

INVESTMENT POLICY

Policy Number:	2.2.2
Approved by:	Council
Date Approved:	December 2024
Date of Next Review:	December 2026
Applicable to:	Finance Business Unit
Responsible Officer:	Manager Corporate Finance
Related Policies:	Nil
Related Documents:	Investment Guidelines
Statutory Reference:	<i>Local Government Act 2020</i>

OVERVIEW

To continue a policy for the investment of Council's surplus funds.

THE POLICY

Due to the public nature of the Council's activities, prudent management of its monetary assets is essential to mitigate against unnecessary risks. For this reason, Council needs to state conservative and risk averse guidelines for its investments.

1. The interest earned on investments should be maximised while minimising Council's exposure to financial risk.
2. All investments are to be made exercising care, diligence and skill that a prudent person of business would exercise.
3. When acting under the provisions of this policy Council staff should always maintain a professional balance of risk and return and act as a steward of Council funds.
4. Investments are to be denominated in Australian Dollars.
5. Investment of surplus funds shall only be through investment types as permitted by section 103 of the *Local Government Act 2020* and will comply with all relevant regulations and Ministerial guidelines.

Council may invest any money -

- Section 103:
- a) In Government Securities of the Commonwealth;
 - b) in securities guaranteed by the Government of Victoria;
 - c) with an ADI;
 - d) with any financial institution guaranteed by the Government of Victoria;
 - e) on deposit with a money market dealer within the meaning of the *Corporations Act 2001*; and
 - f) in any other manner approved by the Minister, either general or specific.
6. Council has taken a conservative approach over time to limiting investment to "Term Deposits", any variation to this strategy will be in consultation with the Chief Executive.

7. Short Term Investments (less than or equal to 12 months) will only be made with financial institutions with a minimum Short-Term Standard & Poor's rating of A-2.
8. Long Term Investments (more than 12 months) will only be made with financial institutions with a minimum Long-Term Standard & Poor's rating of A or stronger. Council will seek the highest rated investment organisation in balancing exposure and risk.
9. This policy will be reviewed by Council's Audit & Risk Committee prior to being presented to Council for consideration.
10. Investments should be spread over compliant organisations such that Government deposit guarantees are utilised and all funds are not invested in one organisation.

REVISION HISTORY

VERSION	DATE	SUMMARY OF CHANGES
1.0	December 2022	No changes applicable at this review
1.1	August 2023	Minor word changes and inclusion of the legislation, S103 for clarity Date of next review changed to: December 2023
1.2	December 2023	Date of Next Review updated to December 2024 Minor formatting changes
1.3	December 2024	Date of Next Review updated to December 2026 Minor grammar updates Specification that funds should not be held by one organisation