

## LATE ADDENDUM REPORT

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### REPORTS THROUGH THE GENERAL MANAGER

### REPORTS FROM THE DIRECTOR CORPORATE SERVICES

#### a30 [CS-CM] Monthly Investment and Section 94 Developer Contribution Report for Period Ending 30 November 2015

SUBMITTED BY: Financial Services

Valid



## Civic Leadership

### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 1 Civic Leadership
  - 1.3 Delivering the objectives of this plan
  - 1.3.1 Council's organisation will be resourced to provide the essential services and support functions to deliver the objectives of this Plan
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### SUMMARY OF REPORT:

The "Responsible Accounting Officer" must report monthly to Council, setting out details of all the funds Council has invested. The Manager Financial Services, being the Responsible Accounting Officer, certifies that investments have been made in accordance with Section 625 of the Local Government Act (1993), Clause 212 of the Local Government (General) Regulations and Council policies. Council had **\$239,460,401** invested as at **30 November 2015** and the accrued net return on these funds was **\$629,619** or **3.15%** annualised for the month.

### RECOMMENDATION:

That in accordance with Section 625 of the Local Government Act 1993 the monthly investment report as at period ending 30 November 2015 totalling \$239,460,401 be received and noted.

**LATE ADDENDUM REPORT**

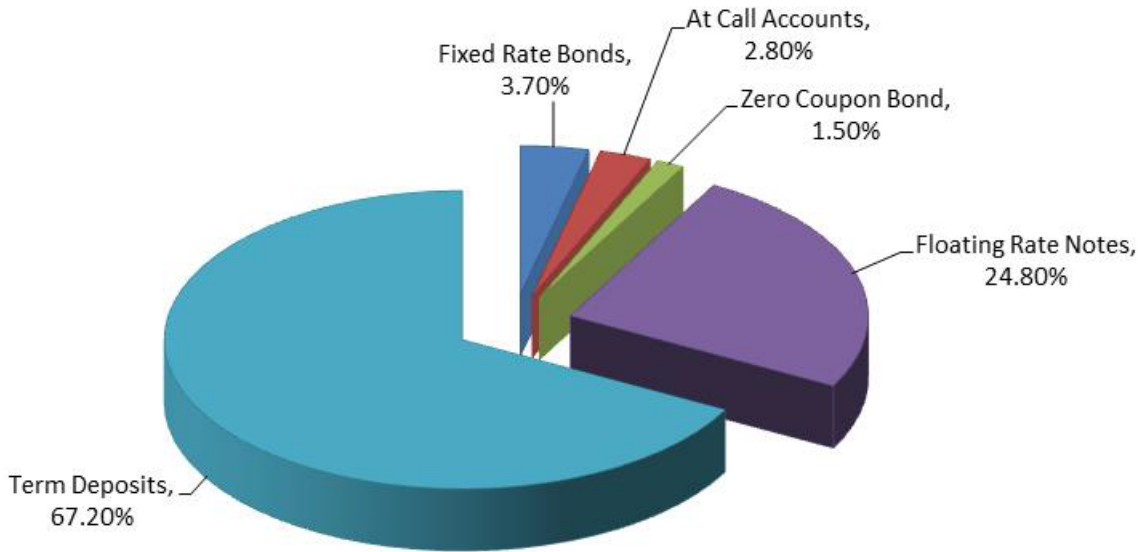
**REPORT:**

**1. Restricted Funds as at 1 September 2015**

Description	(\$'000)			Total
	General Fund	Water Fund	Sewer Fund	
<b>Externally Restricted (Other)</b>	4,010	32,944	61,499	<b>98,453</b>
Crown Caravan Parks	18,283			<b>18,283</b>
Developer Contributions	26,759	2,651		<b>29,410</b>
Domestic Waste Management	13,981			<b>13,981</b>
Grants	2,923			<b>2,923</b>
<b>Internally Restricted (Other)</b>	43,083			<b>43,083</b>
Employee Leave Entitlements	11,330			<b>11,330</b>
Grants	3,169			<b>3,169</b>
Unexpended Loans	9,415			<b>9,415</b>
<b>Total</b>	<b>132,953</b>	<b>35,595</b>	<b>61,499</b>	<b>230,047</b>

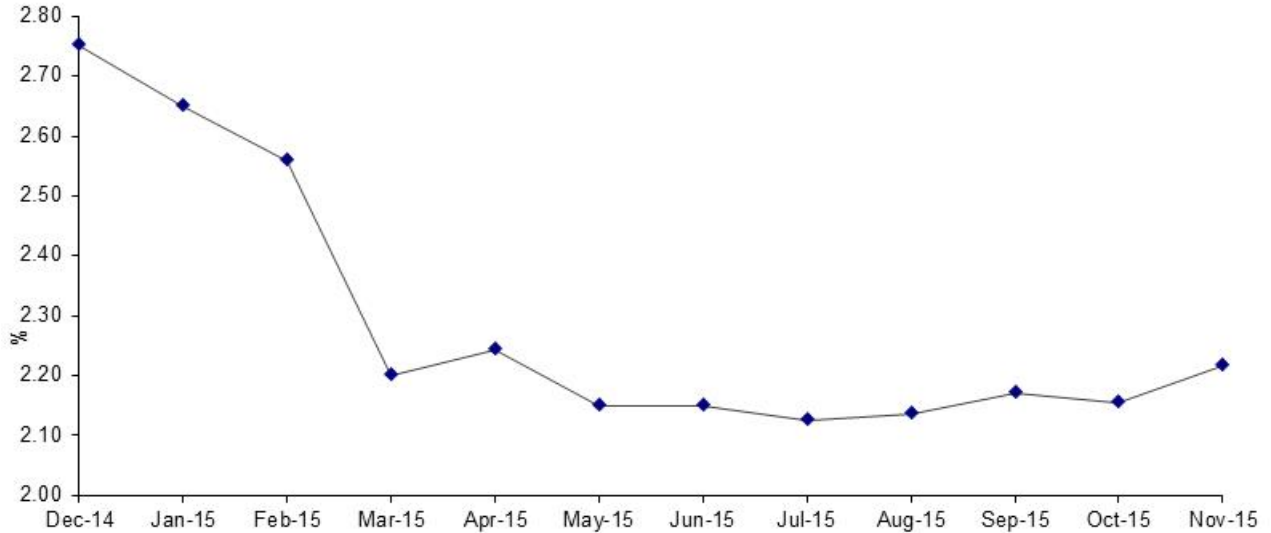
*Note: Restricted Funds Summary updated September 2015, corresponding with the Annual Financial Statements as at 30 June 2015*

**2. Investment Portfolio by Category**



LATE ADDENDUM REPORT

3. Investment Rates - 90 Day Bank Bill Rate



4. Bond and Floating Rate Note Securities

Counterparty	Face Value	Market Value	% Return on Face Value	Investment Type	Maturity Date
AMP (Morgans) (6/18)	1,000,000.00	<b>1,009,400.00</b>	3.03	FRN	06-Jun-18
AMP (RIMSEC) (05/17)	2,500,000.00	<b>2,517,575.00</b>	3.37	FRN	29-May-17
ANZ (04/20)	1,600,000.00	<b>1,595,696.00</b>	2.96	FRN	17-Apr-20
ANZ (11/18)	1,000,000.00	<b>1,006,190.00</b>	3.03	FRN	06-Nov-18
ANZ Green Bond (06/20)	2,000,000.00	<b>2,025,540.00</b>	3.25	Fixed Rate Bond	03-Jun-20
* Bendigo (RBS) (05/17)	3,000,000.00	<b>3,023,370.00</b>	3.34	FRN	17-May-17
* Bendigo (RBS) (11/18)	1,000,000.00	<b>1,010,890.00</b>	3.49	FRN	14-Nov-18
* Bendigo (Westpac) (Aug 2020)	1,000,000.00	<b>995,910.00</b>	3.34	FRN	18-Aug-20
* Bendigo (Westpac) (Aug 2020)	3,000,000.00	<b>2,987,730.00</b>	3.34	FRN	18-Aug-20
* Bendigo (Westpac) (Aug 2020)	2,000,000.00	<b>1,991,820.00</b>	3.34	FRN	18-Aug-20
* BOQ (06/18)	1,000,000.00	<b>1,039,300.00</b>	4.00	Fixed Rate Bond	12-Jun-18
* BOQ (06/18)	1,000,000.00	<b>1,008,210.00</b>	3.18	FRN	12-Jun-18
* BOQ (11/19)	2,000,000.00	<b>1,999,060.00</b>	3.26	FRN	06-Nov-19

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Counterparty	Face Value	Market Value	% Return on Face Value	Investment Type	Maturity Date
CBA (04/19)	1,000,000.00	<b>1,006,100.00</b>	3.03	FRN	24-Apr-19
CBA (07/20)	2,000,000.00	<b>1,998,440.00</b>	3.04	FRN	17-Jul-20
CBA (08/16)	1,000,000.00	<b>1,008,150.00</b>	3.27	FRN	02-Aug-16
CBA (10/19)	2,000,000.00	<b>2,004,660.00</b>	2.99	FRN	18-Oct-19
CBA (CBA) (10/18)	2,000,000.00	<b>2,008,340.00</b>	2.92	FRN	19-Oct-18
CBA Bond (04/19)	1,000,000.00	<b>1,041,270.00</b>	4.25	Fixed Rate Bond	24-Apr-19
CBA/Merrill Lynch Zero Coupon Bond (01/18)	4,000,000.00	<b>3,653,200.00</b>	7.17	Fixed Rate Bond	22-Jan-18
* CUA (03/17)	1,000,000.00	<b>1,008,920.00</b>	3.49	FRN	20-Mar-17
* CUA (03/17) (CBA)	1,000,000.00	<b>1,008,920.00</b>	3.49	FRN	20-Mar-17
* CUA (12/17) ANZ	1,000,000.00	<b>1,006,670.00</b>	3.38	FRN	22-Dec-17
Heritage (Morgans) (05/18)	2,000,000.00	<b>2,000,500.00</b>	3.35	FRN	07-May-18
Heritage (RBS/RIMSEC) (06/17)	1,500,000.00	<b>1,590,000.00</b>	7.25	Fixed Rate Bond	20-Jun-17
Heritage (Westpac) (05/18)	1,000,000.00	<b>1,000,250.00</b>	3.35	FRN	07-May-18
ING Bond(RBS) (08/16)	1,000,000.00	<b>1,021,010.00</b>	4.25	Fixed Rate Bond	23-Aug-16
Macquarie (ANZ) (10/18)	1,000,000.00	<b>1,003,020.00</b>	3.20	FRN	26-Oct-18
Macquarie (RIMSEC) (03/20)	2,000,000.00	<b>2,008,560.00</b>	3.24	FRN	03-Mar-20
* ME Bank (04/18)	1,000,000.00	<b>1,009,200.00</b>	3.44	FRN	17-Apr-18
* ME Bank (ANZ) (11/17)	1,000,000.00	<b>999,990.00</b>	3.14	FRN	17-Nov-17
* ME Bank (CBA) (11/16)	1,000,000.00	<b>1,004,620.00</b>	3.52	FRN	28-Nov-16
* ME Bank (Morgans) (11/16)	1,000,000.00	<b>1,004,620.00</b>	3.52	FRN	28-Nov-16
NAB (06/16)	2,000,000.00	<b>2,023,280.00</b>	3.36	FRN	21-Jun-16
* NPBS (Morgans) (02/18)	1,000,000.00	<b>997,250.00</b>	3.23	FRN	27-Feb-18
Rabo (Morgans) (02/20)	2,000,000.00	<b>1,994,020.00</b>	3.26	FRN	11-Feb-20
Rabo (RBS) (09/18)	1,000,000.00	<b>1,011,470.00</b>	3.31	FRN	25-Sep-18
* Suncorp (04/19)	2,000,000.00	<b>2,017,640.00</b>	3.26	FRN	23-Apr-19
* Suncorp (11/19)	1,000,000.00	<b>997,910.00</b>	2.90	FRN	05-Nov-19

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	Counterparty	Face Value	Market Value	% Return on Face Value	Investment Type	Maturity Date
*	Suncorp (CBA) (08/19)	1,000,000.00	997,020.00	3.19	FRN	20-Aug-19
*	Suncorp (NAB) (08/20)	3,000,000.00	3,012,690.00	3.39	FRN	20-Oct-20
*	Suncorp Covered (RIMSEC) (12/16)	2,000,000.00	2,086,380.00	4.75	Fixed Rate Bond	06-Dec-16
*	Westpac (JP Morgans) (02/19)	2,000,000.00	2,011,340.00	3.20	FRN	25-Feb-19
*	Westpac (07/20)	2,000,000.00	1,995,080.00	3.04	FRN	28-Jul-20
*	Westpac (RBS) (02/17)	1,000,000.00	1,015,900.00	3.90	FRN	20-Feb-17
*	Westpac (WBC)	1,000,000.00	1,003,290.00	3.22	FRN	28-Oct-20
	<b>Total</b>	<b>71,600,000.00</b>	<b>71,760,401.00</b>	<b>3.52</b>		
<b>LEGEND</b>		ABS = Asset Backed Security				
Investment Type		Bond = Fixed Rate Bond				
		FRN = Floating Rate Note				
<b>Counterparty</b>		Bendigo = Bendigo & Adelaide Bank		NPBS - Newcastle Permanent Building Society		
AMP = AMP Bank		Heritage = Heritage Bank		ME = Members Equity Bank		
ANZ = ANZ Bank		ING = ING Bank		RaboDirect = Rabo Bank		
BOQ = Bank of Queensland		Investec = Investec Bank		Rural = Rural Bank (previously Elders Bank)		
CBA = Commonwealth Bank		Macquarie = Macquarie Bank		Suncorp = Suncorp Metway Bank		
CUA = Credit Union Australia		NAB = National Australia Bank		WBC = WBC Banking Corporation		

## 5. Term Deposits

	Counterparty	Lodged or Rolled	Interest Due	Maturity Date	Principal	% Yield
	Rabo Bank (Mar 2017) (RIMSEC)	04-Mar-14	07-Mar-17	07/03/2017	2,000,000.00	4.15
	P&N Bank (RIMSEC) (Sept 2017)	22-Sep-14	21-Sep-17	21/09/2017	1,000,000.00	4.00
*	Auswide Bank Bank (Dec 2016)	08-Dec-14	08-Dec-15	13/12/2016	3,000,000.00	3.76
*	Bendigo Bank (Dec 2015)	09-Dec-14	15-Dec-15	15/12/2015	2,000,000.00	3.45
	RaboDirect (Curve) (Jan 2015)	13-Jan-15	15-Jan-19	15/01/2019	1,000,000.00	4.00
*	Auswide Bank (Curve) (Feb 2017)	03-Feb-15	07-Feb-17	07/02/2017	1,000,000.00	3.50
	RaboDirect (Curve) (Feb 2017) annual interest	10-Feb-15	10-Feb-16	14/02/2017	1,000,000.00	3.40

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Counterparty	Lodged or Rolled	Interest Due	Maturity Date	Principal	% Yield
NAB (Feb 2016)	17-Feb-15	16-Feb-16	16/02/2016	2,000,000.00	3.17
BCU (Feb 2017)	19-Feb-15	18-Feb-16	21/02/2017	1,000,000.00	3.20
* BOQ (Feb 2016)	23-Feb-15	23-Feb-16	23/02/2016	3,000,000.00	4.05
* MEB (Curve (Mar 2016)	25-Feb-15	25-Feb-16	01/03/2016	2,000,000.00	4.07
* Bankwest (Mar 2016)	17-Mar-15	15-Mar-16	15/03/2016	1,000,000.00	3.00
RaboDirect (RIMSEC) (Mar 2016)					
annual interest	22-Mar-15	22-Mar-16	22/03/2016	1,000,000.00	7.15
Auswide Bank (RIMSEC) (Mar 2016)	25-Mar-15	22-Mar-16	22/03/2016	1,000,000.00	3.06
* Macquarie Bank (RIMSEC) (Feb 2016)	13-May-15	08-Feb-16	08/02/2016	1,000,000.00	3.00
CBA May (2020)	19-May-15	19-May-16	19/05/2020	2,000,000.00	3.41
NAB (May 2016)	20-May-15	20-May-16	24/05/2016	3,000,000.00	4.00
* BOQ (Jan 2016)	02-Jun-15	12-Jan-16	12/01/2016	2,000,000.00	3.00
Suncorp Bank (Dec 2015)	10-Jun-15	08-Dec-15	08/12/2015	2,000,000.00	3.00
* Suncorp (Jan 2016)	25-Jun-15	19-Jan-16	19/01/2016	3,000,000.00	3.05
Rural Bank (Curve) (Jul 2016)	01-Jul-15	05-Jul-16	05/07/2016	1,000,000.00	3.00
RaboDirect (Curve) (Jul 2016)	28-Jul-15	26-Jul-16	26/07/2016	1,000,000.00	5.40
* MEB (Jul 2016)	29-Jul-15	26-Jul-16	26/07/2016	2,000,000.00	3.71
* BOQ (Aug 2017)	05-Aug-15	08-Aug-16	08/08/2017	2,000,000.00	3.00
RaboDirect (Curve) (Aug 2019)	07-Aug-15	07-Aug-16	13/08/2019	2,000,000.00	4.30
AMP (RIMSEC) (May 2016)	11-Aug-15	10-May-16	10/05/2016	3,000,000.00	2.90
* Bendigo (Curve) (Feb 2017)	11-Aug-15	09-Feb-16	14/02/2017	2,000,000.00	2.95
* BOQ (Aug 2015)	11-Aug-15	06-Aug-16	08/08/2017	3,000,000.00	3.00
* BOQ (Aug 2016)	11-Aug-15	06-Aug-16	08/08/2017	1,000,000.00	3.00

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Counterparty	Lodged or Rolled	Interest Due	Maturity Date	Principal	% Yield
NAB (Aug 2015)	11-Aug-15	16-Feb-16	16/02/2016	4,000,000.00	2.95
NAB (Aug 2015)	18-Aug-15	16-Feb-16	16/02/2016	1,000,000.00	2.95
Rabo (RIMSEC) (Feb 2018)	19-Aug-15	18-Aug-16	20/02/2018	3,000,000.00	3.00
Rabo Bank (Curve) (Aug 2018)	21-Aug-15	21-Aug-16	21/08/2018	2,000,000.00	4.10
* Suncorp (Aug 2015)	25-Aug-15	23-Feb-20	23/02/2020	2,000,000.00	2.85
* Suncorp (Aug 2015)	25-Aug-15	23-Feb-20	23/02/2020	2,000,000.00	2.85
* Westpac (Aug 2020)	25-Aug-15	24-Aug-16	25/08/2020	2,000,000.00	3.00
Rabo (Curve) (Aug 2018)	26-Aug-15	26-Aug-16	28/08/2018	3,000,000.00	3.00
* Bendigo Bank (Sept 2019)	01-Sep-15	03-Sep-16	03/09/2019	1,000,000.00	4.15
Maitland MBS (RIMSEC) (Mar 2016)	01-Sep-15	01-Mar-16	01/03/2016	2,000,000.00	3.00
Rabo Bank (Curve) (Sept 2019)	01-Sep-15	01-Sep-16	03/09/2019	1,000,000.00	4.05
Rural Bank (Curve) (Mar 2016)	01-Sep-15	01-Mar-16	01/03/2016	3,000,000.00	2.90
* Suncorp (Sept 2015)	01-Sep-15	01-Dec-15	01/12/2015	3,000,000.00	2.80
* BOQ (Mar 2016)	02-Sep-15	01-Mar-16	01/03/2016	1,000,000.00	2.85
CBA (Dec 2015)	03-Sep-15	08-Dec-15	08/12/2015	2,000,000.00	2.82
QLD PCU (RIMSEC) (Mar 2016)	03-Sep-15	05-Sep-16	04/09/2018	1,000,000.00	3.05
Rural Bank (Curve) (Mar 2016)	03-Sep-15	08-Mar-16	08/03/2016	1,000,000.00	2.85
NAB (Sept 2016)	04-Sep-15	04-Sep-16	06/09/2016	4,000,000.00	4.25
* Bankwest (Dec 2015)	08-Sep-15	08-Dec-15	08/12/2015	3,000,000.00	2.80
* Bendigo Bank	08-Sep-15	14-Mar-17	14/03/2017	1,000,000.00	2.80
Gateway CU (RIMSEC)	08-Sep-15	07-Jun-16	07/06/2016	2,000,000.00	2.86
* Westpac (Dec 2018)	08-Sep-15	08-Dec-15	08/12/2018	2,000,000.00	3.00
Investec (RIMSEC) (Jun 2016)	10-Sep-15	10-Dec-15	14/06/2016	1,000,000.00	3.29
* BOQ (Jan 2016)	15-Sep-15	19-Jan-16	19/01/2016	2,000,000.00	2.80
* NAB (Mar 2016)	15-Sep-15	22-Mar-16	08/03/2016	4,000,000.00	3.15

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	Counterparty	Lodged or Rolled	Interest Due	Maturity Date	Principal	% Yield
*	Suncorp (Mar 2016)	15-Sep-15	22-Mar-16	22/03/2016	4,000,000.00	2.92
*	Westpac (Sept 2015)	15-Sep-15	15-Dec-15	15/12/2015	3,000,000.00	2.83
*	BOQ (Sept 2015) annual interest	21-Sep-15	22-Mar-16	22/03/2016	2,000,000.00	2.95
*	BOQ (Sept 2016) quarterly interest	21-Sep-15	21-Dec-15	20/09/2016	2,000,000.00	3.48
	NAB (Dec 2019)	21-Sep-15	21-Dec-15	17/12/2019	2,000,000.00	3.24
	NAB (Mar 2016)	24-Sep-15	22-Mar-16	22/03/2016	2,000,000.00	3.00
*	IMB (Jan 2020)	06-Oct-15	06-Jan-16	06/01/2020	1,000,000.00	3.17
*	Westpac (Apr 2016) quarterly interest	07-Oct-15	07-Jan-16	07/04/2016	2,000,000.00	3.47
*	Westpac (Jan 2016)	12-Oct-15	11-Jan-16	11/01/2016	8,000,000.00	3.43
*	Bendigo Bank (Curve) (April 2017)	13-Oct-15	13-Oct-16	18/04/2017	2,000,000.00	3.00
	NAB (Jan 2020)	16-Oct-15	18-Jan-16	21/01/2020	2,000,000.00	3.75
*	Investec (July 2016)	26-Oct-15	25-Jan-16	26/07/2016	2,000,000.00	3.25
*	Bankwest (Oct 2015)	27-Oct-15	23-Feb-16	23/02/2016	1,000,000.00	2.85
	Defence Bank (Curve) (Oct 2017)	27-Oct-15	26-Oct-16	24/10/2017	1,000,000.00	3.00
	ING (RIMSEC) (Jan 2019)	29-Oct-15	29-Jan-16	29/01/2019	2,000,000.00	2.99
	NAB (Feb 2020)	03-Nov-15	03-Feb-16	03/02/2020	1,000,000.00	3.70
*	IMB (Nov 2017)	05-Nov-15	05-Feb-16	06/11/2017	1,000,000.00	3.05
*	Bankwest (Nov 2015)	10-Nov-15	09-Feb-16	09/02/2016	2,000,000.00	2.90
	ING (RIMSEC) (Feb 2020)	11-Nov-15	11-Feb-16	11/02/2020	1,000,000.00	3.34
	RaboDirect (Curve) (Nov 2016) annual interest	11-Nov-15	22-Nov-16	22/11/2016	1,000,000.00	6.30
	NAB (May 2020) annual interest	12-Nov-15	12-Feb-16	12/02/2020	2,000,000.00	3.40
	CBA (Feb 2020)	13-Nov-15	13-Feb-16	13/02/2020	1,000,000.00	3.14
*	Westpac (Feb 2016)	18-Nov-15	18-Feb-16	18/02/2016	2,000,000.00	3.45



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Counterparty	Lodged or Rolled	Interest Due	Maturity Date	Principal	% Yield
* CBA May (2020)	19-Nov-15	19-Feb-16	19/05/2020	1,000,000.00	3.11
BOQ (Feb 2016)	23-Nov-15	23-Feb-16	23/02/2016	1,000,000.00	3.85
NAB (Oct 2016)	23-Nov-15	21-Dec-15	18/10/2016	2,000,000.00	2.98
Rabo (Curve) (Jul 2018)	26-Nov-15	26-Nov-16	03/07/2018	3,000,000.00	3.10
* Suncorp (Jan 2016)	02-Jul-16	27-Jan-16	27/01/2016	2,000,000.00	3.05
<b>Total</b>				<b>161,000,000.00</b>	<b>3.36</b>
<b>LEGEND</b>					
<b>Counterparties</b>					
AMP = AMP Bank		Macquarie = Macquarie Bank		WBC = Westpac Bank	
ANZ = ANZ Bank		NAB = National Australia Bank			
Auswide = Auswide Bank		ME = Members Equity Bank			
BOQ = Bank of Queensland		NPBS = Newcastle Permanent Building Society			
CBA = Commonwealth Bank		P&N = P&N Bank			
Heritage = Heritage Bank		RaboDirect = Rabo Bank			
ING = ING Bank		Rural = Rural Bank			
Investec = Investec Bank		Suncorp = Suncorp Metway Bank			

## 6. Ethical Investments

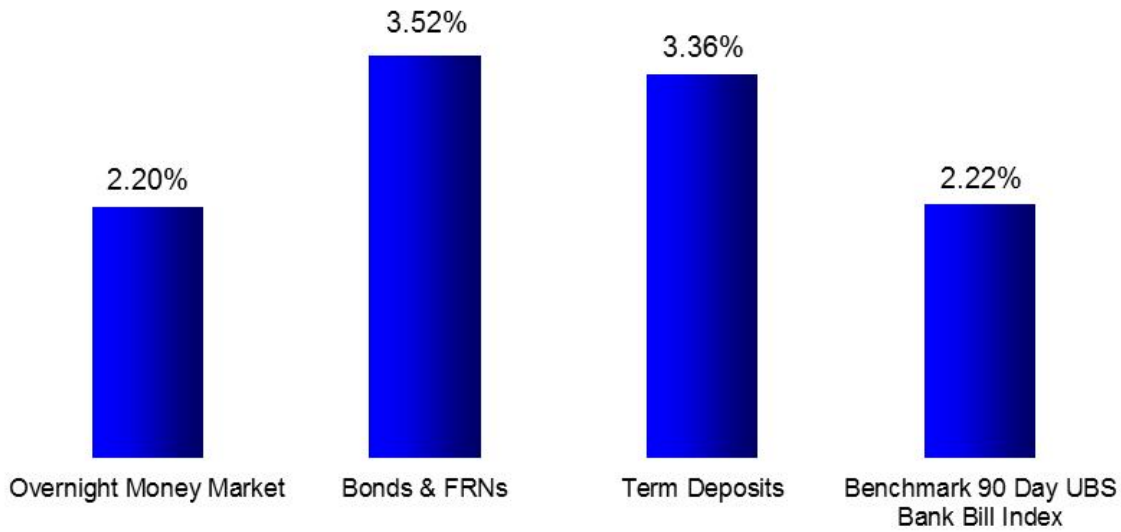
- \* Ethical Financial Institutions highlighted  
**\$123,977,076** which represents **51.77%** of the total portfolio  
Source: Australian Ethical - [www.australianethical.com.au](http://www.australianethical.com.au)

## 7. Performance by Category

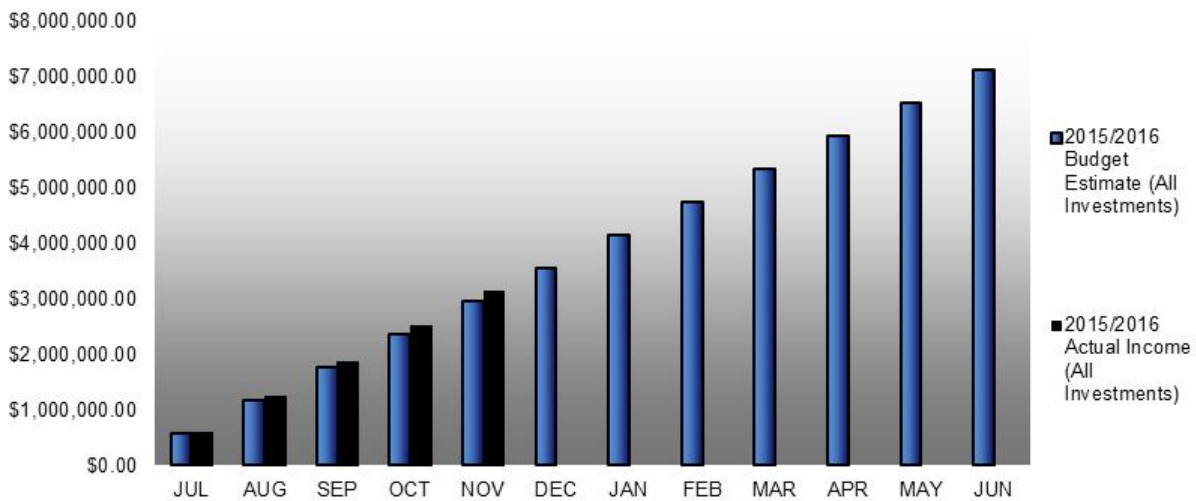
Category	Face Value	Market Value	Weighted Average Return	Above or (Below) 90 day BBSW Benchmark	
Overnight Money Market	6,700,000.00	6,700,000.00	2.20%	-0.02%	
Bonds & FRNs	71,600,000.00	71,760,401.00	3.52%	1.31%	
Term Deposits	161,000,000.00	161,000,000.00	3.36%	1.14%	
Benchmark 90 Day UBS Bank Bill Index	2.22%	239,300,000.00	239,460,401.00	2.22%	0.81%

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Performance by Category Compared with Benchmark



8. Total Portfolio Income v Budget



9. Investment Policy Diversification and Credit Risk

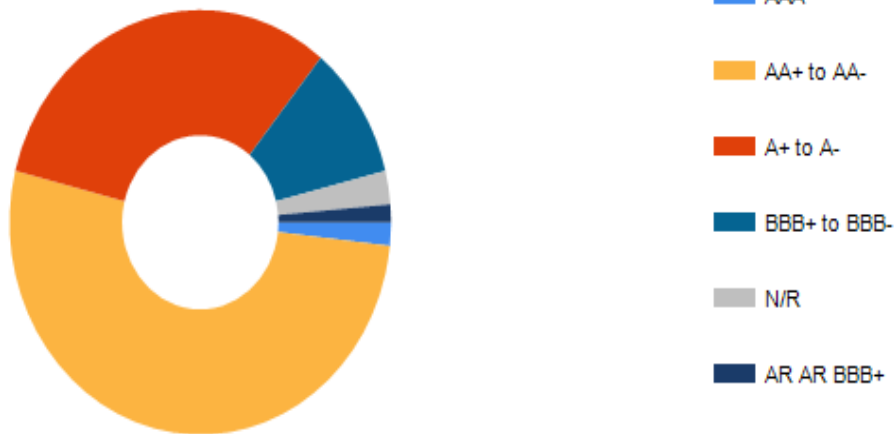
Total Portfolio Credit Limits Compared to Policy Limits					
Long-Term Credit Ratings	Investment Policy Limit	Actual Portfolio	Short-Term Credit Ratings	Investment Policy Limit	Actual Portfolio
AAA Category	100%	<b>0.87%</b>	A-1+	100%	<b>15.33%</b>
AA Category	100%	<b>25.65%</b>	A-1	100%	<b>10.02%</b>
A Category	60%	<b>15.72%</b>	A-2	60%	<b>16.70%</b>
BBB Category	20%	<b>5.69%</b>	A-3	0%	<b>0.00%</b>
Unrated	10%	<b>1.25%</b>	Unrated	10%	<b>8.77%</b>

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Market Value by Security Rating Group (Short Term)



Market Value by Security Rating Group (Long Term)



10. Term to Maturity

Maturity Profile	Actual % Portfolio	Policy Limits
Less than 365 days	47.92%	Minimum 40%
More than 365 days and less than 3 years	27.98%	Maximum 60%
3 years and less than 5 years	24.10%	Maximum 35%
Total	100.00%	

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**Market Value by Term Remaining**



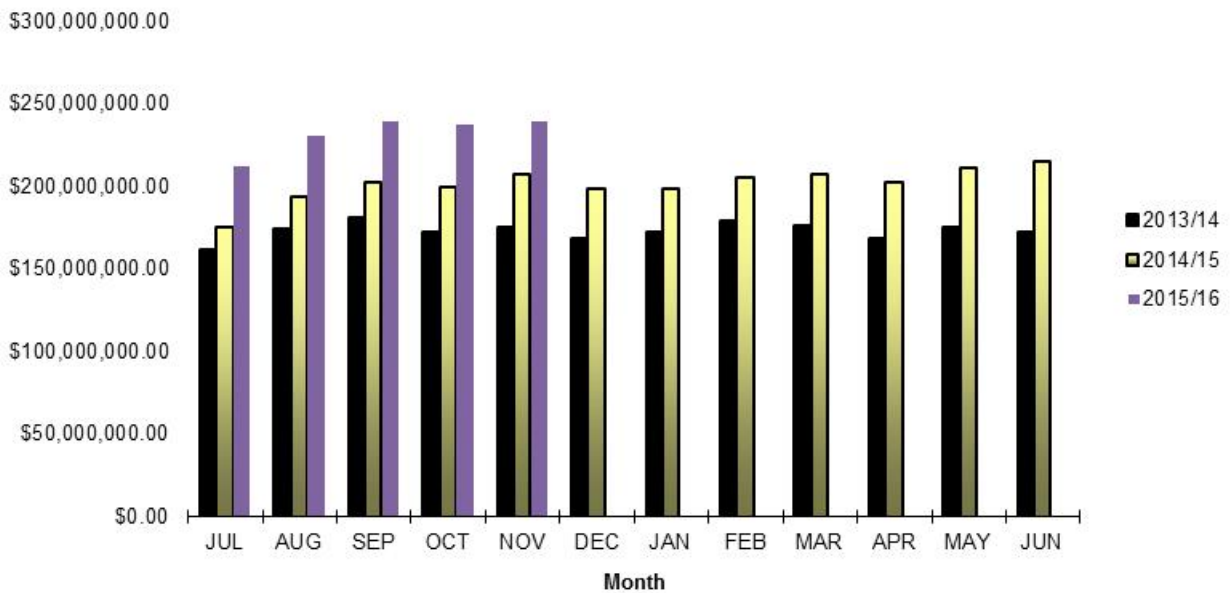
**11. Investment Alternatives Explained**

Investment Product	Maturity Range	Usual term to maturity	Major Benefits	Major risks
At Call Cash	At Call	Immediate to a few months	Highly liquid - same day access to funds with no impact on capital	Not a capital growth asset
			Highly secure as a bank deposit	Underperforms other asset classes in the long term
Bank Bill	1 - 180 days	Less than 1 year	Highly liquid - same day access to funds, usually with no or minimal impact on capital	Not a growth asset
			Highly secure (bank risk)	Underperforms other asset classes in the long term
				May incur a small loss for early redemption
Term Deposit	Up to 5 years	Less than 2 years	Liquid - same day access to funds	Will incur a small capital loss for early termination
			Highly secure as a bank deposit	Underperforms growth assets in the longer term
Floating Rate Note Bond	1 - 5 years	Greater than 2 years	Increased yield over bank bills	Not a growth asset
			Can accrue capital gain if sold ahead of maturity and market interest rates have fallen	Can incur capital losses is sold ahead of maturity and market interest rates have risen
			Coupon interest rate resets quarterly based on 90 day bank bill swap rate	Credit exposure to company issuing the paper
			Relatively liquid	May not be bank guaranteed
			Less administration than bank bills	Underperforms other asset classes in the long term

**LATE ADDENDUM REPORT**

Investment Product	Maturity Range	Usual term to maturity	Major Benefits	Major risks
Fixed Rate/Bond	1 - 5 years	Greater than 3 years	Can accrue capital gain if sold before maturity and market interest rates have fallen	Can incur capital losses if sold before maturity and market interest rates have risen
			Fixed return - semi annual coupons	Credit exposure to company issuing paper
			Generally liquid	
			Can be government or corporate issuer	

**12. Monthly Comparison of Total Funds Invested**



**13. Section 94 Developer Contributions - Monthly Balances & Receipts**

Contribution Plan	Plan Description	End of Month Balance	Contributions Received for Month
1	DCP3 Open Space	4,300,467	4,906
2	Western Drainage	611,962	3,650
3	DCP3 Community Facilities	1,656	
4	TRCP Road Contributions	12,322,151	661,175
5	Open Space	376,646	11,988
6	Street Trees	192,845	0
7	West Kingscliff	462,949	0
10	Cobaki Lakes	-1,370	
11	Libraries	2,066,803	12,084
12	Bus Shelters	89,176	935
13	Cemeteries	65,260	1,762

## LATE ADDENDUM REPORT

Contribution Plan	Plan Description	End of Month Balance	Contributions Received for Month
14	Mebbin Springs	91,560	
15	Community Facilities	1,070,446	20,036
16	Surf Lifesaving	399,698	0
18	Council Administration/Technical Support	1,178,681	32,274
19	Kings Beach	743,521	
20	Seabreeze Estate	764	
21	Terranora Village	33,049	
22	Cycleways Shirewide	257,942	5,338
23	Carparking Shirewide	1,428,773	
25	SALT	1,138,034	
26	Open Space Shire wide	1,002,870	70,974
27	Tweed Heads Masterplan	178,360	
28	Seaside City	343,119	66,482
91	DCP14	109,574	
92	Public Reserve Contributions	137,363	
95	Bilambil Heights	535,822	
	<b>Total</b>	<b>29,138,121</b>	<b>891,604</b>

### 14. Economic Commentary

#### Australian and World Economy and Cash Rate

At its 1 December 2015 meeting the Reserve Bank of Australia (RBA) left the cash rate unchanged at 2 per cent.

The RBA commentary accompanying the cash rate decision is reproduced below:

"The global economy is expanding at a moderate pace, with some softening in conditions in the Asian region, continuing US growth and a recovery in Europe. Key commodity prices are much lower than a year ago, reflecting increased supply, including from Australia, as well as weaker demand. Australia's terms of trade are falling.

The US Federal Reserve is expected to start increasing its policy rate over the period ahead, but some other major central banks are continuing to ease monetary policy. Volatility in financial markets has abated somewhat for the moment. While credit costs for some emerging market countries remain higher than a year ago, global financial conditions overall remain very accommodative.

In Australia, the available information suggests that moderate expansion in the economy continues in the face of a large decline in capital spending in the mining sector. While GDP growth has been somewhat below longer-term averages for some time, business surveys suggest a gradual improvement in conditions in non-mining sectors over the past year. This has been accompanied by stronger growth in employment and a steady rate of unemployment.

## LATE ADDENDUM REPORT

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Inflation is low and should remain so, with the economy likely to have a degree of spare capacity for some time yet. Inflation is forecast to be consistent with the target over the next one to two years.

In such circumstances, monetary policy needs to be accommodative. Low interest rates are acting to support borrowing and spending. While the recent changes to some lending rates for housing will reduce this support slightly, overall conditions are still quite accommodative. Credit growth has increased a little over recent months, with credit provided by intermediaries to businesses picking up. Growth in lending to investors in the housing market has eased. Supervisory measures are helping to contain risks that may arise from the housing market.

The pace of growth in dwelling prices has moderated in Melbourne and Sydney over recent months and has remained mostly subdued in other cities. In other asset markets, prices for commercial property have been supported by lower long-term interest rates, while equity prices have moved in parallel with developments in global markets. The Australian dollar is adjusting to the significant declines in key commodity prices.

At today's meeting the Board again judged that the prospects for an improvement in economic conditions had firmed a little over recent months and that leaving the cash rate unchanged was appropriate. Members also observed that the outlook for inflation may afford scope for further easing of policy, should that be appropriate to lend support to demand. The Board will continue to assess the outlook, and hence whether the current stance of policy will most effectively foster sustainable growth and inflation consistent with the target.

### **Council's Investment Portfolio**

Council's investment portfolio is conservatively structured in accordance with Office of Local Government guidelines with 70% of the portfolio held in cash and term deposits. Term deposits and bonds particularly are paying just above average margins over the 90 day bank bill rate.

Banks demand for term deposits funds has diminished since the start of the 2015/16 financial year in conjunction with the low cash rate and new banking capital requirements. This lack of demand for funds is highlighted by the lowering of many "at call" rates to less than the RBA cash rate and compressed margins above the 90 day bank bill benchmark for term deposits. These compressed margins are not expected to continue into 2016 as banks requirement for depositors funds begin to increase.

Lack of bank demand for term deposits and the historic low cash rate is translating to lower total investment yields. This continues to present difficulties obtaining reasonable investment income without risking capital.

All investment categories, except cash at call, out-performed the UBS 90 day bank bill benchmark this month. The investment portfolio again benefited this month from higher yielding bonds and term deposits purchased before interest rate margins began contracting. Overall, the investment portfolio has returned an average 0.81% pa above the 90 day UBS bank bill index for the last month.

*Source: RBA Monetary Policy Decision*

**LATE ADDENDUM REPORT**

**15. Investment Summary**

<b>GENERAL FUND</b>	CORPORATE FIXED RATE BONDS	12,456,700.00	
	FLOATING RATE NOTES	59,303,701.00	
	ASSET BACKED SECURITIES	0.00	
	FUND MANAGERS	0.00	
	TERM DEPOSITS	50,000,000.00	
	CALL ACCOUNT	6,700,000.00	<b>128,460,401.00</b>
<b>WATER FUND</b>	TERM DEPOSITS	47,000,000.00	
	FUND MANAGERS	0.00	<b>47,000,000.00</b>
<b>SEWERAGE FUND</b>	TERM DEPOSITS	64,000,000.00	
	FUND MANAGERS	0.00	<b>64,000,000.00</b>
<b>TOTAL INVESTMENTS</b>			<b>239,460,401.00</b>

It should be noted that the General Fund investments of \$XXX 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.



**Acting Responsible Accounting Officer**  
Acting Manager Financial Services  
Tweed Shire Council

**OPTIONS:**

Not Applicable.

**CONCLUSION:**

Not Applicable.



## LATE ADDENDUM REPORT

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### **COUNCIL IMPLICATIONS:**

**a. Policy:**

Corporate Policy Not Applicable.

**b. Budget/Long Term Financial Plan:**

Not Applicable.

**c. Legal:**

Local Government (General) Regulations 2005 - Section 212 - Reports on council investments

*"(1) 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.*

*(2) The report must be made up to the last day of the month immediately preceding the meeting."*

**d. Communication/Engagement:**

**Inform** - We will keep you informed.

### **UNDER SEPARATE COVER/FURTHER INFORMATION:**

Nil.

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