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**NARROMINE SHIRE COUNCIL**  
**ORDINARY MEETING BUSINESS PAPER – 21 JUNE 2023**  
**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

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**1. INVESTMENT REPORT AS AT 31 MAY 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 May 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 3.85% to 4.70%. During May, Council's total cash and investments decreased by \$1,271K from \$26,344M to \$25,073M. This is due to the transfer of funds to the cheque account for cashflow purposes. Council's investment portfolio as at 31 May 2023 is attached as **(Attachment No. 1)**.

**Financial Implications**

The 2022/23 Budget estimates the total annual Investment Revenue as \$1,168,896 which represents an estimated return of 5.06 and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

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

***Legal and Regulatory Compliance***

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2021 – Clause 212
- Council Investment Policy 2019
- 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 May 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.

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

## Attachment 1 - Investments - 31 May 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+	3.85%	N/A	5,073,254.35	S&P Short Term
<b>TOTAL</b>						<b>5,073,254.35</b>	
<b>Percentage of Total Portfolio</b>						<b>20.23%</b>	
<b>Average Investment Yield</b>						<b>3.85%</b>	
<b>Term Deposits</b>							
Commonwealth Bank	AA-	Term Deposit - 06/06/2023	A-1+	3.85%	270 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 06/07/2023	A-1+	4.15%	210 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 08/08/2023	A-1+	4.42%	210 Days	2,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 09/09/2023	A-1+	4.04%	365 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 04/10/2023	A-1+	4.30%	240 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 02/11/2023	A-1+	4.70%	240 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 05/12/2023	A-1+	4.40%	243 Days	2,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 02/02/2023	A-1+	4.59%	270 Days	2,000,000.00	S&P Short Term
<b>TOTAL</b>						<b>20,000,000.00</b>	
<b>Percentage of Total Portfolio</b>						<b>79.77%</b>	
<b>Average Investment Yield</b>						<b>4.31%</b>	
<b>Total Investment Portfolio</b>						<b>25,073,254.35</b>	