



Business Paper

Corporate Governance Committee Meeting

Monday, 3 April 2017

6:30pm

**Council Chambers,
Level 2, Administration Building
4-20 Eton Street, Sutherland**

ORDER OF BUSINESS

- 1. ACKNOWLEDGEMENT OF COUNTRY**
- 2. APOLOGIES**
- 3. DISCLOSURES OF INTEREST**
- 4. CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING**
- 5. PRESENTATIONS**
- 6. REPORTS FROM OFFICERS**
 - GOV020-17 Cash Payments & Investments Report - February 2017
 - GOV021-17 Visual Identity
- 7. QUESTIONS**
- 8. CONSIDERATION OF BUSINESS IN CLOSED SESSION**
- 9. CONFIDENTIAL REPORTS FROM OFFICERS**

GOV020-17 CASH PAYMENTS & INVESTMENTS REPORT - FEBRUARY 2017

Attachments: Appendix A and Appendix B

EXECUTIVE SUMMARY

- This report provides details of Council's investment performance for the period ending 28 February 2017, along with presenting cash and investment balances and diversification.
- Council may invest funds that are not, at any particular time, required for any other purpose. Investment of these funds must be in accordance with relevant legislation and regulations and in accordance with Council's Policy for Investment of Cash Balances. Details of these investments must be reported to Council monthly.
- The return on Council's portfolio to 28 February 2017 was 3.03% compared to the benchmark of 1.83%.
- All investments have been made in accordance with legislative requirements and within relevant Council policy.

REPORT RECOMMENDATION

<p>That the information concerning Bank Balances and Investments held as at 28 February 2017, be received and noted.</p>
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PURPOSE

The purpose of this report is to advise Council of funds invested in accordance with Section 625 of the Local Government Act. Additionally, the report provides details and certification as required by Clause 212(1) of the Local Government (General) Regulation 2005.

BACKGROUND

The Cash Payments and Investments Report is required to be submitted for Council's consideration each month detailing investments and their performance.

DISCUSSION

Council invests funds which are not required in the short term for any other purpose. These investments are governed by strict legislative requirements and Council's Policy for Investment of Cash Balances. The Responsible Accounting Officer must report to Council monthly details of the funds invested and certify that they have been made in accordance with the legislation and policy.

The return on Council's total investment portfolio has averaged 3.03% for the period to 28 February 2017 against a benchmark of 1.83%. Total interest earned for the eight months was \$1,967,188.21 against a budget of \$2.572 million, of which \$738,349.46 is applicable to the Section 94 Trust Fund. Details of the investments and performance are in the attached document (Appendix B).

CONSULTATION

Appropriate consultation has occurred with Council's financial investment advisor and fund managers.

BUDGET

Actual investment income continues to trend greater than the proportional annual budget for the eight months to 28 February 2017. Although a number of higher yielding deposits are maturing over the next few months and the current investment yields on offer are much lower in comparison, there is an expectation that the budget will be increased in the March Budget Review. The level of the variation will be assessed over the next month and reported in the March investment report.

CERTIFICATION BY RESPONSIBLE ACCOUNTING OFFICER

In accordance with clause 212 of the Local Government (General) Regulation 2005, I hereby certify that all investments have been made in accordance with the Act, the regulations and Council's investment policy.



Greg Hayes
Manager Finance and
Responsible Accounting Officer

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Finance, Greg Hayes, who can be contacted on 9710 0334.

File Number: 2016/250910

Appendix A – Summary of Bank Balances as at 28 February 2017**SUMMARY OF BANK BALANCES 28/02/2017**

FUND	BANK BALANCE	UNPRESENTED CHEQUES	DIRECT CREDIT	CASH ON HAND	OWED TO OTHER FUNDS	CASHBOOK BALANCE
General Fund 1	9,055,818.15	(191,689.73)	(119,853.16)	375,149.59	(622,510.96)	8,496,913.89
Trust Fund 1	0.00	0.00	0.00	0.00	0.00	435,637.88
Trust Fund 2	0.00	0.00	0.00	0.00	0.00	27,875.00
Bushfire Trust	0.00	0.00	0.00	0.00	0.00	84,817.98
SES Trust	0.00	0.00	0.00	0.00	0.00	242.80
Australand	0.00	0.00	0.00	0.00	0.00	73,937.30
Total	9,055,818.15	(191,689.73)	(119,853.16)	375,149.59	(622,510.96)	9,119,424.85

This appendix identifies cash movements throughout the month along with a summary bank reconciliation statement.



Investment Summary Report February 2017

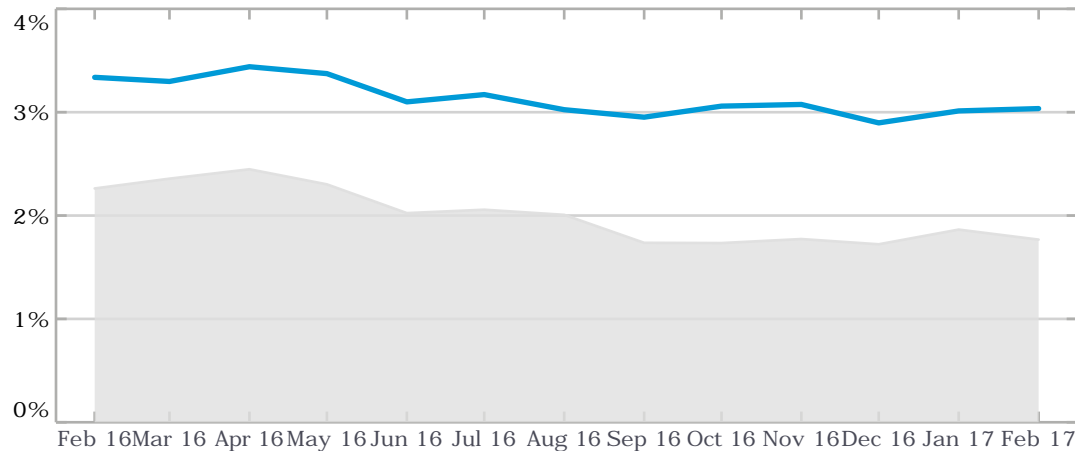
Cash and Investment Holdings

	Face Value (\$)	Current Value (\$)	Current Yield (%)
Cash	23,355,818.15	23,355,818.15	1.1961
Floating Rate Note	23,500,000.00	23,621,160.00	3.0319
Term Deposit	71,250,000.00	71,250,000.00	3.2457
	118,105,818.15	118,226,978.15	2.7979

Application of Funds

	Face Value (\$)
General Fund 1	78,275,753.50
Trust Fund - Section 94	37,530,064.65
Custodial Funds	2,300,000.00
Total	118,105,818.15

Investment Performance



■ Portfolio Annualised Return ■ AusBond BB Index Annualised Return

Investment Performance

	Performance	AusBond BB Index	Outperformance
February 2017	3.04%	1.77%	1.27%
Last 3 Months	2.98%	1.79%	1.19%
Last 6 Months	3.00%	1.77%	1.24%
Financial Year to Date	3.03%	1.83%	1.19%
Last 12 Months	3.12%	1.98%	1.14%

Cash Accounts

Face Value (\$)	Current Yield	Institution	Credit Rating	Current Value (\$)	Reference
5,300,000.00	1.1000%	Commonwealth Bank of Australia	A-1+	5,300,000.00	BOS
9,055,818.15	1.0000%	Commonwealth Bank of Australia	A-1+	9,055,818.15	Cash at Bank
9,000,000.00	1.4500%	Commonwealth Bank of Australia	A-1+	9,000,000.00	CDA
23,355,818.15	1.1961%			23,355,818.15	

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
14-Mar-17	3,000,000.00	2.8000%	Bank of Queensland	A-2	3,000,000.00	18-Aug-16	3,000,000.00	AtMaturity	12628
27-Mar-17	2,000,000.00	6.6400%	ING Bank (Australia)	A-2	2,000,000.00	27-Mar-12	2,000,000.00	Annually	11567
27-Mar-17	2,750,000.00	3.0000%	Police Credit Union (SA)	NR	2,750,000.00	28-Jun-16	2,750,000.00	AtMaturity	12609
28-Mar-17	2,000,000.00	2.8000%	Bank of Queensland	A-2	2,000,000.00	19-Aug-16	2,000,000.00	AtMaturity	12629
5-Apr-17	2,000,000.00	2.9000%	Hunter United Employees CU	NR	2,000,000.00	6-Oct-16	2,000,000.00	AtMaturity	12648
11-Apr-17	3,000,000.00	2.8000%	Credit Union Australia	A-2	3,000,000.00	30-Aug-16	3,000,000.00	AtMaturity	12633
19-Apr-17	2,000,000.00	2.8000%	ME Bank	A-2	2,000,000.00	18-Nov-16	2,000,000.00	AtMaturity	12655
4-May-17	1,000,000.00	6.2000%	RaboDirect	A-1	1,000,000.00	4-May-12	1,000,000.00	Annually	11594
4-May-17	3,000,000.00	6.1000%	RaboDirect	A-1	3,000,000.00	4-May-12	3,000,000.00	Annually	11595
12-May-17	2,000,000.00	2.8100%	Suncorp Bank	A-1	2,000,000.00	16-Nov-16	2,000,000.00	AtMaturity	12653
16-May-17	3,000,000.00	3.0000%	AMP Bank	A-1	3,000,000.00	16-May-16	3,000,000.00	AtMaturity	12580
25-May-17	2,000,000.00	3.0000%	AMP Bank	A-1	2,000,000.00	25-May-16	2,000,000.00	AtMaturity	12586
30-May-17	3,000,000.00	2.6000%	ME Bank	A-2	3,000,000.00	28-Feb-17	3,000,000.00	AtMaturity	12684
6-Jun-17	3,000,000.00	2.7000%	Auswide Bank	A-2	3,000,000.00	8-Sep-16	3,000,000.00	AtMaturity	12642
20-Jun-17	1,500,000.00	2.8000%	Suncorp Bank	A-1	1,500,000.00	16-Nov-16	1,500,000.00	AtMaturity	12654
6-Jul-17	2,000,000.00	3.1500%	Intech Credit Credit Union	NR	2,000,000.00	6-Jul-16	2,000,000.00	AtMaturity	12602
11-Jul-17	3,000,000.00	2.8500%	Auswide Bank	A-2	3,000,000.00	1-Dec-16	3,000,000.00	AtMaturity	12659
25-Jul-17	2,000,000.00	2.8000%	ING Bank (Australia)	A-2	2,000,000.00	25-Jan-17	2,000,000.00	AtMaturity	12674
1-Aug-17	3,000,000.00	2.8000%	ING Bank (Australia)	A-2	3,000,000.00	31-Jan-17	3,000,000.00	AtMaturity	12675

Term Deposits									
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
8-Aug-17	4,000,000.00	3.0000%	Westpac Group	A-1+	4,000,000.00	8-Aug-16	4,000,000.00	AtMaturity	12626
9-Aug-17	2,000,000.00	7.0800%	Bank of Queensland	A-2	2,000,000.00	9-Aug-12	2,000,000.00	AtMaturity	12683
14-Aug-17	2,000,000.00	2.7900%	Police Credit Union (SA)	NR	2,000,000.00	15-Feb-17	2,000,000.00	AtMaturity	12678
23-Aug-17	1,000,000.00	2.7000%	Beyond Bank Australia	A-2	1,000,000.00	24-Feb-17	1,000,000.00	AtMaturity	12683
12-Sep-17	3,000,000.00	2.7200%	ME Bank	A-2	3,000,000.00	22-Feb-17	3,000,000.00	AtMaturity	12680
26-Sep-17	2,700,000.00	3.0000%	Westpac Group	A-1+	2,700,000.00	2-Sep-16	2,700,000.00	Annually	12638
10-Oct-17	3,000,000.00	3.0000%	Westpac Group	A-1+	3,000,000.00	1-Sep-16	3,000,000.00	Annually	12637
24-Oct-17	2,000,000.00	3.0000%	Westpac Group	A-1+	2,000,000.00	22-Sep-16	2,000,000.00	Annually	12646
5-Dec-17	2,000,000.00	2.9500%	Defence Bank	A-2	2,000,000.00	8-Dec-16	2,000,000.00	AtMaturity	12664
22-Feb-19	2,000,000.00	3.1000%	Westpac Group	AA-	2,000,000.00	22-Sep-16	2,000,000.00	Annually	12645
68,950,000.00		3.2951%			68,950,000.00		68,950,000.00		

Term Deposits - Custodial									
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
26-Feb-18	2,300,000.00	2.8000%	Credit Union Australia	A-2	2,300,000.00	24-Feb-17	2,300,000.00	AtMaturity	Bushfire
2,300,000.00		2.8000%			2,300,000.00		2,300,000.00		

Floating Rate Notes									
Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Next Coupon Date	Reference
7-Jun-19	1,500,000.00	3.3700%	GBS Snr FRN (Jun19) BBSW+ 1.60%	BBB+	1,500,000.00	7-Jun-16	1,499,100.00	7-Mar-17	12593
11-Jun-19	1,500,000.00	2.8700%	AMP Snr FRN (Jun19) BBSW+ 1.10%	A+	1,500,000.00	11-Dec-15	1,505,910.00	13-Mar-17	12537
18-Jul-19	2,000,000.00	3.2300%	ME Bank Snr FRN (Jul19) BBSW+ 1.45%	BBB+	2,000,000.00	18-Jul-16	1,999,980.00	18-Apr-17	12612
30-Aug-19	1,000,000.00	3.3300%	GBS Snr FRN (Aug19) BBSW+ 1.55%	BBB+	1,000,000.00	30-Aug-16	1,000,010.00	30-May-17	12631
28-Oct-19	1,500,000.00	3.1700%	TMB Snr FRN (Oct19) BBSW+ 1.40%	BBB+	1,500,000.00	28-Oct-16	1,499,970.00	28-Apr-17	12649

Floating Rate Notes

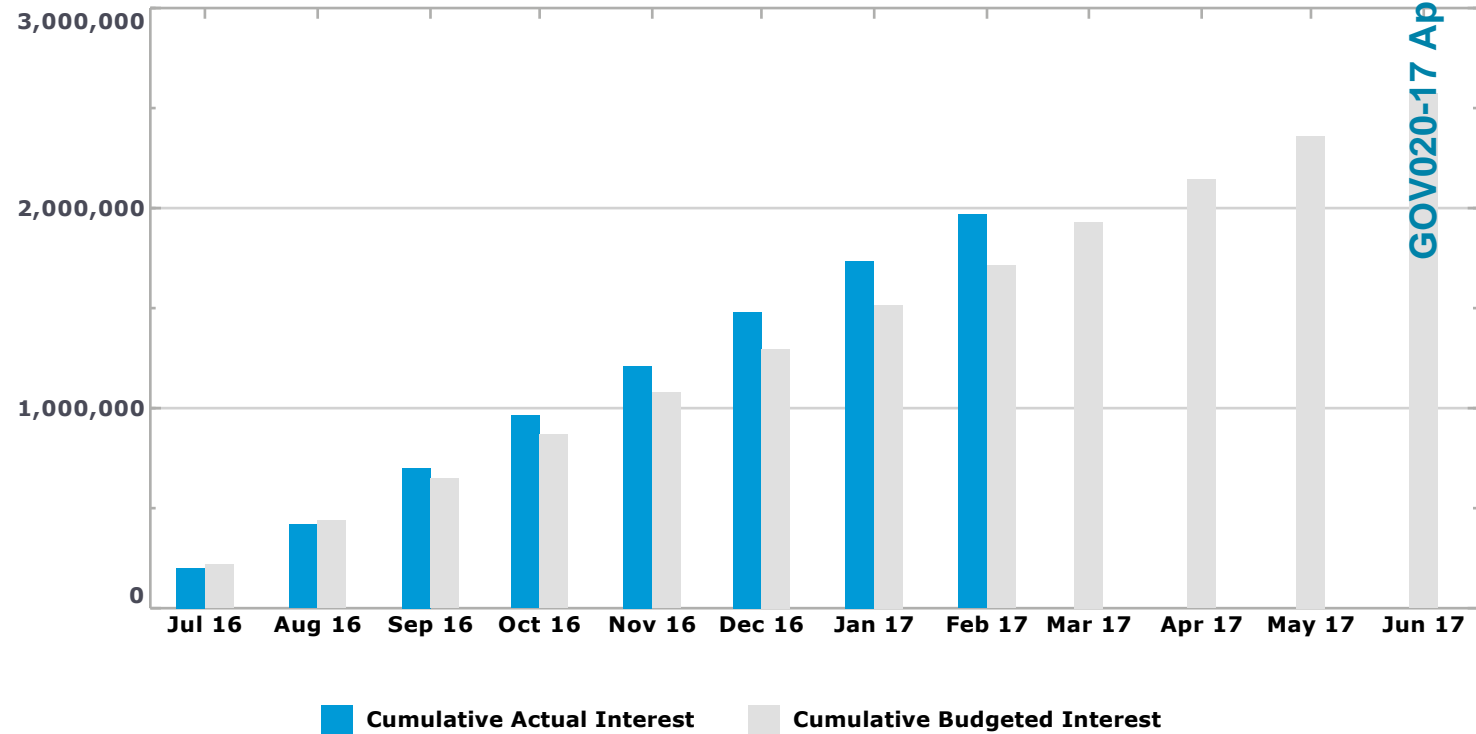
Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Next Coupon Date	Reference
3-Mar-20	2,000,000.00	2.8700%	MAC Snr FRN (Feb20) BBSW+ 1.10%	A	2,007,220.00	29-Jan-16	2,010,360.00	3-Mar-17	12547
7-Apr-20	2,000,000.00	3.1300%	NPBS Snr FRN (Apr20) BBSW+ 1.35%	BBB+	1,987,480.00	25-Jul-16	1,999,980.00	7-Apr-17	12618
18-Aug-20	3,000,000.00	2.8800%	BEN Snr FRN (Aug20) BBSW+ 1.10%	A-	3,000,000.00	18-Aug-15	3,008,880.00	18-May-17	12493
20-Oct-20	2,500,000.00	3.0300%	SUN Snr FRN (Oct20) BBSW+ 1.25%	A+	2,500,000.00	20-Oct-15	2,524,425.00	20-Apr-17	12518
18-Jan-21	2,000,000.00	2.9301%	CBA Snr FRN (Jan21) BBSW+ 1.15%	AA-	2,001,800.00	27-Jan-16	2,025,780.00	18-Apr-17	12546
3-Jun-21	1,500,000.00	2.9400%	WBC Snr FRN (Jun21) BBSW+ 1.17%	AA-	1,500,000.00	3-Jun-16	1,516,845.00	3-Mar-17	12588
12-Jul-21	2,000,000.00	2.9902%	CBA Snr FRN (Jul21) BBSW+ 1.21%	AA-	2,000,000.00	12-Jul-16	2,026,280.00	12-Apr-17	12611
17-Jan-22	1,000,000.00	2.8799%	CBA Snr FRN (Jan22) BBSW+ 1.11%	AA-	1,000,000.00	17-Jan-17	1,003,640.00	18-Apr-17	12668
23,500,000.00		3.0319%			23,496,500.00		23,621,160.00		

Total Investments

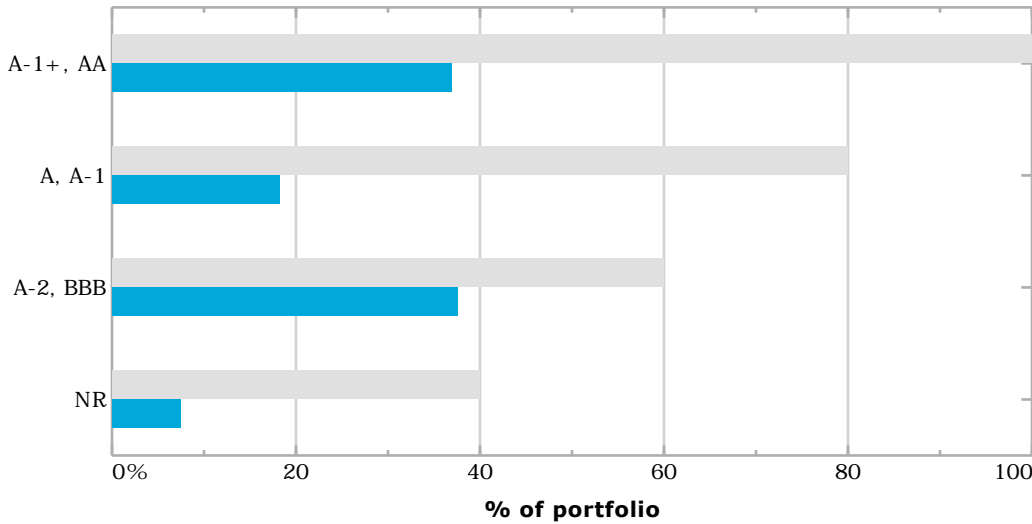
Face Value (\$)	Current Value (\$)
118,105,818.15	118,226,978.15

Budgeted vs Actual Returns

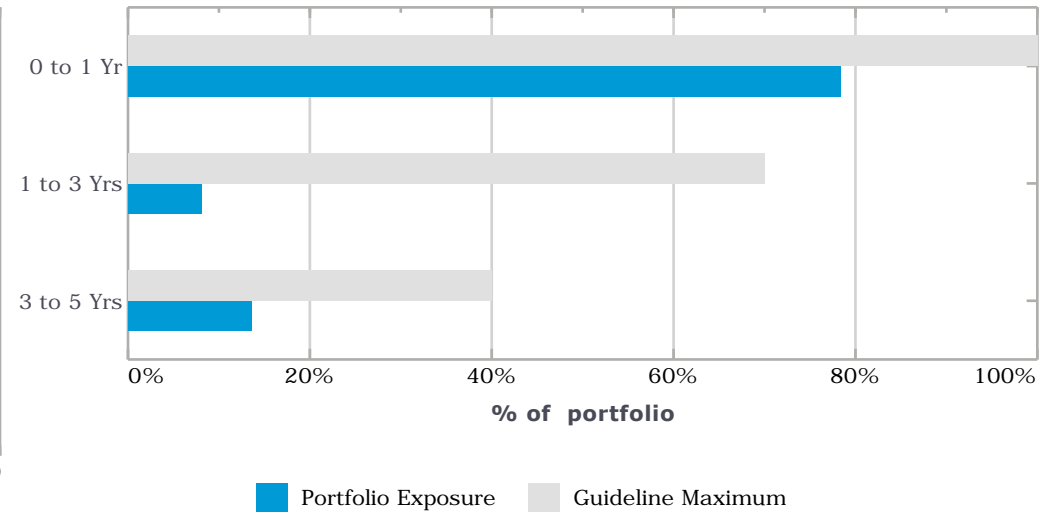
	YTD Income from Investments (\$)	Interest Earned (Progressive % of Annual Budget)
July 2016	201,428	7.83%
August 2016	419,463	16.31%
September 2016	700,544	27.24%
October 2016	963,999	37.48%
November 2016	1,210,522	47.07%
December 2016	1,480,830	57.58%
January 2017	1,736,136	67.50%
February 2017	1,967,188	76.48%
Budget Target	2,572,000	



Total Credit Exposure



Term to Maturities



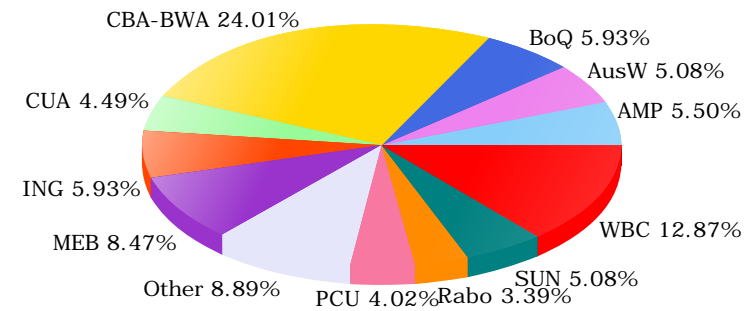
	Credit Rating	Face Value (\$)		Guideline Max	
Short Term	A-1+	35,055,818			
Long Term	AA	8,500,000			
		43,555,818	37%	100%	✓
Short Term	A-1	12,500,000			
Long Term	A	9,000,000			
		21,500,000	18%	80%	✓
Short Term	A-2	36,300,000			
Long Term	BBB	8,000,000			
		44,300,000	38%	60%	✓
No Rating	NR	8,750,000			
		8,750,000	7%	40%	✓
		118,105,818	100%		

	Face Value (\$)		Guideline Max	
Between 0 and 1 Year	92,605,818	78%	100%	✓
Between 1 and 3 Years	9,500,000	8%	70%	✓
Between 3 and 5 Years	16,000,000	14%	40%	✓
	118,105,818			

Detailed Maturity Profile	Face Value (\$)	
00. Cash + Managed Funds	23,355,818	20%
01. Less Than 30 Days	9,750,000	8%
02. Between 30 Days and 60 Days	7,000,000	6%
03. Between 60 Days and 90 Days	11,000,000	9%
04. Between 90 Days and 180 Days	26,500,000	22%
05. Between 180 Days and 365 Days	15,000,000	13%
06. Between 365 Days and 3 Years	9,500,000	8%
07. Between 3 Years and 5 Years	16,000,000	14%
	118,105,818	

Individual Institutional Exposures Individual Institutional Exposure Charts

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
AMP Bank	A-1, A+	6,500,000	47,242,327
Auswide Bank	A-2, BBB	6,000,000	23,621,164
Bank of Queensland	A-2, A-	7,000,000	23,621,164
Bendigo and Adelaide Bank	A-2, A-	3,000,000	47,242,327
Beyond Bank	A-2, BBB+	1,000,000	23,621,164
Commonwealth Bank of Australia	A-1+, AA-	28,355,818	53,147,618
Credit Union Australia	A-2, BBB+	5,300,000	23,621,164
Defence Bank	A-2, BBB+	2,000,000	23,621,164
Greater Building Society	A-2, BBB+	2,500,000	23,621,164
Hunter United Employees CU	NR	2,000,000	47,242,327
ING Group	A-2, A-	7,000,000	23,621,164
Intech Credit Union	NR	2,000,000	47,242,327
Macquarie Group	A-1, A	2,000,000	47,242,327
Members Equity Bank	A-2, BBB+	10,000,000	23,621,164
Newcastle Permanent Building Society	A-2, BBB+	2,000,000	23,621,164
Police Credit Union (SA)	NR	4,750,000	47,242,327
Rabobank Australia	A-1, A+	4,000,000	47,242,327
Suncorp Bank	A-1, A+	6,000,000	47,242,327
Teachers Mutual Bank	A-2, BBB+	1,500,000	23,621,164
Westpac Group	A-1+, AA-	15,200,000	53,147,618
		118,105,818	



GOV021-17 VISUAL IDENTITY

Attachments: Nil

EXECUTIVE SUMMARY

- Council resolved at its meeting of 20 March 2017 to defer consideration of this report as the final logo files were not available.
- The report provides information regarding the proposed minor changes to the Council logo to improve visual identity.
- Since 1906 Council has periodically reviewed and updated its logo to remain relevant to current circumstances. The current version of Council's logo presents difficulties in translating to a digital platform and should be evolved to maintain identity and relevance.
- Proposed changes to Council's logo are minor and retain the image of Captain Cook. Further work on Council's visual identity will be undertaken within Council's Community Strategic Planning framework.

REPORT RECOMMENDATION

THAT:

1. Minor updates to Council's logo, as detailed in this report, retaining the prominent image of Captain Cook, be endorsed.
2. Council's Style Guide be updated accordingly.

PURPOSE

The purpose of this report is to advise Council of proposed minor changes to Council's logo aimed at improving Council's visual identity.

BACKGROUND

This report follows a briefing to Councillors on 13 February 2017.

In recognition of the first European landing on the eastern side of Australia at Kurnell on 29 April 1770, the image of Captain James Cook has always featured prominently in Council's logo. The logo has evolved on five occasions to keep step with Council's name and identity.

In 1906 Council was known as *'The Council of the Shire of Sutherland'*, and the name was reflected in lettering around an image of Captain Cook. Improved styling of the image of Captain Cook occurred in 1988, which represented the first change to the logo since 1906.

In 1993 as an outcome of the new Local Government Act Council became known as *'The Council of Sutherland Shire'* and the lettering in the logo was changed accordingly. In 2002, Council became known as *'Sutherland Shire Council'*, which remains Council's name to this day. On each occasion the logo was slightly updated with the styling of the image of Captain Cook improved.

The most significant change to Council's logo occurred in 2008 when the size and prominence of Captain Cook was reduced in favour of Council's name. As an outcome of that change, the relative size of the image of Captain Cook became approximately a quarter of the size of the logo itself. Concurrently, Council introduced a new colour scheme incorporating a unique teal to replace the traditional navy blue/cyan/gold used in the previous logo.

DISCUSSION

Council's visual identity has not changed since 2008. Whilst significant changes are not suggested and the image of Captain Cook should remain prominent, it is considered necessary to update Council's logo for the reasons set out in this report.

The current rendering of the logo occurred before digital communication became prominent. The current styling of Captain Cook does not present well on a digital screen and loses identity when displayed in large size. A sharper styling of the image of Captain Cook will overcome this problem. As Council moves more of its business to a digital platform it will become increasingly important to ensure all graphics, including its logo, are legible and meet accessibility requirements.

The unique teal colour in the style guide has been problematic as it is not a 'public' colour. Consequently, any third party needing to reproduce the logo is unlikely to be able to do so in the correct colour. This results in the inconsistent display of Council's logo across many platforms. Further to this, it has been found that Council's teal has a cooler hue meaning it does not present well against a natural backdrop.

The current version of Council's logo represents the most significant change in its design since the formation of Council in 1906. Earlier versions of the logo were round in shape and featured an image of Captain Cook surrounded by the name of the Council. The words 'Sutherland Shire Council' now feature more prominently to the left of a smaller image of Captain Cook, or underneath the image of Cook depending on whether the logo is horizontal or stacked. The shape of the logo is often produced as elongated making it less legible, especially when used beside other organisation logos.

It is recommended that Council's logo be updated to address practical problems identified in this report. There is no suggestion that the image of Captain Cook be removed or replaced on Council's logo. Instead, it is recommended that the stylised image of Captain Cook be updated to better distinguish the image and appear cleaner on a digital screen. In addition, it is recommended that the shape of the logo revert to a round image with the words '*Sutherland Shire Council*' around Captain Cook's image. It is not proposed that the colours change significantly from the existing teal. Instead, it is suggested that a 'warmer' mid-blue colour be incorporated in the new style guide. The details of the proposed updates to the logo will be provided at the meeting.

It is considered that this subtle change to the logo addresses the problems with the existing logo without making wholesale changes to Council's branding. This option represents the least expensive and most expedient change.

The improved styling of the image of Captain Cook in an updated Council logo better acknowledges his historic role. It will also be a cornerstone in the communication strategy to mark the 250th anniversary of the landing of the Endeavour at Kurnell on 29 April 2020.

BUDGET

An advantage of adopting a new logo that is very similar to previous versions is that it allows a 'soft' implementation. Should Council adopt changes to the existing logo it is not suggested that existing signage, stationary or other imagery be replaced until it has reached its end of life.

The cost to restyle Council's logo is approximately \$11,000 which would be sourced from Council's existing Communications budget. Minor additional administrative costs would be incurred in changing the style guide; however, those costs are not significant and would form part of a normal review of Council's engagement strategy.

POLICY

There are no policy implications as an outcome of this report.

CONCLUSION

It has been identified that the current version of Council's logo does not present well in a digital format and the corporate colour is problematic for third parties to use. In order to modernise and remain relevant across Council's communication channels, minor changes to the logo are considered necessary. This is not unusual and Council has previously updated its logo on five separate occasions. The use of Captain Cook within Council's logo has been in place since 1906 and it is not recommended that change as part of the next iteration of the logo.

Being a minor change to the existing logo it will be possible to implement a soft change without the need to replace existing signage, stationary or other imagery. Further work on Council's visual identity will be undertaken within Council's Community Strategic Planning framework.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Communications & Shire Events, Kathryn Lord, who can be contacted on 9710 0493.

File Number: 2016/249839