

EC1 Attachment

1. Internal Audit Report – Post Project Review – Broughton Pass Project

Monday 19 February 2018

EC1 – Post Project Review – Broughton Pass Project

Wollondilly Shire Council

Post Project Review – Broughton Pass Project

Final

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InConsult Pty Ltd

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Table of Contents

Internal Audit Report – Post Project Review – Broughton Pass Project.....	3
Executive Summary	3
Background	5
Scope.....	7
Audit Timing	8
Audit Approach.....	8
Insights	9
Observations	10
Opportunity for Improvement	20
Conclusion	23
Appendix 1: Community Survey Results.....	24

Internal Audit Report – Post Project Review – Broughton Pass Project

Executive Summary

Council has resolved to conduct independent Post Project Reviews (PPR) following the completion of major projects, to identify the benefits that have been achieved and opportunities for further improvement. A PPR is a formal review of a project and is conducted once the project has been completed and delivered. Council has requested InConsult to conduct a PPR of the Broughton Pass project as part of Council's internal audit program.

The PPR of the Broughton Pass project was carried out between October - November 2017. The Broughton Pass project involved the design and construction of a replacement approach to Cataract River Bridge and associated works as a result of the storm damage which occurred on 5 June 2016. The project commenced in June 2016 and was substantially completed on 30 June 2017 when Broughton Pass was re-opened to traffic.

An independent community online survey was carried out as part of the PPR process, seeking feedback from the community on the management of the project. Responses to the survey were managed by Internal Audit, which is independent of the Council.

The PPR of the Broughton Pass project revealed the following:

- The actions taken by Council demonstrated Council's responsiveness to the issues faced by the Wilton and Appin communities as a result of the storm event on 5/6/2016. Council was faced with a natural disaster in the Shire and had to re-allocate its resources to address a number of remediation works, not only Broughton Pass.
- The decision to engage an external project manager from NSW Public Works for the project management of the remediation works enabled Council to deliver the project whilst dealing with levels of complexity in relation to the site and the environment. NSW Public Works manages large and small projects on behalf of the State government and utilises project management methodology which reflects best practice.
- Council demonstrated appropriate caution by undertaking thorough investigations to assess the damage, identify environmental exposures and determine the available options for the remediation works. For example, arrangements were made for a geotechnical specialist to attend the site within 24 hours of the storm event. Because of the access limitations of the Broughton Pass site where the damage occurred, drone technology was utilised to survey the site. Additionally, as Cataract River provides drinking water for a quarter of Sydney, Council exercised extreme care to ensure there was no contamination of the water.
- Because of the complexity of the Broughton Pass site, Council identified the need for engagement with external stakeholders and established a Taskforce, as part of the broader Wollondilly Recovery

Committee, with representatives from key agencies. Regular meetings were held where actions were discussed and decisions were made.

- Detailed investigations and thorough review of the design proposals enabled Council to be clear on the remediation requirements to achieve the best outcome.
- A number of contractors were engaged during the investigation and design stages without going through the normal process of obtaining multiple quotes. These were treated as emergency purchases and approved by the General Manager. This is considered acceptable in the circumstances and allowed the initial stages of the project to proceed in a timely manner.
- The decision to call for a 'Design and Construct' tender was considered justified under the circumstances although the tender period was pushed out by an additional three weeks. The tender process undertaken was considered acceptable as it allowed an appropriate amount of time for tenderers to develop conceptual alternative designs through their consultants.
- The decision to undertake a preliminary Expression of Interest (EoI) process before calling tenders extended the procurement process and diverted project resources. Whilst the preliminary EoI was intended to allow for the complexity and uncertainty surrounding the most appropriate solution to reconstructing the road to be understood by prospective tenderers prior to the formal procurement process commencing, it ended up adding little value.
- The detailed design prepared by the contractor was independently verified and subject to appropriate quality control.
- The level of community engagement was considered to be reasonable although the community survey results suggested otherwise. Various modes of communication were utilised – flyers, Council website, social media, email updates and local newspapers. Two Walk-in information days were held, the first in July 2016 and the second in March 2017. Information on Council's website was updated on a regular basis.
- The project was delivered within the budget allocated by Council. At the first Walk-in information day, the community was informed that the construction cost was expected to be approximately \$1 million and anticipated time to complete of 12 months. Council delivered to the anticipated timeline. The total project cost was \$178,755 less than the budget allocated for the project.

Detailed observations are provided under the 'Observations' heading in this report.

The community survey undertaken by internal audit was responded to by 33 members of the community. The results showed that the majority of respondents were dissatisfied with the length of time taken to complete the project and communication from Council during the project. However, the majority of respondents were satisfied with the quality of the finished works.

Whilst Council took a year to deliver the project, we have concluded from our review that the time taken was reasonable given the complexity of the project and the environment in which it was conducted. This included the need to balance heritage, environmental and engineering considerations

against the need to re-open the pass as soon as possible. In addition, the initial stages of the project were conducted in the midst of a natural disaster which affected multiple locations within the Shire.

There was evidence during various stages of the project of peer review and other quality control measures which provides a reasonable level of assurance that the works were carried out to an appropriate standard.

The procurement processes utilised throughout the project provided a balance between ensuring value for money and allowing the project to proceed with some urgency. The ultimate project cost was within budget.

Our conclusions regarding the duration and cost of the project were supported by feedback obtained during the audit from Council staff and the RMS representative.

Background

On Sunday 5 June 2016, the New South Wales eastern seaboard experienced an East Coast Low weather event with associated extreme rainfall which generated flooding causing damage to many public assets. There was significant damage to parts of Picton as well as a number of roads and other infrastructure in the Shire.

During this weather event, the rubble and drystone wall attached to the Wilton abutment of the Cataract River Bridge failed, leaving a debris trail down to the Cataract River. Due to the damage to the bridge approach (see pictures below from various reports), Wilton Road through Broughton Pass, was closed to the public.



Photo 1 – Extracted from Coffey’s Geotechnical Investigation and Concept Design Report, Aug 2016 - View of the western bridge abutment and dry packed stone wall supporting the road formation on the southern side of the road approach to the bridge, before the damage (Picture taken in September 2011).



Photos 2 & 3— Extracted from Coffey's Geotechnical Investigation and Concept Design Report, Aug 2016 - View of the failed bridge and retaining wall observed on 6 June 2017.

Council officers consider that the likely causes of the failure were a combination of factors. High overland flows from above from the adjacent slope face and back along the road occurred at some point exceeding drainage capacity, bypassing the overland drainage and flowing laterally towards the dry packed sandstone wall. This may have washed some stone units out of the wall, possibly in combination with large debris. Turbulent river flows and cascading water off the adjacent lands flowing into the river at the same location may have washed out some of the supporting stratum and potentially the base of the wall.

Council advised that the storm event exceeded a 1 in 100-year ARI rainfall event in some areas which would have exceeded the capacity of almost all drainage systems in the Shire irrespective of whether the systems had been appropriately maintained. The current standard drainage is designed for 1 in 10 years with consideration of 1 in 100 i.e. to make sure it doesn't make the flood impact worse.

On the day of the storm event (5/6/2016), Council called for senior staff and managers to attend the Council for an emergency meeting(s). Both the Director Infrastructure & Environment and the Manager Works attended the Council Works Depot. Meetings were held through the day and into the night and then resumed the following morning.

A natural disaster declaration was made on 7/6/2016, which included the Wollondilly Shire Council Local Government Area.

The Wilton Road caters for approximately 2,545 vehicle movements per day, with a high proportion of local travel between the communities of Wilton, Bingara Gorge, Douglas Park, and Appin for work and school. As the alternate route between Wilton and Appin involves significant additional travel time, community pressure to complete the repairs and reopen the road as soon as possible was high.

Along with the inconvenience caused to the communities because of the road closure, it was acknowledged that the Cataract River provides for 1/4 of the drinking water for Sydney so extra care had to be taken to ensure there was no contamination of the river. For these reasons, Council gave high priority to rectify the Wilton abutment of the Cataract River Bridge.

Following completion of the project, Council decided to conduct an independent post project review.

The purpose of the review was to assess the technical aspects of the project, the project management overview including cost, timeliness and quality; communications and community engagement and any significant concerns raised by the community during the community consultation and by Councillors. In addition, the review included identifying areas that were well managed and what contributed to the success and issues that hindered the project and why they occurred.



Photos 4 & 5 - the completed works at Broughton Pass taken recently.

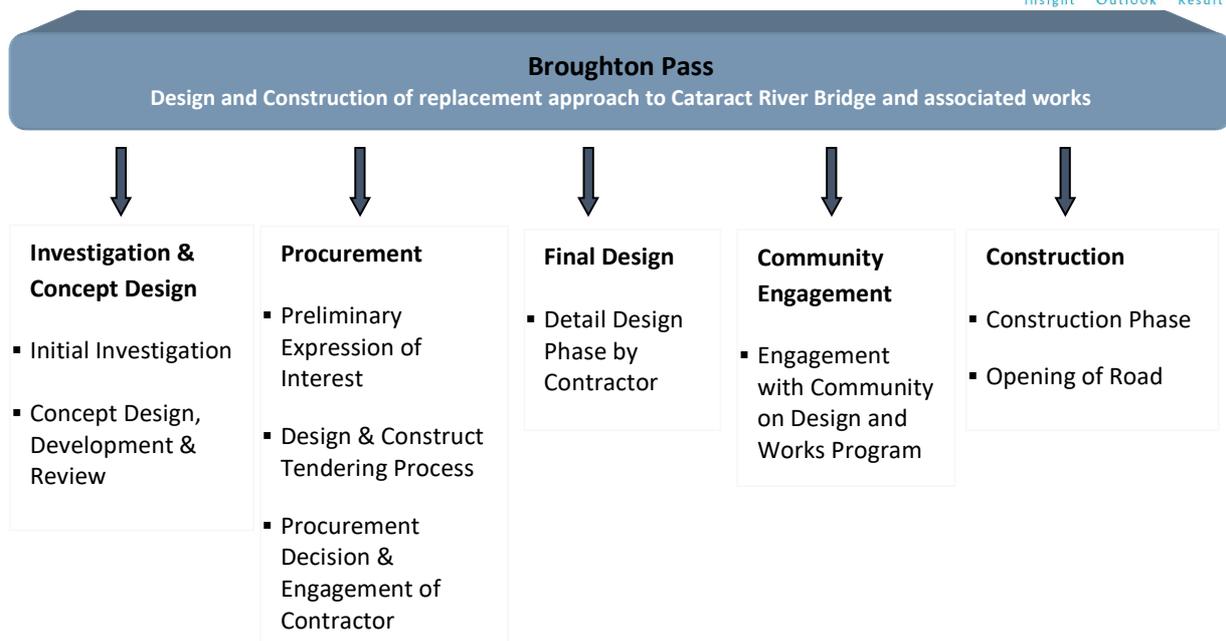


Photo 6 – Repaired wall at Cataract River Bridge, Broughton Pass.

To ensure the review was independently undertaken, Council’s internal auditor, InConsult, was engaged to undertake the review.

Scope

The scope of the review included an examination of the performance of the project in relation to time, cost and quality. Controls relating to the following stages of the project were reviewed:



Audit Timing

The audit planning commenced on 12 September 2017 with a meeting with Mike Nelson, Manager, Infrastructure Strategy & Planning and Justin Nyholm, Manager Works to help us understand Council’s systems, processes and practices relating to the various stages of the Broughton Pass project and identify associated risks and controls.

Audit Approach

We reviewed key documentation held in TRIM, Council’s electronic document management system, relating to the various stages of the construction project. The following information and documents were examined as part of the review:

- Council website – Resident Services – Infrastructure - Current Projects – Broughton Pass (Wilton Road)
- Project Plan – Construction
- Coffey Fee Proposal – Geotechnical investigation (30 June 2016)
- Coffey Geotechnical Design/ Design Report (31 August 2016) – GEOTWOLL03302AC-AA
- Broughton Pass presentation – Record of Proceedings (11 July 2016)
- Tender document – Design and Construction of Replacement Approach to Cataract River Bridge and Associated Works (October 2016)
- GC21 – General Conditions of Contract – Contract information
- Tender Recommendation for Local Government – prepared by Public Works (19 December 2016)
- Memorandum to Director/General Manager – Recommendation to accept tender
- Letter of Award for Contract no. 10006771 (21 December 2016)
- GHD/Pan Civil – Broughton Pass Bridge Geotechnical Design, Design Report (March 2017)

- GHD Replacement Approach to Cataract River Bridge and Associated Works 21-26121
- Weekly checklist – Traffic Control at long term work sites
- Broughton Pass Risk Register
- Sample Work activity – risk assessment
- Sample Broughton Pass – Induction record
- Broughton Pass – Variation Summary
- Progress claims by contractor
- Community feedback
- Relevant TRIM containers

Discussions were held with the Manager Works and Manager Infrastructure Strategy & Planning. Unfortunately, the external project manager from NSW Public Works was not available to discuss the project with Internal Audit at the time of the audit. We were able to discuss the project with the RMS representative.

In addition, a community online survey was carried out as part of the PPR process, seeking feedback from the community on the management of the project. Responses to the survey were received directly by Internal Audit to ensure there was integrity in the feedback process.

Councillors were also provided with the opportunity to contact Internal Audit directly to provide input into the review however no councillor input was received.

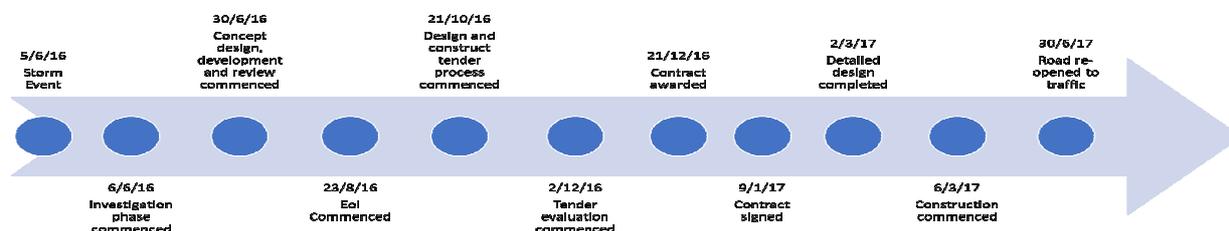
We discussed audit findings at an exit interview with the Director, Infrastructure & Environment, Manager, Infrastructure Strategy & Planning and Manager Works on 1 December 2017. We then issued our draft report to management for comment on 6 December 2017.

Insights

Project Cost (excluding GST):

Natural Disaster Arrangements (RMS) Funding	\$1,117,709
Council Funding	\$900,291
Total Approved Budget	\$2,018,000
Actual Pre-Construction and Other Costs	\$317,264
Actual Construction Cost	\$1,521,980
Total Cost	\$1,839,244
Actual v Budget (Saving)	(\$178,755)

Timeline:



Quality:

68% of the respondents to the community survey rated the quality of finished works as being satisfactory or very satisfactory.

Observations

Audit undertook a detailed review of each stage of the project and the following observations were made:

Investigation

Because of the flooding in the Shire on 5 June 2016, key Council staff were alerted and attended the Council premises on the same day. An urgent crisis meeting was held to discuss the damage in the Shire and to identify strategies on how to handle each of the impacted areas. Meetings were held through the day and into the night and resumed the next morning.

It was acknowledged that the embankment failure adjacent to the Cataract River Bridge at Broughton Pass was significant and Council undertook an immediate decision to protect the public by closing the road on the night of Sunday 5 June

Road closure alerts were published on Council's home page on the day of the incident (5/6/2016) and further updates were provided from 7/6/2016 onwards, advising of the status of the road. The Transport Management Centre was also advised. The closure was also communicated via Live Traffic.com from the week starting 6 June 2016. As the storm affected a number of areas, the updates included the status of other roads as well.

The following decisions were made at the crisis meeting in relation to Broughton Pass:

- To engage Coffey Geotechnics Pty Ltd, a geotechnical specialist to undertake a preliminary assessment of the damaged site.

- To engage the Department of Public Works to provide project management services as internal resources were stretched as a result of having to undertake emergency services to assist affected residents and restore the Shire after the storm.

On 6/6/2016, a principal geotechnical engineer from Coffey inspected the site and provided preliminary advice to Council in a report dated 15/7/2016.

Coffey was also requested to provide a fee proposal for detailed geotechnical assessment to be undertaken. This was also a 'single invited quote' which was not in line with the Council's Administrative Protocol – Purchasing- AP0054. Approval for the 'single invited quote' was obtained from the General Manager, based on emergency purchasing. Council also relied on the provisions of s55(3) of the Local Government Act which allow councils to enter into a contract without first calling tenders in cases of emergency. The Fee Proposal from Coffey was dated 30/6/2016, for the total amount of \$56,980 (including GST). Coffey's pricing was deemed reasonable and Coffey was engaged. Coffey committed to complete the scope of work within 6 weeks from commissioning the project - this was considered to be the minimum length of time required due to the complexity of the location and the rehabilitation works. Coffey issued the report on 31/8/2016 i.e. within 4 weeks.

In our view, the decision to engage Coffey Geotechnics Pty Ltd (Coffey) without obtaining quotes was justified based on:

- the fact that Coffey had been engaged competitively on another project in the Shire;
- Coffey had previously undertaken works at Broughton Pass and had knowledge of the site; and
- the need to ensure the initial investigation was carried out immediately due to the severity of the damage and the impact on the community.

On 6/6/2016, the Director, Infrastructure & Environments made contact with NSW Public Works to initiate the engagement of a Project Manager. A proposal was received from NSW Public Works on 9/6/2016 (within 4 days of the incident) for project management services. NSW Public Works provided project management services for a total cost of \$21,648. The Project Manager for Broughton Pass was appointed within 5 days of the storm event and Broughton Pass closure. Two main responsibilities allocated to the Project Manager were to scope the project and to prepare the tender documents. In addition to the Project Manager from NSW Public Works, Council had experienced and qualified internal staff in the project team.

In our view the decision to engage NSW Public Works to manage the project without calling for multiple quotes was also justified given the experience of NSW Public Works in managing projects of this nature and the urgency of the required works. In addition, NSW Public Works is listed as a State Government contractor which allows councils to enter directly into a contract without first calling for tenders.

An aerial survey using a drone was undertaken within 2 weeks of the storm event to establish a 3D survey model of the bridge and road approaches, to assist with the investigation and the design work. The images taken by the drone were published on Council's website on 12/7/2016 and on YouTube.

In addition, a physical boundary survey was undertaken to relate the drone survey to the state survey grid to confirm if the entire affected site was within the Road Corridor or partly in Schedule 1 Catchment Lands including the Cataract River. This was necessary to determine if specific approvals from external bodies and regulatory agencies were required for any re-construction works.

It was determined that a Review of Environmental Factors (REF) was required to be undertaken to understand the environmental issues to inform design development, reconstruction and site management. The REF was an important step for this project as the Cataract River in Broughton Pass provides drinking water to a quarter of the Sydney population. Council identified a debris trail down to the Cataract River during the initial inspection. The Review of Environmental Factors (REF) Scope of Works was completed on 20/6/2016, within 9 working days from the incident.

The Request for Quote (RFQ) for the REF was open for 7 days, with a closing date of 4/7/2016. The 7-day turnaround time was considered reasonable to allow contractors to prepare and submit their quotes. The REF contract was awarded immediately after the RFQ closed.

A Project Plan Summary - Cataract River Abutment - Broughton Pass Flood Damage was prepared by the Project Manager which was available on 29/6/2016, within 16 working days of the incident.

The initial information about the Broughton Pass Project was published on Council's website from 23/6/2016. The website was updated in July, August, September, October, December 2016 and then monthly between January and July 2017. In addition, Council responded in detail to a number of direct enquiries on the project from members of the public via e-mail and mail.

A risk assessment was undertaken as part of the project inception and a Broughton Pass Risk Register was developed.

Council engaged the services of a structural engineer (Shreeji Consultants Pty Ltd) to undertake an investigation to confirm that no further damage was present on the bridge and to inform the broader scope of the project. It was part of the initial investigation but a 2nd stage to the geotechnical investigations (higher priority). The Structural Engineer was onsite on Friday 22/7/2016 to conduct a close hand visual inspection of the bridge from a specialised under bridge inspection unit.

Council considered providing temporary access to light vehicles on the bridge and the results of the structural investigation were used to determine the feasibility of this happening. The Director Infrastructure & Environment advised that temporary access was not feasible for the following reasons:

- The depth of the required beams and mounting anchors would have been roughly half the height of the existing bridge non-structural balustrade which would have made it very difficult to create a safe transition from a crash management perspective.
- The dead weight of the required ramp down onto the bridge deck and the temporary bridge may have exceeded the capacity of the potentially unrestrained bridge.

- The height and alignment of a temporary bridging structure would be constrained by the failure location within the approach curve and would not have allowed for a safe angle of approach to the bridge deck.
- The need to design and construct piers on the western side of the failure to support and anchor the temporary bridge so the main bridge was not subjected to excessive lateral loads.
- The location of any temporary foundations on the western side were likely to be at the same location as permanent works.
- The estimated time to design and construct a temporary bridge would have been about the same as the design and construction of the permanent structure.

The Director also advised that there was a concern that the temporary bridge would only allow light vehicles on it. With a history of overweight and overlength vehicles using or trying to use the Pass, despite the obvious signage on both approaches, this could have resulted in further damage to the site and posed a significant safety risk. This concern was reinforced by the disturbance of the emergency barriers by vehicles illegally entering the closed road during the investigation phase.

Council provided restricted and controlled pedestrian access beyond the road closure barriers, at specific times (Monday to Friday only) to enable people to cross the Bridge and continue their travels in another vehicle on the opposite side. Access ceased when construction commenced in March 2017. Traffic control inspections were undertaken three times per week to ensure no safety issues were present.

Audit was advised that the Cataract River Bridge and bridge approaches have been the subject of regular inspections by Council staff and consultants in the past. This was because Council has been aware of an apparent bulge in the dry packed sandstone wall, which has been in existence for as long as 80 years. Previous inspections revealed that the bulge did not appear to have increased. It was believed that the bulge may have been the result of the original construction process that took place in the 1880's.

Council was also aware that there may be impacts from mine subsidence in the area which was a factor in the development of the design for reconstruction of the damaged section of the road.

The Broughton Pass Taskforce was established as part of the broader Wollondilly Recovery Committee, as a forum for seeking additional advice from a range of NSW Government agencies such as Roads & Maritime Services (RMS), Water NSW, Office of Environment & Heritage and the Department of Premier & Cabinet. The mandate of the Taskforce was to regularly meet and pursue options to ensure the timely reopening of Broughton Pass.

Audit Comment:

The actions taken by Council demonstrate Council's responsiveness to the event. Council demonstrated caution by thoroughly undertaking investigations to assess the damage, confirm there were no environmental implications and to identify possible rectification options. Whilst the normal procurement processes were not followed with the engagement of the specialist services to undertake

investigations and the external project manager, this was considered appropriate given the urgency of the situation.

The quick action to engage external project management services and the use of existing service providers enabled Council to commence the project in a timely manner whilst dealing with levels of complexity in relation to the site and the environment. It should be acknowledged that Council was dealing with a natural disaster in the Shire with a number of areas and residents significantly affected. Regardless of this limitation, the short amount of time that elapsed between the incident and the action taken by Council in relation to the investigation phase of the project demonstrates Council's commitment to dealing with the issue as a matter of urgency.

The establishment of the Taskforce demonstrates Council's commitment to engaging relevant government stakeholders and ensuring the works were completed to the satisfaction of these stakeholders.

Concept Design, Development & Review

As outlined under the Investigation phase above, Coffey Geotechnics was engaged to undertake geotechnical investigations and structural assessment of the bridge. Coffey issued their report on 31/8/2016, within 62 days of the Broughton Pass closure. Due to the complexity of the project, the length of time taken by Coffey in developing the remediation design options is considered reasonable.

The report outlined 3 options for structural remediation, as follows:

Option 1 - Permanent approach bridge. (Recommended option by Coffey)

Option 2 - Repair damaged embankment and construct new retaining wall.

Option 3 - Full replacement of approach embankment to western bridge abutment.

A detailed review of the options was undertaken by NSW Public Works and Council engineers to identify the most appropriate option. The options were also discussed at the Taskforce meeting.

According to the Director Infrastructure & Environment, although Option 1 was presented as the preferred option, a detailed review of the concept design raised concerns in terms of constructability. The design called for the construction of four bored pile piers offset from the sandstone bridge pier by an unspecified distance and utilising casings to get through the sandstone rubble fill. This raised questions in terms of:

- how big a piling rig could be walked across the bridge (potentially now not laterally stable due to the loss of the western abutment constraint),
- how far out from the pier could the piling rig reach to drill, and
- how much vibration would it impart on the sandstone structure.

Potential modifications of the design concept were discussed to manage the risks and NSW Public Works attempted to get a piling contractor to visit the site so that Council could understand the plant requirements. It became evident that Council could end up with a structurally sound design which may

not be constructible. Due to this reason, Council decided to call for a 'Design and Construct' tender such that experienced and prequalified contractors, with their design consultants, could deliver an appropriate 'for construction' design and then construct in accordance with the design.

The concept designs were incorporated into the design and construction tender documents and cost estimates and a timeline for the construction works were prepared.

Audit Comment:

Actions taken by Council during this stage demonstrate responsiveness and thoroughness. Council commenced studying the design options from Coffey, soon after the report was received. The detailed review of the options including consultation with NSW Public Works and the Taskforce enabled Council to avoid designing a solution that could not be built or would be overly expensive to build.

The decision to call for a 'Design and Construct' tender is considered justified under the circumstances, to ensure the final design was the most appropriate and would provide a value for money outcome.

Preliminary Expressions of Interest (Eol) Process

Council resolved on 15/8/2016 to call "without delay, preliminary expressions of interest for the design and reconstruction of the damaged area of Broughton Pass." Calls for preliminary Eol were advertised in the Sydney Morning Herald in late August 2016, within 11 weeks of the collapse. It should be noted that this was not a formal Eol in accordance with the Local Government (General) Regulation but rather an informal process designed to provide Council with insights into the level of interest from contractors to undertake the design and construction works at Broughton Pass. In addition, because Council was not certain of the final design of the remediation works due to the constructability issues identified during the concept and detailed design review, Council felt that a preliminary Eol process may result in a better tendering outcome as prospective tenderers could be made aware of the complexities of the site without compromising the procurement process

There were 10 organisations that responded to the Eol and provided capability statements for Council review. Audit was advised that the capability statements identified submissions from contractors who were not RMS prequalified. None of the companies that responded to the Eol subsequently submitted a tender. Therefore, the preliminary Eol process proved to be of little assistance in identifying suitable contractors to undertake the works. The preliminary Eol process diverted Council resources without adding any significant value to the procurement process.

To counter the time taken to conduct the preliminary Eol process, the tender documents were being prepared while the Eol process was in progress.

Audit Comment:

The preliminary Eol extended the procurement process (as opposed to calling for tenders directly). Whilst the decision to require a preliminary Eol appeared to have some merit given the complexity and uncertainty surrounding the best solution to the problem, in hindsight it created a slight delay in the procurement process and added little or no value.

Design & Construct Tendering Process

The tender document - Design and Construction of Replacement Approach to Cataract River Bridge and Associated Works at Broughton Pass, Wilton Road, Wollondilly Shire was ready in October 2016. The tender was conducted as an open tender in accordance with the requirements of the Local Government (General) Regulation.

The tender document was based on a GC 21 (edition 2) contract. It was noted that the GC21 contract is not a standard contract utilised for construction projects by the Council. Council utilises Australian Standard General Conditions of Contract AS4000 documentation. However, as NSW Public Works utilises the GC21 contract and given the fact that Council engaged their services, Council decided to utilise the GC21 contract documentation which is also commonly used in many other industries.

Council conducted a pre-tender meeting with the potential tenderers on site at 10 am on 8/11/2016. Council decided to provide the Coffey report to tenderers as part of the tender documents prior to the pre-tender meeting. Additionally, all information and images taken during the initial investigation phase of the project was shared with the attendees at the meeting. There were only 4 contractors in attendance at the pre-tender meeting.

The tender opened on 21 October 2016 and closed at 9.30am on 29 November 2016 – a period of 6 weeks.

The minimum tender period under the Local Government (General) Regulation is 21 days but a decision was made to open the tender for 6 weeks which was considered reasonable by RMS. This decision was based on providing the market sufficient time to understand the issues, engage with designers, prepare and assess a range of design options, select the most appropriate design, estimate the cost of constructing the works and prepare and submit a professional and conforming tender. Council felt that a shorter Request For Tender (RFT) period would run a greater risk of no, or limited, bids being submitted that were ill prepared and had price loadings.

A Tender Evaluation Panel was formed before the RFT was closed and all members were required to sign the Tender Process Code of Conduct. The panel consisted of the following personnel:

- Nicole Bailey - Senior Project Manager Public Works (Chair)
- John Raso, Project Manager Public Works
- Robyn Lyster, Area Maintenance Manager, RMS Southern Region
- Mike Nelson, Manager Infrastructure Planning
- Justin Nyholm, Manager Works

Audit Comment:

The design and construct tendering process undertaken was considered acceptable. As it was a design and construct contract, the timeframe of 6 weeks for the closing of the tender was needed to allow time for the tenderers to carefully prepare and consider their design proposal. The extended tender period appears justified given the complexity of the project and the need to deliver a high-quality outcome.

Procurement Decision & Engagement of Contractor

Whilst 4 interested parties attended the pre-tender meeting, only 1 contractor submitted a tender.

The Tender Evaluation Panel first met on 2/12/2016 to review the Non-Price Criteria of the only tender received. This was arranged and facilitated by NSW Public Works. It was stated in the tender document that the tender would be assessed using a weighted scoring process - price to non-price criteria of 50:50.

There were 22 tender schedules that were required to be completed by the tenderer. Because it was a 'design and construct' tender, there was a requirement for the tenderer to submit a schedule of design and profile of designers. This was required so that the Tender Evaluation Panel could assess the proposed design.

Broughton Pass was not included in the Council's Works Program for 2015/16 and as such there was no budget allocated. At Council's extraordinary meeting dated 5/12/2016, it was resolved that a budget of \$2.018 million be allocated for the Broughton Pass project, including up to \$1.130 million in funding under the Natural Disaster Arrangements from the RMS. The pre-tender project estimate for construction was \$1,182,708. Council funding was \$900,291 from the Asset Maintenance Reserve.

The successful tenderer submitted an original base price of \$867,704.55 (excl. GST). Due to the uncertainty surrounding construction created by the various site constraints, the tenderer was required to submit additional prices for a number of optional items at the time of the tender process. These optional items amounted to a further \$608,586.36 (excl. GST).

Upon review by the Tender Evaluation Panel, the Tender recommendation was prepared by the Project Manager and was peer reviewed by the Regional Projects Coordinator, Procurement Advisor, NSW Public Works and Regional Director, NSW Public Works Advisory.

A memo dated 20/12/2016 was prepared, recommending the acceptance of the submitted tender. It was supported by the Director Infrastructure & Environment and approved by the General Manager under delegation. A Letter of Award was issued on 21/12/2016 and the contract was signed by the successful contractor, Pan Civil, on 9/1/2017.

Audit was not able to sight the tender document or the completed tender schedules as these were not stored in Council's electronic document management system. Council staff were unable to locate the original documents and believe that they may have been retained by NSW Public Works.

Audit Comment:

In our view, the procurement process leading to the engagement of the contractor was conducted in a timely and appropriate manner. Although there was only 1 tender received, the pre-tender meeting was attended by three other potential tenderers which would have given the perception that there was competition and could have influenced competitive pricing from the only tenderer. In addition, the tendered amount was within Council's original estimate and the actual budget for the project. Council should take action to locate the original tender submission and ensure this is stored in an appropriate location in TRIM.

Detailed Design Phase by Contractor

The successful contractor, Pan Civil, engaged GHD to provide design services associated with the provision of the reinstatement of the approach earthworks.

GHD undertook a pre-design site visit in conjunction with Pan Civil on 22/12/2016 and also relied upon the Geotech report prepared by Coffey on 30/6/2016 and 3/8/2016.

A HSE 040 Safety in Design Risk Assessment, dated January 2017, was undertaken and included in the GHD report.

The GHD Geotechnical Design, Design Report (March 2017) was reviewed by an independent verifier within GHD, as part of their quality control process. The report was reviewed and approved for release by GHD Project Director on 2/3/2017. Time taken by the contractor to complete the detailed design was 8 weeks.

Audit Comment:

The detailed design appears to have been subject to appropriate quality control and completed in a timely manner.

Engagement with Community on Design & Works Program

Council engaged with the Community initially on 3 July 2016 (within 1 month), via a walk-in community information session at Broughton Pass where the community attended to see the damage first hand and hear about the steps Council would be taking to re-open Broughton Pass. Invitations to the session were promoted via a letterbox drop in Wilton and Appin, Council's social media page and Council's website. Approximately 200 people attended the information session.

A flyer was developed and was ready on 18/2/2017. A second Information day was held on 5/3/2017. The Director, Infrastructure & Environment briefed the Councillors and Executive and it was determined that the site would be established from 6/3/2017, ready for construction works. The community was provided with a high-level outline of the design and construction works.

The Broughton Pass webpage was also regularly updated with information as the project progressed. There was an option for the community to sign up to Council's mailing list on the Broughton Pass webpage to receive email updates about the project.

Council also responded directly to queries from the community or businesses, providing extensive written or verbal responses. Council also provided project updates directly to businesses in Appin and Wilton.

The community survey undertaken during the PPR revealed the following:

- 42% of respondents found out about the road closure through signage on the road approaching Broughton Pass, although Council had published information on the closure on Council's website,

Council’s social media pages and in local newspapers. 58% of respondents were unsatisfied with the level of Council’s communication throughout the project.

- 70% of respondents were unsatisfied with the length of time taken to complete the reconstruction works.
- 68% of respondents were satisfied with the quality of the construction works.
- In terms of the overall rating of the management of the reconstruction project, 69% indicated that they were unsatisfied with the management of the reconstruction project, however, 68% indicated that they were satisfied with the quality of the works.
- The main concerns raised by the respondents were the length of time taken to deliver the project and the additional personal time and cost while Broughton Pass was closed to traffic.

Audit Comment:

The level of engagement with the community through various modes of communication demonstrated the importance Council placed on community engagement. In our opinion, Council’s communication with stakeholders throughout the project was extensive and timely. However, Council should consider the feedback from the community survey for future projects.

Construction Phase

The site office was established on 6/3/2017 and the construction area was blocked off. Pedestrian access was also limited to ensure no safety issues during construction. The site was inspected by a Council inspector and an engineer before handing over to the contractor.

The engagement of NSW Public Works was extended to manage the construction and post completion defects phases at a total cost of \$64,901. Again, whilst competitive quotes were not obtained for the construction management services, it was reasonable for Council to use NSW Public Works to ensure continuity of knowledge of the project and to enable the project to progress without undue delay.

The total amount paid to Pan Civil was \$1,521,980.84 (excl. GST). A comparison of payments against a copy of the tender schedules provided to us by Council management revealed the following breakdown:

Total amount paid to Pan Civil	\$1,521,980.84
Original base tender amount	\$761,795.45
Provisional Quantities	\$105,909.10
Optional lump sum amounts	\$608,586.36
Variation	\$45,689.93

Based on the above analysis, the variation between the tendered amount and the actual expenditure was \$45,689.93. Council management advised that this was due to quantity adjustments during construction. The variations equate to 3% of the total cost of construction which appears reasonable for a project of this nature.

A review of the progress payments to the contractor did not highlight any anomalies. Payments were supported by purchase orders and the payments were approved based on delegations, upon confirmation of the completed works.

There was some difficulty in reconciling payments against the items listed in the tender schedules given that different narratives had been used to describe actual work completed. In addition, all payments not included in the base tender price were described in Council's financial records as variations when a number of these were included in the original tender schedules as provisional or optional items. In future it would be preferable to ensure that descriptions of actual payments and approved variations are consistent with the tender schedules to enable easy comparison of actual expenditure against tendered amounts.

A site walk was held on 8/6/2017 where senior officers from Council attended the site to view the completion of the construction works.

Broughton Pass was re-opened to traffic on 30/6/2017.

The 'Final Works as Executed' drawings were provided by the Contractor to Council on 12/9/2017. The Works as Executed Drawings - Final was saved in TRIM on 12/9/2017 (TRIM 8152/42). The final sum of \$38,179 was paid to the Contractor, upon the satisfactory completion of the project.

Audit Comment:

The construction stage appears to have been well managed with regular supervision of the contractor and sound control over the progress payments to the contractor. Whilst the final cost of works exceeded the original tender price by approximately \$654,276, the majority of the additional expenditure related to provisional items and optional lump sum items that were anticipated during the tender process. The additional variations amounted to around 3% of the final construction cost. This is considered reasonable for a contract with this level of complexity. The final total project cost was approximately \$179,000 under budget. Construction works were completed in approximately 3.5 months.

In future Council should ensure that all payments are cross referenced back to the tender schedules using consistent narratives and terminology.

Opportunities for Improvement

Whilst we have concluded that the project was managed appropriately in the circumstances we have identified a small number of opportunities for improvement.

1. Whilst our review indicated that Council made a substantial effort to keep the community informed of progress in relation to the project, the community survey results indicate that a majority of respondents were dissatisfied with Council's communication. This result could be due to the small number of respondents and the likelihood that only people who were disaffected took the time to

complete the survey. However, given the survey results it may be appropriate for Council to review its community engagement and consultation strategies for future projects of this nature in order to identify any possible improvements or alternative forms of communication.

Recommendation 1: Council should review its community engagement and consultation strategies for future projects of this nature in order to identify any possible improvements or alternative forms of communication.

Management Response:

The community engagement efforts and resources that were applied to the Broughton Pass Project over the 12-month period were significant. This was because we were acutely aware of how topical and important it was for our community and how its closure was directly impacting on residents and businesses. It is likely that the negative responses to the survey would be due to the fact that the small number of respondents who took the time to complete the survey were choosing to do so because they were dissatisfied. This is inevitable with an opt-in survey approach on a topic as sensitive as this. A truly randomized survey with a larger statistical sample would likely reveal a higher level of satisfaction.

In relation to Recommendation 1 - Council continually reviews and reflects on its engagement approaches and processes to look for improvements and initiatives. We are currently preparing a new Community Engagement Strategy to be reported to Council in February 2018.

2. The contracted Project Manager was not available for consultation during the audit which impacted on the time taken to complete this review. Whilst we were able to review sufficient documentation to understand and assess the management of the project, being able to discuss the project with the project manager would have been beneficial.

Recommendation 2: The agreement to engage contract project managers should include a condition that the project managers should make themselves available, at their cost, to answer any queries in relation to the project management of projects following their completion.

Management Response:

Agreed. Although an in-depth post project review was not anticipated during the startup phase of the project it was also not anticipated that a service provider would not contribute to such a review.

For future consultant engagements of this nature will make this expectation clear in the engagement brief.

3. It was also noted that not all documentation relating to the Broughton Pass project was saved on TRIM, Council's document management system or could be easily found on TRIM as documentation was saved in a number of different TRIM containers. Critical documentation such as the submitted tender document and supporting schedule was not able to be located during the audit.

Recommendation 3:

- 3.1 Council should ensure all documentation is saved on TRIM and that there is standard naming convention for project documentation to be able to easily identify and locate the documents in TRIM.
- 3.2 Contracted project managers should be advised to ensure all documentation is saved in TRIM. Council should review to ensure this is complied with before releasing the final payment for project management services.

Management Response:

Agreed – the tender documents including schedules had been reviewed by Council officers as a part of the tender process

- 3.1 *A hard copy of the non-price and prices sections of tender document (it was a two envelope tender process) from the tender review process was identified, scanned and filed in Trim (Ref 9610#44).*
 - 3.2 *The consultant project manager had been instructed to file all documents in TRIM and specific access to TRIM was approved for this purpose; however, this appears to have been inconsistent compliance. This requirement will be specifically stipulated in any future engagement of a similar nature or for records to be secularly forwarded for entering into TRIM by an appropriate council officer as well as being a payment compliance requirement.*
4. Reconciling payments against amounts submitted in the tender schedules was a difficult exercise as different narratives had been used to describe actual work completed. In addition, all payments not included in the base tender price were described in Council's financial records as variations when a number of these were included in the original tender schedules as provisional or optional items. In future it would be preferable to ensure that descriptions of actual payments and approved variations are consistent with the tender schedules to enable easy comparison of actual expenditure against tendered amounts.

Recommendation 4: In future projects, ensure that descriptions of actual payments and approved variations are consistent with the wording used in the tender schedules to enable easy comparison of actual expenditure against tendered amounts.

Management Response:

Agreed. A variations register was established by Council at the commencement of the project to manage this process; however, the consultant project manager did not continue to use the same register.

A tender schedule and variation register that will be used for future tenders of this nature to ensure ease of reference between tendered prices, provisional sums and variations.

Conclusion

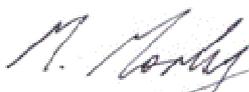
Based on our review of documentation and our discussions with Council and RMS personnel, the project appears to have been managed appropriately given the limitations faced by Council at the Broughton Pass site as well as the fact that Council was managing a natural disaster in the Shire at the same time.

In terms of the quality of the completed project, the respondents from our community survey indicated that they were generally satisfied with the completed works. There was also evidence of peer review and other quality control checks throughout the project.

The review identified some significant deficiencies in the quality of record keeping with some key documents unable to be located during the review.

The total project cost was \$1,839,244.99 which was within the approved budget of \$2.018 million. The final construction cost exceeded the original tender amount however the final cost included a number of provisional and optional items identified in the tender documents. The variations to the tendered price represented around 3% of the total cost of construction which is considered reasonable for a project of this nature. Clearer reconciliation of payments against tendered items would have enabled easier analysis of actual costs against tendered prices.

In relation to the time taken to complete the project, our review did not reveal any unexplained or seemingly unnecessary delays in decision making or undertaking key actions with the exception of the preliminary EoI process which caused a small delay and, in hindsight, added little value to the process. Council generally exercised caution to ensure the final design was most appropriate and delivered value for money whilst still ensuring that there were no unnecessary delays in the project.



.....
Mitchell Morley *BEC, PMI/A*
Director, InConsult

Sydney, 22 December 2017

Appendix 1: Community Survey Results

Internal Audit undertook an online survey to seek community feedback on the management of the Broughton Pass reconstruction project. The survey was conducted during October/November 2017. There were 33 respondents to the survey.

The survey consisted of six questions which were as follows:

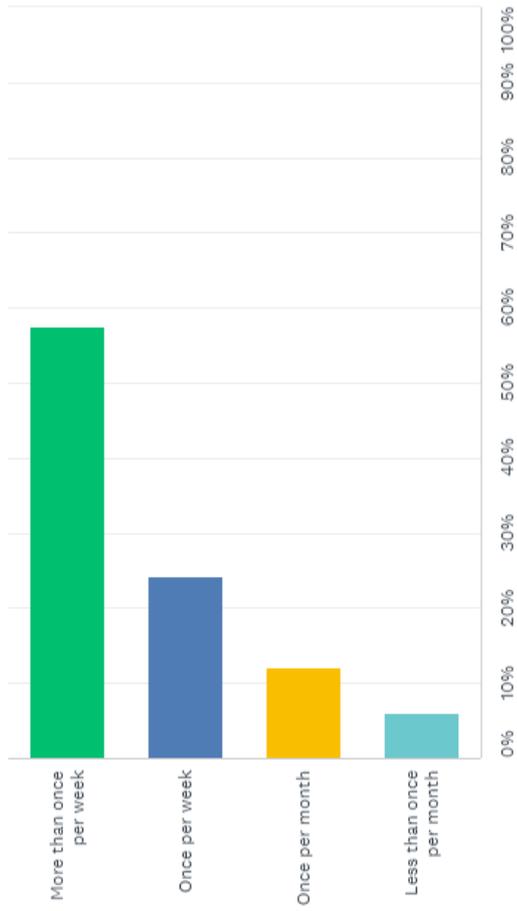
1. How often do you drive through Broughton Pass?
2. How did you first hear about the closure of Broughton Pass following the storm event on 5 June 2016?
3. How satisfied were you with Council's communication throughout the reconstruction project?
4. How satisfied were you with the length of time that it took to complete the reconstruction project?
5. Have you used the new road since it has been reopened?
6. If yes, how satisfied are you with the quality of the finished works?

The respondents to the survey provided additional comments as part of their response. The comments have been referred to the Council for review and consideration.

The results of the survey are presented below:

How often do you drive through Broughton Pass?

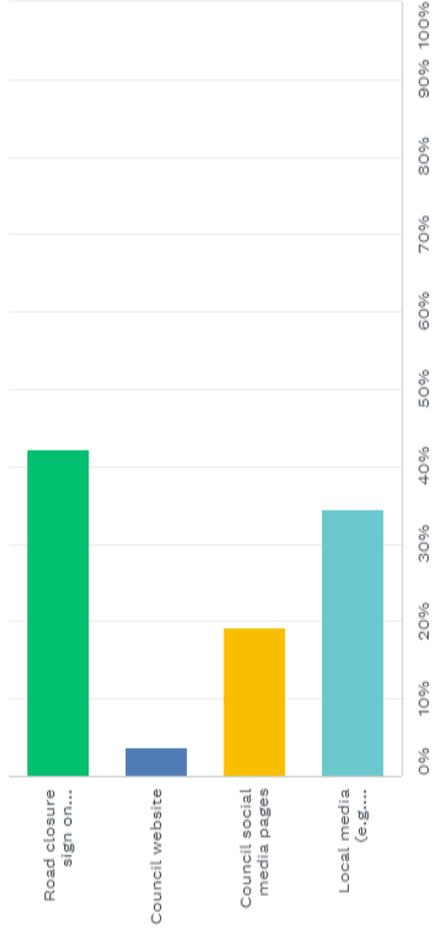
Answered: 33 Skipped: 0



ANSWER CHOICES	RESPONSES
More than once per week	19 57.58%
Once per week	8 24.24%
Once per month	4 12.12%
Less than once per month	2 6.06%
TOTAL	33

How did you first hear about the closure of Broughton Pass following the storm event on 5 June 2016?

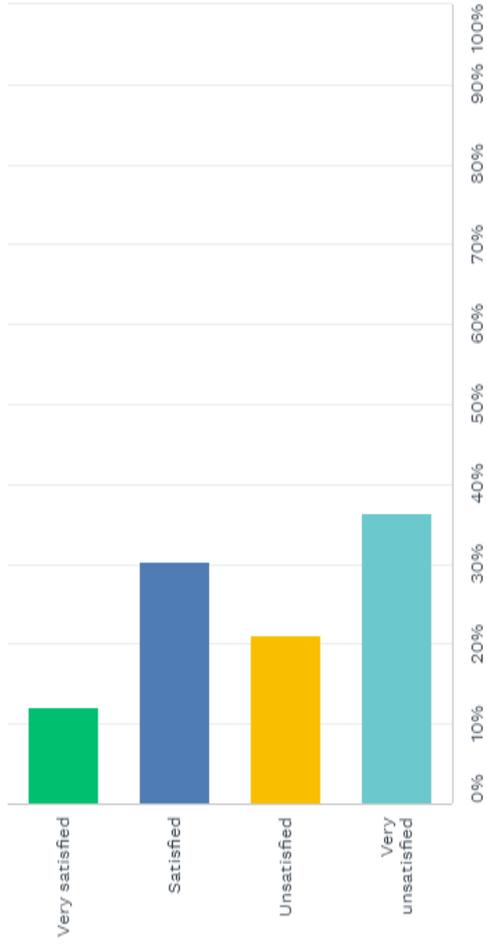
Answered: 26 Skipped: 7



ANSWER CHOICES	RESPONSES
▼ Road closure sign on approach to the Pass	11 42.31%
▼ Council website	1 3.85%
▼ Council social media pages	5 19.23%
▼ Local media (e.g. newspaper, radio)	9 34.62%
TOTAL	26

How satisfied were you with Council's communication throughout the reconstruction project?

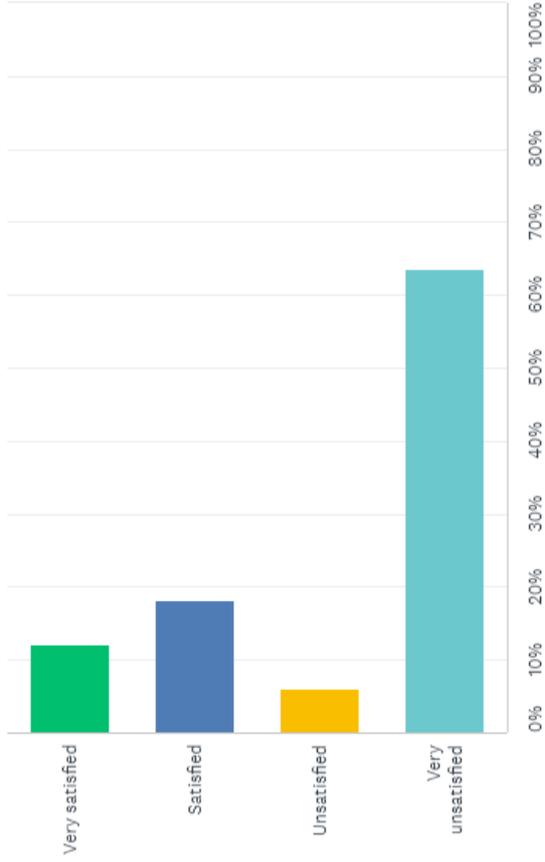
Answered: 33 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ Very satisfied	12.12% 4
▼ Satisfied	30.30% 10
▼ Unsatisfied	21.21% 7
▼ Very unsatisfied	36.36% 12
TOTAL	33

How satisfied were you with the length of time that it took to complete the reconstruction project?

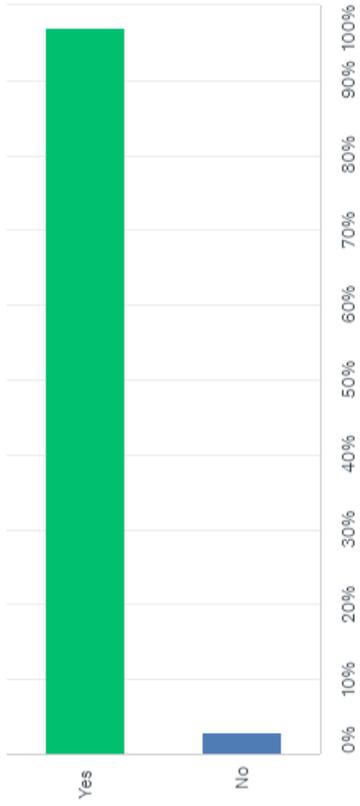
Answered: 33 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ Very satisfied	4 12.12%
▼ Satisfied	6 18.18%
▼ Unsatisfied	2 6.06%
▼ Very unsatisfied	21 63.64%
TOTAL	33

Have you used the new road since it has been reopened?

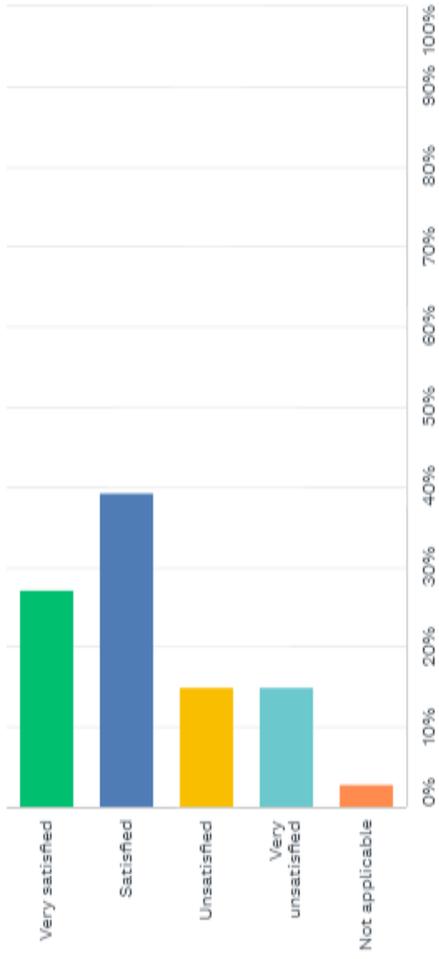
Answered: 33 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ Yes	32 96.97%
▼ No	1 3.03%
TOTAL	33

If yes, how satisfied are you with the quality of the finished works?

Answered: 33 Skipped: 0



ANSWER CHOICES	RESPONSES
Very satisfied	9
Satisfied	13
Unsatisfied	6
Very unsatisfied	5
Not applicable	1
TOTAL	33

EC3 Attachment

1. DRAFT Fraud and Corruption Control Policy

Monday 19 February 2018

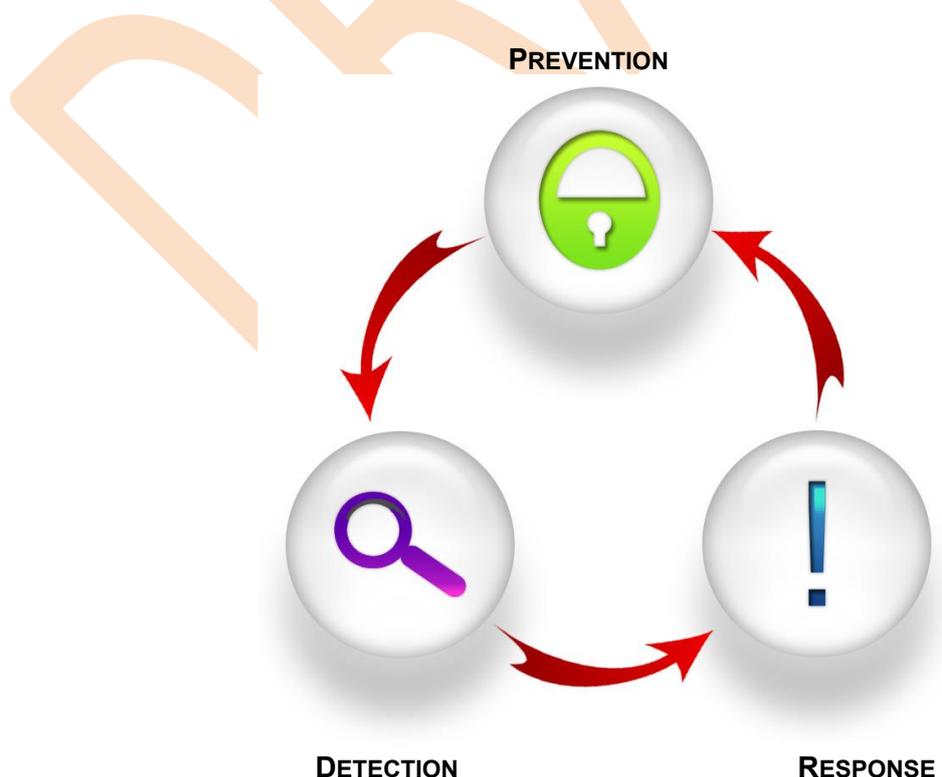
EC3 – Adoption of Fraud and Corruption Control Policy

1. POLICY OBJECTIVES

- 1.1 Wollondilly Shire Council (the Council) is committed to the effective management of fraud and corruption through minimising the incidence and consequence of fraud and corruption.
- 1.2 The effective management of Fraud and Corruption will be achieved through the implementation and regular review of a range of strategies that prevent, detect, minimise and respond to fraud and corruption.
- 1.3 This policy sets out the Council's Framework for fraud and corruption control and underpins the approach to the effective management of fraud and corruption.

2. BACKGROUND

- 2.1 Fraud and corruption have the potential to cause significant financial, reputational and service delivery harm to Council. Further, it has the potential to diminish or destroy community confidence in Council.
- 2.2 Council has a zero tolerance towards fraud and corruption.
- 2.3 Council is committed to effectively preventing, detecting and responding to risks associated with fraud and corruption and to ensure public confidence and trust in the management of Wollondilly Shire Council.
- 2.4 The NSW Audit Office's recommended Fraud Control Framework has been utilised to develop the Council's Fraud Control Framework (the Framework).
- 2.5 The Framework has ten (10) key attributes, which sit within the themes of prevention, detection and response.



- 2.6 The 10 attributes are interrelated and are listed below:
- a. Leadership
 - b. Ethical framework
 - c. Responsibility structure
 - d. Fraud and Corruption control policy
 - e. Prevention systems
 - f. Fraud awareness
 - g. Third party management systems
 - h. Notification systems
 - i. Detection systems
 - j. Investigation systems.

3.

APPLICABILITY

- 3.1 This policy applies to all staff, volunteers, contractors (including consultants and suppliers), Councillors, and council representatives.

4.

GUIDELINES

4.1 Leadership

The General Manager is committed to ensuring:

- 4.1.1 All Councillors, staff, volunteers, contractors and representatives of Council are aware of the standards of ethical behaviour required of them;
- 4.1.2 A mechanism is in place for any party (internal or external to Council) to advise of potential ethical conflicts relating to Council's functions;
- 4.1.3 Systems are in place to identify and manage fraud and corruption risks within the organisation; and
- 4.1.4 All reports of fraud or corruption are appropriately managed.

4.2 Ethical framework

- 4.2.1 Council's adopted values establish a framework for the delivery of its operations. Our values are an agreed understanding of what's important to our organisation. They guide our behaviours and help us make decisions on a daily basis. We are required to continuously demonstrate and adhere to these values.

INTEGRITY – We act with honesty, always doing the right thing

COLLABORATION – We openly share and partner with others to deliver results

ACCOUNTABILITY – We own our work and take responsibility for our actions and results.

RESPECT – We show mutual consideration for others and acknowledge our differences

EMBRACE INNOVATION – We encourage new ideas, welcome change and continuously improve.

4.2.2 Council has a number of policies, protocols and procedures to inform staff about ethical behaviours and their responsibilities including:

- Code of Conduct
- Fraud Control Framework
- Statement of Business Ethics
- Internal Reporting Policy
- Gifts and Benefits Policy
- Respectful Behaviours Procedure
- Conflict of Interests Policy
- Secondary Employment Procedure
- Purchasing and Procurement Protocol
- Resolution of Grievance Procedure
- Performance Management and Disciplinary Procedure

4.3 **Responsibility structure**

The responsibility structure is outlined in section 5 of this policy.

4.4 **Fraud and Corruption control policy**

4.4.1 This policy sets out Council's system of fraud control and underpins the approach to the management of fraud set out in the Framework. The policy is modelled on the documentation provided by the NSW Audit Office.

4.4.2 This policy will be reviewed every two years.

4.5 **Prevention systems**

4.5.1 Council operates in an environment of extensive contracting of goods and services, delegation of duties and authority, increased decision making powers of many staff, and access to confidential information.

Therefore, it is essential that potential risks created by this environment are identified, and that existing procedures, systems and controls are continually tested, monitored and reviewed to ensure that they remain sufficient to counter any corruption risks identified.

Council conducts fraud risk assessment every two years. The findings of the risk assessment inform a fraud control plan and the internal audit program.

4.5.2 A Register of all reported fraud events is maintained.

4.5.3 Identified high risk positions within Council will require pre-employment screening (police checks, credential verification) procedures to be in place for recruitment.

4.6 **Fraud awareness**

4.6.1 All staff are to be provided with regular fraud awareness training. The Fraud Control Framework and this policy will be highlighted as *Policy of the Month* at least once every year.

4.6.2 A Governance workspace on the intranet provides access for all staff to relevant policies and material.

4.6.3 Identified positions will be provided with awareness training specific to their area of responsibility.

4.6.4 All new staff will be provided with staff awareness training at induction.

4.7 Third party management systems

4.7.1 Council has many services delivered under contract or by consultants, such as internal audit, cleaning, security, legal services panel, heritage advisor.

4.7.2 Due diligence is required in managing these service providers. Internal controls include: the Procurement Protocol, Tendering Guidelines, risk assessments, management reviews and internal and external audits.

4.7.3 All staff and contractors have an obligation to report any suspected fraudulent activity.

4.7.4 Identified positions will be provided with awareness training specific to their area of responsibility.

4.8 Notification systems

4.8.1 All Councillors, staff and Council representatives have a responsibility to report suspected corruption or fraud and any person with concerns regarding suspected fraud or corruption is strongly encouraged to raise the matter with the General Manager, the appropriate Director, Section Manager, Disclosures Coordinator.

Reports of suspected fraud or corruption concerning the General Manager must be reported to the Mayor.

4.8.2 Council's Internal Reporting Policy outlines the procedures to be followed and protections available when reporting suspected fraud or corruption.

4.8.3 The General Manager is required to immediately report to the ICAC any matter that the General Manager suspects on reasonable grounds, concerns or may concern corrupt conduct. The Mayor will undertake this function in cases of suspected corrupt conduct by the General Manager.

4.8.4 The General Manager and senior management will act on all reports of fraud.

4.8.5 Investigations of suspected fraud or corruption will be conducted either internally or independently and, where necessary, external agencies such as the ICAC and NSW Police may conduct the investigation.

4.8.6 The findings of these investigations will be reported to the Internal Audit Committee along with recommendations to address any identified adverse trends or deficiencies in existing systems or work practices.

4.9 Detection systems

4.9.1 Council's internal financial and management controls require staff to follow defined standards of practice; these include: procurement rules, segregation of duties, pre-employment screening, security of records and information systems, approvals within delegated authority.

4.9.2 Council's internal audit processes aim to provide a proactive and comprehensive approach to evaluate and improve the effectiveness of risk management, control and governance processes. Examples of internal audits conducted include: Payroll Processing, Management of Section 94 Development Contributions; Voluntary Planning Agreements; On-site Sewage Management; Maintenance of Parks and Gardens; Planning and Development; Local Emergency Planning; Procurement; Compliance; Waste Management.

4.10 Investigation systems

4.10.1 All Councillors, staff and Council representatives have a responsibility to report suspected corruption or fraud and any person with concerns regarding suspected fraud or corruption is strongly encouraged to raise the matter with the General Manager, the appropriate Director, Section Manager, Disclosures Coordinator or the Mayor (if the report involves the General Manager).

4.10.2 Council's Internal Reporting Policy outlines the procedures to be followed and protections available when reporting suspected fraud or corruption.

4.10.3 An allegation of fraud or corruption against a member of staff will be referred to the General Manager except in cases where an allegation of fraud or corruption is against the General Manager where it must be referred to the Mayor.

4.10.4 The General Manager (or the Mayor if applicable) will determine whether a preliminary assessment is required.

4.10.5 If the General Manager (or the Mayor if applicable) determines, a full investigation may be conducted. All investigations will be conducted by an independent qualified external party.

4.10.6 Investigation reports will be provided to the General Manager (or the Mayor if applicable).

4.11 Breaches of this Policy

The General Manager (or the Mayor if applicable) is required to immediately report to the ICAC any matter that the General Manager (or the Mayor if applicable) suspects on reasonable grounds, concerns or may concern corrupt conduct.

Appropriate disciplinary procedures are detailed in associated policies, however, as a guideline, sanctions may include:

4.11.1 Councillors

- Censure by the Council;
- Removal from Council Meetings;
- Reports to the NSW Police, Office of Local Government or ICAC, as appropriate;
- Disqualification from holding a public office for a period for up to five years; and
- Section 435 of the Local Government Act 1993 gives the Office of Local Government the power to surcharge Councillors for losses caused by negligence and misconduct.

4.11.2 **Staff**

- Disciplinary procedures pursuant to Council's Performance Management and Disciplinary Procedure and industrial award or employment contract;
- Sanctions up to and including dismissal;
- Reports to the NSW Police, ICAC or other external body as appropriate; and
- Section 435 of the Local Government Act 1993 gives the Office of Local Government the power to surcharge staff for losses caused by negligence and misconduct.

4.11.3 **Contractors**

- Reports to the NSW Police, ICAC or other external body as appropriate; and
- Cancellation of all contract/supply agreements with Council.

Suspected breaches of this policy should be reported in accordance with Council's Code of Conduct or Internal Reporting Policy.

The Internal Reporting Policy provides support for staff who make disclosures regarding serious wrongdoing.

5. RESPONSIBILITY/ACCOUNTABILITY

- 5.1 **General Manager** has ultimate responsibility for the Fraud and Corruption Control Framework
- is authorised to receive reports of fraud and Corruption
 - ensures outside agencies [e.g. NSW Police and the ICAC] are advised
 - ensures investigations are conducted thoroughly
- 5.2 **Assistant Director People, Legal and Governance** is responsible for ensuring the welfare of staff involved in an allegation of fraud is properly looked after and that any breaches of conduct and behaviour are properly managed through the Staff Performance Management and Disciplinary Procedure.
- 5.3 **Executive and Senior Management** have an important role in preventing and detecting fraud and corruption-
- are authorised to receive reports of fraud and refer them appropriately for investigation
 - must ensure that sound systems of internal control are operating in their areas of responsibility
 - must monitor and review the effectiveness of mechanisms implemented to minimise and detect fraud and corruption
 - promote awareness of fraud and corruption prevention and ethical conduct in the workplace
 - must lead by example

- 5.4 **Public Officer** has a central role in dealing with reports made by staff.
- is authorised to receive reports of suspected or actual fraud
 - assesses reports and refers them to the appropriate person for investigation or referral.
- 5.5 **Manager Governance** –
- administers the Fraud and Corruption Control policy
 - ensures the Fraud and Corruption Control policy is reviewed and updated every two years
 - conducts a fraud health check every two years
 - updates the fraud risk assessment every two years
 - oversees the implementation of a fraud education program
 - ensures key developments in fraud control are incorporated into Council processes
 - provides regular reporting to the Executive and the Audit Committee on fraud investigations and an annual status report
 - maintains a fraud control plan to ensure that key actions, responsibilities and timeframes are identified and reported on.
- 5.6 **All staff** have an obligation to report known or suspected fraud to the Public Officer, their Senior Manager or the General Manager. All staff are to actively adhere to and live the Corporate Values, Code of Conduct and Council Policies, Protocols and Procedures.
- 5.7 **Audit, Risk and Improvement Committee** oversees and monitors the adequacy of the fraud and corruption control plan and the processes and systems in place to capture and effectively investigate fraud related information.
- 5.8 **Internal Auditor** assists in detecting and deterring fraud and corruption by examining and evaluating the adequacy and effectiveness of internal controls.

6. RELATED POLICIES/PROTOCOLS

- 6.1 Code of Conduct
- 6.2 Procedures for the Administration of the Code of Conduct
- 6.3 Internal Reporting Policy
- 6.4 Statement of Business Ethics
- 6.5 Conflict of Interests Policy
- 6.6 Risk Management Policy
- 6.7 Gifts and Benefits Policy
- 6.8 Acceptable Use of IT Policy
- 6.9 Purchasing Protocol

7. RELATED PROCEDURES

- 7.1 Staff Disciplinary Procedure
- 7.2 Secondary Employment Procedure
- 7.3 Staff Leave Procedure
- 7.4 Cash Handling Procedure
- 7.5 Records Disposal Procedure
- 7.6 Purchasing Procedure
- 7.7 Tendering Guidelines

8. RELATED LEGISLATION

- 8.1 Public Interest Disclosures Act 1994
- 8.2 Independent Commission Against Corruption Act 1988
- 8.3 Local Government Act 1993 & Regulations
- 8.4 Standards Australia, Fraud and Corruption Control Standard AS8001-2008

9. DEFINITIONS

9.1 What is fraud?

Fraud is a deliberate and premeditated turn of events which involves the use of deception to gain advantage from a position of trust and authority. The type of events include acts of omission, theft, the making of false statements, evasion, manipulation of information and numerous other acts of deception, (*Audit Office NSW Fraud Control: Volume 1 – Conceptual Framework, NSW Government 1994, pp.5-6*)

The concept of fraud involves fraudulent or corrupt conduct by internal parties or external entities targeting the Council, or fraudulent or corrupt conduct by the Council itself targeting external entities.

Examples of fraud include, but are not limited to:

- Falsification of an employee timesheet by claiming hours, allowances, penalty rates or overtime not worked or not in accordance with the Local Government (State) Award terms.
- Falsification of qualifications or skills an employee does not have.
- Theft of plant and equipment by employees.
- Theft of inventory by employees.
- False invoicing (involving a staff member of the entity or a person external to the entity creating a fictitious invoice claiming payment for goods or services not delivered or exaggerating the value of goods delivered or services provided).

- Theft of funds other than by way of false invoicing.
- Theft of cash (particularly in retail or other cash businesses) usually involving some form of concealment.
- Accounts receivable fraud (misappropriation or misdirection of remittances received by an entity from a debtor).
- Financial reporting fraud (falsification of the entity's financial statements with a view to obtaining some form of improper financial benefit).
- Release or use of misleading or inaccurate information for the purposes of deceiving, misleading or to hide wrongdoing
- Misuse of position in order to gain some form of financial advantage.

9.2 What is corruption?

Corrupt conduct by a public official commonly involves the dishonest or preferential use of power or position, a breach of public trust or the misuse of information or material acquired in the course of official functions.

Corrupt conduct, as defined in the *ICAC Act 1998 (NSW)*, is deliberate or intentional wrongdoing, not negligence or a mistake.

Corrupt conduct is also any conduct of any person (whether or not a public official) that adversely affects, or could adversely affect, either directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority.

See sections 7, 8 and 9 of the [Independent Commission Against Corruption Act 1988](#)

Corrupt conduct can take many forms including:

- conflict of interests
- taking or offering bribes
- dishonestly using influence
- blackmail
- fraud
- theft
- embezzlement
- tax evasion
- forgery
- nepotism and favouritism.

10. RESOURCES

- 10.1 ICAC website – www.icac.nsw.gov.au
- 10.2 NSW Audit Office - <https://www.audit.nsw.gov.au/>

11. IMPLEMENTATION STATEMENT

- 11.1 To ensure this policy is implemented effectively, Council will employ a variety of strategies involving awareness, education and training. These strategies will be aimed at Councillors, staff and council representatives and will involve:
- 11.1.1 Provision of information for staff and Councillors at induction.
 - 11.1.2 Distribution of the Statement of Business Ethics to all tenderers, suppliers and service providers.
 - 11.1.3 Staff awareness seminars to be conducted every two years.
 - 11.1.4 Fraud Health Check Survey to be conducted every two years to provide quantitative data on areas for improvement.
 - 11.1.5 Fraud Risk Assessments to be conducted every two years.
 - 11.1.6 Workshops to be conducted with staff in identified high risk areas, facilitated by internal audit.
 - 11.1.7 Attachments to payslips for operational staff.
 - 11.1.8 Use of Council's website and intranet to promote policy and procedures.

12. POLICY HISTORY

12.1	Date First Adopted	16 November 2009
12.2	Most Recent Adoption	February 2018
12.3	Next Review Date	July 2020
12.4	Responsible Officer	Manager Governance

EC4 Attachment

1. Draft Councillors Fees, Expenses and Facilities Policy

Monday 19 February 2018

EC4 – Adoption of the Councillors Fees, Expenses and
Facilities Policy

1. POLICY OBJECTIVES

The objectives of this policy are to:

- 1.1 enable the reasonable and appropriate reimbursement of expenses incurred by Councillors while undertaking their civic duties.
- 1.2 enable facilities of a reasonable and appropriate standard to be provided to Councillors to support them in undertaking their civic duties.
- 1.3 ensure accountability and transparency in reimbursement of expenses and provision of facilities to Councillors.
- 1.4 ensure facilities and expenses provided to Councillors meet community expectations.
- 1.5 support a diversity of representation.
- 1.6 fulfil Council's statutory responsibilities.

2. BACKGROUND

Introduction

- 2.1 The provision of expenses and facilities enables Councillors to fulfil their civic duties as the elected representatives of Wollondilly Shire Council.
- 2.2 The community is entitled to know the extent of expenses paid to Councillors, as well as the facilities provided.
- 2.3 The purpose of this policy is to clearly state the expenses paid, the facilities and the support provided to Councillors to assist them in fulfilling their civic duties.
- 2.4 Council staff are empowered to question or refuse a request for payment from a Councillor when it does not accord with this policy.
- 2.5 Expenses and facilities provided by this policy are in addition to fees paid to Councillors. The minimum and maximum fees a Council may pay each Councillor are set by the Local Government Remuneration Tribunal as per Section 241 of the Local Government Act and are reviewed annually. Council must adopt its annual fees within this set range.

Principles

- 2.6 Council commits to the following principles:
 - **Proper conduct:** Councillors and staff acting lawfully and honestly, exercising care and diligence in carrying out their functions.
 - **Reasonable expenses:** Providing for Councillors to be reimbursed for expenses reasonably incurred as part of their role as Councillor.

- **Participation and access:** Enabling people from diverse backgrounds, underrepresented groups, those in carer roles and those with special needs to serve as a Councillor.
- **Equity:** There must be equitable access to expenses and facilities for all Councillors
- **Appropriate use of resources:** Providing clear direction on the appropriate use of Council resources in accordance with legal requirements and community expectations.
- **Accountability and transparency:** Clearly stating and reporting on the expenses and facilities provided to Councillors.

Private or Political Benefit

- 2.7 Councillors must not obtain private or political benefit (as referred to in clause 2.11) from any expense or facility provided under this policy.
- 2.8 Reasonable private use of Council equipment and facilities by Councillors may occur from time to time.
- 2.9 Such incidental private use does not require a compensatory payment back to Council.
- 2.10 Councillors should avoid obtaining any greater private benefit from Council than an incidental benefit. Where there are unavoidable circumstances and more substantial private use of Council facilities does occur, Councillors must reimburse Council.
- 2.11 Campaigns for re-election are considered to be a political benefit. The following are examples of what is considered to be a political interest during a re-election campaign:
- production of election material
 - use of Council resources and equipment for campaigning
 - use of official Council letterhead, publications, websites or services for political benefit
 - fundraising activities of political parties or individuals, including political fundraising events.

3. ELIGIBILITY

This policy applies to:

- 3.1 all Councillors, including the Mayor and Deputy Mayor. They are also relevant to NSW Council Administrators where applicable.
- 3.2 all Council Officers required to process expense reimbursements for Councillors.
- 3.3 all Council Officers involved with any matters relating to payment of Councillor fees or reimbursement of expenses.

4. GUIDELINES

PAYMENT OF COUNCILLOR FEES

- 4.1 The fee range for the Mayor and Councillors are set each financial year by the Remuneration Tribunal. Council adopts the fees payable having regard to the applicable determined range.
- 4.2 Should the Deputy Mayor be requested by the Mayor or if the Mayor is prevented (for a minimum duration of 1 month) by illness; absence or otherwise or during a casual vacancy in the office of the Mayor to exercise any function of the Mayor, they will be paid a pro rata amount of the annual Mayoral Allowance for the period. The payment will be taken from the allowance paid to the Mayor.

GENERAL EXPENSES

- 4.3 All expenses provided under this policy will be for a purpose specific to the functions of holding civic office. Allowances for general expenses are not permitted under this policy.
- 4.4 Expenses not explicitly addressed in this policy will not be paid or reimbursed.

SPECIFIC EXPENSES

General **Local travel arrangements and expenses**

- 4.5 All **local** travel by Councillors should be undertaken using the most direct **trafficable** route and the most practicable and economical mode of transport. **Councillors may be reimbursed up to the total amounts per year, as outlined in **Attachment 9.2**, for the following type of transport expenses.**

Travel for professional development, attending approved conferences and other official business

- 4.6 **Each Councillor may be reimbursed for transport expenses for official business, professional development or attending approved conferences and seminars. For example these expenses may include the following:**

- **public transport fares**
- **the use of their private vehicle or hire car**
- **parking costs for Council and other meetings**
- **tolls**
- **Cabcharge card or equivalent**
- **documented ride-share programs, such as Uber, where tax invoices can be issued.**

Travel to Council Meetings and Council Committee Meetings

- 4.7 **Where a Councillor uses a private vehicle to travel from their place of work to attend a meeting of the Council or any Committee of the Council the travelling expenses payable are limited to the lesser of:**

- (i) **the distance between the Council office and the place of work if the place of work is within the Council area; and**

- (ii) the distance between the Council office and the Council boundary in the most direct trafficable route from the place of work.

Where a councillor uses a private vehicle to travel from their place of residence to attend a meeting of the Council or any Committee of the Council the travelling expenses payable are limited to the lesser of:

- (i) the distance between the Council office and the place of residence if the place of residence is within the Council area; and
- (ii) the distance between the Council office and the boundary in the most direct trafficable route from the place of residence.

4.8 Allowances for the use of a private vehicle will be reimbursed by kilometre at the rate contained in the Local Government (State) Award. Councillors seeking to be reimbursed for use of a private vehicle must submit the approved claim form recording the date, distance and purpose of travel being claimed.

Interstate, intrastate and overseas travel expenses

4.9 Councillors seeking approval for any interstate or intrastate travel must submit an application for approval to the General Manager prior to travel

4.10 The application for approval for Interstate or Intrastate travel is to address the following:

- the purpose of the travel
- cost, including travel expenses
- duration and itinerary
- whether flights and/or accommodation is required
- details of any other amounts expected to be reimbursed

4.11 Councillors should avoid overseas trips for Official Council business unless direct and tangible benefits can be established for the Council and the local community.

In the unusual circumstance where overseas travel is required by a Councillor for Official Council business, the Councillor is to submit a Request for Overseas Travel Form.

The request is to be considered at a Council meeting prior to the travel occurring.

Travel expenses not paid by Council

4.12 Council will not pay any traffic or parking fines or administrative charges for road toll accounts.

Accommodation and meals

4.13 In circumstances where it would introduce undue risk for a Councillor to travel to or from official business in the late evening or early morning, reimbursement of costs for accommodation and meals on the night before or morning after the meeting may be approved by the General Manager. This includes where a meeting finishes later than 10.00pm or starts earlier than 7.00am and the Councillor lives more than 50 kilometres by road from the meeting location.

- 4.14 Council will reimburse costs for accommodation and meals while Councillors are undertaking prior approved travel or professional development outside the Wollondilly Shire Boundary.
- 4.15 The daily limits for accommodation and meal expenses within Australia are to be consistent with those set out in Part B Monetary Rates of the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, as adjusted annually.
- 4.16 The daily limits for accommodation and meal expenses outside Australia are to be determined in advance by the General Manager, being mindful of Clause 4.19.

Refreshments for Council related meetings

- 4.17 Appropriate refreshments will be available for Council meetings, Council Committee meetings, Councillor briefings, approved meetings and engagements, and official Council functions as approved by the General Manager.
- 4.18 As an indicative guide for the standard of refreshments to be provided at Council related meetings, the General Manager must be mindful of Part B Monetary Rates of the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, as adjusted annually.

Professional development

- 4.19 **Attachment 9.2** sets out the annual monetary amounts Council will set aside for Councillors and the Mayor to facilitate their professional development through programs, training, education courses and membership of professional bodies.
- 4.20 In the first year of a new Council term, Council will provide a comprehensive induction program for all Councillors which considers any guidelines issued by the Office of Local Government (OLG). The cost of the induction program will be in addition to the ongoing professional development funding.
- 4.21 Annual membership of professional bodies will only be covered where the membership is relevant to the exercise of the Councillor's civic duties, the Councillor actively participates in the body and the cost of membership is likely to be fully offset by savings from attending events as a member.
- 4.22 Approval for professional development activities is subject to a prior written request to the General Manager outlining the:
- details of the proposed professional development and how it aligns to the Councillors Individual Training Plan
 - relevance to Council priorities and business
 - relevance of the exercise of the Councillor's civic duties
- 4.23 In assessing a Councillor request for a professional development activity, the General Manager must consider the factors set out above, as well as the cost of the professional development in relation to the Councillor's remaining budget.

Conferences and seminars

- 4.24 Council is committed to ensuring its Councillors are up to date with contemporary issues facing council and the community, and local government in New South Wales.
- 4.25 **Attachment 9.2** sets out amounts for the Mayor and Councillors annually to facilitate Councillor attendance at conferences and seminars. (This does not include the Local Government NSW Annual Conference (State) and the Australian Local Government Association Conference (Federal)).
- 4.26 Approval to attend a conference or seminar is subject to a written request to the General Manager. In assessing a Councillor request, the General Manager must consider factors including the:
- relevance of the topics and presenters to current Council priorities and business and the exercise of the Councillor's civic duties.
 - cost of the conference or seminar.
- 4.27 Council will meet the cost of training registration fees and accommodation associated with attendance at conferences approved by the General Manager. Council will also meet the reasonable cost of meals when they are not included in the conference fees. Reimbursement for accommodation and meals not included in the conference fees will be subject to Clauses 4.13- 4.16.

Local Government NSW Annual Conference and Australian Local Government Association Conference

- 4.28 All Councillors can attend the Local Government NSW Annual Conference each year. Council will reimburse the cost of registration fees and where the conference is outside Wollondilly Shire, the cost of travel, accommodation and meals not covered by the conference registration, subject to Clauses 4.13 - 4.16.
- 4.29 For the Local Government NSW Annual Conference, Council will meet the costs of the official conference dinner for an accompanying person of a Councillor.
- 4.30 Council will reimburse the cost for the Mayor, or their delegate, of registration fees at the Local Government Association Conference and where the conference is outside Wollondilly Shire, the cost of travel, accommodation and meals not covered by the conference registration, subject to Clauses 4.13 - 4.16.
- 4.31 For the Local Government Association Conference, Council will meet the costs of the official conference dinner for an accompanying person to the Mayor, or their delegate..

ICT expenses

- 4.32 Council will provide or reimburse Councillors for expenses associated with appropriate ICT devices and services up to limits set out in **Attachment 9.2 and 9.3** for each Councillor. All reimbursement lodgements must be accompanied by an appropriate receipt and must include the Business Name and ABN (where available) the phone provider, Date of Receipt and GST component (where applicable).
- 4.33 Reimbursements will be made only for communications devices and services used for Councillors to undertake their civic duties, such as:

- receiving and reading Council business papers
- relevant phone calls and correspondence
- diary appointment management.

4.34 Councillors may seek reimbursement for applications on their mobile electronic communication device that are directly related to their duties as a Councillor, within the maximum limits set out in **Attachment 9.3**.

Special requirement and carer expenses

4.35 Council encourages wide participation and interest in civic office. It will seek to ensure Council premises and associated facilities are accessible, including provision for sight or hearing impaired Councillors and those with other disabilities.

4.36 Transportation provisions outlined in this policy will also assist Councillors who may be unable to drive a vehicle.

4.37 In addition to the provisions above, the General Manager may authorise the provision of reasonable additional facilities and expenses in order to allow a Councillor with a disability to perform their civic duties.

4.38 Councillors who are the principal carer of a child or other elderly, disabled and/or sick immediate family member will be entitled to reimbursement of carer's expenses up to a maximum amount set out in **Attachment 9.3** for attendance at official business, plus reasonable travel from the principal place of residence.

4.39 Child care expenses may be claimed for children up to and including the age of 16 years where the carer is not a relative.

4.40 In the event of caring for an adult person (17 years and above), Councillors will need to provide suitable evidence to the General Manager that reimbursement is applicable. This may take the form of advice from a medical practitioner.

INSURANCES

4.41 In accordance with Section 382 of the Local Government Act, Council is insured against public liability and professional indemnity claims. Councillors are included as a named insured on this Policy.

4.42 Insurance protection is only provided if a claim arises out of or in connection with the Councillor's performance of his or her civic duties, or exercise of his or her functions as a Councillor. All insurances are subject to any limitations or conditions set out in the policies of insurance.

4.43 Council shall pay the insurance policy excess in respect of any claim accepted by Council's insurers, whether defended or not.

4.44 Appropriate travel insurances will be provided for any Councillors traveling on approved interstate and overseas travel on Council business.

LEGAL ASSISTANCE

4.45 Council may, if requested, indemnify or reimburse the reasonable legal expenses of:

- a Councillor defending an action arising from the performance in good faith of a function under the Local Government Act
 - a Councillor defending an action in defamation, provided the statements complained of were made in good faith in the course of exercising a function under the Act
 - a Councillor for proceedings before an appropriate investigative or review body, provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the matter has proceeded past any initial assessment phase to a formal investigation or review and the investigative or review body makes a finding substantially favourable to the Councillor.
- 4.46 In the case of a conduct complaint made against a Councillor, legal costs will only be made available where the matter has been referred by the General Manager to a conduct reviewer or conduct review panel to make formal enquiries into that matter in accordance with Council's Code of Conduct.
- 4.47 Legal expenses incurred in relation to proceedings arising out of the performance by a Councillor of his or her functions under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something that a Councillor has done during his or her term in office. For example, expenses arising from an investigation as to whether a Councillor acted corruptly would not be covered by this section.
- 4.48 Council will not meet the legal costs:
- of legal proceedings initiated by a Councillor under any circumstances
 - of a Councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation
 - for legal proceedings that do not involve a Councillor performing their role as a Councillor.
- 4.49 Reimbursement of expenses for reasonable legal expenses must have Council approval by way of a resolution at a Council meeting prior to costs being incurred.
- 4.50 Council will meet the costs of a Councillor seeking legal advice in respect of Conflict of Interests Declarations up to a maximum amount set out in **Attachment 9.2**.

GENERAL FACILITIES FOR ALL COUNCILLORS

Facilities

- 4.51 Council will provide the following facilities to Councillors to assist them to effectively discharge their civic duties:
- a Councillor common room appropriately furnished to include telephone, desk, computer terminal, pigeon holes, appropriate refreshments and access to a printer/photocopier and stationary
 - access to shared car parking spaces while attending Council offices on official business
 - personal protective equipment for use during site visits
 - a name badge which may be worn at official functions, indicating that the wearer holds the office of a Councillor and/or Mayor or Deputy Mayor.

- 4.52 Councillors may book meeting rooms for official business in a Council building at no cost. Rooms may be booked through the Mayors administrative support staff member.
- 4.53 The provision of facilities will be of a standard deemed by the General Manager as appropriate for the purpose.

Stationery

- 4.54 Council will provide the following stationery to Councillors each year:
- business cards
 - ordinary postage costs
 - a reasonable number of Christmas or festive cards per year for Councillors and the Mayor.

Administrative support

- 4.55 Council will provide administrative support to the Mayor and reasonable administrative support to other Councillors to assist with civic duties only.
- 4.56 Council staff are expected to assist the Mayor and Councillors with civic duties only, and not assist with matters of personal or political interest, including campaigning.
- 4.57 The number of exclusive staff provided to support the Mayor and Councillors will not exceed one full time equivalent (FTE).

ADDITIONAL FACILITIES FOR THE MAYOR

- 4.58 Council will provide to the Mayor a maintained vehicle to a similar standard of other Council vehicles, with a fuel card. The vehicle will be supplied for use on official Council business, professional development and attendance at Council.
- 4.59 Reasonable incidental private use of the vehicle is permitted.
- 4.60 Any substantial private use of the vehicle must be declared to the General Manager. Where this occurs, the Mayoral Allowance will be reduced to cover the cost of the private travel, calculated on a per kilometre basis, by the rate set by the Local Government (State) Award.
- 4.61 A parking space at Council's offices will be reserved for the Mayor's Council-issued vehicle for use on official business, professional development and attendance at the Mayor's office.
- 4.62 Council will provide the Mayor with use of the Councillor common room which is a furnished office incorporating a computer configured to Council's standard operating environment, telephone and meeting space.
- 4.63 The Mayor may request a mayoral office be provided.

PROCESSES

Approval, payment and reimbursement arrangements

- 4.64 Expenses should only be incurred by Councillors in accordance with the provisions of this policy.

- 4.65 Approval for incurring expenses, or for the reimbursement of such expenses, should be obtained through the appropriate request form before the expense is incurred in with this policy.
- 4.66 Up to the maximum limits specified in this policy, approval for the following may be sought after the expense is incurred:
- local travel relating to the conduct of official business
 - carer costs
 - ICT expenses.
- 4.67 Final approval for payments made under this policy will be granted by the General Manager or their delegate.

Direct payment

- 4.68 Council may approve and directly pay expenses. Requests for direct payment must be submitted to the General Manager for assessment against this policy using the prescribed form, with sufficient information and time to allow for the claim to be assessed and processed.

Reimbursement

- 4.69 All claims for reimbursement of expenses incurred must be made on the appropriate request form, supported by appropriate receipts and/or tax invoices and be submitted to the General Manager.

Notification

- 4.70 If a claim is approved, Council will make payment directly or reimburse the Councillor through accounts payable.
- 4.71 If a claim is refused, Council will inform the Councillor in writing that the claim has been refused and the reason for the refusal.

Reimbursement to Council

- 4.72 If Council has incurred an expense on behalf of a Councillor that exceeds a maximum limit, exceeds reasonable incidental private use or is not provided for in this policy:
- Council will invoice the Councillor for the expense
 - the Councillor will reimburse Council for that expense within 14 days of the invoice date.
- 4.73 If the Councillor cannot reimburse Council within 14 days of the invoice date, they are to submit a written explanation to the General Manager. The General Manager may elect to deduct the amount from the Councillor's allowance.

Timeframe for reimbursement

- 4.74 Unless otherwise specified in this policy, Councillors must provide all claims for reimbursement within three months of an expense being incurred. Claims made after this time cannot be approved.

DISPUTES

- 4.75 If a Councillor disputes a determination under this policy, the Councillor should discuss the matter with the General Manager.
- 4.76 If the Councillor and the General Manager cannot resolve the dispute, the Councillor may submit a notice of motion to a Council meeting seeking to have the dispute resolved.

RETURN OR RETENTION OF FACILITIES

- 4.77 All unexpended facilities or equipment supplied under this policy are to be relinquished immediately upon a Councillor or Mayor ceasing to hold office or at the cessation of their civic duties.
- 4.78 Should a Councillor desire to keep any equipment allocated by Council, then this policy enables the Councillor to make application to the General Manager to purchase any such equipment. The General Manager will determine an agreed fair market price or written down value for the item of equipment.
- 4.79 The prices for all equipment purchased by Councillors will be recorded in Council's Annual Report.

PUBLICATION

- 4.80 This policy will be published on Council's website.

REPORTING

- 4.81 Council will report on the provision of expenses and facilities to Councillors as required in the Act and Regulations.
- 4.82 A detailed report on the provision of expenses and facilities to Councillors will be included in Council's Annual Report in accordance with regulation 217 of the Local Government (General) Regulation 2005.

AUDITING

- 4.83 The operation of this policy, including claims made under the policy, will be included in Council's audit program and an audit undertaken at least every two years.

BREACHES

- 4.84 Suspected breaches of this policy are to be reported to the General Manager.
- 4.85 Alleged breaches of this policy shall be dealt with by following the processes outlined for breaches of the Code of Conduct, as detailed in the Code and in the Procedures for the Administration of the Code.

5. RESPONSIBILITY/ACCOUNTABILITY

- 5.1 The Governance Team is responsible for ensuring that reimbursement of expenses are forwarded to the Councillors in a timely manner, in line with Council procedure.
- 5.2 The Manager Governance is responsible for co-ordinating the notification to the appropriate Council Officers of any increase in Councillor Remuneration as released by the Remuneration Tribunal. This includes:
 - 5.2.1 Notifying the Governance Team, Assistant Director People, Legal and Governance and General Manager of the change.
 - 5.2.2 Submitting a report to Council annually outlining the Remuneration Tribunal Determination of fees for Councillors and Mayors.
 - 5.2.3 Notifying the Governance Team once the change has been approved by Council.
- 5.3 The Governance Team is responsible for ensuring that the correct pay rate is applied to each Councillor's remuneration, in accordance with the instructions received in line with Guideline 5.2.3.
- 5.4 The General Manager and Mayor are responsible for the management of the Local Democracy Budget line items relating to the reimbursement of expenses for Councillors.

6. RELATED POLICIES

- 6.1 Code of Conduct

7. RELATED PROCEDURES

- 7.1 Mobile Phone Procedure – TRIM 2365#14

8. RELATED LEGISLATION

- 8.1 *Section 23A of the Local Government Act 1993*
- 8.2 *Section 249 of the Local Government Act 1993*
- 8.3 *Section 250 of the Local Government Act 1993*
- 8.4 *Section 252 of the Local Government Act 1993*
- 8.5 *Section 253 of the Local Government Act 1993*
- 8.6 *Section 254 of the Local Government Act 1993*
- 8.7 *Clause 403 of the Local Government (General) Regulation 2005*

9. ATTACHMENTS

9.1	Definitions	15
9.2	Monetary Limits to Expenses.....	20
9.3	Available Facilities	21

10. RESOURCES

- 10.1 Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors for Local Councils in NSW – DLG October 2009
- 10.2 ICAC Publication – No excuse for misuse, preventing the misuse of Council resources. This publication is available on the ICAC website at www.icac.nsw.gov.au
- 10.3 OLG Circular 16-15 – 2016/17 Determination of the Local Government Remuneration Tribunal
- 10.4 Councillor Expenses and Facilities Model Template – Office of Local Government

11. IMPLEMENTATION STATEMENT

- 11.1 To ensure this policy is implemented effectively, Council will employ a variety of strategies involving awareness, education and training. These strategies will be aimed at Councillors, staff and council representatives and will involve:
 - 11.1.1 Policy placed in Policy Folder in Customer Service
 - 11.1.2 Policy placed on Councils Website
 - 11.1.3 Copy of Policy given to Councillors and incorporated into Councillor training
 - 11.1.4 Copy of Policy sent to Department of Premier and Cabinet
 - 11.1.5 Policy discussed at Staff Meetings.

12. POLICY HISTORY

12.1	Date First Adopted	25 September 2000
12.2	Most Recent Adoption	17 October 2016
12.3	Next Review Date	October 2020
12.4	Responsible Officer	Manager Governance

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 Rural Living www.wollondilly.nsw.gov.au

Attachment 9.1

Term	Definition
Accompanying person	Means a spouse, partner or de facto or other person who has a close personal relationship with or provides carer support to a Councillor
Appropriate refreshments	Means food and beverages, excluding alcohol, provided by Council to support Councillors undertaking official business
Act	Means the Local Government Act 1993 (NSW)
Annual Conference	Means Local Government NSW Annual Conference
Clause	Unless stated otherwise, a reference to a clause is a reference to a clause of this policy
Code of Conduct	Means the Code of Conduct adopted by Council or the Model Code if none is adopted
Councillor	Means a person elected or appointed to civic office as a member of the governing body of Council who is not suspended, including the Mayor
General Manager	Means the General Manager of Council and includes their delegate or authorised representative
ICT	Means Telecommunications and Information Communications and Technology
Incidental personal use	Means use that is infrequent and brief and use that does not breach this policy or the Code of Conduct
Long distance intrastate travel	Means travel to other parts of NSW of more than three hours duration by private vehicle
Maximum limit	Means the maximum limit for an expense or facility provided in the text and summarised in Appendix 1
NSW	New South Wales
Official business	Means functions that the Mayor or Councillors are required or invited to attend to fulfil their legislated role and responsibilities for Council or result in a direct benefit for Council and/or for the local government area, and includes: <ul style="list-style-type: none"> ▪ meetings of Council and committees of the whole ▪ meetings of committees facilitated by Council ▪ civic receptions hosted or sponsored by Council ▪ meetings, functions, workshops and other events to which attendance by a Councillor has been requested or approved by Council ▪ other activities considered reasonable to fulfil the responsibilities of a Councillor
Professional development	Means a seminar, conference, training course or other development opportunity relevant to the role of a Councillor or the Mayor
Regulation	Means the Local Government (General) Regulation 2005 (NSW)
Year	Means the financial year, that is the 12 month period commencing on 1 July each year

ATTACHMENT 9.2

MONETARY LIMITS TO EXPENSES

Expense or Facility	Maximum Amount	Frequency
General travel expenses	\$27,000 collective for Councillors and the Mayor	Per year
Accommodation and meals	As per the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, adjusted annually	Per meal/night
Professional development, Conferences and seminars (excluding LGNSW and ALGA Conference)	\$5000 to the Mayor \$4000 per Councillor	Per year
ICT expenses * see note below	\$2000 per Councillor	Per year
Carer expenses ** see note below	\$3000 per Councillor	Per year
Access to facilities in a Councillor common room	Provided to all Councillors	Not relevant
Council vehicle and fuel card	Provided to the Mayor	Not relevant
Legal Expenses – Conflict of Interests	\$1,000 per Councillor	Per year

Additional costs incurred by a Councillor in excess of these limits are considered a personal expense that is the responsibility of the Councillor.

Councillors must provide claims for reimbursement within three months of an expense being incurred. Claims made after this time cannot be approved.

Detailed reports on the provision of expenses and facilities to councillors will be publicly tabled at a council meeting every six months and published in full on council’s website. These reports will include expenditure summarised by individual councillor and as a total for all councillors.

* \$140.00 is allocated for mobile and internet usage per month. \$100.00 may be reimbursed on request (as per clause 4.32 of this policy). \$40.00 Data Plan (iPad data) will be paid by Council and may not be claimed.

** \$3000.00 is allocated annually for the term of the Council and may be adjusted accordingly to meet individual circumstances.

ATTACHMENT 9.3

Equipment	Cost per Councillor	Mayor	Deputy Mayor	Councillors
		Facilities Available/Not Available for Council business use		
Tablet	\$1000	Available	Available*	Available*
Printer	\$600	Available	Available*	Available*
3G Data Plan (4GB)	\$40 per month	Available	Available*	Available*
Vehicle use		Available	Not Available	Not Available
Stationery, office supplies, postage, business cards & other similar consumables		Available	Available	Available
Ceremonial garb	N/A	Available	Not Available	Not Available
Mobile phone		Available	Available*	Available*
Facilities				
Secretarial & administrative support		Available	Ancillary support only	Ancillary support only
Councillors Room		Available	Available	Available
Meals/refreshments related to Council meetings, office functions and committee and work group meetings		Available	Available	Available
Disabled Access		Available	Available	Available
Hearing impaired		Available	Available	Available
Vision impaired	N/A	Not Applicable	Not Applicable	Not Applicable
Corporate clothing	N/A	Not Applicable	Not Applicable	Not Applicable
Personal Protective Equipment (PPE)		Available*	Available*	Available*

**Equipment remains the property of Council*

EC8 Attachments

1. Investment Summary Report as at 30 November 2017
2. Investment Summary Report as at 31 December 2017

Monday 19 February 2018

EC8 – Investment of Funds as at 30 November 2017 and 31 December 2017



Wollondilly
Shire Council

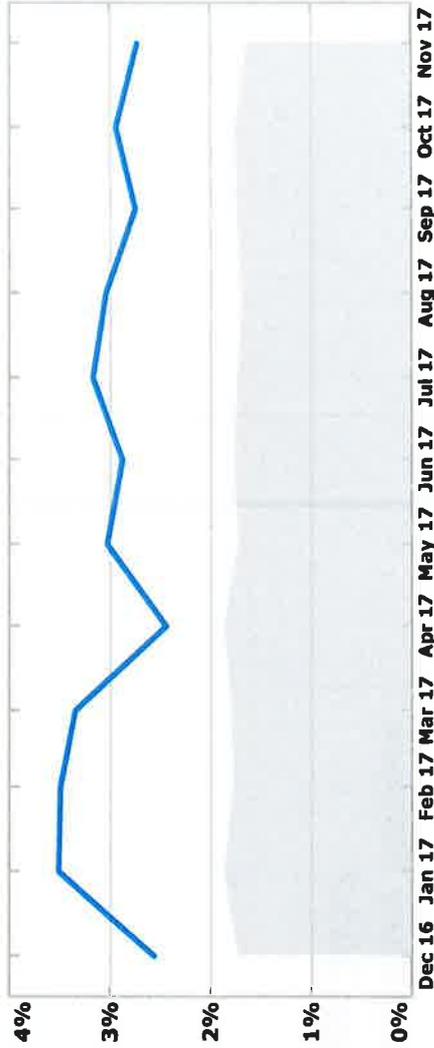
**Investment Summary Report
November 2017**



Investment Holdings

By Product	Face Value (\$)	Current Value (\$)	Current Yield (%)
Bonds	2,000,000.00	1,993,600.00	7.1692
Cash	3,676,000.00	3,676,000.00	1.5500
Floating Rate Note	15,700,000.00	15,899,466.21	2.8433
Mortgage Backed Security	1,623,769.42	1,095,552.79	2.2193
Term Deposit	38,000,000.00	38,430,904.00	2.7317
	60,999,769.42	61,095,523.00	2.8211

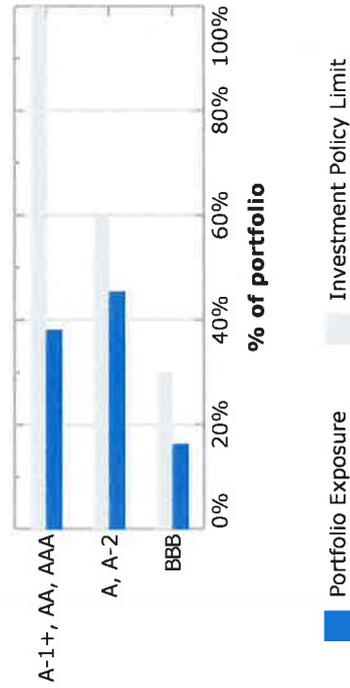
Investment Performance



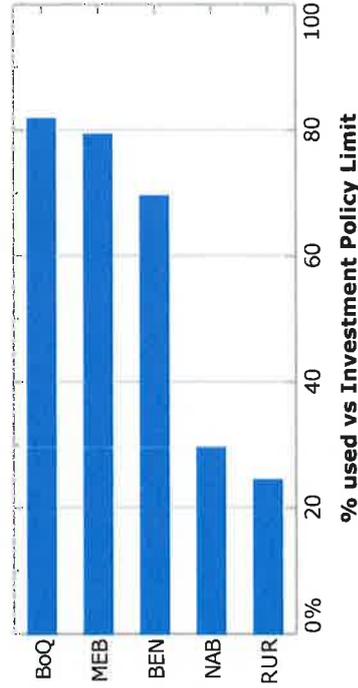
■ Portfolio Annualised Return ■ Bloomberg BB Index Annualised Return

Investment Policy Compliance

Total Credit Exposure



Highest Individual Exposures



Term to Maturities

Maturity Profile	Face Value (\$)	Policy Max
Less than 1yr	39,176,000	64%
Greater than 1yr	21,823,769	36%
a. Between 3 and 5yrs	3,623,769	6%
b. Greater than 5yrs	1,000,000	2%
	60,999,769	0% X

Cash Accounts

Face Value (\$)	Current Yield	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference
3,676,000.00	1.5500%	National Australia Bank	A-1+	3,676,000.00	211819	
3,676,000.00	1.5500%			3,676,000.00		

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Coupon Reference
6-Dec-17	1,000,000.00	2.6500%	ME Bank	A-2	1,000,000.00	1-Mar-17	1,019,965.75	534927	19,965.75	AtMaturity	AtMaturity
6-Dec-17	1,000,000.00	2.7000%	ME Bank	A-2	1,000,000.00	5-Jun-17	1,013,241.10	535292	13,241.10	AtMaturity	AtMaturity
13-Dec-17	1,000,000.00	2.8000%	Bank of Queensland	A-2	1,000,000.00	14-Dec-16	1,027,002.74	534665	27,002.74	AtMaturity	AtMaturity
13-Dec-17	1,000,000.00	2.7000%	ME Bank	A-2	1,000,000.00	14-Jun-17	1,012,575.34	535361	12,575.34	AtMaturity	AtMaturity
20-Dec-17	1,000,000.00	2.8000%	Bank of Queensland	A-2	1,000,000.00	20-Dec-16	1,026,542.47	534671	26,542.47	AtMaturity	AtMaturity
2-Jan-18	1,000,000.00	2.7000%	ME Bank	A-2	1,000,000.00	4-Apr-17	1,017,827.40	535131	17,827.40	AtMaturity	AtMaturity
10-Jan-18	1,000,000.00	2.7200%	Commonwealth Bank of Australia	A-1+	1,000,000.00	9-Mar-17	1,019,896.99	534987	19,896.99	AtMaturity	AtMaturity
14-Feb-18	1,000,000.00	2.7000%	Bank of Queensland	A-2	1,000,000.00	15-Feb-17	1,021,378.08	534879	21,378.08	AtMaturity	AtMaturity
28-Feb-18	1,000,000.00	2.5500%	ME Bank	A-2	1,000,000.00	28-Aug-17	1,006,636.99	535651	6,636.99	AtMaturity	AtMaturity
5-Mar-18	1,000,000.00	2.7000%	Rural Bank	A-2	1,000,000.00	2-Mar-17	1,020,268.49	534933	20,268.49	Annually	Annually
7-Mar-18	1,000,000.00	2.7400%	Commonwealth Bank of Australia	A-1+	1,000,000.00	9-Mar-17	1,020,043.29	534986	20,043.29	AtMaturity	AtMaturity
7-Mar-18	1,000,000.00	2.6500%	Bank of Queensland	A-2	1,000,000.00	5-Jun-17	1,012,995.89	535293	12,995.89	AtMaturity	AtMaturity
14-Mar-18	1,000,000.00	2.6500%	Bank of Queensland	A-2	1,000,000.00	14-Jun-17	1,012,342.47	535362	12,342.47	AtMaturity	AtMaturity
11-Apr-18	1,000,000.00	2.6000%	Bank of Queensland	A-2	1,000,000.00	11-Oct-17	1,003,632.88	535851	3,632.88	AtMaturity	AtMaturity
24-Apr-18	1,000,000.00	2.7000%	ME Bank	A-2	1,000,000.00	26-Apr-17	1,016,200.00	535196	16,200.00	AtMaturity	AtMaturity
1-May-18	1,000,000.00	2.5400%	National Australia Bank	A-1+	1,000,000.00	30-Aug-17	1,006,471.78	535660	6,471.78	AtMaturity	AtMaturity
2-May-18	1,000,000.00	2.6500%	Bank of Queensland	A-2	1,000,000.00	2-Aug-17	1,008,784.93	535566	8,784.93	AtMaturity	AtMaturity
16-May-18	1,000,000.00	2.6500%	ME Bank	A-2	1,000,000.00	18-Aug-17	1,007,623.29	535622	7,623.29	AtMaturity	AtMaturity
23-May-18	1,000,000.00	2.8500%	Credit Union Australia	A-2	1,000,000.00	24-May-17	1,014,913.70	535264	14,913.70	AtMaturity	AtMaturity
30-May-18	1,000,000.00	2.7000%	Bendigo and Adelaide Bank	A-2	1,000,000.00	31-May-17	1,013,610.96	535276	13,610.96	AtMaturity	AtMaturity

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Coupon Reference
6-Jun-18	1,000,000.00	2.7000%	Bendigo and Adelaide Bank	A-2	1,000,000.00	5-Jun-17	1,013,241.10	535294	13,241.10	AtMaturity	AtMaturity
27-Jun-18	1,500,000.00	2.5900%	National Australia Bank	A-1+	1,500,000.00	27-Sep-17	1,506,918.49	535803	6,918.49	AtMaturity	AtMaturity
4-Jul-18	1,000,000.00	2.7000%	Bank of Queensland	A-2	1,000,000.00	5-Jul-17	1,011,021.92	535439	11,021.92	AtMaturity	AtMaturity
4-Jul-18	1,000,000.00	2.5800%	Commonwealth Bank of Australia	A-1+	1,000,000.00	5-Sep-17	1,006,149.59	535703	6,149.59	AtMaturity	AtMaturity
11-Jul-18	1,000,000.00	2.5800%	National Australia Bank	A-1+	1,000,000.00	13-Sep-17	1,005,584.11	535776	5,584.11	AtMaturity	AtMaturity
1-Aug-18	1,000,000.00	2.6000%	Bank of Queensland	A-2	1,000,000.00	1-Nov-17	1,002,136.99	535907	2,136.99	AtMaturity	AtMaturity
23-Aug-18	1,000,000.00	3.1000%	Westpac Group	A-1+	1,000,000.00	23-Aug-16	1,008,493.15	534157	8,493.15	Annually	Annually
27-Aug-18	1,000,000.00	3.0500%	Bendigo and Adelaide Bank	A-2	1,000,000.00	26-Aug-15	1,007,938.36	508262	7,938.36	Annually	Annually
28-Aug-18	1,000,000.00	2.6500%	ME Bank	A-2	1,000,000.00	29-Aug-17	1,006,824.66	535656	6,824.66	AtMaturity	AtMaturity
5-Sep-18	1,000,000.00	2.6000%	National Australia Bank	A-1+	1,000,000.00	1-Sep-17	1,006,482.19	535680	6,482.19	AtMaturity	AtMaturity
12-Sep-18	1,000,000.00	3.1000%	Westpac Group	A-1+	1,000,000.00	1-Sep-16	1,007,728.77	534201	7,728.77	Annually	Annually
31-Oct-18	1,000,000.00	2.6300%	Rural Bank	A-2	1,000,000.00	1-Nov-17	1,002,161.64	535908	2,161.64	AtMaturity	AtMaturity
14-Nov-18	1,000,000.00	2.6000%	Bank of Queensland	A-2	1,000,000.00	15-Nov-17	1,001,139.73	535959	1,139.73	AtMaturity	AtMaturity
15-May-19	2,000,000.00	2.9000%	Bendigo and Adelaide Bank	BBB+	2,000,000.00	17-May-17	2,031,463.01	535244	31,463.01	Annually	Annually
9-Aug-19	1,000,000.00	3.2000%	Westpac Group	AA-	1,000,000.00	9-Aug-16	1,009,994.52	534113	9,994.52	Annually	Annually
11-Nov-19	500,000.00	2.8000%	Bendigo and Adelaide Bank	BBB+	500,000.00	8-Nov-17	500,882.19	535949	882.19	Annually	Annually
20-Nov-19	1,000,000.00	2.8800%	Rural Bank	BBB+	1,000,000.00	21-Nov-17	1,000,789.04	535974	789.04	Annually	Annually
	38,000,000.00	2.7317%			38,000,000.00		38,430,904.00		430,904.00		

Floating Rate Notes

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Date	Coupon Reference
1-Apr-19	500,000.00	3.3050%	CUA Snr FRN (Apr19) BBSW+1.60%	BBB	500,000.00	1-Apr-16	506,371.16	533363	2,671.16	2-Jan-18	2-Jan-18
10-May-19	1,000,000.00	2.7100%	WBC Snr FRN (May19) BBSW+1.00%	AA-	1,000,000.00	11-Mar-16	1,010,659.18	533330	1,559.18	12-Feb-18	12-Feb-18
11-Jun-19	750,000.00	2.8350%	AMP Snr FRN (Jun19) BBSW+1.10%	A	750,000.00	11-Dec-15	761,011.03	512050	4,718.53	11-Dec-17	11-Dec-17
18-Jul-19	1,000,000.00	3.1500%	ME Bank Snr FRN (Jul19) BBSW+1.45%	BBB	1,000,000.00	18-Jul-16	1,010,217.26	534040	3,797.26	18-Jan-18	18-Jan-18

Floating Rate Notes

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Reference Date
17-Sep-19	1,000,000.00	2.6500%	BEN Snr FRN (Sep19) BBSW+0.93%	BBB+	1,000,000.00	17-Sep-14	1,009,372.60	491128	5,372.60	18-Dec-17
11-Nov-19	1,000,000.00	2.5600%	ANZ Snr FRN (Nov19) BBSW+0.85%	AA-	1,000,000.00	11-Nov-14	1,009,172.47	497055	1,262.47	12-Feb-18
29-Nov-19	500,000.00	3.2300%	GBS Snr FRN (Nov19) BBSW+1.50%	BBB	500,000.00	29-Nov-16	498,904.00	534565	88.49	28-Feb-18
22-Jan-20	1,000,000.00	2.6000%	WBC Snr FRN (Jan20) BBSW+0.90%	AA-	1,000,000.00	22-Jan-15	1,012,718.08	501146	2,778.08	22-Jan-18
21-Feb-20	500,000.00	2.8200%	BEN Snr FRN (Feb20) BBSW+1.10%	BBB+	500,000.00	21-Nov-16	503,491.30	534537	386.30	21-Feb-18
3-Mar-20	1,000,000.00	2.8350%	MAC Snr FRN (Feb20) BBSW+1.10%	A	1,000,000.00	3-Mar-15	1,017,545.07	502273	6,835.07	4-Dec-17
20-Mar-20	750,000.00	3.0100%	CJA Snr FRN (Mar20) BBSW+1.30%	BBB	750,000.00	20-Mar-17	757,588.15	534994	4,453.15	20-Dec-17
17-Jul-20	1,000,000.00	2.5998%	CBA Snr FRN (Jul20) BBSW+0.90%	AA-	1,000,000.00	17-Jul-15	1,012,545.27	507122	3,205.27	17-Jan-18
18-Aug-20	1,000,000.00	2.8200%	BEN Snr FRN (Aug20) BBSW+1.10%	BBB+	1,000,000.00	18-Aug-15	1,007,869.86	505173	849.86	19-Feb-18
20-Oct-20	1,000,000.00	2.9500%	SUN Snr FRN (Oct20) BBSW+1.25%	A+	1,000,000.00	20-Oct-15	1,019,164.52	510106	3,394.52	22-Jan-18
9-Nov-20	700,000.00	2.9550%	ME Bank Snr FRN (Nov20) BBSW+1.25%	BBB	700,000.00	9-Nov-17	701,211.77	535915	1,246.77	9-Feb-18
18-Jan-21	500,000.00	2.8502%	CBA Snr FRN (Jan21) BBSW+1.15%	AA-	500,350.00	25-Jan-16	509,662.91	533092	1,717.91	18-Jan-18
20-Apr-21	500,000.00	3.1600%	BEN Snr FRN (Apr21) BBSW+1.46%	BBB+	500,000.00	20-Apr-16	510,488.08	533420	1,818.08	22-Jan-18
3-Jun-21	1,000,000.00	2.9050%	WBC Snr FRN (Jun21) BBSW+1.17%	AA-	1,000,000.00	3-Jun-16	1,024,423.84	533707	7,003.84	4-Dec-17
30-Mar-22	500,000.00	2.7600%	AMP Snr FRN (Mar22) BBSW+1.05%	A	500,000.00	30-Mar-17	506,246.92	535097	2,381.92	29-Dec-17
16-Aug-22	500,000.00	2.6900%	SUN Snr FRN (Aug22) BBSW+0.97%	A+	500,000.00	16-Aug-17	510,802.74	535608	552.74	16-Feb-18
	15,700,000.00	2.8433%			15,700,350.00		15,899,466.21		56,093.20	

Zero Coupon Bonds

Maturity Date	Face Value (\$)	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Purchase Yield	Reference
22-Jan-18	2,000,000.00	CBA Snr Bond (Feb18) ZC	A-1+	1,000,000.00	21-Jan-08	1,993,600.00	220294	7.1692%	
	2,000,000.00			1,000,000.00		1,993,600.00		7.1692%	

Mortgage Backed Securities

Weighted Avg Life	Face Value (\$)	Current Coupon	Security Name	Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Reference
22-Aug-22	623,769.42	2.1700%	Emerald Reverse Mortgage (A Tranche)	AAA	1,000,000.00	17-Jul-06	493,148.68	310323	370.84	
21-Jul-27	1,000,000.00	2.2500%	Emerald Reverse Mortgage (B Tranche)	AA	1,000,000.00	6-Jul-07	602,404.11	310288	2,404.11	
	1,623,769.42	2.2193%			2,000,000.00		1,095,552.79		2,774.95	

Accrued Interest Report

Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return
Bonds								
CBA Snr Bond (Feb18) ZC	220294	2,000,000.00	21-Jan-08	22-Jan-18	0.00	30	8,210.18	7.17%
					0.00		8,210.18	7.17%
Cash								
National Australia Bank	211819	3,676,000.00			6,552.32	30	6,552.32	1.55%
					6,552.32		6,552.32	1.55%
Floating Rate Note								
CUA Snr FRN (Apr19) BBSW+1.60%	533363	500,000.00	1-Apr-16	1-Apr-19	0.00	30	1,358.22	3.30%
WBC Snr FRN (May19) BBSW+1.00%	533330	1,000,000.00	11-Mar-16	10-May-19	6,780.27	30	2,222.47	2.70%
AMP Snr FRN (Jun19) BBSW+1.10%	512050	750,000.00	11-Dec-15	11-Jun-19	0.00	30	1,747.60	2.83%
ME Bank Snr FRN (Jul19) BBSW+1.45%	534040	1,000,000.00	18-Jul-16	18-Jul-19	0.00	30	2,589.04	3.15%
BEN Snr FRN (Sep19) BBSW+0.93%	491128	1,000,000.00	17-Sep-14	17-Sep-19	0.00	30	2,178.08	2.65%
ANZ Snr FRN (Nov19) BBSW+0.85%	497055	1,000,000.00	11-Nov-14	11-Nov-19	6,541.37	30	2,097.53	2.55%
GBS Snr FRN (Nov19) BBSW+1.50%	534565	500,000.00	29-Nov-16	29-Nov-19	4,045.48	30	1,319.73	3.21%
WBC Snr FRN (Jan20) BBSW+0.90%	501146	1,000,000.00	22-Jan-15	22-Jan-20	0.00	30	2,136.99	2.60%
BEN Snr FRN (Feb20) BBSW+1.10%	534537	500,000.00	21-Nov-16	21-Feb-20	3,516.16	30	1,150.68	2.80%
MAC Snr FRN (Feb20) BBSW+1.10%	502273	1,000,000.00	3-Mar-15	3-Mar-20	0.00	30	2,330.14	2.83%
CUA Snr FRN (Mar20) BBSW+1.30%	534994	750,000.00	20-Mar-17	20-Mar-20	0.00	30	1,855.48	3.01%
CBA Snr FRN (Jul20) BBSW+0.90%	507122	1,000,000.00	17-Jul-15	17-Jul-20	0.00	30	2,136.85	2.60%
BEN Snr FRN (Aug20) BBSW+1.10%	505173	1,000,000.00	18-Aug-15	18-Aug-20	7,185.21	30	2,302.19	2.80%
SUN Snr FRN (Oct20) BBSW+1.25%	510106	1,000,000.00	20-Oct-15	20-Oct-20	0.00	30	2,424.66	2.95%
ME Bank Snr FRN (Nov20) BBSW+1.25%	535915	700,000.00	9-Nov-17	9-Nov-20	0.00	22	1,246.77	2.96%
CBA Snr FRN (Jan21) BBSW+1.15%	533092	500,000.00	25-Jan-16	18-Jan-21	0.00	30	1,171.30	2.85%
BEN Snr FRN (Apr21) BBSW+1.46%	533420	500,000.00	20-Apr-16	20-Apr-21	0.00	30	1,298.63	3.16%

Accrued Interest Report

Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return
WBC Snr FRN (Jun21) BBSW+1.17%	533707	1,000,000.00	3-Jun-16	3-Jun-21	0.00	30	2,387.67	2.91%
AMP Snr FRN (Mar22) BBSW+1.05%	535097	500,000.00	30-Mar-17	30-Mar-22	0.00	30	1,134.25	2.76%
SUN Snr FRN (Aug22) BBSW+0.97%	535608	500,000.00	16-Aug-17	16-Aug-22	3,352.33	30	1,099.32	2.68%
					31,420.82		36,187.59	2.84%
Mortgage Backed Securities								
Emerald Reverse Mortgage (A Tranche)	310323	623,769.42	17-Jul-06	22-Aug-22	3,397.64	30	1,109.46	2.16%
Emerald Reverse Mortgage (B Tranche)	310288	1,000,000.00	6-Jul-07	21-Jul-27	0.00	30	1,849.32	2.25%
					3,397.64		2,958.78	2.22%
Term Deposit								
Credit Union Australia	534818	2,000,000.00	1-Feb-17	1-Nov-17	43,081.64	0	0.00	
Bendigo and Adelaide Bank	534517	500,000.00	9-Nov-16	8-Nov-17	13,712.33	7	263.70	2.75%
Bank of Queensland	534882	1,000,000.00	16-Feb-17	15-Nov-17	20,120.55	14	1,035.62	2.70%
ME Bank	534927	1,000,000.00	1-Mar-17	6-Dec-17	0.00	30	2,178.08	2.65%
ME Bank	535292	1,000,000.00	5-Jun-17	6-Dec-17	0.00	30	2,219.18	2.70%
Bank of Queensland	534665	1,000,000.00	14-Dec-16	13-Dec-17	0.00	30	2,301.37	2.80%
ME Bank	535361	1,000,000.00	14-Jun-17	13-Dec-17	0.00	30	2,219.18	2.70%
Bank of Queensland	534671	1,000,000.00	20-Dec-16	20-Dec-17	0.00	30	2,301.37	2.80%
ME Bank	535131	1,000,000.00	4-Apr-17	2-Jan-18	0.00	30	2,219.18	2.70%
Commonwealth Bank of Australia	534987	1,000,000.00	9-Mar-17	10-Jan-18	0.00	30	2,235.62	2.72%
Bank of Queensland	534879	1,000,000.00	15-Feb-17	14-Feb-18	0.00	30	2,219.18	2.70%
ME Bank	535651	1,000,000.00	28-Aug-17	28-Feb-18	0.00	30	2,095.89	2.55%
Rural Bank	534933	1,000,000.00	2-Mar-17	5-Mar-18	0.00	30	2,219.18	2.70%
Commonwealth Bank of Australia	534986	1,000,000.00	9-Mar-17	7-Mar-18	0.00	30	2,252.05	2.74%
Bank of Queensland	535293	1,000,000.00	5-Jun-17	7-Mar-18	0.00	30	2,178.08	2.65%

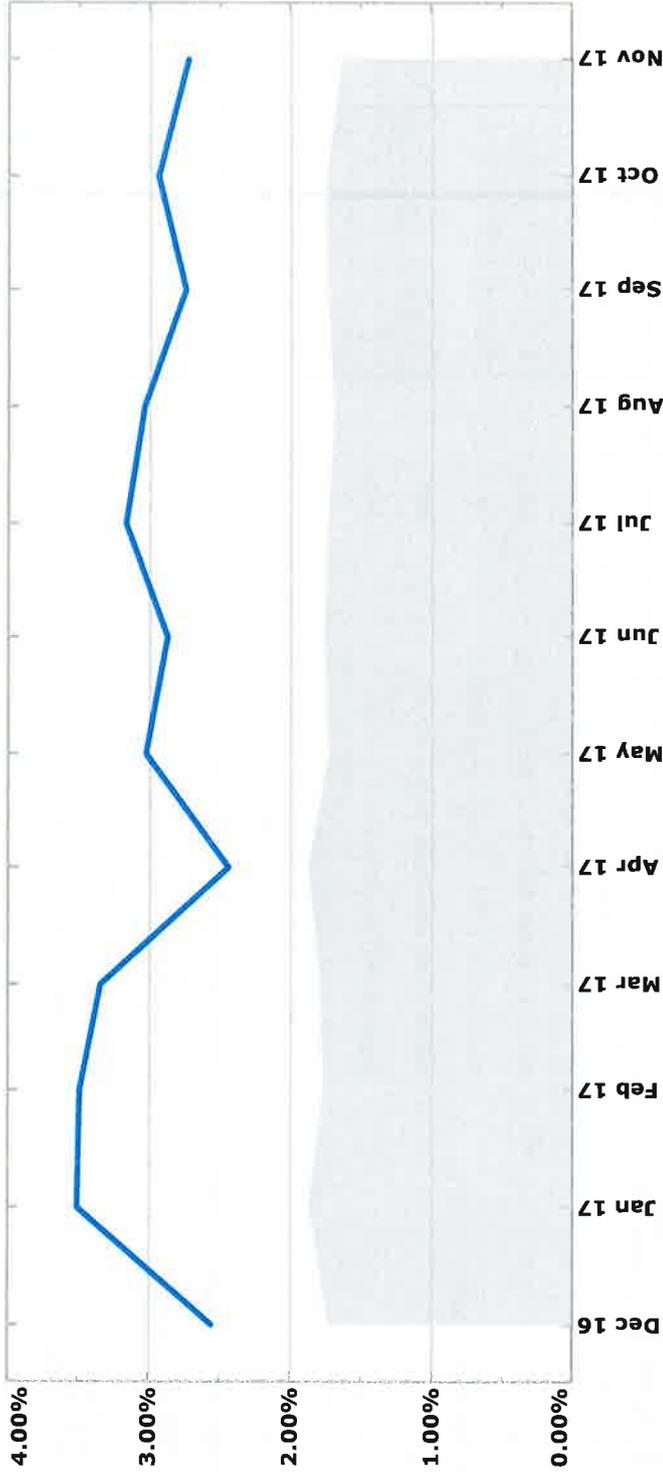
Accrued Interest Report

Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return
Bank of Queensland	535362	1,000,000.00	14-Jun-17	14-Mar-18	0.00	30	2,178.08	2.65%
Bank of Queensland	535851	1,000,000.00	11-Oct-17	11-Apr-18	0.00	30	2,136.99	2.60%
ME Bank	535196	1,000,000.00	26-Apr-17	24-Apr-18	0.00	30	2,219.18	2.70%
National Australia Bank	535660	1,000,000.00	30-Aug-17	1-May-18	0.00	30	2,087.67	2.54%
Bank of Queensland	535566	1,000,000.00	2-Aug-17	2-May-18	0.00	30	2,178.08	2.65%
ME Bank	535622	1,000,000.00	18-Aug-17	16-May-18	0.00	30	2,178.08	2.65%
Credit Union Australia	535264	1,000,000.00	24-May-17	23-May-18	0.00	30	2,342.47	2.85%
Bendigo and Adelaide Bank	535276	1,000,000.00	31-May-17	30-May-18	0.00	30	2,219.18	2.70%
Bendigo and Adelaide Bank	535294	1,000,000.00	5-Jun-17	6-Jun-18	0.00	30	2,219.18	2.70%
National Australia Bank	535803	1,500,000.00	27-Sep-17	27-Jun-18	0.00	30	3,193.15	2.59%
Bank of Queensland	535439	1,000,000.00	5-Jul-17	4-Jul-18	0.00	30	2,219.18	2.70%
Commonwealth Bank of Australia	535703	1,000,000.00	5-Sep-17	4-Jul-18	0.00	30	2,120.55	2.58%
National Australia Bank	535776	1,000,000.00	13-Sep-17	11-Jul-18	0.00	30	2,120.55	2.58%
Bank of Queensland	535907	1,000,000.00	1-Nov-17	1-Aug-18	0.00	30	2,136.99	2.60%
Westpac Group	534157	1,000,000.00	23-Aug-16	23-Aug-18	0.00	30	2,547.95	3.10%
Bendigo and Adelaide Bank	508262	1,000,000.00	26-Aug-15	27-Aug-18	0.00	30	2,506.85	3.05%
ME Bank	535656	1,000,000.00	29-Aug-17	28-Aug-18	0.00	30	2,178.08	2.65%
National Australia Bank	535680	1,000,000.00	1-Sep-17	5-Sep-18	0.00	30	2,136.99	2.60%
Westpac Group	534201	1,000,000.00	1-Sep-16	12-Sep-18	0.00	30	2,547.95	3.10%
Rural Bank	535908	1,000,000.00	1-Nov-17	31-Oct-18	0.00	30	2,161.64	2.63%
Bank of Queensland	535959	1,000,000.00	15-Nov-17	14-Nov-18	0.00	16	1,139.73	2.60%
Bendigo and Adelaide Bank	535244	2,000,000.00	17-May-17	15-May-19	0.00	30	4,767.12	2.90%
Westpac Group	534113	1,000,000.00	9-Aug-16	9-Aug-19	0.00	30	2,630.14	3.20%
Bendigo and Adelaide Bank	535949	500,000.00	8-Nov-17	11-Nov-19	0.00	23	882.19	2.80%
Rural Bank	535974	1,000,000.00	21-Nov-17	20-Nov-19	0.00	10	789.04	2.88%

Accrued Interest Report

Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return
					76,914.52		83,774.66	2.73%
Grand Totals					118,285.30		137,683.52	2.75%

Annualised Monthly Return (Marked to Market)

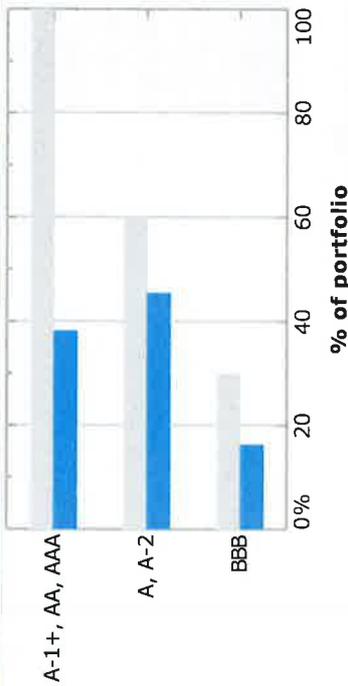


■ Portfolio Annualised Return ■ AusBond BB Index Annualised Return

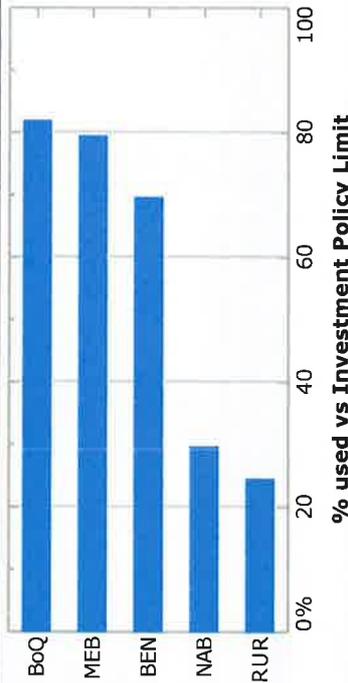
Historical Performance Summary

	Portfolio	AusBond BB Index	Outperformance
Nov 2017	2.72%	1.63%	1.09%
Last 3 Months	2.80%	1.70%	1.09%
Last 6 Months	2.91%	1.71%	1.20%
Financial Year to Date	2.92%	1.71%	1.21%
Last 12 months	2.98%	1.75%	1.23%

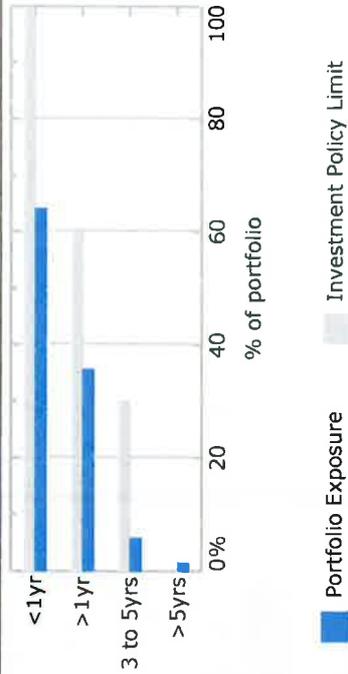
Total Credit Exposure



Individual Institutional Exposures



Term to Maturities



Credit Rating	Face Value (\$)	Policy Max
Short Term	15,176,000	100%
Long Term	7,500,000	38%
Long Term	623,769	100%
Short Term	24,000,000	60%
Long Term	3,750,000	30%
Long Term	9,950,000	100%

Institution	Credit Rating	Face Value (\$)	Policy Limit
Bank of Queensland (A-2, BBB+)	A-2	23,299,769	38%
Members Equity Bank (A-2, BBB)	A-2	24,000,000	60%
Bendigo and Adelaide Bank (A-2, BBB+)	A-2	3,750,000	30%
National Australia Bank (A-1+, AA-)	A-1+	9,950,000	100%
Rural Bank (A-2, BBB+)	A-2	7,500,000	38%
Commonwealth Bank of Australia (A-1+, AA-)	A-1+	15,176,000	100%
Westpac Group (A-1+, AA-)	AA	7,500,000	38%
Credit Union Australia (A-2, BBB)	AAA	623,769	100%
Suncorp Bank (A-1, A+)	A	3,750,000	30%
AMP Bank (A-1, A)	A	623,769	100%
Macquarie Group (A-1, A)	A	623,769	100%
Greater Building Society (A-2, BBB)	A-2	7,500,000	38%
Emerald Reverse Mortgage (B Tranche) (AA)	AA	623,769	100%
ANZ Group (A-1+, AA-)	A-1+	15,176,000	100%

Maturity Profile	Face Value (\$)	Policy Max
Less than 1yr	39,176,000	64%
Greater than 1yr	21,823,769	36%
a. Between 3 and 5yrs	3,623,769	6%
b. Greater than 5yrs	1,000,000	2%

Detailed Maturity Profile	Face Value (\$)
00. Cash + Managed Funds	3,676,000
01. Less Than 30 Days	5,000,000
02. Between 30 Days and 60 Days	4,000,000
03. Between 60 Days and 90 Days	1,000,000
04. Between 90 Days and 180 Days	11,000,000
05. Between 180 Days and 365 Days	14,500,000
06. Between 365 Days and 3 Years	17,200,000
07. Between 3 Years and 5 Years	3,623,769
08. Between 5 Years and 10 Years	1,000,000
Total	60,999,769

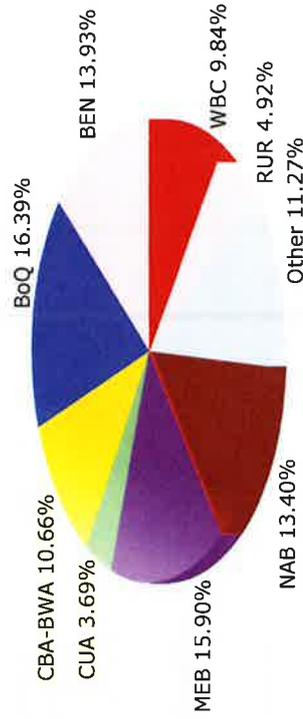
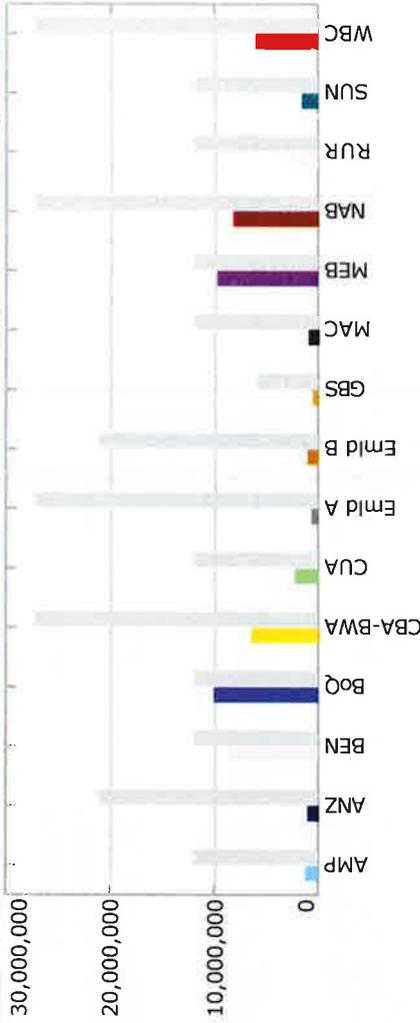
✓ = compliant
✗ = non-compliant

Individual Institutional Exposures Report

Individual Institutional Exposures

Individual Institutional Exposure Charts

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
AMP Bank	A, A-1	1,250,000	12,199,954
ANZ Group	A-1+, AA-	1,000,000	21,349,919
Bank of Queensland	A-2, BBB+	10,000,000	12,199,954
Bendigo and Adelaide Bank	A-2, BBB+	8,500,000	12,199,954
Commonwealth Bank of Australia	A-1+, AA-	6,500,000	27,449,896
Credit Union Australia	A-2, BBB	2,250,000	12,199,954
Emerald Reverse Mortgage (A Tranche)	AAA	623,769	27,449,896
Emerald Reverse Mortgage (B Tranche)	AA	1,000,000	21,349,919
Greater Building Society	A-2, BBB	500,000	6,099,977
Macquarie Group	A-1, A	1,000,000	12,199,954
Members Equity Bank	A-2, BBB	9,700,000	12,199,954
National Australia Bank	A-1+, AA-	8,176,000	27,449,896
Rural Bank	A-2, BBB+	3,000,000	12,199,954
Suncorp Bank	A-1, A+	1,500,000	12,199,954
Westpac Group	A-1+, AA-	6,000,000	27,449,896
		60,999,769	



Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
1-Nov-17	534818	Credit Union Australia	Term Deposits	Interest - Received	43,081.64
		Credit Union Australia	Term Deposits	Maturity Face Value - Received	2,000,000.00
				<u>Deal Total</u>	<u>2,043,081.64</u>
	535907	Bank of Queensland	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>
	535908	Rural Bank	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>
				Day Total	43,081.64
8-Nov-17	534517	Bendigo and Adelaide Bank	Term Deposits	Interest - Received	13,712.33
		Bendigo and Adelaide Bank	Term Deposits	Maturity Face Value - Received	500,000.00
				<u>Deal Total</u>	<u>513,712.33</u>
	535949	Bendigo and Adelaide Bank	Term Deposits	Settlement Face Value - Paid	-500,000.00
				<u>Deal Total</u>	<u>-500,000.00</u>
				Day Total	13,712.33
9-Nov-17	535915	ME Bank	Floating Rate Note	Settlement Face Value - Paid	-700,000.00
				<u>Deal Total</u>	<u>-700,000.00</u>
				Day Total	-700,000.00
10-Nov-17	533330	Westpac Group	Floating Rate Note	Coupon - Received	6,780.27
				<u>Deal Total</u>	<u>6,780.27</u>
				Day Total	6,780.27
13-Nov-17	497055	ANZ Banking Group	Floating Rate Note	Coupon - Received	6,541.37
				<u>Deal Total</u>	<u>6,541.37</u>
				Day Total	6,541.37
15-Nov-17	534882	Bank of Queensland	Term Deposits	Interest - Received	20,120.55
		Bank of Queensland	Term Deposits	Maturity Face Value - Received	1,000,000.00
				<u>Deal Total</u>	<u>1,020,120.55</u>
	535959	Bank of Queensland	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>

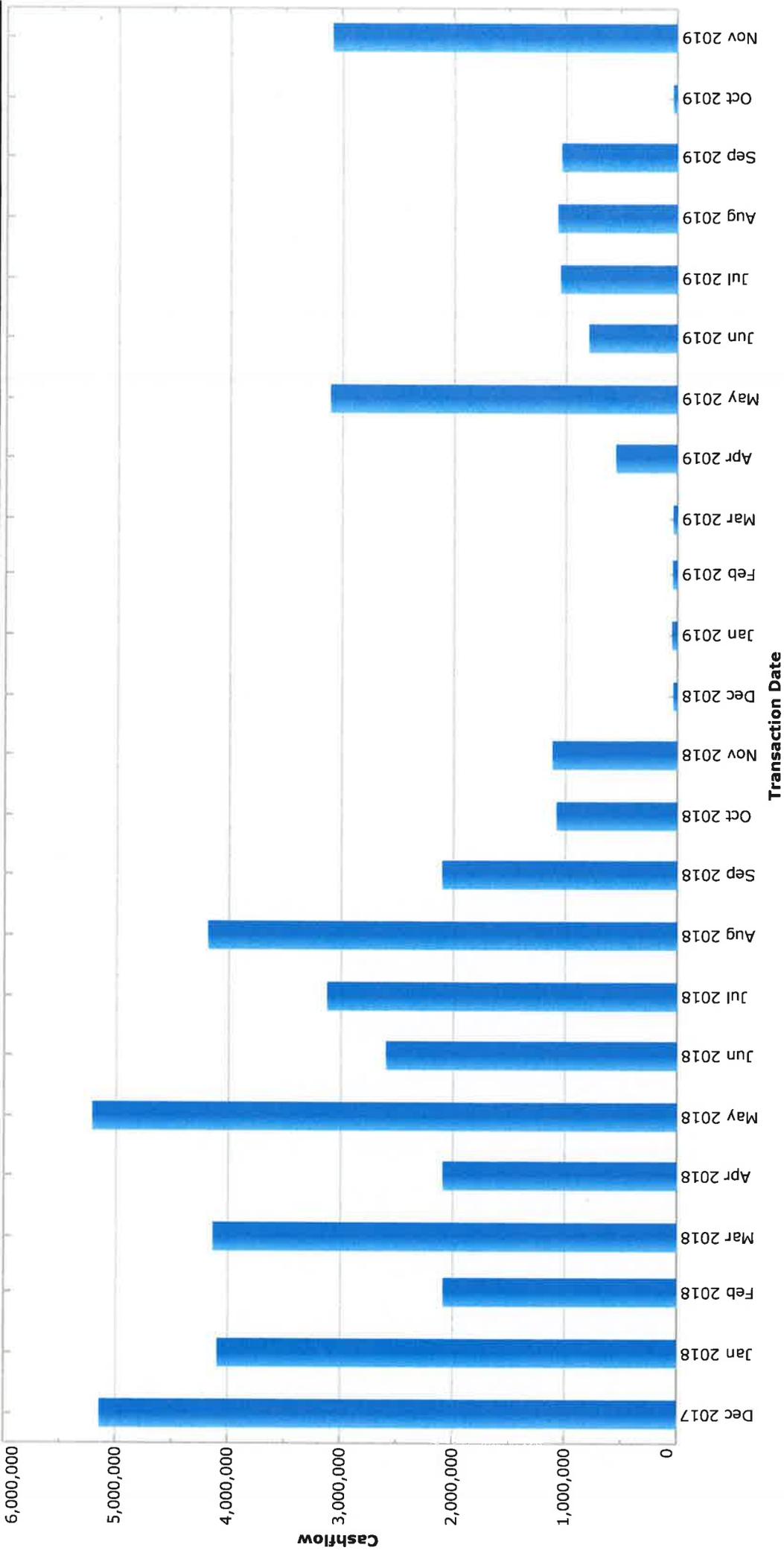


Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
16-Nov-17	535608	Suncorp Bank	Floating Rate Note	Coupon - Received	20,120.55
				<u>Deal Total</u>	<u>3,352.33</u>
20-Nov-17	505173	Bendigo and Adelaide Bank	Floating Rate Note	Coupon - Received	3,352.33
				<u>Deal Total</u>	<u>7,185.21</u>
21-Nov-17	310323	Emerald Reverse Mortgage (A Tranche)	Mortgage Backed Securities	Coupon - Received	7,185.21
		Emerald Reverse Mortgage (A Tranche)	Mortgage Backed Securities	Amortised Face Value - Received	3,397.64
				<u>Deal Total</u>	<u>6,125.79</u>
				<u>Deal Total</u>	<u>9,523.43</u>
	534537	Bendigo and Adelaide Bank	Floating Rate Note	Coupon - Received	3,516.16
	535974	Rural Bank	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>
29-Nov-17	534565	Greater Building Society	Floating Rate Note	Coupon - Received	-986,960.41
				<u>Deal Total</u>	<u>4,045.48</u>
				Day Total	4,045.48
				Day Total	4,045.48
				Net Cash Movement for Period	-1,582,141.23

Next Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
4-Dec-17	502273	Macquarie Bank	Floating Rate Note	Coupon - Received	7,068.08
				<u>Deal Total</u>	<u>7,068.08</u>
	533707	Westpac Group	Floating Rate Note	Coupon - Received	7,242.60
				<u>Deal Total</u>	<u>7,242.60</u>
6-Dec-17	534927	ME Bank	Term Deposit	Interest - Received	14,310.68
					20,328.77





Wollondilly
Shire Council

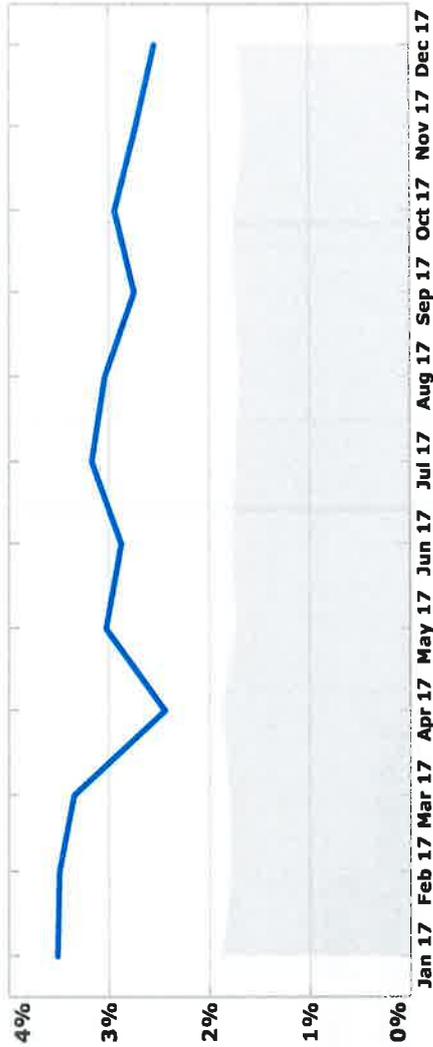
**Investment Summary Report
December 2017**



Investment Holdings

By Product	Face Value (\$)	Current Value (\$)	Current Yield (%)
Bonds	2,000,000.00	1,997,560.00	7.1692
Cash	2,601,000.00	2,601,000.00	1.5500
Floating Rate Note	15,700,000.00	15,895,907.20	2.8567
Mortgage Backed Security	1,623,769.42	1,098,613.37	2.2193
Term Deposit	39,000,000.00	39,412,087.11	2.7150
	60,924,769.42	61,005,167.68	2.8348

Investment Performance

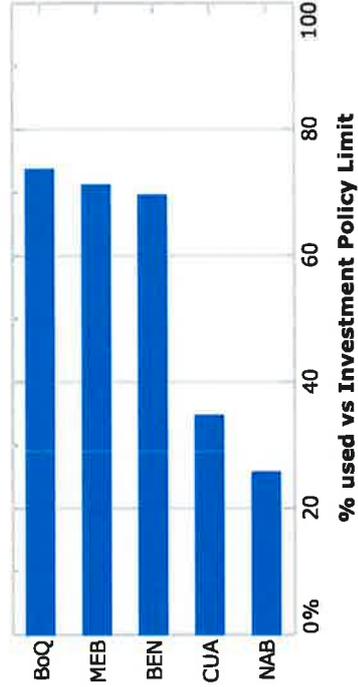


Portfolio Annualised Return

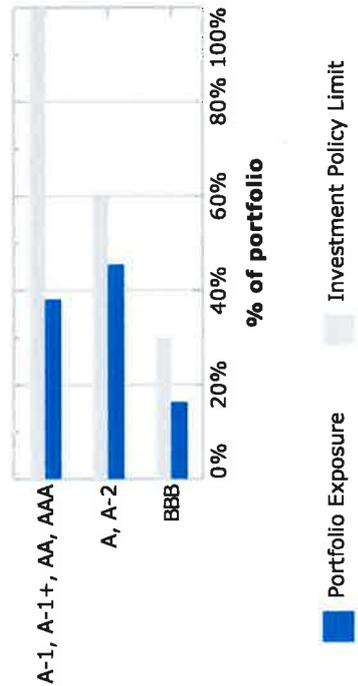
Bloomberg BB Index Annualised Return

Investment Policy Compliance

Highest Individual Exposures



Total Credit Exposure



Term to Maturities

Maturity Profile	Face Value (\$)	Policy Max
Less than 1yr	39,101,000	64%
Greater than 1yr	21,823,769	36%
a. Between 3 and 5yrs	3,623,769	6%
b. Greater than 5yrs	1,000,000	2%
	60,924,769	

Portfolio Exposure

Investment Policy Limit

Cash Accounts

Face Value (\$)	Current Yield	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Reference
2,601,000.00	1.5500%	National Australia Bank	A-1+	1,000,000.00	4-Apr-17	1,020,120.55	535131	AtMaturity
2,601,000.00	1.5500%					2,601,000.00	211819	

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
2-Jan-18	1,000,000.00	2.7000%	ME Bank	A-2	1,000,000.00	4-Apr-17	1,020,120.55	535131	20,120.55	AtMaturity	
10-Jan-18	1,000,000.00	2.7200%	Commonwealth Bank of Australia	A-1+	1,000,000.00	9-Mar-17	1,022,207.12	534987	22,207.12	AtMaturity	
14-Feb-18	1,000,000.00	2.7000%	Bank of Queensland	A-2	1,000,000.00	15-Feb-17	1,023,671.23	534879	23,671.23	AtMaturity	
28-Feb-18	1,000,000.00	2.5500%	ME Bank	A-2	1,000,000.00	28-Aug-17	1,008,802.74	535651	8,802.74	AtMaturity	
5-Mar-18	1,000,000.00	2.7000%	Rural Bank	A-2	1,000,000.00	2-Mar-17	1,022,561.64	534933	22,561.64	Annually	
7-Mar-18	1,000,000.00	2.7400%	Commonwealth Bank of Australia	A-1+	1,000,000.00	9-Mar-17	1,022,370.41	534986	22,370.41	AtMaturity	
7-Mar-18	1,000,000.00	2.6500%	Bank of Queensland	A-2	1,000,000.00	5-Jun-17	1,015,246.58	535293	15,246.58	AtMaturity	
14-Mar-18	1,000,000.00	2.6500%	Bank of Queensland	A-2	1,000,000.00	14-Jun-17	1,014,593.15	535362	14,593.15	AtMaturity	
11-Apr-18	1,000,000.00	2.6000%	Bank of Queensland	A-2	1,000,000.00	11-Oct-17	1,005,841.10	535851	5,841.10	AtMaturity	
24-Apr-18	1,000,000.00	2.7000%	ME Bank	A-2	1,000,000.00	26-Apr-17	1,018,493.15	535196	18,493.15	AtMaturity	
1-May-18	1,000,000.00	2.5400%	National Australia Bank	A-1+	1,000,000.00	30-Aug-17	1,008,629.04	535660	8,629.04	AtMaturity	
2-May-18	1,000,000.00	2.6500%	Bank of Queensland	A-2	1,000,000.00	2-Aug-17	1,011,035.62	535566	11,035.62	AtMaturity	
16-May-18	1,000,000.00	2.6500%	ME Bank	A-2	1,000,000.00	18-Aug-17	1,009,873.97	535622	9,873.97	AtMaturity	
23-May-18	1,000,000.00	2.8500%	Credit Union Australia	A-2	1,000,000.00	24-May-17	1,017,334.25	535264	17,334.25	AtMaturity	
30-May-18	1,000,000.00	2.7000%	Bendigo and Adelaide Bank	A-2	1,000,000.00	31-May-17	1,015,904.11	535276	15,904.11	AtMaturity	
6-Jun-18	1,000,000.00	2.7000%	Bendigo and Adelaide Bank	A-2	1,000,000.00	5-Jun-17	1,015,534.25	535294	15,534.25	AtMaturity	
6-Jun-18	1,000,000.00	2.6100%	Suncorp Bank	A-1	1,000,000.00	5-Dec-17	1,001,930.68	536043	1,930.68	AtMaturity	
27-Jun-18	1,500,000.00	2.5900%	National Australia Bank	A-1+	1,500,000.00	27-Sep-17	1,510,218.08	535803	10,218.08	AtMaturity	
4-Jul-18	1,000,000.00	2.7000%	Bank of Queensland	A-2	1,000,000.00	5-Jul-17	1,013,315.07	535439	13,315.07	AtMaturity	
4-Jul-18	1,000,000.00	2.5800%	Commonwealth Bank of Australia	A-1+	1,000,000.00	5-Sep-17	1,008,340.82	535703	8,340.82	AtMaturity	

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Coupon Reference
11-Jul-18	1,000,000.00	2.58000%	National Australia Bank	A-1+	1,000,000.00	13-Sep-17	1,007,775.34	535776	7,775.34	AtMaturity	
1-Aug-18	1,000,000.00	2.60000%	Bank of Queensland	A-2	1,000,000.00	1-Nov-17	1,004,345.21	535907	4,345.21	AtMaturity	
23-Aug-18	1,000,000.00	3.10000%	Westpac Group	A-1+	1,000,000.00	23-Aug-16	1,011,126.03	534157	11,126.03	Annually	
27-Aug-18	1,000,000.00	3.05000%	Bendigo and Adelaide Bank	A-2	1,000,000.00	26-Aug-15	1,010,528.77	508262	10,528.77	Annually	
28-Aug-18	1,000,000.00	2.65000%	ME Bank	A-2	1,000,000.00	29-Aug-17	1,009,075.34	535656	9,075.34	AtMaturity	
5-Sep-18	1,000,000.00	2.62000%	ME Bank	A-2	1,000,000.00	4-Dec-17	1,002,009.86	536022	2,009.86	AtMaturity	
5-Sep-18	1,000,000.00	2.60000%	National Australia Bank	A-1+	1,000,000.00	1-Sep-17	1,002,208.22	535680	2,208.22	Quarterly	
12-Sep-18	1,000,000.00	3.10000%	Westpac Group	A-1+	1,000,000.00	1-Sep-16	1,010,361.64	534201	10,361.64	Annually	
10-Oct-18	1,000,000.00	2.60000%	Bank of Queensland	A-2	1,000,000.00	13-Dec-17	1,001,353.42	536082	1,353.42	AtMaturity	
31-Oct-18	1,000,000.00	2.63000%	Rural Bank	A-2	1,000,000.00	1-Nov-17	1,004,395.34	535908	4,395.34	AtMaturity	
14-Nov-18	1,000,000.00	2.60000%	Bank of Queensland	A-2	1,000,000.00	15-Nov-17	1,003,347.95	535959	3,347.95	AtMaturity	
5-Dec-18	2,000,000.00	2.65000%	Credit Union Australia	A-2	2,000,000.00	6-Dec-17	2,003,775.34	536065	3,775.34	AtMaturity	
12-Dec-18	1,000,000.00	2.60000%	ME Bank	A-2	1,000,000.00	13-Dec-17	1,001,353.42	536081	1,353.42	AtMaturity	
15-May-19	2,000,000.00	2.90000%	Bendigo and Adelaide Bank	BBB+	2,000,000.00	17-May-17	2,036,389.04	535244	36,389.04	Annually	
9-Aug-19	1,000,000.00	3.20000%	Westpac Group	AA-	1,000,000.00	9-Aug-16	1,012,712.33	534113	12,712.33	Annually	
11-Nov-19	500,000.00	2.80000%	Bendigo and Adelaide Bank	BBB+	500,000.00	8-Nov-17	502,071.23	535949	2,071.23	Annually	
20-Nov-19	1,000,000.00	2.88000%	Rural Bank	BBB+	1,000,000.00	21-Nov-17	1,003,235.07	535974	3,235.07	Annually	
	39,000,000.00	2.71500%			39,000,000.00		39,412,087.11		412,087.11		

Floating Rate Notes

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Reference Date
1-Apr-19	500,000.00	3.30500%	CJA Snr FRN (Apr19) BBSW+1.60%	BBB	500,000.00	1-Apr-16	507,429.66	533363	4,074.66	2-Jan-18
10-May-19	1,000,000.00	2.71000%	WBC Snr FRN (May19) BBSW+1.00%	AA-	1,000,000.00	11-Mar-16	1,012,380.82	533330	3,860.82	12-Feb-18
11-Jun-19	750,000.00	2.85500%	AMP Snr FRN (Jun19) BBSW+1.10%	A	750,000.00	11-Dec-15	757,096.95	512050	1,231.95	12-Mar-18
18-Jul-19	1,000,000.00	3.15000%	ME Bank Snr FRN (Jul19) BBSW+1.45%	BBB	1,000,000.00	18-Jul-16	1,012,572.60	534040	6,472.60	18-Jan-18

Floating Rate Notes

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Reference Date
17-Sep-19	1,000,000.00	2.7100%	BEN Snr FRN (Sep19) BBSW+0.93%	BBB+	1,000,000.00	17-Sep-14	1,004,659.45	491128	1,039.45	19-Mar-18
11-Nov-19	1,000,000.00	2.5600%	ANZ Snr FRN (Nov19) BBSW+0.85%	AA-	1,000,000.00	11-Nov-14	1,010,946.71	497055	3,436.71	12-Feb-18
29-Nov-19	500,000.00	3.2300%	GBS Snr FRN (Nov19) BBSW+1.50%	BBB	500,000.00	29-Nov-16	499,779.31	534565	1,460.14	28-Feb-18
22-Jan-20	1,000,000.00	2.6000%	WBC Snr FRN (Jan20) BBSW+0.90%	AA-	1,000,000.00	22-Jan-15	1,014,336.30	501146	4,986.30	22-Jan-18
21-Feb-20	500,000.00	2.8200%	BEN Snr FRN (Feb20) BBSW+1.10%	BBB+	500,000.00	21-Nov-16	504,638.84	534537	1,583.84	21-Feb-18
3-Mar-20	1,000,000.00	2.8500%	MAC Snr FRN (Feb20) BBSW+1.10%	A	1,000,000.00	3-Mar-15	1,012,626.30	502273	2,186.30	5-Mar-18
20-Mar-20	750,000.00	3.0950%	CUA Snr FRN (Mar20) BBSW+1.30%	BBB	750,000.00	20-Mar-17	754,018.15	534994	763.15	20-Mar-18
17-Jul-20	1,000,000.00	2.5998%	CBA Snr FRN (Jul20) BBSW+0.90%	AA-	1,000,000.00	17-Jul-15	1,014,213.35	507122	5,413.35	17-Jan-18
18-Aug-20	1,000,000.00	2.8200%	BEN Snr FRN (Aug20) BBSW+1.10%	BBB+	1,000,000.00	18-Aug-15	1,009,964.93	505173	3,244.93	19-Feb-18
20-Oct-20	1,000,000.00	2.9500%	SUN Snr FRN (Oct20) BBSW+1.25%	A+	1,000,000.00	20-Oct-15	1,021,490.00	510106	5,900.00	22-Jan-18
9-Nov-20	700,000.00	2.9550%	ME Bank Snr FRN (Nov20) BBSW+1.25%	BBB	700,000.00	9-Nov-17	702,933.58	535915	3,003.58	9-Feb-18
18-Jan-21	500,000.00	2.8502%	CBA Snr FRN (Jan21) BBSW+1.15%	AA-	500,350.00	25-Jan-16	510,513.26	533092	2,928.26	18-Jan-18
20-Apr-21	500,000.00	3.1600%	BEN Snr FRN (Apr21) BBSW+1.46%	BBB+	500,000.00	20-Apr-16	511,780.00	533420	3,160.00	22-Jan-18
3-Jun-21	1,000,000.00	2.9200%	WBC Snr FRN (Jun21) BBSW+1.17%	AA-	1,000,000.00	3-Jun-16	1,018,820.00	533707	2,240.00	5-Mar-18
30-Mar-22	500,000.00	2.8450%	AMP Snr FRN (Mar22) BBSW+1.05%	A	500,000.00	30-Mar-17	504,011.92	535097	116.92	29-Mar-18
16-Aug-22	500,000.00	2.6900%	SUN Snr FRN (Aug22) BBSW+0.97%	A+	500,000.00	16-Aug-17	511,695.07	535608	1,695.07	16-Feb-18
	15,700,000.00	2.8567%			15,700,350.00		15,895,907.20		58,798.03	

Zero Coupon Bonds

Maturity Date	Face Value (\$)	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Purchase Yield	Reference
22-Jan-18	2,000,000.00	CBA Snr Bond (Feb18) ZC	A-1+	1,000,000.00	21-Jan-08	1,997,560.00	220294	7.1692%	
	2,000,000.00			1,000,000.00		1,997,560.00		7.1692%	

Mortgage Backed Securities

Weighted Avg Life	Face Value (\$)	Current Coupon	Security Name	Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Reference
22-Aug-22	623,769.42	2.1700%	Emerald Reverse Mortgage (A Tranche)	AAA	1,000,000.00	17-Jul-06	494,298.30	310323	1,520.46	
21-Jul-27	1,000,000.00	2.2500%	Emerald Reverse Mortgage (B Tranche)	AA	1,000,000.00	6-Jul-07	604,315.07	310288	4,315.07	
	1,623,769.42	2.2193%			2,000,000.00		1,098,613.37		5,835.53	

Accrued Interest Report

Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return
Bonds								
CBA Snr Bond (Feb18) ZC	220294	2,000,000.00	21-Jan-08	22-Jan-18	0.00	31	8,483.85	7.17%
					0.00		8,483.85	7.17%
Cash								
National Australia Bank	211819	2,601,000.00			5,305.69	31	5,305.69	1.55%
					5,305.69		5,305.69	1.55%
Floating Rate Note								
CUA Snr FRN (Apr19) BBSW+1.60%	533363	500,000.00	1-Apr-16	1-Apr-19	0.00	31	1,403.49	3.31%
WBC Snr FRN (May19) BBSW+1.00%	533330	1,000,000.00	11-Mar-16	10-May-19	0.00	31	2,301.64	2.71%
AMP Snr FRN (Jun19) BBSW+1.10%	512050	750,000.00	11-Dec-15	11-Jun-19	5,301.06	31	1,814.49	2.85%
ME Bank Snr FRN (Jul19) BBSW+1.45%	534040	1,000,000.00	18-Jul-16	18-Jul-19	0.00	31	2,675.34	3.15%
BEN Snr FRN (Sep19) BBSW+0.93%	491128	1,000,000.00	17-Sep-14	17-Sep-19	6,606.85	31	2,273.70	2.68%
ANZ Snr FRN (Nov19) BBSW+0.85%	497055	1,000,000.00	11-Nov-14	11-Nov-19	0.00	31	2,174.25	2.56%
GBS Snr FRN (Nov19) BBSW+1.50%	534565	500,000.00	29-Nov-16	29-Nov-19	0.00	31	1,371.64	3.23%
WBC Snr FRN (Jan20) BBSW+0.90%	501146	1,000,000.00	22-Jan-15	22-Jan-20	0.00	31	2,208.22	2.60%
BEN Snr FRN (Feb20) BBSW+1.10%	534537	500,000.00	21-Nov-16	21-Feb-20	0.00	31	1,197.53	2.82%
MAC Snr FRN (Feb20) BBSW+1.10%	502273	1,000,000.00	3-Mar-15	3-Mar-20	7,068.08	31	2,419.32	2.85%
CUA Snr FRN (Mar20) BBSW+1.30%	534994	750,000.00	20-Mar-17	20-Mar-20	5,628.29	31	1,938.29	3.04%
CBA Snr FRN (Jul20) BBSW+0.90%	507122	1,000,000.00	17-Jul-15	17-Jul-20	0.00	31	2,208.08	2.60%
BEN Snr FRN (Aug20) BBSW+1.10%	505173	1,000,000.00	18-Aug-15	18-Aug-20	0.00	31	2,395.07	2.82%
SUN Snr FRN (Oct20) BBSW+1.25%	510106	1,000,000.00	20-Oct-15	20-Oct-20	0.00	31	2,505.48	2.95%
ME Bank Snr FRN (Nov20) BBSW+1.25%	535915	700,000.00	9-Nov-17	9-Nov-20	0.00	31	1,756.81	2.96%
CBA Snr FRN (Jan21) BBSW+1.15%	533092	500,000.00	25-Jan-16	18-Jan-21	0.00	31	1,210.35	2.85%
BEN Snr FRN (Apr21) BBSW+1.46%	533420	500,000.00	20-Apr-16	20-Apr-21	0.00	31	1,341.92	3.16%

Accrued Interest Report

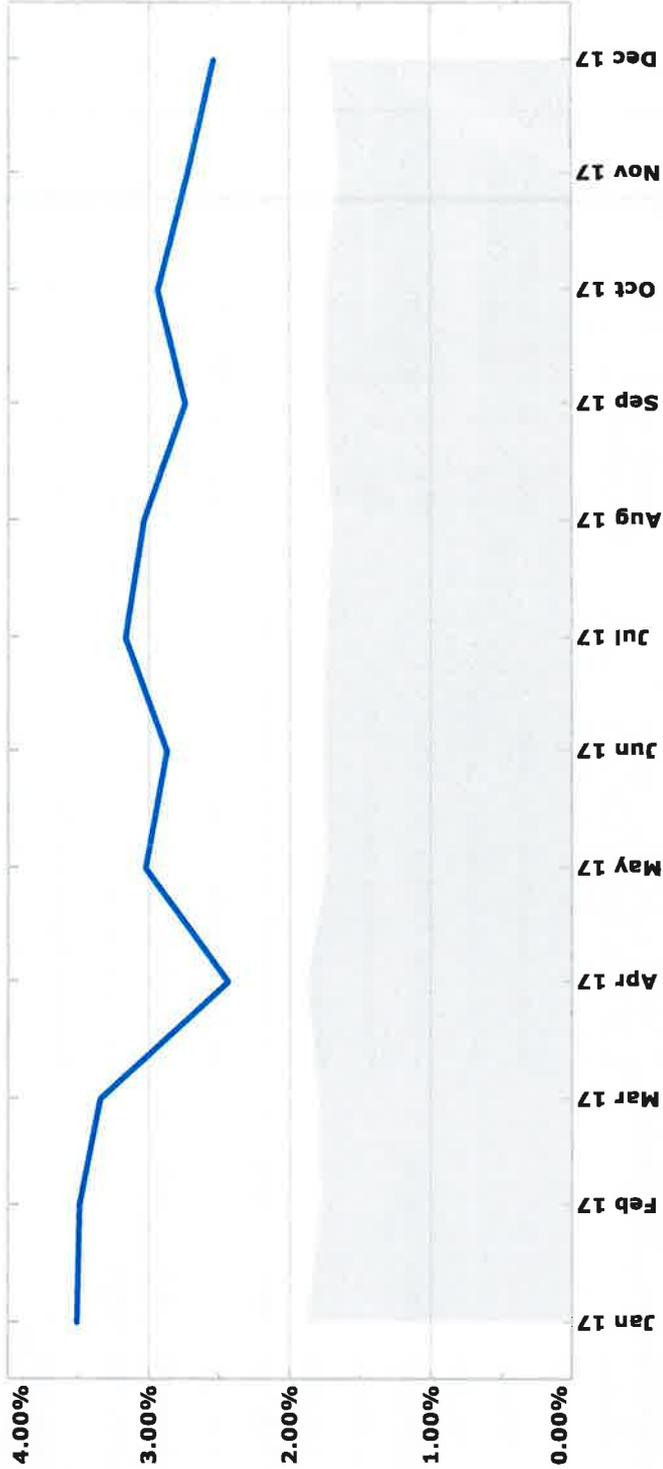
Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return
WBC Snr FRN (Jun21) BBSW+1.17%	533707	1,000,000.00	3-Jun-16	3-Jun-21	7,242.60	31	2,478.77	2.92%
AMP Snr FRN (Mar22) BBSW+1.05%	535097	500,000.00	30-Mar-17	30-Mar-22	3,440.55	31	1,175.55	2.77%
SUN Snr FRN (Aug22) BBSW+0.97%	535608	500,000.00	16-Aug-17	16-Aug-22	0.00	31	1,142.33	2.69%
					35,287.43		37,992.25	2.85%
Mortgage Backed Securities								
Emerald Reverse Mortgage (A Tranche)	310323	623,769.42	17-Jul-06	22-Aug-22	0.00	31	1,149.62	2.17%
Emerald Reverse Mortgage (B Tranche)	310288	1,000,000.00	6-Jul-07	21-Jul-27	0.00	31	1,910.96	2.25%
					0.00		3,060.57	2.22%
Term Deposit								
ME Bank	534927	1,000,000.00	1-Mar-17	6-Dec-17	20,328.77	5	363.01	2.65%
ME Bank	535292	1,000,000.00	5-Jun-17	6-Dec-17	13,610.96	5	369.86	2.70%
Bank of Queensland	534665	1,000,000.00	14-Dec-16	13-Dec-17	27,923.29	12	920.55	2.80%
ME Bank	535361	1,000,000.00	14-Jun-17	13-Dec-17	13,463.01	12	887.67	2.70%
Bank of Queensland	534671	1,000,000.00	20-Dec-16	20-Dec-17	28,000.00	19	1,457.53	2.80%
ME Bank	535131	1,000,000.00	4-Apr-17	2-Jan-18	0.00	31	2,293.15	2.70%
Commonwealth Bank of Australia	534987	1,000,000.00	9-Mar-17	10-Jan-18	0.00	31	2,310.14	2.72%
Bank of Queensland	534879	1,000,000.00	15-Feb-17	14-Feb-18	0.00	31	2,293.15	2.70%
ME Bank	535651	1,000,000.00	28-Aug-17	28-Feb-18	0.00	31	2,165.75	2.55%
Rural Bank	534933	1,000,000.00	2-Mar-17	5-Mar-18	0.00	31	2,293.15	2.70%
Commonwealth Bank of Australia	534986	1,000,000.00	9-Mar-17	7-Mar-18	0.00	31	2,327.12	2.74%
Bank of Queensland	535293	1,000,000.00	5-Jun-17	7-Mar-18	0.00	31	2,250.68	2.65%
Bank of Queensland	535362	1,000,000.00	14-Jun-17	14-Mar-18	0.00	31	2,250.68	2.65%
Bank of Queensland	535851	1,000,000.00	11-Oct-17	11-Apr-18	0.00	31	2,208.22	2.60%
ME Bank	535196	1,000,000.00	26-Apr-17	24-Apr-18	0.00	31	2,293.15	2.70%

Accrued Interest Report

Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return
National Australia Bank	535660	1,000,000.00	30-Aug-17	1-May-18	0.00	31	2,157.26	2.54%
Bank of Queensland	535566	1,000,000.00	2-Aug-17	2-May-18	0.00	31	2,250.68	2.65%
ME Bank	535622	1,000,000.00	18-Aug-17	16-May-18	0.00	31	2,250.68	2.65%
Credit Union Australia	535264	1,000,000.00	24-May-17	23-May-18	0.00	31	2,420.55	2.85%
Bendigo and Adelaide Bank	535276	1,000,000.00	31-May-17	30-May-18	0.00	31	2,293.15	2.70%
Bendigo and Adelaide Bank	535294	1,000,000.00	5-Jun-17	6-Jun-18	0.00	31	2,293.15	2.70%
Suncorp Bank	536043	1,000,000.00	5-Dec-17	6-Jun-18	0.00	27	1,930.68	2.61%
National Australia Bank	535803	1,500,000.00	27-Sep-17	27-Jun-18	0.00	31	3,299.59	2.59%
Bank of Queensland	535439	1,000,000.00	5-Jul-17	4-Jul-18	0.00	31	2,293.15	2.70%
Commonwealth Bank of Australia	535703	1,000,000.00	5-Sep-17	4-Jul-18	0.00	31	2,191.23	2.58%
National Australia Bank	535776	1,000,000.00	13-Sep-17	11-Jul-18	0.00	31	2,191.23	2.58%
Bank of Queensland	535907	1,000,000.00	1-Nov-17	1-Aug-18	0.00	31	2,208.22	2.60%
Westpac Group	534157	1,000,000.00	23-Aug-16	23-Aug-18	0.00	31	2,632.88	3.10%
Bendigo and Adelaide Bank	508262	1,000,000.00	26-Aug-15	27-Aug-18	0.00	31	2,590.41	3.05%
ME Bank	535656	1,000,000.00	29-Aug-17	28-Aug-18	0.00	31	2,250.68	2.65%
National Australia Bank	535680	1,000,000.00	1-Sep-17	5-Sep-18	6,482.18	31	2,208.22	2.60%
ME Bank	536022	1,000,000.00	4-Dec-17	5-Sep-18	0.00	28	2,009.86	2.62%
Westpac Group	534201	1,000,000.00	1-Sep-16	12-Sep-18	0.00	31	2,632.88	3.10%
Bank of Queensland	536082	1,000,000.00	13-Dec-17	10-Oct-18	0.00	19	1,353.42	2.60%
Rural Bank	535908	1,000,000.00	1-Nov-17	31-Oct-18	0.00	31	2,233.70	2.63%
Bank of Queensland	535959	1,000,000.00	15-Nov-17	14-Nov-18	0.00	31	2,208.22	2.60%
Credit Union Australia	536065	2,000,000.00	6-Dec-17	5-Dec-18	0.00	26	3,775.34	2.65%
ME Bank	536081	1,000,000.00	13-Dec-17	12-Dec-18	0.00	19	1,353.42	2.60%
Bendigo and Adelaide Bank	535244	2,000,000.00	17-May-17	15-May-19	0.00	31	4,926.03	2.90%
Westpac Group	534113	1,000,000.00	9-Aug-16	9-Aug-19	0.00	31	2,717.81	3.20%

Accrued Interest Report										
Asset Type	Deal Number	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days Accrued	Interest Accrued (\$)	Percentage Return	Interest Accrued (\$)	Percentage Return
Bendigo and Adelaide Bank	535949	500,000.00	8-Nov-17	11-Nov-19	0.00	31	1,189.04	2.80%	1,189.04	2.80%
Rural Bank	535974	1,000,000.00	21-Nov-17	20-Nov-19	0.00	31	2,446.03	2.88%	2,446.03	2.88%
Grand Totals					109,808.21		90,991.37	2.72%	145,833.74	2.76%

Annualised Monthly Return (Marked to Market)

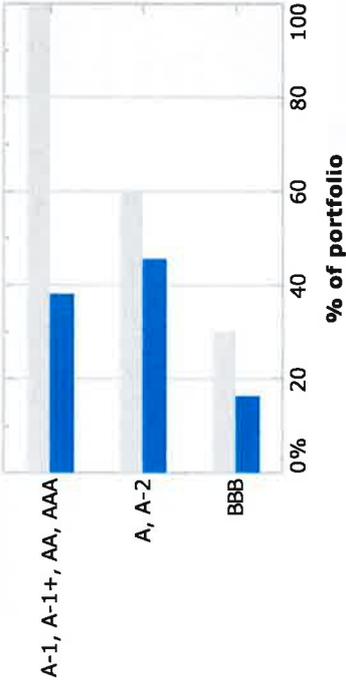


■ Portfolio Annualised Return ■ AusBond BB Index Annualised Return

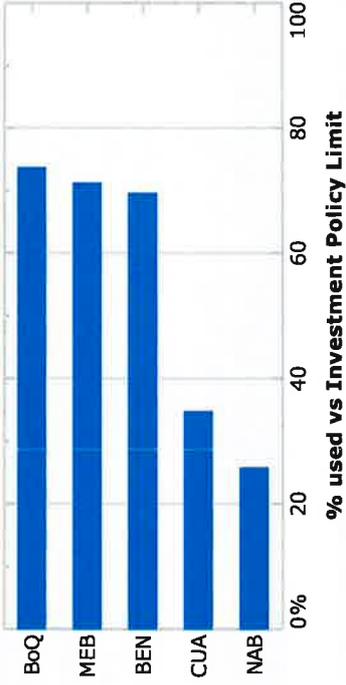
Historical Performance Summary

	Portfolio	AusBond BB Index	Outperformance
Dec 2017	2.53%	1.70%	0.83%
Last 3 Months	2.73%	1.69%	1.04%
Last 6 Months	2.85%	1.70%	1.15%
Financial Year to Date	2.85%	1.70%	1.15%
Last 12 months	2.98%	1.75%	1.23%

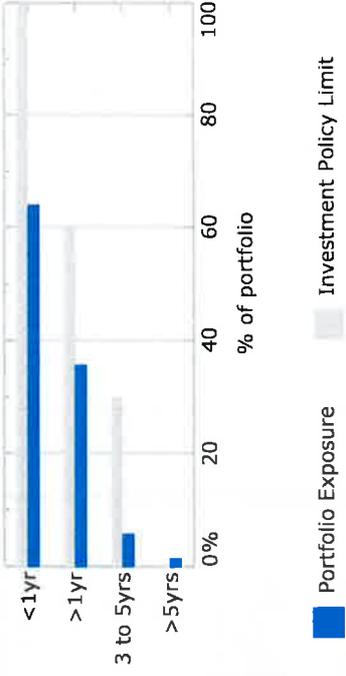
Total Credit Exposure



Individual Institutional Exposures



Term to Maturities



Credit Rating	Face Value (\$)	Policy Max
Short Term	1,000,000	100%
Short Term	14,101,000	38%
Long Term	7,500,000	30%
Long Term	623,769	100%
Total	23,224,769	38%
Short Term	24,000,000	100%
Long Term	3,750,000	60%
Long Term	9,950,000	30%
Total	60,924,769	100%

✓ = compliant
✗ = non-compliant

Institution	Face Value (\$)	Policy Limit	% used vs Investment Policy Limit
Bank of Queensland (A-2, BBB+)	39,101,000	64%	74%
Members Equity Bank (A-2, BBB)	3,623,769	6%	71%
Bendigo and Adelaide Bank (A-2, BBB+)	1,000,000	2%	70%
Credit Union Australia (A-2, BBB)	2,601,000	4%	35%
National Australia Bank (A-1+, AA-)	4,000,000	7%	26%
Rural Bank (A-2, BBB+)	2,000,000	3%	25%
Commonwealth Bank of Australia (A-1+, AA-)	4,000,000	7%	24%
Westpac Group (A-1+, AA-)	4,000,000	7%	22%
Suncorp Bank (A-1, A+)	10,500,000	17%	12%
AMP Bank (A-1, A)	16,000,000	26%	10%
Macquarie Group (A-1, A)	3,623,769	6%	8%
Greater Building Society (A-2, BBB)	1,000,000	2%	8%
Emerald Reverse Mortgage (B Tranche) (AA)	60,924,769	28%	5%
ANZ Group (A-1+, AA-)	2,601,000	4%	5%

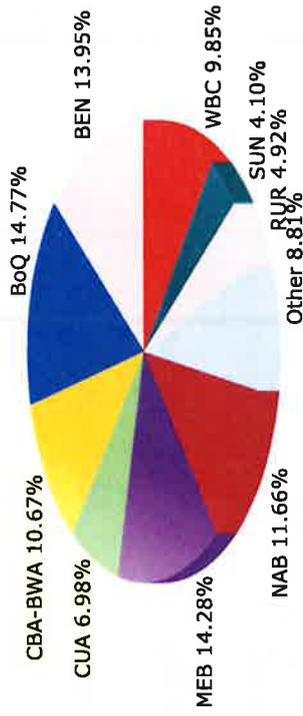
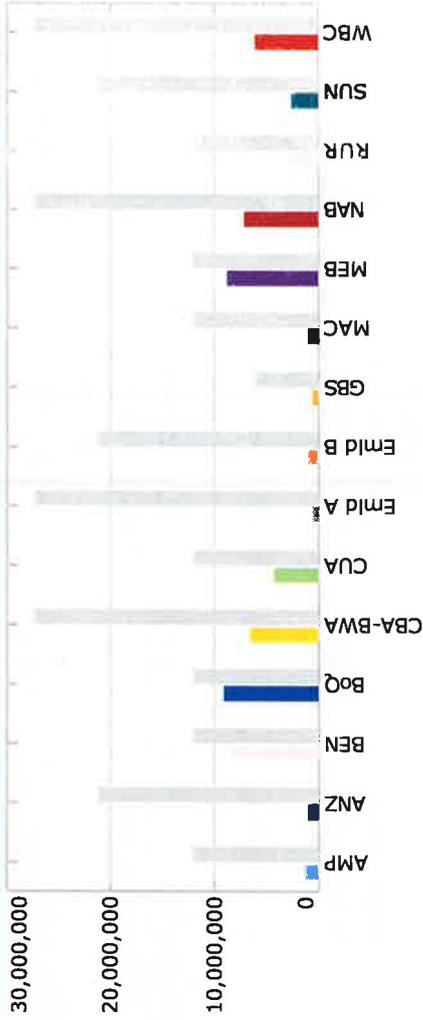
Maturity Profile	Face Value (\$)	Policy Max
Less than 1yr	39,101,000	64%
Greater than 1yr	21,823,769	36%
a. Between 3 and 5yrs	3,623,769	6%
b. Greater than 5yrs	1,000,000	2%
Total	60,924,769	0%

Detailed Maturity Profile	Face Value (\$)
00. Cash + Managed Funds	2,601,000
01. Less Than 30 Days	4,000,000
02. Between 30 Days and 60 Days	2,000,000
03. Between 60 Days and 90 Days	4,000,000
04. Between 90 Days and 180 Days	10,500,000
05. Between 180 Days and 365 Days	16,000,000
06. Between 365 Days and 3 Years	17,200,000
07. Between 3 Years and 5 Years	3,623,769
08. Between 5 Years and 10 Years	1,000,000
Total	60,924,769

Individual Institutional Exposures

Individual Institutional Exposure Charts

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
AMP Bank	A, A-1	1,250,000	12,184,954
ANZ Group	A-1+, AA-	1,000,000	21,323,669
Bank of Queensland	A-2, BBB+	9,000,000	12,184,954
Bendigo and Adelaide Bank	A-2, BBB+	8,500,000	12,184,954
Commonwealth Bank of Australia	A-1+, AA-	6,500,000	27,416,146
Credit Union Australia	A-2, BBB	4,250,000	12,184,954
Emerald Reverse Mortgage (A Tranche)	AAA	623,769	27,416,146
Emerald Reverse Mortgage (B Tranche)	AA	1,000,000	21,323,669
Greater Building Society	A-2, BBB	500,000	6,092,477
Macquarie Group	A-1, A	1,000,000	12,184,954
Members Equity Bank	A-2, BBB	8,700,000	12,184,954
National Australia Bank	A-1+, AA-	7,101,000	27,416,146
Rural Bank	A-2, BBB+	3,000,000	12,184,954
Suncorp Bank	A-1, A+	2,500,000	21,323,669
Westpac Group	A-1+, AA-	6,000,000	27,416,146
		60,924,769	



Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
1-Dec-17	535680	National Australia Bank	Term Deposits	Interest - Received	6,482.18
				<u>Deal Total</u>	<u>6,482.18</u>
4-Dec-17	502273	Macquarie Bank	Floating Rate Note	Coupon - Received	7,068.08
				<u>Deal Total</u>	<u>7,068.08</u>
	533707	Westpac Group	Floating Rate Note	Coupon - Received	7,242.60
				<u>Deal Total</u>	<u>7,242.60</u>
	536022	ME Bank	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>
5-Dec-17	536043	Suncorp Bank	Term Deposits	Settlement Face Value - Paid	-985,689.32
				<u>Deal Total</u>	<u>-1,000,000.00</u>
				Day Total	-1,000,000.00
6-Dec-17	534927	ME Bank	Term Deposits	Interest - Received	20,328.77
		ME Bank	Term Deposits	Maturity Face Value - Received	1,000,000.00
				<u>Deal Total</u>	<u>1,020,328.77</u>
	535292	ME Bank	Term Deposits	Interest - Received	13,610.96
		ME Bank	Term Deposits	Maturity Face Value - Received	1,000,000.00
				<u>Deal Total</u>	<u>1,013,610.96</u>
	536065	Credit Union Australia	Term Deposits	Settlement Face Value - Paid	-2,000,000.00
				<u>Deal Total</u>	<u>-2,000,000.00</u>
11-Dec-17	512050	AMP Bank	Floating Rate Note	Coupon - Received	5,301.06
				<u>Deal Total</u>	<u>5,301.06</u>
				Day Total	33,939.73
13-Dec-17	534665	Bank of Queensland	Term Deposits	Interest - Received	27,923.29
		Bank of Queensland	Term Deposits	Maturity Face Value - Received	1,000,000.00
				<u>Deal Total</u>	<u>1,027,923.29</u>

Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
535361		ME Bank	Term Deposits	Interest - Received	13,463.01
		ME Bank	Term Deposits	Maturity Face Value - Received	1,000,000.00
				<u>Deal Total</u>	<u>1,013,463.01</u>
536081		ME Bank	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>
536082		Bank of Queensland	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>
18-Dec-17	491128	Bendigo and Adelaide Bank	Floating Rate Note	Coupon - Received	6,606.85
				<u>Deal Total</u>	<u>6,606.85</u>
				Day Total	41,386.30
20-Dec-17	534671	Bank of Queensland	Term Deposits	Interest - Received	28,000.00
		Bank of Queensland	Term Deposits	Maturity Face Value - Received	1,000,000.00
				<u>Deal Total</u>	<u>1,028,000.00</u>
534994		Credit Union Australia	Floating Rate Note	Coupon - Received	5,628.29
				<u>Deal Total</u>	<u>5,628.29</u>
				Day Total	1,033,628.29
29-Dec-17	535097	AMP Bank	Floating Rate Note	Coupon - Received	3,440.55
				<u>Deal Total</u>	<u>3,440.55</u>
				Day Total	3,440.55
				Net Cash Movement for Period	-854,904.36

Next Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
2-Jan-18	533363	Credit Union Australia	Floating Rate Note	Coupon - Received	4,119.93
				<u>Deal Total</u>	<u>4,119.93</u>
535131		ME Bank	Term Deposit	Interest - Received	20,194.52
		ME Bank	Term Deposit	Maturity Face Value - Received	1,000,000.00

Next Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
				<u>Deal Total</u>	<u>1,020,194.52</u>
10-Jan-18	534987	Commonwealth Bank of Australia	Term Deposit	Day Total	1,024,314.45
		Commonwealth Bank of Australia	Term Deposit	Interest - Received	22,877.81
				Maturity Face Value - Received	1,000,000.00
				<u>Deal Total</u>	<u>1,022,877.81</u>
17-Jan-18	507122	Commonwealth Bank of Australia	Floating Rate Note	Day Total	1,022,877.81
				Coupon - Received	6,553.00
				<u>Deal Total</u>	<u>6,553.00</u>
18-Jan-18	533092	Commonwealth Bank of Australia	Floating Rate Note	Day Total	6,553.00
				Coupon - Received	3,592.00
				<u>Deal Total</u>	<u>3,592.00</u>
	534040	ME Bank	Floating Rate Note	Coupon - Received	7,939.73
				<u>Deal Total</u>	<u>7,939.73</u>
22-Jan-18	220294	Commonwealth Bank of Australia	Bonds	Day Total	11,531.73
				Maturity Face Value - Received	2,000,000.00
				<u>Deal Total</u>	<u>2,000,000.00</u>
	310288	Emerald Reverse Mortgage (B Tranche)	Mortgage Backed Securities	Coupon - Received	5,609.59
				<u>Deal Total</u>	<u>5,609.59</u>
	501146	Westpac Group	Floating Rate Note	Coupon - Received	6,482.19
				<u>Deal Total</u>	<u>6,482.19</u>
	510106	Suncorp Bank	Floating Rate Note	Coupon - Received	7,597.26
				<u>Deal Total</u>	<u>7,597.26</u>
	533420	Bendigo and Adelaide Bank	Floating Rate Note	Coupon - Received	4,069.04
				<u>Deal Total</u>	<u>4,069.04</u>
				Day Total	2,023,758.08
				Net Cash Movement for Period	4,089,035.07

