

	COUNCIL	POLICY NUMBER
	Investment Policy	C 021
RESPONSIBLE OFFICER	APPROVED	REVIEW DUE
General Manager	28 November 2012	November 2012

PURPOSE OF POLICY

Provide guidelines for investment of Council funds surplus to immediate requirements.

SCOPE

Tasman Council employees.

POLICY

Manage Council's investment portfolio to 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.

All investments that are made by Council should be made in accordance with the *Local Government Act 1993* – Section 75.

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.

GUIDELINES

Diversification

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

Performance benchmark

The monthly weighted average investment interest rate will be benchmarked against the UBS Australia Bank Bill Index.

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

ROLES & RESPONSIBILITIES:

The authority is delegated to the General Manager and Office Manager to make investment decisions and sign investment lodgement and withdrawals.

REFERENCES

Local Government Act 1993

This policy was adopted by the Tasman Council, resolution number 12/11.2012/C, on 28 November 2012.



Robert Higgins
General Manager