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**NARROMINE SHIRE COUNCIL**  
**ORDINARY MEETING BUSINESS PAPER – 16 JUNE 2021**  
**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

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**1. INVESTMENT REPORT AS AT 31 MAY 2021**

|                                |                                                                                                                                                                              |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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<br>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 increased **\$173,636** during the reporting period. This is due mostly to excess of receipts over payments which was anticipated.

**Financial Implications**

The 2020/21 Budget estimates the total annual Investment Revenue as \$627,956 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 31 May 2021 is **\$22,154,675** (last month \$21,981,039). The full list of investments is in **Attachment No. 1**.

**1. INVESTMENT REPORT AS AT 31 MAY 2021 (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 – 31 May 2021

**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**

Attachment 1                      **Investments – 31 May 2021**

| 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+              | 0.10%        | N/A          | 1,417,716           | S&P Short Term |
| <b>TOTAL</b>                                  |             |                                  |                   |              |              | <b>1,417,716</b>    |                |
| <b>Percentage Exposure of Total Portfolio</b> |             |                                  |                   |              |              | <b>6.40%</b>        |                |
| <b>Pooled Managed Investments</b>             |             |                                  |                   |              |              |                     |                |
|                                               |             |                                  |                   | <b>Mth %</b> | <b>FYTD%</b> | <b>Market Value</b> |                |
| TCorp                                         | AAA         | T-CorpIM Long Term Growth Fund   |                   | 1.22%        | 15.20%       | 16,570,575          |                |
| TCorp                                         | AAA         | T-CorpIM Medium Term Growth Fund |                   | 0.65%        | 2.32%        | 4,166,384           |                |
| <b>TOTAL</b>                                  |             |                                  |                   |              |              | <b>20,736,959</b>   |                |
| <b>Percentage Exposure of Total Portfolio</b> |             |                                  |                   |              |              | <b>93.60%</b>       |                |
| <b>Total Investments and Cash</b>             |             |                                  |                   |              |              | <b>22,154,675</b>   |                |

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