

*Report by Aneet Singh, Senior Accountant*

**RECOMMENDATION**

***That the record of cash investments as at 31 October 2013 be noted.***

**PURPOSE OF REPORT**

To submit Council's record of cash investments as at 31 October 2013 pursuant to Clause 212 of the Local Government (General) Regulation 2005.

**REPORT**

Investment Portfolio as at 31 October 2013

<b>Term Deposits</b>	<b>Rating</b>		<b>Term (days)</b>	<b>Interest Rate</b>	<b>Amount</b>
Bank of Sydney	A-1+	*	92	4.05%	250,000
Bank of Sydney	Not Rated		92	4.05%	750,000
Bank of Sydney	Not Rated		91	4.00%	1,000,000
Bank of Queensland	A-1+	*	271	4.40%	250,000
Bank of Queensland	A-2		271	4.40%	750,000
Bank of Queensland	A-2		365	3.88%	2,000,000
Bank of Queensland	A-2		150	3.83%	1,000,000
Police Credit Union	AAA	*	367	3.97%	250,000
Police Credit Union	Not Rated		367	3.97%	1,750,000
ING Direct	A-1+	*	181	3.93%	250,000
ING Direct	A-1		181	3.93%	1,750,000
ING Direct	A-1		270	4.42%	1,000,000
ING Direct	A-1		181	3.94%	1,500,000
Macquarie Bank	A-1+	*	365	4.00%	250,000
Macquarie Bank	A-1		365	4.00%	750,000
Macquarie Bank	A-1		365	4.00%	1,000,000
ME Bank	A-1+	*	182	3.93%	250,000
ME Bank	A-2		182	3.93%	750,000
ME Bank	A-2		180	4.03%	1,000,000
ME Bank	A-2		181	4.03%	500,000
Rabo Direct	AAA	*	367	3.95%	250,000
Rabo Direct	A-2		367	3.95%	1,750,000
People Choice CU	A-1+	*	60	3.59%	250,000
People Choice CU	A-2		60	3.59%	1,750,000
Investec Bank	A-1+	*	365	3.94%	250,000
Investec Bank	BBB		365	3.94%	750,000
Credit Union Australia	A-1+	*	340	4.40%	250,000
Credit Union Australia	A-2		340	4.40%	1,250,000
				<b>3.99%</b>	<b>23,500,000</b>

**Note:** The investments indicated (\*) are subject to the Federal Government's deposit guarantee. These investments have an applied rating of A-1+ for short term investments and AAA for long term investments.

Call Accounts	Rating	Term	Interest Rate	Amount
CBA General Fund	A-1+	At Call	2.35%	203,034
CBA Business Online Saver	A-1+	At Call	2.75%	3,400,000
Perennial Cash Enhanced Trust	A-1	At Call	5.94%	5,422,226
			<b>4.66%</b>	<b>9,025,260</b>
<b>Total Investments</b>			<b>4.18%</b>	<b>32,525,260</b>

In accordance with Council's investment policy the following limits apply in relation to the maximum proportion of the total investment portfolio which can be invested for each credit rating category.

Overall Portfolio Credit Limits		
Long Term Credit Ratings	Short Term Credit Ratings	Direct Securities Maximum
AAA Category	A-1+	100%
AA Category	A-2	100%
A Category	A-2	70%
BBB Category	A-3	30%
Unrated Category	Unrated	20%

Investments Represented by	as at 31 October 2013	as at 31 October 2012
<b>Externally Restricted Reserves</b>		
Domestic Waste Management	2,027,472	2,603,214
Unexpended Grants	1,337,535	1,212,250
Section 94	11,167,117	11,298,664
Other Road Contribution	37176	
<b>Total Externally Restricted Reserves</b>	<b>14,569,300</b>	<b>15,114,128</b>
<b>Internally Restricted Reserves</b>		
Plant Replacement	1,225,747	1,409,380
ELE	1,241,000	1,323,000
Deposits	5,038,946	5,141,029
Golf Course	94,223	94,223
Adshel	270,000	270,000
Permanent Assets	150,000	150,000
Technology	216,475	20,000
Carry Forwards	626,688	470,326
Future Major Expenditure	4,536,100	4,569,884
Parkscape Improvements	29,000	29,000
Insurance		32,000
Election		
<b>Total Internally Restricted Reserves</b>	<b>13,428,179</b>	<b>13,508,842</b>
<b>Total Restricted Reserves</b>	<b>27,997,480</b>	<b>28,622,970</b>
Unrestricted	4,527,780	5,122,184
<b>Total Investments</b>	<b>32,525,260</b>	<b>33,745,154</b>

The level of unrestricted funds invested at any time is dependent on movements in the level of other reserves and the cash flow requirements of Council.

### **Interest Revenue**

Council has earned interest revenue totalling \$457,111 as at 31 October 2013, being 40.63% of the projected budget. Interest revenue is slightly higher than the phased projected budget – refer attachment 2.

The official cash rate remains at 2.50%. Council's investment portfolio is returning an average of 4.18% as at 31 October 2013 which is 1.59% above the 90 day BBSW benchmark of 2.59%—refer attachment 1.

### **Certification – Responsible Accounting Officer**

The Manager Finance hereby certifies that the investments listed above have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

### **REFERRAL FROM OTHER DEPARTMENT**

No referral was required.

### **FINANCIAL IMPLICATIONS**

There are no financial implications.

### **ATTACHMENTS**

1. Investment performance –October 2013
2. Investment income earned versus budget –October 2013

### **Report approved by:**

Neale Redman
<b>Director Corporate Services</b>