Policy

Treasury

1.0 Purpose

Griffith University is a statutory body within the meaning of the *Statutory Bodies Financial Arrangements Act 1982* (Qld) (SBFA Act) and has been granted authority to undertake treasury activities (i.e. investment, debt and banking). This policy outlines how treasury related risks are managed and strategies employed to support the University's financial sustainability. Treasury is managed within the University's Finance team.

2.0 Scope

The scope of the Finance team includes responsibility for:

- assessing the University's borrowing requirements and submitting applications to the Department of Education and Training (DET) in accordance with the approved capital budget and Council borrowing approval.
- managing the University's Queensland Treasury Corporation (QTC) borrowings approved by the Finance and Infrastructure Committee and requisite Queensland Government approvers.
- ensuring the University has sufficient cash flow in order to meet its short-term debt obligations and operating expenses.
- investing the University's short-, medium- and long-term cash surpluses with the aim of maximising returns within the agreed risk framework and in compliance with approvals from the Finance and Infrastructure Committee and the SBFA Act.
- reviewing project and investment evaluations for investments in other asset classes, in the context of their impact on the University's overall financial sustainability.

This policy is approved by the Finance and Infrastructure Committee and no part of the document may be amended without the Finance and Infrastructure Committee's approval. The approved document includes the body of the document and the appendices.

The Treasury Policy will be reviewed every three years with the report to the Finance and Infrastructure Committee covering internal and external influencers (in particular market and fund assessment). University management or the Finance and Infrastructure Committee may determine a review is prudent at other times due to significant market changes or events which have a material impact on this policy.

The University will comply with the Australian Accounting Standards and Australian Legislation that governs activities included within this policy, including all amendments in relation to financial instruments.

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3.0 Policy Statement

The objectives of the University's investment strategy are to maximise the investment return available funds for an agreed level of risk in order to:

- support the purpose and mission of the University
- provide funds and capital growth to support the University's short-term commitments and growth objectives
- support a reasonable level of funding stability from year to year.

The University will use debt as part of a balanced, long-term funding strategy to:

- minimise net financing costs
- make best use of available cash flows
- manage liquidity
- enhance financial sustainability.

Borrowing will take into account applicable guidelines or performance indicators to the extent these are established.

Following recommendation from the Finance and Infrastructure Committee, Council recommends all borrowings to the Department of Education for approval.

3.1 Policy Compliance and Breach

All University employees must comply and undertake activities associated with this policy with a duty of care, skill, prudence and diligence to protect the University from mismanagement and misuse of funds. Employees must also advise the appropriate University officers where any potential or actual conflict of interest may exist in relation to the activities covered within this policy. The Chief Financial Officer must provide confirmation of compliance with this policy as part of the regular reporting to the Finance and Infrastructure Committee.

Where a breach has occurred, the Chief Financial Officer, Chief Operating Officer and the Chair of Finance and Infrastructure Committee are to be advised immediately of the nature of the breach, the circumstances under which the breach occurred, and an outline of what action will be taken to correct the breach. They will assess the impact, any legislative requirements, and actions to be taken and determine the appropriate escalation communication required, which at a minimum shall include the Vice Chancellor and Chair, Audit and Risk Committee.

3.2 Investment Policy

3.2.1 Investment Management

The Head, Financial Management is required to manage the University's investment portfolio in accordance with this policy. The Head, Financial Management must take consideration of the following:

- Documented treasury procedures must incorporate appropriate internal controls and segregation of duties.
- Speculative transactions (defined in Section 5.0) are not permitted.
- The assessed security of capital and income objectives will be the major considerations when making an investment decision.
- The investment allocations contribute to and support the University's cash flow requirements.

The University may appoint Fund Managers and Investment Advisers with the approval of the Queensland Treasurer.

The Funds Manager must abide by the same requirements and restrictions contained in this policy and any other relevant procedure documents. The University can retain Queensland Investment Corporation (QIC) and Queensland Treasury Corporation (QTC) as Fund Managersand Investment Advisers as approved under the SBFA Act without specific referral to the Queensland Treasurer.

3.2.2 Investment Strategy

The University's Investment Portfolio will be managed through an investment approach whereby available cash of the University will be invested through the Short-Term Strategy ("STS" – see s3.2.3), Medium-Term Strategy ("MTS" – see s3.2.4), the Long-Term Strategy ("LTS" – see s3.2.5) or the Student Investment Fund (see s3.2.7) as approved within this policy and governing legislation. The nature and liquidity horizon of the funds will determine the appropriate strategy they are invested through; the allocations between the STS, MTS and LTS are defined below.

3.2.3 Short Term Strategy

Funds available for short-term investment, including funds that represent the University's core liquidity and working capital requirements over a one-year budget period, will be invested using the STS. This strategy seeks to meet the short-term liquidity requirements of the University whilst providing a low to moderate return with a strong focus on capital preservation, recognising that it is possible to make a mark to market or book loss.

Liquidity and access to funds as required is to be achieved by applying the following strategies:

- Conduct regular reviews of the University's future cash flow requirements and ensure funds will be available to meet these requirements.
- Maintain an appropriate level of funds at call to ensure expenditure contingencies will be covered.
- Individual investments would not normally be longer than 12 months.

Performance

This strategy seeks to meet the short-term liquidity requirements of the University whilst providing a rolling 12 month return which at least matches the average benchmark of the currently utilised approved investments, as adjusted for any taxes and fees.

Interest Allocation

Interest allocation will be managed by applying the following strategies:

- Interest earned on funds invested using the STS will be allocated in the University budget process or other financial allocation process determined by the Vice-Chancellor, Chief Operating Officer, Chief Financial Officer, or other person delegated authority by the former.
- Where interest must be allocated to funds received but not yet spent and no calculation method is specifically stated in the grant deed, interest will be determined using the current Reserve Bank of Australia's (RBA) cash rate, calculated and allocated to the monthly closing balance of the grant within the University's finance systems.

Asset Allocation

The STS can include investments in any of the following type of assets:

- Bank Accounts
- Term Deposits

- Commercial paper
- Funds specifically approved within the SBFA Act for cash investment, and
- Cash funds managed by approved Fund Managers.

Investments will normally be held until the official maturity date unless specifically approved by the Chief Financial Officer.

The capital value of the funds invested using the STS must be preserved to the maximum extent by applying the following strategies:

- Only invest in the allowed investment types listed above and that meet the prescribed credit ratings and institution limits outlined in Appendix A.
- Only invest with Authorised Deposit-taking Institutions (ADIs) which are approved by the Australian Prudential Regulation Authority (APRA).
- Regular monitoring in the Monthly Treasury Report of the mark-to-market value and credit rating of each investment and ADI against the credit ratings and institution limits outlined in Appendix A.

Diversification

Investments shall be made to ensure a reasonable level of institutional diversification relative to the total funds invested under the STS and subject to institutional limits. Approval of the placement of funds is subject to maximum investment limits for groupings based on institution, credit ratings and asset type, as outlined in Appendix A. For the purpose of this, investments in managed cash funds are to be based on each fund's average effective rating.

3.2.4 Medium Term Strategy

The strategy seeks to provide a return, risk profile and timeframe which is intermediate between the STS and LTS.

Performance Objective

This strategy meets the medium-term liquidity requirements of the University whilst providing a rolling 36 month return which at least matches the average benchmark of the currently used approved investments, as adjusted for any taxes and fees.

3.2.5 Long Term Strategy

The strategy seeks to provide strong real returns over long time periods commensurate with therisk profile.

LTS Structure

The LTS contains funds of a permanent or long-term nature, the funds not being required for liquidity or use within the allocation timeframes outlined in section 3.2.6. The LTS will include Endowed and Donated funds unless specificallyapproved by the Chief Financial Officer.

Performance Objective

This strategy seeks to meet the long-term liquidity requirements of the University whilst providinga rolling 60 month return which at least matches the average benchmark of the currently used approved investments, as adjusted for any taxes and fees.

3.2.6 Allocating and rebalancing between the STS, MTS and LTS

The University will periodically review whether the asset allocation between the STS, MTS and LTS remains broadly correct, as cashflows occur and cashflow forecasts change. The asset allocation of each will be defined as follows:

Short-Term Strategy Allocation of Funds

Year 0 – 1 = 6 weeks of liquidity + the greater of either negative monthly cash flows for months0-3 or net cashflows for months 4-12.

Medium- and Long-Term Strategy Allocation of Funds

Yrs	If annual cash flow = Negative		If annual cash flow = Positive
1-2	100% Medium		100% Long
2-3	75% Medium	25% Long	
3-4	50% Medium	50% Long	
4-5	25% Medium	75% Long	
>5	100% Long		

The Finance and Infrastructure Committee consider a formal recommended rebalancing between the strategies based on the annual recommendation for the budget and Capital Management Plan as updated with refreshed capital outlooks. In the interim periods, the Finance and Infrastructure Committee consider allocation across each strategy through review of the Treasury Report provided at each meeting and may consider rebalancing on the recommendation of the Chief Financial Officer and Chief Operating Officer.

3.2.7 Student Investment Fund (SIF) (Direct Equities Investment)

This strategy seeks to invest directly in listed Australian equities with the primary purpose to support student learning through participation in equity investment assessment, recommendation and reporting.

Equity Fund Structure

The fund was established with an initial, permanent funding of $250,000, and increased by external donations received by the University for allocation to the SIF. Any funds in excess of university funding and external donations, adjusted for CPI, are available for student scholarships. The total fund value will be limited to a total market value cap of not more than $600,000 where returns in excess of this cap are to be reinvested in student scholarships. The Finance, Resources and Risk Committee have discretion to raise the total market value cap to a maximum of $1,000,000 without further approval from the Queensland Treasurer.

Performance Objective

The return objective is to achieve a 12-month rolling return (net of fees and taxes) equal to or greater than the Dow Jones Sustainability Australia Index.

Time Horizon

The investment period for the fund is 10 years or more.

Equity Investment Parameters

The selection of investments for the fund will meet the criteria outlined below, these parameters are intended to maximise diversification and reduce investment risk:

- Only equities of companies listed on the Australian Stock Exchange can be invested in and investments in derivatives, debt or hybrid instruments are specifically excluded.
- Companies must have a market capitalisation of greater than $100 million.
- Companies must be a constituent of the Dow Jones Sustainability Australia Index and satisfy the ESG criteria set out in section 2.4 of this policy. Companies involved in any

form of adult entertainment, alcohol, armaments and firearms, gambling and tobacco are specifically excluded, as are companies whose primary business relates to fossil fuels.

- The fund will not invest in more than 30 companies at any point in time.
- Sector weightings of the fund will be consistent with the Dow Jones Sustainability Australia Index +/- 2%. Where Dow Jones Sustainability Australia Index equities have been excluded due to ESG or other factors then amended Dow Jones Sustainability Australia Index sector weightings can be utilised +/- 2%.

Management and Broker Fees

Fees and taxes directly incurred in operating the fund will be allocated to the fund. Returns earned on funds invested shall be reflected net of any direct costs. The fund should retain sufficient cash holdings to ensure fees and charges are able to be paid from the fund.

3.2.8 Environment, Social and Corporate Governance (ESG)

The University considers material ESG factors in its investment decision-making including the selection of new Investment Advisers and Fund Managers.

Unless otherwise specifically approved by the Finance and Infrastructure Committee the management of the Investment Portfolio will comply with:

- The University's statements on ESG and ensure that Fund Managers and Investment Advisers are aware of the University position regarding ESG investing and act accordingly.
- Other University Policies relating to ESG factors, as relevant.
- Fund Managers are required to report at least semi-annually, to the University and the University's investment Advisers, on ESG matters.

The University is committed to ESG integration in the management of the Investment Portfolio, and as such, the processes and procedures associated with ESG consideration shall be reported annually to the Finance and Infrastructure Committee.

3.2.9 Performance Monitoring and Reporting

The University Investment Portfolio and each investment strategy's performance will be monitored separately on a monthly, quarterly, and annual basis using prevailing market prices, with at least semi-annual reporting to Finance and Infrastructure Committee including where appropriate, an assessment of rolling three-, five-, and ten-year results. Any material adverse developments within any of the strategies are to be noted in the Treasury report at the next meeting of Finance and Infrastructure Committee.

The principal goals in monitoring the Investment Portfolio are to assess:

- The performance and effectiveness of the Investment Portfolio, and investment strategies as a whole, against the objectives as outlined in this policy.
- The performance of each Investment Adviser and Fund Manager against their relevant benchmarks and stated mandate.
- The management of associated investment risks, duration and diversification.
- Compliance with this policy.

3.2.10 Transitional Provisions

Any material change to this Policy may give rise to a period of transition and will be subject to a transitional implementation period as approved by the Finance and Infrastructure Committee, on the recommendation of the Chief Financial Officer.

3.2.11 Monitoring of Fund Managers

Fund Managers may be reviewed and/or replaced if they fail to achieve or are assessed to be likely to fail to achieve in the future the objectives set, or where in the opinion of the University there is a material change in the Fund Manager, or University Policy or strategy, such that it puts at risk the ability of the Fund Manager to retain the appointment to the satisfaction of the University. Fund Manager performance will be formally reviewed annually and a recommendation made from the Chief Financial Officer to the Finance and Infrastructure Committee as to whether to retain or terminate a Fund Manager.

3.3 Debt Policy

Part 5 of the *SBFA* Act details the borrowing powers for statutory bodies. Approval from the Queensland Treasurer is required to borrow from a source other than Queensland Treasury Corporation.

The following general principles apply to all borrowings:

- Debt will not finance operating expenditure.
- Where borrowing is required to support capital plan funding, projects included will have been assessed against the following required attributes:
  - Strategic importance; and
  - the ability of the project to produce new or increased income.
- The prudent use of debt can foster intergenerational equity and complements part of a long- term balanced funding strategy.
- When capital projects are financed with debt, the repayment term will not exceed the asset life.
- All relevant financial reports will give full disclosure of existing debt.

3.3.1 Leasing

The University has the power to enter into leasing arrangements under operation of Section 6

(1) (b) of the Griffith University Act 1998. Leasing includes Operating and Financial leases and all leases will be managed by applying the following general principles:

- A cost benefit analysis will be undertaken on any proposed lease. Up to three (3) quotes will be obtained, where possible, and that the best available quote will be chosen. The panel of financiers quoting could include Queensland Treasury Corporation who may also be used to source other quotes.
- The University will not enter into a lease unless it is proven to be the least-cost option, except through specific approval by the Chief Financial Officer.
- Finance is responsible for ensuring that the lease criteria are met prior to any leasing arrangements being entered into.
- The appropriate Accounting Standard will be used for the treatment and disclosure of leases on University financial reporting.

Requirements for each specific lease type will be applied as below and in accordance with the Queensland Leasing Approval Policy for Public Sector Entities:

- Operating Leases are a permitted form of activity available to the University where the total net present value of the base lease rental payments for any one lease does not exceed $2.0 million. Where the lease requires indemnity, the University will ensure that it is warranted and if so, appropriate risk mitigation strategies are in place.

- Finance leases must be approved by the Queensland Treasurer as required under the SBFA Act.

3.3.2 Bank Guarantees

Bank guarantees, where required, will be managed by applying the following strategies:

- Guarantees will only be entered into where a known encumbrance exists.
- Guarantees will be denominated in A$ if possible.
- For guarantees valued at A$250,000 or less, the University's transactional bank will be used unless use of an alternative bank is specifically approved by the Chief Financial Officer.
- For guarantees valued greater than A$250,000, quotes must be obtained from the University's transactional bank and Queensland Treasury Corporation unless specifically approved by the Chief Financial Officer.

3.4 Risk Management

3.4.1 Credit Risk

General Principle

The primary objective of managing credit risk is to ensure that the University does not suffer losses due to counterparty failure that significantly impacts the financial performance of the University.

Management of the Risk

Credit risk will be managed by adhering to the investment parameters and credit requirements set out in Appendix A of this policy. Cash and Growth investments will only be made with ADIs approved by APRA. Direct investments will only be made with organisations that meet the policy ESG criteria and are constituents of the Dow Jones Sustainable Australia Index.

3.4.2 Liquidity Risk

General Principle

The primary objective of managing liquidity risk is to ensure that there are sufficient funds available to meet the University's financial commitments when required. It is also to plan for unforeseen events which may curtail cash flows and cause pressure on liquid assets. The possible causes of a crisis in liquidity include:

- Unexpected reduction in revenues
- Unexpected increase in operating expenses
- Unexpected capital expenditure
- Sustained reduction in profitability
- Business disruption

Management of the Risk

Liquidity risk levels are assessed as requiring sufficient cash investments to cover six weeks of University outgoings, presently $100m.

3.4.3 Foreign Exchange Risk

General Principle

The primary objective of managing foreign exchange risk is to mitigate the University's exposureto revenues and expenses denominated in foreign currency.

Management of the risk

Foreign exchange risk will be managed by:

- Exchanging sufficient cash into the required currency as soon as practicable, once the requirement is known, to provide budget certainty for the University.
- Maintaining accounts denominated in commonly required currencies with balances sufficient to meet forecasted expenditures in that currency. The currencies for which accounts should be maintained include but are not limited to USD, HKD, EUR and GBP.
- The University may enter into derivative transactions for known purchases/commitments only. The derivative may only be entered into to hedge against foreign currency exchange rate risk and will only be for individual transactions greater than A$100,000 equivalent.
- The type of derivatives which may be entered into is limited to caps and collars, futures, forwards and foreign exchange contracts.
- Derivative transactions are subject to the requirements of Part 7 of the SBFA Act.
- Speculative transactions are strictly not permitted.
- Each transaction requires prior approval from the Chief Financial Officer and must be reported in accordance with sections 55 and 56 of the SBFA Act.
- All hedging transactions must be included in the regular report to the Finance, Resources and Risk Committee.

3.4.4 Commodity Price Risk

General Principle

The primary objective of managing commodity price risk is mitigating the University's exposure to increased commodity prices.

Management of the risk

Commodity price risk will be managed by negotiating supply contracts with a fixed price for the commodity, where possible.

3.4.5 Interest Rate Risk

General Principle

The primary objective of managing interest rate risk is mitigating the University's exposure to reduced interest income from interest bearing assets or increased interest expense from borrowings.

Management of the risk

Interest Rate risk will be managed by:

- A preference for fixed rate borrowing over variable rate borrowing.
- Where possible hold fixed rate assets and liabilities to maturity.

3.4.6 Market Price Risk

General Principle

The primary objective of managing market price risk is mitigating the University's exposure to material adverse changes in investment values.

Management of the risk

Market Price Rate risk will be managed by:

- Diversified investment managed by professional external portfolio advisors, with regular review of fund performance and allocation.
- For any material single stock portfolio risk, seeking hedging strategies where possible.

3.5 Transactional Banking Function

3.5.1 General Principles

The Treasury function at the University requires a centralised management of transactional banking and risk management functions. Transactional banking must be provided by one of the ADIs. Responsibility for transactional banking rests with the Chief Financial Officer who has the following delegations to implement this centralised approach:

- Authority to maintain, operate and close bank accounts. A complete list of all approved open bank accounts is contained in Appendix B.
- Negotiation of automatic and manual transfers of funds facilities.
- Requesting the operation of any service to any account.
- Act as Authorised Person / Verifying Officer in relation to banking contracts and accounts.
- Issuance of instructions to a bank regarding manual payments, safe custody or security procedure in accordance with policy and delegated authority.
- Attestation that any document is a true and complete copy of any other document.
- Negotiation and execution of facilities or limits required to optimise bank account structures (ie, ‘daylight’ or Real Time Gross Settlement (RTGS) limits).
- Negotiation and execution of agreements to facilitate the implementation of risk management strategies (ie, International Swaps and Derivations Association (ISDA) agreements).
- Installation of software to facilitate management and reconciliation of any account.
- Recommend the Execution of any legally binding agreement and any associated documents to novate hedging or trade finance arrangements to or from the University in accordance with the Treasury and other policies and delegated authorities.

The Chief Financial Officer may delegate the above responsibilities to the Head, Financial Management or other University Officers as required.

3.5.2 Signatories

Signatories for banking arrangements must be selected from the approved delegation list, which will be reviewed and approved by the Chief Financial Officer at least twice per year.

4.0 Roles, responsibilities and delegations

The detailed responsibilities for the Finance and Infrastructure Committee, Chief Financial Officer, and Head, Financial Management are set out in the following sections.

Finance and Infrastructure Committee

Governance and Approval Role

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Chief Financial Officer

Monitoring, Review and Recommendation Role

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Head, Financial Management

Implementation and Reporting Role

ROLE	**RESPONSIBILTY**
Finance and Infrastructure Committee	The specific responsibilities of the Finance and Infrastructure Committee in respect to financial risk management activities are: • Approve amendments to the Treasury Policy. • Annual review and approval of the University's Funding and Risk Management Strategy. • Approve new financial arrangements. • Review at each Committee meeting of financial risks and risk management activities including policy compliance and performance. • Review of any policy breaches and corrective actions taken. • Review of internal compliance systems and controls. • Review of any internal or external audit reports relating to Treasury activities. • Approval of energy and foreign currency hedging strategies. • Approve the appointment of Investment Advisers and Fund Managers. • Approve the University Investment Strategy. • Review borrowing recommendations for Council and Queensland Government approval.
Chief Financial Officer	The Chief Financial Officer will have oversight of all aspects of the application of the Treasury Policy. The specific responsibilities of

	the Chief Financial Officer in relation to this policy are: • Recommend to the Finance and Infrastructure Committee amendments to the Treasury Policy. • Approve amendments or changes to banking terms and agreements. • Review and recommend to the Finance and Infrastructure Committee the annual Funding and Risk Management Strategy paper (including strategic asset allocations and performance). • Approve interest risk management strategies, within the constraints of the policy. • Review and endorse for Finance and Infrastructure Committee approval, recommendations for new financial instrument types and techniques for managing financial exposures within legislative limits. • Review compliance and performance reports and approve any corrective action. • Approve variations to, or replacement of, existing borrowing facilities within the constraints of the Treasury Policy and Governing legislation. • Approve and endorse energy and foreign currency hedging strategies, as per the delegated authority levels. • Where appropriate, delegate authority for borrowing, investment and hedging activities to the Head, Financial Management, in line with policy constraints as approved by Finance and Infrastructure Committee. • Review Treasury reports to the Finance and Infrastructure Committee on performance, positions, compliance and effectiveness.
Head, Financial Management	The Head, Financial Management is responsible for supervising and implementing all treasury activities. This encompasses the daily management of the University's borrowing, investment and hedging activities within the bounds and authority as delegated by the Chief Financial Officer,including: • Periodic review of the Treasury Policy and recommendations for its amendment. • Preparation of an annual Funding and Risk Management Strategy paper for the Chief Financial Officer and Finance and Infrastructure Committee. • Development of risk management strategies for the Chief Financial Officer and Finance and Infrastructure Committee for approval. • In conjunction with the Chief Financial Officer, negotiate financial accommodation and arrangements approved by the Finance and Infrastructure Committee.

- Implementation of investment and financial risk management activities.
- Preparation and review of reports for the Finance and Infrastructure Committee, includingcompliance with Treasury Policy and performance report, including recommending any corrective action needed for approval by the Chief Financial Officer.
- Ensuring accurate records are maintained in respect to the Treasury function and all financialrisk management activities.

5.0 Definitions

For the purposes of this policy and related policy documents, the following definitions apply:

At call is where the investment can be redeemed, and the monies invested can be retrieved from the financial institution within 24 hours or in the case of investments with set maturity dates within 30 days without penalty.

Cash funds that the University may, without penalty, obtain all amounts under the investment:

- Immediately upon providing notice to the entity in which the funds/investments are held; or
- Within 30 days after the notice is given to the entity in which the funds/investments, with set maturity dates are held.

Asset Allocation refers to the invested funds exposure to various assets products.

Australian Prudential Regulation Authority (APRA) is the Australian Prudential Regulation Authority (APRA) which oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, private health insurance, friendly societies and most members of the superannuation industry. APRA approves institutions as ADIs.

Authorised Deposit- taking Institutions (ADIs) is an Australian government term for a corporation which is authorised under the Banking Act 1959 to take deposits from customers. ADIs include banks, building societies and credit unions. The full list of ADIs is available at the following link: https://www.apra.gov.au/register-of-authorised-deposit-taking-institutions

AUD is the Australian dollar.

Bank Account – investment is Griffith University's AUD transactional account. Full account lists are set out in Appendix B.

Bank Account – hedging is Griffith University's Foreign currency accounts held either onshore or offshore. Full account lists are set out in Appendix B

Bank Guarantee is an alternative to providing a deposit or bond directly to a supplier or vendor. It is an unconditional undertaking given by the bank to pay the recipient of the guarantee the amount of the guarantee on written demand.

BBSW is the Bank Bill Swap rate.

Borrowing/Debt is the raising and obtaining, in any way, of money, credit and other financial accommodation.

Conflict of interest arises when a staff member's private interests, or those of a person with whom they have a close personal relationship, conflict with their primary obligation to act in the interests of the University. A conflict of interest may be actual, perceived or potential. It can be pecuniary (involving financial gain or loss), or nonpecuniary (based on enmity or amity) and can arise from avoiding personal losses as well as gaining personal advantage, financial or otherwise. Conflict of interest includes conflict of commitment/conflict of duty.

CPI is the Consumer Price Index. A measure of price inflation issued by the Australian Bureau of Statistics. The CPI measure used is the All Groups (weighted average eight capital cities). Link: https://www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0

DET is the Department of Education and Training (Queensland).

DET (Federal) is the Department of Education and Training (Commonwealth).

Distribution Rate refers to the rate set annually by the Finance and Infrastructure Committee to take account of maintaining the CPI adjusted value of the initial allocation and the investment returns achievable across the funds.

Dow Jones Sustainability Australia Index (DJSAI) is the index composed of sustainability leaders within the top 30% of companies in the S&P/ASX 200 based on long-term economic, environmental and social criteria. Bloomberg terminals display the index and overall returns on ticker codes: SAMAU = Dow Jones Sustainability Australia Index & SAMAUTR = Dow Jones Sustainability Australia Total Return Index.

Endowment is an investment fund established by the University for receiving third party donations as well as contributions for the University's own reserves with the purpose of generating operating income for specific or general purposes.

EUR is the Eurozone euro.

Finance Lease is often used to buy equipment for the major part of its useful life. In a Finance lease the ownership of the property is transferred to the lessee at the end of the lease by way of an agreed residual payment.

Fitch Australia Pty Ltd

Fund is a sum of money or other resources set aside for a specific purpose (e.g. a managed fund, investment asset).

Fund Manager is an organisation appointed by the University to manage its investment arrangement on its behalf.

GBP is the Great British pound.

Griffith Act is the *Griffith University Act 1998* (Qld).

Hedging refers to Treasury transactions to manage residual exposure to foreign currency risk and interest rate risk.

HKD is the Hong Kong dollar.

Investment Adviser is an organisation appointed by the University to provide advice on investment markets and strategic asset allocation.

Investment Portfolio is the University's total funds available for investment.

Investments are arrangements that are undertaken or acquired with the expectation of achieving a financial return.

ISDA is the International Swaps and Derivatives Association.

JPY is the Japanese yen.

Lease is an agreement whereby the lessor (owner) conveys to the lessee (user of asset/s) in return for a payment or series of payments the right to use an asset for an agreed period of time.

Long-term investment is greater than three years.

Long-term rating is the rating assigned to an organisation or product by a rating agency such as S&P in relation to the risk assessment of that organisation or product for the period longer than 12 months ahead.

LTS is the Long-Term Strategy. See s3.2.5

Moody's Investors Service Pty Ltd.

MTS is the Medium-Term Strategy See s3.2.4

Operating lease agreement is to finance equipment for less than its useful life, and the lessee can return equipment to the lessor at the end of the lease period without any further obligation.

OTC is Over-The-Counter.

Prudent person standard is a legal standard restricting the investing and managing of activities to what a prudent person might exercise for their own investment.

QIC is the Queensland Investment Corporation.

QTC is the Queensland Treasury Corporation.

Queensland Treasurer is the Treasurer of Queensland.

RBA is Reserve Bank of Australia.

RTGS is Real Time Gross Settlement.

S&P Global Ratings Australia Pty Ltd.

SBFA Act is the Statutory Bodies Financial Arrangements Act 1982 (Queensland).

SBFA Regulations are Statutory Bodies Financial Arrangements Regulations 2019 (Queensland).

Short-term investment is normally less than twelve months but may be up to 3 years.

Short-term rating is the rating assigned to an organisation or product by a rating agency such as S&P in relation to the risk assessment of that organisation or product for the following 12 months.

Speculative Transactions are transactions which engage in financial speculation in an attempt to profit from fluctuations in the market value of an investment rather than attempting to profit from the underlying financial attributes embodied in the investment such as capital gains, interest, or dividends. E.g. Transactions where the aim is to profit from a market movement rather than holding the investment through to maturity.

STS is the Short-Term Strategy. See s3.2.3

USD is the United States dollar.

Appendix A: Credit Ratings and Institution Limits

The below are the credit ratings and institution limits approved by the Finance and Infrastructure Committee. Managed funds may be used as approved by the Queensland Treasurer or as allowed within the Governing legislation.

Short-Term Strategy - Approved Investments and Strategy Limits

Long-term rating (S&P)	Short-Term Rating (S&P)	Institution limit	Maximum portion of available funds
Queensland Treasury Corporation / Queensland Investment Corporation		100%	100%
AAA	A-1+	50%	75%

AA	A-1+	40%	60%
A	A-1 (A-2 for A-)	20%	40%
BBB	A-2	15%	25%
Lower than BBB	A-3 and below	Nil	Nil

If the rating of a current investment falls below the required level, either:

- the Chief Financial Officer approval must be obtained to continue the investment, or
- if approval is not granted, the investment must be liquidated within 28 days of the change in the rating becoming public.

Medium-Term Strategy Approved Investment(s): QIC Short Term Income Fund

Long-Term Strategy Approved Investment(s) QIC Long Term Diversified Fund

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Appendix B: Approved Open Bank Accounts and Signatories

	INVESTMENTS				DEBT	CREDIT CARDS	BANK ACCOUNTS					
	QIC	QTC	Interactive Brokers (SIF)	Morgans	QTC	Credit Card Facility [CBA]	Financial Institution	CBA [SWIFT CTBAAU2S]				
							Location	Brisbane	Brisbane	Brisbane	Brisbane	Brisbane
							Account Type	Primary	Foreign Currency	Foreign Currency	Foreign Currency	Foreign Currency
							Account Number	06400015428993	06400015961587	06400015961595	06400015961608	06400015445881
	AUD	AUD	AUD	AUD	AUD	AUD	Currency	AUD	EUR	GBP	HKD	USD
Chief Operating Officer	✓	✓		✓	✓	✓	Account Controller	✓	✓	✓	✓	✓
							Authorised Officer	✓	✓	✓	✓	✓
							Administrator					
Chief Financial Officer	✓	✓	✓	✓	✓		Account Controller	✓	✓	✓	✓	✓
							Authorised Officer	✓	✓	✓	✓	✓
							Administrator					
Deputy CFO, Head of Planning & Analytics	✓	✓			✓		Account Controller	✓	✓	✓	✓	✓
							Authorised Officer	✓	✓	✓	✓	✓
							Administrator					
Head, Financial Management	✓	✓	✓	✓	✓		Account Controller	✓	✓	✓	✓	✓
							Authorised Officer	✓	✓	✓	✓	✓
							Administrator					
Manager, Accounting, Tax & Treasury	✓	✓	✓	✓	✓		Account Controller	✓	✓	✓	✓	✓
							Authorised Officer	✓	✓	✓	✓	✓
							Administrator	✓	✓	✓	✓	✓
Head, Finance Service Delivery	✓						Account Controller	✓	✓	✓	✓	✓
							Authorised Officer					
							Administrator					
Finance Strategic Leader (Receivables & Banking)							Account Controller					
							Authorised Officer					
							Administrator	✓	✓	✓	✓	✓
Finance Strategic Leader (Transaction Support)							Account Controller					
							Authorised Officer					
							Administrator	✓	✓	✓	✓	✓
Senior Finance Officer							Account Controller					
							Authorised Officer					
							Administrator	✓	✓	✓	✓	✓
Finance Officer (Operational Banking)							Account Controller					
							Authorised Officer					
							Administrator	✓	✓	✓	✓	✓

LEGEND		
Physical Signature	Account Controller	Authority to appoint, remove signatories, open or close accounts, sign cheques & give payment instructions
Online Platform	Authorised Officer	Authority to add users and soft security tokens
	Administrator	Authority to set the access right of users

6.0 Information

Title	Treasury Policy
Document number	2021/0000118
Purpose	This policy outlines how treasury related risks are managed and strategies employed to support the University's financial sustainability.
Audience	Staff
Category	Operational
Subcategory	Finance
UN Sustainable Development Goals (SDGs)	This document aligns with Sustainable Development Goal: 17: Partnerships for the Goals
Approval date	November 2021
Effective date	November 2021
Review date	2024 (Currently under review)
Policy advisor	Head, Financial Management
Approving authority	Finance and Infrastructure Committee

7.0 Related Policy Documents and Supporting Documents

Legislation	*Financial Accountability Act 2009* *Financial Accountability Regulation 2009* *Statutory Bodies Financial Arrangements Act 1982 (SBFA Act)* *Statutory Bodies Financial Arrangements Regulations 2007* *Griffith University Act 1998 (Griffith Act)* *Queensland Treasury Derivative Policy Guidelines from Statutory Bodies*

	(Jan 2016) *Financial and Performance Management Standard 2009Queensland Government Investment Policy Guidelines* *Queensland Leasing Approval Policy for Public Sector Entities (Apr 2016)*
Policy	Conflict of Interest Policy Endowment Distribution and Investment Policy Philanthropy and Fundraising Policy
Procedures	N/A
Local Protocol	N/A
Forms	N/A