

9.2.1

STATEMENT OF INVESTMENTS

File No: 16.00001

RECOMMENDATION:

That the information be noted.

REPORT:

\$72,925,000 was invested at 29th February 2024 in accordance with Council's investment policies, the Minister's Investment Order dated 12 January 2011, the Local Government Act 1993 and associated regulations. All investments have been reconciled with Council's general ledger and are listed below:

	<u>Rating</u>	<u>Balance</u> \$	<u>Average</u> <u>Return</u>
<u>Short Term 1 – 365 Days</u> (comprising Commercial Bills, Term Deposits, Debentures and Certificates of Deposits):			
National Australia Bank Limited	A-1+	12,000,000	5.00%
CBA	A-1+	10,500,000	5.14%
Suncorp	A-1	13,500,000	4.83%
AMP	A2	4,500,000	4.82%
Bank of Queensland Limited	A2	4,500,000	5.23%
IMB	A2	1,500,000	5.27%
Maritime, Mining & Power Credit Union Ltd	ADI	6,000,000	5.29%
		52,500,000	5.03%
<u>Long Term > 365 Days</u> (comprising Commercial Bills, Term Deposits, Debentures and Bonds):			
<u>Floating Rate Term Deposits</u>			
Westpac Coupon Select 2	AA-	1,500,000	4.50%
Westpac Fixed Term deposit	AA-	1,500,000	1.25%
Maritime Mining & Power Credit Union Ltd	ADI	125,000	1.45%
		3,125,000	2.82%
<u>Floating Rate Notes</u>			
CBA Green	AA-	1,500,000	4.78%
National Australia Bank	AA-	700,000	5.29%
National Australia Bank 1	AA-	1,200,000	4.75%
National Australia Bank 2	AA-	1,000,000	5.24%
HSBC Sydney	AA-	1,500,000	5.20%
HSBC Sydney 1	AA-	1,500,000	5.42%
Westpac	AA-	1,000,000	5.38%
Macquarie Bank 2	A+	1,500,000	4.84%
Macquarie Bank 3	A+	800,000	5.20%
UBS AG Australian	A+	650,000	5.21%

Suncorp Metway Ltd	A+	500,000	4.79%
Suncorp Metway Ltd 1	A+	1,550,000	4.83%
Suncorp Metway Ltd 2	A+	500,000	5.27%
Sumitomo Mitsui Banking Corp	A	1,000,000	5.53%
Auswide Bank	BBB+	1,000,000	5.86%
Bendigo & Adelaide Ltd 4	BBB+	900,000	4.89%
Bendigo & Adelaide Ltd 5	BBB+	500,000	5.51%
		17,300,000	5.14%

Total Investments

72,925,000 4.96%

These funds were held as follows:

Reserves Total (includes unexpended loan funds)	24,172,539
Grants held for specific purposes	1,571,448
Section 7.11 Funds held for specific purposes	47,148,816
Unrestricted Investments	32,197

Total Investments

72,925,000

Total Interest Revenue to 29 February 2024

2,692,041.21 4.96%

A Jones
Responsible Accounting Officer

FINANCIAL IMPLICATIONS:

There are no financial implications resulting from this report.

BATHURST COMMUNITY STRATEGIC PLAN – OBJECTIVES AND STRATEGIES:

Objective 6: Community leadership and collaboration.

Strategy 6.4	Meet legislative and compliance requirements.
Strategy 6.6	Manage our money and our assets to be sustainable now and into the future.

COMMUNITY ENGAGEMENT:

01 **Inform** - to provide the public with balanced and objective information to help them understand the problem, alternatives, opportunities and/or solutions.

ATTACHMENTS:

1. 29 February 2024 Investments [9.2.1.1 - 2 pages]

BATHURST REGIONAL COUNCIL
INVESTMENT PERFORMANCE

Investment Policy Benchmarks

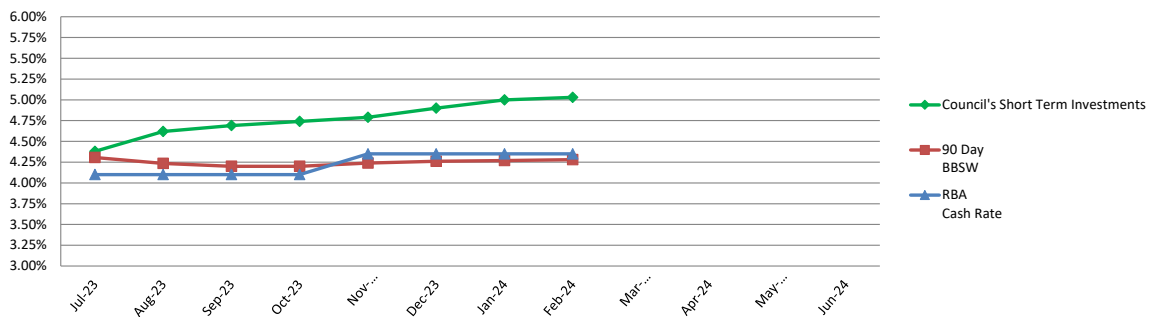
Benchmark 1 - The performance of the portfolio shall be against the industry standard 90 Day Bank Bill Index or the official RBA Cash Rate

Council's current year to date performance compared to the two benchmarks is shown below. Council has outperformed both benchmarks.

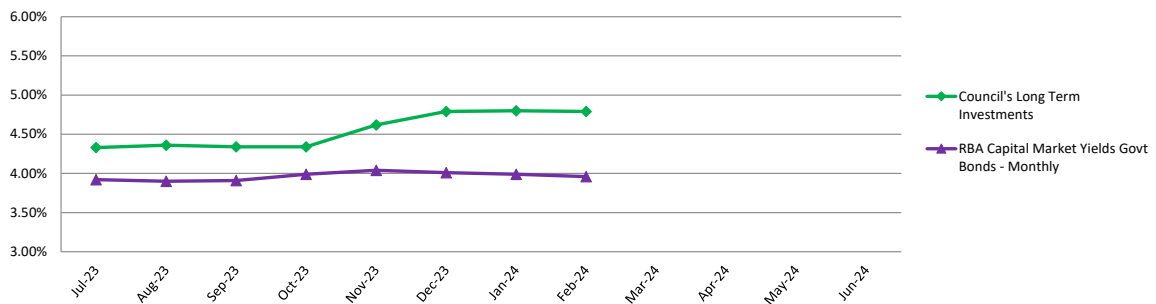
Reserve Bank of Australia - Cash Rate	4.35%
AFMA - 90 Day Bank Bill Swap Rate (BBSW) Avg Mid	4.28%
RBA Capital Market Yields Govt Bonds - Monthly	3.96%
Modified Dietz Calculation	4.88%

	Short Term			Long Term		Overall Performance	
	RBA Cash Rate	90 Day BBSW	Council's Short Term Investments	RBA Capital Market Yields Govt Bonds - Monthly	Council's Long Term Investments	Modified Dietz Calculation	Council Performance
Jul-23	4.10%	4.31%	4.38%	3.92%	4.33%	4.57%	4.37%
Aug-23	4.10%	4.23%	4.62%	3.90%	4.36%	4.91%	4.56%
Sep-23	4.10%	4.20%	4.69%	3.91%	4.34%	4.63%	4.60%
Oct-23	4.10%	4.20%	4.74%	3.99%	4.34%	4.89%	4.63%
Nov-23	4.35%	4.24%	4.79%	4.04%	4.62%	4.73%	4.74%
Dec-23	4.35%	4.26%	4.90%	4.01%	4.79%	5.53%	4.87%
Jan-24	4.35%	4.27%	5.00%	3.99%	4.80%	5.57%	4.94%
Feb-24	4.35%	4.28%	5.03%	3.96%	4.79%	4.88%	4.96%
Mar-24							
Apr-24							
May-24							
Jun-24							

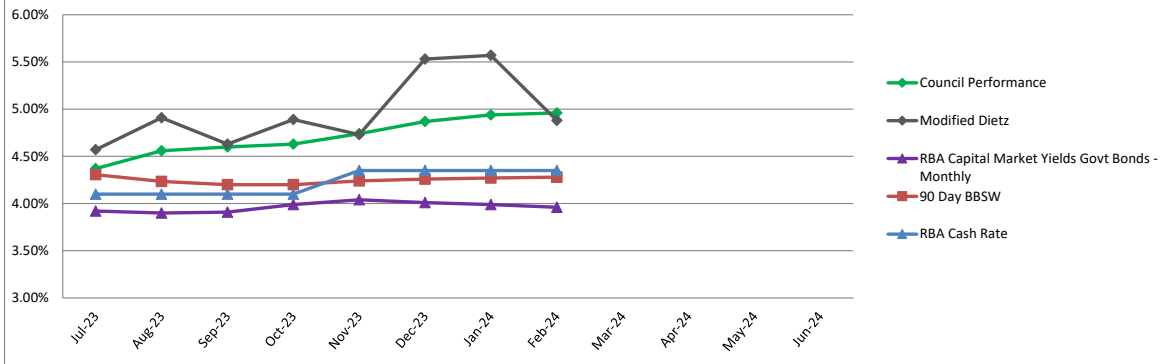
Short Term Investment Performance



Long Term Investment Performance



Overall Investment Performance



**BATHURST REGIONAL COUNCIL
INVESTMENT PERFORMANCE**

2a - Overall Portfolio Credit Framework

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating. Council has successfully met this criteria.

Short Term	Ratings	Maximum Holding %	Actual Holding %	
	A-1+	100	43%	Complies
	A-1	100	26%	Complies
	A-2	40	20%	Complies
	A-3 or unrated	Note*	11%	Complies
			100%	
Long Term				
	AAA	100	0%	Complies
	AA+ AA AA- A+ A	100	87%	Complies
	A-	40	0%	Complies
	BBB+ BBB	20	12%	Complies
	BBB- & unrated	Note *	1%	Complies
			100%	

*Note: For reasons of practicality the number of these investments should be kept to a minimum.

2b - Institutional Credit Framework

To limit single entity exposure each individual institution will be limited by their credit rating. Council will reinvest into a complying rated institution at the maturity of any investment that currently does not comply.

	Ratings	Maximum Holding %	Actual Holding %	
CBA	AA-	40	17%	Complies
National Australia Bank Limited	AA-	40	20%	Complies
Westpac	AA-	40	6%	Complies
HSBC	AA-	40	4%	Complies
Suncorp Metway Ltd	A+	30	22%	Complies
Macquarie Bank Limited	A+	30	3%	Complies
UBS AG Australia	A+	30	1%	Complies
Sumitomo Mitsui Banking Corp	A	30	1%	Complies
Bank of Queensland Limited	BBB+	5	6%	Does not comply
Bendigo & Adelaide Bank Ltd	BBB+	5	2%	Complies
IMB	BBB+	5	2%	Complies
AMP	BBB	5	6%	Does not comply
Auswide Bank	BBB	5	2%	Complies
Maritime Mining & Power Credit Union	ADI	Note*	8%	
			100%	

*Note: For reasons of practicality the number of these investments should be kept to a minimum.

*Credit rating to Auswide Bank issued by Fitch Ratings, equivalent Rating by S & P shown

2c - Maturity Profile

The Investment Portfolio is to be invested within the following maturity constraints, Council has successfully met this criteria.

	Term Deposit	FRTD	TCD	FRN	Min %	Max %	Actual %	
Within one year	52,500,000	125,000	0	2,200,000	40	100	75%	Complies
One to three years	0	1,500,000	0	12,100,000	0	60	19%	Complies
Three to Five Years	0	1,500,000	0	3,000,000	0	30	6%	Complies
Over Five Years	0	0	0	0	0	15	0%	Complies
	52,500,000	3,125,000	0	17,300,000			100%	

Recommendation: That the report be noted.

Responsible Accounting Officer

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Aaron Jones
Director Corporate Services & Finance

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Prepared By Lesley Guy

1-Mar-24

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Reviewed By Tony Burgoyne