

REPORTS THROUGH THE GENERAL MANAGER

REPORTS FROM THE DIRECTOR TECHNOLOGY AND CORPORATE SERVICES

a48 [TCS-CM] Monthly Investment Report for Period Ending 30 April 2010

ORIGIN:

Financial Services

SUMMARY OF REPORT:

The "Responsible Accounting Officer" must report monthly to Council, setting out details of all the funds Council has invested and certification has been made in accordance with Section 625 of the Local Government Act (1993), Cl. 212 of the Local Government (General) Regulations and Council policies.

Council had \$116,465,580 invested as at 31 March 2010 and the accrued net return on these funds was \$448,058 or 4.62% annualised for the month.

RECOMMENDATION:

That in accordance with Section 625 of the Local Government Act 1993 the monthly investment report as at 30 April 2010 totalling \$116,465,580 be received and noted.

REPORT:

Report for Period Ending 30 April 2010

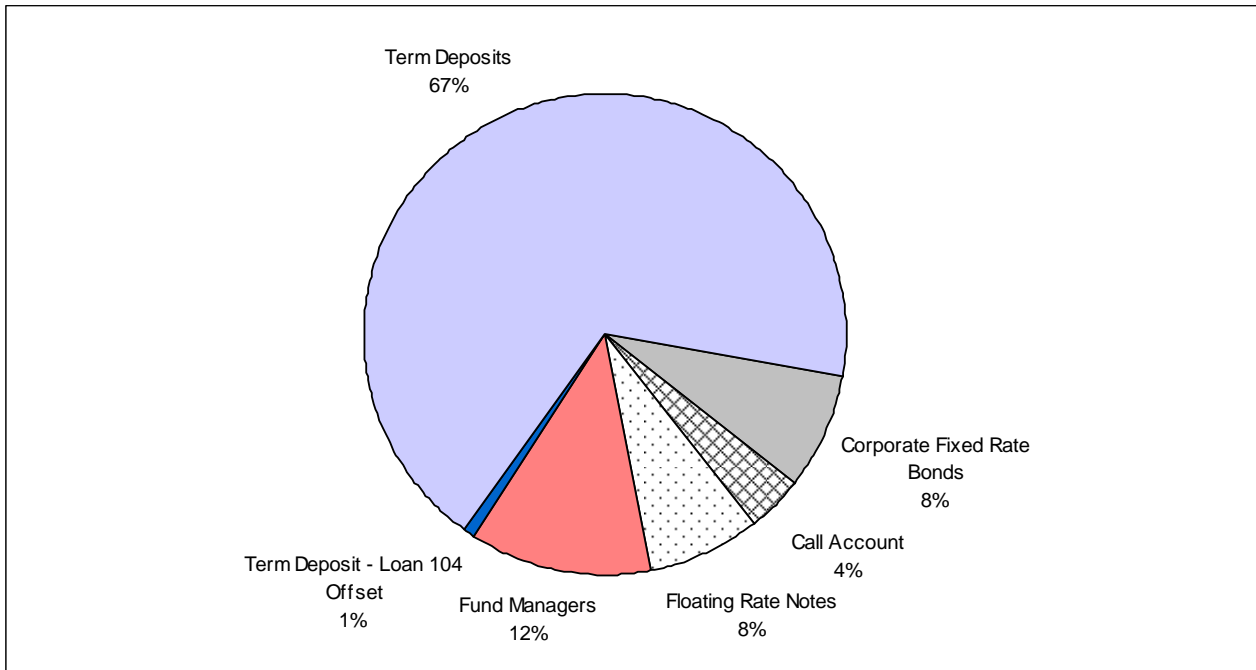
The "Responsible Accounting Officer" must report monthly to Council, setting out details of all the funds Council has invested and certification has been made in accordance with Section 625 of the Local Government Act (1993), Clause 212 of the Local Government (General) Regulations and Council policies.

1. RESTRICTED FUNDS AS AT 1 JULY 2009

Description	(\$'000)			Total
	General Fund	Water Fund	Sewer Fund	
Externally Restricted	15,427	13,980	14,908	44,315
Crown Caravan Parks	10,145			10,145
Developer Contributions	29,762	19,327		49,089
Domestic Waste Management	8,035			8,035
Grants	3,794			3,794
Internally Restricted	13,816			13,816
Employee Leave Entitlements	1,685			1,685
Grants	2,535			2,535
Unexpended Loans	5,889			5,889
Total	91,088	33,307	14,908	139,303

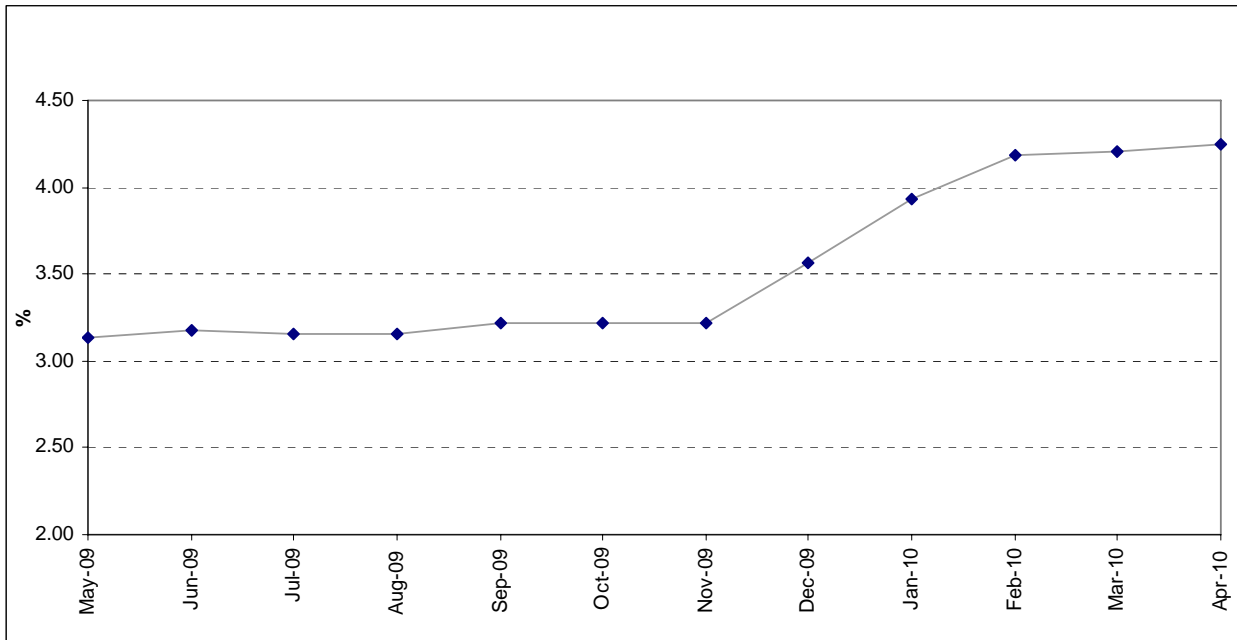
Note: Restricted Funds Summary next update September 2010

2. CURRENT INVESTMENT PORTFOLIO BY CATEGORY

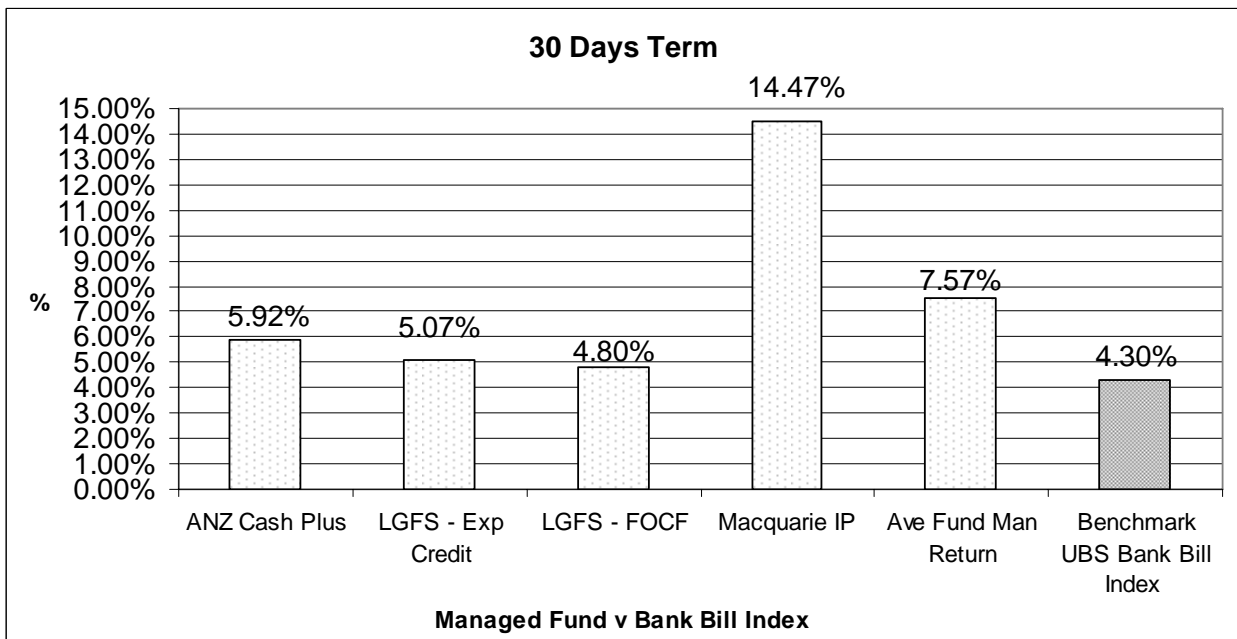


Addendum

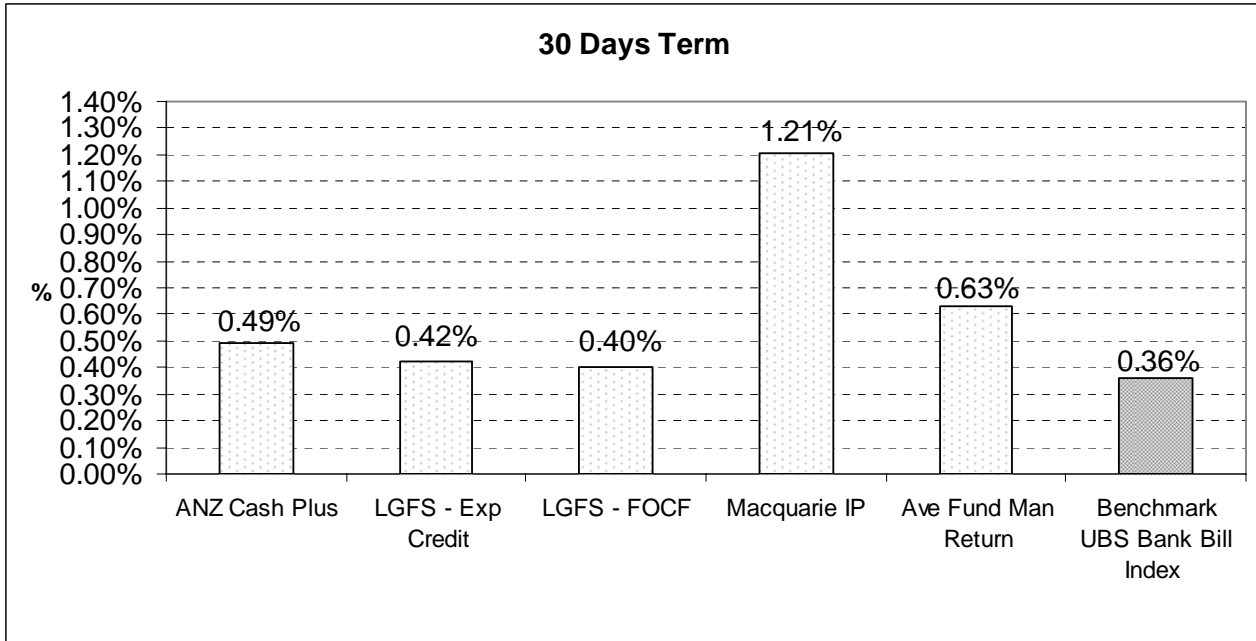
3. INVESTMENT RATES - 90 DAY BANK BILL RATE (%)



4. FUNDS MANAGERS PERFORMANCE FOR MONTH - NET OF FEES (ANNUALISED)



5. FUNDS MANAGERS PERFORMANCE FOR MONTH - NET OF FEES AND CAPITAL VALUE CHANGES (NOT ANNUALISED)



6. FUND MANAGERS - DETAILED INFORMATION

Fund	Credit Rating	Percentage of Total Fund Managers Current Month	Fund Managers Balance end of Previous month	Fund Managers Balance end of Current month	Distribution for Month/Quarter	Coupon Paid
ANZ Cash Plus	AA	3.01%	\$551,080	\$432,950	\$0	Monthly
LGFS - Enhanced Cash	n/a	12.24%	\$5,742,163	\$1,759,719	\$728	Monthly
LGFS - FOCF	AA-	45.79%	\$6,557,834	\$6,583,136	\$0	Quarterly
Macquarie IP	A	38.96%	\$5,539,260	\$5,601,111	\$0	Quarterly
Total		100%	\$18,390,336	\$14,376,915	\$728	

Addendum

7. DIRECT SECURITIES

Investment Type	Final Maturity	Counterparty/ Product Name	Face Value	Market Value	% Return on Face Value	Credit Rating
Bond	08/11/2011	ANZ	1,000,000.00	1,010,540.00	5.15	AA
Bond	22/04/2013	ANZ	1,000,000.00	1,060,140.00	8.65	AA
FRN	17/08/2010	ANZ	1,000,000.00	1,002,729.00	4.46	AA
Bond	02/12/2010	Bank of Queensland	1,500,000.00	1,531,020.00	5.55	BBB+
Bond	02/12/2010	Bank of Queensland	1,000,000.00	1,020,680.00	6.00	BBB+
FRN	20/07/2010	CBA	1,000,000.00	1,001,049.70	4.47	AA
FRN	21/01/2011	CBA	1,000,000.00	1,001,603.77	4.66	AA
FRN	17/04/2012	CBA	1,000,000.00	1,010,793.38	4.41	AA
FRN	23/11/2012	Deutsche Bank	1,000,000.00	879,147.00	5.13	A+
FRN	24/01/2011	Macquarie/HSBC	2,000,000.00	1,973,802.53	4.83	A
FRN	08/03/2012	Members Equity	2,000,000.00	1,926,520.00	5.32	BBB-
Bond	22/01/2018	CBA Zero Coupon Bond	2,000,000.00	2,280,000.00	7.28	AA
Bond	24/09/2012	Westpac	1,000,000.00	1,031,570.00	4.90	AA
Bond	24/09/2012	Westpac	1,000,000.00	1,031,570.00	5.15	AA
ABS = Asset Backed Security		Total	17,500,000.00	17,761,165.38	5.43	
Bond = Fixed Rate Bond						
CDO = Collateralised Debt Obligation						
FRN = Floating Rate Note						

8. TERM DEPOSITS

TERM DEPOSITS SORTED BY MATURITY AS AT 30/04/10						
Lodged or Rolled	DUE	Counterparty	PRINCIPAL	TERM	% Yield	INCOME RECEIVABLE
18-Feb-10	18-May-10	IMB	1,000,000.00	89	5.377	13,110.31
25-Feb-10	18-May-10	QLD Police CU	1,000,000.00	82	5.920	13,299.73
27-May-09	27-May-10	ANZ	2,000,000.00	365	4.450	89,000.00
01-Mar-10	28-May-10	LGFS	5,000,000.00	88	5.170	62,323.29
28-Apr-10	15-Jun-10	CBA	827,500.00	48	4.600	5,005.81
19-Feb-10	15-Jun-10	QLD Country CU	1,000,000.00	116	6.000	19,068.49
09-Feb-10	15-Jun-10	Suncorp Metway	2,000,000.00	126	6.050	41,769.86
17-Feb-10	22-Jun-10	CUA	1,000,000.00	125	5.940	20,342.47
22-Mar-10	22-Jun-10	LGFS	1,000,000.00	92	5.040	12,703.56

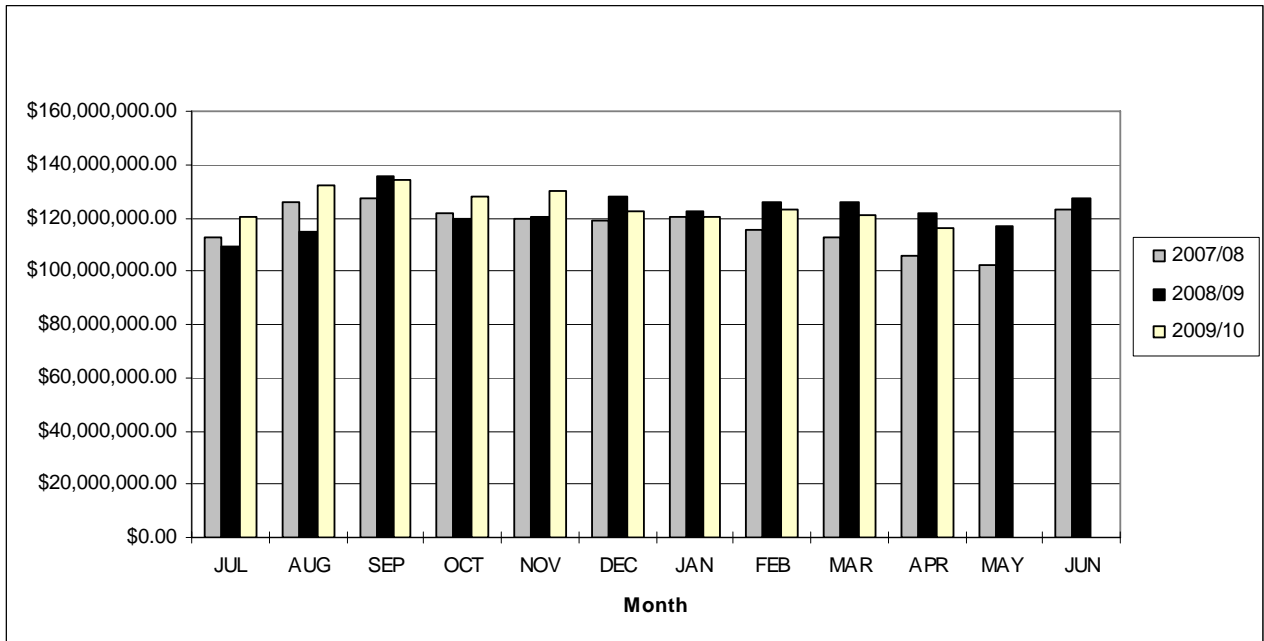
Addendum

19-Feb-10	22-Jun-10	New England CU	1,000,000.00	123	6.000	20,219.18
03-Feb-10	05-Jul-10	Westpac Bank	3,000,000.00	152	6.600	82,454.79
11-Jan-10	13-Jul-10	Westpac Bank	2,000,000.00	183	6.600	66,180.82
12-Jan-10	20-Jul-10	Bank of QLD	2,000,000.00	189	6.400	66,279.45
16-Sep-09	20-Jul-10	Suncorp Metway	2,000,000.00	307	5.200	87,473.97
16-Sep-09	20-Jul-10	Suncorp Metway	2,000,000.00	307	5.200	87,473.97
03-Feb-10	03-Aug-10	Suncorp Metway	3,000,000.00	181	6.500	96,698.63
17-Feb-10	03-Aug-10	Westpac Bank	3,000,000.00	167	6.600	90,591.78
21-Aug-09	24-Aug-10	Bank of QLD	2,000,000.00	368	5.300	106,871.23
01-Sep-09	01-Sep-10	NAB	4,000,000.00	365	5.530	221,200.00
11-Feb-10	07-Sep-10	Citibank	1,000,000.00	208	6.280	35,787.40
10-Dec-09	14-Sep-10	Westpac Bank	1,000,000.00	278	6.750	51,410.96
19-Jan-10	21-Sep-10	Westpac Bank	2,000,000.00	245	6.630	89,005.48
07-Oct-09	05-Oct-10	Suncorp Metway	1,000,000.00	363	6.010	59,770.68
05-Nov-09	05-Oct-10	Westpac Bank	2,000,000.00	334	6.260	114,566.58
09-Feb-10	12-Oct-10	Westpac Bank	2,000,000.00	245	6.800	91,287.67
20-Oct-09	19-Oct-10	Bank of QLD	1,000,000.00	364	6.050	60,334.25
20-Oct-09	19-Oct-10	Bankwest	1,000,000.00	364	6.000	59,835.62
17-Feb-10	26-Oct-10	Westpac Bank	2,000,000.00	251	6.760	92,973.15
23-Feb-10	09-Nov-10	Bank of QLD	2,000,000.00	259	6.300	89,408.22
02-Mar-10	16-Nov-10	IMB	1,000,000.00	259	6.290	44,633.15
02-Mar-10	29-Nov-10	ANZ	3,000,000.00	272	6.250	139,726.03
04-Mar-10	30-Nov-10	ANZ	4,000,000.00	272	6.300	187,791.78
01-Dec-09	07-Dec-10	Westpac Bank	2,000,000.00	370	6.800	137,863.01
10-Dec-09	14-Dec-10	NAB	1,000,000.00	369	6.650	67,228.77
03-Dec-09	14-Dec-10	Westpac Bank	1,000,000.00	376	7.050	72,624.66
05-Jan-10	21-Dec-10	Suncorp Metway	1,000,000.00	350	6.900	66,164.38
16-Dec-09	21-Dec-10	Westpac Bank	1,000,000.00	370	7.000	70,958.90

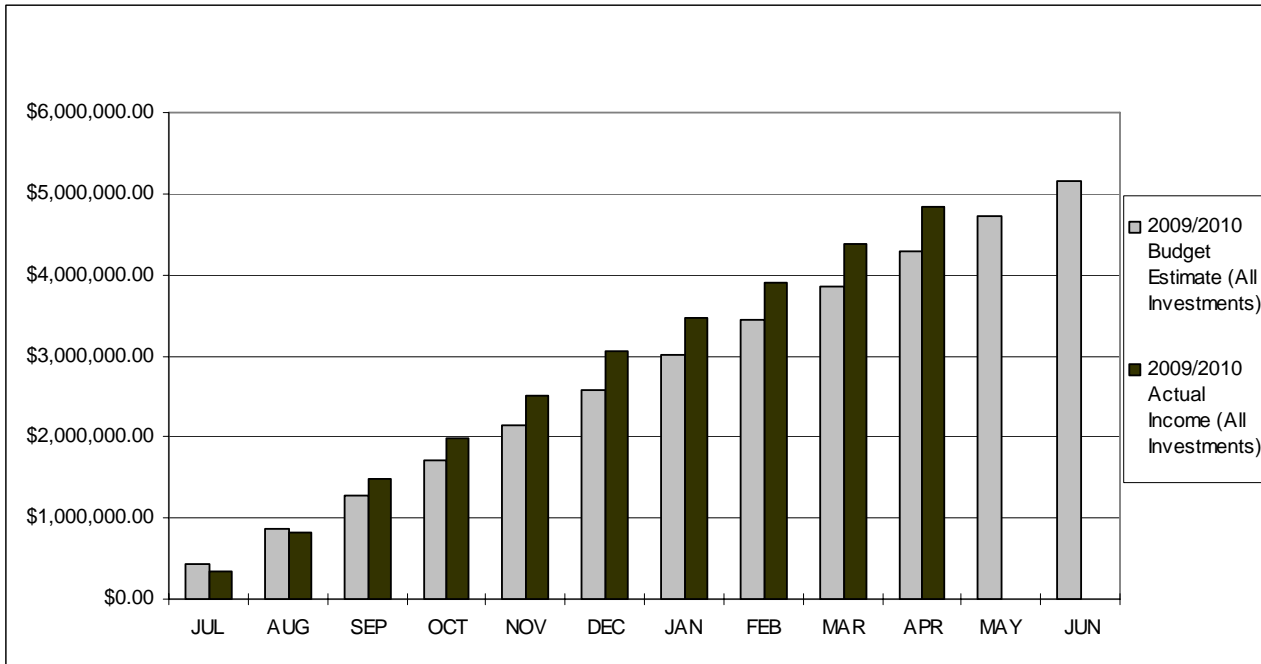
Addendum

17-Feb-09	16-Feb-11	Elders Rural Bank	1,000,000.00	729	4.620	92,273.42
17-Feb-09	17-Feb-11	Adelaide Bendigo Bank (BCU)	2,000,000.00	730	4.700	188,000.00
09-Mar-10	08-Mar-11	Bananacoast CU	1,000,000.00	364	6.850	68,312.33
02-Apr-08	01-Apr-11	Suncorp Metway	3,000,000.00	1095	8.300	747,000.00
12-Nov-08	11-Nov-11	Suncorp Metway	4,000,000.00	1094	6.880	824,846.03
12-Nov-08	16-Nov-11	Investec Bank	1,000,000.00	1099	6.880	207,153.97
			79,827,500.00		6.135	

9. MONTHLY COMPARISON OF TOTAL FUNDS INVESTED

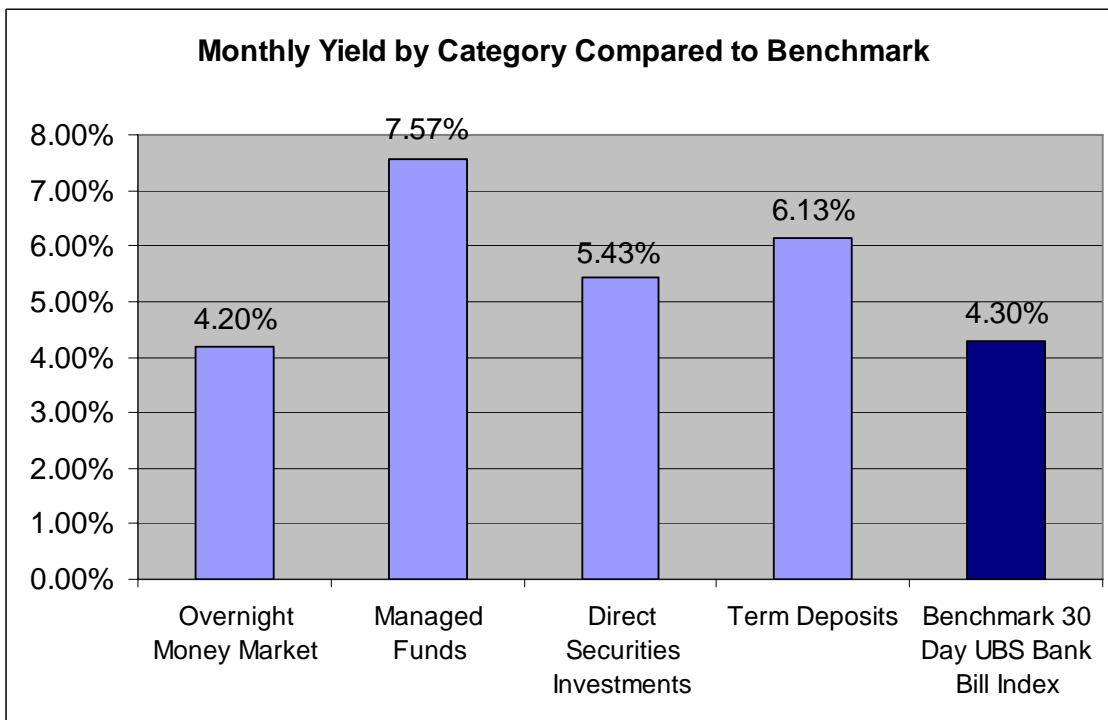


10. TOTAL PORTFOLIO INCOME YEAR TO DATE



11. PERFORMANCE BY CATEGORY

Category	Face Value	Market Value	Average Yield	Above/(Below) 30 day BBSW Benchmark
Overnight Money Market	\$4,500,000.00	\$4,500,000.00	4.20%	-0.10%
Managed Funds	\$14,376,915.41	\$14,376,915.41	7.57%	3.27%
Direct Securities Investments	\$19,500,000.00	\$17,761,165.38	5.43%	1.13%
Term Deposits	\$79,827,500.00	\$79,827,500.00	6.13%	1.83%
Benchmark 30 Day UBS Bank Bill Index	\$118,204,415.41	\$116,465,580.79	4.30%	Benchmark 30 Day UBS Bank Bill Index



Addendum

12. SECTION 94 DEVELOPER CONTRIBUTIONS - MONTHLY BALANCES & RECEIPTS REPORT - PERIOD ENDING 30 APRIL 2010

Contribution Plan	Plan Description	End of Month Balance	Contributions Received for Month
01	DCP3 Open Space	-3,704,679.35	
02	Western Drainage	-458,367.95	
03	DCP3 Community Facilities	-33,310.74	
04	TRCP	-11,656,665.32	-7,752.00
05	O/Space	-1,320,786.52	
06	Contribution Street Trees	-205,321.95	-19,008.00
07	West K'Cliff	-817,877.64	
10	Cobaki Lakes	162.67	
11	Libraries	-1,605,844.38	-51,282.00
12	Bus Shelters	-30,505.54	-3,885.00
13	Cemeteries	-15,823.68	-7,770.00
14	Mebbin Springs	-68,958.69	
15	Community Facilities	-1,243,176.53	
16	Surf Lifesaving	-409,432.47	-7,232.00
18	Council Admin - Tech Support	-1,679,043.96	-1,719.29
19	Kings Beach	-1,051,670.19	
20	Seabreeze Estate	-575.30	
21	Terranora Village Footpath	-25,728.00	-25,728.00
22	Shirewide Cycleways	-467,104.98	-335.00
23	Shirewide Carparking	-1,747,434.11	
25	Salt Development	-779,209.94	
26	Plan 26 Shirewide Open Space	-4,019,202.39	-3,487.00
27	Tweed Hds Masterplan & Streetscaping	-76,904.08	
28	Seaside City	645.38	
91	DCP14	-82,525.27	
92	Public Reserve Contributions	-103,749.45	
94	Terranora Village Footpath	113,949.00	
95	Bilambil Heights	-494,188.26	
96	Community Fac Shire Wide	-68,721.96	
98	Marana Park Roundabout	0.00	
Total		-32,052,051.60	-128,198.29

13. ECONOMIC COMMENTARY

Global Economy

The market focused on sovereign debt fears during the month, disregarding better than expected economic news with equity indices across Asia, Europe and the US falling. The price of oil continued to decline to \$75.11US a barrel and gold was firmer as investors favoured the safe haven of the precious metal.

European Union finance ministers are discussing a 600 billion euro (\$863bn) fund to ensure stability in the 16-state euro zone. European Union finance ministers, meeting in Brussels, are racing to keep the euro zone's debt crisis from deepening and affecting the world economy.

The unemployment rate in the US increase 0.2% to 9.9% while earnings were flat for the month and average weekly hours worked increased by 0.1 to 34.1 hours. German industrial production rose more than expected.

Domestic Economy

The Reserve Bank of Australia (RBA) increased the cash rate to 4.50% on 5 May, noting "Inflation targeting and a buyout in the housing market will guide monetary policy moving forward. Although the cash rate remains below its medium-term average, variable lending rates are now around average levels, as market developments have pushed up most interest rates relative to the cash rate. The Board continues to assess prospects for demand and inflation and set monetary policy as needed to achieve an average inflation rate of 2-3%."

The Federal Government's budget is due to be delivered 11 May 2010.

Council's Investment Portfolio Performance

All investment categories except the Cash at Call Account out-performed the UBS 30 day bank bill benchmark this month. Overall, the investment portfolio has returned an average 2.6% pa above the 30 day UBS bank bill index for the last 12 month period. 67% of available funds are now invested in term deposits with managed funds being slowly reduced to take advantage of relatively high returns and lower risks associated with term deposits.

An indication of Portfolio performance is provided by totalling investment income for the month and disregarding changes in capital values. Council had \$116,465,580.78 invested as at 30 April, 2010 and the accrued net return on these funds was \$448,058.80 or 4.62% annualised for the month.

14. INVESTMENT SUMMARY AS AT 30 APRIL 2010

GENERAL FUND

COLLATERISED DEBT OBLIGATIONS	0.00
COMMERCIAL PAPER	0.00
CORPORATE FIXED RATE BONDS	8,965,520.00
FLOATING RATE NOTES	8,795,645.38
ASSET BACKED SECURITIES	0.00
FUND MANAGERS	1,731,545.57
TERM DEPOSIT - LOAN 104 OFFSET	827,500.00

Addendum

TERM DEPOSITS	36,000,000.00		
CALL ACCOUNT	4,500,000.00	60,820,210.95	
WATER FUND			
TERM DEPOSITS	25,000,000.00		
FUND MANAGERS	9,849,738.95	34,849,738.95	
SEWERAGE FUND			
TERM DEPOSITS	18,000,000.00		
FUND MANAGERS	2,795,630.88	20,795,630.88	
	TOTAL INVESTMENTS		116,465,580.78

It should be noted that the General Funds investments of \$60 million are not available to be used for general purpose expenditure. It is virtually all restricted by legislation and council resolution for such purposes as unexpended loans, developer contributions, unexpended grants and various specific purpose reserves such as domestic waste, land development and employee leave entitlements.

All Water and Sewerage Fund investments can only be expended in accordance with Government regulation and Council resolution.

Statutory Statement - Local Government (General) Regulation 2005 Clause 212

I certify that Council's investments have been made in accordance with the Local Government Act 1993, the Local Government (General) Regulations and Council's investment policies.



**Chief Financial Officer
(Responsible Accounting Officer)**

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

Nil.

POLICY IMPLICATIONS:

Nil.

UNDER SEPARATE COVER/FURTHER INFORMATION:

To view any "**non confidential**" attachments listed below, access the meetings link on Council's website www.tweed.nsw.gov.au (from 8.00pm Wednesday the week before the meeting) or visit Council's offices at Tweed Heads or Murwillumbah (from 8.00am Thursday the week before the meeting) or Council's libraries (from 10.00am Thursday the week of the meeting).

Nil.

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