

Policy Type	Statutory
Function	Financial Management
Policy Owner	Manager Financial and Administrative Services
Policy Contact	Financial Management Coordinator
Effective Date	1 July 2025

Purpose

This policy acts as a guide and framework for council to invest its funds prudently and appropriately, ensuring compliance with relevant legislation and focusing on capital preservation, maximising returns within risk tolerance, and managing cash resources for long-term financial sustainability.

Scope

This policy applies to the investment of all surplus funds held by Council. Investments are defined as arrangements that are undertaken or acquired with the expectation of achieving a financial return through interest, profit, or capital growth.

Objectives

- To maximise investment returns within agreed risk parameters and statutory constraints while meeting Burdekin Shire Council liquidity requirements.
- Maintain a diversified portfolio of investments to manage interest rate risk, liquidity risk and credit risk.
- Maintain the value of capital invested.

Policy Statement

Council is required to prepare an Investment Policy under section 191 of the *Local Government Regulation 2012* and section 104(5)(c) of the *Local Government Act 2009*.

Council is committed to:

- Investing only in investments as authorised under current legislation.
- Investing only with approved institutions.
- Investing to facilitate diversification and minimise portfolio risk.
- Investing to facilitate working capital requirements; and
- Maintaining documentary evidence of investments.

Overall, the amount invested with individual institutions should not exceed the following percentage as outlined in the below table:

Long Term Rating (S&P)	Short Term Rating (S&P)	Individual Counterparty Limit	Total Limit
AAA to AA-	A1+	30%	75%
A+ to A	A1	20%	50%
A to BBB	A2	10%	25%
QTC (Qld Treasury Corp)	No Limit	No Limit	No Limit

Qualifying Local Financial Institutions (QLFI)

Council is committed to supporting QLFI's by investing funds with these institutions. This support is however subject to the investment limits in the Table above, and the following criteria:

- Provide a benefit to the local community, outside of standard financial institution services; and
- Be able to provide competitive term deposit rates that risk adjusted, rival those able to be obtained from rated institutions.

Investment limits relative to their ratings will apply.

Council's Qualifying Local Financial Institutions include:

- Queensland Country Bank, and
- Bendigo Bank

Authorised Institutions

Only those institutions identified as suitable under the Category 1 Investment Powers conferred by the *Statutory Bodies Financial Arrangements Act 1982* S44(1) and listed on the APRA website as Authorised Deposit Taking Institutions (ADIs).

Term to Maturity

The term of maturity of any Council investment may range from 'At Call' to 1 year.

Quotations

With the exception of monies held with QTC, at least 3 quotations shall be sought from authorised institutions whenever an investment is proposed. The best quote will be assessed based on the objectives detailed above.

While having regard to the above, Council is a local community service organisation and at times will invest in QLFI's to ensure their continued support of and presence in the local community. These investments will not be subject to competitive quoting but must still provide a reasonable return to Council.

It is the responsibility of the Manager Finance and Administrative Services to assess the cost of direct investment management by Council relative to the return generated. This should be compared with the cost of investing funds with a capital guaranteed cash fund, such as the QTC Capital Guaranteed Cash Fund.

Principles

A reasonable rate of return considers risk tolerance, investment goals and the type of investment. To ensure a reasonable rate of return the Burdekin Shire Council will use the following considerations in all investment decisions:

- Credit rating of the institution;
- Amount of the investment;
- Term of the investment; and
- Interest rate offered.

Procedures

Council is always to have in place appropriate internal controls to prevent the fraudulent use of public money.

The following internal controls are required to be in place:

- A person is to be identified as the responsible officer for the investment function;
- All investments are to be authorised by the Chief Executive Officer or nominated delegate;
- Confirmation advice from the financial institution is to be attached to the Investment Authorisation Form providing evidence that the investment is in the name of Burdekin Shire Council; and
- A person other than the responsible officer is to perform the bank reconciliation at the end of each month.
- A monthly report is submitted to the Manager Finance and Administrative Services that is reconciled back to the general ledger.
- A report is submitted to Council monthly – this report will include disclosure of all invested funds, the financial institutions holding funds, average interest rate weighted, and the percentage of funds invested with each institution.

Risk Management

The policy supports Council's strong commitment to transparency, accountability, and adherence to the governance framework.

The policy mitigates the risk of inappropriate investments and protects Council's Financial Sustainability.

Legislation

Local Government Act 2009

Local Government Regulation 2012

Statutory Bodies Financial Arrangements Act 1982

Statutory Bodies Financial Arrangements Regulation 2019

Associated Documents

Council must keep records that show it has invested in the way most appropriate in all circumstances and retain documentary evidence of the investment.

Definitions and Abbreviations

Unless otherwise indicated, all terms used in this policy are to have the meaning outlined in:

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Statutory Bodies Financial Arrangements Regulation 2019*

Document History and Version Control

Title of Document	Investment Policy
Document Reference Number	FIN-POL-0007 Rev 6.01
Review Schedule	12 months
Council Meeting Date	24 June 2025
Council Resolution Number	1882045