

# **Late Items BUSINESS PAPER**

Ordinary Council Meeting

To be held on

Thursday,

18 December 2025



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Notice is herewith given of an

# ORDINARY MEETING

That will be held at the Glen Innes Severn Learning Centre,  
William Gardner Conference Room, Grey Street, Glen Innes on:  
Thursday, 18 December 2025 at 9:00 AM

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## ORDER OF BUSINESS

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Bernard Smith  
General Manager

## **L MATTERS OF AN URGENT NATURE**

**REPORT TITLE: L.1 INVESTMENTS REPORT - NOVEMBER 2025**

**REPORT FROM: Corporate and Community Services**

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### **PURPOSE**

The purpose of this report is to provide details of all funds that Council has invested.

### **RECOMMENDATION**

*That Council notes the information contained in this report.*

### **REPORT**

In accordance with section 212 of the **Local Government (General) Regulation 2021 (Regulation)**, the Responsible Accounting Officer must provide Council with a written report on a monthly basis setting out details of all money that the Council has invested under section 625 of the *Local Government Act 1993*.


Council has \$20.5M invested in term deposits, equating to 100% of Council's total financial investment portfolio as at the end of the reporting month.

Council selects banks based on rating, return and term of investment. It is expected that future investments will continue to target returns while aiming to select institutions with a high **Standard and Poor's (S&P)** rating. This is done by rolling investments between banks that meet Council's criteria and cash requirements.

If Council has two comparable investment fund options, investment will be made in the fund that does not fund fossil fuels.

Council currently holds three responsible investments: Two \$1 million deposits with Westpac's Green Tailored Deposits. In addition, Council has \$2 million investment with BOQ and with Bendigo Bank \$1 million investment, being institutions that do not fund fossil fuels.

The Bank Reconciliation Statement shown below details what Council held in its bank account as at the end of the reporting month. This considers unrepresented cheques, unrepresented deposits.

<b>Bank Reconciliation Statement</b>	
<b>Balance as per General Ledger :</b>	
Ledger Balance as at 30 November 2025	<b>\$4,736,839.79</b>
<b>Balance as per Bank :</b>	
Opening Balance 1 November 2025	\$3,018,440.16
November Movements	\$1,662,933.27
Closing Balance 30 November 2025	<u>\$4,681,373.43</u>
less : Unrepresented Receipts & Payments	-\$55,466.36
less : Timing Differences	\$0.00
<b>Total:</b>	<b><u>\$4,736,839.79</u></b>
Variance	\$0.00
 Responsible Accounting Officer 15 December 2025	

The summary of Investments set out in the following table details each of Council's investments, where each investment is held, maturity date, interest rate and the rating of each investment as at the end of the reporting month.

**SUMMARY OF INVESTMENTS**

Rating (S&P)	Maturity	%	Institution	Bank funds Fossil Fuels	Invested \$	Return \$
A1+/AA-	12/12/2025	4.95%	NAB	Yes	1,000,000	49,500
A1+/AA-	12/12/2025	4.92%	Westpac **	Yes	1,000,000	49,200
A1+/AA-	10/03/2026	4.58%	NAB	Yes	1,000,000	45,800
A2/A-	22/05/2026	4.23%	ING	Yes	1,000,000	42,300
A3/BBB+	22/05/2026	4.05%	BOQ	No	1,000,000	40,389
A1+/AA-	05/02/2026	4.05%	CBA	Yes	1,000,000	26,630
A2/BBB+	10/06/2026	4.25%	AU	Yes	500,000	21,250
A2/A-	11/03/2026	4.28%	Rabobank	Yes	1,000,000	32,012
A2/A-	20/01/2026	4.25%	Rabobank	Yes	1,000,000	21,192
A2/A-	22/07/2026	4.15%	ING	Yes	1,000,000	41,500
A3/BBB+	22/07/2026	4.20%	Heartland	Yes	1,000,000	42,000
A3/BBB+	21/04/2026	3.90%	BOQ	No	1,000,000	29,170
A2/A-	30/01/2026	4.10%	Bendigo*	No	1,000,000	21,567
A1+/AA-	30/07/2026	4.05%	NAB	Yes	1,000,000	40,500
A2/A-	29/04/2026	4.20%	Rabobank	Yes	1,000,000	31,414
A1+/AA-	30/07/2026	4.15%	Westpac **	Yes	1,000,000	41,500
A1+/AA-	30/07/2026	4.05%	CBA	Yes	1,000,000	40,500
A1+/AA-	08/08/2026	4.05%	NAB	Yes	1,000,000	40,500
A1+/AA-	22/08/2026	4.05%	NAB	Yes	1,000,000	40,500
A1+/AA-	05/09/2026	4.10%	NAB	Yes	1,000,000	41,000
A1+/AA-	29/10/2026	4.15%	NAB	Yes	1,000,000	\$41,500.00
<b>Expected Return FY25</b>		<b>4.22%</b>	<b>Total Investments</b>		<b>20,500,000</b>	<b>779,924</b>
<b>Avg. Headline Rate Return</b>		<b>4.22%</b>	<b>Cash on Hand</b>		<b>4,681,373</b>	
			<b>Total Cash and Investments</b>		<b>25,181,373</b>	

The table below details the interest received for the current financial year as at the end of the reporting month. Interest yield may be affected against budget as investments maturing are not being reinvested due to cash requirements for operational purposes.

<b>Investment Interest</b>	
<b>Interest received for year to 30 November</b>	<b>\$364,764.00</b>

The table below details the monthly movements of investments for the reporting month:

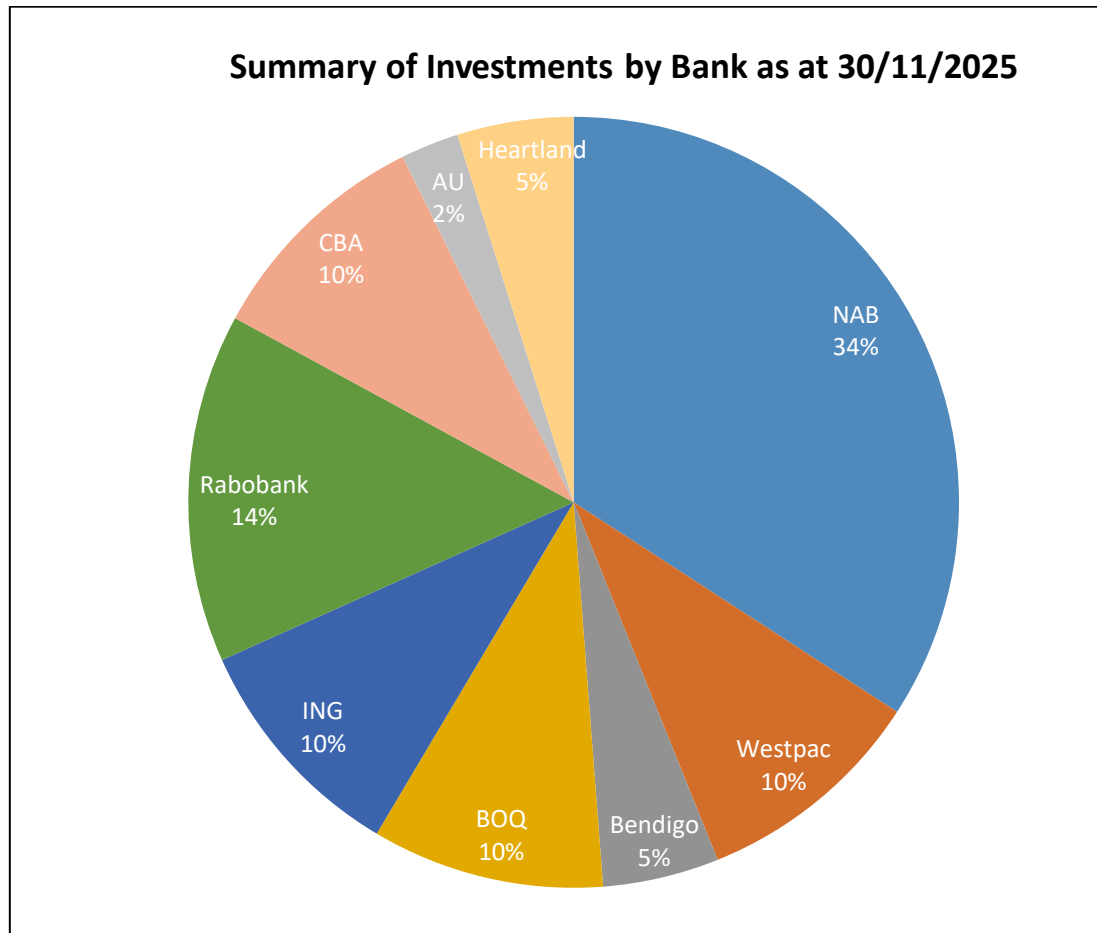
<b>Investment Movements</b>	
<b>Opening Balance as at 1 November 2025</b>	<b>21,500,000</b>
<b>Less :</b>	
Maturities (1)	1,000,000
<b>Subtotal</b>	<b>20,500,000</b>
<b>Plus :</b>	
Rollovers (0)	-
New Investments (0)	-
<b>Current Balance as at 30 November 2025</b>	<b>20,500,000</b>

During the reporting month, four term deposits of \$1 million each—held with NAB, ING, BOQ and CBA matured, only one was rolled over. There were no new investments made.

A summary of maturities is set out below:

<b>Period</b>	<b>No. of Term</b>	<b>Value</b>
Dec-25	2	2,000,000
Jan-26	2	2,000,000
Feb-26	1	1,000,000
Mar-26	2	2,000,000
Apr-26	2	2,000,000
May-26	2	2,000,000
Jun-26	1	500,000
Jul-26	5	5,000,000
Aug-26	2	2,000,000
Sep-26	1	1,000,000
Oct-26	1	1,000,000
<b>Total</b>	<b>21</b>	<b>\$20,500,000</b>

The graph below shows the summary of investments by bank:



Restricted funds and trust funds are limited to a particular purpose and must be set aside for that purpose. Therefore, they may not be available to meet certain obligations, and this should be kept in mind when determining the short-term liquidity of Council.

The table below is reporting restricted funds balances as at 30 November 2025.

Externally restricted cash, cash equivalents and investments as at 30 Nov 2025		
	\$'000	
Trust Funds	-	as at 30 Nov 2025
Included in Grant related contract liabilities	4,977	as at 30 Nov 2025
Developer contributions - Rangers Valley Feedlot S7.11	1,323	as at 30 Jun 2025
Water Fund	5,004	as at 30 Nov 2025
Sewer Fund	5,689	as at 30 Nov 2025
Waste management	4,658	as at 30 Jun 2025
Drainage	1,186	as at 30 Jun 2025
Council Committees	406	as at 30 Jun 2025
Specific purpose unexpended grants (general funds)	3,234	as at 30 Nov 2025
<b>Total external restrictions</b>	<b>26,478</b>	
<b>Total Cash &amp; investments as at 30 Nov 2025</b>	<b>25,181</b>	
<b>Unrestricted cash position (i.e. available after the above restrictions)</b>	<b>- 1,297</b>	

The Contract Assets balance as at 30 Nov 2025

5,323



## Unrestricted Cash Position

The unrestricted cash position reported as at 30 November 2025 is negative \$1.297M.

The decrease in unrestricted cash from the prior month of \$745k is due to:

- fund allocation errors identified through the recent 2024/25 Audit which date back to the 2022/23 and 2024/25 financial years, which have impacted the unrestricted cash position by ~\$1.4M,
- General Fund operating cash movements, including payroll, throughout the month.

As a key component of the planned Service Review of the Financial Services function, Management has engaged Morrison Low to undertake an independent assessment of Council's cash position for Water, Sewer and General Funds including developing cash flow forecast models for each fund, which will provide greater certainty on Council's forward cash position and improve our ability to manage cash flow.

This work will be finalised by week ending 19 December 2025. We are also continuing to pursue ministerial approval for an internal loan of \$5 million which will significantly improve the unrestricted cash position, we are hopeful to secure this approval before the end of the year.

Finally, we are progressing the auditing and processing of 2024/2025 R2R and LRCI's grant payments totalling \$2.5 million.

## Certification

I, Gary Mills, Acting Chief Financial Officer, do hereby certify that the above investments have been made in accordance with the Regulation (Section 212), the **Local Government Act 1993 (the Act)** (Section 625), and Council's **Investment Policy (the Policy)**.

## KEY CONSIDERATIONS

### Financial/Asset Management

The actual average return on Council investments for the 2024/2025 financial year was **5.07%**. In comparison, the current average return for the 2025/2026 financial year stands at **4.22%**, representing a **0.85% decrease**, consistent with the broader trend of declining interest rates. In response to emerging economic challenges, the **Reserve Bank of Australia (RBA)** adopted a more accommodative monetary policy, beginning to reduce the official cash rate in early 2025. As of November 2025, the RBA official cash rate stands at **3.60%**, following a 25-basis point reduction on August 12, 2025.

The following table compares information on investment balances from this year to last year:

<b>Investment Balances</b>	<b>This Year</b>	<b>Last Year</b>
Opening Balance 1 November	21,500,000	21,400,000
Closing Balance 30 November	20,500,000	19,400,000

## Policy

Monthly financial reporting ensures transparency, to enable councillors to make financially sustainable and accountable decisions. The Policy states that short-medium term funds can be invested for up to five years.

Investments are to be considered in conjunction with the following key criteria:

- At the time of investment, no institution at any time shall hold more than 45% of Council's total investments. The maximum will be determined by the long-term rating of the institution - AAA up to 45%; AA up to 35%; A up to 15% and BBB up to 5% percent,
- At the time of investment, the maximum portfolio limits per rating are - AAA up to 100%; AA up to 100%; A up to 45%; BBB up to 30% and Government up to 100%, and
- Council's Investments can be placed in a mixture of short (0-12 months), short-medium (1-2 years) and medium (2-5 years) term investments whilst ensuring that liquidity and income requirements are met.

The portfolio is split across three of the credit rating categories (AA, A and BBB).

## Credit Quality Portfolio Compliance

The following table details the credit rating of each of the categories where Council has money invested. All investments were compliant with the Policy at time of investment:

<b>Compliant</b>	<b>Credit Rating</b>	<b>Invested</b>	<b>Invested \$</b>	<b>Policy Limit</b>	<b>Available \$</b>
Yes	AAA	0.0%	-	100%	20,500,000
Yes	AA	58.5%	12,000,000	100%	8,500,000
Yes	A	17.1%	3,500,000	45%	5,725,000
Yes	BBB	24.4%	5,000,000	30%	1,150,000
Yes	Government	0.0%	-	100%	20,500,000
		<b>100.0%</b>	<b>20,500,000</b>		

A credit rating is an evaluation of the credit risk of a prospective financial institution, predicting its ability to pay back the investment and interest maturity and an implicit forecast of the likelihood of the institution defaulting. The credit ratings are an opinion based on the creditworthiness of the company issuing the security and are assigned by Australian Ratings based on publicly available information at a point in time.

All investments continue to be made in accordance with the requirements of the Act and the Policy.

Section 625 of the Act states the following:

**How may Councils invest?**

- (1) *A Council may invest money that is not, for the time being, required by the Council for any other purpose.*
- (2) *Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.*
- (3) *An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.*
- (4) *The acquisition, in accordance with section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.*

Section 212 of the Regulation states the following:

**Report on Council’s Investments**

- (1) *The responsible accounting officer of a council:*
  - (a) *must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented:*
    - (i) *if only one ordinary meeting of the council is held in a month, at that meeting, or*
    - (ii) *if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and*
  - (b) *must include in the report a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and the council's investment policies.*
- (2) *The report must be made up to the last day of the month immediately preceding the meeting.*

**Risk**

The following table provides information on investment types including a risk assessment and the amount and percentage invested compared to the total investment portfolio:

**RISK ASSESSMENT OF INVESTMENT PORTFOLIO**

Investment Type	Risk Assessment		Amount \$	% of Portfolio
	Capital	Interest		
Term Deposits	Low	Low	20,500,000	100%
<b>Total</b>			<b>20,500,000</b>	<b>100%</b>

## Item L.1

The Policy defines the principal objective of the investment portfolio as the preservation of capital. There is a risk that the investment portfolio does not perform on par with or greater than the **Consumer Price Index (CPI)**. It is possible therefore that Council does not meet the principal objective of the Policy. In addition, consideration must be given to the potential that the investment restrictions provided in the Policy (both legislatively and by Council) may increase this risk.

Council is currently only investing in fixed term deposits which are similar to or below the CPI. To gain returns higher than CPI, long term investments are needed that are not fixed term deposits and may pose a higher risk. With investments maturing every month, this allows the ability to not reinvest if funds need to be directed to major projects.

A review of the aggregate performance on Council investments, comparative to the CPI, over a significant period (greater than five years) may ascertain if the investment strategy has been meeting the Policy's principal objective. This may then advise if changes are required to Council's investment strategy.

### **Community Consultation**

Council makes investments through Curve Securities and deals directly with the Commonwealth Bank and the Westpac Bank. During the month, all three advisors were contacted to gain advice on daily interest rates.

### **Options (if applicable)**

Nil.

### **LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN**

This report links to Council's Delivery Program *Open and Collaborative Leadership Strategy* O1.3.2 Manage public resources (financial and assets) responsibly and efficiently by implementing leading practices, systems and technologies.

### **CONCLUSION**

Funds have been restricted to ensure all areas of Council continue to operate in accordance with both the annual Operational Plan and Budget and the Long-Term Financial Plan. Further, all investments continue to be made in accordance with the requirements of the Act, the Regulation, and the Policy.

### **ECM INDEXES**

Subject Index:	FINANCIAL MANAGEMENT: Investments
Customer Index:	NIL
Property Index:	NIL

### **ATTACHMENTS**

There are no annexures to this report.