



3<sup>rd</sup> September, 2002

## ADMINISTRATION AND FINANCE COMMITTEE MEETING

NOTICE IS HEREBY GIVEN THAT AN ADMINISTRATION AND FINANCE COMMITTEE MEETING OF THE COUNCIL OF THE CITY OF RANDWICK WILL BE HELD IN THE COUNCIL CHAMBER, TOWN HALL, 90 AVOCA STREET, RANDWICK, ON TUESDAY, 10<sup>TH</sup> SEPTEMBER 2002 AT 6:00 P.M.

Committee Members: His Worship, the Mayor, Cr D. Sullivan, Crs Andrews (Deputy Chairperson), Daley, Matson, Matthews, Notley-Smith, Procopiadis (Chairperson) and Tracey.

Quorum: Five (5) members.

**NOTE:** AT THE EXTRAORDINARY MEETING HELD ON 5<sup>TH</sup> SEPTEMBER, 2000, THE COUNCIL RESOLVED THAT THE ADMINISTRATION AND FINANCE COMMITTEE BE CONSTITUTED AS A COMMITTEE WITH FULL DELEGATION TO DETERMINE MATTERS ON THE AGENDA.

**1 Apologies**

**2 Minutes**

CONFIRMATION OF THE MINUTES OF THE ADMINISTRATION & FINANCE COMMITTEE MEETING HELD ON TUESDAY, 13<sup>TH</sup> AUGUST, 2002.

**3 Addresses to Committee by the Public**

**4 Mayoral Minutes**

**5 Finance**

5.1 DIRECTOR GOVERNANCE MANAGEMENT & INFORMATION SERVICES' REPORT 30/2002 - INVESTMENT OF COUNCIL FUNDS AS AT 31 JULY 2002. 2

**6 General Business**

**7 of Rescission Motions**

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GENERAL MANAGER

## ***Director Governance Management & Information Services' Report 30/2002***



|                 |  |
|-----------------|--|
| <b>SUBJECT:</b> | INVESTMENT OF COUNCIL FUNDS AS AT 31 JULY 2002 |
|-----------------|--|

|              |                 |                 |           |
|--------------|-----------------|-----------------|-----------|
| <b>DATE:</b> | 26 August, 2002 | <b>FILE NO:</b> | 98/S/0745 |
|--------------|-----------------|-----------------|-----------|

**REPORT BY:** DIRECTOR GOVERNANCE MANAGEMENT & INFORMATION SERVICES

### **INTRODUCTION:**

To report on Council's current investments.

### **ISSUES:**

Council is authorised by s625 of the Local Government Act to invest its surplus funds. Funds may only be invested in the form of investment notified by Order of the Minister dated 29 November 2000.

The Local Government Financial Management Regulations prescribe the records that must be maintained in relation to Council's investments. The regulations also require that the responsible accounting officer provide a written report to each ordinary meeting of the Council giving details of all moneys invested and a certificate as to whether or not the investments have been made in accordance with the Act, the regulations and Council's Investment Policy No: 3.02.07.

Details of all investments are shown on the attachment sheet titled "Details of cash investments and analysis of investment performance as at 31 July 2002" and in the attached graphs.

### **CONCLUSION:**

All surplus cash has been invested as at 31 July 2002 in accordance with Policy No: 3.02.07 and the provisions of s625 of the Local Government Act have been complied with.

### **RECOMMENDATION:**

That the report dated 26 August 2002 in relation to the investment of Council funds be noted.

**ATTACHMENT/S:**

1. Details of investments and analysis of investment performance as at 31 July 2002.
2. Graphs (5).

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MARK HUMMERSTON  
DIRECTOR GOVERNANCE  
MANAGEMENT & INFORMATION  
SERVICES

.....  
BRIEN GREGAN  
MANAGER, FINANCIAL  
SERVICES

**DETAILS OF CASH INVESTMENTS AND ANALYSIS OF INVESTMENT PERFORMANCE  
AS AT 31 JULY 2002**

| Investment Manager              | Credit Ratings | Amount Invested   | Interest Earned July |          |            | UBSWA Bank Bill Index % | Interest Earned Financial Year to Date |          |      | UBSWA Bank Bill Index % | Interest Earned Last 12 Months |          |  | UBSWA Bank Bill Index % |
|---------------------------------|----------------|-------------------|----------------------|----------|------------|-------------------------|--|----------|------|-------------------------|--------------------------------|----------|--|-------------------------|
|                                 |                |                   | Amount               | % Return |            | %                       | Amount                                 | % Return |      | %                       | Amount                         | % Return |  | %                       |
|                                 | #              | \$                | \$                   | Month    | Annualised | **                      | \$                                     |          | **   | \$                      |                                | **       |  |                         |
| LG Financial Services 11am Call | AA             | 1,370,852         | 4,582                | 0.38     | 4.65       | 0.44                    | 4,582                                  | 4.65     | 5.31 | 116,657                 | -                              | 4.68     |  |                         |
| UBS Credit Cash Enhanced        | Af             | 10,144,575        | 29,558               | 0.31     | 3.70       | 0.44                    | 29,558                                 | 3.82     | 5.31 | 297,970                 | 5.07                           | 4.68     |  |                         |
| Deutsche Cash Plus              | Af             | 10,238,564        | 34,750               | 0.38     | 4.52       | 0.44                    | 34,750                                 | 4.68     | 5.31 | 205,332                 | 5.07                           | 4.68     |  |                         |
| Macquarie Diversified Treasury  | Af             | 10,658,041        | 43,668               | 0.44     | 5.26       | 0.44                    | 43,668                                 | 5.42     | 5.31 | 163,622                 | 5.30                           | 4.68     |  |                         |
| CBA Premium Cash Enhanced       | AAf            | 3,373,190         | 20,729               | 0.41     | 4.92       | 0.44                    | 20,729                                 | 5.05     | 5.31 | 193,921                 | 4.89                           | 4.68     |  |                         |
|                                 |                | <b>35,785,222</b> | <b>133,287</b>       |          |            |                         | <b>133,287</b>                         |          |      | <b>977,502</b>          |                                |          |  |                         |

| # Credit Ratings                       | Standard & Poors |
|--|------------------|
| Extremely strong capacity to pay       | AAA              |
| Very strong capacity to pay            | AA               |
| Adequate capacity to pay               | BBB              |
| Funds valued on a mark to market basis | f                |
| Funds valued on an accruals basis      | m                |

| **UBSWA Bank Bill Index  |
|--|
| -Is a performance benchmark published in the Australian Financial Review.                  |
| -The index rate can be compared to the interest rate earned by Council on its investments. |

| Interest Earned   | \$         |
|---|------------|
| In July 2002  | 139,162 *  |
| For 2002/2003 to 31 July –                              | 139,162 ** |
| Current estimate budget for interest earned – 2002/2003 | 1,500,000  |

| Monthly earning rates for the last three months | May         | Jun         | Jul         |
|---|-------------|-------------|-------------|
|   | %           | %           | %           |
| LG Financial Services 11am Call                 | 0.36        | 0.38        | 0.38        |
| UBS Credit Cash Enhanced.                       | 0.40        | 0.47        | 0.31        |
| Deutsche Cash Plus                              | 0.37        | 0.42        | 0.38        |
| Macquarie Diversified Treasury                  | 0.40        | 0.43        | 0.44        |
| CBA Premium Cash Enhanced                       | 0.34        | 0.43        | 0.41        |
| <b>WDR Bank Bill Index</b>                      | <b>0.37</b> | <b>0.39</b> | <b>0.44</b> |

\* Includes bank account interest as well as interest on investments with Managed Funds.

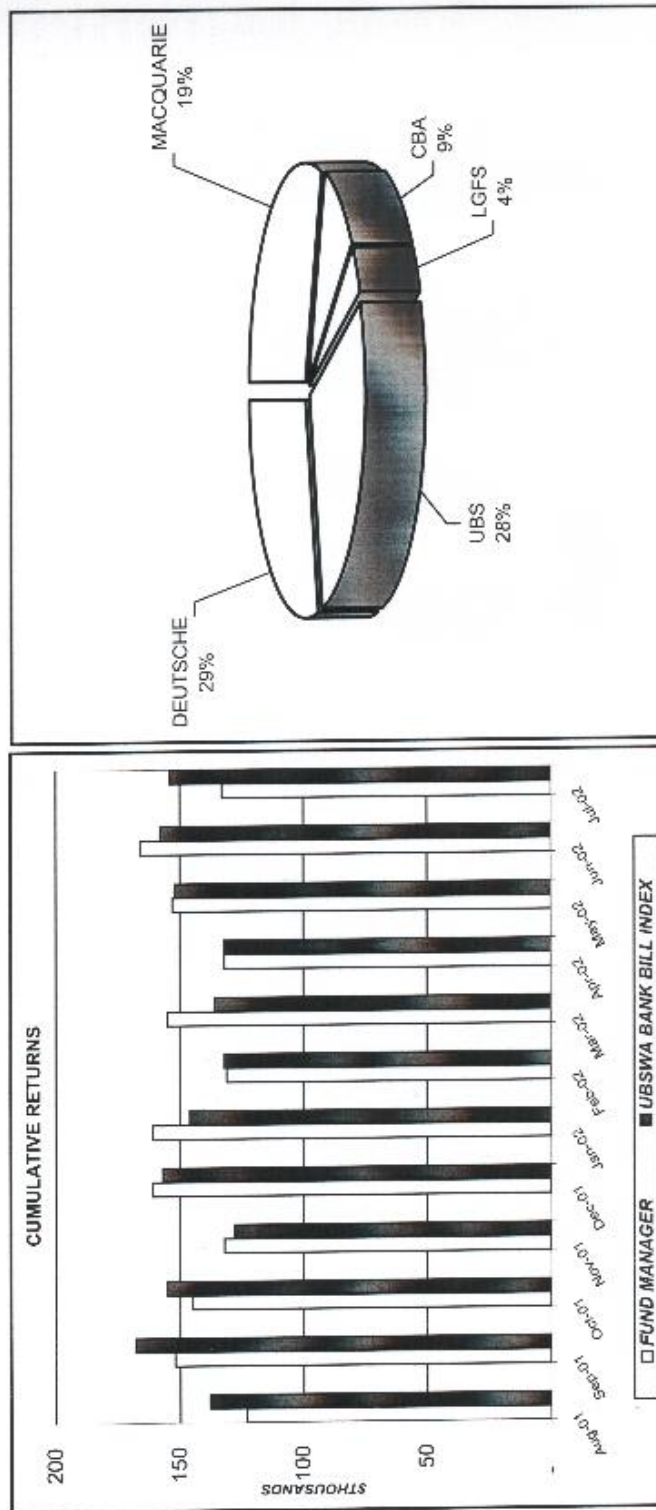
\*\* Includes bank account interest and those Managed Funds no longer used.

*I certify that the above investments have made in accordance with the Local Government Act, the regulations and Council's investment policy No. 3.02.07.*

**BRIAN GREGAN**  
**MANAGER, FINANCIAL SERVICES DIVISION**

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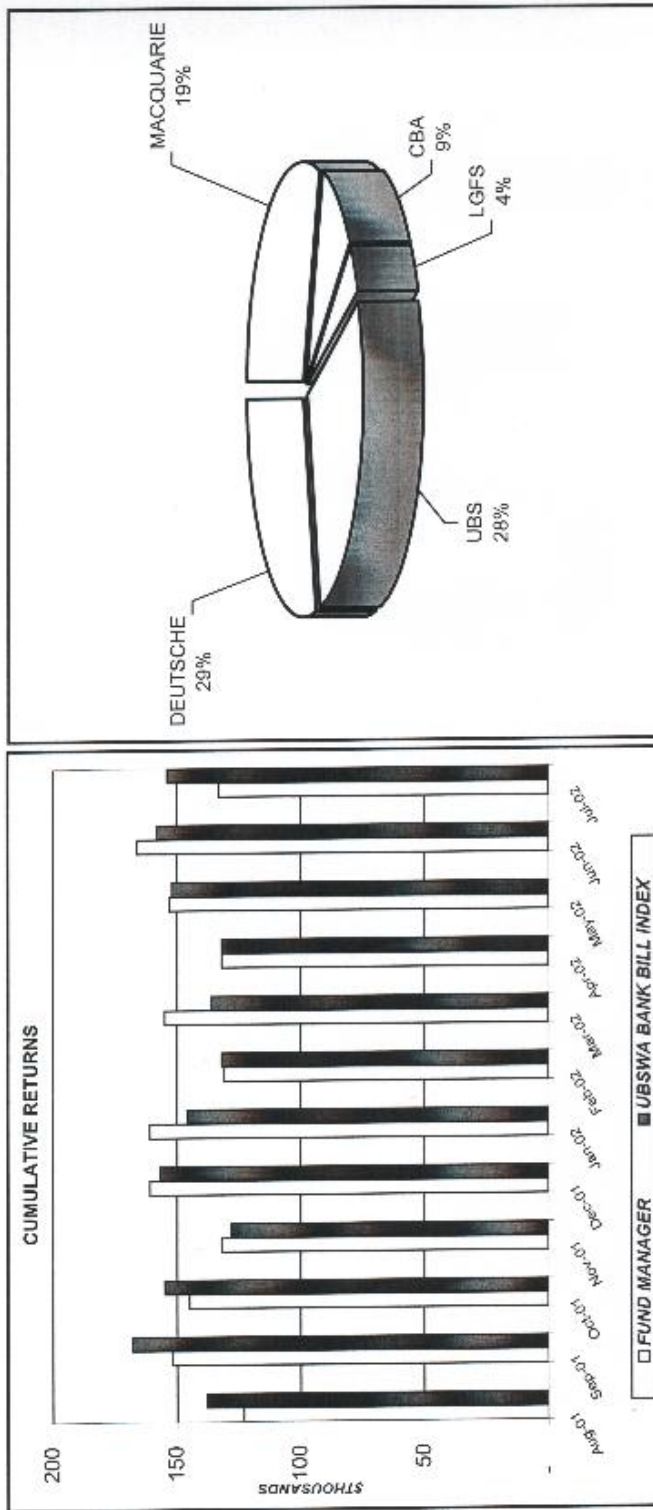
ALL FUND MANAGER PERFORMANCE VS. UBSWA BANK BILL INDEX  
AS AT 31 JULY 2002



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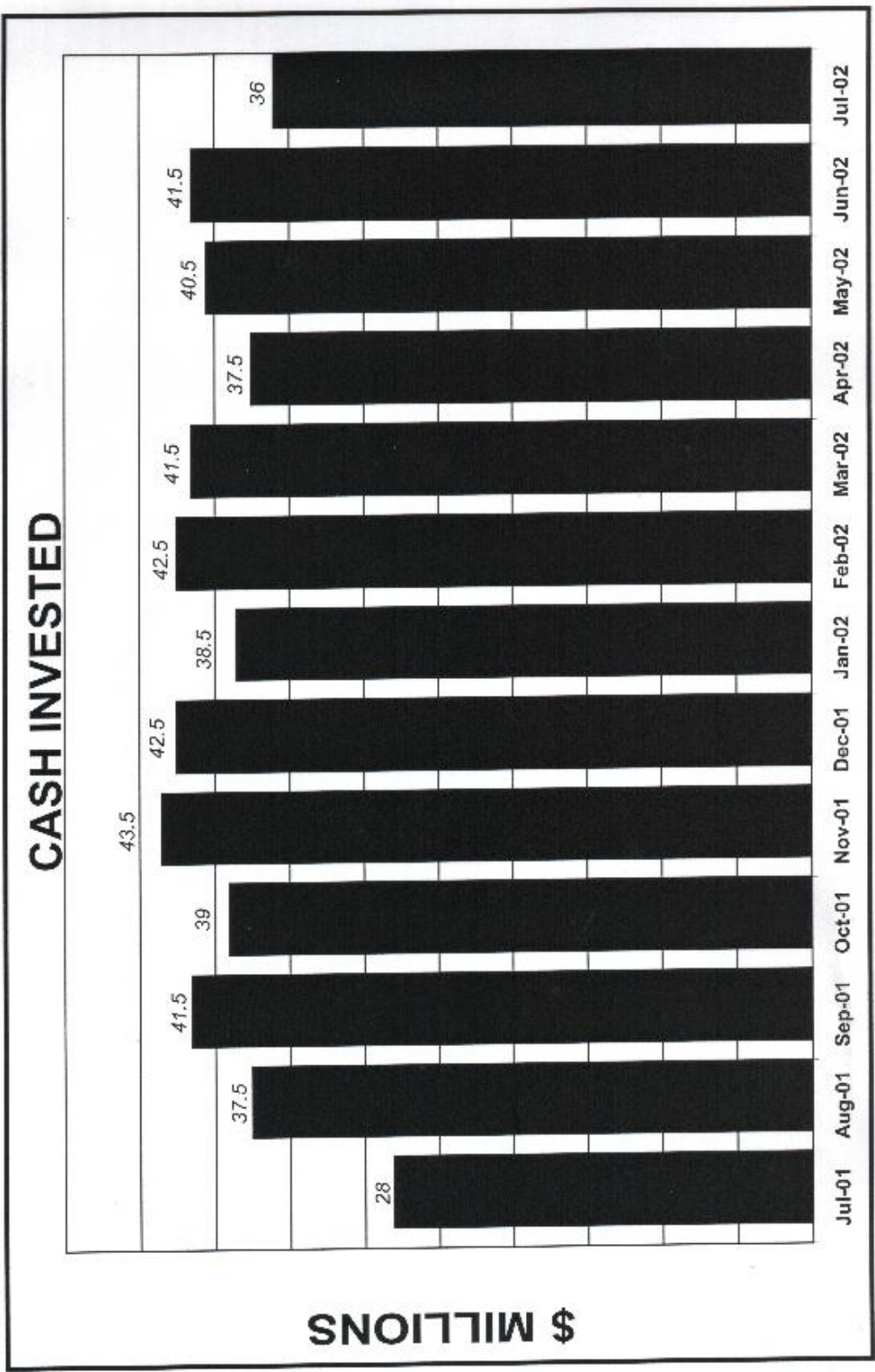
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ALL FUND MANAGER PERFORMANCE VS. UBSWA BANK BILL INDEX  
AS AT 31 JULY 2002



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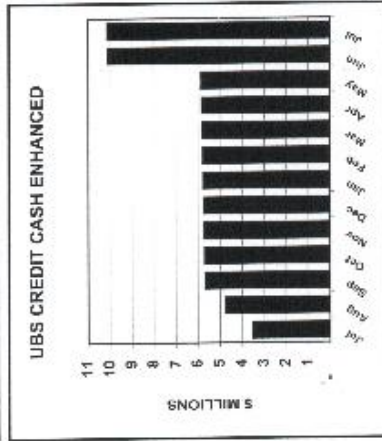
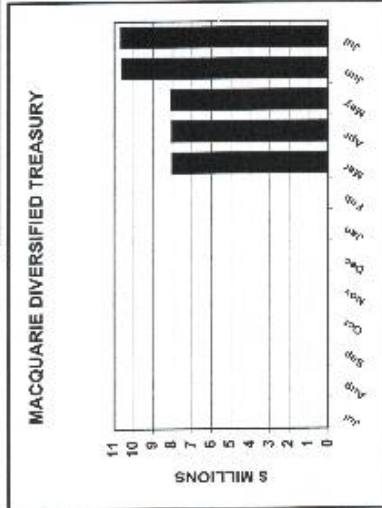
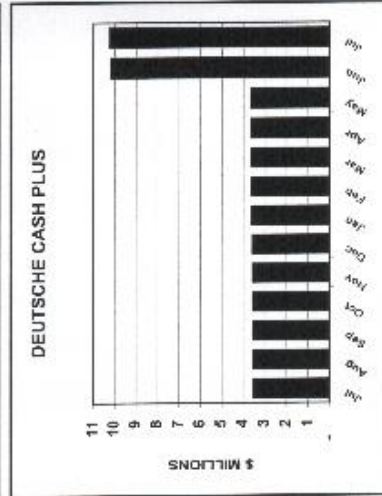
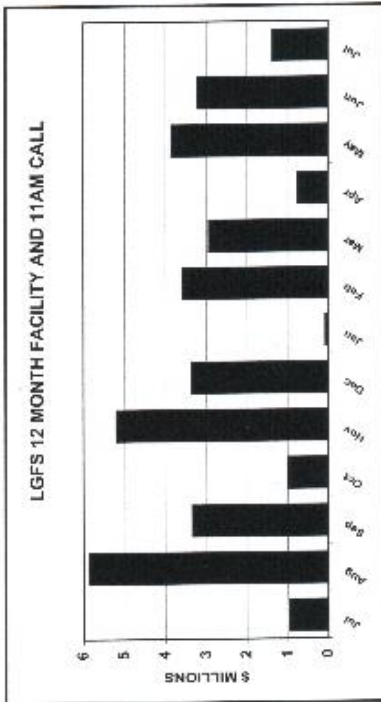
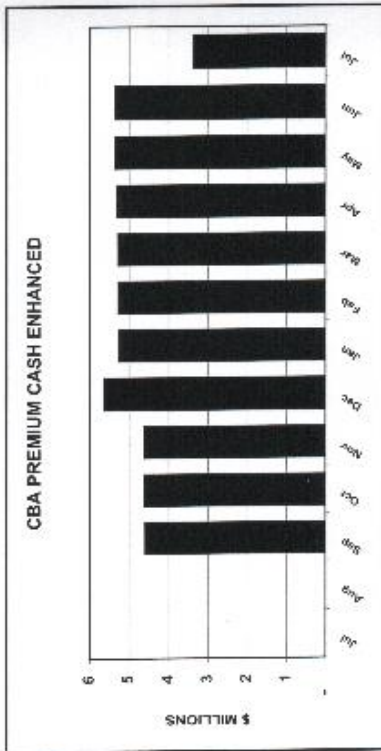


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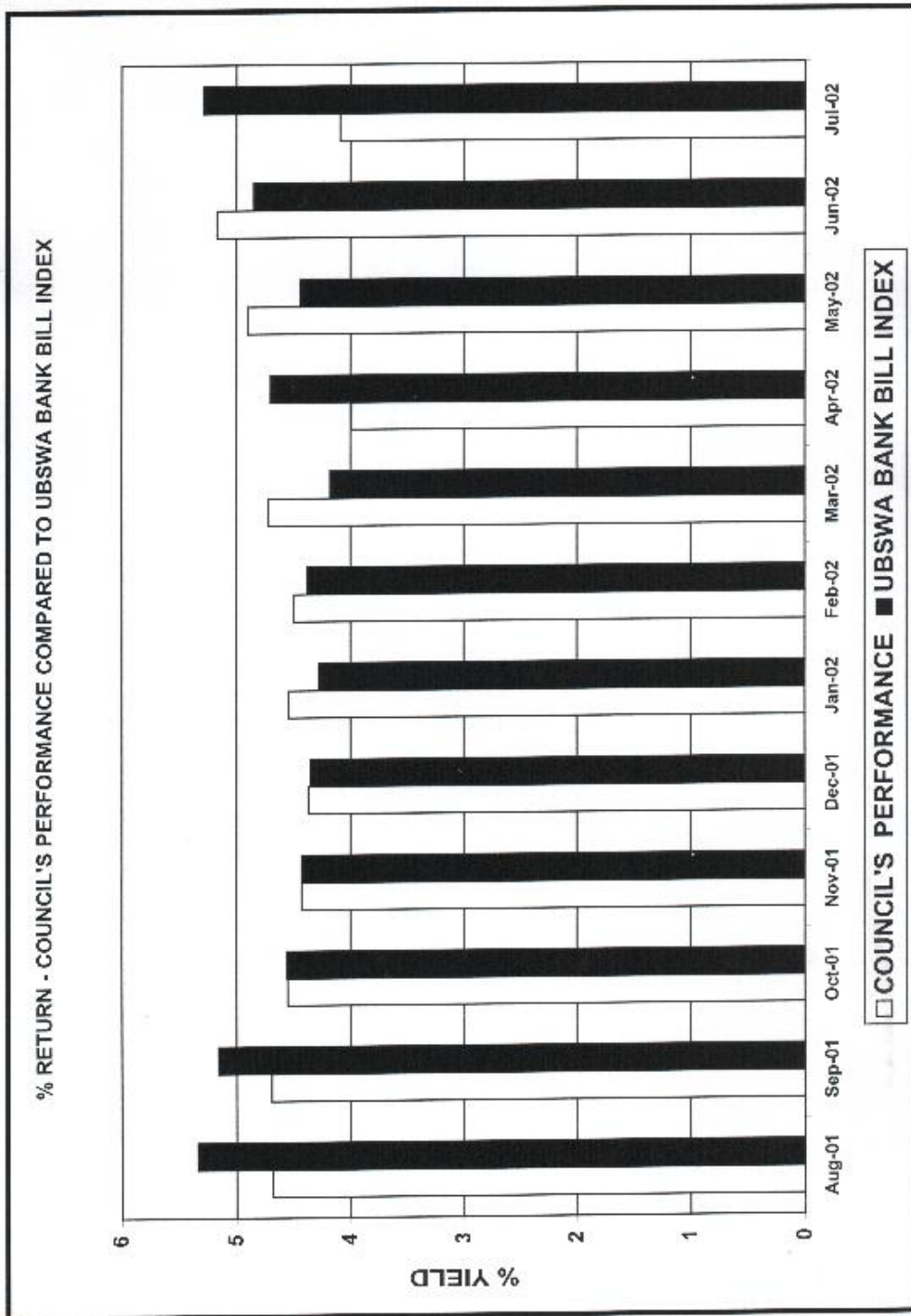


CASH INVESTMENTS BY FUND MANAGER  
JULY 01 - JULY 02



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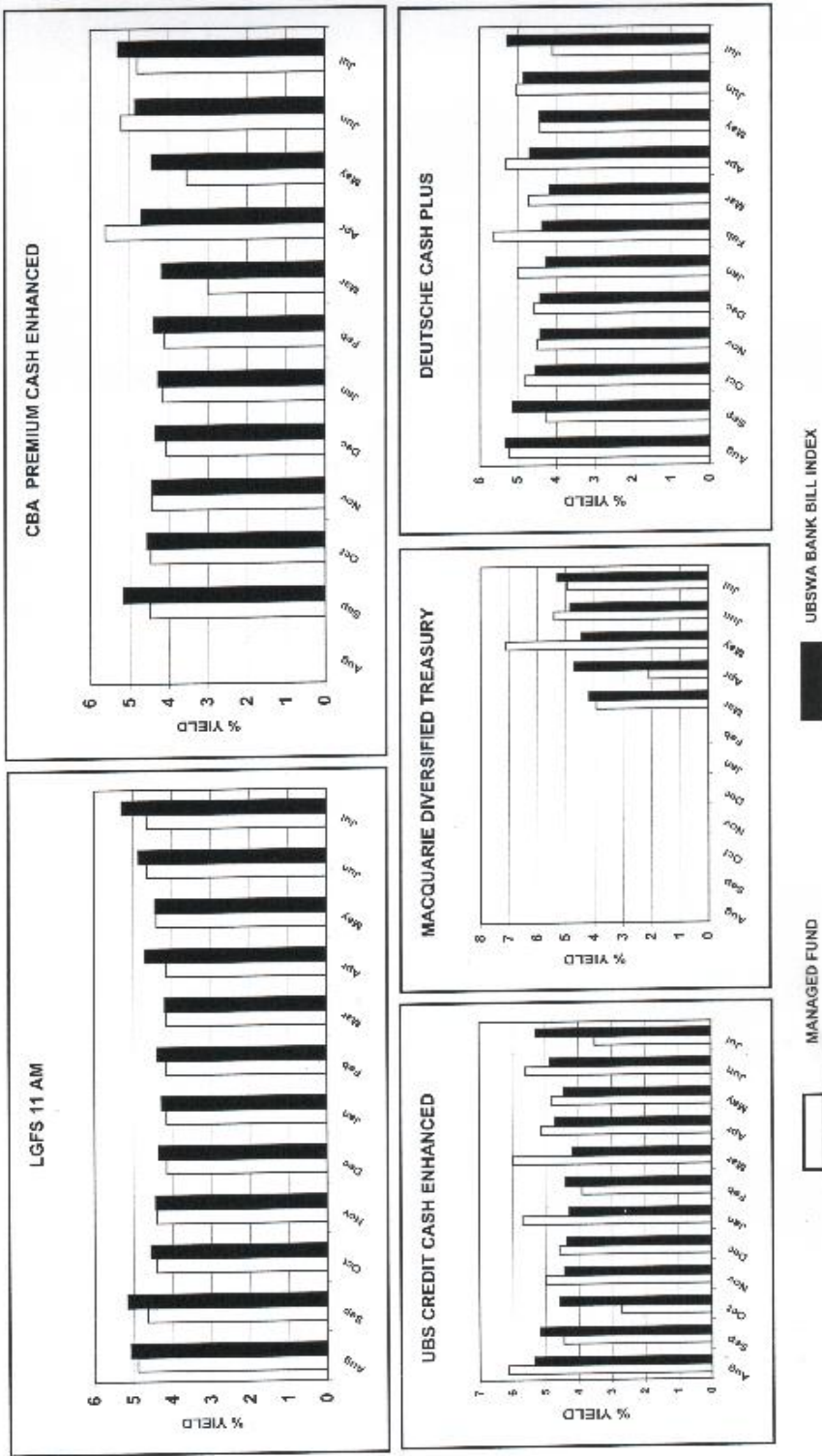
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PERCENTAGE RETURN BY FUND MANAGER  
AUGUST 01 - JULY 02



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