
Investments - March 2023

Responsible Officer: Group Manager Corporate and Commercial

Recommendation

That Council receive and note the Investments for March 2023.

Background

Clause 212 of the *Local Government (General) Regulation 2021* ('Regulation') and Council's 'Investments' policy require that a report detailing Council's investments be provided. This report has been prepared as at 31 March 2023.

Finance Report

The RBA cash rate is 3.60%

At the RBA's 7th March 2023 meeting it was decided to increase the cash rate by 25 basis points to 3.60%. Global inflation remains very high. The Board have acknowledged it will be some time before inflation is back to target rates. They observe the outlook for the global economy remains subdued, with below average growth expected this year and next. The monthly CPI indicator suggests that inflation has peaked in Australia. Goods price inflation is expected to moderate over the months ahead due to both global developments and softer demand in Australia.

The Board's priority is to return inflation to target. The Board expects that further tightening of monetary policy will be needed to ensure that inflation returns to target and that this period of high inflation is only temporary. In assessing when and how much further interest rates need to increase, the Board will be paying close attention to developments in the global economy, trends in household spending and the outlook for inflation and the labour market.

The 90-day average bank bill swap rate (BBSW) is 3.72%.

Total funds invested is \$40,178,098

This includes term investments and cheque account balance.

Weighted Average Return is 3.51%

This represents an increase of 48 basis point compared to the January 2023 result (3.03%) and is 21 basis points below Council's benchmark (the average 90-day BBSW rate of 3.72%) (Refer: Graph D2 - Attachment D).

Interest earned is \$123,780

Interest earned compared to the original budget is \$294,414 above the pro-rata budget. (Refer: Attachment A).

Cheque account balance is \$210,018

Weel account balance is \$67,311

This is a bank account with Cuscal Limited and is used to hold funds for a prepaid credit card app that is currently being trialled by Rous.

Ethical holdings is \$4,998,155 (12.44% 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

In accordance with section 212(1)(b) of the Regulation, the Responsible Accounting Officer (currently the Finance Manager) certifies the investments identified in this report have been made in accordance with section 625 of the *Local Government Act 1993*, section 212 of the Regulation, and the provisions of Council's 'Investments' policy.

Conclusion

A report on investments is required to be submitted to Council. As at 31 March 2023, investments total \$40,178,098 and the average rate of return is estimated at 3.51%.

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 Mar 23 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		20.35	8,178,097.77	1.95	24,369.20	95,456.93
ING Bank Aust Ltd	A	TD	No	5/4/2022	4/4/2023	2.49	1,000,000.00	1.68	1,426.85	12,611.51
Bank of Queensland	BBB+	TD	Yes	19/4/2022	19/4/2023	2.49	1,000,000.00	1.90	1,613.70	14,263.01
MyState Bank Limited	BBB+	TD	Yes	29/4/2022	2/5/2023	2.49	1,000,000.00	2.60	2,208.22	19,517.81
Commonwealth Bank of Australia	AA-	TD	No	29/4/2022	2/5/2023	2.49	1,000,000.00	2.72	2,310.14	20,418.63
Commonwealth Bank of Australia	AA-	TD	No	3/5/2022	2/5/2023	2.49	1,000,000.00	2.74	2,327.12	20,568.77
Commonwealth Bank of Australia	AA-	TD	No	10/5/2022	10/5/2023	2.49	1,000,000.00	3.01	2,556.44	22,595.62
Bank Of Queensland	BBB+	TD	Yes	31/5/2022	6/6/2023	2.49	1,000,000.00	3.20	2,717.81	24,021.92
Commonwealth Bank of Australia	AA-	TD	No	14/6/2022	13/6/2023	2.49	1,000,000.00	3.89	3,303.84	29,201.64
Commonwealth Bank of Australia	AA-	TD	No	28/6/2022	28/6/2023	2.49	1,000,000.00	3.95	3,354.79	29,652.05
ING Bank Aust Ltd	A	TD	No	29/6/2022	4/7/2023	3.73	1,500,000.00	4.00	5,095.89	45,041.10
ING Bank Aust Ltd	A	TD	No	30/6/2022	30/6/2023	3.73	1,500,000.00	4.05	5,159.59	45,604.11
Bank of Queensland	BBB+	TD	Yes	2/8/2022	1/8/2023	1.24	500,000.00	3.85	1,634.93	12,763.01
Westpac Banking Corporation	AA-	TD	No	23/8/2022	23/8/2023	4.98	2,000,000.00	4.13	7,015.34	50,012.60
AMP Bank	BBB	TD	No	13/9/2022	13/9/2023	1.24	500,000.00	4.30	1,826.03	11,780.82
AMP Bank	BBB	TD	No	20/9/2022	19/9/2023	2.49	1,000,000.00	4.50	3,821.92	23,794.52
MyState Bank Limited	BBB+	TD	Yes	27/9/2022	26/9/2023	1.24	500,000.00	4.62	1,961.92	11,771.51
Westpac Banking Corporation	AA-	TD	No	11/10/2022	10/10/2023	2.49	1,000,000.00	4.30	3,652.05	20,263.01
National Australia Bank Limited	AA-	TD	No	18/10/2022	18/4/2023	1.24	500,000.00	3.82	1,622.19	8,634.25
Commonwealth Bank of Australia	AA-	TD	No	18/10/2022	17/10/2023	2.49	1,000,000.00	4.42	3,753.97	19,980.82
Westpac Banking Corporation	AA-	TD	No	25/10/2022	24/10/2023	1.24	500,000.00	4.57	1,940.68	9,891.23
Westpac Banking Corporation	AA-	TD	No	3/11/2022	9/5/2023	2.49	1,000,000.00	4.04	3,431.23	16,492.05
National Australia Bank Limited	AA-	TD	No	10/11/2022	14/11/2023	1.24	500,000.00	4.42	1,876.99	8,597.81
National Australia Bank Limited	AA-	TD	No	15/11/2022	16/5/2023	1.24	500,000.00	4.02	1,707.12	7,544.38
National Australia Bank Limited	AA-	TD	No	22/11/2022	23/5/2023	1.24	500,000.00	4.07	1,728.36	7,247.95

Commonwealth Bank of Australia	AA-	TD	No	22/11/2022	21/11/2023	2.49	1,000,000.00	4.52	3,838.90	16,098.63
Westpac Banking Corporation	AA-	TD	No	29/11/2022	28/11/2023	3.73	1,500,000.00	4.39	5,592.74	22,190.55
Westpac Banking Corporation	AA-	TD	No	6/12/2022	5/12/2023	2.49	1,000,000.00	4.29	3,643.56	13,633.97
National Australia Bank Limited	AA-	TD	No	6/12/2022	6/6/2023	1.24	500,000.00	4.08	1,732.60	6,483.29
Summerland Credit Union	UNRATED	TD	No	13/12/2022	13/6/2023	2.49	1,000,000.00	4.47	3,796.44	13,348.77
Commonwealth Bank of Australia	AA-	TD	Yes	18/1/2023	25/7/2023	2.49	1,000,000.00	4.32	3,669.04	8,640.00
ING Bank Aust Ltd	A	TD	No	8/3/2023	12/3/2024	2.49	1,000,000.00	4.98	3,274.52	3,274.52
Westpac Banking Corporation	AA-	TD	No	8/3/2023	12/9/2023	2.49	1,000,000.00	4.56	2,998.36	2,998.36
Macquarie Bank Limited	A+	TD	No	22/3/2023	19/3/2024	2.49	1,000,000.00	4.69	1,284.93	1,284.93
ING Bank Aust Ltd	A	TD	No	28/3/2023	26/3/2024	2.49	1,000,000.00	4.60	504.11	504.11
MATURED TDs									1,028.77	79,937.53
						100.00	40,178,097.77	3.51	123,780.30	756,121.72
Total Investment Holdings						100.00	40,178,097.77		123,780.30	756,121.72

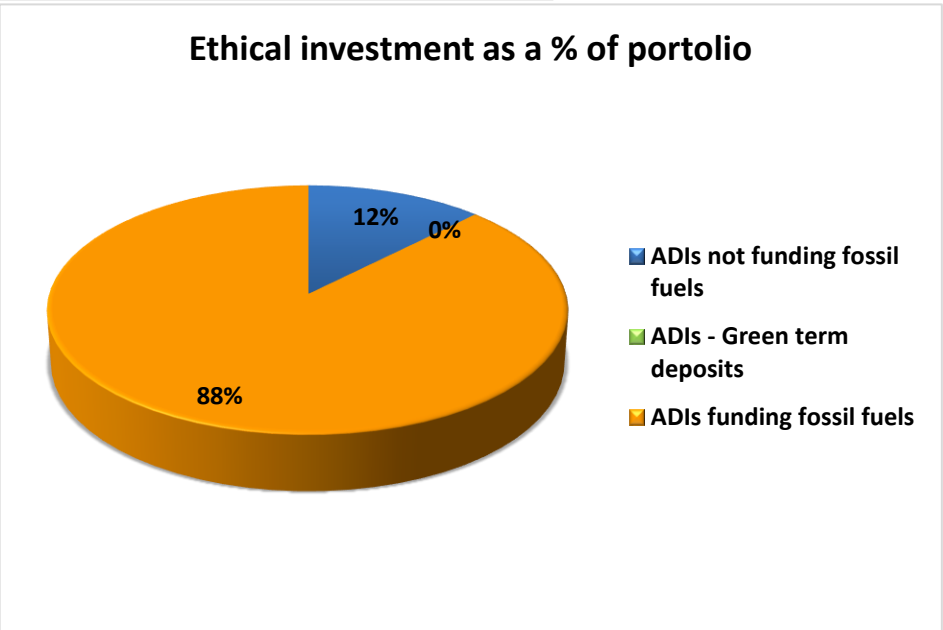
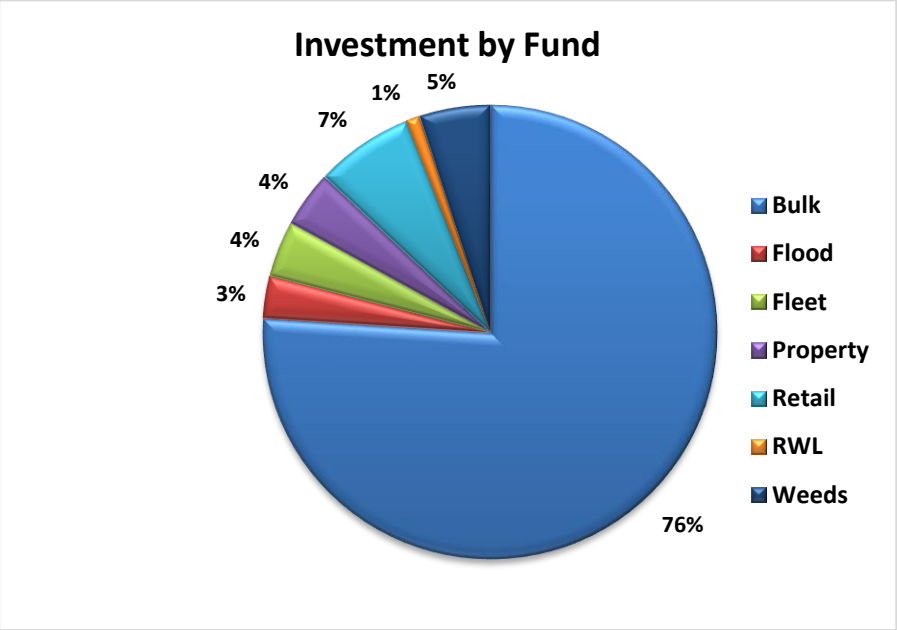
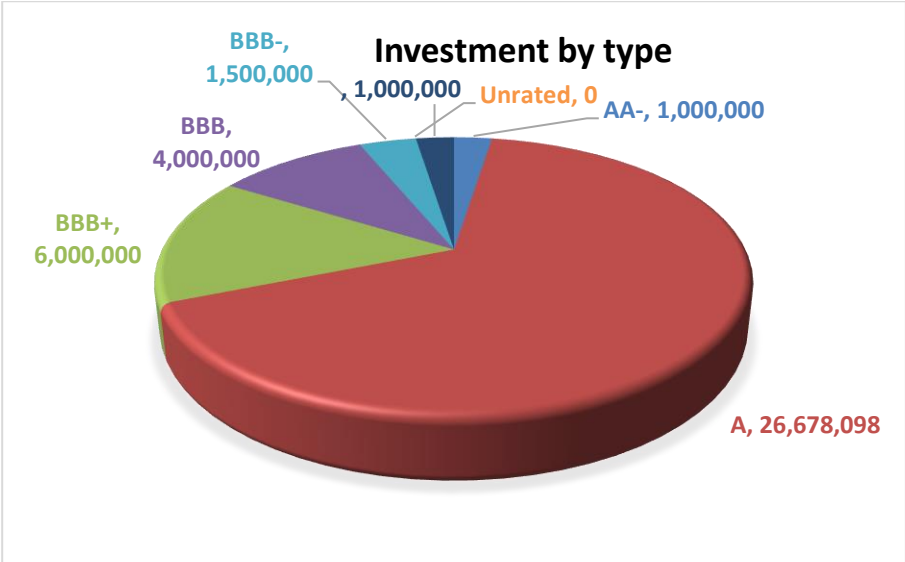
Total YTD Interest **756,121.72**

Budget Interest @ 31 March 2023 **461,708.00**

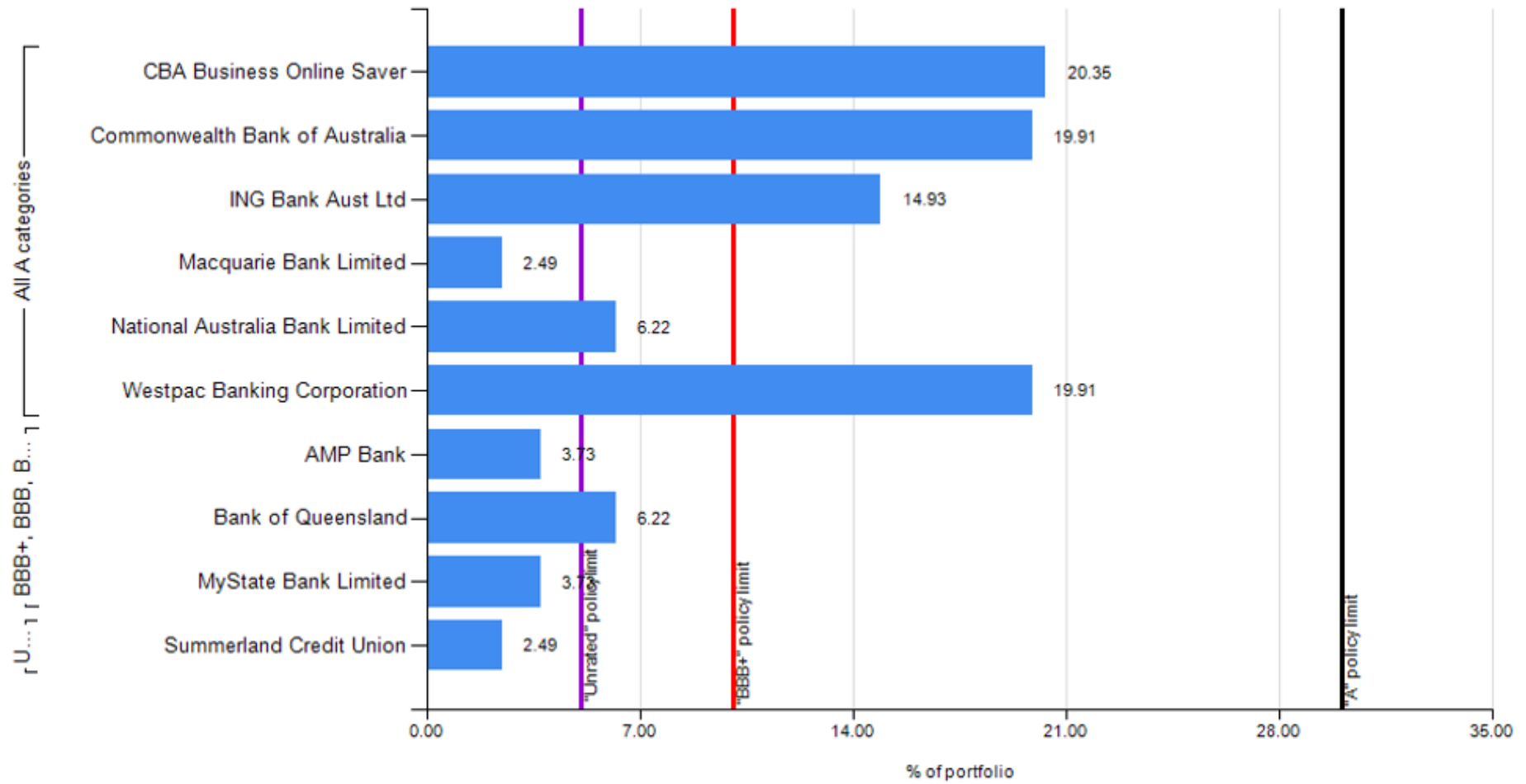
Budget variance **294,413.72**

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

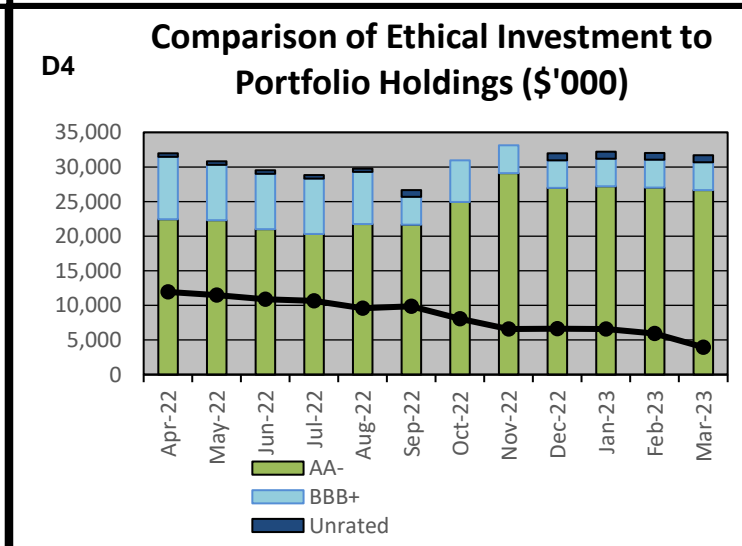
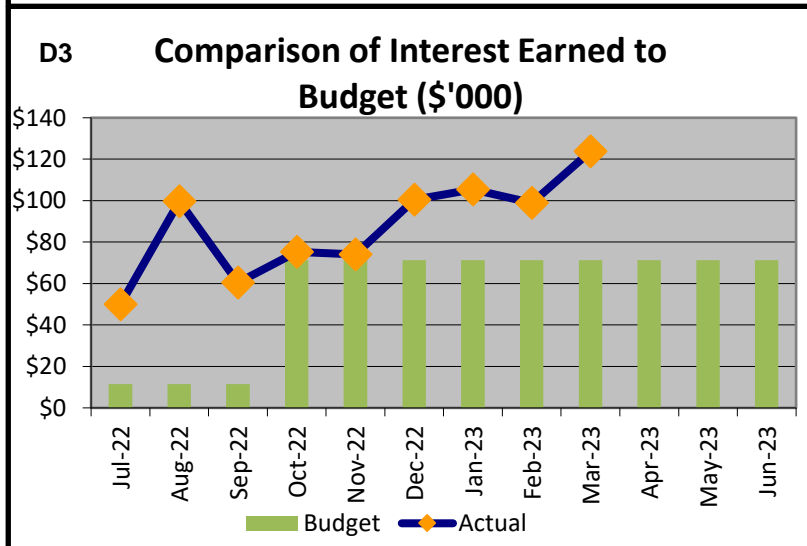
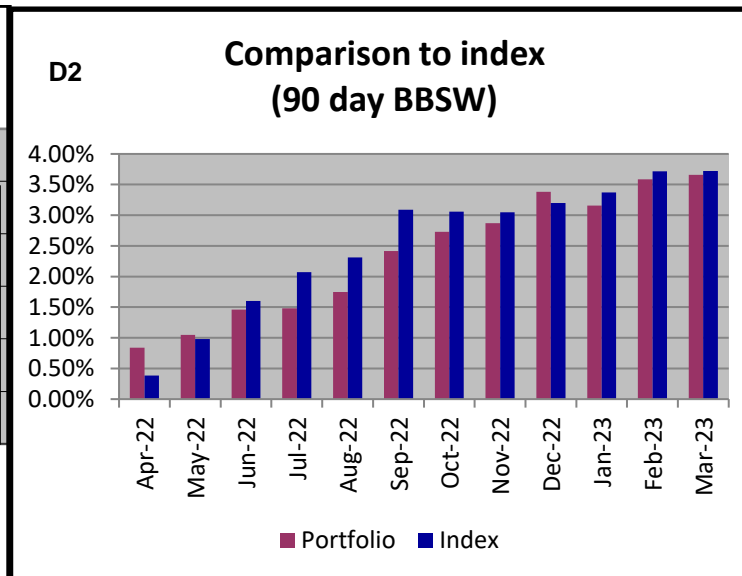
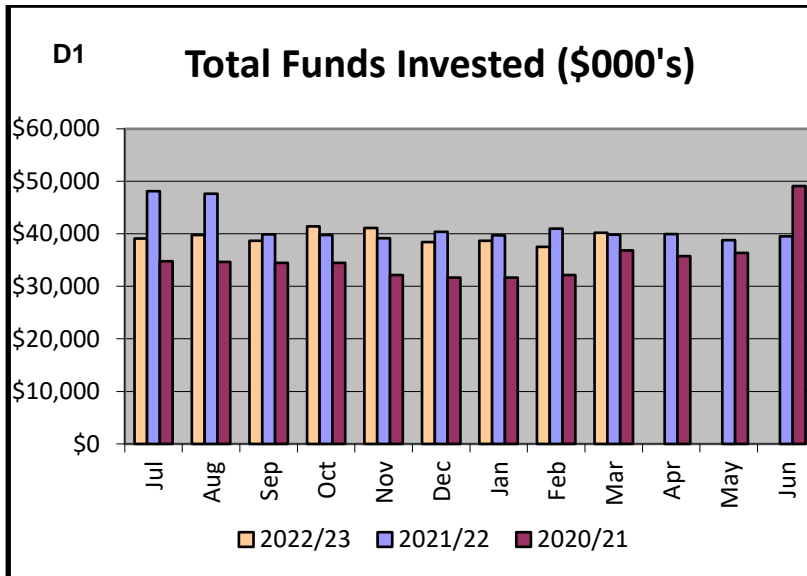
Attachment B



Investment by Institution



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



Attachment E

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	\$ 6,457,066	\$ 782,275	\$ 31,981,123
Interest Incurred LTD	\$ 1,677,774	\$ 2,240,593	\$ 7,469,690	\$ 7,408,975	\$ 7,745,208	\$ 7,894,890	\$ 532,311	\$ 34,969,441
Principal Outstanding	\$ 259,250	\$ 604,481	\$ 2,758,370	\$ 3,110,447	\$ 3,525,669	\$ 3,542,935	\$ 12,717,725	\$ 26,518,878
Interest Outstanding	\$ 17,927	\$ 57,821	\$ 362,213	\$ 464,185	\$ 623,282	\$ 635,653	\$ 3,495,494	\$ 5,656,574