



# AGENDA

## CULTURE, ECONOMY AND CORPORATE COMMITTEE

### 10 AUGUST 2020

MEMBERSHIP: Councillors J Diffey, V Etheridge, D Grant, D Gumley, A Jones, S Lawrence, G Mohr, K Parker, J Ryan and B Shields.

The meeting is scheduled to commence at \_\_\_\_\_ pm.

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The Committee had before it the report of the Dubbo Regional Council Airports Panel meeting held 23 July 2020.	
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The Committee had before it the report dated 29 June 2020 from the Manager Regional Events regarding Event Attraction - NRL fixture 2021-2023.	
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## **Report of the Dubbo Regional Council Airports Panel - meeting 23 July 2020**

**AUTHOR:** Executive Manager Governance and  
Internal Control  
**REPORT DATE:** 31 July 2020

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The Committee had before it the report of the Dubbo Regional Council Airports Panel meeting held 23 July 2020.

### **RECOMMENDATION**

**That the report of the Dubbo Regional Council Airports Panel meeting held on 23 July 2020, be adopted.**



**REPORT**  
**DUBBO REGIONAL COUNCIL AIRPORTS**  
**PANEL**  
**23 JULY 2020**

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**PRESENT:** Councillors B Shields, G Mohr, J Ryan, the Chief Executive Officer, the Director Culture and Economy and the Manager Dubbo City Regional Airport.

Councillor G Mohr assumed chairmanship of the meeting.

The proceedings of the meeting commenced at 8:10am.

**DRCAP20/22 AIRPORT MARKET DEVELOPMENT – REGIONAL TOURISM GROWTH OPPORTUNITIES (ID20/870)**

The Panel was addressed by Manager Dubbo City Regional Airport regarding this matter.

**RECOMMENDATION**

**That this matter be discussed in the closed agenda of this meeting.**

**DRCAP20/23 WELLINGTON AERODROME UPDATE (ID20/871)**

The Manager Dubbo City Regional Airport provided an update on risk and usage investigation as requested by the Panel at previous meeting.

**RECOMMENDATION**

**The Airport Manager will provide a full report at the next Dubbo Regional Council Airports Panel meeting.**

**DRCAP20/24 GENERAL BUSINESS (ID20/872)**

The Chief Executive Officer addressed the Panel regarding provided update on Police Facility project.

The Airport Manager provided update on Air Service Tower refurbishment, proposed LAT Base operations, \$250,000 grant received from the Regional Airstrips Fund for GA improvements.

**DRCAP20/25 DUBBO - BALLINA ROUTE DEVELOPMENT OPPORTUNITY (ID20/884)**

The Committee had before it the report dated 20 July 2020 from the Director Culture and Economy regarding Dubbo - Ballina Route Development Opportunity.

**RECOMMENDATION**

**That members of the press and public be excluded from the meeting during consideration of this item, the reason being that the matter concerned information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business (Section 10A(2)(c)).**

**RECOMMENDATION**

- 1. That the Dubbo/Ballina new route development trial progress in partnership with Ballina Council and Fly Pelican.**
- 2. That the Dubbo/Ballina new route development trial be supported with a Destination Dubbo Marketing Plan.**
- 3. That a further report on the success of the trial be provide back to the Airports Panel.**
- 4. That staff continue to investigate further affordable domestic route development opportunities in collaboration with mutually beneficial destinations**
- 5. Council continue to liaise with State and Federal government in regards to route development initiatives for Regional Airports**
- 6. That any documents or considerations in relation to this matter remain confidential to the Council.**

The meeting closed at 9:10am.

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CHAIRMAN



DUBBO REGIONAL  
COUNCIL

## REPORT: Event Attraction - NRL fixture 2021-2023

**AUTHOR:** Manager Regional Events  
**REPORT DATE:** 29 June 2020  
**TRIM REFERENCE:** ID20/728

### EXECUTIVE SUMMARY

The Regional Events Branch was established to create a strategic approach to attracting cultural, sporting and business events to the region. In addition, the branch is leading innovative event funding programs to support regional events to maximise cultural, social and economic outcomes for the regional community.

This report is in response to a Mayoral Minute on 25 May 2020 that contained the following recommendations:

1. *That research be conducted with the community to confirm the desire for an NRL game and what opportunities exist to host a match.*
2. *That all avenues of funding from State and Federal Government grants for this event be explored.*
3. *That a cost-benefit analysis of hosting an NRL game be conducted.*
4. *That the Chief Executive Officer be requested to make contact with the NRL with a view to Dubbo hosting a competition game in 2021-2023.*
5. *That relevant local stakeholder partnerships be developed to participate in the event attraction of an NRL game.*
6. *That once concluded, a report come back to Council on the outcomes of the negotiation.*

This report outlines the communication conducted with NRL and NRL clubs for potential competition games to be held in Dubbo at Apex Oval. A number of clubs have long-standing contracts with other regional cities, however, one key opportunity for 2022 has arisen for a long term commitment.

Community consultation has been undertaken to understand the desire to host an NRL match and the community's willingness to commit financial resources to the attraction of an NRL game given there are appearance fees, team expenses, event expenses and ticket sales to be taken into consideration. The cost-benefit analysis has also considered the economic impact of a competition game to be held in the Region and subsequent increased visitation to the Region.

Direct expenses for attraction of an NRL game are estimated to be \$369,300 for appearance fees and team accommodation, meals and travel. There will be a further \$199,300 required for event delivery. Internal/opportunity costs to Council for hire venue would be \$2,500 and estimated 700 hours in standard staff time. These costings do not include the hire of floodlights if required.

Based direct and event delivery costs of \$568,600 on a low-range estimate of 7,000 tickets sold the event would be a total net cost to Council of \$370,100. Costs to Council would increase or decrease change depending on ticket sales to the event.

Direct economic benefit to the community from visitors and day trippers to the region is estimated to be \$756,000 - \$878,000. Costs to Council may be reduced if the business climate changes and sponsorship agreements are made. It is estimated that there is a potential for up to \$75,000 worth of sponsorship if the business climate recovers enough to support such initiatives.

This report identifies that should Council resolve to continue negotiations with NRL clubs on hosting a future game in Dubbo, the financial commitment required from Council would be up to an estimated \$370,100 with resource commitment of Internal (opportunity costs) costs of Apex Oval hire and 700 standard staff hours.

#### **FINANCIAL IMPLICATIONS**

There are currently no funds allocated to support the attraction of an NRL fixture. A commitment to proceed with negotiations for a NRL match requires an estimated commitment of financial support of up to \$370,100 (after estimate expenses and income have been considered). This figure may be reduced if the business climate changes and sponsorship agreements are made, or it will decrease if ticket sales fall below the lowest expected sales target of 7,000.

#### **POLICY IMPLICATIONS**

There are no policy implications arising from this report.

**RECOMMENDATION**

- 1. That the information in the report by the Manager Regional Events, dated 29 June 2020 be noted.**
- 2. That Council agree to maximum financial investment of up to \$370,100 to attract an NRL competition game in addition to internal resources required.**
- 3. That the Chief Executive Officer provide a further report to Council on the potential funding allocation of \$370,100 in the forward four (4) year budget.**
- 4. That the Chief Executive Officer continues to explore industry partnerships opportunities to minimise costs to Council.**
- 5. That Council continue to liaise with the NRL Taskforce on funding for required infrastructure, including lights at Apex Oval, and other significant improvements to enhance the facility as a state significant multipurpose sports facility.**

*Kim Hague*

Manager Regional Events

## BACKGROUND

The Regional Events Branch was established in 2019 to create a strategic approach to attracting cultural, sporting and business events to the Region and leading innovative event funding programs to support events to maximise cultural, social and economic outcomes for the regional community.

In recent years, Council has made attempts to attract an NRL competition game to the Dubbo Region. Over the past 12 months, the Regional Events team has proactively engaged with the NRL, NRL clubs, Country Rugby League and Group XI. Professionally prepared bids detailing the attributes of Apex Oval, the value propositions of the Dubbo Region as an events destination and the expertise and experience of Council staff to support the delivery of an elite rugby league fixture have yet to achieve a positive outcome.

In late 2019, Council turned its attention to individual NRL clubs, clubs based in New South Wales and those impacted by stadium redevelopments. In discussions with NRL and NRL clubs it has become apparent that hosting games to regional areas has financial implications on contractual arrangements between clubs and metro stadiums as well as revenue gained via sale of memberships. Discussions with clubs over the past 12 months has led to clubs requesting proposals from Council. Some clubs are very clear on the hosting fee that would be payable for them to play in the region, whilst some clubs take a broader approach and appear to engage in a competitive bidding process with various destinations and councils.

Understanding that a financial commitment from Council had not been pledged to attract a fixture, Council staff in late 2019 began work on the creation of a *Major Event Partnership Program* to help garner private investment in the attraction of an NRL game. Staff began discussions with local businesses in early 2020, however, with the onset of COVID-19 in March 2020, the program and discussions were placed on hold.

## REPORT

The following information outlines the research data that has been gathered in response to the Mayoral Minute on 25 May 2020.

1. *That research be conducted with the community to confirm the desire for an NRL game and what opportunities exist to host a match.*

### **Community Consultation**

Council has undertaken varied research to gauge the community desire for the Dubbo Region to host an NRL match. This research included a broad events survey, an NRL specific poll regarding financial assistance, and social media response and engagement through the Mayor's Facebook page.



Council undertook an event survey between March and May 2020 to gain a better understanding of the event landscape in the Dubbo Region. The survey was distributed via the Regional Events Branch database (5,000 contacts), Council's Facebook page, and via 123Tix e-blast (16,000 contacts located within a 2 hour radius).

Two key areas of questioning was to understand the types of events that the community currently attend and types of events they would attend if offered. Of the 326 respondents, answers in the survey that are relevant to this report were:

What type of events do you attend as a spectator in Dubbo (residents)?

*(Respondents could choose any number of options and the votes were)*

- |   |       |
|---|-------|
| 1. Live outdoor music events/festivals                | (22%) |
| 2. Food and wine events                               | (19%) |
| 3. Events showcasing cultural/arts/history            | (16%) |
| 4. Agricultural events / outdoor living events        | (12%) |
| 5. *Football events (soccer/rugby union/rugby league) | (12%) |
| 6. Sporting events (excluding football)               | (8%)  |
| 7. Other  | (6%)  |
| 8. Motor sport events                                 | (6%)  |

Please select top 3 of events would you like to see more of in Dubbo (residents)?

*(Respondents could choose 3 options and the results of total votes)*

- |   |       |
|---|-------|
| 1. Live outdoor music events/festivals                | (27%) |
| 2. Food and wine events                               | (21%) |
| 3. Events showcasing cultural/arts/history            | (16%) |
| 4. *Football events (soccer/rugby union/rugby league) | (11%) |
| 5. Agricultural events / outdoor living events        | (9%)  |
| 6. Sporting events (excluding football)               | (8%)  |
| 7. Other  | (5%)  |
| 8. Motor sport events                                 | (4%)  |

In addition, respondents were asked to choose the type of events that they travel outside of Dubbo for Football events (soccer/rugby union/rugby league) were ranked 4th with 11% of total votes.

An NRL specific poll was conducted that asked: In addition to potential commercial partnership arrangements or cost recovery income opportunities to offset the financial commitment of hosting such an event, what is the maximum level of cash and other financial contribution/support would you be comfortable with your Council making on behalf of the community for an NRL event. Of the 285 respondents, responses were:

- |  |     |
|--|-----|
| 1. Council should not commit funds to attracting an NRL game | 37% |
| 2. \$300k - \$400K   | 22% |
| 3. \$100k - \$200K   | 18% |
| 4. Less than \$100k  | 12% |
| 5. \$200k - \$300K   | 11% |

Of the Mayor's Facebook posts regarding the NRL, including the Mayoral Minute announcement, asking which teams should visit Dubbo Region and the NSW Government's NRL Taskforce; the following results were achieved:

- 5 Facebook posts regarding NRL
- 18,791 reach
- 3642 engagements
- 499 likes
- 225 comments

### **Opportunities to host an NRL Game**

Since 2019, Council staff have reached out to a number of NRL clubs indicating that Council may now have an appetite to invest financially in the attraction of an NRL game. Discussions with numerous NRL clubs and online research has yielded the following information:

South Sydney Rabbitohs	Considering new contracts for 2022 (club game and Charity Shield)
St George Illawarra	Contracted to Mudgee; expires end 2021 (Charity Shield game only)
Newcastle Knights	No confirmation of a contract with a regional city
Canberra Raiders	Contracted to Wagga Wagga; expires ends 2021
Cronulla Sharks	Responded positively to Council's EOI
Penrith Panthers	Contracted to Bathurst; expires end 2027
West Tigers	Contracted to Tamworth with a sponsorship arrangement with West Tamworth Leagues Club
Sydney Roosters	Declined an EOI from DRC
Canterbury Bankstown Bulldogs	Initial contact was made, interested in proposal

In addition, in mid-June Council staff have been in contact with NRL Senior Manager, Government Relations who is assisting Council with information, club contacts and has been involved in the discussions with the Deputy Premiers office regarding NRL games in region. It is understood that the Charity Shield match between St George Illawarra and South Sydney is contracted until 2021 and there may be opportunity for Council to bid for the next three year contract from 2022.

*2. That all avenues of funding from State and Federal Government grants for this event be explored.*

Research for funding opportunities from key funding bodies such as Destination NSW and the Office of Sport have been investigated and there are currently no avenues available to support this event activity. In light of COVID-19 and the detrimental impact on domestic tourism across the nation, Council has reached out to Destination Network Country and Outback NSW to enquire if there were any innovative, creative channels developed to help drive domestic tourism to the regions via event activity. To date, Destination NSW is yet to release any information on funding opportunities. Furthermore, research online and via Council's Grants Hub have not been successful in identifying funding sources to help attract an NRL game.

On 8 July 2020, Dugald Saunders (Local Member of Parliament) was named the chair of the NSW Government’s NRL Regional Taskforce which has been formed to develop a plan to bring more NRL games to regional NSW. Whilst there is no funding attached to this Taskforce to support NRL event attraction, it is understood this Taskforce may assist in attracting funding to support infrastructure for Regional cities to support attraction of NRL. Council will continue to monitor the outcomes of the Taskforce in relation to opportunities for Dubbo, including infrastructure improvements to enhance the facility for a state significant multipurpose sports facility.

3. *That a cost-benefit analysis of hosting an NRL game be conducted.*

Hosting an NRL competition game comes with significant costs and potential income that form part of the informed decision to host an NRL game in the Dubbo region. To ensure an educated decision can be made, this report provides research of similar events in regional areas as a benchmark, REMPLAN modelling has been included for spend data, and experienced advice on the costs and income related to the delivery of the NRL event.

Regional benchmarks

Presently, NRL fixtures staged in regional New South Wales are held in Bathurst, Wagga Wagga, Mudgee and Tamworth. These fixtures are a result of the annual Country v City fixture no longer occurring and superseded by the NRL’s ‘Back to the Bush’ program. Council understands that with the exception of Tamworth, these games are underwritten by the local councils. Council understands that the Tamworth fixture is underwritten by the West Tamworth Leagues Club. The following information is provided based on most recent fixtures and was provided by individual councils or the related council websites.

<b>LGA</b>	<b>Fixture</b>	<b>Year</b>	<b>Attendance</b>	<b>Economic benefit</b>
Bathurst	Penrith v Storm	2019	10,973	\$948,067
Wagga Wagga	Canberra v Penrith	2019	10,079	\$2.0M
Mudgee	St George v South Sydney	2020	9,100	*See note
Tamworth	West Tiger v Titans	2019	9,000	\$2.14M

\*Annual report 2018/2019 notes two NRL matches provided combined economic benefit of \$3.5M

Dubbo has hosted three (3) NRL fixtures in the past attracting the following crowds:

- 2006 – Country v City: 11,423 attendees
- 2010 – Canterbury Bulldogs v Canberra Raiders (trial game): 8,500 attendees
- 2014 – Country v City: 9,627 attendees

Projected Budget of NRL Game

The below income and expense figures have been sought through previous similar football events, costs obtained by other divisions of Council and expert advice of the Regional Events Branch.

Expenses – NRL Teams	Appearance Fees	\$300,000
	Accommodation, meals, travel	\$69,300
Expenses Event delivery Costs	Additional site preparation, bins, cleaning, a toilets, traffic management plans and contract delivery support	\$199,300
<b>Estimated financial cost to Council</b>		<b>\$568,600</b>
<i>Additional internal/opportunity cost include cost of Apex Oval hire = \$2,500, and an estimated 700 standard staff hours across Council will be required to attract, support and deliver the event.</i>		

Final expected outcome based on levels of ticket sales is provided below. For example, 7,000 tickets sold to the event will result in a total net cost to Council of \$ 370,100.

**Cost scenario summary based on ticket sales**

Crowd	Estimated Costs	Estimate gate takings	Estimated financial cost to Council
7,000	\$568,600	\$198,500	(\$370,100)
9,000		\$236,000	(\$332,600)
11,000		\$286,000	(\$282,600)
<i>Income from sponsorship is potential \$25,000 - \$75,000 but has not been included. These sponsorships would come from local industry but are impacted by regulation from NRL and existing sponsorships. The attraction of such income will largely depend on the economic climate at the time of the event.</i>			

Additional notes:

- Sell-out crowd of 18,000 would be highly unlikely and has not been achieved, to date, at Apex Oval.
- No financial commitment would result in consideration to a non-competition game but costs may still be incurred for travel and accommodation and event costs.
- Council staff estimated hours to be contributed to the NRL match across Liveability and Culture and Economy divisions to attract, support and deliver event is expected to be approximately 700 standard hours.
- Approximately an additional \$100,000 will be required for floodlights if Council is required to support a night game. This is on the basis that this infrastructure is not funded from elsewhere before the event.
- Ticket sales for City Vs Country (2014) was 10,000 tickets (which is reflective of other regional NRL matches).

- Sponsorship has not been included in the above estimated income total as the current business climate with COVID-19 has created an unpredictable environment which is not supportive of sponsorship arrangements. It is estimated that there is a potential for up to \$75,000 worth of sponsorship if the business climate recovers enough to support such initiatives.

#### Projected Economic Benefit of NRL Game

Economic benefits for a large ticketed event have the potential to be substantial for Dubbo and the wider region. The economic benefit is based on visitors staying overnight, day trippers travelling to Dubbo for the match, and all other attendees are local-based.

Based on the above attendance levels in Dubbo and regional New South Wales it can be expected that an NRL fixture will attract between 7,000 - 11,000 people. For analysis purposes, economic benefit has been based on the medium attendance figure of 9,000 attendees. The current REMPLAN modelling, the average overnight spend is \$211 per person and a day tripper is \$190 per person.

Scenario 1: Based on the NRL fixture attracting 9,000 people to Apex Oval and approximately 40% will be travelling from outside of the LGA, the economic impact is estimated using the below assumptions.

1,600 people staying overnight:	$1,600 \times 1 \times \$211 = \$337,600$
2,000 people day tripper outside of LGA:	$2,000 \times 1 \times \$190 = \$380,000$
Estimate economic benefit:	\$717,600

Scenario 2: Should the NRL match attract the higher ticket sales of 11,000 attendees the estimated economic benefit would be almost \$900,000 to the Dubbo region.

2,000 people staying overnight:	$2,000 \times 1 \times \$211 = \$422,000$
2,400 people day tripper outside of LGA:	$2,400 \times 1 \times \$190 = \$456,000$
Estimate economic benefit:	\$878,000

By way of comparison, the following sporting events were funded or supported by Council with the following estimated direct economic benefit:

Event	Investment	Economic Benefit
NSW Athletics Country Championships	\$10,000	\$702,000
Ella 7s Rugby Carnival	\$8,000	\$360,000
A-League Pre-season game	\$30,000 commitment, however investment was recouped through partnership	\$125,000

In addition to direct economic spend, hosting of major events including NRL provide a range of social and city promotional benefits to the region.

6. *That the Chief Executive Officer be requested to make contact with the NRL with a view to Dubbo hosting a competition game in 2021-2023.*

To date, the majority of the research and contact to the NRL and clubs has been undertaken by the Regional Events Branch as outlined in the background section of this report. In June 2020, Council contacted Cassandra Lawry, NRL's Senior Manager Government Relations. Ms Lawry indicated that meetings were being held with the Deputy Premier to gauge what support can be provided to help deliver NRL games to regional NSW. Council will maintain contact with Ms Lawry and avail itself to all opportunities to host a club or access support or funding from the NSW Government.

Following a resolution of Council to commit financial resources to bid to host and NRL fixture, the Chief Executive Officer will make further contact with the NRL or associated clubs on behalf of Council.

7. *That relevant local stakeholder partnerships be developed to participate in the event attraction of an NRL game.*

The Mayor, Council's Chief Executive Officer and members of the Regional Events Branch met with representatives of Group XI on 30 June 2020. The meeting was attended by Mr Paul Loxley (President), Bob Walsh, Craig Renneberg, and representing Country NRL, Peter Clarke. Fruitful conversations unfolded with Group XI pledging assistance where possible to attract an NRL fixture, however, financial resources are not available from Group XI to commit to the NRL negotiations to host a fixture in Dubbo.

Council will continue to liaise with Group XI and other local stakeholders, as required, should Council determine to commence negotiations with the NRL or an associated club to host an NRL game between 2021-2023.

Council has had success in creating mutually beneficial partnerships with industry to support the hosting of major events. Given the current economic climate and lack of detail on an actual NRL event, staff have not pursued such conversations at this stage. It would be reasonable to assume some level of industry support would be provided however at this stage in negotiations Council should be prepared to fully finance the attraction of an NRL event, with any partnerships to come off that investment.

#### Attracting an NRL game to the Dubbo region

Over the years, Council has attempted to utilise the region's community passion for the code, great infrastructure and ideal location to attract an NRL competition fixture. However, attracting an NRL fixture is a competitive market underpinned by the commercial reality of major event delivery and contracts. Council will need to provide significant financial assistance to secure a game. Discussions with NRL clubs indicate that three (3) clubs are open to negotiation for games in 2022. To date, no NRL clubs have indicated that games in 2021 would be available for Dubbo.

Analysis from the three (3) research surveys and polls conducted indicates that the Dubbo community have not indicated a clear vision regarding attracting an NRL game to the Region. Survey results indicated the community are divided in their desire to have more football events in the Region and similarly divided in the level of financial assistance to hosting an NRL game. However, engagement statistics on the Mayor's social media channels regarding NRL indicates a high level of community support.

Based on levels of expected ticket sales, to proceed with negotiations for a NRL match Council is required to provide a commitment of financial support of \$370,100. This commitment is after estimate expenses and income have been considered and does not include the resource requirement of estimated 700 staff hours or \$2,500 in hire fees. This financial support may be reduced if the business climate changes and sponsorship agreements are made or it may increase if ticket sales fall below the low-end expected sales target of 7,000. Direct economic benefit to the community from visitors and day trippers to the region is expected to be \$756,000 - \$878,000.

## **SUMMARY**

This report outlines the information gathered for potential NRL games to be hosted, community consultation, and cost-benefit analysis of game-day event delivery for Council's consideration to negotiate and bid for an NRL match.

Analysis from the three (3) research surveys and polls conducted indicates that the Dubbo community have not indicated a clear vision regarding attracting an NRL game to the Region.

In the current, highly competitive market of event attraction, Council will need to consider investing financially in the attraction of a fixture and placing a proposition before the NRL or NRL club to secure a game in Dubbo Region.

Expenses for attraction of an NRL game are estimated to be \$369,300 for appearance fees and team accommodation, meals and travel. There will be a further \$199,300 required from internal council resources, staff time and hire facilities. This does not include the hire of floodlights if required. Based on a very achievable estimate of 7,000 tickets sold the event would be a total net cost Council would be \$370,000. Costs to council increase or decrease change depending on ticket sales to the event.

Direct economic benefit to the community from visitors and day trippers to the region is expected to be \$756,000 - \$878,000. Costs to Council may be reduced if the business climate changes and sponsorship agreements are made. It is estimated that there is a potential for up to \$75,000 worth of sponsorship if the business climate recovers enough to support such initiatives.



DUBBO REGIONAL  
COUNCIL

## **REPORT: Investments Under Section 625 of the Local Government Act - July 2020**

**AUTHOR:** Director Organisational Performance  
**REPORT DATE:** 3 August 2020  
**TRIM REFERENCE:** ID20/825

### **EXECUTIVE SUMMARY**

As required by Clause 212 of the Local Government (General) Regulation 2005, set out below are the details of all monies that Council has invested under Section 625 of the Local Government Act as at 31 July 2020.

Investments, when placed, have been done so in accordance with the Local Government Act, Local Government Regulations and Council's Investment Policy and Strategy. Interest on investments for the month of July 2020 has been accounted for on an accrual basis. This report details investments and annualised returns for the month of July 2020.

### **FINANCIAL IMPLICATIONS**

Interest earned on investments has been included within Council's 2020/2021 Operational Plan, with total income generated from the Investment Portfolio forecast to be in excess of \$3,500,000.

### **POLICY IMPLICATIONS**

There are no policy implications arising from this report.

### **RECOMMENDATION**

**That the information contained within the report of the Director Organisational Performance dated 3 August 2020, be noted.**

*Dean Frost*

Director Organisational Performance



**PORTFOLIO OVERVIEW** as at 31/07/2020

The below table details Council's current investment portfolio:

Compliant	Bank Group	Term	Rating	Invested	Invested (%)	Limit (%)	Limit (\$)	Available
✓	Commonwealth Bank	Long	AA-	7,016,454.50	3.29	100.00	-	206,602,579.71
✓	NAB	Long	AA-	92,512,498.71	43.31	100.00	-	121,106,535.50
✓	Westpac	Long	AA-	49,500,000.00	23.17	100.00	-	164,119,034.21
✓	Suncorp	Long	A+	5,002,156.00	2.34	30.00	-	59,083,554.26
✓	Bendigo and Adelaide	Long	BBB+	12,500,000.00	5.85	10.00	-	8,861,903.42
✗	BOQ	Long	BBB+	22,072,500.00	10.33	10.00	-	-710,596.58
✓	AMP Bank	Long	BBB+	20,000,000.00	9.36	10.00	-	1,361,903.42
✓	Australian Unity Bank	Long	BBB+	2,000,000.00	0.94	10.00	-	19,361,903.42
✓	Newcastle Permanent	Long	BBB	1,015,425.00	0.47	5.00	-	9,665,526.71
✓	Macquarie Credit Union	Long	Unrated	2,000,000.00	0.94	5.00	-	8,680,951.71
<b>TOTALS</b>				<b>213,619,034.21</b>	<b>100.00</b>			

^ NAB is inclusive of Councils cash account.

^AMP is inclusive of Councils 31 day notice saver account.

^ At the time of purchase, Bank of Queensland investment compliance was upheld. Investment maturity in September 2020 is expected to rectify the appearance of non-compliance.

**INTEREST INCOME** From: 01/07/2020 To: 31/07/2020

The below table details payments of interest paid to Council between 1 July 2020 and 31 July 2020:

Issuer	Rating	Type	Alloc	Frequency	Value	Purchase	Maturity	Coupon Date	Type	Rate	Received
Westpac	A+	TD	General	Monthly	5,000,000.00	8/12/2017	8/07/2020	8/07/2020	Maturity	2.7700%	11,004.11
Commonwealth Bank	AA-	FRN	General	Quarterly	1,000,000.00	14/07/2015	17/07/2020	17/07/2020	Maturity	1.0284%	2,564.00
St George	AA-	TD	General	Annual	12,500,000.00	18/07/2019	18/07/2020	18/07/2020	Maturity	2.1000%	263,287.68
St George	AA-	TD	General	Annual	12,500,000.00	18/07/2019	18/07/2020	18/07/2020	Maturity	2.1000%	263,287.68
Commonwealth Bank	AA-	FRN	General	Quarterly	500,000.00	24/07/2015	24/07/2020	24/07/2020	Maturity	1.0650%	1,327.60
Commonwealth Bank	AA-	FRN	General	Quarterly	500,000.00	24/07/2015	24/07/2020	24/07/2020	Maturity	0.8650%	1,078.29
Suncorp	A+	FRN	General	Quarterly	1,000,000.00	4/12/2015	20/10/2020	20/07/2020	Periodic	1.3750%	3,428.08
Westpac	A+	TD	General	Quarterly	3,000,000.00	17/07/2017	18/01/2021	17/07/2020	Periodic	3.0100%	22,513.15
Commonwealth Bank	AA-	BOND	General	Half Yearly	500,000.00	29/11/2016	18/01/2021	18/07/2020	Periodic	3.5000%	8,750.00
Commonwealth Bank	AA-	FRN	General	Quarterly	2,000,000.00	14/01/2016	18/01/2021	20/07/2020	Periodic	1.2751%	6,358.03
Commonwealth Bank	AA-	FRN	General	Quarterly	1,000,000.00	20/04/2016	20/04/2021	20/07/2020	Periodic	1.3550%	3,378.22
St George	AA-	TD	Sewer	Annual	2,000,000.00	6/07/2016	6/07/2021	6/07/2020	Periodic	3.1000%	62,169.86
Newcastle Permanent	BBB	FRN	General	Quarterly	1,000,000.00	24/01/2017	24/01/2022	24/07/2020	Periodic	2.5400%	4,400.40
Westpac	A+	TD	General	Quarterly	20,000,000.00	21/10/2019	21/10/2022	21/07/2020	Periodic	1.6100%	80,279.45
<b>TOTALS</b>					<b>62,500,000.00</b>						<b>733,826.53</b>

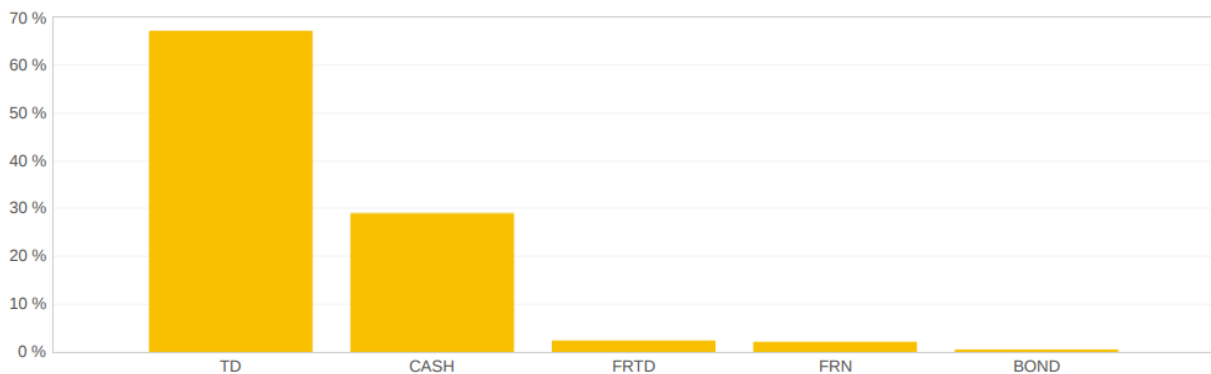
^ Interest received consists of payments made to Council's allocated bank account and are exclusive of accruing interest.

^ Due to technical issues on behalf of Imperium software this report has been manually generated.

**INVESTMENT BY ASSET CLASS** as at 31/07/2020

The following table details Councils investment holdings by investment type:

Code	Number of Trades	Invested	Invested (%)
TD	38	143,072,500.00	66.98
CASH	3	61,512,498.71	28.80
FRTD	3	4,500,000.00	2.11
FRN	3	4,026,813.00	1.89
BOND	1	507,222.50	0.24
<b>TOTALS</b>	<b>47</b>	<b>213,619,034.21</b>	<b>100.0</b>

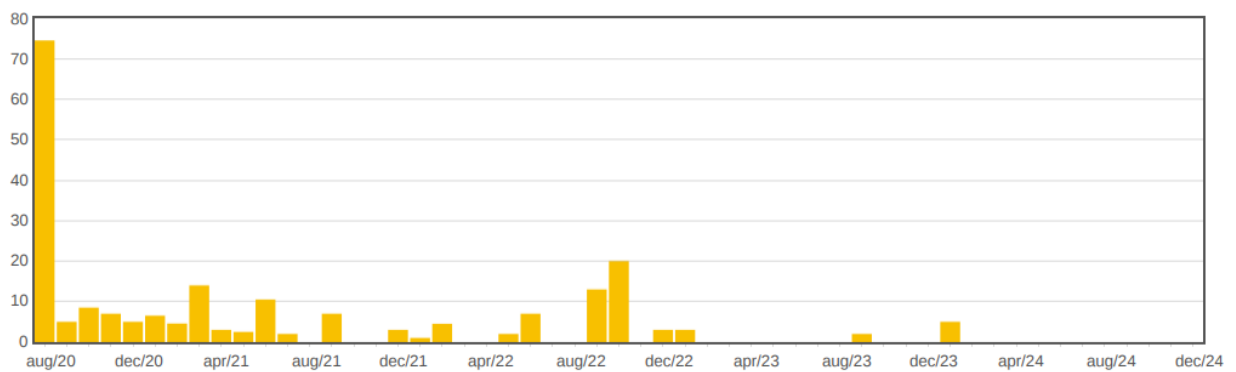


*^Legend: TD = Term Deposit, FRTD = Floating Rate Term Deposit, FRN = floating Rate Note*

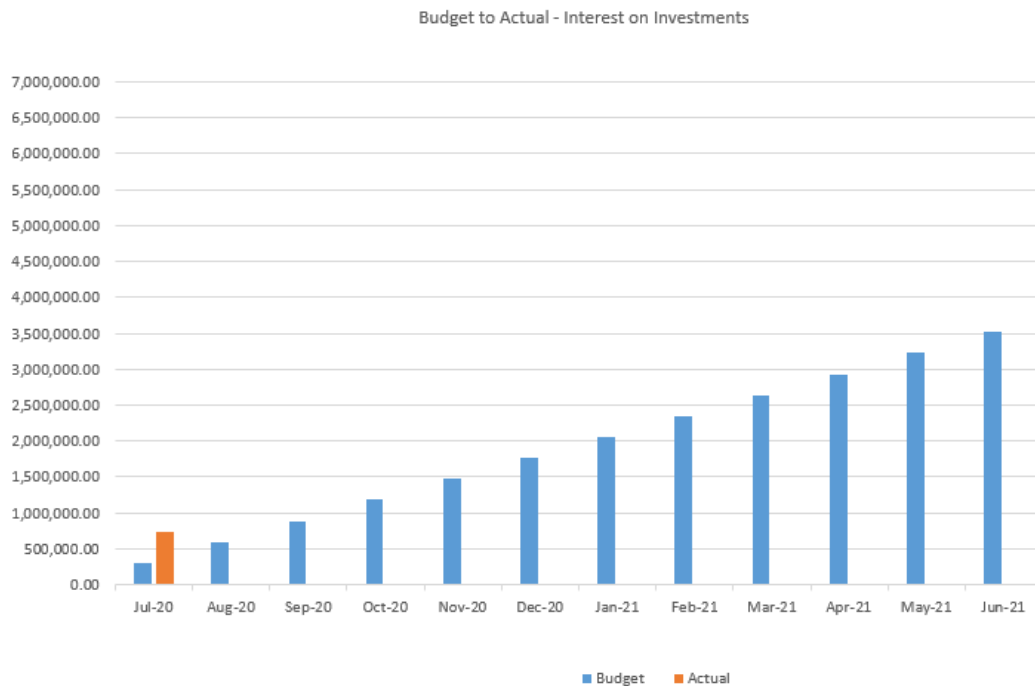
**FUTURE MATURITY CASHFLOW** as at 31/07/2020

The below table details the expected cash flow of future investment maturity:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	-	-	-	-	-	-	-	74,512,498	5,000,000	8,502,156	7,000,000	5,000,000	100,014,654.71
2021	6,516,454	4,572,500	14,000,000	3,000,000	2,500,000	10,500,000	2,000,000	-	7,000,000	-	-	3,000,000	53,088,954.50
2022	1,015,425	4,500,000	-	-	2,000,000	7,000,000	-	-	13,000,000	20,000,000	-	3,000,000	50,515,425.00
2023	3,000,000	-	-	-	-	-	-	-	2,000,000	-	-	-	5,000,000.00
2024	5,000,000	-	-	-	-	-	-	-	-	-	-	-	5,000,000.00
<b>TOTALS</b>													<b>213,619,034.21</b>



**BUDGET TO ACTUAL – INTEREST ON INVESTMENTS** as at 31/07/2020



**SUMMARY**

**Cash Account**

Council outperformed the 11am Official Cash Rate market benchmark for 1 month annualised return of 0.25%, achieving a return of 0.65% for its At Call investments for the month of July 2020.

**Investment Portfolio**

Council outperformed the 1 year Bloomberg AusBond Bank Bill Index of 0.73%, with an average return of 1.24% for its overall portfolio return