

Policy Title: Investments

The Policy was developed to provide guidelines for the investment of funds which are surplus to the MRC's immediate requirements.

Policy Statement:

The investment policy is directed to achieve the following objectives:

- adherence to legislative requirements
- optimisation of investment income and net returns in a conservative manner, whilst striving to achieve the best outcome for the Council;
- to yield a suitable level of diversification of counter party risk;
- to maintain a low level of risk exposure by using recognised rating criteria; and
- ensure there is sufficient liquidity to allow to meet the operational r day to day funding requirements.

Policy Procedure:

1. Reserve Funds and funds surplus to the immediate needs of the Regional Council may be invested with financial institutions with a Standard and Poors rating of "AA-" or better.
2. Where funds are invested with a financial institution whose credit rating no longer comply with the parameters of this policy, the funds are to be liquidated in the most effective and expedient manner.
3. Funds may only be invested in interest bearing term deposits with Authorised Deposit Taking Institutions (ADI's) or other bank guaranteed instruments for a maximum term of three years, or Bonds guaranteed by the Commonwealth and State or Territory Government with a maturity of less than three years.
4. Where the funds are placed for a tenor of not more than 90 days, they may be invested with one financial institution.
5. Where the funds are placed for a tenor exceeding 90 days, no more than 50% of the total funds shall be held by any one institution.
6. Where practical, funds should be invested in such a manner to adequately meet the reasonable expected liquidity needs of the City's funding requirements.
7. The Regional Council's investment portfolio is not to be leveraged to obtain funding.
8. Preference is to be given to financial institutions that do not invest in or finance the fossil fuel industry, where the investment is compliant with all other aspects of the Investment Policy. Financial institutions that do not invest in or finance the fossil fuel industry will be identified based on publicly available information.
9. Subject to investments meeting the standard of this policy, MRC will ensure its financial investments consider ethical, social and environmental aspects by investing into non-fossil fuels, Green Term Deposits and Term Deposits with Environmental, Social and Governance (ESG) ratings.

Delegation of Authority

The implementation of this Policy is delegated by Council to the Chief Executive Officer in accordance with the LGA 1995. The Chief Executive Officer has the authority to sub-delegate the day to day investment activities to the Executive Manager Corporate Services.

Reporting

A monthly report must be provided to Council detailing the investment portfolio in terms of performance, portfolio balances, the income received including accrued income year to date. Documentary evidence must be held for each investment within the Investment register.

For audit purposes, confirmation certificates must be provided independently, directly to the MRC's auditors by institutions and fund managers confirming the amounts of investments held on the MRC's behalf at 30 June each financial year.

Legislation	Local Government Act 1995 s.6.11, s.6.14 Local Government (Financial Management) Regulations 1996 Reg.17, Reg.19
Responsible Officer	Chief Executive Officer
Council Meeting Date	30 May 2024
Review History	02/05/2013; 04/09/2014, 20/08/2015, 01/09/2016; 14/09/2017; 14/08/2018; 13/08/2019, 18/06/2020, 12/08/2021; 29.09.2022; 21.09.2023; 14.05.2024
Next Review Date	01/05/2025
Revision History	04/09/2014 - Changes made to procedure for clarity as per recommendations made by MRC Auditors. 12/08/2021 no change 19/08/2022 no change 08/8/2023 changes made to align with the Financial Regulations 14.05.2024 No change
Delegation to the Chief Executive Officer	Yes