

6.3.9 Monthly statement of bank balances and investments as at 31 December 2013

REPORT BY THE FINANCIAL ACCOUNTANT TO 5 FEBRUARY 2014 COUNCIL MEETING

140205 Council1
GOV400038, A0140304

RECOMMENDATION

That:

1. the report by the Financial Accountant on the Monthly statement of bank balances and investments as at 31 December 2013 be received;
2. the certification of the Responsible Accounting Officer be noted.

Executive summary

The purpose of this report is to certify that Council's investments have been made in accordance with legal and policy requirements; provide information on the detail of investments and raise other matters relevant to Council's investment portfolio as required.

Detailed report

Clause 212 of the Local Government (General) Regulation 2005 requires that the Responsible Accounting Officer of a Council:

- a) must provide the Council with a written report (setting out details of all money that the Council has invested under Section 625 of the Act), to be presented at each Ordinary Meeting of the Council, and
- b) must include in the report a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and the Council's investment policies.

The report must be made up to the last day of the month immediately preceding the meeting.

Financial and Operational Plan implications

Not applicable.

Community Plan implications

Not applicable.

NEIL BUNGATE
FINANCIAL ACCOUNTANT

7 January 2014

- Attachments:*
1. Monthly statement of bank balances and investments
 2. Schedule of MWRC investment policy requirements
 3. Monthly investment portfolio activity

APPROVED FOR SUBMISSION:



WARWICK L BENNETT
GENERAL MANAGER

ATTACHMENT 1

For the month ended: 31-Dec-13

Bank Accounts	Opening Balance	Receipts	Payments	Closing Balance	Overdraft Limit
National Australia Bank	\$ 232,803	\$ 10,612,550	\$ 9,591,394	\$ 1,253,960	\$ 700,000

The bank balance has been reconciled to the General Ledger as at 31/12/2013

Investments	Type	Amount	Yield %	Maturity Date	Placement Date	Term	Rating	Govt Rating	NAV	% of Portfolio
National Australia Bank	At Call	\$ 360,000	2.80%	N/A		At Call	A-1+	1		1.0%
National Australia Bank	Term Deposit	\$ 1,000,000	3.80%	2/04/2014	2/10/2013	182	A-1+	2		2.8%
National Australia Bank	Term Deposit	\$ 1,000,000	3.80%	8/01/2014	9/10/2013	91	A-1+	2		2.8%
National Australia Bank	Term Deposit	\$ 500,000	3.76%	12/02/2014	16/10/2013	119	A-1+	2		1.4%
National Australia Bank	Term Deposit	\$ 1,000,000	3.76%	12/02/2014	30/10/2013	105	A-1+	2		2.8%
National Australia Bank	Term Deposit	\$ 1,200,000	3.70%	12/03/2014	20/11/2013	112	A-1+	2		3.4%
National Australia Bank	Term Deposit	\$ 1,000,000	3.70%	12/03/2014	26/11/2013	106	A-1+	2		2.8%
National Australia Bank	Term Deposit	\$ 500,000	3.70%	19/03/2014	4/12/2013	105	A-1+	2		1.4%
National Australia Bank	Term Deposit	\$ 1,000,000	4.15%	22/01/2014	17/07/2013	189	A-1+	2		2.8%
National Australia Bank	Term Deposit	\$ 1,000,000	3.80%	8/01/2014	4/09/2013	126	A-1+	2		2.8%
St George Bank	Term Deposit	\$ 1,300,000	3.70%	26/03/2014	18/12/2013	98	A-1+	1		3.7%
St George Bank	Term Deposit	\$ 1,900,000	3.70%	26/03/2014	18/12/2013	98	A-1+	2		5.4%
St George Bank	Term Deposit	\$ 800,000	3.70%	8/01/2014	25/09/2013	105	A-1+	2		2.3%
St George Bank	Term Deposit	\$ 1,500,000	3.80%	5/02/2014	9/10/2013	119	A-1+	2		4.3%
St George Bank	Term Deposit	\$ 1,000,000	3.64%	19/03/2014	4/12/2013	105	A-1+	2		2.8%
St George Bank	Term Deposit	\$ 1,000,000	3.75%	15/01/2014	11/09/2013	126	A-1+	2		2.8%
St George Bank	Term Deposit	\$ 700,000	3.70%	19/03/2014	4/12/2013	105	A-1+	2		2.0%
Westpac Bank	Term Deposit	\$ 1,200,000	3.59%	29/01/2014	23/10/2013	98	A-1+	1		3.4%
ANZ	Term Deposit	\$ 1,000,000	3.66%	19/02/2014	31/10/2013	111	AA	1		2.8%
ANZ	Term Deposit	\$ 1,300,000	3.65%	5/03/2014	26/11/2013	99	AA	2		3.7%
AMP	Term Deposit	\$ 1,000,000	3.80%	5/03/2014	4/09/2013	182	A+	1		2.8%
AMP	Term Deposit	\$ 2,700,000	3.75%	19/03/2014	11/12/2013	98	A+	2		7.7%
AMP	Term Deposit	\$ 1,500,000	3.60%	26/02/2014	20/11/2013	98	A+	2		4.3%
ING Australia Bank	Term Deposit	\$ 1,500,000	3.72%	28/04/2014	6/11/2013	173	A-1	1		4.3%
Bank of Queensland	Term Deposit	\$ 1,000,000	3.95%	26/02/2014	28/08/2013	182	A-2	1		2.8%
Bank of Queensland	Term Deposit	\$ 1,000,000	3.58%	8/01/2014	9/10/2013	91	A-2	2		2.8%
Newcastle Permanent	Term Deposit	\$ 500,000	3.70%	8/01/2014	2/10/2013	98	A-2	1		1.4%
Newcastle Permanent	Term Deposit	\$ 1,000,000	3.70%	15/01/2014	10/10/2013	97	A-2	2		2.8%
Newcastle Permanent	Term Deposit	\$ 1,800,000	3.60%	5/03/2014	2/12/2013	93	A-2	2		5.1%
Beyond Bank Australia	Term Deposit	\$ 1,000,000	3.95%	12/03/2014	11/12/2013	91	A-2	1		2.8%
Members Equity Bank	Term Deposit	\$ 1,000,000	3.70%	29/01/2014	2/10/2013	119	A-2	1		2.8%
Longreach Series 26	Property Linked Note	\$ 1,000,000		7/06/2014		7 yrs	A+	-	\$ 972,900	2.8%
Total Investments		\$ 35,260,000								100.0%
	Average Yield		3.62%							

Financial Claims Scheme

- 1 Guaranteed to \$250,000
- 2 Not Covered

ATTACHMENT 2

MWRC Policy Requirements:

Investments by Institution	Long/Short Term Ratings	Amount	% of Portfolio	
			Actual	Policy Limit
National Australia Bank	AA/A-1+	\$ 8,560,000	24.3%	25.0%
St George Bank	AA/A-1+	\$ 8,200,000	23.3%	25.0%
Westpac Bank	AA/A-1+	\$ 1,200,000	3.4%	25.0%
ANZ	AA/A-1	\$ 2,300,000	6.5%	25.0%
Longreach	A+/A-1	\$ 1,000,000	2.8%	20.0%
AMP	A+/A-1	\$ 5,200,000	14.7%	15.0%
ING Australia Bank	A/A-1	\$ 1,500,000	4.3%	15.0%
Bank of Queensland	A-/A-2	\$ 2,000,000	5.7%	10.0%
Newcastle Permanent	BBB+/A-2	\$ 3,300,000	9.4%	10.0%
Beyond Bank Australia	BBB+/A-2	\$ 1,000,000	2.8%	10.0%
Members Equity Bank	BBB+/A-2	\$ 1,000,000	2.8%	10.0%
		\$ 35,260,000	100.0%	

Investments by Rating	Rating*	Amount	% of Portfolio	
			Actual	Limit
Direct Securities	AAA/A-1+	\$ 17,960,000	50.9%	100.0%
	AA/A-1	\$ 2,300,000	6.5%	100.0%
	A/A-1	\$ 7,700,000	21.8%	60.0%
	BBB/A-2	\$ 7,300,000	20.7%	20.0%
	BBB-/A-3	\$ -	0.0%	20.0%
	Unrated	\$ -	0.0%	20.0%
Managed Funds	AAA		0.0%	
	AA		0.0%	
	A		0.0%	
	BBB		0.0%	
	Unrated		0.0%	
		\$ 35,260,000	100.0%	

*Investments lower than AA/A-1 are restricted to licenced banks, credit unions and building societies

Less than 1 year	\$ 34,260,000	97.2%	30.0%	100.0%
Between 1 and 3 years	\$ -	0.0%	0.0%	70.0%
Between 3 and 5 years	\$ -	0.0%	0.0%	50.0%
More than 5 years	\$ 1,000,000	2.8%	0.0%	25.0%
	\$ 35,260,000	100.0%		

ATTACHMENT 3

Monthly Investment Portfolio Activity:

The below table shows monthly investment activity within the portfolio including investments that have

Bank Accounts	Opening Balance	Redeemed Balance	Re-invested Balance	Change in interest rate	Change in Term (days)	New Term Rate
National Australia Bank	\$ 1,600,000	\$ 1,240,000	\$ 360,000	0.00%	At Call	2.80%
Newcastle Permanent	\$ -		\$ 1,800,000	New Deposit		3.60%
National Australia Bank	\$ 500,000	\$ -	\$ 500,000	-0.21%	-6	3.70%
St George Bank	\$ 1,000,000	\$ -	\$ 1,000,000	-0.28%	-6	3.64%
St George Bank	\$ -		\$ 700,000	New Deposit		3.70%
AMP	\$ 2,700,000	\$ -	\$ 2,700,000	-0.05%	7	3.75%
Beyond Bank Australia	\$ 1,000,000	\$ -	\$ 1,000,000	0.10%	-21	3.95%
Macquarie Bank	\$ 1,000,000	\$ 1,000,000	\$ -	Redeemed		
Macquarie Bank	\$ 1,000,000	\$ 1,000,000	\$ -	Redeemed		
St George Bank	\$ 1,300,000	\$ -	\$ 1,300,000	-0.05%	-14	3.70%
St George Bank	\$ 2,500,000	\$ 600,000	\$ 1,900,000	0.00%	7	3.70%
	<u>\$ 12,600,000</u>		<u>\$ 11,260,000</u>			

Net Portfolio Movement **\$1,340,000** Reduction