

Report 05.363
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Committee Policy, Finance and Strategy
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Reduction in Committed Facilities

1. Purpose

To seek Council's approval to combine the separate facilities with ANZ and National Banks into one combined facility and to reduce the amounts required.

2. Significance of Decision

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The ANZ and National Bank have now combined as one bank. As the Council has a facility with both ANZ and National, it is appropriate to rationalise those facilities into one facility.

In addition, the combined amounts available under the loan facilities will be reduced.

	Current Facilities	Proposed Facilities
	\$ million	\$ million
ANZ	20.0	0
National	24.0	0
ANZ National		35.0
	44.0	35.0

The facility amount is being reduced as the Council does not have a current requirement for this level of committed facility.

	Committed \$ million	Utilised \$ million	Available \$ million
Current facilities	94.0	50.6	43.4
Proposed	85.0	50.6	34.4

The Council pays line fees on its current facilities. The proposed reduction will reduce these by \$13,000 per annum.

Based on our current forecasts the lower proposed facilities will provide sufficient funds until 2009.

4. Communications

No communications are necessary.

5. Recommendations

That the Committee recommend that Council:

- (1) **Receive** the report.
- (2) **Note** its contents.
- (3) **Approve** the combining of the ANZ and National Bank facilities and the reduction of the combined facility to \$35 million.
- (4) **Authorise** the Chief Financial Officer or Council Secretary to sign the required documentation.

Report prepared by:

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Chief Financial Officer