

**MEETING:** Ordinary Meeting of Council  
**DATE:** 15<sup>th</sup> October 2019

**DEPARTMENT:** GOVERNANCE  
**OFFICER:** Executive Services Officer

<b>REPORT ITEM</b>	12.1	
<b>REPORT TITLE</b>	Bendigo Bank	
<b>Budget Impact</b>	Allocated: \$N/A	Spent: \$N/A
<b>File Reference</b>	17.85.1.20	
<b>Pillar &amp; Objective</b>	Leading the Way	

<b>RECOMMENDATION</b>
For discussion and decision

<b>EXECUTIVE SUMMARY</b>
<p>On 4<sup>th</sup> June 2019 Councils financials were provided to Bendigo Bank with the request to provide Council with a term sheet, this was discussed in detail with Bendigo Bank Relationship Manager Paul Watts.</p> <p>The Chief Executive met with Business Development Manager George Hormazabal in Adelaide on 11<sup>th</sup> July 2019 to provide a high level briefing of the facilities used by Council and the Finance Manager subsequently provided further information to enable Bendigo Bank to prepare an Expression of Interest (EOI).</p> <p>An EOI was provided to Council on 29<sup>th</sup> August 2019 and after a request for amendments a subsequent EOI was provided on 8<sup>th</sup> October 2019.</p>

On the 7<sup>th</sup> May 2019 the following motion was passed:

87/19     *That Council facilitate a discussion with Bendigo Bank seeking details of a term sheet for the banking arrangements of Council.*

#### **SUMMARY OF EOI**

- a) Term Deposit Account \$4m term interest rate
- b) Master Asset Finance Agreement (revolving) \$2m (*not required*)
- c) Credit Card Facility \$20k (market rate)
- d) Merchant Facility (market rate)

#### **EOI ESTIMATED COSTS (*not including payment plans, direct debits*)**

Establishment Fee	\$6,000 (waived)
Documentation fee per drawdown	\$450
Equipment Sale & Buy Back per drawdown	\$100
Legal Fee	\$TBC
Valuation Fee	\$TBC
All Government Fees/Searchs	\$TBC
PPSR Search Fees	\$6.40 <i>per asset</i>

#### **INTEREST RATE (*indicative only*)**

12 months – 1.40% (*compared with Bank SA 1.65%*)

## MATTERS TO BE CONSIDERED

- i) The EOI was obtained at the request of Council shortly after an increase in community interest to procure a solution to banking facilities in Burra.
- ii) As we understand it Bendigo Bank need to secure business of up to \$10m to open an agency and \$25m to open a branch.  
*Council would need to consider if a broad market EOI was required.*
- iii) Dependent on hours of operation, Council would need to bank at the post office on some days and at the agency on others.
- iv) Council currently has approximately 250 ratepayers on payment plans and approximately 2,300 on direct banking arrangements, this would need changing.
- v) If Council considered that there was merit in transferring its banking to Bendigo Council would need to consider the necessity for a broad market EOI.