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# Investments - March 2024

Responsible Officer: Group Manager Corporate and Commercial

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## Recommendation

That Council receive and note the Investments for March 2024.

## 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 2024.

## Finance Report

BANK ACCOUNT SUMMARY	TOTAL
Cheque Account Balance	\$285,551
Weel Account Balance – Cuscal Ltd (Pre-paid Corporate Cards)	\$36,660
<b>TOTAL</b>	<b>\$322,211</b>

INVESTMENT SUMMARY	TOTAL
Business Online Saver Account Balance	\$3,662,185
<b>Term Deposits with Institutions not supporting the Fossil Fuel Industry</b> <i>The assessment of Ethical Financial Institutions is undertaken using <a href="http://www.marketforces.org.au">www.marketforces.org.au</a> which is an affiliate project of the Friends of the Earth Australia (Refer: Graph D4 - Attachment D).</i>	\$5,000,000 14.64% of current holdings
Other Term Deposits	\$25,500,000
<b>Total Funds Invested</b> <i>Excluding Cheque Account and Weel Balance</i>	<b>\$34,162,185</b>

OTHER INVESTMENT INFORMATION	TOTAL
<p><b>Interest Earned</b></p> <p><i>Interest earned compared to the original budget is \$395,487 above the pro-rata budget. (Refer: Attachment A)</i></p>	\$148,433
<p><b>Weighted Average Return</b></p> <p><i>This represents an increase of 18 basis point compared from the February 2024 result (4.70%) and is 54 basis points above Council's benchmark (the average 90-day BBSW rate of 4.34%) (Refer: Graph D2 - Attachment D).</i></p>	4.88%
<b>RBA Cash Rate</b>	4.34%
<b>The 90-day average bank bill swap rate (BBSW)</b>	4.34%

At the RBA's 5<sup>th</sup> February 2024 meeting (note: the board did not meet in January) the board decided to leave the cash rate unchanged at 4.35%. It was agreed that it was important for the Board's public statement to make clear that inflation had moderated but was still high, and that it was not yet possible to rule in or out further increases in interest rates. Members also agreed on the importance of highlighting the uncertainty surrounding the economic outlook and the need for monetary policy to be driven by developments in relevant data, the outlook for the economy and the evolving risks.

In Australia, financial conditions were considered to be restrictive overall. The tightening of monetary policy had led to a significant rise in household debt payments, which, in combination with other factors, was weighing on disposable incomes and consumption. Required mortgage payments had risen to a historical high as a share of household disposable income. Members noted this share would rise further as remaining low fixed-rate mortgages expire and roll onto higher rates.

### 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 2024, investments total \$34,162,185 and the average rate of return is estimated at 4.88%.

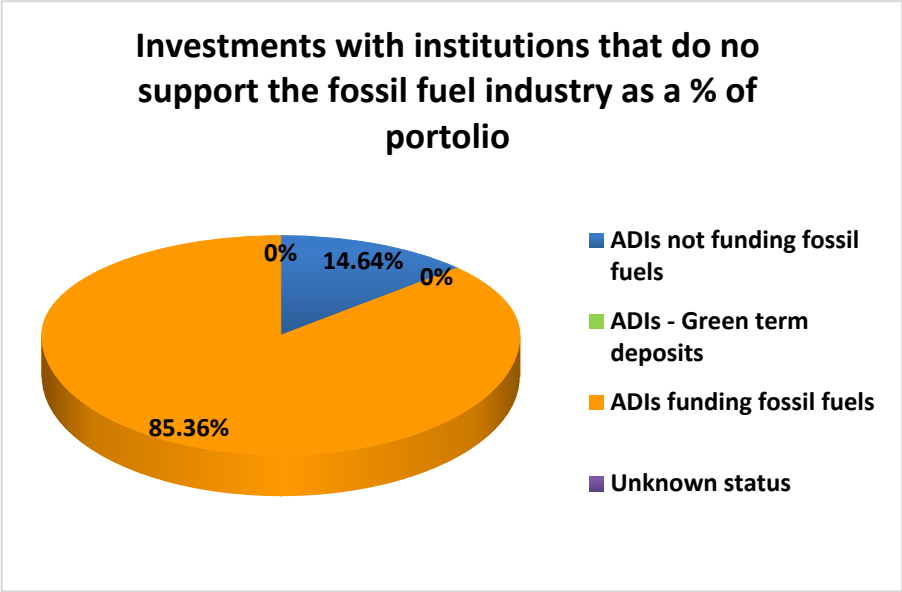
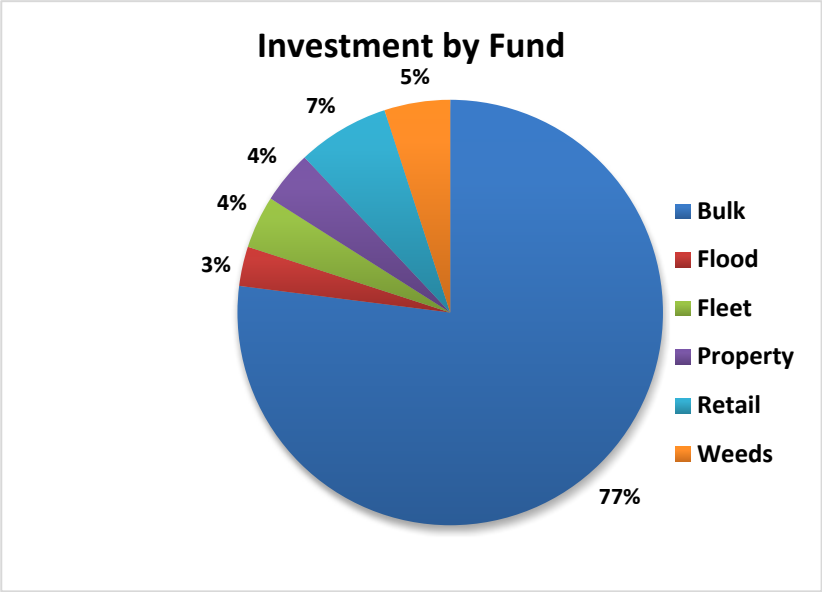
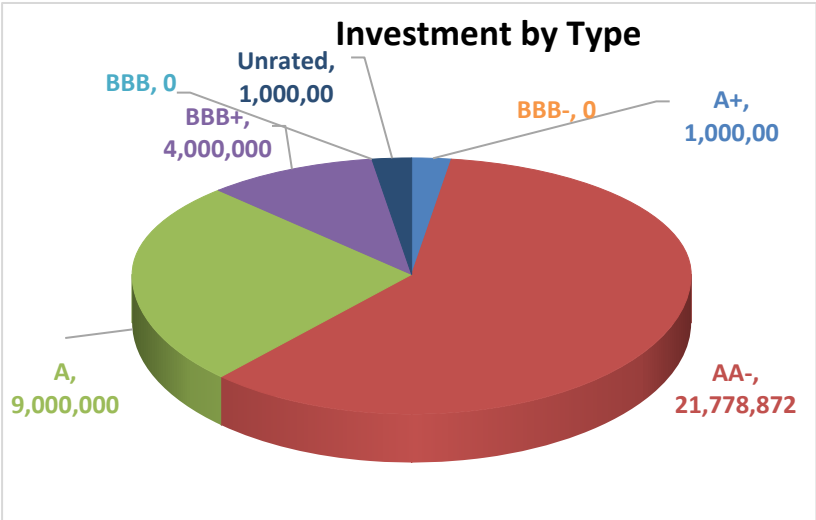
### Attachments

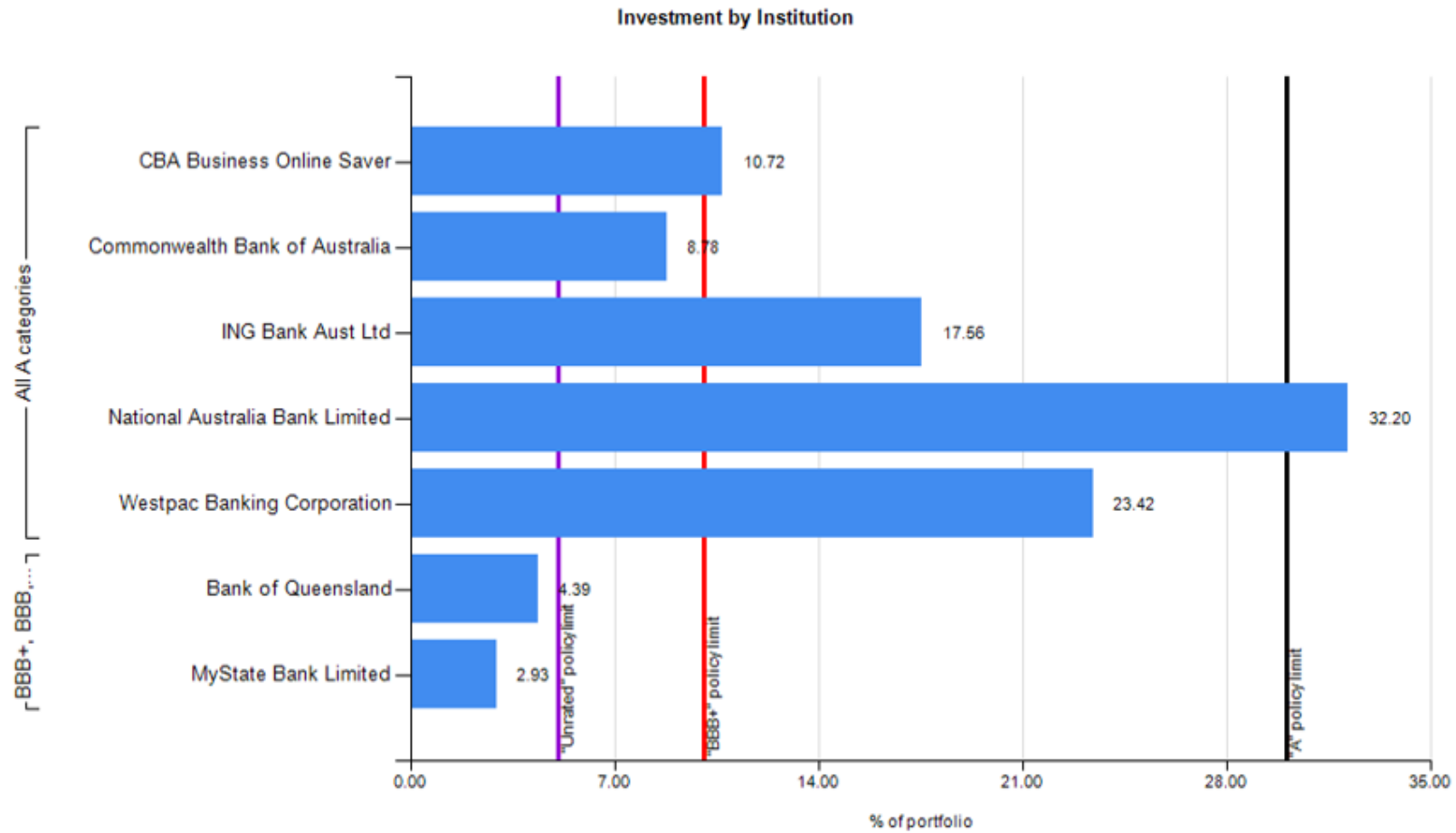
- A. Investment analysis
- B. Investment by type
- C. Investment by Institution
- D. Total funds invested - comparisons
- E. Summary of indebtedness

### Investment Analysis

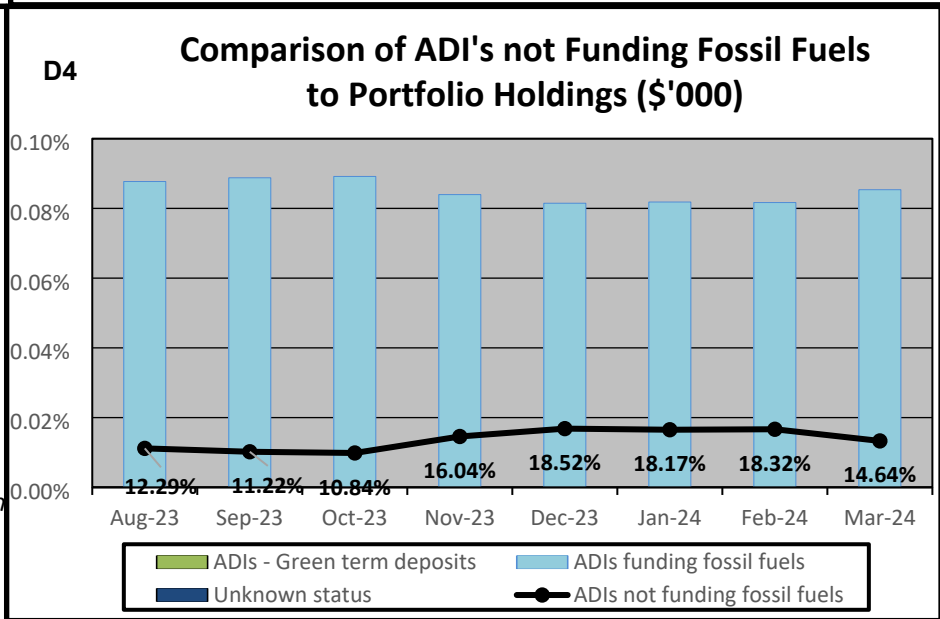
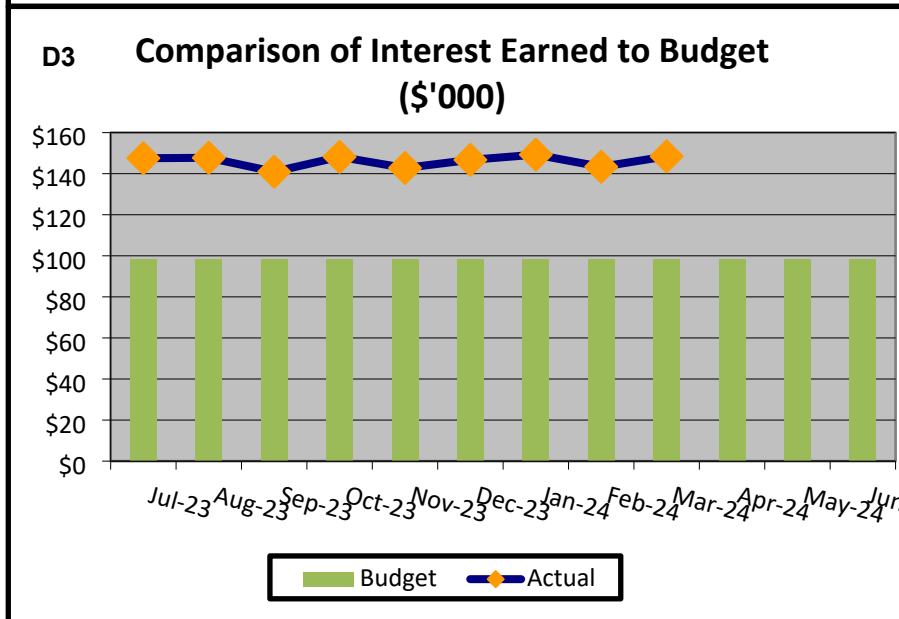
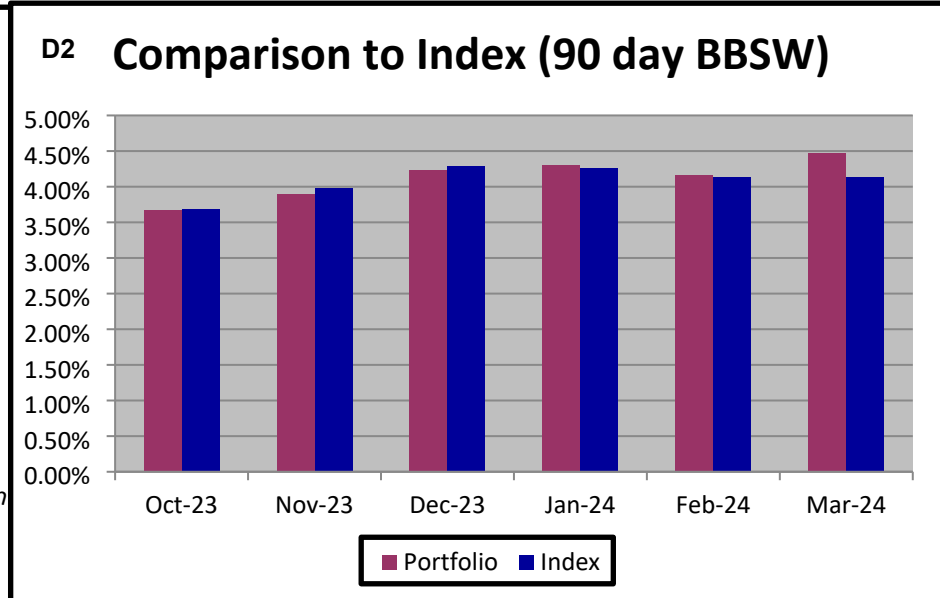
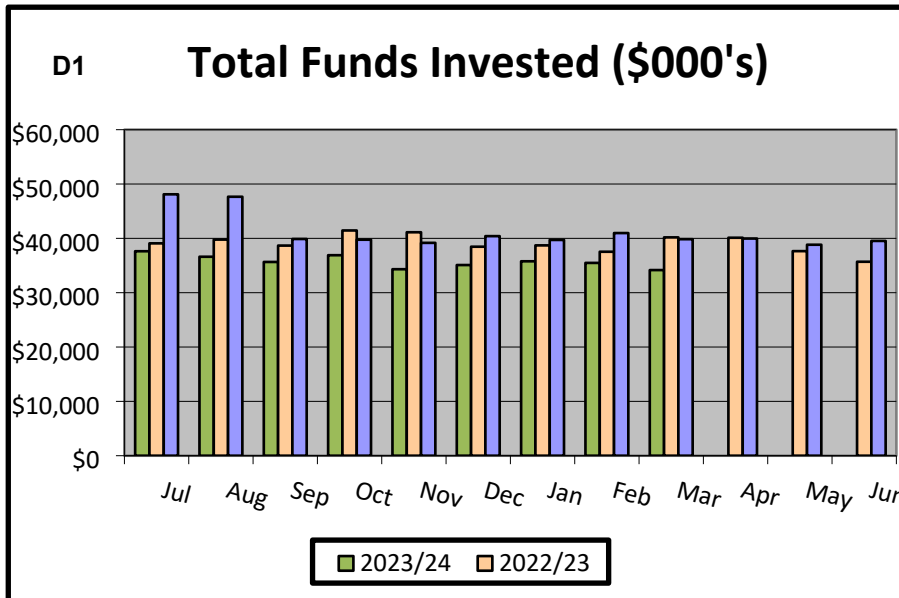
Funds Invested With	S & P Local Long Term Rating	Product Name	Not Fossil Fuel ADI	Lodgement Date	Maturity Date	% of Portfolio	31 March 24 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		10.72	3,662,185.05	1.95	19,082.15	163,581.57
ING Bank Aust Ltd	A	TD	No	4/4/2023	2/4/2024	5.85	2,000,000.00	4.68	7,949.59	70,520.55
ING Bank Aust Ltd	A	TD	No	27/6/2023	25/6/2024	2.93	1,000,000.00	5.62	4,773.15	42,342.47
ING Bank Aust Ltd	A	TD	No	4/7/2023	2/7/2024	8.78	3,000,000.00	5.67	14,446.85	126,759.45
National Australia Bank Limited	AA-	TD	No	26/7/2023	7/5/2024	2.93	1,000,000.00	5.43	4,611.78	37,191.78
Bank of Queensland	BBB+	TD	Yes	1/8/2023	30/4/2024	1.46	500,000.00	5.40	2,293.15	18,049.32
Commonwealth Bank of Australia	AA-	TD	No	23/8/2023	22/8/2024	5.85	2,000,000.00	5.47	9,291.51	66,539.18
National Australia Bank Limited	AA-	TD	No	13/9/2023	17/9/2024	4.39	1,500,000.00	5.18	6,599.18	42,788.22
National Australia Bank Limited	AA-	TD	No	19/9/2023	17/9/2024	2.93	1,000,000.00	5.22	4,433.42	27,887.67
National Australia Bank Limited	AA-	TD	No	17/10/2023	16/7/2024	2.93	1,000,000.00	5.07	4,306.03	23,196.99
Bank of Queensland	BBB+	TD	Yes	24/10/2023	14/5/2024	2.93	1,000,000.00	5.15	4,373.97	22,575.34
MyState Bank Limited	BBB+	TD	Yes	31/10/2023	4/6/2024	2.93	1,000,000.00	5.22	4,433.42	21,881.10
Westpac Banking Corporation	AA-	TD	Yes	28/11/2023	3/12/2024	4.39	1,500,000.00	5.44	6,930.41	27,945.21
Westpac Banking Corporation	AA-	TD	Yes	5/12/2023	5/9/2024	2.93	1,000,000.00	5.23	4,441.92	16,907.95
National Australia Bank Limited	AA-	TD	No	23/1/2024	22/10/2024	2.93	1,000,000.00	5.12	4,348.49	9,678.90
National Australia Bank Limited	AA-	TD	No	23/1/2024	25/6/2024	2.93	1,000,000.00	5.02	4,263.56	9,489.86
National Australia Bank Limited	AA-	TD	No	30/1/2024	29/10/2024	4.39	1,500,000.00	5.07	6,459.04	12,918.08
Commonwealth Bank of Australia	AA-	TD	No	30/1/2024	2/4/2024	2.93	1,000,000.00	4.62	3,923.84	7,847.67
National Australia Bank Limited	AA-	TD	No	6/2/2024	6/8/2024	5.85	2,000,000.00	5.12	8,696.99	15,430.14
National Australia Bank Limited	AA-	TD	No	6/2/2024	9/4/2024	2.93	1,000,000.00	4.57	3,881.37	6,886.30
Westpac Banking Corporation	AA-	TD	No	13/3/2024	18/6/2024	10.25	3,500,000.00	4.93	8,982.05	8,982.05
Westpac Banking Corporation	AA-	TD	No	26/3/2024	2/7/2024	5.85	2,000,000.00	4.90	1,610.96	1,610.96
MATURED TDs									8,299.73	498,650.96
						<b>100.00</b>	<b>34,162,185.05</b>	<b>4.88</b>	<b>148,432.56</b>	<b>1,279,661.71</b>
<b>Total Investment Holdings</b>						<b>100.00</b>	<b>34,162,185.05</b>		<b>148,432.56</b>	<b>1,279,661.71</b>
									Total YTD Interest	<b>1,279,661.71</b>
Deposits with Australian Deposit-taking institutions (ADI) are Government.								Budget Interest @ 31 March 2024		<b>884,175.00</b>
Guaranteed for balances totalling up to \$250,000 per customer, per institution.								Budget variance		<b>395,486.71</b>

**Attachment B**





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	<b>CBA</b>	<b>CBA</b>	<b>CBA</b>	<b>Dexia</b>	<b>NAB</b>	<b>NAB</b>	<b>Tcorp</b>	
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	\$ 1,910,646	\$ 2,626,220	\$ 7,968,956	\$ 7,595,346	\$ 7,165,758	\$ 7,152,562	\$ 1,321,418	\$ 35,740,906
Interest Incurred LTD	\$ 1,692,663	\$ 2,274,812	\$ 7,633,959	\$ 7,596,840	\$ 7,971,171	\$ 8,125,327	\$ 869,557	\$ 36,164,329
Principal Outstanding	\$ 89,354	\$ 373,780	\$ 2,031,044	\$ 2,404,654	\$ 2,834,242	\$ 2,847,439	\$ 12,178,582	\$ 22,759,095
Interest Outstanding	\$ 3,039	\$ 23,601	\$ 197,944	\$ 276,320	\$ 397,319	\$ 405,216	\$ 3,158,247	\$ 4,461,685