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Sponsor/Group:	General Manager City Growth

Municipal and Domain Endowment Fund Policy

Purpose and Scope

1. To provide principles and criteria for management of the Municipal Endowment Fund and Domain Endowment Fund (“Endowment Funds”).

Principles

2. The capital must be preserved to comply with the common law principles of endowment.
3. Endowment Funds must be used for municipal and domain purposes.
4. Investment must aim to increase returns from the Endowment Funds and must return a dividend to Council that is equivalent to the average cost of Council’s debt over the first three-year period of each 10-Year Plan.

Policy

5. Endowment Funds may be managed by Council, a Council Controlled Trading Organisation or any other entity or organisation that Council approves.
6. Endowment Funds must be used to directly or indirectly support, advance and implement Council’s strategic plans. The Council will identify the priorities within these strategic plans in each 10-Year Plan.
7. To achieve the outcomes required in paragraph 6, the entity managing the Endowment Fund will:
 - a. Undertake new profitable investments as cash flows allow which, over their life, will yield a substantially greater return than previously achieved;
 - b. Promote development of properties in a manner which will maximise the commercial value of the asset by ensuring that the addition of any new capacity is related as closely as possible to actual and forecast market demand;
 - c. Encourage freeholding of endowment properties to generate capital for investment in higher yielding assets as soon as practicable;
 - d. Enter into joint venture or turn-key developments to provide flexible options for the future;
 - e. Manage its financial assets and liabilities on a prudent basis;
 - f. Seek and effectively administer service contracts with other public sector entities;
 - g. Strive to minimise operating costs.