

COUNCIL POLICY 2.1 INVESTMENT

CURRENT POLICY CONTENT	PROPOSED CONTENT	CHANGE NOTES	COUNCIL COMMENTS
SUSTAINABILITY THEME Economy	SUSTAINABILITY THEME Economy	No change	
OBJECTIVES To provide guidelines for the investment of council funds	OBJECTIVE To provide guidelines for the Investment of council funds	No change	
POLICY STATEMENT This policy applies to all investments associated with the operation of the City of Greater Geraldton.	POLICY STATEMENT This policy applies to all investments associated with the operation of the City of Greater Geraldton.	No change	
 POLICY DETAILS 1. The City of Greater Geraldton shall invest its surplus funds with due consideration of risk and at the most favourable rate of interest available to it at the time, while ensuring that its liquidity requirements are being met. 	 POLICY DETAILS 1. The City of Greater Geraldton shall invest its surplus funds with due consideration of risk and at the most favourable rate of interest available to it at the time, while ensuring that its liquidity requirements are being met. 	No change	
2. While exercising the power to invest, consideration is to be given in preservation of capital, liquidity and the return on investment.	2. While exercising the power to invest, consideration is to be given in preservation of capital, liquidity and the return on investment.	No change	
Preservation of capital is the principle objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.	3. Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.	Amended "principle" to "principal"	
4. The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, without incurring significant costs due to the unanticipated sale of an investment.	4. The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, without incurring significant costs due to the unanticipated sale of an investment.	No change	
 The investment is expected to achieve a predetermined market average rate of return that takes into account the Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles. Legislative Requirements All investments are to comply with the following: 	 The investment is expected to achieve a predetermined market average rate of return that considers the Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles. 5.1 Legislative Requirements All investments are to comply with the following: 	Amended "takes into account" to "considers"	
 Local Government Act 1995 – Section 6.14 The Trustees Act 1962 – Part III Investments Local Government (Financial Management) Regulations 1996 – Regulation 19, 28 and 49 Australian Accounting Standards Board (AASB) 	 Local Government Act 1995 – Section 6.14 Trustees Act 1962 – Part III Investments Local Government (Financial Management) Regulations 1996 – Regulation 8, 19, 19C Australian Accounting Standards (AAS) 	Amended legislation references: Trustees Act 1962 Local Government (Financial Management) Regulations 1996 Added Planning and Development Act 2005 – Section 154(3) – investment of Cash in lieu of public open space Amended AASB reference	

The invalent colling is a product of the control of	5.2 Prudent Person Standard	5.2 Prudent Person Standard		
Standard of control between the control of control between the control of control between the control between the control between the control of control between the control between the control of control between the control be	Officers are able to manage the investment portfolios in accordance with the spirit of this Investment	would exercise. Officers are to manage the investment portfolios in accordance with the	Remove "able"	
and management of Councils investment portfolio. This policy recurses offices to disclose any conflict of interest. COID 5.4 Approved investments Minored accorded from Council, investment are limited to. • Bank that are replacement by the Materian Commissions with own AD or WMTC with a mutually of 3 years or lass. • Bank that are replacement by the Materian Council and WMTC with a mutually of 3 years or lass. • Bank that are replacement by the Materian Council and WMTC with a mutually of 3 years or lass. • Bank that are replacement by the Materian Council and WMTC with a mutually of 3 years or lass. • Bank that are replacement of the product of the Materian Council and WMTC with a mutually of 3 years or lass. • Bank that are replaced by the State of Commissions with an AD or WMTC with a mutually of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with a mutually of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the state of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with an analyse of 3 years or lass. • Bank that are replaced by the State of Commissions with a state of 3 years or lass. • Bank that are replaced by the State of Co	5.3 Ethics and Conflicts of Interest	5.3 Ethics and Conflicts of Interest		
Shipting percent from Council, investments are limited to: • Except that are guaranteed by the State or Commonwealth Covernment with a maturity of 2 years of less in the control of a state of the State of Commonwealth Covernment with a maturity of 2 years of less in the council of the State of Commonwealth Covernment with a maturity of 3 years of less in the council of the Interest Evaning opposits with an AST or WALS with a manufact of 8.5 Prohibited Investments 5.5 Prohibited Investments • Disclobed based instruments • Disclobed based instruments or securities that provide potentially in or negative cash flow in the summents of the council of the investment of the southlist that provide potentially in or negative cash flow in the summents of the council of the investment of the southlist that provide potentially in or negative cash flow in the summents of the council of the investment of the southlist that provide potentially in or negative cash flow in the summent of the provide potentially in or negative cash flow in the summent of the provide potentially in or negative cash flow in the summent of the provide potential by a provide poten	management of Council's investment portfolio. This policy requires officers to disclose any conflict of	and management of Council's investment portfolio. This policy requires officers to	No change	
Willous approval from Council, mestments are limited to Body above or less Interest berung deposits with an ACI or WACI with a manuty of it years or less Interest berung deposits with an ACI or WACI with a manuty of it years or less Bank accepted a retrieved behalf to a finite state of the search of the sear	5.4 Approved Investments	5.4 Approved Investments		
Bonds for at the gus parted by the State or Commonwealth Covenment with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less Interest bearing deposits with an ADI or watch and aDI or w		Without approval from Council, investments are limited to:		
Interest bearing deposits with an ADI or WATC with a maturity of 3 years or less It wish accopically devided burk bills Decisioned source of the provided burk bills Decisioned as a distributed investments Unesse capitally authorized by Council, this investment policy prohibits any investments in a construction of any investments or securities that provide potentially in lor inegative cash flow Stand allows excurities issued that have underlying foruses, update, prohibits and waspe of any kind Stand allows excurities issued that have underlying foruses, update, provided by Council, this investment policy prohibits any investments in a construction of any investments or securities issued that have underlying foruses, update, prohibits and waspe of any kind Commissional Stand shape of a provided by council, this investment policy prohibits any investments in a construction of the provided potentially into or negative cash flow Stand allows excurities issued that have underlying foruses, opposit, forward contracts and waspe of any kind Commissional Stand prohibits the use of levelsoning flowers and trace is a delay provided by provided by commissional provided by council the investment policy prohibits any investments of the provided potentially in or negative cash flow Stand allows excurring its substitution of the provided potentially in or negative cash flow Commissional Stand provided potentially flowers, opposit, forward contracts and waspe of any kind or commissional provided potentially flowers, opposit, forward contracts and waspe of any kind or commissional provided potentially flowers and the least any provided potentially into the spending process and deve is a delay provided by commissional provided potentially into the spending process. Stank knappment Cudelines Preservation of Capital – the requirement Capital – the requirement of provided and the province of an investment in the first provided potentially into the provided and thistory investment and an investment in the provided and th	Bonds that are guaranteed by the State or Commonwealth Government with a maturity		No change	
So Prohibited Investments Unest explicitly authorised by Council, this investment policy prohibits any investments in: Derivative based instruments Principal only investments or securities that provide potentially fill or negative cash flow of any kind. Commercial Paper Bank negotiable Conflicates of Deposit This policy also prohibits the use of leavaging thorrowing to invest policy investment, investment policy prohibits any investments in a broad or not provide potentially fill or negative cash flow. So dealth also provide potentially fill or negative cash flow of any kind. Commercial Paper Bank negotiable Conflicates of Deposit This policy also prohibits the use of leavaging thorrowing to invest policy investment, between nothing in the policy also prohibits the use of leavaging thorrowing to invest of an investment however nothing in the policy also prohibits the soneterm investment of an investment however nothing in the policy also prohibits the use of leavaging (borrowing to invest of an investment however nothing in the policy also prohibits the use of leavaging (borrowing to invest of an investment however nothing in the policy also prohibits the soneterm investment of an investment however nothing in the policy and prohibit the soneterm investment of a proper of the soliday profit the specific prohibits and prohibits the soliday not to the soliday of the soliday profit the specific prohibits and the edge of an investment of the soliday not to the specific of non-investment investment of the soliday not to the specific prohibits and prohibits the soliday not to the soliday of the soliday not to the specific prohibits are proposed as a particular sector of the following key criteria. Presentation of capital — the requirement for preventing issess in an investment problem to the following key criteria. Presentation of capital — the requirement for preventing issess in an investment problem to the following key criteria. Presentation— the requirement is a place the following key criteria. Pres	, ·			
Unless deplicitly authorised by Council, this investment policy prohibits any investments in Derivative based instruments Derivative based instruments Principal only investments or securities have underlying futures, options, forward contacts and swaps of any kind Standalone would be based that have underlying futures, options, forward contacts and swaps of any kind Comment of any kind Park in egotiable Certificates of Deposit This policy who prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is dised for non-investment purposes and there is a delay prior to the spending occurring. Series Management Guidelines Investments obtained are to be considered in light of the following key criteria: Promotion to be over exposed to a particular sector of the investment in portion of a particular sector of the investment market. Comment of the overaging plane. Comment of packing futures of the propriet of an institution/centry with which an investment portion of some content of packing investments and the regular ment to pack on the following can be considered in the propriet of an institution/centry with which an investment is the propriet of an institution/centry with which an investment is the propriet of an institution of an investment of packing the packing shall provide potentially into or egitate cash flow Standalone securities have underlying futures, options, forward contacts and swaps of any kind Comment of packing the best of the provide potentially into or egitate cash flow Standalone securities have underlying futures, options, forward contacts and swaps of any kind Comment of packing the best of the provided potentially into or ended the securities of the provided potentially into or executions, forward contacts and swaps of any kind Comment of packing the packing the least of packing the	Bank accepted / endorsed bank bills			
Derivative based instruments Pincipal only investments or securities that provide potentially nill or negative cash flow Stand-alone securities issued that have underlying futures, options, forward contracts and swaps of any kind Commercial Paper Bank negotiable Certificates of Deposit This policy also prohibits the use of liveraging (borrowing to invest) of an investment, however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the spending occurring. So Risk Management Guidelines Preservation of Capital — the requirement for preventing losses in an investment is belat to pay the interest and/or pay the principal of an investment is belat to pay the interest and/or pay the principal of an investment is belat to pay the interest and/or pay the principal of an investment is belat to pay the interest and/or pay the principal of an investment is belat to pay the interest and/or pay the principal of an investment is a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk — the risk that fair value or future cash flows will fluctuate due to changes in market price, or benchmark entering the products so as not to be over exposed to a particular section of the investment market. Market Risk — the risk that a fair value or future cash flows will fluctuate due to changes in market price, or benchmark entering the first product so as not to be over exposed to a particular section of the investment so a fair price within a timely period, and thereby incurs additional costs or is unable to every exposed to a particular sector of the investment section. The particular sector of the investment section of the investment sector of the investm	5.5 Prohibited Investments	5.5 Prohibited Investments		
Principal only investments or securities that provide potentially nil or negative cash flow Standardore securities issued that have underlying futures, options, forward contracts and swaps of any kind Commercial Paper Sank negotiable Certificates of Deposit This policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy also prohibits the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the spending occurring. S.6. Risk Management Guidelines Investments obtained are to be considered in light of the following key criteria: Preservation of Capital — the requirement for preventing losses in an investment is held to pay the interest and/or repay the principal of an investment; sheld to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is highly file. The risk that a party or guarantor to a transaction will fail to fulfill its obligations; risk of loss due to the failure of an institution/entry with which an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is	Unless explicitly authorised by Council, this investment policy prohibits any investments in:			
 Principal only investments or securities that provide potentially nil or negative cash flow Stand-alone socurities issued that have underlying futures, options, forward contracts and swaps of any kind Commercial Paper Bank negotiable Certificates of Deposit His policy also probibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy shall probible the sitrate minvestment of losin proceeds where the loan is raised for non-investment Purposes and there is a delay prior to the spending occurring. 5.6 Risk Management Guidelines Pisservation of Capital — the requirement for preventing losses in an investment is held to pay the netteest and/or repay the principal of an investment is held to pay the netteest and/or repay the principal of an investment is held to pay the netteest and/or repay the principal of an investment is periodic to a particular sector of the investment market. Diversification — the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Lippodity Risk — the risk and fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtale the investment. The market ment is return. Matriest Risk — the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtale the investment. The technical case is a possible to expect the length of term to marking of the investment. The consideration of the length of term to marking of the investment. The consideration of the length of term to marking of the investment. The consideration of the length of term to marking of the investment. The consideration of the investment return of the consideration of the investment of the consideration of the investment of the consideration of the	Derivative based instruments	 Derivative based instruments 		
Standalone securities issued that have underlying futures, options, forward contracts and swaps of any kind Commercial Paper Bank negotiable Certificates of Deposit This policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the spending occurring. So Risk Management Guidelines Investments obtained are to be considered in light of the following key criteria: Preservation of Capital—the requirement for preventing losses in an investment portfolio's total value. Preservation of Expital—the requirement for preventing losses in an investment is held to pay the limiterest and/or repay the principal of an investment is held to pay the limiterest and/or repay the principal of an investment is held to pay the limiterest and/or repay the principal of an investment at a fair price within a timely period, and thereby incurus additional costs or is unable to execute its spending plans. Marker Risk—the risk that fair value or future cash flows will fluctuate due to changes in market price, or benchmark returns will unexpectedly overable the investment's return. Marker Risk—the risk that fair value or future cash flows will fluctuate due to changes in market price plans. Marker Risk—the risk that fair value or future cash flows will fluctuate due to changes in market price plans.				
Commercial Paper Commercial Paper Bank negotiable Certificates of Deposit This policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the spending occurring. So Risk Management Guidelines Investments obtained are to be considered in light of the following key criteria: Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value. Credit Risk — The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment. Diversification — the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification — the requirement to place investment market. Uiguidity Risk — the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investments. The		Stand-alone securities issued that have underlying futures, options, forward	No change	
Bank negotiable Certificates of Deposit This policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the spending occurring. 5.6 Risk Management Guidelines Investment purposes and there is a delay prior to the spending occurring. 5.6 Risk Management Guidelines Investment portfolio's total value. • Preservation of Capital — the requirement for preventing losses in an investment portfolio's total value. • Credit Risk — The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment is not brown or exposed to a particular sector of the investment market. • Diversification — the requirement to place investment market. • Diversification — the requirement to place investment market. • Diversification — the requirement to place investment market. • Diversification — the requirement to place investment market. • Diversification — the requirement to place investment market. • Diversification — the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. • Diversification — the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. • Liquidity Risk — the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment. The	Commercial Paper			
 Bank negotiable Certificates of Deposit This policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the spending occurring. 5.6 Risk Management Guidelines Investments obtained are to be considered in light of the following key criteria: Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value. C credit Risk – The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Uiquidity Risk – the risk that fair value or future cash flows will fluctuate due to change in market prices, or benchmark returns will unexpectedly overtale the investment. The Market Risk – the risk that fair value or future cash flows will fluctuate due to change in market prices, or benchmark returns will unexpectedly overtale the investment. The 		·		
This policy also prohibits the use of leveraging (borrowing to invest) of an investment, however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the spending occurring. 5.6 Risk Management Guidelines Investments obtained are to be considered in light of the following key criteria: • Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value. • Credit Risk – The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment. • Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. • Market Risk – the risk relating to the length of term to maturity of the investment. The	Bank negotiable Certificates of Deposit			
Investments obtained are to be considered in light of the following key criteria: Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value. Credit Risk – The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market pr	in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-	however nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the		
 Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value. Credit Risk – The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Liquidity Risk – the risk an investor runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk relating to the length of term to maturity of the investment. The Preservation of Capital – the requirement for preventing losses in an investment of capital – the requirement for preventing losses in an investment of capital – the requirement for preventing losses in an investment of capital – the requirement for preventing losses in an investment of capital – the requirement for preventing losses in an investment of capital – the requirement for preventing losses in an investment of capital value. Credit Risk – The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment is held to pay the interest and/or repay the principal of an investment to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment at a fair price within a timely period, and thereby incurs additional costs or is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to redeem investments at a fair price within	5.6 Risk Management Guidelines	5.6 Risk Management Guidelines		
 Credit Risk – The risk that a party or guarantor to a transaction will fail to fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as no to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as no to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as no to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as no to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Liquidity Risk – the risk an investor runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices or benchmark returns will unexpectedly. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices or benchmark returns will unexpectedly. 	Investments obtained are to be considered in light of the following key criteria:	Investments obtained are to consider the following key criteria:		
obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment and the light of to "are to consider" Eliquidity Risk – the risk an investor runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices or benchmark returns will unexpectedly. Market Risk – the risk that fair value or future cash flows will fluctuate due to change in market prices or benchmark returns will unexpectedly.				
 Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market. Liquidity Risk – the risk an investor runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment. The Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investments at a fair price within a timely period, and thereby incurs additional costs or is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly. 	obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment.	fulfil its obligations; risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the	Amended "are to be	
 Liquidity Risk – the risk an investor runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment's return. Maturity Risk – the risk relating to the length of term to maturity of the investment. The investment market. Liquidity Risk – the risk an investor runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly. 		 Diversification – the requirement to place investments in a broad range of 	considered in the light of" to	
 Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment's return. Maturity Risk – the risk relating to the length of term to maturity of the investment. The investments at a fair price within a timely period, and thereby incurs additional costs or is unable to execute its spending plans. Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly. 	fair price within a timely period, and thereby incurs additional costs or is unable to	investment market.		
Maturity Risk – the risk relating to the length of term to maturity of the investment. The Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will unexpectedly.	Market Risk – the risk that fair value or future cash flows will fluctuate due to changes in	investments at a fair price within a timely period, and thereby incurs		
	Maturity Risk – the risk relating to the length of term to maturity of the investment. The			

• Rollover Risk – the risk that income will not meet expectations or budgeted requirement because interest rates are lower than expected in future.

- overtake the investment's return.
- Maturity Risk the risk relating to the length of term to maturity of the investment. The longer the term, the greater the length of exposure and risk to market volatilities.
- Rollover Risk the risk that income will not meet expectations or budgeted requirement because interest rates are lower than expected in future.

5.7 Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

Long Term Rating Range	Short Term Rating Range	Direct Investment Maximum %
AAA Category	A-1+	100%
AA Category or Major Bank	A-1+	100%
A Category	A-1	60%
BBB Category	A2 to A3	50%
Unrated ADI's	Not Rated	20%

For the purpose of this Policy, "Major Banks" are currently defined as the ADI deposits issued by the major Australian banking groups:

- Australia and New Zealand Banking Group Limited (ANZ);
- Commonwealth Bank of Australia (CBA);
- National Australia Bank Limited (NAB);
- Westpac Banking Corporation (WBC)

Including, ADI subsidiaries (such as BankWest) whether or not explicitly guaranteed, and brands (such as St George).

Council may ratify an alternative definition from time to time. Standard & Poor's ratings attributed to each individual institution will be used to determine maximum holdings. In the event of disagreement between agencies as to the rating band ("split ratings") Council shall use the higher in assessing compliance with portfolio Policy limits, but for conservatism shall apply the lower in assessing new purchases.

5.7 Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

Long Term Rating Range	Short Term Rating Range	Direct Investment Maximum %
AAA Category	A-1+	100%
AA Category	A-1+	100%
A Category	A-1	60%
BBB Category	A2 to A3	50%
Unrated ADI's	Not Rated	20%

Council may ratify an alternative definition from time to time. Standard & Poor's ratings attributed to each individual institution will be used to determine maximum holdings. In the event of disagreement between agencies as to the rating band ("split ratings") Council shall use the higher in assessing compliance with portfolio Policy limits, but for conservatism shall apply the lower in assessing new purchases.

Updated the AA Category label (removed "or Major Bank")

Removed list of major banks.

5.8 Counterparty Credit Frameworks

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below.

Long Term Rating Range	Short Term Rating Range	Direct Investment Maximum %
AAA Category	A-1+	60%
AA Category or Major Bank	A-1+	50%
A Category	A-1	40%
BBB Category	A2 to A3	30%
Unrated ADIs	Not rated	10%

Investments not explicitly rated, but issued by an ADI, will be grouped according to the highest rating of the parent ADI.

Note: The "Direct Investment Maximum %" only applies if the City's investment portfolio at any one time exceeds \$7 million.

If any of the City of Greater Geraldton investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

5.8 Counterparty Credit Frameworks

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below.

Long Term Rating Range	Short Term Rating Range	Direct Investment Maximum %
AAA Category	A-1+	60%
AA Category or Major Bank	A-1+	50%
A Category	A-1	40%
BBB Category	A2 to A3	30%
Unrated ADIs	Not rated	10%

Investments not explicitly rated, but issued by an ADI, will be grouped according to the highest rating of the parent ADI.

Note: The "Direct Investment Maximum %" only applies if the City's investment portfolio at any one time exceeds \$7 million.

If any of the City of Greater Geraldton investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

No changes

5.9	Investment Horiz	on Framework			5.9	Investment Ho	rizon Framework			
		nent portfolio shall be struc lity and income requiremer	ctured around the time hori nts are met.	zon of investment to			ment portfolio shall be ensure that liquidity and			
	this will ordinarily risks to Council's required by cash-	be a low-risk method of ok income. However, Council flow requirements or the e or information used by Co	uncil will ordinarily diversify btaining additional return as I always retains the flexibility economic outlook. buncil to determine minimu	well as reducing the to invest as short as		maturity profile additional retur Council always requirements o	ary aim of liquidity is e as this will ordinariled as well as reducing the retains the flexibility to the economic outlook or information used to	y be a low-risk me the risks to Council's invest as short as rec c.	thod of obtaining income. However, quired by cash-flow	
Council's liquidity requirements to cover both regular payments as well as sufficient buffer to cover reasonably foreseeable contingencies;			shorter duration Liquidity re	ns include: equirements to cover bo	oth regular payments		Removed "by Council" and "Council's"			
	 Medium terr 	m financial plans and major	r capital expenditure forecas	ts;			over reasonably foresee	3		
	Known gran	ts, asset sales or similar one	e-off inflows;			 Medium te 	erm financial plans and	major capital expend	iture forecasts;	
	 Seasonal pat 	terns to Council's surplus fu	unds.			 Known gra 	ants, asset sales or simila	ar one-off inflows;		
ÍΓ	Description	Investment Horizon	Minimum Allocation	Maximum Allocation		 Seasonal p 	atterns to Council's sur	plus funds.		
	Working Capital	0-3 months	10%	100%		Description	Investment Horizon	Minimum	Maximum	
	Short Term Medium Term	3-12 months 1-3 years	0% 0%	100% 70%		Working Capital	0-3 months	Allocation 10%	Allocation 100%	
		, , , , , , , , , , , , , , , , , , , ,	,			Short Term	3-12 months	0%	100%	
						Medium Term	1-3 years	0%	70%	
by t has free Inde recc	the Australian Securit no actual or potenti to choose the mos ependence includes	ties and Investment Commal conflict of interest in relast appropriate product wit receiving no commissions yed, except as fully rebated	nission. The advisor must be ation to investment product thin the terms and conditi is or other benefits in relat	ent advisor it must be licensed e an independent person who is being recommended; and is ons of the investment policy, ion to the investments being ity must advise Councillors if it	mu: an inve with con exc	ist be licensed by the independent person estment products be hin the terms and commissions or other leading to the leading to	eater Geraldton wish to be Australian Securities a on who has no actua being recommended; an conditions of the invest benefits in relation to the d to Council, promptly.	and Investment Com- il or potential confli nd is free to choose the ment policy. Indeper ne investments being	mission. The advisor m ct of interest in relati ne most appropriate pr idence includes receivi recommended or revi	on to Amended "City of Greater Geraldton" to "City" ewed,
KEY TERM	DEFINITIONS				KEY TERM	1 DEFINITIONS				
Act 1959 (Bond: A fix Council F governme Derivative	(Cth) to take depos xed rate obligation funds: Surplus mor ent Act. e instruments – ins	its from customers. guaranteed by an eligib nies that are invested by	ole counter party. Council in accordance wheir value from the value	thorised under the Banking ith section 6.14 of the Local and characteristics of one or	the Bankir Bond: A fi Council F of the Loc Derivative	ng Act 1959 (Cth) ixed rate obligation Funds: Surplus mo cal Government A e instruments -	to take deposits from on guaranteed by an onies that are investe	n customers. eligible counter pard d by Council in acc h derive their val	ty. Fordance with section ue from the value	No change and
ROLES AN	ID RESPONSIBILITI	ES			ROLES AN	ND RESPONSIBILIT	ries			
The Chief F	Financial Officer is res	ponsible for implementing	this Policy.		The Chief	Financial Officer is r	responsible for impleme	enting this Policy.		No change
Local Gove	ACE INFORMATION ernment Act 1995 ater Geraldton's Code				Local Gove Trustees A Local Gove		Management) Regulatio	ons 1996		Added: Trustees Act 1962 Local Government (Financial Management) Regulations 1996 Planning and Development Act 2005 Australian Accounting Standards (AAS)

					1	Australian Accounting Standards (AAS) City of Greater Geraldton's Code of Conduct					
POLICY AD	MINISTRATION				POLICY AD	MINISTRATION					
Directorate		Officer	Review Cycle	Next Due	Directorate	1	Officer	Review Cycle	Next Due		
Corporate S	Services	Chief Financial Officer	Biennial	2022	Corporate S	Services	Chief Financial Officer	Biennial	2026		
Version	Decision Reference	Synopsis			Version	Decision Reference	Synopsis				
3.	CCS 558 15/12/2020	Policy Review	zy Review		4.		Policy Review				
	1				·					_	