



# AGENDA

## CORPORATE SERVICES COMMITTEE

### 9 MARCH 2023

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 5.30pm.

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<b>CSC23/1</b>	<b>ACKNOWLEDGEMENT OF COUNTRY (ID23/288)</b>	
<b>CSC23/2</b>	<b>LEAVE OF ABSENCE (ID23/289)</b>	
<b>CSC23/3</b>	<b>CONFLICT OF INTEREST (ID23/290)</b>	
<b>CSC23/4</b>	<b>INVESTMENT UNDER SECTION 625 OF THE LOCAL GOVERNMENT ACT - FEBRUARY 2023 (ID23/321)</b>	2
	The Committee had before it the report dated 2 March 2023 from the Chief Financial Officer regarding Investment Under Section 625 of the Local Government Act - February 2023.	
<b>CSC23/5</b>	<b>RELOCATION OF COUNCIL CHAMBERS AT THE DUBBO ADMINISTRATION BUILDING (ID23/237)</b>	10
	The Committee had before it the report dated 13 February 2023 from the Manager Corporate Governance regarding Relocation of Council Chambers at the Dubbo Administration Building.	



## REPORT: Investment Under Section 625 of the Local Government Act - February 2023

**DIVISION:** Organisational Performance  
**REPORT DATE:** 2 March 2023  
**TRIM REFERENCE:** ID23/321

### EXECUTIVE SUMMARY

<b>Purpose</b>	Provide review or update	Fulfil legislative requirement/compliance
<b>Issue</b>	<ul style="list-style-type: none"> <li>Investment Under Section 625 of the Local Government Act 1993</li> </ul>	
<b>Reasoning</b>	<ul style="list-style-type: none"> <li>Section 212 of the Local Government (General) Regulation 2021</li> <li>Section 625 of the Local Government Act 1993</li> <li>Council's Investment Policy and Strategy</li> </ul>	
<b>Financial Implications</b>	Budget Area	Organisational Performance
	Funding Source	Interest Earned on Investment
<b>Policy Implications</b>	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 is under Section 625 of the Local Government Act Report, dated 2 March 2023, be noted.**

*Dean Frost*  
Director Organisational Performance

*MH*  
Chief Financial Officer

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## 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 28 February 2023.

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 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 January 2023 has been accounted for on an accrual basis. This report details investments and annualised returns for the month of February 2023.

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 \$6,975,748. Due to the improved interest rates of investments in the current financial year the budget of \$3,636,572 was revised up to \$6,975,748 as part of the December 2022 quarterly budget review.

## 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**

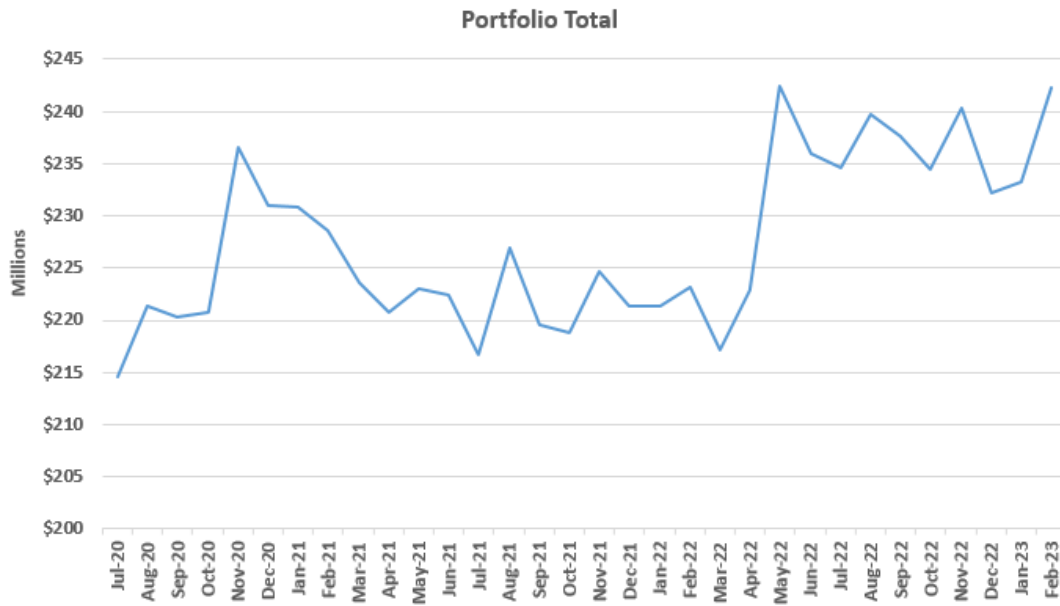
The below table details Council's current investment portfolio:

Issuer	Market Value	% Total Value
AMP Bank Ltd	20,519,468.35	8.44%
Australian Unity Bank	4,057,841.08	1.67%
Auswide Bank Limited	13,618,840.00	5.60%
Bank of China (Australia) Limited	4,503,690.00	1.85%
Bank of China Limited, Sydney Branch	2,994,720.00	1.23%
Bank of Communications Co. Ltd. Sydney Branch	3,771,675.00	1.55%
Bank of Queensland Ltd	29,332,079.96	12.07%
Commonwealth Bank of Australia Ltd	23,079,814.99	9.49%
Judo Bank	17,253,173.75	7.10%
Macquarie Bank	7,532,560.00	3.10%
Macquarie Credit Union Limited	2,002,684.94	0.82%
Members Equity Bank Ltd	16,448,730.13	6.77%
MyState Bank Ltd	16,053,840.00	6.60%
National Australia Bank Ltd	46,634,123.07	19.18%
Northern Territory Treasury Corporation	13,080,550.00	5.38%
Rabobank Nederland Australia Branch	4,973,950.00	2.05%
Suncorp-Metway Ltd	4,760,350.00	1.96%
UBS Australia Ltd	4,441,995.00	1.83%
Westpac Banking Corporation Ltd	8,026,664.65	3.30%
<b>Portfolio Total</b>	<b>243,086,750.92</b>	<b>100.00%</b>

*^Portfolio overview represents total market value. Investment face value is \$242,243,166.80*

*^ NAB is inclusive of Councils cash account.*

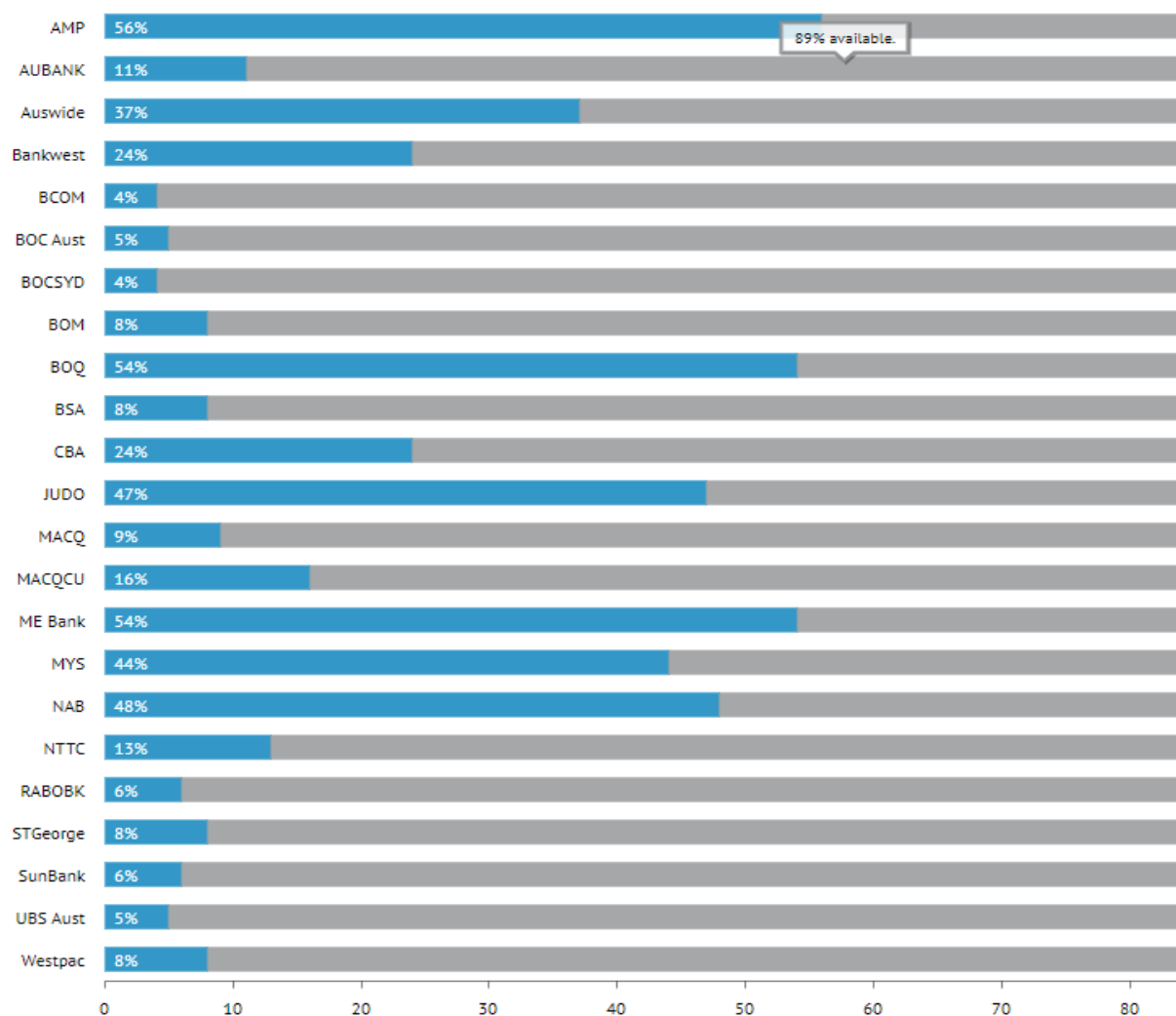
*^AMP is inclusive of Councils 31 day notice saver account.*



**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.

Issuer limits as at Tuesday, 28 February 2023



## Interest Income

The below table details payments of interest paid to Council between 1 February 2023 to 28 February 2023.

Security ISIN	Security	Issuer	Income Expense Code	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional
	ME Bank 3.47 01 Feb 2023 180DAY TD	Members Equity Bank Ltd	IEI238161	1 Feb 2023	5,000,000.00	85,561.64
	CACU 3.5 03 Feb 2023 184DAY TD	Illawarra Credit Union Ltd	IEI237968	3 Feb 2023	1,500,000.00	26,465.75
	CACU 3.5 03 Feb 2023 184DAY TD	Illawarra Credit Union Ltd	IEI237969	3 Feb 2023	1,500,000.00	26,465.75
AU3FN0057337	BOC Aust 0.83 06 Nov 2023 FloatTCD	Bank of China (Australia) Limited	IEI274644	6 Feb 2023	4,500,000.00	43,668.41
AU3FN0060406	BOQ 0.63 06 May 2026 FRN	Bank of Queensland Ltd	IEI274645	6 Feb 2023	5,000,000.00	46,027.30
AU3FN0073037	Auswide 1.5 07 Nov 2025 FRN	Auswide Bank Limited	IEI274824	7 Feb 2023	3,500,000.00	40,248.23
	Westpac 4.52 15 Dec 2023 403DAY TD	Westpac Banking Corporation Ltd	IEI256868	7 Feb 2023	3,000,000.00	34,178.63
AU3CB0270387	MACQ 1.7 12 Feb 2025 Fixed	Macquarie Bank	IEI276105	12 Feb 2023	8,000,000.00	68,000.00
	MACQCU 0.9 18 Feb 2023 365DAY TD	Macquarie Credit Union Limited	IEI201753	18 Feb 2023	2,000,000.00	18,000.00
	AUBANK 2.8 21 Feb 2023 293DAY TD	Australian Unity Bank	IEI219530	21 Feb 2023	5,000,000.00	112,383.56
	AMP 1 22 Feb 2023 365DAY TD	AMP Bank Ltd	IEI200201	22 Feb 2023	5,000,000.00	50,000.00
AU3CB0239267	SunBank 3.25 24 Aug 2026 COVEREDFIX	Suncorp-Metway Ltd	IEI279088	24 Feb 2023	5,000,000.00	81,250.00
AU3FN0058608	UBS Aust 0.5 26 Feb 2026 FRN	UBS Australia Ltd	IEI279504	27 Feb 2023	4,500,000.00	40,498.99
	NAB At Call In	National Australia Bank Ltd	IEI280159	28 Feb 2023		84,215.32
						<b>756,963.58</b>

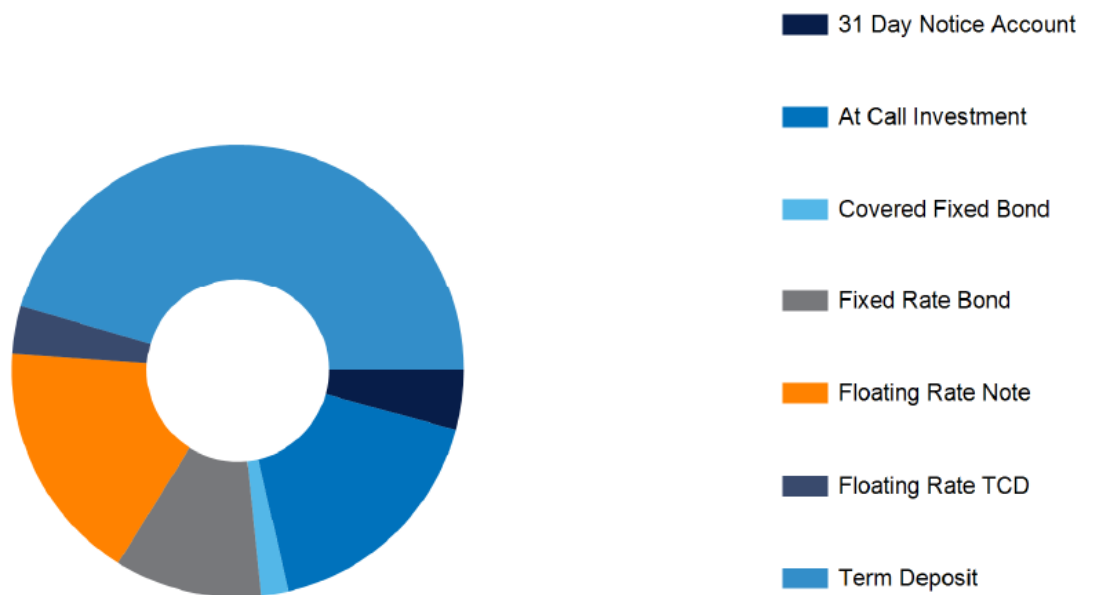
<sup>^</sup> Interest received consists of payments made to Council's allocated bank account and are exclusive of accruing interest.

**Investment by Asset Class**

The following table details Councils investment holdings by investment type:

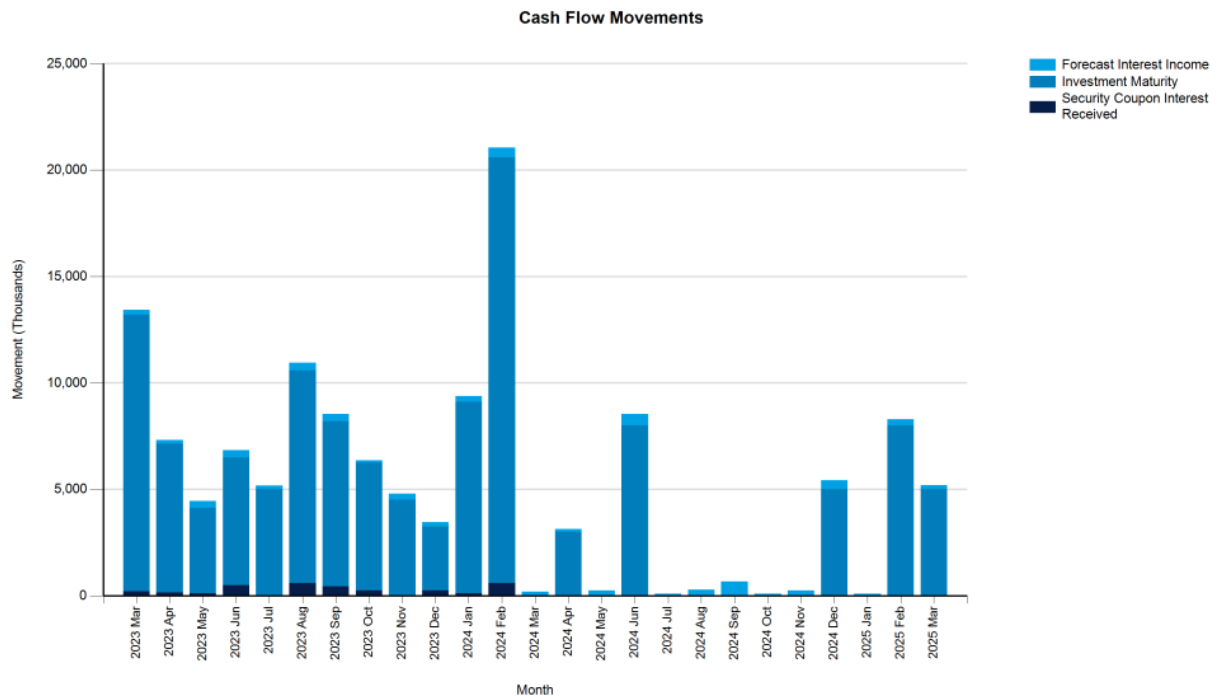
Security Type	Market Value	% Total Value
31 Day Notice Account	10,374,331.38	4.27%
At Call Investment	41,618,835.42	17.12%
Covered Fixed Bond	4,760,350.00	1.96%
Fixed Rate Bond	25,587,060.00	10.53%
Floating Rate Note	42,051,195.00	17.30%
Floating Rate TCD	8,275,365.00	3.40%
Term Deposit	110,419,614.12	45.42%
<b>Portfolio Total</b>	<b>243,086,750.92</b>	<b>100.00%</b>

**Market Value by Security Type**

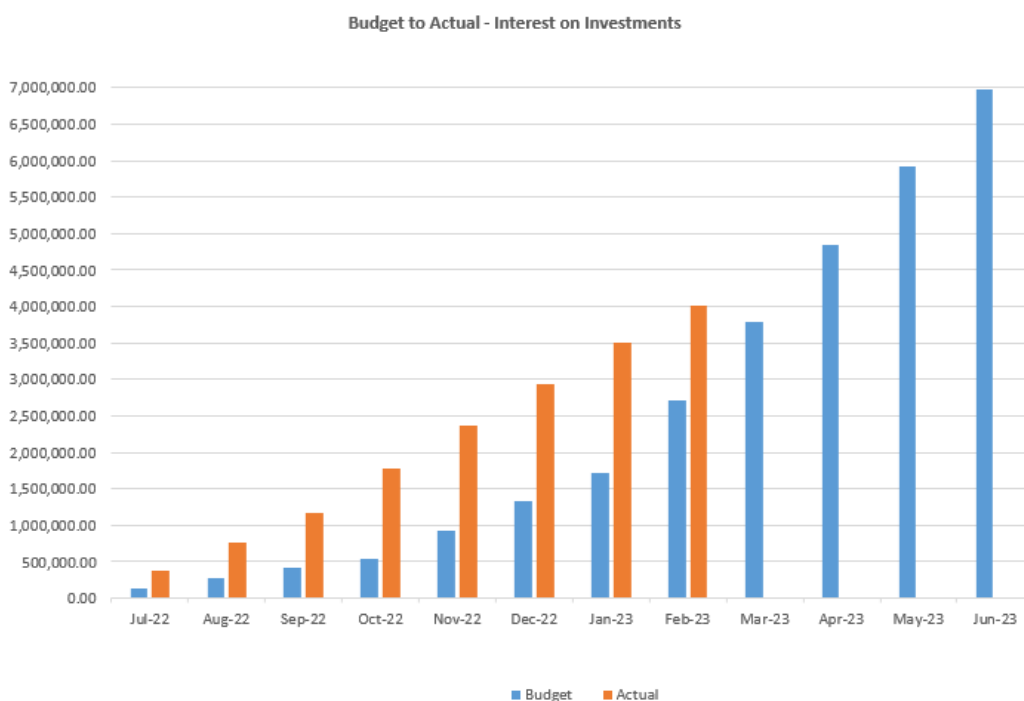


**Future Maturity Cash flow**

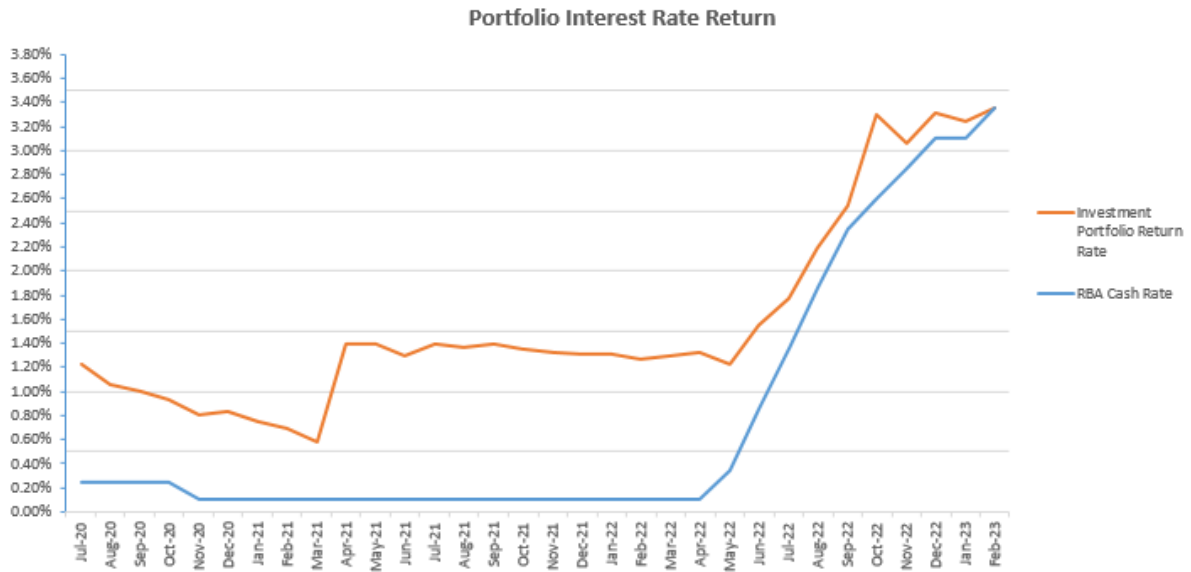
The below table details the expected cash flow of future investment maturity:



**Budget to Actual – Total Accumulated Interest on Investments – Year to Date**







As at 28 February 2023 Council has investments totalling \$53,000,000 Face Value which were invested with fixed interest rates below the current Official Cash Rate of 3.35%. Of these investments \$13,000,000 will mature before 30 June 2023. These investments have interest rates ranging from 1.00% to 1.65%. \$14,000,000 will mature in the financial year ending 30 June 2024. These investments have interest rates ranging from 0.75% to 3.10%. Longer term investments beyond 30 June 2024 totalling \$26,000,000 were invested with interest rates ranging between 0.90% to 3.25%. These investments were placed with competitive interest rates at the time the investments were made. The improved Official Cash Rate has impacted on the comparison of Councils portfolio interest rate return verse the current Official Cash Rate.

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 3.35%, achieving a return of 3.75% for its At Call investments for the month of February 2023.

**Investment Portfolio**

Council outperformed the one month Bloomberg AusBond Bank Bill Index of 0.28%, with an average return of 3.24% for its overall portfolio return.



## REPORT: Relocation of Council Chambers at the Dubbo Administration Building

**DIVISION:** Organisational Performance  
**REPORT DATE:** 13 February 2023  
**TRIM REFERENCE:** ID23/237

### EXECUTIVE SUMMARY

<b>Purpose</b>	Seek endorsement	Provide review or update
<b>Issue</b>	<ul style="list-style-type: none"> <li>Relocation of Council Chamber at the Dubbo Administration Building</li> </ul>	
<b>Reasoning</b>	<ul style="list-style-type: none"> <li>Multi-purpose the existing conference rooms</li> <li>Efficient disable access for external clients</li> <li>Location of staff at external buildings</li> <li>IT and Audio upgrade required on current chamber</li> <li>External building use and upkeep, proposed sell or lease out</li> </ul>	
<b>Financial Implications</b>	Budget Area	Corporate Governance, Information Services
	Funding Source	Restricted Assets
	Proposed Cost	Approximately \$24,074.00 Furniture IT component to be determined Audio system estimate \$70,000 (already budgeted)
	Ongoing Costs	Varying
<b>Policy Implications</b>	Policy Title	Not Applicable
<b>Consultation</b>	Councillors	Discussion and interactive display

### 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: 2 Infrastructure

CSP Objective: 2.2 Infrastructure meets the current and future needs of our community

Delivery Program Strategy: 2.2.5 Council maintains infrastructure and delivers services at the adopted service levels as agreed with the community

**RECOMMENDATION**

- 1. That Council endorses the proposal to move the existing Chamber to the ground floor conference rooms with the layout proposed in option 1, and desk furniture proposed in option 1 of the report.**
- 2. That the former Dubbo Regional Council Chamber located in the Dubbo Administration Office be decommissioned and used for operational use (staff accommodation)**
- 3. That Chief Executive Officer provides a report on the future options (selling or leasing) related to 69 Church Street, Dubbo.**

*Dean Frost*  
Director Organisational Performance

*AR*  
Manager Corporate  
Governance

## BACKGROUND

Dubbo Council Chamber at the Dubbo Administration Office is proposed to be relocated to a multi purposed facility at the bottom of the Dubbo Administration Office. This change will fill the current locations' lack of external out of hours disable access and toilet facilities.

The current Chamber at the Dubbo Administration Office functions on an average 6 hours per month, providing a space for monthly council meeting (when not held in Wellington) and standard committee, across 2 Thursday evenings per month. By moving these two meetings to a multi-functioning meeting room which currently operates as conference rooms, council have the ability to offer additional office space for the external council staff to work at the Dubbo Civic Administration Building and potential income from the vacant external building/s.

The existing audio and audio visual technology are required to be upgraded as the current equipment has failed on occasion and workarounds with modern technology can only do so much. Each meeting of the Council or Committees of the Council is to be recorded by means of an audio or audio visual device, as per the Model Code of Meeting Practice for Local Councils in NSW.

## REPORT

A review has been undertaken on Dubbo Council Chamber at the Dubbo Administration Office to consolidate the current bottom floor conference rooms located in Dubbo, with the Dubbo Chamber in a multi functioning fit out. This report gives consideration to the disable access, confidential/closed session of a meeting, public and staff security, audio and audio visual technology and significant impression of the council chamber in a modern aspect.

The multi-functional proposal will created an opportunity to consolidate and give rooms more efficiencies with space and improved IT services. It also means that services with staff located on external Dubbo sites have the potential to relocate and to the main administration office (eg 69 Church Street, Dubbo). This potentially can create income if an external office site is leased or sold.

The disabled access to the current Chamber is unsatisfactory and this limits members of the community from attending. By moving the Chamber to the ground floor location, it will provide compliant disabled access and members of the public will not need to use the stairway entrance.

### Consultation

- Councillors were consulted with an interactive display on 2 February 2023, 21 February 2023 and 23 February 2023.

### Resourcing Implications

- Staff and resources are already allocated to the project for replacing audio and IT equipment.

- An assessment to use the existing rooms as a multi-purpose meeting facility have been completed and the proposal is favourable, and is physically deliverable within 3 months of approval (pending delivery of furniture etc).
- Budget allocations are made for these tasks each year but the refurbishment and relocation the Chamber would require additional upfront cost.
- Ongoing maintenance costs are required regardless of moving the Chambers.
- Changes/increase in service level may result in increased staff time and costs while the project is completed.

### **Funding**

- The funding for the new audio system is expected to be \$70,000 to & \$80,000 and is already budgeted
- The funding for the new furniture is estimated at \$24,000 which is not currently funded, it is proposed to be taken from Restricted Assets
- The funding for the IT requirements is proposed to be funded from Restricted Assets.
- The reconfiguration of the conference rooms incurs minimal costs and can be absorbed by existing budgets.

It is noted that as a result of this proposed change there is the opportunity to relocate staff currently occupying 69 Church St to the main administration building. This provides an opportunity to either lease or sell that 69 Church St. This will provide either a lump sum revenue injection if sold, or a recurring revenue stream if leased.

### **Options Considered**

#### Floor plan layout options

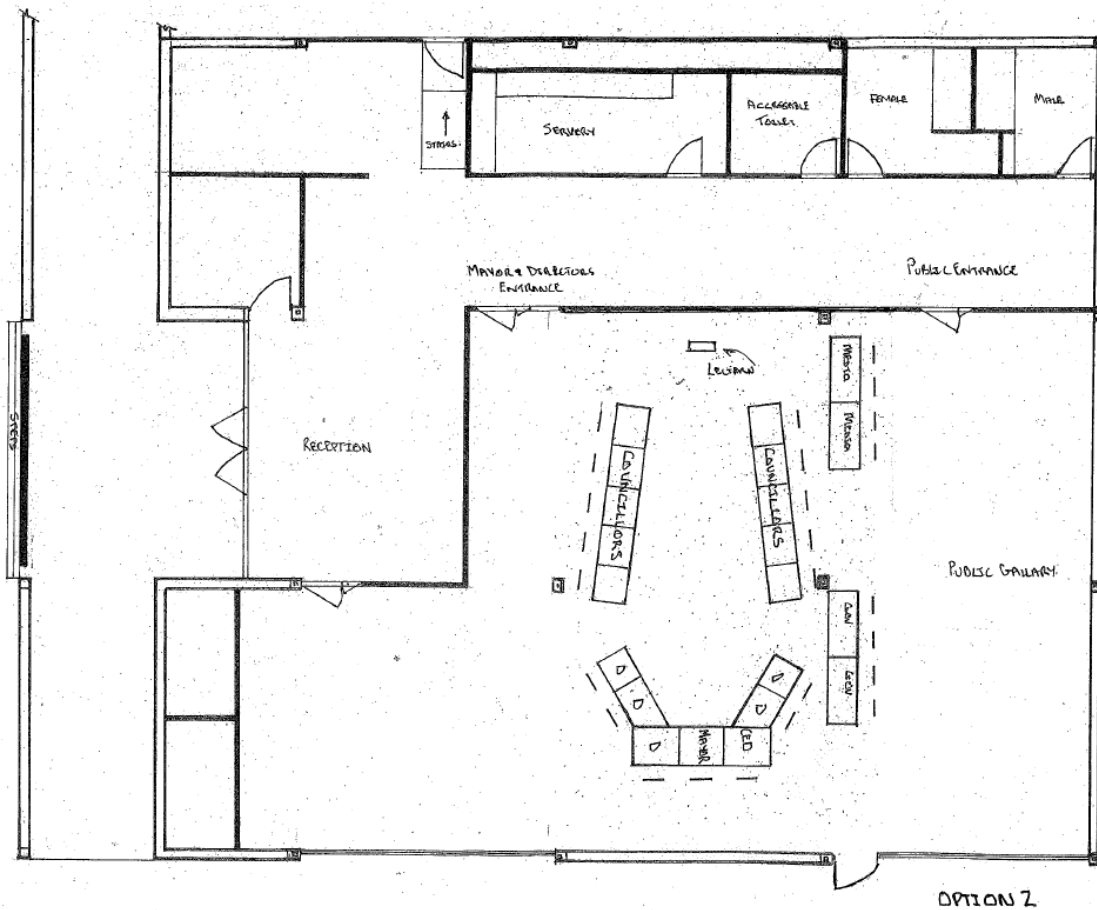
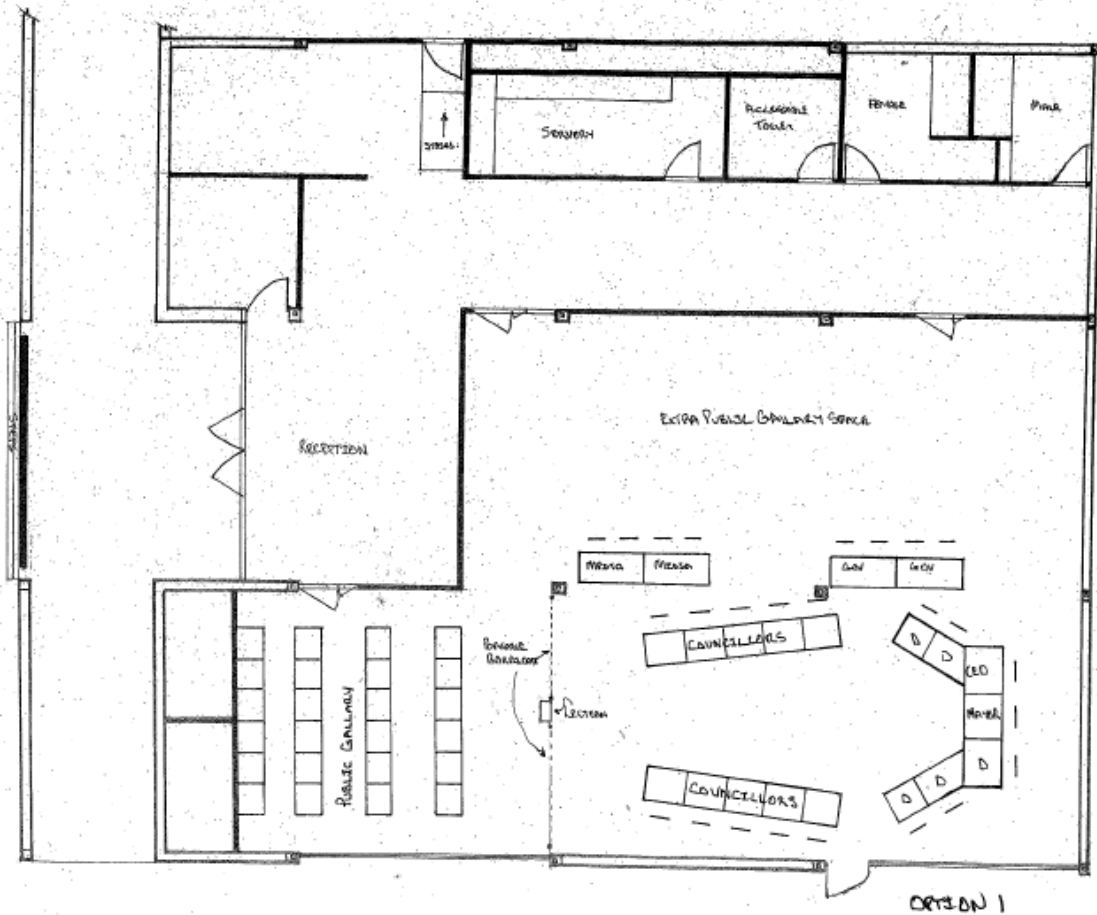
Three options for the layout of the Council Chamber in the conference rooms at the Dubbo Administration Office have been considered. All three options are included further in this report.

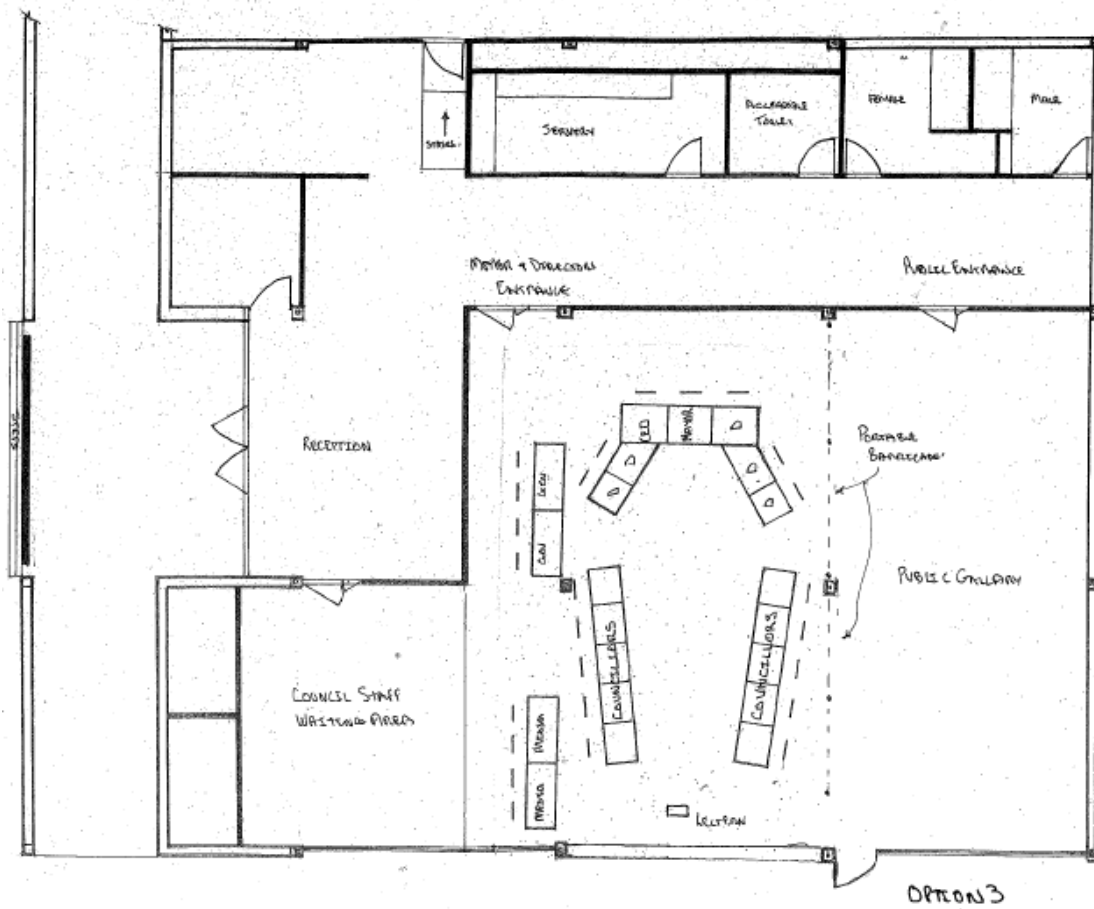
### **Preferred Option**

The preferred option is option 1 of the layout plan, and option 1 of the desk furniture. The preferred layout gives the logical entry for public forum and the best/shortest route for disabled access.

No councillors would have their backs to the public gallery or speakers, option one layout means that each Councillor seat has a visual to each other and the additional mounted screens enhance viewing and sound for the visual and hearing impaired, and viewers watching live stream.

The preferred desk furniture gives modern and polished but practical setting, and allows for multiple configurational options, for not only the chamber layout but additional meeting and easy storage.





Furniture options

Below are two options for the desk furniture of the Council Chamber in Dubbo Administration Office.



Option 1

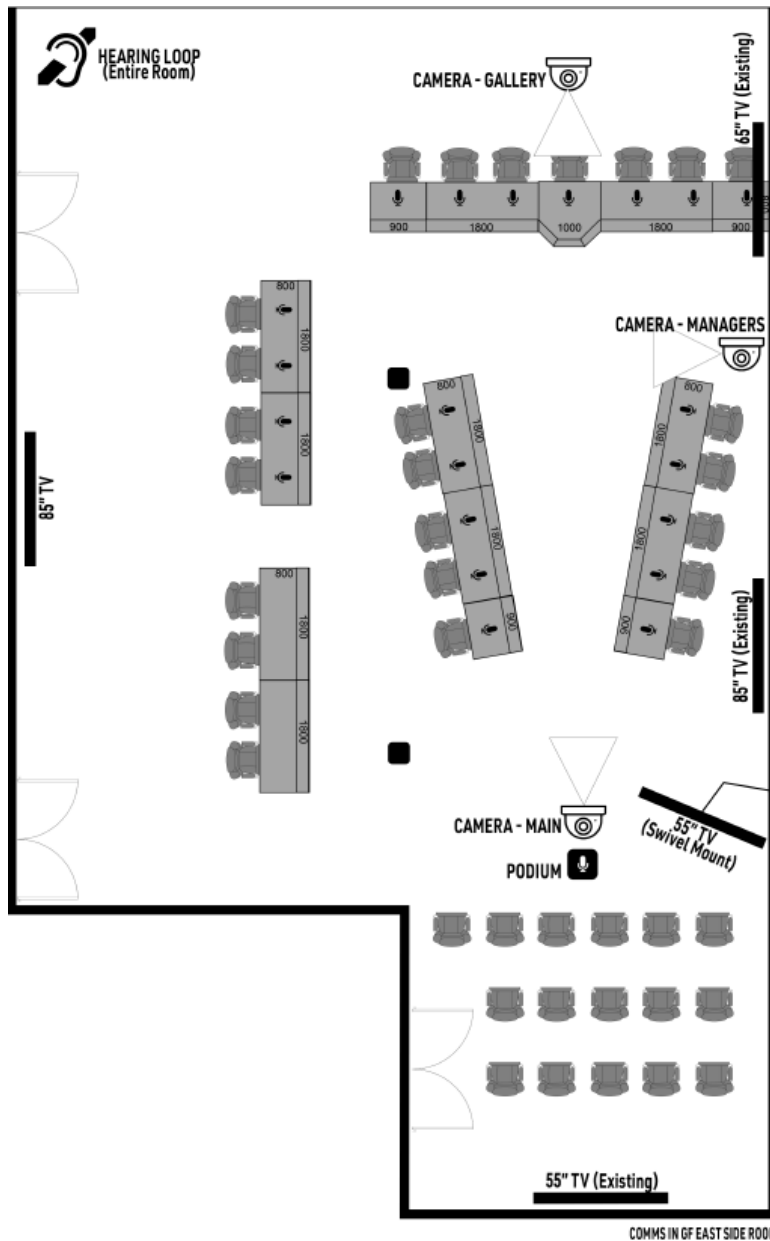


Option 2

Proposed Audio Plan

- Install new 85" TV on Southern wall of Ground Floor Central for councillors
- Install new 55" TV on a swivel mount on Northern Wall of Ground Floor Central for the public gallery
- 22 Desk Mics as outlined in the plan. An additional 2-4 handheld mics for various needs
- One hearing loop across all three rooms
- Streaming and audio gear to be centralised in a full-height communications rack in Ground Floor East cupboard
- New ceiling speakers and amplifiers in all 3 rooms
- Relocate cameras from existing chamber as outlined in the plan
- Capability to control each room's technical setup from a control panel (e.g. Council Meeting, Teams/Standard Meeting in 1/2/3 rooms)





Audio layout plan

**Planned Communications**

- Once adopted, all staff communications will occur
- Once complete, signage and communication will be in place for direction to new Chamber space.