

3<sup>rd</sup> February, 2004

## 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> FEBRUARY, 2004 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 ADMINISTRATION & FINANCE COMMITTEE MEETING HELD ON TUESDAY, 2<sup>ND</sup> DECEMBER, 2003.

**3 Addresses to Committee by the Public**

**4 Mayoral Minutes**

**5 Finance**

5.1 DIRECTOR GOVERNANCE, MANAGEMENT & 2  
INFORMATION SERVICES' REPORT 1/2004 - INVESTMENT  
OF COUNCIL FUNDS AS AT 30 NOVEMBER 2003.

5.2 DIRECTOR GOVERNANCE, MANAGEMENT & 12  
INFORMATION SERVICES' REPORT 2/2004 - INVESTMENT  
OF COUNCIL FUNDS AS AT 31 DECEMBER 2003.

**6 General Business**

**7 Notice of Rescission Motions**

.....  
GENERAL MANAGER



## ***Director Governance, Management & Information Services' Report 1/2004***

<b>SUBJECT:</b>	INVESTMENT OF COUNCIL FUNDS AS AT 30 NOVEMBER 2003
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<b>DATE:</b>	12 December, 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 30 November 2003" and in the attached graphs.

### **CONCLUSION:**

All surplus cash has been invested as at 30 November 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 "Director Governance, Management & Information Services' Report No. 31/2003" dated 12 December 2003 in relation to the investment of Council funds be noted.

**ATTACHMENT/S:**

1. Details of investments and analysis of investment performance as at 30 November 2003.
2. Graphs (7).

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MARK HUMMERSTON  
DIRECTOR GOVERNANCE,  
MANAGEMENT & INFORMATION  
SERVICES

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BRIAN GREGAN  
MANAGER, FINANCIAL  
SERVICES

**DETAILS OF CASH INVESTMENTS AND ANALYSIS OF INVESTMENT PERFORMANCE  
AS AT 30 NOVEMBER 2003**

Investment Manager	Credit Ratings	Amount Invested	Interest Earned November			** 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			Amount	% Return		Amount	% Return	
	#	\$	\$	Month	Annualised For Period		\$			\$		**
LG Financial Services 11am Call	AA	3,310,165	8,408	0.40	4.90	0.38	29,630	4.90	4.84	71,767	4.90	4.86
LGFS Expanded Credit Facility	Af	6,076,910	24,345	0.40	5.01	0.38	76,909	5.91	4.84	76,909	-	4.86
Commonwealth Shield Series 12	AA	4,000,000	19,337	0.53	5.88	0.38	57,367	5.88	4.84	57,367	-	4.86
UBS Credit Cash Enhanced	Af	11,394,487	47,225	0.42	5.18	0.38	264,368	5.70	4.84	681,917	6.16	4.86
Deutsche Cash Plus	Af	12,458,493	47,576	0.38	4.77	0.38	277,294	5.73	4.84	654,575	5.79	4.86
Macquarie Diversified Treasury	Af	8,449,907	36,405	0.39	4.81	0.38	243,235	5.54	4.84	604,359	5.55	4.86
		<b>45,689,961</b>	<b>183,296</b>		<u>Index %</u> 4.78		<b>948,803</b>			<b>2,146,894</b>		

Credit Ratings Poors	Standard &
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 November 2003	184,447 *
For 2003/2004 to 30 November –	984,970 **
Original estimate budget for interest earned – 2003/2004	1,818,000

Monthly earning rates for the last three months	Sept %	Oct %	Nov %
LG Financial Services 11am Call	0.38	0.38	0.40
LGFS Expanded Credit Facility	0.36	0.51	0.40
Commonwealth Shield Series 12	0.49	0.49	0.53
UBS Credit Cash Enhanced	0.44	0.46	0.42
Deutsche Cash Plus	0.44	0.53	0.38
Macquarie Diversified Treasury	0.42	0.47	0.39
<b>WDR Bank Bill Index</b>	<b>0.40</b>	<b>0.41</b>	<b>0.38</b>

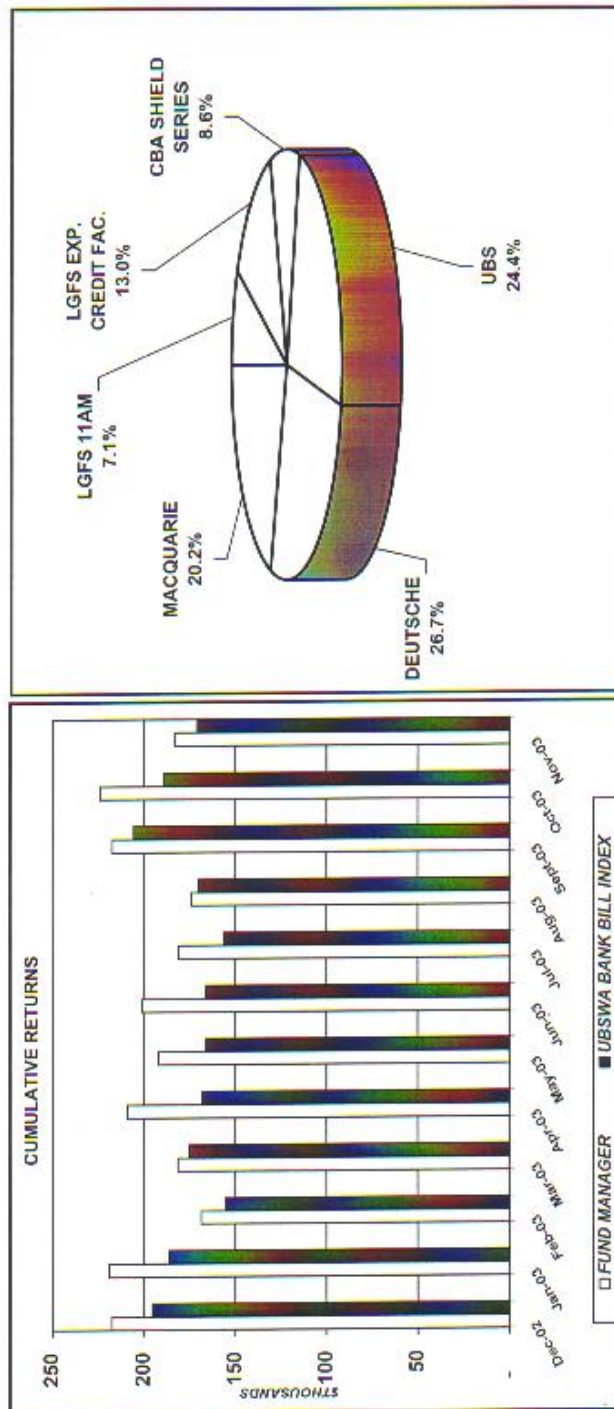
\* Includes bank account interest as well as interest on investments with Managed Funds.

\*\* 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.*

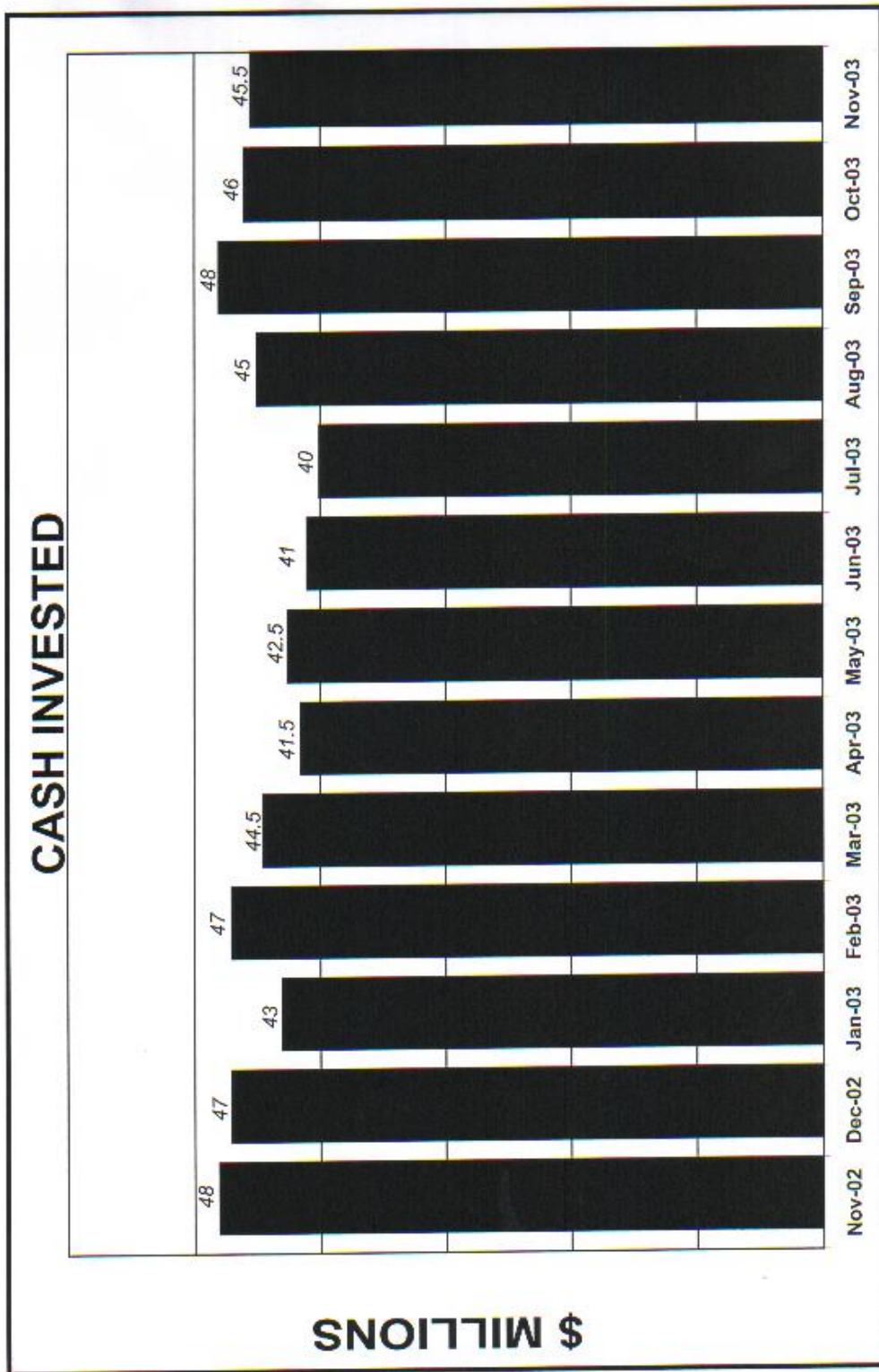
**BRIAN GREGAN**  
**MANAGER, FINANCIAL SERVICES DIVISION**

PERCENTAGE ALLOCATION BY FUND MANAGER  
 ALL FUND MANAGER PERFORMANCE VS. UBSWA BANK BILL INDEX  
 AS AT 30 NOVEMBER 2003



11/2/03

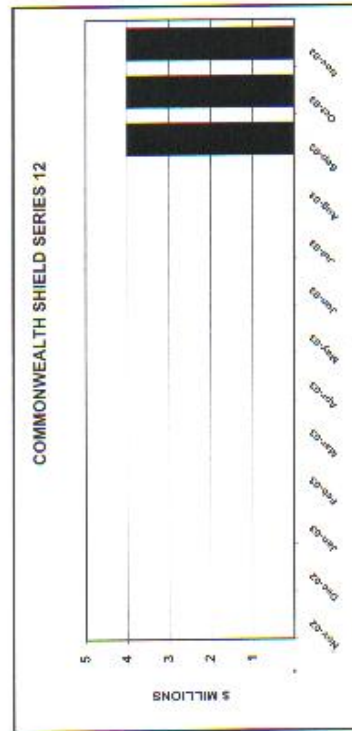
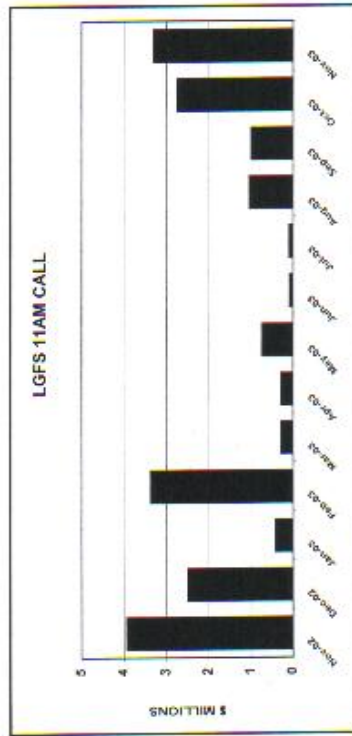
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**CASH INVESTMENTS BY FUND MANAGER**

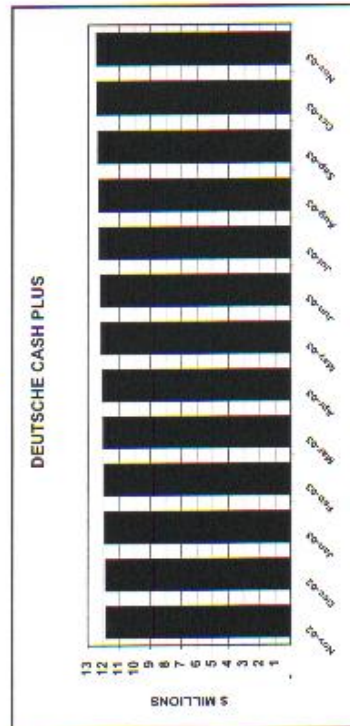
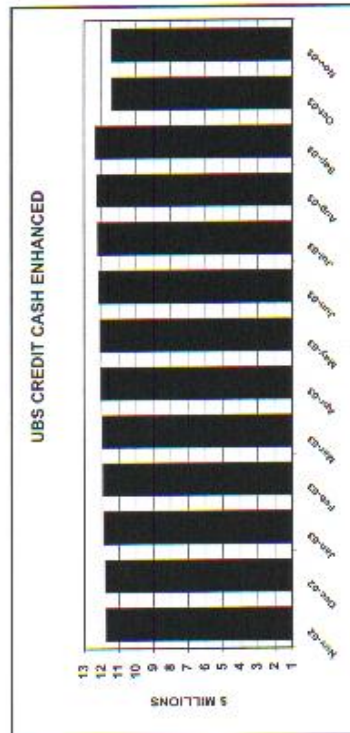
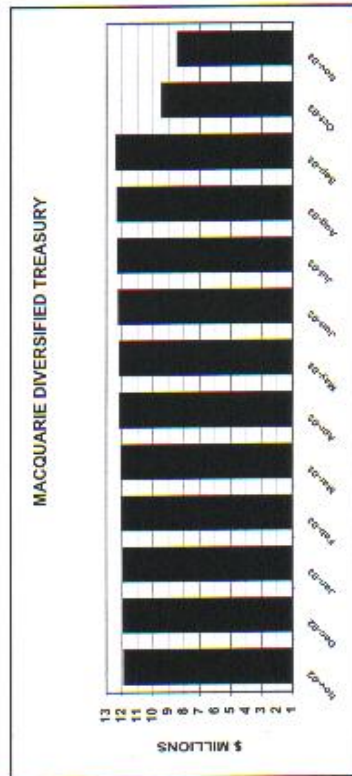


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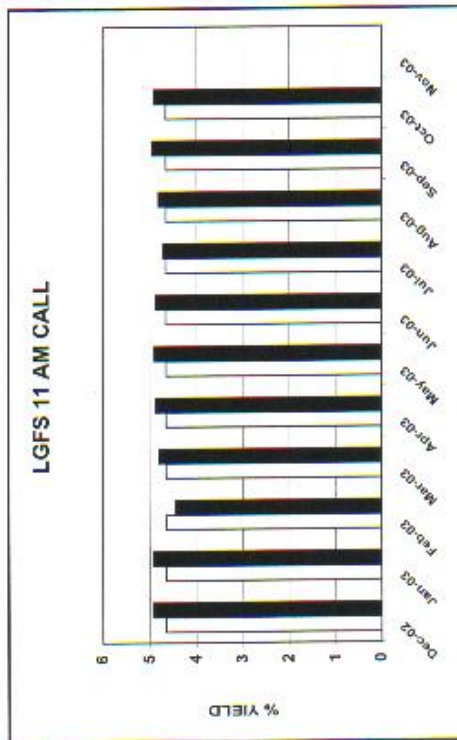
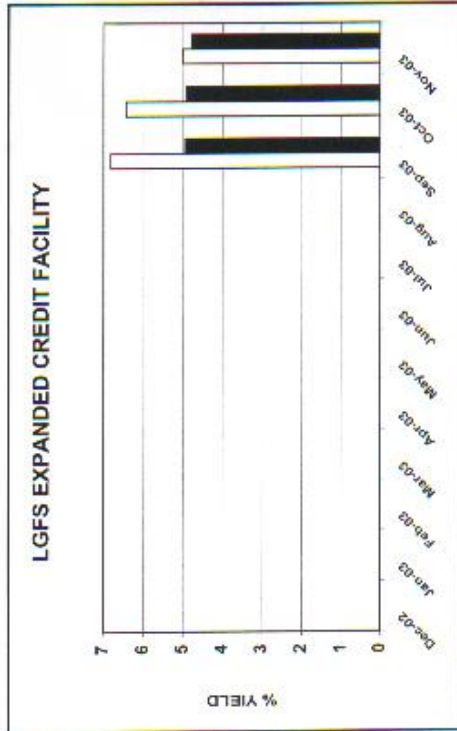
**CASH INVESTMENTS BY FUND MANAGER**



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PERCENTAGE RETURN BY FUND MANAGER

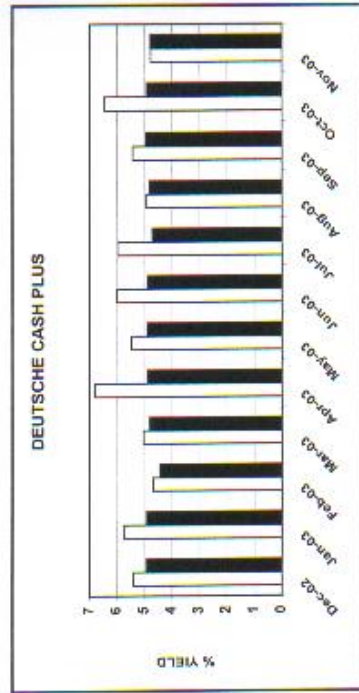
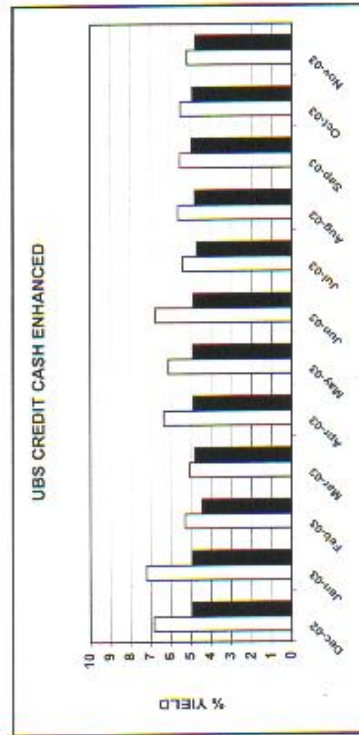
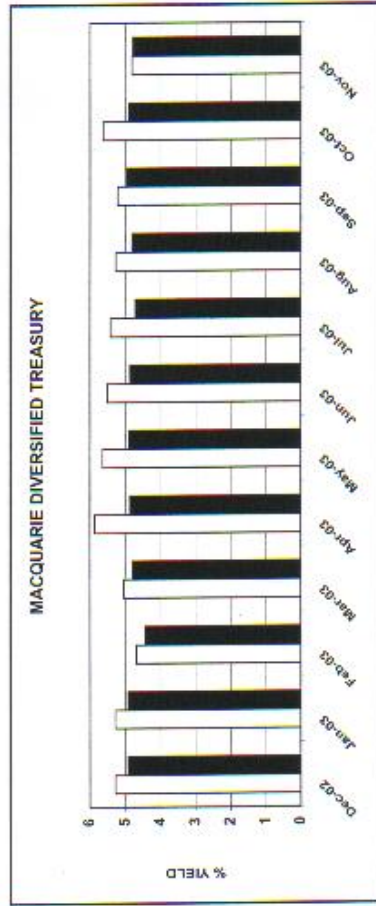


MANAGED FUND      UBSWA BANK BILL INDEX

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PERCENTAGE RETURN BY FUND MANAGER



UBSWA BANK BILL INDEX

MANAGED FUND

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## ***Director Governance, Management & Information Services' Report 2/2004***

<b>SUBJECT:</b>	INVESTMENT OF COUNCIL FUNDS AS AT 31 DECEMBER 2003
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<b>DATE:</b>	14 January, 2004	<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 December 2003" and in the attached graphs

### **CONCLUSION:**

All surplus cash has been invested as at 31 December 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 "Director Governance, Management & Information Services' Report No. 31/2003" dated 14 January 2004 in relation to the investment of Council funds be noted.

**ATTACHMENT/S:**

1. Details of investments and analysis of investment performance as at 31 December 2003.
2. Graphs (7).

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

.....  
BRIAN GREGAN  
MANAGER, FINANCIAL  
SERVICES

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

Investment Manager	Credit Ratings	Amount Invested	Interest Earned December			** 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		Amount	% Return	Amount	% Return	Amount	% Return	
***	#	\$	\$	Month	Annualised For Period		\$			\$		**
LG Financial Services 11am Call	AA	1,918,573	18,853	0.42	5.15	0.45	48,483	N/A	4.92	66,448	N/A	4.90
LGFS Expanded Credit Facility	Af	6,106,064	29,154	0.48	5.80	0.45	106,063	5.88	4.92	106,063	N/A	4.90
Commonwealth Shield Series 12	AA	4,000,000	21,721	0.53	6.45	0.45	79,088	6.45	4.92	79,088	N/A	4.90
UBS Credit Cash Enhanced	Af	11,448,322	53,835	0.47	5.71	0.45	318,203	5.75	4.92	669,967	6.06	4.90
Deutsche Cash Plus	Af	12,514,692	56,199	0.45	5.44	0.45	333,493	5.77	4.92	661,755	5.83	4.90
Macquarie Diversified Treasury	Af	9,490,227	40,320	0.43	5.71	0.45	283,555	5.50	4.92	594,334	5.55	4.90
		<b>45,477,877</b>	<b>220,082</b>		<u>Index %</u> 5.41		<b>1,168,885</b>			<b>2,177,655</b>		

Credit Ratings Poors	Standard &
Extremely strong capacity to pay	AAA
Very strong capacity to pay	AA
Funds exhibit strong protection against credit default	Af

**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 December 2003	220,799 *
For 2003/2004 to 31 December –	1,205,769 **
Original estimate budget for interest earned – 2003/2004	1,818,000

Monthly earning rates for the last three months	Oct %	Nov %	Dec %
LG Financial Services 11am Call	0.38	0.40	0.42
LGFS Expanded Credit Facility	0.51	0.40	0.48
Commonwealth Shield Series 12	0.49	0.49	0.53
UBS Credit Cash Enhanced	0.46	0.42	0.47
Deutsche Cash Plus	0.53	0.38	0.45
Macquarie Diversified Treasury	0.47	0.39	0.43
<b>WDR Bank Bill Index</b>	<b>0.41</b>	<b>0.38</b>	<b>0.45</b>

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

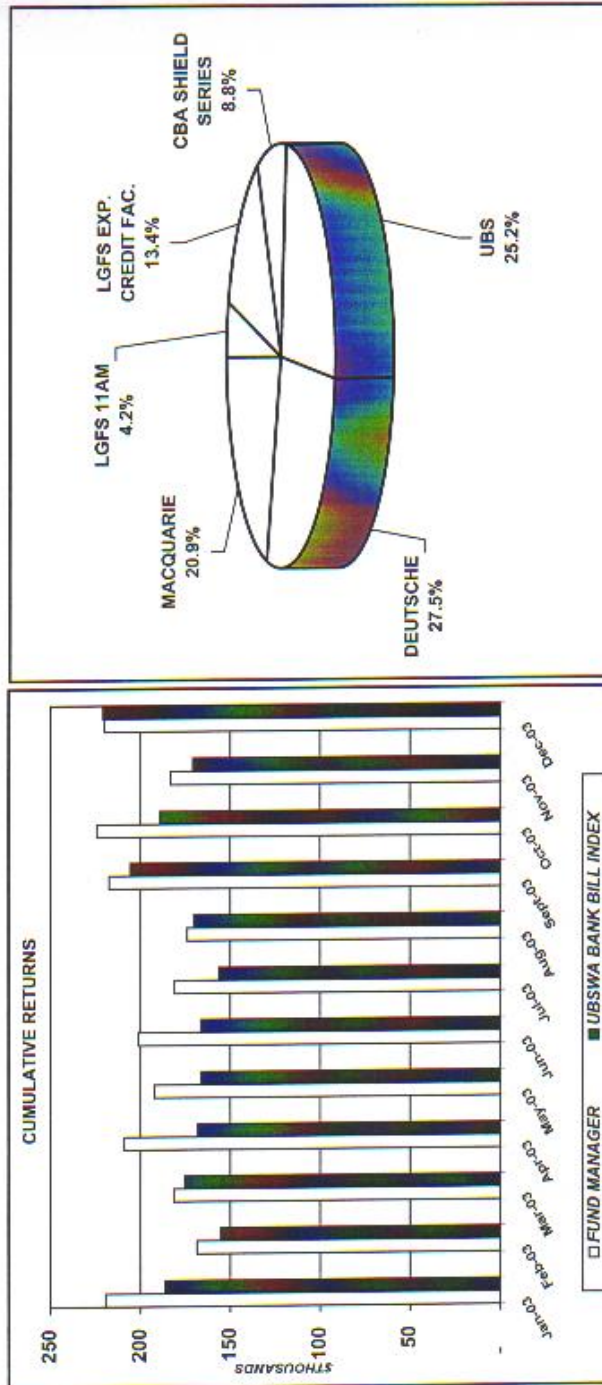
\*\* Includes bank account interest and those Managed Funds no longer used.

\*\*\* The interest return on this investment has been estimated. Interest rates and amounts invested vary on a daily basis.

***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

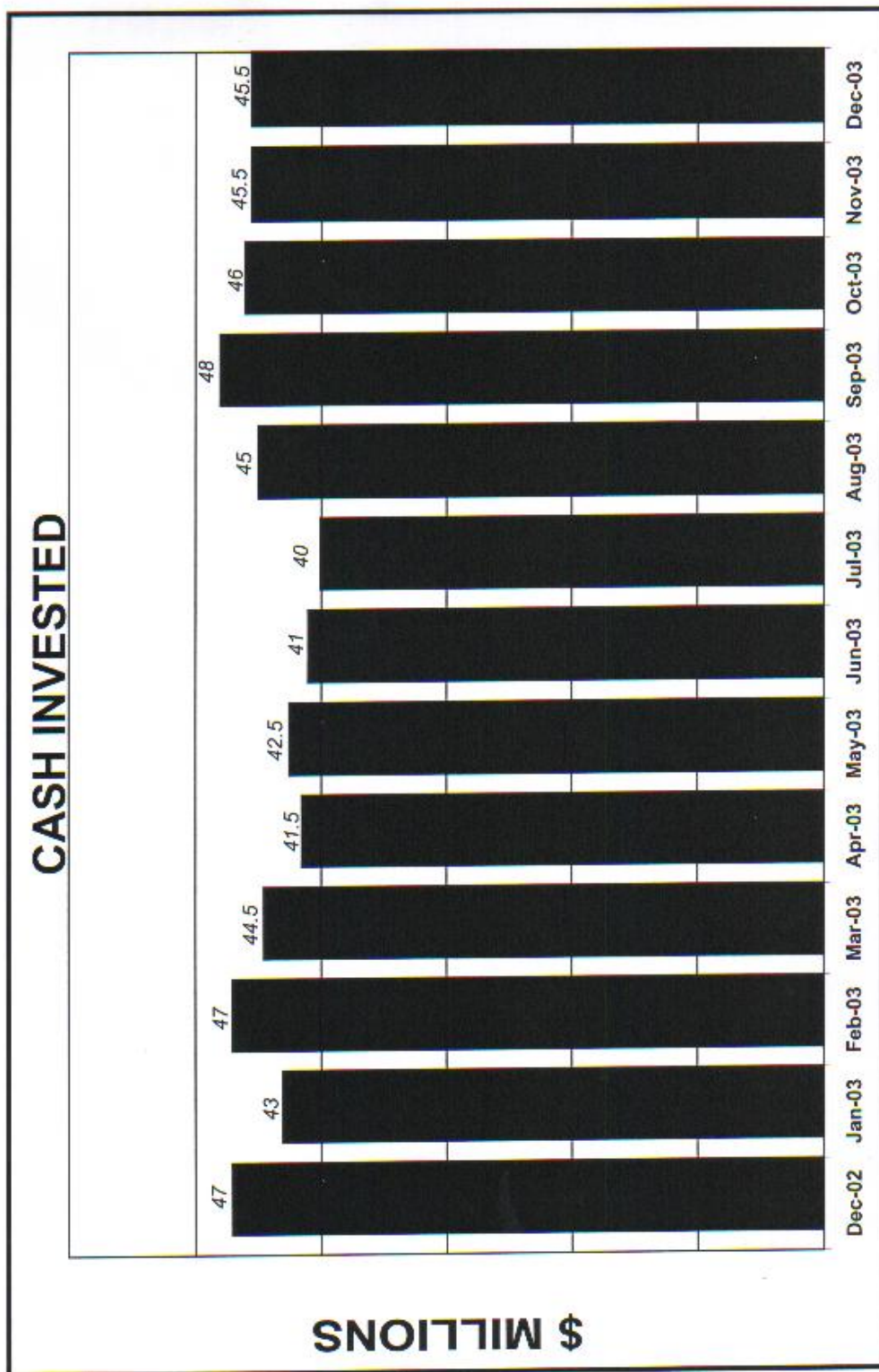
PERCENTAGE ALLOCATION BY FUND MANAGER  
 ALL FUND MANAGER PERFORMANCE VS. UBSWA BANK BILL INDEX  
 AS AT 31 DECEMBER 2003



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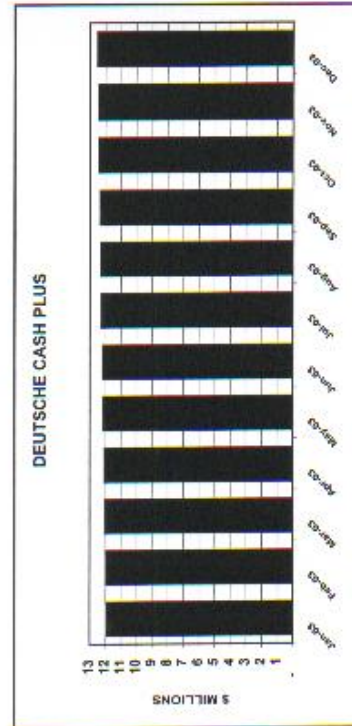
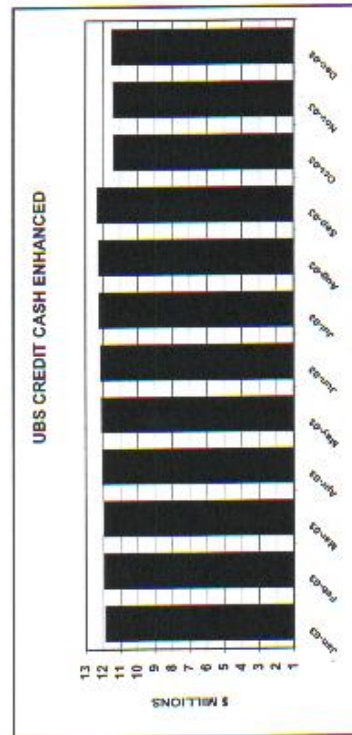
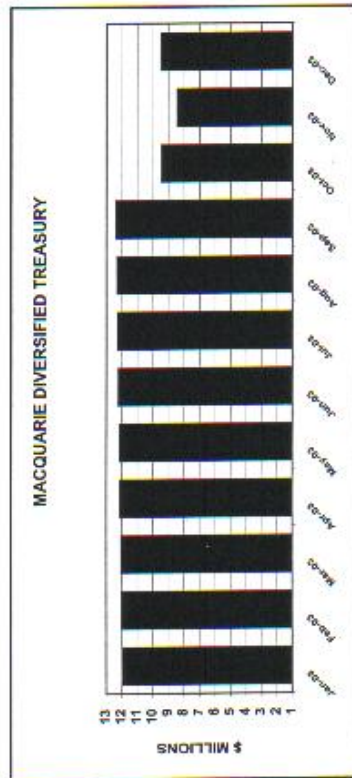




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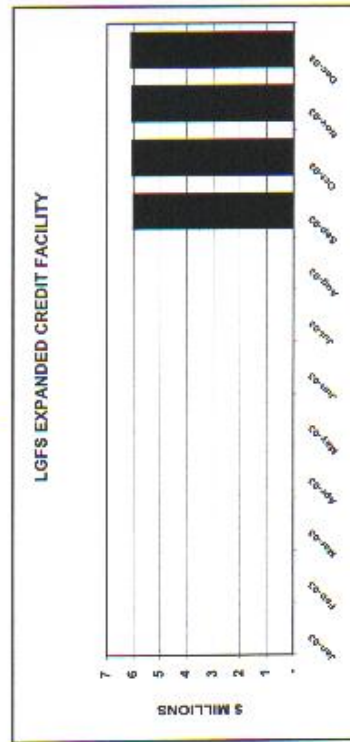
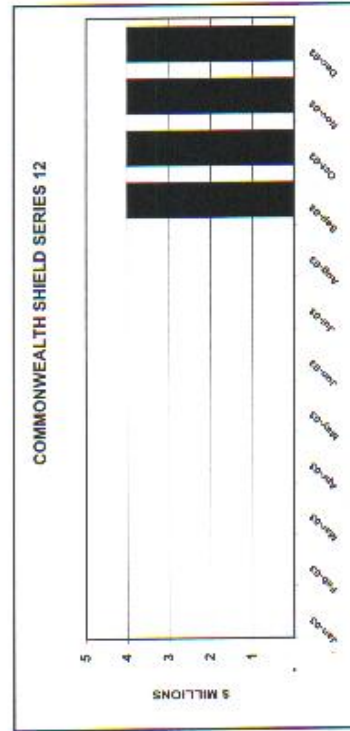
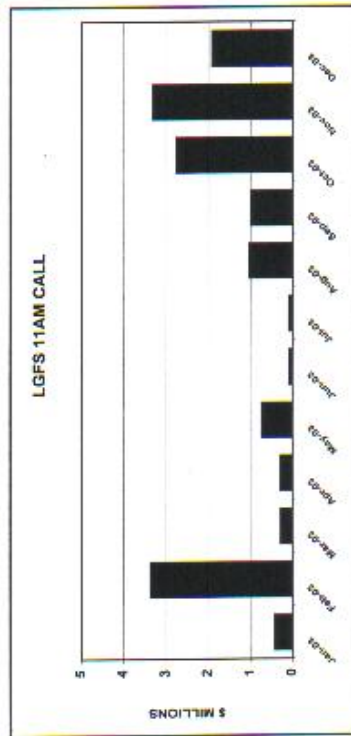
**CASH INVESTMENTS BY FUND MANAGER**



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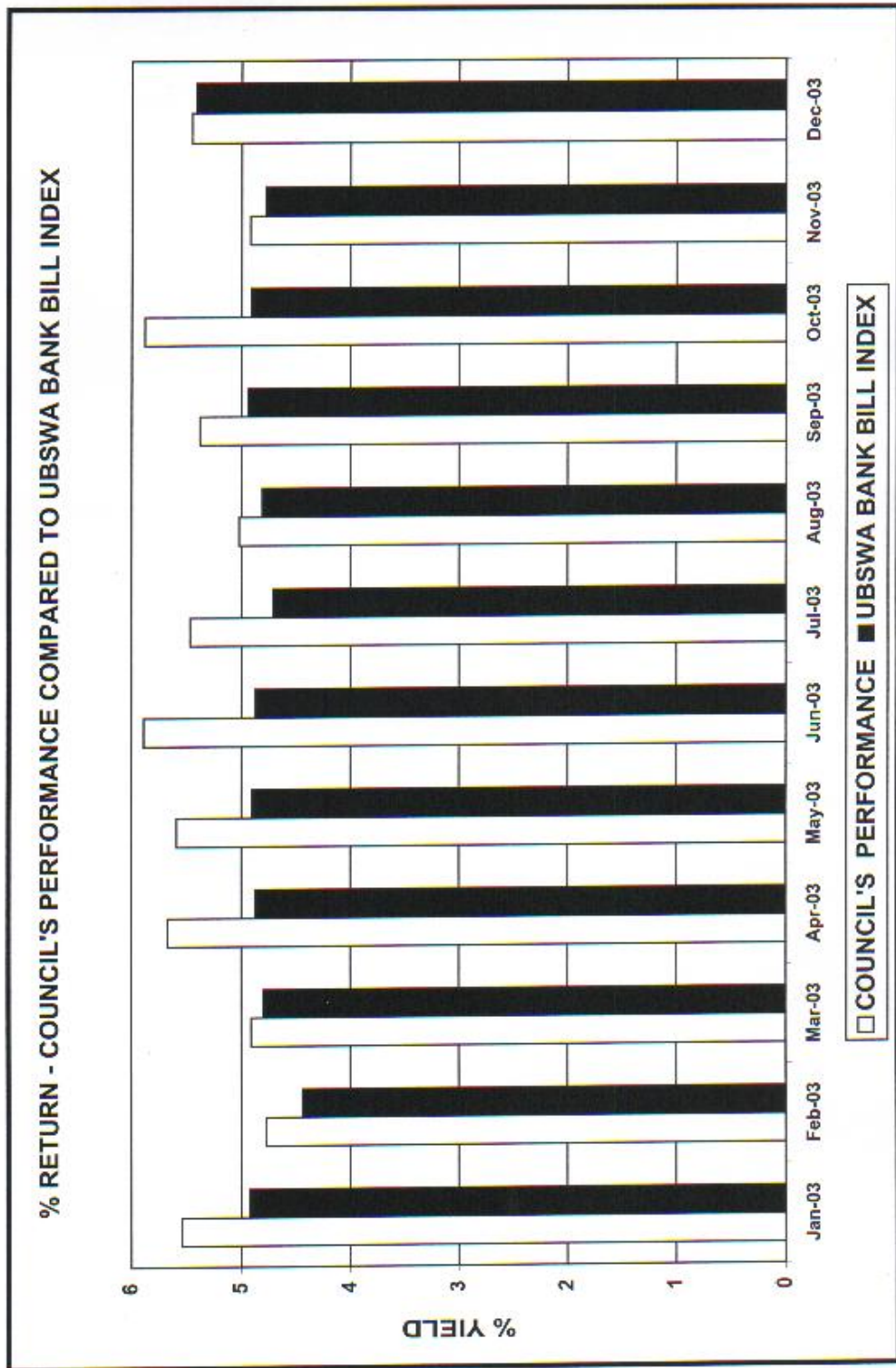
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**CASH INVESTMENTS BY FUND MANAGER**



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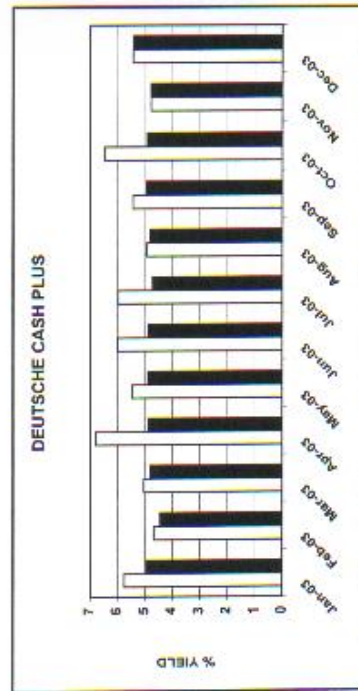
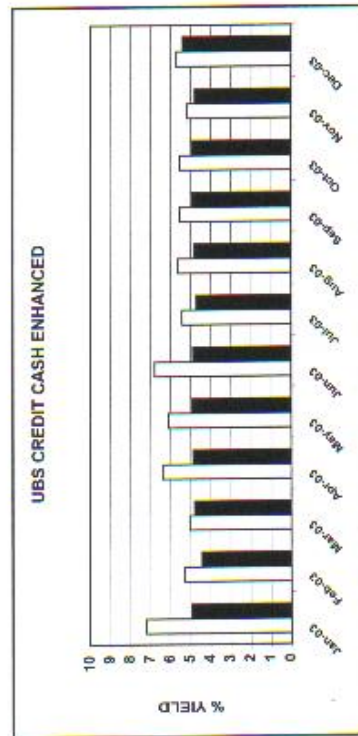
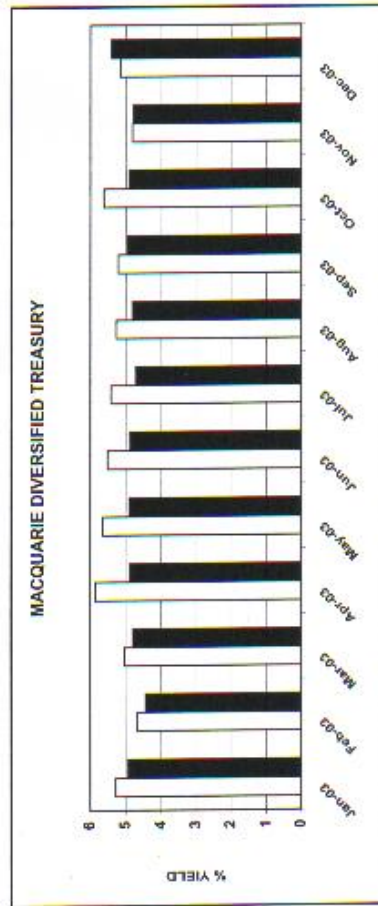
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PERCENTAGE RETURN BY FUND MANAGER

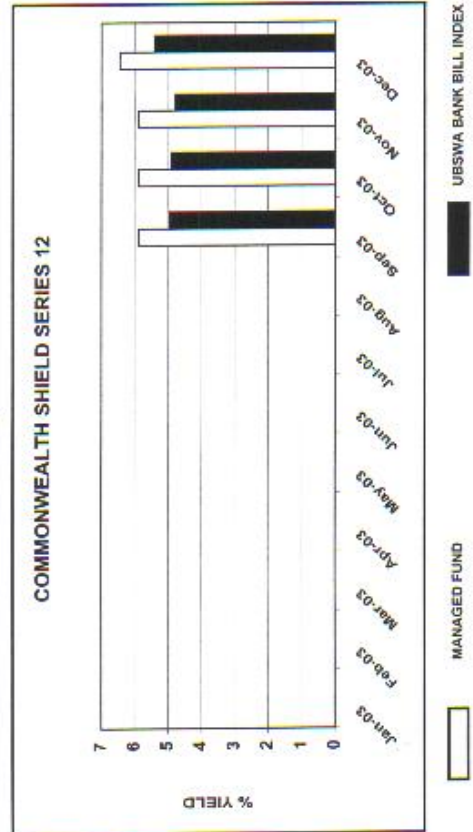
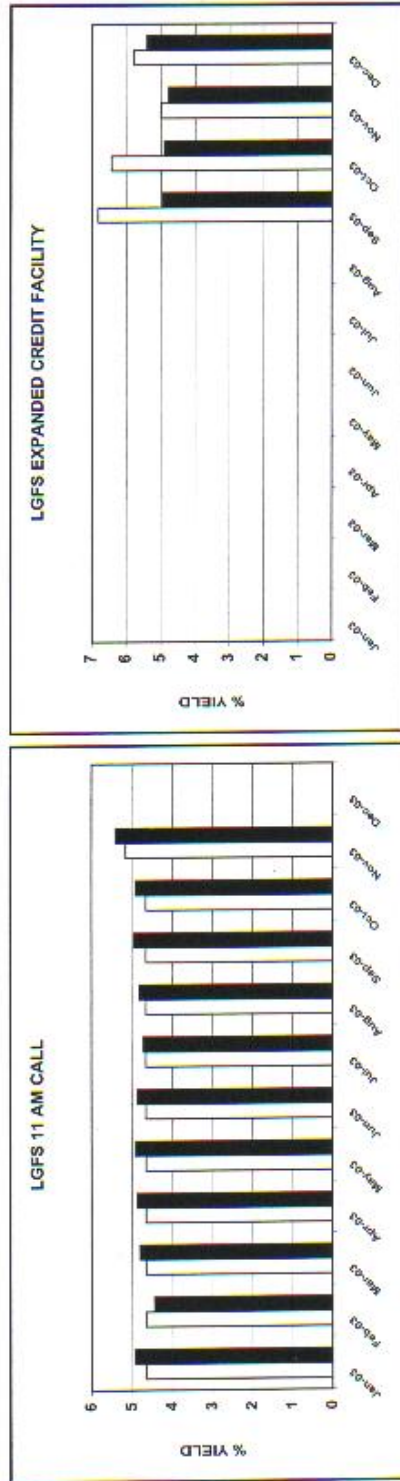


MANAGED FUND      UBSWA BANK BILL INDEX

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