

1. INVESTMENT REPORT AS AT 30 JUNE, 2017

Introduction

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.

Background

The report is submitted monthly to Council.

Issues

- Investments are in accordance with Office of Local Government Guidelines and Council's Investment Policy.
- Councillors' roles as resource allocators and policy directors are satisfied.
- Funds are invested in accordance with identified cash flow requirements.

Assessment

a) Legal Implications Including Directives and Guidelines

Local Government Act, 1993
Local Government (General) Regulation, 2005

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

b) Financial Implications/Considerations

The 2016/17 Budget estimates the total Investment Revenue as \$413,000 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 June, 2017 is \$24,545,881.35.

c) Policy Provisions – Council Policy and Practice

Policy C73 – Investment Policy adopted 11 March 2015;
Ministerial Investment Order – 12th January 2011.

d) Strategic Implications – Implications for Long Term Plans/Targets

Community Strategic Plan - L1.1;
Delivery Program / Operational Plan – L1.1.1.5.

1. INVESTMENT REPORT AS AT 30 JUNE, 2017 (Cont.)

Investment Portfolio

Council's current Investment Portfolio is as follows:

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
Cash & At Call							
Commonwealth Bank	AA-	Business Online Saver - at call - Interest - Standard rate .70% Plus Special Margin .50% = 1.20%	A-1+	1.20%	N/A	3,450,439.72	S&P Short Term
Commonwealth Bank	AA-	Business Online Saver - at call - CMA Project Funds - Interest - Standard rate .70% Plus Special Margin .50% = 1.20%	A-1+	1.20%	N/A	95,441.63	S&P Short Term
TOTAL						3,545,881.35	
Percentage of Total Portfolio						14.45%	
Average Investment Yield						1.20%	
Term Deposits							
NAB	AA-	Term Deposit - 09/08/2017	A-1+	2.73%	273 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 16/08/2017	A-1+	2.70%	273 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 23/08/2017	A-1+	2.73%	278 Days	1,000,000.00	S&P Short Term
ANZ Bank	AA-	Term Deposit - 23/08/2017	A-1+	2.55%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 06/09/2017	A-1+	2.70%	282 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 20/09/2017	A-1+	2.60%	183 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 27/09/2017	A-1+	2.70%	279 Days	1,000,000.00	S&P Short Term
ANZ Bank	AA-	Term Deposit - 17/10/2017	A-1+	2.60%	279 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 25/10/2017	A-1+	2.50%	154 Days	1,000,000.00	S&P Short Term
ANZ Bank	AA-	Term Deposit - 08/11/2017	A-1+	2.66%	275 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 15/11/2017	A-1+	2.62%	273 Days	1,000,000.00	S&P Short Term
Suncorp	AA-	Term Deposit - 16/11/2017	A-1+	2.55%	183 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 21/11/2017	A-1+	2.61%	274 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 06/12/2017	A-1+	2.65%	272 Days	1,000,000.00	S&P Short Term
AMP Bank	AA-	Term Deposit - 07/12/2017	A-1+	2.75%	267 Days	1,000,000.00	S&P Short Term
Westpac	AA-	Term Deposit - 12/12/2017	A-1+	2.50%	180 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 10/01/2018	A-1+	2.60%	273 Days	500,000.00	S&P Short Term
NAB	AA-	Term Deposit - 17/01/2018	A-1+	2.60%	273 Days	500,000.00	S&P Short Term
AMP Bank	AA-	Term Deposit - 27/02/2018	A-1+	2.60%	273 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 07/03/2018	A-1+	2.58%	273Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 21/03/2018	A-1+	2.51%	273 Days	1,000,000.00	S&P Short Term
TOTAL						21,000,000.00	
Percentage of Total Portfolio						85.55%	
Average Investment Yield						2.62%	
Total Investment Portfolio						24,545,881.35	

1. INVESTMENT REPORT AS AT 30 JUNE, 2017 (Cont.)

Discussion/Comments

The investment portfolio has increased \$2,801,412 during the reporting period. The main factor for the increase is the receipt of an advance payment of half the estimated 2017-18 Financial Assistance Grant totalling \$2,023,902.

The investment portfolio is diversified across a number of investment types and institutions. This includes term deposits and on-call accounts. The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk.

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. Council's existing investment policy sets the guidelines for investing without the Government Guarantee.

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.

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. DRAFT PENSIONER RATES AND CHARGES REDUCTION POLICY

Introduction

The purpose of this report is to consider the attached draft Pensioner Rates and Charges Reduction Policy. (**Attachment No. 1**).

Background

Council has had best practice internal procedures for dealing with pension concessions since 2012. The Office of Local Government has listed in its recommended policy requirements that Councils adopt a policy relating to Pensioner Rates and Charges Reduction. The aim of this policy is to provide guidelines for the granting and reversal of pensioner rebates in accordance with the *Local Government Act, 1993*.

2. DRAFT PENSIONER RATES AND CHARGES REDUCTION POLICY (Cont.)

Assessment

a) *Legal Implications Including Directives and Guidelines*

Local Government Act, 1993
Local Government (General) Regulation 2005
Council Rating and Revenue Raising Manual
Veterans' Entitlements Act 1986
Military Rehabilitation and Compensation Act 2004
Social Security Act 1991
NSW Privacy and Personal Information Protection Act 1998.
Council's Debt Recovery Policy
Council's Rates Hardship Policy

b) *Financial Implications/Considerations*

Maximum pensioner concessions of \$425.00 are granted to eligible pensioners per property as detailed in the Local Government Act. The State Government reimburses 55% of the total pensioner concessions granted by Council.

c) *Strategic Implications – Implications for Long Term Plans/Targets*

Delivery Program – 4.3.1 Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies.

4.3.1.4 - Levy and collect rates and charges in accordance with statutory requirements and Council policies.

4.3.1.9 - Ensure accounting data is recorded accurately and returns are filed in accordance with legislative requirements.

Summary

Whilst Council has followed a 'best practice' internal procedure when applying pensioner concessions, the Office of Local Government has recommended that Council should adopt a Policy. Accordingly, the draft Pensioner Rates and Charges Reduction Policy is attached for Council's consideration and adoption. The maximum pensioner concession is \$425.00, as determined by the Local Government Act, 1993. There is no requirement to place this policy on public exhibition.

RECOMMENDATION

That Council adopt the draft Pensioner Rates and Charges Reduction Policy, as attached to the report.

John Sevil
Director Finance & Corporate Strategy
Responsible Accounting Officer



**Draft PENSIONER RATES & CHARGES
REDUCTION POLICY**

DOCUMENT VERSION CONTROL				
Version No	Created By	Adopted by Council	Resolution No	Review Period
Version 1	Finance & Corporate Strategy			4 Years

INTRODUCTION

This policy sets out the terms and conditions required by eligible persons for a pensioner concession under sections 575 and 582 of the *Local Government Act, 1993*. Council provides pension concessions on rates and charges for eligible pensioners up to a maximum of \$425.00 per annum, as determined by the Minister of Local Government.

POLICY OBJECTIVE

- Ensure pension concessions are granted in accordance with section 575 of the *Local Government Act, 1993*.
- Ensure consistency, fairness, integrity and confidentiality of all proceedings for both Council and the pensioner.

RELEVANT LEGISLATION & GUIDELINES

- *Local Government Act, 1993*
- *Local Government (General) Regulations 2005*
- *Council Rating and Revenue Raising Manual*
- *Veterans' Entitlements Act 1986*
- *Military Rehabilitation and Compensation Act 2004*
- *Social Security Act 1991*
- *Privacy and Personal Information Protection Act 1998*
- Council Hardship Policy
- Council Debt Recovery Policy

Privacy Statement

<p>Personal information collected as a result of the pensioner concession application form will only be used for the purpose of processing a pensioner concession under section 575 of the <i>Local Government Act, 1993</i> and will not be used for any other purpose, or disclosed to any person, unless required by law to do so, or authorised to do so by the person to whom that personal information relates. Privacy will be maintained in accordance with the <i>NSW Privacy and Personal Information Protection Act 1998</i>.</p>

Eligible pensioner - A person who is in receipt of a Pensioner Concession Card issued by Centrelink, the Department of Veterans' Affairs or is the holder of a Gold Total Physical Incapacity (TPI), War Widow/er (WW) or an Extreme Disablement Adjustment (EDA) card. Note: Seniors Card or Health Care Cards are not sufficient.

Jointly eligible occupier - In Division 1 of Part 8 of Chapter 15, of the *Local Government Act, 1993* in relation to a rate or charge in respect of which an eligible pensioner is jointly liable, means a person who:

- (a) is the spouse or de facto partner of that eligible pensioner; or
- (b) is another eligible pensioner; or
- (c) if another eligible pensioner and his or her spouse or de facto partner has the same sole or principal place of dwelling, is the spouse or de facto partner of that other eligible pensioner, and whose sole or principal place of living is the same as that of that first mentioned eligible pensioner.

Principal place of residence – The property that the ratepayer occupies as their sole or dominant residence. Concessions are not available on commercial properties.

Acceptable proof of residency - Pension card showing property address along with utility accounts in the applicants name are acceptable.

Application Form – Pensioner Concession Application Form approved by the Office of Local Government, Department of Premier and Cabinet (delegate of the Director General, Department of Premier and Cabinet), in accordance with Clause 135 of the *Local Government (General) Regulation 2005* under the *Local Government Act 1993*.

Applicant - The applicant must be the owner, part owner or life tenant of the property (proof of life tenancy under a Will must be provided).

Temporary - A period of less than 3 months.

Ratepayer - The person liable for payment of the rates on the property for which the pensioner concession is claimed.

APPLICATION FORM

An application for a pensioner concession on rates and charges must be made by an eligible pensioner, as defined by the *Local Government Act, 1993* or *Local Government Regulations*, by submitting a completed application form, and producing a current pensioner concession card issued by Centrelink or the Department of Veteran Affairs. Pension concessions will not be considered unless a completed application form has been received by Council.

A photocopy of the current Pensioner Concession Card must be provided to verify the applicant's residential address. No consideration will be given if the address shown on the concession card differs from the property address for which a rebate has been sought.

Eligible pensioner rebates can be backdated if applied for by 30 June of the current financial year. However, as of 1 July for a new financial year, pensioner rebates will not be backdated unless Council has made an error in the calculation.

If a person becomes an eligible pensioner after the day on which a rate or charge is made and levied, the person is entitled to a reduction under this section of the rate or charge proportionate to the number of full quarters remaining after the day on which the person becomes an eligible pensioner in the year for which the rate or charge is made.

MAXIMUM REBATES

There is a maximum reduction of \$250.00 (in respect of the aggregate of ordinary rates and charges for domestic waste management services).

The maximum reduction in respect of water access charges is \$87.50 and the maximum reduction for sewer access charges is \$87.50. The maximum rebate in total is \$425.00. Council does not grant any additional rebates. Water usage charges do not attract a pensioner concession.

CUSTOMER CONFIRMATIONS

Council verifies Customer eligibility with Centrelink each quarter. Council may process single verifications during the rating year if required.

If an eligible pensioner becomes ineligible for any reason, the pension rebate will be written back proportionally according to the number of full quarters left in the rating year.

LIFE TENANCY AGREEMENTS – GRANTED UNDER SECTION 577 OF THE LOCAL GOVERNMENT ACT, 1993

Section 577 of the *Local Government Act, 1993* allows Council to extend the rebate eligibility to avoid hardship. Council can make an order deeming certain persons who are jointly liable with an eligible pensioner(s) or solely liable, but who are not themselves eligible, to be eligible pensioners for the purpose of a mandatory reduction in accordance with Section 575 of the *Local Government Act, 1993*. The property must be the applicant/s sole place of living. The applicant/s must be in receipt of a current pensioner concession card.

Council orders are to remain in place for a period of three (3) years or until the applicant/s circumstances change ie: dies or no longer resides at the property.

All applications must be accompanied by the following:

1. Proof that the applicant can remain living at the property for life or until ill health precludes them living at the property. Proof may include one of the following:
 - a) A certified copy of the will of a deceased estate stating that the applicant has life tenancy at the property for which the application relates. Council will accept a letter from a Solicitor as proof of eligibility.
 - b) A statutory declaration from the current owner stating that the applicant is solely responsible for all rates and water charges relating to the property.
 - c) A copy of the Certificate of Title noting the life tenancy.
2. Proof that the applicant is solely responsible for all rates and charges. ie: A Council receipt issued to the applicant/s for previous rate and water payment is acceptable.

PENSIONERS TEMPORARILY OVERSEAS

Pensioners who are temporarily overseas will continue to receive a concession providing they were still receiving a pension from Centrelink and the dwelling was still their sole place of living.

SELF-FUNDED RETIREES

Current legislation does not permit Council to grant pension concessions to self-funded retirees.

PENSIONER TEMPORARILY IN NURSING HOMES OR HOSPITALS

If a pensioner was required to leave their principal place of living for a temporary period, due to illness, with the intention of returning to their home, they will still receive their pension rebate. However, once a pensioner resides on a permanent basis in a nursing home, hospital or aged care unit they will no longer be eligible for a pension concession.

Periods in excess of 3 months can be extended for pensioners temporarily residing in nursing homes or hospitals upon receipt of medical certificate stating pensioner will be returning home after the convalescing period is completed.

Note: This is providing that the property is not privately leased or occupied during that period by anyone other than the pensioner's immediate family.

POSTPONED RATES

If the payment of part of a rate which is required to be reduced by section 575 is postponed under Division 2, the amount of the rate is taken to be the amount of that part of the rate that is not postponed under Division 2.

INTEREST

Properties owned or part owned by an eligible pensioner are not exempt from interest charges on overdue rates and charges made in accordance with the *Local Government Act, 1993* and Council's adopted annual fees and charges.

DEBT RECOVERY

Properties owned or part owned by an eligible pensioner are not exempt from debt recovery action to recover overdue rates and charges in accordance with the *Local Government Act, 1993* Council policies and other relevant legislation.

ENDING A CONCESSION

If circumstances occur that cause a person's entitlement to a reduction of rates or charges to cease, the entitlement is taken to cease on the last day of the quarterly instalment period during which those circumstances occur.

If, at the time the entitlement is taken to cease, the rates or charges for the whole year have been paid in full, the portion of the payment that is proportionate to the quarterly instalment periods remaining after that time is to be credited to the rates or charges payable in respect of that part of the year remaining after that time.