	<b>COUNCIL</b>	<b>POLICY NUMBER</b>
	Investment Policy	C 021
		<b>RESPONSIBLE OFFICER</b>
		General Manager

### **PURPOSE OF POLICY**

The purpose of this policy is to provide guidelines for investment of Council funds surplus to immediate requirements as well as maximise the Council's return on its investments. It also establishes an appropriate structure to ensure security and liquidity.

### **SCOPE**

This policy applies to Tasman Council employees.

### **POLICY**

In accordance with Section 75 of the *Local Government Act 1993*, Council may invest money. Investing money should provide a higher rate of return than what is received in operational banks. Council's investment portfolio should maximise returns within agreed risk parameters.

In achieving the investment objective the following must be considered:

- Level of security by using recognised assessment criteria.
- Diversification of investment to spread risk.
- Liquidity requirements of funds.
- Associated cost of investing.

Investments must be made in Australia and be denominated in Australian dollars.

Authorised investments include:

- Interest bearing deposits in Tascorp and bank, building society or credit union or any securities, which are issued by a body with a credit rating of:

Moody's	A2	A1	Aa3	Aa2	Aa1	Aaa
S&P	A	A+	AA_-	AA	AA+	AAA
Fitch	A	A+	AA_	AA	AA+	AAA
	Lowest			Highest		


Preference will be given to investments where the Australian government guarantees the investment and these investments will be recognised as having the same credit rating as the Australian Government.

### **Quotations on investments**

For direct investment, at least three (3) quotations shall be obtained from authorised institutions whenever an investment is proposed. For all other types of investments, quotations are not required but the expected yields must be known before making the investment decision.

### **Term maturity**

The term maturity for an investment is not specified in this policy, however, an analysis of assets and liabilities must be made before making the investment decision to ensure that maturing investments meet Council's liquidity requirements.

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## **GUIDELINES**

### **Diversification**

Council will endeavour to maintain a diversified portfolio of investments in order to spread risk.

### **Performance benchmark**

The performance of the investment shall be compared to the 90 day Bank Bill Swap Rates (BBSW).

### **Reporting**

The monthly finance report will be provided to Council, detailing the investment portfolio and exposure by institution. For audit purposes, certificates must be obtained from each entity holding investments on Council's behalf, confirming the amounts held as at 30 June each year.

### **Variation to policy**

The General Manager or the delegated representative is authorised to approve variations to the policy if the investment is to the Council's and/or the Communities advantage and/or due to revised legislation. All changes to this policy are to be reported to Council at its next available meeting.


In a Council meeting 28 May 2014 resolution number 17/05.2014/C, Council approved to invest \$20,000 in shares with local Bendigo Bank to support the local community.

### **ROLES & RESPONSIBILITIES:**

The authority is delegated to the General Manager, Office Manager, Building and Development Services Manager and Rates Officer to make investment decisions and sign investment lodgement and withdrawals.

### **REFERENCES**

*Local Government Act 1993.*

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This policy was adopted by the Tasman Council, resolution number 14/07.2020/C on 22 July 2020.



**Kim Hossack**  
**General Manager**

Policy Approved – November 2012  
Policy reviewed – September 2016  
Policy to be reviewed – June 2018  
Policy to be reviewed – June 2024

**Disclaimer**

That this policy be read in conjunction with any or all other Council and/or Management Policies.