
Investment Policy

CONTROL:

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| Policy Type: | Financial |
| Authorised by: | Council |
| Head of Power: | <ul style="list-style-type: none">• <i>Local Government Act 2009;</i>• <i>Local Government Regulation 2012; and</i>• <i>Statutory Bodies Financial Arrangements Act 1982.</i> |
| Responsible Officer: | Admin & Finance Manager |
| Responsibilities: | Statutory compliance |
| Adopted / Approved: | 19 June 2025; Resolution 2025/89 |
| Last Reviewed: | June 2025 |
| Review: | June 2026 Note: This Policy may be included with Budget documents and as such, must be reviewed annually, together with the Budget, however may be amended at any time. |

1. INTRODUCTION

1.1 PURPOSE:

Council has a number of duties and responsibilities when investing funds. These are outlined in Sections 47 and 48 of the Statutory Bodies Financial Arrangements Act 1982 (SBFA).

The SBFA requires a statutory body to use its best efforts to invest its funds:

- (a) at the most advantageous interest rate available to it at the time of the investment for an investment of the proposed type; and
- (b) in a way it considers is most appropriate in all the circumstances.

Further, the SBFA requires that a statutory body must keep records that show it has invested in the way most appropriate in all the circumstances.

1.2 POLICY OBJECTIVES:

The purpose of this policy is to prescribe the circumstances and terms on which Council may invest its funds.

1.3 COMMENCEMENT OF POLICY:

This Policy will commence on adoption. It replaces all other specific Investment policies of Council (whether written or not).

1.4 SCOPE:

This policy applies to all Council employees, in the investment of all funds by Council.

2. POLICY

2.1 CONTEXT:

The context of this Policy aims to ensure a clear and concise approach is undertaken in respect to investments of Council funds.

2.2 POLICY STATEMENT:

It is Council's intention that all Council funds not immediately required for financial commitments be invested and that the investment vehicles used maximise Council earnings when taking into account counterparty, market and liquidity risks.

3. STANDARDS AND PROCEDURES

3.1 KEY PRINCIPLES

- 3.1.1 All Council funds not immediately required for financial commitments are to be invested.
- 3.1.2 Investment vehicles used should maximise Council earnings when taking into account counterparty, market and liquidity risks.

3.2 SPECIFIC AND STANDARD

3.2.1 Placement of Investment Funds

- 3.2.1.1 Section 44 (1) of the Statutory Bodies Financial Arrangements Act 1982 authorises that investments comprise of the following;
 - 3.2.1.1.1 Deposits with a financial institution;
 - 3.2.1.1.2 Investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
 - 3.2.1.1.3 Other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
 - 3.2.1.1.4 Investments with QIC Cash Trust, QIC Pooled Cash Fund, QTC Cash Fund, QTC 11am Fund or QTC Debt Offset Facility;
 - 3.2.1.1.5 An investment arrangement with a rating prescribed under a regulation for this paragraph; and
 - 3.2.1.1.6 Other investment arrangements prescribed under a regulation for this paragraph.
- 3.2.1.2 Section 44 (2) of the SBFA states that the investment must be;
 - 3.2.1.2.1 At call; or
 - 3.2.1.2.2 For a fixed time of not more than one (1) year.

3.2.2 Quotation on Investment

- 3.2.2.1 Not less than two (2) quotations shall be obtained from authorised institutions whenever a new investment is proposed.
- 3.2.2.2 The best quote on the day will be successful after allowing for administrative and banking costs, as well as having regard risk factors. This to be chosen by the Chief Executive Officer or his nominated delegate.
- 3.2.2.3 An exemption applies to the requirement to obtain quotes where funds are invested with QTC.
- 3.2.2.4 Investments held with QTC cash fund will be benchmarked against other investments or quoted investment rates half yearly to ensure Council is receiving the most advantageous rate given the risk/return trade-off.
- 3.2.2.5 When investing funds Council staff should aim to minimise the risk to the financial instruments. As such, the authorised investments must be from one of the following:
 - 3.2.2.5.1 Interest bearing deposits with a licensed bank;
 - 3.2.2.5.2 Deposits with Queensland Treasury Corporation (QTC); or
 - 3.2.2.5.3 Deposits with a credit union or building society specifically approved by Council.

3.2.3 Term to Maturity

- 3.2.3.1 Council's investment portfolio should be realisable, without penalty, in a reasonable time frame.
- 3.2.3.2 The term to maturity of Council investments should not exceed one (1) year.

3.2.4 Internal Controls

- 3.2.4.1 Council is, at all times, to have in place appropriate controls to prevent the fraudulent use of public monies. The following controls detail the minimum that is required:
 - 3.2.4.1.1 A person is to be identified as the responsible officer for the investment function;
 - 3.2.4.1.2 All investments are to be authorised by the Chief Executive Officer or nominated delegate;
 - 3.2.4.1.3 Confirmation advices from the Financial Institution are to be attached to the Investment Authorisation Form as evidence that the investment is in the name of Bulloo Shire Council; and
 - 3.2.4.1.4 A person, other than the Responsible Officer, is to perform the bank reconciliation at the end of each month (alternatively, the reconciliation needs to be reviewed by another officer).

3.2.5 Record Keeping

3.2.5.1 Section 48 of the SBFA states that:

"A security, safe custody acknowledgment or other document evidencing title accepted, guaranteed or issued for an investment arrangement must be held by the statutory body or in another way approved by the Treasurer".

3.2.5.2 This is Council's current practice and will be continued as part of the investment procedures.

3.2.5.3 The procedure for the investment of Council funds is to be documented and followed at all times.

3.2.6 Legislative Requirements

3.2.6.1 Council is, at all times, to comply with legislation applicable to the investment function within Local Governments.

3.2.6.2 Council will utilise its Category 1 Investment Powers under the SBFA to earn interest revenue on its operating funds to supplement Council's other sources of revenue.

4. REFERENCE AND SUPPORTING INFORMATION

4.1 DEFINITIONS:

To assist in interpretation, the following definitions shall apply:

| Word / Term | Definition |
|-------------|--|
| Council | means Bulloo Shire Council. |
| SBFA | Statutory Bodies Financial Arrangements Act 1982 |

4.2 RELATED POLICIES, LEGISLATION AND DOCUMENTS:

| Links to supporting documentation |
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| Local Government Regulation 2012 – Section 191 |