

Investments - September 2021

Responsible Officer: Group Manager Corporate & Commercial (Guy Bezrouchko)

Recommendation

That Council receive and note the Investments for September 2021.

Background

Clause 212 of the *Local Government (General) Regulation 2021* and Council's 'Investment' policy require that a report detailing Council's investments be provided. This report has been for 30 September 2021.

Governance

- Finance

RBA cash rate

At the RBA's September meeting, it was decided to leave the cash rate at 0.10%. The 90-day average bank bill swap rate (BBSW) has decreased to 0.01%. The low rate will continue to put pressure on interest yields in the foreseeable future.

Total funds invested for September was \$39,883,820

This is a decrease of \$8,221,377 compared to the July 2021 figure. The decrease is primarily due to the purchase of the new consolidated work location and a semi-annual loan repayment.

Return for September was 0.60%

The weighted average return on funds invested for the month of September was 0.60%. This represents a decrease of 8 basis point compared to the July result (0.68%) and is 59 basis points above Council's benchmark (the average 90-day BBSW rate of 0.01%) (Refer: Graph D2).

Interest earned for September was \$16,726

Interest earned compared to the original budget is \$35,225 below the pro-rata budget (Refer: Attachment A).

Summary of indebtedness as at 30 September 2021

Information	Loan #1	Loan #2	Loan #3	Loan #4	Loan #5	Loan #6	Loan #7	Total
Institution	CBA	CBA	CBA	Dexia	NAB	NAB	Tcorp	
Principal Borrowed	\$ 2,000,000	\$ 3,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 13,500,000	\$ 58,500,000
Date Obtained	9-Jun-04	31-May-05	31-May-06	21-Feb-07	31-May-07	25-Sep-07	7-Jun-21	
Term (Years)	20	20	20	20	20	20	20	
Interest Rate	6.82%	6.25%	6.37%	6.40%	6.74%	6.85%	2.68%	
Date Due	10-Jun-24	31-May-25	31-May-26	21-Feb-27	31-May-27	25-Sep-27	7-Jun-41	
Annual Commitment	\$ 184,785	\$ 264,921	\$ 891,595	\$ 893,507	\$ 917,390	\$ 925,933	\$ 876,390	\$ 4,954,520
Principal Repaid LTD	\$ 1,506,301	\$ 2,075,110	\$ 6,233,021	\$ 5,912,490	\$ 5,519,810	\$ 5,497,402	\$ -	\$ 26,744,133
Interest Incurred LTD	\$ 1,635,046	\$ 2,163,621	\$ 7,140,906	\$ 7,045,551	\$ 7,323,645	\$ 7,465,655	\$ -	\$ 32,774,424
Principal Outstanding	\$ 493,699	\$ 924,890	\$ 3,766,979	\$ 4,087,510	\$ 4,480,190	\$ 4,502,599	\$ 13,500,000	\$ 31,755,867
Interest Outstanding	\$ 60,656	\$ 134,793	\$ 690,996	\$ 827,609	\$ 1,044,845	\$ 1,064,887	\$ 4,027,804	\$ 7,851,591

Cheque account balance as at 30 September 2021 was \$604,813

Ethical holdings represent 47.64% of the total portfolio

Current holdings in Ethical Financial Institutions equals \$19,000,000. The assessment of Ethical Financial Institutions is undertaken using www.marketforces.org.au which is an affiliate project of the Friends of the Earth Australia (Refer: Graph D4).

- **Legal**

All investments are in accordance with section 625 of the *Local Government Act 1993*, clause 212 of the *Local Government (General) Regulation 2021* and Council's 'Investment' policy.

Conclusion

A report on investments is required to be submitted to Council. As at 30 September 2021, investments total \$39,883,820 and the average rate of return is estimated at 0.60%.

Attachments

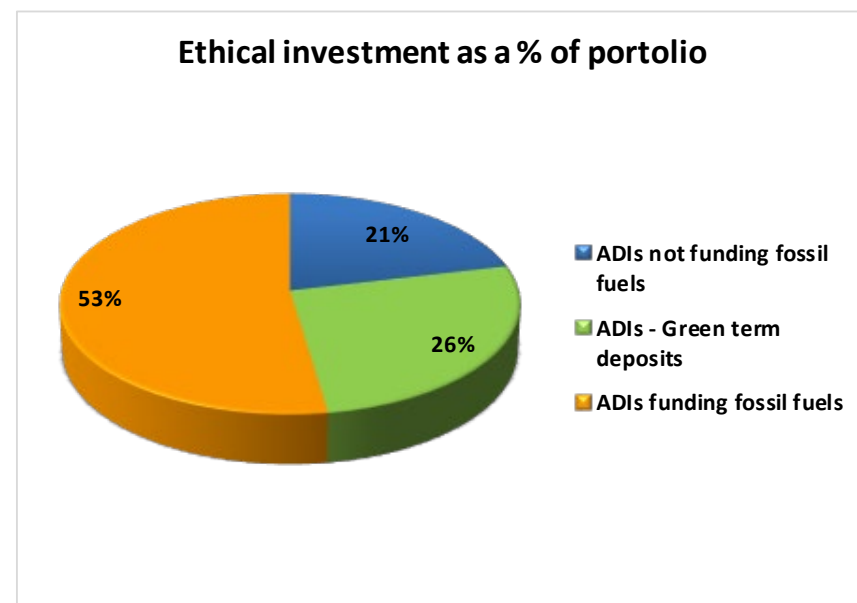
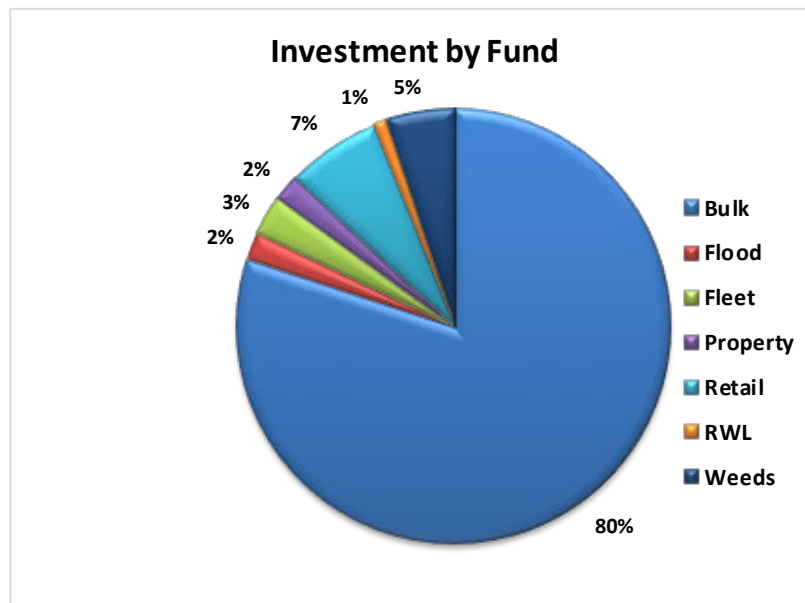
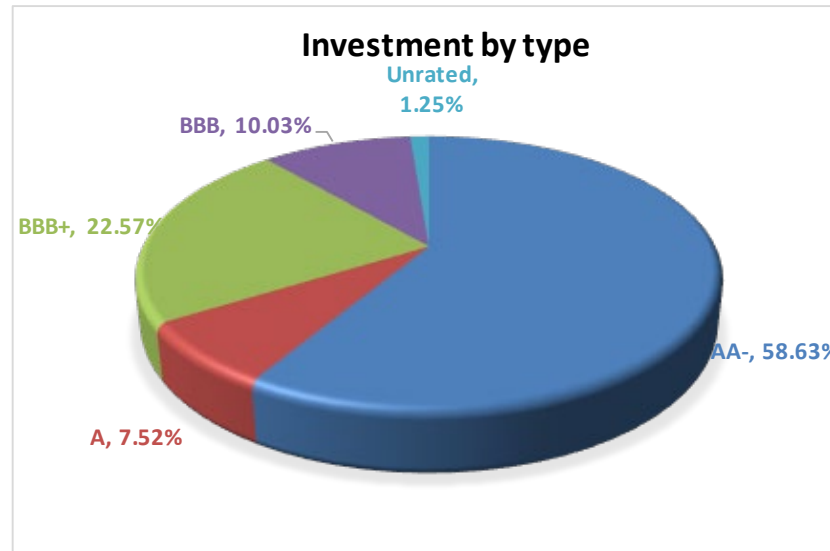
- A. Investment analysis
- B. Investment by type
- C. Investment by Institution
- D. Total funds invested - comparisons

Rous County Council – Investment analysis report 30 September 2021

Attachment A

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	30 Sep 21 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		13.50	5,383,819.54	1.20	2,052.46	5,674.96
Auswide Bank Ltd	BBB+	TD	Yes	8/10/2019	12/10/2021	1.25	500,000.00	1.65	678.08	2,079.45
Auswide Bank Ltd	BBB+	TD	Yes	22/10/2019	19/10/2021	1.25	500,000.00	1.65	678.08	2,079.45
Auswide Bank Ltd	BBB+	TD	Yes	29/10/2019	26/10/2021	1.25	500,000.00	1.65	678.08	2,079.45
Commonwealth Bank of Australia	AA-	TD	N/A	6/10/2020	5/10/2021	2.51	1,000,000.00	0.67	550.68	1,688.77
MyState Bank Limited	BBB-	TD	Yes	20/10/2020	19/10/2021	1.25	500,000.00	0.60	246.58	756.16
AMP Bank	BBB	TD	No	3/11/2020	2/11/2021	1.25	500,000.00	0.60	246.58	756.16
Summerland Credit Union	UNRATED	TD	Yes	10/11/2020	9/11/2021	1.25	500,000.00	0.70	287.67	882.19
AMP Bank	BBB	TD	No	13/11/2020	16/11/2021	1.25	500,000.00	0.75	308.22	945.21
AMP Bank	BBB	TD	No	17/11/2020	16/11/2021	1.25	500,000.00	0.75	308.22	945.21
Westpac Banking Corporation	AA-	TD	No	5/1/2021	4/1/2022	1.25	500,000.00	0.45	184.93	567.12
Commonwealth Bank of Australia	AA-	TD	N/A	18/1/2021	18/1/2022	2.51	1,000,000.00	0.43	353.42	1,083.84
National Australia Bank Limited	AA-	TD	No	18/1/2021	11/1/2022	2.51	1,000,000.00	0.40	328.77	1,008.22
Commonwealth Bank of Australia	AA-	TD	N/A	2/2/2021	1/2/2022	2.51	1,000,000.00	0.43	353.42	1,083.84
Commonwealth Bank of Australia	AA-	TD	N/A	9/2/2021	8/2/2022	2.51	1,000,000.00	0.41	336.99	1,033.42
Commonwealth Bank of Australia	AA-	TD	N/A	16/2/2021	15/2/2022	2.51	1,000,000.00	0.41	336.99	1,033.42
Commonwealth Bank of Australia	AA-	TD	N/A	23/2/2021	22/2/2022	1.25	500,000.00	0.42	172.60	529.32
ING Bank Aust Ltd	A	TD	No	26/2/2021	1/3/2022	2.51	1,000,000.00	0.40	328.77	1,008.22
ING Bank Aust Ltd	A	TD	No	2/3/2021	8/3/2022	2.51	1,000,000.00	0.40	328.77	1,008.22
Commonwealth Bank of Australia	AA-	TD	N/A	2/3/2021	1/3/2022	2.51	1,000,000.00	0.44	361.64	1,109.04
Commonwealth Bank of Australia	AA-	TD	N/A	4/3/2021	1/3/2022	2.51	1,000,000.00	0.46	378.08	1,159.45
Westpac Banking Corporation	AA-	TD	N/A	12/3/2021	7/12/2021	2.51	1,000,000.00	0.33	271.23	831.78
Bendigo Bank Financial Markets	BBB+	TD	No	16/3/2021	14/12/2021	2.51	1,000,000.00	0.35	287.67	882.19
ME Bank	BBB+	TD	No	23/3/2021	23/11/2021	2.51	1,000,000.00	0.40	328.77	1,008.22
Westpac Banking Corporation	AA-	TD	N/A	25/3/2021	30/11/2021	2.51	1,000,000.00	0.29	238.36	730.96
MyState Bank Limited	BBB-	TD	Yes	4/5/2021	10/5/2022	2.51	1,000,000.00	0.50	410.96	1,260.27
Bank of Queensland	BBB+	TD	Yes	11/6/2021	19/4/2022	2.51	1,000,000.00	0.40	328.77	1,008.22
Bank of Queensland	BBB+	TD	Yes	11/6/2021	31/5/2022	2.51	1,000,000.00	0.40	328.77	1,008.22
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	22/3/2022	2.51	1,000,000.00	0.42	345.21	1,058.63
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	5/4/2022	2.51	1,000,000.00	0.42	345.21	1,058.63
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	3/5/2022	2.51	1,000,000.00	0.43	353.42	1,083.84
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	17/5/2022	2.51	1,000,000.00	0.44	361.64	1,109.04
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	14/6/2022	2.51	1,000,000.00	0.45	369.86	1,134.25

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	30 Sep 21 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	28/6/2022	2.51	1,000,000.00	0.46	378.08	1,159.45
ING Bank Aust Ltd	A	TD	No	17/6/2021	21/6/2022	2.51	1,000,000.00	0.40	328.77	1,008.22
Bank of Queensland	BBB+	TD	Yes	22/6/2021	22/2/2022	2.51	1,000,000.00	0.45	369.86	1,134.25
Commonwealth Bank of Australia	AA-	TD	N/A	6/7/2021	5/7/2022	2.51	1,000,000.00	0.41	336.99	977.26
Bank of Queensland	BBB+	TD	Yes	24/8/2021	23/8/2022	1.25	500,000.00	0.45	184.93	234.25
Bank of Queensland	BBB+	TD	Yes	31/8/2021	2/8/2022	1.25	500,000.00	0.43	176.71	182.60
AMP Bank	BBB	TD	No	14/9/2021	13/9/2022	1.25	500,000.00	0.45	104.79	104.79
ME Bank	BBB+	TD	No	21/9/2021	20/9/2022	2.51	1,000,000.00	0.40	109.59	109.59
MyState Bank Limited	BBB-	TD	Yes	28/9/2021	27/9/2022	1.25	500,000.00	0.45	18.49	18.49
Bank of Queensland	BBB+	TD	Yes	20/10/2020	18/10/2022	1.25	500,000.00	0.80	328.77	1,008.22
MATURED TDs									919.73	7,652.60
						100.00	39,883,819.54	0.6	16,725.61	54,275.10
Total Investment Holdings						100.00	39,883,819.54		16,725.61	54,275.10
									Total YTD Interest	54,275.10
Deposits with Australian Deposit-taking institutions (ADI) are Government.									Budget Interest @ 30 September 21	89,500.00
Guaranteed for balances totalling up to \$250,000 per customer, per institution.									Budget variance	(35,224.90)



Investment by Institution

