



Croydon Shire Council

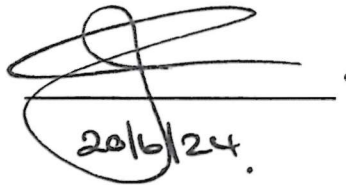
Investment Policy

Document Control

Responsible Officer:

Chief Executive Officer

CEO Signature:



20/6/24.

Date:

Category (tick):

- Policy** *Council resolution required*
- Procedure** *CEO approval required*
- Guideline** *CEO approval required*

Resolution Number	Date	Reason/Comment
15-06/2022	16 June 2022	Annual Review
17-07/2023	20 July 2023	Annual Review

Approval date	Head Policy #	Reference Number	Reason/Comment	Next review
20/06/2024		POL STAT 07	Annual Review	01/06/2025

1. Objectives

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. 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), the *Statutory Bodies Financial Arrangements Regulation 2019* (the SBFA Regulation).

3. 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*.

4. 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.

5. 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.

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

7. 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.

8. 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.

9. 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.
