



4<sup>th</sup> October, 2005

## 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, 11<sup>TH</sup> OCTOBER, 2005 AT 6:00 P.M.

Committee Members: His Worship the Mayor, Cr T. Seng, Bastic, Daley, Hughes (Chairperson), Kenny, Matson, Nash (Deputy Chairperson), & Sullivan

Quorum: Five (5) members.

**NOTE:** AT THE EXTRAORDINARY MEETING HELD ON 28<sup>TH</sup> SEPTEMBER, 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, 13<sup>TH</sup> SEPTEMBER, 2005.

**3 Declaration of Pecuniary & Non-Pecuniary Interests**

**4 Addresses to Committee by the Public**

**5 Finance**

5.1 DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 40/2005 - INVESTMENT OF COUNCIL FUNDS AS AT 31 AUGUST 2005. 2

5.2 DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 41/2005 - COUNCILLORS' DONATIONS FOR 2005/2006 FINANCIAL YEAR. 13

**6 General Business**

**7 Notice of Rescission Motions**

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GENERAL MANAGER

## ***Director, Governance & Financial Services' Report 40/2005***



|                 |  |
|-----------------|--|
| <b>SUBJECT:</b> | INVESTMENT OF COUNCIL FUNDS AS AT 31 AUGUST 2005 |
|-----------------|--|

|              |                    |                 |             |
|--------------|--------------------|-----------------|-------------|
| <b>DATE:</b> | 20 September, 2005 | <b>FILE NO:</b> | F2004/06527 |
|--------------|--------------------|-----------------|-------------|

**REPORT BY:** DIRECTOR, GOVERNANCE & FINANCIAL 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 23 September, 2005.

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 monies 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 August, 2005" and in the attached graphs.

### **FINANCIAL IMPACT STATEMENT:**

The budget provision for income from this source is \$2.925M. Income to 31 August, 2005 amounted to \$442,474.

### **CONCLUSION:**

All surplus cash has been invested as at 31 August, 2005 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 & Financial Services’ Report No. 40/2005 dated 20 September, 2005 in relation to the investment of Council funds be noted.

**ATTACHMENT/S:**

1. Details of investments and analysis of investment performance as at 31 August 2005.
2. Graphs (7).

.....  
GEOFF BANTING  
DIRECTOR, GOVERNANCE &  
FINANCIAL SERVICES

.....  
BRIAN GREGAN  
MANAGER, FINANCIAL  
SERVICES

**DETAILS OF CASH INVESTMENTS AND ANALYSIS OF INVESTMENT PERFORMANCE  
AS AT 31 AUGUST 2005**

| Investment Manager  | Credit Ratings | Amount Invested     | Interest Earned August |          |                       | UBS Aust. Bank Bill Index % | Interest Earned Financial Year to Date |      | UBS Aust. Bank Bill Index % | Interest Earned Last 12 Months |      | UBS Aust. Bank Bill Index % |
|---|----------------|---------------------|------------------------|----------|-----------------------|-----------------------------|--|------|-----------------------------|--------------------------------|------|-----------------------------|
|   |                |                     | Amount                 | % Return |                       |                             | Amount                                 | %    |                             | Amount                         | %    |                             |
|   |                | \$                  | \$                     | Month    | Annualised For Period | #                           | \$                                     |      |                             | \$                             |      | #                           |
| **  |                |                     |                        |          |                       |                             |  |      |                             |                                |      |                             |
| LG Financial Services 11am Call   | AA             | 7,325,197           | 14,743                 | 0.45     | 5.40                  | 0.48                        | 17,169                                 | N/A  | 5.79                        | 168,660                        | N/A  | 5.67                        |
| LGFS Expanded Credit Facility   | Af             | 7,621,792           | 33,891                 | 0.50     | 6.01                  | 0.48                        | 79,932                                 | 6.17 | 5.79                        | 560,200                        | N/A  | 5.67                        |
| Macquarie Income Plus   | Af             | 4,087,138           | 20,709                 | 0.51     | 6.13                  | 0.48                        | 43,128                                 | 6.29 | 5.79                        | 371,047                        | 6.21 | 5.67                        |
| Deutsche Income   | Af             | 6,863,526           | 34,085                 | 0.50     | 6.04                  | 0.48                        | 73,844                                 | 6.65 | 5.79                        | 225,381                        | 6.45 | 5.67                        |
| ING Enhanced Cash   | Af             | 6,914,201           | 27,433                 | 0.51     | 6.16                  | 0.48                        | 53,755                                 | 6.22 | 5.79                        | 161,561                        | 6.37 | 5.67                        |
| Merrill Lynch Enhanced Credit   | Af             | 6,711,039           | 26,833                 | 0.40     | 4.83                  | 0.48                        | 74,508                                 | 7.02 | 5.79                        | 188,302                        | 6.76 | 5.67                        |
| ANZ Return 1.25% over BBSW adjusted quarterly                               | AA-            | 2,000,000           | 11,636                 | 0.57     | 6.85                  | 0.48                        | 23,350                                 | N/A  | 5.79                        | 65,853                         | N/A  | 5.67                        |
| Commonwealth Shield Series 12 1% over BBSW adjusted quarterly               | AA             | 4,000,000           | 22,626                 | 0.55     | 6.66                  | 0.48                        | 45,252                                 | N/A  | 5.79                        | 262,525                        | N/A  | 5.67                        |
| Commonwealth Shield Series 21 Capital Prot. Hedge Fund target return 9%-12% | AA             | 1,000,000           | -                      | 0.34     | 4.17                  | 0.48                        | -                                      | N/A  | 5.79                        | 43,361                         | N/A  | 5.67                        |
| Commonwealth Shield Series 24 1.50% over BBSW adjusted quarterly            | AA             | 2,500,000           | 15,203                 | 0.59     | 7.16                  | 0.48                        | 30,406                                 | N/A  | 5.79                        | 176,408                        | N/A  | 5.67                        |
| Managed Funds No Longer Used  |                |                     |                        |          |                       |                             |  |      |                             | 608,679                        |      |                             |
| General Fund Bank Account   |                |                     |                        |          | Index %               |                             | 1,130                                  |      |                             |                                |      |                             |
|   |                | <b>\$49,022,893</b> | <b>\$207,159</b>       |          | 5.78                  |                             | <b>\$442,474</b>                       |      |                             | <b>\$2,831,977</b>             |      |                             |

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

| #UBS Aust. 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 August 2005   | 207,159 * |
| For 2005/2006 –  | 442,474 * |
| Original estimate budget for interest earned – 2005/2006 | 2,925,000 |

| Monthly earning rates for the last three months | Jun<br>%    | Jul<br>%    | Aug<br>%    |
|---|-------------|-------------|-------------|
| LG Financial Services 11am Call                 | 0.45        | 0.45        | 0.45        |
| LGFS Expanded Credit Facility                   | 0.51        | 0.57        | 0.50        |
| Macquarie Income Plus                           | 0.49        | 0.52        | 0.51        |
| Deutsche Income                                 | 0.48        | 0.59        | 0.50        |
| ING Enhanced Cash                               | 0.50        | 0.49        | 0.51        |
| Merrill Lynch Enhanced Credit                   | 0.43        | 0.72        | 0.40        |
| ANZ   | 0.58        | 0.57        | 0.57        |
| Commonwealth Shield Series 12                   | 0.55        | 0.55        | 0.55        |
| Commonwealth Shield Series 21                   | 0.53        | 1.08        | 0.34        |
| Commonwealth Shield Series 24                   | 0.59        | 0.59        | 0.59        |
| <b>UBS Aust. Bank Bill Index</b>                | <b>0.46</b> | <b>0.48</b> | <b>0.48</b> |

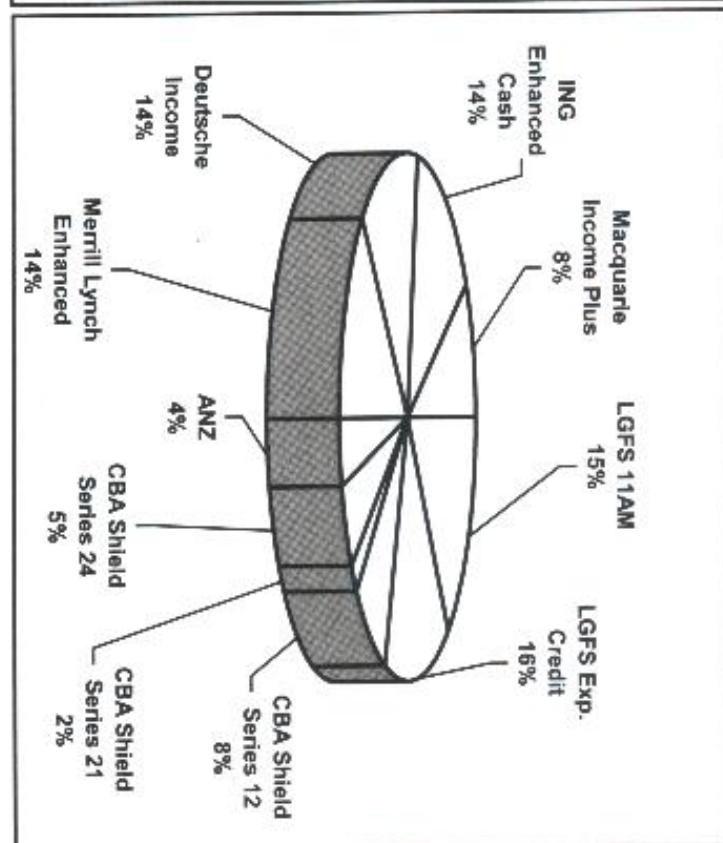
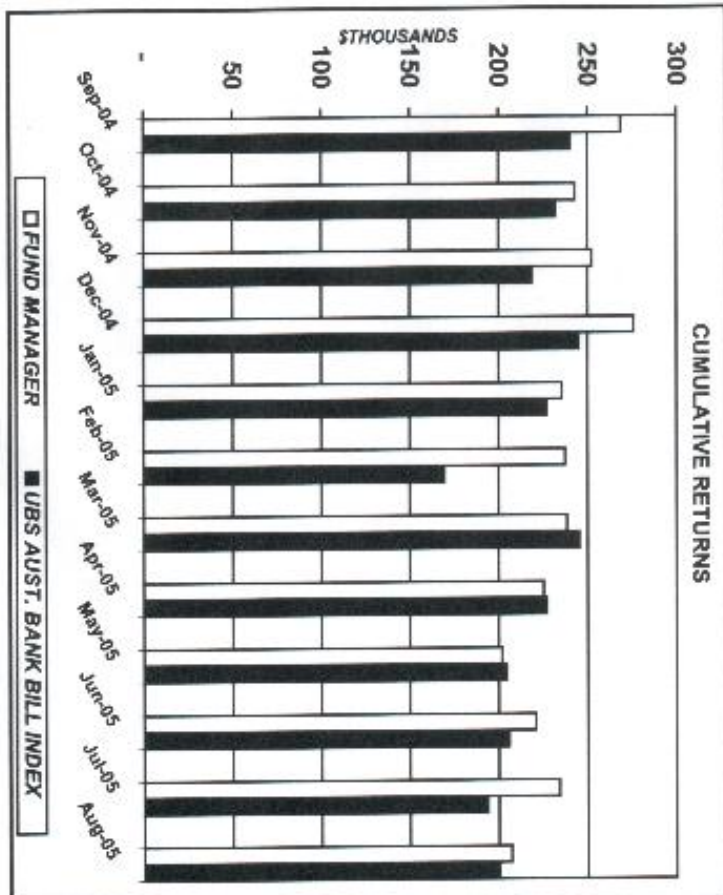
\* Includes bank account interest as well as interest on investments with Managed Funds.

\*\* 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.*

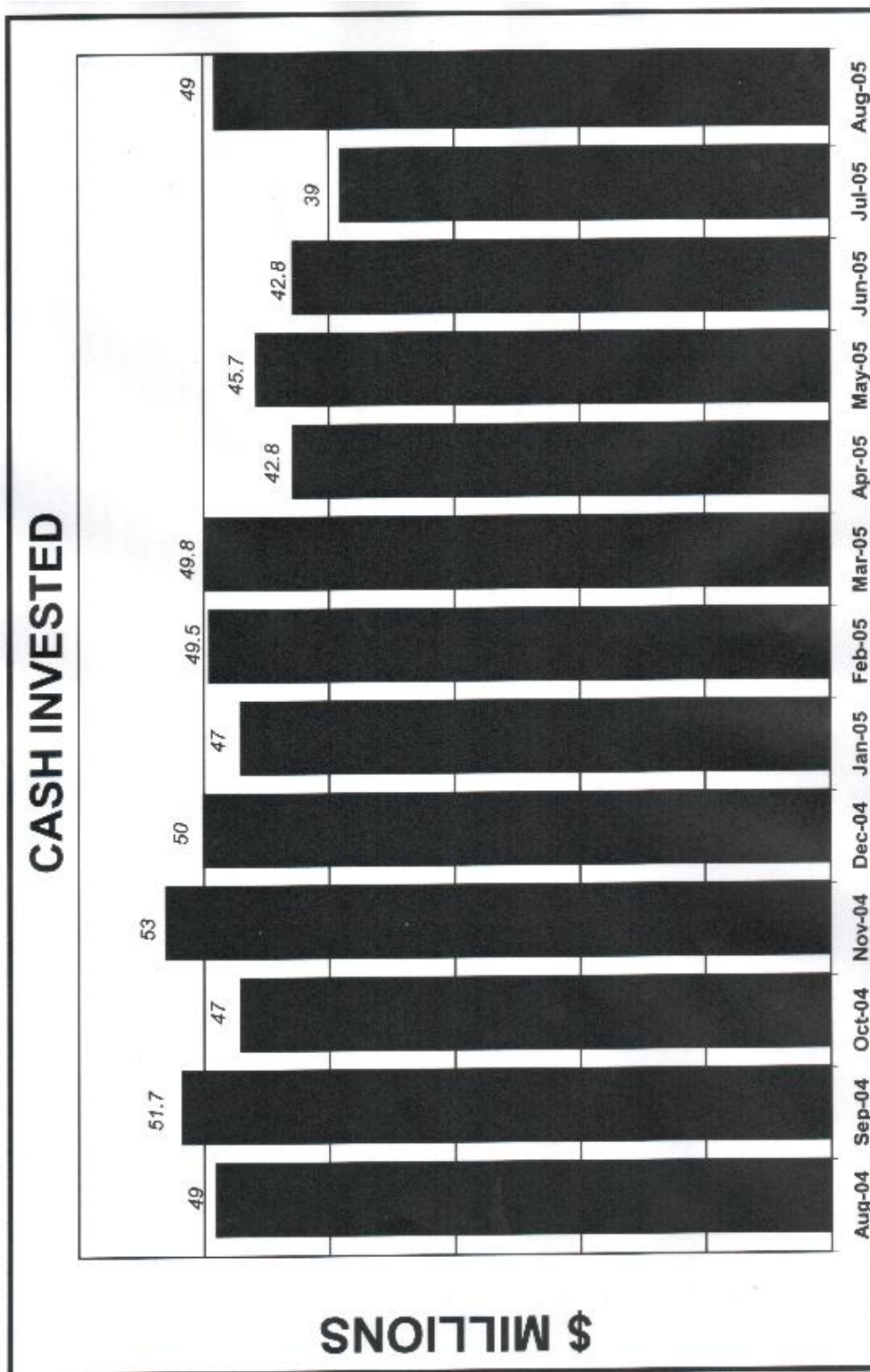
**BRIAN GREGAN**  
**MANAGER, FINANCIAL SERVICES DIVISION**

PERCENTAGE ALLOCATION BY FUND MANAGER  
 ALL FUND MANAGER PERFORMANCE VS. UBS AUST. BANK BILL INDEX  
 AS AT 31 AUGUST 2005



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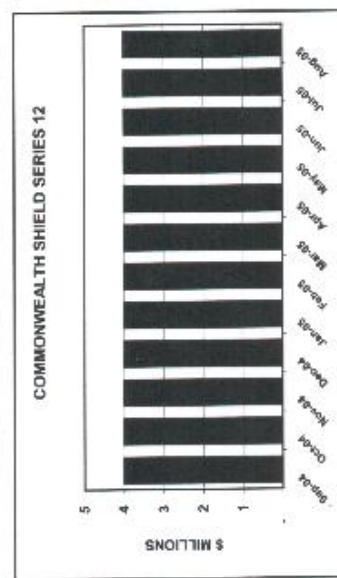
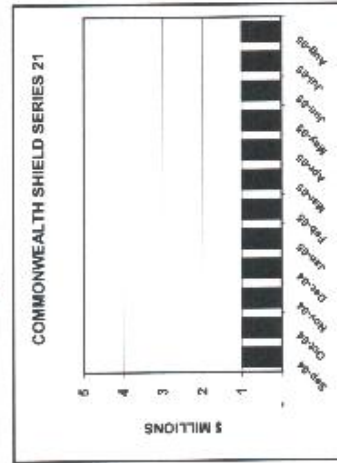
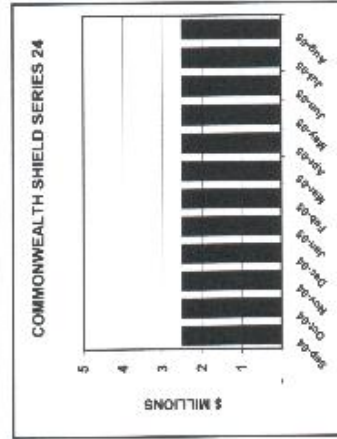
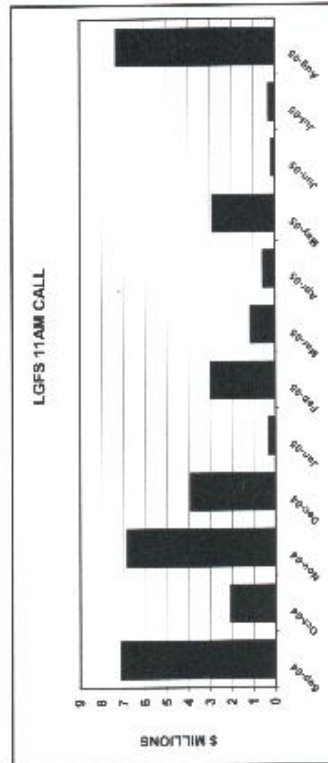
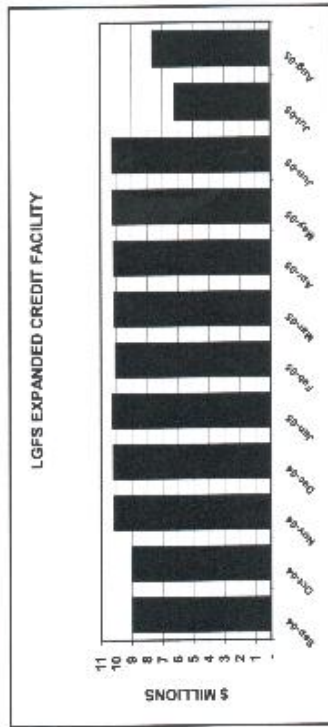
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**CASH INVESTMENTS BY FUND MANAGER**

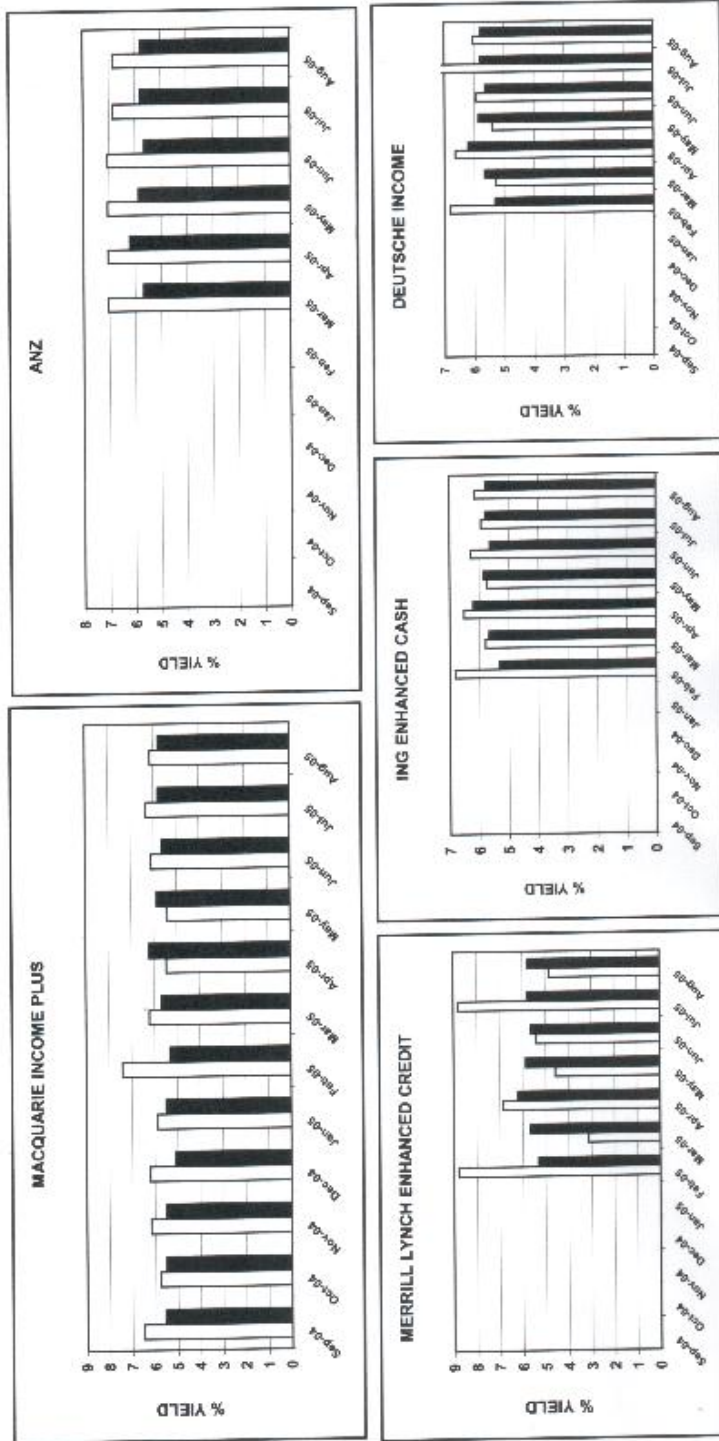


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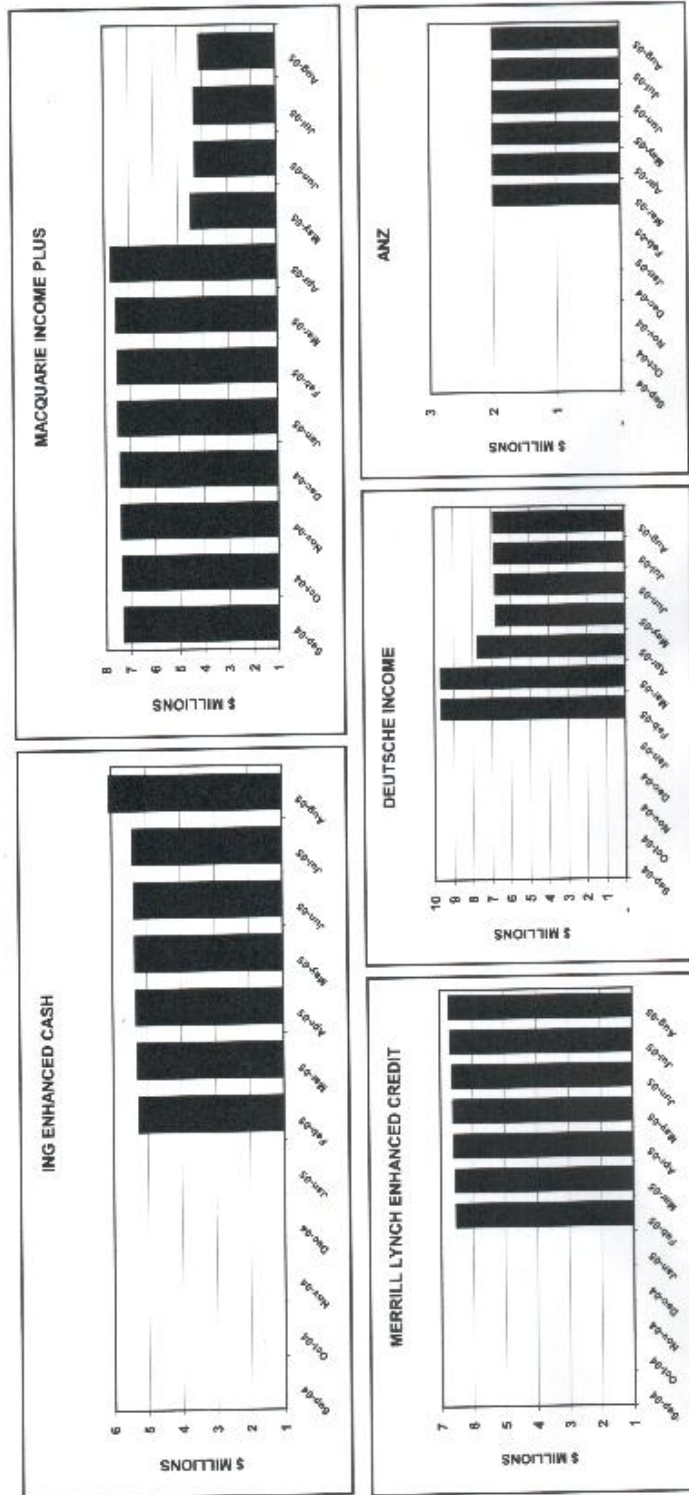
PERCENTAGE RETURN BY FUND MANAGER



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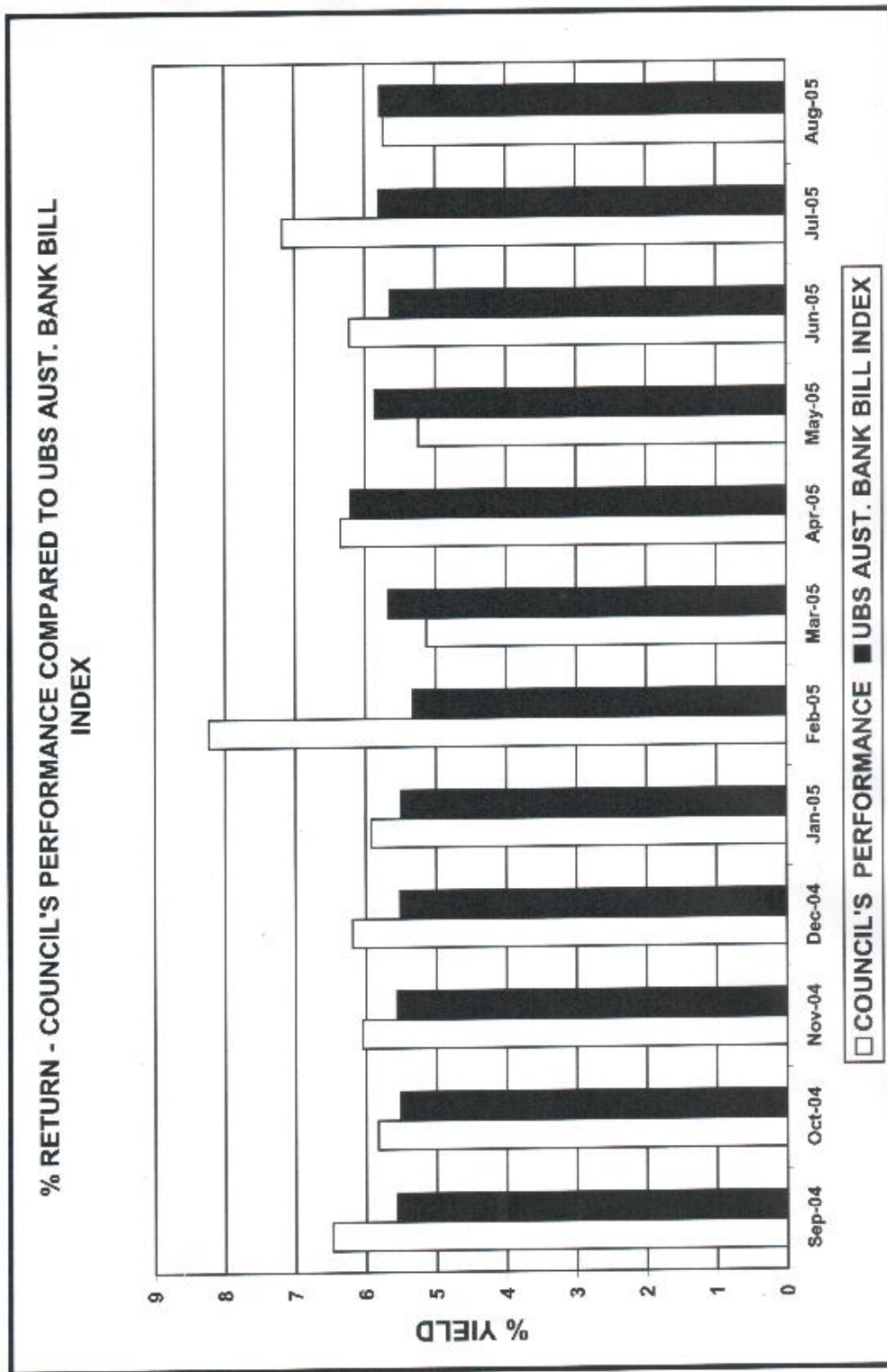
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**CASH INVESTMENTS BY FUND MANAGER**



25/10/05

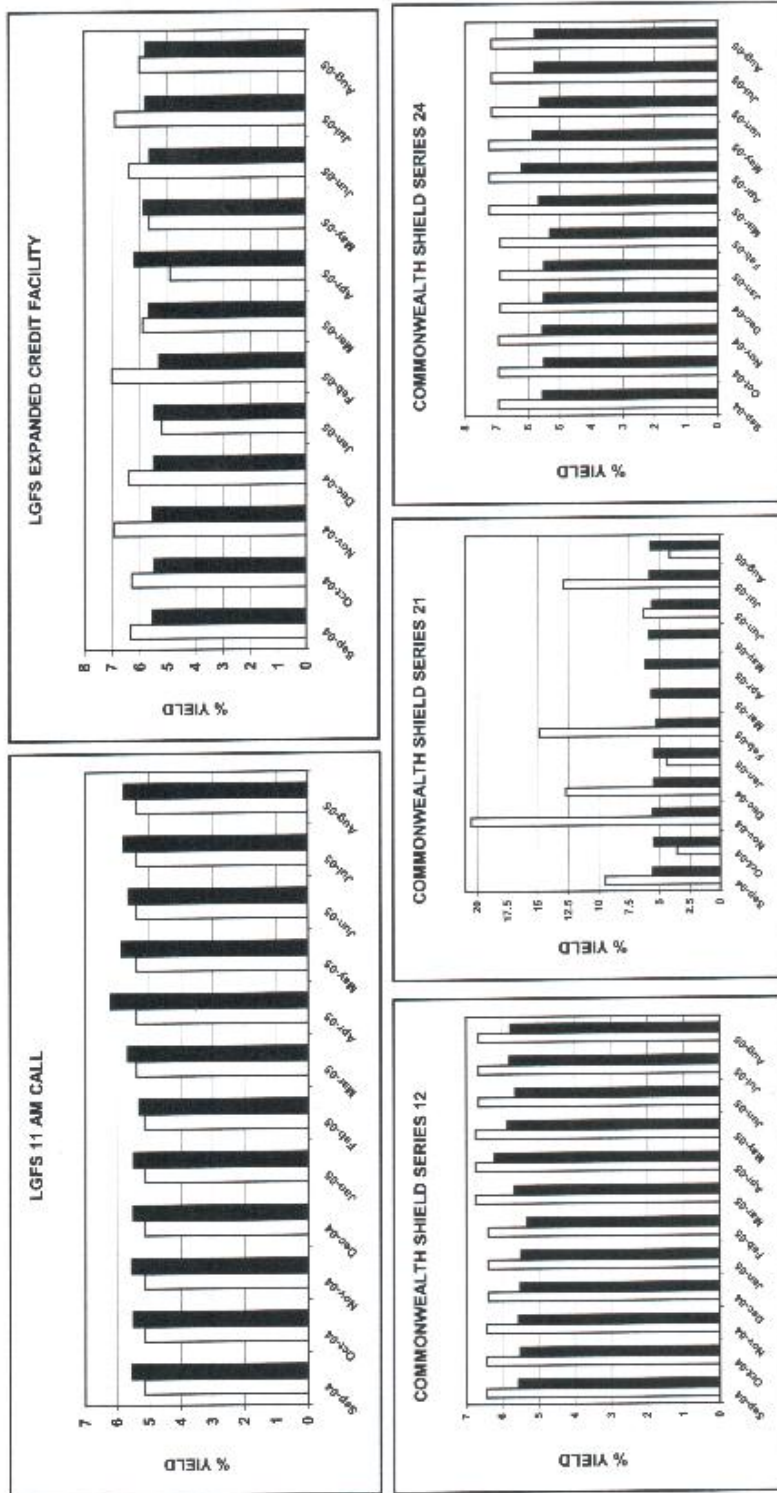
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PERCENTAGE RETURN BY FUND MANAGER



28/06/2006

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## *Director, Governance & Financial Services' Report 41/2005*

|                 |   |
|-----------------|---|
| <b>SUBJECT:</b> | COUNCILLORS' DONATIONS FOR 2005/2006 FINANCIAL YEAR |
|-----------------|---|

|              |                    |                 |                               |
|--------------|--------------------|-----------------|-------------------------------|
| <b>DATE:</b> | 29 September, 2005 | <b>FILE NO:</b> | F2004/07369 xr<br>F2005/00182 |
|--------------|--------------------|-----------------|-------------------------------|

**REPORT BY:** DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

### **INTRODUCTION:**

To keep Councillors aware of the progressive amount of Councillors' donations, allocations, waiving of fees and other similar issues for the current financial year.

### **ISSUES:**

In the 2005/06 financial year there have been eleven (11) Councillors' donations totalling \$19,568.96 as listed in the table below.

| <b>MEETING</b>                                  | <b>DETAILS</b>   | <b>AMOUNT</b>         |
|---|--|-----------------------|
| Ordinary Council – 28 <sup>th</sup> June 2005   | Disability Information Referral Centre - Access Aware Program          | \$2,000.00 (GST free) |
| Ordinary Council – 26 <sup>th</sup> July 2005   | Industrial Relations Reform – Donation to ACTU                         | \$1,000.00 (GST free) |
| Ordinary Council – 26 <sup>th</sup> July 2005   | Industrial Relations Reform – Purchase of Banners                      | To be advised         |
| Ordinary Council – 26 <sup>th</sup> July 2005   | Peninsular LATM Kingsford/Kensington area – Purchase of Street Banners | To be advised         |
| Ordinary Council – 23 <sup>rd</sup> August 2005 | Sonja St Leon Memorial Eating Disorders Research Fund                  | \$500.00 (GST free)   |
| Ordinary Council – 23 <sup>rd</sup> August 2005 | Fun Run/Oktoberfest & Market Day                                       | \$3008.50 (incl GST)  |
| Ordinary Council – 23 <sup>rd</sup> August 2005 | Maroubra Seals Winter Swimming Clubs annual Championships              | \$605.00 (incl GST)   |

|  |  |  |
|--|--|--|
| Ordinary Council – 23 <sup>rd</sup> August<br>2005 | Access Ramps Convoy – Rally,<br>Posters & Letterbox Drop | To be advised  |
| Ordinary Council – 23 <sup>rd</sup> August<br>2005 | Australia Day Botany Bay<br>Regatta                      | \$5000.00<br>(reception in<br>Feb 06).<br>\$500.00<br>contribution (GST<br>Free) |
| Ordinary Council – 27 <sup>th</sup> August<br>2005 | Carols by the Sea  | \$1,448.64<br>(excl. GST)  |
| Ordinary Council – 27 <sup>th</sup> August<br>2005 | Coogee Family Fun Day                                    | \$5,506.82<br>(excl. GST)  |
| <b>TOTAL</b>                                       |  | <b>\$ 19,568.96</b>  |

**FINANCIAL IMPACT STATEMENT:**

Council has allocated \$120,000.00 in the 2005/2006 Budget for contingencies.

**RECOMMENDATION:**

That the Director, Governance & Financial Services Report No. 41/2005 dated 28<sup>th</sup> September, 2005 in relation to the progressive amount of Councillors' donations, allocations, waiving of fees and other similar issues for the 2005/06 financial year be noted.

**ATTACHMENT/S:**

Nil

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GEOFF BANTING  
DIRECTOR, GOVERNANCE &  
FINANCIAL SERVICES