



Blackall-Tambo

Regional Council

Investment Policy

Version Number: Eight	Effective Date: 18 November 2020
Policy Compiled by: DFCCS	Review Date: 17 November 2024
Policy Approved by: Chief Executive Officer	

1. INTRODUCTION

Council generally has large sums of surplus funds available for investment at any one time. Interest on these investments may represent a significant contribution to the income of Council.

The security of Council's investments must always be a priority.

2. LEGISLATIVE REQUIREMENT

The investment powers of Council are defined in the *Statutory Bodies Financial Arrangement Act 1982*. 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 period 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.

3. PHILOSOPHY

- a) **Strategy** – to invest surplus Council funds in short term cash investments at the highest interest rate available at the time of investment while being cognizant of institutions providing a service to the local community.
- b) **Risk** – Council will limit its risk exposure by:
 - i) Using Queensland Treasury Corporation (QTC) as its default investment institution
 - ii) Investing the remaining funds with Australian financial institutions with a long-term credit rating of BBB+ or greater
 - iii) Limiting the amount of funds invested with any one institution (other than QTC) to no more than 50% of Council's total investments
 - iv) Ensuring two officers authorise the deposit and withdrawal of investment funds and
 - v) Reporting a summary of investments to each monthly Council meeting.

Document #: Stat 17	Date Effective:	Version: Eight	Page 1 of 3
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c) Objectives –

- i) To maximize revenue to Council
- ii) To ensure the security of Council's investments
- iii) To minimize the risk exposure for Council's investments
- iv) To support financial institutions that service the local community.

4. PROCEDURES

- a) All Council funds not required for financial commitments are to be invested.
- b) Council may only invest money in the following forms of investment:
 - i. Deposits with an Australian financial institution; or
 - ii. Deposits with Queensland Treasury Corporation.
- c) Investments must be:
 - i. At call; or
 - ii. For a fixed period of not more than twelve months.
- d) No institution (other than QTC) shall hold more than 50% of Council's total investments at the time the investment is made.
- e) Not less than \$3,000,000 (whichever is the lesser) of Council's total investment is to be held in on call investments.
- f) At least two quotations shall be obtained from authorised institutions whenever an investment, other than a deposit into an approved QTC fund, is proposed. Quotations will be assessed considering the objectives outlined in 3(c).
- g) Two officers are to authorise the deposit and withdrawal of investment funds.

5. DELEGATION

The Chief Executive Officer may delegate authority to invest surplus funds in accordance with this policy.

6. FINANCE REPORTING

The monthly financial report shall include details of Council's investments at the end of each month.

7. POLICY REVIEW

This policy will be reviewed when any of the following occur:

- 1. As required by legislation
- 2. Other circumstances as determined by the Chief Executive Officer.

Notwithstanding the above, this policy is to be reviewed at intervals of no more than four (4) years.

Document #: Stat 17	Date Effective:	Version: Eight	Page 2 of 3
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VERSION CONTROL

Version 1	23 June 2010
Version 2	8 June 2011
Version 3	31 July 2012
Version 4	23 July 2013
Version 5	8 July 2014
Version 6	30 June 2015
Version 7	20 July 2016