
Investments May 2024

Responsible Officer: Group Manager Organisational Services (Helen McNeil)

Recommendation

That Council receive and note the Investments for May 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 May 2024.

Snapshot

BANK ACCOUNT SUMMARY	TOTAL
Cheque Account Balance	\$794,094
Weel Account Balance – Cuscal Ltd (Pre-paid Corporate Cards)	\$35,563
TOTAL	\$829,657

INVESTMENT SUMMARY	TOTAL
Business Online Saver Account Balance	\$2,875,401
Term Deposits with Institutions not supporting the Fossil Fuel Industry <i>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).</i>	\$4,500,000 13.69% of current holdings
Other Term Deposits	\$25,500,000
Total Funds Invested <i>Excluding Cheque Account and Weel Balance</i>	\$32,875,401

OTHER INVESTMENT INFORMATION	TOTAL
<p>Interest Earned</p> <p><i>Interest earned compared to the original budget is \$395,487 above the pro-rata budget. (Refer: Attachment A).</i></p>	\$145,990
<p>Weighted Average Return</p> <p><i>This represents an increase of 41 basis point compared from the April 2024 result (4.54%) and is 60 basis points above Council's benchmark (the average 90-day BBSW rate of 4.35%) (Refer: Graph D2 - Attachment D).</i></p>	4.95%
<p>RBA Cash Rate</p>	4.37%
<p>The 90-day average bank bill swap rate (BBSW)</p>	4.35%

Comment

Following the 7 May 2024 meeting of the RBA, the cash rate remained at 4.35%.

The CPI grew by 3.6 per cent over the year to the March quarter, down from 4.1 per cent over the year to December.

Recent information indicates that inflation continues to moderate but is declining more slowly than expected. In the near term, inflation is forecast to be higher because of the recent rise in domestic petrol prices, and higher than expected services price inflation, which is now forecast to decline more slowly over the rest of the year. Inflation is, however, expected to decline over 2025 and 2026.

Governance

- **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 May 2024, investments total \$32,875,401 and the average rate of return is estimated at 4.95%.

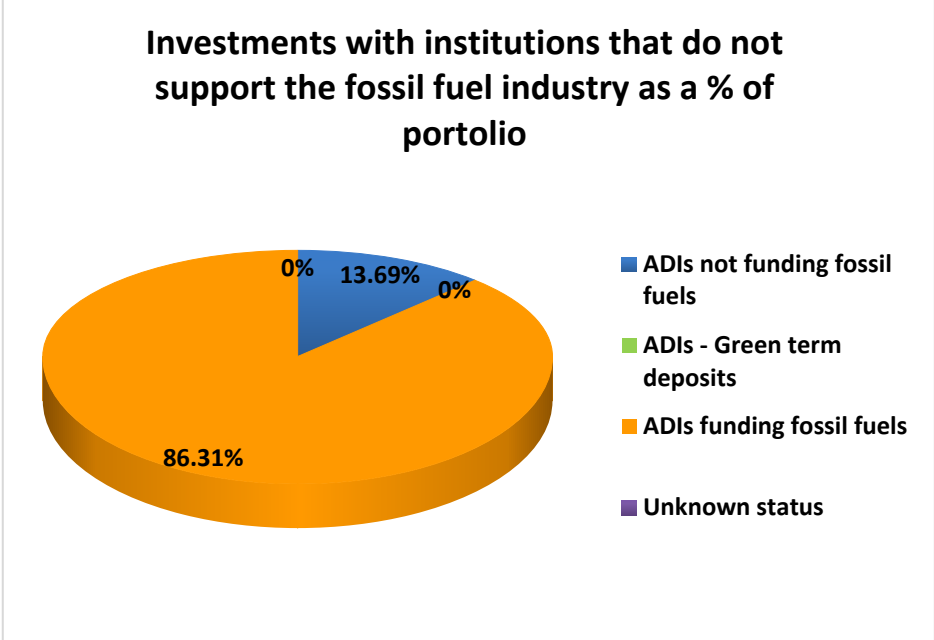
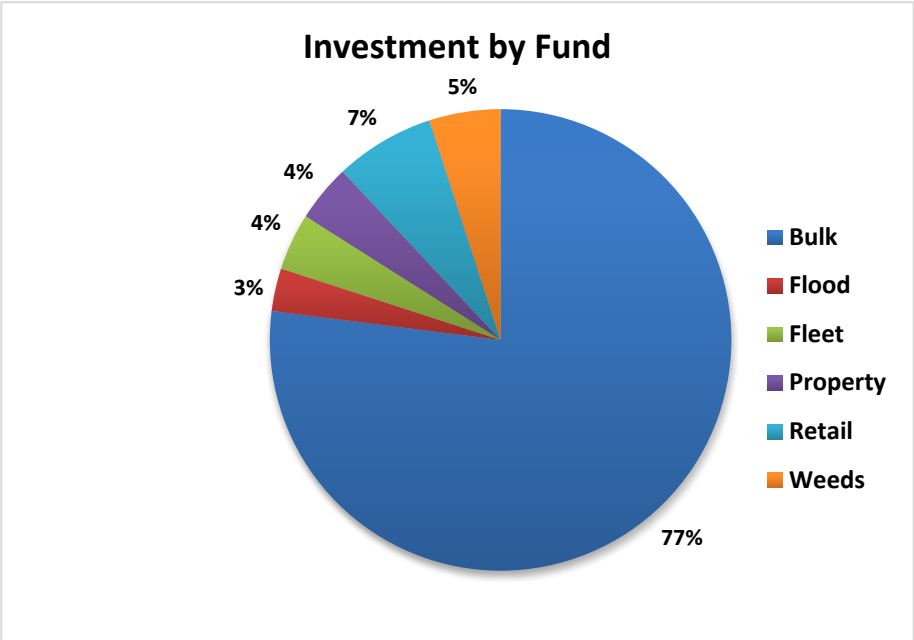
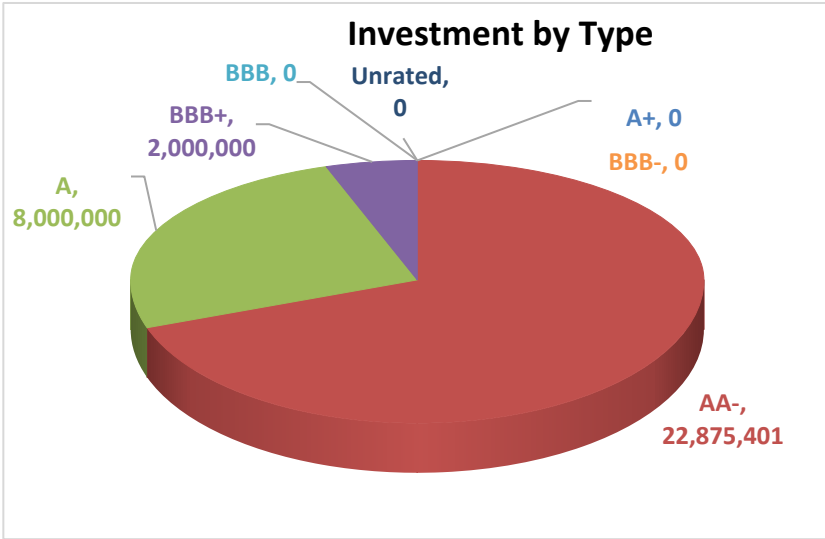
Attachments

- Investment analysis
- Investment by type
- Investment by Institution
- Total funds invested - comparisons
- Summary of indebtedness

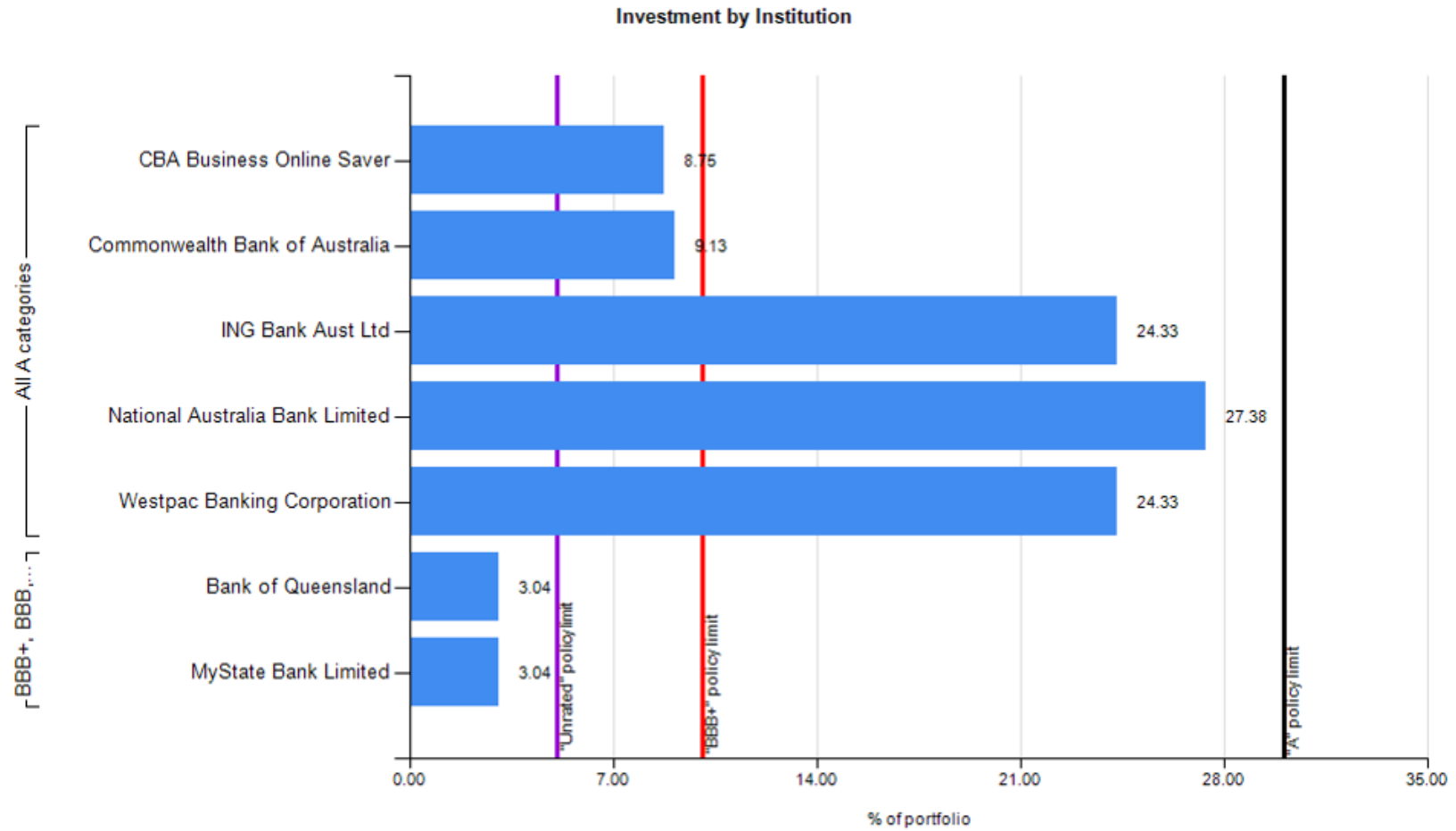
Investment Analysis

Funds Invested With	S & P Local Long Term Rating	Product Name	Not Fossil Fuel ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 May Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		14.27	2,875,400.65	1.95	17,123.12	216,797.17
ING Bank Aust Ltd	A	TD	No	27/6/2023	25/6/2024	2.86	1,000,000.00	5.62	4,773.15	51,734.79
ING Bank Aust Ltd	A	TD	No	4/7/2023	2/7/2024	8.57	3,000,000.00	5.67	14,446.85	155,187.12
Commonwealth Bank of Australia	AA-	TD	No	23/8/2023	22/8/2024	5.72	2,000,000.00	5.47	9,291.51	84,822.47
National Australia Bank Limited	AA-	TD	No	13/9/2023	17/9/2024	4.29	1,500,000.00	5.18	6,599.18	55,773.70
National Australia Bank Limited	AA-	TD	No	19/9/2023	17/9/2024	2.86	1,000,000.00	5.22	4,433.42	36,611.51
National Australia Bank Limited	AA-	TD	No	17/10/2023	16/7/2024	2.86	1,000,000.00	5.07	4,306.03	31,670.14
MyState Bank Limited	BBB+	TD	Yes	31/10/2023	4/6/2024	2.86	1,000,000.00	5.22	4,433.42	30,604.93
Westpac Banking Corporation	AA-	TD	Yes	28/11/2023	3/12/2024	4.29	1,500,000.00	5.44	6,930.41	41,582.47
Westpac Banking Corporation	AA-	TD	Yes	5/12/2023	5/9/2024	2.86	1,000,000.00	5.23	4,441.92	25,648.49
National Australia Bank Limited	AA-	TD	No	23/1/2024	22/10/2024	2.86	1,000,000.00	5.12	4,348.49	18,235.62
National Australia Bank Limited	AA-	TD	No	23/1/2024	25/6/2024	2.86	1,000,000.00	5.02	4,263.56	17,879.45
National Australia Bank Limited	AA-	TD	No	30/1/2024	29/10/2024	4.29	1,500,000.00	5.07	6,459.04	25,627.81
National Australia Bank Limited	AA-	TD	No	6/2/2024	6/8/2024	5.72	2,000,000.00	5.12	8,696.99	32,543.56
Westpac Banking Corporation	AA-	TD	No	13/3/2024	18/6/2024	10.00	3,500,000.00	4.93	14,654.93	37,819.18
Westpac Banking Corporation	AA-	TD	No	26/3/2024	2/7/2024	5.72	2,000,000.00	4.90	8,323.29	17,989.04
ING Bank Aust Ltd	A	TD	No	2/4/2024	4/6/2024	5.72	2,000,000.00	4.49	7,626.85	14,761.64
Commonwealth Bank of Australia	AA-	TD	No	10/4/2024	11/6/2024	2.86	1,000,000.00	4.54	3,855.89	6,467.95
ING Bank Aust Ltd	A	TD	No	7/5/2024	25/6/2024	5.72	2,000,000.00	4.46	6,109.59	6,109.59
Bank of Queensland	BBB+	TD	Yes	14/5/2024	18/6/2024	2.86	1,000,000.00	4.35	2,145.21	2,145.21
MATURED TDs									2,726.85	676,674.52
						100.00	32,875,400.65	4.95	145,989.70	1,586,686.35
Total Investment Holdings						100.00	32,875,400.65		145,989.70	1,586,686.35
									Total YTD Interest	1,586,686.35
Deposits with Australian Deposit-taking institutions (ADI) are Government.									Budget Interest @ 31 May 2024	1,309,825.00
Guaranteed for balances totalling up to \$250,000 per customer, per institution.									Budget variance	276,861.35

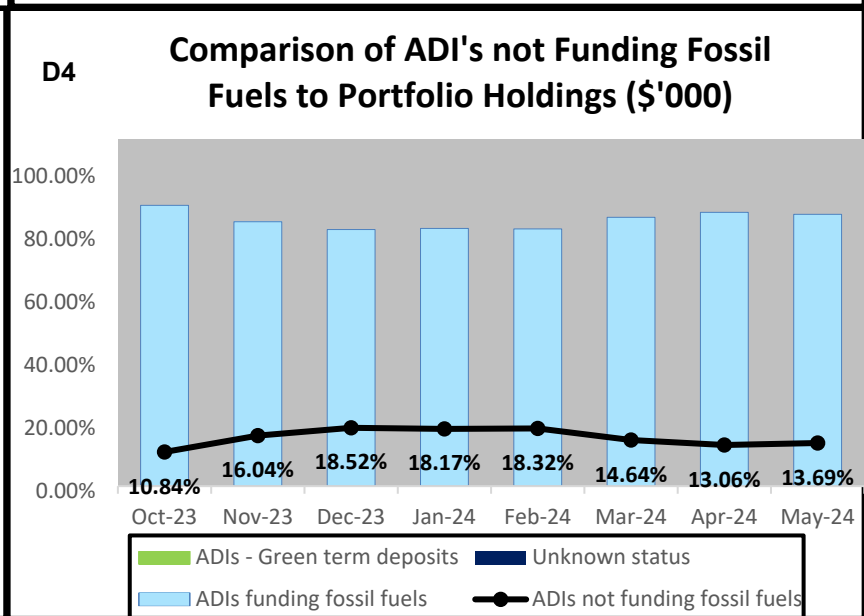
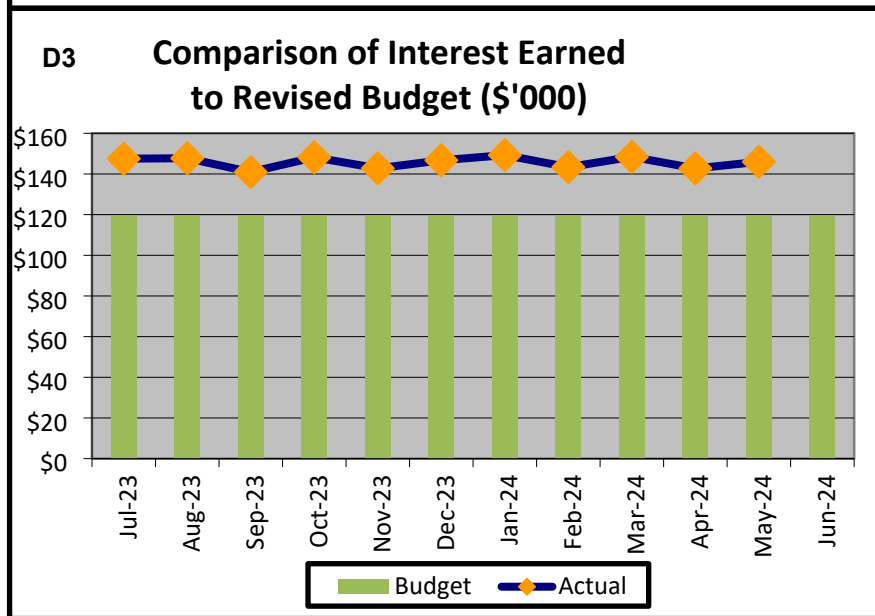
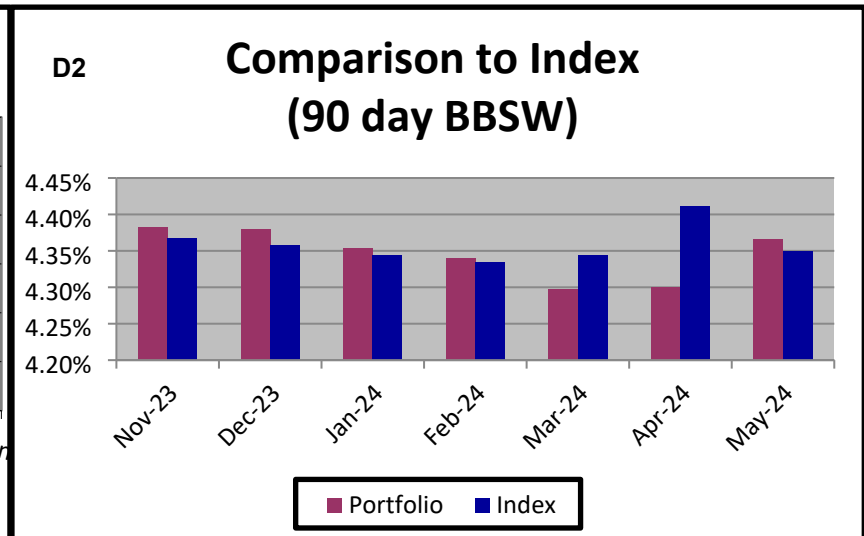
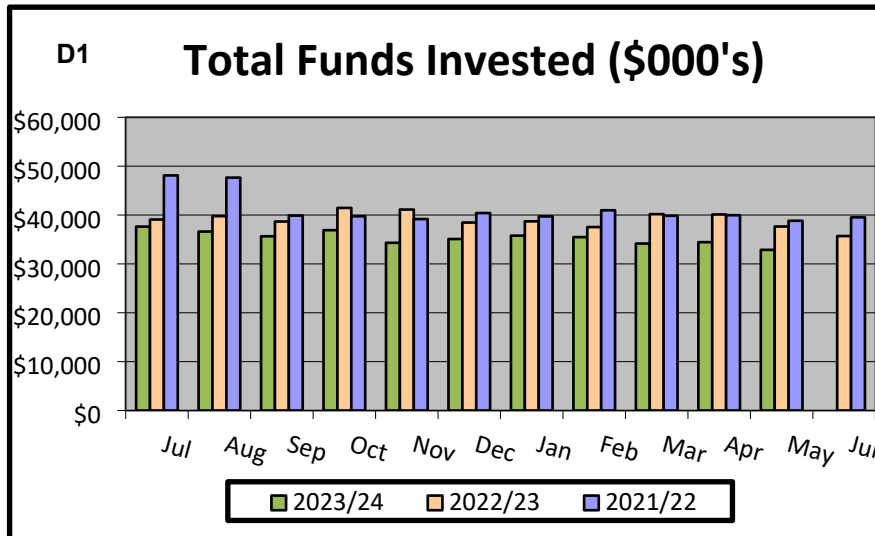
Attachment B



Attachment C



Note: Institutions shown with "xxx" 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	\$ 1,910,646	\$ 2,746,968	\$ 8,349,888	\$ 7,595,346	\$ 7,528,748	\$ 7,152,562	\$ 1,321,418	\$ 36,605,575
Interest Incurred LTD	\$ 1,692,663	\$ 2,286,525	\$ 7,698,825	\$ 7,596,840	\$ 8,066,876	\$ 8,125,327	\$ 869,557	\$ 36,336,613
Principal Outstanding	\$ 89,354	\$ 253,032	\$ 1,650,112	\$ 2,404,654	\$ 2,471,252	\$ 2,847,439	\$ 12,178,582	\$ 21,894,426
Interest Outstanding	\$ 3,039	\$ 11,889	\$ 133,078	\$ 276,320	\$ 301,614	\$ 405,216	\$ 3,158,247	\$ 4,289,402