

REPORTS THROUGH THE GENERAL MANAGER

aO10 [TCS-OC] Monthly Investment Report for Period Ending 31 October
2007

ORIGIN:

Financial Services

SUMMARY OF REPORT:

This report is provided to Council to advise details of monies Council has invested in accordance with Section 625 of the Local Government Act 1993.

RECOMMENDATION:

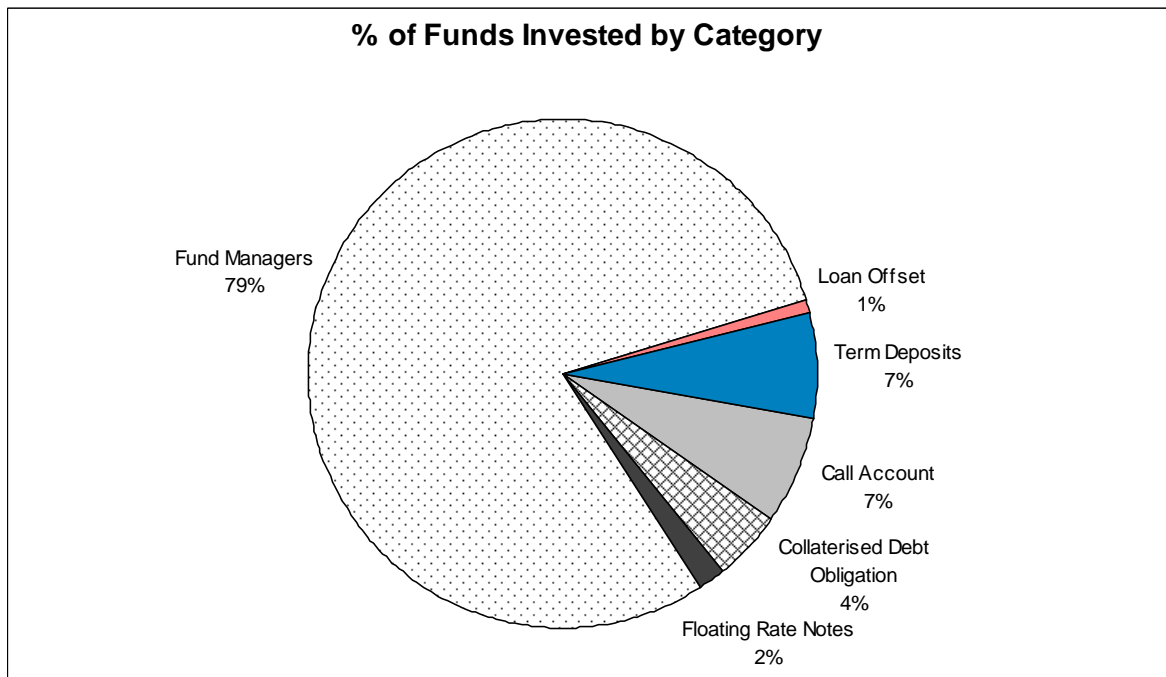
That in accordance with Section 625 of the Local Government Act 1993 the monthly investment report as at 31 October 2007 totalling \$121,634,110.28 be received and noted.

REPORT:

Report for Period Ending 31 October 2007

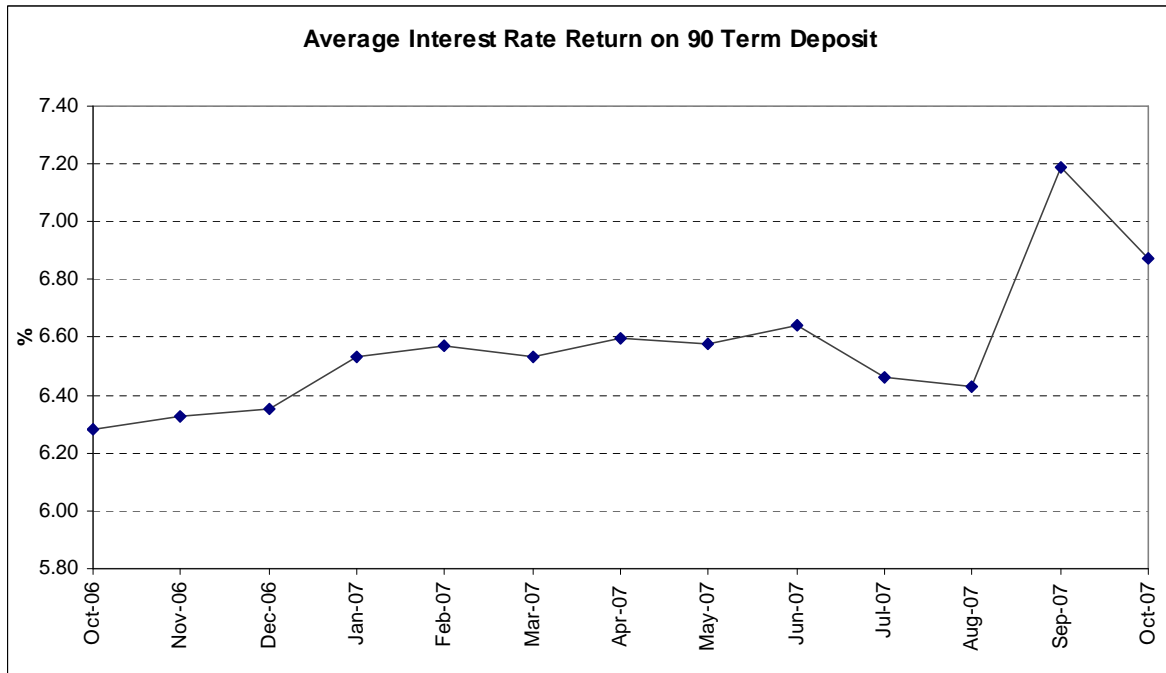
The "Responsible Accounting Officer" must report monthly to Council, setting out details of all the funds Council has invested and certification has been made in accordance with Section 625 of the Local Government Act (1993), Clause 212 of the Local Government (General) Regulations and Council policies.

1. CURRENT INVESTMENT PORTFOLIO BY CATEGORY

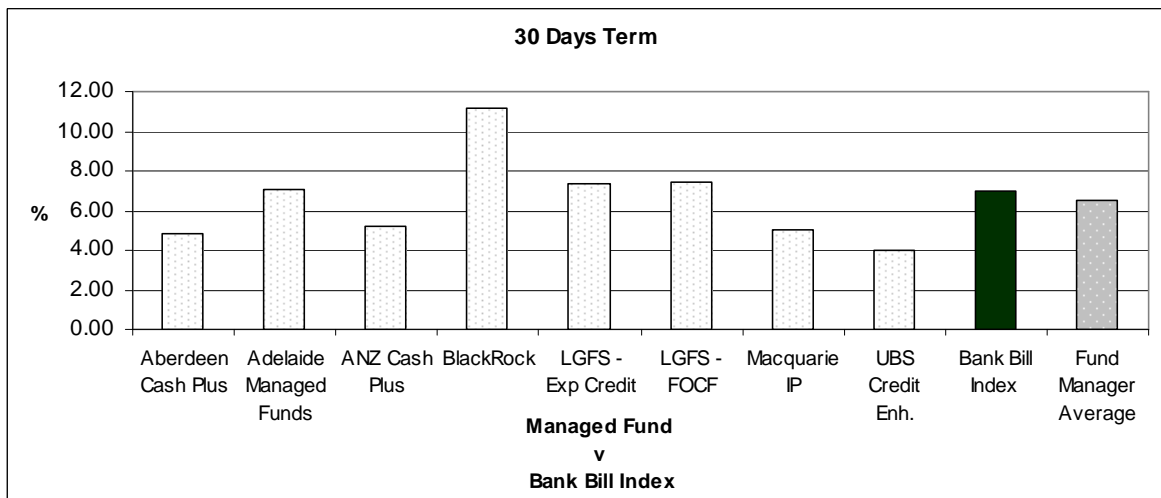


ADDENDUM REPORT

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



3. ANNUALISED RATE OF RETURN FOR FUNDS MANAGERS - NET OF FEES

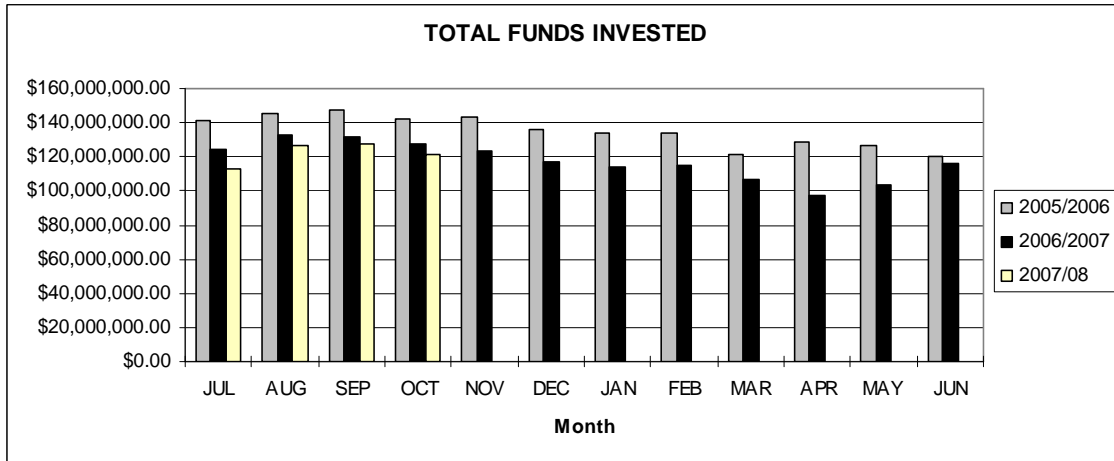


4. FUND MANAGERS END OF MONTH BALANCE

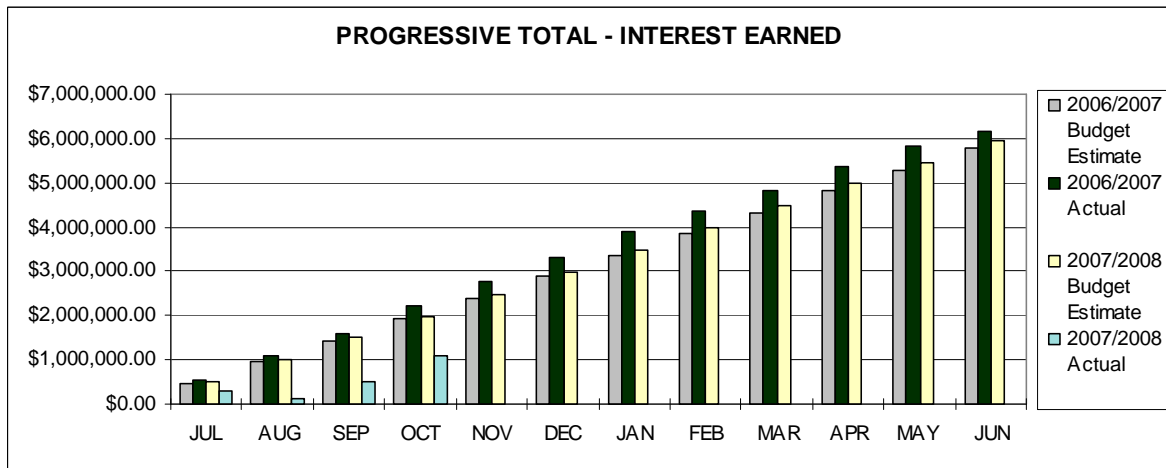
Aberdeen Cash Plus	\$16,695,151
Adelaide Managed Funds	\$14,380,598
ANZ Cash Plus	\$6,348,248
BlackRock	\$13,700,455
LGFS - Exp Credit	\$8,137,602
LGFS - FOCF	\$15,125,875
Macquarie IP	\$22,198,802
UBS Credit Enh.	\$7,924
Total	96,594,655

5. MONTHLY COMPARISON OF TOTAL FUNDS INVESTED

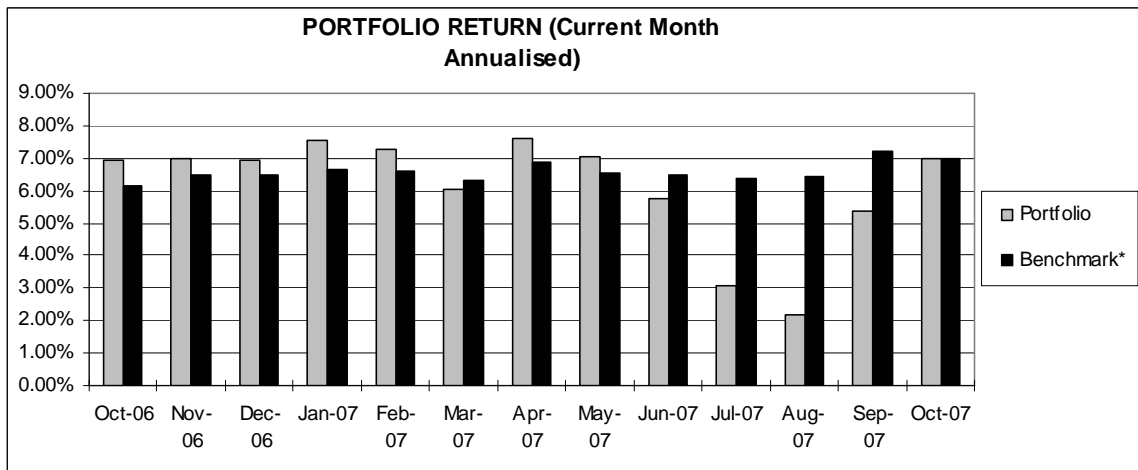
ADDENDUM REPORT



6. ANNUAL PROGRESSIVE TOTAL OF INTEREST ON TOTAL FUNDS INVESTED



7. PORTFOLIO PERFORMANCE



8. MARKET COMMENTARY

Domestic Economy

The Reserve Bank of Australia (RBA) raised the cash rate by 0.25% to 6.75% pa on 7 November. The RBA noted that "inflation had increased in Australia and by March 2008 inflation is likely to be running above 3% pa.

Global Economy

The International Monetary Fund cut its global growth forecast for 2008 to 4.8% pa from 5.2% pa.

Council's Investment Portfolio.

The Federal Reserve cut interest rates in the US by 0.25% to 4.50% pa on 31 October. This "action, combined with the policy action taken in September, should help forestall some of the adverse effects on the broader economy that might otherwise arise from the disruptions in financial markets and promote moderate growth over time." In summary the Federal Reserve has attempted to assist investment banks and to a lesser degree, mortgage holders impacted by sub-prime excesses.

The "squeeze" in credit markets continues with resultant increased loan interest rates.

Council's Investment Portfolio Performance

Council's Investment Portfolio overall performance was 6.98% pa compared with the 90 day BBSW benchmark of 6.96% pa. Due to turmoil in credit markets the performance of the portfolio since 1 July 2007 is 0.77% below benchmark due to three months of below benchmark returns. A substantial improvement in credit markets will be required if the portfolio is to average above benchmark returns for the 2007/08 financial year. This appears unlikely as the fall-out from USA sub-prime "meltdown" continues.

Source: Oakvale Capital Limited

9. INVESTMENT SUMMARY AS AT 31 OCTOBER 2007

GENERAL FUND

COLLATERISED DEBT OBLIGATION	5,377,880.00	
FLOATING RATE NOTE	2,027,200.00	
FUND MANAGERS	49,893,662.05	
LOAN OFFSET	1,034,375.00	
TERM DEPOSITS	8,000,000.00	
CALL	8,600,000.00	74,933,117.05

WATER FUND

FUND MANAGERS	31,995,720.73	31,995,720.73
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SEWERAGE FUND

FUND MANAGERS	14,705,272.50	14,705,272.50
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TOTAL INVESTMENTS		121,634,110.28
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It should be noted that the General Funds investments of \$75 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.

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.



M. Clarke

**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 or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.



ADDENDUM REPORT
