
Investments - September 2024

Responsible Officer: Group Manager Organisational Services

Recommendation

That Council receive and note the Investments for September 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 30 September 2024.

Finance Report

BANK ACCOUNT SUMMARY	TOTAL
Cheque Account Balance	\$260,953
Weel Account Balance – Cuscal Ltd (Pre-paid Corporate Cards)	\$40,399
TOTAL	\$301,352

INVESTMENT SUMMARY	TOTAL
Business Online Saver Account Balance	\$6,539,709
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>	\$1,500,000 4.61% of current holdings
Other Term Deposits	\$24,500,000
Total Funds Invested <i>Excluding Cheque Account and Weel Balance</i>	\$32,539,709

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>	\$134,447
<p>Weighted Average Return</p> <p><i>This represents an increase of 10 basis points compared from the August 2024 result (4.37%) and is 5 basis point above Council's benchmark (the average 90-day BBSW rate of 4.43%) (Refer: Graph D2 - Attachment D).</i></p>	4.47%
<p>RBA Cash Rate</p>	4.42%
<p>The 90-day average bank bill swap rate (BBSW)</p>	4.43%

At the RBA's 24 September 2024 meeting the board decided to leave the cash rate unchanged at 4.35%.

Inflation has fallen substantially since the peak in 2022, as higher interest rates have been working to bring aggregate demand and supply closer towards balance. But inflation is still some way above the midpoint of the 2–3 per cent target range. Broader indicators suggest that labour market conditions remain tight, despite some signs of gradual easing.

Over the three months to August, employment grew on average by 0.3 per cent per month. The unemployment rate remained at 4.2 per cent in August, up from the trough of 3.5 per cent in mid-2023. But the participation rate remains at record highs, vacancies remain elevated and average hours worked have stabilised. The central projection is for household consumption growth to pick up in the second half of the year as the headwinds to income growth recede.

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

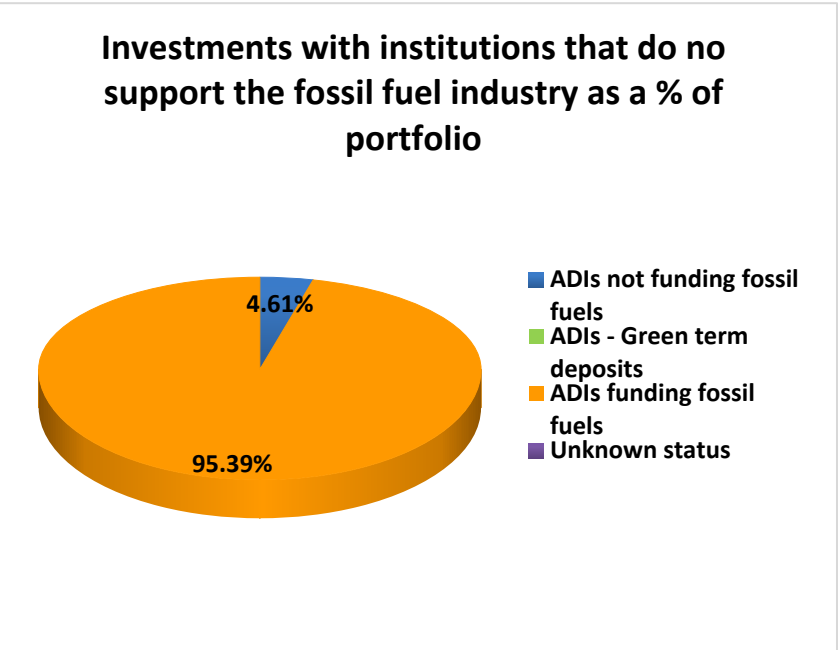
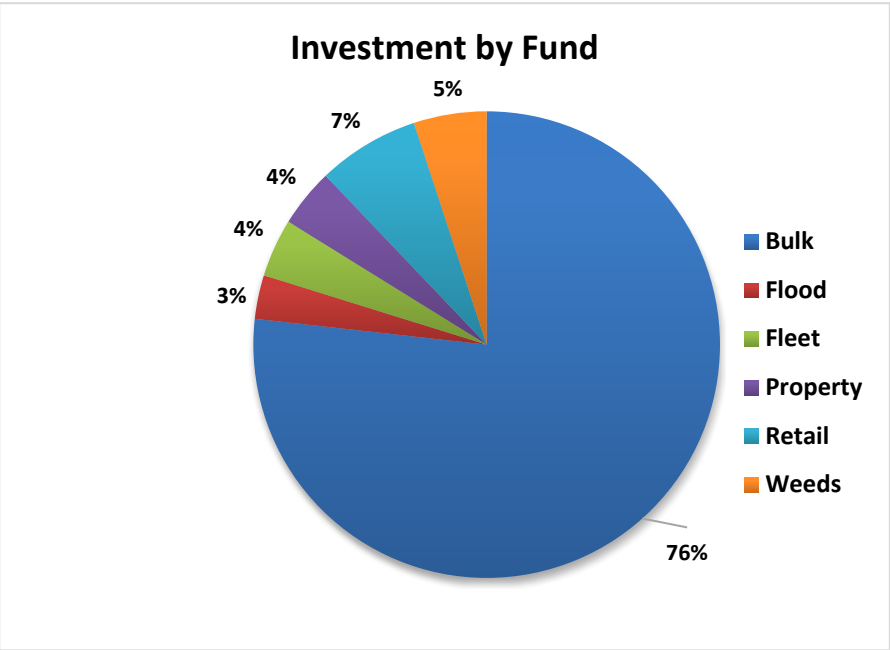
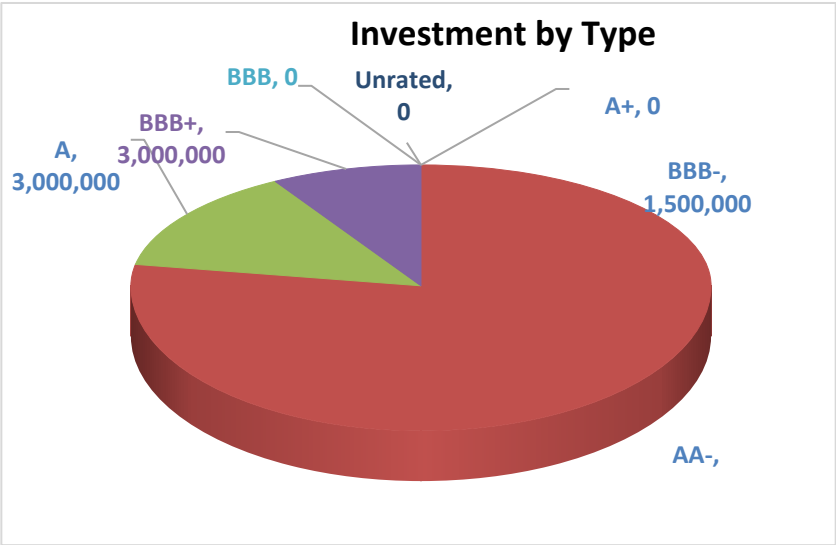
A report on investments is required to be submitted to Council. As at 30 September 2024, investments total \$32,539,709 and the average rate of return is estimated at 4.47%.

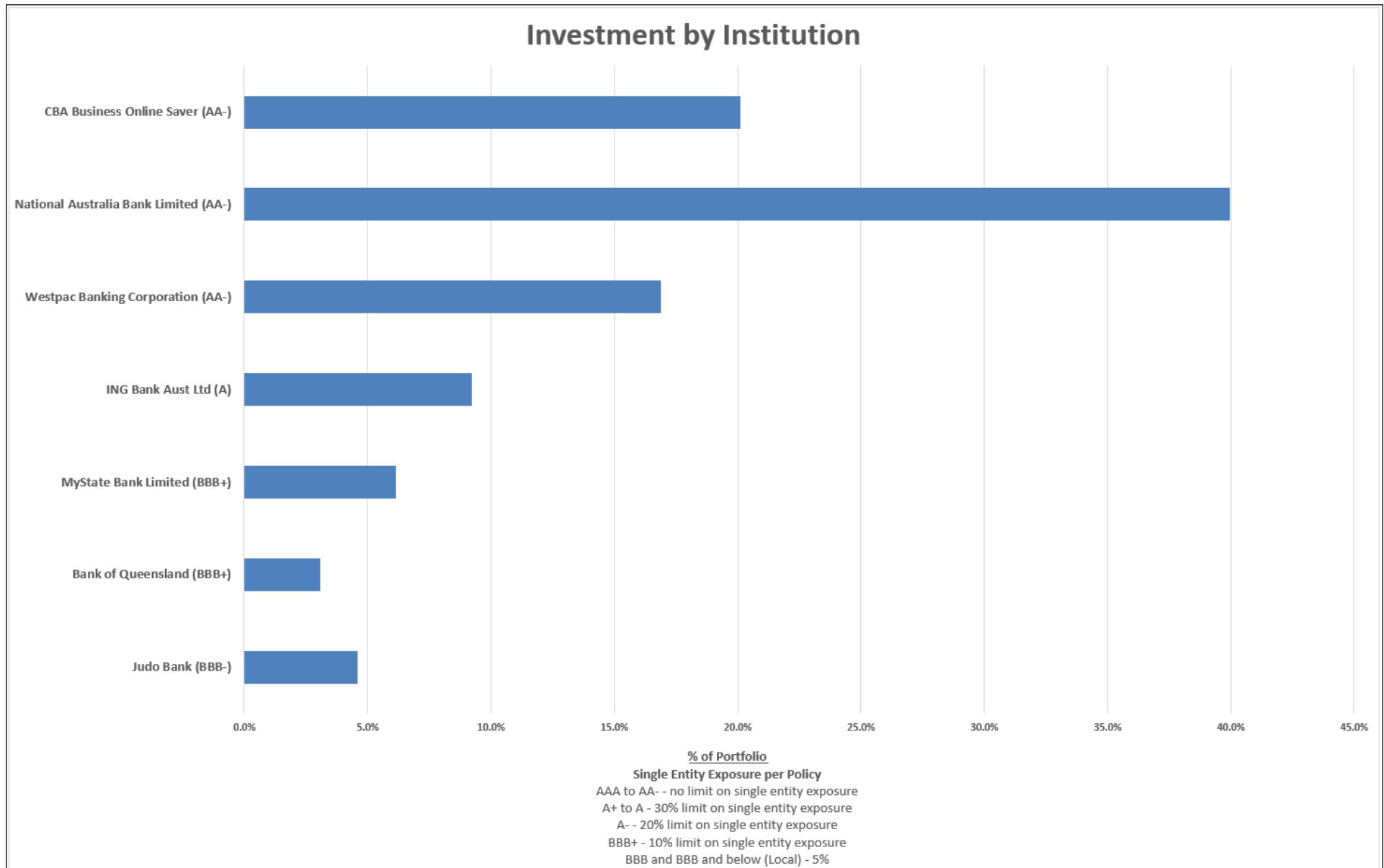
Attachments

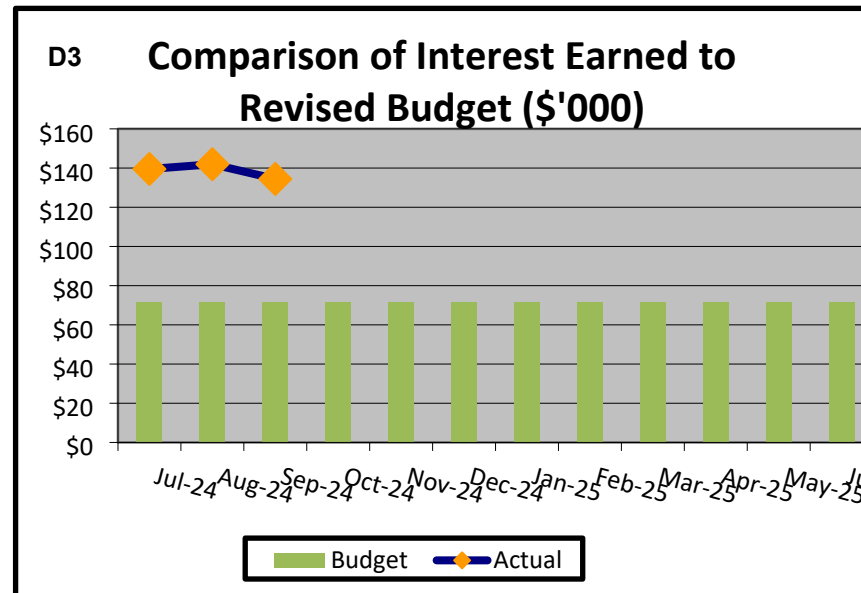
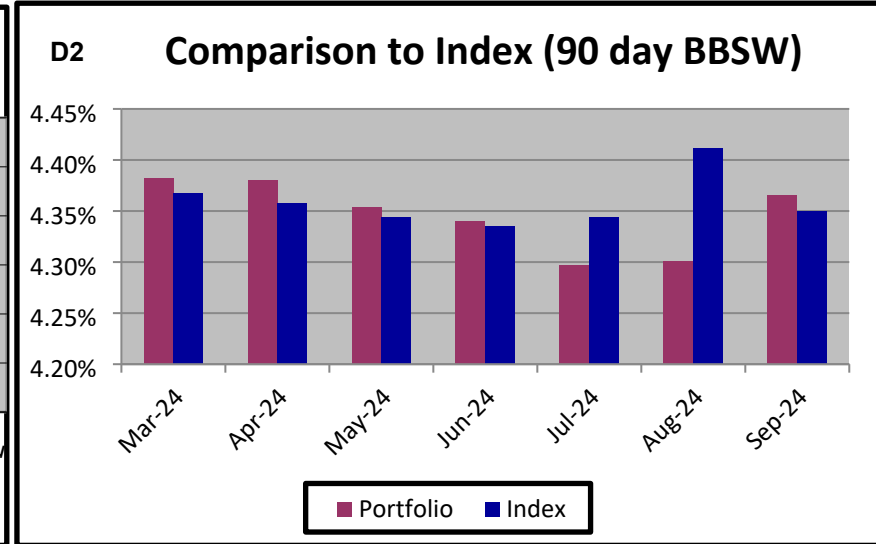
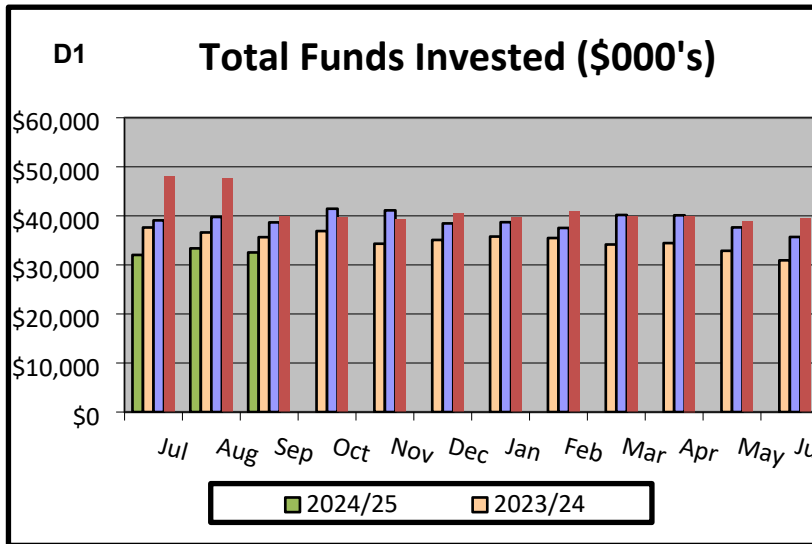
- A. Investment analysis
- B. Investment by type
- C. Investment by Institution
- D. Total funds invested - comparisons
- E. Summary of indebtedness

Investment Analysis										
Funds Invested With	S & P Local Long Term Rating	Product Name	Not Fossil Fuel ADI	Lodgement Date	Maturity Date	% of Portfolio	30 Sep Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		20.10	6,539,709.33	1.95	24,513.92	72,003.27
Westpac Banking Corporation	AA-	TD	Yes	28/11/2023	3/12/2024	4.61	1,500,000.00	5.44	6,706.85	20,567.67
National Australia Bank Limited	AA-	TD	No	23/1/2024	22/10/2024	3.07	1,000,000.00	5.12	4,208.22	12,905.21
National Australia Bank Limited	AA-	TD	No	30/1/2024	29/10/2024	4.61	1,500,000.00	5.07	6,250.68	19,168.77
Bank of Queensland	BBB+	TD	No	18/6/2024	21/1/2025	3.07	1,000,000.00	5.20	4,273.97	13,106.85
MyState Bank Limited	BBB+	TD	No	19/6/2024	17/12/2024	6.15	2,000,000.00	5.17	8,498.63	26,062.47
Westpac Banking Corporation	AA-	TD	No	25/6/2024	1/10/2024	6.15	2,000,000.00	4.95	8,136.99	24,953.42
National Australia Bank Limited	AA-	TD	No	25/6/2024	7/1/2025	3.07	1,000,000.00	5.12	4,208.22	12,905.21
ING Bank Aust Ltd	A	TD	No	25/6/2024	1/7/2025	3.07	1,000,000.00	5.25	4,315.07	13,232.88
National Australia Bank Limited	AA-	TD	No	2/7/2024	14/1/2025	4.61	1,500,000.00	5.32	6,558.90	19,895.34
Judo Bank	BBB-	TD	No	2/7/2024	15/10/2024	4.61	1,500,000.00	5.15	6,349.32	19,259.59
ING Bank Aust Ltd	A	TD	No	2/7/2024	8/7/2025	6.15	2,000,000.00	5.43	8,926.03	27,075.62
Westpac Banking Corporation	AA-	TD	No	18/7/2024	19/11/2024	6.15	2,000,000.00	4.99	8,202.74	20,506.85
National Australia Bank Limited	AA-	TD	No	6/8/2024	5/11/2024	6.15	2,000,000.00	4.92	8,087.67	15,096.99
National Australia Bank Limited	AA-	TD	No	22/8/2024	26/11/2024	6.15	2,000,000.00	4.92	8,087.67	10,783.56
National Australia Bank Limited	AA-	TD	No	17/9/2024	1/4/2025	4.61	1,500,000.00	4.97	2,859.45	2,859.45
National Australia Bank Limited	AA-	TD	No	17/9/2024	23/9/2025	3.07	1,000,000.00	4.87	1,867.95	1,867.95
National Australia Bank Limited	AA-	TD	No	24/9/2024	15/4/2025	4.61	1,500,000.00	4.97	1,429.73	1,429.73
MATURED TDs									10,965.07	83,080.96
						100.00	32,539,709.33	4.47	134,447.07	416,761.76
Total Investment Holdings						100.00	32,539,709.33		134,447.07	416,761.76
									Total YTD Interest	416,761.76
Deposits with Australian Deposit-taking institutions (ADI) are Government. Guaranteed for balances totalling up to \$250,000 per customer, per institution.									Budget Interest @ 30 September 2024	214,625.00
									Budget variance	202,136.76

Attachment B







Summary of indebtedness

Information	Loan #2	Loan #3	Loan #4	Loan #5	Loan #6	Loan #7	Total
Institution	CBA	CBA	Dexia	NAB	NAB	Tcorp	
Principal Borrowed	\$ 3,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 13,500,000	\$ 56,500,000
Date Obtained	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	
Interest Rate	6.25%	6.37%	6.40%	6.74%	6.85%	2.68%	
Date Due	31-May-25	31-May-26	21-Feb-27	31-May-27	25-Sep-27	7-Jun-41	
Annual Commitment	\$ 264,921	\$ 891,595	\$ 893,507	\$ 917,390	\$ 925,933	\$ 876,390	\$ 4,769,735
Principal Repaid LTD	\$ 2,746,968	\$ 8,349,888	\$ 7,965,426	\$ 7,528,748	\$ 7,517,163	\$ 1,596,420	\$ 35,704,613
Interest Incurred LTD	\$ 2,286,525	\$ 7,698,825	\$ 7,673,589	\$ 8,066,876	\$ 8,223,692	\$ 1,032,750	\$ 34,982,256
Principal Outstanding	\$ 253,032	\$ 1,650,112	\$ 2,034,574	\$ 2,471,252	\$ 2,482,838	\$ 11,903,580	\$ 20,795,388
Interest Outstanding	\$ 11,889	\$ 133,078	\$ 199,571	\$ 301,614	\$ 306,850	\$ 2,995,054	\$ 3,948,057