



BUSINESS PAPER

**Economic and Community
Sustainability Committee Meeting
Wednesday, 9 March 2022**

INVERELL SHIRE COUNCIL**NOTICE OF ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING**

3 March, 2022

An Economic and Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 9 March, 2022, commencing at **10:30AM**.

Your attendance at this Economic and Community Sustainability Committee Meeting would be appreciated.

Please Note: Under the provisions of the Code of Meeting Practice the proceedings of this meeting (including presentations, deputations and debate) will be recorded. The audio recording of the meeting will be uploaded on the Council's website at a later time. Your attendance at this meeting is taken as consent to the possibility that your voice may be recorded and broadcast to the public.

I would like to remind those present that an audio recording of the meeting will be uploaded on the Council's website at a later time and participants should be mindful not to make any defamatory or offensive statements.

P J HENRY PSM

GENERAL MANAGER

Agenda

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Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

Conflict of interest

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- **Pecuniary** – regulated by the *Local Government Act 1993* and Office of Local Government
- **Non-pecuniary** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, Councillors can choose to either disclose and vote, disclose and not vote or leave the Chamber.

The test for conflict of interest

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

Identifying problems

- 1st** Do I have private interests affected by a matter I am officially involved in?
2nd Is my official role one of influence or perceived influence over the matter?
3rd Do my private interests conflict with my official role?

Local Government Act 1993 and Model Code of Conduct

For more detailed definitions refer to Sections 442, 448 and 459 or the *Local Government Act 1993* and Model Code of Conduct, Part 4 – conflicts of interest.

Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Section 451(1) of the *Local Government Act 1993* (pecuniary interests) and Part 4 of the Model Code of Conduct prescribed by the Local Government (Discipline) Regulation (conflict of interests) it is necessary for you to disclose the nature of the interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

A Declaration form should be completed and handed to the General Manager as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at [Declaration Form](#)

Quick Reference Guide

Below is a legend that is common between the:

- Inverell Shire Council Strategic Plan;
- Inverell Shire Council Delivery Plan; and
- Inverell Shire Council Operational Plan.



1 APOLOGIES

2 CONFIRMATION OF MINUTES

RECOMMENDATION:

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 9 February, 2022, as circulated to members, be confirmed as a true and correct record of that meeting.

**MINUTES OF INVERELL SHIRE COUNCIL
ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING
HELD AT THE COMMITTEE ROOM, ADMINISTRATIVE CENTRE, 144 OTHO STREET,
INVERELL
ON WEDNESDAY, 9 FEBRUARY 2022 AT 12pm**

PRESENT: Cr Paul Harmon (Mayor), Cr Kate Dight, Cr Nicky Lavender and Cr Jo Williams.

IN ATTENDANCE: Cr Di Baker, Cr Stewart Berryman, Cr Jacko Ross and Cr Wendy Wilks.

Paul Henry (General Manager), Brett McInnes (Director Civil & Environmental Services) and Paul Pay (Director Corporate and Economic Services).

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

That the apology received from Cr Paul King for personal reasons be accepted and leave of absence granted.

CARRIED

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 14 July, 2021, as circulated to members, be confirmed as a true and correct record of that meeting.

CARRIED

3 DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

Nil

4 ELECTIONS

4.1 ELECTION OF CHAIRPERSON S4.11.17/14

RECOMMENDATION:

In the absence of Cr Paul King, The Mayor elected to defer the Election of Chairperson to the March 2022 meeting.

The Mayor continued to chair the meeting.

5 DESTINATION REPORTS

5.1 EXPIRING LICENCE AGREEMENTS - MR DAVID WALKER S5.10.152

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

The Committee recommend to Council that:

- i) Council renew the agreement with Mr David Walker for Part Council Road Reserve adjacent to Lot 2 DP 216606, Elsmore Road, Elsmore and Part Lot 7301 DP 1139606, Nash's Lane, Long Plain for a five (5) year period with the option of a further five (5) year period;*
- ii) the licence fee be \$75.00 per annum (GST Inclusive) for each site; and*
- iii) the Licence Agreements be subject to any other terms and conditions as negotiated by Council's General Manager.*

CARRIED

5.2 INVERELL WOMEN'S SHED S12.22.1/15

COMMITTEE RESOLUTION

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

The Committee recommend to Council that:

- a) Council has no suitable land available within the CBD for the erection of the Women's shed;*
- b) the Inverell Women's Shed Committee be requested to provide information on the outcome of their meeting with the Inverell Showground Trust; and*
- c) the Inverell Women's Shed Committee be requested to provide additional information to Council on their current membership base and long-term sustainability.*

CARRIED

5.3 APPROACH FROM BUNDARRA RESIDENTS S13.1.1

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

The Committee recommend to Council that:

- a) Council does not dispute the rationale of the Bundarra Community's approach to the proposed boundary adjustment;*
- b) the Bundarra Community be requested to define in more detail the area proposed to be transferred to Inverell Shire Council upon completion of the boundary adjustment and the level of support from the residents in the proposed transfer area; and*

- c) *the Bundarra Community ascertain the view of the Local Member, Mr Adam Marshall MP, and Uralla Shire Council on the proposed boundary adjustment.*

CARRIED

5.4 ENTRANCE SIGNS - ASHFORD LOCAL ABORIGINAL LAND COUNCIL (ALALC) S2.14.1

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

The Committee recommend to Council that:

- a) *Signage stating 'The traditional lands of the Kwiambal People;' be installed on MR 137, at the entrances to Ashford; and*
- b) *The signs be funded from the Ashford Village Improvement vote.*

CARRIED

6 INFORMATION REPORTS

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavendar

That the following information reports be received and noted.

CARRIED

6.1 CROWN RESERVES UNDER COUNCIL MANAGEMENT - UPDATE REPORT S5.19.1

6.2 STATE LIBRARY NSW LOCAL PRIORITY FUNDING 2021-22 S4.11.17

6.3 RATE PEG FOR 2022/2023 S25.11.3

7 GOVERNANCE REPORTS

7.1 QUARTERLY BUDGET AND OPERATIONAL PLAN 2021/2022 S12.5.1

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

That:

- i) *Council's Quarterly Operational Plan and Budget Review for 31st December, 2021 be adopted; and*
- ii) *The proposed variations to budget votes for the 2021/2022 Financial Year be adopted*

providing an estimated Cash Surplus at 31st December, 2021 from operations of \$6,161.

CARRIED

7.2 GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That:

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*

CARRIED

The Meeting closed at 12.51pm.

3 DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

4 ADVOCACY REPORTS

4.1 ELECTION OF CHAIRPERSON

File Number: S4.11.17/14 / 22/6413

Author: Paul Henry, General Manager

SUMMARY:

The Model Code of Meeting Practice for Local Councils in NSW, prescribes the need for a chairperson for each committee of the council.

RECOMMENDATION:

That in the event that more than one candidate has been nominated for the position of Chairperson, a ballot be held.

COMMENTARY:

The Model Code of Meeting Practice for Local Councils in NSW prescribes that the chairperson of each committee of the council must be the mayor or if the mayor does not wish to be chairperson, a member of the committee elected by the committee (clause 20.11).

The Mayor has indicated that he declines to exercise the right to chair the meeting. The Mayor will now invite the General Manager to call for nominations for the position of chairperson.

Committee members are requested to participate in the election of a chairperson for the next one (1) year term.

PROCEDURES

i) Returning Officer

The General Manager (or a person appointed by the General Manager) is the Returning Officer.

ii) Nomination

As Returning Officer, I now invite nominations for the position of Chairperson for a one (1) year term.

Nominations are 'verbal', do not require a seconder and Councillors can self - nominate.

iii) Election

If only one (1) Councillor is nominated, the Returning Officer will declare that Councillor is elected as Chairperson for the ensuing term.

If more than one (1) Councillor is nominated, a ballot must be held.

iv) Method of Voting

Voting is to be by 'Open Voting' means.

Councillors who are appointed members of the Committee will be asked to raise their hand when called upon to show their support for a candidate.

v) Voting Process

The returning officer will advise the meeting of the method of voting and explains the process.

The method of voting for the position of chairperson will be by show of hands.

Each councillor who is a member of the Committee is entitled to vote for only one candidate in each round of voting.

The order of voting will be determined by alphabetical order of the surname of candidates.

When all candidates' names (alphabetical order) have been written on the tally sheet, the returning officer announces the names of the candidates and, commencing with the first candidate, states the following:

Would those councillors voting for [name of candidate] please raise your hand.

The returning officer records the number of votes for each successive candidate on the tally sheet and announces the number of votes received for each candidate.

The minute taker records the vote of each councillor.

The returning officer should check with the minute taker that each councillor has voted. If a councillor has not voted it should be confirmed that they are abstaining (an informal vote).

Two candidates

If there are only two candidates for the position of chairperson and the voting is higher for one candidate than another (number of formal votes recorded on the tally sheet), the returning officer then announces the result.

[Name of candidate] has the higher number of formal votes and as a result I declare that [name of candidate] is elected as chairperson for the ensuing one (1) year term.

In the event of a **tied vote**, the returning officer will advise the meeting of the following process.

I will now write the names of the candidates on similar slips of paper, fold them and place them in the barrel. Please note that the candidate whose name is drawn out will be declared as chairperson.

It is appropriate to show the meeting the names and the barrel. Councillors may inspect but not touch the items.

The returning officer places the names of the candidates into the barrel and requests a staff member to shake the barrel.

The returning officer then draws a name out of the barrel and shows the meeting.

I declare that [name of candidate] is elected as chairperson for the ensuing one (1) year term.

The returning officer then draws out the remaining name and reads it for completeness. The second name should be shown to the meeting.

Three or more candidates

i) First round of voting

If there are three or more candidates, Councillors are asked to vote. The candidate with the lowest number of votes for the position of chairperson is excluded.

[Name of candidate], having the lowest number of votes, is excluded.

The voting continues as above until there are only two candidates remaining (see voting for **two candidates** above).

In the event that the **lowest number of votes are tied**, the returning officer advises the meeting of the following process:

I will now write the names of the candidates on similar slips of paper, fold them and place them in the barrel. Please note that the candidate whose name is drawn out will be excluded.

It is appropriate to show the meeting the names and the barrel. Councillors may inspect but not touch the items.

The returning officer places the names of the candidates into the barrel and requests a staff member to shake the barrel.

The returning officer then draws a name out of the barrel and shows it to the meeting.

I declare that [name of candidate] is excluded.

The returning officer then draws out the remaining name and reads it for completeness. The second name should be shown to the meeting.

ATTACHMENTS:

Nil

5 DESTINATION REPORTS

5.1 REQUEST FOR FINANCIAL ASSISTANCE - INVERELL CULTURAL GROUP

File Number: S12.22.1/15 / 22/5787

Author: Kristy Paton, Corporate Support Officer - Publishing

SUMMARY:

Council is in receipt of correspondence from the Inverell Cultural Group requesting financial assistance. The Committee is requested to consider their request.

RECOMMENDATION:

That

1. Council make a \$2,000 contribution to the staging costs of the "100 Years of Dance" event to be conducted in the Inverell Town Hall; and
2. The Cultural Group be reminded of the purpose of the support funding for cultural events.

COMMENTARY:

Chris Newbigin has written to Council on behalf of the Inverell Cultural Group requesting financial assistance for performances scheduled for the first half of 2022.

Due to COVID restrictions over the last two years a number of the planned performances had to be cancelled, leading to a loss of income for the Group and future performances being unable to be funded.

The Inverell Cultural Group has the following performances scheduled for the first half of 2022:

1. 21 April – Stardust and the Mission – Inverell RSM Club
2. 26 May – Beep – Uniting Church Hall
3. 28 May – Melbourne Comedy Festival – Inverell RSM Club
4. 3 June – 100 Years of Dance – Inverell Town Hall

The projected costs of bringing these plays to Inverell is \$20,020 plus a percentage of ticket sales as shown in the table below. The Inverell RSM Club have chosen not to charge venue hire fees, and will make a 50% contribution to the hosting fees for the "Stardust and the Mission" show.

ANWOT 2022									
SHOW	HOSTING FEE	DATE	HIRE FEES	ALLEN EAST	ADVERTISING	EXTRA COSTS	TOTAL COSTS		
STARDUST AND THE MISSION	\$ 1,800.00	Thu 21st APR	\$ -	1000	\$ 500.00	15% Box Office	\$	3,300.00	
BEEP	\$ 1,800.00	Thu 26th MAY	\$ 100.00	1000	\$ 500.00		\$	3,400.00	
MLB COMEDY FESTIVAL	\$ 4,500.00	Sat 28th MAY	\$ -	1000	\$ 500.00	10% Box Office	\$	6,000.00	
100 YEARS OF DANCE	\$ 3,500.00	Fri 3rd JUN	\$ 500.00	1000	\$ 500.00	Apra Fees	\$	5,500.00	
							\$	-	
						SUB TOTAL	\$	18,200.00	
						GST	\$	1,820.00	
						TOTAL incl GST	\$	20,020.00	

The Inverell Cultural Group is seeking financial assistance from Council to fund the venue hire (\$600), lighting and technical support (\$4,000) and advertising costs (\$2,000) for all the planned performances which total \$6,600.

Ticket sales from each event will be collected by the Inverell Cultural Group and will be used to fund the residual costs. Any surplus ticket sales will be used as seed funding for future events.

Council has a budget allocation for the purpose of partnering with the Cultural Group to bring touring productions/shows to Inverell. These events are to be hosted at the Inverell Town Hall. Utilising the purpose for which this allocation was established, Council may wish to consider contributing to the staging costs of the “100 Years of Dance” event. The staging costs would be \$2,000.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Should Council accede to contributing to the staging costs of the ‘100 Years of Dance’ event sufficient funding would be available from within the Cultural budget.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

6 GOVERNANCE REPORTS

6.1 AUDIT, RISK & IMPROVEMENT COMMITTEE MEMBERSHIP AND REMUNERATION

File Number: S4.11.21 / 22/6411

Author: Paul Pay, Director Corporate and Economic Services

SUMMARY:

This report seeks to extend the appointment of Mr Phil Schwenke as Chair of the Audit Risk and Improvement Committee for a further two years and to increase member honorarium fees from January 2022.

RECOMMENDATION:

That the Committee to Council that:

1. *Council appoint Mr Phil Schwenke as Chair of the Audit Risk and Improvement Committee for an additional two years until December 2024;*
2. *Council reimburse Mr Phil Schwenke for \$999.90 in lost GST payments for services rendered; and*
3. *Council set member honorarium from January 2022 as follows:*
 - a) *Chair - \$1,500 (plus GST if applicable), plus reimburse travel expenses at cost; and*
 - b) *Independent Member - \$750 (plus GST if applicable), plus reimburse travel expenses at cost.*

COMMENTARY:

ARIC Membership

In light of the 2020 Council elections being rescheduled to December 2021 Council resolved to invite the current ARIC members to extend their terms until 31 December, 2021. At the ARIC Meeting held 5 August, 2020, all members confirmed they were willing to extend the term of their membership and requested that Council appoint a fourth Committee member to achieve a staggered change over of board members. Mr Les Hullick was appointed in November 2020 for a four-year term.

Mrs Nicky Lavender stood down from ARIC in October 2021 and Mr Phil Schwenke's extended term concluded in December 2021.

Council's Audit, Risk and Improvement Committee (ARIC) Charter requires the Committee to have a minimum of two (2) and a maximum of three (3) Independent external members (one member shall be appointed as chairperson of the ARIC by Council). Mr Schwenke has indicated he is prepared to continue his appointment as Chair of ARIC to assist Council in implementing the new Risk Management and Internal Audit for local councils in NSW Guidelines. During the last "Hit the Ground Running" webinar, participants were advised that these draft guidelines are still under review by the OLG and should be finalised in the near future.

Should Council avail themselves of Mr Schwenke's offer, it is recommended that Mr Schwenke be appointed for another two (2) years as Chair of ARIC.

ARIC Remuneration

Independent ARIC members receive an honorarium payment of \$500 'GST Inclusive' plus travel expenses. The GST inclusive payment has resulted in some inconsistency between independent members. For example, an ARIC member registered for GST Invoices for \$500 but after remitting

GST to the ATO receives \$454 in the hand. While a non-GST registered ARIC member who also invoiced at the stipulated rate of \$500 will receive \$500 in the hand.

To elevate these inconsistencies, it is recommended that future member fees be set at a predetermined rate plus GST if applicable.

Mr Schwenke is one member that has been disadvantaged by the above inconsistency losing \$999.90 in GST payments to the ATO. To correct this situation, it is recommended that Council retrospectively set the member honorarium at \$500 plus GST if applicable. This will allow Council to reimburse Mr Schwenke \$999.90.

Under the current draft *Risk Management and Internal Audit for Local Councils in NSW Guidelines*, Council will be required, by June 2024, to have three (3) independent voting members comprising of:

- 1 chair prequalified under the NSW Government prequalification scheme; and
- 2 independent persons that meet the eligibility criteria for non-prequalified committee members or two independent members selected from the NSW Government prequalification scheme.

The table below indicates the maximum rates applicable for independent voting members under the NSW Government prequalification scheme. Inverell would be classified as a small Council.

Fee category		Large	Medium	Small
Member fee rates (excluding GST and superannuation)		\$2,092 per meeting day	\$1,621 per meeting day	\$1,255 per meeting day
Chair fee rates (excluding GST and superannuation) <i>Annual rate + per meeting day rate for additional meeting days after the 7th meeting day</i>	For up to 7 meeting days per annum:	\$20,920 per annum	\$16,213 per annum	\$12,552 per annum
	For each additional meeting day (above 7 meeting days per annum):	\$2,989 per meeting day	\$2,316 per meeting day	\$1,793 per meeting day

A meeting day is defined as a minimum of three hours but is typically the equivalent of a normal business day. This includes preparation and meeting time.

During the transition period to the new guidelines it is proposed that Council continue to remunerate independent members via an honorarium. However, in light of the above prequalified rates it is recommended that Council increase our honorarium to:

- Chair - \$1,500 (plus GST if applicable), plus reimburse travel expenses at cost.
- Independent Member - \$750 (plus GST if applicable), plus reimburse travel expenses at cost.

Our experience with the ARIC over the past four years demonstrates the load on the Chair is higher than a regular independent member. Some of the additional duties undertaken by the Chair include:

- all facets of ARIC activity before, during and after an ARIC meeting/key event;
- additional reporting (including direct to Council) and ARIC review responsibilities evident in the Charter;
- needed contributions to committee planning and on-going liaison with the head of internal audit; and
- contributions on unpredictable matters that may arise (e.g. ARIC member changes/induction, Charter changes and updates).

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Given that ARIC membership will remain at two members, not three, ARIC's budget will not increase as a result of the additional proposed remuneration.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

6.2 GOVERNANCE - MONTHLY INVESTMENT REPORT

File Number: S12.12.2 / 22/6426

Author: Robert Kimmince, Manager Financial Services

SUMMARY:

To report the balance of investments held as at 28 February, 2022.

RECOMMENDATION:

The Committee recommend to Council that:

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 28 February, 2022 and an update of the investment environment:

- (a) Council's Investments as at 28 February, 2022;
- (b) Council Investments by Fund as at 28 February, 2022;
- (c) Interest – Budgeted vs. Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

Term Deposit Investment Group												
Investment	Borrower	FUND	Rating	Interest Frequency	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)	
20/30	Auswide Bank	General	BBB	Annually	02-Mar-20	02-Mar-21	02-Mar-22	1.75%	2,000,000	2,000,000	730	
20/31	Warwick Credit Union	General	NR	Maturity	02-Mar-20	02-Mar-20	02-Mar-22	1.90%	1,000,000	1,000,000	730	
21/12	BNK Bank	General	BBB	Maturity	29-Mar-21	29-Mar-21	29-Mar-22	0.65%	1,950,000	1,950,000	365	
19/29	Newcastle Permanent	General	BBB	Quarterly	17-Apr-19	17-Jan-22	19-Apr-22	2.70%	1,000,000	1,000,000	1098	
21/08	AMP Bank	General	BBB+	Annually	27-Nov-20	29-Nov-21	27-May-22	0.75%	2,000,000	2,000,000	546	
20/38	Bank of Queensland	Sewer	BBB+	Maturity	27-May-20	27-May-20	27-May-22	1.30%	2,000,000	2,000,000	730	
22/19	Community First Credit Union	Sewer	NR	Maturity	07-Dec-21	07-Dec-21	07-Jun-22	1.00%	1,000,000	1,000,000	182	
19/31	Westpac Bank	Water	AA-	Annually	25-Jun-19	25-Jun-21	25-Jun-22	2.30%	1,000,000	1,000,000	1096	
19/34	Westpac Bank	General	AA-	Annually	25-Jun-19	25-Jun-21	25-Jun-22	2.30%	2,000,000	2,000,000	1096	
19/32	Westpac Bank	General	AA-	Annually	27-Jun-19	27-Jun-21	27-Jun-22	2.30%	2,000,000	2,000,000	1096	
22/01	Bank of Sydney	General	NR	Annually	19-Jul-21	19-Jul-21	19-Jul-22	0.65%	1,500,000	1,500,000	365	
22/02	Bank of Sydney	General	NR	Annually	03-Aug-21	03-Aug-21	03-Aug-22	0.64%	1,000,000	1,000,000	365	
20/05	Bank of Queensland	General	BBB+	Annually	06-Sep-21	06-Sep-21	05-Sep-22	1.80%	1,000,000	1,000,000	1098	
20/06	Bank of Queensland	General	BBB+	Annually	13-Sep-19	14-Sep-21	13-Sep-22	1.80%	1,000,000	1,000,000	1096	
22/04	Bank of Sydney	Water	NR	Annually	17-Sep-21	17-Sep-21	19-Sep-22	0.63%	1,000,000	1,000,000	367	
22/06	Bank of Sydney	Sewer	NR	Annually	30-Sep-21	30-Sep-21	30-Sep-22	0.60%	1,500,000	1,500,000	365	
22/07	MyState Bank	General	BBB	Annually	01-Oct-21	01-Oct-21	04-Oct-22	0.50%	2,000,000	2,000,000	368	
22/08	AMP BANK	General	BBB	Annually	05-Oct-21	05-Oct-21	05-Oct-22	0.80%	2,000,000	2,000,000	365	
22/13	AMP BANK	Water	BBB+	Annually	25-Nov-21	25-Nov-21	25-Nov-22	1.00%	1,000,000	1,000,000	365	
22/18	AMP BANK	General	BBB	Maturity	07-Dec-21	07-Dec-21	07-Dec-22	1.00%	2,000,000	2,000,000	365	
21/10	Warwick Credit Union	General	NR	Maturity	22-Jan-21	22-Jan-21	23-Jan-23	1.00%	1,500,000	1,500,000	731	
22/05	AMP BANK	General	BBB	Annually	20-Sep-21	20-Sep-21	20-Mar-23	0.80%	1,000,000	1,000,000	546	
22/12	AMP BANK	General	BBB+	Annually	25-Nov-21	25-Nov-21	25-May-23	1.00%	1,000,000	1,000,000	546	
22/14	AMP BANK	General	BBB+	Annually	25-Nov-21	25-Nov-21	25-Mar-23	1.00%	1,000,000	1,000,000	485	
20/32	Auswide Bank	General	BBB	Annually	24-Mar-20	24-Mar-21	24-Mar-23	1.88%	1,000,000	1,000,000	1095	
21/16	National Australia Bank	Water	AA-	Annually	28-Jun-21	28-Jun-21	28-Jun-23	0.60%	1,000,000	1,000,000	730	
21/17	ICBC - Industrial and Commercial Bank of China	General	A	Annually	29-Jun-21	29-Jun-21	29-Jun-23	0.70%	1,000,000	1,000,000	730	
21/18	National Australia Bank	Water	AA-	Quarterly	29-Jun-21	29-Dec-21	29-Jun-23	0.65%	2,000,000	2,000,000	730	
22/09	National Australia Bank	General	A	Annually	06-Oct-21	06-Oct-21	06-Oct-23	0.64%	1,000,000	1,000,000	730	
22/10	Westpac Bank	General	A	Quarterly	25-Oct-21	24-Jan-22	25-Oct-23	0.91%	2,000,000	2,000,000	730	
22/11	Westpac Bank	General	A	Quarterly	25-Nov-21	25-Feb-22	25-Nov-23	1.28%	1,000,000	1,000,000	730	
22/15	ICBC - Industrial and Commercial Bank of China	General	A	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732	
22/16	ICBC - Industrial and Commercial Bank of China	General	A	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732	
22/17	ICBC - Industrial and Commercial Bank of China	Water	A									

Floating Rate Notes												
As at Date	Borrower	FUND	Rating	Interest Frequency	Purchase Date	Last Coupon Date	Coupon End Date	Current Yield*	Principal Value	Current value	Coupon Term	Maturity Date
									-	-		
* Yield changes every 3 months and is a margin over the 3 month BBSW (Bank Bill Swap Rate)												
180 Day Deposit Accounts												
As at Date	Borrower	FUND	Rating	Interest Frequency	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Principal Value	Current value	Term	
28/2/22	AMP Bank	General	BBB+	Monthly	28/6/2021	30/11/2021	30/6/2022	0.70%	2,500,000	2,509,363		
Sub Total - Cash Deposits Accounts Investment Group									2,500,000	2,509,363		
Cash Deposit Accounts												
As at Date	Borrower	FUND	Rating		Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Value at beg year	Current value	Term	
28/2/22	Commonwealth Bank	General	A		9/11/2020			0.00%		1,255		
28/2/22	Macquarie Bank	General	AA-	Monthly	9/11/2020	28/2/2022	30/6/2022	0.40%	4,011,560	4,022,256		
28/2/22	Macquarie Bank	Water	AA-	Monthly	9/11/2020	28/2/2022	30/6/2022	0.40%	2,504,313	2,510,990		
28/2/22	Macquarie Bank	Sewer	AA-	Monthly	9/11/2020	28/2/2022	30/6/2022	0.40%	1,501,380	1,505,382		
Sub Total - Cash Deposit Accounts								-		8,039,883	-	-

Portfolio by Fund	31/01/2022	28/02/2022
General Fund	\$46,481,640	\$46,482,874
Water Fund	\$12,510,219	\$12,510,990
Sewer Fund	\$7,004,921	\$7,005,382
TOTAL	\$65,996,780	\$65,999,246

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Interest – Budgeted verses Actual Result to Date

	Ledger	2021/2022 Budget \$	Actuals to Date \$	Accrued Interest to Date \$	TOTAL \$
General Fund	128820	394,000.00	128,894.87	228,013.96	356,908.83
Water Fund	812350	64,000.00	8,586.18	50,548.22	59,134.40
Sewer Fund	906320	41,000.00	26,622.74	32,679.45	59,302.19
TOTAL		499,000.00	164,103.79	311,241.63	475,345.42

Term deposit interest rates have improved recently with a 12-month term deposit now yielding 0.70-1.00%. Given our strong investment balances, Council is expected to meet interest revenue targets in 2021/2022. Any additional interest received during 2021/2022 will be allocated to Council's Investment Equalisation Reserves to help fund future budget reductions in interest revenue.

C) Investment Portfolio Performance

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 28/2/22		0.10%	0.076%	0.10%
Term Deposits	1.20%			
Cash Deposit Accounts	0.40%			
180 Day Call Account	0.70%			
Floating Rate Notes	0.00%			

D) Investment Commentary

Council's investment portfolio exceeded all benchmarking indexes.

Council's investment portfolio of \$66M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

Council's investment advisor, Michael Chandra, Imperium Markets, provides the following commentary on fixed interest markets:

Despite the selloff in financial markets, central bank rate hike expectations continue to be well priced by markets. In the US, there is roughly 6½ hikes priced for 2022, with the first move in March now almost a certainty following the Fed's ongoing rhetoric (the market is still pricing in a chance of a 50bp hike in March). The Fed's long-term forecast remains unchanged at 2.5%. The Fed acknowledges that it has achieved its target for inflation given that it has "exceeded 2% for some time" and commentary suggest that rate hikes will begin once labour market conditions have reached levels consistent with the Committee's assessments of maximum employment.

Domestically, there was an important shift in the RBA's inflation language in its February meeting, which opens up optionality for the Board. The Board is still "prepared to be patient" as they await more information on wages growth and the outlook and trajectory for inflation until they can conclude inflation is sustainably at target. Interest rate rises starting later in 2022 were deemed "a plausible scenario", but Governor Lowe commented "it's still quite plausible that the first increase is a year or longer away".

Markets have brought forward RBA rate hike pricing following moves offshore with a full rate hike now priced by July 2022 and four hikes priced by November 2022, against the RBA's 'plausible' scenario of not seeing conditions for a hike at least until late 2022 or early 2023.

Certification – Responsible Accounting Officer

I Paul Pay, hereby certify that the investments listed in this report have been made in accordance with Section 625 of the *Local Government Act 1993*, Clause 212 of the Local Government (General) Regulations 2005 and Council's Investment Policy.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council's term deposit portfolio was yielding 1.20% p.a. at month-end, with a weighted average duration of around 429 days or 14 months. This average duration will provide some income protection against the low interest rate environment over the immediate future. As existing deposits mature however, they will inevitably be reinvested at much lower prevailing rates. Council's Interest Equalisation Reserve will be utilised to smooth out investment returns over the medium/long term.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil