

Relevant Information for Council

FILE: X020701 **DATE:** 13 November 2025

TO: Lord Mayor and Councillors

FROM: Jean-Michel Carriere, Executive Director Finance and Procurement

THROUGH: Monica Barone PSM, Chief Executive Officer

SUBJECT: Information Relevant To Item 6.6 – Review of the Investment Policy and Strategy

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Purpose

To provide further information on the City's choice of investments (generally Big Four over mid-tier banks), investment options and environmentally and socially responsible investment.

Background

At the meeting of the Corporate, Finance, Properties and Tenders Committee on 10 November 2025, further information was sought on the following:

Investments choices/options (generally Big Four over mid-tier banks)

The City's Financial Planning and Reporting unit prepares daily investment recommendations in accordance with the Investment Policy and the Investment Strategy. To achieve the best value for the City's investments, recommendations consider credit risk, forecast cash requirements, alternative investments with comparable risk, liquidity and maturity profiles. The institutions credit rating reviewed against the credit rating assessment parameters is utilised along with the other investment criteria in making an investment decision. This criterion is designed to prudently manage risk while enabling returns that meet the City's investment performance benchmarks.

These decisions are dependent on offers in the market at the time when surplus funds are available. Not all institutions in the portfolio seek funds daily. When assessed against the approved criteria, the offer that maximises returns is accepted. In line with the policy's requirements, the City aims to limit exposure to single institutions and diversify the portfolio.

As noted in the Investment Strategy, the percentage of funds held with Big Four banks has increased from 70% to 74%. This increase is largely driven by the recent finalisation of the acquisition of Suncorp's banking operations by ANZ. Approximately, 12% of the City's portfolio is currently invested with Suncorp Bank. It is still operating as a separate bank but owned and now rated as part of the ANZ group. This purchase further consolidates the banking sector.

In addition, Westpac has in recent years brought to the market socially responsible investment products, including Green Tailored Deposits and Social Tailored Deposits, with competitive returns that the City has purchased in line with the requirements of the investment policy.

As noted in the report to the 10 November 2025 Corporate, Finance, Properties and Tenders Committee - [Review of the Investment Policy and Strategy](#), the investment policy continues to contain provisions that encourage environmentally and socially responsible investments (SRI) and seek to avoid investments in environmentally and socially harmful activities. The City has developed good relationships with its financial institutions and partnered with them to help launch new sustainable products.

City staff will continue to meet regularly with financial institutions to advocate for new investment vehicles and products that will achieve our desire to increase our commitments to social and responsible investment. In a constrained legislative and regulatory environment for local government financial investments that has remained static for more than a decade this is viewed as a prudent measured approach.

Memo from Jean-Michel Carriere, Executive Director Finance and Procurement

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Approved



MONICA BARONE PSM
Chief Executive Officer