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**NARROMINE SHIRE COUNCIL**  
**ORDINARY MEETING BUSINESS PAPER – 9 AUGUST 2023**  
**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

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**1. INVESTMENT REPORT AS AT 31 JULY 2023**

<b>Author</b>	Director Finance & Corporate Strategy
<b>Responsible Officer</b>	Director Finance & Corporate Strategy
<b>Link to Strategic Plans</b>	CSP – 4.3 A financially sound Council that is responsible and sustainable DP - 4.3.1.5 Provide monthly cash balances and detailed quarterly financial reports to Council.

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**Executive Summary**

Council's investments are made in accordance with legislative requirements and are certified as such by the Responsible Accounting Officer. This report details Council's investments as at 31 July 2023.

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**Report**

Under the Local Government Act 1993 and Local Government (General) Regulation 2021, the Responsible Accounting Officer is required to report on Council's Investment portfolio on a monthly basis. The report must be made up to the last day of the month immediately preceding the meeting.

The management of Council's Investments is delegated by the General Manager to the Director of Finance and Corporate Strategy.

Council's investments are made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2021, Ministerial Investment Order issued February 2011, the Office of Local Government's Guidelines and Council's Investment Policy.

Council's investment portfolio is managed through term deposits and the current interest rates range from 4.04% to 5.47%. During July, Council's total cash and investments decreased by \$1,704M from \$28,651M to \$26,947M. This is due to the transfer of funds to the cheque account for cash flow purposes. Council's investment portfolio as at 31 July 2023 is attached (**Attachment No. 1**).

**Financial Implications**

The 2023/24 Budget estimates the total annual Investment Revenue as \$882,289 which represents an estimated return of 4.42% and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

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**1. INVESTMENT REPORT AS AT 31 JULY 2023 (Cont'd)**

***Legal and Regulatory Compliance***

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2021 – Clause 212
- Council Investment Policy 2023
- Ministerial Investment Order – 12 January 2011

***Risk Management Issues***

Council's risk management strategy is to diversify the allocation of funds across different financial institutions and government authorities based on credit ratings as per the Investment Policy. The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk.

**Certification – Responsible Accounting Officer**

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2021 and Council's Investment Policy.

**Attachments**

- 1 Investment Portfolio as at 31 July 2023

**RECOMMENDATION**

1. That the report regarding Council's Investment Portfolio be received and noted;
2. That the certification of the Responsible Accounting Officer is noted and the report adopted.

## **2. CARRY FORWARD CAPITAL WORKS AND RE-VOTES FROM 2022/23**

<b>Author</b>	Director Finance & Corporate Strategy
<b>Responsible Officer</b>	Director Finance & Corporate Strategy
<b>Link to Strategic Plans</b>	4.3.1 Operate and manage Council in a Financially sustainable manner that meets all statutory and regulatory compliance and Council policies

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### **Executive Summary**

This report lists capital works recommended to be carried forward into the 2023/24 financial year.

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### **Report**

A list of started but uncompleted projects is provided as **Attachment No. 2** for Council's notation. All unspent monies on these projects were placed in reserves at the 30 June 2023 year end and will be brought forward to cover the cost of these projects. These works with their matching reserves and/or unspent grant monies will be carried forward into the 2023/24 financial year under Local Government (General) Regulation 2021.

A list of unstarted projects with their matching reserves and/or unspent grant monies is provided as **Attachment No. 3**. These works did not fall within clause 211 of Local Government (General) Regulation 2021 and must be adopted as part of the 2023/24 budget by a vote from Council.

### **Financial Implications**

All monies for unspent projects from 2022/23 were placed in reserves at year end and/or had unspent grant monies attached, therefore there is no effect on this year's budget.

### **Legal and Regulatory Compliance**

Local Government (General) Regulation 2021 (clause 211) – Authorisation of expenditure

### **Risk Management Issues**

Compliance with legislative requirements

### **Internal/External Consultation**

Nil

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**2. CARRY FORWARD CAPITAL WORKS AND RE-VOTES FROM 2022/23 (Cont'd)**

Attachments

- 2 Projects Commenced But Not Yet Completed as at 30 June 2023.
- 3 2022/23 Projects Not Commenced as at 30 June 2023.

**RECOMMENDATION**

1. That the list of carry forward works which were commenced in 2022/2023 but not completed (as shown in Attachment No 2 of the report) be noted.
2. That the list of carry forward works which did not fall within clause 211 of Local Government (General) Regulation 2021 (as shown in Attachment No 3 of the report), be adopted as part of the 2023/24 budget.

Barry Bonthuys  
**Director Finance & Corporate Strategy**  
**Responsible Accounting Officer**

**Attachment No. 1 - Investments as at 31 July 2023**

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
<b>Cash &amp; At Call</b>							
Commonwealth Bank	AA-	Business Online Saver - at call - Interest - Special rate 3.85%	A-1+	4.10%	N/A	<b>6,947,154.44</b>	S&P Short Term
<b>TOTAL</b>						<b>6,947,154.44</b>	
<b>Percentage of Total Portfolio</b>						<b>25.78%</b>	
<b>Average Investment Yield</b>						<b>4.10%</b>	
<b>Term Deposits</b>							
NAB	AA-	Term Deposit - 08/08/2023	A-1+	4.42%	210 Days	<b>2,000,000.00</b>	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 09/09/2023	A-1+	4.04%	365 Days	<b>3,000,000.00</b>	S&P Short Term
NAB	AA-	Term Deposit - 04/10/2023	A-1+	4.30%	240 Days	<b>2,000,000.00</b>	S&P Short Term
NAB	AA-	Term Deposit - 02/11/2023	A-1+	4.70%	240 Days	<b>3,000,000.00</b>	S&P Short Term
NAB	AA-	Term Deposit - 05/12/2023	A-1+	4.40%	243 Days	<b>2,000,000.00</b>	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 08/01/2024	A-1+	5.04%	215 Days	<b>3,000,000.00</b>	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 02/02/2023	A-1+	4.59%	270 Days	<b>2,000,000.00</b>	S&P Short Term
NAB	AA-	Term Deposit - 04/03/2024	A-1+	5.47%	242 Days	<b>3,000,000.00</b>	S&P Short Term
<b>TOTAL</b>						<b>20,000,000.00</b>	
<b>Percentage of Total Portfolio</b>						<b>74.22%</b>	
<b>Average Investment Yield</b>						<b>4.50%</b>	

**Total Investment Portfolio** 26,947,154.44

Attachment No. 2 - CARRY OVER CAPITAL WORKS PROGRAM FROM 2022/23

Projects started but not completed

Asset Class	Town	Project Description	Amount to be Carried Over	Funded by
<b>Buildings</b>	Narromine	Narromine Tennis Club Clubhouse	\$ 282,318	Grant
<b>Buildings</b>	Narromine	LED Lighting Upgrade - Various Council Buildings	\$ 7,424	General Fund Reserves
<b>IT Services</b>	Narromine	Software Acquisition - Fujitsu IArchive	\$ 10,000	General Fund Reserves
<b>Real Estate Development</b>	Narromine	Aerodrome Hangar - Lot 19	\$ 3,941	Grant
<b>Real Estate Development</b>	Narromine	Industrial Estate Land Development - Purchase of Land	\$ 1,831,818	General Fund Reserves
<b>Recreation Facilities</b>	Narromine	SCC Round 3 - Cale Oval South End Development	\$ 45,833	Grant/General Fund Reserves
<b>Recreation Facilities</b>	Narromine	Narromine Tennis Courts Upgrade	\$ 86,733	Grant
<b>Recreation Facilities</b>	Narromine	Narromine Pool Upgrade Works - Fencing, Benches & Seating, Entrance Landscaping	\$ 88,161	General Fund Reserves
<b>Roads</b>	Narromine	2022-2023 Return & Earn Facility	\$ 15,378	Grant/General Fund Reserves
<b>Roads</b>	Trangie	Truck Wash Facility	\$ 196,030	Grant
<b>Roads</b>	Narromine	Grant - Local Roads and Community Infrastructure Program Phase 2 - Gainsborough Road	\$ 52,254	Grant
<b>Waste Management</b>	Narromine	Narromine Waste Depot Road - Pavement - Gravel Resheet	\$ 5,027	Waste Fund Reserves
<b>Water Supply</b>	Narromine	Narromine Reticulation Boosting System	\$ 160,869	Grant/Water Fund Reserves
<b>Total</b>			<b>\$ 2,785,786</b>	

**Attachment No 3 - CARRY OVER CAPITAL WORKS PROGRAM FROM 2022/23 (NOT STARTED PROJECTS)**

Projects not started

<b>Asset Class</b>	<b>Town</b>	<b>Project Description</b>	<b>Amount to be Carried Over</b>	<b>Funded by</b>
<b>Buildings</b>	Narromine	Council Chamber - Roof Renewal/Rehab	\$ 125,000	General Fund Reserves
<b>Buildings</b>	Narromine	Narromine Sports Complex - Air Conditioning Units Upgrades	\$ 39,853	General Fund Reserves
<b>Recreation Facilities</b>	Narromine	Rotary Park - Playground Equipment Surface - Replacement/Rehabilitation	\$ 7,416	General Fund Reserves
<b>Recreation Facilities</b>	Narromine	Noel Powell Oval - Tables and Chairs - Replacement/Rehabilitation	\$ 3,090	General Fund Reserves
<b>Waste Management</b>	Narromine	Narromine Waste Depot Road - Wearing Surface - Reseal	\$ 10,892	General Fund Reserves
<b>Waste Management</b>	Trangie	Trangie Waste Depot Road - Pavement - Gravel Resheet	\$ 5,464	General Fund Reserves
<b>Waste Management</b>	Narromine	Narromine Skip Bin Purchase	\$ 12,360	General Fund Reserves
<b>Water Supply</b>	Narromine	Bores Capital Program - NB6 Solid Separation Unit	\$ 33,000	Water Fund Reserves
<b>Cemetery Operations</b>	Narromine	Cemeteries Narromine Irrigation System Capital	\$ 5,856	General Fund Reserves
<b>Total</b>			<b>\$ 242,931</b>	