


Investment Policy

July 2025

	INVESTMENT POLICY		
RESPONSIBILITY	Chief Financial Officer		
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ASSOCIATED LEGISLATION	<ul style="list-style-type: none"> • Local Government Act (NSW) 1993 • Trustee Amendment (Discretionary Investments) Act 1997 • Local Government (General) Regulation 20 • Local Government Act 1993 – Ministerial Investment Order dated 12 January 2011 • Local Government Investment Policy Guidelines (Circular 10-11) • Local Government Code of Accounting Practice and Financial Reporting 		

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1. Introduction

1.1 Policy Statement

The Investment Policy provides the framework in which council funds are to be invested. This Policy recognises the legislative requirements and obligations for the investment of Council's funds. In the event of inconsistencies with this Policy, Council will comply with investment regulations and directions from the Office of Local Government.

1.2 Purpose

The Investment Policy outlines the principles and guidelines for managing Strathfield Council's cash and investment portfolio. It aims to ensure that all investment activities are conducted with prudence, care, and diligence, prioritising the protection of capital, optimising returns and avoiding speculative risks. The policy framework is designed to safeguard Council's portfolio, maximise returns on invested funds, and maintain adequate liquidity to meet short, medium, and long-term business objectives. This policy reflects Council's commitment to a conservative investment approach that balances risk and return, supporting sound financial management practices.

1.3 Scope and Delegated Authority

The policy applies to the investment of Council funds for both short-term and long-term purposes. Responsibility for making investment decisions lies with the General Manager, Director of Corporate & Community, and the Chief Finance Officer. The General Manager has the authority to delegate the day-to-day management of these investments to Council officers, with the details of such delegation clearly outlined in part 5 of the policy in accordance with Council's Register of Delegation.

2 Principles

2.1 Policy Objectives

The preservation of capital invested is the principal objective of the investment portfolio. Investments are to be placed in a manner that safeguards the investment portfolio which includes managing credit and interest rate exposure risk with identified thresholds and parameters. Other objectives include:

- a) compliance with legislative requirements and accounting standards.
- b) promotes best practices in resource management.
- c) optimising returns on surplus funds.
- d) establishing a framework for monitoring investments which are expected to achieve a market average rate of return in line with Council's risk tolerance.
- e) Managing risk guided by credit ratings, exposure limits, and maturity terms, while investment performance is measured against relevant benchmarks.
- f) consideration of cash flow and the timing of Council liabilities.

2.2 Legislative and Regulatory Framework

All investments are to comply with the following legislative frameworks (and any successors to them) and take precedence in the event of a conflict:

- a) Local Government Act 1993 Section 625 and 412.
- b) Prevailing Ministerial Investment Order dated 12 January 2011.
- c) NSW Local Government (General) Regulation 2021 – Clause 212.
- d) The Trustee Amendment (Discretionary Investments) Act 1997 – Section 14.
- e) Office of Local Government Code of Accounting Practice and Financial Reporting.
- f) Australian Accounting Standards.
- g) Office of Local Government Investment Policy Guidelines.
- h) Office of Local Government Circulars.

2.3 Authorised Investments

All investments must be denominated in Australian Dollars and must be held under the name of **Strathfield Municipal Council**. Investments are limited to those allowed by the most current Ministers Investment Order that has been issued by the NSW Minister for Local Government. Authorised investments are limited to:

- a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth, or a Territory.
- b) any debentures or securities issued by a council (within the meaning of the Local Government Act 1993 (NSW))
- c) interest bearing deposits with, or debentures or bonds issued by, an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cwth)), but excluding subordinated debt obligations
- d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority
- e) a deposit with the NSW Treasury Corporation or complying managed funds with the NSW Treasury Corporation.

2.4 Financial Planning and cash-flow management

Council manages surplus funds based on its immediate, medium, and long-term financial needs. Long-term financial planning is essential to ensure Council's ongoing financial stability. These plans include forecasts of future cash inflows and outflows to:

- a) Predict future periods of cash surplus or shortage
- b) Determine the appropriate investment horizon for surplus funds over the medium and long term.

Short-term financial planning focuses on predicting cash availability and managing Council's cash needs throughout the year. Daily monitoring of cash flow models helps guide investment decisions and ensures adequate liquidity to meet the Council's financial obligations.

2.5 Risk Management Framework

Strathfield Council maintains a conservative to moderate approach to investment risk, though it recognises that some risk is necessary to align with its preference for investments that are ethically, socially, and environmentally responsible. Investments are expected to achieve a market average rate of return in line with Council's risk tolerance.

a) Preservation of Capital

The requirement for preventing losses in an investment portfolio's total value.

b) 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.

c) 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.

d) Market Risk

The risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices.

e) Liquidity Risk

The risk an institution runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby Council incurs additional costs (or in the worst case is unable to execute its spending plans).

f) Maturity Risk

The risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities.

g) Leveraging Risk

The magnification of an investor's risk and return that occurs when the investor takes on financial leverage through an investment product.

h) Rollover Risk

The risk that the income will not meet expectations or budgeted requirements because interest rates are lower than expected in the future.

2.6 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. Disclosure of any conflict of interest should be made in accordance with the Code of Conduct. Where appointed, independent investment consultants or advisors are also required to declare that they have no actual or perceived conflicts of interest.

2.7 Investment Advisor

Council may engage an independent investment advisor. This advisor will be licensed by the Australian Securities and Investment Commission. The advisor must be independent and 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 the policy. This includes receiving no commissions or other benefit in relation to the investment being recommended or reviewed.

Council's investment advisor will not receive any commission, brokerage or trailers, unless rebated to Council (as the beneficiary) in full. Each appointment of an independent investment advisor will be for a period up to three (3) years.

3 Approved Investments

3.1 Principles

Council must at all times only invest surplus funds in accordance with the latest Minister's Order of Investment as further restricted to prohibit investments in those ADIs which do not hold an investment grade credit rating (at least BBB- equivalent).

In the event of any conflict between this policy and any legislative instrument or direction from the Minister or Office of Local Government, these instruments will prevail over the policy.

However, any regulatory change that renders a formerly compliant investment outside policy will not necessarily impose a forced disposal. Subject to grandfathering rules, Council will seek advice and resolve how to deal with such investments. Investment guidelines and parameters.

3.2 Credit Portfolio Framework

Creditworthiness of investments is primarily determined using industry standard credit ratings, but also has regard to the term and seniority of the investment as well as the external support expected for ADI deposits and the secured assets backing covered bonds.

The primary creditworthiness of investments will be assessed with reference to the Standard & Poor's (S&P) long term credit and fund ratings and Moody's and Fitch equivalents. Reporting will be carried out on S&P ratings where available, and any implications for policy compliance noted. The S&P ratings are broadly defined as follows:

Rating Band	Description
AAA	Extremely strong capacity to repay
AA+, AA, AA- (AA Rated)	A very strong capacity to repay
A+, A, A- (A Rated)	A strong capacity to repay
BBB+, BBB, BBB- (BBB Rated)	Adequate protection and adequate capacity to pay
Non-investment grade: BB+, BB, BB	Less vulnerable to non-payment, however, adverse economic conditions could lead to inadequate capacity to meet financial obligations
CCC	Vulnerable to non-payment and requires positive economic conditions to meet its financial obligations.

Investments with credit ratings downgraded to an extent that they no longer comply will be assessed as soon as practicable, having regard to the risks of default and prevailing market liquidity as well as break costs and any constraints on redemption. Where the recommendation is to retain the investment, Council will be notified of the circumstances and the reason for the recommendation.

Where an investment has a “split rating” (different rating bands for different agencies), they can only be purchased where they comply with policy under the lowest rating. However, when considering the compliance of existing investments and the need for divestment, the highest rating may be considered. As such, no breach of policy results from a single downgrade.

3.3 Credit Rating Parameters

The following credit rating parameters apply to Council's investment portfolio.

Type of Investment/Credit Rating	Maximum % of portfolio
Government Bonds/ Debentures	100%
AAA rated	100%
AA rated or Australian major banks*	100%
A rated	70%
BBB rated	35%
Unrated ADIs	0%

**Australian major banks include Commonwealth Bank of Australia (CBA), Australia, New Zealand Banking Group Ltd (ANZ), National Australian Bank Limited (NAB), Westpac Banking Corporation (WBC).*

As an interim measure, if any of the Australian major banks (including their brands and/or subsidiaries) are downgraded below AA range, existing limits will apply to them until the following policy review considers the appropriate treatment going forward.

It is a requirement of the Investment Policy that, with the exception of government bonds, debentures, securities, and TCorp IM products that comply with the Ministerial Investment Order, investments may only be made with Australian Prudential Regulation Authority (APRA) regulated Authorised Deposit-taking Institutions (ADIs) with a minimum credit rating of BBB- or higher.

The Australian Prudential Regulation Authority (APRA) is listed under Definitions, in the Council policy.

Credit ratings on institutions can be verified in real time at the three agencies' websites as follows:

- a) www.standardandpoors.com
- b) www.moody.com
- c) www.fitchratings.com

3.4 Counterparty Limits

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. Limits do not apply to Federal or NSW-guaranteed investments, which are uncapped. It should be noted that the NSW government does not guarantee the capital value or unit price of the TCorpIM Funds.

Long-Term Ratings Category	Maximum Portfolio Limit
AAA Category	40%
AA Category or Australian major banks	40%
A Category	20%
BBB Category	15%
Unrated ADI's	5%
TCorp IM Funds	10%

3.5 Investment Duration

Decisions made regarding the composition of Council's investment portfolio must ensure adequate levels of liquidity are maintained at all times. This section contains parameters regarding the maximum duration of the investments into certain maturity bands, as shown in the table below.

Duration	Minimum % of total investment portfolio	Maximum % of total investment portfolio
0-12 months	10%	100%
1-3 years	0%	60%
3-7 years	0%	35%

Decisions made regarding the duration of investments must also take into account the relative creditworthiness of each investment. This section also sets parameters regarding the duration of investments, as shown in the following table:

Investment duration	Minimum credit rating range
0-2 years	BBB rated or greater
2-3 years	A rated or greater
3-7 years	AA rated, Australian major banks or greater

4 Performance Benchmarking

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

Investment	Performance Benchmark	Time Horizon
11am Account/ Business Online Saver (BOS) account, short-dated bills deposits issued by financial institutions of appropriate term	Official RBA/ Cash rate	3 months or less
Term deposits of appropriate remaining term, FRN's nearing maturity	Ausbond Bank Bill Index (BBI)	3 to 12 months
Term deposits with a maturity rate between 1 and 2 years, FRN	Ausbond Bank Bill Index (BBI)	1 to 2 years
FRN's Bonds, Term deposits with a maturity date between 2 and 7 years, grandfathered income funds	Ausbond Bank Bill Index (BBI)	2 to 7 years

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 considering its risks, liquidity and other benefits of the investment.

5 Delegation of Authority

Authority for implementation of the Investment Policy is delegated by Council to the General Manager in accordance with the Local Government Act 1993. Only Council can vary the policy, and all investments must be made in compliance with it. Investments with existing institutions must be authorised by a minimum of 2 Council officers as shown below:

Investment Amount	Officers with authority to approve investments
Up to \$3m	General Manager Director Corporate & Community Chief Financial Officer Financial Strategy & Operations Lead Coordinator Rates General Counsel Manager Governance & Procurement
Greater than \$3m and up to \$5m	General Manager Director Corporate & Community Chief Financial Officer
Greater than \$5m and up to \$10m	General Manager Director Corporate & Community
Greater than \$10m	General Manager

Officers' delegated authority to manage Council's investments shall be recorded and they are required to acknowledge they have received a copy of this policy and understand their obligations in this role.

Should it be necessary to renew any existing investment (other than a deposit with an Australian major bank, or an investment with TCorpIM products that comply with the Ministerial Investment Order) with a value of greater than 10% of Council's total investment portfolio, prior Council approval will be required.

Any investment of Council's funds with a new financial institution or into a new investment class must strictly comply with this policy and requires approval from all three designated Council officers listed below. The terms "new financial institution" and "new investment class" referenced in this clause should be interpreted according to the definitions outlined in Appendix 6 of this policy.

- a) General Manager
- b) Director Corporate & Community
- c) Chief Financial Officer

Titles referenced will be read as their successors in the event of title change.

6 Monitoring and Reporting

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

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

A monthly report will be provided to Council. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value. Council will comply with the appropriate accounting standards in valuing its investments and quantifying its investment returns.

7 Document Control

7.1 Review

This policy is to be reviewed annually in line with the Code of Accounting Practice & Financial Reporting, or in-line with any material change to or new legislation, or as result of significantly changed economic/market conditions.

The General Manager may approve non-significant and/or minor editorial amendments that do not change the policy's effectiveness – giving due consideration to the internal controls.

Appendix 1 – Ministerial Investment Order

LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER

(Relating to investments by councils)

I, the Hon. Barbara Perry MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation;

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Orders, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Key Considerations

An investment is not in a form of investment notified by this order unless it also complies with an investment policy of council adopted by a resolution of council.

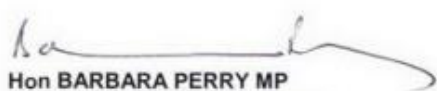
All councils should by resolution adopt an investment policy that is consistent with this Order and any guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet, from time to time.

The General Manager, or any other staff member, with delegated authority by a council to invest funds on behalf of a council must do so in accordance with the council's adopted investment policy.

Councils have a fiduciary responsibility when investing. Councils should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

When exercising the power of investment councils should consider, but not be limited by, the risk of capital or income loss or depreciation, the likely income return and the timing of income return, the length of the term of the proposed investment, the liquidity and marketability of the proposed investment, the likelihood of inflation affecting the value of the proposed investment and the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Dated this 12th day of January 2011


Hon BARBARA PERRY MP
Minister for Local Government

Appendix 2 – How may Council's invest?

Local Government Act 1993 - Section 625 How may councils invest?

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.

Note: See Gazette No 152 of 24.11.2000, p 12041.

- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation is not an investment for the purposes of this section.

Appendix 3 – Discretionary Investments

The Trustee Amendment (Discretionary Investments) Act 1997 Sections 14A (2), 14C (1) & (2);

Section 14A - Duties of trustee in respect of power of investment

- (1) This section has effect subject to the instrument (if any) creating the trust.
- (2) A trustee must, in exercising a power of investment:
 - (a) if the trustee's profession, business or employment is or includes acting as a trustee or investing money on behalf of other persons, exercise the care, diligence and skill that a prudent person engaged in that profession, business or employment would exercise in managing the affairs of other persons, or
 - (b) If the trustee is not engaged in such a profession, business or employment, exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

Note: Some Acts deem investments under the Acts to be investments that satisfy the prudent person test. See, for example, section 39 of the Public Authorities (Financial Arrangements) Act 1987.

- (3) A trustee must exercise a power of investment in accordance with any provision of the instrument (if any) creating the trust that is binding on the trustee and requires the obtaining of any consent or approval with respect to trust investments.
- (4) A trustee must, at least once in each year, review the performance (individually and as a whole) of trust investments.

Section 14C - Matters to which trustee is to have regard when exercising power of investment

- (1) Without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee must, so far as they are appropriate to the circumstances of the trust, if any, have regard to the following matters:
 - (a) the purposes of the trust and the needs and circumstances of the beneficiaries,
 - (b) the desirability of diversifying trust investments,
 - (c) the nature of, and the risk associated with, existing trust investments and other trust property,
 - (d) the need to maintain the real value of the capital or income of the trust,
 - (e) the risk of capital or income loss or depreciation,
 - (f) the potential for capital appreciation,
 - (g) the likely income return and the timing of income return,
 - (h) the length of the term of the proposed investment,
 - (i) the probable duration of the trust,
 - (j) the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment,
 - (k) the aggregate value of the trust estate,
 - (l) the effect of the proposed investment in relation to the tax liability of the trust,
 - (m) the likelihood of inflation affecting the value of the proposed investment or other trust property,
 - (n) the costs (including commissions, fees, charges and duties payable) of making the proposed investment,
 - (o) the results of a review of existing trust investments in accordance with section 14A (4).

- (2) A trustee may, having regard to the size and nature of the trust, do either or both of the following:
- (a) obtain and consider independent and impartial advice reasonably required for the investment of trust funds or the management of the investment from a person whom the trustee reasonably believes to be competent to give the advice,
 - (b) pay out of trust funds the reasonable costs of obtaining the advice.
- (3) A trustee is to comply with this section unless expressly forbidden by the instrument (if any) creating the trust.

Appendix 4 – Reports on Council Investments

Local Government (General) Regulation 2021 – Clause 212 Reports on council investments

- (l) The responsible accounting officer of a council:
 - a. must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented:
 - i. if only one ordinary meeting of the council is held in a month, at that meeting, or
 - ii. if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and
 - b. must include in the report a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and the council's investment policies. The report must be made up to the last day of the month immediately preceding the meeting.

Note: Section 625 of the Act says how a council may invest its surplus funds (Appendix 2).

Appendix 5 – Policies and Records

Local Government Code of Accounting Practice and Financial Reporting

Section 11.3.4

Councils must maintain a separate record of money it has invested under 625 of the LGA.

The record must specify:

- a) the source and amount of money invested; and
- b) particulars of the security or form of investment in which the money is invested; and
- c) if appropriate, the rate of interest to be paid, and the amount of money that the council has earned, in respect of the money invested.

Section 11.3.5

Council must maintain an investment policy that complies with the Act and ensures “it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing council funds”.

For an extensive list of matters a prudent person would be expected to consider, reference is made to Section 4 of the NSW Local Government Investments Best Practice Code.

Appendix 6 – Definitions

Act	Local Government Act, 1993.
Ausbond Bank Bill Index	In 2014, Bloomberg acquired the UBS Australia Bond Indices. The benchmark index formerly referred to as UBSA BBI was rebranded as Ausbond Bank Bill Index. Bloomberg calculates a daily Bank Bill Index representing the performance of a notional rolling parcel of bills averaging 45 days.
Australian Prudential Regulation Authority – APRA	APRA (Australian Prudential Regulation Authority) is the prudential regulator of the Australian financial services industry. APRA enforces prudential standards and practices (e.g. capital adequacy and other risk management issues) of banks, credit unions, building societies, insurance companies and friendly societies.
Authorised Deposit-Taking Institutions ADI	Authorised Deposit-Taking Institutions (ADIs) are corporations that are authorised under the Banking Act 1959 (Cwth) to take deposits from customers.
Bill of Exchange	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.
BBSW	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.
Council Funds	Surplus monies that are invested by Council in accordance with section 625 of the Act.
Credit Rating	Credit Rating refers to a short- or long-term summary assessment of the credit worthiness of a debt issuer or of a specific issue.
Debenture	A debenture is a document evidencing an acknowledgement 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.
Direct Deposits	Direct Deposits refer to investments made by Council (or on behalf of Council) directly with financial institutions.
FRN	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.
LGGR	Local Government (General) Regulation 2021 (NSW).
Minister's Order	Refers to the Order of the Minister for Local Government relating to Investments made by Councils. Last Minister's Order was dated 12 January 2011.
Negotiable Certificate of Deposit – NCD	Is a short-term investment in an underlying security being a negotiable certificate of deposit (NCD) where the term of the security is usually for a period of 185 days or less (sometimes up to 2 years). NCDs are generally discount securities, meaning they are issued and on-sold to investors at a discount to their face value.
New Financial Institution	This applies to any financial institution with which Council has not held an investment within the 24 months preceding the proposed investment date.

New Investment Class	This refers to any investment class not currently held by Council at the time the investment is made.
OLG	NSW Office of Local Government, Department of Premier and Cabinet.
Responsible Accounting Officer – RAO	Responsible Accounting Officer of a council means a member of the staff of the council designated by the General Manager, or if no such member has been designated, the General Manager. (LGGR, clause 196) .
T-Corp	New South Wales Treasury Corporation.