



CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE
CHERBOURG QLD 4605

Phone: (07) 4168 1866
Fax: (07) 4168 2727

INVESTMENT POLICY

1. PURPOSE

To invest Council funds not immediately required for financial commitments.

To maximise earning from authorised investments of such surplus funds after assessing counterparty, market and liquidity risks.

2. COMMENCEMENT OF POLICY

The policy commences on adoption by Council.

3. SCOPE

This policy applies to all investment activities of the council.

4. BACKGROUND

In accordance with the *Local Government Regulation 2012*, Section 191 Investment Policy, Council must prepare and adopt by resolution an Investment Policy for a financial year.

The policy must state:

- (i) The local government's investment objectives and overall risk philosophy; and
- (ii) Procedures for achieving the goals related to investment stated in the policy.

5. AUTHORITY TO INVEST

Investment of Council funds is to be in accordance with Council's powers to invest under the *Statutory Bodies Financial Arrangements Act 1982* (the SBFA Act), as amended and the *Statutory Bodies Financial Arrangements Regulation 2019* (the SBFA Regulation).

6. DELEGATION OF AUTHORITY

Authority for the implementation of the investment policy is delegated by Council to the Chief Executive Officer in accordance with section 257(1)(b) of the *Local Government Act 2009*.



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7. TERM OF INVESTMENT

Council's investment portfolio should be realisable, without penalty, in a reasonable time frame. The term to maturity of Council investments must not exceed one year.

Investments will be placed to minimise the cash held in low/no interest operating bank accounts whilst ensuring sufficient cash is available to meet Council's financial obligations on a day-to-day basis.

8. AUTHORISED INVESTMENTS

(Selected from permitted investments under the SBFA Act)

- Interest Bearing Deposits with a licensed bank.
- Deposits with Queensland Treasury Corporation.
- Deposits with a building society or credit union specifically approved by Council for investment purposes.

To reduce the risk of holding investments with counterparties, Council's investments will be placed with various financial institutions so that the maximum percentage of the total investment portfolio does not exceed the limits set out in the following table:

Long Term Rating (Standard & Poors or Equivalent)	Maximum % in any one Institution	Maximum % Investment in this category
QTC (Currently AAA)	100%	100%
AAA to A+ (excluding QTC)	35%	85%
A to BBB+	25%	45%
BBB to BBB-	20%	30%

Where changes in the ratings of institutions cause the limits to be exceeded the Chief Executive Officer is to be informed and the funds recovered for reinvestment as soon as practical. Subject to an assessment of the risk and Section 8 below, the Chief Executive Officer may approve the counterparty limits to be temporarily exceeded until the next redemption opportunity. This is to avoid any penalties which may apply for early redemption of the investment.

9. QUOTATIONS ON INVESTMENTS

When investing with banks, approved building societies or credit unions, not less than three quotes shall be obtained. The best quote on the day will be successful after having regard to



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administrative and banking costs and fair value adjustments for credit rating of the institution and term of investment.

10. CALCULATING FAIR VALUE

When placing investments, consideration shall be given to the interest rate offered, the credit rating of the institution, the current portfolio mix, and term of investment.

11. VARIATION TO POLICY

The Chief Executive Officer is authorised to approve variations to this policy if the investment is to Council's advantage and/or due to revised legislation. All changes to this policy are to be reported to Council within 30 days, including circumstances where this clause is utilised or relied upon for decision making purposes.

12. REPORTING

For audit purposes, certificates must be obtained from the banks/fund managers confirming the amounts of investment held on Council's behalf at 30 June each year.

Variations

CASC reserves the right to vary, replace or terminate this policy from time to time.

Associated Documents

- Corporate Plan
- Operational Plan
- Budget

POLICY VERSION AND REVISION INFORMATION

Policy Type:	Statutory		
Policy Authorised by:		Original issue:	1 July 2019
Title:	Chief Executive Officer		
Policy Maintained by:		Current version:	1
Title:			
Date Reviewed:	July 2023		
Council Resolution:		Resolution date:	