| ORDINARY MEETING<br><br>15 JULY 2026 | 6.7 |
|---|---|

# INVESTMENT HOLDINGS AS AT 30 JUNE 2026

**F&BS | 63/8/32-01 | #7884156**

## RECOMMENDATION:

**That Council note the performance of invested funds for the year ended 30 June 2026.**

---

## INTERESTED PARTIES:

Nil

*Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.*

## EXECUTIVE SUMMARY:

During the year ended 30 June 2026, Council's surplus cash was invested with Queensland Treasury Corporation (QTC). The cash invested has performed above the benchmarks defined in Council's Investment Policy.

Interest earned on investments totalled $4.1M, $2.5M more than budget. This is due to the cash balance and interest rates being higher than forecast for most of the year driven largely by timing in delivery of the capital works program.

## BACKGROUND:

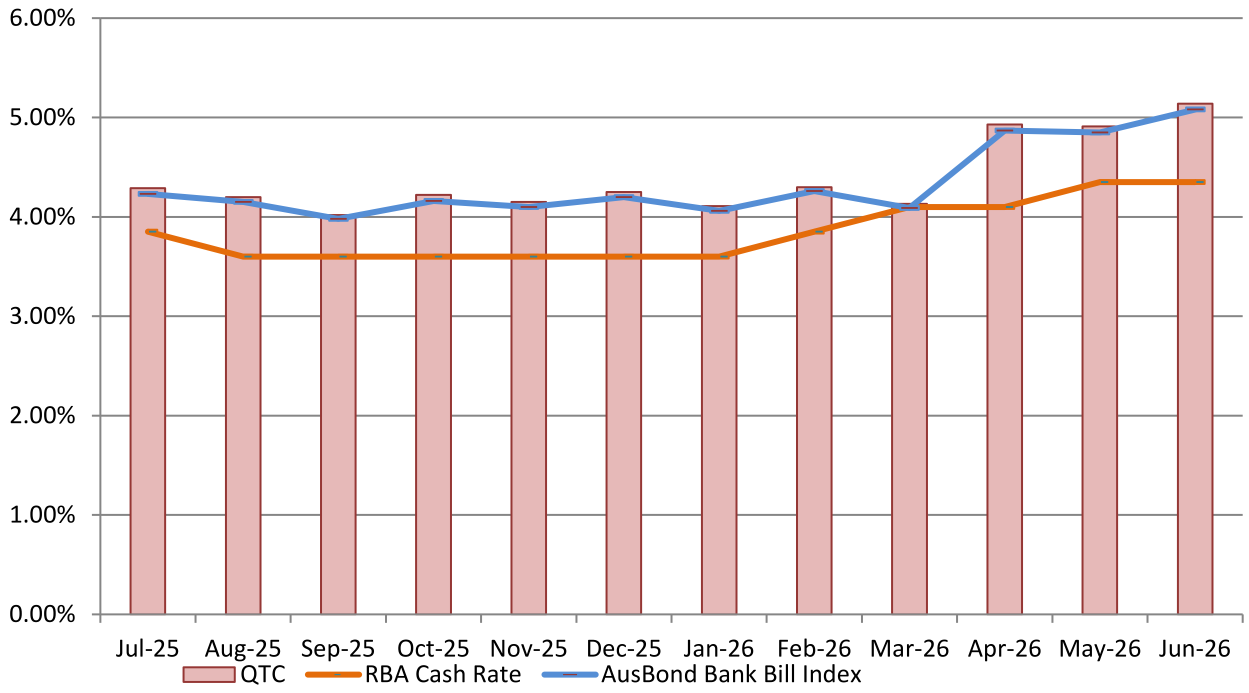
Council's Investment Policy requires annual reporting to Council on investment performance.

## COMMENT:

Council's Investment Policy sets out investment guidelines, including the time horizon, maximum exposure, credit risk guidelines and performance benchmarks.

Council maintains a cash flow forecast which identifies expected future surplus cash balances. When assessing investment opportunities, council officers consider timing of expected outflows and whether it would be beneficial to leave surplus funds in QTC cash fund (at call) or invest in term deposits.  Throughout the year the rate of return on the QTC cash fund was higher than rates available on term deposits for the period surplus funds were held.

| PERFORMANCE OF INVESTMENTS VS BENCHMARK |
|---|
| The following graph displays the performance of Council's investment in the QTC Cash Fund against the AusBond Bank Bill Index and the RBA Cash Rate.  QTC Cash Fund consistently outperformed these benchmarks. |




| ANALYSIS OF INTEREST INCOME EARNED | | | |
|---|---|---|---|
| | | | |
| | Actual YTD Jun-26 $ | Budget YTD Jun-26 $ | Variance $ |
| Interest Income | 4,141,129 | 1,629,200 | 2,511,929 |

Interest income is favourable to budget due to timing of capital expenditure resulting in a higher than anticipated cash balance. In addition, interest rates were higher than anticipated for the 2026 financial year.

| COUNCIL INVESTMENT POLICY COMPLIANCE SUMMARY | | | | |
|---|---|---|---|---|
| | | | | |
| Long Term Credit Rating | Short Term Credit Rating | Current Exposure | Allowable Exposure | Difference |
| **Cash Funds** | | | | |
| QTC Cash Fund | AA | 100% | | |
| **Total Cash Funds** | **AA/AA+** | **100%** | **100%** | **0%** |
| **Other Investments** | | | | |
| AA+ to AA- | A-1+ | 0% | 100% | 100% |
| A+ to A- | A-1 | 0% | 75% | 75% |
| BBB+ to BBB- | A-2 | 0% | 50% | 50% |
| Qualifying Local Financial Institutions | Unrated | $ - | $ 1,000,000 | $1,000,000 |

## OPTIONS:

### Option 1 (recommended):

That Council note the performance of invested funds for the year ended 30 June 2026.

### Option 2

That Council **does not** note the performance of invested funds for the year ended 30 June 2026 and requests Council Officers to provide further details.

## CONSIDERATIONS:

Risk Management:

This report is compiled on a historical basis; therefore, there are no financial implications or risk on decisions or options.

Council Finance and the Local Economy:

Investments are reported on a historical basis, therefore there are no financial or budgetary implications.

Statutory:

*Statutory Bodies Financial Arrangements Act 1982*
*Statutory Bodies Financial Arrangements Regulation 2007*

Policy:

Investment Policy #525837

## CONSULTATION:

All relevant financial institutions have provided the financial data for analysis and reporting for this report.

Jason Ritchie
Executive Manager Finance

Lisa Whitton
Chief Financial Officer