

# Wagga Wagga City Council

## INVESTMENT POLICY

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<b>ORIGINAL APPROVAL DATE</b>	13 August 2007	
<b>RESPONSIBLE MANAGER</b>	<a href="#">Corporate Services Manager Finance</a>	
<b>RESPONSIBLE DIRECTOR</b>	<del>13 August 2007</del> <a href="#">Director Finance</a>	
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0	Res No: 07/302.5	13 August 2007
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2	Res No: 12/359	17 December 2012
3	Res No: 13/224.1	26 August 2013
4	Res No: 15/339.15	23 November 2015
5	Res No: 17/279	28 August 2017
<a href="#">6</a>	<a href="#">Res No:</a>	

## PART 1: INTRODUCTION

Council's investment policy is influenced by its corporate financial needs and objectives and is governed by the Local Government Act 1993. The policy aims to ensure that Council's funds are invested in a financially responsible manner, and that the capital component of investment funds is maintained in real terms and in addition a reasonable rate of return is achieved.

### 1.1 Policy Objectives

The purpose of this Investment Policy (IP) is to establish the Council's guidelines that Officers utilise when investing funds in order to maximise the return to Council in accordance with the risk appetite of Council ~~adopts in investing its funds~~. The objectives of this ~~policy~~ Policy are:

- to confirm the regulation relevant to management of Council's investments and the range of authorised investments
- to set boundaries for exposure to market risk, credit risk and duration risk within the investment portfolio and the 'single party' exposure of the portfolio to individual institutions or products
- to ensure the investment portfolio holds sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment
- to establish a framework for monitoring investments
- to confirm delegations and other relevant governance matters in relation to Council's investments

### 1.2 Scope of Policy

This ~~policy~~ Policy applies to all Council investments.

### 1.3 Definitions

<b>Act</b>	<i>Local Government Act, 1993</i>
<b>ADI</b>	Authorised Deposit-Taking Institutions (ADIs) are corporations that are authorised under the Banking Act 1959 (Cwth) to take deposits from customers.

<b>AusBond BBI</b>	Formerly the UBS BBI. The UBA Australia index family was acquired by Bloomberg from Q3 2014, and while branding changed the benchmark is unaltered. It represents the performance of a national rolling parcel of bills averaging 45 days and is the widely used benchmark for local councils.
<b>BBSW</b>	The Bank Bill Swap reference rate (BBSW) is the average of mid-rate bank-bill quote from brokers on the BBSW Panel. The BBSW is calculated daily. Floating rate securities are most commonly reset quarterly to the 90-day BBSW.
<b>Bill of Exchange</b>	A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person, or to bearer.
<b>Council Funds</b>	Surplus monies that are invested by Council in accordance with section 625 of the Act
<b><u>Conflict of Interest</u></b>	<u>A conflict of interest can be pecuniary (involving financial gain or loss) or non-pecuniary (based on animosity, friendship or family connection). A conflict of interest can also arise from avoiding personal losses as well as gaining personal advantage, financial or otherwise. Conflicts of interest can be actual, perceived, or potential.</u>
<b><u>Counterparty</u></b>	<u>Both a legal and financial term that refers to the other individual or institution to an agreement or contract.</u>
<b><u>Covered Bonds</u></b>	<u>A senior, secured, dual-recourse bond instrument issued by an ADI. The underlying assets of a covered bond stay on the balance sheet of the ADI issuing the bond. Therefore, if the ADI becomes insolvent, investors holding the bonds may still receive their scheduled interest payments from the underlying assets of the bonds (high-quality assets such as prime mortgages), as well as the principal at the bond's maturity. Due to the extra layer of protection, covered bonds typically have a "AAA" rating.</u>
<b><u>Credit Risk</u></b>	<u>The risk that a party or guarantor to a transaction will fail to fulfil its obligations. In the context of this document it relates to the 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.</u>

<b><u>Currency Risk</u></b>	<u>The risk that the fair value or future cash flows of an investment will fluctuate because of changes in foreign exchange rates.</u>
<b>Debenture</b>	A debenture is a document evidencing an acknowledgment of a debt, which a company has created for the purposes of raising capital. Debentures are issued by companies in return for medium and long-term investment of funds by lenders.
<b><u>Derivative Based Instruments</u></b>	<u>Financial contracts, or financial instruments, whose values are derived from the value of something else (known as the underlying). The underlying on which a derivative is based can be an asset (e.g. Commodities, equities (stocks), residential mortgages, commercial real estate, loans, bonds), and index (e.g. interest rates, exchange rates, stock market indices, consumer price index (CPI) – see inflation derivatives). Credit derivatives are based on loans, bonds or other forms of credit. The main types of derivatives are: forwards (which is traded on an exchange are known as futures); options and swaps.</u>
<b><u>Diversification</u></b>	<u>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.</u>
<b><u>Financial Instrument</u></b>	<u>Any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.</u>
<b>FRN</b>	A Floating Rate Note (FRN) is a medium to long term fixed interest investment where the coupon is a fixed margin (“coupon margin”) over a benchmark, also described as a “floating rate”. The benchmark is usually the BBSW and is reset at regular intervals – most commonly quarterly.
<b>Grandfathered</b>	Investments held by Council that were previously allowed under the Minister’s Order but were Grandfathered (i.e. eligible to retain but not add to or restructure existing investments) when the NSW State Government changed the list of Approved Investments as a result of the Cole enquiry reflected in the Ministerial Order dated 31/7/2008 or in any subsequent changes.
<b><u>Interest Rate Risk</u></b>	<u>The risk that the fair value or future cash flows of an investment will fluctuate because of changes in market interest rates.</u>

<b><u>Investment Portfolio</u></b>	<u>A collection of investments.</u>
<b>IP</b>	The Investment Policy (IP) provides the general investment goals and objectives of Council and describes the strategies that must be employed to meet these objectives. Specific information on matters such as asset allocation, risk tolerance, and liquidity requirements are also included in the IP.
<b><u>Leverage Risk</u></b>	<u>The magnification of an investor’s risk and return that occurs when the investor takes on financial leverage through an investment period.</u>
<b>LGGR</b>	Local Government (General) Regulation 2005 (NSW).
<b><u>Liquidity Risk</u></b>	<u>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 in the worst case is unable to execute its spending plans).</u>
<b>Major Banks</b>	<p>For the purpose of this Policy, “Major Banks” are currently defined as:</p> <p>The ADI deposits or senior guaranteed principal and interest ADI securities issued by the major Australian banking groups:</p> <ul style="list-style-type: none"> <li>• Australia and New Zealand banking Group Limited</li> <li>• Commonwealth Bank of Australia</li> <li>• National Australia Bank Limited</li> <li>• Westpac Banking Corporation</li> </ul> <p>including ADI subsidiaries such as BankWest) whether or not explicitly guaranteed, and brands (such as St George).</p> <p>Similarly, with other ADI groups (such as Bendigo &amp; Adelaide Bank) own multiple banking licences, rating categories are based on the parent bank even if the subsidiary is not explicitly rated.</p> <p>Council may ratify an alternative definition from time to time.</p> <p>In the event of disagreement between agencies as to the rating (“split ratings”) Council shall use the higher in assessing compliance with portfolio Policy limits, but for</p>

	conservatism shall apply the lower in assessing new purchases.
<b><u>Market Risk</u></b>	<u>The risk that fair value or future cash flows of an investment will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment's return.</u>
<b><u>Maturity Risk</u></b>	<u>The risk that fair value or future cash flows of an investment will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment's return.</u>
<b>OLG</b>	NSW Office of Local Government, Department of Premier and Cabinet and its predecessors.
<b><u>Preservation of Capital</u></b>	<u>An investment strategy with the primary goal of preventing losses in an investment portfolio's total value.</u>
<b><u>Rating Agencies</u></b>	<p><u>Include Credit Rating Agencies such as Standard and Poor's (S&amp;P), Moody's and Fitch who are professional organisations that provide opinion on the general credit worthiness of an obligor with respect to particular debt security or other financial obligations. Credit ratings are based, in varying degrees, on the following considerations:</u></p> <ul style="list-style-type: none"> <li>• <u>Likelihood of payment;</u></li> <li>• <u>Nature and provisions of the obligation;</u></li> </ul> <p><u>Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganisation or other laws affecting creditor rights.</u></p>
<b><u>Risk Aversion</u></b>	<u>The reluctance of an individual to invest in a product with a higher risk compared to a product with lower risk, but possibly lower returns.</u>
<b><u>Rollover Risk</u></b>	<u>The risk that income will not meet expectations or budgeted requirement because interest rates are lower than expected in the future.</u>
<b><u>Speculative</u></b>	<u>Includes a speculative deal which involves deliberately taking a higher risk, in the hope of making an extraordinary gain.</u>
<b>T-Corp</b>	New South Wales Treasury Corporation.
<b><u>Yield</u></b>	<u>The annual rate of return on an investment.</u>

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## 1.4 Legislative Context

All investments are to comply with the following:

- *Local Government Act (1993)*
- *Local Government (General) Regulation (2005)*
- *Ministerial Investment Order*
- ~~*The Trustee Amendment (Discretionary Investments) Act (1997) – Section 14*~~
- Local Government Code of Accounting Practice and Financial Reporting
- Australian Accounting Standards
- Office of Local Government Investment Policy Guidelines
- Office of Local Government Circulars

If at any stage the legislation or standards are amended which are contrary to this Policy, then the legislative or standards requirements will prevail.

## 1.5 Related Documents

This Policy has been prepared to recognise the legislative requirements and obligations for the investment of Council's funds. The legislative requirements are listed in the Investment Policy adopted by Council. It is Council's intention to comply with investment regulation and nothing in this statement is to override these obligations.

## 1.6 Responsibilities

~~The Director Corporate Services and Manager Finance are responsible for ensuring that this policy is implemented. Authority for implementation of the Investment Policy is delegated by the Council to the General Manager in accordance with the *Local Government Act 1993*. The General Manager has in turn delegated the day-to-day management of the [City's Council's](#) investments to Officers, subject to regular reviews.~~

## 1.7 Reporting Requirements

Documentary evidence must be held for each investment and details thereof maintained in an investment register. The documentary evidence must provide Council legal title to the investment.

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For audit purposes, certificates must be obtained from the banks/fund managers/custodian confirming the amounts of investment held on Council's behalf as at 30<sup>th</sup> June each year and reconciled to the investment register.

All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A monthly report will be provided to Council. The report will detail the investment portfolio in terms of holdings and impact of changes in market value since the previous report. The monthly report will also detail the investment performance against the applicable benchmark, investment income earned versus budget year to date and confirm compliance of Council's investments within legislative and policy limits. Council may nominate additional content for reporting.

## 1.8 Approval Arrangements

An investment form will be completed for all investments to ensure appropriate documentation of the investment decision. All decisions require approval by two (2) Officers who have the appropriate delegation from the General Manager to do so.

### 1.81.9 Review procedures

The Investment Policy will be reviewed annually and as required in the event of legislative change or as a result of significantly changed economic/market conditions. The Investment Policy may also be changed as a result of other amendments that are to the advantage of that Council and in the spirit of this ~~policy~~Policy.

Any amendment to the Investment Policy must be by Council resolution.

~~To the extent that the Policy becomes inconsistent with the regulatory framework, the regulations will prevail.~~

## 1.9 Purpose of Policy

~~The purpose of this document is to establish the framework within which investment principles are to apply to the investment of Council funds. It details:~~

- ~~• Council Funds covered by this Investment Policy~~
- ~~• Council's objectives for its investment portfolio/s~~
- ~~• how investments are to be undertaken~~
- ~~• the applicable risks to be managed~~



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- ~~any constraints and other prudential requirements to apply to the investments of Funds having regard to the applicable legislation and regulations governing Council investment~~
  - ~~the manner in which compliance with the Policy & Strategy will be monitored and reported~~
  - ~~appropriate benchmarks for each category of investments~~

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## PART 2: POLICY CONTENT

### 2.1 General Provisions

#### 2.1.1 Investment Objectives

The purpose of this Policy is to provide a framework for the optimum investment of Council's Funds at the most favourable rate of interest available to it at the time and maximising returns, whilst having due consideration of risk, liquidity and security for its investments.

While exercising the power to invest, consideration is to be given to the preservation of capital, liquidity, and the return of investment. Council therefore has several primary objectives for its investment portfolio:

- Compliance with legislation, regulations, the prudent person tests of the Trustee Act and best practice guidelines.
- The preservation of the amount invested;
- To ensure there is sufficient liquid funds to meet all reasonably anticipated cash flow requirements; and
- To generate income from the investment that exceeds the performance benchmarks mentioned later in this document.

Council's Investment Strategy will run in conjunction with its Investment Policy and will outline:

- Councils current cash flow expectations and the implications for deviations from a long-term liquidity profile;
- Diversification: allocation of investment type, credit quality, counterparty exposure and term to maturity profile;
- Market conditions and the appropriate responses – particularly relative positioning within the limits outlined in this policy;
- Relative return outlook, risk-reward considerations, assessment of the market cycle and hence constraints on risk; and
- Appropriateness of overall investment types for Council's portfolio.

### **2.1.2 Prudent Person Standard**

The investments will be managed with the care, diligence and skill that a prudent person (as derived by legislation, Trustees Act 1962, and case law) would exercise. As trustees of public monies, ~~officers~~ Officers are to manage Council's investment portfolios to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

### **2.1.3 Ethics and Conflicts of Interest**

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires ~~officers~~ Officers to disclose any conflict of interest to the General Manager as soon as possible.

Independent advisors are also to declare that they have no actual or perceived conflicts of interest and receive no inducements in relation to Council's investments.

## **2.2 Investment Guidelines**

### **2.2.1 Authorised Investments**

All investments must be denominated in Australian Dollars. Authorised Investments are limited to those allowed by the Ministerial Investment Order and include:

- Commonwealth / State / Territory Government securities e.g. bonds;
- Interest bearing deposits / senior securities (including 'covered' bonds) issued by an eligible ADI;
- Bills of Exchange, (< 200 days duration) guaranteed by an ADI;
- Debentures issued by a NSW Council under Local Government Act (1993);
- Deposits with T-Corp &/or Investments in T-Corp Hour Glass FacilityFunds; and
- Existing investments grandfathered under the Ministerial Investment Order.

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## 2.2.2 Prohibited Investments

This investment policy prohibits the following types of investment<sup>1</sup>:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind; and
- Mortgage of land

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 expenditure of loan funds.

## 2.2.3 Risk Management Guidelines

Investments obtained are to be considered in light of the following key criteria relating to:

- ~~**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. In the context of this document it relates to the 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 in the worst case is unable to execute its spending plans);~~
- ~~**Market Risk** — the risk that fair value or future cash flows of an investment will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment's return;~~

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1. Prohibited Investments are not limited to the list below and extends to any investment carried out for speculative purposes.

- ~~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; and
- ~~Rollover Risk~~ — the risk that income will not meet expectations or budgeted requirement because interest rates are lower than expected in the future.

- a) Portfolio Credit Framework – to limit overall credit exposure of the portfolio;
- b) Counterparty Credit Framework – to limit exposure to individual counterparties / institutions;
- c) Investment Horizon Framework – limits based upon maturity of securities.

### 2.2.4 Portfolio Credit Framework

The portfolio credit guidelines to be adopted will reference the Standard & Poor's (S&P) ratings system criteria and format – however, references to the Minister's Order also recognize Moody's and Fitch Ratings and any of the three (3) ratings may be used where available.

However, the primary control of credit quality is the prudential supervision and government support of the ADI sector, not ratings

The maximum holding limit in each rating category for Council's portfolio shall be:

<u>Short Term Rating Range (or Standard and Poor's equivalent)</u>	<u>Long Term Rating Range (or Moody's equivalent)</u>	<u>Maximum Holding</u>
<u>A-1+ Category</u>	AAA Category	100%
<u>A-1 Category or Major Banks</u>	AA Category or Major Banks*	100%
<u>A-2 Category</u>	A Category	70%
<u>A-3 Category</u>	BBB Category & unrated ADIs <sup>2</sup>	40%
<u>Below A-3 Category</u>	Below BBB Category or Grandfathered <sup>3</sup>	20%

<sup>2</sup> Council can make new investments with unrated ADI's and where possible will take advantage of the Australian Government's deposit guarantee arrangements.

<sup>3</sup> Council's grandfathered investments are assets that do not meet the current ministers guideline that were grandfathered under OLG Circular 08-10 and include Managed Funds, Structured Investments (if any), and non ADI senior and subordinated debt securities, and ADI subordinated debt securities.

### 2.2.4–2.2.5 Counterparty *Limits* Credit Framework

Exposure to individual counterparties/financial institutions will be restricted by their rating so that single entity exposure is limited, as detailed in the table below. It excludes any government guarantee investments.

This table does not apply to any grandfathered managed fund of structured investment where it is not possible to identify a single counterparty exposure.

<u>Short Term Rating Range (or Standard and Poor's equivalent)</u>	<u>Long Term Rating Range (or Moody's equivalent)</u>	<u>Limit</u>
<u>A-1+ Category</u>	AAA Category <sup>4</sup>	40%
<u>A-1 Category or Major Banks</u>	AA Category or Major Banks*	30%
<u>A-2 Category</u>	A Category	15%
<u>A-3 Category</u>	BBB Category	10%
<u>Below A-3 Category</u>	Unrated Category <sup>5</sup>	5%

### 2.2.5–2.2.6 Investment Horizon Limits

Council's investment portfolio shall be structured around the time horizon of investment to ensure that liquidity and income requirements are met.

Horizon represents the intended minimum term of the investment; it is open for the Investment Strategy to define a target date for sale of a liquid investment.

Once the primary aim of liquidity is met, Council will ordinarily diversify its maturity profile as this will ordinarily be a low-risk source of additional return as well as reducing the volatility of Council's income. However, Council always retains the flexibility to invest as short as required by internal requirements of the economic outlook.

The factors and/or information used by Council to determine minimum allocations to the shorter durations include:

- Council's liquidity requirements to cover both regular payments as well as sufficient buffer to cover reasonably foreseeable contingencies;

<sup>3–4</sup> 100% Commonwealth Government and Government-guaranteed deposits are included in this category, but without any upper limit applying to the government as counterparty.

<sup>5</sup> This category includes unrated ADI's such as some Credit Unions and Building Societies where falling outside deposit guarantees for at least part of the investment term.

- Medium term financial plans and major capital expenditure forecasts;
- Known grants, asset sales or similar one-off inflows;
- Seasonal patterns to Council's investment balances.

Investment Description	Horizon	Investment Horizon - Maturity Date	Minimum Allocation	Maximum Allocation
Working capital funds		0-3 months	10.0%	100.0%
Short term funds		3-12 months	-10.0%	100.0%
Short-Medium term funds		1-2 years	0%	70.0%
Medium term funds		2-5 years	0%	50.0%
Long term funds		5-10 years	0%	25.0%

Within these broad ranges, Council relies upon assumptions of expected investment returns and market conditions that have been examined with its investment advisor.

### ~~2.2.6~~ 2.2.7 **Investment Advisor**

Council's investment advisor is appointed by the General Manager and must be licensed by the Australian Securities and Investment Commission. The advisor must be independent and must confirm in writing that they have no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of investment policy. This includes receiving no commissions or other benefits in relation to the investments being recommended or reviewed, except as fully rebated to Council promptly.

### ~~2.2.7~~ 2.2.8 **Performance Benchmarks**

The performance of each investment will be assessed against the benchmarks listed in the table below.

It is Council's expectation that the performance of each investment will be greater than or equal to the applicable benchmark by sufficient margin to justify the investment taking into account its risks, liquidity and other benefits of the investment.

Council will seek information about both current and historical reward for the investments contemplated in its Strategy document – where insufficient, it will hold

cash and not impose a minimum outperformance obligation as to do so mandates risk-seeking at times of minimal reward.

It is also expected that Council will take due steps to ensure that any investment, notwithstanding a yield above the benchmark rate (taking into account term), is executed at the best pricing reasonably possible.

Investment	Performance Benchmark	Time Horizon
11 am Account, short dated bills, deposits issued by financial institutions of appropriate term.	AusBond Bank Bill Index (BBI)	3 months or less
Term Deposits of appropriate remaining term, FRN's nearing maturity.	AusBond Bank Bill Index (BBI)	3 months to 12 months
Term Deposits with a maturity date between 1 and 2 Years, FRN's.	AusBond Bank Bill Index (BBI)	1 to 2 years
FRN's, Bonds, Term deposits with a maturity date between 2 and 5 Years. Grandfathered Income Funds.	AusBond Bank Bill Index (BBI)	2 to 5 Years
T-Corp Hour Glass Managed Funds	Fund's Internal Benchmark	3 Years (M/T Growth) 5+ Years (L/T Growth)

Grandfathered investments (i.e. managed funds and securities) are allocated to the appropriate horizon based on expected or average maturity date and should be taken into account when allocating the rest of the portfolio.

The decision to on when to exit such investments are based on a range of criteria specific to the investments – including but not limited to factors such as:

- Returns expected over the remaining term
- Fair values
- Competing investment opportunities
- Costs of holding
- Liquidity and transaction costs



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- Outlook for future investment values

In general, it is expected that professional advice will be sought before transacting in “grandfathered” investments.

### ~~2.2.8~~ ~~2.2.9~~ **Accounting**

Council will comply with appropriate accounting standards in valuing its investments and quantifying its investment returns.

In addition to recording investment income according to accounting standards, published reports may show a break-down of its duly calculated investment returns into realised and unrealised capital gains and losses, and interest.

Other relevant issues will be considered in line with relevant Australian Accounting Standards, such as discount or premium, designation as held-to-maturity or on a fair value basis, and impairment.

### ~~2.2.9~~ ~~2.2.10~~ **Safe Custody Arrangements**

Where necessary, investments may be held in safe custody on Council’s behalf, as long as the following criteria are met:

- Council must retain beneficial ownership of all investments;
- Adequate documentation is provided, verifying the existence of the investments;
- The Custodian conducts regular reconciliation of records with relevant registries and/or clearing systems; and
- The Institution or Custodian recording and holding the assets will be:
  - The Custodian nominated by TCorp for Hour-Glass facilities;
  - Austraclear;
  - An institution with an investment grade Standard and Poor’s or Moody’s rating; or

An institution with adequate insurance, including professional indemnity insurance and other insurances considered prudent and appropriate to cover its liabilities under any agreement.

### ~~2.2.10~~ **Credit Quality & Limits**

~~The portfolio credit guidelines to be adopted will reference the Standard & Poor’s (S&P) ratings system criteria and format – however, references to the Minister’s~~

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~~Order also recognise Moody's and Fitch Ratings and any of the three ratings may be used where available.~~

~~However, the primary control of credit quality is the prudential supervision and government support of the ADI sector, not ratings.~~