
Investments - January 2023

Responsible Officer: Group Manager Corporate and Commercial (Geoff Ward)

Recommendation

That Council receive and note the Investments for January 2023.

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 2023.

Finance Report

The RBA cash rate is 3.1%

At the RBA's 6th December 2022 meeting, it was decided to increase the cash rate by 25 basis points to 3.1%. The Board expects to increase interest rates further over the period ahead, but it is not on a pre-set path. Members noted that there was considerable uncertainty about the outlook. While household spending was expected to slow over the period ahead, the timing and extent of this slowdown was uncertain. Another source of uncertainty was the outlook for the global economy, which had deteriorated. The Board would also continue to play close attention to the price-setting behaviour of firms and the evolution of labour costs, given the importance of avoiding a price-wage spiral.

The 90-day average bank bill swap rate (BBSW) is 3.37%.

Total funds invested is \$38,708,151

This includes term investments and cheque account balance.

Weighted Average Return is 3.11%

This represents an increase of 14 basis points compared to the December 2022 result (2.97%) and is 26 basis points below Council's benchmark (the average 90-day BBSW rate of 3.37%) (Refer: Graph D2 - Attachment D).

Interest earned for January 2023 is \$105,411

Total interest earned compared to the original budget is \$214,045 above the pro-rata budget. (Refer: Attachment A).

Cheque account balance is \$176,970

Ethical holdings is \$8,000,975 (20.67% of current holdings)

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 - Attachment D).

Legal

Investments are to be made in accordance with section 625 of the *Local Government Act 1993* ('Act') and Council's 'Investments' policy and reported to Council in accordance with clause 212 of the *Local Government (General) Regulation 2021* ('Regulation').

Conclusion

A report on investments is required to be submitted to Council. As at 31 January 2023, investments total \$38,708,151 and the average rate of return is estimated at 3.11%.

Attachments

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

Investment analysis report

Attachment A

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 Jan 23 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		10.87	4,208,151.18	1.95	11,602.65	57,743.79
Westpac Banking Corporation	AA-	TD	No	16/2/2022	16/2/2023	2.58	1,000,000.00	0.95	806.85	5,595.89
Westpac Banking Corporation	AA-	TD	Yes	22/2/2022	22/2/2023	2.58	1,000,000.00	0.88	747.40	5,183.56
Westpac Banking Corporation	AA-	TD	Yes	23/2/2022	7/3/2023	2.58	1,000,000.00	0.94	798.36	5,536.99
Westpac Banking Corporation	AA-	TD	Yes	23/2/2022	14/3/2023	2.58	1,000,000.00	0.94	798.36	5,536.99
Westpac Banking Corporation	AA-	TD	No	23/2/2022	28/3/2023	1.29	500,000.00	0.94	399.18	2,768.49
ING Bank Aust Ltd	A	TD	No	1/3/2022	28/2/2023	2.58	1,000,000.00	0.80	679.45	4,712.33
Westpac Banking Corporation	AA-	TD	No	8/3/2022	8/3/2023	2.58	1,000,000.00	1.00	849.32	5,890.41
ING Bank Aust Ltd	A	TD	No	5/4/2022	4/4/2023	2.58	1,000,000.00	1.68	1,426.85	9,895.89
Bank of Queensland	BBB+	TD	Yes	19/4/2022	19/4/2023	2.58	1,000,000.00	1.90	1,613.70	11,191.78
MyState Bank Limited	BBB+	TD	Yes	29/4/2022	2/5/2023	2.58	1,000,000.00	2.60	2,208.22	15,315.07
Commonwealth Bank of Australia	AA-	TD	No	29/4/2022	2/5/2023	2.58	1,000,000.00	2.72	2,310.14	16,021.92
Commonwealth Bank of Australia	AA-	TD	No	3/5/2022	2/5/2023	2.58	1,000,000.00	2.74	2,327.12	16,139.73
Commonwealth Bank of Australia	AA-	TD	No	10/5/2022	10/5/2023	2.58	1,000,000.00	3.01	2,556.44	17,730.14
Bank Of Queensland	BBB+	TD	Yes	31/5/2022	6/6/2023	2.58	1,000,000.00	3.20	2,717.81	18,849.32
Commonwealth Bank of Australia	AA-	TD	No	14/6/2022	13/6/2023	2.58	1,000,000.00	3.89	3,303.84	22,913.70
Commonwealth Bank of Australia	AA-	TD	No	28/6/2022	28/6/2023	2.58	1,000,000.00	3.95	3,354.79	23,267.12
ING Bank Aust Ltd	A	TD	No	29/6/2022	4/7/2023	3.88	1,500,000.00	4.00	5,095.89	35,342.47
ING Bank Aust Ltd	A	TD	No	30/6/2022	30/6/2023	3.88	1,500,000.00	4.05	5,159.59	35,784.25
Bank of Queensland	BBB+	TD	Yes	2/8/2022	1/8/2023	1.29	500,000.00	3.85	1,634.93	9,651.37
Westpac Banking Corporation	AA-	TD	No	23/8/2022	23/8/2023	5.17	2,000,000.00	4.13	7,015.34	36,660.82
AMP Bank	BBB	TD	No	13/9/2022	13/9/2023	1.29	500,000.00	4.30	1,826.03	8,305.48
AMP Bank	BBB	TD	No	20/9/2022	19/9/2023	2.58	1,000,000.00	4.50	3,821.92	16,520.55
MyState Bank Limited	BBB+	TD	Yes	27/9/2022	26/9/2023	1.29	500,000.00	4.62	1,961.92	8,037.53

Westpac Banking Corporation	AA-	TD	No	11/10/2022	10/10/2023	2.58	1,000,000.00	4.30	3,652.05	13,312.33
National Australia Bank Limited	AA-	TD	No	18/10/2022	18/4/2023	1.29	500,000.00	3.82	1,622.19	5,546.85
Commonwealth Bank of Australia	AA-	TD	No	18/10/2022	17/10/2023	2.58	1,000,000.00	4.42	3,753.97	12,836.16
Westpac Banking Corporation	AA-	TD	No	25/10/2022	24/10/2023	1.29	500,000.00	4.57	1,940.68	6,197.67
Westpac Banking Corporation	AA-	TD	No	3/11/2022	9/5/2023	2.58	1,000,000.00	4.04	3,431.23	9,961.64
National Australia Bank Limited	AA-	TD	No	10/11/2022	14/11/2023	1.29	500,000.00	4.42	1,876.99	5,025.48
National Australia Bank Limited	AA-	TD	No	15/11/2022	16/5/2023	1.29	500,000.00	4.02	1,707.12	4,295.34
National Australia Bank Limited	AA-	TD	No	22/11/2022	23/5/2023	1.29	500,000.00	4.07	1,728.36	3,958.49
Commonwealth Bank of Australia	AA-	TD	No	22/11/2022	21/11/2023	2.58	1,000,000.00	4.52	3,838.90	8,792.33
Westpac Banking Corporation	AA-	TD	No	29/11/2022	28/11/2023	3.88	1,500,000.00	4.39	5,592.74	11,546.30
Westpac Banking Corporation	AA-	TD	No	6/12/2022	5/12/2023	2.58	1,000,000.00	4.29	3,643.56	6,699.45
National Australia Bank Limited	AA-	TD	No	6/12/2022	6/6/2023	1.29	500,000.00	4.08	1,732.60	3,185.75
Summerland Credit Union	UNRATED	TD	No	13/12/2022	13/6/2023	2.58	1,000,000.00	4.47	3,796.44	6,123.29
Commonwealth Bank of Australia	AA-	TD	Yes	18/1/2023	25/7/2023	2.58	1,000,000.00	4.32	1,656.99	1,656.99
MATURED TDs									421.10	39,625.75
						100.00	38,708,151.18	3.11	105,411.01	533,359.41

Total Investment Holdings

100.00 38,708,151.18

105,411.01 533,359.41

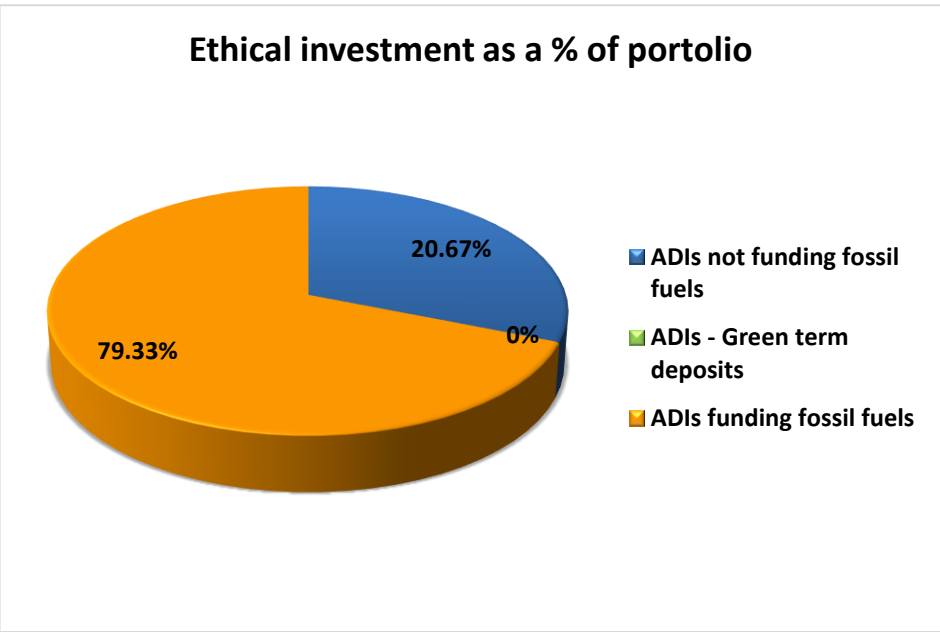
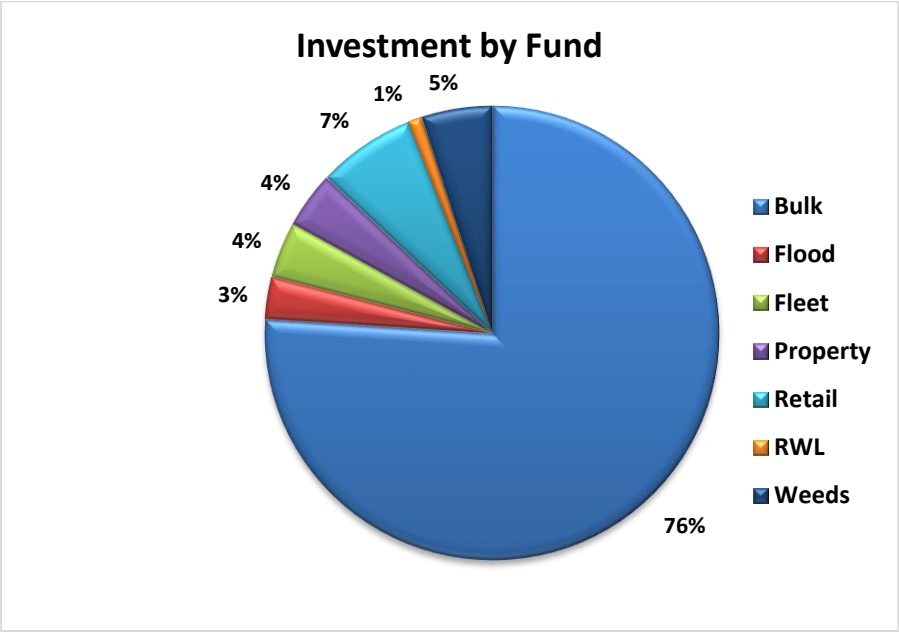
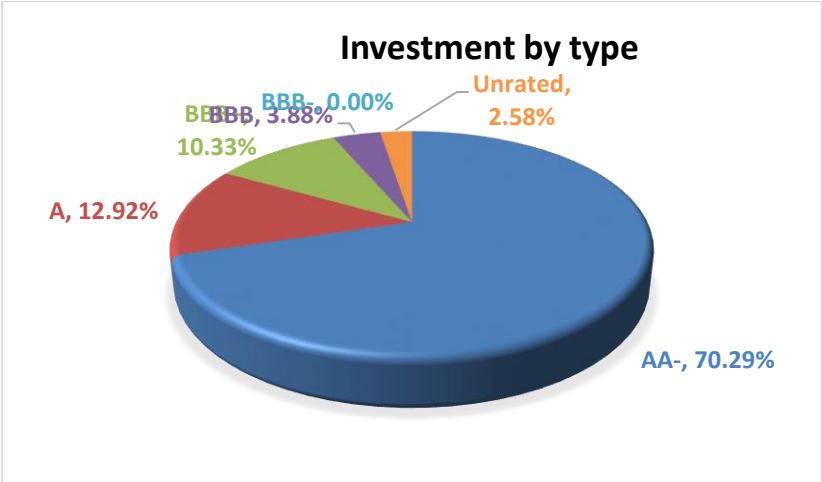
Total YTD Interest **533,359.41**

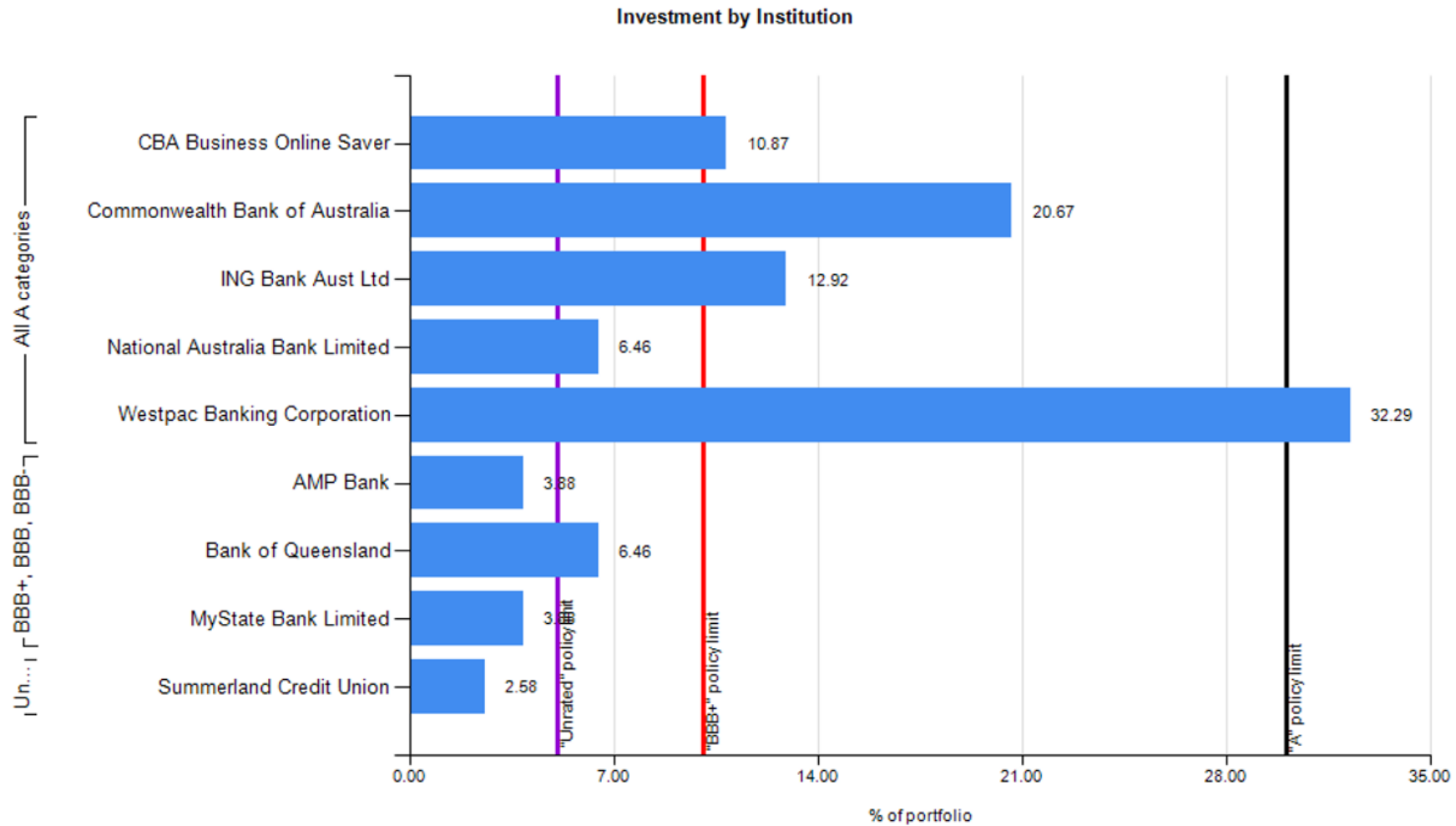
Deposits with Australian Deposit-taking institutions (ADI) are Government.

Budget Interest @ 31 January 2023 **319,313.89**

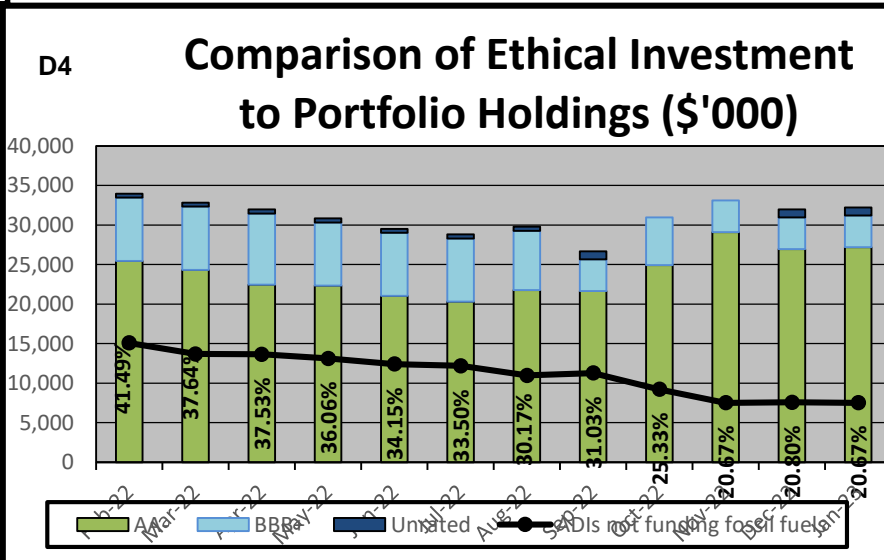
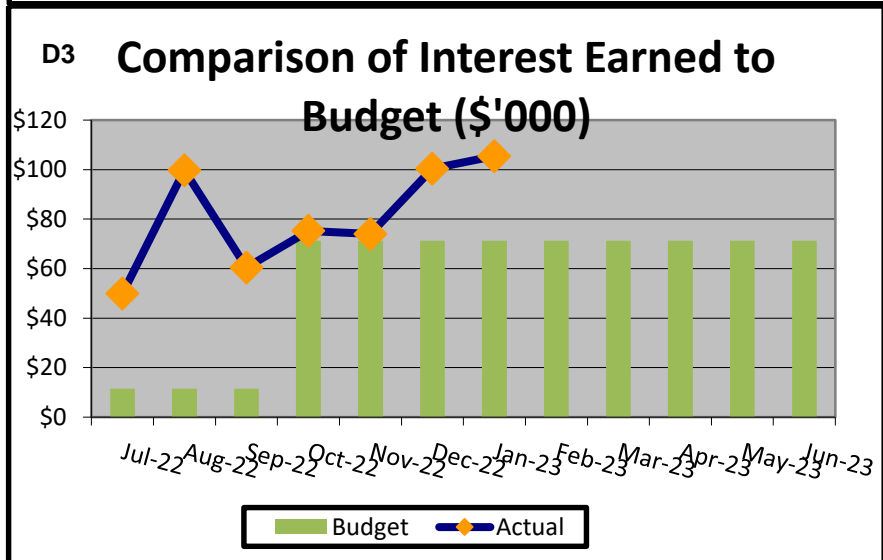
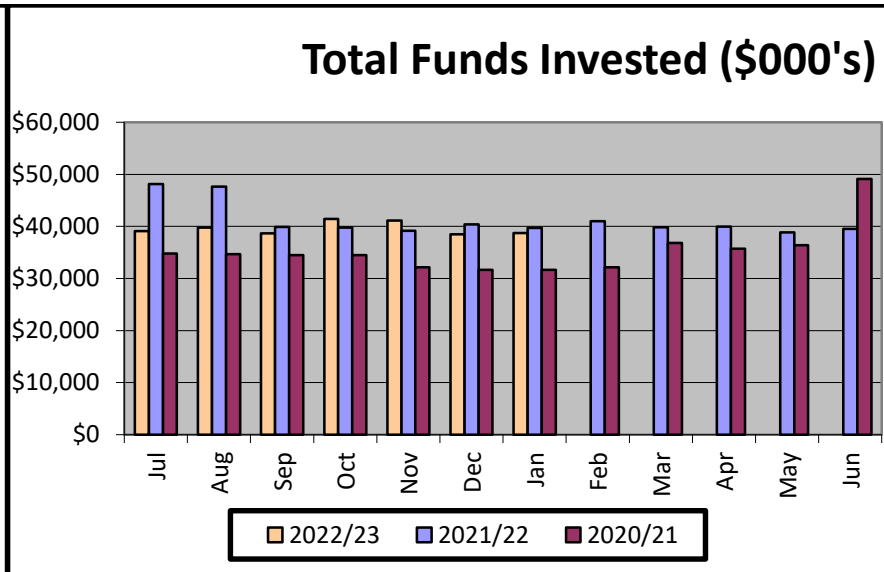
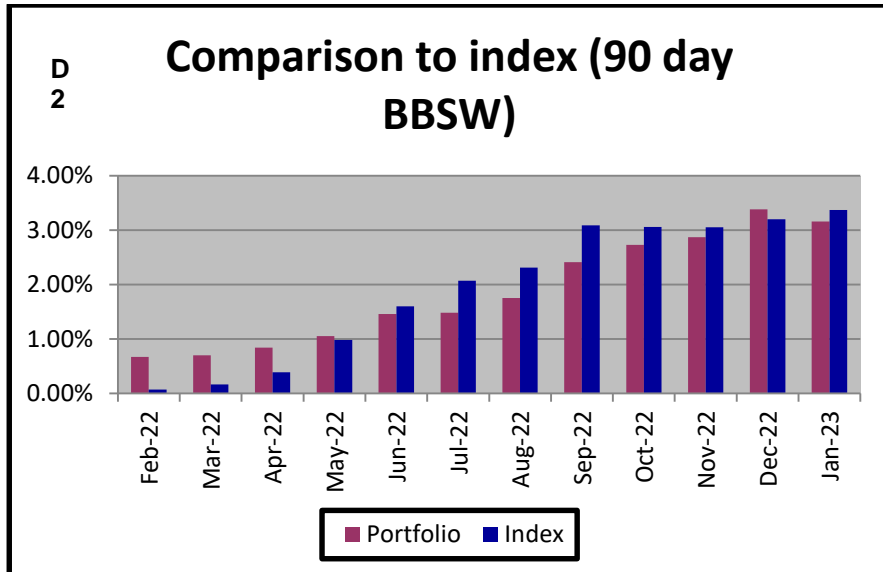
Guaranteed for balances totalling up to \$250,000 per customer, per institution.

Budget variance **214,045.52**





Note: Institutions shown with "****" and in red are in breach of council policy.



Summary of indebtedness

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	\$ 1,740,750	\$ 2,395,519	\$ 7,241,630	\$ 6,889,553	\$ 6,474,331	\$ 6,126,457	\$ 782,275	\$ 31,650,514
Interest Incurred LTD	\$ 1,677,774	\$ 2,240,593	\$ 7,469,690	\$ 7,408,975	\$ 7,745,208	\$ 7,762,533	\$ 532,311	\$ 34,837,084
Principal Outstanding	\$ 259,250	\$ 604,481	\$ 2,758,370	\$ 3,110,447	\$ 3,525,669	\$ 3,873,544	\$ 12,717,725	\$ 26,849,487
Interest Outstanding	\$ 17,927	\$ 57,821	\$ 362,213	\$ 464,185	\$ 623,282	\$ 768,009	\$ 3,495,494	\$ 5,788,930