

8.3.1

STATEMENT OF INVESTMENTS

File No: 16.00001

RECOMMENDATION:

That the information be noted.

REPORT:

\$60,800,000 was invested at 31 January 2025 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 Return</u>
<u>Short Term 1 – 365 Days</u> (comprising Commercial Bills, Term Deposits, Debentures and Certificates of Deposits):			
National Australia Bank Limited	AA-	16,000,000	5.17%
Suncorp	AA-	7,500,000	5.17%
Westpac	AA-	3,000,000	4.98%
Bank of Queensland Limited	A-	7,500,000	5.15%
Bendigo & Adelaide	A-	1,500,000	4.92%
Maritime, Mining & Power Credit Union Ltd	ADI	4,500,000	5.28%
		40,000,000	5.16%
<u>Long Term > 365 Days</u> (comprising Commercial Bills, Term Deposits, Debentures and Bonds):			
<u>Floating Rate Term Deposits</u>			
Westpac Coupon Select 2 (6/9/2027)	AA-	1,500,000	5.28%
Westpac Fixed Term deposit (10/6/2026)	AA-	1,500,000	1.25%
		3,000,000	3.26%
<u>Fixed, Negotiable & Tradeable Certificates of Deposits</u>			
<u>Floating Rate Notes</u>			
CBA Green	AA-	1,500,000	4.85%
National Australia Bank 1	AA-	1,200,000	4.83%
National Australia Bank 2	AA-	1,000,000	5.33%
National Australia Bank 3	AA-	1,200,000	5.34%
HSBC Sydney 1	AA-	1,500,000	5.48%
Westpac	AA-	1,000,000	5.47%
Suncorp Metway Ltd 1	AA-	500,000	4.87%
Suncorp Metway Ltd 2	AA-	1,550,000	4.94%
Suncorp Metway Ltd 3	AA-	500,000	5.35%
Macquarie Bank 2	A+	1,500,000	4.92%
Macquarie Bank 3	A+	800,000	5.31%
UBS AG Australian	A+	650,000	5.13%

Sumitomo Mitsui Banking Corp	A	1,000,000	5.58%
ING Bank	A	500,000	5.39%
Bendigo & Adelaide Ltd 4	A-	900,000	4.96%
Bendigo & Adelaide Ltd 5	A-	500,000	5.61%
AMP	BBB+	1,000,000	5.73%
Auswide Bank	BBB	1,000,000	5.96%
		17,800,000	5.25%

Total Investments	\$60,800,000	5.09%
--------------------------	---------------------	--------------

Total Interest Revenue to 31 January 2025	\$1,950,399.82
--	-----------------------

Cash Account Balance	\$1,390,578.80
-----------------------------	-----------------------

Savings Account Balance	\$3,170,000	4.25%
--------------------------------	--------------------	--------------

Total	\$65,360,578.80
--------------	------------------------

Effective financial governance is a cornerstone of responsible local government operations. Regular, standalone reporting of the Council's cash and investments position is vital to ensuring compliance with legislation and maintaining public trust in Council's financial management. Below is a breakdown of Council's cash and investments position as at end of the month, including all externally restricted funds.

Restricted Cash Analysis				
<i>Format as per Note C1-3 Restricted and allocated cash, cash equivalents and Investments</i>				
	Actual	Current	Actual	
	Prior Month	Movement	Current	
	Dec-24		Jan-25	
Total Investments	63,800,000	(3,000,000)	60,800,000	
Bank Account	2,513,240	(1,122,661)	1,390,579	
At Call Account	2,320,000	850,000	3,170,000	
Cash Floats & Petty Cash	11,180	-	11,180	
Total Cash, Cash equivalents and Investments	68,644,420	(3,272,661)	65,371,759	
Less: Externally restricted cash and investments	(66,610,252)	1,530,010	(65,080,241)	
Cash, Cash equivalents and Investments not subject to restrictions	2,034,168	(1,742,650)	291,518	
External Restrictions:				
Special Purpose Unexpended Grants - General fund	(1,863,413)	706,739	(1,156,674)	
Special Purpose Unexpended Grants - Water fund	-	-	-	
Special Purpose Unexpended Loans - General Fund	(567,483)	300,000	(267,483)	
Developer Contributions - General fund	(13,260,908)	166,830	(13,094,078)	
Developer Contributions - Water fund	(11,589,063)	10,629	(11,578,433)	
Developer Contributions - Sewer fund	(24,412,776)	(14,616)	(24,427,392)	
Water Fund	(7,460,717)	(148,506)	(7,609,223)	
Sewer Fund	(3,355,876)	175,382	(3,180,494)	
Domestic Waste Management	(3,009,809)	367,778	(2,642,031)	
Stormwater Management	(1,090,207)	(34,225)	(1,124,432)	
	(66,610,252)	1,530,010	(65,080,241)	

Commentary on monthly movement

Total Cash, Cash equivalents and Investments

Cash is down at 31/01/2025 with Council waiting on progress payments for several grant programs and need to fund ongoing works.

External Restrictions

Unexpended Loans - received 2025 loan of \$350k for Mt Panorama tyre walls in Dec, transferred amounts expended into income in Jan.

Developer Contributions adjusted for funds used on projects YTD (not adjusted in GL until EOFY).

Water Fund - reflects funds used for operations & capital.

Sewer Fund - reflects funds used for operations & capital (note loan repayments from Land Development are up to date).

Domestic Waste Management - reflects funds used for operations & capital.

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. 31 Jan 2025 Investments [8.3.1.1 - 2 pages]

**BATHURST REGIONAL COUNCIL
INVESTMENT PERFORMANCE**

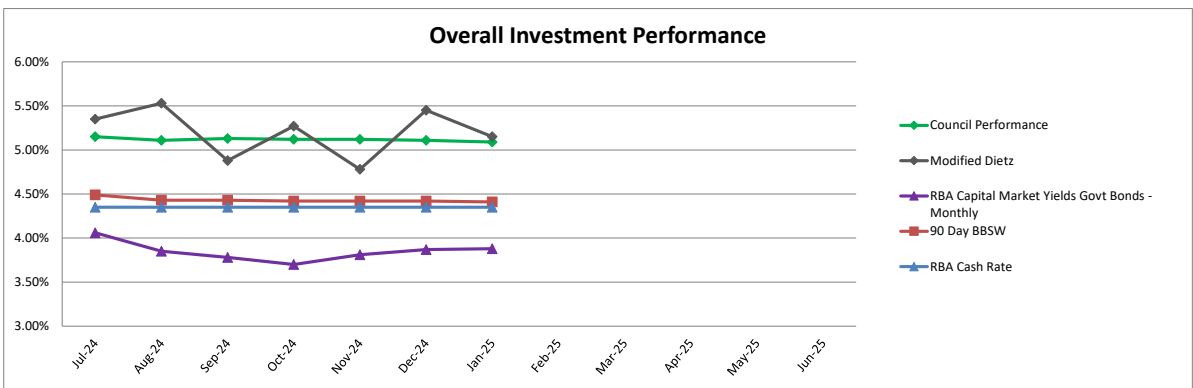
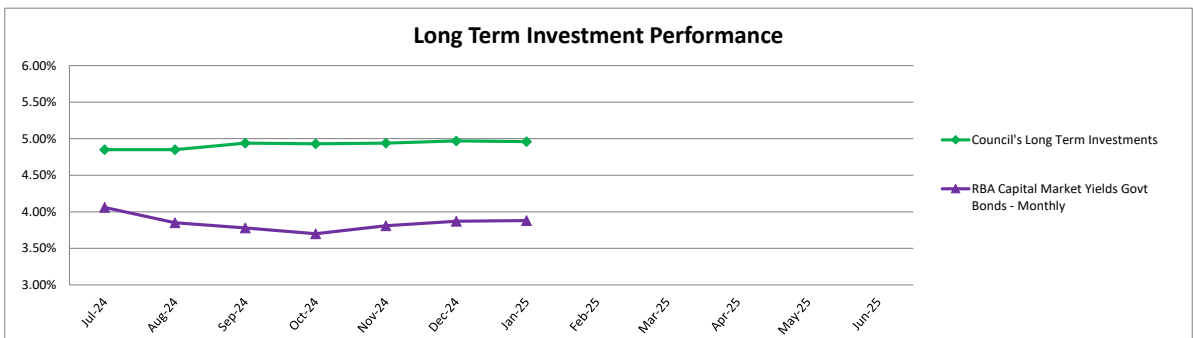
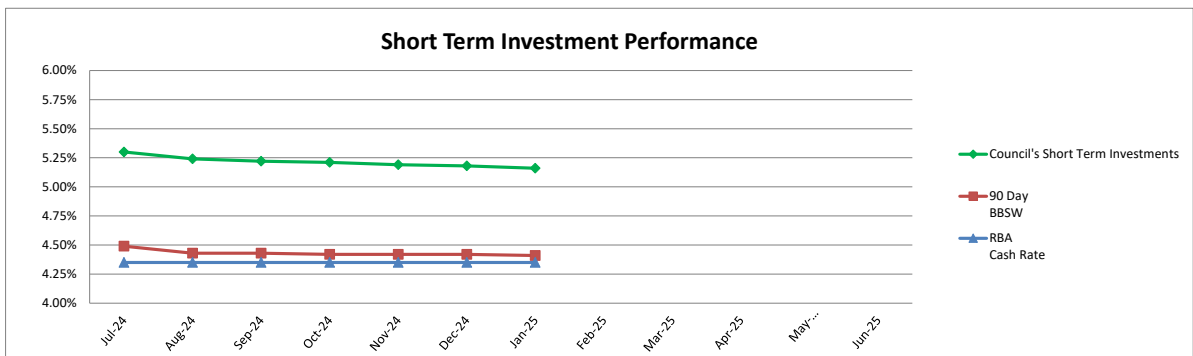
Investment Policy Benchmarks

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	4.41%
RBA Capital Market Yields Govt Bonds - Monthly	3.88%
Modified Dietz Calculation	5.15%

	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-24	4.35%	4.49%	5.30%	4.06%	4.85%	5.35%	5.15%
Aug-24	4.35%	4.43%	5.24%	3.85%	4.85%	5.53%	5.11%
Sep-24	4.35%	4.43%	5.22%	3.78%	4.94%	4.88%	5.13%
Oct-24	4.35%	4.42%	5.21%	3.70%	4.93%	5.27%	5.12%
Nov-24	4.35%	4.42%	5.19%	3.81%	4.94%	4.78%	5.12%
Dec-24	4.35%	4.42%	5.18%	3.87%	4.97%	5.45%	5.11%
Jan-25	4.35%	4.41%	5.16%	3.88%	4.96%	5.15%	5.09%
Feb-25							
Mar-25							
Apr-25							
May-25							
Jun-25							



**BATHURST REGIONAL COUNCIL
INVESTMENT PERFORMANCE**

2a - 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.

Ratings	Maximum Holding %	Actual Holding %	
AAA	100	0%	Complies
AA Category or Major Banks	100	65%	Complies
A	70	25%	Complies
BBB Category	40	3%	Complies
Unrated ADI's	15*	7%	Complies
		100%	

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

2b - Counterparty Limits

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. Council has successfully met this criteria.

	Ratings	Maximum Holding %	Actual Holding %	
CBA	AA-	40	2%	Complies
National Australia Bank Limited	AA-	40	32%	Complies
Westpac	AA-	40	12%	Complies
HSBC	AA-	40	2%	Complies
Suncorp Metway Ltd	AA-	40	17%	Complies
Macquarie Bank Limited	A+	30	4%	Complies
UBS AG Australia	A+	30	1%	Complies
Sumitomo Mitsui Banking Corp	A	30	1%	Complies
ING Bank	A	30	1%	Complies
Bank of Queensland Limited	A-	30	12%	Complies
Bendigo & Adelaide Bank Ltd	A-	30	5%	Complies
AMP	BBB+	15	2%	Complies
Auswide Bank	BBB	15	2%	Complies
Maritime Mining & Power Credit Union L	ADI	10	7%	Complies
			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 - Term to Maturity Framework

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	40,000,000	0	0	5,550,000	40	100	75%	Complies
One to three years	0	3,000,000	0	9,050,000	0	60	20%	Complies
Three to Five Years	0	0	0	3,200,000	0	30	5%	Complies
Over Five Years	0	0	0	0	0	15	0%	Complies
	40,000,000	3,000,000	0	17,800,000			100%	

Recommendation: That the report be noted.

Responsible Accounting Officer

.....
Aaron Jones
Director Corporate Services & Finance

.....
Prepared By Lesley Guy

5-Feb-25

.....
Reviewed By Tony Burgoyne