Treasury and Investment Policy

Version 5 - Approved 26 June 2022

UNIVERSITY of TASMANIA

Purpose:

This policy guides the responsible and effective management of the University, and its controlled entities, investment and financing activities

		Responsible
1	**Investment funds**	
1.1	The University seeks to preserve and grow the value of its long term investment funds, provide a sustainable income stream and maintain a level of liquidity consistent with the investment strategy.	Deputy Vice-Chancellor (Student Services and Operations)
1.2	Investment allocation decisions for longer-term investment funds will be managed to achieve: a) a return objective that is long term and not a year by year measure. b) a return, after fees, at least equal to the average increase in headline consumer price index plus a margin recommended by the University's investment advisors and approved as part of the University's annual strategic planning process. c) a diversified portfolio that mitigates the risk of a permanent loss of capital. d) returns with a lower volatility than would be experienced by investing solely in the public equity markets. e) a zero-carbon future.	Deputy Vice-Chancellor (Student Services and Operations)
1.3	Investment decisions will ensure investment funds maintain sufficient liquidity to mitigate existential risk.	Deputy Vice-Chancellor (Student Services and Operations)
1.4	The University's investment decisions will be governed by a negative and positive fossil fuel screen and considers the United Nations Sustainable Development Goals.	Deputy Vice-Chancellor (Student Services and Operations)
1.5	The University's investments will be managed to realise the objectives of endowment funds and to meet annual spending requirements (eg scholarships, prizes, gifts and research).	Deputy Vice-Chancellor (Student Services and Operations)
1.6	Investment funds are managed to support the University in maintaining its consolidated debt to equity ratio.	Deputy Vice-Chancellor (Student Services and Operations)
2	**Governance and risk management**	
2.1	Any University financial decision will be compliant with relevant borrowing facilities' covenants and undertakings and the University's consolidated debt to equity ratio of 30 per cent and maintain a Moody's investment grade credit rating at no lower than Aa2.	Deputy Vice-Chancellor (Student Services and Operations)
2.2	All aspects of enacting and administering borrowings or financing arrangements will be coordinated by the University's treasury function, which will ensure appropriate controls are in place to manage risks.	Deputy Vice-Chancellor (Student Services and Operations)
3	**Borrowings, debt and cash management**	
3.1	Borrowing arrangements will ensure the University's liquidity, maintain financial stability, and support the University's long-term funding strategy.	Deputy Vice-Chancellor (Student Services and Operations)

3.2	The University will seek appropriate borrowings to minimise financing costs and provide stability through management of refinancing risk.	Head of Student Services and Operations
3.3	The University's cash balances will be managed efficiently to ensure all obligations are met, at the lowest possible cost.	Head of Student Services and Operations

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Definitions and acronyms:

26 June 2022 *Once printed this is an uncontrolled document:* Version history

All University community members must comply with all relevant laws and regulations, University By-Laws, ordinances, policies and procedures.