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# Investments - May 2022

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

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## Recommendation

That Council receive and note the Investments for May 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 May 2022.

## Finance

### RBA cash rate

At the RBA's May 2022 meeting, it was decided to increase the cash rate to 0.35%. The Board judged that some withdrawal of the government monetary support provided through the pandemic and a start to the process of normalising interest rates was appropriate, given both the progress towards full employment, and household price increases. The 90-day average bank bill swap rate (BBSW) has increased to 0.98%.

Total funds invested as at 31 May 2022 = \$38,826,691

Return for May 2022 = 1.05%

The weighted average return on funds invested for the month of May 2022 was 1.05%. This represents an increase of 35 basis point compared to the March 2022 result (0.70%) and is 7 basis points above Council's benchmark (the average 90-day BBSW rate of 0.98%) (Refer: Graph D2 - Attachment D).

Interest earned for May 2022 = \$29,529

Interest earned compared to the adjusted budget is \$547 above the pro-rata budget (Refer: Attachment A).

Cheque account balance as at 31 May 2022 = \$249,455

Ethical holdings represent 36.06% of the total portfolio

Current holdings in Ethical Financial Institutions equals \$14,000,000. The assessment of Ethical Financial Institutions is undertaken using [www.marketforces.org.au](http://www.marketforces.org.au) which is an affiliate project of the Friends of the Earth Australia (Refer: Graph D4 - Attachment D).

## 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 'Investments' policy.

## Conclusion

A report on investments is required to be submitted to Council. As at 31 May 2022, investments total \$38,826,691 and the average rate of return is estimated at 1.05%.

### Attachments

- A. Investment analysis
- B. Investment by type
- C. Investment by Institution
- D. Total funds invested - comparisons
- E. Summary of indebtedness

Investment analysis report 31 May 2022

Attachment A

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 May 22 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		8.57	3,326,690.80	1.20	1,253.94	12,747.70
Bank of Queensland	BBB+	TD	Yes	20/10/2020	18/10/2022	1.29	500,000.00	0.80	339.73	3,671.23
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	14/6/2022	2.58	1,000,000.00	0.45	382.19	4,130.14
Commonwealth Bank of Australia	AA-	TD	No	11/6/2021	28/6/2022	2.58	1,000,000.00	0.46	390.68	4,221.92
ING Bank Aust Ltd	A	TD	No	17/6/2021	21/6/2022	2.58	1,000,000.00	0.40	339.73	3,671.23
Commonwealth Bank of Australia	AA-	TD	N/A	6/7/2021	5/7/2022	2.58	1,000,000.00	0.41	348.22	3,706.85
Bank of Queensland	BBB+	TD	Yes	24/8/2021	23/8/2022	1.29	500,000.00	0.45	191.10	1,732.19
Bank of Queensland	BBB+	TD	Yes	31/8/2021	2/8/2022	1.29	500,000.00	0.43	182.60	1,613.97
AMP Bank	BBB	TD	No	14/9/2021	13/9/2022	1.29	500,000.00	0.45	191.10	1,602.74
ME Bank	BBB+	TD	No	21/9/2021	20/9/2022	2.58	1,000,000.00	0.40	339.73	2,772.60
MyState Bank Limited	BBB+	TD	Yes	28/9/2021	27/9/2022	1.29	500,000.00	0.45	191.10	1,516.44
Commonwealth Bank of Australia	AA-	TD	No	5/10/2021	4/10/2022	2.58	1,000,000.00	0.36	305.75	2,357.26
Westpac Banking Corporation	AA-	TD	No	12/10/2021	11/10/2022	1.29	500,000.00	0.40	169.86	1,271.23
Westpac Banking Corporation	AA-	TD	N/A	19/10/2021	18/10/2022	2.58	1,000,000.00	0.46	390.68	2,835.62
Westpac Banking Corporation	AA-	TD	No	26/10/2021	25/10/2022	1.29	500,000.00	0.49	208.08	1,463.29
Judo Bank	BBB-	TD	Yes	2/11/2021	1/11/2022	1.29	500,000.00	1.01	428.90	2,919.32
Summerland Credit Union	UNRATED	TD	Yes	9/11/2021	6/12/2022	1.29	500,000.00	0.65	276.03	1,816.44
AMP Bank	BBB	TD	No	16/11/2021	8/11/2022	1.29	500,000.00	1.00	424.66	2,698.63
AMP Bank	BBB	TD	No	16/11/2021	15/11/2022	1.29	500,000.00	1.00	424.66	2,698.63
ME Bank	BBB+	TD	No	23/11/2021	22/11/2022	2.58	1,000,000.00	0.65	552.05	3,383.56
Auswide Bank Ltd	BBB+	TD	Yes	30/11/2021	29/11/2022	2.58	1,000,000.00	0.80	679.45	4,010.96
Judo Bank	BBB-	TD	Yes	30/11/2021	22/11/2022	1.29	500,000.00	1.10	467.12	2,757.53
AMP Bank	BBB	TD	No	30/11/2021	29/11/2022	1.29	500,000.00	1.00	424.66	2,506.85
Westpac Banking Corporation	AA-	TD	No	7/12/2021	6/12/2022	2.58	1,000,000.00	0.58	492.60	2,796.71
ING Bank Aust Ltd	A	TD	No	7/12/2021	13/12/2022	2.58	1,000,000.00	0.60	509.59	2,893.15
Westpac Banking Corporation	AA-	TD	No	4/1/2022	4/1/2023	1.29	500,000.00	0.68	288.77	1,378.63
National Australia Bank Limited	AA-	TD	No	11/1/2022	10/1/2023	2.58	1,000,000.00	0.65	552.05	2,510.96
Commonwealth Bank of Australia	AA-	TD	N/A	18/1/2022	18/1/2023	2.58	1,000,000.00	0.50	424.66	1,835.62
Commonwealth Bank of Australia	AA-	TD	N/A	8/2/2022	8/8/2022	2.58	1,000,000.00	0.40	339.73	1,238.36

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 May 22 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
Westpac Banking Corporation	AA-	TD	No	16/2/2022	16/2/2023	2.58	1,000,000.00	0.95	806.85	2,732.88
Westpac Banking Corporation	AA-	TD	Yes	22/2/2022	22/2/2023	2.58	1,000,000.00	0.88	747.40	2,386.85
Westpac Banking Corporation	AA-	TD	Yes	23/2/2022	7/3/2023	2.58	1,000,000.00	0.94	798.36	2,523.84
Westpac Banking Corporation	AA-	TD	Yes	23/2/2022	14/3/2023	2.58	1,000,000.00	0.94	798.36	2,523.84
Westpac Banking Corporation	AA-	TD	N/A	23/2/2022	28/3/2023	1.29	500,000.00	0.94	399.18	1,261.92
ING Bank Aust Ltd	A	TD	No	1/3/2022	28/2/2023	2.58	1,000,000.00	0.80	679.45	2,016.44
Westpac Banking Corporation	AA-	TD	No	8/3/2022	8/3/2023	2.58	1,000,000.00	1.00	849.32	2,328.77
Macquarie Bank Limited	A+	TD	No	23/3/2022	20/9/2022	2.58	1,000,000.00	0.85	721.92	1,630.14
ING Bank Aust Ltd	A	TD	No	5/4/2022	4/4/2023	2.58	1,000,000.00	1.68	1,426.85	2,623.56
Bank of Queensland	BBB+	TD	Yes	19/4/2022	19/4/2023	2.58	1,000,000.00	1.90	1,613.70	2,238.36
MyState Bank Limited	BBB+	TD	No	29/4/2022	2/5/2023	2.58	1,000,000.00	2.60	2,208.22	2,350.68
Commonwealth Bank of Australia	AA-	TD	No	29/4/2022	2/5/2023	2.58	1,000,000.00	2.72	2,310.14	2,459.18
Commonwealth Bank of Australia	AA-	TD	No	3/5/2022	2/5/2023	2.58	1,000,000.00	2.74	2,176.99	2,176.99
Commonwealth Bank of Australia	AA-	TD	No	10/5/2022	10/5/2023	2.58	1,000,000.00	3.01	1,814.25	1,814.25
Bank Of Queensland	BBB+	TD	Yes	31/5/2022	6/6/2023	2.58	1,000,000.00	3.20	0.00	0.00
MATURED TDs									668.49	82,469.45
						<b>100.00</b>	<b>38,826,690.80</b>	<b>1.05</b>	<b>29,528.87</b>	<b>198,296.88</b>

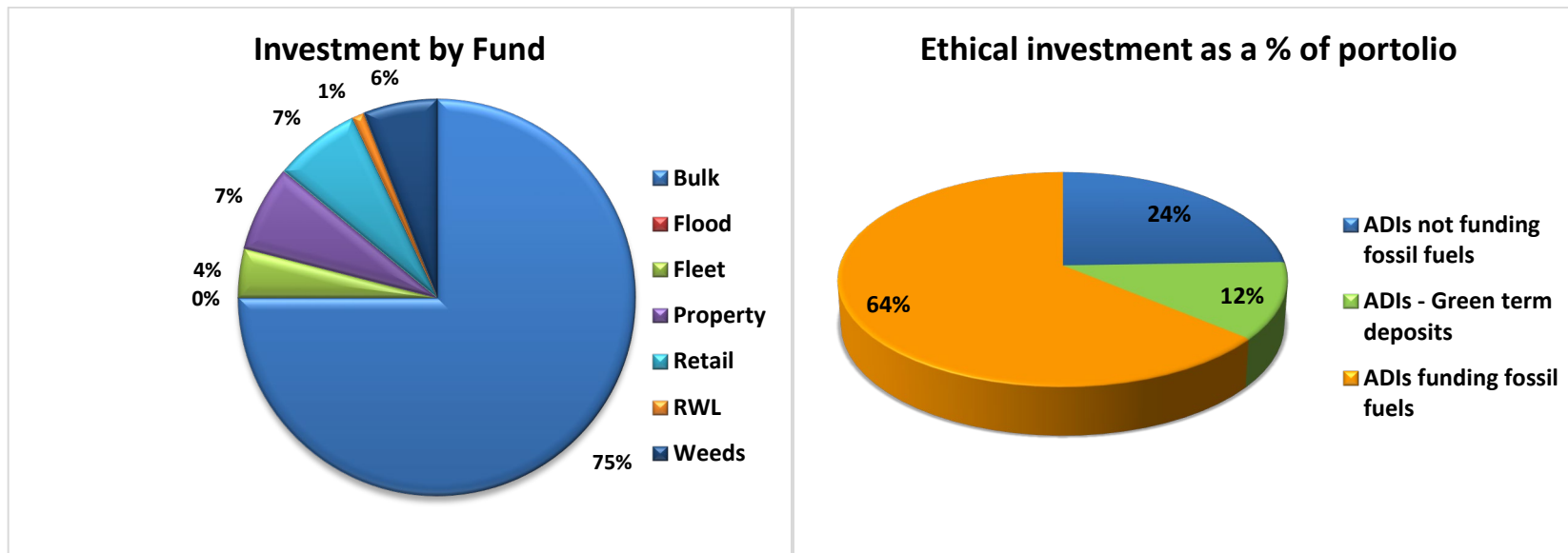
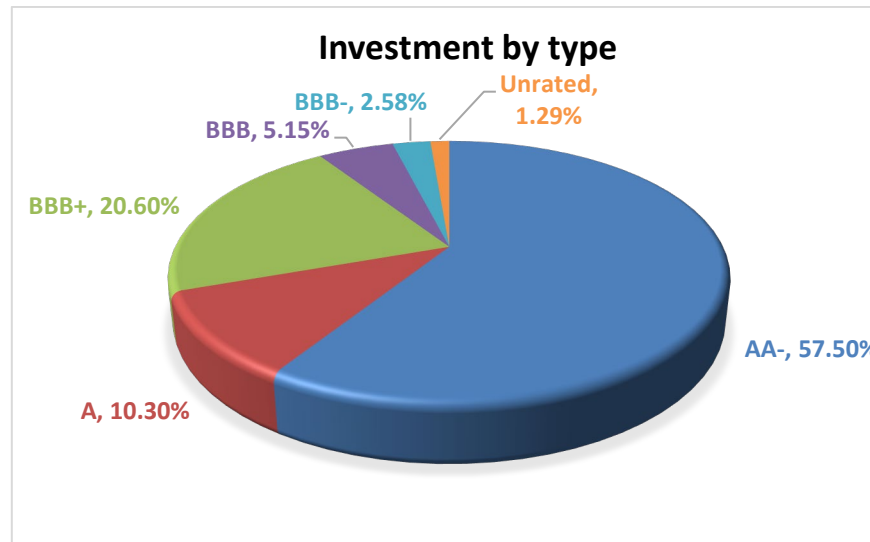
**Total Investment Holdings**

<b>100.00</b>	<b>38,826,690.80</b>	<b>29,528.87</b>	<b>198,296.88</b>
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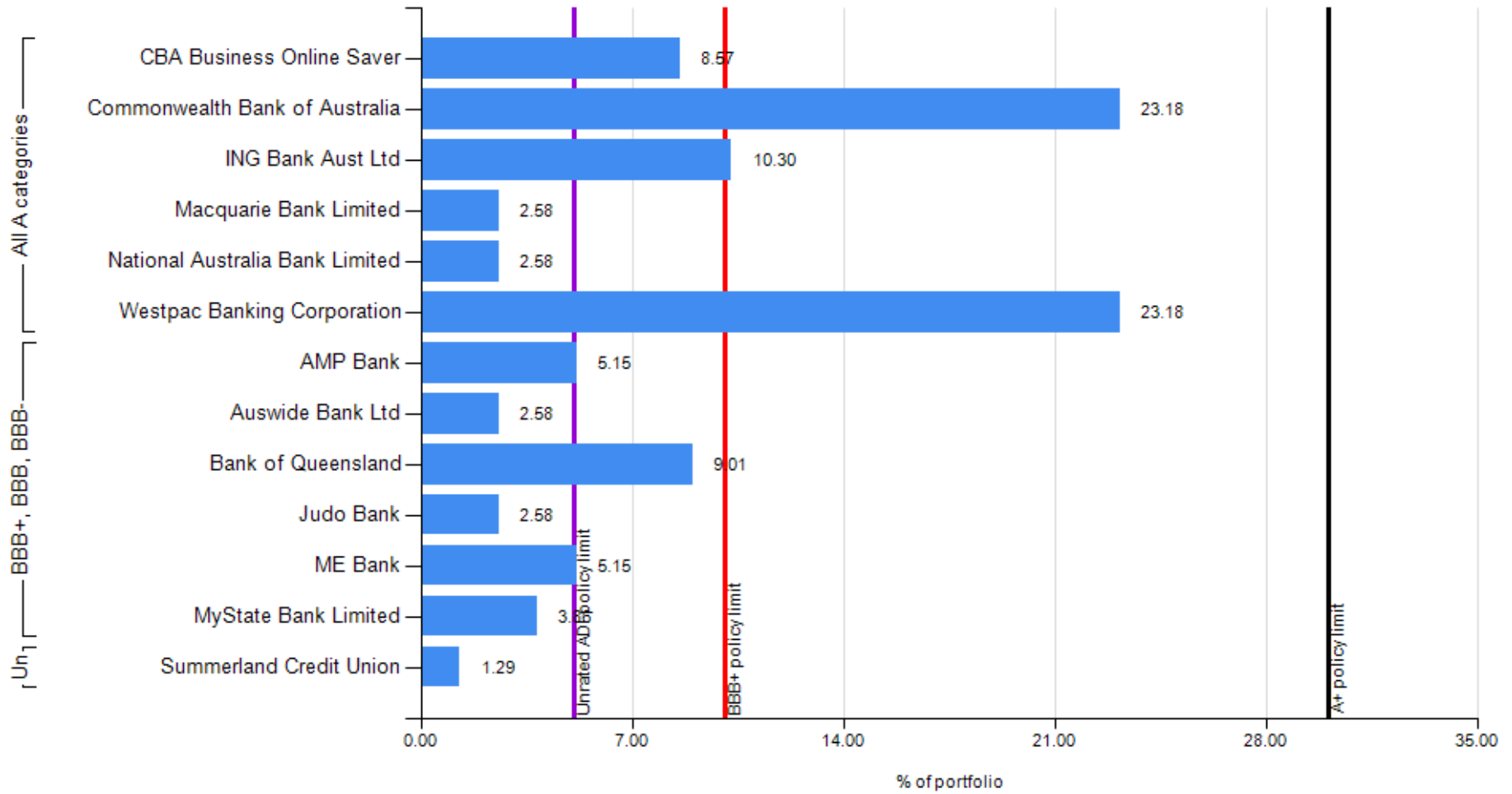
Total YTD Interest **198,296.88**

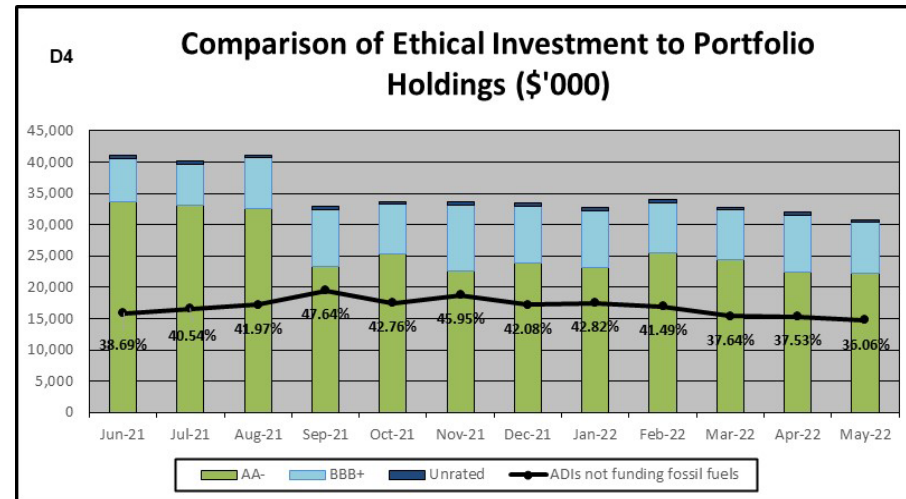
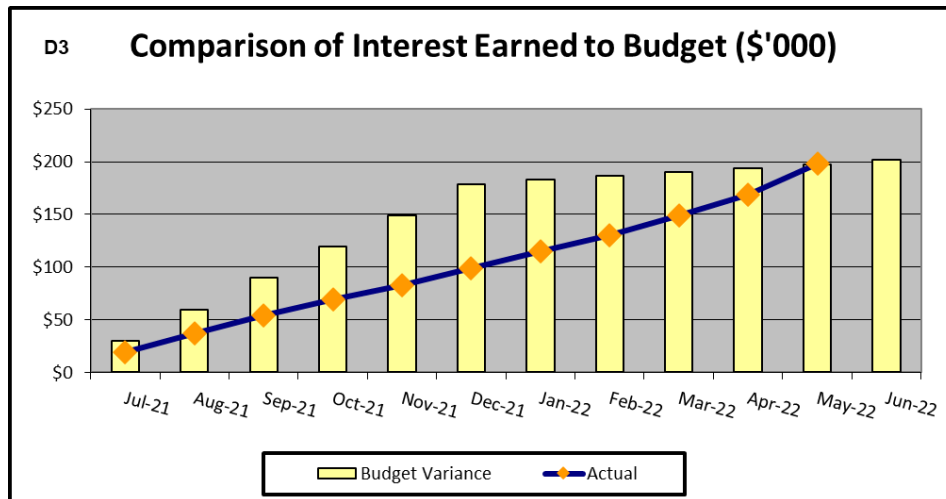
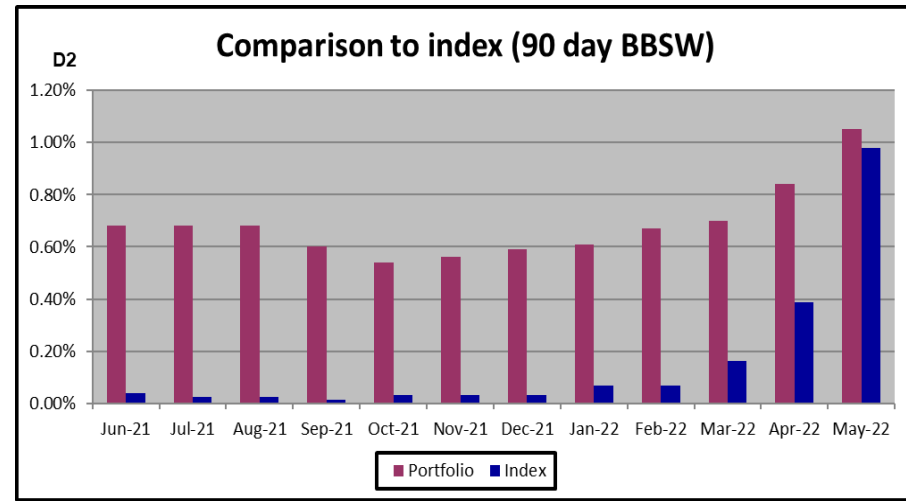
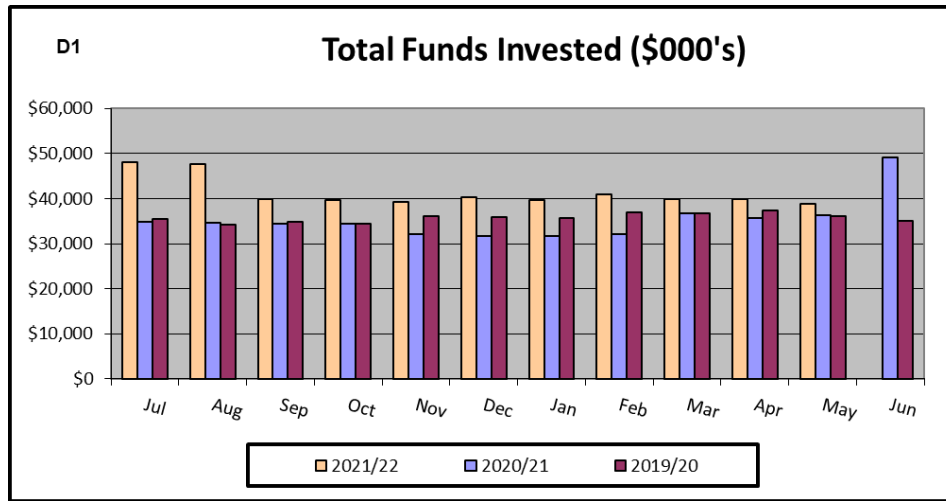
Budget Interest @ 31 May 2022 **197,750.00**

Budget Variance **546.88**



Investment by Institution





**Summary of indebtedness as at 31 May 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	\$ 1,659,984	\$ 2,285,450	\$ 6,894,998	\$ 6,226,708	\$ 6,145,783	\$ 5,809,053	\$ 518,038	\$ 29,540,012
Interest Incurred LTD	\$ 1,651,927	\$ 2,218,202	\$ 7,370,525	\$ 7,178,162	\$ 7,615,062	\$ 7,616,970	\$ 180,900	\$ 33,831,747
Principal Outstanding	\$ 418,188	\$ 714,550	\$ 3,105,002	\$ 3,773,292	\$ 3,854,217	\$ 4,190,948	\$ 13,242,705	\$ 29,298,902
Interest Outstanding	\$ 43,775	\$ 80,212	\$ 461,378	\$ 694,998	\$ 753,428	\$ 913,572	\$ 3,846,904	\$ 6,794,267