4,488	101%
Plant and Equipment	Trangie	New Loader for Waste Depot	351,933	-	351,933	351,934	1	100%
Total Plant and Equipment			1,171,284	55,150	1,226,434	1,221,947	- 4,487	100%
GRAND TOTAL			13,274,132	1,427,570	14,701,702	17,606,096	2,904,394	84%

Narromine Shire Council - Loans Balances at 31 May 2025

Loan Description	Financial Institution	Amount Borrowed	Loan Drawdown	Loan Expiry	Interest Rate	Repayment Amount	Repayment Timing	Total Principal Outstanding
Loan 73 - Medical Centre Expansion	Commonwealth Bank	200,000.00	9/02/2018	9/02/2028	4.00%	\$ 6,091.42	Quarterly	\$ 63,140.76
Loan 74 - Narromine Aerodrome Re-Seal	ANZ Bank	112,221.74	3/04/2012	3/04/2027	3.66%	\$ 4,062.13	Quarterly	\$ 31,196.92
Loan 75 - Narromine Aerodrome Industrial Development	Commonwealth Bank	752,000.00	12/06/2019	12/06/2025	2.71%	\$ 34,060.32	Quarterly	\$ 33,829.25
Loan 81 - Narromine Residential Sky Park Land Development	T/Corp	1,940,000.00	15/06/2020	15/06/2026	1.16%	\$ 83,796.07	Quarterly	\$ 415,359.72
Loan 82 - Narromine Aerodrome Industrial Development	T/Corp	1,100,000.00	18/05/2020	12/06/2025	1.14%	\$ 47,483.96	Quarterly	\$ 188,590.21
Loan 83 - Plant & Equipment Narromine & Trangie Waste Depots	Commonwealth Bank	112,414.74	29/06/2020	29/06/2026	1.95%	\$ 4,974.88	Quarterly	\$ 24,515.67
Loan 84 - Waste - Capital Improvements	ANZ Bank	166,205.74	7/04/2022	7/04/2028	3.26%	\$ 7,376.03	Quarterly	\$ 83,971.51
Loan 85 - Residential Land Development - Dappo Road	T/Corp	1,100,000.00	28/06/2022	28/06/2032	4.51%	\$ 34,317.96	Quarterly	\$ 844,869.36
Loan 86 - Industrial Hub and Freight Exchange Development	T/Corp	1,270,000.00	31/03/2023	31/03/2033	4.34%	\$ 39,305.83	Quarterly	\$ 1,057,863.90
Loan 87 - Jones Circuit Property Purchase	T/Corp	1,300,000.00	23/10/2024	23/10/2034	5.18%	\$ 41,846.36	Quarterly	\$ 1,249,653.38
Total		\$ 8,052,842.22						\$ 3,992,990.68



INVESTMENT POLICY

Document Version Control			
Responsible Department	Prepared By	Resolution No.	Review Period
Finance	Director Finance & Corporate Strategy	2022/117	1 Year – June 2023
Finance	Director Finance & Corporate Strategy	2023/122	1 Year – June 2024
Finance	Director Finance & Corporate Strategy	2024/123	1 Year – June 2025
<u>Finance</u>	<u>Director Finance & Corporate Strategy</u>	<u>2025/xxx</u>	<u>1 Year – June 2026</u>

PURPOSE OF POLICY

The purpose of this policy is to provide a framework for investment of Council's funds. The policy establishes a series of limits within which Council officers must operate in the planning, ~~and~~ process, ~~of~~ and investing of Council monies. In setting these limits Council is determining the general level of risk that is acceptable for monies managed on trust for the community of Narromine.

INVESTMENT OBJECTIVE

To provide a framework for the investing of Council's funds at the most favorable rate of interest available to it at the time whilst having due consideration of risk and security for that investment type and ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration is to be given to the preservation of capital, liquidity, and the return of investment.

- Preservation of capital is the principal objective of the investment portfolio. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- Investments are to be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.
- Investments are expected to achieve a market average rate of return in line with Council's risk tolerance.

LEGISLATIVE CONSTRAINTS ON INVESTMENT

All investments are to comply with the following:

- Ministerial Investment Order - Attachment 1 issued 12/01/2011;
- Local Government (General) Regulation 2021 -Attachment 2;
- Local Government Act 1993 - Attachment 3;
- Revised Ministerial Order Circular 11-01 – Attachment 4 issued 17/02/2011;
- [Investment Policy Guidelines – Interim TCorp Waiver](#)~~Revised Ministerial Order~~ Circular 17-29 – Attachment 5 issued 10/10/2017;
- Local Government Code of Accounting Practice and Financial Reporting;
- [Australian Accounting Standards](#);
- [Office of Local Government Investment Policy Guidelines \(2010\)](#)
- Office of Local Government Circulars; and
- Trustee Act 1925

DELEGATION OF AUTHORITY

Authority for implementation of the Investment Policy may be delegated by Council to the General Manager in accordance with the *Local Government Act 1993*.

The General Manager can delegate the day-to-day management of Council's Investments to the Director of Finance and Corporate Strategy who will manage the function with assistance from the relevant Finance Staff.

Officers with delegated authority to manage Council's investments shall be recorded and required to acknowledge they have received a copy of this policy and understand their obligations in this role.

PRUDENT PERSON STANDARD

The investments will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolios to safeguard the portfolios in accordance with this Investment Policy, and not for speculative purposes.

ETHICS AND CONFLICTS OF INTEREST

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the General Manager.

Independent Advisors are also required to declare that they have no actual or perceived conflicts of interest.

APPROVED INVESTMENTS

Officers' delegated authority to manage Council's Investments is limited to investments allowed by the Ministerial Investment Order and include:

- Commonwealth/State/Territory Government security eg. bonds;
- Interest bearing deposits issued by an authorised deposit-taking institution;
- Bills of exchange, (< 200 days duration), guaranteed by an authorised deposit-taking institution;
- Debentures issued by NSW Local Government;
- NSW Treasury Corporation

PROHIBITED INVESTMENTS

This investment policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment or investments that are themselves leveraged.

RISK MANAGEMENT GUIDELINES

The following key criteria must be considered prior to placing investments;

- **Preservation of Capital** – the requirement for preventing losses in an investment portfolio's capital value;
- **Diversification** – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market;
- **Credit Risk** – the risk that a product that Council has invested in fails to pay the interest and or repay the principal of an investment.
- **Market Risk** - the risk that the fair value or future cash flows (Market Value) of an investment will fluctuate due to changes in market prices;
- **Liquidity Risk** - the risk an investor is unable to redeem the investment at a fair price within a timely period;
- **Maturity Risk** – the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities.

COUNCIL'S ATTITUDE TO RISK

All Narromine Shire Council's investments must be made subject to the following minimum constraints:

- All investments must be of "investment grade" credit rating which implies that there is a **better than** "adequate" or "satisfactory" capacity to meet obligations.
- All investments should be dealt through reputable institutions with a Long-Term Credit rating as per Table 1.
- All investments must be for a period no longer than the period over which the underlying liability could reasonably be expected to arise.
- Where there is no identified underlying liability the term to maturity of the investments must not exceed 10 years.
- The investment portfolio must be managed in such a way that Council is able to meet its cash flow obligations at all times.
- Real returns must be reasonably matched so as to be compatible with the rising cost of the infrastructure or assets the investment is to fund.
- Preservation of the capital component of all investments must be the highest priority.

INVESTMENT GUIDELINES/STRATEGY**I. Quotations on Investments**

Not less than three (3) quotations shall be obtained from authorised institutions when an investment is proposed and will be authorised by two signatories.

II. Assessment of Cashflow

Investments should be placed for a term which best suits the cashflow requirements of Council but for no longer than the period forecasted in the Long Term Financial Plan, currently 10 years.

III. Preservation of Capital**a) Credit Risk**

There are two types of Credit Ratings; Short-term credit ratings and Long-term credit ratings. N.B. The credit rating is as determined by Standard and Poor's, Fitch and Moody's.

Short-term credit ratings are an indication of the institutions capacity to meet short term financial commitments, i.e. less than 12 months.

Long-term credit ratings are an indication of the institutions capacity to meet financial commitment over the long term, i.e. greater than 12 months and generally apply to the rating of the institution.

b) Diversification Risk

The following tables represent the maximum allowable investment with any one Financial Institution.

Table 1:

Long Term Credit Rating	Short Term Credit Rating	Portfolio Limit (under 12 month investments)	Counterparty Limit (under 12 month investments)	Portfolio Limit (12 months + investments)	Counterparty Limit (12 months + investments)	Max Tenor
AAA	A-1+	100%	100%	100%	30%	N/A
AA+ to AA-	A-1+	100%	100%	100%	100%	5 years
A+ to A	A-1+	100%	30%	100%	30%	3 years
A-	A-1+	40%	20%	40%	20%	3 years
TCorpIM Funds		100%	100%	100%	100%	N/A

Where an institution is unrated (i.e. a Credit Union) but has a local presence (i.e. Narromine Shire), after careful consideration of the financial capacity of the institution, investments will be placed within the limitation of the Rating of A + or -, and only for periods less than 12 months.

Investments in TCorpIM Funds are diversified in terms of both counterparties and assets.

INVESTMENT ADVISOR

Council from time to time may seek independent advice from an approved and licenced Investment Advisor as per the Office of Local Government Guidelines about the investment strategy and/or specific investments. This advice must be in writing.

The investment advisor must be approved by Council and licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

The NSW Government has provided a waiver to allow Council to engage NSW Treasury Corporation (TCorp) in the provision of investment advice. This waiver is necessary as TCorp is not licensed by ASIC.

THE INVESTMENT STRATEGY FOR THIS REVIEW PERIOD

An Investment Strategy will run in conjunction with the investment policy. The investment strategy will be reviewed as required in the event of legislative changes and will outline:

- Council's cash flow expectations as determined by the Delivery Program;
- Optimal target allocation of investment types, credit rating exposure and term to maturity exposure; and
- Appropriateness of overall investment types for Council's portfolio.

Given the uncertainty and concern surrounding the security of Investments in the wake of the fallout of the Global Financial Crisis, Council's Investment Strategy for the 2025/26 Financial Year is based on a conservative approach.

Council's main priority is the preservation of Capital and therefore will only invest in cash back investments.

BENCHMARKING

Performance benchmarks need to be established and should be based on sound and consistent methodology. Council's investments will be benchmarked against the following indicators.

INVESTMENT	PERFORMANCE BENCHMARK
Cash	11am cash rate
Direct Investments	AFMA BBSW Rate: Average mid – 90 days

AFMA – Australian Financial Markets Association

BBSW – Bank Bill Swap

REPORTING REQUIREMENTS

Documentary evidence must be held for each investment and details thereof maintained in an Investment Register. The documentary evidence must provide Council legal title to the investment.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on Council's behalf as at 30 June each year and reconciled to the Investment Register.

All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A monthly report will be provided to Council. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

The Investment Policy will be reviewed as required in the event of legislative changes. The Investment Policy may also be changed as a result of other amendments that are to the advantage of Council and in the spirit of the policy. Any amendment to the Investment Policy must be by way of Council resolution.

Attachment 1

LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER

(Relating to investments by councils)

I, the Hon. Barbara Perry MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation;

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Orders, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Key Considerations

An investment is not in a form of investment notified by this order unless it also complies with an investment policy of council adopted by a resolution of council.

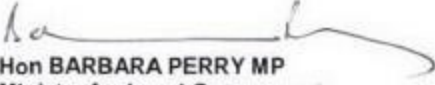
All councils should by resolution adopt an investment policy that is consistent with this Order and any guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet, from time to time.

The General Manager, or any other staff member, with delegated authority by a council to invest funds on behalf of a council must do so in accordance with the council's adopted investment policy.

Councils have a fiduciary responsibility when investing. Councils should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

When exercising the power of investment councils should consider, but not be limited by, the risk of capital or income loss or depreciation, the likely income return and the timing of income return, the length of the term of the proposed investment, the liquidity and marketability of the proposed investment, the likelihood of inflation affecting the value of the proposed investment and the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Dated this 12th day of January 2011


Hon BARBARA PERRY MP
Minister for Local Government

Attachment 2

LOCAL GOVERNMENT (GENERAL) REGULATION 2021 - REG 212

Reports on council investments 212

Reports on council investments

- (1) The responsible accounting officer of a council:
- (a) must provide the council with a written report (setting out details of all money that the council has invested under [section 625](#) of [the Act](#)) to be presented:
 - (i) if only one ordinary meeting of the council is held in a month, at that meeting, or
 - (ii) if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and
 - (b) must include in the report a certificate as to whether or not the investment has been made in accordance with [the Act](#), the regulations and the council's investment policies.
- (2) The report must be made up to the last day of the month immediately preceding the meeting.

Note: [Section 625](#) of [the Act](#) specifies the way in which a council may invest its surplus funds.

Attachment 3

LOCAL GOVERNMENT ACT 1993 - SECT 625

625 How may councils invest?

(1) A council may invest money that is not, for the time being, required by the council for any other purpose.

(2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.

Note: See Gazettes No 152 of 24.11.2000, p 12041; No 94 of 29.7.2005, p 3977; No 97 of 15.8.2008, p 7638 and No 160 of 24.12.2008, p 13140 [and No 14 of 11.2.2011, p 597](#).

(3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.

(4) The acquisition, in accordance with section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.

Attachment 4



Circular No. 11-01
Date 17 February 2011
Doc ID. A232163

Contact Finance Policy Section
02 4428 4100
dlg@dlg.nsw.gov.au

REVISED MINISTERIAL INVESTMENT ORDER

A revised Investment Order pursuant to section 625 of the *Local Government Act 1993* has been issued. The Minister for Local Government signed the revised Order on 12 January 2011 and it was published in the NSW Government Gazette on 11 February 2011. It replaces the Order dated 31 July 2008. The revised Order is attached to this circular.

Changes to the Investment Order include:

- the removal of the ability to invest in the mortgage of land (part (c) of the Investment Order dated 31 July 2008)
- the removal of the ability to make a deposit with the Local Government Financial Services Pty Ltd (part (f) of the order dated 31 July 2008)
- the addition of "Key Considerations" in the revised Investment Order, which includes a comment that a council's General Manager, or any other staff, with delegated authority by a council to invest in funds on behalf of the council must do so in accordance with the council's adopted investment policy.

Councils are reminded that on 25 May 2010 the Division of Local Government issued Investment Policy Guidelines (Circular to Councils 10-11 refers). It is expected that all councils will by now have adopted an Investment Policy in accordance with the Guidelines.

A handwritten signature in blue ink, appearing to read 'Ross Woodward'.

Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

Department of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E dlg@dlg.nsw.gov.au W www.dlg.nsw.gov.au ABN 99 567 863 195

Attachment 5



Circular to Councils

Circular Details	Circular No 17-29 / 10 October 2017 / A524071
Previous Circular	10-11
Who should read this	Councillors / General Managers / Finance Staff
Contact	Policy Team – 02 4428 4100 or olg@olg.nsw.gov.au
Action required	Information

Investment Policy Guidelines – Interim TCorp Waiver**What's new or changing**

- The NSW Government has provided a waiver to certain provisions within OLG's Investment Policy Guidelines to allow councils to engage NSW Treasury Corporation (TCorp) in the provision of investment advice.

What this will mean for your council

- Councils can now seek investment advice from TCorp as part of their financial and strategic planning processes.

Key points

- Section 5 of OLG's Investment Policy Guidelines requires councils to seek advice only from advisors licensed by the Australian Securities and Investments Commission, to obtain written confirmation that no actual or potential conflicts of interest exist, and to undertake separate reference checks of advisors.
- Those requirements have now been waived to the extent that councils wish to engage TCorp to provide advice about investments.
- The waiver applies only to TCorp and recognises its unique position as a public sector financial services provider. TCorp has in place a robust Conflicts Management Policy, which will apply to any advisory services provided to councils, and is accountable to NSW Treasury.
- Councils are reminded of their fiduciary responsibility when investing, and should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.
- OLG will undertake a broader review and update of the Ministerial Investment Order and Investment Guidelines in the coming months. OLG will consult with councils as part of that process.

Where to go for further information

- The Investment Policy Guidelines are available from the 'Resources' page of OLG's website at www.olg.nsw.gov.au.

Tim Hurst
Acting Chief Executive

Office of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E olg@olg.nsw.gov.au W www.olg.nsw.gov.au ABN 44 913 630 046