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# Investments July 2024

Responsible Officer: Group Manager Organisational Services (Helen McNeil)

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## Recommendation

That Council receive and note the Investments for July 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 to each ordinary Council meeting. This report has been prepared as at 31 July 2024.

## Finance Report

BANK ACCOUNT SUMMARY	TOTAL
Cheque Account Balance	\$766,431
Weel Account Balance – Cuscal Ltd (Pre-paid Corporate Cards)	\$49,350
<b>TOTAL</b>	<b>\$816,081</b>

INVESTMENT SUMMARY	TOTAL
Business Online Saver Account Balance	\$5,032,220
<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>	\$2,500,000 7.80% of current holdings
Other Term Deposits	\$24,500,000
<b>Total Funds Invested</b> <i>Excluding Cheque Account and Weel Balance</i>	<b>\$32,032,220</b>

OTHER INVESTMENT INFORMATION	TOTAL
<p><b>Interest Earned</b></p> <p><i>Interest earned compared to the original budget is \$20,448 above the pro-rata budget. (Refer: Attachment A).</i></p>	\$139,523
<p><b>Weighted Average Return</b></p> <p><i>This represents an increase of 12 basis point compared from the June 2024 result (4.56%) and is 23 basis points above Council's benchmark (the average 90-day BBSW rate of 4.45%) (Refer: Graph D2 - Attachment D).</i></p>	4.68%
<p><b>RBA Cash Rate</b></p>	4.48%
<p><b>The 90-day average bank bill swap rate (BBSW)</b></p>	4.45%

At the RBA's 18<sup>th</sup> June 2024 meeting the board decided to leave the cash rate unchanged at 4.35%.

The economic outlook remains uncertain and recent data have demonstrated that the process of returning inflation to target is unlikely to be smooth. Inflation is easing but has been doing so more slowly than previously expected and it remains high. The Board expects that it will be some time yet before inflation is sustainably in the target range.

The path of interest rates that will best ensure that inflation returns to target in a reasonable timeframe remains uncertain and the Board is not ruling anything in or out. The Board will rely upon the data and the evolving assessment of risks. In doing so, it will continue to pay close attention to developments in the global economy, trends in domestic demand, and the outlook for inflation and the labour market.

### 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 July 2024, investments total \$32,032,220 and the average rate of return is estimated at 4.68%.

### 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 July Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		15.71	5,032,219.98	1.95	23,096.10	23,096.10
Commonwealth Bank of Australia	AA-	TD	No	23/8/2023	22/8/2024	6.24	2,000,000.00	5.47	9,291.51	9,291.51
National Australia Bank Limited	AA-	TD	No	13/9/2023	17/9/2024	4.68	1,500,000.00	5.18	6,599.18	6,599.18
National Australia Bank Limited	AA-	TD	No	19/9/2023	17/9/2024	3.12	1,000,000.00	5.22	4,433.42	4,433.42
Westpac Banking Corporation	AA-	TD	Yes	28/11/2023	3/12/2024	4.68	1,500,000.00	5.44	6,930.41	6,930.41
Westpac Banking Corporation	AA-	TD	Yes	5/12/2023	5/9/2024	3.12	1,000,000.00	5.23	4,441.92	4,441.92
National Australia Bank Limited	AA-	TD	No	23/1/2024	22/10/2024	3.12	1,000,000.00	5.12	4,348.49	4,348.49
National Australia Bank Limited	AA-	TD	No	30/1/2024	29/10/2024	4.68	1,500,000.00	5.07	6,459.04	6,459.04
National Australia Bank Limited	AA-	TD	No	6/2/2024	6/8/2024	6.24	2,000,000.00	5.12	8,696.99	8,696.99
Bank of Queensland	BBB+	TD	No	18/6/2024	21/1/2025	3.12	1,000,000.00	5.20	4,416.44	4,416.44
MyState Bank Limited	BBB+	TD	No	19/6/2024	17/12/2024	6.24	2,000,000.00	5.17	8,781.92	8,781.92
National Australia Bank Limited	AA-	TD	No	18/6/2024	24/9/2024	4.68	1,500,000.00	4.97	6,331.64	6,331.64
Westpac Banking Corporation	AA-	TD	No	25/6/2024	1/10/2024	6.24	2,000,000.00	4.95	8,408.22	8,408.22
National Australia Bank Limited	AA-	TD	No	25/6/2024	7/1/2025	3.12	1,000,000.00	5.12	4,348.49	4,348.49
ING Bank Aust Ltd	A	TD	No	25/6/2024	1/7/2025	3.12	1,000,000.00	5.25	4,458.90	4,458.90
National Australia Bank Limited	AA-	TD	No	2/7/2024	14/1/2025	4.68	1,500,000.00	5.32	6,558.90	6,558.90
Judo Bank	BBB-	TD	No	2/7/2024	15/10/2024	4.68	1,500,000.00	5.15	6,349.32	6,349.32
ING Bank Aust Ltd	A	TD	No	2/7/2024	8/7/2025	6.24	2,000,000.00	5.43	8,926.03	8,926.03
Westpac Banking Corporation	AA-	TD	No	18/7/2024	19/11/2024	6.24	2,000,000.00	4.99	3,827.95	3,827.95
MATURED TDs									2,818.08	2,818.08
						<b>100.00</b>	<b>32,032,219.98</b>	<b>4.68</b>	<b>139,522.95</b>	<b>139,522.95</b>

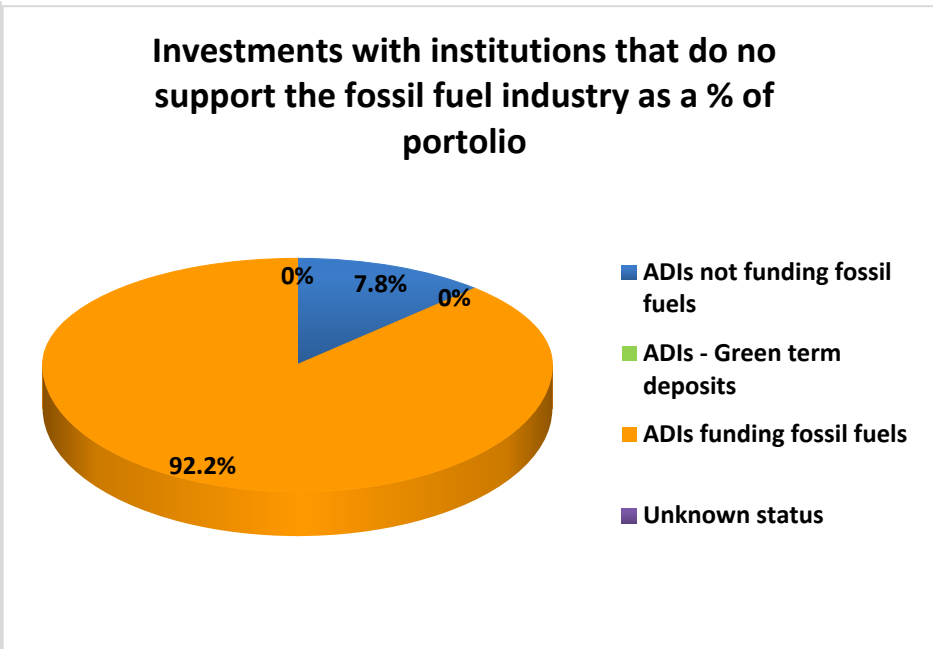
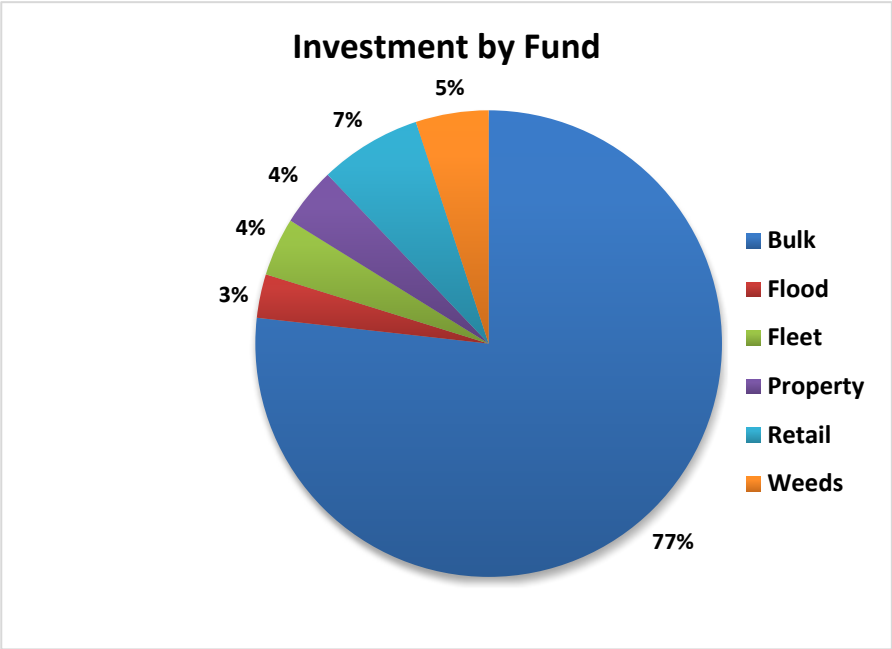
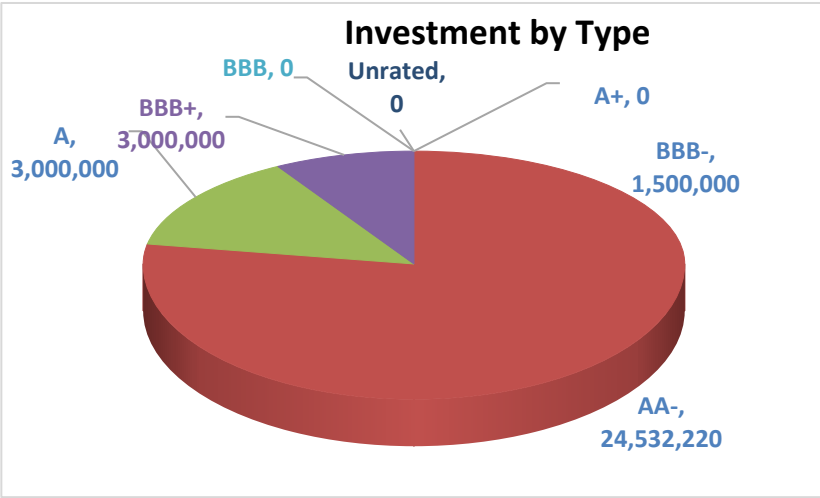
**Total Investment Holdings** **100.00** **32,032,219.98** **139,522.95** **139,522.95**

Total YTD Interest **139,522.95**

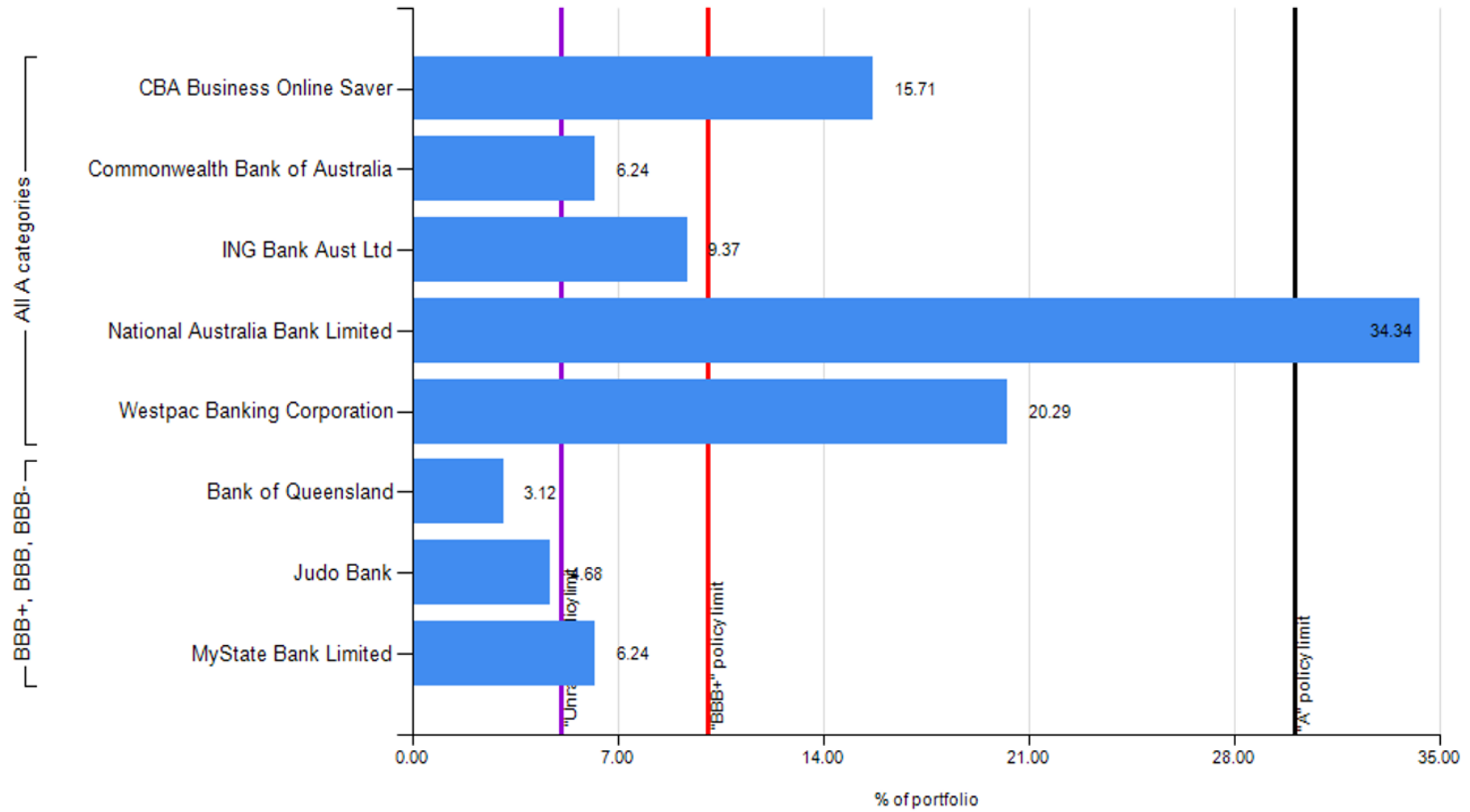
Yes

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

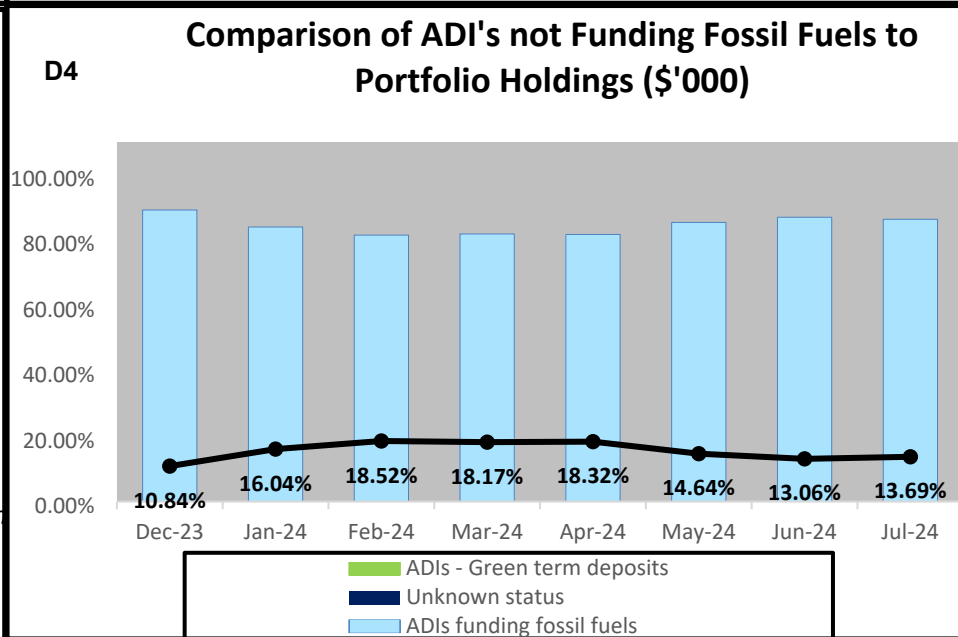
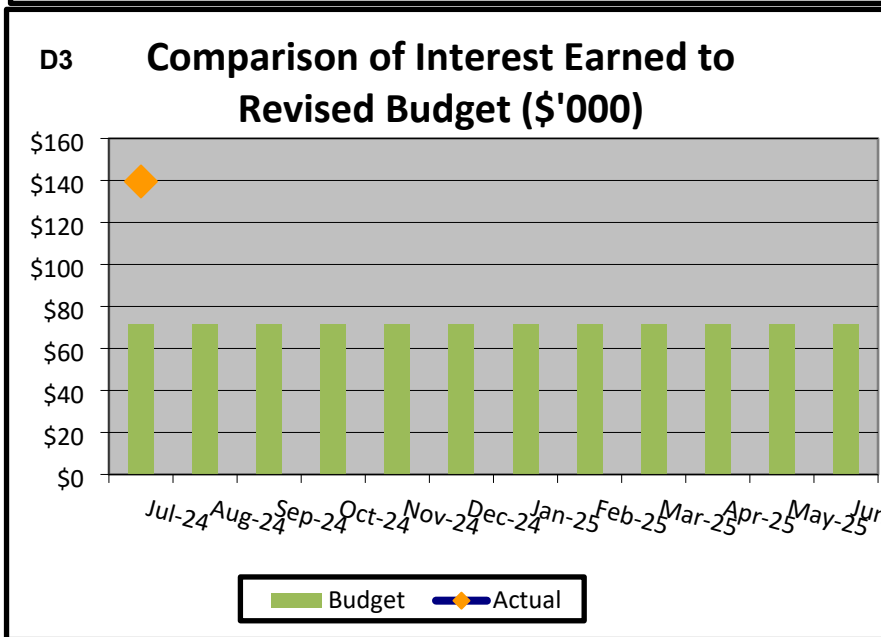
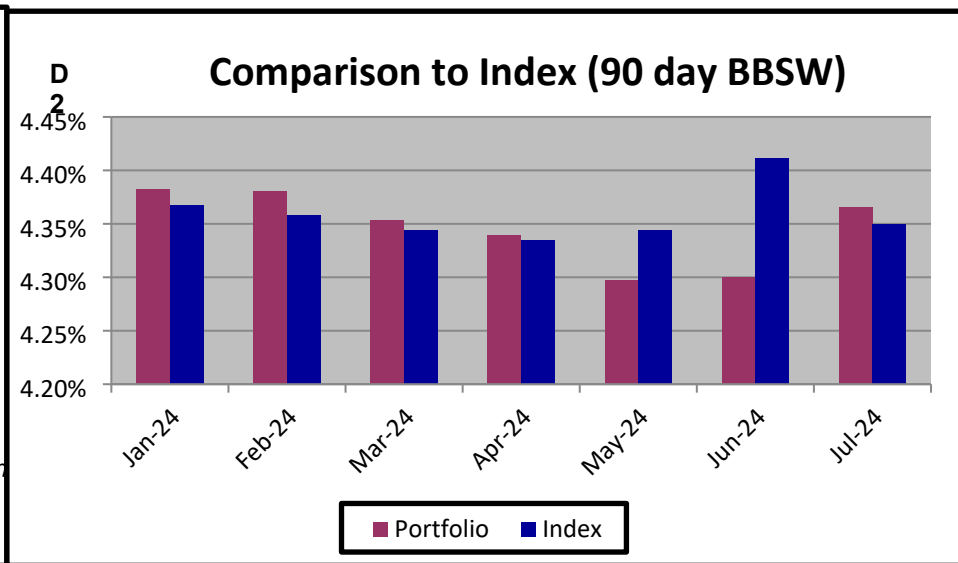
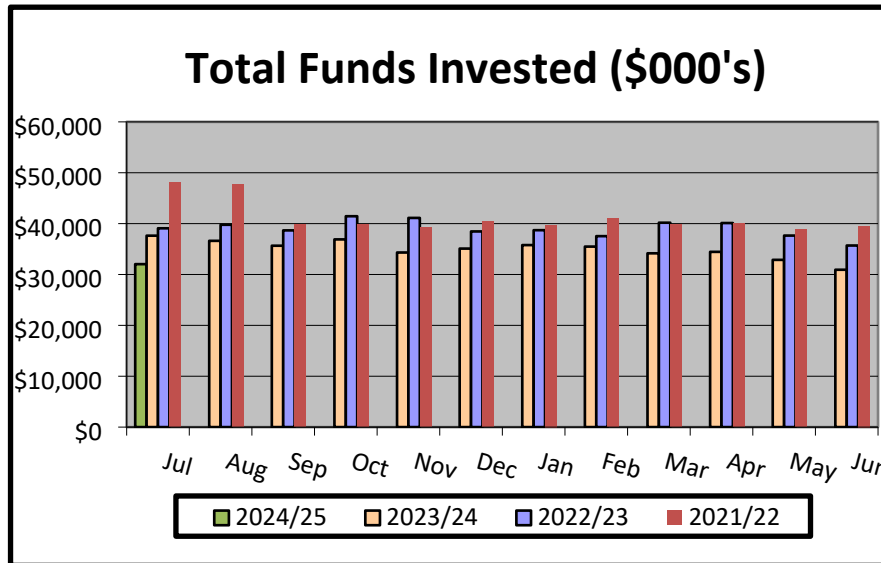
Budget Interest @ 31 July 2024 **119,075.00**  
 Budget variance **20,447.95**



Investment by Institution



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	<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	\$ 2,000,000	\$ 2,746,968	\$ 8,349,888	\$ 7,965,426	\$ 7,528,748	\$ 7,152,562	\$ 1,596,420	\$ 37,340,011
Interest Incurred LTD	\$ 1,695,702	\$ 2,286,525	\$ 7,698,825	\$ 7,673,589	\$ 8,066,876	\$ 8,125,327	\$ 1,032,750	\$ 36,579,593
Principal Outstanding	-\$ 0	\$ 253,032	\$ 1,650,112	\$ 2,034,574	\$ 2,471,252	\$ 2,847,439	\$ 11,903,580	\$ 21,159,990
Interest Outstanding	\$ -	\$ 11,889	\$ 133,078	\$ 199,571	\$ 301,614	\$ 405,216	\$ 2,995,054	\$ 4,046,421