

Investment Policy

Policy Identifier:	FIN-001-P
Approved by:	General Meeting
Date of Approval:	19 June 2024
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Review Date:	19 June 2025
Version:	16

Head of Power

Local Government Act 2009 (Act)

Section 104 requires a local government to establish a system of financial management that includes various financial policies, including an investment policy.

The Act also defines Council as a statutory body and subsequently Council must also consider the *Statutory Bodies Financial Arrangements Act 1982*.

Local Government Regulation 2012

Section 191 requires a local government to prepare and adopt an investment policy for a financial year.

This policy applies to Council's investment in wholly owned subsidiaries.

Policy Objective

To maximise earnings from authorised financial investments of surplus funds after assessing and minimising all associated risks in accordance with the annually revised and adopted Long-Term Financial Strategy (Financial Strategy). Further, to comply with section 191 of the *Local Government Regulation 2012*, this policy outlines Council's investment objectives, overall risk philosophy and procedures for achieving the goals related to investment stated in this policy.

This policy applies to all of Redland City Council business areas. Redland Investment Corporation (RIC), being a wholly owned separate legal entity, and any of its subsidiaries may utilise the provisions of this policy but are not bound to the Redland City Council policy statements as outlined in this document.

Policy Statement

Redland City Council, through its Corporate Plan, is committed to providing services that deliver our community's shared vision and collective aspirations: *Naturally wonderful lifestyle. Connected community. Embracing opportunities*. We are a values led organisation and our organisational values encapsulate what we care about, influence how we operate and support our mission: Make a difference, make it count.

The Investment Policy is aligned to the objectives of Council's Corporate Plan and is achieved through the following procedures:

- Investing only in investments as authorised under current legislation.
- Investing only with approved institutions.
- Investing to facilitate diversification and minimise portfolio risk.
- Investing to protect the capital value of investments (balancing risk with return opportunities).
- Investing to facilitate working capital requirements.

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- Reporting on the performance of its investments on a monthly basis as part of the monthly financial reports to Council.
- Conducting an annual review of all investments and associated returns as part of the annual review of the Long-Term Financial Strategy.
- Ensuring no more than 30% of Council's investments are held with one financial institution, or one fund manager for investments outside of the Queensland Treasury Corporation or the Queensland Investment Corporation cash funds or Bond Mutual Funds.

Council will follow an active investment management strategy over the next ten financial years in order to maximise the returns generated from investing cash balances.

Council may also consider investing in commercial opportunities, joint ventures, associates and subsidiaries. Prior to investment, a comprehensive analysis will be undertaken to ensure the benefits of the investment outweigh the risks and costs. The analysis will ensure any proposal for investment outside a financial institution/fund manager will maintain or improve all relevant financial ratios and measures of sustainability within adopted Financial Strategy targets. Any investment outside of a financial institution/fund manager must also be consistent with the principles and objectives contained in Council's Revenue and Dividend Policies.

Definitions

Nil

Associated Documents

Long Term Financial Strategy

Document Control

Only Council can approve amendments to this document by resolution of a Council Meeting, with the exception of administrative amendments which can be approved by the relevant ELT member. Refer to *Policy Instrument Development Manual* for an explanation on administrative amendments ([A4063988](#)).

Any requests to change the content of this document must be forwarded to relevant Service Manager(s).

Approved documents must be submitted to the Corporate Meetings and Registers Team for registration.

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Version Control

Version number	Date	Key Changes
9	April 2017	<ul style="list-style-type: none"> Updated for Budget 2017-2018 process (only approval, effective and review dates changed) Updated Head of Power to add sentence regarding application to subsidiaries. Changed 'UBS Bank Bill Index' to 'Bloomberg AusBond Bank Bill index'
10	March 2018	<ul style="list-style-type: none"> Updated for Budget 2018-2019 process (only approval, effective and review dates changed) Inclusion of Policy Scope to clarify RIC is a separate legal entity Update for consistency with other financial policies and referencing the Regulation
11	March 2019	<ul style="list-style-type: none"> Updated for 2019-20 Budget process Minor amendments to Policy Statement 3 - removal of reference to the Bloomberg AusBond BankBill Index following discussion during the budget workshops that one benchmark or index is too specific to warrant inclusion in a policy. No change to policy intent. Inclusion of Document Control section.
12	May 2020	<ul style="list-style-type: none"> Updates in line with policy framework review Updated for 2020-21 Budget process
13	April 2021	<ul style="list-style-type: none"> Updated for 2021-22 Budget process
14	March 2022	<ul style="list-style-type: none"> Administrative Update to include reference to the new Corporate Plan Updated for 2022-23 Budget process
15	March 2023	<ul style="list-style-type: none"> Updated for 2023-24 Budget process
16	April 2024	<ul style="list-style-type: none"> Updated for 2024-25 Budget process