



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 3 February 2014*

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

30 January 2014

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

Dear Councillors

Corporate & Works Committee Meeting – 3 February 2014

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 3 February 2014 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 December 2013	1
D2	Monthly Financial Report – November 2013 – 349.G	2
D3	Monthly Financial Report – December 2013 – 349.G	15
D4	Disclosure of Interest submitted by designated employees during the period October to December 2013 – 169.G	28

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

R1	13/2013 SSROC Cleaning & Inspecting gross pollutant traps – 811.G	31
----	---	----

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 2 December 2013**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 2 December 2013 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 December 2013 be taken as read and confirmed.

Les Windle
Manager – Governance

Item No: D2 Delegated to Committee
Subject: **Monthly Financial Report - November 2013**
Author: Don Johnston, Manager Finance
File No: 349.G
Reason for Report: To present the monthly financial report for November 2013

Recommendation:

That the Committee:

- i. Receive and note the Monthly Financial Report – November 2013.
- ii. Note that Council’s 12 months weighted average return on its direct investment portfolio of 3.88% continues to exceed the November 2013 benchmark 90 day term deposit index of 3.12%.
- iii. Note that total interest earned to November 2013 of \$660k exceeds the year-to-date 2013/14 Budget estimate of \$599k.

Background:

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

The Monthly Financial Report for November 2013 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 Oct		Book Value of Investments Held	36,219,941.20
4 Nov	Maturity	Bendigo/Adelaide Bank, 182 days @ 4.30%	(1,000,000.00)
18 Nov	Maturity	Suncorp, 181 days @ 4.10%	(1,000,000.00)
18 Nov	Purchase	ING Direct, 240days @ 3.73%	1,000,000.00
19 Nov	Maturity	National Australia Bank, 365 days @ 4.69%	(2,000,000.00)
19 Nov	Maturity	Bank of Sydney, 92 days @ 4.05%	(250,000.00)
19 Nov	Purchase	Bank of Sydney, 90 days @ 3.90%	250,000.00
20 Nov	Distribution	Lehman Global Property Note – second distribution	(2,145.72)
	Adjustment	Fair Value Adjustment – Lehman Global Property Note	2,145.72
25 Nov	Maturity	Commonwealth Bank, 182 days @ 4.05%	(1,000,000.00)
25 Nov	Purchase	Bendigo/Adelaide Bank, 240 days @ 3.75%	1,000,000.00
25 Nov	Purchase	ING Direct, 182 days @ 3.81%	1,000,000.00
Various	Net Movement	Net Movement in Online Savings Cash Account	1,886,085.04
Various	Net Movement	Net Movement in UBS Cash Management Trust Account (Coupon payments + UBS interest + Deposits – UBS Fees)	(70.52)
		Net Change in Portfolio	(113,985.48)
30 Nov		Book Value of Investments Held	36,105,955.72

Commentary:

During the month of November the total investment balance remained almost unchanged from the previous month's closing balance. It should be noted however that our General Fund account balance at month-end of \$1.8M included rates instalments that would otherwise be reflected in the figures above. These funds were subsequently invested early December.

Council also received a further distribution from the fund manager for the Lehman Global Property Note requiring a small fair value adjustment to write down the residual balance to zero.

Investment Working Party Update

In the October Investment Working Party update, the Committee was advised that, in relation to the Lehman matter, Council had received advice from Piper Alderman of a proposed course of action regarding potential resolution of the class action. Following consultation with the Investment Working Party (IWP) and Council's Investments Adviser, this course of action was been agreed to and IMF Australia authorised to proceed. There was no further activity in this regard in November.

In relation to the Oakvale matter, the directions hearing has been further adjourned to 13 February 2014.

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

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 31 October 2013 22,396.84

Receipts

Rates	6,121,340.60	
Investment Maturities	5,250,000.00	
Transfers In from At Call Accounts	4,880,000.00	
Other	3,672,742.60	
Total Receipts		19,924,083.20

Description	Amount
Sundry Debtors	709,270.60
Deposits & Bonds	534,176.47
Parking Fines	456,420.67
Sect 94A Contributions	259,554.79
GST Refund	253,411.00
Capital Grants - various	200,767.25
Trade Waste Debtors	185,780.29
Parking Meter Charges	171,643.60
Build/Construction LS Levy	70,788.52
Development Application Fees	51,908.13

Payments - Cheque

Cheque Payments	-787,965.30
Cancelled Cheques	18,145.00
Total Cheque Payments for period	-769,820.30

Cheque No	Cheque Date	Payee	Description	Amount
218401	14/11/2013	Keystone Project Group Pty Ltd	General works - Woollahra Seniors Centre	-159,843.63
218499	28/11/2013	Department of Lands	Valuation Fees - 2013/14	-80,349.40
218379	8/11/2013	Withheld	Refund of security deposit	-57,453.47
218498	28/11/2013	City of Sydney Council	Council Rates - Odea Avenue Depot	-26,792.35
218385	8/11/2013	Withheld	Refund of security deposit	-24,306.39
218332	1/11/2013	Moscow Circus	Bond refund - Lyne Park	-20,599.50
218313	1/11/2013	ERM Power Retail Pty Ltd	Electricity supply - Oct'13 - various locations	-17,988.12
218381	8/11/2013	Withheld	Refund of security deposit	-17,316.85
218396	14/11/2013	AGL Sydney	Electricity supply - Oct'13 - various locations	-17,093.86
218386	8/11/2013	Withheld	Refund of security deposit	-16,811.92

Payments - EFT

EFT Payments	-5,043,928.60
Returned EFTs	0.00
Total EFT Payments for period	-5,043,928.60

Reference	EFT Date	Payee	Description	Amount
42423	1/11/2013	Downer EDI Works Pty Ltd	General works - New Beach Rd and various locations	-353,521.29
291113	29/11/2013	National Australia Bank	Loan repayment - principal and interest	-482,813.26
281113	28/11/2013	Melhemcorp Pty Ltd	General works - O'Sullivan Rd, Rose Bay	-252,396.85
42633	14/11/2013	SITA Australia Pty Ltd	Tipping charges - 27th Sept to 16th Oct 2013	-246,548.23
42607	14/11/2013	Local Govt Super Scheme-Div.A	Employer/employee super - Oct'13	-232,750.84
42721	21/11/2013	SITA Australia Pty Ltd	Tipping charges - 17th Oct to 31st Oct 2013	-204,290.76
42457	1/11/2013	SITA Australia Pty Ltd	Tipping charges - 17th Sept to 26th Sep 2013	-148,766.06
42517	7/11/2013	KK Consultants Pty Ltd t/as KK Civil Eng	General works - Vaucluse Rd	-132,443.55
42482	7/11/2013	Ally Property Services Pty Ltd	Restorations - NSH Rd and Gen works - Bundarra Rd	-112,585.00
42594	14/11/2013	Gilbert + Tobin Lawyers	Legal expenses - various incl Carparking Agreement	-100,970.94

Payments - Direct Debits From Bank A/c

Payroll	-1,683,216.82
PAYG Tax	-525,338.00
Bank Charges	-12,623.92
Investment Purchases	-3,250,000.00
Transfers to At Call Accounts	-6,760,000.00
Credit Cards	-5,335.65
Councillors' fees	-29,932.77
Council Rates	-58,791.74
Total Direct Debits for period	-12,325,238.90

Total Payments

-18,138,987.80

Cash Book Balance as at 30 November 2013

1,807,492.24

Unpresented Cheques	No of Cheques: 196	Value: 328,223.70
Outstanding Deposits & Miscellaneous Items		784,704.15

Reconciled Cash Book Balance as at 30 November 2013

2,920,420.09

Bank A/c Balance as at 30 November 2013

2,920,420.09

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Amount
218499	28/11/2013	Department of Lands	80,349.40

Commentary:

This statement presents Council's bank reconciliation as at 30 November 2013. The top ten receipt and payment items are provided in the report. Excluding investment transactions, receipts exceeded payments for the month by some \$1.7m. It should be noted that the higher cash book balance at month-end is due to overnight rates instalments since invested early in December.

INVESTMENTS AS AT 30 NOVEMBER 2013

CATEGORY		FACE VALUE	BOOK VALUE
		\$	\$
1. LEHMAN BROTHERS (formerly Grange Securities Ltd)			
Funds previously under management		522,346	22,346
2. OAKVALE CAPITAL Limited			
Funds previously under management		1,000,000	580,500

RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TOTAL TERM (DAYS)	REMAINING DAYS TO MATURITY	%	FACE VALUE \$	BOOK VALUE \$	GOV'T GUARANTEE
3. WMC DIRECT INVESTMENTS									
<i>TERM DEPOSITS: (in order of Maturity)</i>									
	<u>BANKWEST</u>								
	TERM DEPOSIT	3/09/2013	2/12/2013	90	2	3.50	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	3/12/2012	3/12/2013	365	3	4.28	1,000,000	1,000,000	#
	<u>RABO DIRECT</u>								
	TERM DEPOSIT	29/04/2013	2/01/2014	248	33	4.35	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	28/08/2013	28/01/2014	153	59	3.80	1,000,000	1,000,000	#
	<u>ING DIRECT</u>								
	TERM DEPOSIT	31/07/2013	29/01/2014	182	60	4.36	1,000,000	1,000,000	#
	<u>SUNCORP</u>								
	TERM DEPOSIT	14/08/2013	10/02/2014	180	72	3.75	1,000,000	1,000,000	#
	<u>AMP BANK</u>								
	TERM DEPOSIT	14/05/2013	14/02/2014	276	76	4.00	2,000,000	2,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	4/03/2013	4/03/2014	365	94	4.25	1,000,000	1,000,000	#
	<u>BANK OF SYDNEY</u>								
	TERM DEPOSIT	19/11/2013	17/02/2014	90	79	3.90	250,000	250,000	Guaranteed
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	3/09/2013	1/04/2014	210	122	3.83	1,000,000	1,000,000	#
	<u>AMP</u>								
	TERM DEPOSIT	3/04/2013	3/04/2014	365	124	4.15	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	3/04/2013	3/04/2014	365	124	4.20	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	14/08/2013	11/04/2014	240	132	3.50	2,000,000	2,000,000	#
	<u>BANKWEST</u>								
	TERM DEPOSIT	28/08/2013	28/04/2014	243	149	3.40	2,000,000	2,000,000	#
	<u>AMP</u>								
	TERM DEPOSIT	2/08/2013	29/04/2014	270	150	4.00	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	19/08/2013	16/05/2014	270	167	3.86	2,000,000	2,000,000	#
	<u>ING DIRECT</u>								
	TERM DEPOSIT	25/11/2013	26/05/2014	182	177	3.81	1,000,000	1,000,000	#
	<u>COMMONWEALTH BANK</u>								
	TERM DEPOSIT	27/05/2013	27/05/2014	365	178	4.05	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	3/09/2013	2/06/2014	272	184	3.88	1,000,000	1,000,000	#
	<u>AMP BANK</u>								
	TERM DEPOSIT	20/06/2013	20/06/2014	365	202	4.00	1,000,000	1,000,000	#
	<u>RABO DIRECT</u>								
	TERM DEPOSIT	3/09/2013	30/06/2014	300	212	3.90	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	9/10/2013	7/07/2014	271	219	3.81	1,000,000	1,000,000	#
	<u>ING DIRECT</u>								
	TERM DEPOSIT	18/11/2013	16/07/2014	240	228	3.73	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	21/10/2013	18/07/2014	270	230	3.68	1,000,000	1,000,000	#

RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TERM (DAYS)	DAYS TO MATURITY	%	VALUE \$	BOOK VALUE \$	GOV'T GUARANTEE
	<u>BENDIGO/ADELAIDE BANK</u>								
	TERM DEPOSIT	25/11/2013	23/07/2014	240	235	3.75	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	4/10/2013	31/07/2014	300	243	3.76	1,000,000	1,000,000	#
	<u>HUNTER UNITED EM PL CU</u>								
	TERM DEPOSIT	23/09/2013	23/09/2014	365	297	3.70	250,000	250,000	Guaranteed
	<u>CBA</u>								
	FLOATING RATE NOTE**	5/03/2012	24/12/2015	1389	754	4.09	1,000,000	983,100	#
<u>AT CALL:</u>									
	<u>COMMONWEALTH BANK</u>								
	ONLINE SAVER A/C					2.50	4,970,010	4,970,010	#
	<u>ANZ BANK</u>								
	11AM CALL ACCT					2.50	50,000	50,000	#
	Total WMC Direct Investments						35,520,010	35,503,110	
	Weighted Average Days to Maturity of WMC Direct Investments				158.92				
	Weighted Average Return of WMC Direct Investments					3.88			
	PORTFOLIO TOTALS						37,042,356	36,105,956	

Covered under Council's new Investment Policy effective Tue 31/01/12

* 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
MANAGER FINANCE

INVESTMENTS PORTFOLIO AS AT 30 NOVEMBER 2013

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)								
Issued by non-ADIs								
Corsair (Kakadu AA)		CDO	22/01/2007	20/03/2014	500,000	503,300	0	1
					500,000	503,300	0	
UBS Cash Management Trust		Cash			22,346	22,346	22,346	2
					22,346	22,346	22,346	
Total Lehman Brothers					522,346	525,646	22,346	
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	580,500	1
Total Oakvale Capital					1,000,000	1,000,000	580,500	
3. WMC INVESTMENTS								
National Bank (3.80% 153d)	A1	TD	28/08/2013	28/01/2014	1,000,000	1,000,000	1,000,000	2
National Bank (4.25% 365d)	A1	TD	4/03/2013	4/03/2014	1,000,000	1,000,000	1,000,000	2
National Bank (3.83% 210d)	A1	TD	3/09/2013	1/04/2014	1,000,000	1,000,000	1,000,000	2
National Bank (3.86% 270d)	A1	TD	19/08/2013	16/05/2014	2,000,000	2,000,000	2,000,000	2
National Bank (3.88% 272d)	A1	TD	3/09/2013	2/06/2014	1,000,000	1,000,000	1,000,000	2
National Bank (3.81% 271d)	A1	TD	9/10/2013	7/07/2014	1,000,000	1,000,000	1,000,000	2
Bankwest (3.50% 90d)	A1	TD	3/09/2013	2/12/2013	1,000,000	1,000,000	1,000,000	2
Bankwest (3.40% 243d)	A1	TD	28/08/2013	28/04/2014	2,000,000	2,000,000	2,000,000	2
St George - div of Westpac (4.28% 365d)	A1	TD	3/12/2012	3/12/2013	1,000,000	1,000,000	1,000,000	2
St George - div of Westpac (4.20% 365d)	A1	TD	3/04/2013	3/04/2014	1,000,000	1,000,000	1,000,000	2
St George - div of Westpac (3.50% 240d)	A1	TD	14/08/2013	11/04/2014	2,000,000	2,000,000	2,000,000	2
St George - div of Westpac (3.68% 270d)	A1	TD	21/10/2013	18/07/2014	1,000,000	1,000,000	1,000,000	2
St George - div of Westpac (3.76% 300d)	A1	TD	4/10/2013	31/07/2014	1,000,000	1,000,000	1,000,000	2
Commonwealth Bank (4.05% 182d)	A1	TD	27/05/2013	27/05/2014	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					18,000,000	17,976,400	17,983,100	
ING Direct (4.36% 182d)	A2	TD	31/07/2013	29/01/2014	1,000,000	1,000,000	1,000,000	2
ING Direct (3.81% 182d)	A2	TD	25/11/2013	26/05/2014	1,000,000	1,000,000	1,000,000	2
ING Direct (3.73% 240d)	A2	TD	18/11/2013	16/07/2014	1,000,000	1,000,000	1,000,000	2
AMP (4.00% 276d)	A2	TD	14/05/2013	14/02/2014	2,000,000	2,000,000	2,000,000	2
AMP (4.15% 365d)	A2	TD	3/04/2013	3/04/2014	1,000,000	1,000,000	1,000,000	2
AMP (4.00% 270d)	A2	TD	2/08/2013	29/04/2013	1,000,000	1,000,000	1,000,000	2
AMP (4.00% 365d)	A2	TD	20/06/2013	20/06/2014	1,000,000	1,000,000	1,000,000	2
Sub-total Tier 2 Deposits					8,000,000	8,000,000	8,000,000	
Suncorp (3.75% 180d)	A3	TD	14/08/2013	10/02/2014	1,000,000	1,000,000	1,000,000	2
Bendigo/Adelaide (3.75% 240d)	A3	TD	25/11/2013	23/07/2014	1,000,000	1,000,000	1,000,000	2
RaboDirect (4.35% 248d)	A3	TD	29/04/2013	2/01/2014	1,000,000	1,000,000	1,000,000	2
RaboDirect (3.90% 300d)	A3	TD	3/09/2013	30/06/2014	1,000,000	1,000,000	1,000,000	2
Sub-total Tier 3 Deposits					4,000,000	4,000,000	4,000,000	
Bank of Sydney (3.90% 90d)	B	TD	19/11/2013	17/02/2014	250,000	250,000	250,000	2
Hunter United CU (3.70% 365d)	B	TD	23/09/2013	23/09/2014	250,000	250,000	250,000	2
Sub-total Govt Guaranteed Deposits					500,000	500,000	500,000	
ANZ Bank 11am Call Account	A1	Cash			50,000	50,000	50,000	2
CBA Online Saver	A1	Cash			4,970,010	4,970,010	4,970,010	2
Total Direct Investments					35,520,010	35,496,410	35,503,110	
Total Portfolio					37,042,356	37,022,056	36,105,956	

Security	Face Value (FV)	Total Purchase Price	Current Book Value
PORTFOLIO SUMMARISED BY CLASSIFICATION			
CDO	500,000	503,300	0
FRN	1,000,000	976,400	983,100
Mortgage Backed	1,000,000	1,000,000	580,500
Managed Fund	0	0	0
TD	29,500,000	29,500,000	29,500,000
Cash	5,042,356	5,042,356	5,042,356
Other	0	0	0
	37,042,356	37,022,056	36,105,956
1. Book Value (Fair Value) as at 30 June 2013			
2. Face value of deposit / bank bill			
CDO - Collateralised Debt Obligation	CDOs are constructed from a portfolio of assets. These assets are divided by the issuer into different tranches: senior tranches (rated AAA), mezzanine tranches (AA to BB), and equity tranches (unrated). Losses are applied in reverse order of seniority and so junior tranches offer higher coupons (interest rates) to compensate for the added default risk.		
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.		
Managed Fund	Managed Funds are a way of investing money with other people to participate in a wider range of investments than those feasible for most individual investors, and to share the costs of doing so.		
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 30 November 2013

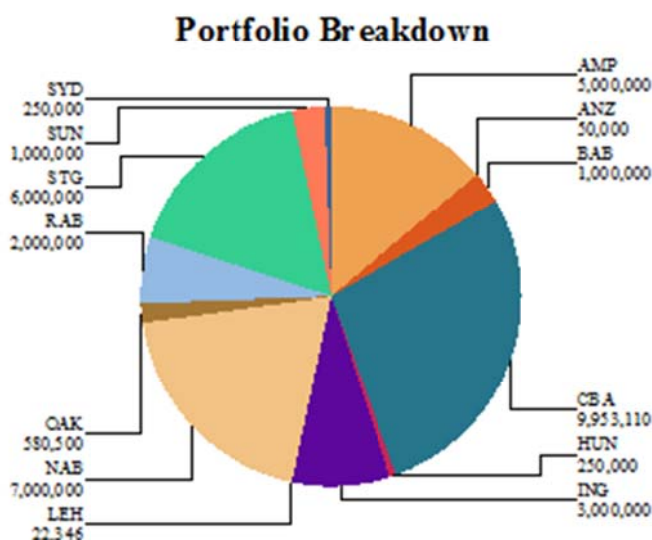
Acct	Bank	Policy Ref.	Policy Limit	Current Holdings	% of Total	Compliance
AMP	AMP Bank	TIER2	5,000,000	5,000,000	13.8%	Complies - \$ 0 available
ANZ	ANZ Bank	TIER1	9,026,489	50,000	0.1%	Complies - \$ 8,976,488 available
BAB	Bendigo Adelaide Bank	TIER3	2,000,000	1,000,000	2.8%	Complies - \$ 1,000,000 available
CBA	Commonwealth Bank	TIER1	9,026,489	9,953,110	27.6%	Over Policy Limit by \$ 926,620
HUN	Hunter United Credit Union	GTEE	250,000	250,000	0.7%	Complies - \$ 0 available
ING	ING Direct	TIER2	5,000,000	3,000,000	8.3%	Complies - \$ 2,000,000 available
LEH	Lehman Brothers	NA	0	22,346	0.1%	Grandfathered - Complies
NAB	National Australia Bank	TIER1	9,026,489	7,000,000	19.4%	Complies - \$ 2,026,488 available
OAK	Oakvale Capital	NA	0	580,500	1.6%	Grandfathered - Complies
RAB	Rabo Direct	TIER3	2,000,000	2,000,000	5.5%	Complies - \$ 0 available
STG	St George Bank	TIER1	9,026,489	6,000,000	16.6%	Complies - \$ 3,026,488 available
SUN	Suncorp	TIER3	2,000,000	1,000,000	2.8%	Complies - \$ 1,000,000 available
SYD	Bank of Sydney	GTEE	250,000	250,000	0.7%	Complies - \$ 0 available
Total Portfolio as at 30 November 2013				36,105,956		

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

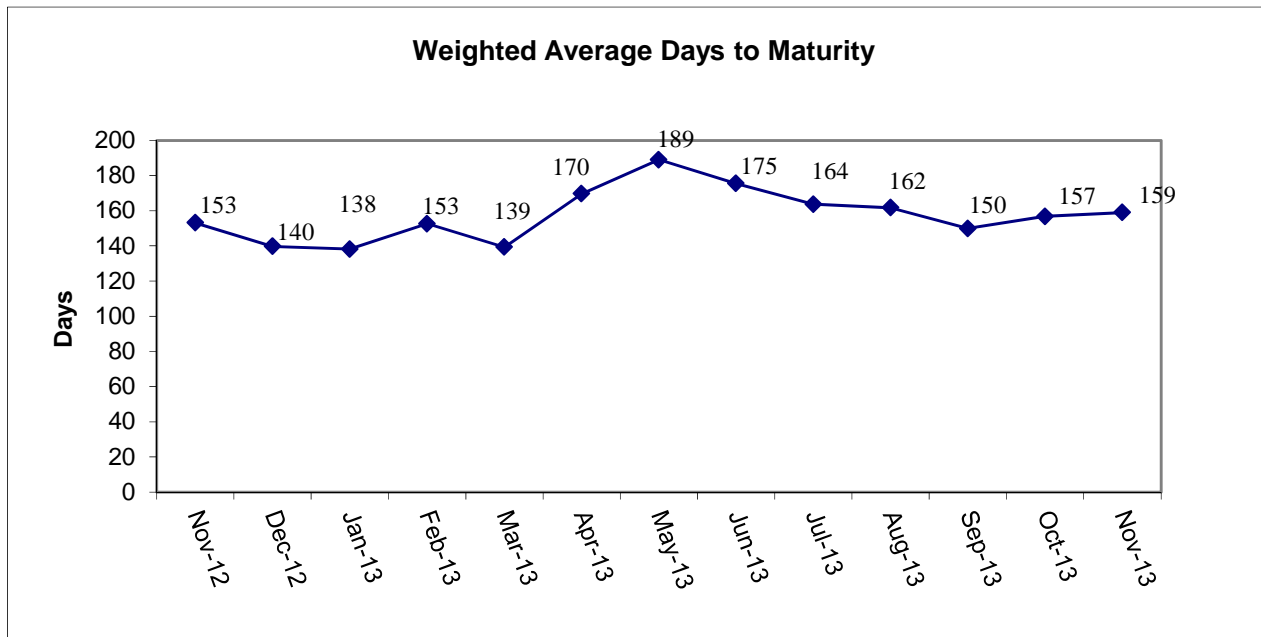
Acct	Bank	Maximum Term (Days)	Compliance
AMP	AMP Bank	365	Complies
BAB	Bendigo Adelaide Bank	240	Complies
ING	ING Direct	240	Complies
RAB	Rabo Direct	300	Complies
SUN	Suncorp	180	Complies

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

Total Investment in Tier 2 Banks:	8,000,000	Complies - \$2,000,000 available
Total Investment in Tier 3 Banks:	4,000,000	Complies - \$2,000,000 available

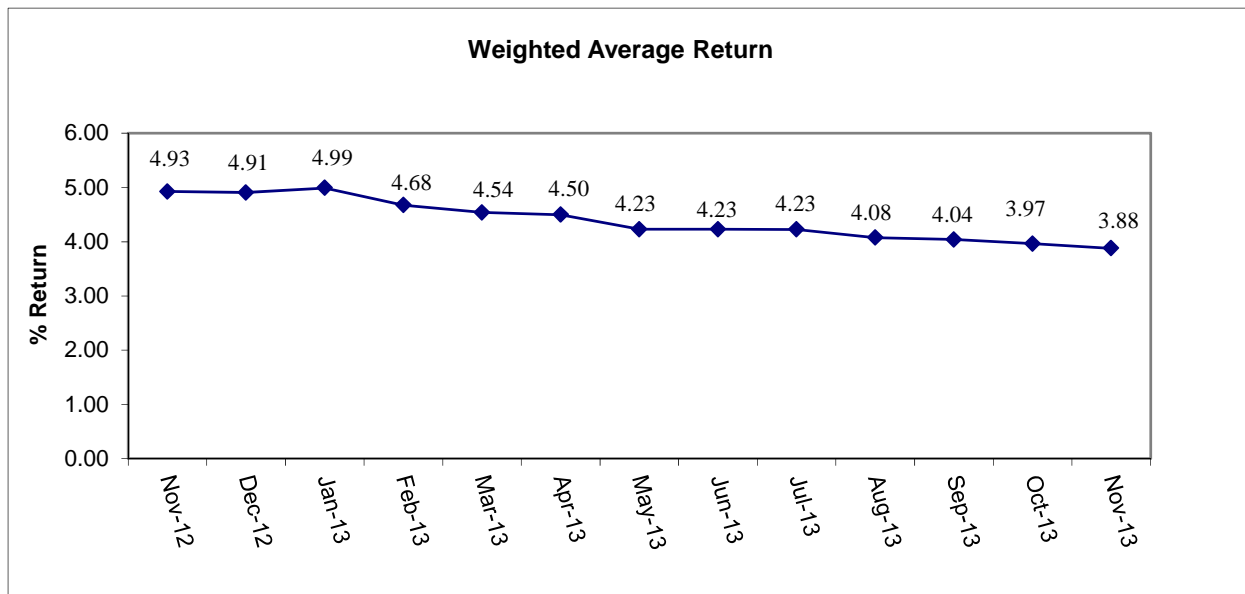


During the month the Commonwealth Bank group briefly exceeded the policy limit due to funds held on call arising from the November Rates instalment. This has since been resolved through the placement of term deposits early in December.



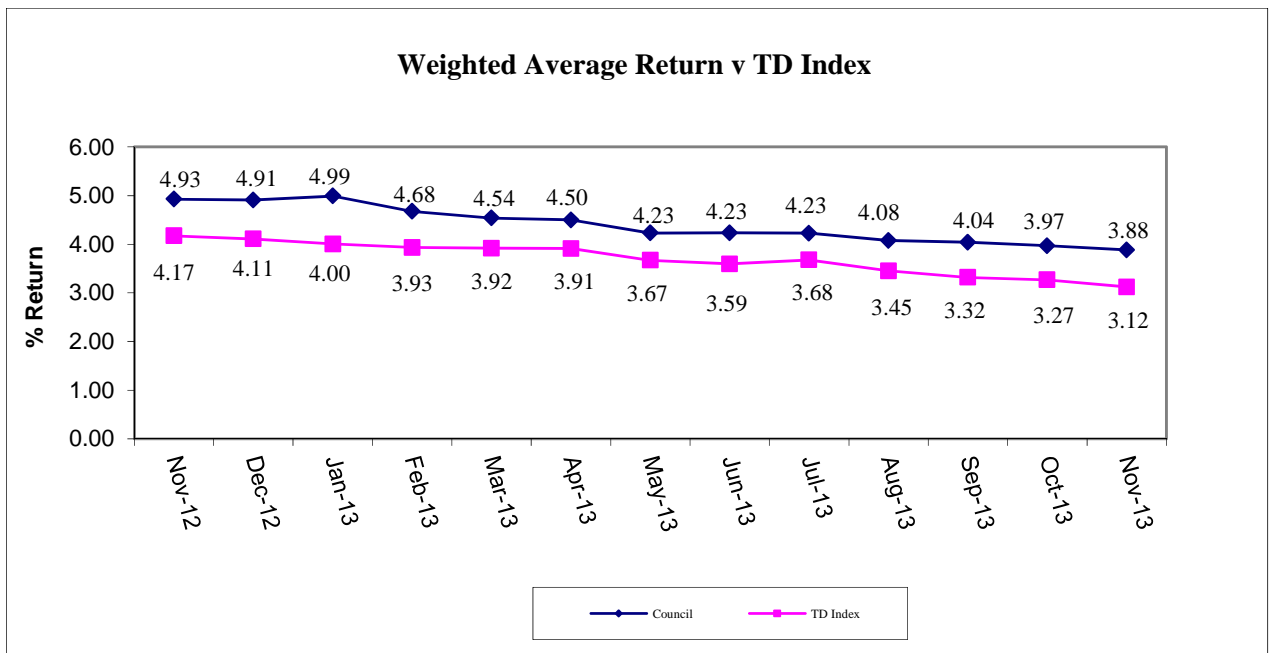
Commentary:

The weighted average increased slightly for the month with maturing investments replaced with deposits on longer terms.



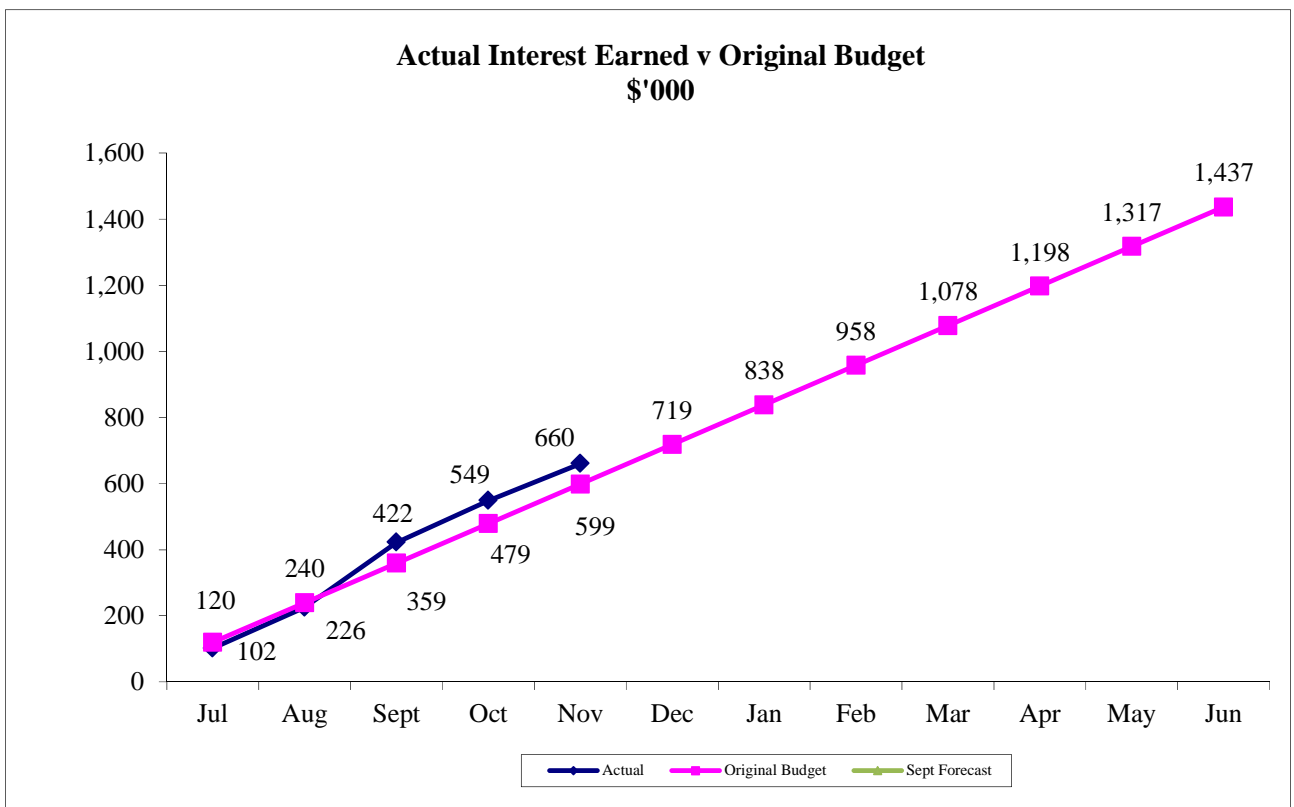
Commentary:

The weighted average fell slightly during the month with new investments attracting lower rates.



Commentary:

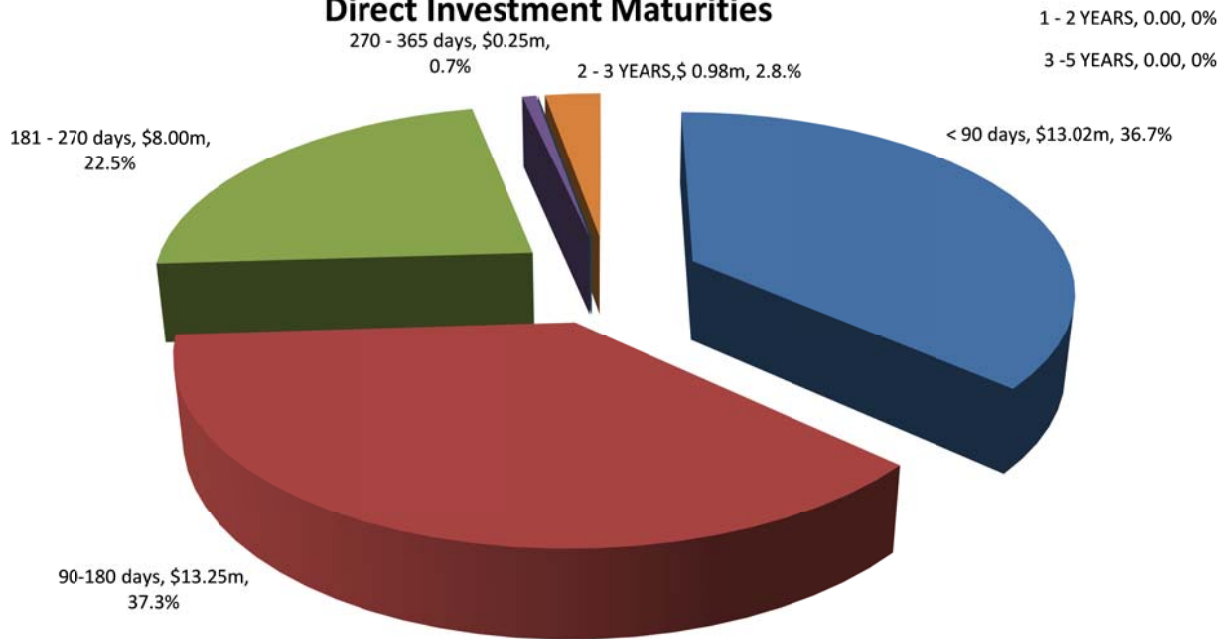
This chart tracks Council’s weighted average return on its direct investment portfolio against a 90 day term deposit index. The Council’s average return fell 9 margin points during the month to 3.88% against a TD Index of 3.12% due to lower interest rates on new investments.



Commentary:

The Actual v. Budget chart includes the Original Budget and Actuals. Total interest of \$660k earned to November includes a \$65k interest component from September’s termination of BlackRock, without which the year to date interest would have been \$595k and in line with the 2013/14 Budget.

Direct Investment Maturities



Maturity Range	\$M Invested	% of Portfolio
< 90 days	13.02	36.7
90 - 180 days	13.25	37.3
181 - 270 days	8.00	22.5
270 - 365 days	0.25	0.7
1 - 2 years	0.00	0.0
2 - 3 years	0.98	2.8
3 - 5 years	0.00	0.0
	35.50	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	
30/06/2013	Balance brought forward	1,380,695.00	30,331.63	1,411,026.63
18/07/2013	UBS Fee - Jun '13 management fee		(206.74)	1,410,819.89
19/07/2013	Royal Bank of Scotland FRN sale	(852,500.00)		558,319.89
19/07/2013	FV Adjustment (BV @ \$890,210)	(37,710.00)		520,609.89
19/07/2013	Royal Bank of Scotland FRN sale	(490,000.00)		30,609.89
19/07/2013	FV Adjustment (BV @ \$490,485)	(485.00)		30,124.89
15/07/2013	CBA FRN - quarterly interest		10,200.00	40,324.89
31/07/2013	July coupons		4,724.52	45,049.41
7/08/2013	UBS Fee - Jul '13 management fee		(205.51)	44,843.90
9/09/2013	UBS Fee - Aug '13 management fee		(131.24)	44,712.66
23/09/2013	Blackrock Capital Distribution		915,195.90	959,908.56
23/09/2013	Blackrock Income Distribution		65,330.07	1,025,238.63
24/09/2013	Withdrawal - UBS Cash Management Account		(1,020,000.00)	5,238.63
30/09/2013	September coupons		3,905.39	9,144.02
30/09/2013	Interest - UBS Cash Account		225.58	9,369.60
15/10/2013	CBA FRN - quarterly interest		9,600.00	18,969.60
18/10/2013	Blackrock Capital Distribution		2,543.34	21,512.94
18/10/2013	Blackrock Income Distribution		84.61	21,597.55
22/10/2013	UBS Fee - Sep '13 management fee		(113.86)	21,483.69
31/10/2013	October coupons		932.63	22,416.32
8/11/2013	UBS Fee - Oct '13 management fee		(70.52)	22,345.80
		0.00	22,345.80	

Formerly managed by Oakvale Capital

Date	Description	Securities	Blackrock	Total
			Managed Fund	
30/06/2013	Balance brought forward	580,500.00	963,454.16	1,543,954.16
23/09/2013	Capital distribution		(915,195.90)	628,758.26
18/10/2013	Capital distribution		(2,543.34)	626,214.92
18/10/2013	Fair value adjustment at termination of Fund		(45,714.92)	580,500.00
		580,500.00	(0.00)	

Direct Investments

Date	Description	Securities	Total
30/06/2013	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.

During November Council received a further distribution from the Lehman Global Property Note fund totalling \$2,145.72 that was paid directly into our General Fund account. As a result, it does not appear in the UBS Trust Account transactions above.

There were no coupon payments due for the month of November.

Don Johnston
Manager - Finance

Stephen Dunshea
Director Corporate Services

Annexures:

Nil.

Item No: D3 Delegated to Committee
Subject: **Monthly Financial Report - December 2013**
Author: Don Johnston, Manager Finance
File No: 349.G
Reason for Report: To present the monthly financial report for December 2013

Recommendation:

That the Committee:

- iv. Receive and note the Monthly Financial Report – December 2013.
- v. Note that Council’s 12 months weighted average return on its direct investment portfolio of 3.87% continues to exceed the December 2013 benchmark 90 day term deposit index of 3.30%.
- vi. Note that total interest earned to December 2013 of \$778k exceeds the year-to-date 2013/14 Budget estimate of \$719k.

Background:

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

The Monthly Financial Report for December 2013 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
- Quarterly update on Arrears of Rents & Fees

Investment Transactions for the Month

Date	Transaction	Description	Amount (\$)
30 Nov		Book Value of Investments Held	36,105,955.72
2 Dec	Maturity	Bankwest, 90 days @ 3.50%	(1,000,000.00)
2 Dec	Purchase	Bendigo/Adelaide Bank, 240 days @ 3.75%	1,000,000.00
2 Dec	Purchase	ING Direct, 184 days @ 3.80%	2,000,000.00
3 Dec	Maturity	St George Bank, 365 days @ 4.28%	(1,000,000.00)
Various	Net Movement	Net Movement in Online Savings Cash Account	(2,137,530.12)
Various	Net Movement	Net Movement in UBS Cash Management Trust Account (Coupon payments + UBS interest + Deposits– UBS Fees)	4,516.86
		Net Change in Portfolio	(1,133,013.26)
31 Dec		Book Value of Investments Held	34,972,942.46

Commentary:

The two maturities in the early part of the month were reinvested together with a further \$1m. The CBA 'At Call' account was drawn down by some \$2.1m during the month to fund normal operating expenditure.

Investment Working Party Update

In relation to the Lehman matter, the previously reported course of action regarding potential resolution of the class action, in the form of a Settlement Agreement, was approved by the Federal Court on 12 December 2013. This Agreement sets in place a claims resolution procedure that will determine the final quantum of Council's proof of debt in this regard. There are quite tight timeframes around this process and it is anticipated that Piper Alderman will be preparing Council's final proof in the near future.

Further in relation to the Lehman matter, Council received advice during December of the difficulties associated with pursuing the funded claim against Lehman Asia, Council's participation in which was reported to the Committee in October 2013. Given the poor prospects of success the claim has been discontinued.

In relation to the Oakvale matter, following a conference call between the Councils and Piper Alderman, Council agreed to funding its share of costs (up to \$2,500) for Piper Alderman to seek the Court's approval to proceed with the joint action against Oakvale while in administration. If approved, a notice to produce details of Oakvale's insurance will be filed. As advised in the November Monthly Financial Report, the directions hearing has been adjourned until 13 February 2014.

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

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 30 November 2013 1,807,492.24

Receipts

Rates	3,102,334.39
Investment Maturities	2,000,000.00
Transfers In from At Call Accounts	6,115,000.00
Other	3,085,449.37
Total Receipts	14,302,783.76

Description	Amount
Sundry Debtors	539,315.44
Parking Fines	475,859.18
Deposits & Bonds	459,188.42
Sect 94A Contributions	189,692.34
Trade Waste Debtors	151,871.26
Parking Meter Charges	148,692.20
Pensioner Rebate Subsidy	140,945.23
Sale of Plant & Vehicles	101,308.93
Development Application Fees	56,101.51
GST Refund	50,937.53

Payments - Cheque

Cheque Payments	-982,173.35
Cancelled Cheques	18,799.62
Total Cheque Payments for period	-963,373.73

Cheque No	Cheque Date	Payee	Description	Amount
218750	20/12/2013	Corporation Sole EPA Act	Statutory Contribution - Dept of Planning	-209,106.75
218628	13/12/2013	AGL Sydney	Street lighting 1/7 - 31/10/13	-190,711.24
218752	20/12/2013	Keystone Project Group Pty Ltd	General works - Woollahra Seniors Centre	-81,120.19
218599	5/12/2013	Western Region Automotive Pty Ltd	Fleet purchases	-76,235.98
218793	20/12/2013	Western Region Automotive Pty Ltd	Fleet purchases	-59,632.18
218619	12/12/2013	Withheld	Refund of security deposit	-31,249.47
218627	12/12/2013	Withheld	Refund of security deposit	-17,764.20
218746	20/12/2013	AGL Sydney	Electricity costs 1-30/11	-16,343.85
218624	12/12/2013	Withheld	Refund of security deposit	-15,342.86
218607	6/12/2013	Withheld	Refund of security deposit	-11,970.33

Payments - EFT

EFT Payments	-5,210,457.80
Returned EFTs	0.00
Total EFT Payments for period	-5,210,457.80

Reference	EFT Date	Payee	Description	Amount
43123	20/12/2013	Ministry for Police & Emergency Services	Statutory contribution - Fire & Rescue NSW 3rd qtr	-639,584.61
041213	6/12/2013	StateCover	Workers' Compensation premium	-409,924.40
42983	13/12/2013	Holdsworth St Community Centre	Grant funding - 3rd qtr	-237,804.88
42899	5/12/2013	Civica Pty Ltd	Trim Implementation and Services agreement	-230,996.70
43134	20/12/2013	SITA Australia Pty Ltd	Tipping charges - 1-18/11	-221,376.61
43147	20/12/2013	Smiling Kidz Pty Ltd	General works - Lyne Park	-194,053.20
42994	13/12/2013	Local Govt Super Scheme-Div.A	Employer/employee super - Nov'13	-189,525.12
42880	5/12/2013	KK Consultants Pty Ltd	General works - Vaucluse Rd, Vaucluse	-171,183.54
43093	20/12/2013	Dow ner EDI Works Pty Ltd	General works - Glenmore Rd, Dudley & Russell Sts.,	-171,074.82
43146	20/12/2013	Veolia Environmental Services	Recycling contract - Nov'13	-139,057.40

Payments - Direct Debits From Bank A/c

Payroll	-2,084,031.55
PAYG Tax	-661,527.00
Bank Charges	-22,928.01
Investment Purchases	-3,000,000.00
Transfers to At Call Accounts	-3,970,000.00
Credit Cards	-5,480.17
Councillors' fees	-26,442.50
Total Direct Debits for period	-9,770,409.23
Total Payments	-15,944,240.76

Cash Book Balance as at 31 December 2013

Unpresented Cheques	No of Cheques: 179	Value: 462,152.24
Outstanding Deposits & Miscellaneous Items		96,390.62

Reconciled Cash Book Balance as at 31 December 2013

Bank A/c Balance as at 31 December 2013 724,578.10

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Amount
218750	20/12/2013	Corporation Sole EPA Act	209,106.75
218752	20/12/2013	Keystone Project Group Pty Ltd	81,120.19

Commentary:

This statement presents Council's bank reconciliation as at 31 December 2013. The top ten receipt and payment items are provided in the report. Excluding investment transactions, payments exceeded receipts for the month by some \$2.8m noting significant periodic payments for statutory contributions to the Department of Planning and the Ministry for Police & Emergency Services, Workers Compensations premiums and grant funding.

INVESTMENTS AS AT 31 DECEMBER 2013

CATEGORY		FACE VALUE	BOOK VALUE
		\$	\$
1. LEHMAN BROTHERS (formerly Grange Securities Ltd)			
Funds previously under management		526,863	26,863
2. OAKVALE CAPITAL Limited			
Funds previously under management		1,000,000	580,500

RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TOTAL TERM (DAYS)	REMAINING DAYS TO MATURITY	%	FACE VALUE \$	BOOK VALUE \$	GOV'T GUARANTEE
3. WMC DIRECT INVESTMENTS									
<i>TERM DEPOSITS: (in order of Maturity)</i>									
	<u>RABO DIRECT</u>								
	TERM DEPOSIT	29/04/2013	2/01/2014	248	2	4.35	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	28/08/2013	28/01/2014	153	28	3.80	1,000,000	1,000,000	#
	<u>ING DIRECT</u>								
	TERM DEPOSIT	31/07/2013	29/01/2014	182	29	4.36	1,000,000	1,000,000	#
	<u>SUNCORP</u>								
	TERM DEPOSIT	14/08/2013	10/02/2014	180	41	3.75	1,000,000	1,000,000	#
	<u>AMP BANK</u>								
	TERM DEPOSIT	14/05/2013	14/02/2014	276	45	4.00	2,000,000	2,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	4/03/2013	4/03/2014	365	63	4.25	1,000,000	1,000,000	#
	<u>BANK OF SYDNEY</u>								
	TERM DEPOSIT	19/11/2013	17/02/2014	90	48	3.90	250,000	250,000	Guaranteed
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	3/09/2013	1/04/2014	210	91	3.83	1,000,000	1,000,000	#
	<u>AMP</u>								
	TERM DEPOSIT	3/04/2013	3/04/2014	365	93	4.15	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	3/04/2013	3/04/2014	365	93	4.20	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	14/08/2013	11/04/2014	240	101	3.50	2,000,000	2,000,000	#
	<u>BANKWEST</u>								
	TERM DEPOSIT	28/08/2013	28/04/2014	243	118	3.40	2,000,000	2,000,000	#
	<u>AMP</u>								
	TERM DEPOSIT	2/08/2013	29/04/2014	270	119	4.00	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	19/08/2013	16/05/2014	270	136	3.86	2,000,000	2,000,000	#
	<u>ING DIRECT</u>								
	TERM DEPOSIT	25/11/2013	26/05/2014	182	146	3.81	1,000,000	1,000,000	#
	<u>COMMONWEALTH BANK</u>								
	TERM DEPOSIT	27/05/2013	27/05/2014	365	147	4.05	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	3/09/2013	2/06/2014	272	153	3.88	1,000,000	1,000,000	#
	<u>ING DIRECT</u>								
	TERM DEPOSIT	2/12/2013	4/06/2014	184	155	3.80	2,000,000	2,000,000	#
	<u>AMP BANK</u>								
	TERM DEPOSIT	20/06/2013	20/06/2014	365	171	4.00	1,000,000	1,000,000	#
	<u>RABO DIRECT</u>								
	TERM DEPOSIT	3/09/2013	30/06/2014	300	181	3.90	1,000,000	1,000,000	#
	<u>NATIONAL AUSTRALIA BANK</u>								
	TERM DEPOSIT	9/10/2013	7/07/2014	271	188	3.81	1,000,000	1,000,000	#
	<u>ING DIRECT</u>								
	TERM DEPOSIT	18/11/2013	16/07/2014	240	197	3.73	1,000,000	1,000,000	#
	<u>ST GEORGE</u>								
	TERM DEPOSIT	21/10/2013	18/07/2014	270	199	3.68	1,000,000	1,000,000	#

RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TERM (DAYS)	DAYS TO MATURITY	%	VALUE \$	BOOK VALUE \$	GOV'T GUARANTEE
	<u>BENDIGO/ADELAIDE BANK</u> TERM DEPOSIT	25/11/2013	23/07/2014	240	204	3.75	1,000,000	1,000,000	#
	<u>BENDIGO/ADELAIDE BANK</u> TERM DEPOSIT	2/12/2013	30/07/2014	240	211	3.75	1,000,000	1,000,000	#
	<u>ST GEORGE</u> TERM DEPOSIT	4/10/2013	31/07/2014	300	212	3.76	1,000,000	1,000,000	#
	<u>HUNTER UNITED EMPL CU</u> TERM DEPOSIT	23/09/2013	23/09/2014	365	266	3.70	250,000	250,000	Guaranteed
	<u>CBA</u> FLOATING RATE NOTE**	5/03/2012	24/12/2015	1389	723	4.09	1,000,000	983,100	#
AT CALL:									
	<u>COMMONWEALTH BANK</u> ONLINE SAVER A/C					2.50	2,832,480	2,832,480	#
	<u>ANZ BANK</u> 11AM CALL ACCT					2.50	50,000	50,000	#
	Total WMC Direct Investments						34,382,480	34,365,580	
	Weighted Average Days to Maturity of WMC Direct Investments				142.21				
	Weighted Average Return of WMC Direct Investments					3.87			
	PORTFOLIO TOTALS						35,909,342	34,972,942	

Covered under Council's new Investment Policy effective Tue 31/01/12

* 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
MANAGER FINANCE

INVESTMENTS PORTFOLIO AS AT 31 DECEMBER 2013

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)								
Issued by non-ADIs								
Corsair (Kakadu AA)		CDO	22/01/2007	20/03/2014	500,000	503,300	0	1
					500,000	503,300	0	
UBS Cash Management Trust		Cash			26,863	26,863	26,863	2
					26,863	26,863	26,863	
Total Lehman Brothers					526,863	530,163	26,863	
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	580,500	1
Total Oakvale Capital					1,000,000	1,000,000	580,500	
3. WMC INVESTMENTS								
National Bank (3.80% 153d)	A1	TD	28/08/2013	28/01/2014	1,000,000	1,000,000	1,000,000	2
National Bank (4.25% 365d)	A1	TD	4/03/2013	4/03/2014	1,000,000	1,000,000	1,000,000	2
National Bank (3.83% 210d)	A1	TD	3/09/2013	1/04/2014	1,000,000	1,000,000	1,000,000	2
National Bank (3.86% 270d)	A1	TD	19/08/2013	16/05/2014	2,000,000	2,000,000	2,000,000	2
National Bank (3.88% 272d)	A1	TD	3/09/2013	2/06/2014	1,000,000	1,000,000	1,000,000	2
National Bank (3.81% 271d)	A1	TD	9/10/2013	7/07/2014	1,000,000	1,000,000	1,000,000	2
Bankwest (3.40% 243d)	A1	TD	28/08/2013	28/04/2014	2,000,000	2,000,000	2,000,000	2
St George - div of Westpac (4.20% 365d)	A1	TD	3/04/2013	3/04/2014	1,000,000	1,000,000	1,000,000	2
St George - div of Westpac (3.50% 240d)	A1	TD	14/08/2013	11/04/2014	2,000,000	2,000,000	2,000,000	2
St George - div of Westpac (3.68% 270d)	A1	TD	21/10/2013	18/07/2014	1,000,000	1,000,000	1,000,000	2
St George - div of Westpac (3.76% 300d)	A1	TD	4/10/2013	31/07/2014	1,000,000	1,000,000	1,000,000	2
Commonwealth Bank (4.05% 182d)	A1	TD	27/05/2013	27/05/2014	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					16,000,000	15,976,400	15,983,100	
ING Direct (4.36% 182d)	A2	TD	31/07/2013	29/01/2014	1,000,000	1,000,000	1,000,000	2
ING Direct (3.81% 182d)	A2	TD	25/11/2013	26/05/2014	1,000,000	1,000,000	1,000,000	2
ING Direct (3.80% 184d)	A2	TD	2/12/2013	4/06/2014	2,000,000	2,000,000	2,000,000	2
ING Direct (3.73% 240d)	A2	TD	18/11/2013	16/07/2014	1,000,000	1,000,000	1,000,000	2
AMP (4.00% 276d)	A2	TD	14/05/2013	14/02/2014	2,000,000	2,000,000	2,000,000	2
AMP (4.15% 365d)	A2	TD	3/04/2013	3/04/2014	1,000,000	1,000,000	1,000,000	2
AMP (4.00% 270d)	A2	TD	2/08/2013	29/04/2014	1,000,000	1,000,000	1,000,000	2
AMP (4.00% 365d)	A2	TD	20/06/2013	20/06/2014	1,000,000	1,000,000	1,000,000	2
Sub-total Tier 2 Deposits					10,000,000	10,000,000	10,000,000	
Suncorp (3.75% 180d)	A3	TD	14/08/2013	10/02/2014	1,000,000	1,000,000	1,000,000	2
Bendigo/Adelaide (3.75% 240d)	A3	TD	25/11/2013	23/07/2014	1,000,000	1,000,000	1,000,000	2
Bendigo/Adelaide (3.75% 240d)	A3	TD	2/12/2013	30/07/2014	1,000,000	1,000,000	1,000,000	2
RaboDirect (4.35% 248d)	A3	TD	29/04/2013	2/01/2014	1,000,000	1,000,000	1,000,000	2
RaboDirect (3.90% 300d)	A3	TD	3/09/2013	30/06/2014	1,000,000	1,000,000	1,000,000	2
Sub-total Tier 3 Deposits					5,000,000	5,000,000	5,000,000	
Bank of Sydney (3.90% 90d)	B	TD	19/11/2013	17/02/2014	250,000	250,000	250,000	2
Hunter United CU (3.70% 365d)	B	TD	23/09/2013	23/09/2014	250,000	250,000	250,000	2
Sub-total Govt Guaranteed Deposits					500,000	500,000	500,000	
ANZ Bank 11am Call Account	A1	Cash			50,000	50,000	50,000	2
CBA Online Saver	A1	Cash			2,832,480	2,832,480	2,832,480	2
Total Direct Investments					34,382,480	34,358,880	34,365,580	
Total Portfolio					35,909,342	35,889,042	34,972,942	

Security	Face Value (FV)	Total Purchase Price	Current Book Value
PORTFOLIO SUMMARISED BY CLASSIFICATION			
CDO	500,000	503,300	0
FRN	1,000,000	976,400	983,100
Mortgage Backed	1,000,000	1,000,000	580,500
Managed Fund	0	0	0
TD	30,500,000	30,500,000	30,500,000
Cash	2,909,342	2,909,342	2,909,342
Other	0	0	0
	35,909,342	35,889,042	34,972,942
1. Book Value (Fair Value) as at 30 June 2013			
2. Face value of deposit / bank bill			
CDO - Collateralised Debt Obligation	CDOs are constructed from a portfolio of assets. These assets are divided by the issuer into different tranches: senior tranches (rated AAA), mezzanine tranches (AA to BB), and equity tranches (unrated). Losses are applied in reverse order of seniority and so junior tranches offer higher coupons (interest rates) to compensate for the added default risk.		
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.		
Managed Fund	Managed Funds are a way of investing money with other people to participate in a wider range of investments than those feasible for most individual investors, and to share the costs of doing so.		
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 31 December 2013

Acct	Bank	Policy Ref.	Policy Limit	Current Holdings	% of Total	Compliance
AMP	AMP Bank	TIER2	5,000,000	5,000,000	14.3%	Complies - \$ 0 available
ANZ	ANZ Bank	TIER1	8,743,236	50,000	0.1%	Complies - \$ 8,693,235 available
BAB	Bendigo Adelaide Bank	TIER3	2,000,000	2,000,000	5.7%	Complies - \$ 0 available
CBA	Commonwealth Bank	TIER1	8,743,236	6,815,580	19.5%	Complies - \$ 1,927,655 available
HUN	Hunter United Credit Union	GTEE	250,000	250,000	0.7%	Complies - \$ 0 available
ING	ING Direct	TIER2	5,000,000	5,000,000	14.3%	Complies - \$ 0 available
LEH	Lehman Brothers	NA	0	26,863	0.1%	Grandfathered - Complies
NAB	National Australia Bank	TIER1	8,743,236	7,000,000	20.0%	Complies - \$ 1,743,235 available
OAK	Oakvale Capital	NA	0	580,500	1.7%	Grandfathered - Complies
RAB	Rabo Direct	TIER3	2,000,000	2,000,000	5.7%	Complies - \$ 0 available
STG	St George Bank	TIER1	8,743,236	5,000,000	14.3%	Complies - \$ 3,743,235 available
SUN	Suncorp	TIER3	2,000,000	1,000,000	2.9%	Complies - \$ 1,000,000 available
SYD	Bank of Sydney	GTEE	250,000	250,000	0.7%	Complies - \$ 0 available
Total Portfolio as at 31 December 2013				34,972,942		

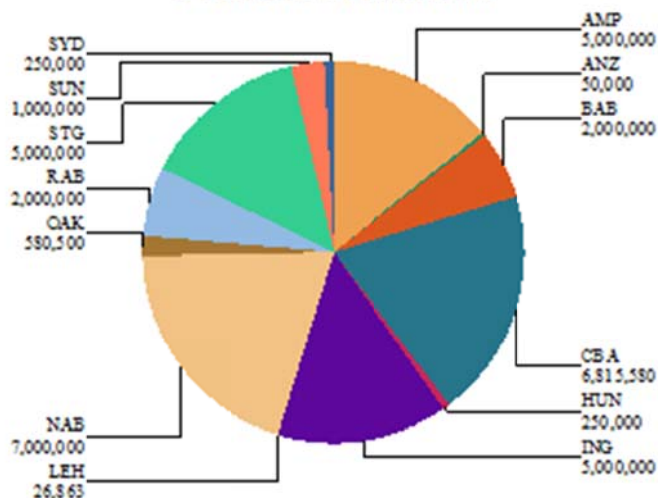
Secondary Compliance for Tier 1 & Tier 2 Investments, maximum term of 12 months

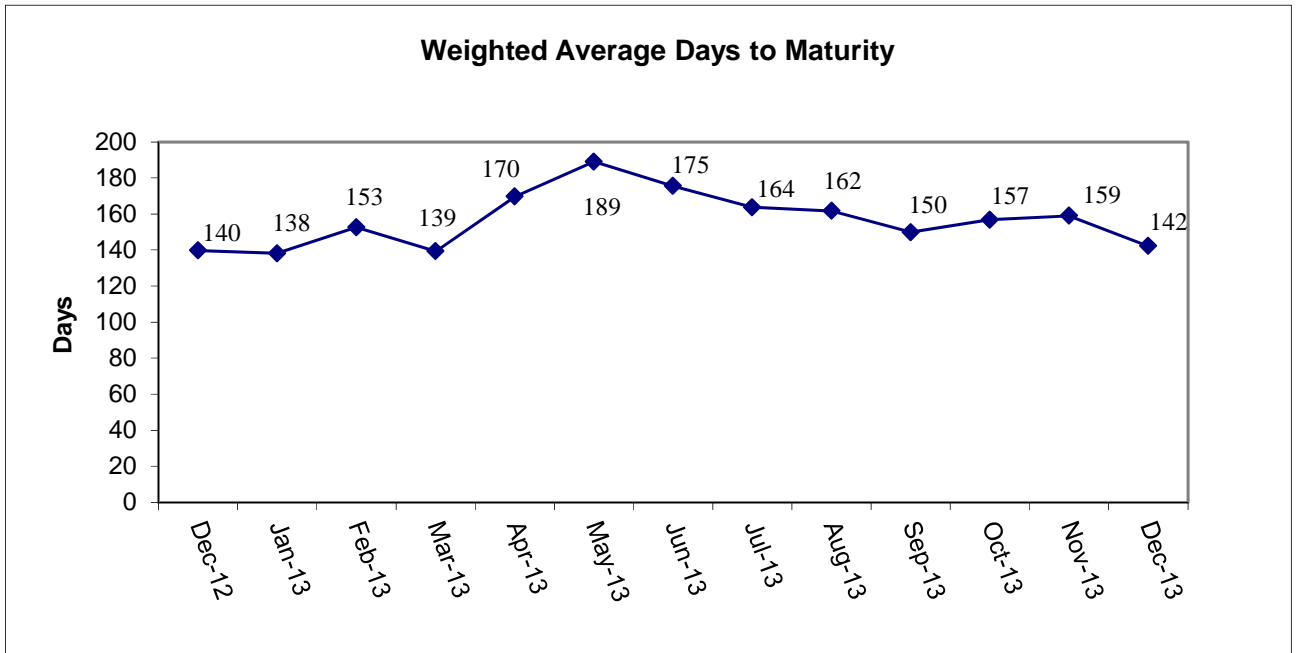
Acct	Bank	Maximum Term (Days)	Compliance
AMP	AMP Bank	365	Complies
BAB	Bendigo Adelaide Bank	240	Complies
ING	ING Direct	240	Complies
RAB	Rabo Direct	300	Complies
SUN	Suncorp	180	Complies

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

Total Investment in Tier 2 Banks:	10,000,000	Complies - \$ 0 available
Total Investment in Tier 3 Banks:	5,000,000	Complies - \$1,000,000 available

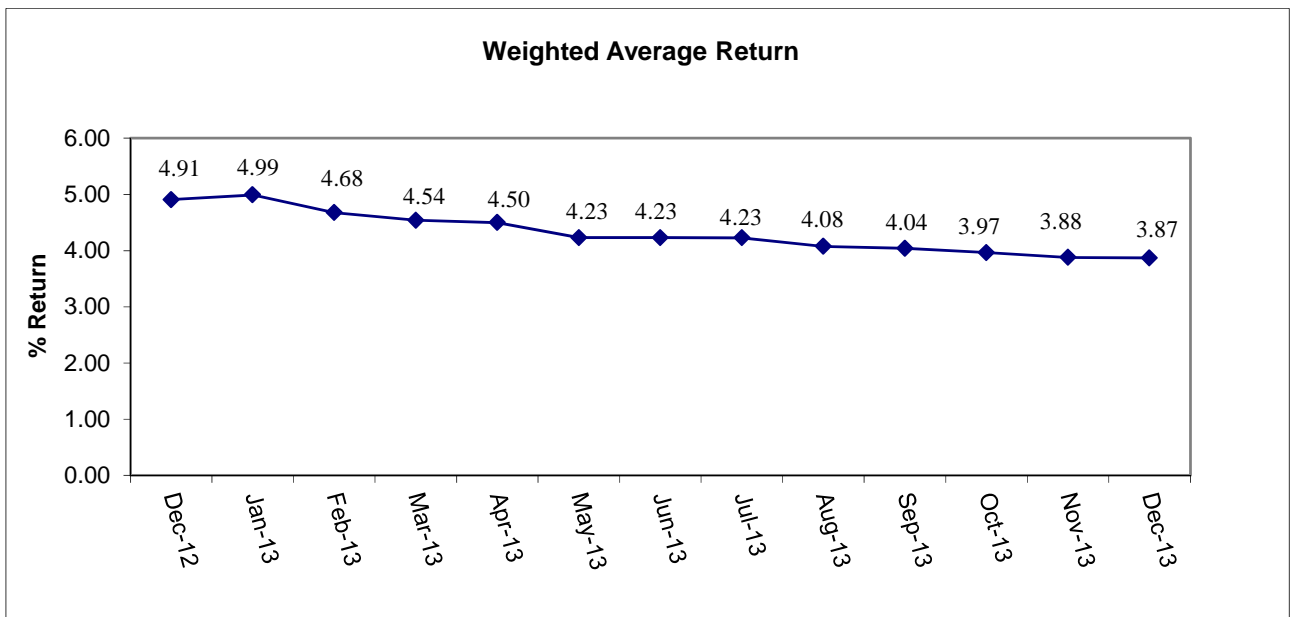
Portfolio Breakdown





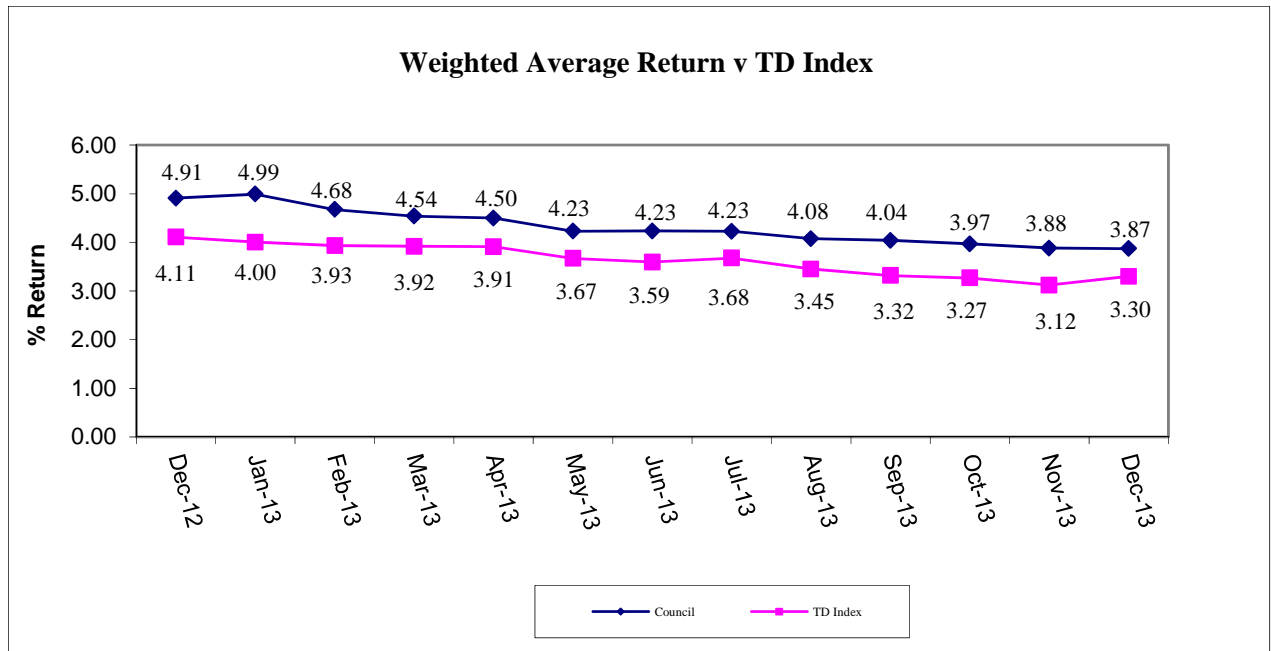
Commentary:

The weighted average fell during the month with the bulk of the portfolio moving towards maturity.



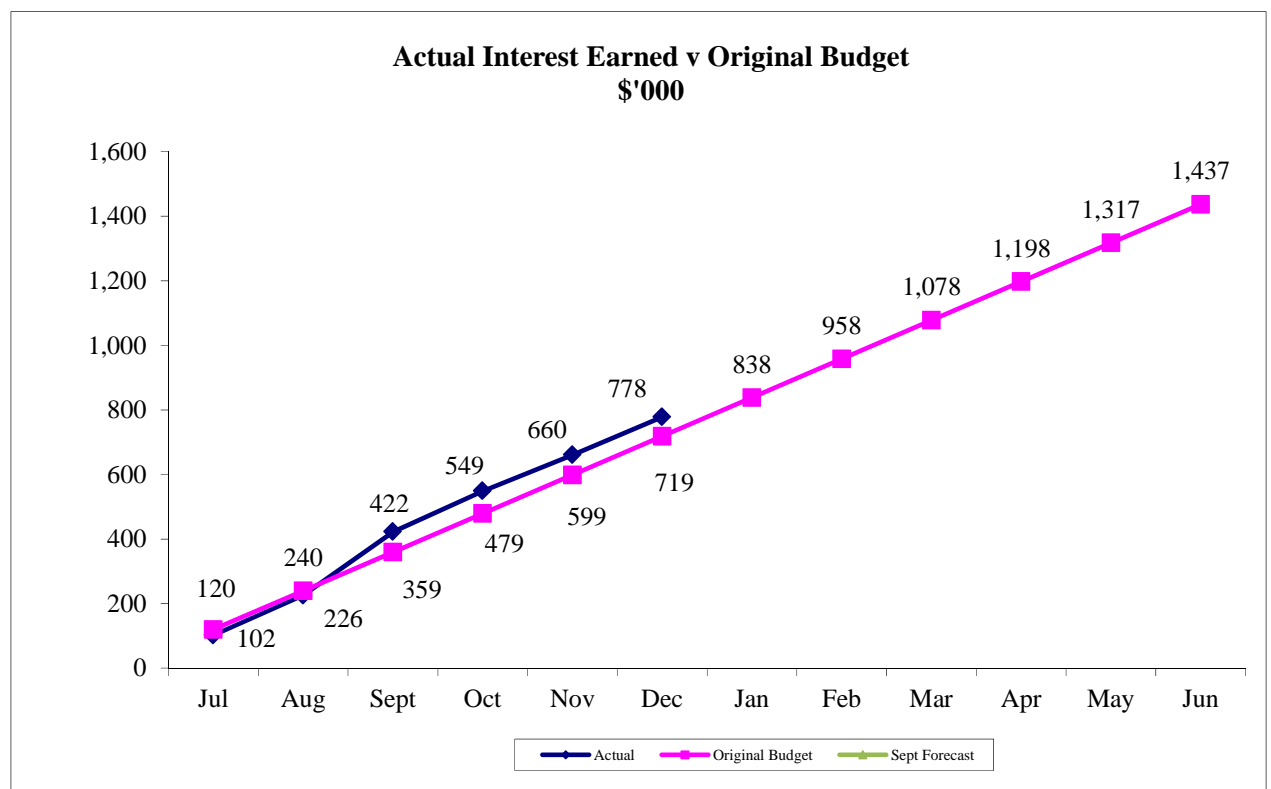
Commentary:

The weighted average return remained almost unchanged for the month.



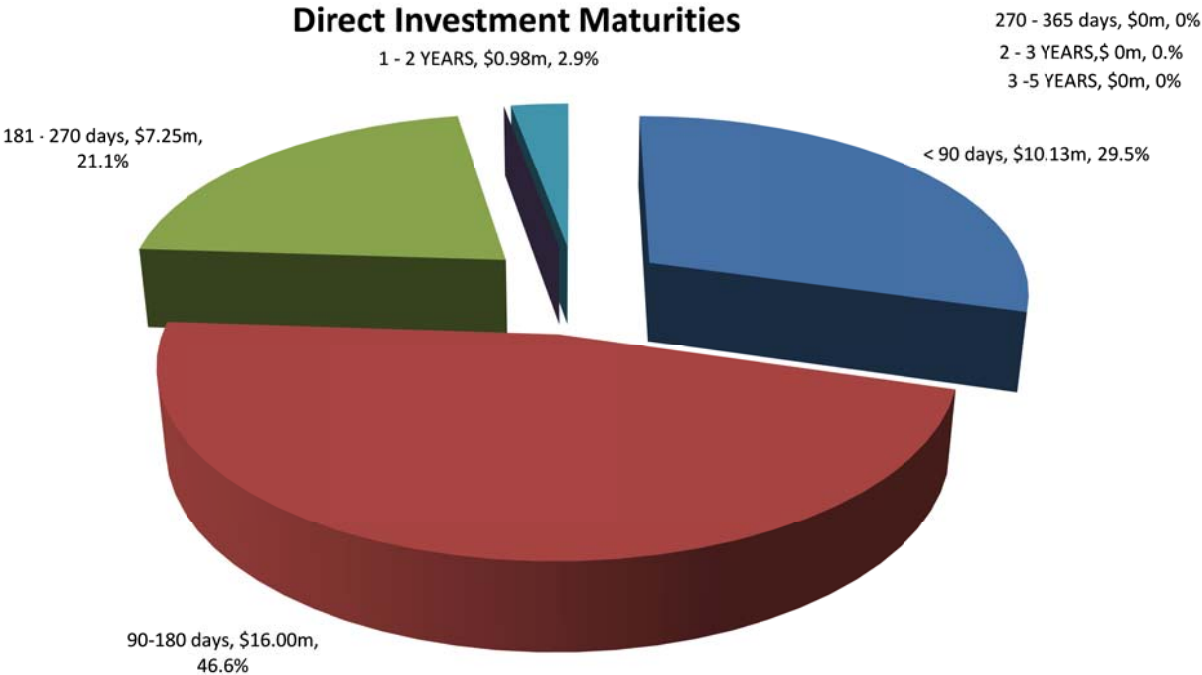
Commentary:

This chart tracks Council’s weighted average return on its direct investment portfolio against a 90 day term deposit index. The Council’s average return remained almost unchanged for the month at 3.87% against a TD Index of 3.30% with the only two new investments averaging a return of 3.78%.



Commentary:

The Actual v. Budget chart includes the Original Budget and Actuals. Total interest of \$778k earned to December includes a \$65k interest component from September’s termination of BlackRock, without which the year to date interest would have been \$713k and slightly below the 2013/14 Budget.



Maturity Range	\$M Invested	% of Portfolio
< 90 days	10.13	29.5
90 - 180 days	16.00	46.6
181 - 270 days	7.25	21.1
270 - 365 days	0.00	0.0
1 - 2 years	0.98	2.9
2 - 3 years	0.00	0.0
3 - 5 years	0.00	0.0
	34.36	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	
30/06/2013	Balance brought forward	1,380,695.00	30,331.63	1,411,026.63
18/07/2013	UBS Fee - Jun '13 management fee		(206.74)	1,410,819.89
19/07/2013	Royal Bank of Scotland FRN sale	(852,500.00)		558,319.89
19/07/2013	FV Adjustment (BV @ \$890,210)	(37,710.00)		520,609.89
19/07/2013	Royal Bank of Scotland FRN sale	(490,000.00)		30,609.89
19/07/2013	FV Adjustment (BV @ \$490,485)	(485.00)		30,124.89
15/07/2013	CBA FRN - quarterly interest		10,200.00	40,324.89
31/07/2013	July coupons		4,724.52	45,049.41
7/08/2013	UBS Fee - Jul '13 management fee		(205.51)	44,843.90
9/09/2013	UBS Fee - Aug '13 management fee		(131.24)	44,712.66
23/09/2013	Blackrock Capital Distribution		915,195.90	959,908.56
23/09/2013	Blackrock Income Distribution		65,330.07	1,025,238.63
24/09/2013	Withdrawal - UBS Cash Management Account		(1,020,000.00)	5,238.63
30/09/2013	September coupons		3,905.39	9,144.02
30/09/2013	Interest - UBS Cash Account		225.58	9,369.60
15/10/2013	CBA FRN - quarterly interest		9,600.00	18,969.60
18/10/2013	Blackrock Capital Distribution		2,543.34	21,512.94
18/10/2013	Blackrock Income Distribution		84.61	21,597.55
22/10/2013	UBS Fee - Sep '13 management fee		(113.86)	21,483.69
31/10/2013	October coupons		932.63	22,416.32
8/11/2013	UBS Fee - Oct '13 management fee		(70.52)	22,345.80
5/12/2013	UBS Fee - Nov '13 management fee		(68.53)	22,277.27
31/12/2013	December coupons		4,502.52	26,779.79
31/12/2013	Interest - UBS Cash Account		82.87	26,862.66
		0.00	26,862.66	

Formerly managed by Oakvale Capital

Date	Description	Securities	Blackrock	Total
			Managed Fund	
30/06/2013	Balance brought forward	580,500.00	963,454.16	1,543,954.16
23/09/2013	Capital distribution		(915,195.90)	628,758.26
18/10/2013	Capital distribution		(2,543.34)	626,214.92
18/10/2013	Fair value adjustment at termination of Fund		(45,714.92)	580,500.00
		580,500.00	(0.00)	

Direct Investments

Date	Description	Securities		Total
				Book Value
30/06/2013	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.

All coupons due were received during December.

Arrears of Rents & Fees

The table below summarises the arrears (greater than 30 days) of rents and fees as at 31 December 2013. The Corporate & Works Committee has previously requested that this information be provided on a quarterly basis along with details of any outstanding debts greater than \$50,000.

Further, the Committee has requested that comparative information be provided. Additional columns included in the table provide the previous quarter's figures and the same quarter last year.

ARREARS

Type	Total Collectible (13/14 Revenue + Arrears)	> 30 days			> 60 days			> 90 days		
		Dec'13	Sep '13	Dec'12	Dec'13	Sep '13	Dec'12	Dec'13	Sep '13	Dec'12
General	4,749,677	110,287	235,983	68,468	155,224	31,903	30,490	629,759	378,960	80,330
% of Total Revenue		3.1%	2.6%	1.5%	4.4%	0.4%	0.7%	17.8%	4.2%	1.8%
Environmental Health	87,589	773	1,501	14,292	11,366	928	2,462	19,530	24,243	14,048
% of Total Revenue		1.5%	1.7%	16.1%	21.6%	1.1%	2.8%	37.2%	27.7%	15.9%
Preschool	461,542	3,101	99,808	62,052	0	420	0	13,576	10,264	11,557
% of Total Revenue		0.8%	13.0%	13.3%	0.0%	0.1%	0.0%	3.3%	1.3%	2.5%
Trade Waste	1,202,257	26,410	425	39,461	750	19,303	12,839	34,244	34,493	21,826
% of Total Revenue		2.4%	0.0%	3.2%	0.1%	0.9%	1.0%	3.2%	1.7%	1.8%
Total	6,501,065	140,572	337,717	184,273	167,340	52,554	45,791	697,108	447,960	127,761
% of Total Revenue		2.8%	2.8%	3.0%	3.3%	0.4%	0.7%	13.7%	3.7%	2.1%

The aging in the above table is based on invoice date. Included in the greater than 30 and 60 days arrears in General debtors is City of Sydney's quarterly 45% (\$66k) contribution towards Paddington Library for the September and December quarters. The September quarter was paid early January 2014. Greater than 90 days includes \$196k in grants for the Cecil Lane Overland Flow Path project and \$184k for sundry debtors including \$148k for an unmade road sale and associated recoverable costs.

The amount outstanding for greater than 90 days under the heading of 'Environmental Health' relates to health inspection fees which are extremely difficult to recover cost effectively.

Outstanding Rents and Fees Debts greater than \$50,000

There were no outstanding debts for rents and fees greater than \$50,000 as at 31 December.

Don Johnston
Manager - Finance

Stephen Dunshea
Director Corporate Services

Annexures:

Nil.

Item No: D4 Delegated to Committee
Subject: **Disclosure of Interest Returns submitted by designated employees during the period October to December 2013**
Author: Les Windle – Manager Governance
File No: 169.G
Reason for Report: To table the disclosure of interest returns that have been received by Council during the period 1 October to 31 December 2013.

Recommendation:

- A. That the Disclosure of Interest Return of the new designated person who was required to submit a Primary Return during the period October to December 2013 be tabled.
 - B. That Council notes that the Primary Disclosure of Interest Return has been submitted in accordance with the requirements of the Local Government Act 1993.
-

Background:

Councillors and designated persons are required to lodge a primary disclosure of interest return within three (3) months of becoming a Councillor or designated person and an annual return for each July 1 to June 30 period.

A designated person is described in Section 441 of the Local Government Act as:

S441 Who are “designated persons”?

For the purposes of this Chapter, “designated persons” are:

- *the general manager*
- *other senior staff of the council*
- *a person (other than a member of the senior staff of the council) who is a member of staff of the council or a delegate of the council and who holds a position identified by the council as the position of a designated person because it involves the exercise of functions under this or any other Act (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the person’s duty as a member of staff or delegate and the person’s private interest*
- *a person (other than a member of the senior staff of the council) who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of the council’s functions under this or any other Act (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member’s duty as a member of the committee and the member’s private interest.*

The incumbents of the following Council positions have been determined to be designated persons for the purpose of Section 441 of the Local Government Act:

General Manager	Determined by Local Government Act
Directors	Determined by Local Government Act
Managers	Deemed to exercise designated persons functions
<i>Corporate Services</i>	
Governance & Corporate Planning Coordinator	Exercises designated persons functions
Team Leader – Corporate & Civic Support	Exercises designated persons functions
<i>Planning & Development</i>	
Assessment Officer	Exercises designated persons functions
Assistant Building & Compliance Officer	Exercises designated persons functions
Building & Compliance Officer	Exercises designated persons functions
Coordinator Regulatory Services	Exercises designated persons functions
Development Compliance Officer	Exercises designated persons functions
Duty Planners	Exercises designated persons functions
Environmental Health Officers	Exercises designated persons functions
Executive Planner	Exercises designated persons functions
Fire Safety Officer	Exercises designated persons functions
Food & Health Officer	Exercises designated persons functions
Heritage Officer	Exercises designated persons functions
Senior Assessment Officer	Exercises designated persons functions
Senior Building & Compliance Officer	Exercises designated persons functions
Senior Environmental Health Officer	Exercises designated persons functions
Senior Strategic Planner	Exercises designated persons functions
Strategic Heritage Officer	Exercises designated persons functions
Strategic Planner	Exercises designated persons functions
Team Leader Compliance	Exercises designated persons functions
Team Leader Development Control	Exercises designated persons functions
Team Leader Strategic Planning	Exercises designated persons functions
Urban Design Planner	Exercises designated persons functions
<i>Technical Services</i>	
Business Centres & Street Cleaning Coordinator	Exercises designated persons functions
Coordinator Assets & Parks Maintenance	Exercises designated persons functions
Coordinator Civil Works	Exercises designated persons functions
Coordinator Trees Maintenance	Exercises designated persons functions
Design Engineer	Exercises designated persons functions
Development Engineer	Exercises designated persons functions
Engineer – Development Assessment	Exercises designated persons functions
Plant and Fleet Coordinator	Exercises designated persons functions
Project Manager Civil Works	Exercises designated persons functions
Project Manager – Open Space	Exercises designated persons functions
Property Officer	Exercises designated persons functions
Project Officer (Sustainable Business)	Exercises designated persons functions
Property Services Coordinator	Exercises designated persons functions
Purchasing Coordinator	Exercises designated persons functions
Senior Tree Officer	Exercises designated persons functions
Team Leader – Development Assessment	Exercises designated persons functions
Team Leader Environment & Sustainability	Exercises designated persons functions
Team Leader – Infrastructure Assets	Exercises designated persons functions
Team Leader Open Space & Rec Planning	Exercises designated persons functions
Trades Supervisor	Exercises designated persons functions
Traffic and Development Assessment Engineer	Exercises designated persons functions
Traffic & Transport Team Leader	Exercises designated persons functions
Traffic & Transport Engineer	Exercises designated persons functions
Tree Officer	Exercises designated persons functions

Section 450A(2)(a) of the Local Government Act requires the returns lodged with the General Manager be tabled at the first meeting held after the last day for lodgement. The purpose of this report is to table the Disclosure of Interest Returns of designated persons received by Council during the period 1 October to 31 December 2013.

Tabling of Returns:

One new designated person was required to submit a Primary Disclosure of Interest Return during the period and that designated person submitted their return in accordance with the legislative requirements.

Conclusion:

The Return is tabled in accordance with the requirements of the Local Government Act and it is recommended that the information be noted.

Les Windle
Manager Governance

Stephen Dunshea
Director Corporate Services

Annexures:

Nil

Item No: R1 Recommendation to Council
Subject: 13/2013 SSROC Cleaning & Inspecting Gross Pollutant Traps
Author: Dave Byatt – Purchasing Coordinator
File No: 811.G
Reason for Report: To recommend acceptance of an SSROC tender

Recommendation:

That Council enters into an agreement with R.A Bell Environmental and Company for the provision of Cleaning and Inspecting Gross Pollutant Traps (Stormwater Decontamination Systems) for a period of three years with an option to extend for a further two one year periods at the discretion of council.

Background:

Each year, the Southern Sydney Regional Organisation of Councils (SSROC) Supply Management Group considers a range of goods and services.

It can be expected that councils tendering under a regional agreement will achieve competitive pricing and equivalent, if not better, terms and conditions for this service than under the any one on one arrangement.

The Woollahra Municipal Council LGA has an extensive network of drainage and stormwater infrastructure.

Council Currently engages R.A Bell Environmental & Company on an as required basis for inspection and periodic cleaning of Gross Pollutant Traps.

SSROC Tender and Evaluation Process

A summary of scores against the evaluation criteria are shown in the following table and the SSROC tender report is attached as Annexure 1.

Evaluation Criteria	Weighting	Barry bros	Bell Environmental	Envirocivil	Total Drain Cleaning Services	Worth Recycling	Optimal Stormwater
Proven Capacity	25%	20.75	18.25	18.75	21.5	17.25	See SSROC Tender Report
Service Standards, Methodology for delivery & Implementation Plan	15%	11.75	10.50	10.50	12.75	10.50	
Work Health & Safety	5%	4.75	3.38	3.50	4.25	3.75	
Environmental Management	10%	8	6.50	6.25	8.50	7.50	
Quality Management Systems	5%	4.75	3.13	2.75	4.50	3.63	
Prices	40%	25	35	24.00	40	17	
TOTAL		75	76.75	65.75	91.50	59.63	

The pricing was evaluated combining both Labour cost and Landfill Charges for waste disposal as outlined in the SSROC report.

The price score was evaluated on prices submitted for all participating Councils. However, as the pricing schedule in the SSROC report shows, the specific pricing for Woollahra Council provided by R.E. Bell Environmental & Company is \$324 per annum cheaper for labour costs and \$22 per tonne cheaper for disposal charges than the price offered by Total Drain Cleaning Services. This would equate to a saving of approximately \$10,000 per annum.

The SSROC evaluation committee recommended two service providers, Total Drain Cleaning Services and R. A Bell Environmental & Company and was split into two groups to provide the best possible value.

R.A. Bell Environmental & Company was recommended as the provider for Hurstville, Kogarah, Marrickville and Woollahra Councils'.

Despite Total Drain Services Pty Ltd being ranked the top tenderer, R. A Bell Environmental & Company would provide an estimated saving in overall charges to Woollahra Council of approximately \$10,000 per annum.

R A Bell Environmental & Company is Council's current service provider and provides quality service and has detailed knowledge of Council's Gross Pollutant Traps.

Benefits to Woollahra Municipal Council

- All SSROC participating councils will be operating under a standard set of terms and conditions.
- A firm price for a 12 month period and an agreed rise and fall arrangement for the following contract period
- The schedule of rates offered by the recommended companies compares favorably with current market rates offering participating councils value for money.

Identification of Income & Expenditure:

The estimated expenditure is \$45,000 per annum. Council's operational budget for Drainage Maintenance general contracts will be used to fund the provision of this service.

Conclusion:

The SSROC tender panel judged that the recommended supplier R. A Bell Environmental and Company is selected for the provision of Cleaning and Inspection of Gross Pollutant Traps at the schedule of rates specified in their tender response for a period of three (3) years with provision for an extension for two (2) further periods each of up to one (1) year in duration, subject to satisfactory performance.

Dave Byatt
Purchasing Coordinator

Mark Ramsay
Manager Civil Operations

Tom O'Hanlon
Director Technical Services

Annexures:

1. SSROC Tender Report
-

Political Donations – matters to be considered by Councillors at Meetings

