
Investments - January 2022

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

Recommendation

That Council receive and note the Investments for January 2022.

Background

Clause 212 of the *Local Government (General) Regulation 2021* and Council's 'Investments' policy require that a report detailing Council's investments be provided. This report has been prepared as at 31 January 2022.

Finance

RBA cash rate

At the RBA's February 2022 meeting, it was decided to leave the cash rate at 0.1%. The 90-day average bank bill swap rate (BBSW) has increased to 0.07%. The low rate will continue to put pressure on interest yields in the foreseeable future.

Total funds invested as at 31 January 2022 = \$39,708,321

Return for January 2022 = 0.61%

The weighted average return on funds invested for the month of January 2022 was 0.61%. This represents an increase of 1 basis point compared to the September 2021 result (0.60%) and is 54 basis points above Council's benchmark (the average 90-day BBSW rate of 0.07%) (Refer: Graph D2).

Interest earned for January 2022 = \$16,255

Budget forecast for interest revenue to decrease by \$156,500

'Year to Date' interest earned of \$114,698 has resulted in an unfavourable budget variance of \$94,135 when compared to the original pro-rata budget of \$208,833. (Refer: Attachment 1). The primary reason for the variance is that actual interest rates available in the market are well below that used in the estimates prepared in April 2021.

The original budget has been reviewed, based on current market rates and the forecast available portfolio balance, with the adjusted forecast investment interest for 30 June 2022 reduced by \$156,500 for a revised budget estimate of \$201,500.

A decrease of \$8,200 for Retail, \$9,000 for Fleet, \$3,300 for Richmond Water Laboratories and \$136,000 for Bulk Water will be processed through the December Quarterly Budget Review (refer to separate agenda item).

Cheque account balance as at 31 January 2022 = \$120,864

Ethical holdings represent 42.82% of the total portfolio

Current holdings in Ethical Financial Institutions equals \$17,000,000. 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 31 January 2022, investments total \$39,708,321 and the average rate of return is estimated at 0.61%.

Attachments

1. Investment analysis
2. Investment by type
3. Investment by Institution
4. Total funds invested - comparisons
5. Summary of indebtedness

Rous County Council – Investment analysis report 31 January 2022

Attachment 1

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 Jan 22 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		10.60	5,608,321.40	1.20	827.06	8,951.42
Bank of Queensland	BBB+	TD	Yes	20/10/2020	18/10/2022	1.26	500,000.00	0.80	339.73	2,356.16
Commonwealth Bank of Australia	AA-	TD	N/A	2/2/2021	1/2/2022	2.52	1,000,000.00	0.43	365.21	2,532.88
Commonwealth Bank of Australia	AA-	TD	N/A	9/2/2021	8/2/2022	2.52	1,000,000.00	0.41	348.22	2,415.07
Commonwealth Bank of Australia	AA-	TD	N/A	16/2/2021	15/2/2022	2.52	1,000,000.00	0.41	348.22	2,415.07
Commonwealth Bank of Australia	AA-	TD	N/A	23/2/2021	22/2/2022	1.26	500,000.00	0.42	178.36	1,236.99
ING Bank Aust Ltd	A	TD	No	26/2/2021	1/3/2022	2.52	1,000,000.00	0.40	339.73	2,356.16
ING Bank Aust Ltd	A	TD	No	2/3/2021	8/3/2022	2.52	1,000,000.00	0.40	339.73	2,356.16
Commonwealth Bank of Australia	AA-	TD	N/A	2/3/2021	1/3/2022	2.52	1,000,000.00	0.44	373.70	2,591.78
Commonwealth Bank of Australia	AA-	TD	N/A	4/3/2021	1/3/2022	2.52	1,000,000.00	0.46	390.68	2,709.59
MyState Bank Limited	BBB+	TD	Yes	4/5/2021	10/5/2022	2.52	1,000,000.00	0.50	424.66	2,945.21
Bank of Queensland	BBB+	TD	Yes	11/6/2021	19/4/2022	2.52	1,000,000.00	0.40	339.73	2,356.16
Bank of Queensland	BBB+	TD	Yes	11/6/2021	31/5/2022	2.52	1,000,000.00	0.40	339.73	2,356.16
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	22/3/2022	2.52	1,000,000.00	0.42	356.71	2,473.97
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	5/4/2022	2.52	1,000,000.00	0.42	356.71	2,473.97
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	3/5/2022	2.52	1,000,000.00	0.43	365.21	2,532.88
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	17/5/2022	2.52	1,000,000.00	0.44	373.70	2,591.78
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	14/6/2022	2.52	1,000,000.00	0.45	382.19	2,650.68
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	28/6/2022	2.52	1,000,000.00	0.46	390.68	2,709.59
ING Bank Aust Ltd	A	TD	No	17/6/2021	21/6/2022	2.52	1,000,000.00	0.40	339.73	2,356.16
Bank of Queensland	BBB+	TD	Yes	22/6/2021	22/2/2022	2.52	1,000,000.00	0.45	382.19	2,650.68
Commonwealth Bank of Australia	AA-	TD	N/A	6/7/2021	5/7/2022	2.52	1,000,000.00	0.41	348.22	2,358.90
Bank of Queensland	BBB+	TD	Yes	24/8/2021	23/8/2022	1.26	500,000.00	0.45	191.10	992.47
Bank of Queensland	BBB+	TD	Yes	31/8/2021	2/8/2022	1.26	500,000.00	0.43	182.60	907.12
AMP Bank	BBB	TD	No	14/9/2021	13/9/2022	1.26	500,000.00	0.45	191.10	863.01
ME Bank	BBB+	TD	No	21/9/2021	20/9/2022	2.52	1,000,000.00	0.40	339.73	1,457.53
MyState Bank Limited	BBB+	TD	Yes	28/9/2021	27/9/2022	1.26	500,000.00	0.45	191.10	776.71
Commonwealth Bank of Australia	AA-	TD	No	5/10/2021	4/10/2022	2.52	1,000,000.00	0.36	305.75	1,173.70
Westpac Banking Corporation	AA-	TD	No	12/10/2021	11/10/2022	1.26	500,000.00	0.40	169.86	613.70
Westpac Banking Corporation	AA-	TD	N/A	19/10/2021	18/10/2022	2.52	1,000,000.00	0.46	390.68	1,323.29

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 Jan 22 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
Westpac Banking Corporation	AA-	TD	No	26/10/2021	25/10/2022	1.26	500,000.00	0.49	208.08	657.81
Judo Bank	BBB-	TD	Yes	2/11/2021	1/11/2022	1.26	500,000.00	1.01	428.90	1,259.04
Summerland Credit Union	UNRATED	TD	Yes	9/11/2021	6/12/2022	1.26	500,000.00	0.65	276.03	747.95
AMP Bank	BBB	TD	No	16/11/2021	8/11/2022	1.26	500,000.00	1.00	424.66	1,054.79
AMP Bank	BBB	TD	No	16/11/2021	15/11/2022	1.26	500,000.00	1.00	424.66	1,054.79
ME Bank	BBB+	TD	No	23/11/2021	22/11/2022	2.52	1,000,000.00	0.65	552.05	1,246.58
Auswide Bank Ltd	BBB+	TD	Yes	30/11/2021	29/11/2022	2.52	1,000,000.00	0.80	679.45	1,380.82
Judo Bank	BBB-	TD	Yes	30/11/2021	22/11/2022	1.26	500,000.00	1.10	467.12	949.32
AMP Bank	BBB	TD	No	30/11/2021	29/11/2022	1.26	500,000.00	1.00	424.66	863.01
Westpac Banking Corporation	AA-	TD	No	7/12/2021	6/12/2022	2.52	1,000,000.00	0.58	492.60	889.86
ING Bank Aust Ltd	A	TD	No	7/12/2021	13/12/2022	2.52	1,000,000.00	0.60	509.59	920.55
Westpac Banking Corporation	AA-	TD	No	4/1/2022	4/1/2023	1.26	500,000.00	0.68	260.82	260.82
National Australia Bank Limited	AA-	TD	No	11/1/2022	10/1/2023	2.52	1,000,000.00	0.65	373.97	373.97
Commonwealth Bank of Australia	AA-	TD	N/A	18/1/2022	18/1/2023	2.52	1,000,000.00	0.50	191.78	191.78
MATURED TDs									328.36	34,361.51
						100.00	39,708,321.40	0.61	16,254.73	114,697.58

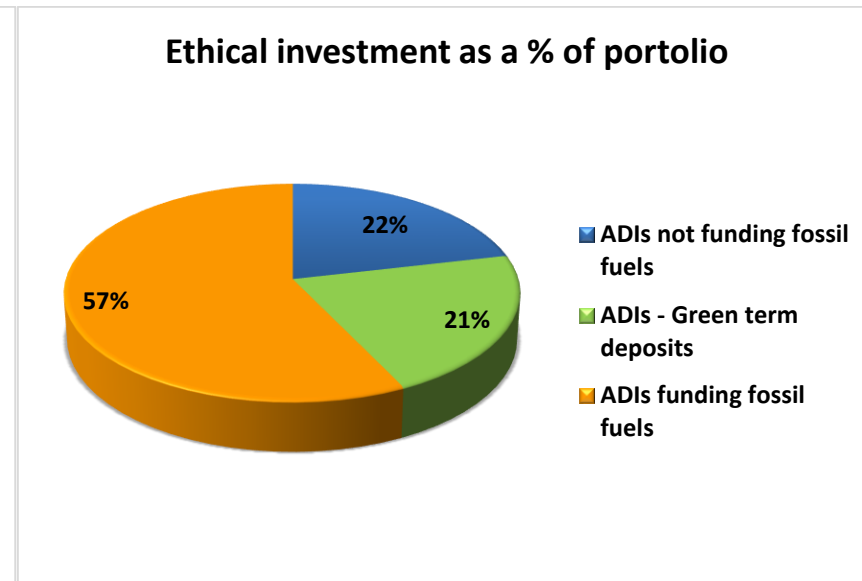
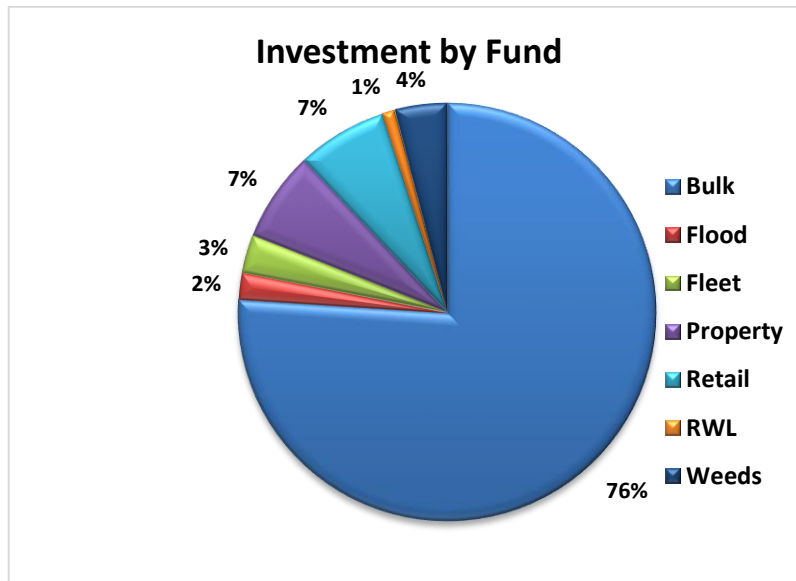
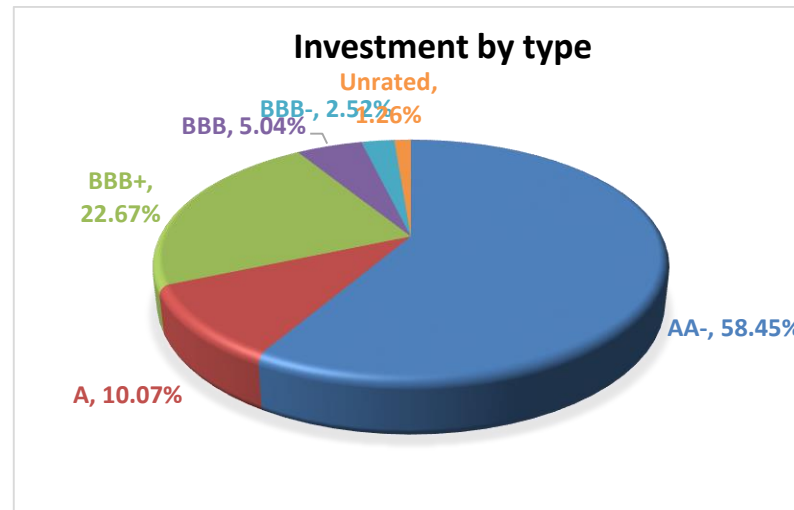
Total Investment Holdings

100.00	39,708,321.40	16,254.73	114,697.58
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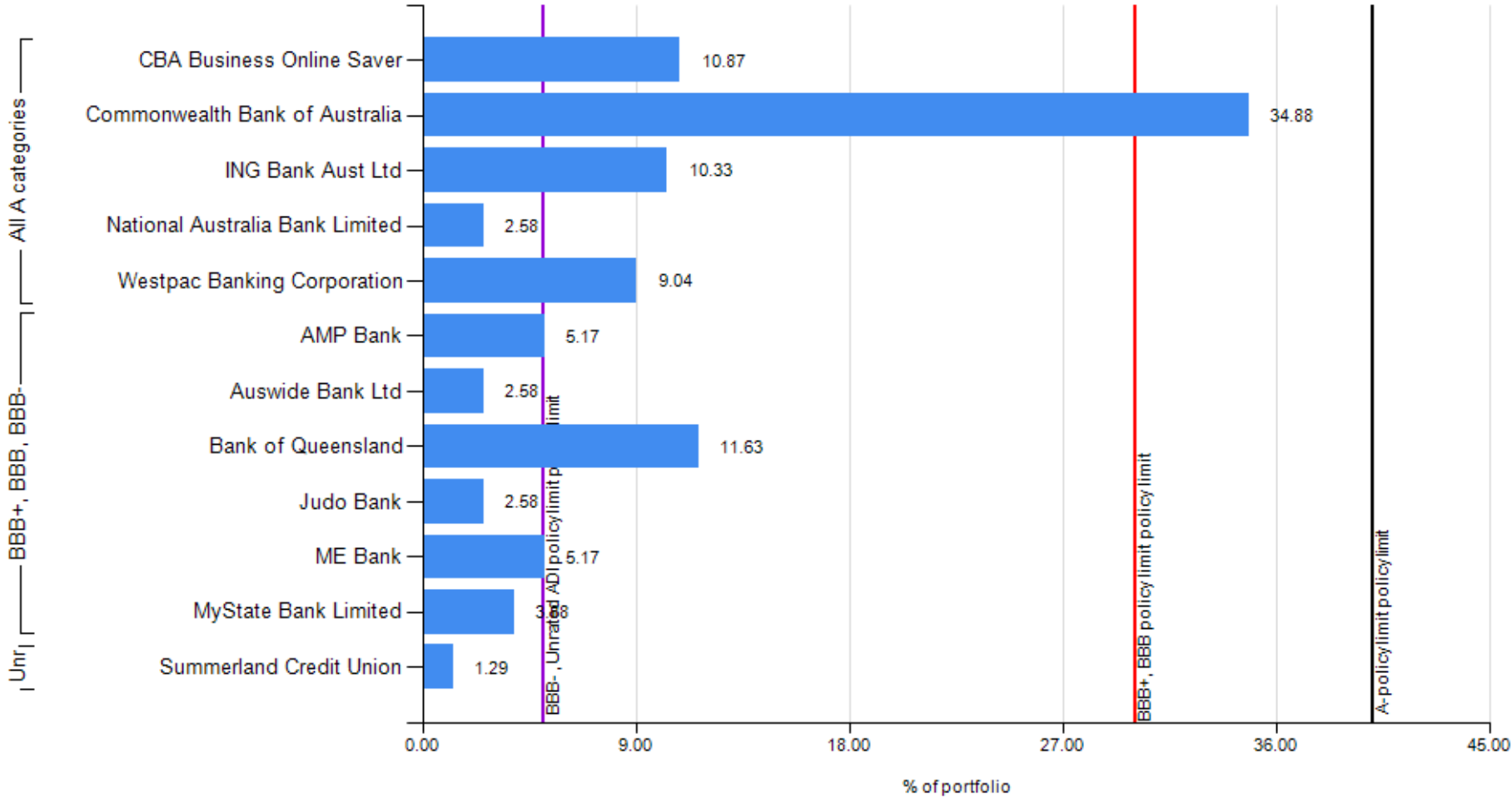
Total YTD Interest **114,697.58**

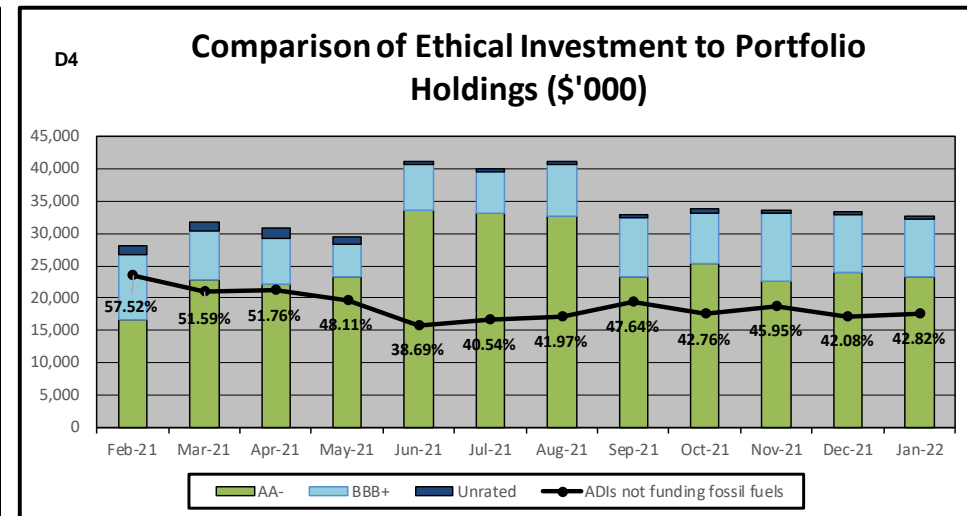
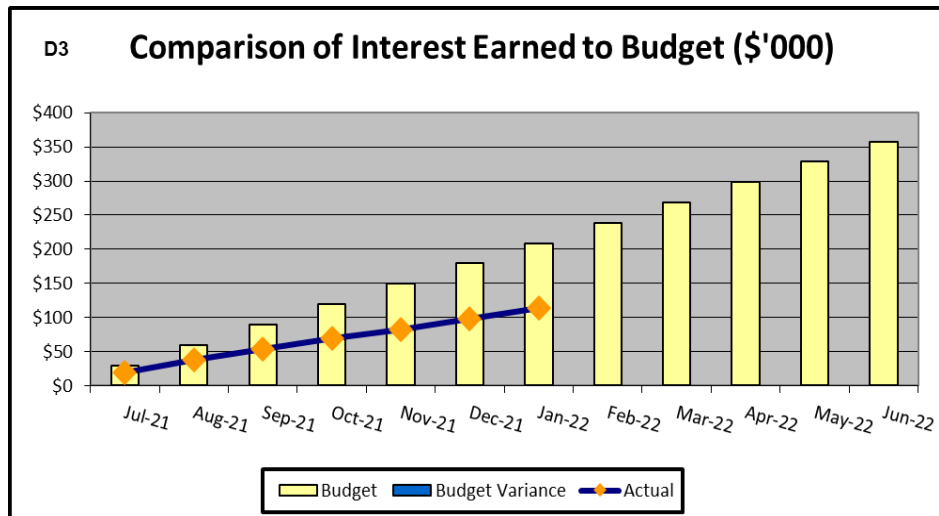
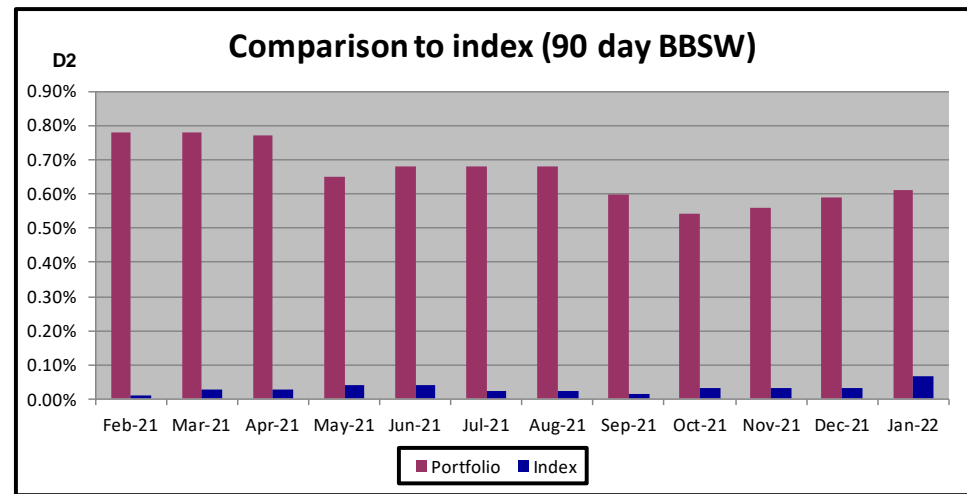
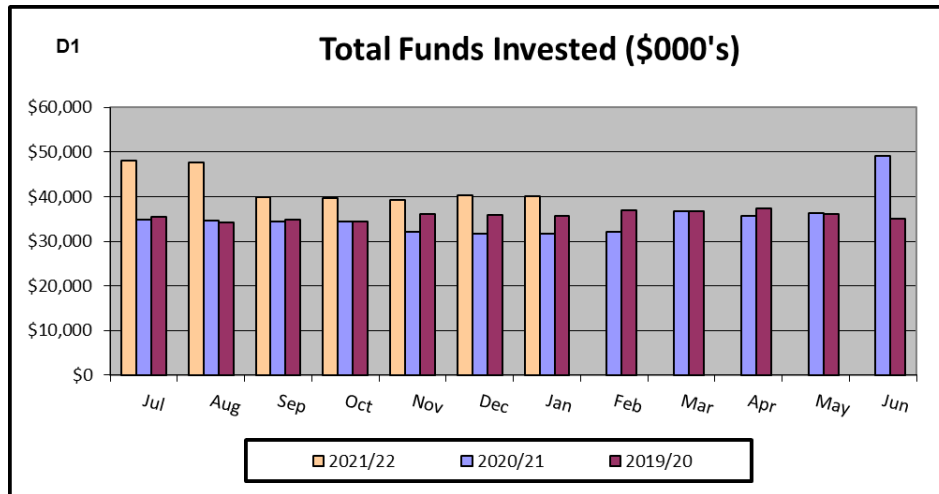
Deposits with Australian Deposit-taking institutions (ADI) are Government.
Guaranteed for balances totalling up to \$250,000 per customer, per institution.

Budget Interest @ 31 January 2022 **208,833.33**
Budget variance **(94,135.75)**



Investment by Institution





Summary of indebtedness as at 31 January 2022

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	\$ 1,581,812	\$ 2,178,588	\$ 6,558,511	\$ 6,226,708	\$ 5,827,221	\$ 5,497,402	\$ 257,295	\$ 28,127,538
Interest Incurred LTD	\$ 1,651,927	\$ 2,192,603	\$ 7,261,213	\$ 7,178,162	\$ 7,474,928	\$ 7,465,655	\$ 180,900	\$ 33,405,389
Principal Outstanding	\$ 418,188	\$ 821,412	\$ 3,441,489	\$ 3,773,292	\$ 4,172,779	\$ 4,502,599	\$ 13,242,705	\$ 30,372,462
Interest Outstanding	\$ 43,775	\$ 105,811	\$ 570,689	\$ 694,998	\$ 893,562	\$ 1,064,887	\$ 3,846,904	\$ 7,220,626