

6th July, 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, 13TH JULY, 2004 AT 6:00 P.M.

Committee Members: His Worship the Mayor, Cr M. Matson, Crs Andrews, Daley, Hughes (Deputy Chairperson), Kenny, Nash, Procopiadis & Seng (Chairperson.)

Quorum: Five (5) members.

NOTE: AT THE EXTRAORDINARY MEETING HELD ON 20TH APRIL, 2004, 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, 8TH JUNE, 2004.

3 Addresses to Committee by the Public

4 Mayoral Minutes

5 Finance

5.1 DIRECTOR GOVERNANCE, MANAGEMENT & 2
INFORMATION SERVICES' REPORT 18/2004 - INVESTMENT
OF COUNCIL FUNDS AS AT 31 MAY 2004.

6 General Business

7 Notice of Rescission Motions

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GENERAL MANAGER



Director Governance, Management & Information Services' Report 18/2004

SUBJECT:	INVESTMENT OF COUNCIL FUNDS AS AT 31 MAY 2004
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DATE:	21 June, 2004	FILE NO:	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 May 2004" and in the attached graphs

CONCLUSION:

All surplus cash has been invested as at 31 May 2004 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. 18/2004 dated 21 June 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 May 2004.
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 31 May 2004**

Investment Manager	Credit Ratings	Amount Invested	Interest Earned May				UBSWA Bank Bill Index %	Interest Earned Financial Year to Date		UBSWA Bank Bill Index %	Interest Earned Last 12 Months		UBSWA Bank Bill Index %
			Amount	Month	% Return	Annualised For Period		Amount	% Return		Amount	% Return	
		\$	\$	Month	Annualised For Period	#	\$			\$		#	

LG Financial Services 11am Call	AA	6,328,620	13.229	0.42	5.15	0.47	102,906	N/A	5.26	104,113	N/A	5.24	
LGFS Expanded Credit Facility	Af	7,580,501	30.551	0.41	4.92	0.47	280,499	6.05	5.26	280,499	N/A	5.24	
Commonwealth Shield Series 12	AA	4,000,000	22.191	0.54	6.55	0.47	187,372	6.55	5.26	187,372	N/A	5.24	
Commonwealth Shield Series 21	AA	1,000,000	-	-	-	-	-	N/A	-	-	N/A	-	
UBS Credit Cash Enhanced	Af	6,957,192	35.481	0.51	6.21	0.47	527,074	5.97	5.26	582,295	6.07	5.24	
Deutsche Cash Plus	Af	7,742,715	37.613	0.49	5.90	0.47	561,516	6.04	5.26	519,836	6.10	5.24	
Macquarie Diversified Treasury	Af	6,472,964	29.723	0.46	5.57	0.47	466,291	5.83	5.26	520,082	5.84	5.24	
Macquarie Income Plus	Af	5,088,850	24.566	0.49	5.86	0.47	88,850	N/A	5.26	88,850	N/A	5.24	
					Index %								
		45,170,842	193.355		5.71		2,214,508			2,283,047			

Credit Ratings	Standard & Poors
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 May 2004	193,533 *
For 2003/2004 to 31 May –	2,255,383 **
Original estimate budget for interest earned – 2003/2004	1,818,000
Current estimate budget for interest earned – 2003/2004	2,300,000

Monthly earning rates for the last three months	Mar %	Apr %	May %
LG Financial Services 11am Call	0.42	0.42	0.42
LGFS Expanded Credit Facility	0.50	0.62	0.41
Commonwealth Shield Series 12	0.54	0.54	0.54
Commonwealth Shield Series 21	-	-	-
UBS Credit Cash Enhanced	0.51	0.45	0.51
Deutsche Cash Plus	0.53	0.51	0.49
Macquarie Diversified Treasury	0.51	0.51	0.46
Macquarie Income Plus	0.55	0.48	0.49
UBSWA Bank Bill Index	0.48	0.45	0.47

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

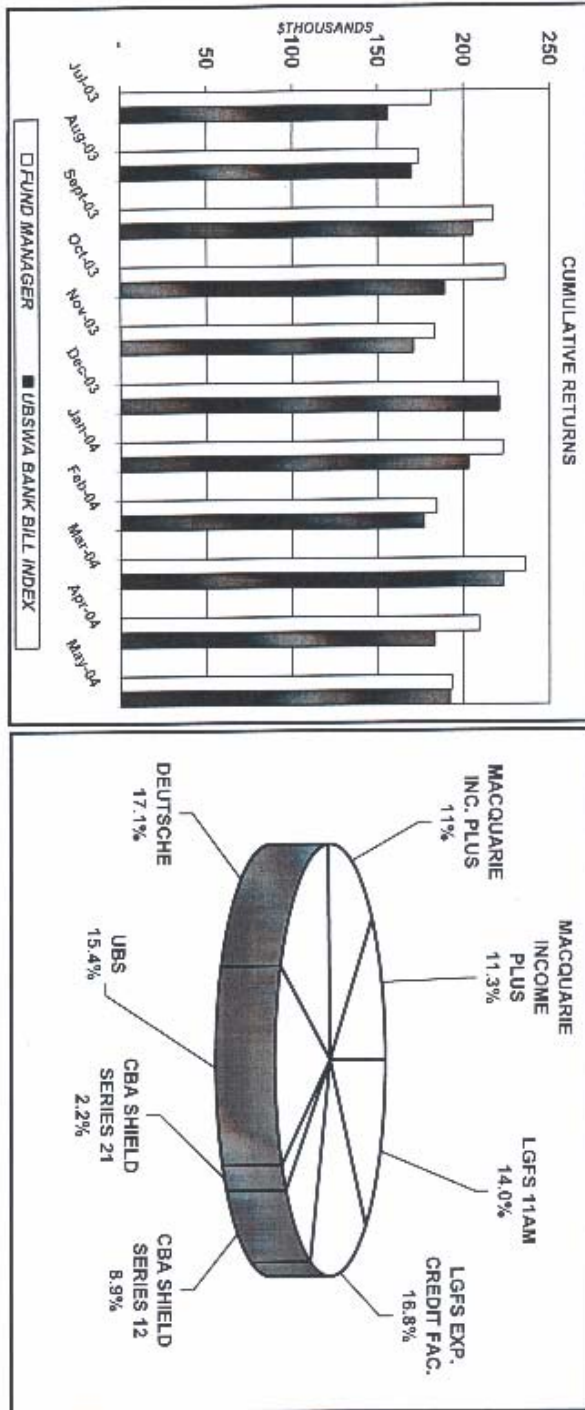
** Includes bank account interest and those Managed Funds no longer used.

*** 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.

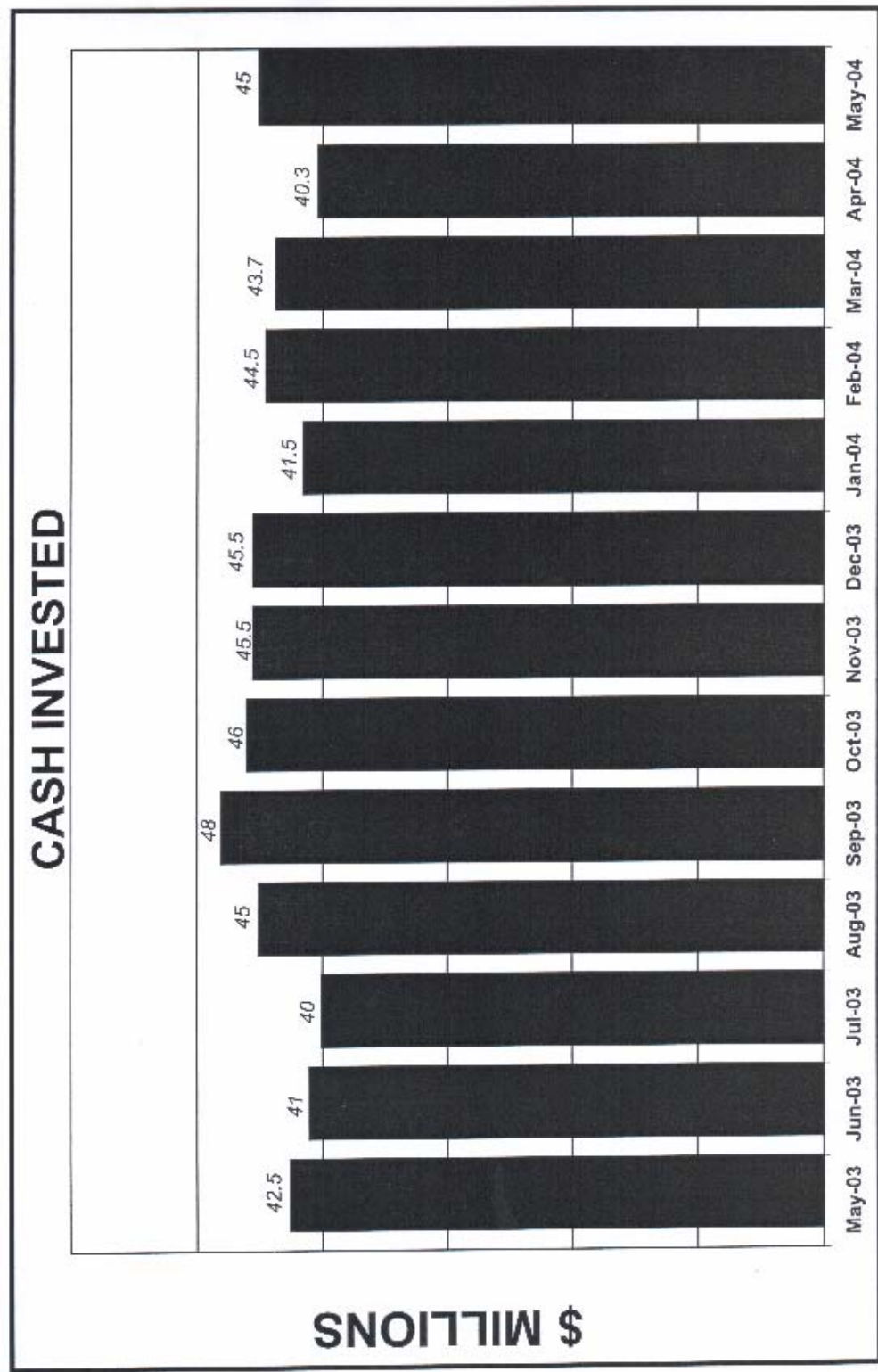
BRIAN GREGAN
MANAGER, FINANCIAL SERVICES DIVISION

PERCENTAGE ALLOCATION BY FUND MANAGER
 ALL FUND MANAGER PERFORMANCE VS. UBSWA BANK BILL INDEX
 AS AT 31 MAY 2004



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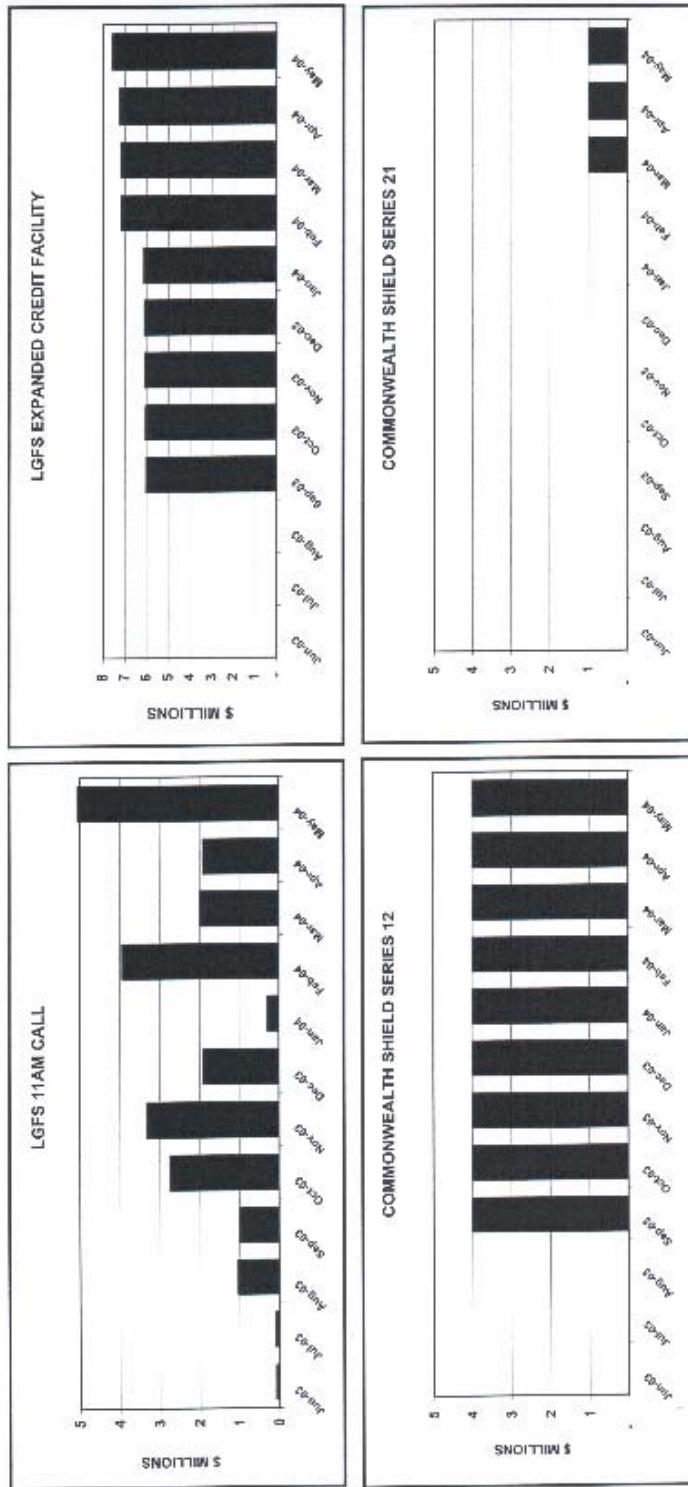
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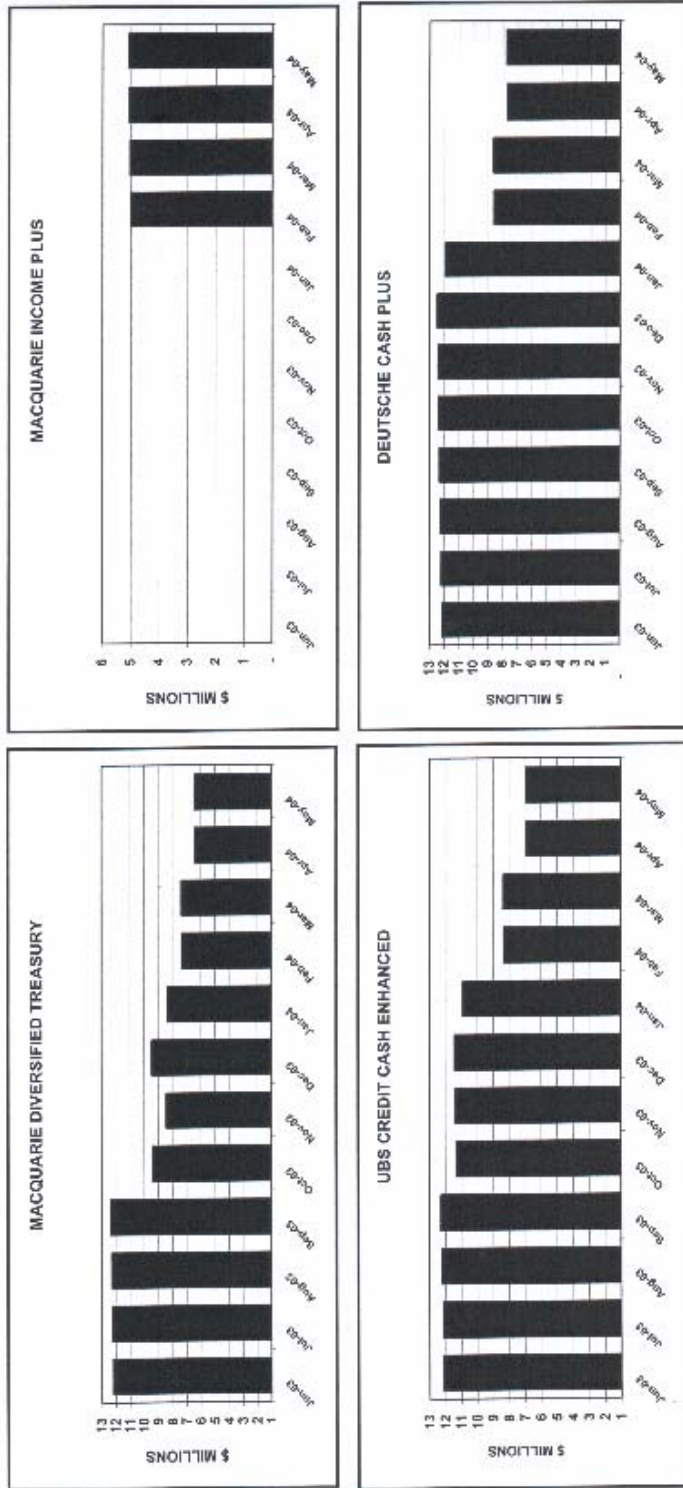
CASH INVESTMENTS BY FUND MANAGER



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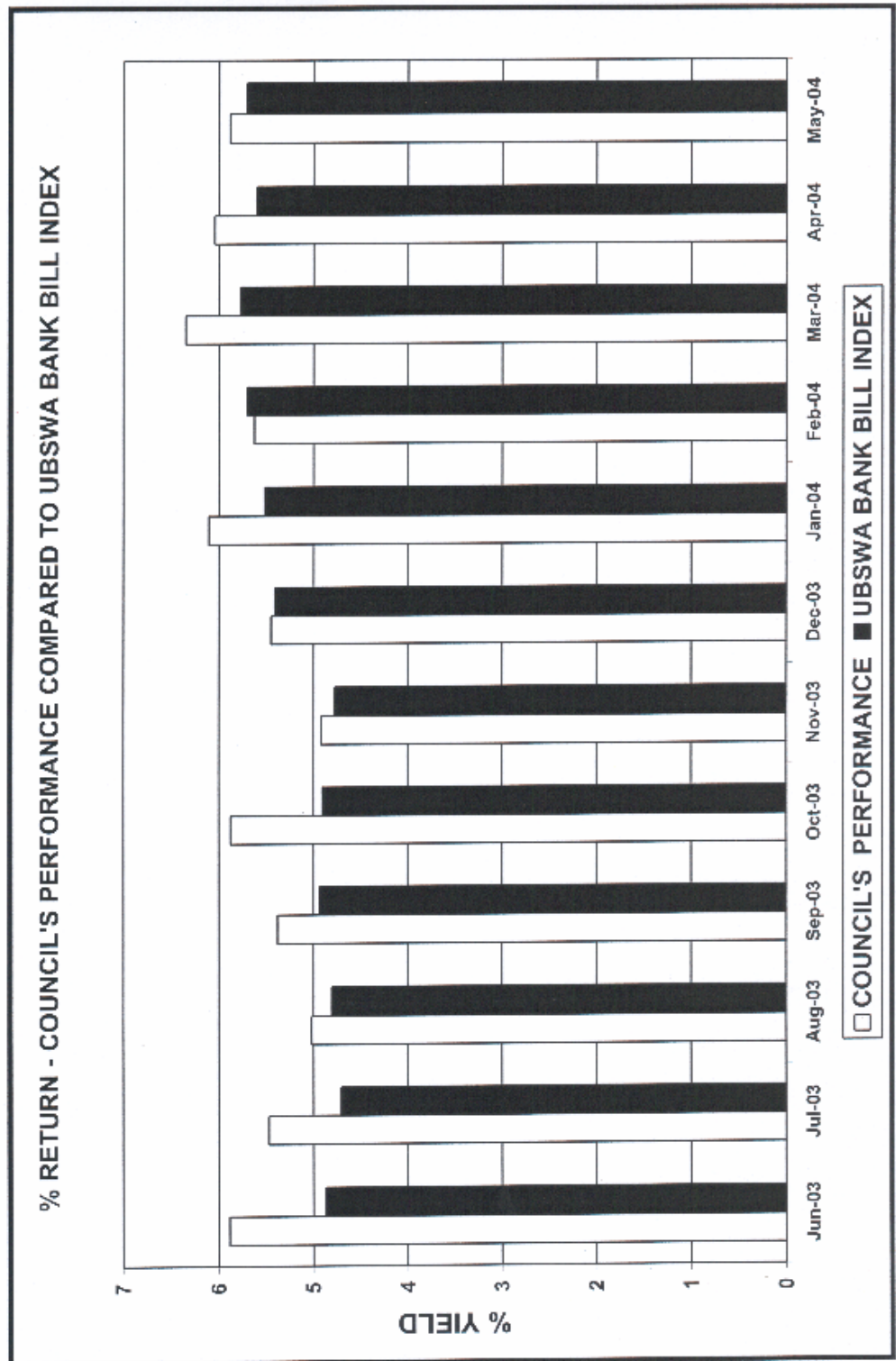
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CASH INVESTMENTS BY FUND MANAGER



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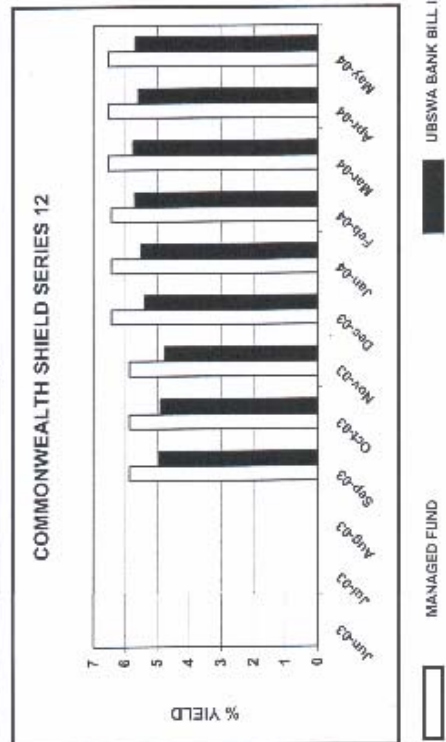
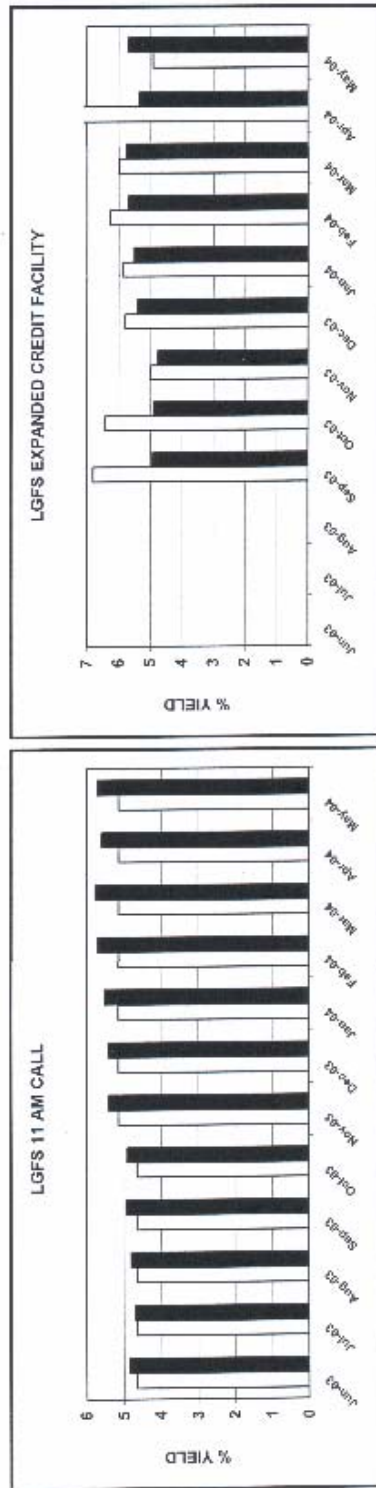
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PERCENTAGE RETURN BY FUND MANAGER



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 ITEM 5.1
 2/13/2004

PERCENTAGE RETURN BY FUND MANAGER

