

# Investment Policy

# 2020-21

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**Brisbane City Council**

**Investment Policy 2020-21**

## 1. Legislation

Section 183 of the *City of Brisbane Regulation 2012* (the Regulation) provides that Council must prepare and adopt, by resolution, an investment policy.

## 2. Overview

This investment policy:

(a) seeks to comply in all respects with legislative requirements and

(b) outlines Council’s investment objectives and overall risk philosophy and

(c) outlines Council’s procedures for achieving the goals related to investments stated in this policy and

(d) sets out the principles used by Council to acquire, manage and dispose of investments.

## 3. Applicability

This investment policy is effective from the date of Council’s resolution and expires on 30 June 2021.

The investment policy will be used when reviewing, preparing and applying related investment policies, procedures and guidelines.

## 4. Philosophy and Strategy for Investment and Risk

Council’s philosophy and strategy for investments and risk are contained in Council’s Financial Risk Management Framework. Investments are undertaken in accordance with the Queensland Government’s *Statutory Bodies Financial Arrangements Act 1982*.

The intention of Council’s investment strategy is to meet Council's financial obligations in a timely manner and to generate earnings within prudential guidelines.

Providing approval is given, investments may include:

(a) surplus cash invested on the short-term money market with approved counterparties

(b) surplus cash held over in the bank account

(c) funds placed strategically in the form of shares or loans to approved organisations, including subsidiary or related entities or

(d) other investments that may from time to time be included under this definition.

## 5. Investment Objectives and Expectations

#### Investment Objectives

Investments are undertaken with the objective of achieving a commercially acceptable return within approved risk parameters. In the case of short-term cash investments, the funds are placed on deposit until required by Council to meet outgoings.

#### Investment Expectations

For short-term investments, investments should be:

(a) undertaken in accordance with the Financial Risk Management Framework

(b) made with suitable credit worthy financial counterparties

(c) generally short-term (up to six months) in order to meet outgoings and

(d) able to provide a commercially acceptable return.

For long term investments (including infrastructure investments), investments should be:

(a) assessed as financially affordable

(b) undertaken to generate overall benefits for the community and

(c) provided on the basis that they represent best value for money outcomes.

## 6. Procedures

Procedures and standards for achieving the goals and expectations related to the investments stated in this policy include:

(a) treasury procedures

(b) asset management procedures and

(c) accounting standards

The Corporate Treasurer and the treasury area manage short term investments for Council and follow the various treasury procedures to do so. Any breach of the Financial Risk Management Framework is reported to the Chief Internal Auditor and Chief Executive Officer as soon as possible, where necessary action is taken.

## 7. Authority

Council, 25 June 2020.

## 8. Policy Owner

Chief Financial Officer, Corporate Finance, Organisational Services

## 9. Further Assistance

For further information, please refer to the “About Council - Publications” page on Council’s website at: <http://www.brisbane.qld.gov.au/about-council/council-information-rates/news-publications/>

## 10. Related Information

This policy is Council's investment policy. There are various administrative policies and arrangements that make up the total Council response to investment management.

## 11. Review Date

June 2021