



AGENDA

Risk Management & Audit Committee Meeting

Friday, 21 February 2025

I hereby give notice that a Risk Management & Audit Committee Meeting will be held on:

Date: Friday, 21 February 2025

Time: 9:00 AM

**Location: Council Chambers Darrandirra
Level 1, Civic Centre
Harry Chan Avenue, Darwin**

**Simone Saunders
Chief Executive Officer**

RISK MANAGEMENT & AUDIT COMMITTEE MEMBERS

Chairperson Roland Chin
Councillor Jimmy Bouhoris
Deputy Lord Mayor Mick Palmer
Councillor Ed Smelt
Member George Araj
Member Sanja Hill

OFFICERS

Chief Executive Officer, Simone Saunders
General Manager Innovation, Alice Percy
A/Executive Manager Corporate Services, Brooke Prince
Executive Manager Finance, Irene Frazis
Executive Manager HR and Safety, Alexandra Vereker

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1 MEETING DECLARED OPEN**2 APOLOGIES AND LEAVE OF ABSENCE****2.1 Apologies****2.2 Leave of Absence Granted****2.3 Leave of Absence Requested****3 ELECTRONIC MEETING ATTENDANCE****3.1 Electronic Meeting Attendance Granted**

THAT The Committee note that pursuant to Section 98 (3) of the Local Government Act the following members were granted permission for Electronic Meeting Attendance at this Risk Management and Audit Committee Meeting held on Friday, 21 February 2025:

- Member George Araj

3.2 Electronic Meeting Attendance Requested**4 DECLARATION OF INTEREST OF MEMBERS AND STAFF**

Member Roland Chin made the following Declarations (updated 20/10/23):

- A. Treasurer of St John Ambulance Australia (NT) Inc.; Director of SJA (NT) Endowment Company Pty Ltd as trustee for The St John Ambulance (NT) Endowment Trust; Director of St John Ambulance Australia NT Holdings Pty Ltd; St John Ambulance Australia Ltd – Finance, Audit & Risk subcommittee
- B. President of Chung Wah Society Inc
- C. Chair of Audit and Risk Committee of Venture Housing Company Limited
- D. Chair of Audit, Risk and Compliance Committee of Charles Darwin University
- E. Tiwi Land Council Audit Committee.

Councillor Jimmy Bouhoris made the following Declarations (25/06/21):

- A. any items relating to PowerWater

Councillor Ed Smelt made the following Declarations (20/10/2023):

- A. any items relating to Department of Infrastructure, Planning and Logistics, NTG

Member Sanja Hill advised of the following representations (updated 19/04/24):

- A. any items relating to Department of the Attorney-General and Justice NTG

~~Member Joe McCabe made the following Declarations (28/06/24):~~

- ~~A. any items relating to Townville City Council~~

5 CONFIRMATION OF PREVIOUS MINUTES

Risk Management & Audit Committee Meeting - 18 October 2024

6 ACTION REPORTS

6.1 REVIEW OF INVESTMENT POLICY

Author: Executive Manager Finance

Authoriser: General Manager Corporate

Attachments: 1. Investment Policy 3301.100.E.R - Tracked Changes [↓](#)
2. Investment Policy 3301.100.E.R - Revised Version [↓](#)

RECOMMENDATIONS

1. THAT the report entitled Review of Investment Policy be received and noted.
2. THAT the Risk Management and Audit committee recommends that Council endorse Policy No 3301.100.E.R Investment Policy at **Attachment 2**

PURPOSE

The purpose of this report is to provide the reviewed Investment Policy to RMAC for comment.

KEY ISSUES

- Council's Investment Policy is due for review in April 2025.
- Council supplied a copy of the Investment Policy to Arlo Advisory for comment and recommendations.
- There is one change to the policy recommending amendment of the review cycle from annual to bi-annual.

<p>DISCUSSION</p> <p>Council's investment policy – <i>Policy No 3301.100.E.R – Investment Policy (Attachment 1)</i> is due to be reviewed by April 2025. Council is currently required to review the investment policy every twelve months.</p> <p>As part of the review, City of Darwin forwarded the policy to City of Darwin's investment advisors Arlo Advisory to provide comment and recommendations on the policy. There were no recommended changes received.</p> <p>The Investment Policy has undergone several revisions in previous reviews and now aligns with current needs and practices. As such the policy has been updated to change the review cycle from annual to bi-annual. If required, due to a change in circumstances or Council policy, the review can be brought forward at any time.</p> <p>Minor administrative changes have been made to the policy.</p>	
<p>PREVIOUS COUNCIL RESOLUTION</p> <p>At the 30 April 2024 meeting Council resolved:</p> <p>RESOLUTION ORD126/24</p> <ol style="list-style-type: none"> 1. THAT the report entitled Review of Investment Policy be received and noted. 2. THAT Council adopts the revised Investment Policy 3301.100.E.R at Attachment 2. <p style="text-align: right;">CARRIED 11/0</p>	
STRATEGIC PLAN ALIGNMENT	<p>6 Governance Framework</p> <p>6.3 Decision Making and Management</p>
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	<p>Budget/Funding: N/A</p>
LEGISLATION / POLICY CONTROLS OR IMPACTS	<p>Legislation:</p> <p>The <i>Local Government Act 2019</i>, section 194, sets out the requirements in relation to investments of money. The <i>Act</i> provides Council may, by resolution, adopt a policy for investing money that is consistent with the <i>Act</i> and <i>Guidelines</i>.</p> <p><i>Guideline 4 – Investments</i>, was repealed on 1 July 2021 and at this stage the Minister has not issued a new Guideline.</p>
CONSULTATION, ENGAGEMENT & COMMUNICATION	<p>Engagement Level: Consult</p> <p>External:</p> <p>Arlo Advisory Pty Ltd</p>
DECLARATION OF INTEREST	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>



Investment policy

Policy No. 3301.100.E.R

1 Purpose

The Investment Policy establishes the rules City of Darwin adopts in investing funds not required to meet immediate liquidity needs with the exception of trust funds.

This policy is supplemented by Investment Procedures, which are not required to be adopted by Council. The procedures form part of City of Darwin’s internal controls.

2 Scope

To invest Council’s funds with consideration of risk and at the most ~~favourable~~favorable rate of return available to it at the time for the investment type. While exercising the power to invest, consideration is to be given to preservation of capital, liquidity and the return on investment.

Primary objectives of the policy are to:

- ensure the investment portfolio is structured to provide sufficient liquidity to meet all reasonably anticipated cash flow requirements
- minimise risk of capital losses through prudent management of credit risk, diversification of investments and ensuring investments do not need to be sold in adverse market conditions incurring a capital loss on sale
- earn interest
- ensure that funds are invested in accordance with legislative requirements
- identify the range of approved and prohibited investments
- set boundaries for exposure to the risks associated with investments
- ensure that Council maintains adequate control of its investments
- establish a framework for monitoring investments
- meet, or exceed, an agreed benchmark return appropriate to the risk tolerance of Council on a long-term basis.

Section 194 of the *Local Government Act 2019* (NT) sets out the requirements of Council with respect to an Investments Policy. Specifically, Council may by resolution, adopt a policy for investing money that is consistent with this Act and the Minister’s Guidelines.

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10	ORD126/24	30 April 2024	30 April 2025
Responsible Officer: General Manager Corporate			
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3 Policy statement

3.1 Legislative framework

Local Government Act

Section 194(1) of the *Local Government Act 2019* (NT) states that ‘a council may invest money not immediately required for the purposes of the Council’.

Local government investment guidelines

Section 194(3) of the *Local Government Act 2019* (NT) states that ‘a Council may, by resolution, adopt a policy that is consistent with this Act and the Minister’s Guidelines’.

Delegation of authority

In accordance with Section 40(2) of the *Local Government Act 2019* (NT) Council has delegated the authority for implementation of the Investment Policy to the Chief Executive Officer.

In accordance with Section 168 of the *Local Government Act 2019* (NT) the Chief Executive Officer has delegated implementation and management of the Investment Policy, subject to financial limits, to the General Manager Corporate.

This policy is however subject to any instrument of delegation or variation thereto issued from time to time by the Council or Chief Executive Officer.

Prudent person rule

The prudent person rule requires officers to exercise the same care, diligence and skill that a prudent person would exercise in managing the affairs of other persons. Acting prudently applies to selecting investments and requires an individual to consider diversification, appropriateness of the product, risk and anticipated return, liquidity, independent financial advice and to have a clear understanding of the product. Under no circumstances must an individual make an investment for speculative purposes.

Ethics and conflicts of interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council’s investment portfolio. This policy requires officers to disclose any conflict of interest to the Chief Executive Officer.

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3.2 Authorised investments

Approved investments

Investments are limited to the NT Local Government legal and regulatory requirements including the Minister's Guidelines. If there is any conflict or contradiction between this policy and the legal requirements the legal requirements must prevail. The policy should be amended as soon as practicable after noting that a conflict or contradiction exists.

In addition to the legal requirements and without approval by specific resolution of Council investments are limited to:

- Local/State/Commonwealth Government Bonds, Debentures or Securities
- interest bearing securities issued by an Australian Prudential Regulation Authority, regulated authorised deposit taking institution.

All investments are subject to the Investment Limits stated in this policy.

Mandatory conditions

There are certain mandatory conditions that all investments must comply with:

- all investments must be in the name of City of Darwin. If using the services of an Investment Advisor or Broker, Council must ensure ownership is retained
- all investments must be denominated in Australian dollars
- all investments must be placed through a licensed financial services institution with a current Australian Financial Services Licence issued by the Australian Securities and Investment Commission, unless placed directly with the issuing entity whose interest-bearing securities must be compliant with the investment policy.

Prohibited investments

This policy prohibits any investment carried out for speculative purposes including:

- subordinated bank debt (all bank debt should be senior)
- derivative based instruments
- principal only investments
- standalone securities issued that have underlying futures, options, forward contracts and swaps of any kind
- shares of any kind
- investment denominated in foreign or cryptocurrencies.

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3.3 Environmental, social and governance (ESG) investing

Where financial institutions are offering equivalent investment returns with the same or similar credit rating and assessed financial risk and the investment fits within the provisions of this Investment Policy, preference will be given to placing funds with institutions identified as having the higher ESG standards which may include, but not limited to, investing with institutions not financing fossil fuel companies.

3.4 Risk management guidelines

Council is risk averse; risk aversion is the reluctance to invest in a product with a higher risk compared with a product with lower risk, but possibly lower returns. Risk can never be completely mitigated, and no investment is risk free.

This policy outlines the limits on investments that assist in mitigating risk within Council's control without unnecessary detrimental impact on investment returns.

Investments are to comply with the following key criteria:

- Credit Risk – limit overall credit exposure of the portfolio
- Counterparty Credit Risk – limit exposure to individual counterparties/ institutions' risk of default in repayment of interest and/or principal
- Diversification – setting limits to the amounts invested in a particular product (concentration risk), with a particular financial institution or government authority to reduce credit, liquidity and market risks
- Interest Rate Risk – the risk the fair market value of the investment fluctuates significantly due to changes in underlying interest rates
- Liquidity Risk – the risk council is unable to redeem the investment at a fair price within a timely period
- Market Risk – the risk the fair value or trading price of an investment will fluctuate due to changes in market conditions, including but not limited to credit, interest rate and maturity risk
- Maturity Risk – limiting of market and liquidity risk through managing individual investment maturities and timing of investment redemptions on a portfolio basis
- Grant Funding Conditions – conditions related to grant funding available to invest must be complied with.

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3.5 Investment limits

Term to maturity

The portfolio is to be invested with the following term to maturity constraints:

Maturity Band	Minimum Portfolio Exposure	Maximum Portfolio Exposure
<1 year	30%	100%
>1 year	0%	70%
>3 years	0%	30%
>5 years	0%	10%

All investments greater than 5 years must be issued by a government entity or carry a long-term rating of AA- or above from S&P (or an equivalent ratings agency) at the point of purchase or be issued by a Major Bank.

All investments rated BBB+ or below by S&P (or an equivalent ratings agency) must not have a maturity greater than 5 years at the point of purchase.

Liquidity requirements

The term of investments must also take into account Council's long term financial plan and liquidity requirements. The portfolio must be structured so that there are always sufficient funds available to meet weekly operational and capital cash requirements.

Variable loans

An evaluation must be carried out to determine whether surplus cash should be allocated towards variable loans or investments when considering new investments. The evaluation must consider the best economic benefit for City of Darwin on return on any new investments versus savings provided from offsetting variable loans.

Credit ratings

Credit ratings are a guide or standard for an investor, which indicate the ability of a debt issuer or debt issue to meet the obligations of repayment of interest and principal. Credit rating agencies such as Moody's, Standard and Poor's (S&P) and Fitch Rating make these independent assessments based on a certain set of quantitative and qualitative assessment criteria.

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Ratings in no way guarantee the investment or protect Council against investment losses. The prescribed ratings should not be misinterpreted as an implicit guarantee of the credit worthiness of investments or entities that have such ratings. Even given this challenge, ratings provide the best independent information available as to the credit risk inherent in the investments.

The following table provides a comparison of the rating equivalents between the different rating agencies:

Rating comparison table	Moody's		Standard & Poor's		Fitch	
Investment grade (credit risk level)	Long term	Short term	Long term	Short term	Long term	Short term
Highest (minimum credit risk)	Aaa	P-1 (Prime-1)	AAA	A-1+	AAA	F1+
Very high (Very low credit risk)	Aa1		AA+		AA+	
	Aa2		AA		AA	
	Aa3		AA-		AA-	
High (Low credit risk)	A1		A+	A-1	A+	F1/F1+
	A2	P-2/P-1	A		A	F1
	A3	P-2/P-1	A-	A-2	A-	F2/F1
Good (Moderate credit risk)	Baa1	P-2 (Prime-2)	BBB+		BBB+	F2
	Baa2	P-3/P-2	BBB		BBB+	F3/F2
	Baa3	P-3 (Prime-3)	BBB-	A-3	BBB-	F3

To limit overall credit exposure of the portfolio, Council has placed the following limits on portfolio credit ratings:

Credit rating (S&P or equivalent)	Maximum total investments
AAA to AA- (or major bank senior debt) and below	100%
A+ to A-	60%
BBB+ to BBB	30%

Major Banks for the purpose of this policy are defined as ANZ, CBA, NAB, Westpac and their wholly owned and guaranteed subsidiaries. Council is not permitted to purchase an investment with a credit rating lower than 'BBB'. In the event an investment is rated by S&P and another ratings agency (either Fitch or Moody's) the S&P rating will apply in the first instance to prevent "ratings arbitrage" between ratings agencies.

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Policy breaches and 'grandfathering'

If any investment is made in breach to this investment policy, that instrument will be divested as soon as it is practical (taking into account the costs and benefits of doing so). This will also apply to any investment that is downgraded and as a result no longer falls within the policy guidelines.

Any investment purchased when compliant with the investment policy may be held to maturity or sold as Council believes best, dependent on the individual circumstances, so long as the risk management strategy for the investment is in accordance with the principles of the Investment Guidelines as above, the prevailing legislation and the prudent person principles.

Specifically, Grandfathering will apply to any investment that:

- was made ineligible by a previous change to the external legislation if that change allows for grandfathering
- is made ineligible as a result of a change to this investment policy
- is in breach of the investment policy due to a change of circumstance. (e.g. because the investment has been downgraded or has had its credit rating withdrawn post purchase)
- due to a change of portfolio size or composition (e.g. because the overall portfolio size has decreased and as a result the percentage of total portfolio limit which applies to individual remaining investments increases and therefore causes a breach)".

Individual counterparty credit framework (diversification)

The individual credit guidelines to be adopted will be based on the Standard and Poor's (S&P) ratings system criteria (or Moody's / Fitch equivalent if an S&P rating is not available). The maximum available limits in each rating category are as follows:

Credit rating	Maximum individual limit
Federal Government	100%
AAA to AA- (or Major Bank Senior Debt or State or Territory Government)	50%
A+ to A-	30%
BBB+ to BBB	10%

For the purposes of this policy any surplus funds placed against variable loans that are able to be drawn at the discretion of Council are excluded from Councils investment portfolio holdings and individual counterparty limits.

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3.6 Administration of policy

Investment register

Council must keep an ~~up-to-date~~up-to-date Investment Register supported by appropriate documentary evidence for each investment held.

For external audit purposes, certificates must be obtained from the financial institutions confirming the investments held on the Council’s behalf as at 30 June each year and reconciled to the Investment Register.

Reporting

A monthly investment report will be provided to Council containing the following:

- list of investments by financial institution
- total cash and investments held
- percentage exposure to individual financial institutions
- adherence to the investment limits set in this policy
- investment portfolio performance against established benchmarks, including budget.

Benchmark

The performance of the investment portfolio shall be compared to the Bloomberg Ausbond Bank Bill Index (Bank Bill Index) as quoted at the end of each month.

Variations to policy

The Chief Executive Officer is authorised to approve temporary variations to the policy if required by legislative changes. All changes to the policy will be reported to Council within 30 days. All other variations to the policy are required to be authorised by Council.

Investment procedures

The Investment Procedures supplement this policy and define the procedures that officers must adhere to when managing investments including, but not limited to, authorisation, placement, redemption and reinvestment.

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Quotation for purchase and sale of investments

The investing officer must satisfy themselves that they are obtaining a fair market price for all investments made at all times. This may be accomplished by obtaining three (3) independent quotes from reputable market makers where the investment is widely traded or where it is not widely traded by reference to other similar instruments that are traded in the ~~market place~~marketplace.

If this is not possible or impractical, the investing officer can rely on representations made by an Independent Advisor with no conflicts of interest regarding the purchase or sale of the investment.

For the avoidance of doubt the investing officer must not ~~rely~~rely on ~~or~~ representations made by the buyer, seller or broker or any other person with a potential conflict of interest or pecuniary interest in the buying or selling transaction.

Investment strategy

On a monthly basis and in conjunction with this Investment Policy, an Investment Strategy will be formulated and included in the monthly reports from the Investment Advisor, taking into consideration the following:

- council's cash flow requirements and implications for the portfolio liquidity profile.
- allocation of investment types, credit quality, counterparty exposure and term to maturity
- current and projected market conditions and any likely impacts on relative positioning in terms of the portfolio and any necessary policy implications
- relative return outlook; risk-reward considerations; assessment of the market cycle and hence constraints on risk
- appropriateness of overall investment types for Council's portfolio
- projected investment portfolio size for the forthcoming year.

Safe custody

All investments must be settled and held directly in safe custody or via Council's Austraclear account to be maintained by Council as an associate member of Austraclear and operated by Council's Austraclear proxy provider.

Investment advisor

Independent investment advice should be obtained on a regular basis in relation to Council's policy, strategy and tactics.

The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

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The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commission or other benefits in relation to the investments being recommended or reviewed. Any commissions or other fees available to the advisor and which the advisor receives must be rebated in full to Council.

Investment advisor performance assessment

Investment Advisor performance may be measured annually by returns on the investment portfolio net of fees when compared with likely performance of the investment portfolio without external advice.

The Council can enter into a biennial contractual arrangement with the Investment Advisor with the Council having an option to renew for a further two years.

In renewing the contractual arrangement, the Council should also take into account the risks taken to achieve the returns and any other services the Investment Advisor may provide such as reporting, valuations, assistance with audit requirements, current market information and alerts all of which have an indirect benefit to Council in saving internal resources such as staff time.

Trading policy

Council will make every effort and will undertake cash flow forecasting to match investment maturities to cash flow requirements to minimise liquidation of investments prior to scheduled maturities and any associated penalties either explicit in the form of break costs or implicit in terms of broker fees, market spreads and potential loss of capital caused by selling at a value less than the ultimate redemption price.

Investments will be acquired with the intention of holding them to maturity, and cash liquidity requirements will be managed to ensure that Council avoids a situation which will require a forced sale of these assets in normal circumstances.

However, if Investment Policy Limits have been breached due to a change in the overall size of the investment portfolio, external or internal changes to investment policy parameters or for any other reason, then investments may be sold prior to maturity. Under these situations Council has the authority to make the necessary arrangements to withdraw from the investment as soon as practicable.

Council may also sell assets prior to maturity in the following circumstances:

- If the asset is liquid, easily tradeable, can be sold without significant loss and was purchased as part of a “liquidity buffer” against the event of unforeseen and unexpected liquidity requirements.
- Securities such as floating rate notes (FRN) and fixed bonds hold an advantage of being “liquid” compared to other complying investments such as term deposits which are illiquid. These securities can be sold to third parties and incur no ‘break fees’ (unlike term deposits when sold prior to maturity). They are however susceptible to mark-to market valuations so if sold prior to maturity they can incur a capital gain or a capital loss. Notwithstanding that Council will not adopt in an active

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trading strategy, FRN's can also be sold prior to maturity if it is deemed a beneficial capital gain and only on the recommendation of Councils Investment Advisor.

- If Council judges the asset has deteriorated in credit quality and there is a material risk of further market price deterioration or ultimate default if it continues to held and Council, upon seeking external advice from a competent and reputable advisor, is advised that a sale of the asset is in the best interests of Council for risk management purposes to potentially minimise any future losses.

Council will not view maximum and minimum allocations in investment categories as 'target' allocations. The portfolio should in normal circumstances be operated with a degree of margin around any policy restrictions."

Trust funds

Trust funds are excluded from this policy.

4 Definitions

Counterparty refers to the other individual or institution to an agreement or contract.

5 Legislative references

Local Government Act 2019 (NT)

Local Government (General) Regulations 2021 (NT)

Guidelines pursuant to the Act

Australian Accounting Standards

6 Procedures / related documents

Procedure - FIN04.01 - Investments End of Month

Procedure - FIN04.05 - Investments Report to Council

Procedure - FIN04.07 - New Investments, Rollovers & Redemptions

7 Responsibility / application

The General Manager Corporate is responsible for ensuring that this policy is understood and adhered to by all Council staff.

This policy will be reviewed ~~annually~~ bi-annually or more often as required.

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Investment policy

Policy No. 3301.100.E.R

1 Purpose

The Investment Policy establishes the rules City of Darwin adopts in investing funds not required to meet immediate liquidity needs with the exception of trust funds.

This policy is supplemented by Investment Procedures, which are not required to be adopted by Council. The procedures form part of City of Darwin’s internal controls.

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To invest Council’s funds with consideration of risk and at the most favorable rate of return available to it at the time for the investment type. While exercising the power to invest, consideration is to be given to preservation of capital, liquidity and the return on investment.

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Approved investments

Investments are limited to the NT Local Government legal and regulatory requirements including the Minister's Guidelines. If there is any conflict or contradiction between this policy and the legal requirements the legal requirements must prevail. The policy should be amended as soon as practicable after noting that a conflict or contradiction exists.

In addition to the legal requirements and without approval by specific resolution of Council investments are limited to:

- Local/State/Commonwealth Government Bonds, Debentures or Securities
- interest bearing securities issued by an Australian Prudential Regulation Authority, regulated authorised deposit taking institution.

All investments are subject to the Investment Limits stated in this policy.

Mandatory conditions

There are certain mandatory conditions that all investments must comply with:

- all investments must be in the name of City of Darwin. If using the services of an Investment Advisor or Broker, Council must ensure ownership is retained
- all investments must be denominated in Australian dollars
- all investments must be placed through a licensed financial services institution with a current Australian Financial Services Licence issued by the Australian Securities and Investment Commission, unless placed directly with the issuing entity whose interest-bearing securities must be compliant with the investment policy.

Prohibited investments

This policy prohibits any investment carried out for speculative purposes including:

- subordinated bank debt (all bank debt should be senior)
- derivative based instruments
- principal only investments
- standalone securities issued that have underlying futures, options, forward contracts and swaps of any kind
- shares of any kind
- investment denominated in foreign or cryptocurrencies.

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3.3 Environmental, social and governance (ESG) investing

Where financial institutions are offering equivalent investment returns with the same or similar credit rating and assessed financial risk and the investment fits within the provisions of this Investment Policy, preference will be given to placing funds with institutions identified as having the higher ESG standards which may include, but not limited to, investing with institutions not financing fossil fuel companies.

3.4 Risk management guidelines

Council is risk averse; risk aversion is the reluctance to invest in a product with a higher risk compared with a product with lower risk, but possibly lower returns. Risk can never be completely mitigated, and no investment is risk free.

This policy outlines the limits on investments that assist in mitigating risk within Council's control without unnecessary detrimental impact on investment returns.

Investments are to comply with the following key criteria:

- Credit Risk – limit overall credit exposure of the portfolio
- Counterparty Credit Risk – limit exposure to individual counterparties/ institutions' risk of default in repayment of interest and/or principal
- Diversification – setting limits to the amounts invested in a particular product (concentration risk), with a particular financial institution or government authority to reduce credit, liquidity and market risks
- Interest Rate Risk – the risk the fair market value of the investment fluctuates significantly due to changes in underlying interest rates
- Liquidity Risk – the risk council is unable to redeem the investment at a fair price within a timely period
- Market Risk – the risk the fair value or trading price of an investment will fluctuate due to changes in market conditions, including but not limited to credit, interest rate and maturity risk
- Maturity Risk – limiting of market and liquidity risk through managing individual investment maturities and timing of investment redemptions on a portfolio basis
- Grant Funding Conditions – conditions related to grant funding available to invest must be complied with.

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3.5 Investment limits

Term to maturity

The portfolio is to be invested with the following term to maturity constraints:

Maturity Band	Minimum Portfolio Exposure	Maximum Portfolio Exposure
<1 year	30%	100%
>1 year	0%	70%
>3 years	0%	30%
>5 years	0%	10%

All investments greater than 5 years must be issued by a government entity or carry a long-term rating of AA- or above from S&P (or an equivalent ratings agency) at the point of purchase or be issued by a Major Bank.

All investments rated BBB+ or below by S&P (or an equivalent ratings agency) must not have a maturity greater than 5 years at the point of purchase.

Liquidity requirements

The term of investments must also take into account Council's long term financial plan and liquidity requirements. The portfolio must be structured so that there are always sufficient funds available to meet weekly operational and capital cash requirements.

Variable loans

An evaluation must be carried out to determine whether surplus cash should be allocated towards variable loans or investments when considering new investments. The evaluation must consider the best economic benefit for City of Darwin on return on any new investments versus savings provided from offsetting variable loans.

Credit ratings

Credit ratings are a guide or standard for an investor, which indicate the ability of a debt issuer or debt issue to meet the obligations of repayment of interest and principal. Credit rating agencies such as Moody's, Standard and Poor's (S&P) and Fitch Rating make these independent assessments based on a certain set of quantitative and qualitative assessment criteria.

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Ratings in no way guarantee the investment or protect Council against investment losses. The prescribed ratings should not be misinterpreted as an implicit guarantee of the credit worthiness of investments or entities that have such ratings. Even given this challenge, ratings provide the best independent information available as to the credit risk inherent in the investments.

The following table provides a comparison of the rating equivalents between the different rating agencies:

Rating comparison table	Moody's		Standard & Poor's		Fitch	
Investment grade (credit risk level)	Long term	Short term	Long term	Short term	Long term	Short term
Highest (minimum credit risk)	Aaa	P-1 (Prime-1)	AAA	A-1+	AAA	F1+
Very high (Very low credit risk)	Aa1		AA+		AA+	
	Aa2		AA		AA	
	Aa3		AA-		AA-	
High (Low credit risk)	A1		A+	A-1	A+	F1/F1+
	A2	P-2/P-1	A		A	F1
	A3	P-2/P-1	A-	A-2	A-	F2/F1
Good (Moderate credit risk)	Baa1	P-2 (Prime-2)	BBB+		BBB+	F2
	Baa2	P-3/P-2	BBB		BBB+	F3/F2
	Baa3	P-3 (Prime-3)	BBB-	A-3	BBB-	F3

To limit overall credit exposure of the portfolio, Council has placed the following limits on portfolio credit ratings:

Credit rating (S&P or equivalent)	Maximum total investments
AAA to AA- (or major bank senior debt) and below	100%
A+ to A-	60%
BBB+ to BBB	30%

Major Banks for the purpose of this policy are defined as ANZ, CBA, NAB, Westpac and their wholly owned and guaranteed subsidiaries. Council is not permitted to purchase an investment with a credit rating lower than 'BBB'. In the event an investment is rated by S&P and another ratings agency (either Fitch or Moody's) the S&P rating will apply in the first instance to prevent "ratings arbitrage" between ratings agencies.

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Policy breaches and 'grandfathering'

If any investment is made in breach to this investment policy, that instrument will be divested as soon as it is practical (taking into account the costs and benefits of doing so). This will also apply to any investment that is downgraded and as a result no longer falls within the policy guidelines.

Any investment purchased when compliant with the investment policy may be held to maturity or sold as Council believes best, dependent on the individual circumstances, so long as the risk management strategy for the investment is in accordance with the principles of the Investment Guidelines as above, the prevailing legislation and the prudent person principles.

Specifically, Grandfathering will apply to any investment that:

- was made ineligible by a previous change to the external legislation if that change allows for grandfathering
- is made ineligible as a result of a change to this investment policy
- is in breach of the investment policy due to a change of circumstance. (e.g. because the investment has been downgraded or has had its credit rating withdrawn post purchase)
- due to a change of portfolio size or composition (e.g. because the overall portfolio size has decreased and as a result the percentage of total portfolio limit which applies to individual remaining investments increases and therefore causes a breach)".

Individual counterparty credit framework (diversification)

The individual credit guidelines to be adopted will be based on the Standard and Poor's (S&P) ratings system criteria (or Moody's / Fitch equivalent if an S&P rating is not available). The maximum available limits in each rating category are as follows:

Credit rating	Maximum individual limit
Federal Government	100%
AAA to AA- (or Major Bank Senior Debt or State or Territory Government)	50%
A+ to A-	30%
BBB+ to BBB	10%

For the purposes of this policy any surplus funds placed against variable loans that are able to be drawn at the discretion of Council are excluded from Council's investment portfolio holdings and individual counterparty limits.

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3.6 Administration of policy

Investment register

Council must keep an up-to-date Investment Register supported by appropriate documentary evidence for each investment held.

For external audit purposes, certificates must be obtained from the financial institutions confirming the investments held on the Council’s behalf as at 30 June each year and reconciled to the Investment Register.

Reporting

- A monthly investment report will be provided to Council containing the following:
- list of investments by financial institution
 - total cash and investments held
 - percentage exposure to individual financial institutions
 - adherence to the investment limits set in this policy
 - investment portfolio performance against established benchmarks, including budget.

Benchmark

The performance of the investment portfolio shall be compared to the Bloomberg Ausbond Bank Bill Index (Bank Bill Index) as quoted at the end of each month.

Variations to policy

The Chief Executive Officer is authorised to approve temporary variations to the policy if required by legislative changes. All changes to the policy will be reported to Council within 30 days. All other variations to the policy are required to be authorised by Council.

Investment procedures

The Investment Procedures supplement this policy and define the procedures that officers must adhere to when managing investments including, but not limited to, authorisation, placement, redemption and reinvestment.

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Quotation for purchase and sale of investments

The investing officer must satisfy themselves that they are obtaining a fair market price for all investments made at all times. This may be accomplished by obtaining three (3) independent quotes from reputable market makers where the investment is widely traded or where it is not widely traded by reference to other similar instruments that are traded in the marketplace.

If this is not possible or impractical, the investing officer can rely on representations made by an Independent Advisor with no conflicts of interest regarding the purchase or sale of the investment.

For the avoidance of doubt the investing officer must not rely on representations made by the buyer, seller or broker or any other person with a potential conflict of interest or pecuniary interest in the buying or selling transaction.

Investment strategy

On a monthly basis and in conjunction with this Investment Policy, an Investment Strategy will be formulated and included in the monthly reports from the Investment Advisor, taking into consideration the following:

- council's cash flow requirements and implications for the portfolio liquidity profile.
- allocation of investment types, credit quality, counterparty exposure and term to maturity
- current and projected market conditions and any likely impacts on relative positioning in terms of the portfolio and any necessary policy implications
- relative return outlook; risk-reward considerations; assessment of the market cycle and hence constraints on risk
- appropriateness of overall investment types for Council's portfolio
- projected investment portfolio size for the forthcoming year.

Safe custody

All investments must be settled and held directly in safe custody or via Council's Austraclear account to be maintained by Council as an associate member of Austraclear and operated by Council's Austraclear proxy provider.

Investment advisor

Independent investment advice should be obtained on a regular basis in relation to Council's policy, strategy and tactics.

The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

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The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commission or other benefits in relation to the investments being recommended or reviewed. Any commissions or other fees available to the advisor and which the advisor receives must be rebated in full to Council.

Investment advisor performance assessment

Investment Advisor performance may be measured annually by returns on the investment portfolio net of fees when compared with likely performance of the investment portfolio without external advice.

The Council can enter into a biennial contractual arrangement with the Investment Advisor with the Council having an option to renew for a further two years.

In renewing the contractual arrangement, the Council should also take into account the risks taken to achieve the returns and any other services the Investment Advisor may provide such as reporting, valuations, assistance with audit requirements, current market information and alerts all of which have an indirect benefit to Council in saving internal resources such as staff time.

Trading policy

Council will make every effort and will undertake cash flow forecasting to match investment maturities to cash flow requirements to minimise liquidation of investments prior to scheduled maturities and any associated penalties either explicit in the form of break costs or implicit in terms of broker fees, market spreads and potential loss of capital caused by selling at a value less than the ultimate redemption price.

Investments will be acquired with the intention of holding them to maturity, and cash liquidity requirements will be managed to ensure that Council avoids a situation which will require a forced sale of these assets in normal circumstances.

However, if Investment Policy Limits have been breached due to a change in the overall size of the investment portfolio, external or internal changes to investment policy parameters or for any other reason, then investments may be sold prior to maturity. Under these situations Council has the authority to make the necessary arrangements to withdraw from the investment as soon as practicable.

Council may also sell assets prior to maturity in the following circumstances:

- If the asset is liquid, easily tradeable, can be sold without significant loss and was purchased as part of a "liquidity buffer" against the event of unforeseen and unexpected liquidity requirements.
- Securities such as floating rate notes (FRN) and fixed bonds hold an advantage of being "liquid" compared to other complying investments such as term deposits which are illiquid. These securities can be sold to third parties and incur no 'break fees' (unlike term deposits when sold prior to maturity). They are however susceptible to mark-to market valuations so if sold prior to maturity they can incur a capital gain or a capital loss. Notwithstanding that Council will not adopt in an active

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trading strategy, FRN's can also be sold prior to maturity if it is deemed a beneficial capital gain and only on the recommendation of Councils Investment Advisor.

- If Council judges the asset has deteriorated in credit quality and there is a material risk of further market price deterioration or ultimate default if it continues to held and Council, upon seeking external advice from a competent and reputable advisor, is advised that a sale of the asset is in the best interests of Council for risk management purposes to potentially minimise any future losses.

Council will not view maximum and minimum allocations in investment categories as 'target' allocations. The portfolio should in normal circumstances be operated with a degree of margin around any policy restrictions."

Trust funds

Trust funds are excluded from this policy.

4 Definitions

Counterparty refers to the other individual or institution to an agreement or contract.

5 Legislative references

Local Government Act 2019 (NT)

Local Government (General) Regulations 2021 (NT)

Guidelines pursuant to the Act

Australian Accounting Standards

6 Procedures / related documents

Procedure - FIN04.01 - Investments End of Month

Procedure - FIN04.05 - Investments Report to Council

Procedure - FIN04.07 - New Investments, Rollovers & Redemptions

7 Responsibility / application

The General Manager Corporate is responsible for ensuring that this policy is understood and adhered to by all Council staff.

This policy will be reviewed bi-annually or more often as required.

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6.2 MONTHLY FINANCIAL REPORTS: SEPTEMBER TO DECEMBER 2024

Author: Executive Manager Finance

Authoriser: General Manager Corporate

Attachments:

1. **Monthly Financial Report - September 2024** [↓](#)
2. **Monthly Financial Report - October 2024** [↓](#)
3. **Monthly Financial Report - November 2024** [↓](#)
4. **Monthly Financial Report - December 2024** [↓](#)

RECOMMENDATIONS

THAT the report entitled Monthly Financial Reports: September to December 2024 be received and noted.

PURPOSE

The purpose of this report is to provide the Monthly Financial Reports to the Risk Management and Audit Committee.

KEY ISSUES

- At the Risk Management and Audit Committee meeting held 17 June 2022, Council Officers committed to provide to the RMAC Committee the Monthly Financial Reports, as tabled at Ordinary Council.
- Monthly Financial Reports for the months of September 2024 (**Attachment 1**), October 2024 (**Attachment 2**), November 2024 (**Attachment 3**) and December 2024 (**Attachment 4**) are provided.
- Monthly Financial Reports have now been included in the RMAC Report Schedule on an ongoing basis.

DISCUSSION

The Monthly Financial Reports are presented to Council at the Ordinary Council meeting following the period reports relate to and provide a summary and discussion of the financial position of Council for each period. If a Council meeting is not held in a month the report is circulated to Elected Members and placed on Councils website.

Summary of key results the period September to December 2024

- Monthly Financial Reports are at a point in time.
- December YTD 2024 Operating surplus of \$4.0M against budgeted YTD deficit of \$4.7M; a favourable variance of \$8.8M.
- The favourable operational variance is a result of a positive surplus in income of \$5.1M and operational expenses of \$3.7M. Variances result from operations at Shoal Bay Waste Management Facility, higher interest income recognised, timing and savings in employee expenses and savings in interest expenses.
- Capital expenditure of \$10M against YTD budget of \$35M; YTD variance mainly relates to timing of Civic Centre & Parking Redevelopment project.
- Proceeds from borrowings relate to the execution and drawdown of \$6M for Shoal Bay Waste Management Facility Stage 2 Expansion Phase 1 project in September 2024.
- Repayment of borrowings disclose principal repayments on external loans YTD and the closure of \$7.5M loan facility undertaken for the Casuarina Aquatic Centre Leisure Centre in November 2024.
- Cash and Investments balance of \$136.7M; \$98.8M restricted reserve cash and \$30.3M placed against variable loan offsets.

PREVIOUS COUNCIL RESOLUTION

N/A

STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.4 Accountability
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	Budget/Funding: N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	Legislation: N/A Policy: N/A
CONSULTATION, ENGAGEMENT & COMMUNICATION	Engagement Level: Inform Tactics: Monthly Financial Reports are provided to Council at the 2 nd Ordinary Council meeting for the proceeding period. Monthly Financial Reports are in the Open Agenda for public disclosure.

DECLARATION OF INTEREST	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>
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15 RECEIVE & NOTE REPORTS**15.1 INTERIM MONTHLY FINANCIAL REPORT - SEPTEMBER 2024**

Author: Executive Manager Finance
Acting Executive Manager Corporate and Customer Services

Authoriser: General Manager Corporate

Attachments: 1. Interim Monthly Financial Report - September 2024 [↓](#)

RECOMMENDATIONS

THAT the report entitled Interim Monthly Financial Report – September 2024 be received and noted.

PURPOSE

The purpose of this report is to provide a summary of the interim financial position of Council for the period ended 30 September 2024.

Further, this report and the contents are required to be presented to Council in compliance with the *Local Government (General) Regulations 2021*.

KEY ISSUES

The Monthly Financial Report includes:

- Provisional Income Statement, which compares actual YTD income and expenditure against YTD budget.
- Provisional Fund Flow Statement (Monthly Operating Position), which outlines the effect on General Funds.
- Provisional Statement of Financial Position (Balance Sheet), which outlines what Council owns (assets) and what it owes (liabilities) at a point in time.
- Provisional Notes to the Balance Sheet, this includes further details on the Cash Balance, Trade Debtors, Trade Creditors, and a statement on Council's current payment and reporting obligations.
- Investments, which provides details of treasury activities, investments as at month end.
- Rates and Receivables Report which provides a summary of outstanding rates and debtors.
- Procurement Reporting, which is a summary of contract variations and exempt procurement.
- Provisional Capital Expenditure and Funding, which compares YTD capital expenditure and funding against YTD budget.
- Provisional Planned Major Projects Capital Works, provides a high-level financial overview of our major projects at a point in time.

DISCUSSION**September 2024 – Interim Year to Date Result**

The year-to-date operating result until 30 September 2024 is a **surplus of \$1.1M compared to a YTD Budgeted deficit of \$1.6M** as highlighted in the table below.

Including capital income results in a favourable **\$2.99M** variance overall (as shown in the income statement).

	Actual \$'000	Budget \$'000	Variance \$'000
Operating Surplus/ (Deficit)	1,126	(1,611)	2,737 Favourable

Commentary

The 30 June 2024 Annual Financial Statements Audit is in progress and therefore the Annual Financial Statements are not considered final. Audit and other adjustments will be considered and processed as required.

Please find below additional commentary for the material variances.

Income**Total Operating Income is tracking above budget by \$2.2M**

Total Operating Income results in a positive surplus of \$2.2M compared to budget. The variance mainly relates to User Fees & Charges which is tracking above expectation for September with income at Shoal Bay Waste Management Facility exceeding YTD budgets. Statutory charges which include animal registration fees and works permits on road reserves are also tracking higher YTD. Operating grants are below budget due to the anticipated timing of the Public Library funding grant.

Expenditure**Total Expenses are above budget by \$0.50M.**

Materials & Contract expenses has an annual budget of \$63.6M and this incorporates various expenditure types. Combined this budget line has exceeded budget by \$0.80M, primarily due to expenditure at the Shoal Bay Waste Management Facility (offset by income) and trending higher water charges in Parks & Reserves. Interest Expenses provide a YTD savings with loan offsets utilised against the variable loans.

Statement of Fund Flows

The variances are related to a mismatch in the timing of projects and budget profiles, and the reasons described above under operating statement commentary. Capital expenditure and Transfers from Reserves relates to timing of capital projects.

Cash and Investments Note A

City of Darwin has achieved 4.98% on weighted average interest rate on its end of month cash and investment portfolio of \$90.01M (excluding loan offset \$37.2M). There have been no investment policy breaches in this month.

The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Ordinary Council Meeting Agenda

29 October 2024

Treasury Comment

The RBA met on 24 September 2024 and the Board decided to leave the cash rate on hold at 4.35% with inflation remaining above target and proving 'persistent' and ongoing strength in the labour market.

During October, the average deposit rates offered by the major banks dropped 6 -9bp in the short end compared to where they were in the month of September.

Accounts Receivable (Trade Debtors) Note B

This section considers the receipt timing of Rates collection and any general Debtors outstanding. The report also includes information on aged debtors including general debtors, infringements, and Rates arrears.

Accounts Payable (Trade Creditors) Note C

Accounts Payable owing at end of month was \$3.3M at the time of reporting. City of Darwin recognises the liability of invoices once goods are receipted as received.

June 2024 – Audited General Purpose Financial Statements

The 30 June 2024 Financial Statements Audit is in progress, any audit year-end adjustments are still being considered and processed as required. The monthly financial reports will be issued as interim until the audit is concluded.

Procurement Reporting

Under the Local Government (General) Regulations, Council is required to disclose at the next Council meeting and on the City of Darwin website:

- contract variations:
 - where a tender was not required, however the total cost exceeds \$100,000, or
 - where a contract requiring a tender is varied by 10%.
- exempt procurement greater than \$100,000

Contract Variations

There were no reportable contract variations for September 2024.

Exempt Procurement

Vendor	Supply	Cost	Applicable Exemption
Department of Infrastructure Planning and Logistics	Valuation services	\$134,720.91	Reg 39(1)(a) from the Territory, the Commonwealth, a State or another Territory
InfoTrust	Annual CrowdStrike software licence	\$173,954.20	Reg 38(1)(d) renewal of an existing licence

Ordinary Council Meeting Agenda

29 October 2024

<u>Certification by the CEO to the Council</u> That, to the best of the CEO's knowledge, information and belief: (1) The internal controls implemented by the council are appropriate; and (2) The council's financial report best reflects the financial affairs of the council. <i>J. Saunders</i> CEO Signed 24/10/2024	
PREVIOUS COUNCIL RESOLUTION N/A	
STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.3 Decision Making and Management
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that a monthly financial report is presented to Council each month setting out: (a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and (b) the most recently adopted annual budget; and (c) details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget. Regulation 17(5) Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that the monthly report must be accompanied by: (a) a certification, in writing, by the CEO to the council that, to the best of the CEO's knowledge, information and belief: (i) the internal controls implemented by the council are appropriate; and (ii) the council's financial report best reflects the financial affairs of the council; or (b) if the CEO cannot provide the certification – written reasons for not providing the certification. The report is compliant with the requirements of the <i>Local Government Act 2019</i> and <i>Local Government (General) Regulations 2021</i> .
CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	The report author does not have a conflict of interest in relation to this matter. The report authoriser does not have a conflict of interest in relation to this matter.

Ordinary Council Meeting Agenda

29 October 2024

	If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).
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Income Statement For the Period Ended 30 September 2024	2024/25				
	Sep-24			FY	
	YTD Actual	YTD Revised Budget	Variance	Revised Budget	
	\$'000	\$'000	\$'000	\$'000	
<u>Operating Income</u>					
Rates	19,889 52%	19,649 55%	240	78,595	
Charges	2,503 7%	2,469 7%	34	9,876	
Statutory Charges	1,052 3%	631 2%	421	2,539	
User Fees and Charges	9,302 24%	7,199 20%	2,103	28,337	
Operating Grants and Subsidies	4,332 11%	4,650 13%	(318)	6,551	
Interest / Investment Income	826 2%	878 2%	(52)	3,513	
Commercial & Other Income	276 1%	467 1%	(191)	2,377	
Total Income	38,180	35,943	2,237	131,790	
<u>Operating Expenses</u>					
Employee Expenses	10,079 27%	10,706 29%	627	42,820	
Materials, Contracts & Services	18,410 50%	17,607 47%	(803)	63,625	
Elected Member Allowances	164 0%	175 0%	11	800	
Elected Member Expenses	0 0%	3 0%	3	12	
Council Committee Allowances	2 0%	2 0%	-	10	
Depreciation, Amortisation & Impairment	8,198 22%	8,131 22%	(67)	32,524	
Interest Expenses	201 1%	930 2%	729	3,722	
Total Expenses	37,054	37,554	500	143,514	
Budgeted Operating Surplus/ (Deficit)	1,126	(1,611)	2,737	(11,724)	
Capital Grants Income	381	125	256	10,804	
Net Surplus/(Deficit)	1,507	(1,486)	2,993	(920)	

Statement of Fund Flows Monthly Statement of Operating Position For the Period Ended 30 September 2024	2024/25			
	Sep-24			FY Revised Budget \$'000
	YTD Actual \$'000	YTD Revised Budget \$'000	Variance \$'000	
Net Operating Result from Income Statement	1,126	(1,611)	2,737	(11,724)
<u>Add Non Cash Items</u>				
Add back depreciation (not cash)	8,198	8,131	67	32,524
Add back Other Non Cash Items	0	0	0	1,402
Total Non Cash Items	8,198	8,131	67	33,926
<u>Less Additional Outflows</u>				
Repayment of borrowings & advances	1,411	1,411	0	(4,422)
Capital Expenditure	(3,271)	(15,294)	12,023	(85,739)
Total Additional Outflows	(1,860)	(13,883)	12,023	(90,161)
<u>Add Additional Inflows</u>				
Add Capital Grants	381	125	256	10,804
Sale of Infrastructure, Property, Plant & Equipment	2	126	(124)	500
Proceeds from borrowings & advances	6,000	6,000	0	6,000
Transfers from/(to) Reserves	(5,251)	1,112	(6,363)	50,655
Total Additional Inflows	1,132	7,363	(6,231)	67,959
Net Increase (-Decrease) in Funds	8,596	0	8,596	0

Statement of Financial Position
as at 30 September 2024

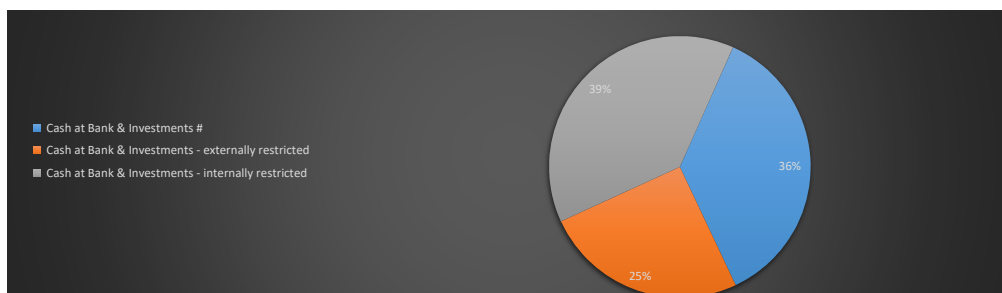
Statement of Financial Position as at 30 September 2024	2024/25			
	Sep-24		FY	FY
	Actual	Note	Revised Budget	Original Budget
	\$'000		\$'000	\$'000
Current Assets				
Cash at Bank & Investments	51,347	A	17,482	17,482
Cash at Bank & Investments - externally restricted	35,582	A	21,631	19,753
Cash at Bank & Investments - internally restricted	54,424	A	12,469	11,829
Trade & Other Receivables	6,583	B	15,770	15,770
Rates & Charges Receivables	64,064	B	0	0
Inventories	268		300	300
Total Current Assets	212,267		67,652	65,134
Non-Current Assets				
Infrastructure, Property, Plant and Equipment	1,253,438		1,293,686	1,293,686
Total Non Current Assets	1,253,438		1,293,686	1,293,686
Total Assets	1,465,705		1,361,337	1,358,819
Current Liabilities				
Trade Payables & Other Payables	3,025	C	21,438	21,438
Accruals	9,634		0	0
ATO & Payroll Liabilities	247	D	0	0
Rates Revenue struck (in advance)	66,161		0	0
Borrowings	11,471		4,974	4,974
Provisions	6,795		7,583	7,583
Lease Liabilities	951		979	979
Total Current Liabilities	98,285		34,974	34,974
Non-Current Liabilities				
Trade & Other Payables	10		0	0
Borrowings	50,994		46,925	46,925
Provisions	50,236		56,784	56,784
Lease Liabilities	1,460		571	571
Total Non Current Liabilities	102,700		104,280	104,280
Total Liabilities	200,985		139,252	139,252
NET ASSETS	1,264,720		1,222,085	1,219,567
Equity				
Accumulated Surplus	307,416		325,857	325,857
Asset Revaluation Reserve	867,298		862,128	862,128
Other Reserves	90,006		34,100	31,582
TOTAL EQUITY	1,264,720		1,222,085	1,219,567

*Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the reports were completed. The 30 June 2024 Financial Statements Audit is in progress, any year-end adjustments are still being considered and processed as required. The monthly financial reports are issued as interim until the audit is concluded.

**Monthly Balance Sheet Report (Notes to the Balance Sheet)
as at 30 September 2024**
Note A. Details of Cash and Investments Held

Investments Report attached, which provides details of treasury activities, investments as at the end of the Month. City of Darwin has achieved 3.52% on weighted average interest rate on its September 2024 cash and investment portfolio of \$139.7M (including \$37.2M Variable Loans Surplus/Offset). There have been no investment policy breaches in this month. The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Cash at Bank & Investments	\$'000
Cash at Bank & Investments #	51,347
Cash at Bank & Investments - externally restricted	35,582
Cash at Bank & Investments - internally restricted	54,424
Total Cash at Bank & Investments	141,353



Cash at Bank & Investments includes Cash on Call of \$37.5M

Note B. Statement of Trade Debtors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total *
Rates & Charges Debtors	\$ 59,677,702	\$0	\$0	\$4,386,135	\$64,063,837
Other Trade Receivables and Other Receivables	\$ 3,495,572	\$2,414,663	\$362,422	\$310,031	\$6,582,689
Total Trade and Other Receivables	\$ 63,173,274	\$2,414,663	\$362,422	\$4,696,166	\$ 70,646,526

Note C. Statement on Trade Creditors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total*
General Trade Creditors	-\$2,763,119	-\$214,064	-\$25,493	-\$22,503	-\$3,025,179
ATO & Payroll Liabilities	-\$247,057	\$0	\$0	\$0	-\$247,057
Total Trade and Other Payables	-\$3,010,176	-\$214,064	-\$25,493	-\$22,503	-\$3,272,236

Note D. Statement on Australian Tax Office (ATO) and Payroll Obligations

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month September 2024.

* Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

Table 4. Member and CEO Council Credit Card Transactions for the Month
For the Month Ended 30 September 2024

Cardholder Name: CEO

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
	-	Nil	
Total	-		

Cardholder Name: Lord Mayor

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
02-Sep-24	0.56	INTNL TRANSACTION FEE	To be charged back to Lord Mayor - mistakenly charged to CoD cc
02-Sep-24	22.35	UBER *TRIP HELP.UBER.CONH ##0924 511.40 TURKISH LIRA	To be charged back to Lord Mayor - mistakenly charged to CoD cc
02-Sep-24	0.20	INTNL TRANSACTION FEE	To be charged back to Lord Mayor - mistakenly charged to CoD cc
02-Sep-24	7.88	UBER *TRIP HELP.UBER.CONH ##0924 180.00 TURKISH LIRA	To be charged back to Lord Mayor - mistakenly charged to CoD cc
Total	30.99		

**INVESTMENTS REPORT TO COUNCIL
AS AT
30 September 2024**

Investment and Cash at Call/Offset Distribution by Term to Maturity

Term to Maturity Policy Limits

There have been no breaches in Term to Maturity Policy limits for the month of September 2024

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
Less than 1 Year			
Term Deposits	50%		
Business Online Saver Accounts	5%		
Floating Rate Notes	1%		
General Surplus on Variable Loans	33%		
Bonds	2%		
Less than 1 Year Total	90%	100%	30%
Greater than 1 Year less than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	9%		
Bonds	0%		
Greater than 1 Year less than 3 Years Total	9%	70%	0%
Greater than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	1%		
Bonds	0%		
Greater than 3 Years Total	1%	30%	0%
Greater than 5 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
Greater than 5 Years	0%	10%	0%
Total	100%		

Investment Distribution by Portfolio Credit Rating

Portfolio Distribution Credit Rating Limits

There have been no breaches in Portfolio Credit Rating Limits for the month of September 2024

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
AA-	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	18%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	27%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	28%	50%
	ANZ Banking Group Ltd	ANZ Banking Group Ltd	1%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	2%	50%
A+	Macquarie Bank	Macquarie Bank	1%	30%
AA-	Suncorp Metway Limited	Suncorp Bank	6%	30%
A-	Bank of Queensland Ltd	Bank of Queensland Ltd	6%	30%
BBB+	Bank Australia Limited	Bank Australia Limited	2%	10%
	Bendigo & Adelaide Bank Ltd	Bendigo & Adelaide Bank Ltd	3%	10%
	Members Banking Group Limited t/as RACQ Bank	Members Banking Group Limited t/as RACQ Bank	1%	10%
BBB	Great Southern Bank	Great Southern Bank	3%	10%
	Maitland Mutual Bank Ltd	Maitland Mutual Bank Ltd	1%	10%
	Heritage and People's Choice Limited	Heritage and People's Choice Limited	1%	10%
Grand Total			100%	
Credit Rating - Maximum Portfolio Limit			% of Total	Policy Limit
AAA to AA-			81%	100%
A+ to A-			1%	45%
BBB+ to BBB			18%	30%
BBB-			0%	0%
Total			100%	

**INVESTMENT AND CASH AT CALL/OFFSET REPORT TO COUNCIL
AS AT**

30 September 2024

Instrument	Institution Category	Counterparty	Maturity Date	Interest Rate	Credit Rating (LT)	Credit Rating (ST)	Inv Type	FRN ONLY (Maturity Date - last pmt)	Principal \$	% Portfolio
INVESTMENT	MAJOR BANK	ANZ Banking Group Ltd	25 December 2024	5.40%	AA-	A1+	FRN	31 March 2028	\$500,000	0.39%
		ANZ Banking Group Ltd Total							\$500,000	0.39%
		Commonwealth Bank of Australia Ltd	12 November 2024	5.43%	AA-	A1+	TD		\$3,000,000	2.36%
			12 October 2024	5.35%	AA-	A1+	FRN	13 January 2026	\$2,000,000	1.57%
			16 November 2024	5.18%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.79%
			16 February 2025	4.24%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.79%
			30 September 2024	4.35%	AA-	A1+	BOS		\$5,571,032	4.38%
		Commonwealth Bank of Australia Ltd Total							\$12,571,032	9.87%
		National Australia Bank Ltd	19 November 2024	5.21%	AA-	A1+	TD		\$2,000,000	1.57%
			21 January 2025	5.30%	AA-	A1+	TD		\$1,000,000	0.79%
			17 June 2025	5.10%	AA-	A1+	TD		\$3,000,000	2.36%
			6 May 2025	5.00%	AA-	A1+	TD		\$3,000,000	2.36%
			27 May 2025	4.99%	AA-	A1+	TD		\$2,000,000	1.57%
			16 March 2025	5.00%	AA-	A1+	TD		\$3,141,155	2.47%
			11 March 2025	5.00%	AA-	A1+	TD		\$2,066,879	1.62%
			23 September 2025	4.90%	AA-	A1+	TD		\$2,000,000	1.57%
			29 April 2025	5.00%	AA-	A1+	TD		\$2,000,000	1.57%
		National Australia Bank Ltd Total							\$20,206,034	15.87%
		Suncorp Bank	19 November 2024	5.19%	AA-	A1+	TD		\$2,000,000	1.57%
			19 November 2024	5.49%	AA-	A1+	TD		\$3,000,000	2.36%
			18 October 2024	5.33%	AA-	A1+	FRN	17 October 2025	\$1,000,000	0.79%
			1 April 2025	5.00%	AA-	A1+	TD		\$2,000,000	1.57%
		Suncorp Bank Total							\$8,000,000	6.28%
		Westpac Banking Corporation Ltd	3 December 2024	1.62%	AA-	A1+	TD		\$2,000,000	1.57%
			22 October 2024	5.19%	AA-	A1+	TD		\$3,000,000	2.36%
			12 November 2024	5.42%	AA-	A1+	TD		\$3,000,000	2.36%
			19 November 2024	5.04%	AA-	A1+	TD		\$3,000,000	2.36%
			28 January 2025	5.11%	AA-	A1+	TD		\$3,000,000	2.36%
			22 April 2025	5.11%	AA-	A1+	TD		\$2,000,000	1.57%
			27 May 2025	5.40%	AA-	A1+	TD		\$3,000,000	2.36%
			20 May 2025	5.34%	AA-	A1+	TD		\$2,000,000	1.57%
			23 September 2025	4.80%	AA-	A1+	TD		\$2,194,654	1.72%
		Westpac Banking Corporation Ltd Total							\$23,194,654	18.22%
		Northern Territory Treasury Corporation (NTTC)	15 December 2024	1.30%	AA-	A1+	BOND		\$2,000,000	1.57%
		Northern Territory Treasury Corporation (NTTC) Total							\$2,000,000	1.57%
	MAJOR BANK Total								\$66,473,721	\$2.22%
	OTHER	Bank of Queensland Ltd	10 December 2024	5.15%	A-	A2	TD		\$4,000,000	3.14%
		Bank of Queensland Ltd Total	23 October 2024	5.10%	A-	A2	TD		\$3,000,000	2.36%
		Bendigo & Adelaide Bank Ltd	25 March 2025	5.02%	A-	A-	TD		\$7,000,000	5.50%
		Bendigo & Adelaide Bank Ltd Total							\$4,000,000	3.14%
		Macquarie Bank	10 November 2024	5.26%	A+	A1	FRN	12 February 2025	\$1,000,000	0.79%
		Macquarie Bank Total							\$1,000,000	0.79%
		Bank Australia Limited	24 November 2024	5.94%	BBB+	A2	FRN	24 November 2025	\$2,000,000	1.57%
		Bank Australia Limited Total							\$2,000,000	1.57%
		Members Banking Group Limited /ias RACQ Bank	24 November 2024	5.84%	BBB+	A2	FRN	24 February 2026	\$1,600,000	1.26%
		Members Banking Group Limited /ias RACQ Bank Total							\$1,600,000	1.26%
		Great Southern Bank	8 April 2025	5.20%	BBB	A2	TD		\$4,000,000	3.14%
		Great Southern Bank Total							\$4,000,000	3.14%
		Maitland Mutual Bank Ltd	10 November 2024	6.04%	BBB	A2	FRN	10 May 2027	\$2,000,000	1.57%
		Maitland Mutual Bank Ltd Total							\$2,000,000	1.57%
		Heritage and People's Choice Limited	21 January 2025	5.00%	BBB	A2	TD		\$2,000,000	1.57%
		Heritage and People's Choice Limited Total							\$2,000,000	1.57%
	OTHER Total								\$23,600,000	18.54%
INVESTMENT Total									\$90,073,721	70.75%
VARIABLE LOAN SURPLUS	MAJOR BANK	Commonwealth Bank of Australia Ltd	30 September 2024	0.00%	AA-	A1+	General Surplus - c		\$10,000,000	7.86%
		Commonwealth Bank of Australia Ltd Total							\$10,000,000	7.86%
		National Australia Bank Ltd	30 September 2024	0.00%	AA-	A1+	General Surplus - f		\$14,740,000	11.58%
		National Australia Bank Ltd Total							\$14,740,000	11.58%
		Westpac Banking Corporation Ltd	30 September 2024	0.00%	AA-	A1+	General Surplus - i		\$12,490,819	9.81%
		Westpac Banking Corporation Ltd Total							\$12,490,819	9.81%
	MAJOR BANK Total								\$37,230,819	29.25%
VARIABLE LOAN SURPLUS Total									\$37,230,819	29.25%
N.B.										
*INV TYPE - FRN = interest rate is the 'Coupon Margin' established on issue date, this plus 3M BBSW provides the yield for the current coupon period.										
*MATURITY DATE - FRN = the interest coupon payment date not actual FRN maturity date (paid every 91 days).										
		CBA General Bank Funds							\$11,654,298	
		NAB General Bank Funds							\$242,288	
		WBC General Bank Funds							\$515,202	
		Total Funds							\$139,716,329	
		Less Variable Loans Offset (Cash on Call)							-\$37,230,819	
		Total Investment & Cash (less offset)							\$102,485,509	
		Total Budgeted Investment Earnings							\$2,464,000	
		Year to Date Investment Earnings							\$708,610	
		Weighted Ave Rate							3.52%	
		Weighted Ave Rate (excluding Cash on Call)							4.98%	
		BBSW 90 Day Rate							4.42%	
		Bloomberg AusBond (Bank Bill Index)								
		Trust Bank Account							\$456,989	

Capital Expenditure For The Period Ended 30 September 2024	2024/25			
	YTD	YTD	YTD	FY
	Actuals	Revised Budget	Variance	Revised Budget
	\$	\$	\$	Current Financial Year Budget \$
TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:				
Capital Work In Progress				
Land - Under Roads	0	0	0	0
Land and Buildings:				
Land and Improvements	0	0	0	0
Buildings	363,872	10,285,682	9,921,810	41,697,049
Infrastructure:				
Stormwater Drainage	200,659	589,408	388,749	2,156,908
Transport	934,839	1,347,387	412,548	7,051,613
Pathways	202,446	561,123	358,677	2,244,500
Public Lighting	160,471	281,555	121,084	5,880,621
Waste Management Infrastructure	137,208	228,750	91,542	6,954,699
Waste Remediation	0	0	0	0
Right Of Use Assets (Leases):				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
Plant & Equipment, including Fleet	820,533	901,059	80,526	11,618,610
Parks & Reserves Infrastructure	442,165	1,099,427	657,262	7,559,408
Other Assets	9,200	0	(9,200)	574,667
TOTAL CAPITAL EXPENDITURE	3,271,393	15,294,391	12,022,998	85,738,075
TOTAL CAPITAL EXPENDITURE FUNDED BY*:				
Operating Income	1,296,200	3,210,130	1,913,930	14,722,399
Capital Grants	599,695	200,000	(399,695)	10,803,944
Transfer from Reserves	1,238,290	11,655,511	10,417,221	54,480,024
Borrowings	137,208	228,750	91,542	5,731,708
TOTAL CAPITAL EXPENDITURE FUNDING	3,271,393	15,294,391	12,022,998	85,738,075

*YTD Funding of expenditure is assumed to be consumed in line with YTD Capital Expenditure

Report on Planned Major Capital Works
For The Period Ended 30 September 2024

Class of Assets	By Major Capital Project	Total Prior Year(s) Actuals \$ (A)	YTD Actuals \$ (B)	Total Actuals \$ (C = A + B)	Total Planned Budget \$ (D)	Total Yet to Spend \$ (E = D - C)	Expected Project Completion Date
Buildings	Civic Centre & Car Park Upgrade	591,590	276,139	867,730	14,600,000	13,732,270	TBA
Buildings	Civic Centre Car Park/CBD Parking Additional Spaces	0	0	0	30,000,000	30,000,000	TBA
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	268,292	138,912	407,204	12,000,000	11,592,796	31/03/2026
	TOTAL	859,883	415,051	1,274,934	56,600,000	55,325,066	

15 RECEIVE & NOTE REPORTS**15.1 MONTHLY FINANCIAL REPORT - OCTOBER 2024**

Author: Executive Manager Finance
Acting Executive Manager Corporate and Customer Services

Authoriser: General Manager Corporate

Attachments: 1. Monthly Financial Report - October 2024 [↓](#)

RECOMMENDATIONS

THAT the report entitled Monthly Financial Report – October 2024 be received and noted.

PURPOSE

The purpose of this report is to provide a summary of the interim financial position of Council for the period ended 31 October 2024.

Further, this report and the contents are required to be presented to Council in compliance with the *Local Government (General) Regulations 2021*.

KEY ISSUES

The Monthly Financial Report includes:

- Income Statement, which compares actual YTD income and expenditure against YTD budget.
- Fund Flow Statement (Monthly Operating Position), which outlines the effect on General Funds.
- Statement of Financial Position (Balance Sheet), which outlines what Council owns (assets) and what it owes (liabilities) at a point in time.
- Notes to the Balance Sheet, this includes further details on the Cash Balance, Trade Debtors, Trade Creditors, and a statement on Council's current payment and reporting obligations.
- Investments, which provides details of treasury activities, investments as at month end.
- Procurement Reporting, which is a summary of contract variations and exempt procurement.
- Capital Expenditure and Funding, which compares YTD capital expenditure and funding against YTD budget.
- Planned Major Projects Capital Works, provides a high-level financial overview of our major projects at a point in time.

DISCUSSION**October 2024 – Year to Date Result**

The year-to-date operating result until 31 October 2024 is a **surplus of \$1.1M compared to a YTD Budgeted deficit of \$3.3M** as highlighted in the table below.

Including capital income results in a favourable **\$4.3M** variance overall (as shown in the income statement).

	Actual \$'000	Budget \$'000	Variance \$'000
Operating Surplus/ (Deficit)	1,151	(3,265)	4,416 Favourable

Commentary

Please find below additional commentary for the material variances.

Income**Total Operating Income is tracking above budget by \$3.3M**

Total Operating Income results in a positive surplus of \$3.3M compared to budget. The variance mainly relates to User Fees & Charges which is tracking above expectation for October with income continuing to trend higher than YTD budget at Shoal Bay Waste Management Facility. Statutory charges which include animal registration fees, infringements and works permits on road reserves are also tracking higher YTD. Operating grants are below budget due to the anticipated timing of the Public Library funding grant.

Expenditure**Total Expenses are below budget by \$1.1M.**

Materials & Contract expenses has an annual budget of \$63.6M and this incorporates various expenditure types. Combined this budget line is exceeding budget by \$1M, primarily due to expenditure at the Shoal Bay Waste Management Facility (offset by income) and trending higher water charges in Parks & Reserves. Interest Expenses provide a YTD savings with loan offsets utilised against the variable loans. Employee expenses are trending below budget with vacancies and timing of employee leave taken, it is anticipated this will be partially offset with an increase in materials & contracts.

Statement of Fund Flows

The variances are related to a mismatch in the timing of projects and budget profiles, and the reasons described above under operating statement commentary. Capital expenditure and Transfers from Reserves relates to timing of capital projects.

Cash and Investments Note A

City of Darwin has achieved 4.99% on weighted average interest rate on its end of month cash and investment portfolio of \$97.2M (excluding loan offset \$37.2M). There have been no investment policy breaches in this month.

The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

As at end of October Council held \$17.4M in environment, socially responsible or 'green' assets; approximately 13% of total investment portfolio. Council continues to seek 'green' investments were compliant with legislation and policy and the rate of return is favourable relative to comparable investments on offer to council at the time of investment.

Ordinary Council Meeting Agenda

26 November 2024

Treasury Comment

In October financial markets experienced some risk aversion and the RBA continues to push back on any immediate talks of rate cuts. The latest (strong) labour market figures for September confirms the view that a rate cut is unlikely anytime soon. Governor Bullock commented in her post-meeting press conference saying “the message clearly from the Board is that in the near term it does not see interest rate cuts”.

Over October the average deposit rates offered by the major banks remained relatively flat compared to the previous month. The biggest moves seen are at the long end of the curve with average rates offered for 9-12month terms increased by 10-15bp.

Accounts Receivable (Trade Debtors) Note B

This section considers the receipt timing of Rates collection and any general Debtors outstanding. The report also includes information on aged debtors including general debtors, infringements, and Rates arrears.

Accounts Payable (Trade Creditors) Note C

Accounts Payable owing at end of month was \$2.1M at the time of reporting. City of Darwin recognises the liability of invoices once goods are receipted as received.

Procurement Reporting

Under the Local Government (General) Regulations, Council is required to disclose at the next Council meeting and on the City of Darwin website:

- contract variations:
 - where a tender was not required, however the total cost exceeds \$100,000, or
 - where a contract requiring a tender is varied by 10%.
- exempt procurement greater than \$100,000.

Contract Variations

There were no reportable contract variations for October 2024.

Exempt Procurement

Nil

Certification by the CEO to the Council

That, to the best of the CEO's knowledge, information and belief:

- (1) The internal controls implemented by the council are appropriate; and
- (2) The council's financial report best reflects the financial affairs of the council.

J. Saunders

CEO Signed

21/11/2024

PREVIOUS COUNCIL RESOLUTION

N/A

Ordinary Council Meeting Agenda

26 November 2024

STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.3 Decision Making and Management
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	<p>Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that a monthly financial report is presented to Council each month setting out:</p> <p>(a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and</p> <p>(b) the most recently adopted annual budget; and</p> <p>(c) details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget.</p> <p>Regulation 17(5) Part 2 Division 7 the Local Government (General) Regulations 2021 require that the monthly report must be accompanied by:</p> <p>(a) a certification, in writing, by the CEO to the council that, to the best of the CEO's knowledge, information and belief:</p> <p>(i) the internal controls implemented by the council are appropriate; and</p> <p>(ii) the council's financial report best reflects the financial affairs of the council; or</p> <p>(b) if the CEO cannot provide the certification – written reasons for not providing the certification.</p> <p>The report is compliant with the requirements of the <i>Local Government Act 2019</i> and <i>Local Government (General) Regulations 2021</i>.</p>
CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>

Income Statement For the Period Ended 31 October 2024	2024/25				
	Oct-24			FY	
	YTD Actual	YTD Revised Budget	Variance	Revised Budget	
	\$'000	\$'000	\$'000	\$'000	
<u>Operating Income</u>					
Rates	26,408 53%	26,198 56%	210	78,595	
Charges	3,335 7%	3,292 7%	43	9,876	
Statutory Charges	1,485 3%	841 2%	644	2,539	
User Fees and Charges	11,906 24%	9,603 21%	2,303	28,337	
Operating Grants and Subsidies	4,321 9%	4,792 10%	(471)	6,551	
Interest / Investment Income	1,734 3%	1,171 3%	563	3,513	
Commercial & Other Income	652 1%	623 1%	29	2,377	
Total Income	49,841	46,520	3,321	131,790	
<u>Operating Expenses</u>					
Employee Expenses	13,468 28%	14,266 29%	798	42,820	
Materials, Contracts & Services	24,184 50%	23,197 47%	(987)	63,625	
Elected Member Allowances	217 0%	233 0%	16	800	
Elected Member Expenses	0 0%	4 0%	4	12	
Council Committee Allowances	2 0%	3 0%	1	10	
Depreciation, Amortisation & Impairment	10,520 22%	10,841 22%	321	32,524	
Interest Expenses	299 1%	1,241 2%	942	3,722	
Total Expenses	48,690	49,785	1,095	143,514	
Budgeted Operating Surplus/ (Deficit)	1,151	(3,265)	4,416	(11,724)	
Capital Grants Income	431	567	(136)	10,804	
Net Surplus/(Deficit)	1,582	(2,698)	4,280	(920)	

Statement of Fund Flows Monthly Statement of Operating Position For the Period Ended 31 October 2024	2024/25			
	Oct-24			FY Revised Budget \$'000
	YTD Actual \$'000	YTD Revised Budget \$'000	Variance \$'000	
Net Operating Result from Income Statement	1,151	(3,265)	4,416	(11,724)
<u>Add Non Cash Items</u>				
Add back depreciation (not cash)	10,520	10,841	(321)	32,524
Add back Other Non Cash Items	0	0	0	1,402
Total Non Cash Items	10,520	10,841	(321)	33,926
<u>Less Additional Outflows</u>				
Repayment of borrowings & advances	(1,411)	(1,411)	0	(4,422)
Capital Expenditure	(6,630)	(23,081)	16,451	(85,739)
Total Additional Outflows	(8,041)	(24,492)	16,451	(90,161)
<u>Add Additional Inflows</u>				
Add Capital Grants	431	567	(136)	10,804
Sale of Infrastructure, Property, Plant & Equipment	2	168	(166)	500
Proceeds from borrowings & advances	6,000	6,000	0	6,000
Transfers from/(to) Reserves	(6,846)	10,181	(17,027)	50,655
Total Additional Inflows	(413)	16,916	(17,329)	67,959
Net Increase (-Decrease) in Funds	3,217	0	3,217	0

Statement of Financial Position as at 31 October 2024	2024/25			
	Oct-24		FY	FY
	Actual	Note	Revised Budget	Original Budget
	\$'000		\$'000	\$'000
Current Assets				
Cash at Bank & Investments	46,305	A	17,482	17,482
Cash at Bank & Investments - externally restricted	56,793	A	21,631	19,753
Cash at Bank & Investments - internally restricted	34,807	A	12,469	11,829
Trade & Other Receivables	5,376	B	15,770	15,770
Rates & Charges Receivables	53,732	B	0	0
Inventories	287		300	300
Total Current Assets	197,301		67,652	65,134
Non-Current Assets				
Infrastructure, Property, Plant and Equipment	1,252,216		1,293,686	1,293,686
Total Non Current Assets	1,254,476		1,293,686	1,293,686
Total Assets	1,451,777		1,361,337	1,358,819
Current Liabilities				
Trade Payables & Other Payables	2,154	C	21,438	21,438
Accruals	14,089		0	0
ATO & Payroll Liabilities	0	D	0	0
Rates Revenue struck (in advance)	58,810		0	0
Borrowings	11,752		4,974	4,974
Provisions	6,770		7,583	7,583
Lease Liabilities	951		979	979
Total Current Liabilities	94,526		34,974	34,974
Non-Current Liabilities				
Trade & Other Payables	10		0	0
Borrowings	50,994		46,925	46,925
Provisions	50,236		56,784	56,784
Lease Liabilities	1,460		571	571
Total Non Current Liabilities	102,700		104,280	104,280
Total Liabilities	197,226		139,252	139,252
NET ASSETS	1,254,551		1,222,085	1,219,567
Equity				
Accumulated Surplus	295,653		325,857	325,857
Asset Revaluation Reserve	867,297		862,128	862,128
Other Reserves	91,601		34,100	31,582
TOTAL EQUITY	1,254,551		1,222,085	1,219,567

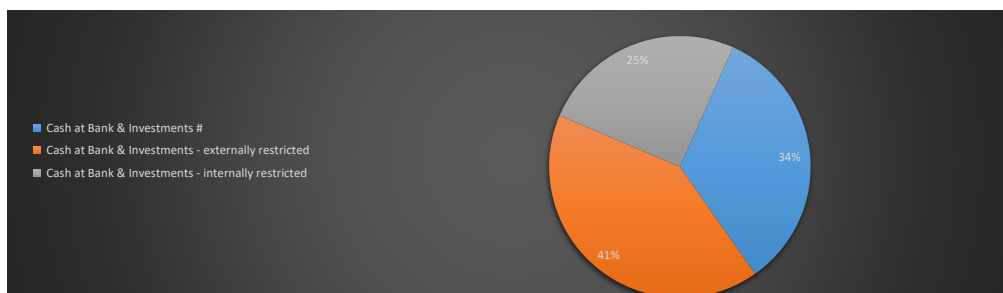
*Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the reports were completed.

Monthly Balance Sheet Report (Notes to the Balance Sheet) as at 31 October 2024

Note A. Details of Cash and Investments Held

Investments Report attached, which provides details of treasury activities, investments as at the end of the Month. City of Darwin has achieved 3.61% on weighted average interest rate on its October 2024 cash and investment portfolio of \$134.5M (including \$37.2M Variable Loans Surplus/Offset). There have been no investment policy breaches in this month. The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Cash at Bank & Investments	\$'000
Cash at Bank & Investments #	46,305
Cash at Bank & Investments - externally restricted	56,793
Cash at Bank & Investments - internally restricted	34,807
Total Cash at Bank & Investments	137,906



Cash at Bank & Investments includes Cash on Call of \$37.2M

Note B. Statement of Trade Debtors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total *
Rates & Charges Debtors	\$ 49,671,336	\$0	\$0	\$4,060,605	\$53,731,941
Other Trade Receivables and Other Receivables	\$ 3,623,611	\$1,245,272	\$165,847	\$341,296	\$5,376,026
Total Trade and Other Receivables	\$ 53,294,947	\$1,245,272	\$165,847	\$4,401,901	\$ 59,107,967

Note C. Statement on Trade Creditors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total*
General Trade Creditors	-\$2,038,591	-\$111,119	\$0	-\$4,372	-\$2,154,082
ATO & Payroll Liabilities					\$0
Total Trade and Other Payables	-\$2,038,591	-\$111,119	\$0	-\$4,372	-\$2,154,082

Note D. Statement on Australian Tax Office (ATO) and Payroll Obligations

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month October 2024.

* Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

Table 4. Member and CEO Council Credit Card Transactions for the Month
For the Month Ended 31 October 2024

Cardholder Name: CEO

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
09-Oct-24	5.00	DARWIN CONVENTION CE DARWIN	Parking
Total	5.00		

Cardholder Name: Lord Mayor

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
25-Oct-24	20.00	Paystay South Wharf AUS	Parking
17-Oct-24	20.00	Paystay South Wharf AUS	Parking
14-Oct-24	2.00	BGHotels Darwin NT	Parking
11-Oct-24	20.00	Paystay South Wharf AUS	Parking
02-Oct-24	20.00	Paystay South Wharf AUS	Parking
01-Oct-24	6.00	BGHotels Darwin NT	Parking
Total	88.00		

**INVESTMENTS REPORT TO COUNCIL
AS AT
31 October 2024**

Investment and Cash at Call/Offset Distribution by Term to Maturity

Term to Maturity Policy Limits

There have been no breaches in Term to Maturity Policy limits for the month of October 2024

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
Less than 1 Year			
Term Deposits	50%		
Business Online Saver Accounts	5%		
Floating Rate Notes	1%		
General Surplus on Variable Loans	33%		
Bonds	2%		
Less than 1 Year Total	90%	100%	30%
Greater than 1 Year less than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	9%		
Bonds	0%		
Greater than 1 Year less than 3 Years Total	9%	70%	0%
Greater than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	1%		
Bonds	0%		
Greater than 3 Years Total	1%	30%	0%
Greater than 5 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
Greater than 5 Years Total	0%	10%	0%
Total	100%		

Investment Distribution by Portfolio Credit Rating

Portfolio Distribution Credit Rating Limits

There have been no breaches in Portfolio Credit Rating Limits for the month of October 2024

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
AA-	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	17%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	27%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	28%	50%
	ANZ Banking Group Ltd	ANZ Banking Group Ltd	1%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	1%	50%
A+	Macquarie Bank	Macquarie Bank	1%	30%
AA-	Suncorp Metway Limited	Suncorp Bank	10%	30%
A-	Bank of Queensland Ltd	Bank of Queensland Ltd	3%	30%
BBB+	Bank Australia Limited	Bank Australia Limited	1%	10%
	Bendigo & Adelaide Bank Ltd	Bendigo & Adelaide Bank Ltd	3%	10%
	Members Banking Group Limited t/as RACQ Bank	Members Banking Group Limited t/as RACQ Bank	1%	10%
BBB	Great Southern Bank	Great Southern Bank	3%	10%
	Maitland Mutual Bank Ltd	Maitland Mutual Bank Ltd	1%	10%
	Heritage and People's Choice Limited	Heritage and People's Choice Limited	1%	10%
Grand Total			100%	
Credit Rating - Maximum Portfolio Limit			% of Total	Policy Limit
AAA to AA-			85%	100%
A+ to A-			1%	45%
BBB+ to BBB			14%	30%
BBB-			0%	0%
Total			100%	

INVESTMENT AND CASH AT CALL/OFFSET REPORT TO COUNCIL
AS AT

31 October 2024

										FRN ONLY	%	
Instrument	Institution	Counterparty	Maturity Date	Interest Rate	Credit Rating	Credit Rating	Inv Type		(Maturity Date - last pmt)	Principal \$	Portfolio	
INVESTMENT	MAJOR BANK	ANZ Bankers Group Ltd	25 December 2024	5.40%	AA-	A1+	FRN		31 March 2028	\$500,000	0.37%	
		ANZ Banking Group Ltd Total								\$500,000	0.37%	
		Commonwealth Bank of Australia Ltd	12 November 2024	5.43%	AA-	A1+	TD			\$3,000,000	2.23%	
			16 November 2024	5.18%	AA-	A1+	FRN		18 August 2025	\$1,000,000	0.74%	
			16 February 2025	4.24%	AA-	A1+	FRN		18 August 2025	\$1,000,000	0.74%	
			31 October 2024	4.35%	AA-	A1+	FRN			\$5,591,378	4.10%	
			11 January 2025	5.35%	AA-	A1+	FRN		13 January 2026	\$2,000,000	1.49%	
		Commonwealth Bank of Australia Ltd Total								\$12,591,378	9.36%	
		National Australia Bank Ltd	19 November 2024	5.21%	AA-	A1+	TD			\$2,000,000	1.49%	
			21 January 2025	5.30%	AA-	A1+	TD			\$1,000,000	0.74%	
			17 June 2025	5.10%	AA-	A1+	TD			\$3,000,000	2.23%	
			6 May 2025	5.00%	AA-	A1+	TD			\$3,000,000	2.23%	
			27 May 2025	4.99%	AA-	A1+	TD			\$2,000,000	1.49%	
			18 March 2025	5.00%	AA-	A1+	TD			\$3,141,155	2.34%	
			11 March 2025	5.00%	AA-	A1+	TD			\$2,066,879	1.54%	
			23 September 2025	4.90%	AA-	A1+	TD			\$2,000,000	1.49%	
			29 April 2025	5.00%	AA-	A1+	TD			\$2,000,000	1.49%	
			15 April 2025	5.04%	AA-	A1+	TD			\$2,000,000	1.49%	
		National Australia Bank Ltd Total								\$22,208,034	16.51%	
		Suncorp Bank	19 November 2024	5.19%	AA-	A1+	TD			\$2,000,000	1.49%	
			19 November 2024	5.49%	AA-	A1+	TD			\$3,000,000	2.23%	
			1 April 2025	5.00%	AA-	A1+	TD			\$2,000,000	1.49%	
			17 January 2025	5.33%	AA-	A1+	FRN		17 October 2025	\$1,000,000	0.74%	
			19 August 2025	5.10%	AA-	A1+	TD			\$2,000,000	1.49%	
			26 August 2025	5.10%	AA-	A1+	TD			\$2,000,000	1.49%	
			30 September 2025	5.03%	AA-	A1+	TD			\$2,000,000	1.49%	
		Suncorp Bank Total								\$14,000,000	10.41%	
		Westpac Banking Corporation Ltd	3 December 2024	1.62%	AA-	A1+	TD			\$2,000,000	1.49%	
			12 November 2024	5.42%	AA-	A1+	TD			\$3,000,000	2.23%	
			19 November 2024	5.04%	AA-	A1+	TD			\$3,000,000	2.23%	
			28 January 2025	5.11%	AA-	A1+	TD			\$3,000,000	2.23%	
			22 April 2025	5.11%	AA-	A1+	TD			\$2,000,000	1.49%	
			13 May 2025	5.40%	AA-	A1+	TD			\$3,000,000	2.23%	
			20 May 2025	5.34%	AA-	A1+	TD			\$2,000,000	1.49%	
			23 September 2025	4.80%	AA-	A1+	TD			\$2,194,654	1.63%	
			14 January 2025	5.02%	AA-	A1+	TD			\$2,000,000	2.36%	
			21 October 2025	4.99%	AA-	A1+	TD			\$3,155,274	2.35%	
		Westpac Banking Corporation Ltd Total								\$25,349,928	19.72%	
		Northern Territory Treasury Corporation (NTTC)	15 December 2024	1.30%	AA-	A1+	BOND			\$2,000,000	1.49%	
		Northern Territory Treasury Corporation (NTTC) Total								\$2,000,000	1.49%	
		MAJOR BANK Total									\$76,649,340	57.87%
		OTHER	Bank of Queensland Ltd	10 December 2024	5.15%	A-	A2	TD			\$4,000,000	2.97%
			Bank of Queensland Ltd Total								\$4,000,000	2.97%
			Bendigo & Adelaide Bank Ltd	25 March 2025	5.02%	A-	A-	TD			\$4,000,000	3.14%
			Bendigo & Adelaide Bank Ltd Total								\$4,000,000	3.14%
			Macquarie Bank	10 November 2024	5.26%	A+	A1	FRN		12 February 2025	\$1,000,000	0.74%
			Macquarie Bank Total								\$1,000,000	0.74%
			Bank Australia Limited	24 November 2024	5.94%	BBB+	A2	FRN		24 November 2025	\$2,000,000	1.49%
			Bank Australia Limited Total								\$2,000,000	1.49%
			Members Banking Group Limited t/as RACQ Bank	24 November 2024	5.84%	BBB+	A2	FRN		24 February 2026	\$1,600,000	1.19%
			Members Banking Group Limited t/as RACQ Bank Total								\$1,600,000	1.19%
			Great Southern Bank	8 April 2025	5.20%	BBB	A2	TD			\$4,000,000	2.97%
			Great Southern Bank Total								\$4,000,000	2.97%
			Maitland Mutual Bank Ltd	10 November 2024	6.04%	BBB	A2	FRN		10 May 2027	\$2,000,000	1.49%
			Maitland Mutual Bank Ltd Total								\$2,000,000	1.49%
			Heritage and People's Choice Limited	21 January 2025	5.00%	BBB	A2	TD			\$2,000,000	1.49%
			Heritage and People's Choice Limited Total								\$2,000,000	1.49%
			OTHER Total									\$20,600,000
INVESTMENT Total										\$97,249,340	73.35%	
VARIABLE LOAN SURPLUS	MAJOR BANK		Commonwealth Bank of Australia Ltd	31 October 2024	0.00%	AA-	A1+	General Surplus -			\$10,000,000	7.44%
		Commonwealth Bank of Australia Ltd Total								\$10,000,000	7.44%	
		National Australia Bank Ltd	31 October 2024	0.00%	AA-	A1+	General Surplus -			\$14,740,000	10.96%	
		National Australia Bank Ltd Total								\$14,740,000	10.96%	
		Westpac Banking Corporation Ltd	31 October 2024	0.00%	AA-	A1+	General Surplus -			\$12,490,820	9.29%	
		Westpac Banking Corporation Ltd Total								\$12,490,820	9.29%	
MAJOR BANK Total										\$37,230,820	27.68%	
VARIABLE LOAN SURPLUS Total										\$37,230,820	27.68%	
Grand Total										\$134,480,160	100%	

N.B.

*INV TYPE - FRN = interest rate is the 'Coupon Margin' established on issue date, this plus 3M BBSW provides the yield for the current coupon period.
 *MATURITY DATE - FRN = the interest coupon payment date not actual FRN maturity date (paid every 91 days).

CBA General Bank Funds	\$3,794,756
NAB General Bank Funds	\$242,288
WBC General Bank Funds	\$515,202
Total Funds	\$139,032,406
Less Variable Loans Offset (Cash on Call)	\$37,230,820
Total Investment & Cash (less offset)	\$101,801,586
Total Budgeted Investment Earnings	\$2,753,480
Year to Date Investment Earnings	\$1,487,019
Weighted Ave Rate	3.61%
Weighted Ave Rate (excluding Cash on Call)	4.99%
BBSW 90 Day Rate	4.42%
Bloomberg AusBond (Bank Bill Index)	

Trust Bank Account	\$456,675
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Capital Expenditure For The Period Ended 31 October 2024	2024/25			
	YTD	YTD	YTD	FY
	Actuals	Revised Budget	Variance	Revised Budget
	\$	\$	\$	Current Financial
				Year Budget
				\$
TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:				
Capital Work In Progress				
Land - Under Roads	0	0	0	0
Land and Buildings:				
Land and Improvements	0	0	0	0
Buildings	911,690	13,716,126	12,804,436	41,697,049
Infrastructure:				
Stormwater Drainage	489,917	639,408	149,491	2,156,908
Transport	1,244,140	1,932,006	687,866	7,051,613
Pathways	744,767	748,164	3,397	2,244,500
Public Lighting	697,534	601,555	(95,979)	5,880,621
Waste Management Infrastructure	167,573	305,000	137,427	6,954,699
Waste Remediation	0	0	0	0
Right Of Use Assets (Leases):				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
Plant & Equipment, including Fleet	1,451,842	3,442,412	1,990,570	11,618,610
Parks & Reserves Infrastructure	852,568	1,696,347	843,779	7,559,408
Other Assets	69,970	0	(69,970)	574,667
TOTAL CAPITAL EXPENDITURE	6,630,002	23,081,018	16,451,016	85,738,075
TOTAL CAPITAL EXPENDITURE FUNDED BY*:				
Operating Income	2,809,387	4,293,563	1,484,176	14,722,399
Capital Grants	879,622	600,818	(278,804)	10,803,944
Transfer from Reserves	2,773,420	17,881,637	15,108,217	54,480,024
Borrowings	167,573	305,000	137,427	5,731,708
TOTAL CAPITAL EXPENDITURE FUNDING	6,630,002	23,081,018	16,451,016	85,738,075

*YTD Funding of expenditure is assumed to be consumed in line with YTD Capital Expenditure

Report on Planned Major Capital Works
For The Period Ended 31 October 2024

Class of Assets	By Major Capital Project	Total Prior Year(s) Actuals \$ (A)	YTD Actuals \$ (B)	Total Actuals \$ (C = A + B)	Total Planned Budget \$ (D)	Total Yet to Spend \$ (E = D - C)	Expected Project Completion Date
Buildings	Civic Centre & Car Park Upgrade	591,590	785,431	1,377,022	14,600,000	13,222,978	TBA
Buildings	Civic Centre Car Park/CBD Parking Additional Spaces	0	0	0	30,000,000	30,000,000	TBA
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	268,292	169,277	437,569	12,000,000	11,562,431	31/03/2026
TOTAL		859,883	954,708	1,814,590	56,600,000	54,785,410	

15.4 MONTHLY FINANCIAL REPORT - NOVEMBER 2024**Author:** Executive Manager Finance**Authoriser:** General Manager Corporate**Attachments:** 1. Monthly Financial Report - November 2024 [↓](#)**RECOMMENDATIONS**

THAT the report entitled Monthly Financial Report – November 2024 be received and noted.

PURPOSE

The purpose of this report is to provide a summary of the financial position of Council for the period ended 30 November 2024.

Further, this report and the contents are required to be presented to Council in compliance with the *Local Government (General) Regulations 2021*.

KEY ISSUES

The Monthly Financial Report includes:

- Income Statement, which compares actual YTD income and expenditure against YTD budget.
- Fund Flow Statement (Monthly Operating Position), which outlines the effect on General Funds.
- Statement of Financial Position (Balance Sheet), which outlines what Council owns (assets) and what it owes (liabilities) at a point in time.
- Notes to the Balance Sheet, this includes further details on the Cash Balance, Trade Debtors, Trade Creditors, and a statement on Council's current payment and reporting obligations.
- Investments, which provides details of treasury activities, investments as at month end.
- Procurement Reporting, which is a summary of contract variations and exempt procurement.
- Capital Expenditure and Funding, which compares YTD capital expenditure and funding against YTD budget.
- Planned Major Projects Capital Works, provides a high-level financial overview of our major projects at a point in time.

DISCUSSION**November 2024 – Year to Date Result**

The year-to-date operating result until 30 November 2024 is a **surplus of \$2.3M compared to a YTD Budgeted deficit of \$3.7M** as highlighted in the table below.

Including capital income results in a favourable **\$5.6M** variance overall (as shown in the income statement).

	Actual \$'000	Budget \$'000	Variance \$'000
Operating Surplus/ (Deficit)	2,310	(3,694)	6,004 Favourable

Commentary

Please find below additional commentary for the material variances.

Income**Total Operating Income is tracking above budget by \$4.1M**

Total Operating Income results is \$61.4M, a positive surplus of \$4.1M compared to budget. The variance mainly relates to User Fees & Charges which is tracking above expectation for November with income continuing to trend higher than YTD budget at Shoal Bay Waste Management Facility. Statutory charges which include animal registration fees, infringements and works permits on road reserves are also tracking higher YTD. Operating grants are below budget due to delay in receipt of the Public Library funding grant.

Expenditure**Total Expenses are below budget by \$1.9M.**

Materials & Contract expenses has an annual budget of \$63.8M and this incorporates various expenditure types. Combined this budget line is exceeding budget by \$0.8M, primarily due to expenditure at the Shoal Bay Waste Management Facility (offset by income) and trending higher water charges in Parks & Reserves and Pathways maintenance. Interest Expenses provide a YTD savings with loan offsets utilised against the variable loans. Employee expenses are trending below budget with vacancies and timing of employee leave taken, it is anticipated this will be partially offset with an increase in materials & contracts.

Statement of Fund Flows

The variances are related to a mismatch in the timing of projects and budget profiles, and the reasons described above under operating statement commentary. Capital expenditure and Transfers from Reserves relates to timing of capital projects. Repayment of borrowings reflects the closure of the \$7.5M borrowing facility undertaken for Casuarina Aquatic Centre.

Cash and Investments Note A

City of Darwin has achieved 4.95% on weighted average interest rate on its end of month cash and investment portfolio of \$94.6M (excluding loan offset \$30.3M). There have been no investment policy breaches in this month.

The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

City of Darwin's investment portfolio remains highly liquid for operational purposes with the majority of assets maturing under 12 months.

Treasury Comment

In November average deposit rates offered by the major banks rose by 5bp compared to the previous month (October). The market has lowered their expectations, not only with regards to the timing of the first rate cut, now around May – June but also how many cuts are expected over 2025.

Accounts Receivable (Trade Debtors) Note B

This section considers the receipt timing of Rates collection and any general Debtors outstanding. The report also includes information on aged debtors including general debtors, infringements, and Rates arrears.

Accounts Payable (Trade Creditors) Note C

Accounts Payable owing at end of month was \$2.4M at the time of reporting. City of Darwin recognises the liability of invoices once goods are received as received.

Procurement Reporting

Under the Local Government (General) Regulations, Council is required to disclose at the next Council meeting and on the City of Darwin website:

- contract variations:
 - where a tender was not required, however the total cost exceeds \$100,000, or
 - where a contract requiring a tender is varied by 10%.
- exempt procurement greater than \$100,000.

Contract Variations

Vendor	Supply	Original cost	Total cost	% Change	Applicable variation
RPS AAP Consulting Pty Ltd	Urban design Chapel Lane	\$92,760.00	\$112,325.00	21.09%	Reg 42(5)

Exempt Procurement

Vendor	Supply	Cost	Applicable exemption
Mandalay Technologies Pty Ltd	Mandalay software and hardware upgrade	\$122,618.19	Reg 38(1)(d) Renewal of an existing licence
Rhipe Australia Pty Ltd	MS365 Licencing	\$203,353.60	Reg 38(1)(d) Renewal of an existing licence
Service Air	Supply and install Smardt Chiller at Casuarina Library	\$287,680.03	Reg 38(1)(k) Major operational inconvenience
NTEX Code Red Pty Ltd	Tyre shredding	\$344,284.04	Reg 38(1)(j) Major disruption
Civica	Authority Altitude Upgrade + Licencing	\$508,694.00	Reg 38(1)(d) Renewal of an existing licence

Ordinary Council Meeting Agenda

28 January 2025

<u>Certification by the CEO to the Council</u> That, to the best of the CEO's knowledge, information and belief: (1) The internal controls implemented by the council are appropriate; and (2) The council's financial report best reflects the financial affairs of the council. <i>S.Saunders</i> CEO Signed 02/01/2025	
PREVIOUS COUNCIL RESOLUTION N/A	
STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.3 Decision Making and Management
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	<p>Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that a monthly financial report is presented to Council each month setting out:</p> <p>(a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and</p> <p>(b) the most recently adopted annual budget; and</p> <p>(c) details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget.</p> <p>Regulation 17(5) Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that the monthly report must be accompanied by:</p> <p>(a) a certification, in writing, by the CEO to the council that, to the best of the CEO's knowledge, information and belief:</p> <p>(i) the internal controls implemented by the council are appropriate; and</p> <p>(ii) the council's financial report best reflects the financial affairs of the council; or</p> <p>(b) if the CEO cannot provide the certification – written reasons for not providing the certification.</p> <p>The report is compliant with the requirements of the <i>Local Government Act 2019</i> and <i>Local Government (General) Regulations 2021</i>.</p>
CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to</p>

Ordinary Council Meeting Agenda

28 January 2025

	<p>this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>
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Income Statement For the Period Ended 30 November 2024	2024/25					
	Nov-24					FY Revised Budget \$'000
	YTD Actual		YTD Revised Budget		Variance	
	\$'000		\$'000		\$'000	
<u>Operating Income</u>						
Rates	32,939	54%	32,748	57%	191	78,595
Charges	4,170	7%	4,115	7%	55	9,876
Statutory Charges	1,846	3%	1,052	2%	794	2,539
User Fees and Charges	15,193	25%	12,190	21%	3,003	28,337
Operating Grants and Subsidies	4,526	7%	5,126	9%	(600)	6,614
Interest / Investment Income	2,148	3%	1,464	3%	684	3,513
Commercial & Other Income	568	1%	595	1%	(27)	2,377
Total Income	61,390		57,289		4,101	131,852
<u>Operating Expenses</u>						
Employee Expenses	16,738	28%	17,875	29%	1,137	42,820
Materials, Contracts & Services	28,506	48%	27,664	45%	(842)	63,756
Elected Member Allowances	284	0%	333	1%	49	800
Elected Member Expenses	0	0%	5	0%	5	12
Council Committee Allowances	5	0%	4	0%	(1)	10
Depreciation, Amortisation & Impairment	13,080	22%	13,552	22%	472	32,524
Interest Expenses	467	1%	1,551	3%	1,084	3,722
Total Expenses	59,080		60,984		1,904	143,644
Budgeted Operating Surplus/ (Deficit)	2,310		(3,694)		6,004	(11,792)
Capital Grants Income	431		789		(358)	12,089
Net Surplus/(Deficit)	2,741		(2,905)		5,646	297

Statement of Fund Flows Monthly Statement of Operating Position For the Period Ended 30 November 2024	2024/25			
	Nov-24			FY Revised Budget
	YTD Actual	YTD Revised Budget	Variance	
	\$'000	\$'000	\$'000	\$'000
Net Operating Result from Income Statement	2,310	(3,694)	6,004	(11,792)
<u>Add Non Cash Items</u>				
Add Back Depreciation (Non-Cash)	13,080	13,552	(472)	32,524
Add Back Other Non-Cash Items	0	0	0	1,402
Total Non Cash Items	13,080	13,552	(472)	33,926
<u>Less Additional Outflows</u>				
Repayment of borrowings & advances	(8,807)	(8,807)	0	(4,422)
Capital Expenditure	(8,256)	(28,088)	19,832	(91,095)
Total Additional Outflows	(17,063)	(36,895)	19,832	(95,517)
<u>Add Additional Inflows</u>				
Capital Grants Income	431	789	(358)	12,089
Sale of Infrastructure, Property, Plant & Equipment	103	208	(105)	500
Proceeds from borrowings & advances	6,000	6,000	0	6,000
Transfers from/(to) Reserves	(4,574)	16,346	(20,920)	54,794
Total Additional Inflows	1,960	23,343	(21,383)	73,382
Net Increase (-Decrease) in Funds	(2,023)	0	(2,023)	0

Statement of Financial Position as at 30 November 2024	2024/25			
	Nov-24 Actual \$'000	Note	FY Revised Budget \$'000	FY Original Budget \$'000
Current Assets				
Cash at Bank & Investments	46,540	A	17,482	17,482
Cash at Bank & Investments - externally restricted	54,814	A	17,631	19,753
Cash at Bank & Investments - internally restricted	34,515	A	12,330	11,829
Trade & Other Receivables	5,691	B	15,770	15,770
Rates & Charges Receivables	42,870	B	-	-
Inventories	289		300	300
Total Current Assets	184,719		63,513	65,134
Non-Current Assets				
Infrastructure, Property, Plant and Equipment	1,251,285		1,293,686	1,293,686
Lease Right of Use Assets	2,260		-	-
Total Non Current Assets	1,253,545		1,293,686	1,293,686
Total Assets	1,438,263		1,357,199	1,358,819
Current Liabilities				
Trade Payables & Other Payables	2,317	C	21,438	21,438
Accruals	13,072		-	-
ATO & Payroll Liabilities	85	D	-	-
Rates Revenue struck (in advance)	51,483		-	-
Borrowings	4,305		4,974	4,974
Provisions	6,767		7,583	7,583
Lease Liabilities	951		979	979
Total Current Liabilities	78,980		34,974	34,974
Non-Current Liabilities				
Trade & Other Payables	10		-	-
Borrowings	50,994		46,925	46,925
Provisions	50,236		56,784	56,784
Lease Liabilities	1,460		571	571
Total Non-Current Liabilities	102,699		104,279	104,280
Total Liabilities	181,680		139,253	139,252
NET ASSETS	1,256,584		1,217,946	1,219,567
Equity				
Accumulated Surplus	299,958		321,718	325,857
Asset Revaluation Reserve	867,297		862,128	862,128
Other Reserves	89,329		34,100	31,582
TOTAL EQUITY	1,256,584		1,217,946	1,219,567

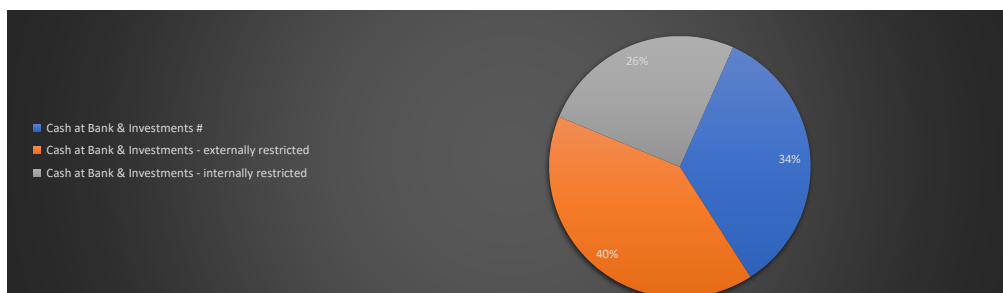
*Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the reports were completed.

Monthly Balance Sheet Report (Notes to the Balance Sheet) as at 30 November 2024

Note A. Details of Cash and Investments Held

Investments Report attached, which provides details of treasury activities, investments as at the end of the Month. City of Darwin has achieved 3.74% on weighted average interest rate on its November 2024 cash and investment portfolio of \$124.9M (including \$30.3M Variable Loans Surplus/Offset). There have been no investment policy breaches in this month. The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Cash at Bank & Investments	\$'000
Cash at Bank & Investments #	46,540
Cash at Bank & Investments - externally restricted	54,814
Cash at Bank & Investments - internally restricted	34,515
Total Cash at Bank & Investments	135,869



Cash at Bank & Investments includes Cash on Call of \$30.3M

Note B. Statement of Trade Debtors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total *
Rates & Charges Debtors	\$ 40,285,532	\$0	\$0	\$2,584,208	\$42,869,740
Other Trade Receivables and Other Receivables	\$ 3,028,249	\$1,876,408	\$191,705	\$594,917	\$ 5,691,278
Total Trade and Other Receivables	\$ 43,313,781	\$1,876,408	\$191,705	\$3,179,125	\$ 48,561,018

Note C. Statement on Trade Creditors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total*
General Trade Creditors	-\$2,147,392	-\$160,350	\$3,714	-\$13,066	-\$2,317,093
ATO & Payroll Liabilities	-\$84,501	\$0	\$0	\$0	-\$84,501
Total Trade and Other Payables	-\$2,231,893	-\$160,350	\$3,714	-\$13,066	-\$2,401,594

Note D. Statement on Australian Tax Office (ATO) and Payroll Obligations

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month November 2024.

* Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

Table 4. Member and CEO Council Credit Card Transactions for the Month
For the Month Ended 30 November 2024

Cardholder Name: CEO

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
8-Nov-24	4.59	DoubleTree Alice Sprin Alice SpringAUS	Travel
8-Nov-24	1.49	APPLE.COM/BILL SYDNEY AUS	Travel
7-Nov-24	50.00	DENIS BRENNAN GILLEN	Travel
Total	56.08		

Cardholder Name: Lord Mayor

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
14-Nov-24	20.00	Paystay South Wharf AUS	Parking
1-Nov-24	26.28	UBER* TRIP SYDNEY NSW	Travel
Total	46.28		

INVESTMENTS REPORT TO COUNCIL
AS AT
30 November 2024

Investment and Cash at Call/Offset Distribution by Term to Maturity

Term to Maturity Policy Limits
There have been no breaches in Term to Maturity Policy limits for the month of November 2024

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
Less than 1 Year			
Term Deposits	57%		
Business Online Saver Accounts	4%		
Floating Rate Notes	5%		
General Surplus on Variable Loans	28%		
Bonds	2%		
Less than 1 Year Total	95%	100%	30%
Greater than 1 Year less than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	4%		
Bonds	0%		
Greater than 1 Year less than 3 Years Total	4%	70%	0%
Greater than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	1%		
Bonds	0%		
Greater than 3 Years Total	1%	30%	0%
Greater than 5 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
Greater than 5 Years	0%	10%	0%
Total	100%		

Investment Distribution by Portfolio Credit Rating

Portfolio Distribution Credit Rating Limits
There have been no breaches in Portfolio Credit Rating Limits for the month of November 2024

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
AA-	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	16%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	30%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	25%	50%
	ANZ Banking Group Ltd	ANZ Banking Group Ltd	1%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	2%	50%
A+	Macquarie Bank	Macquarie Bank	1%	30%
AA-	Suncorp Metway Limited	Suncorp Bank	9%	30%
A-	Bank of Queensland Ltd	Bank of Queensland Ltd	6%	30%
BBB+	Bank Australia Limited	Bank Australia Limited	2%	10%
	Bendigo & Adelaide Bank Ltd	Bendigo & Adelaide Bank Ltd	3%	10%
	Members Banking Group Limited t/as RACQ Bank	Members Banking Group Limited t/as RACQ Bank	1%	10%
BBB	Great Southern Bank	Great Southern Bank	3%	10%
	Maitland Mutual Bank Ltd	Maitland Mutual Bank Ltd	2%	10%
	Heritage and People's Choice Limited	Heritage and People's Choice Limited	2%	10%
Grand Total			100%	
Credit Rating - Maximum Portfolio Limit			% of Total	Policy Limit
AAA to AA-			81%	100%
A+ to A-			1%	45%
BBB+ to BBB			17%	30%
BBB-			0%	0%
Total			100%	

**INVESTMENT AND CASH AT CALL/OFFSET REPORT TO COUNCIL
AS AT**

30 November 2024

									FRN ONLY		
Instrument	Institution Category	Counterparty	Maturity Date	Interest Rate	Credit Rating (LT)	Credit Rating (ST)	Inv Type	(Maturity Date - last pmt)	Principal \$	% Portfolio	
INVESTMENT	MAJOR BANK	ANZ Banking Group Ltd	25 December 2024	5.40%	AA-	A1+	FRN	31 March 2028	\$500,000	0.40%	
		ANZ Banking Group Ltd Total							\$500,000	0.40%	
		Commonwealth Bank of Australia Ltd	16 February 2025	4.24%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.80%	
		11 January 2025	5.35%	AA-	A1+	FRN	13 January 2026	\$2,000,000	1.60%		
		15 February 2025	5.18%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.80%		
		30 November 2024	4.35%	AA-	A1+	BOS		\$5,611,139	4.49%		
		Commonwealth Bank of Australia Ltd Total							\$9,611,139	7.70%	
		National Australia Bank Ltd	21 January 2025	5.30%	AA-	A1+	TD		\$1,000,000	0.80%	
		17 June 2025	5.10%	AA-	A1+	TD		\$3,000,000	2.40%		
		6 May 2025	5.00%	AA-	A1+	TD		\$3,000,000	2.40%		
		27 May 2025	4.99%	AA-	A1+	TD		\$2,000,000	1.60%		
		18 March 2025	5.00%	AA-	A1+	TD		\$3,141,155	2.52%		
		11 March 2025	5.00%	AA-	A1+	TD		\$2,066,879	1.66%		
		23 September 2025	4.90%	AA-	A1+	TD		\$2,000,000	1.60%		
		29 April 2025	5.00%	AA-	A1+	TD		\$2,000,000	1.60%		
		15 April 2025	5.04%	AA-	A1+	TD		\$2,000,000	1.60%		
		18 November 2025	5.10%	AA-	A1+	TD		\$2,035,970	1.63%		
		National Australia Bank Ltd Total							\$22,244,004	17.81%	
		Suncorp Bank	1 April 2025	5.00%	AA-	A1+	TD		\$2,000,000	1.60%	
		17 January 2025	5.33%	AA-	A1+	FRN	17 October 2025	\$1,000,000	0.80%		
		19 August 2025	5.10%	AA-	A1+	TD		\$2,000,000	1.60%		
		26 August 2025	5.10%	AA-	A1+	TD		\$2,000,000	1.60%		
		30 September 2025	5.03%	AA-	A1+	TD		\$2,000,000	1.60%		
		10 June 2025	5.00%	AA-	A1+	TD		\$2,085,315	1.67%		
		Suncorp Bank Total							\$11,085,315	8.88%	
		Westpac Banking Corporation Ltd	3 December 2024	1.62%	AA-	A1+	TD		\$2,000,000	1.60%	
		28 January 2025	5.11%	AA-	A1+	TD		\$3,000,000	2.40%		
		22 April 2025	5.11%	AA-	A1+	TD		\$2,000,000	1.60%		
		13 May 2025	5.40%	AA-	A1+	TD		\$3,000,000	2.40%		
		20 May 2025	5.34%	AA-	A1+	TD		\$2,000,000	1.60%		
		23 September 2025	4.80%	AA-	A1+	TD		\$2,194,654	1.76%		
		14 January 2025	5.02%	AA-	A1+	TD		\$2,000,000	1.60%		
		21 October 2025	4.99%	AA-	A1+	TD		\$3,155,274	2.53%		
		11 November 2025	5.09%	AA-	A1+	TD		\$3,162,155	2.53%		
		18 November 2025	5.12%	AA-	A1+	TD		\$3,040,596	2.43%		
		Westpac Banking Corporation Ltd Total							\$25,552,679	20.46%	
		Northern Territory Treasury Corporation (NTTC)	15 December 2024	1.30%	AA-	A1+	BOND		\$2,000,000	1.60%	
		Northern Territory Treasury Corporation (NTTC) Total							\$2,000,000	1.60%	
		MAJOR BANK Total								\$70,993,137	56.85%
		OTHER	Bank of Queensland Ltd	10 December 2024	5.15%	A-	A2	TD		\$4,000,000	3.20%
			17 June 2025	5.15%	A-	A2	TD		\$3,000,000	2.40%	
			Bank of Queensland Ltd Total							\$7,000,000	5.61%
			Bendigo & Adelaide Bank Ltd	25 March 2025	5.02%	A-	A-	TD		\$4,000,000	3.20%
			Bendigo & Adelaide Bank Ltd Total							\$4,000,000	3.20%
			Macquarie Bank	9 February 2025	5.26%	A+	A1	FRN	12 February 2025	\$1,000,000	0.80%
			Macquarie Bank Total							\$1,000,000	0.80%
			Bank Australia Limited	24 February 2025	6.02%	BBB+	A2	FRN	24 November 2025	\$2,000,000	1.60%
			Bank Australia Limited Total							\$2,000,000	1.60%
			Members Banking Group Limited t/as RACQ Bank	24 February 2025	5.92%	BBB+	A2	FRN	24 February 2026	\$1,600,000	1.28%
			Members Banking Group Limited t/as RACQ Bank Total							\$1,600,000	1.28%
			Great Southern Bank	8 April 2025	5.20%	BBB	A2	TD		\$4,000,000	3.20%
			Great Southern Bank Total							\$4,000,000	3.20%
			Maitland Mutual Bank Ltd	9 February 2025	6.04%	BBB	A2	FRN	10 May 2027	\$2,000,000	1.60%
			Maitland Mutual Bank Ltd Total							\$2,000,000	1.60%
			Heritage and People's Choice Limited	21 January 2025	5.00%	BBB	A2	TD		\$2,000,000	1.60%
			Heritage and People's Choice Limited Total							\$2,000,000	1.60%
		OTHER Total								\$23,600,000	18.90%
INVESTMENT Total										\$94,593,137	75.74%
VARIABLE LOAN SURPLUS	MAJOR BANK	Commonwealth Bank of Australia Ltd	30 November 2024	0.00%	AA-	A1+	General Surplus - I		\$10,000,000	8.01%	
		Commonwealth Bank of Australia Ltd Total							\$10,000,000	8.01%	
		National Australia Bank Ltd	30 November 2024	0.00%	AA-	A1+	General Surplus - I		\$14,740,000	11.80%	
		National Australia Bank Ltd Total							\$14,740,000	11.80%	
		Westpac Banking Corporation Ltd	30 November 2024	0.00%	AA-	A1+	General Surplus - I		\$5,553,383	4.45%	
		Westpac Banking Corporation Ltd Total							\$5,553,383	4.45%	
MAJOR BANK Total								\$30,293,383	24.26%		
VARIABLE LOAN SURPLUS Total										\$30,293,383	24.26%
Grand Total										\$124,886,521	100%

N.B.

*WV TYPE - FRN = interest rate is the 'Coupon Margin' established on issue date, this plus 3M BBSW provides the yield for the current coupon period.

*MATURITY DATE - FRN = the interest coupon payment date not actual FRN maturity date (paid every 91 days).

CBA General Bank Funds	\$9,325,006
NAB General Bank Funds	\$1,067,288
WBC General Bank Funds	\$542,484
Total Funds	\$135,821,299
Less Variable Loans Offset (Cash on Call)	-\$30,293,383
Total Investment & Cash (less offset)	\$105,527,916
Total Budgeted Investment Earnings	\$2,464,000
Year to Date Investment Earnings	\$482,021
Weighted Ave Rate	3.74%
Weighted Ave Rate (excluding Cash on Call)	4.95%
BBSW 90 Day Rate	4.43%
Bloomberg AusBond (Bank Bill Index)	
Trust Bank Account	\$456,675

Capital Expenditure For The Period Ended 30 November 2024	2024/25			
	YTD	YTD	YTD	FY
	Actuals	Revised Budget	Variance	Revised Budget
	\$	\$	\$	Current Financial Year Budget
				\$
TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:				
Capital Work In Progress				
Land - Under Roads	0	0	0	0
Land and Buildings:				
Land and Improvements	0	0	0	0
Buildings	1,026,022	17,146,570	16,120,548	46,269,379
Infrastructure:				
Stormwater Drainage	629,521	581,408	(48,113)	2,098,908
Transport	1,265,098	2,041,798	776,700	8,036,613
Pathways	991,311	935,205	(56,106)	2,244,500
Public Lighting	932,184	671,555	(260,629)	5,880,621
Waste Management Infrastructure	169,343	381,250	211,907	6,954,699
Waste Remediation	0	0	0	0
Right Of Use Assets (Leases):				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
Plant & Equipment, including Fleet	1,516,205	3,657,765	2,141,560	11,533,610
Parks & Reserves Infrastructure	1,474,190	2,672,432	1,198,242	7,501,578
Other Assets	252,239	0	(252,239)	574,667
TOTAL CAPITAL EXPENDITURE	8,256,114	28,087,983	19,831,869	91,094,575
TOTAL CAPITAL EXPENDITURE FUNDED BY*:				
Operating Income	3,286,827	4,565,039	1,278,212	14,654,399
Capital Grants	1,824,440	1,919,153	94,713	12,088,944
Transfer from Reserves	2,975,504	21,222,541	18,247,037	58,619,524
Borrowings	169,343	381,250	211,907	5,731,708
TOTAL CAPITAL EXPENDITURE FUNDING	8,256,114	28,087,983	19,831,869	91,094,575

*YTD Funding of expenditure is assumed to be consumed in line with YTD Capital Expenditure

Report on Planned Major Capital Works
For The Period Ended 30 November 2024

Class of Assets	By Major Capital Project	Total Prior Year(s) Actuals \$ (A)	YTD Actuals \$ (B)	Total Actuals \$ (C = A + B)	Total Planned Budget \$ (D)	Total Yet to Spend \$ (E = D - C)	Expected Project Completion Date
Buildings	Civic Centre & Car Park Upgrade	591,590	814,575	1,406,166	14,600,000	13,193,834	TBA
Buildings	Civic Centre Car Park/CBD Parking Additional Spaces	0	0	0	30,000,000	30,000,000	TBA
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	268,292	171,047	439,339	12,000,000	11,560,661	31/03/2026
TOTAL		859,883	985,622	1,845,505	56,600,000	54,754,495	

15.5MONTHLY FINANCIAL REPORT - DECEMBER 2024

Author:Executive Manager Finance

Authoriser:General Manager Corporate

Attachments:1. Monthly Financial Report - December 2024 [↓](#)

RECOMMENDATIONS

THAT the report entitled Monthly Financial Report – December 2024 be received and noted.

PURPOSE

The purpose of this report is to provide a summary of the financial position of Council for the period ended 31 December 2024.

Further, this report and the contents are required to be presented to Council in compliance with the *Local Government (General) Regulations 2021*.

KEY ISSUES

The Monthly Financial Report includes:

- Income Statement, which compares actual YTD income and expenditure against YTD budget.
- Fund Flow Statement (Monthly Operating Position), which outlines the effect on General Funds.
- Statement of Financial Position (Balance Sheet), which outlines what Council owns (assets) and what it owes (liabilities) at a point in time.
- Notes to the Balance Sheet, this includes further details on the Cash Balance, Trade Debtors, Trade Creditors, and a statement on Council's current payment and reporting obligations.
- Investments, which provides details of treasury activities, investments as at month end.
- Procurement Reporting, which is a summary of contract variations and exempt procurement.
- Capital Expenditure and Funding, which compares YTD capital expenditure and funding against YTD budget.
- Planned Major Projects Capital Works, provides a high-level financial overview of our major projects at a point in time.

DISCUSSION**December 2024 – Year to Date Result**

The year-to-date operating result until 31 December 2024 is a **surplus of \$4.0M compared to a YTD Budgeted deficit of \$4.7M** as highlighted in the table below.

Including capital income results in a favourable **\$9.1M** variance overall (as shown in the income statement).

	Actual \$'000	Budget \$'000	Variance \$'000
Operating Surplus/ (Deficit)	4,033	(4,735)	8,769 Favourable

Commentary

Please find below additional commentary for the material variances.

Income**Total Operating Income is tracking above budget by \$5.0M**

Total Operating Income results in a positive surplus of \$5.0M compared to budget. The variance mainly relates to User Fees & Charges which is tracking above expectation for December with income continuing to trend higher than YTD budget at Shoal Bay Waste Management Facility. Interest/Investment income is exceeding budget expectations YTD, due to achieving higher average returns and timing of capital projects. Statutory charges which include animal registration fees, infringements and works permits on road reserves are also tracking higher YTD. Operational grants variance relates to timing of Library grant received in December (budget to be realigned to correspond).

Expenditure**Total Expenses are below budget by \$3.7M.**

Materials & Contract expenses has an annual budget of \$63.8M and this incorporates various expenditure types. Combined this budget line is exceeding budget by \$1M, primarily due to expenditure at the Shoal Bay Waste Management Facility (offset by income) and higher water charges in Parks & Reserves, which is in part due to seasonal trends. Interest Expenses provide a YTD savings with loan offsets utilised against the variable loans. Employee expenses are trending below budget with vacancies and timing of employee leave taken, it is anticipated this will be partially offset with an increase in materials & contracts.

Statement of Fund Flows

The variances are related to a mismatch in the timing of projects and budget profiles, and the reasons described above under operating statement commentary. Capital expenditure and Transfers from Reserves relates to timing of capital projects. Repayment of borrowings reflects the closure of the \$7.5M borrowing facility undertaken for Casuarina Aquatic Centre.

Cash and Investments Note A

City of Darwin has achieved 3.86% on weighted average interest rate on its end of month cash and investment portfolio of \$136.7M (excluding loan offset \$30.3M). There have been no investment policy breaches in this month.

The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Ordinary Council Meeting Agenda

28 January 2025

As at end of December Council held \$17.5M in environment, socially responsible or 'green' assets; approximately 14% of total investment portfolio. Council continues to seek 'green' investments were compliant with legislation and policy and the rate of return is favourable relative to comparable investments on offer to council at the time of investment.

Treasury Comment

The latest inflation figures have softened and are now within the Reserve Banks target. However, (strong) labour market figures for December continues to indicate that a rate cut is unlikely before May. The cash rate remained unchanged following the Boards December meeting.

Accounts Receivable (Trade Debtors) Note B

This section considers the receipt timing of Rates collection and any general Debtors outstanding. The report also includes information on aged debtors including general debtors, infringements, and Rates arrears.

Accounts Payable (Trade Creditors) Note C

Accounts Payable owing at end of month was \$2.2M at the time of reporting. City of Darwin recognises the liability of invoices once goods are receipted as received.

Procurement Reporting

Under the Local Government (General) Regulations, Council is required to disclose at the next Council meeting and on the City of Darwin website:

- contract variations:
 - where a tender was not required, however the total cost exceeds \$100,000, or
 - where a contract requiring a tender is varied by 10%.
- exempt procurement greater than \$100,000.

Contract Variations

Vendor	Supply	Original cost	Total cost	% Change	Applicable variation
Jaytex Construction Pty Ltd	Bundilla Beach revitalisation project	\$2,314,909.80	\$2,924,295.84	26.32%	Reg 42(5)

Exempt Procurement

Vendor	Supply	Cost	Applicable exemption
.lgiQ	Financial services support	\$200,000.00	Reg 38(1)(k) Major operational inconvenience
KOR Equipment Solutions	Schwarze GS6 Regenerative Air Sweeper	\$458,298.60	Reg 38(1)(k) Major operational inconvenience

Ordinary Council Meeting Agenda

28 January 2025

<u>Certification by the CEO to the Council</u> That, to the best of the CEO's knowledge, information and belief: (1) The internal controls implemented by the council are appropriate; and (2) The council's financial report best reflects the financial affairs of the council. <i>M Grassmayr</i> A/CEO Signed 23/01/2025	
PREVIOUS COUNCIL RESOLUTION N/A	
STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.3 Decision Making and Management
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	<p>Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that a monthly financial report is presented to Council each month setting out:</p> <p>(a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and</p> <p>(b) the most recently adopted annual budget; and</p> <p>(c) details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget.</p> <p>Regulation 17(5) Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that the monthly report must be accompanied by:</p> <p>(a) a certification, in writing, by the CEO to the council that, to the best of the CEO's knowledge, information and belief:</p> <p>(i) the internal controls implemented by the council are appropriate; and</p> <p>(ii) the council's financial report best reflects the financial affairs of the council; or</p> <p>(b) if the CEO cannot provide the certification – written reasons for not providing the certification.</p> <p>The report is compliant with the requirements of the <i>Local Government Act 2019</i> and <i>Local Government (General) Regulations 2021</i>.</p>

Ordinary Council Meeting Agenda

28 January 2025

CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>

Income Statement For the Period Ended 31 December 2024	2024/25					
	Dec-24					FY Revised Budget \$'000
	YTD Actual		YTD Revised Budget		Variance	
	\$'000		\$'000		\$'000	
Operating Income						
Rates	39,463	54%	39,298	58%	165	78,595
Charges	5,003	7%	4,938	7%	65	9,876
Statutory Charges	2,054	3%	1,262	2%	792	2,539
User Fees and Charges	17,154	23%	14,627	22%	2,527	28,337
Operating Grants and Subsidies	6,035	8%	5,365	8%	670	6,614
Interest / Investment Income	2,686	4%	1,757	3%	929	3,513
Commercial & Other Income	634	1%	716	1%	(81)	2,377
Total Income	73,029		67,962		5,068	131,852
Operating Expenses						
Employee Expenses	18,797	27%	21,492	30%	2,695	42,820
Materials, Contracts & Services	33,655	49%	32,670	45%	(985)	63,756
Elected Member Allowances	330	0%	400	1%	70	800
Elected Member Expenses	0	0%	6	0%	6	12
Council Committee Allowances	5	0%	5	0%	(0)	10
Depreciation, Amortisation & Impairment	15,723	23%	16,262	22%	539	32,524
Interest Expenses	486	1%	1,861	3%	1,375	3,722
Total Expenses	68,996		72,697		3,701	143,644
Budgeted Operating Surplus/ (Deficit)	4,033		(4,735)		8,769	(11,792)
Capital Grants Income	1,181		831		350	12,089
Net Surplus/(Deficit)	5,214		(3,905)		9,119	297

Statement of Fund Flows Monthly Statement of Operating Position For the Period Ended 31 December 2024	2024/25			
	Dec-24			FY
	YTD Actual	YTD Revised Budget	Variance	Revised Budget
	\$'000	\$'000	\$'000	\$'000
Net Operating Result from Income Statement	4,033	(4,735)	8,769	(11,792)
<u>Add Non Cash Items</u>				
Add Back Depreciation (Non-Cash)	15,723	16,262	(539)	32,524
Add Back Other Non-Cash Items	0	0	0	1,402
Total Non Cash Items	15,723	16,262	(539)	33,926
<u>Less Additional Outflows</u>				
Repayment of borrowings & advances	(9,472)	(9,472)	0	(4,422)
Capital Expenditure	(9,981)	(34,967)	24,986	(91,095)
Total Additional Outflows	(19,453)	(44,439)	24,986	(95,517)
<u>Add Additional Inflows</u>				
Capital Grants Income	1,181	831	350	12,089
Sale of Infrastructure, Property, Plant & Equipment	103	250	(147)	500
Proceeds from borrowings & advances	6,000	6,000	0	6,000
Transfers from/(to) Reserves	(5,002)	21,096	(26,098)	54,794
Total Additional Inflows	2,282	28,177	(25,895)	73,382
Net Increase (-Decrease) in Funds	(1,448)	(0)	(1,448)	0

Statement of Financial Position as at 31 December 2024	2024/25			
	Dec-24 Actual \$'000	Note	FY Revised Budget \$'000	FY Original Budget \$'000
Current Assets				
Cash at Bank & Investments	46,960	A	17,482	17,482
Cash at Bank & Investments - externally restricted	55,229	A	17,631	19,753
Cash at Bank & Investments - internally restricted	34,528	A	12,330	11,829
Trade & Other Receivables	5,150	B	15,770	15,770
Rates & Charges Receivables	38,351	B	-	-
Inventories	294		300	300
Total Current Assets	180,512		63,513	65,134
Non-Current Assets				
Infrastructure, Property, Plant and Equipment	1,250,363		1,293,686	1,293,686
Lease Right of Use Assets	2,260		-	-
Total Non Current Assets	1,252,623		1,293,686	1,293,686
Total Assets	1,433,135		1,357,199	1,358,819
Current Liabilities				
Trade Payables & Other Payables	2,195	C	21,438	21,438
Accruals	12,298		-	-
ATO & Payroll Liabilities	538	D	-	-
Rates Revenue struck (in advance)	44,301		-	-
Borrowings	3,559		4,974	4,974
Provisions	6,768		7,583	7,583
Lease Liabilities	951		979	979
Total Current Liabilities	70,609		34,974	34,974
Non-Current Liabilities				
Trade & Other Payables	10		-	-
Borrowings	50,994		46,925	46,925
Provisions	50,236		56,784	56,784
Lease Liabilities	1,460		571	571
Total Non-Current Liabilities	102,699		104,279	104,280
Total Liabilities	173,308		139,253	139,252
NET ASSETS	1,259,826		1,217,946	1,219,567
Equity				
Accumulated Surplus	302,771		321,718	325,857
Asset Revaluation Reserve	867,297		862,128	862,128
Other Reserves	89,757		34,100	31,582
TOTAL EQUITY	1,259,826		1,217,946	1,219,567

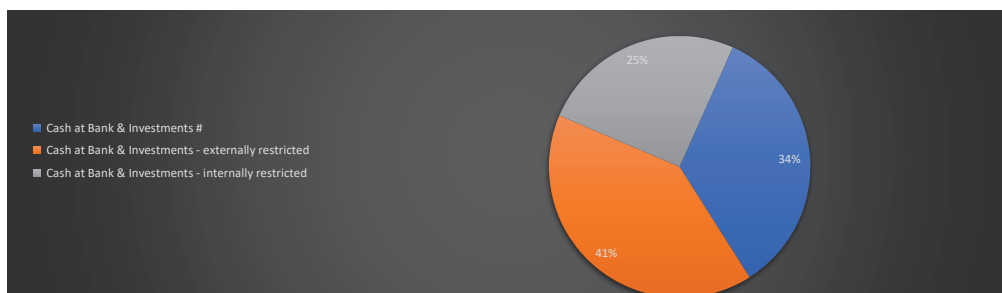
*Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the reports were completed.

Monthly Balance Sheet Report (Notes to the Balance Sheet) as at 31 December 2024

Note A. Details of Cash and Investments Held

Investments Report attached, which provides details of treasury activities, investments as at the end of the Month. City of Darwin has achieved 3.86% on weighted average interest rate on its December 2024 cash and investment portfolio of \$136.7M (including \$30.3M Variable Loans Surplus/Offset). There have been no investment policy breaches in this month. The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Cash at Bank & Investments	\$'000
Cash at Bank & Investments #	46,960
Cash at Bank & Investments - externally restricted	55,229
Cash at Bank & Investments - internally restricted	34,528
Total Cash at Bank & Investments	136,717



Cash at Bank & Investments includes Cash on Call of \$30.3M

Note B. Statement of Trade Debtors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total *
Rates & Charges Debtors	\$ 35,726,123	\$0	\$0	\$2,624,673	\$38,350,796
Other Trade Receivables and Other Receivables	\$ 2,528,340	\$1,524,510	\$383,244	\$713,824	\$ 5,149,918
Total Trade and Other Receivables	\$ 38,254,463	\$1,524,510	\$383,244	\$3,338,497	\$ 43,500,714

Note C. Statement on Trade Creditors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total*
General Trade Creditors	-\$1,143,272	-\$1,010,448	-\$22,927	-\$18,032	-\$2,194,679
ATO & Payroll Liabilities	-\$537,907	\$0	\$0	\$0	-\$537,907
Total Trade and Other Payables	-\$1,681,179	-\$1,010,448	-\$22,927	-\$18,032	-\$2,732,586

Note D. Statement on Australian Tax Office (ATO) and Payroll Obligations

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month December 2024.

* Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

**INVESTMENTS REPORT TO COUNCIL
AS AT
31 December 2024**

Investment and Cash at Call/Offset Distribution by Term to Maturity

Term to Maturity Policy Limits

There have been no breaches in Term to Maturity Policy limits for the month of December 2024

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
Less than 1 Year			
Term Deposits	62%		
Business Online Saver Accounts	5%		
Floating Rate Notes	5%		
General Surplus on Variable Loans	24%		
Bonds	0%		
Less than 1 Year Total	95%	100%	30%
Greater than 1 Year less than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	4%		
Bonds	0%		
Greater than 1 Year less than 3 Years Total	4%	70%	0%
Greater than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	1%		
Bonds	0%		
Greater than 3 Years Total	1%	30%	0%
Greater than 5 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
Greater than 5 Years	0%	10%	0%
Total	100%		

Investment Distribution by Portfolio Credit Rating

Portfolio Distribution Credit Rating Limits

There have been no breaches in Portfolio Credit Rating Limits for the month of December 2024

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
AA-	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	16%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	30%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	25%	50%
	ANZ Banking Group Ltd	ANZ Banking Group Ltd	1%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	0%	50%
A+	Macquarie Bank	Macquarie Bank	1%	30%
AA-	Suncorp Metway Limited	Suncorp Bank	9%	30%
A-	Bank of Queensland Ltd	Bank of Queensland Ltd	7%	30%
BBB+	Bank Australia Limited	Bank Australia Limited	2%	10%
	Bendigo & Adelaide Bank Ltd	Bendigo & Adelaide Bank Ltd	3%	10%
	Members Banking Group Limited t/as RACQ Bank	Members Banking Group Limited t/as RACQ Bank	1%	10%
BBB	Great Southern Bank	Great Southern Bank	3%	10%
	Maitland Mutual Bank Ltd	Maitland Mutual Bank Ltd	2%	10%
	Heritage and People's Choice Limited	Heritage and People's Choice Limited	2%	10%
Grand Total			100%	
Credit Rating - Maximum Portfolio Limit			% of Total	Policy Limit
AAA to AA-			79%	100%
A+ to A-			1%	45%
BBB+ to BBB			20%	30%
BBB-			0%	0%
Total			100%	

INVESTMENT AND CASH AT CALL/OFFSET REPORT TO COUNCIL
AS AT
31 December 2024

Instrument	Institution Category	Counterparty	Maturity Date	Interest Rate	Credit Rating (LT)	Credit Rating (ST)	Inv Type	FRN ONLY (Maturity Date - last pmt)	Principal \$	% Portfolio		
INVESTMENT	MAJOR BANK	ANZ Banking Group Ltd	25 March 2025	5.40%	AA-	A1+	FRN	31 March 2028	\$500,000	0.40%		
		ANZ Banking Group Ltd Total							\$500,000	0.40%		
		Commonwealth Bank of Australia Ltd	16 February 2025	4.24%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.80%		
		11 January 2025	5.35%	AA-	A1+	FRN	13 January 2026	\$2,000,000	1.60%			
		15 February 2025	5.18%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.80%			
		31 December 2024	4.35%	AA-	A1+	BOS		\$5,631,631	4.50%			
		Commonwealth Bank of Australia Ltd Total							\$9,631,631	7.70%		
		National Australia Bank Ltd	21 January 2025	5.30%	AA-	A1+	TD		\$1,000,000	0.80%		
		17 June 2025	5.10%	AA-	A1+	TD		\$3,000,000	2.40%			
		6 May 2025	5.00%	AA-	A1+	TD		\$3,000,000	2.40%			
		27 May 2025	4.99%	AA-	A1+	TD		\$2,000,000	1.60%			
		18 March 2025	5.00%	AA-	A1+	TD		\$3,141,155	2.51%			
		11 March 2025	5.00%	AA-	A1+	TD		\$2,066,879	1.65%			
		23 September 2025	4.90%	AA-	A1+	TD		\$2,000,000	1.60%			
		29 April 2025	5.00%	AA-	A1+	TD		\$2,000,000	1.60%			
		15 April 2025	5.04%	AA-	A1+	TD		\$2,000,000	1.60%			
		18 November 2025	5.10%	AA-	A1+	TD		\$2,035,970	1.63%			
		National Australia Bank Ltd Total							\$22,244,004	17.79%		
		Suncorp Bank	1 April 2025	5.00%	AA-	A1+	TD		\$2,000,000	1.60%		
		17 January 2025	5.33%	AA-	A1+	FRN	17 October 2025	\$1,000,000	0.80%			
		19 August 2025	5.10%	AA-	A1+	TD		\$2,000,000	1.60%			
		26 August 2025	5.10%	AA-	A1+	TD		\$2,000,000	1.60%			
		30 September 2025	5.03%	AA-	A1+	TD		\$2,000,000	1.60%			
		10 June 2025	5.00%	AA-	A1+	TD		\$2,085,315	1.67%			
		Suncorp Bank Total							\$11,085,315	8.86%		
		Westpac Banking Corporation Ltd	28 January 2025	5.11%	AA-	A1+	TD		\$3,000,000	2.40%		
		22 April 2025	5.11%	AA-	A1+	TD		\$2,000,000	1.60%			
		13 May 2025	5.40%	AA-	A1+	TD		\$3,000,000	2.40%			
		20 May 2025	5.34%	AA-	A1+	TD		\$2,000,000	1.60%			
		23 September 2025	4.80%	AA-	A1+	TD		\$2,194,654	1.75%			
		14 January 2025	5.02%	AA-	A1+	TD		\$2,000,000	1.60%			
		21 October 2025	4.99%	AA-	A1+	TD		\$3,155,274	2.52%			
		11 November 2025	5.09%	AA-	A1+	TD		\$3,162,155	2.53%			
		18 November 2025	5.12%	AA-	A1+	TD		\$3,040,596	2.43%			
		2 December 2025	5.00%	AA-	A1+	TD		\$2,000,089	1.60%			
		Westpac Banking Corporation Ltd Total							\$25,552,767	20.43%		
		MAJOR BANK Total								\$69,013,718	55.18%	
		OTHER	Bank of Queensland Ltd	17 June 2025	5.15%	A-	A2	TD		\$3,000,000	2.40%	
			24 June 2025	5.18%	A-	A2	TD		\$6,154,077	4.92%		
			Bank of Queensland Ltd Total							\$9,154,077	7.32%	
			Bendigo & Adelaide Bank Ltd	25 March 2025	5.02%	A-	A-	TD		\$4,000,000	3.20%	
			Bendigo & Adelaide Bank Ltd Total							\$4,000,000	3.20%	
			Macquarie Bank	9 February 2025	5.26%	A+	A1	FRN	12 February 2025	\$1,000,000	0.80%	
			Macquarie Bank Total							\$1,000,000	0.80%	
			Bank Australia Limited	24 February 2025	6.02%	BBB+	A2	FRN	24 November 2025	\$2,000,000	1.60%	
			Bank Australia Limited Total							\$2,000,000	1.60%	
			Members Banking Group Limited t/as RACQ Bank	24 February 2025	5.92%	BBB+	A2	FRN	24 February 2026	\$1,600,000	1.28%	
			Members Banking Group Limited t/as RACQ Bank Total							\$1,600,000	1.28%	
			Great Southern Bank	8 April 2025	5.20%	BBB	A2	TD		\$4,000,000	3.20%	
			Great Southern Bank Total							\$4,000,000	3.20%	
			Maitland Mutual Bank Ltd	9 February 2025	6.04%	BBB	A2	FRN	10 May 2027	\$2,000,000	1.60%	
			Maitland Mutual Bank Ltd Total							\$2,000,000	1.60%	
			Heritage and People's Choice Limited	21 January 2025	5.00%	BBB	A2	TD		\$2,000,000	1.60%	
			Heritage and People's Choice Limited Total							\$2,000,000	1.60%	
			OTHER Total								\$25,754,077	20.59%
INVESTMENT Total										\$94,767,795	75.78%	
VARIABLE LOAN SURPLUS	MAJOR BANK		Commonwealth Bank of Australia Ltd	31 December 2024	0.00%	AA-	A1+	General Surplus -		\$10,000,000	8.00%	
		Commonwealth Bank of Australia Ltd Total							\$10,000,000	8.00%		
		National Australia Bank Ltd	31 December 2024	0.00%	AA-	A1+	General Surplus -		\$14,740,000	11.79%		
		National Australia Bank Ltd Total							\$14,740,000	11.79%		
		Westpac Banking Corporation Ltd	31 December 2024	0.00%	AA-	A1+	General Surplus -		\$5,553,383	4.44%		
VARIABLE LOAN SURPLUS Total	MAJOR BANK Total	Westpac Banking Corporation Ltd Total							\$5,553,383	4.44%		
									\$30,293,383	24.22%		
Grand Total									\$125,061,178	100%		

N.B.
*INV TYPE - FRN = interest rate is the 'Coupon Margin' established on issue date, this plus 3M BBSW provides the yield for the current coupon period.
*MATURITY DATE - FRN = the interest coupon payment date not actual FRN maturity date (paid every 91 days).

CBA General Bank Funds	\$11,801,246
NAB General Bank Funds	\$462,187
WBC General Bank Funds	\$377,952
Total Funds	\$137,702,564
Less Variable Loans Offset (Cash on Call)	-\$30,293,383
Total Investment & Cash (less offset)	\$107,409,180
Total Budgeted Investment Earnings	\$2,753,480
Year to Date Investment Earnings	\$2,279,508
Weighted Ave Rate	3.86%
Weighted Ave Rate (excluding Cash on Call)	5.10%
BBSW 90 Day Rate	4.38%
Bloomberg AusBond (Bank Bill Index)	
Trust Bank Account	\$456,675

Capital Expenditure For The Period Ended 31 December 2024	2024/25			
	YTD	YTD	YTD	FY
	Actuals	Revised Budget	Variance	Revised Budget
	\$	\$	\$	Current Financial Year Budget \$
TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:				
Capital Work In Progress				
Land - Under Roads	0	0	0	0
Land and Buildings:				
Land and Improvements	0	0	0	0
Buildings	1,425,555	20,577,014	19,151,459	46,269,379
Infrastructure:				
Stormwater Drainage	636,021	581,408	(54,613)	2,098,908
Transport	1,265,098	2,271,590	1,006,492	8,036,613
Pathways	1,003,754	1,122,246	118,492	2,244,500
Public Lighting	1,046,403	1,367,829	321,426	5,880,621
Waste Management Infrastructure	199,743	777,500	577,757	6,954,699
Waste Remediation	0	0	0	0
Right Of Use Assets (Leases):				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
Plant & Equipment, including Fleet	1,645,938	4,091,900	2,445,962	11,533,610
Parks & Reserves Infrastructure	2,316,984	4,177,974	1,860,990	7,501,578
Other Assets	441,099	0	(441,099)	574,667
TOTAL CAPITAL EXPENDITURE	9,980,595	34,967,461	24,986,866	91,094,575
TOTAL CAPITAL EXPENDITURE FUNDED BY*:				
Operating Income	3,399,644	6,049,584	2,649,940	14,654,399
Capital Grants	2,859,571	2,920,818	61,247	12,088,944
Transfer from Reserves	3,521,638	25,219,559	21,697,921	58,619,524
Borrowings	199,742	777,500	577,758	5,731,708
TOTAL CAPITAL EXPENDITURE FUNDING	9,980,595	34,967,461	24,986,866	91,094,575

*YTD Funding of expenditure is assumed to be consumed in line with YTD Capital Expenditure

Report on Planned Major Capital Works
For The Period Ended 31 December 2024

Class of Assets	By Major Capital Project	Total Prior Year(s) Actuals \$ (A)	YTD Actuals \$ (B)	Total Actuals \$ (C = A + B)	Total Planned Budget \$ (D)	Total Yet to Spend \$ (E = D - C)	Expected Project Completion Date
Buildings	Civic Centre & Car Park Upgrade	591,590	1,111,360	1,702,950	14,600,000	12,897,050	TBA
Buildings	Civic Centre Car Park/CBD Parking Additional Spaces	0	0	0	30,000,000	30,000,000	TBA
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	268,292	201,447	469,739	12,000,000	11,530,261	31/03/2026
TOTAL		859,883	1,312,807	2,172,689	56,600,000	54,427,311	

7 QUESTIONS BY MEMBERS

8 GENERAL BUSINESS

8.1

Common No.

THAT

9 CLOSURE OF MEETING TO THE PUBLIC

THAT pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the meeting be closed to the public to consider the Confidential Items of the Agenda.

RECOMMENDATIONS

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 99(2) of the *Local Government Act 2019*:

12.1 Risk Review and Assessment - February 2025

This matter is considered to be confidential under Section 99(2) - 51(c)(i) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.2 Shoal Bay Waste Management Facility - Update February 2025

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.3 ICT Roadmap - Update on Progress

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.4 Corporate Services Quarterly Report | October to December 2024

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.5 Civic Centre Briefing

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.



MINUTES

Risk Management & Audit Committee Meeting

Friday, 18 October 2024

Date: Friday, 18 October 2024

Time: 9:00 AM

**Location: Council Chambers Darrandirra
Level 1, Civic Centre
Harry Chan Avenue, Darwin**

**MINUTES OF CITY OF DARWIN
RISK MANAGEMENT & AUDIT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS DARRANDIRRA, LEVEL 1, CIVIC CENTRE, HARRY
CHAN AVENUE, DARWIN
ON FRIDAY, 18 OCTOBER 2024 AT 9:00 AM**

PRESENT:

Chair Roland Chin
Councillor Jimmy Bouhoris
Councillor Ed Smelt
Member George Araj

OFFICERS

Simone Saunders (Chief Executive Officer)
Alice Percy (General Manager Innovation)
Irene Frazis (Executive Manager Finance)
Alexandra Vereker (Executive Manager HR and Safety)
Brooke Prince (A/Executive Manager Corporate Services)
Natalie Williamson (General Manager Corporate)

APOLOGY:

Councillor Mick Palmer
Member Joe McCabe
Member Sanja Hill

GUESTS:

Nil

Order of Business

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6.3	Review of Fraud Prevention Policy and Procedure.....	6
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1 MEETING DECLARED OPEN

RECOMMENDATIONS

The Chair declared the meeting open at 9.06 am.

ACKNOWLEDGEMENT OF COUNTRY

We the members of City of Darwin acknowledge that we are meeting on Larrakia Country.

We recognise and pay our respects to all Larrakia people, Traditional Owners and Custodian Elders of the past and present.

We support emerging Larrakia leaders now and into the future.

We are committed to working together with all Larrakia to care for this land and sea for our shared future.

2 APOLOGIES AND LEAVE OF ABSENCE

COMMITTEE RESOLUTION RMAC050/24

Moved: Councillor Jimmy Bouhoris

Seconded: Councillor Ed Smelt

THAT the apology from Councillor Mick Palmer, Member Sanja Hill and Member Joe McCabe be received and noted.

CARRIED 4/0

3 ELECTRONIC MEETING ATTENDANCE

3.1 ELECTRONIC MEETING ATTENDANCE GRANTED

Nil

3.2 ELECTRONIC MEETING ATTENDANCE REQUESTED

Nil

4 DECLARATION OF INTEREST OF MEMBERS AND STAFF

4.1 DECLARATION OF INTEREST BY MEMBERS

RECOMMENDATIONS

Member Roland Chin made the following Declarations (updated 20/10/23):

- Treasurer of St John Ambulance Australia (NT) Inc.; Director of SJA (NT) Endowment Company Pty Ltd as trustee for The St John Ambulance (NT) Endowment Trust; Director of St John Ambulance Australia NT Holdings Pty Ltd; St John Ambulance Australia Ltd – Finance, Audit & Risk subcommittee
- President of Chung Wah Society Inc
- Chair of Audit and Risk Committee of Venture Housing Company Limited
- Chair of Audit, Risk and Compliance Committee of Charles Darwin University
- Tiwi Land Council Audit Committee.

Councillor Jimmy Bouhori made the following Declarations (25/06/21):

- any items relating to PowerWater

Councillor Ed Smelt made the following Declarations (20/10/2023):

- any items relating to Department of Infrastructure, Planning and Logistics, NTG

Member Sanja Hill advised of the following representations (updated 19/04/24):

- any items relating to Department of the Attorney-General and Justice NTG

Member Joe McCabe made the following Declarations (28/06/24):

- any items relating to Townville City Council

4.2 DECLARATION OF INTEREST BY STAFF

Nil

5 CONFIRMATION OF PREVIOUS MINUTES

COMMITTEE RESOLUTION RMAC051/24

Moved: Councillor Ed Smelt

Seconded: Member George Araj

THAT the minutes of the Risk Management & Audit Committee Meeting held on 28 June 2024 be confirmed.

CARRIED 4/0

6 ACTION REPORTS

6.1 PROPOSED MEETING DATES AND REPORT SCHEDULE 2025

COMMITTEE RESOLUTION RMAC052/24

Moved: Councillor Jimmy Bouhoris

Seconded: Councillor Ed Smelt

1. THAT the report entitled Proposed Meeting Dates and Report Schedule - 2025 be received and noted.
2. THAT RMAC endorse the RMAC Proposed Meeting Dates and Report Schedule 2025.

CARRIED 4/0

The Committee noted that the risk review will remain for each RMAC meeting however look to consider different risk areas as focus.

6.2 REVIEW OF RISK MANAGEMENT & AUDIT (RMAC) - TERMS OF REFERENCE

COMMITTEE RESOLUTION RMAC053/24

Moved: Councillor Ed Smelt

Seconded: Member George Araj

1. THAT the report entitled Review of Risk Management & Audit (RMAC) - Terms of Reference be received and noted.
2. THAT the Risk Management and Audit Committee recommends that Council adopts the revised Terms of Reference provided at **Attachment 2**

CARRIED 4/0

The Committee noted the following changes to be made administratively, that the wording re CEO or delegate will attend meetings however is not a member. Section 9.2, the Chair may undertake an review of the performance of the Committee.

6.3 REVIEW OF FRAUD PREVENTION POLICY AND PROCEDURE

COMMITTEE RESOLUTION RMAC054/24

Moved: Councillor Jimmy Bouhoris

Seconded: Councillor Ed Smelt

1. THAT the report entitled Review of Fraud Prevention Policy and Procedure be received and noted.
2. THAT the Risk Management and Audit Committee recommends that Council adopts the revised Fraud Prevention Policy at **Attachment 1**.

CARRIED 4/0

The Committee noted the following changes to be made administratively, that the procedure include a reference to ICAC.

6.4 REVIEW OF INDEPENDENT COMMISSIONER AGAINST CORRUPTION PROCEDURE**COMMITTEE RESOLUTION RMAC055/24**

Moved: Member George Araj

Seconded: Councillor Jimmy Bouhoris

1. THAT the report entitled Review of Independent Commissioner Against Corruption Procedure be received and noted.
2. THAT the Committee recommend that Council adopts the revised Independent Commissioner Against Corruption Procedure at **Attachment 2**.

CARRIED 4/0

6.5 MONTHLY FINANCIAL REPORTS: MAY - AUGUST 2024**COMMITTEE RESOLUTION RMAC056/24**

Moved: Councillor Ed Smelt

Seconded: Member George Araj

THAT the report entitled Monthly Financial Reports: May - August 2024 be received and noted.

CARRIED 4/0

7 QUESTIONS BY MEMBERS

Nil

8 GENERAL BUSINESS

Nil

9 CLOSURE OF MEETING TO THE PUBLIC**RECOMMENDATIONS**

THAT pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the meeting be closed to the public to consider the Confidential Items of the Agenda.

RECOMMENDATIONS

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 99(2) of the *Local Government Act 2019*:

12.1 Audited Annual Financial Statements for Year Ended 30 June 2024

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.2 City of Darwin Draft Annual Report 2023/24

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.3 Shoal Bay Waste Management Facility - Update October 2024

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.4 Property Policies

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.5 Asset Management Update including AMP Buildings and Land

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) and 51(e) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person and subject to subregulation 51(3) – information provided to the council on condition that it be kept confidential and would, if publicly disclosed, be likely to be contrary to the public interest.

12.6 Internal Audit Update

This matter is considered to be confidential under Section 99(2) - 51(c)(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person.

12.7 Risk Review and Assessment - October 2024

This matter is considered to be confidential under Section 99(2) - 51(c)(i) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.8 ICT Roadmap - Update on Progress

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.9 Work Health & Safety Quarterly Report: April-June 2024

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.10 Work Health & Safety Quarterly Report: July - September 2024

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.11 Corporate Services Quarterly Report: April-June 2024

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

12.12 Corporate Services Quarterly Report: July-September 2024

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

ADJOURNMENT OF MEETING

COMMITTEE RESOLUTION RMAC011/24

Moved: Member George Araj

Seconded: Councillor Jimmy Bouhoris

THAT the open section of the meeting be adjourned at 10:06 am.

CARRIED 4/0

THAT the chair declared the meeting closed at 1:01 pm.

The minutes of this meeting were confirmed at the Risk Management & Audit Committee held February 2025.

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CHAIR