

25<sup>th</sup> November, 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, 2<sup>ND</sup> DECEMBER, 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 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, 18<sup>TH</sup> NOVEMBER, 2003.

**3 Addresses to Committee by the Public**

**4 Mayoral Minutes**

**5 Finance**

5.1 DIRECTOR GOVERNANCE, MANAGEMENT & 2  
INFORMATION SERVICES' REPORT 34/2003 - INVESTMENT  
OF COUNCIL FUNDS AS AT 31 OCTOBER 2003.

**6 General Business**

**7 Notice of Rescission Motions**

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GENERAL MANAGER

## ***Director Governance, Management & Information Services' Report 34/2003***



<b>SUBJECT:</b>	INVESTMENT OF COUNCIL FUNDS AS AT 31 OCTOBER 2003
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<b>DATE:</b>	14 November, 2003	<b>FILE NO:</b>	98/S/0745
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**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 October 2003" and in the attached graphs.

### **CONCLUSION:**

All surplus cash has been invested as at 31 October 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 14 November 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 October 2003.
2. Graphs (7).

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MARK HUMMERSTON  
DIRECTOR GOVERNANCE,  
MANAGEMENT & INFORMATION  
SERVICES

.....  
BRIAN GREGAN  
MANAGER, FINANCIAL  
SERVICES

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

Investment Manager	Credit Ratings	Amount Invested	Interest Earned October			** UBSW A 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	**		
	#	\$	\$	Month	Annualised For Period		\$			\$				
LG Financial Services 11am Call	AA	2,751,605	8,559	0.38	4.65	0.41	21,222	4.65	4.85	77,475	4.65	4.88		
LGFS Expanded Credit Facility	Af	6,052,565	30,844	0.51	6.20	0.41	52,565	6.44	4.85	52,565	-	4.88		
Commonwealth Shield Series 12	AA	4,000,000	19,982	0.49	5.88	0.41	38,029	5.88	4.85	38,029	-	4.88		
UBS Credit Cash Enhanced	Af	11,347,262	51,723	0.46	5.52	0.41	217,143	5.79	4.85	723,201	6.52	4.88		
Deutsche Cash Plus	Af	12,410,917	65,799	0.53	6.46	0.41	229,719	5.85	4.85	658,329	5.85	4.88		
Macquarie Diversified Treasury	Af	9,413,502	46,754	0.47	5.63	0.41	206,830	5.64	4.85	616,184	5.57	4.88		
CFS Wholesale Premium Cash Enhanced	AAf	75,435	634	0.52	6.30	0.41	31,485	4.65	4.85	223,326	4.88	4.88		
		<b>46,051,285</b>	<b>224,295</b>		<u>Index %</u> 4.85		<b>796,993</b>			<b>2,389,109</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 October 2003	225,075 *
For 2003/2004 to 31 October –	800,523 **
Original estimate budget for interest earned – 2003/2004	1,818,000

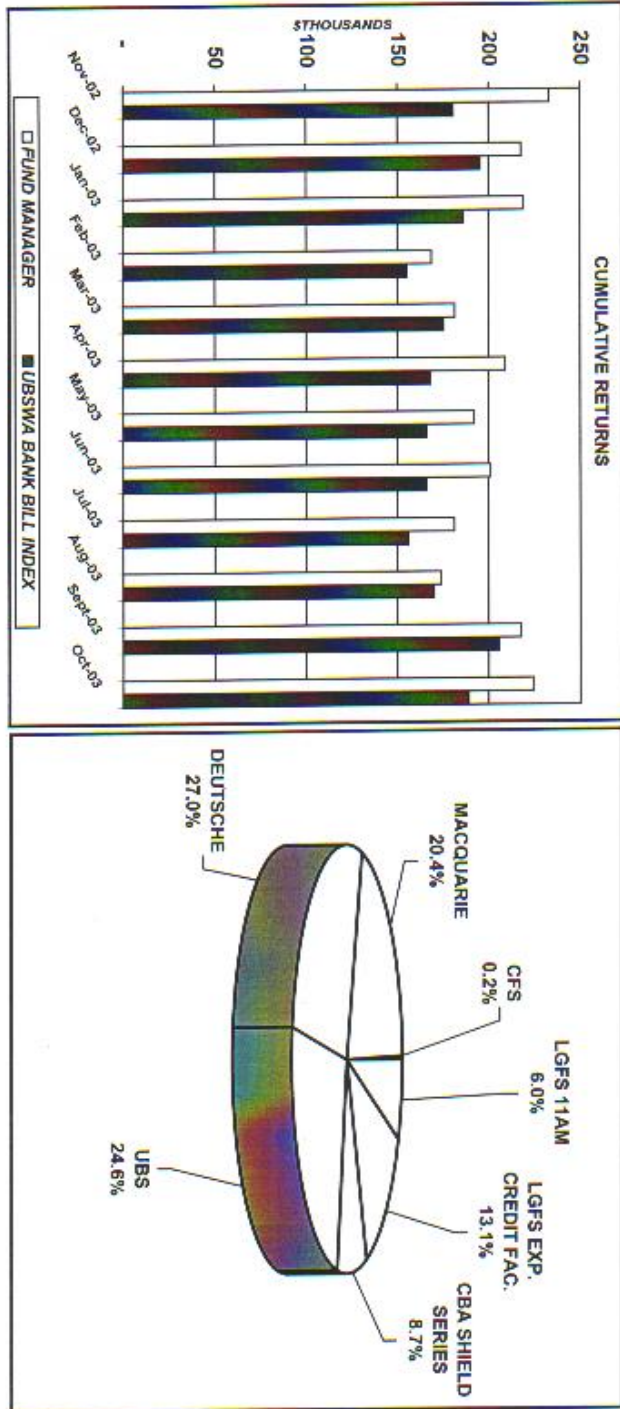
Monthly earning rates for the last three months	August	Sept	Oct
	%	%	%
LG Financial Services 11am Call	0.38	0.38	0.38
LGFS Expanded Credit Facility	-	0.36	0.51
Commonwealth Shield Series 12	-	0.49	0.49
UBS Credit Cash Enhanced	0.47	4.44	4.46
Deutsche Cash Plus	0.41	0.44	0.53
Macquarie Diversified Treasury	0.44	0.42	0.47
CFS Wholesale Premium Cash Enhanced	0.25	0.36	0.52
<b>WDR Bank Bill Index</b>	<b>0.40</b>	<b>0.40</b>	<b>0.41</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.

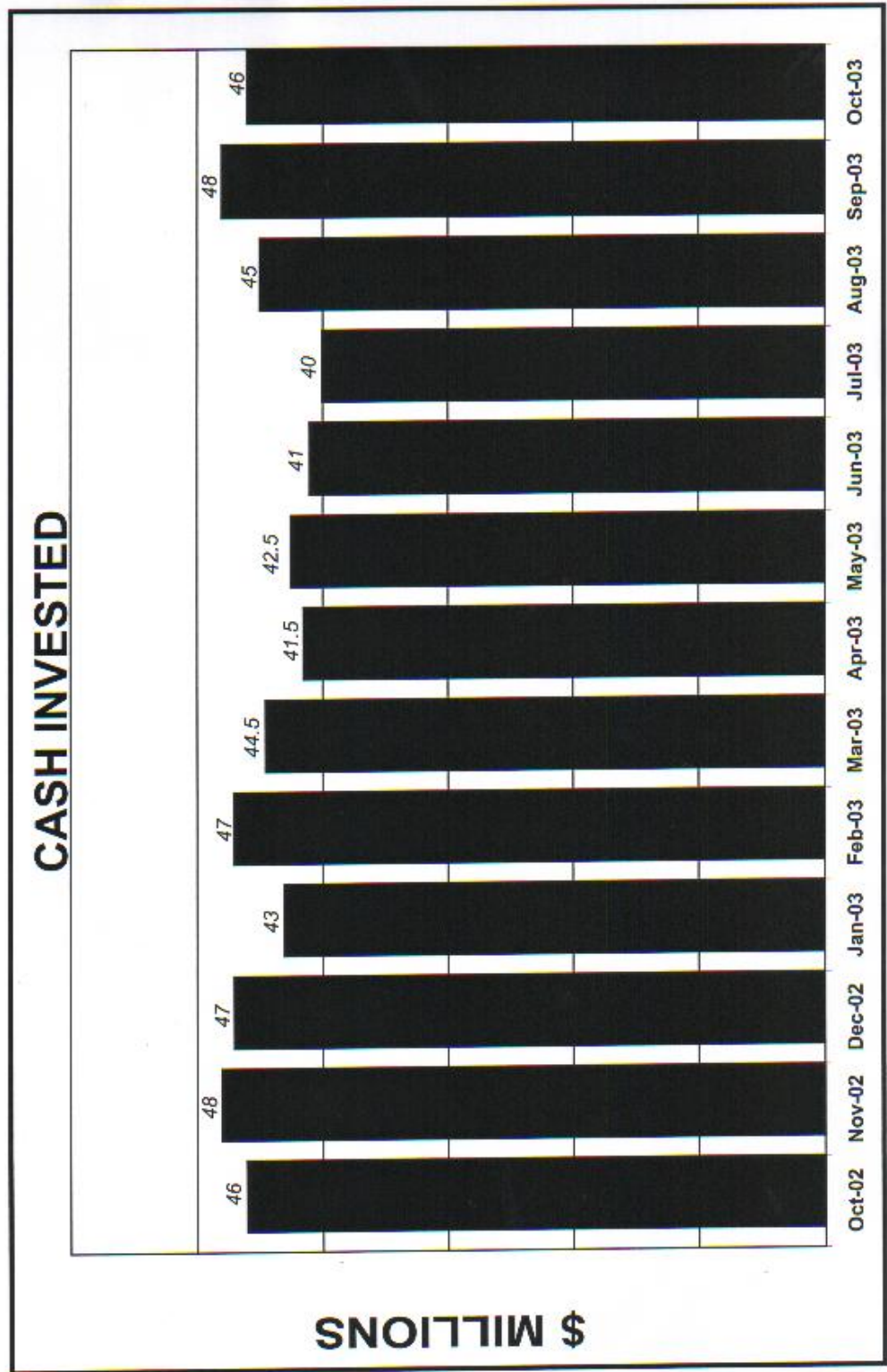
*I certify that the above investments have made in accordance with the Local Government Act, the regulations and Council's investment policy No. 3.02.07.*

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



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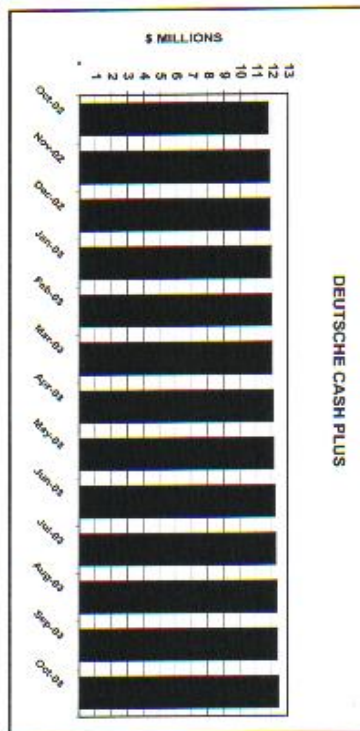
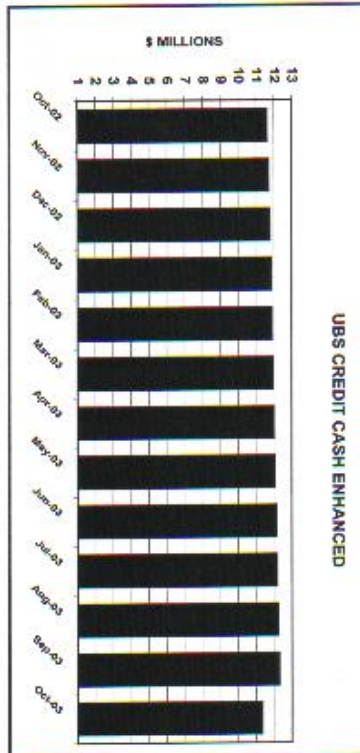
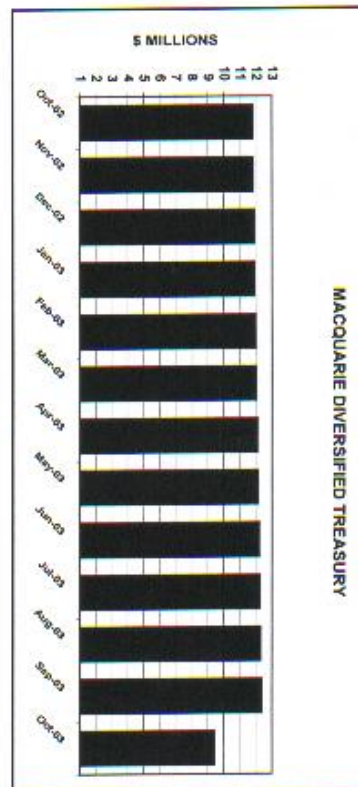
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**CASH INVESTMENTS BY FUND MANAGER**

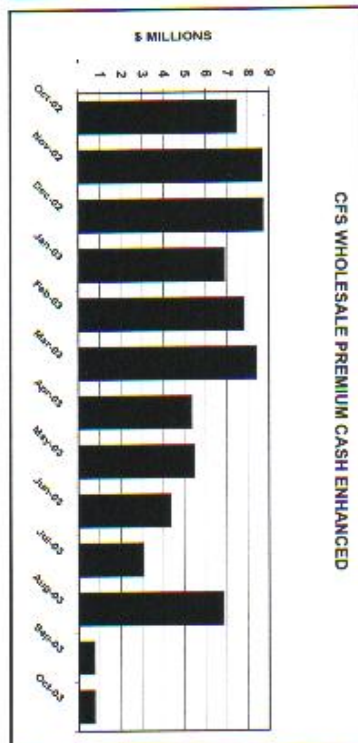
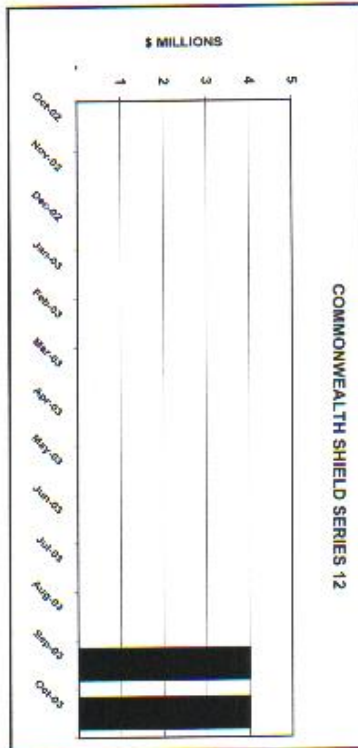
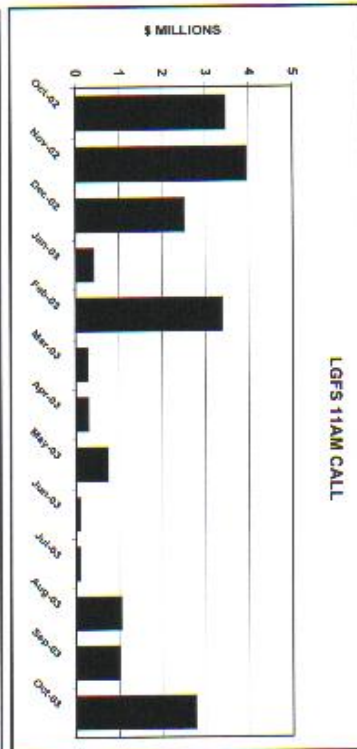


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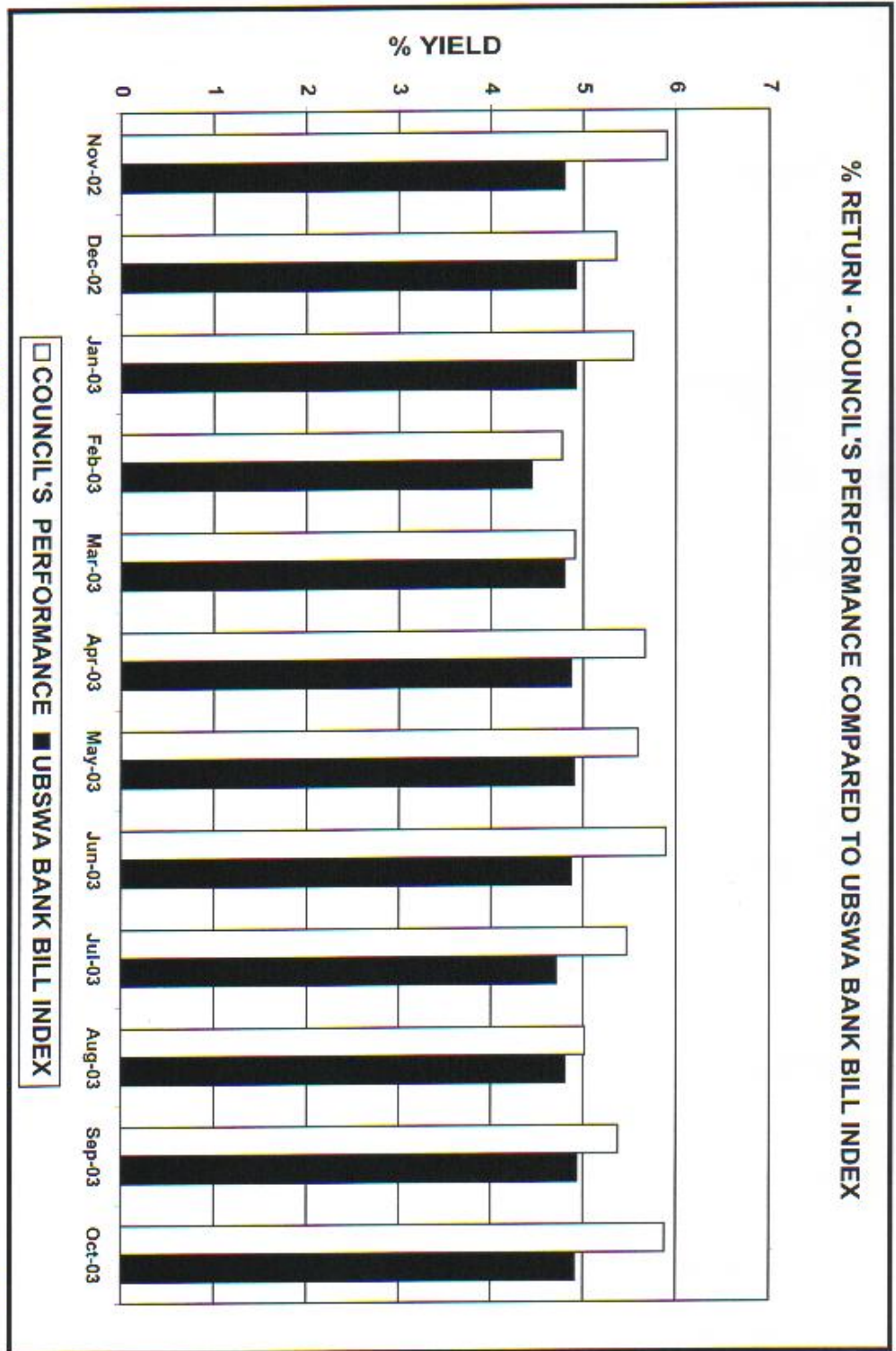


CASH INVESTMENTS BY FUND MANAGER

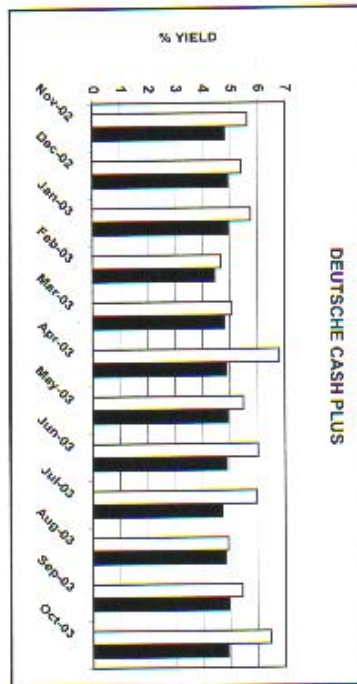
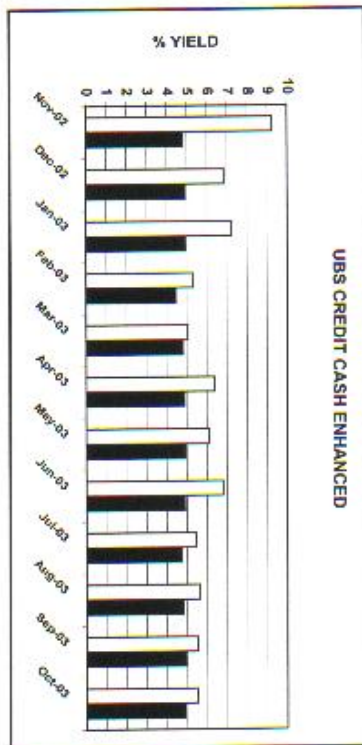
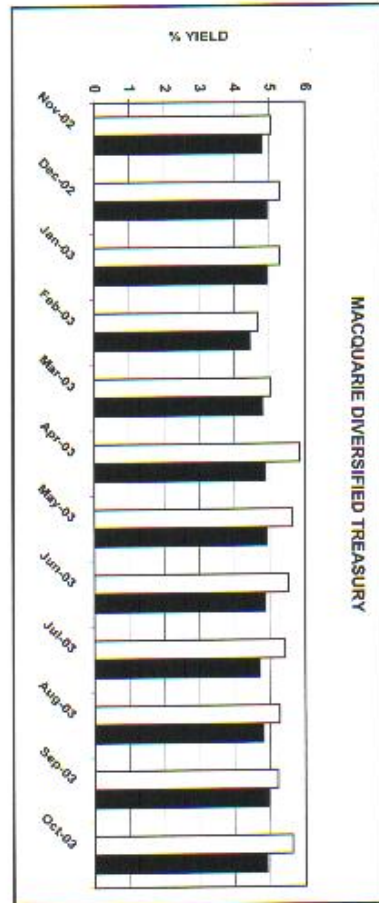


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PERCENTAGE RETURN BY FUND MANAGER



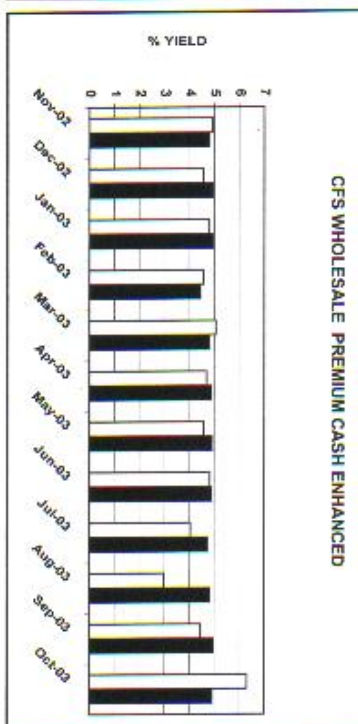
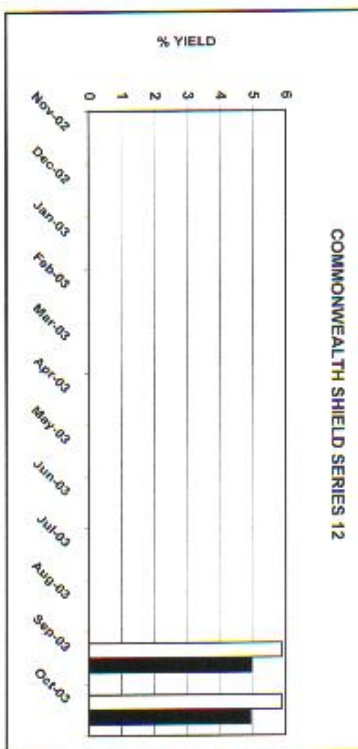
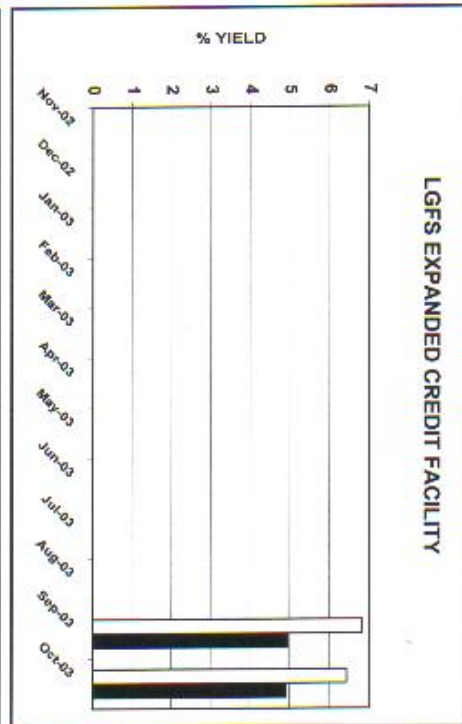
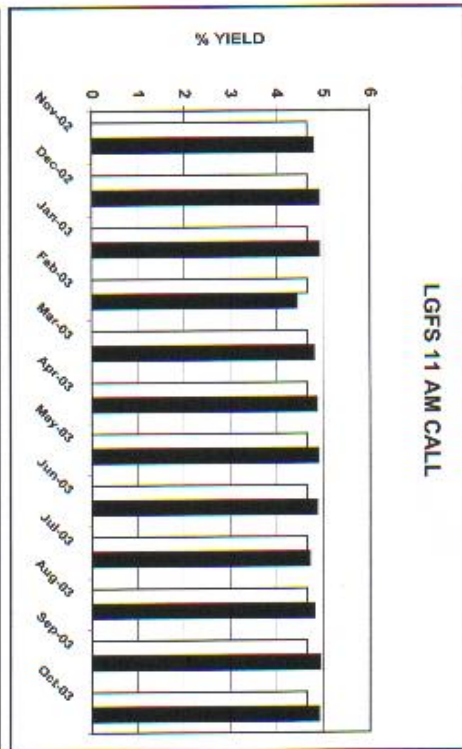
MANAGED FUND

UBSWA BANK BILL INDEX

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PERCENTAGE RETURN BY FUND MANAGER



MANAGED FUND

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