

Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 16 March 2015*

Time: *6.00pm*

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Recommendation only to the Full Council:

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
 - Statutory Reporting;
 - Adoption of Council's Community Strategic Plan, Delivery Program and Operational Plan;
 - Delegations; and
 - Policies.
- Tenders as per Regulation requirements.
- Leases required to be determined by Full Council by specific legislative requirements
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

Delegated Authority:

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Statutory reviews of Council's Delivery Program and Operational Plan;
- Finance Regulations, including:-
 - Authorisation of expenditures within budgetary provisions where not delegated;
 - Quarterly review of Budget Review Statements;
 - Quarterly and other reports on Works and Services provision; and
 - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of the Minutes of its Meetings.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

12 March 2015

To: Her Worship the Mayor, Councillor Toni Zeltzer ex-officio
Councillors Deborah Thomas (Chair)
Anthony Boskovitz
Peter Cavanagh
Andrew Petrie
Matthew Robertson
Susan Wynne
Jeff Zulman (Deputy Chair)

Dear Councillors

Corporate & Works Committee Meeting – 16 March 2015

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 16 March 2015 at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

Other Matters

Meeting Agenda

| Item | Subject | Pages |
|------|---|-------|
| 1 | Leave of Absence and Apologies | |
| 2 | Late Correspondence Note Council resolution of 27 June 2011 to read late correspondence in conjunction with the relevant Agenda Item | |
| 3 | Declarations of Interest | |

Items to be Decided by this Committee using its Delegated Authority

| | | |
|----|--|---|
| D1 | Confirmation of Minutes of Meeting held on 2 March 2015 | 1 |
| D2 | Draft 2015/2016 Fees & Charges – SC2660 *Note: Annexure 1 Distributed Under Separate Cover | 2 |

Items to be Submitted to the Council for Decision with Recommendations from this Committee

| | | |
|----|--|---|
| R1 | Monthly Financial Report – February 2015 | 8 |
|----|--|---|

Item No: D1 Delegated to Committee

Subject: **Confirmation of minutes of meeting held on 2 March 2015**

Author: Craig Bennett, Manager – Governance & Council Support

File No: See Council Minutes

Reason for Report: The Minutes of the Meeting of Monday 2 March 2015 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Corporate and Works Committee Meeting of 2 March 2015 be taken as read and confirmed.

Craig Bennett
Manager – Governance & Council Support

Item No: D2 Delegated to Committee
Subject: **Draft 2015/16 Fees & Charges**
Author: Trang Banfield, Team Leader Financial Operations
File No: SC2660
Reason for Report: To present the proposed 2015/16 Fees and Charges and recommend their inclusion in the public exhibition of the Delivery Program 2013 to 2017 and 2015/16 Operational Plan.

Recommendation:

THAT the Draft Fees & Charges Schedule for 2015/16 attached as **Annexure 1** to this report be included in the Delivery Program 2013 to 2017 and 2015/16 Operational Plan for the purpose of public exhibition.

Background:

On 8 December 2014 the Corporate & Works Committee considered its strategy for preparation of the 2015/16 Draft Budget and recommended a series of economic parameters to Council including:

- C.4. That fees and charges be increased by at least CPI (2.5%) where practical unless it would have an adverse impact on forecast revenue or users' capacity to pay.*

The Committee also recommended that Council:

- D. Receive further progress reports in relation to the preparation of Council's 2015/16 Operational Plan and Budget, as well as the review of the Long Term Financial Plan, at future Corporate & Works Committee Meetings.*

These recommendations were adopted by Council on 15 December 2014.

This report presents to the Committee the Draft Schedule of Fees & Charges for 2015/16.

Each year Council is required to set its fees and charges as part of its consideration and adoption of the Delivery Program & Operational Plan (DPOP). The schedule of fees and charges forms part of the DPOP and therefore goes through the same public exhibition process prior to final adoption.

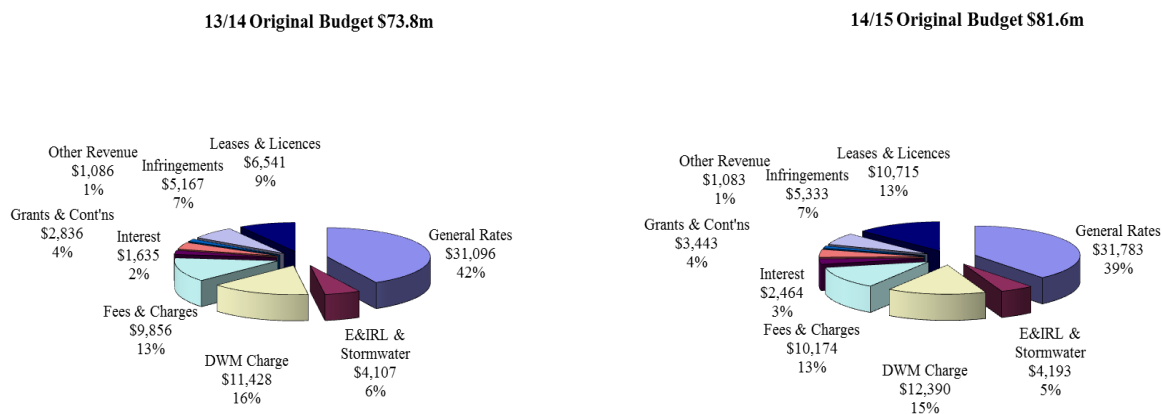
Discussion:

The Draft Schedule of Fees & Charges for 2015/16 is attached as **ANNEXURE 1**. The Annexure provides the following information:

- Comparative fees and charges for 2014/15 (shaded yellow) and 2015/16 (shaded green);
- The percentage increase or decrease from 2014/15 to 2015/16 (shaded blue);
- Supplementary information, where applicable, about the fee or charge;
- Explanatory comments where applicable, including the identification of new fees and charges.

Overview of Council's Operating Income

The graphs below show how Council's income in the original 2013/14 and 2014/15 Budgets are made up. In 2014/15, 44% of income comes from Rates including Special Levies and the Stormwater Management Charge (\$36m), with a further 15% (\$12.4m) coming from the Domestic Waste Management Charge. Another 28% (\$23m) comes from grants, interest, infringements, leases & licences and other combined. The remaining 13% (\$10m) is generated from the various fees and charges set out in the Schedule of Fees & Charges adopted each year.



The preliminary draft 2015/16 Budget, currently under review by staff, proposes fees & charges income of around \$10.4m. Of this, \$1.9m is made up of fees and charges limited by statute and as a consequence cannot be increased by Council. The remaining \$8.4m is set by Council. Below is a list of the major Fees & Charges income sources and their 2014/15 comparative:

| Income Source | 14/15 Original Budget \$'000 | 14/15 Revised Forecast \$'000 | 15/16 Preliminary Draft Budget \$'000 |
|--|------------------------------|-------------------------------|---------------------------------------|
| Trade Waste Charges | 2,149 | 1,989 | 2,129 |
| Parking Meter Charges | 1,800 | 1,800 | 1,880 |
| Road Restoration Charges | 1,335 | 596 | 520 |
| Kindergarten Fees | 797 | 797 | 806 |
| Work Zone Charges | 380 | 380 | 400 |
| Residential Parking Permits | 360 | 360 | 350 |
| Building Hire | 252 | 261 | 288 |
| Compliance Levy | 190 | 210 | 210 |
| Other Fees | 1,561 | 1,890 | 1,869 |
| Total Income from Fees & Charges Set by Council | 8,824 | 8,283 | 8,452 |
| Total Income from Statutory Fees & Charges | 1,851 | 1,885 | 1,934 |
| Total Income from Fees & Charges | 10,675 | 10,168 | 10,386 |

The most significant variation in the total proposed fees & charges income is the reduction in Road Restoration Charges of \$815k. This is due to a reduction in Ausgrid orders which was reported to Council in the December 2014 Budget Review. The reduction in Road Restoration Charges will be partially offset by a reduction in related expenditure in Council's total budget for 2015/16.

The table below shows the budgetary impact of the proposed changes to fees and charges for 2015/16 in more detail.

| Income Source | 14/15 Original Budget \$'000 | 15/16 Draft Budget \$'000 | Revenue | | Fee or Charge |
|---|---------------------------------------|------------------------------------|---------------------------|-----------------------------|--------------------------|
| | | | \$ Increase (Decrease) | % Increase (Decrease) | % Increase (Decrease) |
| <i>Fees & Charges set by statute:</i> | | | | | |
| Development Application Fees | 550,000 | 600,000 | 50,000 | 9.1 | - |
| s.96 Amendment Applications | 190,000 | 190,000 | 0 | 0.0 | - |
| Advertising & Neighbourhood Notification Fees | 351,500 | 361,230 | 9,730 | 2.8 | (4.5) to 2.8 |
| s.149 Planning Certificates | 280,000 | 310,000 | 30,000 | 10.7 | - |
| Interest on Overdue Rates & Charges ¹ | 160,000 | 160,000 | 0 | 0.0 | - |
| s.603 Certificates | 115,000 | 125,000 | 10,000 | 8.7 | - |
| Filming Fees | 40,000 | 36,000 | (4,000) | (10.0) | - |
| Building Certificate Applications | 65,000 | 60,000 | (5,000) | (7.7) | - |
| Part 4A Certificate Registration Fees | 45,000 | 45,000 | 0 | 0.0 | - |
| Other | 54,700 | 47,000 | (7,700) | (14.1) | - |
| Total Income from Statutory Fees & Charges | 1,851,200 | 1,934,230 | 83,030 | 4.5 | |
| <i>Fees & Charges set by Council:</i> | | | | | |
| Trade Waste Service | 2,148,600 | 2,129,000 | (19,600) | (0.9) | 2.5 |
| Parking Meter Charges | 1,800,000 | 1,880,000 | 80,000 | 4.4 | 2.2 to 2.7 |
| Road Restoration Charges | 1,335,199 | 520,000 | (815,199) | (61.1) | 1.6 to 2.7 |
| Preschool Fees | 796,746 | 805,860 | 9,114 | 1.1 | 3 |
| Work Zone Charges | 380,000 | 400,000 | 20,000 | 5.3 | 2.6 to 4.6 |
| Residential Parking Permits | 360,000 | 350,000 | (10,000) | (2.8) | 1.9 to 4.5 |
| Council Venue Hire ² | 251,852 | 287,900 | 36,048 | 14.3 | 2.3 to 100 ³ |
| Compliance Levy | 190,000 | 210,000 | 20,000 | 10.5 | - |
| Outstanding Orders & Notices Certificates | 110,000 | 120,000 | 10,000 | 9.1 | 2.3 to 2.5 |
| Credit Card Usage Fee | 101,000 | 112,000 | 11,000 | 10.9 | - |
| Vehicle Crossing Inspection Fees (Works in roadways) | 85,000 | 85,000 | 0 | 0.0 | 2.9 |
| Hoarding Application Fees | 90,000 | 143,500 | 53,500 | 59.4 | 2.9 to 3.1 |
| Crane Permits | 100,000 | 150,000 | 50,000 | 50.0 | 2.8 to 3.4 |
| File Retrieval Charges | 76,500 | 80,000 | 3,500 | 4.6 | 2.9 |
| Deposit Administration Fees | 75,000 | 76,500 | 1,500 | 2.0 | 2.5 |
| Tree Pruning | 80,000 | 90,000 | 10,000 | 12.5 | 2.5 |
| PCA Service Fee | 40,000 | 60,000 | 20,000 | 50.0 | 2.9 |
| Fire Safety Lodgement Fee | 80,000 | 85,000 | 5,000 | 6.2 | 2.9 |
| Paid Waste Service | 34,650 | 37,000 | 2,350 | 6.8 | 2.5 |
| Premises Inspection Fees | 56,000 | 58,750 | 2,750 | 4.9 | 2.9 to 3.1 |
| Mobile Bin Sales | 5,000 | 3,000 | (2,000) | (40.0) | 2.5 |
| Casual Park & Sportsfield Hire | 71,000 | 84,000 | 13,000 | 18.3 | 1.9 to 3.1 |
| Library Fines ² | 41,000 | 60,000 | 19,000 | 46.3 | - |
| Wedding Photos | 62,000 | 74,000 | 12,000 | 19.4 | 2.5 |
| TPO Application Fees | 48,000 | 55,000 | 7,000 | 14.6 | 2.9 to 3.1 |
| Construction Certificate Application Fees | 30,000 | 40,000 | 10,000 | 33.3 | 2.9 |
| Waste Container Licences | 36,800 | 32,800 | (4,000) | (10.9) | 2.5 to 2.8 |
| Annual Administration Fee - Food Premises | 31,000 | 32,200 | 1,200 | 3.9 | 2.9 to 4.5 |

| Income Source | 14/15 Original Budget \$'000 | 15/16 Draft Budget \$'000 | Revenue | | Fee or Charge |
|--|---------------------------------------|------------------------------------|---------------------------|-----------------------------|--------------------------|
| | | | \$ Increase (Decrease) | % Increase (Decrease) | % Increase (Decrease) |
| Pre Lodgement Advice Fees | 22,000 | 35,000 | 13,000 | 59.1 | 2.5 to 2.6 |
| Water Craft Storage Fees | 24,000 | 25,000 | 1,000 | 4.2 | 2.4 to 2.7 |
| Policy Change Requests | 60,000 | 80,000 | 20,000 | 33.3 | 2.5 |
| Other | 201,865 | 250,684 | 48,819 | 24.2 | Various |
| Total Income from Fees & Charges Set by Council | 8,823,212 | 8,452,193 | (371,018) | (4.2) | |
| Total Income from Fees & Charges 2015/16 | 10,674,412 | 10,386,423 | (287,988) | (2.7) | |

¹ Interest on Overdue Rates & Charges is categorised as Interest in the graphs.

² Council Venue Hire & Library Fines are categorised as Other Income in the graphs.

³ Includes new fees for the new Double Bay Library

Reviews of the schedule of fee and charges and associated income forecasts are an integral part of the development of a draft budget each year. Income forecasts are primarily the result of forecast levels of activity based on current trends, but also take into account any increases in the fees and charges themselves. This is particularly the case for fees and charges set by statute where the majority of the fees and charges remain unchanged. In some instances where activity can be variable, notwithstanding a proposed increase in the relevant fee or charge, income forecasts can be left unchanged or reduced. Examples of this are PCA Service Fee & Construction Certificate Application Fees.

Domestic Waste Charges

Council's Domestic Waste Management Charge is calculated based on the 'reasonable cost' of providing the service. It includes all direct costs and an attribution of management and supervision, corporate overheads and customer service, which have been reviewed for 2015/16.

The Charge has been calculated to increase by \$25 (5.5%) for 2015/16, from \$452 to \$477.

For comparative purposes, the 2014/15 Domestic Waste Management Charges for Waverley and Randwick are \$469 and \$510.72 respectively.

Based on a Council resolution, the Additional Domestic Waste Service Charge is set at 25% above the DWM Charge.

| Income Source | 14/15 Original Budget \$'000 | 15/16 Draft Budget \$'000 | Revenue | | Fee or Charge |
|-----------------------------------|---------------------------------------|---------------------------------|---------------------------|-----------------------------|-----------------------------|
| | | | \$ Increase (Decrease) | % Increase (Decrease) | % Increase (Decrease) |
| Domestic Waste Management Charge | 11,778,729 | 12,457,133 | 678,404 | 5.76 | 5.53 |
| Additional Domestic Waste Service | 589,641 | 638,584 | 48,943 | 8.30 | 5.51 |
| | 12,368,370 | 13,095,717 | 727,347 | | |

Percentage changes in 2015/16 Fees & Charges of note:

As noted in the background to the report, the broad parameter adopted by Council is for fees and charges to be increased by 2.5%. The table below draws to the Committee's attention those fees and charges that vary significantly from this parameter not including Statutory fees that have not been changed per legislation. New & deleted fees have also been highlighted.

| Fee or Charge | % Change | Page Ref. | Comments |
|--|-----------------|------------------|---|
| Community Activities and Events Level 1 & Level 2 - Attendance Fee | New | 4 | New fees. Nominal fee charged depending on the scale & cost of event or program. |
| Mental Health First Aid Manual | 50 | 4 | Actual cost of manual - course is free. |
| Additional fee where s96 application requires advertising and neighbour notification - \$500,000 and above | -4.5 | 12 | Reduce to be consistent with fees of the same nature. |
| Documents Plans & Maps Purchase - Local Environmental Plans (LEPs) – Various | Deleted | 13 | Transitional arrangements are in place as Council moves to its new LEP. |
| Documents Plans & Maps Purchase Development Control Plans – Various | Deleted | 13-14 | Transitional arrangements are in place as Council moves to its new DCP. |
| Documents Plans & Maps - PDF Maps-Woollahra LEP – Various | Deleted & New | 15-16 | New fee structure to encourage usage of service. |
| 3D Printer Fee | New | 20 | New fee. 3D Printer in new Double Bay Library. |
| Damaged Bar code / RFID Tags | 8.3 | 21 | Cost recovery. |
| Local History Research – Various | Deleted & New | 21 | New fee structure due to the incorporation of Local History into the new Double Bay Library. |
| Writers & Readers Entry Fee | New | 21 | Listing of an existing fee as the Library is now responsible for the collection of Writers & Readers income. |
| Preschool Fees – Various | 7 to 10 | 26 | In line with costs & industry standard. |
| Roads & Footpath Levels - Additional Inspection and / or Processing fee | New | 31 | Council has always charged an additional fee for extra processing. This listing creates a new & clearer line item. |
| Works in Roadways- Additional Inspection and / or Processing fee | New | 32 | Council has always charged an additional fee for extra processing. This listing creates a new & clearer line item. |
| Construction Management Plans- Additional Inspection and / or Processing fee | New | 32 | Council has always charged an additional fee for extra processing. This listing creates a new & clearer line item. |
| Construction Plan Management Review – Various | New | 32-33 | New fees. |
| Heavy Vehicle Route Assessment | New | 35 | New fee. Heavy Vehicle National Law means that Council may have to undertake heavy vehicle route assessments. The maximum fee Council may charge is \$70. |
| Special Events & Road Closures - Additional Assessment and / or Review | New | 35 | Council has always charged an additional fee for extra processing. This listing creates a new & clearer line item. |
| Visitor Parking Permits - Pack of 5 & 10 | 20 | 35 | Fees have not been increased for 2 years & reflect associated materials & administration costs. |
| Double Bay Library Room Hire - Various | New | 36 | New fees. |
| Venue Hire - Various | 7.14 to 20 | 36-41 | In line with associated work & costs |

Conclusion:

Income derived from the schedule of fees and charges is forecast to be in the order of \$10.4m in the draft 2015/16 Budget. This represents a decrease of some \$288k from the 2014/15 original budget, or 2.7%. Details of this decrease are provided in the report.

The schedule of fees and charges and associated income forecasts are reviewed each year as an integral part of preparing a draft budget and continue in relation to the 2015/16 Budget. Generally, income forecasts are based on the level of activity but also have regard to any proposed increase in the fee or charge itself. Further, where activity can be variable, income forecasts can be left unchanged or reduced notwithstanding a proposed increase in the fee or charge. It is a combination of these considerations that give rise to the income forecasts in the budget each year.

Council is required to adopt its fees and charges each year following public exhibition. The fees and charges proposed for 2015/16 are detailed in Annexure 1. It is recommended that the fees and charges contained in Annexure 1 be included in the Delivery Program 2013 to 2017 and Operational Plan 2015/16 for the purposes of public exhibition.

Trang Banfield
Team Leader Financial Operations

Don Johnston
Chief Financial Officer

Stephen Dunshea
Director Corporate Services

Annexures:

1. Draft Schedule of Fees and Charges for 2015/16 for public exhibition (circulated separately)

Item No: R1 Recommendation to Council
Subject: **Monthly Financial Report - February 2015**
Author: Don Johnston, Chief Financial Officer
File No: 349.G
Reason for Report: To present the monthly financial report for February 2015

Recommendation:

That the Committee:

- A. Receive and note the Monthly Financial Report – February 2015.
- B. Note that Council’s 12 months weighted average return on its direct investment portfolio of 3.38% continues to exceed the February 2015 benchmark 90 day term deposit index of 2.83%.
- C. Note that the total interest earned year to date to February 2015 of \$1,199k is still ahead of the revised forecast of the 2014/15 Budget of \$1,100k for the same period.
- D. That the Seal of Council be affixed to the National Australia Bank’s loan documentation and Council authorise the Mayor and General Manager to execute any documentation relating to the loans.

Background:

Clause 212 of the Local Government (General) Regulation 2005 requires the responsible accounting officer (Council’s Chief Financial Officer) to provide the Council with a monthly report setting out details of all money that the Council has invested.

The Monthly Financial Report for February 2015 is submitted to the Committee for consideration and includes the following:

- Investment Transactions for the Month
- Summary of Receipts, Payments and Bank Balance
- Summary of Investments
- Details of Investment Portfolio
- Statement of Investment Policy Compliance
- Charts:
 - ◆ Weighted Average Maturity and Weighted Average Returns
 - ◆ Weighted Average Returns v Australian 90 day Term Deposit Index
 - ◆ Actual Interest Earned v Original Budget & Revised Forecast
 - ◆ Maturity Profile Chart
- Movements in Book Value of Investments

Investment Transactions for the Month

| Date | Transaction | Description | Amount (\$) |
|---------|--------------|---|----------------|
| 31 Jan | | Book Value of Investments Held | 62,636,375.10 |
| 10 Feb | Maturity | ING Direct, 365 days @ 3.79% | (1,000,000.00) |
| 10 Feb | Purchase | ING Direct, 360 days @ 3.00% | 1,000,000.00 |
| 10 Feb | Purchase | ING Direct, 360 days @ 3.00% | 1,000,000.00 |
| 16 Feb | Maturity | ANZ Bank, 91 days @ 3.37% | (3,000,000.00) |
| 16 Feb | Maturity | Bankwest, 91 days @ 3.40% | (3,000,000.00) |
| 16 Feb | Purchase | ANZ Bank, 30 days @ 2.45% | 3,000,000.00 |
| 16 Feb | Purchase | Bankwest, 30 days @ 3.00% | 3,000,000.00 |
| 17 Feb | Maturity | Bank of Sydney, 365 days @ 3.95% | (250,000.00) |
| 23 Feb | Maturity | Bankwest, 90 days @ 3.40% | (1,000,000.00) |
| 23 Feb | Purchase | Bankwest, 91 days @ 3.15% | 1,000,000.00 |
| 25 Feb | Maturity | Bankwest, 90 days @ 3.50% | (2,000,000.00) |
| 26 Feb | Maturity | ANZ Bank, 30 days @ 2.68% | (1,000,000.00) |
| 26 Feb | Maturity | RaboDirect, 29 days @ 2.90% | (1,000,000.00) |
| Various | Net Movement | Net Movement in Online Savings Cash Accounts | 3,995,831.96 |
| Various | Net Movement | Net Movement in UBS Cash Management Trust Account (Coupon payments + UBS interest + Deposits – UBS Fees) | (63.28) |
| | | Net Change in Portfolio | 745,768.68 |
| 28 Feb | | Book Value of Investments Held | 63,382,143.78 |

Commentary:

During February we had \$12.25M in deposit maturities of which \$8M were either rolled or otherwise reinvested. The balance was retained in our Online Savings account to meet forecast cash flow requirements. Following a review of anticipated cash flow requirements, particularly relating to the new Alexandria Integrated Facility being acquired from Waverley Council, most of the funds have been placed in short term term deposits.

Loan Documentation

On 23 September 2013 and 23 February 2015, Council authorised the General Manager to accept loan offers for its \$5.624m Local Infrastructure Renewal Scheme loan and \$8m loan that form part of the funding package for Kiaora Place Stage 2.

A request for quotation was sent to the four major banks. The National Australia Bank's quotations for both loans were the most favourable to Council and have been accepted by the General Manager under the authority delegated by Council. The \$5.624m loan is a fixed rate loan for ten years (as required by the LIRS funding agreement) while the \$8m is fixed for fifteen years. It should be noted that the \$8m loan is a forward-start facility and will not be drawn down until June.

To finalise the loan documentation, the bank requires Council's seal to be affixed to the documentation. A recommendation has been included for this purpose which will go to Council next week.

Investment Working Party Update

In regard to the Oakvale matter, since the last update Squire Patton Boggs has continued to negotiate the terms of the settlement deed in relation to certain releases, details of which remain confidential. An update will be provided at the Committee. Squire PB remains hopeful that a deed in terms most favourable to the participating Councils can be agreed.

As a consequence of the continuing negotiations, the hearing set down for 18 February has been adjourned until 9 April. In granting the adjournment His Honour required the parties to reach agreement and discontinue the proceedings in advance of that date.

In relation to the Lehman matter, there are no further updates. The liquidators have indicated that they may declare an interim dividend within the next few months.

Further updates in relation to both matters will be provided as they come to hand.

Investment Policy

At the last Corporate & Works Committee meeting, the possibility of reviewing Council's Investment Policy to enable investment in securities to improve Council's returns in a low interest rate climate was discussed. Council's investments advisor, Mr Andrew Vallner of CPG Research & Advisory, will be at the meeting to give a presentation on opportunities in this regard and provide an opportunity to discuss the hybrid securities previously referenced by the Committee. For reference, Council's current Investment Policy is attached as **ANNEXURE 1**.

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 31 January 2015

382,147.12

Receipts

| | |
|------------------------------------|---------------|
| Rates | 6,350,319.02 |
| Investment Maturities | 12,250,000.00 |
| Transfers In from At Call Accounts | 3,580,000.00 |
| Other | 3,141,725.79 |

25,322,044.81

Total Receipts

| Description | Amount |
|----------------------------|------------|
| Parking Fines | 495,209.13 |
| Sundry Debtors | 485,673.54 |
| Capital Grants - various | 404,174.00 |
| Deposits & Bonds | 345,198.05 |
| Parking Meter Charges | 177,493.24 |
| Trade Waste Debtors | 171,036.24 |
| S.94A Contributions | 131,632.28 |
| GST Refund | 109,248.00 |
| Recovered Costs | 48,287.76 |
| Build/Construction LS Levy | 37,518.43 |

Payments - Cheque

| | |
|----------------------------------|-------------|
| Cheque Payments | -645,424.89 |
| Cancelled Cheques | 4,558.62 |
| Total Cheque Payments for period | -640,866.27 |

| Cheque No | Cheque Date | Payee | Description | Amount |
|-----------|-------------|---|---|-------------|
| 221522 | 5/02/2015 | Waverley Municipal Council | Inventory items purchased from Waverley Council | -158,986.13 |
| 221540 | 12/02/2015 | Projectvision Consulting Pty Ltd | Tenancy works - Kiaora Lane Bistro | -91,387.65 |
| 221535 | 12/02/2015 | Cooper Commercial Constructions Pty Ltd | General works - Fletcher St Depot | -49,088.60 |
| 221491 | 5/02/2015 | AGL Sydney | Street lighting - Dec'14 | -43,545.23 |
| 221619 | 19/02/2015 | Jason Lazarus | Legal fees | -24,750.00 |
| 221573 | 18/02/2015 | Withheld | Refund of security deposit | -22,277.12 |
| 221665 | 26/02/2015 | Richard Lancaster | Legal fees | -17,600.00 |
| 221527 | 5/02/2015 | Withheld | Refund of security deposit | -16,764.01 |
| 221575 | 18/02/2015 | Withheld | Refund of security deposit | -15,868.12 |
| 221679 | 26/02/2015 | Withheld | Refund of security deposit | -11,929.29 |

Payments - EFT

| | |
|-------------------------------|---------------|
| EFT Payments | -4,365,196.72 |
| Returned EFTs | |
| Total EFT Payments for period | -4,365,196.72 |

| Reference | EFT Date | Payee | Description | Amount |
|-----------|------------|--|---|-------------|
| 48465 | 26/02/2015 | StateCover Mutual Limited | Workers Comp 3rd instalment premium to 30/06/15 | -345,392.43 |
| 48283 | 12/02/2015 | SITA Australia Pty Ltd | Tipping charges - 1-16/12 | -252,301.58 |
| 48353 | 19/02/2015 | Local Govt Super Scheme-Div.A | Employer/employee super - Jan'15 | -252,150.50 |
| 48322 | 19/02/2015 | Carfax Commercial Constructions Pty Ltd | Waverley/Woollahra SES Depot relocation | -240,392.12 |
| 48177 | 5/02/2015 | SITA Australia Pty Ltd | Tipping charges - 17-31/12 | -217,984.86 |
| 48383 | 19/02/2015 | United Resource Management Group Pty Ltd | Recycling contract - Jan'15 | -205,333.58 |
| 48107 | 5/02/2015 | Civil Works (NSW) Pty Ltd | General works - John St, Woollahra | -198,028.31 |
| 48132 | 5/02/2015 | Garwood International Pty Ltd | Fleet purchases | -124,494.26 |
| 90215 | 9/02/2015 | Local Govt Super Scheme-Div.B | Employer/employee super - Jan'15 | -105,169.55 |
| 48252 | 12/02/2015 | KK Consultants Pty Ltd | General works - Military Rd, Watsons Bay | -101,943.60 |

Payments - Direct Debits From Bank A/c

| | |
|--------------------------------|----------------|
| Payroll | -1,705,153.25 |
| PAYG Tax | -575,855.00 |
| Bank Charges | -13,542.92 |
| Investment Purchases | -9,000,000.00 |
| Transfers to At Call Accounts | -7,550,000.00 |
| Credit Cards | -2,152.69 |
| Councillors' fees | -27,827.14 |
| Council Rates | -84,879.40 |
| Total Direct Debits for period | -18,959,410.40 |

Total Payments

-23,965,473.39

Cash Book Balance as at 28 February 2015

1,738,718.54

Unpresented Cheques No of Cheques: 161 Value: 116,827.52

Outstanding Deposits & Miscellaneous Items 712,591.94

Reconciled Cash Book Balance as at 28 February 2015 2,568,138.00

Bank A/c Balance as at 28 February 2015 2,568,138.00

Unpresented Cheques > \$30,000.00

| Cheque No. | Cheque Date | Payee | Description | Amount |
|------------|-------------|---------|-------------|--------|
| | | Not any | | |

Commentary:

This statement presents Council's bank reconciliation as at 28 February 2015. The top ten receipt and payment items are provided in the report. Excluding investment transactions, receipts exceeded payments for the month by some \$2.1m which is normal for a rates instalment month. It should be noted that the bank account balance at month-end includes \$1.5M in overnight rates instalments that has since been invested.

INVESTMENTS AS AT 28 FEBRUARY 2015

| CATEGORY | | FACE VALUE \$ | BOOK VALUE \$ | | | | | | |
|---|--------------------------------|---------------|---------------|-------------------|----------------------------|-----------|---------------|---------------|-----------------|
| 1. LEHMAN BROTHERS (formerly Grange Securities Ltd) | | | | | | | | | |
| Funds previously under management | | 42,448 | 42,448 | | | | | | |
| 2. OAKVALE CAPITAL Limited | | | | | | | | | |
| Funds previously under management | | 1,000,000 | 680,500 | | | | | | |
| RATING | CATEGORY | PURCHASE DATE | MATURITY DATE | TOTAL TERM (DAYS) | REMAINING DAYS TO MATURITY | % | FACE VALUE \$ | BOOK VALUE \$ | GOV'T GUARANTEE |
| 3. WMC DIRECT INVESTMENTS | | | | | | | | | |
| TERM DEPOSITS: (in order of Maturity) | | | | | | | | | |
| | ANZ BANK | | | | | | | | |
| | TERM DEPOSIT | 16/02/2015 | 18/03/2015 | 30 | 18 | 2.45 | 3,000,000 | 3,000,000 | # |
| | BANKWEST | | | | | | | | |
| | TERM DEPOSIT | 16/02/2015 | 18/03/2015 | 30 | 18 | 3.00 | 3,000,000 | 3,000,000 | # |
| | BANKWEST | | | | | | | | |
| | TERM DEPOSIT | 29/08/2014 | 27/03/2015 | 210 | 27 | 3.35 | 1,000,000 | 1,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 29/08/2014 | 27/03/2015 | 210 | 27 | 3.62 | 2,000,000 | 2,000,000 | # |
| | ANZ BANK | | | | | | | | |
| | TERM DEPOSIT | 29/08/2014 | 27/03/2015 | 210 | 27 | 3.21 | 2,000,000 | 2,000,000 | # |
| | BANKWEST | | | | | | | | |
| | TERM DEPOSIT | 29/08/2014 | 27/03/2015 | 210 | 27 | 3.35 | 1,000,000 | 1,000,000 | # |
| | RABODIRECT | | | | | | | | |
| | TERM DEPOSIT | 7/07/2014 | 3/04/2015 | 270 | 34 | 3.55 | 1,000,000 | 1,000,000 | # |
| | ST GEORGE | | | | | | | | |
| | TERM DEPOSIT | 7/11/2014 | 6/05/2015 | 180 | 67 | 3.35 | 2,000,000 | 2,000,000 | # |
| | BANKWEST | | | | | | | | |
| | TERM DEPOSIT | 7/11/2014 | 6/05/2015 | 180 | 67 | 3.45 | 2,000,000 | 2,000,000 | # |
| | ING DIRECT | | | | | | | | |
| | TERM DEPOSIT | 7/11/2014 | 6/05/2015 | 180 | 67 | 3.51 | 1,000,000 | 1,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 27/10/2014 | 14/05/2015 | 199 | 75 | 3.53 | 2,000,000 | 2,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 27/10/2014 | 14/05/2015 | 199 | 75 | 3.53 | 1,000,000 | 1,000,000 | # |
| | ING DIRECT | | | | | | | | |
| | TERM DEPOSIT | 17/11/2014 | 18/05/2015 | 182 | 79 | 3.51 | 1,000,000 | 1,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 17/11/2014 | 18/05/2015 | 182 | 79 | 3.50 | 2,000,000 | 2,000,000 | # |
| | SUNCORP | | | | | | | | |
| | TERM DEPOSIT | 25/11/2014 | 25/05/2015 | 181 | 86 | 3.60 | 1,000,000 | 1,000,000 | # |
| | BANKWEST | | | | | | | | |
| | TERM DEPOSIT | 23/02/2015 | 25/05/2015 | 91 | 86 | 3.15 | 1,000,000 | 1,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 27/01/2015 | 27/05/2015 | 120 | 88 | 3.35 | 2,000,000 | 2,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 2/06/2014 | 2/06/2015 | 365 | 94 | 3.65 | 1,000,000 | 1,000,000 | # |
| | SUNCORP | | | | | | | | |
| | TERM DEPOSIT | 13/01/2015 | 12/06/2015 | 150 | 104 | 3.45 | 1,000,000 | 1,000,000 | # |
| | ST GEORGE | | | | | | | | |
| | TERM DEPOSIT | 13/01/2015 | 12/06/2015 | 150 | 104 | 3.23 | 1,000,000 | 1,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 13/01/2015 | 12/06/2015 | 150 | 104 | 3.47 | 2,000,000 | 2,000,000 | # |
| | BENDIGO/ADELAIDE BANK | | | | | | | | |
| | TERM DEPOSIT | 30/07/2014 | 30/07/2015 | 365 | 152 | 3.65 | 1,000,000 | 1,000,000 | # |
| | BENDIGO/ADELAIDE BANK | | | | | | | | |
| | TERM DEPOSIT | 31/07/2014 | 31/07/2015 | 365 | 153 | 3.65 | 1,000,000 | 1,000,000 | # |
| | ST GEORGE | | | | | | | | |
| | TERM DEPOSIT | 9/10/2014 | 5/08/2015 | 300 | 158 | 3.48 | 2,000,000 | 2,000,000 | # |
| | AMP BANK | | | | | | | | |
| | TERM DEPOSIT | 11/11/2014 | 10/08/2015 | 272 | 163 | 3.50 | 2,000,000 | 2,000,000 | # |
| | ANZ BANK | | | | | | | | |
| | TERM DEPOSIT | 26/09/2014 | 28/09/2015 | 367 | 212 | 3.51 | 2,000,000 | 2,000,000 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 7/11/2014 | 6/11/2015 | 364 | 251 | 3.55 | 2,000,000 | 2,000,000 | # |
| | ANZ BANK | | | | | | | | |
| | TERM DEPOSIT | 7/11/2014 | 6/11/2015 | 364 | 251 | 3.47 | 3,000,000 | 3,000,000 | # |
| | COMMONWEALTH BANK | | | | | | | | |
| | FLOATING RATE NOTE** | 5/03/2012 | 24/12/2015 | 1389 | 299 | 4.09 | 1,000,000 | 983,100 | # |
| | NATIONAL AUSTRALIA BANK | | | | | | | | |
| | TERM DEPOSIT | 13/01/2015 | 8/01/2016 | 360 | 314 | 3.56 | 2,000,000 | 2,000,000 | # |
| | ING DIRECT | | | | | | | | |
| | TERM DEPOSIT | 10/02/2015 | 5/02/2016 | 360 | 342 | 3.00 | 1,000,000 | 1,000,000 | # |
| | ING DIRECT | | | | | | | | |
| | TERM DEPOSIT | 10/02/2015 | 5/02/2016 | 360 | 342 | 3.00 | 1,000,000 | 1,000,000 | # |
| AT CALL: | | | | | | | | | |
| | COMMONWEALTH BANK | | | | | | | | |
| | ONLINE SAVER A/C | | | | | 2.55/2.20 | 8,705,625 | 8,705,625 | # |
| | AMP BANK | | | | | | | | |
| | 31DAY NOTICE ACCT | | | | | 3.30/2.95 | 2,920,472 | 2,920,472 | # |
| | ANZ BANK | | | | | | | | |
| | 11AM CALL ACCT | | | | | 2.50/2.25 | 50,000 | 50,000 | # |
| Total WMC Direct Investments | | | | | | | 62,676,096 | 62,659,196 | |
| Weighted Average Days to Maturity of WMC Direct Investments | | | | | 121.49 | | | | |
| Weighted Average Return of WMC Direct Investments | | | | | | 3.38 | | | |
| PORTFOLIO TOTALS | | | | | | | 63,718,544 | 63,382,144 | |

Covered under Council's Investment Policy

* Government Guaranteed deposits have been rated AAA

** BBSW + 1.05%p.a.

I hereby certify that the above investments 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.

D. Johnston
CHIEF FINANCIAL OFFICER

| INVESTMENTS PORTFOLIO AS AT 28 FEBRUARY 2015 | | | | | | | | | |
|--|------------|---|---------------|---------------------|-------------------|----------------------|--------------------|-------|--|
| Security | Policy Ref | Classification | Purchase Date | Final Maturity Date | Face Value (FV) | Total Purchase Price | Current Book Value | Notes | |
| 1. LEHMAN BROTHERS (formerly GRANGE SECURITIES) | | | | | | | | | |
| UBS Cash Management Trust | | Cash | | | 42,448 | 42,448 | 42,448 | 2 | |
| Total Lehman Brothers | | | | | 42,448 | 42,448 | 42,448 | | |
| 2. OAKVALE CAPITAL | | | | | | | | | |
| Emeral Reverse Mortgage Series 2007-1 Class B | | Mortgage Backed | 6/07/2007 | 6/07/2057 | 1,000,000 | 1,000,000 | 680,500 | 1 | |
| Total Oakvale Capital | | | | | 1,000,000 | 1,000,000 | 680,500 | | |
| 3. WMC INVESTMENTS | | | | | | | | | |
| National Bank (3.62% 210d) | A1 | TD | 29/08/2014 | 27/03/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| National Bank (3.53% 199d) | A1 | TD | 27/10/2014 | 14/05/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| National Bank (3.53% 199d) | A1 | TD | 27/10/2014 | 14/05/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| National Bank (3.50% 182d) | A1 | TD | 17/11/2014 | 18/05/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| National Bank (3.35% 120d) | A1 | TD | 27/01/2015 | 27/05/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| National Bank (3.65% 365d) | A1 | TD | 2/06/2014 | 2/06/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| National Bank (3.47% 150d) | A1 | TD | 13/01/2015 | 12/06/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| National Bank (3.55% 364d) | A1 | TD | 7/11/2014 | 6/11/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| National Bank (3.56% 360d) | A1 | TD | 13/01/2015 | 8/01/2016 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| ANZ Bank (2.45% 30d) | A1 | TD | 16/02/2015 | 18/03/2015 | 3,000,000 | 3,000,000 | 3,000,000 | 2 | |
| ANZ Bank (3.21% 210d) | A1 | TD | 29/08/2014 | 27/03/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| ANZ Bank (3.51% 367d) | A1 | TD | 26/09/2014 | 28/09/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| ANZ Bank (3.47% 364d) | A1 | TD | 7/11/2014 | 6/11/2015 | 3,000,000 | 3,000,000 | 3,000,000 | 2 | |
| St George - div of Westpac (3.35% 180d) | A1 | TD | 7/11/2014 | 6/05/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| St George - div of Westpac (3.23% 150d) | A1 | TD | 13/01/2015 | 12/06/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| St George - div of Westpac (3.48% 300d) | A1 | TD | 9/10/2014 | 5/08/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| Bankwest (3.00% 30d) | A1 | TD | 16/02/2015 | 18/03/2015 | 3,000,000 | 3,000,000 | 3,000,000 | 2 | |
| Bankwest (3.35% 210d) | A1 | TD | 29/08/2014 | 27/03/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Bankwest (3.35% 210d) | A1 | TD | 29/08/2014 | 27/03/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Bankwest (3.45% 180d) | A1 | TD | 7/11/2014 | 6/05/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| Bankwest (3.15% 91d) | A1 | TD | 23/02/2015 | 25/05/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Commonwealth Bank (BBSW + 1.05% 3 yrs) | A1 | FRN | 5/03/2012 | 24/12/2015 | 1,000,000 | 976,400 | 983,100 | 2 | |
| Sub-total Tier 1 Deposits | | | | | 40,000,000 | 39,976,400 | 39,983,100 | | |
| ING Direct (3.51% 180d) | A2 | TD | 7/11/2014 | 6/05/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| ING Direct (3.51% 182d) | A2 | TD | 17/11/2014 | 18/05/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| ING Direct (3.00% 360d) | A2 | TD | 10/02/2015 | 5/02/2016 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| ING Direct (3.00% 360d) | A2 | TD | 10/02/2015 | 5/02/2016 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| AMP Bank (3.50% 272d) | A2 | TD | 11/11/2014 | 10/08/2015 | 2,000,000 | 2,000,000 | 2,000,000 | 2 | |
| Sub-total Tier 2 Deposits | | | | | 6,000,000 | 6,000,000 | 6,000,000 | | |
| Rabo Direct (3.55% 270d) | A3 | TD | 7/07/2014 | 3/04/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Suncorp (3.60% 181d) | A3 | TD | 25/11/2014 | 25/05/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Suncorp (3.45% 150d) | A3 | TD | 13/01/2015 | 12/06/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Bendigo/Adelaide Bank (3.65% 365d) | A3 | TD | 30/07/2014 | 30/07/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Bendigo/Adelaide Bank (3.65% 365d) | A3 | TD | 31/07/2014 | 31/07/2015 | 1,000,000 | 1,000,000 | 1,000,000 | 2 | |
| Sub-total Tier 3 Deposits | | | | | 5,000,000 | 5,000,000 | 5,000,000 | | |
| ANZ Bank 11am Call Account | A1 | Cash | | | 50,000 | 50,000 | 50,000 | 2 | |
| CBA Online Saver | A1 | Cash | | | 8,705,625 | 8,705,625 | 8,705,625 | 2 | |
| AMP 31 day Notice Account | A2 | Cash | | | 2,920,472 | 2,920,472 | 2,920,472 | 2 | |
| Total WMC Investments | | | | | 62,676,096 | 62,652,496 | 62,659,196 | | |
| Total Portfolio | | | | | 63,718,544 | 63,694,944 | 63,382,144 | | |
| PORTFOLIO SUMMARISED BY CLASSIFICATION | | | | | | | | | |
| FRN | | | | | 1,000,000 | 976,400 | 983,100 | | |
| Mortgage Backed | | | | | 1,000,000 | 1,000,000 | 680,500 | | |
| TD | | | | | 50,000,000 | 50,000,000 | 50,000,000 | | |
| Cash | | | | | 11,718,544 | 11,718,544 | 11,718,544 | | |
| | | | | | 63,718,544 | 63,694,944 | 63,382,144 | | |
| 1. Book Value (Fair Value) as at 30 June 2014 | | | | | | | | | |
| 2. Face value of deposit / bank bill | | | | | | | | | |
| FRN - Floating Rate Note | | Floating rate notes (FRNs) are bonds that have a variable coupon, equal to a money market reference rate, plus a spread. The spread is a rate that remains constant. Almost all FRNs have quarterly coupons, i.e. they pay out interest every three months. | | | | | | | |
| Mortgage Backed Security | | A mortgage-backed security is an asset-backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans. Payments are typically made monthly over the lifetime of the underlying loans. | | | | | | | |
| Term Deposit | | Term Deposit is a money deposit at an approved deposit taking (ADI) institution for a fixed term at a fixed interest rate. When the term is over it can be withdrawn or it can be held for another term. | | | | | | | |

Investment Policy Compliance Report as at 28 February 2015

| Acct | Bank | Policy Ref. | Policy Limit | Current Holdings | % of Total | Compliance |
|---|-------------------------|-------------|--------------|-------------------|------------|-----------------------------------|
| AMP | AMP Bank | TIER2 | 5,000,000 | 4,920,472 | 7.8% | Complies - \$ 79,528 available |
| ANZ | ANZ Bank | TIER1 | 15,845,536 | 10,050,000 | 15.9% | Complies - \$ 5,795,535 available |
| BAB | Bendigo Adelaide Bank | TIER3 | 2,000,000 | 2,000,000 | 3.2% | Complies - \$ 0 available |
| CBA | Commonwealth Bank | TIER1 | 15,845,536 | 17,688,725 | 27.9% | Over Policy Limit by \$ 1,843,188 |
| ING | ING Direct | TIER2 | 5,000,000 | 4,000,000 | 6.3% | Complies - \$ 1,000,000 available |
| LEH | Lehman Brothers | NA | 0 | 42,448 | 0.1% | Grandfathered - Complies |
| NAB | National Australia Bank | TIER1 | 15,845,536 | 16,000,000 | 25.2% | Over Policy Limit by \$ 154,464 |
| OAK | Oakvale Capital | NA | 0 | 680,500 | 1.1% | Grandfathered - Complies |
| RAB | Rabo Direct | TIER3 | 2,000,000 | 1,000,000 | 1.6% | Complies - \$ 1,000,000 available |
| STG | St George Bank | TIER1 | 15,845,536 | 5,000,000 | 7.9% | Complies - \$10,845,535 available |
| SUN | Suncorp | TIER3 | 2,000,000 | 2,000,000 | 3.2% | Complies - \$ 0 available |
| Total Portfolio as at 28 February 2015 | | | | 63,382,144 | | |

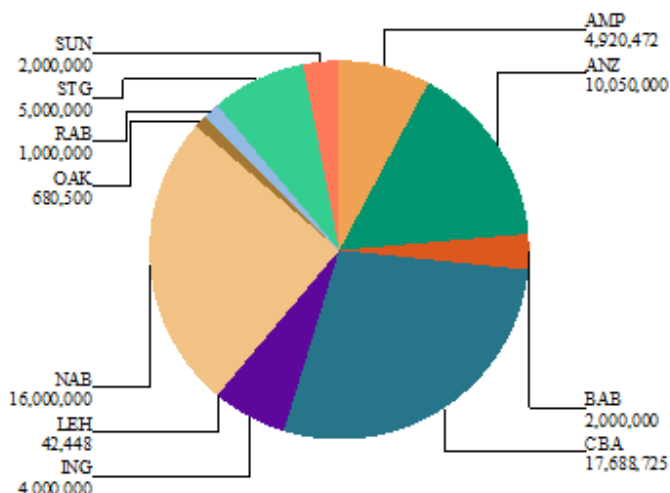
Secondary Compliance for Tier 1 & Tier 2 Investments, maximum term of 12 months

| | | Maximum Term (Days) | |
|-----|-----------------------|---------------------|----------|
| AMP | AMP Bank | 272 | Complies |
| BAB | Bendigo Adelaide Bank | 365 | Complies |
| ING | ING Direct | 360 | Complies |
| RAB | Rabo Direct | 273 | Complies |
| SUN | Suncorp | 181 | Complies |

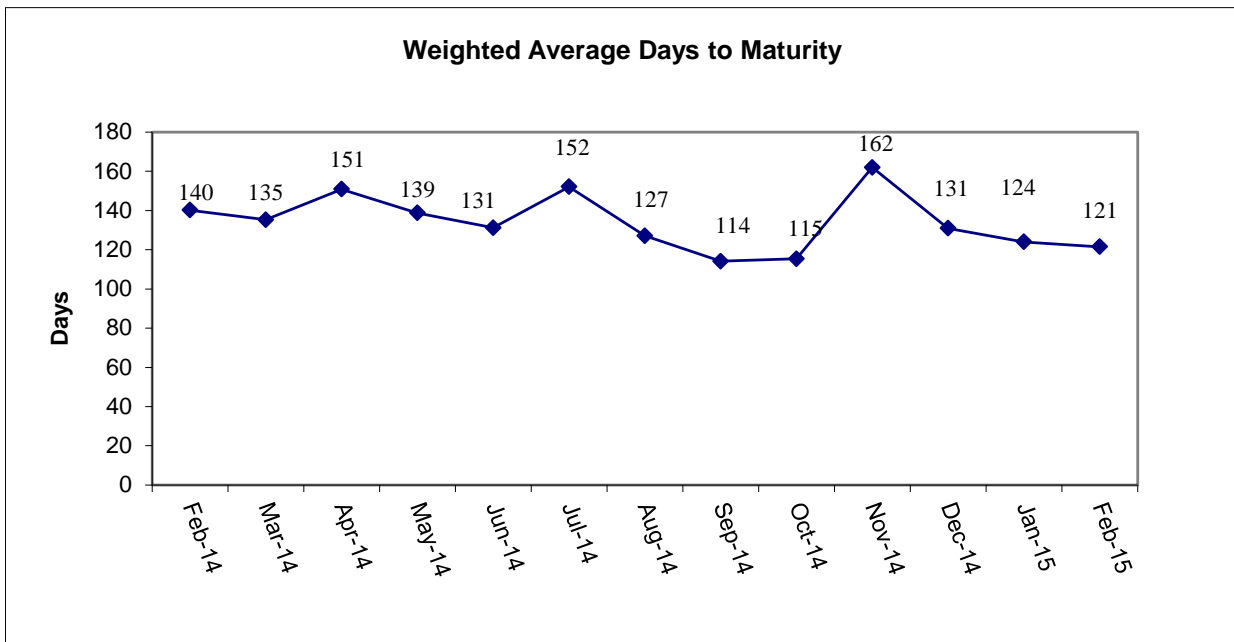
Final Compliance, Tier 2 maximum \$10,000,000 invested and Tier 3 maximum of \$6,000,000 invested

Total Investment in Tier 2 Banks: 8,920,472 Complies - \$1,079,528 available
 Total Investment in Tier 3 Banks: 5,000,000 Complies - \$1,000,000 available

Portfolio Breakdown

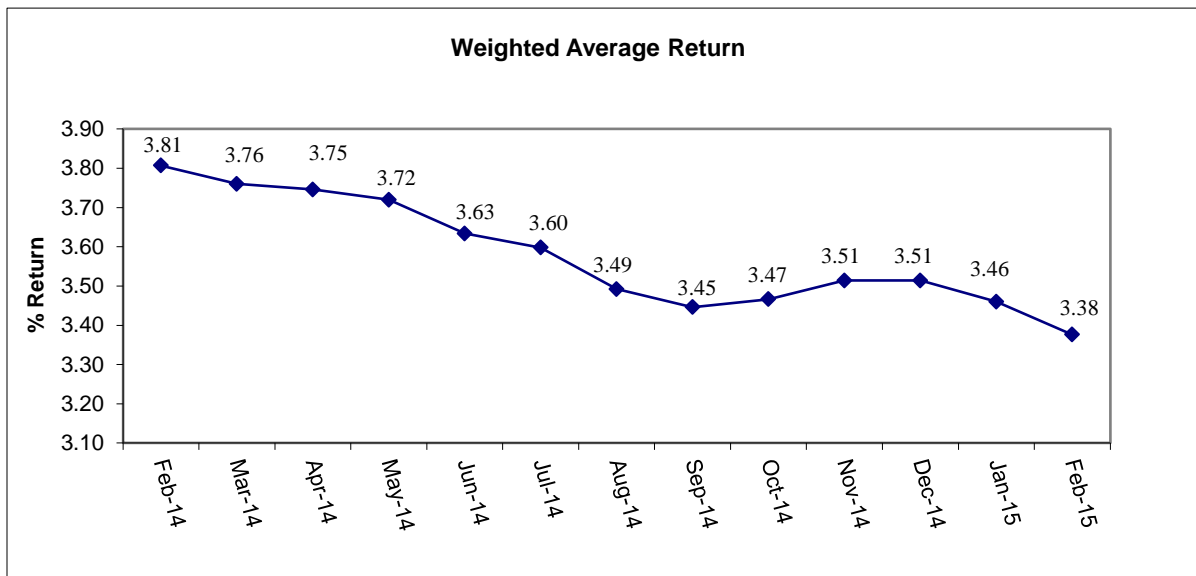


As a consequence of retaining some \$4M in our CBA Online Saver account (to meet forecast capital expenditure commitments) there was a temporary breach of Policy limits (no more than 25% with the major banks) as at February 28. This breach has since been rectified with the investment of additional funds during March.



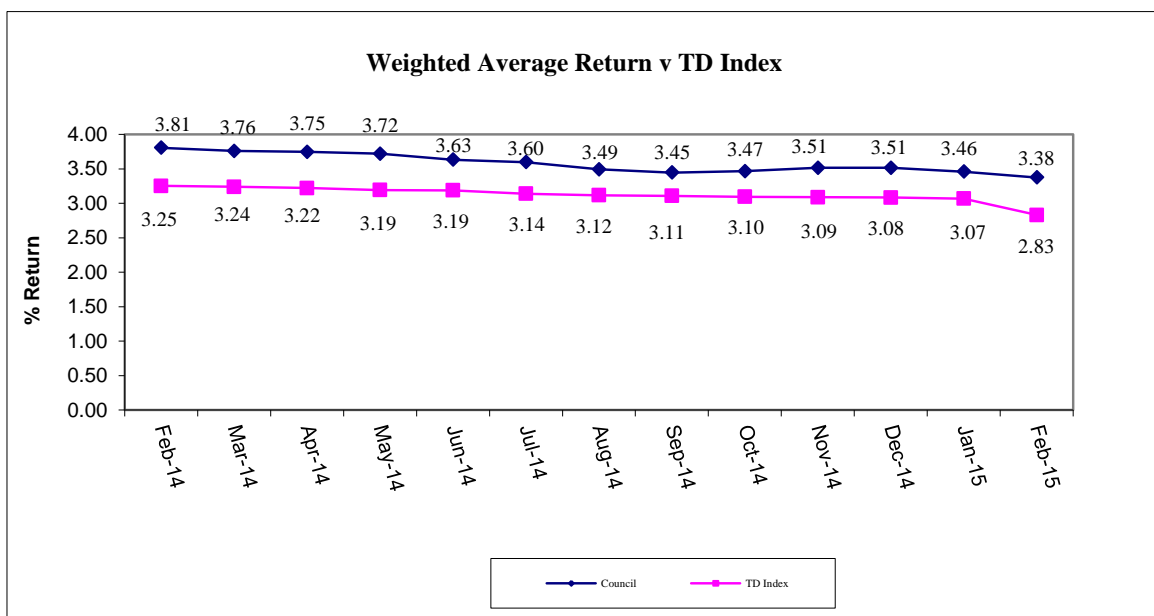
Commentary:

The weighted average dropped 3 days between February and January as a combined result of the existing portfolio moving another month towards maturity and a number of new deposits lodged on shorter terms to meet coming capital expenditure.



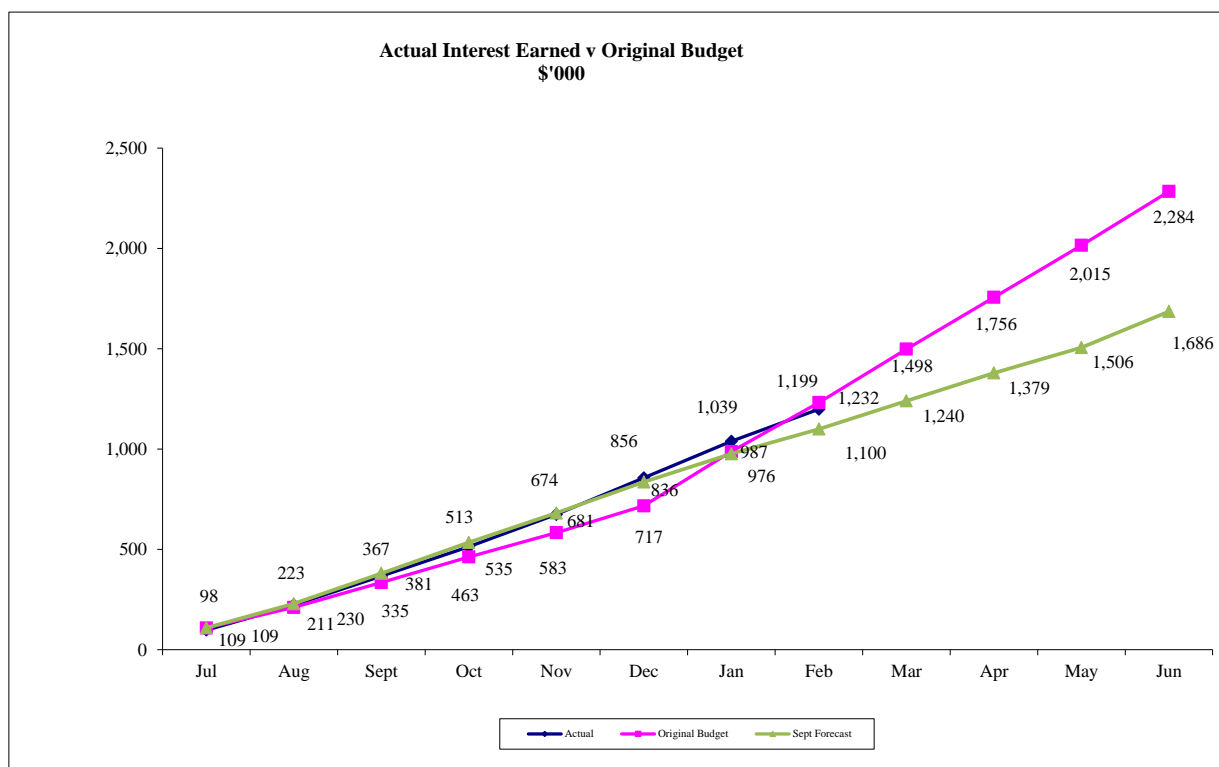
Commentary:

The weighted average return fell 8 basis points during February with all new investments attracting rates ranging between 2.45% to 3.15% less than the prior month's average



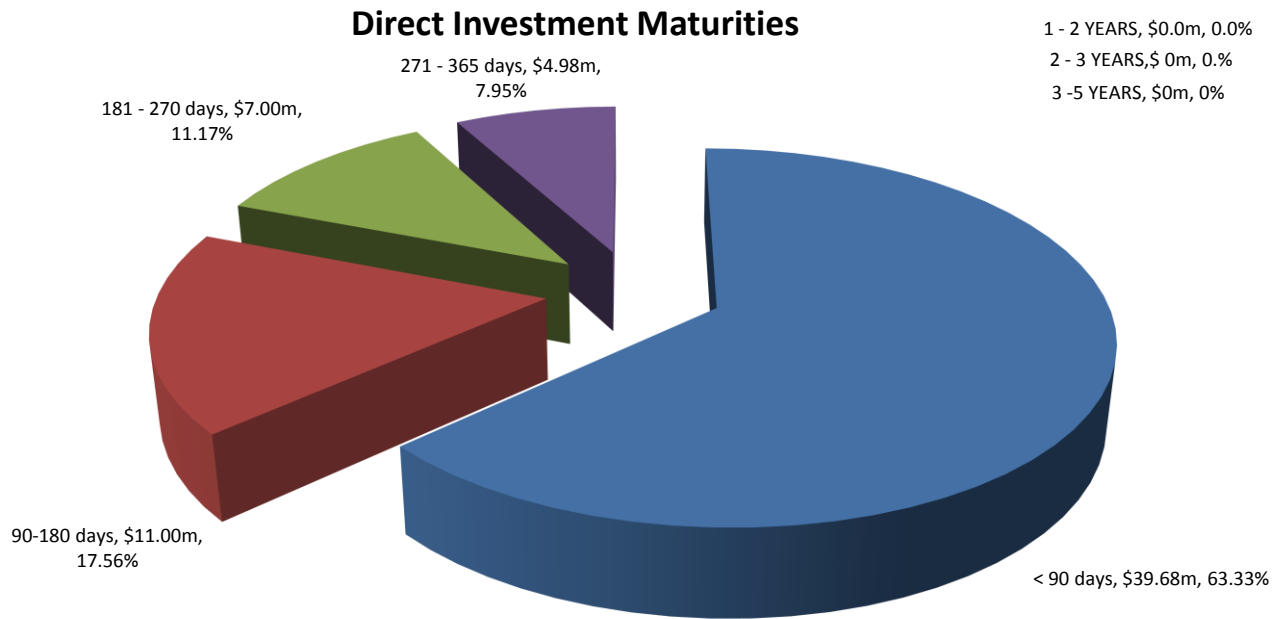
Commentary:

This chart tracks Council’s weighted average return on its direct investment portfolio against a 90 day term deposit index. Although we are tracking ahead of the TD index the drop this month reflects the shorter investment terms chosen to meet forecast capital expenditure commitments.



Commentary:

The Actual v. Budget chart includes the revised forecast of interest earnings and updated phasing based on actual receipt of asset sales proceeds (originally budgeted to be investment from January 2015 onward). The total accrued interest year-to-date to February of \$1,199k is ahead of the revised budget forecast of \$1,100k.



| Maturity Range | \$M Invested | % of Portfolio |
|-----------------------|---------------------|-----------------------|
| < 90 days | 39.68 | 63.33 |
| 90 - 180 days | 11.00 | 17.56 |
| 181 - 270 days | 7.00 | 11.17 |
| 271 - 365 days | 4.98 | 7.94 |
| 1 - 2 years | 0.00 | 0.0 |
| 2 - 3 years | 0.00 | 0.0 |
| 3 - 5 years | 0.00 | 0.0 |
| | 62.66 | 100.0 |

Commentary:

The chart and table reflect Council’s position of generally rolling short term investments.

Movements in Book Value of Investments

Formerly managed by Lehman Brothers

| Date | Description | Securities | UBS Cash | Total |
|------------|---------------------------------|-------------|------------------|-----------|
| | | | Management Trust | |
| 30/06/2014 | Balance brought forward | | 14,427.27 | 14,427.27 |
| 15/07/2014 | CBA FRN - quarterly interest | | 9,400.00 | 23,827.27 |
| 23/07/2014 | UBS Fee - Jun'14 management fee | | (61.22) | 23,766.05 |
| 11/08/2014 | UBS Fee - Jul'14 management fee | | (63.32) | 23,702.73 |
| 9/09/2014 | UBS Fee - Aug'14 management fee | | (63.72) | 23,639.01 |
| 30/09/2014 | Interest - UBS Cash Account | | 88.74 | 23,727.75 |
| 15/10/2014 | CBA FRN - quarterly interest | | 9,400.00 | 33,127.75 |
| 16/10/2014 | UBS Fee - Sep'14 management fee | | (59.44) | 33,068.31 |
| 10/11/2014 | UBS Fee - Oct'14 management fee | | (62.65) | 33,005.66 |
| 5/12/2014 | UBS Fee - Nov'14 management fee | | (61.10) | 32,944.56 |
| 31/12/2014 | Interest - UBS Cash Account | | 129.63 | 33,074.19 |
| 15/01/2015 | CBA FRN - quarterly interest | | 9,500.00 | 42,574.19 |
| 20/01/2015 | UBS Fee - Dec'14 management fee | | (63.26) | 42,510.93 |
| 5/02/2015 | UBS Fee - Jan'15 management fee | | (63.28) | 42,447.65 |
| | | 0.00 | 42,447.65 | |

Formerly managed by Oakvale Capital

| | Description | Securities | Blackrock | Total |
|------------|-------------------------|-------------------|--------------|------------|
| | | | Managed Fund | |
| 30/06/2014 | Balance brought forward | 680,500.00 | | 680,500.00 |
| | | 680,500.00 | 0.00 | |

Direct Investments

| | Description | Securities | Total |
|------------|-------------------------|-------------------|------------|
| 30/06/2014 | Balance brought forward | 983,100.00 | 983,100.00 |
| | | 983,100.00 | |

Commentary:

The table above details any movements in Council's portfolio formerly managed by Lehman Brothers and Oakvale Capital along with Council's direct investment floating rate note. It typically includes the maturity or sale of securities, quarterly coupon payments and fair value (market) adjustments. It will also include small payments of interest earned on Council's cash management accounts and the deduction of fees associated with Council's safe custody arrangements.

No coupons were due for February.

Don Johnston
Chief Financial Officer

Stephen Dunshea
Director Corporate Services

Annexures:

1. Council's Investment Policy

Political Donations – matters to be considered by Councillors at Meetings

