



2nd September, 2003

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, 9TH SEPTEMBER, 2003 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 5TH 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, 12TH AUGUST, 2003.

3 Addresses to Committee by the Public

4 Mayoral Minutes

5 Finance

5.1 DIRECTOR GOVERNANCE, MANAGEMENT & 2
INFORMATION SERVICES' REPORT 22/2003 - INVESTMENT
OF COUNCIL FUNDS AS AT 31 JULY 2003.

6 General Business

7 Notice of Rescission Motions

.....
GENERAL MANAGER

Director Governance, Management & Information Services' Report 22/2003



| | |
|-----------------|--|
| SUBJECT: | INVESTMENT OF COUNCIL FUNDS AS AT 31 JULY 2003 |
|-----------------|--|

| | | | |
|--------------|-----------------|-----------------|-----------|
| DATE: | 18 August, 2003 | FILE NO: | 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 2003" and in the attached graphs.

CONCLUSION:

All surplus cash has been invested as at 31 July 2003 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 18 August 2003 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 2003.
2. Graphs (5).

.....
MARK HUMMERSTON
DIRECTOR GOVERNANCE,
MANAGEMENT & INFORMATION
SERVICES

.....
BRIAN GREGAN
MANAGER, FINANCIAL
SERVICES

**DETAILS OF CASH INVESTMENTS AND ANALYSIS OF INVESTMENT PERFORMANCE
AS AT 31 JULY 2003**

| 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 | | | UBSW A Bank Bill Index % | |
|-------------------------------------|----------------|-------------------|----------------------|----------|------------------------|-------------------------------|--|--------|----------|-------------------------------|--------------------------------|--------|----------|--------------------------|------|
| | | | Amount | % Return | Annualised For Period | Amount | % Return | Amount | % Return | Amount | % Return | Amount | % Return | ** | |
| | # | \$ | \$ | Month | Annualised For Period | | \$ | | | \$ | | | \$ | | ** |
| LG Financial Services 11am Call | AA | 88,943 | 351 | 0.38 | 4.65 | 0.39 | 351 | 4.65 | 4.71 | 113,859 | 4.65 | 4.92 | | | 4.92 |
| UBS Credit Cash Enhanced | Af | 12,184,620 | 54,502 | 0.45 | 5.42 | 0.39 | 54,502 | 5.68 | 4.71 | 640,046 | 5.87 | 4.92 | | | 4.92 |
| Deutsche Cash Plus | Af | 12,241,471 | 60,273 | 0.49 | 5.98 | 0.39 | 60,273 | 5.76 | 4.71 | 602,905 | 5.48 | 4.92 | | | 4.92 |
| Macquarie Diversified Treasury | Af | 12,261,546 | 54,874 | 0.45 | 5.42 | 0.39 | 54,874 | 5.63 | 4.71 | 603,505 | 5.47 | 4.92 | | | 4.92 |
| CFS Wholesale Premium Cash Enhanced | AAf | 3,055,250 | 11,300 | 0.34 | 4.03 | 0.39 | 11,300 | 4.20 | 4.71 | 311,332 | 5.01 | 4.92 | | | 4.92 |
| | | 39,831,830 | 181,300 | | <u>Index %</u> 4.71 | | 181,300 | | | 2,271,647 | | | | | |

| 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 2003 | 181,300 * |
| For 2003/2004 to 31 July – | 181,300 ** |
| Original estimate budget for interest earned – 2003/2004 | 1,818,000 |

| Monthly earning rates for the last three months | May | June | July |
|---|-------------|-------------|-------------|
| | % | % | % |
| LG Financial Services 11am Call | 0.38 | 0.38 | 0.38 |
| UBS Credit Cash Enhanced | 0.51 | 0.54 | 0.45 |
| Deutsche Cash Plus | 0.48 | 0.50 | 0.49 |
| Macquarie Diversified Treasury | 0.46 | 0.45 | 0.45 |
| CFS Wholesale Premium Cash Enhanced | 0.41 | 0.39 | 0.34 |
| WDR Bank Bill Index | 0.41 | 0.39 | 0.39 |

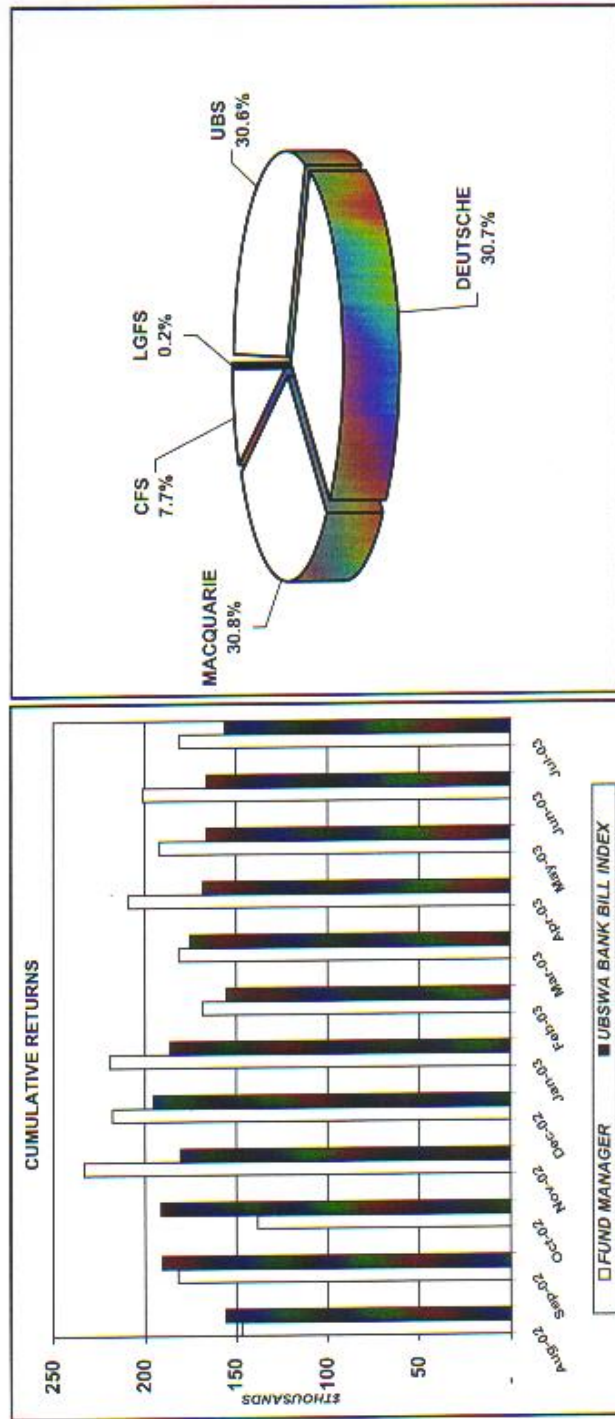
* Includes bank account interest as well as interest on investments with Managed Funds.

** 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.

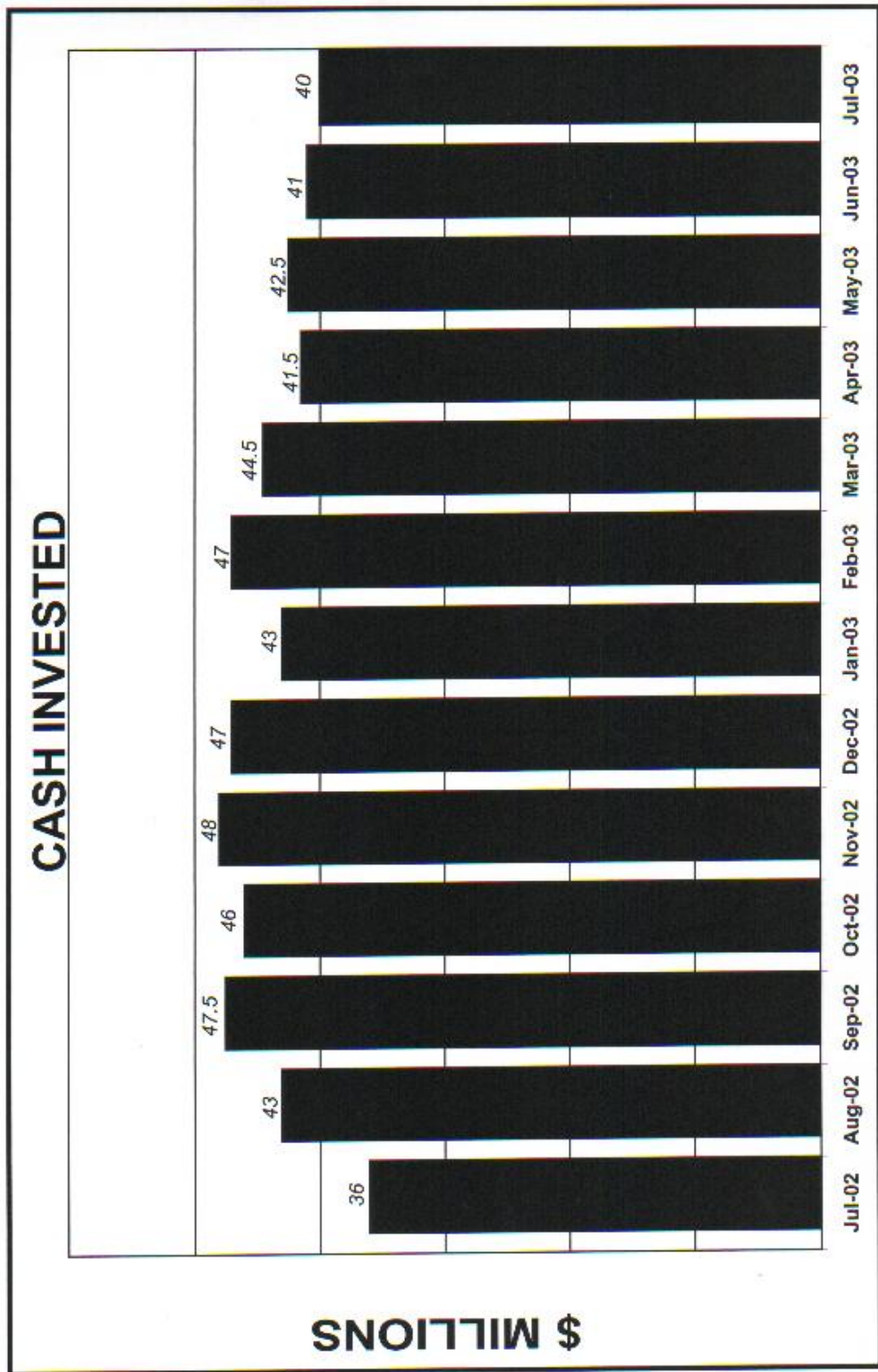
BRIAN GREGAN
MANAGER, FINANCIAL SERVICES DIVISION

ALL FUND MANAGER PERFORMANCE VS. UBSWA BANK BILL INDEX
AS AT 31 JULY 2003

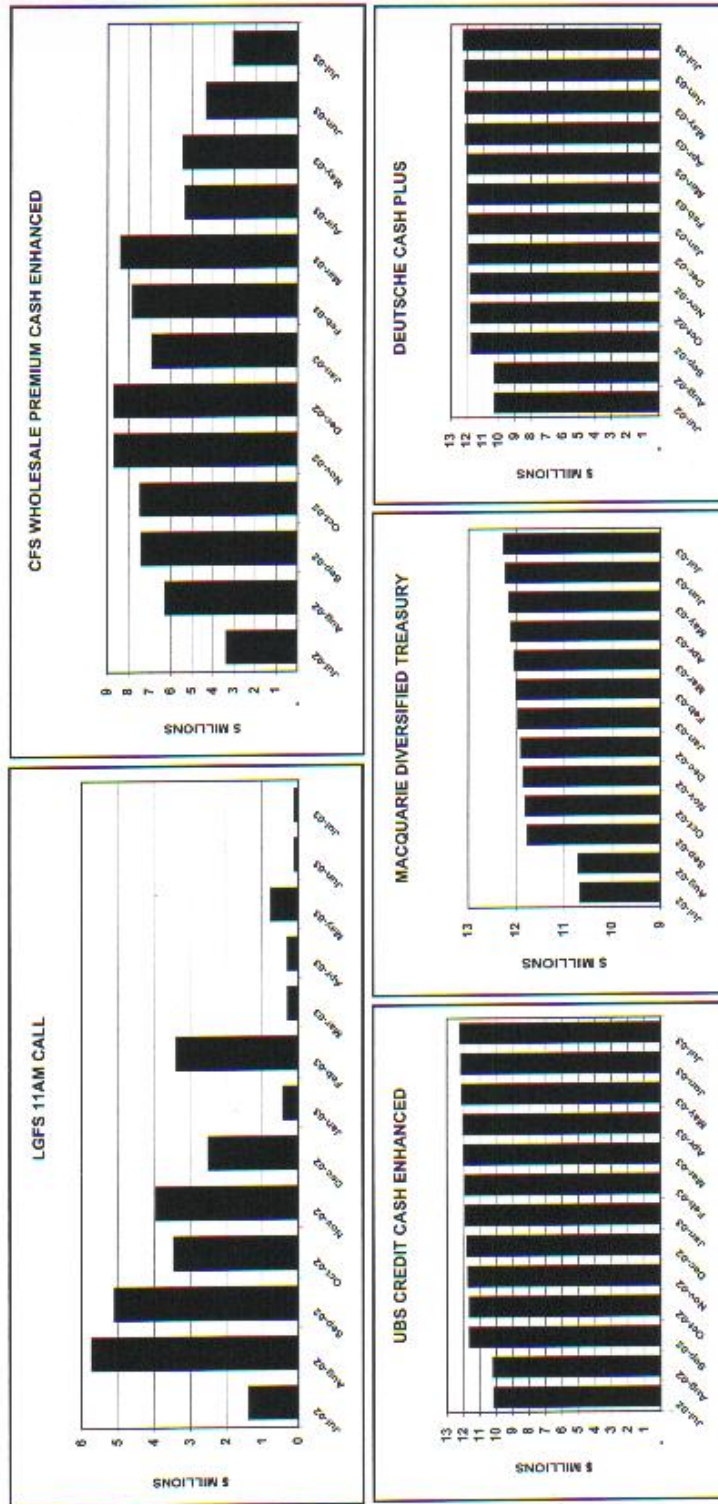


15/09/03

G:\account\committee\fin\sv\fin Report Graphs 31.07.03.xls

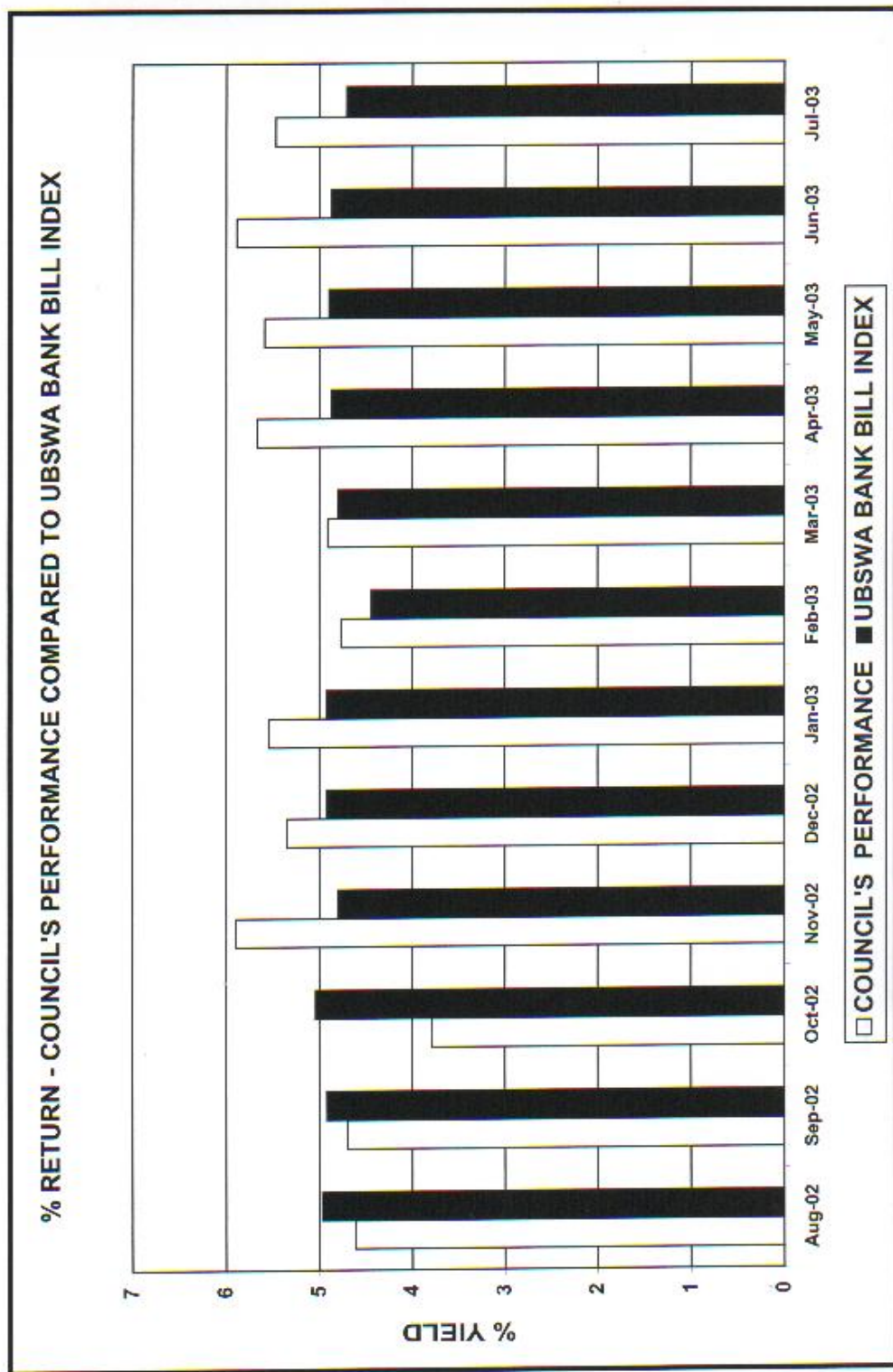


CASH INVESTMENTS BY FUND MANAGER



15/08/03

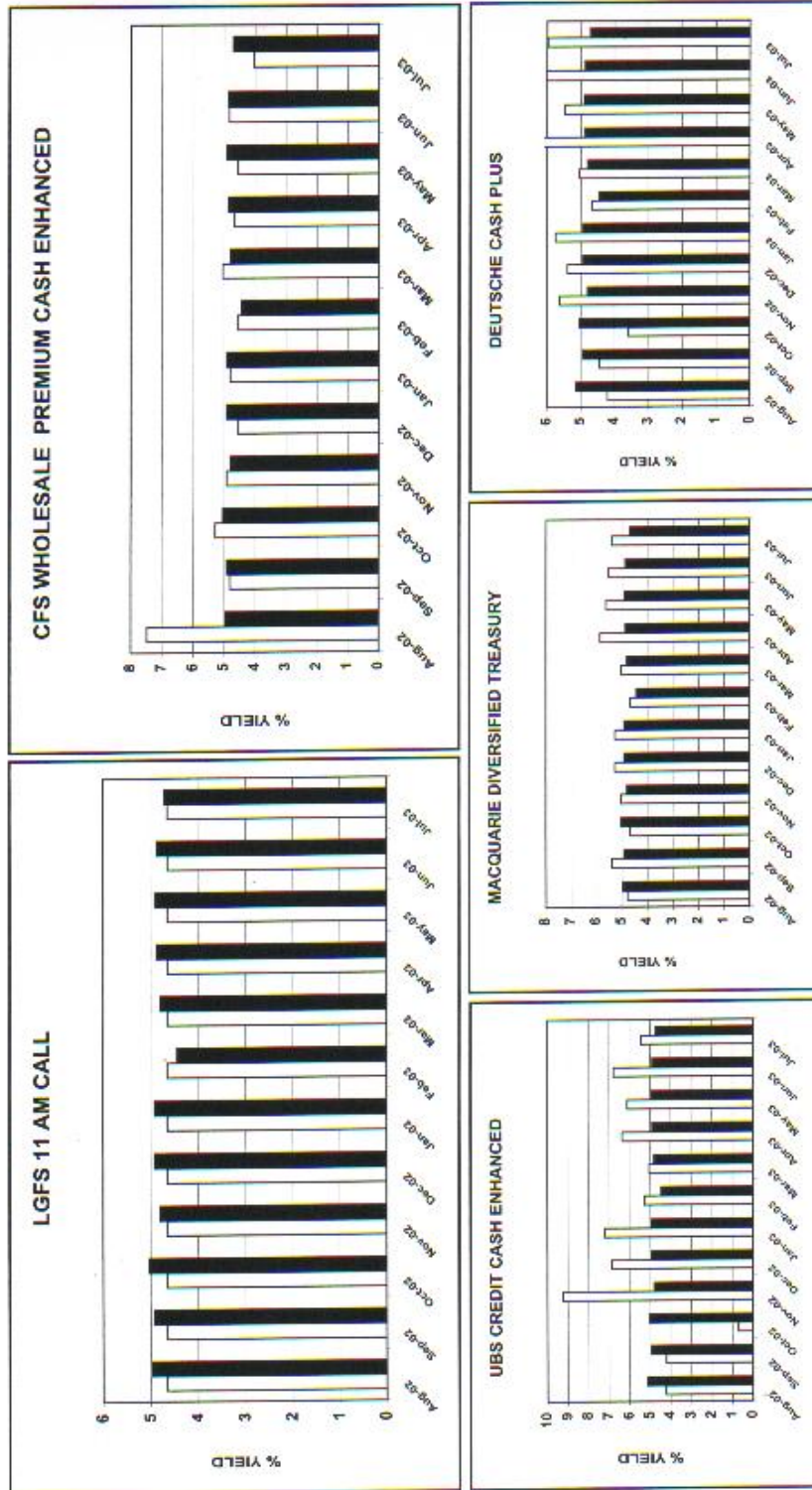
D:\com\committees\min\Report_Captions_31_07_03.doc



15/05/03

g:\council\committee\finance\Finance Report Graphs 31.07.03.xls

PERCENTAGE RETURN BY FUND MANAGER



g:\account\comm\bill\index\Fn Report\Graphs 31.07.03.xls

15/09/03