

<b>CLAUSE</b>	<b>CL08</b>
<b>TITLE</b>	<b>Investments at 31 July, 31 August and 30 September 2019</b>
<b>FROM</b>	<b>Vanessa Edwards, Finance Manager</b>
<b>TRIM REF</b>	<b>19/89615</b>

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### **SUMMARY**

This report details Council's investments performance for the months of July, August and September 2019.

### **RECOMMENDATION**

**The report be noted by Council.**

### **REPORT**

In accordance with Section 212 of the Local Government (General) Regulation 2005, it is hereby certified that the investments detailed in the attached schedules have been made in accordance with Section 625 of the Local Government Act 1993, its Regulations and Council's current investment policy and strategy which were last amended and adopted on 13 February 2018.

Management is striving to continuously build up cash and investment returns to ensure ongoing financial stability and liquidity into the future.

### **OPTIONS**

Not Applicable

### **POLICY IMPLICATIONS**

The actions taken comply with Council's current investment policy and strategy, and the Ministerial Order as provided by the NSW Office of Local Government.

### **FINANCIAL IMPLICATIONS**

As at the 30 September 2019, Council had received a total of \$239,562 in interest coupon payments and a further \$16,455 interest from its ordinary trading account, giving a total cash received of \$256,017 YTD.

The overall net interest income recognised (when combining both interest received and mark-to-market entries) at 30 September 2019 was \$381,140 against the YTD budget of \$320,745.

Council has a mix of growth and fixed income investments in the portfolio and at certain times growth assets are exposed to equity market fluctuations (volatility) and may incur valuation reductions that can impact on reported profits. These are long term assets and Council has no intention of divesting any of these assets when at cyclical lows and therefore crystallising any losses. Invariably, these assets will regain and increase their values and they make up a valuable diversity in Council's portfolio overall.

Council is operating in an ongoing, very low interest rate environment and it is difficult to obtain higher yields on investments whilst maintaining appropriate diversification of investments. Council's investments are diversified primarily across TCorp Managed Funds, term deposits, fixed income bonds and floating rate notes which are largely determined by the restrictions in place by the Minister's Order. Council's investments are diversified, all highly rated and of high quality.

### **LEGAL/STATUTORY IMPLICATIONS**

Section 212 of the Local Government (General) Regulation 2005.

### **ENVIRONMENTAL IMPLICATIONS**

Not Applicable

### **COMMUNITY IMPLICATIONS**

Not Applicable

### **LINK TO STRATEGIC PLAN**

This item links to Council's Strategic Plan item: C1- Provide clear and transparent communication to the local community on matters in which it is concerned.

### **CONSULTATION**

Senior Management Team

### **ATTACHMENTS**

- (a) Statement of Funds at 31 July 2019
- (b) Statement of Funds at 31 August 2019
- (c) Statement of Funds at 30 September 2019
- (d) Investment Returns Analysis 12 Months Annualised

(a) Statement of Funds at 31 July, 2019

**GRIFFITH CITY COUNCIL**  
**Statement of Funds Invested under Section 625 of the Local Government Act, 1993**  
 31 July, 2019

INVESTMENTS

Type	Valuation Balance as at 31 July, 2019	Cash Flows for July, 2019	Non-Cash Valuation Adj's July, 2019	Fund as a Percentage of Total Investments
<b>Cash/Managed Funds</b>				
3.790% BT Institutional Cash Fund	7,627.37	21.74		0.02%
6.710% Perpetual Credit Income Fund	872,008.57	4,332.50		1.87%
8.940% NSW Treasury Corp -Long Term Growth Fund	1,388,434.32		22,791.12	2.97%
6.380% NSW Treasury Corp -Medium Term Growth Fund	5,001,700.02		53,032.87	10.71%
0.060% NSW Treasury Corp - Short Term Income Fund	3,512,970.93	4,136.60	6,604.94	7.52%
2.340% NSW Treasury Corp -Cash Fund	7,435,323.61	10,409.90	3,181.43	15.92%
1.650% UBS Cash Management Trust Account	62,964.20	84.33		0.13%
N/A ANZ Premium Business Saver Account	7,566.13	(7.05)		0.02%
<b>Term Deposits</b>				
2.200% AMP 272 Day Term Deposit Maturity 13/3/20	2,000,000.00	3,945.12		4.28%
3.000% BOQ 3 Yr Term Deposit Maturity 6/12/21	1,051,043.19	2,627.61		2.25%
2.750% NAB Bank 1 Yr Term Deposit Maturity 5/12/19	500,000.00	1,130.14		1.07%
2.750% ING 2 Yr Term Deposit Maturity 7/12/20	1,500,000.00	3,437.50		3.21%
2.800% NAB 2 Yr Term Deposit Maturity 2/11/2020	2,000,000.00	4,673.06		4.28%
2.150% Westpac Bank Notice Saver 60 Day	2,224,208.72	4,169.41		4.76%
2.100% Westpac Bank Notice Saver 31 Day	4,994,563.41	9,137.67		10.69%
2.860% Westpac Fixed/Floating Deposit Maturity 31/8/22	1,000,000.00			2.14%
2.600% St George 1 Yr Term Deposit Maturity 3/5/20	1,500,000.00	3,250.00		3.21%
<b>Bank Bonds/Floating Rate Notes</b>				
2.650% Bendigo Adelaide Bank Floating Rate Note Maturity 18/08/20	1,007,100.00		740.00	2.16%
2.650% Bendigo Adelaide Bank Floating Rate Note Maturity 18/08/20	1,007,100.00		740.00	2.16%
2.890% Rabo Bank Floating Rate Note Maturity 4/3/21	1,526,430.00		975.00	3.27%
2.311% ANZ Bank Floating Rate Note Maturity 7/4/21	1,014,370.00	7,238.61	1,580.00	2.17%
2.339% CBA 5 Year FRN Maturity 12/7/21	1,016,550.00	7,230.00	2,480.00	2.18%
2.655% Westpac Domestic Note Bond Maturity 7/2/2022	1,526,430.00		5,760.00	3.27%
2.255% AMP Bank Floating Rate Note Maturity 30/03/22	995,130.00		180.00	2.13%
2.865% NAB Floating Rate Note Maturity 26/9/2023	1,519,650.00		12,450.00	3.25%
2.257% CBA 5 Year FRN Maturity 11/01/24	1,022,910.00	7,040.00	8,520.00	2.19%
2.228% Westpac FRN Maturity 24/04/24	1,024,230.00	7,024.45	9,310.00	2.19%
<b>Total</b>	<b>46,718,310.47</b>	<b>79,881.59</b>	<b>128,345.36</b>	<b>96%</b>

Balance of Griffith City Council Trading Bank Account 11,535,801.62  
 GHFL/HHF Bank Account Balances 73,374.45

**Total Cash & Investments at 31/7/19 58,327,486.54**

INTEREST

Interest Analysis	Actual
Accumulated Interest Brought Forward	-
Interest received on Griffith Health Facilities Limited Bank Accounts YTD July 2019	6.25
Interest received on CUC Invested Grant Monies YTD July 2019	857.24
Investment Interest for the month of July 2019	207,369.71
Current Bank Account Interest for the month of July 2019	5,849.33
<b>Total Interest YTD July 2019</b>	<b>214,082.53</b>
Original Estimated Investment Income YTD July 2019	106,915.00
Over (Under) Original Estimate	107,167.53
Percentage of Original Estimate Raised	200.24%
Percentage of Year at Report Date	8.33%

Fund	Original Estimate YTD	Actual YTD	Percentage of Original Estimate
Ordinary Fund	42,917.00	103,272.08	240.63%
Water Fund	35,415.00	65,569.06	185.14%
Sewerage Fund	15,000.00	24,076.90	160.51%
Waste Fund	13,333.00	20,761.51	155.72%
Western Riverina Library	250.00	402.98	161.19%
<b>Total</b>	<b>106,915.00</b>	<b>214,082.53</b>	<b>200.24%</b>
Percentage of Year at Report Date		8.33%	

In accordance with Section 212 of the Local Government (General) Regulation 2005, I hereby certify that the investments detailed above are made in accordance with the Local Government Act, its regulations and Council's investment policy adopted on 13 February, 2018.

  
 RESPONSIBLE ACCOUNTING OFFICER

(b) Statement of Funds at 31 August, 2019

**GRIFFITH CITY COUNCIL**  
**Statement of Funds Invested under Section 625 of the Local Government Act, 1993**  
 31 August, 2019

INVESTMENTS

Type	Valuation Balance as at 31 August, 2019	Cash Flows for August, 2019	Non-Cash Valuation Adj's August, 2019	Fund as a Percentage of Total Investments
<b>Cash/Managed Funds</b>				
3.790% BT Institutional Cash Fund	7,630.26	2.89		0.02%
6.710% Perpetual Credit Income Fund	873,128.65	1,120.08		1.87%
8.940% NSW Treasury Corp -Long Term Growth Fund	1,384,927.01		(3,507.31)	2.96%
6.380% NSW Treasury Corp -Medium Term Growth Fund	5,015,943.98		14,243.96	10.74%
0.060% NSW Treasury Corp - Short Term Income Fund	3,514,981.19	4,749.10	(2,738.84)	7.52%
2.340% NSW Treasury Corp -Cash Fund	7,440,820.24	8,124.99	(2,628.36)	15.93%
1.650% UBS Cash Management Trust Account	63,049.77	85.57		0.13%
N/A ANZ Premium Business Saver Account	7,559.33	(6.80)		0.02%
<b>Term Deposits</b>				
2.200% AMP 272 Day Term Deposit Maturity 13/3/20	2,000,000.00	3,956.16		4.28%
3.000% BOQ 3 Yr Term Deposit Maturity 6/12/21	1,051,043.19	2,627.61		2.25%
2.750% NAB Bank 1 Yr Term Deposit Maturity 5/12/19	500,000.00	1,130.14		1.07%
2.750% ING 2 Yr Term Deposit Maturity 7/12/20	1,500,000.00	3,437.50		3.21%
2.800% NAB 2 Yr Term Deposit Maturity 2/11/2020	2,000,000.00	4,673.06		4.28%
2.150% Westpac Bank Notice Saver 60 Day	2,227,773.54	3,564.82		4.77%
2.100% Westpac Bank Notice Saver 31 Day	5,002,363.13	7,799.72		10.71%
2.860% Westpac Fixed/Floating Deposit Maturity 31/8/22	1,000,000.00	7,208.77		2.14%
2.600% St George 1 Yr Term Deposit Maturity 3/5/20	1,500,000.00	3,250.00		3.21%
<b>Bank Bonds/Floating Rate Notes</b>				
2.070% Bendigo Adelaide Bank Floating Rate Note Maturity 18/08/20	1,005,840.00	6,606.85	(1,260.00)	2.15%
2.070% Bendigo Adelaide Bank Floating Rate Note Maturity 18/08/20	1,005,840.00	6,606.85	(1,260.00)	2.15%
2.890% Rabo Bank Floating Rate Note Maturity 4/3/21	1,523,670.00		(2,760.00)	3.26%
2.311% ANZ Bank Floating Rate Note Maturity 7/4/21	1,012,390.00		(1,980.00)	2.17%
2.339% CBA 5 Year FRN Maturity 12/7/21	1,014,070.00		(2,480.00)	2.17%
2.115% Westpac Domestic Note Bond Maturity 7/2/2022	1,521,840.00	10,038.08	(4,590.00)	3.26%
2.255% AMP Bank Floating Rate Note Maturity 30/03/22	992,610.00		(2,520.00)	2.12%
2.833% NAB Floating Rate Note Maturity 26/9/2023	1,512,600.00		(7,050.00)	3.24%
2.257% CBA 5 Year FRN Maturity 11/01/24	1,017,770.00		(5,140.00)	2.18%
2.228% Westpac FRN Maturity 24/04/24	1,018,430.00		(5,800.00)	2.18%
<b>Total</b>	<b>46,714,280.29</b>	<b>74,975.39</b>	<b>(29,470.55)</b>	<b>96%</b>

Balance of Griffith City Council Trading Bank Account 13,944,013.20  
 GHFL/HHF Bank Account Balances 73,379.13

**Total Cash & Investments at 31/8/19 60,731,672.62**

INTEREST

Interest Analysis	Actual
Accumulated Interest Brought Forward	213,219.04
Interest received on Griffith Health Facilities Limited Bank Accounts YTD August 2019	10.93
Interest received on CUC Invested Grant Monies YTD August 2019	1,588.96
Investment Interest for the month of August 2019	44,773.09
Current Bank Account Interest for the month of August 2019	5,006.90
<b>Total Interest YTD August 2019</b>	<b>264,598.92</b>
<b>Original Estimated Investment Income YTD August 2019</b>	<b>213,830.00</b>
Over (Under) Original Estimate	50,768.92
Percentage of Original Estimate Raised	123.74%
Percentage of Year at Report Date	16.67%

Fund	Original Estimate YTD	Actual YTD	Percentage of Original Estimate
Ordinary Fund	85,834.00	129,853.23	151.28%
Water Fund	70,830.00	79,732.10	112.57%
Sewerage Fund	30,000.00	29,277.55	97.59%
Waste Fund	26,666.00	25,246.03	94.67%
Western Riverina Library	500.00	490.01	98.00%
<b>Total</b>	<b>213,830.00</b>	<b>264,598.92</b>	<b>123.74%</b>
<b>Percentage of Year at Report Date</b>		<b>16.67%</b>	

In accordance with Section 212 of the Local Government (General) Regulation 2005, I hereby certify that the investments detailed above are made in accordance with the Local Government Act, its regulations and Council's investment policy adopted on 13 February, 2018.

  
 RESPONSIBLE ACCOUNTING OFFICER

(c) Statement of Funds at 30 September, 2019

**GRIFFITH CITY COUNCIL**  
**Statement of Funds Invested under Section 625 of the Local Government Act, 1993**  
 30 September, 2019

INVESTMENTS

Type	Valuation Balance as at 30 September, 2019	Cash Flows for September, 2019	Non-Cash Valuation Adj's September, 2019	Fund as a Percentage of Total Investments
<b>Cash/Managed Funds</b>				
3.790% BT Institutional Cash Fund	7,641.09	10.83		0.02%
6.710% Perpetual Credit Income Fund	876,426.84	3,298.19		1.87%
8.940% NSW Treasury Corp -Long Term Growth Fund	1,400,189.61		15,262.60	2.99%
6.380% NSW Treasury Corp -Medium Term Growth Fund	5,040,045.36		24,101.38	10.78%
0.060% NSW Treasury Corp - Short Term Income Fund	3,518,367.66	6,770.30	(3,383.83)	7.52%
2.340% NSW Treasury Corp -Cash Fund	7,447,399.76	8,971.56	(2,392.04)	15.92%
1.650% UBS Cash Management Trust Account	63,148.23	98.46		0.14%
N/A ANZ Premium Business Saver Account	7,551.77	(7.56)		0.02%
<b>Term Deposits</b>				
2.200% AMP 272 Day Term Deposit Maturity 13/3/20	2,000,000.00	3,616.38		4.28%
3.000% BOQ 3 Yr Term Deposit Maturity 6/12/21	1,051,043.19	2,627.61		2.25%
2.750% NAB Bank 1 Yr Term Deposit Maturity 5/12/19	500,000.00	1,130.14		1.07%
2.750% ING 2 Yr Term Deposit Maturity 7/12/20	1,500,000.00	3,437.50		3.21%
2.800% NAB 2 Yr Term Deposit Maturity 2/11/2020	2,000,000.00	4,673.06		4.28%
2.150% Westpac Bank Notice Saver 60 Day	2,231,463.09	3,689.55		4.77%
2.100% Westpac Bank Notice Saver 31 Day	5,010,435.43	8,072.30		10.71%
2.860% Westpac Fixed/Floating Deposit Maturity 31/8/22	1,000,000.00			2.14%
2.600% St George 1 Yr Term Deposit Maturity 3/5/20	1,500,000.00	3,250.00		3.21%
<b>Bank Bonds/Floating Rate Notes</b>				
2.070% Bendigo Adelaide Bank Floating Rate Note Maturity 18/08/20	1,005,360.00		(480.00)	2.15%
2.070% Bendigo Adelaide Bank Floating Rate Note Maturity 18/08/20	1,005,360.00		(480.00)	2.15%
2.890% Rabo Bank Floating Rate Note Maturity 4/3/21	1,522,350.00	10,928.09	(1,320.00)	3.25%
2.311% ANZ Bank Floating Rate Note Maturity 7/4/21	1,012,390.00		-	2.16%
2.339% CBA 5 Year FRN Maturity 12/7/21	1,013,250.00		(820.00)	2.17%
2.115% Westpac Domestic Note Bond Maturity 7/2/2022	1,521,135.00		(705.00)	3.25%
2.255% AMP Bank Floating Rate Note Maturity 30/03/22	992,740.00	5,806.37	130.00	2.12%
2.833% NAB Floating Rate Note Maturity 26/9/2023	1,510,950.00	18,332.40	(1,650.00)	3.23%
2.257% CBA 5 Year FRN Maturity 11/01/24	1,016,550.00		(1,220.00)	2.17%
2.228% Westpac FRN Maturity 24/04/24	1,017,620.00		(810.00)	2.18%
<b>Total</b>	<b>46,771,417.03</b>	<b>84,705.18</b>	<b>26,233.11</b>	<b>96%</b>

Balance of Griffith City Council Trading Bank Account 11,803,307.32  
 GHFL/HHF Bank Account Balances 73,383.97

**Total Cash & Investments at 30/9/19 58,648,108.32**

INTEREST

Interest Analysis	Actual
Accumulated Interest Brought Forward	262,999.03
Interest received on Griffith Health Facilities Limited Bank Accounts YTD September 2019	15.77
Interest received on CUC Invested Grant Monies YTD September 2019	2,346.25
Investment Interest for the month of September 2019	110,181.00
Current Bank Account Interest for the month of September 2019	5,598.77
<b>Total Interest YTD September 2019</b>	<b>381,140.82</b>
Original Estimated Investment Income YTD September 2019	320,745.00
Over (Under) Original Estimate	60,395.82
Percentage of Original Estimate Raised	118.83%
Percentage of Year at Report Date	25.00%

Fund	Original Estimate YTD	Actual YTD	Percentage of Original Estimate
Ordinary Fund	128,751.00	187,468.19	145.61%
Water Fund	106,245.00	114,600.51	107.86%
Sewerage Fund	45,000.00	42,081.20	93.51%
Waste Fund	39,999.00	36,286.61	90.72%
Western Riverina Library	750.00	704.31	93.91%
<b>Total</b>	<b>320,745.00</b>	<b>381,140.82</b>	<b>118.83%</b>
<b>Percentage of Year at Report Date</b>		<b>25.00%</b>	

In accordance with Section 212 of the Local Government (General) Regulation 2005, I hereby certify that the investments detailed above are made in accordance with the Local Government Act, its regulations and Council's investment policy adopted on 13 February, 2018.



RESPONSIBLE ACCOUNTING OFFICER

**(d) Investments Returns Analysis - 12 month Annualised Yields**

<b>INVESTMENT RETURNS ANALYSIS - 12 MONTH ANNUALISED YIELDS</b>			
<b>Month</b>	<b>Average Funds Invested for the month</b>	<b>Interest Earned</b>	<b>Yield %</b>
Sep-18	\$40,810,245	\$68,048	0.17%
Oct-18	\$39,702,333	-\$144,437	-0.36%
Nov-18	\$40,313,217	-\$3,623	-0.01%
Dec-18	\$42,252,285	-\$21,790	-0.05%
Jan-09	\$44,694,407	\$283,052	0.63%
Feb-19	\$47,079,646	\$368,960	0.78%
Mar-19	\$47,309,384	\$209,033	0.44%
Apr-19	\$47,486,598	\$261,822	0.55%
May-19	\$48,320,604	\$6,759	0.01%
Jun-19	\$47,802,605	\$330,418	0.69%
Jul-19	\$46,637,995	\$207,370	0.44%
Aug-19	\$46,716,295	\$44,773	0.10%
Sep-19	\$46,742,849	\$110,181	0.24%
<b>12 Month Annualised Performance</b>			<b>3.63%</b>
<b>Current Year Performance Jul 19 - Jun 20</b>			<b>0.78%</b>
<b>(Cash basis only, net of fees)</b>			