



AGENDA

CORPORATE SERVICES COMMITTEE

11 AUGUST 2022

MEMBERSHIP: Councillors J Black, L Burns, S Chowdhury, M Dickerson, V Etheridge, J Gough, R Ivey, D Mahon, P Wells and M Wright.

The meeting is scheduled to commence at .

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CSC22/35 LEAVE OF ABSENCE (ID22/1488)	
CSC22/36 CONFLICTS OF INTEREST (ID22/1486)	
CSC22/37 INVESTMENT UNDER SECTION 625 OF THE LOCAL GOVERNMENT ACT - JULY 2022 (ID22/1598)	2
The Committee had before it the report dated 2 August 2022 from the Chief Financial Officer regarding Investment Under Section 625 of the Local Government Act - July 2022.	
CSC22/38 ADDITION TO THE DESTINATION PARTNERSHIP PROGRAM FEES AND CHARGES (ID22/1519)	9
The Committee had before it the report dated 29 July 2022 from the Manager Economic Development and Marketing regarding Addition to the Destination Partnership Program Fees and Charges.	



REPORT: Investment Under Section 625 of the Local Government Act - July 2022

DIVISION: Organisational Performance
REPORT DATE: 2 August 2022
TRIM REFERENCE: ID22/1598

EXECUTIVE SUMMARY

Purpose	Provide review or update	Fulfil legislative requirement/compliance
Issue	<ul style="list-style-type: none">Investment Under Section 625 of the Local Government Act 1993	
Reasoning	<ul style="list-style-type: none">Section 212 of the Local Government (General) Regulation 2021Section 625 of the Local Government Act 1993Council's Investment Policy and Strategy	
Financial Implications	Budget Area	Organisational Performance
	Funding Source	Interest Earned on Investment
Policy Implications	Policy Title	Investment Policy 2022
	Impact on Policy	There are no policy implications arising from this report

STRATEGIC DIRECTION

The Towards 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes six principle themes and a number of objectives and strategies. This report is aligned to:

Theme: 4 Leadership
CSP Objective: 4.2 The resources of Council are sustainably managed
Delivery Program Strategy: 4.2.1 The system of raising revenue is equitable and revenue from grants and other income sources is maximised

RECOMMENDATION

That the information contained within the Investment under Section 625 of the Local Government Act Report, dated 2 August 2022, be noted.

Dean Frost
Director Organisational Performance

MH
Chief Financial Officer

BACKGROUND

As required by Section 212 of the Local Government (General) Regulation 2021, 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 2022.

In accordance with the Investment Ministerial Order dated 12 January 2011, Dubbo Regional Council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- a. any public funds or securities issued by or guaranteed by or guaranteed by the Commonwealth, any State of the Commonwealth or a Territory;
- b. any debentures or securities issued by a council (within the meaning of the Local Government Act 1993 (NSW));
- c. interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit taking institution (as defined in the Banking Act 1959 (Cwth)), but excluding subordinated debt obligations;
- d. any bill of exchange which has a maturity date of not more the 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- e. a deposit with the New South Wales Treasury Corporation on investment in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

Investments, when placed, have been done so in accordance with the Local Government Act, Local Government (General) Regulations 2021 and Council's Investment Policy and Strategy. Interest on investments for the month of July 2022 has been accounted for on an accrual basis. This report details investments and annualised returns for the month of July 2022.

Interest earned on investments has been included within Council's 2022/2023 Operational Plan, with total income generated from the Investment Portfolio forecast to be in excess of \$1,620,552.

REPORT

Consultation

- Laminar Capital Pty Ltd appointed on 11 January 2021 provides advisory services to Council on any investment related decision.

Resourcing Implications

- The management of Council's investment portfolio is a primary activity of a staff member within Council's Financial Operations branch.

Portfolio Overview

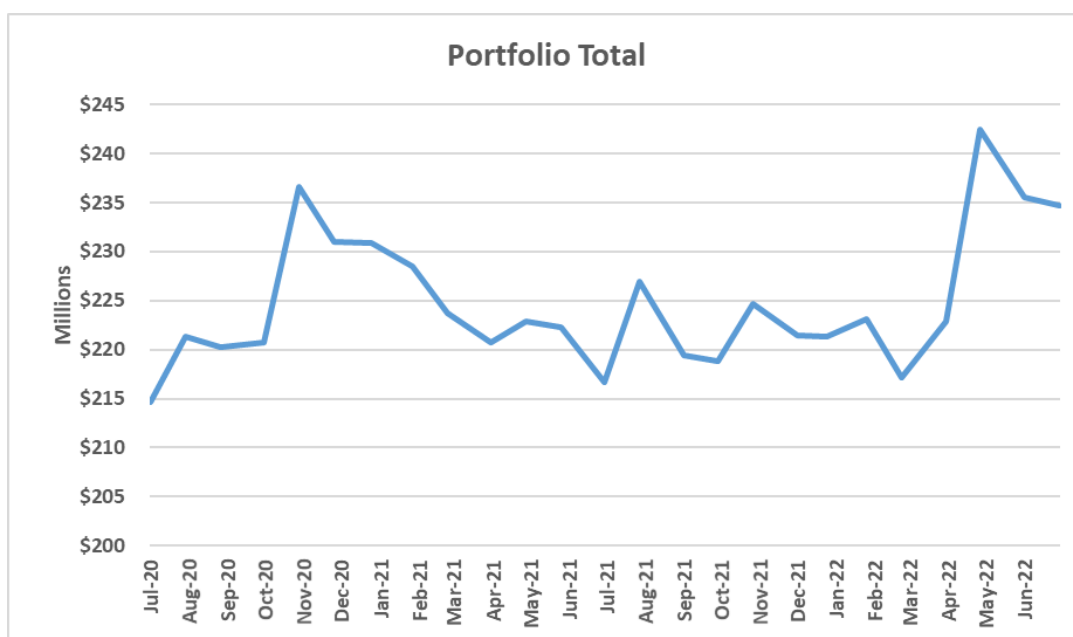
The below table details Council's current investment portfolio:

Issuer	Market Value	% Total Value
AMP Bank Ltd	25,221,915.14	10.75%
Australian Unity Bank	15,085,430.12	6.43%
Auswide Bank Limited	12,023,890.42	5.12%
Bank of China (Australia) Limited	4,518,783.81	1.93%
Bank of China Limited, Sydney Branch	2,979,750.00	1.27%
Bank of Communications Co. Ltd. Sydney Branch	3,755,100.00	1.60%
Bank of Queensland Ltd	17,086,148.66	7.28%
Bank of Sydney Ltd	4,024,717.80	1.72%
Bendigo & Adelaide Bank Ltd	3,047,379.45	1.30%
Judo Bank	13,100,035.58	5.58%
Macquarie Bank	7,617,520.00	3.25%
Macquarie Credit Union Limited	2,008,038.36	0.86%
Members Equity Bank Ltd	11,053,808.22	4.71%
MyState Bank Ltd	7,952,480.00	3.39%
National Australia Bank Ltd	44,691,948.76	19.04%
Northern Territory Treasury Corporation	13,014,330.00	5.55%
Kabobank Netherland Australia Branch	5,093,550.00	2.17%
Suncorp-Metway Ltd	4,928,550.00	2.10%
UBS Australia Ltd	4,429,305.00	1.89%
Westpac Banking Corporation Ltd	33,040,963.10	14.08%
Portfolio Total	234,673,644.42	100.00%

[^]Portfolio overview represents total market value. Investment face value is \$234,536,220.13

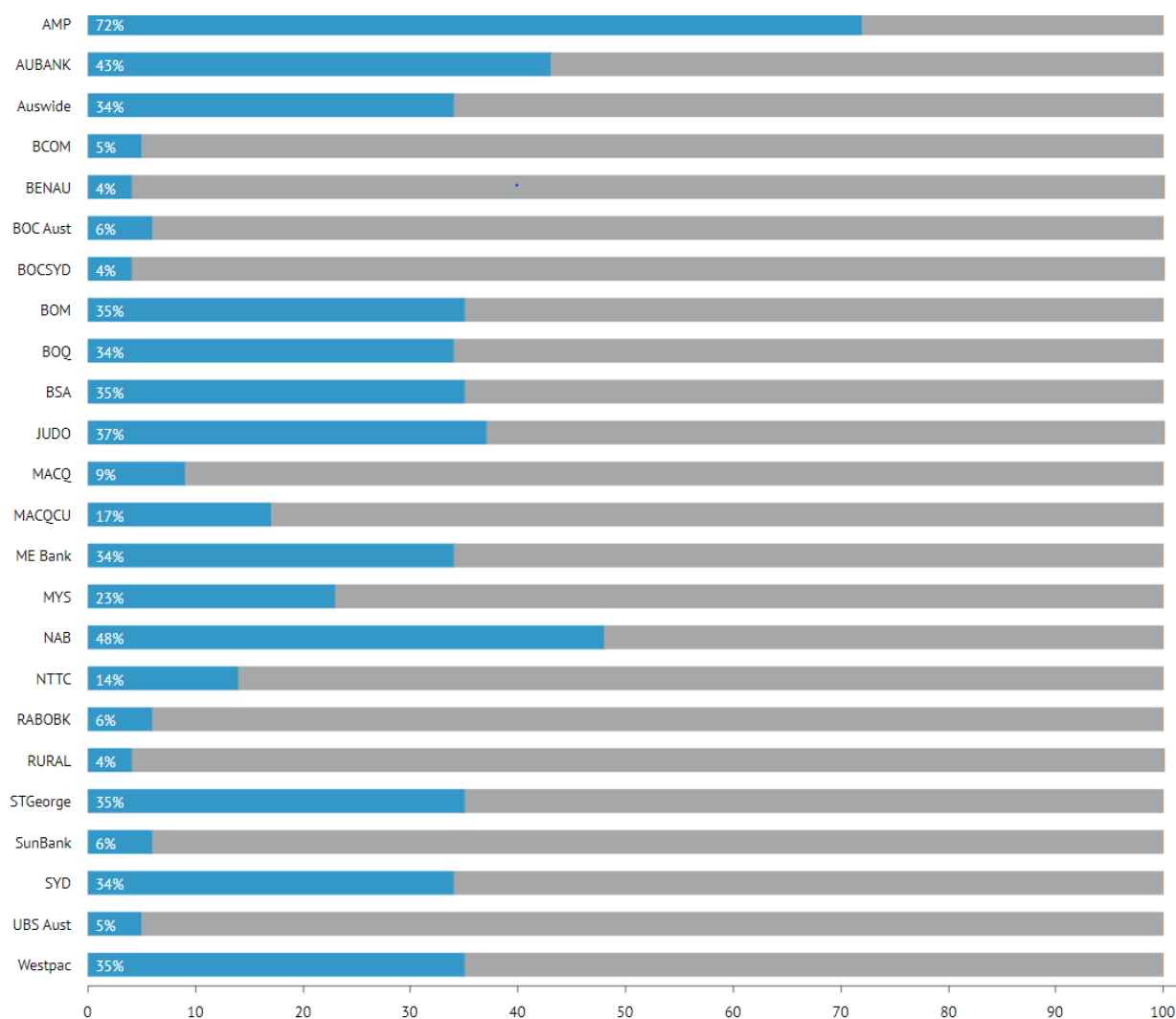
[^]NAB is inclusive of Councils cash account.

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



Investment Compliance

The following table shows that Councils investments are compliant with the revised Investment Policy that was adopted at the Ordinary Council meeting held 24 March 2022.



Interest Income

The below table details payments of interest paid to Council between 1 July 2022 to 31 July 2022.

Security ISIN	Security	Issuer	Income Expense Code	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional
	Westpac 1.61 21 Oct 2022 1096DAY TD	Westpac Banking Corporation Ltd	IEI236226	21 Jul 2022	20,000,000.00	80,279.45
	SYD 0.65 22 Jul 2022 365DAY TD	Bank of Sydney Ltd	IEI236336	22 Jul 2022	5,000,000.00	32,500.00
AU3FN0059895	BOCSYD 0.57 28 Apr 2024 FRN	Bank of China Limited, Sydney Branch	IEI237711	28 Jul 2022	3,000,000.00	9,546.00
	NAB At Call In	National Australia Bank Ltd	IEI237891	29 Jul 2022		50,745.43
						173,070.88

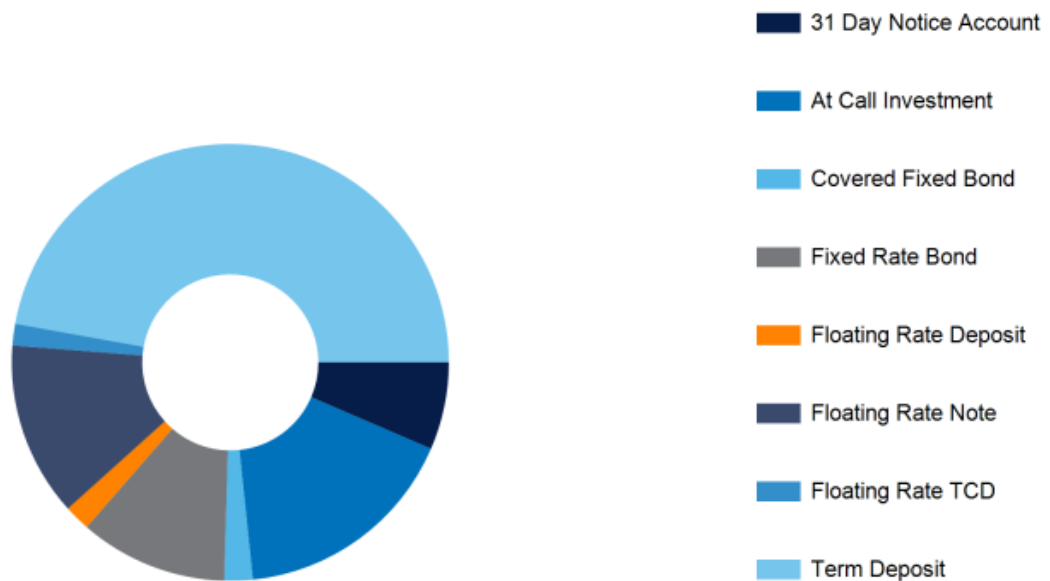
[^] Interest received consists of payments made to Council's allocated bank account and are exclusive of accruing interest.

Investment by Asset Class

The following table details Councils investment holdings by investment type:

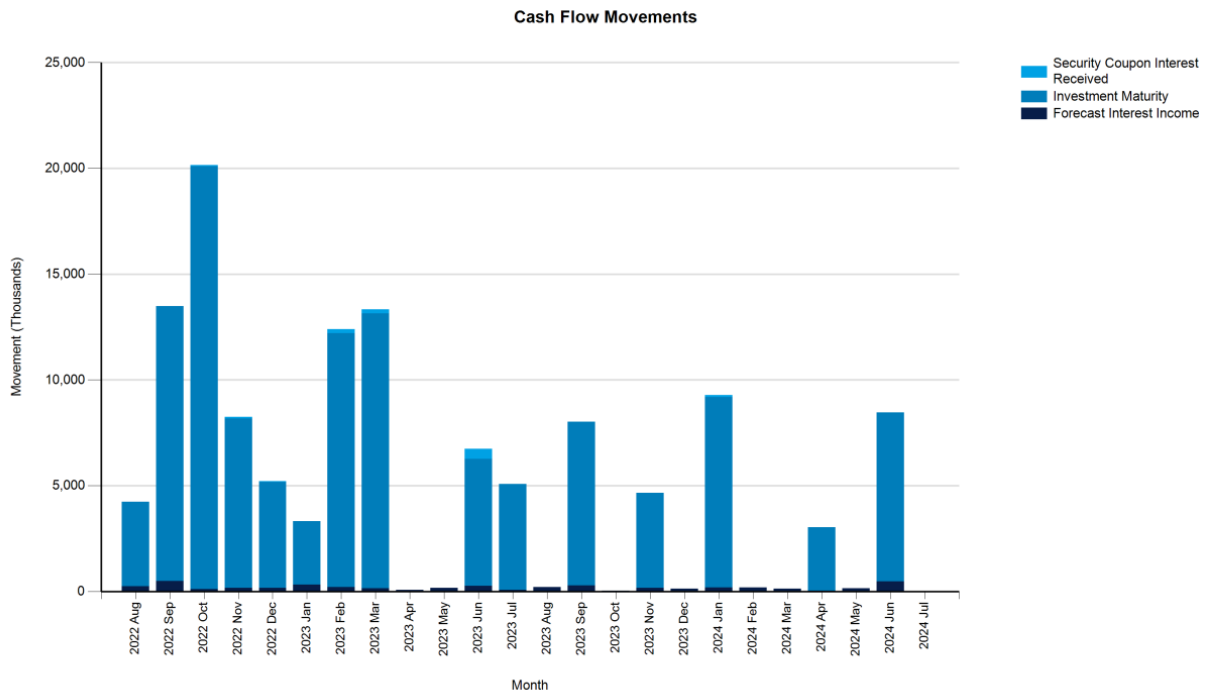
Security Type	Market Value	% Total Value
31 Day Notice Account	15,174,531.62	6.47%
At Call Investment	39,611,688.51	16.88%
Covered Fixed Bond	4,928,550.00	2.10%
Fixed Rate Bond	25,725,400.00	10.96%
Floating Rate Deposit	4,518,783.81	1.93%
Floating Rate Note	30,275,185.00	12.90%
Floating Rate TCD	3,755,100.00	1.60%
Term Deposit	110,684,405.48	47.17%
Portfolio Total	234,673,644.42	100.00%

Market Value by Security Type

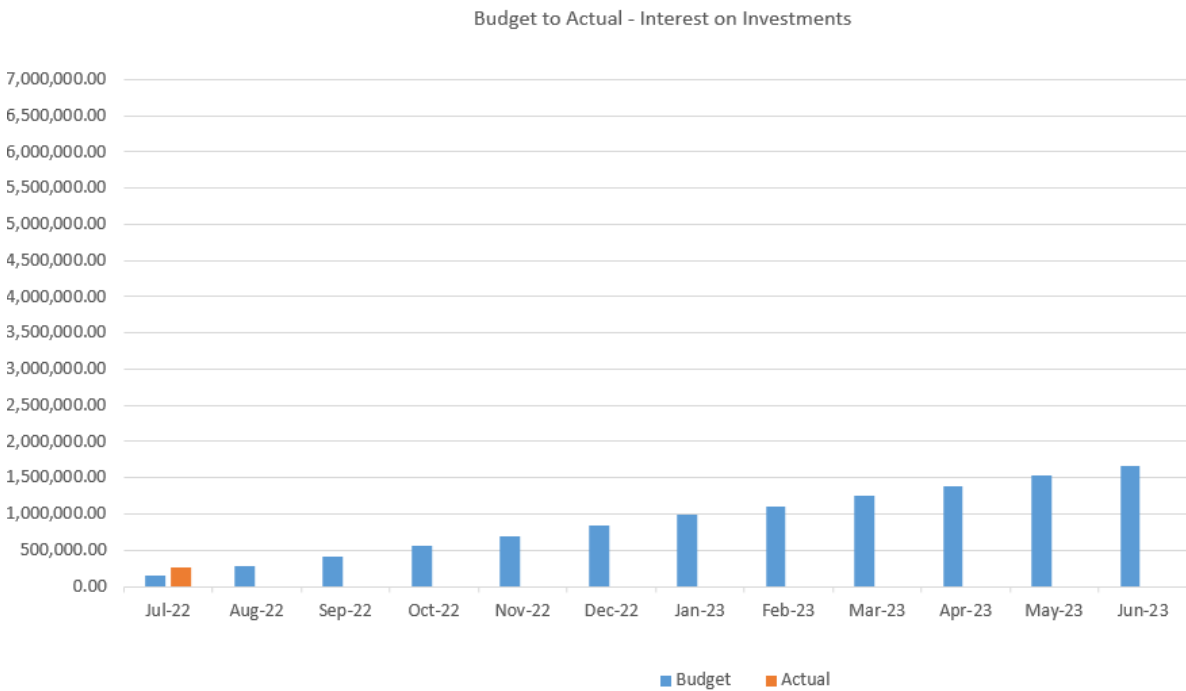


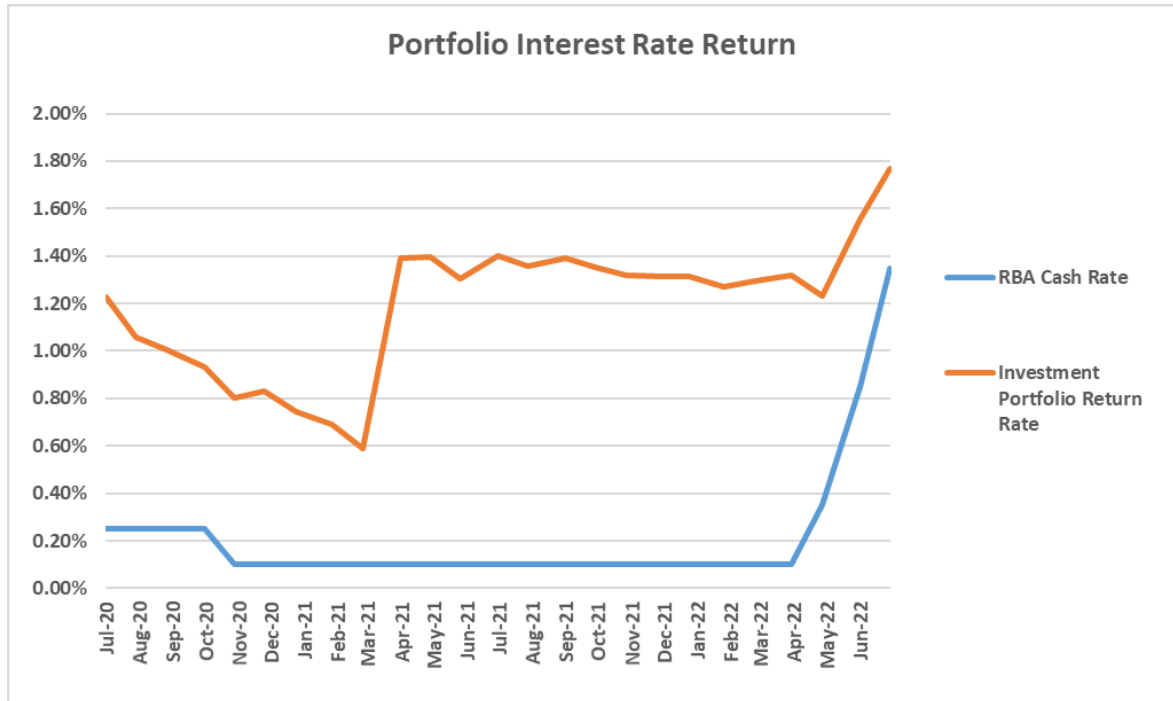
Future Maturity Cash flow

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



Budget to Actual – Interest on Investments





The investment limit parameters prior to March 2021 were aligned to Tcorp’s investment guidelines, which are very restrictive and therefore reduced the opportunity to maximise investment returns for Council.

Summary

Cash Account

Council outperformed the 11.00am Official Cash Rate market benchmark for one month return of 1.35%, achieving a return of 1.75% for its At Call investments for the month of July 2022.

Investment Portfolio

Council outperformed the one month Bloomberg AusBond Bank Bill Index of 0.21%, with an average return of 1.77% for its overall portfolio return.



REPORT: Addition to the Destination Partnership Program Fees and Charges

DIVISION: Strategy, Partnerships and Engagement
REPORT DATE: 29 July 2022
TRIM REFERENCE: ID22/1519

EXECUTIVE SUMMARY

Purpose	Fulfil legislated requirement/Compliance	Other: Adopt amendment to Fees and Charges
Issue	<ul style="list-style-type: none"> Aligning of the 2022/2023 Fees and Charges for the VIC Partnership Program (annual program), with fees associated with the Destination Partnership Program (18-month program). 	
Reasoning	<ul style="list-style-type: none"> To seek consistency in fees and charges relating to marketing activities. 	
Financial Implications	Budget Area	Strategy, Partnerships and Engagement - Economic Development and Marketing
	Funding Source	Destination Partnership Program
	Proposed Cost	Nil
	Ongoing Costs	Nil
Policy Implications	Policy Title	Revenue Policy
	Impact on Policy	Amendment to a fee and charge

STRATEGIC DIRECTION

The Towards 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes six principle themes and a number of objectives and strategies. This report is aligned to:

Theme: 3 Economy
CSP Objective: 3.1 Visitor economy growth is supported
Delivery Program Strategy: 3.1.1 Diverse and unique tourism opportunities are explored, developed and supported

RECOMMENDATION

That Council adopt the Destination Partnership Program Level 1, Full Partnership fee of \$660.00 for a period of up to 18 months.

Natasha Comber
Director Strategy, Partnerships and Engagement

JH
Manager Economic Development and Marketing

BACKGROUND

Dubbo Regional Council delivers four industry funded partnership programs for the Dubbo Region LGA. These industry funded programs fund the marketing for collaborative campaigns across destination marketing, new resident attraction and event attraction.

Of these four programs, three are delivered by the Economic Development and Marketing Branch. These are the Destination Partnership Program, New Resident Program and the Visitor Information Centre Partnership Program.

Each of these programs is delivered in partnership with local businesses with shared target markets of visitor and new resident attraction through marketing activity underpinned by the production of aspirational guides and content across dubbo.com.au and visitwellington.com.au.

Fees and Charges for the Destination Partnership Program, New Resident Partnership Program were adopted by Council May 2021. Fees and Charges for the Visitor Information Centre Partnership Program (based on 12 months) are included in Council's Revenue Policy, adopted June 2022.

This report seeks to introduce an 18 month fee for the Visitor Information Centre Partnership Program to align with other adopted 18 month partnership fees.

Previous Resolutions of Council

4 May 2021	<ol style="list-style-type: none">1. That the report of the Manager Economic Development and Market, dated 23 April 2021, be noted.2. That the costs for businesses to collaborate in destination marketing activities as set out in the report be approved.
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REPORT

It is proposed that Visitor Information Centre (VIC) Level 1 – Full Partnership be \$660.00 for partnerships of up to 18 months. This will be pro rata rate, to the end of the relevant full Partnership Program relevant to the individual business (i.e. \$36.60 per month).

This fee will rightly align the VIC Partnership Program Level 1 fee with fees for the New Resident Partnership Program that were adopted by Council in May 2021. This ensures a consistent fee for similar marketing activities and benefits aligned across the two programs.

As businesses can join the VIC Partnership Program at any time as it does not align with the production of a guide, VIC Partnership Program fees are proposed to be charged at a pro rata rate to the date of the end of the relevant full partnership program.

Consultation

- Consultation was undertaken with Visitor Information Team Leader who was supportive of the approach for consistent pricing.

Resourcing Implications

- Minimal resources are required to execute the change with and provided updated documents as required.
- The Destination Partnership Program is funded from the Economic Development and Marketing operational budget. Contributions from Industry, via partnership fees, enable the production of key marketing materials and extend Council’s investment in larger scale destination branded campaigns to attract visitors and new residents to the region.

The table below identifies the budgeted revenue of the VIC Partnership Program.

Total Financial Implications	Current year (\$)	Current year + 1 (\$)	Current year + 2 (\$)	Current year + 3 (\$)	Current year + 4 (\$)	Ongoing (\$)
a. Operating revenue	5,228	5,359	5,493	5,630	0	0
b. Operating expenses	0	0	0	0	0	0
c. Operating budget impact (a – b)	5,228	5,359	5,493	5,630	0	0
d. Capital Expenditure	0	0	0	0	0	0
e. Total net impact (c – d)	5,228	5,359	5,493	5,630	0	0
Does the proposal require ongoing funding?			N/A			
What is the source of this funding?			N/A			

Table 1. Ongoing Financial Implications

Planned Communications

- All priced marketing collateral to be updated as required.
- Promotion of the VIC Partnership Program to continue as planned.