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<b>POLICY NAME:</b>	<b>Investment Policy</b>
<b>POLICY NUMBER:</b>	<b>F020</b>
<b>ADOPTED:</b>	<b>26 June 2024</b>
<b>DIRECTORATE</b>	<b>Corporate and Financial Services</b>
<b>REVIEW DUE</b>	<b>30 June 2025</b>

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## **1 PURPOSE**

To invest surplus cash funds to the best advantage of Council and the community.

## **2 SCOPE**

This policy relates to authorised investments of cash holdings of Barcaldine Regional Council

## **3 HEAD OF POWER**

The investment powers of Council are defined in the *Statutory Bodies Financial Arrangements Act 1982* (SBFA). Section 47 requires that a statutory body must use its best efforts to invest its funds—

- a. at the most advantageous interest rate available to it at the time of the investment for an investment of the proposed type; and
- b. in a way it considers is most appropriate in all the circumstances.

Section 191 of the *Local Government Regulation 2012* requires a local government to prepare and adopt an investment policy.

The investment policy must outline Council's investment objectives and overall risk philosophy. The policy must also state procedures for achieving the goals related to investment stated in the policy.

## **4 POLICY STATEMENT**

Council generally has surplus funds which are available for investment during the year. Interest on these investments may represent a significant contribution to the income of Council.

### **4.1 Types of Investments**

Council as a Local Government has Category 1 investment powers under the SBFA. This allows Council to invest in at call or in fixed period deposits of no more than one year.

### **4.2 Investment Philosophy, Objective and Strategy**

The security of Council's investments must be a priority at all times. The philosophy is to invest surplus Council funds in short term cash investments to maximise revenue at the highest interest rate available at the time of investment while being cognizant of institutions providing a service to the local community. Due regard for risk constraints must be taken into consideration.

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#### 4.3 Risks

Council will limit its risk exposure in relation to investments by:

- a. using Qld Treasury Corporation (QTC) as its default investment institution
- b. investing the remaining funds with Australian financial institutions with a long term credit rating from Standard and Poor's of BBB+ or greater;
- c. Council officers may only invest surplus funds with an Australian Financial Institution;
- d. The term of maturity of surplus funds must consider the future cash flow needs of Council.
- e. reporting a summary of investments to each monthly Council meeting.

#### 4.4 Credit Risk

Further to the consideration of the credit rating of institutions when officers are evaluating investment options can apply the correlation between credit rating and investment as set out in Appendix 1 – Credit Risk Table.

### 5 DELEGATION

The Chief Executive Officer may delegate authority to invest surplus funds in accordance with this Policy. Investments not explicitly noted within this policy may be considered with due evaluation and research. Investments outside those outlined in this policy must be resolved by Council and supported with appropriate approvals from external bodies.

### 6 APPENDIX 1 – CREDIT RISK TABLE

Long term credit rating	Short term credit rating	Maximum % of total investment	Maximum Term for Fixed Term Investments Only
QTC Capital guaranteed Cash Funds		100%	1year
AAA or AA	A-1+	40%	1year
A+ to A	A-1+	40%	6 months
BBB+	A-2	40%	6 months