
8.1 Investments Report - July 2024

Report of: Margaret Cusack
Acting Deputy Chief Financial Officer

Authorised by: Pav Kuzmanovski
Acting Director Corporate Strategy and Resourcing

OFFICER'S RECOMMENDATION

THAT Council receive and note this Cash Investment Report as at 31 July 2024.

REPORT

In accordance with section 212 of the Local Government (General) Regulation 2021, the Responsible Accounting Officer must provide Council with a written report setting out details of all money that Council has invested under section 625 of the Local Government Act 1993.

This report provides details of Council's Investment Portfolio as at 31 July 2024.

Attachment 1 to this report provides Council's Cash Investment Portfolio, detailing investments held and a summary of the portfolio by the institution invested with and their credit rating.

In accordance with section 212(1)(b) of the Local Government (General) Regulation 2021, the investments listed in **Attachment 1** have been made in accordance with:

- The Local Government Act 1993,
- The Local Government (General) Regulation 2021,
- The Ministerial Investment Order 2011, and
- Council's Investment Policy.

Interest earned from investments totalled \$996,571 to 31 July 2024.

The interest is attributable to each fund as listed in the table below.

Fund	Annual budget	YTD budget	YTD actual	YTD variance
General Fund	3,070,000	255,833	379,731	123,898
Water Fund	2,900,000	241,667	310,949	69,282
Sewer Fund	2,430,000	202,500	305,891	103,391
Total Council	8,400,000	700,000	996,571	296,571

It is noted that Council still has approximately \$6.73 million in debtors relating to the Disaster Recovery Financial Assistance claim owing as at the end of July 2024. Whilst the claims are still being processed, Council still continues to forgo revenue on the amounts owed. The interest revenue forgone as at the end of July 2024 was estimated to be approximately \$364,500 which is inclusive of the forgone interest from the 2023/24 financial year.

COMMUNICATION AND CONSULTATION

Community Engagement

Not applicable

Internal Communication and Consultation

Not applicable

External Communication and Consultation

No applicable

SUSTAINABILITY ASSESSMENT

Environment

There are no environmental issues in relation to this report.

Social

There are no social issues in relation to this report.

Broader Economic Implications

There are no broader economic implications in relation to this report.

Culture

There are no cultural issues in relation to this report.

Governance

There are no governance issues in relation to this report.

COUNCIL BUDGET IMPLICATIONS

Council's year to date investment returns exceeded budget by \$296,571 with \$172,673 of this revenue restricted to the water and sewer funds.

RELATED COUNCIL POLICY

Cash Investment Policy June 2024.

CONCLUSION

Council receive and note the Cash Investment Portfolio held at 31 July 2024.

ATTACHMENTS

1. July 2024 - Investment Report Summary [8.1.1 - 6 pages]

Wingecarribee Shire Council Investment Report Summary

For the period ending 31 July 2024

List of Investments

Council's investment portfolio as at 31 July 2024 consists of the following investments:

INVESTMENT PORTFOLIO AS AT 31 July 2024						
Institution	Type	Amount	Interest Rate	Investment Term - Days	Maturity Date	% Investment Portfolio
BOQ	Term Deposit	8,000,000	4.41%	731	02/09/2024	3.49%
CBA	Term Deposit	5,000,000	4.00%	720	16/09/2024	2.18%
CBA	Term Deposit	5,000,000	5.52%	365	02/08/2024	2.18%
CBA	Term Deposit	4,000,000	5.55%	365	07/08/2024	1.74%
CBA	Term Deposit	5,000,000	5.53%	365	20/08/2024	2.18%
CBA	Term Deposit	5,000,000	5.46%	364	23/08/2024	2.18%
CBA	Term Deposit	5,000,000	5.42%	365	27/08/2024	2.18%
CBA	Term Deposit	2,000,000	5.26%	365	29/08/2024	0.87%
CBA	Term Deposit	3,000,000	5.27%	365	30/08/2024	1.31%
NAB	Term Deposit	5,000,000	5.20%	365	11/09/2024	2.18%
ING	Term Deposit	5,000,000	5.35%	365	27/09/2024	2.18%
NAB	Term Deposit	2,500,000	5.25%	365	03/10/2024	1.09%
ING	Term Deposit	5,000,000	5.47%	365	01/11/2024	2.18%
Auswide	Term Deposit	8,000,000	5.50%	365	29/11/2024	3.49%
ING	Term Deposit	5,000,000	5.34%	365	04/12/2024	2.18%
BOQ	Term Deposit	5,000,000	5.35%	366	05/12/2024	2.18%
ING	Term Deposit	5,000,000	5.19%	335	16/12/2024	2.18%
NAB	Term Deposit	7,000,000	5.12%	343	07/01/2025	3.05%
NAB	Term Deposit	5,000,000	5.10%	345	16/01/2025	2.18%
NAB	Term Deposit	5,000,000	5.13%	357	30/01/2025	2.18%
ING	Term Deposit	5,000,000	5.20%	367	17/02/2025	2.18%
CBA	Term Deposit	5,000,000	4.93%	365	21/02/2025	2.18%
ING	Term Deposit	10,000,000	5.08%	364	28/02/2025	4.36%
GSB	Term Deposit	5,000,000	5.09%	365	06/03/2025	2.18%
NAB	Term Deposit	10,000,000	5.25%	367	28/04/2025	4.36%
NAB	Term Deposit	5,000,000	5.25%	322	18/03/2025	2.18%
NAB	Term Deposit	5,000,000	5.25%	350	15/04/2025	2.18%
GSB	Term Deposit	5,000,000	5.20%	356	12/05/2025	2.18%
GSB	Term Deposit	5,000,000	5.20%	365	21/05/2025	2.18%
GSB	Term Deposit	5,000,000	5.22%	313	01/04/2025	2.18%
Auswide	Term Deposit	5,000,000	5.30%	365	29/05/2025	2.18%
ING	Term Deposit	5,000,000	5.23%	731	01/06/2026	2.18%

Wingecarribee Shire Council Investment Report Summary

For the period ending 31 July 2024

INVESTMENT PORTFOLIO AS AT 31 July 2024

Institution	Type	Amount	Interest Rate	Investment Term - Days	Maturity Date	% Investment Portfolio
NAB	Term Deposit	5,000,000	5.25%	365	11/06/2025	2.18%
NAB	Term Deposit	5,000,000	5.50%	362	24/06/2025	2.18%
NAB	Term Deposit	5,000,000	5.48%	356	18/06/2025	2.18%
NAB	Term Deposit	5,000,000	5.18%	727	24/06/2026	2.18%
ING	Term Deposit	8,000,000	5.35%	731	29/06/2026	3.49%
Judo	Term Deposit	5,000,000	5.50%	364	02/07/2025	2.18%
NAB	Term Deposit	5,000,000	5.33%	349	08/07/2025	2.18%
ING	Term Deposit	5,000,000	5.27%	357	22/07/2025	2.18%
CBA	Call Account	15,921,213	4.35%	NA	NA	6.94%
Bendigo	Call Account	1,018,752	1.45%	NA	NA	0.44%
Bendigo	Savings acc	50	0.00%	NA	NA	0.00%
Total Investments		\$229,440,015				100.00%

Institution Legend

AMP = AMP Limited
 ANZ = Australia & New Zealand Banking Group
 Auswide = Auswide Bank
 BOQ = Bank of Queensland
 BDCU = Berrima District Credit Union
 Bendigo = Bendigo & Adelaide Bank
 BankVIC = Bank Victoria

CBA = Commonwealth Bank of Australia
 GSB = Great Southern Bank (formerly CUA)
 IMB = IMB Bank
 ING = ING Direct
 ME = Members Equity Bank
 MyState = MyState Bank

NAB = National Australia Bank
 Newcastle = Newcastle Permanent
 St George = St George Bank
 WBC = Westpac Banking Corporation
 Rural = Rural Bank
 Judo = Judo Bank

Wingecarribee Shire Council Investment Report Summary

For the period ending 31 July 2024

Policy Compliance

Council's Investment Policy provides clear direction for the diversification of Council's investment portfolio. This ensures credit and diversification risk is managed in accordance with the adopted risk management framework, as outlined in Council's Policy.

Individual Institution Limits

A summary of investments placed by institution is as follows:

Institution	S&P Short Term Rating	Maximum %	Actual %	Invested \$	Supports Fossil Fuels	Policy Compliance
NAB	A1+	40%	30.29%	69,500,000	YES	YES
CBA	A1+	40%	23.94%	54,921,213	YES	YES
ING	A1	25%	23.10%	53,000,000	YES	YES
AMP	A2	15%	0.00%	0	YES	YES
BOQ	A2	15%	5.67%	13,000,000	YES	YES
ME (acquired by BOQ)	A2	Combined with BOQ %		0	YES	YES
Bendigo	A2	15%	0.44%	1,018,802	NO	YES
MyState	A2	15%	0.00%	0	NO	YES
Auswide	A2	15%	5.67%	13,000,000	NO	YES
GSB	A2	15%	8.72%	20,000,000	NO	YES
BankVIC	A2	15%	0.00%	0	NO	YES
Judo	A3	10%	2.18%	5,000,000	NO	YES
Total			100.00%	229,440,015		

Portfolio Credit Limits

A summary of investments placed by credit limit is as follows:

S&P Short Term Rating	Maximum %	Actual %	Invested \$	Policy Compliance
A1+	100%	54.23%	124,421,213	YES
A1	80%	23.10%	53,000,000	YES
A2	60%	20.49%	47,018,802	YES
A3	20%	2.18%	5,000,000	YES
Govt	25%	0.00%	0	YES
Total		100.00%	229,440,015	

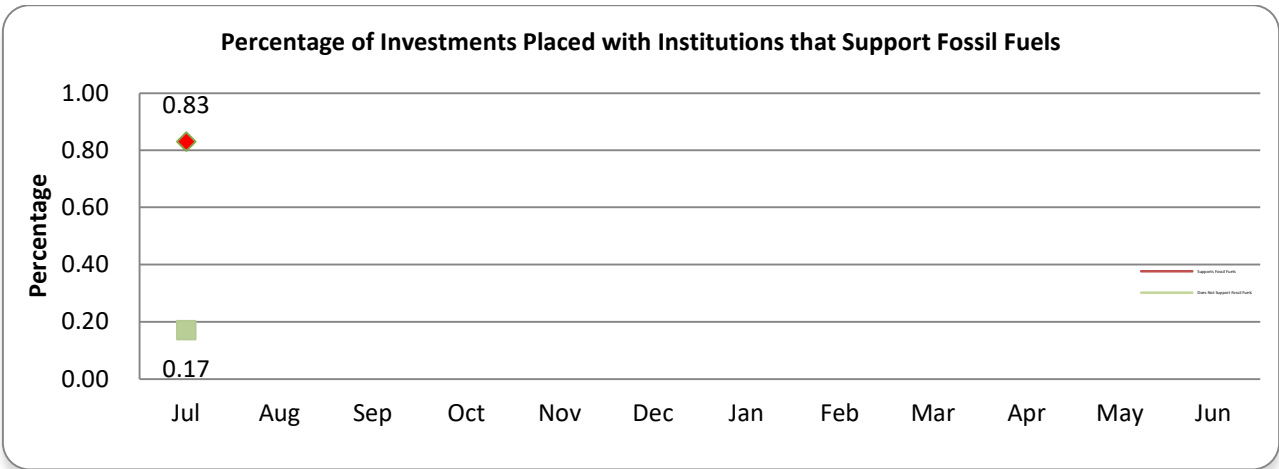
Wingecarribee Shire Council Investment Report Summary

For the period ending 31 July 2024

Non-Fossil Fuel Investment Preferencing

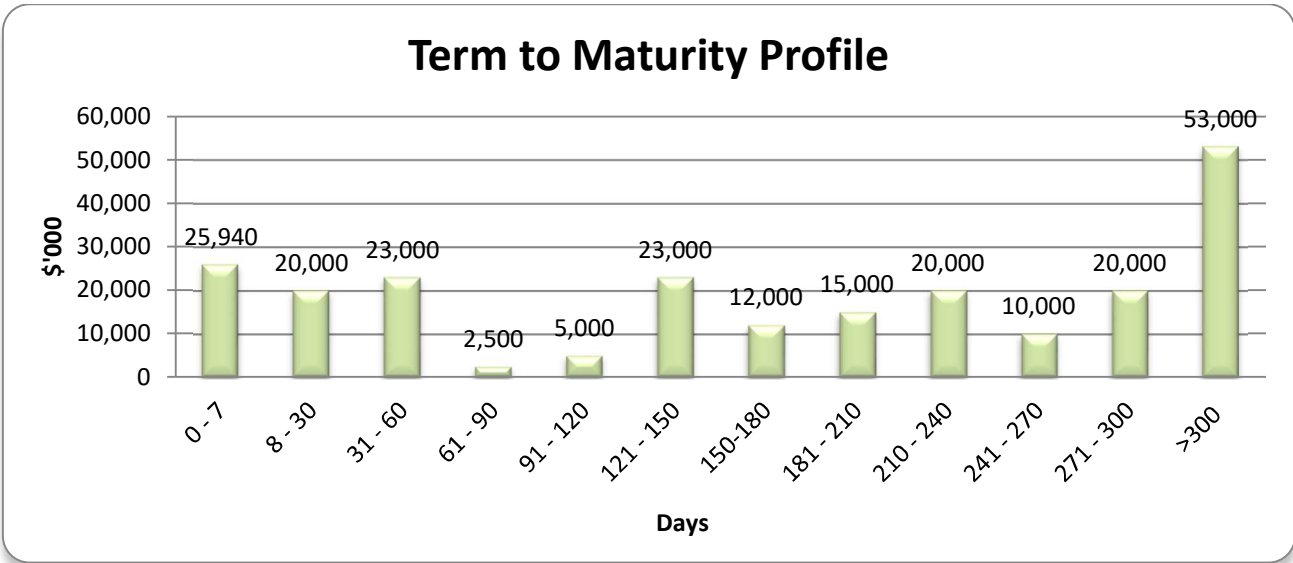
Council's adopted Investment Policy states a preference for placing funds with institutions that do not support the fossil fuel industry. The chart below identifies Council's percentage of investments placed with institutions that do not support the fossil fuel industry.

As investments mature Council will actively seek investments with institutions that do not support the fossil fuel industry, on the basis that they offer equivalent returns and are compliant with legislation and the objectives and parameters of the Investment Policy.



Term to Maturity

Investments have been placed giving due consideration to Council's liquidity requirements. Enough Working Capital is available to ensure Council continues to meet its ongoing cash flow requirements for operational and capital expenditure.

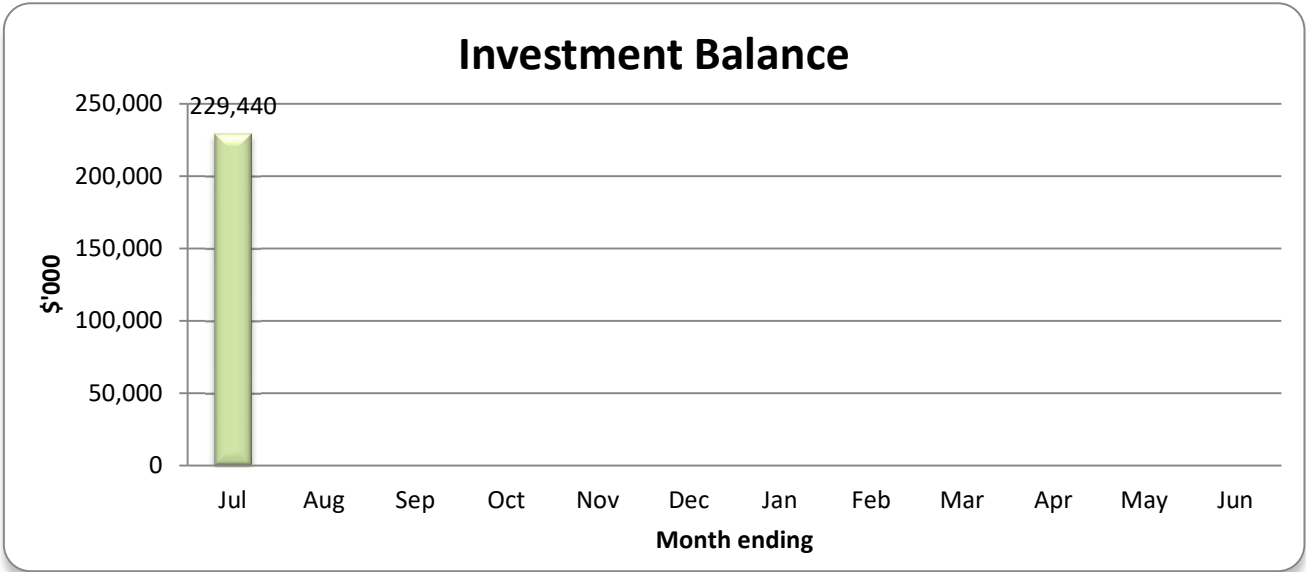


Wingecarribee Shire Council Investment Report Summary

For the period ending 31 July 2024

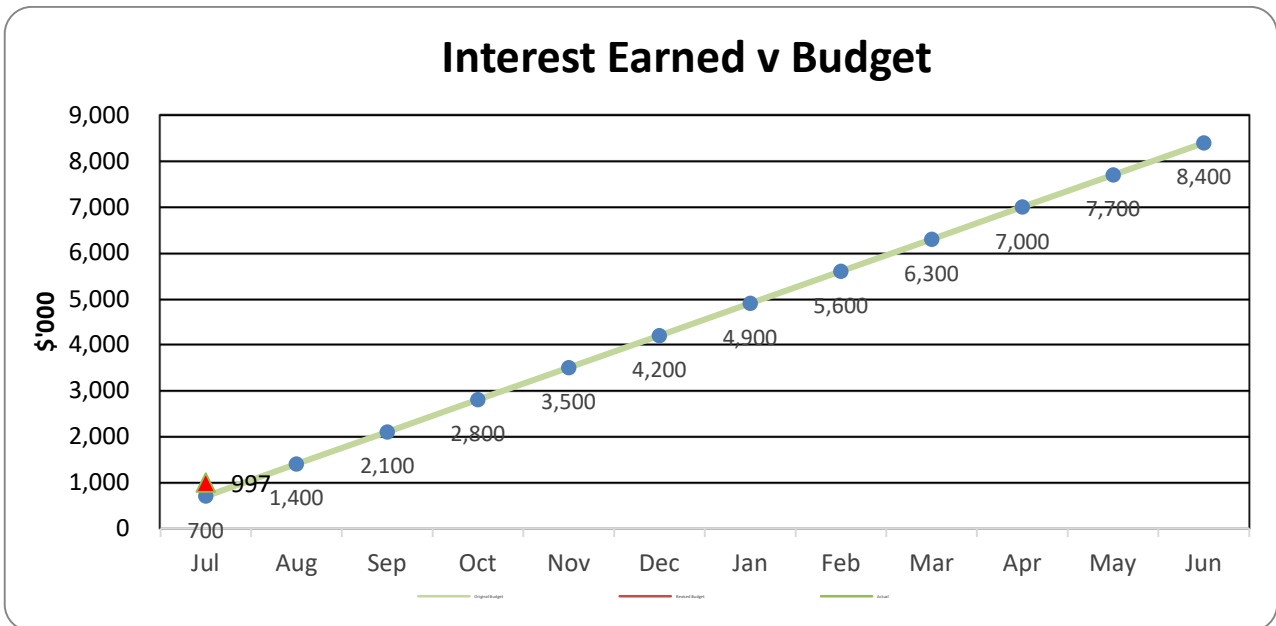
Portfolio Performance

Council's investment balance at the end of July 2024 was \$229.4 million. This has increased by \$7.30 million since the end of June 2024.



Interest Revenue

Council continues to seek the best available returns while managing the investment portfolio in accordance with Council's investment policy.



Wingecarribee Shire Council Investment Report Summary

For the period ending 31 July 2024

Performance against Benchmark

Council's investment portfolio is benchmarked against the Bloomberg AusBond Bank Bill Index.

The average rate of return (ARR) achieved for July 2024 was 5.24% which has not changed since June 2024. The Bloomberg AusBond Bank Bill Index for 1 year was 4.37%. The margin against the Bloomberg AusBond Bank Bill Index was 0.87% for July 2024.

