
CBD MASTER PLAN PUBLIC EXHIBITION

Purpose:

To seek Council approval to place the Draft CBD Master Plan and Brelsford Park Regional Skate Plaza / Youth Space Concept Design on exhibition.

Description of Item:

Council, at its meeting on 23 August 2012, resolved to let the contract for the development of the Coffs Harbour CBD Master Plan to Roberts Day Pty Limited. Since that time, Roberts Day and their project team have been working with Council's CBD Master Plan Committee in the development of the Draft CBD Master Plan. Roberts Day and the CBD Master Plan Committee have undertaken a range of consultation with the key stakeholders and broader community since that time including a number of community workshops, media releases, establishment of designated website for the project etc. This has led to the point where the Draft CBD Master Plan is now ready to place on exhibition.

As Council is aware, the exhibition and the final adoption of the Master Plan is tied to the Independent Pricing and Regulatory Tribunal's (IPART) timing requirements for a special rate variation for the CBD Special Rate. This has necessitated a very short timeframe for the entire development of the Draft CBD Master Plan, with a view of having plans finalised and before Council in February 2013 in order to make the submission to IPART within their timeframes.

The Draft CBD Master Plan details strategies and projects for the short term and long term development of the CBD. This has been based on traffic studies, research in relation to land uses, car parking, pedestrian access, landscaping, urban design, necessary codes and regulations etc. A detailed Baseline Data Report was developed. This is available on the www.coffscity.com.au website.

The plan sets out the vision for the CBD. It includes the current and proposed works that are known to Council and the community, and suggests projects for the utilisation of the CBD Special Rate funds. It also sets a longer term vision which will require additional funding and private sector investment.

Council, at its meeting of 8 November 2012, passed the following resolution:

288 RESOLVED that Council instruct the CBD Master Plan committee to require the planning consultants to include in its plan due for completion in December 2012, a concept plan of Brelsford Park, detailing the amenities, transport, parking and pedestrian linkages for the total park, having regard to Council's preferred position to locate a Regional Skate Plaza/Youth Space on the Park.

Council staff have worked with the Committee and Roberts Day's consultants in relation to fulfilling this resolution. Part of the Draft CBD Master Plan documentation also includes a Concept Plan for Brelsford Park as outlined in that resolution. It is being recommended that this Concept Design also be placed on public exhibition at the same time as the overall Draft CBD Master Plan incorporating the Brelsford Park Concept Plan.

Council has funds available to undertake the works as previously outlined in the report to the Council at its meeting of 8 November 2012. Council still requires community feedback on the Concept Design and placing it on exhibition at the same time as the Draft CBD Master Plan is on exhibition will ensure that comments are integrated and considered more holistically.

Sustainability Assessment:

- **Environment**

Environmental factors have been considered in the development of the Draft CBD Master Plan, placing it on public exhibition will allow for further comment in relation to this matter.

- **Social**

The development of a viable and vibrant CBD will assist in the development of a stronger social fabric.

- **Civic Leadership**

Council has been working closely with representatives of the CBD Master Plan Committee and the broader community in the development of this Draft CBD Master Plan. This will assist in providing necessary leadership with the ongoing development of the CBD.

- **Economic**

Broader Economic Implications

While there are no direct broader economic implications from placing the Draft CBD Master Plan on exhibition, the development of a viable and vibrant CBD will provide broader economic development for the City in the long term.

Delivery Program / Operational Plan Implications

The costs associated with the exhibition of the Draft CBD Master Plan are within Council's adopted Delivery Program and Operational Plan.

Consultation:

As outlined above, there has been significant consultation in the development of the Draft CBD Master Plan. This has included three community workshops, the development of a website specific for the project www.coffscity.com.au, a range of media releases and editorials from local press.

The placing of the Draft CBD Master Plan on public exhibition is the next step in the detailed community consultation process. It is proposed that given the tight timeframes imposed by IPART that the public exhibition period commences from 14 December and concludes on 28 January 2013. This timeframe is required to allow submissions to be analysed and the report to be written and finalised in order to provide it to Council at its meeting on 28 February 2013.

As discussed throughout the report, the tight timeframes have been managed as best as possible and the CBD Master Plan Committee have had to be very flexible in their review and feedback on the plan to date.

The CBD Master Plan Committee has reviewed the Draft Plan prepared by the consultants Roberts Day, and taking into account the extremely tight timelines imposed by the IPART requirements, considers that the Consultant's Draft Plan should be placed on public exhibition for further community consultation. The Committee will be making a submission to the Draft Plan and is in the process of refining a Schedule of Works.

Following the adoption of the Draft Plan for exhibition purposes, all the landowners in the CBD that pay the special rate, will receive a letter informing them of the exhibition, and inviting them to make submissions via the website set up for this purpose.

Strategic Alignment

This proposal aligns with Council's 2030 in relation to the provision of a vibrant CBD and also in relation to Council undertaking consultation with the community.

Related Policy and / or Precedents:

Council has previously sought and been granted a special rate variation for the CBD and placing the Draft CBD Master Plan on public exhibition is the next step for Council to be prepared to make a CBD Special Rate Variation Application.

Statutory Requirements:

There are no statutory requirements in relation to placing the Draft CBD Master Plan on exhibition; however Council will make a Special Rate Variation Application under Section 508 of the Local Government Act.

Issues:

The major issues in relation to this report are the tight timeframes. This was recognised and acknowledged prior to the appointment of the consultants and has been highlighted at each of the community workshops. It is believed that this tight timeframe has been addressed and the various reasons behind this have been communicated.

If the plan is not placed on exhibition as recommended in this report, and its exhibition is delayed to the New Year, Council risks not being in a position to meet the Independent Pricing and Regulatory Tribunal's timeframes.

Council needs to demonstrate it has engaged the community and stakeholders to show support or otherwise for the extension of the Special Rate going forward.

Implementation Date / Priority:

Public exhibition will commence from the 14 December 2012.

Recommendation:

- 1. That Council places the Draft CBD Master Plan on public exhibition and seek submissions from 14 December 2012 until 28 January 2013.**
- 2. That a further report be provided with a final CBD Master Plan and the proposed ten year work schedule associated with the CBD Special Rate Application to the 28 February 2013 Council Meeting.**
- 3. That Council note the Brelsford Park Regional Skate Plaza / Youth Space Concept Design and place the Concept Design on public exhibition for the same period as the Draft CBD Master Plan.**

Attachment

ATTACHMENT

DRAFT CBD MASTER PLAN

**Will be available
Monday afternoon
via the following link**

<http://www.coffsharbour.nsw.gov.au/Coffs-And-Council/running-council/Pages/minutes-and-agendas.aspx>

CBD MASTER PLAN COMMITTEE

Purpose:

To make a recommendation to Council for the appointment of a business owner to the CBD Master Plan Committee.

Description of Item:

The Council resolved at its meeting of 26 July 2012 to appoint a number of people to the CBD Master Plan Committee. It was also resolved "that the Committee considers and makes recommendations to Council in relation to a prospective CBD business owner, who is not a property owner, to fill that vacant position in the future".

The CBD Master Plan Committee have received a request from Ms Kim Towner who operates a business in the CBD to be appointed to that position. Kim Towner was involved in the CBD Working Group that developed the CBD Master Plan Committee and has a background in working with the group and on this project.

A submission has also been received from Ms Suzanne Button who is a local business operator and part of a recently established retail group.

Sustainability Assessment:

- **Environment**

There are no environmental impacts as a result of the recommendations in this report.

- **Social**

A vibrant CBD is critical for the social benefit of a large number of people as it is a place to meet, to congregate, to engage in business, etc. These activities are an important part of the social fabric of any vibrant and growing community. The CBD Master Plan Committee is helping to assist this.

- **Civic Leadership**

Council has already appointed the CBD Master Plan Committee. It has one current vacancy for a business owner. Appointing someone to this vacant position will complete the make-up of the Committee and allow Council to continue to provide leadership in this area.

- **Economic**

Broader Economic Implications

There are no broader economic implications as a result of this report.

Delivery Program/Operational Plan Implications

There are no Delivery Program or Operational Plan implications as a result of this report.

Consultation:

Consultation has occurred with the Committee.

Strategic Alignment

The proposal aligns with Council's 2030 in relation to a vision of a vibrant CBD and also in relation to Council undertaking consultation with the community.

Related Policy and / or Precedents:

Council has a number of Section 355 committees that have terms of reference that are to be abided by.

Statutory Requirements:

There are no statutory requirements in relation to this report.

Issues:

The CBD Master Plan Committee considered this matter at their meeting held on 15 November 2012. Both nominations were discussed. The Committee are recommending to Council that Kim Towner be appointed to the Committee.

Implementation Date / Priority:

The appointee will be invited to be a member of the Committee after the resolution of Council.

Recommendation:

That Council appoint Ms Kim Towner as the business owner, who is not a property owner, to the vacant position on the CBD Master Plan Committee, in line with the CBD Master Plan Committee recommendation, and thank Ms Button for her expression of interest in the position.

MONTHLY BUDGET REVIEW FOR OCTOBER 2012

Purpose:

To report on the estimated budget position as at 31 October 2012.

Description of Item:

Estimated Budget Position as at 31 October 2012:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 24 May 2012	308,365 (D)	4,397,830 (D)	3,542,337 (D)
Approved Variations to 30 September 2012	(6,129) (S)	Nil	Nil
Recommended variations for October 2012	(108,794) (S)	Nil	Nil
Estimated result as at 31 October 2012	<u>193,442 (D)</u>	<u>4,397,830 (D)</u>	<u>3,542,337 (D)</u>

General Account

Deficit/(Surplus)

Pavement Investigation expenditure to be funded from Gravel Patching budget allocation	25,000 (D)
Gravel Patching surplus to fund Pavement Investigation expenditure	(25,000) (S)
2012 Election Expenses savings	(70,000) (S)
Customer Services staff costs surplus due to vacant management position	(77,000) (S)
Savings from lease vehicle no longer offered	(8,800) (S)
Regional Roads Repair grant over expenditure unable to be offset against project under spent within the same program in accordance with current RMS guidelines.	24,892 (D)
RMS Natural Disaster March 2009 grant over expenditure unable to be offset against project under spent within the same program in accordance with current RMS guidelines.	22,114 (D)
Surplus risk management bonus funds received above that anticipated	(4,786) (S)
Surplus statewide mutual contribution received above that anticipated	(14,727) (S)
Council contribution towards lighting, fans and electrical upgrade for Sportz Central	19,513 (D)

Total

(108,794) (S)

Water Account

Water and Sewer Data Management costs	50,000 (D)
Strategic and financial plan funding reallocation to data management project	(50,000) (S)

Total

Nil

Sewer Account

Total

Nil

Sustainability Assessment:

- **Environment**

There are no perceived short or long-term environmental impacts.

- **Social**

There are no perceived short or long term social impacts.

- **Civic Leadership**

Council strives to reach a balanced budget position by June 30 each year in conjunction with meeting its short term priorities.

- **Economic**

Broader Economic Implications

When dealing with increased community demands Council has to focus on the balance of providing services with the limited funds available. Council must also ensure that a healthy financial position is maintained to ensure ongoing viability of the organisation.

Delivery Program/Operational Plan Implications

The Original budget for the General Account adopted on the 24 May 2012 provided for a deficit of \$308,365.

For substantial budget adjustments the associated council reports have addressed the triple bottom line factors independently in 2012/13.

Consultation:

Managers and their relevant staff have been provided with electronic budget reports for each program on a monthly basis. Requested variations and variations adopted by Council have been included in the report.

Related Policy and / or Precedents:

The Director of Corporate Business has provided guidelines to staff regarding their responsibilities relating to effective and transparent budget review and assessment processes. This framework provides guidance in achieving the objective of a year end balanced budget in the General Fund.

Statutory Requirements:

Under local government regulations Council is required to submit a quarterly budget review to Council. Therefore Council is under no obligation to provide monthly reviews but has recommended they be completed as part of prudent financial management.

The Responsible Accounting Officer believes this report indicates the financial position of the Council is satisfactory, having regard to the original estimate of Income and Expenditure.

Issues:

Currently any major budget issues are collated and addressed on a monthly basis via a separate report to the Corporate Development Team.

Implementation Date / Priority:

Management will continue to monitor the organisation's performance with a view to improving service delivery.

Recommendation:

That the budget adjustments be approved and the current budget position be noted.

Estimated Budget Position as at 31 October 2012:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 24 May 2012	308,365 (D)	4,397,830 (D)	3,542,337 (D)
Approved Variations to 30 September 2012	(6,129) (S)	Nil	Nil
Recommended variations for October 2012	(108,794) (S)	Nil	Nil
Estimated result as at 31 October 2012	<u>193,442 (D)</u>	<u>4,397,830 (D)</u>	<u>3,542,337 (D)</u>

COFFS COAST STATE PARK TRUST AND WOOLGOOLGA BEACH RESERVE TRUST ANNUAL TRADING REPORT 2011-2012

Purpose:

To report on the trading performance of the Coffs Coast State Park Trust and Woolgoolga Beach Reserve Trust Caravan and Holiday Park operations for the period 1 July 2011 to 30 June 2012.

Description of Item:

The tourist accommodation sector has remained 'soft' for the 2011/12 financial year with broader economic trends indicating a consumer desire to reduce debt and increase saving in the wake of the GFC. In addition, the very strong Australian dollar has resulted in increased incentive to travel abroad in lieu of domestic travel and has also increased the consumers buying power for imported products, particularly electronics and new motor vehicles.

As a result, consumer demand for a holiday park experience has declined industry wide, both in the frequency of visits and average length of stay. Despite these trends, the Coffs Coast State Park Trust and Woolgoolga Beach Reserve Trust caravan/holiday park operations have performed reasonably well against budget during 2011/12 financial year.

A review of unadjusted pre audit trading performances for the Trusts is as follows:

COFFS COAST STATE PARK TRUST

	Budget 11/12	Actual 11/12	Variation
Operating Surplus			
Trading Result			
Trading Income Park Beach	3,534,450.00	3,630,818.00	2.7%
Trading Income Sawtell	2,093,500.00	2,139,558.00	2.2%
Trading Income Total	5,627,950.00	5,770,376.00	2.5%
Trading Expenses Park Beach	2,568,400.00	2,678,225.00	4.3%
Trading Expenses Sawtell	1,540,250.00	1,497,527.00	2.7%
Trading Expenses Total	4,108,650.00	4,175,752.00	1.6%
Trading Profit Total	1,519,300.00	1,594,624.00	5.0%
Other Income (Interest, Loans)			
Park Beach	0.00	18,023.00	N/A
Sawtell	22,000.00	101,468.00	361%
Total Other Income	22,000.00	119,491.00	443%

Other Expenditure (admin, levies etc.)			
Park Beach	314,357.00	418,987.00	33.3%
Sawtell	274,767.00	258,849.00	(5.6%)
Total Other Expenditure	589,124.00	677,836.00	15.1%
Net Operational Surplus	952,176.00	1,036,279.00	8.8%
Capital Expenditure			
Park Beach	661,886.00	493,439.00	(25.4%)
Sawtell	548,793.00	305,545.00	(44.3%)
Total Capital Expenditure	1,210,679.00	798,984.00	(34.0%)

WOOLGOOLGA BEACH RESERVE TRUST

	Budget 11/12	Actual 11/12	Variation
Operating Surplus			
Trading Result			
Trading Income Woolgoolga Beach	751,000.00	986,206.00	31.3%
Trading Income Lakeside	318,250.00	430,904.00	35.3%
Trading Income Total	1,069,250.00	1,417,110.00	32.5%
Trading Expenses Woolgoolga Beach	591,100.00	678,630.00	14.8%
Trading Expenses Lakeside	300,900.00	362,790.00	20.6%
Trading Expenses Total	892,000.00	1,041,420.00	16.8%
Trading Profit Total	177,250.00	375,690.00	112.0%
Other Income (Interest, Loans)			
Woolgoolga Beach	4,500.00	15,645.00	248%
Lakeside	1,700.00	6,268.00	269%
Total Other Income	6,200.00	21,913.00	253%
Other Expenditure (admin, levies etc.)			
Woolgoolga Beach	41,500.00	65,849.00	58.6%
Lakeside	10,500.00	6,691.00	(36.3%)
Total Other Expenditure	52,000.00	72,582.00	39.6%
Net Operational Surplus	131,450.00	325,021.00	147.3%
Capital Expenditure			
Woolgoolga Beach	94,000.00	54,775.00	(41.7%)
Lakeside	106,500.00	85,114.00	(20.1%)
Total Capital Expenditure	200,500.00	139,889.00	(30.2%)

2011/12 Capital Investments:

Park Beach Holiday Park

- Loan repayments
- Landscaping
- Cabin/Villa refurbishments
- Small Plant & Equipment
- Camp Kitchen Upgrades/Furniture
- Amenities Hot Water Upgrades
- Jumping Pillow Shade Structure
- Call Centre Infrastructure
- Office Equipment/Photocopier

Sawtell Beach Caravan Park

- Loan repayments
- Cabin/Villa refurbishments
- TV Room refurbishments
- Beach Access improvements
- Telecommunications/Server Upgrades
- Park Vehicle
- Roadworks
- Site Infrastructure.

Woolgoolga Beach & Lakeside Caravan Parks

- Cabin/Villa refurbishments
- Mower
- Telecommunication/Server Upgrade
- Small Plant & Equipment
- Electrical Upgrades
- Dump Point
- Lakeside Park redevelopment
- Long Term purchases
- Septic pumps
- Sustainable improvement Strategy & Masterplan document.

Sustainability Assessment:

• Environment

Park guests consume resources whilst in the Coffs Harbour LGA however this is offset by the fact that they are not consuming resources at their place of residence. Revenues generated within the State Park and Woolgoolga Beach Reserve are put back into the reserve system including the environmental management of the locations. All parks are committed to environmental initiatives aimed at reducing their impact upon the environment.

• Social

Holiday Parks and Caravan Parks are an important resource in meeting the recreational needs of the greater community. Funds generated through the parks contribute to the development of social and recreational facilities within the reserve system.

• Civic Leadership

The trading performances of the two Trusts achieved the outcomes set down in the Coffs Harbour 2030 Community Strategic Plan, and were consistent with the following strategies:

- LP1.1.1 - Develop markets around renewable energy, sustainable tourism, sustainable agriculture and fisheries, local produce, creative and clean industries
- PL2.1.2 - Protect and expand public spaces and facilities and ensure they are accessible and safe for all

- **Economic**

Broader Economic Implications

The holiday parks and caravan parks are important tourist facilities drawing visitors to the region. Flow on effect of visitation is deemed to have a generally positive impact upon the economic performance of the region.

Delivery Program/Operational Plan Implications

The State Park and Woolgoolga Beach Reserve generate funds that are used within the reserves and contribute to the management and upkeep of the locations, reducing the demand on alternate funding sources.

Consultation:

The operation of the Parks is a team effort with the enthusiastic support of all Council Departments being pivotal in their success. Regular consultation is also undertaken with the Department of Lands.

Statutory Requirements:

Council is Corporate Manager of the Coffs Coast State Park Trust and the Woolgoolga Beach Reserve Trust under the provisions of the Crown Lands Act.

Issues:

The two Trusts provided reasonably strong financial returns despite operating in an exceptionally difficult environment in 2011/12. Whilst performance was in line with budgeted forecasts the businesses did not show any substantial growth from the previous years actual results. There are several key areas that influenced this result including:

1. Wage Costs – as reported last financial year:

“There were increases in wage cost that can be attributed to increased business growth but the majority of the wage increases can be directly attributed to a forced change to labour hire arrangements. All labour hire staff were required to be engaged through approved suppliers under government contract. As a result, all labour hire staff were changed from an industry specific hospitality award to the Local Government Award, which dramatically increased labour costs, particularly weekend and after hours engagements. A review is currently underway to find a suitable outcome to this issue as prolonged increased wages costs will have significant long term impacts upon business performance.

The review of this situation was completed and no suitable solution was obtained. The parks must continue to engage labour hire staff under the Federal Local Government

Award. A review of this award is scheduled for 2013 and the issue has been brought forward as an item to be resolved.

The implementation of a dedicated call centre for Holiday Park bookings was also completed leading to additional wage cost for the businesses. These wage costs are predicted to be recouped through improved customer service, improved sales conversions and a reduction in the number of missed calls.

The net result to the businesses wage costs of these two issues is that an additional \$178,280.00 was spent in 2011/12 on labour hire in comparison to 2010/11. The majority of this cost was attributed to Park Beach Holiday Park which has the highest percentage of labour hire staff versus staff engaged through Council.

2. Electricity and Gas Costs – continued to grow in 2011/12 with an additional 19.6% being spent on these services. This is on top of the previous year's growth of between 27% and 37%. Strategies are being implemented to reduce this cost including the conversion of 6 amenities blocks to solar hot water and the construction of one new amenities block with solar hot water and solar collectors. The parks also remain active in educating guest on sustainable holiday making and the parks continue to implement the strategies outlined in their energy audit reports.
3. Economic Environment – The general economic environment that the parks operate in is also contributing to truncated business growth. Economic uncertainty has led consumers to focus upon debt reduction and increased savings in lieu of taking extended holidays. Compounding this is the strong Australian dollar which is making international travel a preferred option for those in a financial position to travel. The strong Australian dollar is also making purchases of imported electronics and goods a more attractive proposition. These issues have had the net effect of reducing the consumers discretionary spend on local tourist products, resulting in shorter stays and reduced occupancy levels.

Recommendation:

1. **That Council, as Corporate Manager of the Coffs Coast State Park Trust, note the unadjusted 2011/12 Annual Trading Report for the Coffs Coast State Park Trust.**
2. **That Council, as Corporate Manager of the Woolgoolga Beach Reserve Trust, note the unadjusted 2011/12 Annual Trading Report for the Woolgoolga Beach Reserve Trust.**

BANK BALANCES & INVESTMENTS FOR JULY, AUGUST AND SEPTEMBER 2012

Purpose:

To list Council's Bank Balances and Investments as at 31 July 2012, 31 August 2012 and 30 September 2012.

Description of Item:

A copy of the state of Bank Balances and Investments as at 31 July 2012, 31 August 2012 and 30 September 2012 are attached.

It should be noted that Council is required to account for investments in accordance with the Australian International Financial Reporting Standards. As such the ledger balances at the end of each month reflect market value movements which would be inclusive of accrued interest.

Interest when paid, say quarterly, would result in reductions in the market value of the investments.

The Investment Report reflects the above requirements and reflects the interest earned (or accrued) on each investment, based on the acquisition price.

A monthly commentary provided by CPG Research & Advisory Pty Ltd (Council's investment portfolio advisors) which examines economic and financial markets data for July 2012, August 2012 and September 2012 is attached.

Sustainability Assessment:

- **Environment**

There are no perceived current or future environmental impacts.

- **Social**

There are no perceived current or future social impacts.

- **Civic Leadership**

Council invests surplus funds to maximise investment income and preserve capital to assist with funding requirements for projects listed under the Coffs Harbour 2030 Community Strategic Plan.

- **Economic**

Broader Economic Implications

Council's investments are held according to the requirements stated within Council's investments policy and the returns are acceptable in relation thereto. In the long term earnings from investments can vary due to economic conditions and financial markets. Council constructs its investment portfolio with consideration of current conditions and to comply with the DLG investment policy guidelines.

Delivery Program/Operational Plan Implications

For July 2012 it is noted that after deducting, from the total bank and investment balances of \$164,766,217 the estimated restricted General, Trust, Water and Sewerage cash and investments (\$162,898,635), the Unrestricted Cash is \$1,867,582.

For August 2012 it is noted that after deducting, from the total bank and investment balances of \$179,363,091 the estimated restricted General, Trust, Water and Sewerage cash and investments (\$177,495,509), the Unrestricted Cash is \$1,867,582.

For September 2012 it is noted that after deducting, from the total bank and investment balances of \$178,235,281 the estimated restricted General, Trust, Water and Sewerage cash and investments (\$176,367,699), the Unrestricted Cash is \$1,867,582.

Further details are provided as a note on the attachment.

Recommendation:

1. That the bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and sixty four million, seven hundred and sixty six thousand, two hundred and seventeen dollars (\$164,766,217) as at 31 July 2012 be noted.
2. That the bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and seventy nine million, three hundred and sixty three thousand and ninety one dollars (\$179,363,091) as at 31 August 2012 be noted.
3. That the bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and seventy eight million, two hundred and thirty five thousand, two hundred and eighty one dollars (\$178,235,281) as at 30 September 2012 be noted.
4. That the general fund unrestricted cash and investments totaling one million, eight hundred and sixty seven thousand, five hundred and eighty two dollars (\$1,867,582) as at 31 July 2012, 31 August 2012 and 30 September 2012 be noted.

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 1

BANK BALANCES AND INVESTMENTS AS AT 31/7/12
COFFS HARBOUR CITY COUNCIL
STATEMENT OF BANK BALANCES AS AT 31/7/12

Fund/Account
GENERAL FUND - NAB
TRUST FUNDS
TOTAL OF ALL BANK ACCOUNTS

Balance at 1/7/12	Receipts to 31/7/12	Payments to 31/7/12	Balance at 31/7/12
4,062,287	13,557,769	15,939,670	1,680,385
334,060	39,213	0	373,272
4,396,338	13,596,982	15,939,670	2,053,648

INVESTMENTS REPORT - 31/7/12
PRINCIPAL BALANCES/INTEREST EARNED

Credit Rating at Issue Date	Credit Rating at 31/7/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 31/7/12 \$	Monthly Movement in Market Value				Market Value as at 31/7/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - July 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
OVERNIGHT FUNDS:																			
Cash - Fair Value movements through profit & loss																			
Operating Accounts	AA	AA			4,396,338	-	9,681	(2,345,618)	(6,751)	2,053,648	-	9,681	(2,345,618)	(6,751)	2,929	2,929	31/07/2012	3.30	Low
UBS Cash Management Trust	AA	AA			111,839	-	-	137,550	(1,424)	247,966	-	-	137,550	(1,424)	-	(1,424)	31/07/2012	3.84	Low
Members Equity Bank - Business Investment Account	BBB	BBB			23,570	-	80	-	-	23,650	-	80	-	-	80	80	31/07/2012	5.00	Low
AMP Easy Cash Mgmt Acct - at call	A	AA			580,670	-	1,847	(500,035)	-	82,483	-	1,847	(500,035)	-	1,847	1,847	31/07/2012	4.35	Low
NAB Professional Funds Account	AA	AA			3,941,825	-	6,309	(3,865,002)	-	84,322	-	6,309	(3,865,002)	-	8,309	8,309	31/07/2012	2.25	Low
Bank of Cyprus - Cash Mgmt Acct	NR	NR			110,348	-	254	10,751	-	121,350	-	254	10,751	-	254	254	31/07/2012	2.25	Low
CUA Prime Access	NR	NR			81	-	-	-	-	81	-	-	-	-	-	-	31/07/2012	0.01	Low
Suncorp Business Saver	A-	A-			1	-	-	-	-	1	-	-	-	-	-	-	31/07/2012	3.50	Low
ANZ Premium Business Cash Account	AA	AA			10,658	-	38	-	-	10,696	-	38	-	-	38	38	31/07/2012	4.35	Low
Total					9,175,487	-	20,209	(6,563,354)	(8,175)	2,624,167	-	20,209	(6,563,354)	(8,175)	12,034	12,034			
BENCHMARK RATE - 11 AM INDICATIVE CASH RATE																			
OTHER FUNDS:																			
Enhanced Income Funds - Fair Value movements through profit & loss																			
Macquarie Global Income Opportunities	A	A	Various	Not Applicable	3,138,331	-	36,764	-	-	3,175,095	-	36,764	-	-	36,764	36,764	31/07/2012	4.37	Medium
Total					3,138,331	-	36,764	-	-	3,175,095	-	36,764	-	-	36,764	36,764			
BENCHMARK RATE - UBS BANK BILL INDEX																			
Term Deposits - Fair Value movements through profit & loss																			
Investec 17/11/14	BBB+	BBB-	19/05/2011	17/11/2014	8,000,000	8,067,667	51,163	-	-	8,118,830	-	51,163	-	-	51,163	51,163	31/07/2012	7.53	Low
Investec 29/8/16	BBB+	BBB-	29/08/2011	29/08/2016	1,000,000	1,000,409	6,344	-	-	1,005,754	-	6,344	-	-	6,344	6,344	31/07/2012	7.47	Low
Investec 8/7/15	BBB+	BBB-	8/07/2011	8/07/2015	1,000,000	1,070,515	6,124	-	-	1,004,543	-	6,124	-	-	6,124	6,124	31/07/2012	7.21	Low
Investec 8/8/16	BBB+	BBB-	8/08/2011	8/08/2016	2,500,000	2,650,296	14,205	-	-	2,664,501	-	14,205	-	-	14,205	14,205	31/07/2012	6.89	Low
Investec 8/8/17	BBB-	BBB-	5/08/2012	8/08/2017	2,000,000	2,007,790	9,241	-	-	2,015,991	-	9,241	-	-	9,241	9,241	31/07/2012	5.44	Low
AMP 24/5/16	A	A	24/05/2011	24/05/2016	5,000,000	5,037,253	31,494	-	-	5,069,466	-	31,494	-	-	31,494	31,494	31/07/2012	7.35	Low
AMP 8/8/12	A	A	8/02/2012	8/02/2012	500,000	511,753	2,548	-	-	514,301	-	2,548	-	-	2,548	2,548	31/07/2012	6.00	Low
AMP 7/8/12	A	A	8/02/2012	7/8/2012	1,000,000	1,028,507	5,096	-	-	1,028,507	-	5,096	-	-	5,096	5,096	31/07/2012	6.70	Low
AMP 30/10/12	A	A	3/05/2012	31/12/2012	500,000	504,529	2,421	-	-	508,949	-	2,421	-	-	2,421	2,421	31/07/2012	6.70	Low
Macquarie Private Wealth	A	A	27/08/2010	27/08/2012	2,001,370	2,230,479	10,616	-	-	2,241,096	-	10,616	-	-	10,616	10,616	31/07/2012	6.25	Low
ME Bank	BBB	BBB	27/06/2012	26/09/2012	1,000,000	1,000,423	4,374	-	-	1,004,797	-	4,374	-	-	4,374	4,374	31/07/2012	6.15	Low
Westpac	AA	AA	27/08/2010	27/08/2014	1,000,712	1,054,849	5,521	-	-	1,060,370	-	5,521	-	-	5,521	5,521	31/07/2012	6.00	Low
Bank of Cyprus (Australia) 28/1/13	A	A	5/08/2011	28/01/2013	2,000,000	2,010,751	11,109	(10,751)	-	2,011,000	-	11,109	(10,751)	-	11,109	11,109	31/07/2012	6.84	Low
Bank of Cyprus (Australia) 14/2/14	A	A	14/02/2011	14/02/2014	5,000,000	5,132,308	29,938	-	-	5,162,247	-	29,938	-	-	29,938	29,938	31/07/2012	7.05	Low
Bank of Cyprus (Australia) 5/8/15	A	A	5/08/2011	5/08/2015	2,000,000	2,121,151	11,381	-	-	2,132,532	-	11,381	-	-	11,381	11,381	31/07/2012	6.70	Low
Bank of Cyprus (Australia) 7/3/14	A	A	7/03/2011	7/03/2014	1,500,000	1,532,739	8,982	-	-	1,541,721	-	8,982	-	-	8,982	8,982	31/07/2012	7.05	Low
Credit Union Australia 11/4/14	BBB	BBB	12/04/2011	11/04/2014	1,000,000	1,014,948	5,792	-	-	1,020,740	-	5,792	-	-	5,792	5,792	31/07/2012	6.82	Low
Credit Union Australia 12/5/14	BBB	BBB	13/05/2011	12/05/2014	2,000,000	2,018,621	11,483	-	-	2,030,003	-	11,483	-	-	11,483	11,483	31/07/2012	6.78	Low
Credit Union Australia 12/11/12	BBB	BBB	14/02/2012	12/11/2012	500,000	511,196	2,527	-	-	513,893	-	2,527	-	-	2,527	2,527	31/07/2012	6.95	Low
Credit Union Australia 9/5/14	BBB	BBB	9/05/2012	9/05/2014	500,000	504,238	2,527	-	-	506,765	-	2,527	-	-	2,527	2,527	31/07/2012	6.85	Low
Bankwest	AA	AA	27/08/2010	27/08/2013	2,000,000	2,103,282	10,362	-	-	2,113,844	-	10,362	-	-	10,362	10,362	31/07/2012	6.10	Low
Banking & Adelaide Bank	BBB+	BBB+	27/08/2010	27/08/2012	2,000,000	2,109,699	11,041	-	-	2,120,740	-	11,041	-	-	11,041	11,041	31/07/2012	6.50	Low
Defence Bank	NR	NR	14/08/2012	13/08/2012	1,000,000	1,002,279	4,416	-	-	1,005,696	-	4,416	-	-	4,416	4,416	31/07/2012	6.20	Low
Quay Credit Union 11/8/13	NR	NR	11/08/2011	11/08/2013	1,000,000	1,057,877	5,521	-	-	1,063,897	-	5,521	-	-	5,521	5,521	31/07/2012	6.50	Low
Quay Credit Union 23/5/12	NR	NR	23/05/2012	23/05/2013	1,500,000	1,508,589	7,007	-	-	1,515,596	-	7,007	-	-	7,007	7,007	31/07/2012	6.60	Low
Suncorp 11/8/14	A-	A-	11/08/2011	11/08/2014	3,000,000	3,168,288	16,052	-	-	3,184,340	-	16,052	-	-	16,052	16,052	31/07/2012	6.30	Low
Suncorp 23/12/13	A-	A-	27/06/2012	23/12/2013	1,000,000	1,000,414	4,281	-	-	1,004,695	-	4,281	-	-	4,281	4,281	31/07/2012	5.04	Low
Rural Bank	BBB	BBB	11/01/2011	11/01/2013	5,000,000	5,158,208	28,282	-	-	5,184,290	-	28,282	-	-	28,282	28,282	31/07/2012	6.66	Low
Rabo Direct 24/3/16	AAA	AAA	25/03/2011	24/03/2016	5,000,000	5,087,171	30,363	-	-	5,117,534	-	30,363	-	-	30,363	30,363	31/07/2012	7.15	Low
Rabo Direct 12/10/12	AAA	AAA	12/04/2011	12/10/2012	1,000,000	1,008,927	5,648	-	-	1,014,575	-	5,648	-	-	5,648	5,648	31/07/2012	6.85	Low
Rabo Direct 10/8/15	AAA	AAA	3/08/2011	10/08/2015	1,000,000	1,059,841	5,990	-	-	1,065,532	-	5,990	-	-	5,990	5,990	31/07/2012	6.70	Low
ING 11/8/13	A+	A+	11/04/2011	11/04/2013	2,000,000	2,154,715	11,449	-	-	2,176,163	-	11,449	-	-	11,449	11,449	31/07/2012	6.74	Low
ING 21/8/13	A+	A+	20/05/2011	21/05/2013	1,000,000	1,074,222	5,639	-	-	1,079,822	-	5,639	-	-	5,639	5,639	31/07/2012	6.54	Low
ING 17/8/12	A+	A+	17/02/2012	17/08/2012	1,000,000	1,022,138	5,121	-	-	1,027,269	-	5,121	-	-	5,121	5,121	31/07/2012	6.03	Low
ING 14/8/12	A+	A+	14/02/2012	14/08/2012	1,000,000	1,022,408	5,070	-	-	1,027,478	-	5,070	-	-	5,070	5,070	31/07/2012	5.97	Low
ING 14/2/13	A+	A+	14/02/2012	14/02/2013	1,000,000	1,021,845	4,943	-	-	1,026,788	-	4,943	-	-	4,943	4,943	31/07/2012	6.82	Low
ING 15/8/12 (Regional Park Trust)	A+	A+	15/02/2012	15/08/2012	1,200,000	1,227,025	6,115	-	-	1,233,140	-	6,115	-	-	6,115	6,115	31/07/2012	6.00	Low
ING 28/1/12	A+	A+	28/02/2012	28/11/2012	1,000,000	1,020,185	5,087	-	-	1,025,273	-	5,087	-	-	5,087	5,087	31/07/2012	6.99	Low
ING 27/2/13	A+	A+	28/02/2012	27/02/2013	1,000,000	1,020,485	5,121	-	-	1,025,607	-	5,121	-	-	5,121	5,121	31/07/2012	6.03	Low
ING 3/12/12	A+	A+	20/03/2012	3/12/2012	1,000,000	1,019,858	5,130	-	-	1,024,987	-	5,130	-	-	5,130	5,130	31/07/2012	6.04	Low
ING 4/3/13	A+	A+	2/03/2012	4/03/2013	1,000,000	1,019,923	5,147	-	-	1,025,070	-								

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 1

INVESTMENTS REPORT - 31/7/12
PRINCIPAL BALANCES/INTEREST EARNED

Credit Rating at Issue Date	Credit Rating at 31/7/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/7/12 \$	Monthly Movement in Market Value				Market Value as at 31/7/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - July 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned	
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted						
ERNe/Eloanna Rate Notes																				
Available for Sale Accounting - movements through equity																				
Queenslanders CU 3/8/13	NR	NR	6/01/2006	3/08/2013	503,170	481,637	6,054	1,994	-	-	483,053	6,054	1,994	-	-	8,048	8,048	31/07/2012	4.64	Low
Sub Total					503,170	481,637	6,054	1,994	-	-	483,053	6,054	1,994	-	-	8,048	8,048			
Fair Value through Profit & Loss Accounting - movements through profits & loss																				
NAB 21/8/16	AA	AA-	8/09/2011	21/06/2016	1,007,980	993,050	3,450	4,730	-	-	1,001,230	3,450	4,730	-	-	8,180	8,180	31/07/2012	4.71	Low
NAB 15/2/17	AA-	AA-	15/02/2012	15/02/2017	2,000,000	2,031,420	13,240	9,920	-	-	2,054,580	13,240	9,920	-	-	23,160	23,160	31/07/2012	6.21	Low
NAB 15/2/17	AA-	AA-	29/06/2012	15/02/2017	2,030,700	2,031,420	13,240	9,920	-	-	2,054,580	13,240	9,920	-	-	23,160	23,160	31/07/2012	6.21	Low
NAB 21/12/12	AA-	A	26/03/2008	21/12/2017	1,881,040	1,992,512	2,040	6,477	-	-	2,001,029	2,040	6,477	-	-	8,517	8,517	31/07/2012	3.80	Low
HSBC	AA-	AA-	14/03/2008	14/03/2018	2,000,000	2,010,213	9,380	9,815	-	-	2,029,408	9,380	9,815	-	-	19,195	19,195	31/07/2012	6.75	Low
Credit Suisse	A+	A+	18/03/2010	18/03/2014	501,745	495,252	170	2,050	-	-	498,491	170	2,050	-	-	2,230	2,230	31/07/2012	4.81	Low
BNP 18/3/15	AA	A+	18/03/2010	18/03/2015	1,004,230	944,881	4,280	4,034	-	-	953,175	4,280	4,034	-	-	8,314	8,314	31/07/2012	4.71	Low
BNP 12/8/13	AA-	A+	6/08/2010	12/08/2013	1,800,000	1,485,599	8,910	6,153	-	-	1,500,852	8,910	6,153	-	-	15,053	15,053	31/07/2012	4.93	Low
Berclays	AA-	A+	16/08/2010	17/08/2015	1,500,000	1,465,623	2,955	7,020	-	-	1,475,598	2,955	7,020	-	-	9,975	9,975	31/07/2012	6.61	Low
Bank of Queensland	BBB+	BBB+	11/11/2010	11/11/2013	2,000,000	2,013,552	(260)	8,898	-	-	2,022,189	(260)	8,898	-	-	6,638	6,638	31/07/2012	6.24	Low
Royal Bank of Scotland 27/8/13	A+	A+	27/08/2010	27/08/2013	1,508,295	1,504,800	(915)	1,680	-	-	1,505,565	(915)	1,680	-	-	765	765	31/07/2012	6.98	Low
Royal Bank of Scotland 10/3/14	A+	A+	10/03/2011	10/03/2014	5,000,000	4,933,776	14,500	23,201	-	-	4,971,477	14,500	23,201	-	-	37,701	37,701	31/07/2012	6.45	Low
ANZ	AA	AA-	9/05/2011	9/05/2016	1,500,000	1,496,975	7,875	6,245	-	-	1,511,095	7,875	6,245	-	-	14,120	14,120	31/07/2012	4.90	Low
CBA 24/12/15	AA	AA	24/05/2011 initial & various since	24/12/2015	10,314,440	10,371,900	40,950	178,500	(137,550)	-	10,316,250	40,950	178,500	(137,550)	-	219,450	219,450	31/07/2012	4.66	Low
CBA 2/8/16	AA	AA	18/11/2011	2/08/2016	1,978,520	1,998,400	12,200	8,540	-	-	2,019,140	12,200	8,540	-	-	20,740	20,740	31/07/2012	6.79	Low
AMP	A	A	14/11/2011	6/06/2014	2,020,420	1,994,460	600	7,820	-	-	2,002,980	600	7,820	-	-	8,420	8,420	31/07/2012	6.90	Low
ING	A+	A+	22/03/2012	22/03/2016	2,500,000	2,474,225	6,250	12,925	-	-	2,495,400	6,250	12,925	-	-	21,175	21,175	31/07/2012	6.93	Low
Macquarie Bank 9/3/17	A	A	9/03/2012	9/03/2017	5,000,000	4,999,450	(27,375)	27,220	-	-	4,999,295	(27,375)	27,220	-	-	(155)	(155)	31/07/2012	6.41	Low
Macquarie Bank 24/2/14	A	A	29/02/2012	24/02/2014	1,001,180	1,005,480	40	4,730	-	-	1,010,250	40	4,730	-	-	4,770	4,770	31/07/2012	6.26	Low
Westpac	AA-	AA-	13/03/2012	20/02/2017	5,000,000	5,037,400	32,950	21,150	-	-	5,091,500	32,950	21,150	-	-	84,100	84,100	31/07/2012	6.15	Low
Royal Bank of Scotland 17/2/12*	AA	BBB-	17/11/2008	17/12/2017	2,501,100	1,912,175	8,578	8,578	-	-	1,920,753	-	8,578	-	-	8,578	8,578	31/07/2012	4.04	Low
Sub Total					53,749,650	53,193,562	146,480	369,616	(137,550)	-	53,434,548	146,480	369,616	(137,550)	-	516,096	516,096			
Total					54,252,820	53,675,199	152,634	371,610	(137,550)	-	53,917,601	152,634	371,610	(137,550)	-	524,144	524,144			

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 1

INVESTMENTS REPORT - 31/7/12 PRINCIPAL BALANCES/INTEREST EARNED																			
Credit Rating at Issue Date	Credit Rating at 31/7/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/7/12 \$	Monthly Movement in Market Value				Market Value as at 31/7/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - July 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
CPPI Notes (Constant Portfolio Protection Insurance)																			
<i>Available for Sale Accounting - movements through equity</i>																			
Longreach Series 21 # (now ZCB)																			
AA-	A+	22/11/2006	20/11/2012	1,000,000	989,700	3,000	-	-	-	992,700	3,000	-	-	-	3,000	3,000	31/07/2012	0.00	Low
Longreach Series 24 # (now ZCB)																			
AA-	AA+	14/12/2006	13/12/2012	2,000,000	1,966,600	(1,200)	-	-	-	1,966,400	(1,200)	-	-	-	(1,200)	(1,200)	31/07/2012	0.00	Low
Averon # (now ZCB)																			
AAA	AA+	10/05/2006	20/06/2013	1,500,000	1,442,100	(7,350)	-	-	-	1,434,750	(7,350)	-	-	-	(7,350)	(7,350)	31/07/2012	0.00	Low
Keolis # (now ZCB)																			
AAA	BBB	24/08/2006	24/08/2013	1,000,000	964,300	-	-	-	-	964,300	-	-	-	-	-	-	30/06/2012	0.00	Low
Sub Total				5,500,000	5,362,700	(5,550)	-	-	-	5,357,150	(5,550)	-	-	-	(5,550)	(5,550)			
<i>Fair Value through Profit & Loss Accounting - movements through profits & loss</i>																			
Dandelion # (now ZCB)																			
AA	AA	19/12/2007	21/12/2012	1,000,000	939,700	4,100	-	-	-	943,800	4,100	-	-	-	4,100	4,100	31/07/2012	0.00	Low
Lehman #																			
AA+	D	13/06/2007	16/06/2009	300,000	5,805	23,195	-	-	-	30,000	23,195	-	-	-	23,195	23,195	31/05/2009	0.00	High
Lehman #*																			
AA+	D	13/06/2007	16/06/2009	500,000	50,000	-	-	-	-	50,000	-	-	-	-	-	-	31/05/2009	0.00	High
Sub Total				1,800,000	996,505	27,295	-	-	-	1,023,800	27,295	-	-	-	27,295	27,295			
Total				7,300,000	6,369,205	21,745	-	-	-	6,380,950	21,745	-	-	-	21,745	21,745			

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 1

INVESTMENTS REPORT - 31/7/12
PRINCIPAL BALANCES/INTEREST EARNED

GDQs(Collateralised Debt Obligations)

Fair Value through Profit & Loss Accounting - movements through profits & loss.

Coolangatta 20/3/11

Esperance 1

Miami 20/3/15

Beryl Global Bank 20/3/10-13*

Coolangatta 20/3/11*

Esperance 1*

Miami 20/3/15*

Total

Credit Rating at Issue Date	Credit Rating at 31/7/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/7/12 \$	Monthly Movement in Market Value				Market Value as at 31/7/12 \$	Financial Year to Date Movement in Market Value				Income Earned Not of Fees - July 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
AA	D	20/03/2007	20/09/2014	500,000	65,684	-	-	-	-	65,684	-	-	-	-	-	-	31/12/2008	0.00	High
		Switch from Esperance 2 20/12/11	20/03/2013	520,000	176,916	-	13,326	-	-	190,242	-	13,326	-	-	13,326	13,326	31/07/2012	6.13	High
AAA	D	16/04/2007	20/03/2017	50,289	9,071	-	-	-	-	9,071	-	-	-	-	-	-	31/12/2008	0.00	High
AAA	D	17/11/07 (\$100k)	20/09/2014	600,304	330,717	-	-	-	-	330,717	-	-	-	-	-	-	31/12/2008	0.00	High
AA	D	20/03/2007	20/09/2014	2,000,000	262,735	-	-	-	-	262,735	-	-	-	-	-	-	31/12/2008	0.00	High
		Switch from Esperance 2 20/12/11	20/03/2013	500,000	170,112	-	12,814	-	-	182,925	-	12,814	-	-	12,814	12,814	31/07/2012	5.20	High
AAA	D	16/04/2007	20/03/2017	50,289	9,071	-	-	-	-	9,071	-	-	-	-	-	-	31/12/2008	0.00	High
				4,220,692	1,024,306	-	26,140	-	-	1,050,445	-	26,140	-	-	26,140	26,140			

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 1

INVESTMENTS REPORT - 31/7/12
PRINCIPAL BALANCES/INTEREST EARNED

	Credit Rating at Issue Date	Credit Rating at 31/7/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 31/7/12 \$	Monthly Movement in Market Value				Market Value as at 31/7/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - July 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Fund) / Current Coupon	Risk of capital not being returned
							Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
Floating Rate Transferable Certificates of Deposit																				
ANZ	AA	AA	28/10/2011	28/10/2016	500,000	507,030	1,555	2,286	-	-	504,046	1,555	2,286	-	-	3,841	3,841	31/07/2012	4.90	Low
Total					500,000	507,030	1,555	2,286	-	-	504,046	1,555	2,286	-	-	3,841	3,841			
Floating Rate Term Deposits																				
Westpac	AA	AA	8/09/2010	9/09/2013	2,000,000	2,005,461	-	11,227	-	-	2,016,688	-	11,227	-	-	11,227	11,227	31/07/2012	5.84	Low
NAB Flexi Deposit	AA	AA	16/09/2010	16/09/2013	2,000,000	2,011,998	-	8,085	-	-	2,020,083	-	8,085	-	-	8,085	8,085	31/07/2012	4.76	Low
Total					4,000,000	4,017,459	-	19,312	-	-	4,036,772	-	19,312	-	-	19,312	19,312			
Fixed Coupon Bonds																				
Lloyds TSB	A+	A	1/04/2011	1/10/2014	2,006,060	2,105,040	(6,580)	13,120	-	-	2,111,580	(6,580)	13,120	-	-	6,540	6,540	31/07/2012	7.80	Low
ING Fixed Bond	A+	A+	17/05/2012	22/03/2016	4,000,000	4,115,300	54,800	23,484	-	-	4,253,584	54,800	23,484	-	-	78,284	78,284	31/07/2012	7.00	Low
Heritage Bank Fixed Bond	BBB+	BBB+	8/06/2012	20/06/2017	2,000,000	2,038,000	7,400	13,000	-	-	2,078,400	7,400	13,000	-	-	20,400	20,400	31/07/2012	7.25	Low
RBS	A+	A-	23/09/2010	27/08/2013	1,004,200	1,045,760	620	6,600	-	-	1,052,980	620	6,600	-	-	7,220	7,220	31/07/2012	7.25	Low
Total					9,010,260	9,384,100	56,240	56,204	-	-	9,496,544	56,240	56,204	-	-	112,444	112,444			
Securities No Longer Held (excluding Managed Funds)																				
Peoples Choice TD	BBB+	BBB+	15/06/2012	16/07/2012	1,000,000	1,002,084	-	2,222	(1,004,306)	-	-	-	2,222	(1,004,306)	-	2,222	2,222	-	5.07	Low
Bank of Queensland TD	BBB	BBB	23/04/2012	23/07/2012	500,000	505,403	-	1,827	(507,230)	-	-	-	1,827	(507,230)	-	1,827	1,827	-	5.80	Low
Bank of Adelaide Bank FRN	BBB+	BBB+	7/03/2011	17/03/2014	1,000,000	1,000,000	(3,220)	3,220	(1,000,000)	-	-	-	(3,220)	3,220	(1,000,000)	-	-	-	5.88	Low
Total					2,500,000	2,507,487	(3,220)	7,270	(2,611,536)	-	-	-	(3,220)	7,270	(2,611,536)	-	4,060	4,060		
GRAND TOTAL (before fees)					173,050,783	228,864	977,123	(9,223,191)	(8,175)	164,766,217	228,864	977,123	(9,223,191)	(8,175)	1,197,801	1,197,801				
Less Portfolio Fees (Advice & Salary)									(13,556)					(13,556)		(13,556)				
GRAND TOTAL					173,050,783	228,864	977,123	(9,223,191)	(21,731)	164,766,217	228,864	977,123	(9,223,191)	(21,731)	1,184,245	1,184,245				

Capital Guaranteed at maturity
^ Ex Infrastructure IMP
* Bank of Cyprus is rated by Fitch
The dates quoted alongside the name of the product for FRNs, CDO's and Fixed Bonds are first call dates.
First call dates for FRNs & fixed bonds are the likely date of maturity because the investment issuer is severely penalised if monies are not redeemed by that date, via damage in the market to their reputation, increased coupon rates and additional capital requirements by AFRA.
Term deposits of \$250,000 or less per financial institution are covered under the Commonwealth Government Deposit Guarantee Scheme & therefore by default have the same credit rating as the Commonwealth Government i.e. AAA.

Less Unrealised Capital Gains/(Losses) for Available For Sale Investments	504	604	504	504
Income to Profit & Loss			\$ 1,183,741.48	\$ 1,183,741.48

TOTAL CASH & INVESTMENTS AS AT 31 JULY 2012	\$ 164,766,217
LESS ESTIMATED RESTRICTED EQUITY FOR WATER & SEWER FUNDS	
Water Fund	\$ 37,858,485
Sewer Fund	\$ 62,984,217
GENERAL FUND CASH & INVESTMENTS	\$ 83,923,515
LESS TRUST FUND BALANCES AS AT 31 JULY 2012	\$ 1,806,432
LESS ESTIMATED RESTRICTED EQUITY FOR GENERAL FUND (developer contributions, grants, reserves etc).	\$ 60,448,501
ESTIMATED GENERAL FUND UNRESTRICTED CASH & INVESTMENTS AS AT 31 JULY 2012	
Unrestricted Cash & Investments as at 30 June 2012	\$ 2,169,818
2012/2013 Forecast Budget Deficit (Budget Review - 30 September 2012 - adopted 21 November 2012)	\$ (302,236)
Estimated Unrestricted Cash as at 30 June 2013	\$ 1,867,582

I hereby certify that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's Investment Policy.


Responsible Accounting Officer.



ECONOMIC & MARKET COMMENTARY

AUGUST 2012

ECB BOLDLY PROMISES TO DO...SOMETHING

Whatever It Takes – Graham Richardson, 1994

Whatever It Takes – Mario Draghi, 2012

Positive sentiment from month end initially carried through into July. European policymakers flagged a direct capital injection into the troubled Spanish banks (another potential "Lehman Event").

This led to a positive tone on asset markets. Spanish bonds rallied – borrowing costs falling around ¾% within days. **Other "safe haven" bonds** sold off their all-time record low yields.

The details of the agreed plan are as follows:

- Up to EUR100bn (\$A116bn) will be injected into the Spanish banks.
- Major global banks Santander and BBVA as well as CatalunyaCaixa passed stress tests and are not considered to require more capital.
- EFSF loans will be granted for up to 15 years at 3-4% (half the market bond yield) – when the permanent ESM is in place, it will directly fund the programme.
- Hybrids and sub-debt will be "haircut" in banks that are rescued, in order to minimise costs – this comes as no surprise, as the days of rescuing the lower tranches passed in 2008.

Still, while this is consistent with previous announcements there was some impatience that handouts would only begin in September after independent assessment of amounts required.

Investor patience is waning – initial excitement wears off quicker and markets look for specific follow-through. As usual, Europe fudged on the details and Spanish bond yields again reached 7%. ECB chief Draghi made another bold statement – "*The ECB is ready to do whatever it takes to preserve the euro, and believe me, it will be enough.*"

This was regarded as code for a major central bank intervention – something akin to the coordinated global response, the EUR1 trillion LTRO, or across-the-board capital injection to banks. We wrote last month of the twin foundation of the US recovery: Mandatory bank recapitalisation across the board, plus monetary interventions (quantitative easing and the TALF). For a few days, there was genuine speculation that the ECB was preparing a QE announcement – directly funding governments who had lost their ability to borrow.

However, no such programmes emerged from Europe. Under admitted German pressure, this was relegated to a last resort. The ECB would (probably) buy Italian and Spanish bonds, but only after EFSF funds were exhausted, and only after the countries come requesting aid. Not that **this is within the ECB's power, but there was no cross-guarantee** of debts, or steps towards fiscal union (akin to the transfer of tax revenues across states in Australia and the US).

And interest rates were left unchanged at 0.75%. Not even a rate cut!

With a solution no closer, Spanish bonds have again sold off into the 7% crisis zone. Draghi stands accused of overpromising, and once again we wait for the next instalment. **We're sure the ECB has something planned, and positioning too negative risks missing it.**

August 2012

Economic & Market Commentary

International Markets

The Dow Jones and S&P 500 Index closed up 1.00% and 1.26% respectively in July. **Germany's DAX was up 5.55%** and **France's CAC 40 rose 2.97%** but **UK's FTSE 100 Index was down 2.01%** and **Spain's stock Index (IBEX) fell 5.13%**.

Hong Kong's Hang Seng rose 1.83%, a rare exception with **Japan's Nikkei Index down 3.46%**, and **China's Shanghai Composite Index another 5.47% lower**.

The MSCI World Index ex-Australia, a broad measure of global stocks, rose 0.97% in local currency terms. Ongoing promises from the EU were the primary market drivers

US 10 year bonds yields rose initially, before closing at 1.49% as speculation increased that the US Federal Reserve might expand its **'Operation Twist' program**.

Spanish bond yields twice traded above 7% during the month, with regional / municipal bonds vastly higher again (and likely the next bailout in that series). Official unemployment of nearly 25% makes further austerity almost impossible politically. Eurozone lending turned negative in June.

Other Highlights:

The US Unemployment rate for June remained unchanged at 8.2%. While jobless claims fell, the July 4th holiday distorts data.

Real consumer spending declined 0.1% in June, after posting gains of 0.2% and 0.1% in April and May, respectively.

Additional monetary policy stimulus from the Fed in the months ahead is very likely into the election, but economic data dependent.

The Producer Price Index (PPI) of Finished Goods was up +0.1% in June, following a string of three monthly declines.

Household spending lost momentum during Q2 - June retail sales showed a third consecutive monthly decline with the savings rate making a 12 month high of 4.4%. Sales of new single-family homes fell 8.4% to an annual rate of 350,000 in June reflecting record low inventory. But the Case Schiller Index rose 0.9% for the month of

May; lower supply perhaps a positive not a negative. 23.7% of mortgages exceed home values – down from 25.2% last month.

The US Institute of Supply Management (ISM) manufacturing survey results for June disappointed. **The Purchasing Managers' Index (PMI) hit a recessionary 49.7 in June**, down from 53.5 in the prior month.

US real GDP growth lost momentum for the second quarter in a row, at +1.5% p.a.; even this was supported by inventory growth which added +0.3%.

Chinese GDP slowed to +7.6% year-on-year, with recent data weaker than that.

Domestic

The Reserve Bank of Australia left the cash rate unchanged at 3.5%.

The unemployment rate in Australia was 5.2% in June (up 0.1%), which disguised a sharp -27,000 fall in jobs.

In Australia, the consumer confidence index increased 3.7% in July from a month earlier. May retail sales were up +0.5%. However, business credit continues to show signs of slowing. Housing unit approvals held recent **gains at 13,336 compared to April's low of under 11,000**. But the value of work actually done fell another -2.8% to be down -6.6 seasonally adjusted on the year.

Despite ongoing pessimism about the global **economy, minutes from July's Reserve board meeting said it left rates on hold** because the economy had *"a little more momentum than had earlier been indicated"*.

The headline Q2 inflation figure came in at 0.5%, or +1.2% year on year. Underlying **measures at the bottom end of the RBA's 2-3% target**, with electronic equipment and domestic travel substantially cheaper. PPI was also very low, at +1.1% YoY.

Currency & Commodities

The Australian Dollar gained 4c to \$US1.05.

Oil prices have risen, boosted by a sharper than expected drop in US crude stockpiles.

Gold dropped below \$US1,600 as no new stimulus measures were announced by either the Fed or the ECB.

KEY FINANCIAL MARKET DATA – AS AT 31 JULY 2012 (UNLESS SPECIFIED)

Interest Rate Markets

Index Performance	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
UBS Aust. Bank Bill Index	0.29%	0.96%	2.08%	4.57%	4.77%	4.53%

Key Rates	Jul-12	Jun-12	Jul-11
Australian Cash Rate	3.50%	3.50%	4.75%
90 day BBSW	3.58%	3.49%	5.07%
3 Yr Commonwealth Bonds	2.63%	2.33%	4.36%
10 Yr Commonwealth Bonds	3.07%	3.00%	4.81%
iTraxx Australia 5 Yr CDS	167bp	184bp	119bp
US Fed Funds Rate	0-0.25%	0-0.25%	0-0.25%
CDX North American 5 Yr CDS	108bp	112bp	96bp

Equity Markets

Domestic	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
S&P/ASX 200 Acc. Index	4.28%	-2.00%	2.53%	1.31%	2.00%	4.65%
A-REIT 200 Acc. Index	5.63%	8.91%	16.63%	25.56%	10.86%	13.43%

International	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
US: S&P 500 (\$US)	1.26%	-1.33%	5.10%	6.74%	11.90%	11.78%
US: NASDAQ (\$US)	0.15%	-3.51%	4.47%	6.64%	14.18%	14.11%
MSCI World Acc. (Local Currency)	1.35%	-1.46%	3.41%	1.84%	6.84%	7.81%
MSCI World Acc. (AUD)	-1.34%	-3.79%	3.16%	2.31%	-0.03%	0.27%
FTSE (£)	1.15%	-1.79%	-0.82%	-3.09%	3.53%	6.94%
MSCI Emerging Markets Acc. (\$US)	1.61%	-7.17%	-6.56%	-16.28%	-1.98%	4.11%

Fixed Interest Markets

Bonds	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
BarCap Global Agg Acc.	1.62%	3.25%	5.16%	11.72%	9.49%	10.01%
UBSA Composite Bond Acc.	0.37%	3.31%	5.64%	10.97%	8.98%	8.59%

Data*	Current Period		Previous Period	
<i>Employment Data</i>				
Employment Growth	Jun	11,500	May	11,538
Unemployment Rate	Jun	5.20%	May	5.10%
Participation Rate	Jun	65.20%	May	65.50%
<i>Lending Finance</i>				
Housing Finance	May	0.20%	Apr	0.90%
Personal Finance	May	0.40%	Apr	0.60%
Commercial Finance	May	-12.00%	Apr	9.80%
Lease Finance	May	3.20%	Apr	6.80%
<i>Other</i>				
Balance on goods and services	Jun	(247m)	May	(390m)
Retail Sales	Jun	1.00%	May	0.50%
Building Approvals	Jun	-2.50%	May	27.30%

*All data is seasonally-adjusted.

Median Fund Manager Returns (Morningstar)	1 month	3 month	6 month	1 year	2 year p.a.	3 year p.a.
Australian Equity Large Cap	3.85%	-3.26%	1.21%	-0.63%	0.25%	3.17%
Australian Equity Small Cap	1.15%	-9.85%	-0.13%	-5.87%	4.95%	8.74%
Global Equity Large Cap	-1.54%	-4.79%	1.77%	-0.17%	-1.49%	-0.66%
Global Equity Small Cap	-2.87%	-7.39%	-0.56%	-5.82%	-1.89%	0.86%
Australian Fixed Income	0.48%	1.66%	3.63%	6.21%	6.57%	7.47%
Global Fixed Income	1.47%	2.00%	3.18%	5.08%	4.55%	5.49%
Australian Listed Property	5.40%	8.18%	15.78%	23.66%	10.19%	12.48%
Conservative ¹	1.00%	1.39%	3.31%	6.20%	5.28%	5.98%
Moderate ²	1.13%	0.87%	3.63%	5.69%	5.25%	6.23%
Balanced ³	1.35%	-0.28%	3.11%	4.19%	4.61%	5.51%
Growth ⁴	1.60%	-1.11%	2.98%	3.25%	3.27%	4.91%
Aggressive ⁵	1.63%	-2.21%	2.65%	1.47%	2.75%	4.94%

- ¹ Growth Assets 0% - 20%
- ² Growth Assets 20% - 40%
- ³ Growth Assets 40% - 60%
- ⁴ Growth Assets 60% - 80%
- ⁵ Growth Assets 80% - 100%

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Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 3

BANK BALANCES AND INVESTMENTS AS AT 31/8/12
COFFS HARBOUR CITY COUNCIL
STATEMENT OF BANK BALANCES AS AT 31/8/12

Fund/Account
GENERAL FUND - NAB
TRUST FUNDS
TOTAL OF ALL BANK ACCOUNTS

Balance at 1/8/12	Receipts to 31/8/12	Payments to 31/8/12	Balance at 31/8/12
1,680,355	22,701,308	20,153,208	4,228,455
373,292	21,866	123,177	271,881
2,053,648	22,723,174	20,276,386	4,500,437

INVESTMENTS REPORT - 31/8/12
PRINCIPAL BALANCES/INTEREST EARNED

Fund/Account	Credit Rating at Issue Date	Credit Rating at 31/8/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 31/8/12 \$	Monthly Movement in Market Value				Market Value as at 31/8/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - Aug 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned				
							Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted									
OVERNIGHT FUNDS:																								
Cash - Fair Value movements through profit & loss																								
Operating Accounts	AA	AA			2,053,648					10,902	2,451,319	(15,431)	4,500,437			20,583	105,701	(22,182)	(4,530)	(1,600)	31/08/2012	3.33	Low	
UBS Cash Management Trust	AA	AA			247,966						96,111	(1,800)	342,477				233,661	(3,024)	(1,600)	(3,024)	31/08/2012	3.84	Low	
Members Equity Bank - Business Investment Account	BBB	BBB			23,650					85			23,735			185					31/08/2012	6.00	Low	
AMP Easy Cash Mment Acct - at call	A	AA			82,483					305			82,787			2,152	(500,035)		85	165	31/08/2012	4.35	Low	
NAB Professional Funds Account	AA	AA			84,292					5,279	10,830,852		10,920,423			13,588	6,964,850		5,279	13,588	31/08/2012	3.80	Low	
Bank of Cyprus - Cash Mment Acct	NR	NR			121,350					278	11,467		133,096			532	22,218		278	532	31/08/2012	2.26	Low	
CUA Prime Access	NR	NR			81								81								31/08/2012	0.01	Low	
Suncorp Business Savar	A-	A-			1					408	189,518		189,927			408	189,518		408	408	31/08/2012	3.80	Low	
ANZ Premium Business Cash Account	AA	AA			10,696					40			10,735			78			40	78	31/08/2012	4.35	Low	
Total					2,624,167					17,296	13,579,267	(17,031)	16,203,699			37,505	7,015,913	(25,206)	265	12,299				
BENCHMARK RATE - 11 AM INDICATIVE CASH RATE																								
																							3.60	
OTHER FUNDS:																								
Enhanced Income Funds - Fair Value movements through profit & loss																								
Macquarie Global Income Opportunities	A	A	Various	Not Applicable	3,175,085					22,609			3,197,704			58,373			22,609	59,373	31/08/2012	8.93	Medium	
Total					3,175,085					22,609			3,197,704			58,373			22,609	59,373				
BENCHMARK RATE - UBS BANK BILL INDEX																								
																							3.68	
Term Deposits - Fair Value movements through profit & loss																								
Investec 17/11/14	BBB+	BBB-	19/05/2011	17/11/2014	8,000,000	8,118,830				51,163			8,169,992			102,326			51,163	102,326	31/08/2012	7.53	Low	
Investec 29/6/16	BBB+	BBB-	29/06/2011	29/06/2016	1,000,000	1,008,754				6,344			1,013,098			12,689			6,344	12,688	31/08/2012	7.47	Low	
Investec 8/7/15	BBB+	BBB-	8/07/2011	8/07/2015	1,000,000	1,004,543				6,124			1,010,667			12,248			6,124	12,248	31/08/2012	7.21	Low	
Investec 9/8/16	BBB+	BBB-	8/08/2011	8/08/2016	2,500,000	2,684,501				13,747			2,519,539			27,952			13,747	27,952	31/08/2012	6.89	Low	
Investec 6/8/17	BBB-	BBB-	5/08/2012	6/08/2017	2,000,000	2,016,991				9,241			2,026,231			16,492			9,241	16,482	31/08/2012	6.44	Low	
Investec 15/8/15	BBB-	BBB-	15/08/2012	15/08/2015	1,000,000	1,000,000				5,074	1,800,000		1,805,074			5,074			5,074	5,074	31/08/2012	6.43	Low	
AMP 24/5/16	A	A	24/05/2011	24/05/2016	5,000,000	5,088,466				31,467			5,099,678			62,951			31,467	62,951	31/08/2012	7.35	Low	
AMP 30/10/12	A	A	30/05/2012	31/10/2012	500,000	500,949				2,421			509,370			4,842			2,421	4,842	31/08/2012	6.70	Low	
ME Bank	BBB	BBB	27/06/2012	26/09/2012	1,000,000	1,004,797				4,374			1,009,171			4,748			4,374	4,748	31/08/2012	5.16	Low	
Arab Bank*	A-	A-	15/08/2012	13/05/2013	2,100,000	-				4,833	2,100,000		2,104,833			4,833	2,100,000		4,833	4,833	31/08/2012	6.25	Low	
Westpac	AA	AA	27/08/2010	27/08/2014	1,000,712	1,060,370				5,342			1,000,534			10,663			5,342	10,663	31/08/2012	6.50	Low	
Bank of Cyprus (Australia) 28/1/13*	A	A	5/08/2011	28/01/2013	2,000,000	2,011,109				11,467	(11,467)		2,011,109			22,576	(22,218)		11,467	22,576	31/08/2012	6.54	Low	
Bank of Cyprus (Australia) 14/2/14*	A	A	14/02/2011	14/02/2014	5,000,000	5,182,247				29,938			5,192,185			59,876			29,938	59,876	31/08/2012	7.05	Low	
Bank of Cyprus (Australia) 5/8/15*	A	A	5/08/2011	5/08/2015	2,000,000	2,132,552				11,381			2,143,912			17,964			11,381	17,964	31/08/2012	7.05	Low	
Bank of Cyprus (Australia) 7/3/14*	A	A	7/03/2011	7/03/2014	1,500,000	1,547,721				8,992			1,557,722			17,964			8,992	17,964	31/08/2012	7.05	Low	
Credit Union Australia 11/4/14	BBB	BBB	12/04/2011	11/04/2014	1,000,000	1,020,740				5,792			1,026,533			11,584			5,792	11,584	31/08/2012	6.82	Low	
Credit Union Australia 12/6/14	BBB	BBB	13/05/2011	12/05/2014	2,000,000	2,035,003				11,483			2,041,486			11,483			11,483	22,966	31/08/2012	6.78	Low	
Credit Union Australia 12/11/12	BBB	BBB	14/02/2012	12/11/2012	500,000	513,693				2,527			516,220			5,054			2,527	5,054	31/08/2012	6.86	Low	
Credit Union Australia 9/5/14	BBB	BBB	9/05/2012	9/05/2014	500,000	506,765				2,527			509,292			5,054			2,527	5,054	31/08/2012	6.95	Low	
Bankwest	AA	AA	27/08/2010	27/08/2013	2,000,000	2,113,644				10,382			2,001,337			20,724			10,382	20,724	31/08/2012	6.10	Low	
Quay Credit Union 11/8/13	NR	NR	11/08/2011	11/08/2013	1,000,000	1,063,397				5,521			1,068,918			5,621			5,521	11,042	31/08/2012	6.50	Low	
Quay Credit Union 23/9/12	NR	NR	23/09/2012	23/09/2013	1,500,000	1,516,596				7,007			1,522,603			14,014			7,007	14,014	31/08/2012	6.50	Low	
Suncorp 11/8/14	A-	A-	11/08/2011	11/08/2014	3,000,000	3,188,340				15,016			3,009,338			15,016			15,016	31,068	31/08/2012	6.30	Low	
Suncorp 23/12/13	A-	A-	27/06/2012	23/12/2013	1,000,000	1,004,695				4,281			1,008,975			8,562			4,281	8,562	31/08/2012	6.04	Low	
Suncorp 31/1/13	A-	A-	3/08/2012	31/01/2013	5,000,000	-				19,754	5,000,000		5,019,754			19,754	5,000,000		19,754	19,754	31/08/2012	6.15	Low	
Bank of Queensland	BBB+	BBB+	28/08/2012	28/02/2013	2,000,000	-				855	2,000,000		2,000,855			855	2,000,000		855	855	31/08/2012	6.20	Low	
Rural Bank	BBB	BBB	11/01/2011	11/01/2013	5,000,000	5,184,290				28,282			5,212,573			56,584			28,282	56,584	31/08/2012	7.66	Low	
Rabo Direct 24/3/16	AAA	AAA	25/03/2011	24/03/2016	5,000,000	5,117,534				30,363			5,147,897			60,726			30,363	60,726	31/08/2012	7.16	Low	
Rabo Direct 12/10/12	AAA	AAA	12/04/2011	12/10/2012	1,000,000	1,014,575				5,648			1,020,223			11,296			5,648	11,296	31/08/2012	6.86	Low	
Rabo Direct 10/8/15	AAA	AAA	9/08/2011	10/08/2015	1,000,000	1,065,532				5,690			1,004,038			11,380			5,690	11,380	31/08/2012	6.70	Low	
ING 11/4/13	A+	A	12/04/2011	11/04/2013	2,000,000	2,076,163				11,448			2,187,612			11,278			11,278	11,278	31/08/2012	6.84	Low	
ING 21/6/13	A+	A	20/05/2011	21/05/2013	1,000,000	1,079,892				5,939			1,085,601			4,610	2,000,000		4,610	4,610	31/08/2012	6.01	Low	
ING 17/8/17	A+	A	17/08/2012	17/08/2017	2,000,000	-				4,610	2,000,000		2,004,610			4,610			4,610	4,610	31/08/2012	6.20	Low	
ING 15/3/13 (Regional Park Trust)	A+	A	17/08/2012	15/03/2013	1,300,000	-				2,593	1,300,000		1,302,593			2,593	1,300,000		2,593	2,593	31/08/2012	6.20	Low	
ING 14/2/13	A+	A	14/02/2012	14/02/2013	1,000,000	1,026,788				4,943			1,031,731			9,886			4,943	9,886	31/08/2012	6.82	Low	
ING 28/11/12	A+	A	28/02/2012	28/11/2012	1,000,000	1,025,273				5,087			1,03											

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 3

INVESTMENTS REPORT - 31/8/12
PRINCIPAL BALANCES/INTEREST EARNED

Credit Rating at Issue Date	Credit Rating at 31/8/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/8/12 \$	Monthly Movement in Market Value				Market Value as at 31/8/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - Aug 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned	
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted						
FRNs (Floating Rate Notes)																				
<i>Available for Sale Accounting - movements through equity.</i>																				
Queenslanders CU 3/6/13	NR	NR	6/01/2006	3/09/2013	503,170	483,053	744	1,928	-	-	485,725	6,798	3,922	-	-	2,672	10,720	31/08/2012	4.64	Low
Sub Total					503,170	483,053	744	1,928	-	-	485,725	6,798	3,922	-	-	2,672	10,720			
<i>Fair Value through Profit & Loss Accounting - movements through profits & loss.</i>																				
NAB 21/6/16	AA	AA-	6/09/2011	21/08/2016	1,007,990	1,001,230	4,820	3,400	-	-	1,009,460	8,270	9,130	-	-	8,220	16,400	31/08/2012	4.71	Low
NAB 15/2/17	AA-	AA-	15/02/2012	15/02/2017	2,000,000	2,054,580	12,400	9,331	-	-	2,047,980	26,640	19,251	-	-	21,731	44,891	31/08/2012	6.21	Low
NAB 15/2/17	AA-	AA-	29/06/2012	15/02/2017	2,030,700	2,054,580	12,400	9,331	-	-	2,047,980	26,640	19,251	-	-	21,731	44,891	31/08/2012	6.21	Low
NAB 21/11/12	AA-	A	28/03/2008	21/12/2017	1,881,040	2,001,029	3,020	6,466	-	-	2,010,504	5,060	12,932	-	-	9,475	17,992	31/08/2012	3.80	Low
HSBC	AA-	AA-	14/03/2008	14/03/2016	2,000,000	2,029,406	9,620	9,767	-	-	2,049,085	19,300	19,562	-	-	19,087	38,882	31/08/2012	6.76	Low
Credit Suisse	A+	A+	18/03/2010	18/03/2014	501,745	498,491	275	2,041	-	-	500,809	445	4,101	-	-	2,316	4,546	31/08/2012	4.71	Low
BNP 18/3/15	AA	A+	18/03/2010	18/03/2015	1,004,230	953,175	16,010	3,997	-	-	973,182	20,290	8,031	-	-	20,007	28,321	31/08/2012	4.70	Low
BNP 12/8/13	AA-	A+	6/09/2010	12/08/2013	1,500,000	1,500,662	7,290	6,656	-	-	1,495,946	18,200	12,209	-	-	13,346	28,408	31/08/2012	4.70	Low
Barclays	AA-	A+	18/08/2010	17/08/2015	1,500,000	1,475,598	9,330	6,794	-	-	1,471,400	12,285	13,814	-	-	16,124	26,059	31/08/2012	5.38	Low
Bank of Queensland	BBB+	BBB+	11/11/2010	11/11/2013	2,000,000	2,022,189	(160)	8,711	-	-	2,003,759	(420)	17,609	-	-	8,551	17,189	31/08/2012	6.05	Low
Royal Bank of Scotland 27/8/13	A+	A+	27/08/2010	27/08/2013	1,508,295	1,505,565	7,860	14,072	-	-	1,504,875	6,945	16,752	-	-	21,932	22,697	31/08/2012	6.07	Low
Royal Bank of Scotland 10/3/14	A+	A+	10/03/2011	10/03/2014	5,000,000	4,971,477	32,700	23,173	-	-	5,027,350	47,200	46,374	-	-	55,873	93,674	31/08/2012	5.48	Low
CBA 24/12/15	AA	AA	24/05/2011 initial & various since	24/12/2015	10,314,440	10,316,250	(23,825)	74,970	-	-	10,387,595	17,325	253,470	(137,550)	-	81,345	270,795	31/08/2012	4.68	Low
CBA 2/8/16	AA	AA	18/11/2011	2/08/2016	1,978,520	2,019,140	5,200	8,180	(25,500)	-	2,006,020	18,400	16,720	(25,500)	-	14,380	35,120	31/08/2012	6.79	Low
ING	A+	A+	22/03/2012	22/03/2016	2,500,000	2,466,400	28,500	12,725	-	-	2,536,625	36,750	25,650	-	-	41,225	62,400	31/08/2012	6.93	Low
Macquarie Bank 9/3/17	A	A	9/03/2012	9/03/2017	5,000,000	4,989,295	12,895	27,220	-	-	5,038,410	(14,480)	54,440	-	-	40,115	39,960	31/08/2012	6.41	Low
Macquarie Bank 24/2/14	A	A	29/02/2012	24/02/2014	1,001,180	1,010,250	6,960	4,606	-	-	1,008,230	7,000	9,336	-	-	11,586	16,336	31/08/2012	5.39	Low
Westpac	AA-	AA-	13/03/2012	20/02/2017	5,990,000	5,091,500	40,550	23,486	-	-	5,091,500	73,600	44,636	-	-	64,136	119,236	31/08/2012	6.26	Low
Royal Bank of Scotland 17/2/12*	AA	BBB-	17/11/2006	17/12/2017	2,591,100	1,920,753	11,352	11,352	-	-	1,903,749	19,930	19,930	-	-	11,352	19,930	31/08/2012	4.04	Low
Sub Total					50,229,230	49,820,574	187,445	265,667	(25,500)	-	50,097,099	325,450	821,218	(163,050)	-	453,112	946,668			
Total					50,732,400	50,403,627	188,189	267,595	(25,500)	-	50,582,824	332,248	825,140	(163,050)	-	455,784	957,388			

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 3

INVESTMENTS REPORT - 31/8/12
PRINCIPAL BALANCES/INTEREST EARNED

	Credit Rating at Issue Date	Credit Rating at 31/8/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/8/12 \$	Monthly Movement in Market Value				Market Value as at 31/8/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - Aug 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
							Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
CPPI Notes (Constant Portfolio Protection Insurance)																				
<i>Available for Sale Accounting - movements through equity.</i>																				
Longreach Series 21 #	AA	A+	22/11/2006	20/11/2012	1,000,000	992,700	3,300	-	-	-	996,000	6,300	-	-	-	3,300	6,300	31/08/2012	0.00	Low
Longreach Series 24 # (now ZCB)	AA-	A+	14/12/2006	13/12/2012	2,000,000	1,965,400	(600)	-	-	-	1,964,800	(1,800)	-	-	-	(600)	(1,800)	31/08/2012	6.60	Low
Averon # (now ZCB)	AAA	AA+	10/06/2006	20/06/2013	1,800,000	1,434,750	25,050	-	-	-	1,459,800	17,700	-	-	-	25,050	17,700	31/08/2012	0.00	Low
Keolis # (now ZCB)	AAA	BBB	24/08/2006	24/08/2013	1,000,000	964,300	-	-	-	-	964,300	-	-	-	-	-	-	31/03/2012	0.00	Low
Sub Total					5,800,000	5,357,150	27,750	-	-	-	5,384,900	22,200	-	-	-	27,750	22,200			
<i>Fair Value through Profit & Loss Accounting - movements through profits & loss.</i>																				
Dandelion # (now ZCB)	AA	AA	18/12/2007	21/12/2012	1,000,000	943,600	1,900	-	-	-	945,700	6,000	-	-	-	1,900	6,000	30/06/2012	0.00	Low
Lehman #	AA+	D	13/06/2007	15/06/2009	300,000	30,000	-	-	-	-	30,000	-	-	-	-	-	23,195	31/06/2009	0.00	High
Lehman #*	AA+	D	13/06/2007	15/06/2009	500,000	50,000	-	-	-	-	50,000	-	-	-	-	-	-	31/06/2009	0.00	High
Sub Total					1,800,000	1,023,600	1,900	-	-	-	1,025,700	29,195	-	-	-	1,900	29,195			
Total					7,300,000	6,380,850	29,650	-	-	-	6,410,600	51,395	-	-	-	29,650	51,395			

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 3

INVESTMENTS REPORT - 31/8/12
PRINCIPAL BALANCES/INTEREST EARNED

	Credit Rating at Issue Date	Credit Rating at 31/8/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/8/12 \$	Monthly Movement in Market Value				Market Value as at 31/8/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - Aug 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
							Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
Floating Rate Transferable Certificates of Deposit																				
ANZ 26/10/15	AA	AA-	26/10/2011	26/10/2015	500,000	504,046	1,785	2,081	-	-	507,911	3,340	4,367	-	-	3,886	7,707	30/04/2012	4.80	Low
Total					500,000	504,046	1,785	2,081	-	-	507,911	3,340	4,367	-	-	3,886	7,707			
Floating Rate Term Deposits																				
Westpac	AA	AA	6/09/2010	9/09/2013	2,000,000	2,016,688	-	9,580	-	-	2,026,268	-	20,807	-	-	9,580	20,807	31/07/2012	5.64	Low
NAB Flexi Deposit	AA	AA	16/08/2010	16/08/2013	2,000,000	2,020,083	-	7,825	-	-	2,020,912	-	15,910	-	-	7,825	15,910	31/07/2012	4.76	Low
Total					4,000,000	4,036,772	-	17,405	-	-	4,030,181	-	36,717	-	-	17,405	36,717			
Fixed Coupon Bonds																				
Lloyds TSB	A+	A	1/04/2011	1/10/2014	2,006,060	2,111,580	3,740	12,700	-	-	2,128,030	(2,840)	25,820	-	-	16,440	22,980	31/09/2012	7.60	Low
ING Fixed Bond	A+	A+	17/05/2012	22/03/2016	4,000,000	4,253,584	800	23,668	-	-	4,278,052	55,600	47,152	-	-	24,468	102,752	31/09/2012	7.00	Low
Heritage Bank Fixed Bond	BBB+	BBB+	6/08/2012	20/09/2017	2,000,000	2,078,400	(12,400)	12,000	-	-	2,078,000	(5,000)	25,000	-	-	(400)	20,000	31/09/2012	7.26	Low
Heritage Bank Fixed Bond	BBB+	BBB+	31/08/2012	20/06/2017	1,464,735	-	1,765	1,311	1,464,735	(3,652)	1,464,159	1,765	1,311	1,464,735	(3,652)	(576)	(576)	31/09/2012	7.26	Low
RBS	A+	A-	23/09/2010	27/08/2013	1,004,200	1,052,980	670	5,130	-	-	1,022,530	1,290	11,730	-	-	5,800	13,020	31/09/2012	7.26	Low
Total					10,474,985	9,496,544	(5,425)	54,809	1,464,735	(3,652)	10,970,761	50,815	111,013	1,464,735	(3,652)	46,732	158,176			
Securities No Longer Held (excluding Managed Funds)																				
Accumulated at July 2012																				
Heritage Bank	BBB-	BBB-	21/05/2012	16/09/2012	1,000,000	1,010,796	-	2,889	(1,013,685)	-	-	(3,220)	7,270	(2,511,536)	-	4,050	-			
Defence Bank	NR	NR	14/06/2012	13/09/2012	1,000,000	1,006,696	-	1,852	(1,008,548)	-	-	-	6,268	(1,008,548)	-	1,852	6,268		6.56	Low
AMP 8/8/12	A	A	8/02/2012	8/08/2012	500,000	514,301	-	658	(514,959)	-	-	-	3,206	(514,959)	-	658	3,206		6.00	Low
AMP 7/8/12	A	A	8/02/2012	7/08/2012	1,000,000	1,028,603	-	1,151	(1,029,753)	-	-	-	6,247	(1,029,753)	-	1,151	6,247		6.00	Low
ING 14/8/12	A+	A+	14/02/2012	14/08/2012	1,000,000	1,027,478	-	2,290	(1,029,768)	-	-	-	7,360	(1,029,768)	-	2,290	7,360		6.97	Low
ING 15/8/12 (Regional Park Trust)	A+	A+	15/02/2012	15/08/2012	1,200,000	1,233,140	-	2,762	(1,235,901)	-	-	-	8,877	(1,235,901)	-	2,762	8,877		6.00	Low
ING 17/8/12	A+	A+	17/02/2012	17/08/2012	1,000,000	1,027,259	-	2,809	(1,030,067)	-	-	-	7,500	(1,030,067)	-	2,809	7,500		6.03	Low
Macquarie Private Wealth	A	A	27/08/2010	27/08/2012	2,001,370	2,241,096	-	9,755	(2,250,851)	-	-	-	20,371	(2,250,851)	-	9,755	20,371		6.25	Low
Bendigo & Adelaide Bank	BBB+	BBB+	27/08/2010	27/08/2012	2,000,000	2,120,740	-	8,904	(2,129,644)	-	-	-	19,945	(2,129,644)	-	8,904	19,945		6.50	Low
ANZ FRN	AA	AA-	9/05/2011	9/05/2016	1,500,000	1,511,095	11,040	1,586	(1,505,415)	-	-	18,915	7,831	(1,505,415)	-	12,826	26,746		4.90	Low
AMP FRN	A	A	14/11/2011	6/06/2014	2,020,420	2,002,980	7,600	(15,400)	(1,995,080)	-	-	8,200	(7,580)	(1,995,080)	-	(7,800)	620		6.00	Low
Total						14,724,083	18,840	19,266	(14,743,672)	-	-	23,895	95,327	(17,255,208)	-	37,895	119,222			
GRAND TOTAL (before fees)						164,765,217	307,401	824,345	14,483,363	(20,883)	179,383,091	538,255	1,801,470	5,240,172	(28,858)	1,111,063	2,308,867			
Less Portfolio Fees (Advice & Salary)										(13,556)					(27,112)	(13,556)	(27,112)			
GRAND TOTAL						164,765,217	307,401	824,345	14,483,363	(34,239)	179,369,591	538,255	1,801,470	5,240,172	(65,870)	1,097,507	2,281,755			

Capital Guaranteed at maturity
* Ex Infrastructure IMP
• Rated by Fitch

The dates quoted alongside the name of the product for FRNs, CDOs and Fixed Bonds are first call dates.
First call dates for FRNs & fixed bonds are the likely date of maturity because the investment issuer is severely penalised if monies are not redeemed by that date, via damage in the market to their reputation, increased coupon rates and additional capital requirements by APRA.
Term deposits of \$250,000 or less per financial institution are covered under the Commonwealth Government Deposit Guarantee Scheme & therefore by default have the same credit rating as the Commonwealth Government i.e. AAA.

Less Unrealised Capital Gains/(Loss) for Available For Sale Investments	28,484	28,998	28,484	28,998
Income to Profit & Loss			\$ 1,085,012.59	\$ 2,252,758.84

TOTAL CASH & INVESTMENTS AS AT 31 AUGUST 2012 \$ 179,363,091

LESS ESTIMATED RESTRICTED EQUITY FOR WATER & SEWER FUNDS

Water Fund	\$ 38,852,895
Sewer Fund	\$ 64,425,595
	\$ 103,078,290

GENERAL FUND CASH & INVESTMENTS \$ 76,284,800

LESS TRUST FUND BALANCES AS AT 31 AUGUST 2012 \$ 1,674,574

LESS ESTIMATED RESTRICTED EQUITY FOR GENERAL FUND (developer contributions, grants, resarvas etc) \$ 72,842,644

ESTIMATED GENERAL FUND UNRESTRICTED CASH & INVESTMENTS AS AT 31 AUGUST 2012

Unrestricted Cash & Investments as at 30 June 2012	\$ 2,189,818
2012/2013 Forecast Budget Deficit (Budget Review - 30 September 2012 - adopted 21 November 2012)	\$ (302,239)
Estimated Unrestricted Cash as at 30 June 2013	\$ 1,987,579

I hereby certify that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's Investment Policy.


Responsible Accounting Officer.



ECONOMIC & MARKET
COMMENTARY
SEPTEMBER 2012

AFTER KEYNES...

"We are all Keynesians now..." – Friedman (1965)

JM Keynes published his landmark *"General Theory"* in response to the Great Depression. Keynes is quoted to defend a range of policy responses – the good, the bad and the ugly. Friedman's much-cited quote was actually *"In one sense, we are all Keynesians now; in another, nobody is any longer a Keynesian."*

Why do we care? **This week, Macquarie Bank dropped the "R-word"** – IF the economy is growing at less than 3%, and IF the end of the mining boom takes 3% from GDP next year, a recession would be result, in the absence of policy response. So what response can we expect?

Keynes said that interest rate policy can be ineffective. Loans may be cheap, but few would borrow to build a new factory amidst the Great Depression, when *"animal spirits are broken"* – if banks have failed, there may be no one to borrow from. Also, pre-retirees must save more to retire, and retirees have less income to spend – as they spend less, the rest of the economy earns less from selling to them (the *"paradox of thrift"*).

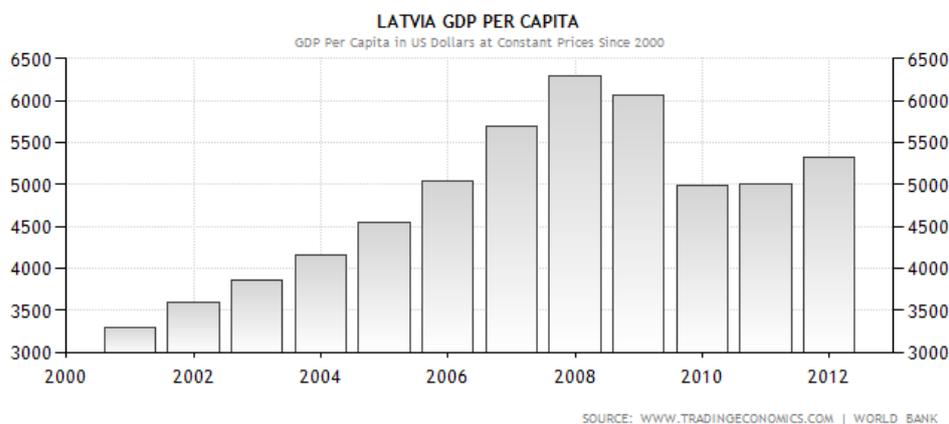
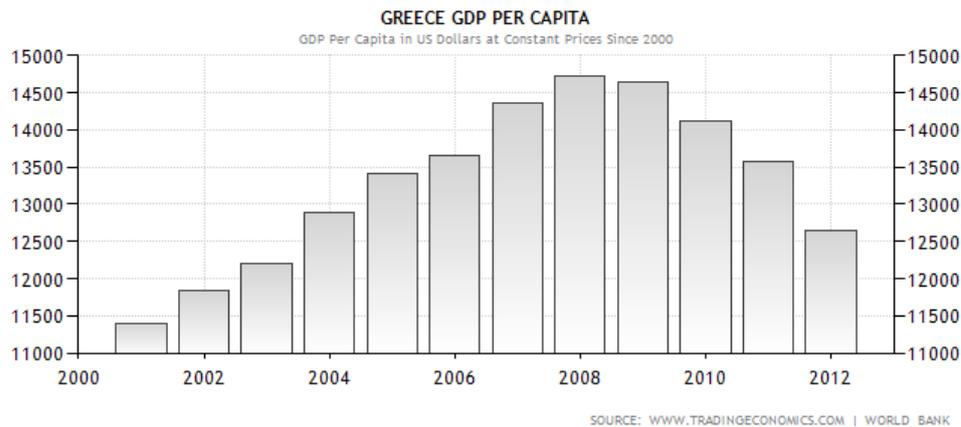
He therefore concluded that governments should step in - not only allowing deficits (as tax collections fall) but actively creating demand and also taking measures to avoid a credit contraction. In an extreme example, he wrote of *"governments burying money, for the private sector to dig up."*

The trouble with his book is that governments ignore the bits they don't like:

- While he used the example of "make-work" projects, he said it would be better to build infrastructure with high income multipliers. (The Hoover Dam had the greatest "multiplier" in history – **global stimulus in 2008 tended to be "easy" projects.**)
- Burying (printed) bank notes is a monetary, not a fiscal, stimulus – Keynes is, unfairly, associated only with budget deficits.
- Keynesianism requires surpluses in recoveries to balance over a cycle – the Eurozone has never in its history reported a surplus.
- Keynes only proposed stimulus where there was a gross shortfall in demand – **unemployment persistently well above its "natural level," not at the first sign of trouble.**
- There is no obvious way to apportion "blame" for the Depression between lower aggregate demand by consumers, and loss of supply of credit after bank failures.
- Keynesian policy only works while the government can be funded. Greece ran out of funding before the promised recovery, and others are very close.
- It is far from obvious that the economic contraction avoided is greater than the cost of decades of austerity while the debt is repaid (potentially, a 50 year process).
- Keynes assumed that no second-round recession occurs while budgets are being repaired from the first one.

Contrasting Latvia and Greece is a tale of two booms and busts. Latvia took no fiscal action to prevent a Great Depression outcome – by 2010, their unemployment rate was nearly double that of Greece (who followed a "conventional" Keynesian response). But since then, the

indicators have reversed. While both see GDP per capita an identical 16% from its peak, **Latvia's Depression ended** – the Greek catastrophe is accelerating:



The Keynesians were laughing at Latvia in 2010 – but maybe they were right. **In fact, Latvia's** public sector debt is likely to peak below **Australia's**. *What would Japan do, in hindsight?*

We know what the EU is doing – **any talk of "fiscal stimulus" would be unthinkable now**. It is entirely up to the ECB, with Draghi finally revealing his unlimited bond buying. Spanish bond yields have immediately dropped over 1½% from their highs. In Australia action may be unnecessary if global growth is secured by Chinese and European invention. However:

- Employment has already started contracting. Q2 GDP was very weak: +0.6% in a quarter artificially boosted by pre-carbon tax handouts. The plunge in iron ore is extreme, and mining project expansions are being cancelled.
- Spending cuts are ongoing – there is no sign of stimulus, and both major parties are committed to more cuts, not less.
- Both parties are clearly signalling the first and fullest response must be by the RBA.
- Lower (or zero) receipts from mining and carbon taxes are expected.
- Lower interest rates and commodity prices imply a sharply lower \$A.
- Banks continue to build capital, and have been hugely over-capitalised post-GFC in anticipation of Basel III tests.
- A low interest recession is not bad for property prices – and these have already fallen a lot, especially in real terms when compared to incomes and rentals.

*The GFC was an abyss with no obvious end. The feared 2013 slowdown would be a more routine commodity cycle event and **therefore meet with more "conventional" policy responses.***

International Markets

The Dow Jones and S&P 500 Index closed up +0.63% and +1.98% respectively in August. **UK's FTSE 100 Index was up +1.35%, France's CAC 40 rose +3.69% and Germany's DAX +2.93%. Spain's stock Index (IBEX) soared another +10.13%** as the Government approved banking reform plans, but **Ireland's Index (ISEQ) fell -0.27%.**

Japan's Nikkei Index gained +1.67%, while **Hong Kong's Hang Seng and China's Shanghai Composite Index** closed down -1.59% and -2.67% respectively.

The MSCI World Index ex-Australia, a broad measure of global stocks, rose +2.41% in local currency terms. The ASX200 ended +1.10% higher.

US 10 year bonds closed at 1.56%.

Other Highlights:

US CPI held steady in July after a similar reading in June. A decline in energy prices offset mild increases in food prices leaving the core CPI unchanged in July.

The unemployment rate increased slightly to 8.3% in July from 8.2% in June. Long-term unemployment (more than 6 months) is at its lowest level since December 2009 and the median duration of unemployment fell to 17 weeks in July from 20 weeks in June. But this also reflects discouraged workers ceasing the search for work.

US retail sales rose +0.8% in July, after a string of three monthly negative readings.

The Q2 US GDP estimate was revised upwards to +1.7% on stronger final sales.

Housing starts fell another 1.1% to an annual rate of 746,000 in July, after a 4.8% fall in the prior month.

The Case Schiller housing index showed its first year on year gain since the expiration of the first-time homebuyer credit in 2010.

The US trade deficit narrowed in June to \$US42.9bn.

The annual inflation rate fell further to 1.4% in July from 1.7% in June.

The Federal Open Market Committee (FOMC) meeting concluded without any change to monetary policy. However, the Fed expressed willingness to provide

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monetary support if economic conditions weaken. Chairman Bernanke defended QE and argued for more easing¹ – but the **annual Jackson's Hole conference passed with no new policy.**

Draghi continued to talk **up the ECB's monetary "big bang" for September release.**

Domestic Markets

The Reserve Bank of Australia decided to leave the cash rate unchanged at 3.5% at its August meeting. The decision was based on inflation expectations consistent with the target and growth close to trend.

It also (optimistically) cited current assessments of global GDP anticipating average growth in 2012, but acknowledged softening commodity prices suggesting a more subdued international outlook. With September opening on a 30% slump in iron ore prices and a shrinkage in employment, the door is open to an October rate cut.

The unemployment rate reported at 5.2% in July (-0.1%) with wage growth at +3.9%.

House prices rose by +0.5% over the June quarter, below wage growth. After two strong months, apartment approvals plunged -40% (seasonally adjusted).

After trade surpluses of up to \$3bn p.m. through 2011, the first 6 months have a best of \$0.02bn - with June breaking even.

Commodities & Currencies

Oil prices have risen recently after Q2 declines. This is likely due to rising tensions between the US and Iran, and the stagnation of the total world oil production since January.

Gold climbed to a 5 month high as investors bet that more easing was ahead in the US **after Ben Bernanke's defence of the central bank's previous policies.** Silver also reached a 4 month high.

The Australian dollar closed down 2% at \$US1.03, amid concerns about the outlook for commodity prices.

1

http://www.northerntrust.com/pws/jsp/display2.jsp?XML=pages/nt/0601/1138283678319_6.xml&TYPE=interior&er=dgcDetail&c=primary/resource/1208/1346432233095_873.xml

KEY FINANCIAL MARKET DATA – AS AT 31 AUGUST 2012 (UNLESS SPECIFIED)

Interest Rate Markets

Index Performance	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
UBS Aust. Bank Bill Index	0.30%	0.88%	2.04%	4.44%	4.72%	4.55%

Key Rates	Aug-12	Jul-12	Aug-11
Australian Cash Rate	3.50%	3.50%	4.75%
90 day BBSW	3.65%	3.58%	4.87%
3 Yr Commonwealth Bonds	2.47%	2.63%	3.81%
10 Yr Commonwealth Bonds	3.01%	3.07%	4.37%
iTraxx Australia 5 Yr CDS	171bp	167bp	161bp
US Fed Funds Rate	0-0.25%	0-0.25%	0-0.25%
CDX North American 5 Yr CDS	102bp	108bp	115bp

Equity Markets

Domestic	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
S&P/ASX 200 Acc. Index	2.14%	7.21%	2.76%	5.48%	3.68%	3.18%
A-REIT 200 Acc. Index	-0.08%	10.21%	14.00%	21.67%	8.80%	7.92%

International	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
US: S&P 500 (\$US)	1.98%	7.35%	2.99%	15.40%	15.78%	11.28%
US: NASDAQ (\$US)	4.34%	8.48%	3.37%	18.90%	20.45%	15.14%
MSCI World Acc. (Local Currency)	2.00%	7.80%	0.72%	11.42%	9.76%	7.21%
MSCI World Acc. (AUD)	4.41%	2.44%	4.40%	12.04%	3.24%	0.83%
FTSE (£)	1.35%	7.34%	-2.73%	5.88%	4.55%	5.18%
MSCI Emerging Markets (\$US)	-0.54%	4.53%	-12.24%	-8.31%	-1.18%	4.11%

Fixed Interest Markets

Bonds	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
BarCap Global Agg Acc.	0.54%	2.31%	5.01%	10.47%	8.66%	9.75%
UBSA Composite Bond Acc.	0.63%	0.84%	6.53%	9.49%	8.28%	8.56%

Data*	Current Period		Previous Period	
<i>Employment Data</i>				
Employment Growth	Jul	11,512	Jun	11,498
Unemployment Rate	Jul	5.20%	Jun	5.30%
Participation Rate	Jul	65.20%	Jun	65.30%
<i>Lending Finance</i>				
Housing Finance	Jun	1.20%	May	0.20%
Personal Finance	Jun	1.90%	May	0.40%
Commercial Finance	Jun	2.30%	May	-12.00%
Lease Finance	Jun	3.20%	May	3.20%
<i>Other</i>				
Balance on goods and services	Jun	(247m)	May	(390m)
Retail Sales	Jul	-0.80%	Jun	1.00%
Building Approvals	Jul	-17.30%	Jun	-2.50%

*All data is seasonally-adjusted.

Median Fund Manager Returns (Morningstar)	1 month	3 month	6 month	1 year	2 year p.a.	3 year p.a.
Australian Equity Large Cap	2.67%	6.98%	2.01%	4.59%	2.59%	1.89%
Australian Equity Small Cap	3.41%	2.98%	-4.00%	0.21%	5.72%	7.21%
Global Equity Large Cap	4.18%	1.71%	2.35%	10.06%	1.97%	-0.03%
Global Equity Small Cap	5.53%	0.41%	0.58%	7.32%	2.09%	1.40%
Australian Fixed Income	0.60%	1.11%	3.88%	7.07%	6.53%	7.33%
Global Fixed Income	0.33%	2.09%	2.59%	4.93%	3.72%	5.18%
Australian Listed Property	-0.11%	9.63%	13.32%	20.55%	8.44%	7.27%
Conservative ¹	0.69%	1.90%	3.73%	6.84%	5.67%	5.73%
Moderate ²	1.01%	2.51%	3.80%	7.28%	5.55%	5.69%
Balanced ³	1.42%	3.09%	3.18%	7.32%	5.37%	4.85%
Growth ⁴	1.91%	4.04%	3.05%	7.74%	4.64%	4.05%
Aggressive ⁵	2.42%	4.52%	2.26%	7.41%	4.56%	4.09%

¹ Growth Assets 0% - 20%

² Growth Assets 20% - 40%

³ Growth Assets 40% - 60%

⁴ Growth Assets 60% - 80%

⁵ Growth Assets 80% - 100%

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Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 5

BANK BALANCES AND INVESTMENTS AS AT 30/9/12
COFFS HARBOUR CITY COUNCIL
STATEMENT OF BANK BALANCES AS AT 30/9/12

Fund/Account
GENERAL FUND - NAB
TRUST FUNDS
TOTAL OF ALL BANK ACCOUNTS

Balance at 1/9/12	Receipts to 30/9/12	Payments to 30/9/12	Balance at 30/9/12
4,223,459	20,287,276	20,508,149	4,002,582
271,082	983	0	272,065
4,600,437	20,288,261	20,508,149	4,280,549

INVESTMENTS REPORT - 30/9/12
PRINCIPAL BALANCES/INTEREST EARNED

Credit Rating at Issue Date	Credit Rating at 30/9/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/9/12 \$	Monthly Movement in Market Value				Market Value as at 30/9/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - \$ 2012	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Return (Managed Funds) / Current Coupon	Risk of capital not being returned	
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted						
OVERNIGHT FUNDS:																				
Cash - Fair Value movements through profit & loss																				
Operating Accounts	AA	AA			4,500,437	-	9,687	(212,122)	(17,454)	4,280,549	-	30,270	(106,421)	(39,636)	(7,767)	(9,366)	30/09/2012	3.33	Low	
UBS Cash Management Trust	AA	AA			342,477	-	2,084	116,305	(3,243)	457,623	-	2,084	349,967	(6,267)	(1,159)	(4,183)	30/09/2012	2.62	Low	
Members Equity Bank - Business Investment Account	BBB	BBB			23,735	-	-	-	-	23,735	-	165	-	-	-	165	30/09/2012	5.00	Low	
AMP Easy Cash Mment Acct - at call	A	AA			82,787	-	296	-	-	83,083	-	2,448	(500,035)	-	296	2,448	30/09/2012	4.38	Low	
NAB Professional Funds Account	AA	AA			10,920,423	-	9,844	(8,164,835)	-	2,765,432	-	23,432	(1,199,985)	-	9,644	23,432	30/09/2012	3.90	Low	
Bank of Cyprus - Cash Mment Acct	NR	NR			133,096	-	293	10,751	-	144,139	-	825	32,969	-	293	825	30/09/2012	2.28	Low	
CUA Prime Access	NR	NR			81	-	-	-	-	81	-	-	-	-	-	-	30/09/2012	0.01	Low	
Suncorp Business Saver	A-	A-			189,827	-	585	-	-	190,512	-	993	189,618	-	585	993	30/09/2012	3.50	Low	
ANZ Premium Business Cash Account	AA	AA			10,735	-	40	-	-	10,775	-	117	-	-	40	117	30/09/2012	4.35	Low	
Total					16,203,699	-	22,829	(8,249,900)	(20,697)	7,955,931	-	60,335	(1,233,987)	(45,903)	2,133	14,432				
BENCHMARK RATE - 11 AM INDICATIVE CASH RATE																				
OTHER FUNDS:																				
Enhanced Income Funds - Fair Value movements through profit & loss																				
Macquarie Global Income Opportunities	A	A	Various	Not Applicable	3,197,704	-	22,181	(1,500,000)	-	1,719,885	-	81,554	(1,500,000)	-	22,181	81,554	30/09/2012	6.77	Medium	
Total					3,197,704	-	22,181	(1,500,000)	-	1,719,885	-	81,554	(1,500,000)	-	22,181	81,554				
BENCHMARK RATE - UBS BANK BILL INDEX																				
Term Deposits - Fair Value movements through profit & loss																				
Investec 17/11/14	BBB+	BBB-	19/05/2011	17/11/2014	8,000,000	8,169,992	-	-	-	8,219,905	-	151,838	-	-	49,512	151,838	30/09/2012	7.53	Low	
Investec 29/6/16	BBB+	BBB-	29/06/2011	29/06/2016	1,000,000	1,013,098	-	-	-	1,019,238	-	18,828	-	-	6,140	18,828	30/09/2012	7.47	Low	
Investec 8/7/15	BBB+	BBB-	8/07/2011	8/07/2015	1,000,000	1,010,667	-	-	-	1,016,593	-	9,226	-	-	5,925	18,174	30/09/2012	7.21	Low	
Investec 8/8/16	BBB+	BBB-	8/08/2011	8/08/2016	2,500,000	2,510,539	-	-	-	13,747	-	41,898	-	-	13,747	41,898	30/09/2012	6.89	Low	
Investec 6/9/17	BBB-	BBB-	6/09/2012	6/09/2017	2,000,000	2,028,231	-	-	-	8,943	-	27,424	-	-	8,942	27,424	30/09/2012	6.44	Low	
Investec 15/8/15	BBB-	BBB-	15/08/2015	15/08/2015	1,800,000	1,805,074	-	-	-	5,074	-	1,814,586	-	-	9,513	14,589	30/09/2012	6.43	Low	
AMP 24/5/16	A	A	24/05/2011	24/05/2016	5,000,000	5,099,678	-	-	-	30,205	-	5,129,884	-	-	30,205	93,157	30/09/2012	7.36	Low	
AMP 30/10/12	A	A	30/10/2012	31/11/2012	500,000	509,370	-	-	-	2,342	-	7,184	-	-	2,342	7,184	30/09/2012	6.70	Low	
Arab Bank 13/5/13	A-	A-	15/08/2012	13/05/2013	2,100,000	2,104,833	-	-	-	9,062	-	13,895	2,100,000	-	9,062	13,895	30/09/2012	6.28	Low	
Arab Bank 31/5/13	A-	A-	3/09/2012	31/05/2013	1,500,000	-	-	-	-	5,825	1,500,000	-	-	-	5,825	5,825	30/09/2012	6.25	Low	
Arab Bank 3/12/12	A-	A-	3/09/2012	3/12/2012	1,500,000	-	-	-	-	5,659	1,500,000	-	-	-	5,659	5,659	30/09/2012	6.10	Low	
Arab Bank 5/12/12	A-	A-	3/09/2012	5/12/2012	2,000,000	-	-	-	-	6,707	2,000,000	-	-	-	6,707	6,707	30/09/2012	6.10	Low	
Westpac	AA	AA	27/08/2010	27/08/2014	1,000,712	1,000,534	-	-	-	5,342	-	1,005,977	-	-	16,205	16,205	30/09/2012	6.60	Low	
Bank of Cyprus (Australia) 28/11/13	A	A	5/08/2011	28/11/2013	2,000,000	2,011,109	-	-	-	10,392	-	2,010,751	-	-	10,392	32,969	30/09/2012	6.64	Low	
Bank of Cyprus (Australia) 14/12/14	A	A	14/02/2011	14/02/2014	5,000,000	5,192,185	-	-	-	28,973	(10,751)	5,221,158	-	-	88,849	88,849	30/09/2012	7.05	Low	
Bank of Cyprus (Australia) 5/8/15	A	A	5/08/2011	5/08/2015	2,000,000	2,143,912	-	-	-	11,014	-	2,154,926	-	-	33,776	33,776	30/09/2012	6.70	Low	
Bank of Cyprus (Australia) 7/3/14	A	A	7/03/2011	7/03/2014	1,500,000	1,590,702	-	-	-	8,692	-	1,659,394	-	-	26,655	26,655	30/09/2012	7.05	Low	
Credit Union Australia 11/4/14	BBB	BBB	12/04/2011	11/04/2014	1,000,000	1,026,533	-	-	-	5,605	-	1,032,138	-	-	17,190	17,190	30/09/2012	6.82	Low	
Credit Union Australia 12/5/14	BBB	BBB	13/05/2011	12/05/2014	2,000,000	2,041,468	-	-	-	11,112	-	2,082,698	-	-	11,112	34,078	30/09/2012	6.76	Low	
Credit Union Australia 12/11/12	BBB	BBB	14/02/2012	12/11/2012	500,000	516,220	-	-	-	2,445	-	518,665	-	-	2,445	7,499	30/09/2012	6.95	Low	
Credit Union Australia 9/5/14	BBB	BBB	9/05/2012	9/05/2014	500,000	509,282	-	-	-	2,445	-	511,737	-	-	2,445	7,499	30/09/2012	6.95	Low	
Bankwest	AA	AA	27/08/2010	27/08/2013	2,000,000	2,001,357	-	-	-	10,027	-	2,011,984	-	-	10,027	30,751	30/09/2012	6.10	Low	
Quay Credit Union 11/8/13	NR	NR	11/08/2011	11/08/2013	1,000,000	1,008,918	-	-	-	5,342	-	1,074,260	-	-	5,342	16,384	30/09/2012	6.60	Low	
Quay Credit Union 23/5/12	NR	NR	23/05/2012	23/05/2013	1,500,000	1,522,603	-	-	-	6,781	-	1,529,384	-	-	6,781	20,795	30/09/2012	6.50	Low	
Suncorp 11/8/14	A-	A-	11/08/2011	11/08/2014	3,000,000	3,009,838	-	-	-	15,534	-	3,025,373	-	-	15,534	46,603	30/09/2012	6.30	Low	
Suncorp 23/12/13	A-	A-	27/09/2012	23/12/2013	1,000,000	1,008,975	-	-	-	4,142	-	1,013,118	-	-	4,142	12,704	30/09/2012	6.04	Low	
Suncorp 31/1/13	A-	A-	3/08/2012	31/01/2013	5,000,000	5,019,754	-	-	-	21,164	-	5,040,918	-	-	21,164	40,918	30/09/2012	6.16	Low	
Bank of Queensland 28/2/13	BBB+	BBB+	28/08/2012	28/02/2013	2,000,000	2,000,855	-	-	-	8,548	-	2,009,403	-	-	8,548	9,403	30/09/2012	6.20	Low	
Bank of Queensland 3/9/17	BBB+	BBB+	3/09/2012	3/09/2017	2,000,000	-	-	-	-	8,359	2,000,000	-	-	-	8,359	8,359	30/09/2012	6.55	Low	
Rural Bank	BBB	BBB	11/01/2011	11/01/2013	5,000,000	5,212,573	-	-	-	27,370	-	5,239,942	-	-	27,370	83,834	30/09/2012	6.98	Low	
ING 14/2/13	AAA	AAA	25/03/2011	24/03/2016	9,000,000	9,147,997	-	-	-	4,784	-	9,177,281	-	-	4,784	92,110	30/09/2012	7.15	Low	
Rato Direct 12/10/12	AAA	AAA	12/04/2011	12/10/2012	1,000,000	1,020,223	-	-	-	5,468	-	1,025,693	-	-	5,468	16,762	30/09/2012	6.65	Low	
Rato Direct 10/8/15	AAA	AAA	9/08/2011	10/08/2015	1,000,000	1,004,038	-	-	-	5,507	-	1,009,545	-	-	5,507	16,687	30/09/2012	6.70	Low	
ING 11/4/13	A+	A	12/04/2011	11/04/2013	2,000,000	2,187,612	-	-	-	11,079	-	2,189,692	-	-	11,079	33,977	30/09/2012	6.74	Low	
ING 21/5/13	A+	A	20/05/2011	21/05/2013	1,000,000	1,086,501	-	-	-	5,458	-	1,090,959	-	-	5,458	16,736	30/09/2012	6.64	Low	
ING 17/8/17	A+	A	17/08/2012	17/08/2017	2,000,000	2,004,610	-	-	-	9,879	-	2,014,490	-	-	9,879	14,490	30/09/2012	6.01	Low	
ING 9/9/17	A+	A	6/09/2012	6/09/2017	2,000,000	-	-	-	-	7,364	2,000,000	-	-	-	7,364	7,364	30/09/2012	6.60	Low	
ING 15/3/13 (Regional Park Trust)	A+	A	17/08/2012	15/03/2013	1,300,000	1,302,593	-	-	-	5,558	-	1,308,149	-	-	5,558	8,149	30/09/2012	6.20	Low	
ING 14/2/13	A+	A	14/02/2012	14/02/2013	1,000,000	1,031,731	-	-	-	4,784	-	1,036,515	-	-	4,784	14,670	30/09/2012	6.82	Low	
ING 28/11/12	A+	A	28/03/2012	28/11/2012	1,000,000	1,030,389	-	-	-	4,923	-	1,035,284	-	-	4,923	15,098	30/09/2012	6.89	Low	
ING 27/2/13	A+	A	28/02/2012	27/02/2013	1,000,000	1,030,728	-	-	-	4,956	-	1,035,684	-	-	4,956	15,199	30/09/2012	6.03	Low	
ING 3/12/12	A+	A	2/03/2012	3/12/2012	1,000,000	1,030,117														

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 5

INVESTMENTS REPORT - 30/9/12
PRINCIPAL BALANCES/INTEREST EARNED

Credit Rating at Issue Date	Credit Rating at 30/9/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/8/12 \$	Monthly Movement in Market Value				Market Value as at 30/9/12 \$	Financial Year to Date Movement in Market Value				Income Earned Not of Fees - Sep 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned	
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted						
ERNs(Floating Rate Notes)																				
Available for Sale Accounting - movements through equity																				
Queensland CU 3/6/13	NR	NR	6/01/2006	3/06/2013	503,170	485,725	248	1,868	-	-	487,837	7,044	5,788	-	-	2,112	12,832	30/09/2012	4.54	Low
Sub Total					503,170	485,725	248	1,868	-	-	487,837	7,044	5,788	-	-	2,112	12,832			
Fair Value through Profit & Loss Accounting - movements through profits & loss.																				
NAB 21/6/16	AA	AA	8/09/2011	21/06/2016	1,007,980	1,009,460	190	3,608	-	-	1,001,376	8,460	11,738	-	-	3,798	20,198	30/09/2012	4.55	Low
NAB 15/2/17	AA-	AA-	15/02/2012	15/02/2017	2,000,000	2,047,980	14,400	9,060	-	-	2,071,440	40,040	28,311	-	-	23,460	68,351	30/09/2012	6.21	Low
NAB 15/2/17	AA-	AA-	29/09/2012	15/02/2017	2,030,700	2,047,980	14,400	9,060	-	-	2,071,440	40,040	28,311	-	-	23,460	68,351	30/09/2012	6.21	Low
NAB 21/12/12	AA-	A	29/03/2008	21/12/2017	1,881,040	2,010,504	1,080	6,168	-	-	1,998,595	6,140	19,099	-	-	7,248	25,239	30/09/2012	3.64	Low
HSBC	AA-	AA-	14/03/2008	14/03/2018	2,000,000	2,049,095	(19,900)	10,409	-	-	2,010,695	400	29,991	-	-	(8,491)	30,391	30/09/2012	5.70	Low
Credit Suisse	A+	A+	18/03/2010	18/03/2014	901,745	930,808	1,710	1,817	-	-	498,418	2,155	5,918	-	-	3,527	8,073	30/09/2012	4.71	Low
BNP 18/3/15	AA	A+	18/03/2010	18/03/2015	1,004,230	973,182	15,870	3,551	-	-	981,026	36,160	11,682	-	-	19,421	47,742	30/09/2012	4.61	Low
BNP 12/8/13	AA-	A+	6/08/2010	12/08/2013	1,500,000	1,485,946	7,215	5,702	-	-	1,508,963	23,415	17,911	-	-	12,917	41,328	30/09/2012	4.70	Low
Barclays	AA-	A+	16/08/2010	17/08/2015	1,500,000	1,471,040	21,090	6,633	-	-	1,488,763	33,375	20,446	-	-	27,723	53,821	30/09/2012	5.61	Low
Bank of Queensland	BBB+	BBB+	11/11/2010	11/11/2013	2,000,000	2,003,759	360	8,299	-	-	2,012,418	(60)	25,907	-	-	8,659	25,847	30/09/2012	5.05	Low
Royal Bank of Scotland 27/6/13	A+	A+	27/08/2010	27/08/2013	1,508,295	1,504,875	(360)	6,330	-	-	1,510,845	6,585	22,082	-	-	5,970	28,667	30/09/2012	6.07	Low
Royal Bank of Scotland 10/3/14	A+	A+	10/03/2011	10/03/2014	5,000,000	5,027,350	30,200	22,625	-	-	5,012,901	77,400	68,999	-	-	82,825	146,399	30/09/2012	5.53	Low
CBA 24/12/15	AA	AA	24/05/2011 initial & various since	24/12/2015	10,314,440	10,387,595	(79,213)	37,498	1,955,369	-	12,281,250	(61,898)	290,968	1,817,819	-	(41,714)	229,081	30/09/2012	4.23	Low
CBA 2/8/16	AA	AA	18/11/2011	2/08/2016	1,978,520	2,008,020	13,200	7,800	-	-	2,028,020	31,600	24,520	(25,500)	-	21,000	66,120	30/09/2012	5.79	Low
ING	A+	A+	22/03/2012	22/03/2016	2,500,000	2,536,625	28,000	12,316	-	-	2,536,150	64,750	37,966	-	-	40,316	102,716	30/09/2012	6.93	Low
Macquarie Bank 9/3/17	A	A	9/03/2012	9/03/2017	5,000,000	5,039,410	75,275	23,862	-	-	5,059,560	60,795	78,302	-	-	99,137	139,097	30/09/2012	6.48	Low
Macquarie Bank 24/2/14	A	A	29/02/2012	24/02/2014	1,001,189	1,008,230	620	4,530	-	-	1,013,380	7,820	13,866	-	-	5,150	21,486	30/09/2012	5.39	Low
Westpac	AA-	AA-	13/03/2012	20/02/2017	5,000,000	5,091,500	19,550	20,900	-	-	5,131,650	93,150	65,536	-	-	40,450	168,696	30/09/2012	5.28	Low
Royal Bank of Scotland 17/2/12*	AA	BBB-	17/11/2006	17/12/2017	2,501,100	1,903,749	62,500	8,034	-	-	1,974,284	62,500	27,964	-	-	70,534	80,454	30/09/2012	4.41	Low
Sub Total					80,229,230	50,097,089	207,187	208,201	1,955,369	-	52,204,375	532,637	829,419	1,792,319	-	415,388	1,362,058			
Total					50,732,400	50,582,824	207,433	210,067	1,955,369	-	52,692,212	539,681	835,207	1,792,319	-	417,500	1,374,888			

INVESTMENTS REPORT - 30/9/12 PRINCIPAL BALANCES/INTEREST EARNED																			
Credit Rating at Issue Date	Credit Rating at 30/9/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/9/12 \$	Monthly Movement in Market Value				Market Value as at 30/9/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - Sep 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Currant Coupon	Risk of capital not being returned
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
CPPI Notes (Constant Portfolio Protection Insurance)																			
<i>Available for Sale Accounting - movements through equity</i>																			
Longreach Series 21 #	AA	22/11/2006	20/11/2012	1,000,000	996,000	3,500	-	-	-	999,500	9,800	-	-	-	3,500	9,800	30/09/2012	0.00	Low
Longreach Series 24 # (now ZCB)	AA-	14/12/2006	13/12/2012	2,000,000	1,984,800	17,600	-	-	-	1,982,400	15,800	-	-	-	17,800	15,800	30/09/2012	6.60	Low
Averon # (now ZCB)	AAA	10/05/2006	20/06/2013	1,500,000	1,469,800	(3,000)	-	-	-	1,466,800	14,700	-	-	(3,000)	14,700	30/09/2012	0.00	Low	
Keolis # (now ZCB)	AAA	24/08/2006	24/08/2013	1,000,000	964,300	-	-	-	-	964,300	-	-	-	-	-	31/03/2012	0.00	Low	
Sub Total				5,500,000	5,384,900	18,100	-	-	-	5,403,000	40,300	-	-	-	18,100	40,300			
Fair Value through Profit & Loss Accounting - movements through profits & loss																			
Dandelion # (now ZCB)	AA	19/12/2007	21/12/2012	1,000,000	945,700	2,700	-	-	-	948,400	8,700	-	-	-	2,700	8,700	30/09/2012	0.00	Low
Lehman #	AA+	13/06/2007	15/06/2009	300,000	30,000	-	-	-	-	30,000	23,195	-	-	-	-	23,195	31/05/2009	0.00	High
Lehman #	AA+	13/06/2007	15/06/2009	500,000	50,000	-	-	-	-	50,000	-	-	-	-	-	-	31/05/2009	0.00	High
Sub Total				1,800,000	1,025,700	2,700	-	-	-	1,028,400	31,895	-	-	-	2,700	31,895			
Total				7,300,000	6,410,600	20,800	-	-	-	6,431,400	72,195	-	-	-	20,800	72,195			

INVESTMENTS REPORT - 30/9/12 PRINCIPAL BALANCES/INTEREST EARNED																			
Credit Rating at Issue Date	Credit Rating at 30/9/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 1/9/12 \$	Monthly Movement in Market Value				Market Value as at 30/9/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - Sep 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
CDOs(Collateralised Debt Obligations)																			
Fair Value through Profit & Loss Accounting - movements through profits & loss.																			
Coolangatta 20/3/11	AA	D	20/03/2007	500,000	65,684	-	-	-	-	65,684	-	-	-	-	-	-	31/12/2008	0.00	High
Esperance 1	AAA	D	Switch from Esperance 2 20/12/11	20/03/2013	520,000	230,554	34,684	141	-	280,620	72,696	15,768	-	-	34,825	88,484	30/08/2012	5.08	High
Torquay 20/6/09	AA	CCG-	6/07/2006	20/06/2013	500,000	-	-	-	-	-	-	-	-	-	-	-	30/08/2012	-	High
Miami 20/3/15	AA	D	19/04/2007	20/03/2017	50,289	9,071	-	-	-	9,071	-	-	-	-	-	-	31/12/2008	0.00	High
Beryl Global Bank 20/3/10-13*	AAA	D	17/4/07 (\$100k), 3/4/07 (\$500k)	20/09/2014	600,304	330,717	-	-	-	330,717	-	-	-	-	-	-	31/12/2008	0.00	High
Coolangatta 20/3/11*	AA	D	20/03/2007	20/09/2014	2,000,000	262,735	-	-	-	262,735	-	-	-	-	-	-	31/12/2008	0.00	High
Esperance 1*	AAA	D	Switch from Esperance 2 20/12/11	20/03/2013	500,000	221,897	33,350	136	-	250,596	69,900	15,162	-	-	33,496	85,062	30/08/2012	5.08	High
Miami 20/3/15*	AA	D	19/04/2007	20/03/2017	50,289	9,071	-	-	-	9,071	-	-	-	-	-	-	31/12/2008	0.00	High
Total				4,720,882	1,129,519	68,034	278	-	-	1,188,494	142,596	30,929	-	-	68,312	173,525			

Agenda - Ordinary Meeting 13 December 2012 - CORPORATE BUSINESS REPORTS

Attachment 5

INVESTMENTS REPORT - 30/9/12
PRINCIPAL BALANCES/INTEREST EARNED

	Credit Rating at Issue Date	Credit Rating at 30/9/12	Acquisition Date	Legal Maturity	Acquisition Price \$	Market Value as at 4/9/12 \$	Monthly Movement in Market Value				Market Value as at 30/9/12 \$	Financial Year to Date Movement in Market Value				Income Earned Net of Fees - Sep 2012 \$	Income Earned Financial Yr to Date \$	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
							Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted		Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Fees Deducted					
Floating Rate Transferable Certificates of Deposit																				
ANZ 28/10/15	AA	AA-	28/10/2011	28/10/2015	500,000	507,911	2,275	2,014	-	-	512,200	5,615	6,381	-	-	4,289	11,996	30/09/2012	6.48	Low
Total					500,000	507,911	2,275	2,014	-	-	512,200	5,615	6,381	-	-	4,289	11,996			
Floating Rate Term Deposits																				
Wespac	AA	AA	8/09/2010	9/09/2013	2,000,000	2,026,266	-	1,658	-	-	2,005,507	-	22,366	-	-	1,558	22,366	30/09/2012	4.37	Low
NAB Flexi Deposit	AA	AA	16/08/2010	16/08/2013	2,000,000	2,003,912	-	7,825	-	-	2,011,737	-	23,734	-	-	7,825	23,734	30/09/2012	4.76	Low
Total					4,000,000	4,030,181	-	9,383	-	-	4,017,244	-	46,100	-	-	9,383	46,100			
Fixed Coupon Bonds																				
ING Fixed Bond	A+	A+	17/05/2012	22/03/2016	4,000,000	4,278,052	110,400	23,100	-	-	4,271,652	166,000	70,252	-	-	133,500	236,252	30/09/2012	7.00	Low
Heritago Bank Fixed Bond	BBB+	BBB+	8/09/2012	20/06/2017	2,000,000	2,078,000	31,400	11,148	-	-	2,084,000	28,400	36,148	-	-	42,548	62,548	30/09/2012	7.25	Low
Heritago Bank Fixed Bond	BBB+	BBB+	31/08/2012	20/05/2017	1,484,735	1,484,159	21,694	10,185	94,373	-	1,563,000	23,459	11,496	1,559,108	(3,652)	31,679	31,303	30/09/2012	7.25	Low
RBS	A+	A-	23/09/2010	27/08/2013	1,004,200	1,022,530	(1,680)	5,700	-	-	1,026,550	(390)	17,430	-	-	4,020	17,040	30/09/2012	7.25	Low
Total					8,468,935	8,842,741	161,814	50,133	94,373	-	8,945,102	215,469	135,326	1,559,108	(3,652)	211,947	347,143			
Securities No Longer Held (excluding Managed Funds)																				
Accumulated at Aug 2012																				
ME Bank	BBB	BBB	27/08/2012	28/08/2012	1,000,000	1,009,171	-	3,527	(1,012,699)	-	-	23,895	95,327	(17,265,208)	-	-	119,222			
Lloyds TSB	A+	A	1/04/2011	17/10/2014	2,006,050	2,128,020	33,280	11,460	(2,097,789)	-	-	30,440	37,300	(2,097,789)	-	44,760	67,740		6.15	Low
Total																				
GRAND TOTAL (before fees)						3,137,191	33,280	16,007	(3,110,479)	-		64,336	144,802	(20,385,687)	-	48,287	199,237			
Less Portfolio Fees (Advice & Salary)						179,383,091	493,636	794,734	(1,821,387)	(20,897)	178,235,281	1,029,881	2,596,204	3,418,784	(49,655)	1,267,674	3,678,640			
GRAND TOTAL						179,383,091	493,636	794,734	(1,821,387)	(34,253)	178,235,281	1,029,881	2,596,204	3,418,784	(40,668)	1,254,118	3,535,872			

Capital Guaranteed at maturity

* Ex Infrastructure IMP

* Rated by Fitch

The dates quoted alongside the name of the product for FRN's, CDO's and Fixed Bonds are first call dates.

First call dates for FRN's & fixed bonds are the likely date of maturity because the investment issuer is severely penalised if monies are not redeemed by that date,

via damage in the market to their reputation, increased coupon rates and additional capital requirements by APRA.

Term deposits of \$250,000 or less per financial institution are covered under the Commonwealth Government Deposit Guarantee Scheme & therefore by default have the same credit rating as the Commonwealth Government i.e. AAA.

Less Unrealised Capital Gains/(Loss) for Available For Sale Investments

19,346

47,344

19,346 47,344
\$ 1,235,771.80 \$ 3,488,628.17

TOTAL CASH & INVESTMENTS AS AT 30 SEPTEMBER 2012

\$ 176,235,281

LESS ESTIMATED RESTRICTED EQUITY FOR WATER & SEWER FUNDS

Water Fund
Sewer Fund

\$ 36,867,207
\$ 63,546,792

\$ 100,414,000

GENERAL FUND CASH & INVESTMENTS

\$ 77,821,281

LESS TRUST FUND BALANCES AS AT 30 SEPTEMBER 2012

\$ 1,581,116

LESS ESTIMATED RESTRICTED EQUITY FOR GENERAL FUND (developer contributions, grants, reserves etc).

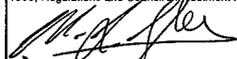
\$ 74,372,583

ESTIMATED GENERAL FUND UNRESTRICTED CASH & INVESTMENTS AS AT 30 SEPTEMBER 2012

Unrestricted Cash & Investments as at 30 June 2012
Add: 2012/2013 Forecast Budget Deficit (Budget Review - 30 September 2012 - adopted 21 November 2012)
Estimated Unrestricted Cash as at 30 June 2013

\$ 2,169,816
\$ (392,236)
\$ 1,857,582

I hereby certify that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's Investment Policy.


Responsible Accounting Officer.



ECONOMIC & MARKET
COMMENTARY
OCTOBER 2012

QE3 – At Last

"This is a Main Street policy" – Ben Bernanke

After months of speculation, both the European and US central banks stepped in to buy bonds. The ECB announced its Outright Monetary Transactions (OMT) programme to buy unlimited short-dated bonds of any government that asks for assistance.

In deference to German sensitivities, they will not:

- Directly fund deficits by buying bonds from governments – instead banks will buy the new issues and then sell them to the ECB; or
- **Expand the monetary supply in a true "quantitative easing"** – instead, any purchases will be offset by withdrawals of cash from the banking system.

Spain and Italy are the obvious targets, although Portuguese and Irish bonds trade far worse and have been somewhat forgotten during recent months.

This programme had to survive a German constitutional challenge and the possibility that it would be struck down – as it is, the Bundesbank representative dissented in a 26-1 vote.

Was it effective? Yes – the Spanish 10 year bond yield fell from a high of 7.62% to under 6% at month end. Since first mooted at the end of June, there have been double digit stockmarket gains in Denmark, Germany, Portugal and Spain with most of the world's markets up more than 5% in Q3. A good result, given that the ECB has not yet spent a single Euro – and may not do so unless a member country requests assistance and assigns even more control over its budget.

While some volatility was seen in bonds, by quarter end there was no deterioration in bond yields outside the distressed economies.

The European economy? **It's still in** deepening recession – since the ECB's constitution does not permit QE, there is very little they can do about recessions. The last 3 quarters have seen GDP contract by -0.5% in the Eurozone, and this will almost certainly be extended. And not just in the Eurozone – elsewhere in the EU, the UK is officially in recession.

As we covered last month, there is almost no scope for fiscal stimulus either. It appears the EU has no choice but to accept recessions as an inevitable result of the economic cycle. (The US has seen 13 periods of contraction since WWII - this was once considered normal.)

The US has no constraints in monetary policy – Fed Chairman Bernanke has every advantage not available to the ECB. Fiscal union between the States – taxes flow seamlessly from rich areas to poor. Bernanke can expand the money supply as much as he wants, and is now into his 3rd QE. **In fact, QE3 will continue indefinitely, until unemployment improves "substantially"** and will maintain accommodative policy until at least mid-2015 – and then for some time after the economy recovers¹. **The election and "fiscal cliff" will now capture more attention.**

¹ <http://www.federalreserve.gov/newsevents/press/monetary/20120913a.htm>

October 2012

Economic & Market Commentary

International Markets

As Q3 2011 rolls out of the 1 year data, we suddenly have extraordinarily strong numbers emerging. From the MSCI sub-indices, 12 months returns are at levels that could scarcely have been imagined before **LTRO "saved Europe" the first time**. 15% in Australia, 18% in the Pacific ex-Japan, 20% in Europe ex UK, 24% for the Nordic countries, 28 ½% in HK, 30% in the US, 32% in Germany and over 40% in Belgium and Denmark. Only Japan and some of the PIIGS retreated during the year.

The Dow Jones and S&P 500 Index closed up +2.65% and +2.42% respectively in **September. Spain's stock Index (IBEX) soared +3.88%, Ireland's ISEQ rose 3.72% and Germany's DAX up 3.52%. UK's FTSE 100 Index was up +0.54% while France's CAC 40 declined -1.71%.**

Hong Kong's Hang Seng and China's Shanghai Composite Index rose +6.97% and +1.89% respectively while Japan's Nikkei Index gained +0.34%.

The MSCI World Index ex-Australia, a broad measure of global stocks, rose +2.54% in local currency terms.

US 10 year bonds closed at 1.63%.

Other Highlights:

The European Central Bank announced **"OMT," an unlimited bond purchase** programme conditional on a pan-European banking regulator and beneficiary countries agreeing to austerity measures in return for ECB help. Spain is expected to make a request within 2 months. But the conditions are so onerous that unrest is expected.

The Federal Reserve (Fed) announced QE3, stating that it will expand its holdings of long-term securities with open-ended purchases of \$40bn of mortgage debt per month until unemployment returns to satisfactory levels.

The Fed also extended its pledge to keep interest rates low, now to at least mid-2015 and for some time into a recovery.

US Purchasing Managers' Index (PMI) of the Institute of Supply Management edged down to 49.6 in August from 49.8 in July. Readings

below 50 denote a contraction in factory activity.

The unemployment rate fell to 8.1% in August from 8.3% in July. But the participation rate is the lowest since 1979 (63.5%, from a high of 67%), as job-seekers have given up – the available labour force registered a 368,000 decline.

Inflation numbers for August showed a 0.6% increase of the Consumer Price Index (CPI). This reflects a 5.6% jump in the energy price index, a 0.2% gain in food prices and a 0.1% increase in the core CPI, which excludes food and energy.

The Case-Shiller Home Price Index of 20 metro areas rose 0.4% in July, the sixth consecutive monthly increase.

Domestic Markets

Interest rates were left on hold in September by the Reserve Bank of Australia as economists were factoring in a rate cut by year-end. The cash rate has remained steady at 3.5% since mid-year, following cuts by 50bps in May, and by 25bps in June.

Bond yields initially sold off higher on the **Fed's QE announcement but closed the month lower again**. Australian bank credit finally followed the world tighter, with the iTraxx AUS spread falling 13bp. It has outperformed peers over a year.

The ASX rose over 2% as the unemployment rate nudged 0.1% lower.

The Australian Industry Group's Performance of Manufacturing Index fell 1.2 points to a recessionary 44.1 last month (below 50 indicating the industry is contracting - the further below 50, the steeper the fall).

Commodities & Currencies

US oil prices pushed higher after a key US manufacturing activity indicator showed growth in September after three months of contraction.

December gold gained \$US9.40 to finish at \$US1,783.30 per ounce as investors often buy gold as a hedge against inflation and volatility in currencies.

The Australian dollar finished at \$1.0464 at the end of September, little changed.

KEY FINANCIAL MARKET DATA – AS AT 30 SEPTEMBER 2012 (UNLESS SPECIFIED)

Interest Rate Markets

Index Performance	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
UBS Aust. Bank Bill Index	0.31%	0.91%	1.96%	4.36%	4.69%	4.56%

Key Rates	Sep-12	Aug-12	Sep-11
Australian Cash Rate	3.50%	3.50%	4.75%
90 day BBSW	3.37%	3.65%	4.92%
3 Yr Commonwealth Bonds	2.43%	2.47%	3.64%
10 Yr Commonwealth Bonds	2.91%	3.01%	4.20%
iTraxx Australia 5 Yr CDS	158bp	171bp	212bp
US Fed Funds Rate	0-0.25%	0-0.25%	0-0.25%
CDX North American 5 Yr CDS	99bp	102bp	144bp

Equity Markets

Domestic	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
S&P/ASX 200 Acc. Index	2.18%	8.84%	3.74%	14.83%	2.47%	1.85%
A-REIT 200 Acc. Index	1.31%	6.93%	16.30%	29.07%	10.01%	5.07%

International	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
US: S&P 500 (\$US)	2.42%	5.76%	2.29%	27.33%	12.36%	10.87%
US: NASDAQ (\$US)	1.61%	6.17%	0.80%	29.02%	14.70%	13.66%
MSCI World Acc. (Local Currency)	2.15%	5.60%	1.10%	21.16%	7.27%	6.89%
MSCI World Acc. (AUD)	2.11%	5.18%	0.91%	13.64%	4.06%	1.76%
FTSE (£)	0.54%	3.07%	-0.46%	11.96%	1.73%	3.80%
MSCI Emerging Markets (\$US)	5.84%	6.97%	-3.72%	13.88%	-3.45%	3.13%

Fixed Interest Markets

Bonds	1 month	3 months	6 months	1 year	2 year	3 year
					p.a.	p.a.
BarCap Global Agg Acc.	0.67%	2.86%	5.51%	10.06%	8.92%	9.62%
UBSA Composite Bond Acc.	0.97%	1.98%	6.64%	9.57%	9.30%	8.65%

Data*	Current Period		Previous Period	
<i>Employment Data</i>				
Employment Growth	Aug	11,498	Jul	11,507
Unemployment Rate	Aug	5.10%	Jul	5.20%
Participation Rate	Aug	65.00%	Jul	65.20%
<i>Lending Finance</i>				
Housing Finance	Jul	-1.40%	Jun	1.20%
Personal Finance	Jul	0.10%	Jun	1.90%
Commercial Finance	Jul	-5.00%	Jun	2.30%
Lease Finance	Jul	3.40%	Jun	3.20%
<i>Other</i>				
Balance on goods and services	Aug	(2,027m)	Jul	(1,530m)
Retail Sales	Aug	0.20%	Jul	-0.80%
Building Approvals	Aug	6.40%	Jul	-17.30%

*All data is seasonally-adjusted.

Median Fund Manager Returns (Morningstar)	1 month	3 month	6 month	1 year	2 year p.a.	3 year p.a.
Australian Equity Large Cap	1.91%	8.66%	2.39%	13.49%	1.28%	0.60%
Australian Equity Small Cap	2.98%	8.49%	-3.03%	12.64%	3.98%	6.07%
Global Equity Large Cap	2.25%	5.05%	-0.15%	12.24%	2.63%	0.74%
Global Equity Small Cap	3.09%	5.14%	-0.34%	12.05%	2.23%	1.76%
Australian Fixed Income	0.81%	1.89%	4.19%	8.15%	6.92%	7.48%
Global Fixed Income	0.56%	2.48%	3.84%	6.85%	3.71%	4.75%
Australian Listed Property	1.17%	6.51%	15.20%	28.13%	9.54%	4.67%
Conservative ¹	0.83%	2.52%	4.01%	8.07%	5.97%	5.45%
Moderate ²	1.01%	3.21%	3.75%	9.66%	5.63%	5.30%
Balanced ³	1.28%	4.23%	3.46%	11.39%	5.36%	4.88%
Growth ⁴	1.61%	5.46%	3.04%	12.99%	4.42%	3.79%
Aggressive ⁵	1.92%	6.06%	2.08%	13.50%	3.83%	3.55%

¹ Growth Assets 0% - 20%
² Growth Assets 20% - 40%
³ Growth Assets 40% - 60%
⁴ Growth Assets 60% - 80%
⁵ Growth Assets 80% - 100%

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