

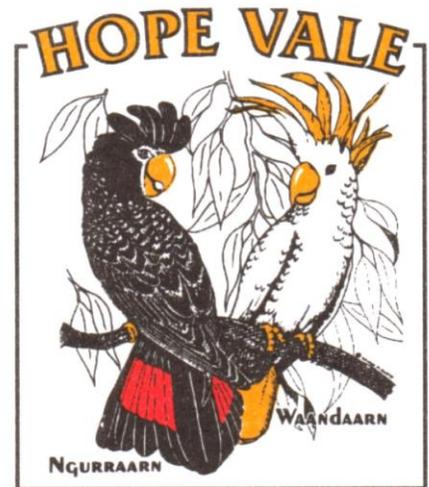
HOPE VALE ABORIGINAL SHIRE COUNCIL

Investment Policy

Document Control

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Version History

Version Number	Date	Signature	Reason / Comments
1	28 June 2011		Council Resolution
2	20 March 2013		Council Resolution
3	19 February 2013		Council Resolution
4	18 January 2017		Council Resolution
5	21 February 2018		Council Resolution
6	27 February 2019		Council Resolution
7	16 December 2019		Council Resolution
8	17 March 2021		Council Resolution

INVESTMENT POLICY 2020-2021

ORIGIN/AUTHORITY

Statutory Bodies Financial Arrangements Act 1982
Part 6 (Division 1, section 42)
Statutory Bodies Financial Arrangements Regulations 2007
Schedule 3
Local Government Act 2009
Section 104(5)
Local Government Regulation 2012
Section 191 (1)
Section 191 (2)

OBJECTIVES

1. Hope Vale Aboriginal Shire Councils overall objective is to invest its fund at the most advantageous rate of interest available to it at all time, for the investment type, and in a way that it considers most appropriate given the circumstances.
2. This policy applies to the investment of all surplus funds held by Hope Vale Aboriginal Shire Council. To maximise earnings from investments while operating within the risk parameters established for Category 1 investments (section 8 Statutory Bodies Financial Arrangement Regulation 2007).
3. To derive interest from Council funds not immediately required for financial commitments.

POLICY STATEMENT

Investment Authority

Local Governments have authority to exercise Category 1 investment powers under Part 6 of the *Statutory Bodies Financial Arrangements Act 1982*.

Delegations

The Chief Executive Officer, or sub-delegate, has been authorised to invest Hope Vale Aboriginal Shire Councils operating funds in investments consistent with this Investment Policy and legislation.

Investment Guidelines

The structure and features of Councils investments are to be consistent within the time horizons, risk parameters, liquidity requirements and operational guidelines of Council as set out below:

Quotations on investments

No less than three (3) quotations shall be obtained from authorised institutions when an investment is proposed. Investment with the Queensland Treasury Corporation Capital Guaranteed Cash Fund does not constitute an investment decision requiring three (3) quotes.

In assessing fair value of quotes obtained, the risk of the entity providing the return must be considered. The fair value calculated provided by the Queensland Treasury Corporation can be used to assist in this evaluation.

Types of Investments

When investing funds Council staff should aim to minimise the risk to the financial instruments. As such the authorised investments must be from one of the following:

- Deposits with a licensed credit union or building society Pursuant to section 44(2) of the Statutory Bodies Financial Arrangement Act 1982, the investment must be (a) at call; or (b) for a fixed time of not more than 1 year.
- Deposits with Queensland Treasury Corporation.
- Interest bearing deposits with a licenced bank.

Diversification/credit risk

When placing investments, consideration will be given to the relationship between credit rating and interest rate.

Priority of Investment Activities

Giving regard to investment activities, the priority shall be the preservation of capital, liquidity and return on investment.

I. Preservation of Capital

This shall be the principal objective of the investment portfolio. This can be achieved by managing credit and interest rate risk with given risk management parameters and avoiding any transactions that would prejudice confidence in Hope Vale Aboriginal Shire Council.

II. Liquidity

Refers to Council's ability to access funds in the short-term to meet the day to day liquidity requirements. Council will seek to minimise the costs of failing to adequately manage day to day liquidity needs through monitoring cash flow requirements, establishing and maintaining procedures for cash balancing and evaluating investment options for surplus funds.

III. Return on Investment

The portfolio is expected to achieve a market average rate of return and consider Hope Vale Aboriginal Shire Council's risk tolerance and current interest rates, budget considerations and the economic cycle. Any additional return target set by Council will also consider the risk limitations, prudent investment principles and cash flow characteristics identified within this Investment Policy.

Prohibited Investments

This investment policy prohibits any investment carried out for speculative purposes. The following investments are prohibited by this investment policy:

- Derivative based instruments (excluding floating rate notices)
- Principal only investments or securities that provide potentially nil or negative cash flow
- Stand-alone securities that have the underlying futures, options, forward contracts and swaps of any kind, and
- Securities issued in non-Australian dollars

Ethics and Conflicts of Interest

Officers responsible for Hope Vale Aboriginal Shire Council's investments must act in a prudent manner when managing the overall Council portfolio. Investments will be managed with care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

Investment officers shall refrain from personal activities that would conflict with the proper execution, monitoring and management of Hopevale Aboriginal Shire Council's investment portfolio. This policy requires that employees and investment officials disclose to the Chief Executive Officer any conflict of interest or any investment positions that could be related to the investment portfolio and, in the event of such a conflict occurring, shall absent themselves from any dealings with respect to any investment or proposed investment which gives rise to the conflict of interest.

Adopted by Council on 17 March 2021

Shannon Gibbs
Director of Finance