

CLAUSE	CL04
TITLE	Investments at 28 February, 2021
FROM	Vanessa Edwards, Finance Manager
TRIM REF	21/24417

SUMMARY

This report details Council's investments performance for the month of February, 2021.

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, it's 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

OPTION 1

As per the Recommendation.

OPTION 2

Any other resolution of Council.

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 28 February 2021, Council had received a total of \$329,174 in interest coupon payments.

The overall net interest income recognised (when combining both interest received and mark-to-market entries) at 28 February 2021 was \$300,286 against the YTD budget of \$1,011,984.

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 28 February, 2021
- (b) Investments Returns Analysis - 12 Month Annualised Yields

(a) Statement of Funds at 28 February, 2021

GRIFFITH CITY COUNCIL
Statement of Funds Invested under Section 625 of the Local Government Act, 1993
28 February, 2021

INVESTMENTS

Type	Valuation Balance as at 28 February, 2021	Cash Flows for February, 2021	Non-Cash Valuation Adj's February, 2021	Fund as a Percentage of Total Investments
Cash/Managed Funds				
0.370% Pental Institutional Cash Fund	7,821.00	2.21		0.01%
7.680% Perpetual Credit Income Fund	919,422.80	5,191.65		1.34%
8.740% NSW Treasury Corp -Long Term Growth Fund	1,487,140.74		2,489.86	2.17%
3.520% NSW Treasury Corp -Medium Term Growth Fund	5,142,943.17		(27,092.15)	7.49%
0.840% NSW Treasury Corp - Short Term Income Fund	3,588,168.49	3,812.27	(5,942.86)	5.22%
0.280% NSW Treasury Corp -Cash Fund	26,562,394.77	682.20	(3,501.56)	38.68%
0.750% UBS Cash Management Trust Account	64,474.30	76.03		0.09%
N/A ANZ Premium Business Saver Account	7,307.35	(14.71)		0.01%
Term Deposits				
0.700% AMP 272 Day Term Deposit Maturity 4/9/21	2,000,000.00	1,150.68		2.91%
1.500% BOQ 3 Yr Term Deposit Maturity 6/12/21	1,051,043.19	2,620.41		1.53%
0.550% NAB 2 Yr Term Deposit Maturity 1/11/2021	2,000,000.00	914.15		2.91%
0.300% Westpac Bank Notice Saver 60 Day	2,266,961.40	521.59		3.30%
0.250% Westpac Bank Notice Saver 31 Day	5,086,555.51	975.31		7.41%
0.930% Westpac Fixed/Floating Deposit Maturity 31/8/22	1,000,000.00	2,218.08		1.46%
1.050% St George 1 Yr Term Deposit Maturity 3/5/21	1,539,106.85	1,346.72		2.24%
Bank Bonds/Floating Rate Notes				
1.517% Rabo Bank Floating Rate Note Maturity 4/3/21	1,500,120.00		(1,665.00)	2.18%
1.200% ANZ Bank Floating Rate Note Maturity 7/4/21	1,001,130.00		(870.00)	1.46%
1.223% CBA 5 Year FRN Maturity 12/7/21	1,004,200.00		(840.00)	1.46%
1.120% Westpac Domestic Note Bond Maturity 7/2/2022	1,514,490.00	4,229.63	(900.00)	2.21%
1.060% AMP Bank Floating Rate Note Maturity 30/03/22	1,000,100.00		120.00	1.46%
0.960% NAB Floating Rate Note Maturity 26/9/2023	1,525,350.00		(4,050.00)	2.22%
1.146% CBA 5 Year FRN Maturity 11/01/24	1,024,960.00		(2,670.00)	1.49%
1.150% Westpac FRN Maturity 24/04/24	1,027,100.00		(3,050.00)	1.50%
1.250% NSW Treasury Corp Bond 20/3/25	2,557,250.00		(36,750.00)	3.72%
1.250% NSW Treasury Corp Bond 20/11/30	1,873,200.00		(136,920.00)	2.73%
2.000% NSW Treasury Corp Bond 8/3/33	1,924,040.00		(163,760.00)	2.80%
Total	68,675,279.57	23,726.22	(385,401.71)	100%

Balance of Griffith City Council Trading Bank Account 6,744,614.83
GHFL/HHF Bank Account Balances 23,409.31

Total Cash & Investments at 28/02/21 75,443,303.71

INTEREST

Interest Analysis	Actual
Accumulated Interest Brought Forward	661,955.47
Interest received on Griffith Health Facilities Limited Bank Accounts YTD February 2021	6.42
Investment Interest for the month of February 2021	(361,675.49)
Current Bank Account Interest for the month of February 2021	-
Total Interest YTD February 2021	300,286.40
Original Estimated Investment Income YTD February 2021	1,011,984.00
Over (Under) Original Estimate	(711,697.60)
Percentage of Original Estimate Raised	29.67%
Percentage of Year at Report Date	66.67%

Fund	Original Estimate YTD	Actual YTD	Percentage of Original Estimate
Ordinary Fund	500,000.00	169,782.89	33.96%
Water Fund	283,320.00	77,221.92	27.26%
Sewerage Fund	120,000.00	28,355.83	23.63%
Waste Fund	106,664.00	24,451.19	22.92%
Western Riverina Library	2,000.00	474.57	23.73%
Total	1,011,984.00	300,286.40	29.67%
Percentage of Year at Report Date		66.67%	

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) Investments Returns Analysis - 12 month Annualised Yields

INVESTMENT RETURNS ANALYSIS - 12 MONTH ANNUALISED YIELDS			
Month	Average Funds Invested for the month	Interest Earned	Yield %
Mar-20	\$54,682,685	-\$542,985	-0.99%
Apr-20	\$54,530,850	\$330,902	0.61%
May-20	\$54,784,570	\$211,895	0.39%
Jun-20	\$54,925,615	\$99,079	0.18%
Jul-20	\$55,021,724	\$152,114	0.28%
Aug-20	\$54,123,578	\$107,825	0.20%
Sep-20	\$53,159,522	\$35,574	0.07%
Oct-20	\$54,195,328	\$69,052	0.13%
Nov-20	\$55,345,378	\$251,158	0.45%
Dec-20	\$54,712,159	\$34,592	0.06%
Jan-21	\$53,965,051	\$11,642	0.02%
Feb-21	\$61,318,457	-\$361,675	-0.59%
12 Month Annualised Performance			0.80%
Current Year Performance Jul 20 - Jun 21			0.62%
(Cash basis only, net of fees)			