

## 1. INVESTMENT REPORT AS AT 31 AUGUST, 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 2017/18 Budget estimates the total Investment Revenue as \$410,590 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 August, 2017 is \$23,500,777.23

#### **c) Policy Provisions – Council Policy and Practice**

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

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

Delivery Program / Operational Plan – 4.3.1.5 Provide monthly cash balances and detailed quarterly financial reports to Council.

**1. INVESTMENT REPORT AS AT 31 AUGUST, 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
<b>Cash &amp; At Call</b>							
Commonwealth Bank	AA-	Business Online Saver - at call - Interest - Standard rate .70% Plus Special Margin .50% = 1.20%	A-1+	1.20%	N/A	1,405,335.60	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
<b>TOTAL</b>						<b>1,500,777.23</b>	
<b>Percentage of Total Portfolio</b>						<b>6.39%</b>	
<b>Average Investment Yield</b>						<b>1.20%</b>	
<b>Term Deposits</b>							
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
NAB	AA-	Term Deposit - 09/05/2018	A-1+	2.54%	273 Days	1,000,000.00	S&P Short Term
AMP Bank	AA-	Term Deposit - 16/05/2018	A-1+	2.60%	273 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 20/05/2018	A-1+	2.56%	270 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 23/05/2018	A-1+	2.57%	271 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 05/06/2018	A-1+	2.60%	278 Days	1,000,000.00	S&P Short Term
<b>TOTAL</b>						<b>22,000,000.00</b>	
<b>Percentage of Total Portfolio</b>						<b>93.61%</b>	
<b>Average Investment Yield</b>						<b>2.60%</b>	
<b>Total Investment Portfolio</b>						<b>23,500,777.23</b>	

**INVESTMENT REPORT AS AT 31 AUGUST, 2017 (Cont.)**

**Discussion/Comments**

The investment portfolio has increased \$502,403 during the reporting period. The main factor for the increase is the receipt of rates payments.

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.

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**2. 2017/18 REQUESTS FOR FINANCIAL ASSISTANCE**

**Introduction**

The 2017/18 application for financial assistance program has been undertaken and Council now needs to assess and allocate funding to the successful applicants.

**Background**

Council previously adopted a policy and procedure to streamline all of the requests from Community Organisations for financial assistance into a single process where possible.

Council received 8 applications for financial assistance/waiver of fees & charges/sponsorship, with the application process for 2017/18 closing on 30<sup>th</sup> August 2017. A further application was received from IHeartArt after 30 August.

## 2. 2017/18 REQUESTS FOR FINANCIAL ASSISTANCE (Cont.)

### Issues

- Whilst it is intended that all requests for financial assistance be received during this process, Council may receive requests outside this process.
- The application process requests that the applicants provide Council with Financial Statements; however, a number of these community groups are small start-up committees and do not have a requirement to produce financial statements or are in early planning stages and are requesting assistance from Council to get "up and going".
- There is a level of difficulty in community groups attracting volunteers and people with suitable financial backgrounds to undertake the treasury functions expected and community groups are declining in numbers.

### Assessment

#### **a)      *Legal Implications Including Directives and Guidelines***

Local Government Act 1993 Section 356 – Allows Council to contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

Local Government Act 1993 Section 377 – Council cannot delegate the function of contributing money or otherwise grant financial assistance.

#### **b)      *Financial Implications/Considerations***

Council has an allocation of \$20,000 in the 2017/18 Delivery Program for the purpose of providing assistance under this program to the applicants in **Attachment No. 1**. Council has various other budget allocations for the purpose of funding the requests in **Attachment No. 2**. i.e. Australia Day Committee allocations from the events budget.

#### **c)      *Policy Provisions – Council Policy and Practice***

Policy Number C15 - Donations, Sponsorships and Waiver of Fees – reviewed and adopted 09/08/2017.

### Discussion/Comments

Council received a total of 9 applications for financial assistance/waiver of fees & charges/sponsorship and a summary has been provided in **Attachment No 1**. Full copies of the completed applications have been provided to Council, under separate cover.

As part of this process in 2012/13, Council also allocated funding to the Shire Australia Day Committees and to the schools for their annual presentation nights. During the process Council also decided to make provision in future budgets to fund an annual contribution to the Mungery Hall Committee and the Narromine Cricket Club. The Western Regional Academy of Sport was added in October 2014. Whilst Council's 2017/18 Delivery Program has separate budget allocations for these items, Council needs to resolve to make the payment to these groups as this function cannot be delegated to the General Manager under Section 377 of the Local Government Act 1993. These allocations are summarised in **Attachment No 2**.

## 2. 2017/18 REQUESTS FOR FINANCIAL ASSISTANCE (Cont.)

### Summary/Conclusion

A number of applications have been received for financial assistance/waiver of fees & charges/sponsorship and these are presented to Council for consideration.

A suggestion was made in the May 2014 Council meeting that the Western Regional Academy of Sport be given a recurring annual donation of \$350 and this has been added to the list of recipients in **Attachment 2**, however an invoice has since been received from the Academy requesting \$370 and it will be up to Council to decide on the amount to be donated. An application was received from IHeartart (St Augustine's PNF Assoc) after 30 August but has been included in the recommendation below.

### **RECOMMENDATION**

1. That Council allocate funding from the Community Donations Fund as follows:-

Ngarru Mayin	\$ 600.00
Narromine Rescue Squad	\$2,842.00
Rotary Club of Narromine	\$1,000.00
Narromine CWA	\$2,487.00
Trangie CWA	\$3,000.00
IHeartart (St Augustine's PNF)	\$ 250.00

2. That Council confirm the following annual contributions:-

Tomingley Advancement Association /Australia Day Committee	\$500
Narromine Australia Day	\$ 500
Trangie Australia Day	\$ 500
Schools Donations	\$ 700
Narromine District Cricket Association	\$1,000
Mungery Hall Trust	\$1,500
Western Regional Academy of Sport	\$ 370
Rotary Club of Narromine Inc/ Lions Club	\$2,727

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## 3. CARRY FORWARD PLANT PURCHASES FROM 2016/17

### Introduction

There are a number of Plant Purchase commitments from 2016/2017 that need to be carried forward into the 2017/2018 financial year.

**3.      CARRY FORWARD PLANT PURCHASES FROM 2016/17 (Cont'd)**

**Background**

Plant purchases committed to in 2016/2017 were \$766,641.59. These items were ordered but not purchased before 30 June 2017 and the unspent funds were placed back into the Plant & Vehicles Replacement Reserve. Council will now need to carry these funds over to the 2017/2018 financial year.

**Assessment**

- a)      *Legal Implications Including Directives and Guidelines***  
Local Government (General) Regulation 2005 (clause 211) – Authorisation of expenditure
  
- b)      *Financial Implications/Considerations***  
All monies for unspent plant expenditure from 2016/2017 were placed in reserve at year end. Therefore there is no effect on this year's budget.
  
- c)      *Policy Provisions – Council Policy and Practice***  
Nil
  
- d)      *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.

**Summary**

Plant purchases which were committed to in 2016/2017 but not received total \$766,641.59. This money was placed in reserves at year end and will need to be carried forward to the 2017/2018 budget.

**RECOMMENDATION**

That Council carry forward the unexpended funds of \$766,641.59 from the 2016/2017 Plant & Vehicles Replacement Reserve.

John Sevil  
**Director Finance & Corporate Strategy**  
**Responsible Accounting Officer**

ATTACHMENT 1					CRITERIA						
No.	Name	Requested	Funds	Purpose	Application <	Not For	In accordance	Accessibility to	Contribute to	Recommended	Rationale
		Amount EX	Received								
		GST	Last Year		\$5,000		policies	sources			
1	Ngarru Mayin	\$ 1,200	\$ -	Waiver of Rent for 35 Burraway Street Narromine	y	y	y		N	\$ 600	50% granted
2	Narromine Rescue Squad	\$ 2,842	\$ -	Waiver of Rates Corner of Algalah and Terangion Streets	Y	Y	Y		N	\$ 2,842	Community service organisation
3	Healthy Lifestyle Group	\$ 20	\$ -	Fair price for Gym Membership and waive the cost of two Fobs	y	y	N		N	\$ -	Cannot provide supporting documents
4	Community Exercise Group			Waiver of Gym Membership fees for the Community Exercise Group	y	y	N		N	\$ -	Cannot provide supporting documents
5	Narromine Cycle Club	\$ 505	\$ -	Waiver of fees for use of Payten Park for previous 2 years	y	y	Y	Fundraising	N	\$ -	Fees not paid. Small number of beneficiaries
6	Rotary Club of Narromine	\$ 2,000	\$ 1,000	Assist with cost of maintaining the Wetlands	y	y	y	Fundraising	Y	\$ 1,000	50% granted
7	Narromine CWA	\$ 2,487	\$ 575	Waiver of rates & charges(\$1,636.69), building maintenance (\$850.00)	y	y	y	Fundraising	N	\$ 2,487	Community service organisation
8	Trangie CWA	\$ 3,000	\$ 745	Waiver of rates & charges (\$2999.52)	y	y	y	Fundraising	N	\$ 3,000	Community service organisation
9	Iheartart (St Augustines PNF Assoc)	\$ 1,000	\$ 250	Contribute to costs of fund raising event	Y	Y	Y	Fundraising	N	\$ 250	25% contribution to school
<b>TOTAL</b>		<b>\$ 13,053</b>								<b>\$ 10,178</b>	

**ATTACHMENT 2**

<u>No.</u>	<u>Category</u>	<u>Name</u>	<u>Funds</u>		<u>Additional Comments</u>
			<u>Budget Allocation</u>	<u>Received Last Year</u>	
1	Events Budget	<b>Tomingley Advancement Association</b>	\$ 500	\$ 500	Contribution towards 2017 Australia Day Event
2	Events Budget	<b>Narromine Australia Day</b>	\$ 500	\$ 500	Contribution towards 2017 Australia Day Event
3	Events Budget	<b>Trangie Australia Day</b>	\$ 500	\$ 500	Contribution towards 2017 Australia Day Event
4	Separate Allocation	<b>Schools Donations</b>	\$ 700	\$ 700	\$100 Donation to each School
5	Separate Allocation	<b>Narromine District Cricket Association</b>	\$ 1,000	\$ 1,000	Offset the cost of curator fees
6	Separate Allocation	<b>Mungery Hall Trust</b>	\$ 1,500	\$ 1,500	Contribution towards Maintenance of the Hall
7	Separate Allocation	<b>Western Regional Academy of Sport</b>	\$ 370	\$ 370	Contribution to Operations
8	Events Budget	<b>Rotary Club of Narromine Inc/ Lions Club</b>	\$ 2,727	\$ 2,728	Promotion of Venetian Carnival (\$3,000 incl. GST)
<b>TOTAL</b>			<b>\$ 7,797</b>	<b>\$7,798</b>	