



COFFS HARBOUR CITY COUNCIL

**SUPPLEMENTARY REPORT
(CORPORATE BUSINESS)**

**COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR**

22 OCTOBER 2009

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COFFS HARBOUR CITY COUNCIL

SUPPLEMENTARY REPORT (CORPORATE BUSINESS)

22 OCTOBER 2009

Mayor and Councillors

CORPORATE BUSINESS DEPARTMENT REPORTS

C66 BANK BALANCES AND INVESTMENTS FOR SEPTEMBER 2009

Purpose:

To list Council's Bank Balances and Investments as at 30 September 2009.

Description of Item:

A copy of the state of Bank Balances and Investments as at 30 September 2009 is attached.

It should be noted that Council is now 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 economic commentary which examines economic and financial markets data for August 2009 is attached, which has been provided by CPG Research & Advisory Pty Ltd (Council's investment portfolio advisors).

Sustainability Assessment:

- **Environment**

There are no perceived current or future environmental impacts.

Cont'd

C66 Bank Balances and Investments for September 2009 ...(Cont'd)

- **Social**

There are no perceived current or future social impacts.

- **Economic**

Council's investments are held according to the requirements stated within Council's investments policy and the returns are acceptable in relation thereto.

It is also noted that after deducting, from the total bank and investment balances of \$160,654,024 the estimated restricted General, Trust, Water & Sewerage cash and investments for August 2009 (\$160,368,265), the Unrestricted Cash is \$285,759. Further details are provided as a note on the attachment.

Recommendation:

1. **That the bank balances and investments totalling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and sixty million, six hundred and fifty four thousand, and twenty four dollars (\$160,654,024) as at 30 September 2009 be noted.**
2. **That the general fund unrestricted cash and investments totalling two hundred and eighty five thousand, seven hundred and fifty nine dollars (\$285,759) as at 30 September 2009 be noted.**

**Craig Milburn
Director
Corporate Business**

Attachments:



ECONOMIC & MARKET COMMENTARY OCTOBER 2009

Money, Money, Money - not always funny...

As the global economy looks at reaching a turning point, world leaders at the latest G-20 Summit in Pittsburgh have been congratulating each other on their stimulus packages that have collectively saved us from complete financial meltdown (unless you define financial meltdown as 50% equity market losses, 20% falls in house prices, an evaporation of credit and the biggest bankruptcies of all time). But before we crack open the champagne, one must ask what is going to happen to the recovery once the reigns are pulled in and all this 'free money' that has been thrown at the economy eventually disappears. And let's not forget that at the end of the day, 'free money' is not really free. In fact it could cost years of budget deficits that lead to stagnant economic growth, and a repeat of Japan's 'lost decade' – except on a global scale.

In Australia the monetary stimulus that saw rates cut a record 425 basis points, is already starting to be reversed as the RBA became the first central bank of a G-20 country to increase rates. Although wary of premature rate hikes in previous months, Reserve Bank Governor Glenn Stevens signalled that further increases before Christmas are more probable than not, as the economy is no longer in need of emergency level rates.

On top of the prospect of tighter monetary policy, consumers are also facing a withdrawal of government stimulus which has been heralded as preventing an even deeper and longer recession. In Australia the winding back of the First Home Owners Grant saw home loan approvals end a nine month run of gains and an end to the cash hand outs which saw July retail sales figures also unexpectedly decline. In the US the aftermath of the removal of the 'cash for clunker' program was even more dramatic as car sales fell 23% in September from a year earlier. Although this may not mean we are headed back to the economic environment of twelve months ago, it does illustrate that if the stimulus packages are withdrawn too hastily the recovery may start to stall.

After seeing their wealth plummet from housing and equity markets losses, consumers are now faced with the withdrawal of stimulus, potentially higher mortgage repayments as interest rates start rising and the prospect of further job cuts, they will have no choice but to start tightening their belts. This situation is already unfolding in the US, where the savings rate has typically been zero or even negative but has now reached its highest level for 11 years at 5.9%, with further rises expected.

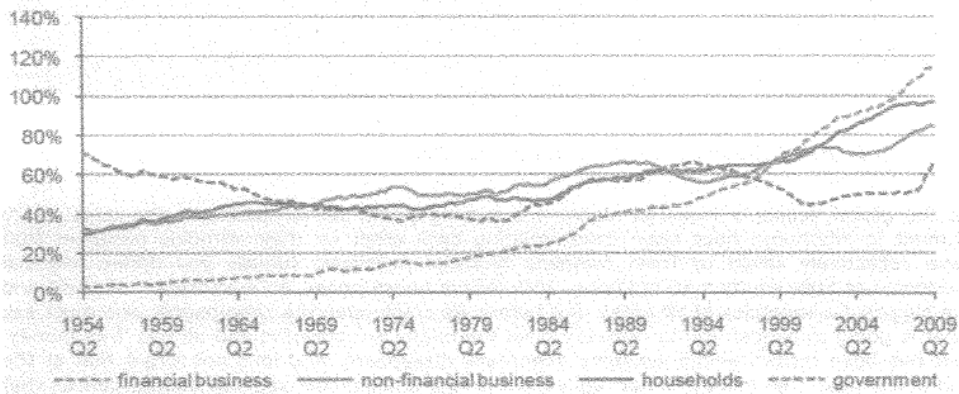
This cycle of deleveraging does not bode well for western economies over the short to medium term as they are typically 60% to 70% comprised of consumer spending. In the long term a savings culture may create a more robust economy and prevent the formation of another credit bubble, but in the near term if consumers are not spending then these economies simply will not grow.

Herein lies the problem faced by policy makers (particularly in developed nations) – as mentioned earlier if they remove stimulus plans too soon growth may start to slow again but if they prolong them in an effort to prop up consumer spending, they will continue to rack up huge levels of debt, as shown in the chart below. As these debt levels continue to grow, governments will have to either increase taxes or cut spending to finance the debt, which will end up hampering economic growth in any case.

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US debt by sector, % of GDP



Source: Lombard Street Research

Although the global economy is now better than most expected it would be come October 2009, it is by no means out of the woods yet. Once the euphoria of the current recovery dies down, people will realise that it is unlikely that developed economies will reach the growth rates of pre-crisis levels for the foreseeable future. However, if the crisis serves as a reminder of the dangers of greed and over-leveraging then it will not have all been for waste.

International Market

Ongoing revised forecasts for the global economy allowed equities to continue their positive momentum. Most observers are suggesting that the major economies appear to be approaching a turning point while anticipating only modest growth in the world economy for 2010.

During September, in the US, the S&P 500 Index and Dow Jones gained +3.6% and +2.3% respectively. Across Europe, UK's FTSE 100 added +4.6%, while Germany's DAX and France's CAC gained +4.0% and +3.9% respectively. In Asia, Hong Kong's Hang Seng surged +6.2% while Japan's Nikkei Index fell -3.4%. This was attributed to the setbacks suffered by the major Japanese banks after the government proposed to offer debt relief to some corporate borrowers and on fears they may raise equity-dilutive capital. Overall, the MSCI World Index, a broad measure of global shares, added +3.8% for the month of September.

The signs for global growth were conducive following US Treasury Secretary Timothy Geithner's remarks that the US was beginning to discuss exit strategies, while still conceding that the implementation stage was still "too early". During September:

- ▶ According to the US Labor Department, the unemployment rate of 9.7% in August resulted in 6.9 million jobs being shed since the start of the recession in December 2007;
- ▶ The Organization for Economic Cooperation and Development (OECD) predicted that the combined economy of the Group of Seven nations will shrink 3.7% this year, less than the 4.1% contraction it projected in June;
- ▶ Japan's economy grew at an annual rate of 2.3% in the June quarter, the first expansion in more than a year. However, Japan's jobless rate rose to an unprecedented 5.7% in July as machinery orders fell and consumer prices dropped a record 2.2% amid weakening household demand;
- ▶ According to the Commerce Department, housing starts in the US rose 1.5% in August to an annual rate of 598,000, led by construction of multifamily dwellings;
- ▶ Home values in 20 US cities climbed in July by the most in almost four years. The S&P/Case-Shiller home-price index

rose 1.2% in July from the prior month, the biggest gain since October 2005;

- ▶ Brazil's credit rating was raised to investment grade by Moody's Investors Service after Latin America's largest economy built record foreign reserves and averted a prolonged recession amid the global financial crisis;
- ▶ The Federal Open Market Committee (FOMC) voted unanimously to maintain the base rate of 0-0.25% in place since last December to help the economy recover from its worst recession in decades.

Domestic Market

The Reserve Bank of Australia (RBA) kept interest rates yet again on hold in September. Nevertheless, credit markets are strongly anticipating a series of rate rises to commence within the upcoming quarter. Futures markets are currently pricing in a cash rate of 5% by the fourth quarter of 2010.

The unemployment rate for August remained stable at 5.8%, with falls in the jobless figures for Queensland and Western Australia offsetting the rises in Victoria and Tasmania. The jobless rate in Queensland dropped from 5.7% to 5.5%, while in Western Australia it fell from 5.7% to 5.4%. Victoria overtook NSW to have the nation's highest jobless rate with a 0.4% rise to 6.3%, while NSW was steady at 6.1%.

The domestic equity market continued its surge, with the S&P ASX 200 gaining +5.9% and the All Ordinaries Index adding +5.7%.

Other

With futures markets pricing in rate hikes over the next year, the Australian dollar's (AUD) rally against the US dollar (USD) continued. The AUD gained another 4 US cents in September, from US84 cents to finish the month off at US88 cents.

KEY FINANCIAL MARKET DATA – As At 30 SEPTEMBER 2009 (UNLESS SPECIFIED)**Interest Rate Markets**

Index Performance	1 month	3 months	6 months	1 year	2 year p.a.	3 year p.a.
UBS Aust. Bank Bill Index	0.28%	0.80%	1.59%	4.31%	5.97%	6.16%
UBS Aust. All Maturities Composite	0.72%	1.76%	0.41%	7.07%	7.72%	6.29%

Key Rates	Sep-09	Aug-09	Sep-08
Australian Cash Rate	3.00%	3.00%	7.00%
90 Day BB5W	3.38%	3.49%	7.32%
3 Yr Commonwealth Bonds	4.83%	4.94%	5.08%
10 Yr Commonwealth Bonds	5.40%	5.41%	5.40%
Uraex Australia 5 Yr CDS	108bp	141bp	206bp
US Fed Funds Rate	0-0.25%	0-0.25%	2.00%
CDX North American 5 Yr CDS	107bp	119bp	168bp

Equity Markets

Domestic	1 month	3 months	6 months	1 year	2 year p.a.	3 year p.a.
S&P/ASX 200 Accumulation Index	-6.24%	21.50%	35.21%	8.34%	-10.92%	1.66%
A-REIT 200 Accumulation Index	9.77%	30.45%	50.24%	-23.73%	-32.60%	-18.29%

International	1 month	3 months	6 months	1 year	2 year p.a.	3 year p.a.
US: S&P 500 \$US	3.57%	14.98%	32.49%	-9.37%	-16.79%	-7.51%
US: NASDAQ \$US	5.64%	15.66%	38.85%	1.46%	-11.36%	-2.05%
MSCI World Index in \$US	3.81%	16.90%	39.96%	-4.69%	-16.94%	-6.38%
MSCI World Index in \$AUD	1.07%	7.78%	9.30%	-13.41%	-17.02%	-11.25%
FTSE £	4.58%	20.82%	30.76%	4.72%	-10.90%	-4.86%
MSCI Emerging Markets \$US	8.88%	20.06%	60.37%	16.15%	-12.90%	5.51%

Data		Current Period		Previous Period
Employment Data				
Employment Growth	August	-2000	July	-800
Unemployment Rate	August	5.8%	July	5.8%
Participation Rate	August	65.20%	July	65.20%
Lending Finance				
Housing Finance	July	0.80%	June	1.80%
Personal Finance	July	0.10%	June	-0.40%
Commercial Finance	July	-2.20%	June	-1.50%
Lease Finance	July	-1.10%	June	-5.70%
Other				
Balance on goods and services	July	-1,198m	June	-687m
Retail Sales s.a.	August	0.90%	July	-1.00%
Building Approvals	August	1.60%	July	1.60%

Median Fund Manager Returns (Morningstar)	1 month	3 months	6 months	1 year	2 year p.a.	3 year p.a.
Australian Equity Large Cap	6.00%	21.52%	34.98%	9.82%	-9.38%	1.64%
Australian Equity Small Cap	6.71%	25.03%	48.95%	9.97%	-11.81%	0.95%
Global Equity Large Cap	2.42%	8.63%	13.38%	-10.42%	-16.03%	-10.17%
Global Equity Small Cap	1.32%	9.50%	19.76%	-7.03%	-13.55%	-7.90%
Australian Fixed Income	0.60%	1.77%	1.87%	4.84%	5.53%	5.16%
Global Fixed Income	1.08%	4.52%	5.83%	9.14%	6.77%	5.48%
Australian Listed Property	5.29%	28.69%	48.38%	-19.81%	-32.10%	-18.39%
Conservative ¹	1.50%	4.95%	7.28%	4.54%	-0.16%	3.41%
Moderate ²	1.98%	7.30%	11.17%	3.28%	-5.83%	1.55%
Balanced ³	2.71%	10.25%	15.66%	1.82%	-12.26%	-0.44%
Growth ⁴	3.21%	12.71%	20.83%	1.22%	-16.96%	-1.95%
Aggressive ⁵	3.57%	15.12%	26.60%	-0.73%	-22.83%	-3.38%

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%

Disclaimer

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BANK BALANCES AND INVESTMENTS AS AT 30/09/09
COFFS HARBOUR CITY COUNCIL
STATEMENT OF BANK BALANCES AS AT 30/09/09

Balance at 30/09/08	Receipts to 30/09/09	Payments to 30/09/09	Balance at 30/09/09
2,133,022	10,025,620	20,854,839	1,303,793
212,552	494	0	213,022
5,148,073	10,026,114	20,854,839	3,715,221

INVESTMENTS REPORT - 30/09/09
PRINCIPAL BALANCES/INTEREST EARNED

Fund/Account	Credit Rating at Issue Date	Credit Rating at 30/09/09	Acquisition Date	Legal Maturity	Acquisition Price	Monthly Movement in Market Value				Financial Year to Date Movement in Market Value				Capital Gains/ Losses	Annualised (Managed Return) Current Coupon	Risk of Default/Not Being Returned	
						Increase/Decrease in Capital Value	Interest/Distributions Received	Acquisitions/Redemptions	Fees Deducted	Market Value as at 30/09/09	Increase/Decrease in Capital Value	Interest/Distributions Received	Acquisitions/Redemptions				Fees Deducted
OVERNIGHT FUNDS:																	
Grub-Grub Investments Through Profit & Loss	AAA	AAA			1,145,057	15,665	(2,449,314)	-	2,782	1,145,057	38,193	(7,714,427)	-	15,665	38,193	2.9	Low
T Corp Cash	AAA	AAA	10/06/2009		2,650,000	2,016	-	-	-	2,650,000	10,922	(2,500,000)	-	2,016	10,922	4.0	Low
Wentworth Equity Bank (w call)	BBB	BBB	10/06/2009		2,650,000	2,016	-	-	-	2,650,000	11,077	(2,500,000)	-	2,016	11,077	4.0	Low
AMP Easy Cash Management (of call)	A	A	17/06/2009		4,690,000	4,637,869	(1,000,000)	-	2,782	5,653,169	46,484	(1,000,000)	-	4,638	46,484	4.0	Low
JANZ High Yield	AAA	AAA			135,253	11,744	-	-	2,782	152,232	22,074	-	-	11,744	22,074	5.19	Low
Total					17,265,204	31,265	(3,449,314)	2,782		17,265,204	135,173	(7,714,427)	8,078	48,383	132,426		
BENCHMARK RATE - 11 AM INDICATIVE CASH RATE																	
OTHER FUNDS:																	
Edmond Cash Funds - ERM Value Investments Through Profit & Loss	Various	Various			1,541,110	17,657	-	-	-	1,541,110	30,650	-	-	17,657	30,650	14.56	Medium
LOF Five OCF Performance	AA	AA	11/22/2007		9,800,000	18,083,147	(2,162)	-	-	13,103,769	120,251	-	-	42,132	120,251	3.00	Medium
INE Enhanced	A	A			9,800,000	9,844,254	6,474	-	-	9,800,769	25,684	-	-	6,474	25,684	2.08	Medium
Total					20,265,255	28,899	(2,162)	-	-	20,265,254	172,841	-	-	28,899	172,841	11.37	Medium
BENCHMARK RATE - IBS BANK BILL INDEX																	
Wentworth Cash Funds - ERM Value Investments Through Profit & Loss	AAA	AAA	22/01/2010		2,000,000	2,018,749	-	-	-	2,018,749	43,109	-	-	14,095	43,109	8.38	Low
Wentworth	AA	AA	20/02/2008		3,658,274	3,658,274	-	-	-	3,658,274	5,841	-	-	5,841	5,841	1.59	Low
Wentworth	AA	AA	20/02/2008		1,700,000	1,700,000	-	-	-	1,700,000	5,841	-	-	5,841	5,841	4.49	Low
Suncorp Money	A	A	30/06/2009		1,000,000	1,000,000	-	-	-	1,000,000	-	-	-	-	-	8.89	Low
Bank of Queensland	BBB+	BBB+	25/01/2010		2,000,000	2,018,147	-	-	-	2,018,147	14,729	-	-	14,729	14,729	8.89	Low
Bank of Queensland	BBB+	BBB+	15/01/2010		3,000,000	3,188,873	-	-	-	3,188,873	18,906	-	-	18,906	18,906	7.16	Low
Wise Bay	BBB-	BBB-	17/06/2009		1,000,000	1,000,000	-	-	-	1,000,000	10,456	-	-	4,356	10,456	2.19	Low
Monastier Investment - Trust Funds	BBB+	BBB+	22/07/2009		500,000	502,278	-	-	-	502,278	4,097	-	-	1,751	4,097	4.89	Low
Monastier Investment - Trust Funds	BBB	BBB	22/07/2009		500,000	502,278	-	-	-	502,278	4,097	-	-	1,751	4,097	4.89	Low
CBA Low Offer	AA	AA	25/06/1999		3,001,284	4,016,185	-	-	-	4,016,185	7,002	-	-	3,044	7,002	4.89	Low
Total					20,051,284	25,053,453	2,700,000	-	-	26,545,157	96,014	-	-	331,897	336,014	5.19	Low

INVESTMENTS REPORT - 3/30/09
 PRINCIPAL BALANCES/INTEREST EARNED

CPM Index	Credit Rating at Issue Date	Acquisition Date	Legal Maturity	Acquisition Price	Market Value as at 3/30/09	Monthly Movement in Market Value				Funds Year to Date Movement in Market Value				Capital Valuation Date	Accumulated Monthly Return (Less/More) Current Coupon - Not being returned	
						Increase/Decrease in Capital Value	Interest/Distributions Received	Acquisitions/Redemptions	Fees Deducted	Increase/Decrease in Capital Value	Interest/Distributions Received	Acquisitions/Redemptions	Fees Incurred			
Available for Sale Accounting - movements through equity																
AAA	A+	25/12/2008	6/1/2011	1,208,382	1,244,651	35,769	-	-	-	35,769	35,769	-	30/03/2008	0.00	-3.20	Low
AAA	A+	26/12/2008	7/1/2011	588,840	581,650	(7,190)	-	-	-	(7,190)	(7,190)	-	30/03/2008	0.00	-3.20	Low
AAA	A+	30/12/2008	31/12/2012	1,954,850	1,981,020	26,170	-	-	-	26,170	26,170	-	30/03/2008	0.00	-3.20	Low
AAA	A+	28/09/2013	28/09/2013	748,850	741,150	(7,700)	-	-	-	(7,700)	(7,700)	-	30/03/2008	0.00	-3.20	Low
AAA	A+	28/12/2008	1/1/2011	1,558,400	1,579,200	20,800	-	-	-	20,800	20,800	-	30/03/2008	0.00	-3.20	Low
AAA	A+	14/12/2009	31/12/2012	2,000,000	1,879,200	(120,800)	-	-	-	(120,800)	(120,800)	-	30/03/2008	0.00	-3.20	Low
AAA	A+	28/05/2007	4/1/2011	1,381,440	1,409,400	27,960	-	-	-	27,960	27,960	-	30/03/2008	0.00	-3.20	Low
AAA	A+	30/05/2007	7/1/2011	701,750	694,200	(7,550)	-	-	-	(7,550)	(7,550)	-	30/03/2008	0.00	-3.20	Low
AAA	A+	12/12/2008	1/1/2011	4,850,000	4,750,000	(100,000)	-	-	-	(100,000)	(100,000)	-	30/03/2008	0.00	-3.20	Low
AAA	AAA	10/06/2008	20/09/2013	1,600,000	1,166,800	(433,200)	-	-	-	(433,200)	(433,200)	-	30/03/2008	0.00	-3.20	Low
AAA	BBB	28/05/2009	28/05/2014	941,870	937,600	(4,270)	-	-	-	(4,270)	(4,270)	-	30/03/2008	0.00	-3.20	Low
AAA	BBB	28/05/2009	28/05/2012	391,450	376,400	(15,050)	-	-	-	(15,050)	(15,050)	-	30/03/2008	0.00	-3.20	High
AAA	BBB	24/06/2008	24/06/2013	13,474,830	13,186,600	(288,230)	-	-	-	(288,230)	(288,230)	-	30/03/2008	0.00	-3.20	Low
Sub Total				17,520,000	13,474,830	(4,045,170)	-	-	-	(4,045,170)	(4,045,170)	-	30/03/2008	0.00	-3.20	Low
Sub Total				17,520,000	13,474,830	(4,045,170)	-	-	-	(4,045,170)	(4,045,170)	-	30/03/2008	0.00	-3.20	Low
AAA	A+	31/12/2007	29/11/2014	1,096,200	2,047,800	951,600	-	-	-	951,600	951,600	-	30/03/2008	0.00	-3.20	Low
AAA	A+	31/10/2008	10/05/2013	5,250,800	5,235,600	(15,200)	-	-	-	(15,200)	(15,200)	-	30/03/2008	0.00	-3.20	Low
AAA	A+	18/01/2009	15/01/2014	1,301,400	1,262,250	(39,150)	-	-	-	(39,150)	(39,150)	-	30/03/2008	0.00	-3.20	Low
AAA	A+	18/01/2009	15/01/2014	1,301,400	1,262,250	(39,150)	-	-	-	(39,150)	(39,150)	-	30/03/2008	0.00	-3.20	Low
AAA	D	13/03/2007	15/06/2009	50,000	50,000	-	-	-	-	-	-	-	31/03/2008	0.00	-3.20	High
AAA	D	13/03/2007	15/06/2009	50,000	50,000	-	-	-	-	-	-	-	31/03/2008	0.00	-3.20	High
Sub Total				11,300,000	9,207,150	(2,092,850)	-	-	-	(2,092,850)	(2,092,850)	-	31/03/2008	0.00	-3.20	High
Total				28,820,000	22,681,980	(6,138,020)	-	-	-	(6,138,020)	(6,138,020)	-	31/03/2008	0.00	-3.20	High
CCO (Collateralized Debt Obligations)																
Available for Sale Accounting - movements through equity																
AAA	B	28/03/2007	28/03/2012	692,400	814,852	122,452	-	-	-	122,452	122,452	-	30/03/2008	4.89	1.39	Medium
AAA	B	28/03/2007	28/03/2012	692,400	814,852	122,452	-	-	-	122,452	122,452	-	30/03/2008	4.89	1.39	Medium
Total				1,384,800	1,629,704	244,904	-	-	-	244,904	244,904	-	30/03/2008	9.78	2.78	Medium

INVESTMENTS REPORT - 3/30/09
PRINCIPAL BALANCES/INTEREST EARNED

SECURITIES (Maturities)	Credit Rating at Issue Date	Acquisition Date	Legal Maturity	Acquisition Price	Monthly Movement in Market Value			Fiscal Year to Date Movement in Market Value			Capital Return (Current Coupon - Benchmark rate)	Annualized Monthly Return (Current Coupon - Benchmark rate)			
					Market Value as at 3/30/09	Increase/(Decrease) in Capital Value	Interest/Distributions/Dividends/Reinvested	Market Value as at 3/30/09	Increase/(Decrease) in Capital Value	Interest/Distributions/Dividends/Reinvested					
Sub Total				500,000	203,742	3,182	3,182	131,110	6,802	78,867	130,012	30/09/2009	4.43	1.23	High
Expirence 2		2/08/2013	2/08/2013	500,000	203,742	71,735	3,182	131,110	6,802	78,867	130,012	30/09/2009	4.43	1.23	High
Blue Gem 22/12/10		20/06/2014	20/06/2014	500,000	65,694	71,735	3,182	131,110	6,802	78,867	130,012	30/09/2009	4.43	1.23	High
Esperance 2		25/06/2006 (\$100K)	25/06/2013	500,000	6,803	-	-	-	-	-	-	31/12/2008	0.00	-3.29	High
Blue Gem 22/12/10		23/06/2013	23/06/2013	300,000	6,803	-	1,379	3,744	4,225	1,279	7,959	30/09/2008	4.68	1.48	High
Southcoast 23/09/09		21/07/07 (\$500K)	21/07/07	650,000	18,651	97,780	2,482	81,620	2,480	39,242	30/09/2008	4.09	1.39	High	
Frontier 20/09/09		21/07/07 (\$500K)	21/07/07	300,000	215,126	4,800	1,796	215,126	4,800	8,206	14,118	30/09/2008	4.78	1.48	High
Tongar 20/09/09		20/06/2013	20/06/2013	300,000	215,126	4,800	1,796	215,126	4,800	8,206	14,118	30/09/2008	4.78	1.48	High
Pelham 20/12/09		20/06/2013	20/06/2013	250,000	49,295	17,300	2,835	3,600	6,203	19,805	30/09/2008	4.83	1.73	High	
Kaitiaki 20/12/09		18/07/06	18/07/06	250,000	7,016	9,000	889	8,126	2,687	9,800	10,852	30/09/2008	4.39	1.19	High
Mani 20/09/10		20/06/2014	20/06/2014	457,000	137,079	22,800	1,701	137,079	3,903	21,801	30/09/2008	4.28	0.98	High	
Bey Green Bank 20/09/10-10*		18/04/2007	18/04/2017	50,000	8,074	84,250	1,089	151,430	1,112	151,430	31/12/2008	0.00	-3.20	High	
Esperance 2		21/07/07 (\$500K)	21/07/07	300,000	300,717	-	-	300,717	-	-	31/12/2008	0.00	-3.20	High	
Esperance 2		21/07/07 (\$500K)	21/07/07	300,000	100,000	-	-	100,000	-	-	31/12/2008	0.00	-3.20	High	
Southcoast 23/09/09		21/07/07 (\$500K)	21/07/07	1,400,000	36,286	64,820	5,674	73,780	17,546	70,446	30/09/2008	4.69	1.39	High	
Frontier 20/09/09		21/07/07 (\$500K)	21/07/07	1,400,000	1,474,188	-	-	1,474,188	-	-	30/09/2008	4.78	1.68	High	
Quartz 20/12/08-09*		20/06/2012	20/06/2012	2,200,000	263,809	48,305	7,427	67,865	23,079	62,732	81,834	30/09/2008	4.78	1.68	High
Green 2 20/12/10		20/12/2010	20/12/2010	600,000	263,809	73,900	1,909	137,150	3,993	75,458	135,145	30/09/2008	4.78	1.68	High
Kaitiaki 20/12/09		20/06/2014	20/06/2014	2,017,000	361,514	92,400	7,092	89,400	21,462	89,400	107,852	30/09/2008	4.28	1.08	High
Lewson *		20/06/2014	20/06/2014	992,130	274,157	46,700	3,601	53,000	10,279	49,201	74,226	30/09/2008	4.49	1.29	High
Mani 20/09/10		20/06/2014	20/06/2014	457,000	367,749	25,445	137	367,749	5,277	23,897	70,847	30/09/2008	4.49	1.29	High
Sub Total		14,684,100	14,684,100	4,535,191	830,701	813,030	38,210	374,514	124,037	551,246	891,921	31/12/2008	0.00	-3.20	High
Total		15,184,100	15,184,100	4,242,027	568,765	41,372	805,284	805,284	177,539	830,137	969,785				

Investment Certificate of Detail	Credit Rating at Issue Date	Acquisition Date	Legal Maturity	Acquisition Price	Market Value as at 30/09/09	Monthly Movement in Market Value			Financial Year to Date Movement in Market Value			Income Earned Net of Fees - September 2009	Income Earned Financial Year to Date	Capital Price Valuation Date	Annualised Return (Funds) / Current benchmark ratio	Risk of capital not being returned	
						Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)	Increase/(Decrease) in Capital Value	Interest/ Distributions Reinvested	Acquisitions/ (Redemptions)						Fees Deducted
TransitBank Certificates of Deposit																	
ANZ	AA	22/04/2008	22/04/2013	2,033,724	9,240	7,262	-	31,420	22,169	-	-	16,502	65,695	30/09/2009	4.42	1.22	Low
CSB	AA	20/07/2008	20/07/2013	2,014,200	1,000	6,666	-	14,960	20,666	-	-	6,548	30,000	30/09/2009	4.11	0.91	Low
Total				4,047,924	10,240	13,928	-	46,380	42,835	-	-	23,050	95,695				
Fixed Income Bonds																	
ABN AMRO	AA	23/02/2008	23/02/2011	681,110	6,126	5,100	-	8,820	28,220	-	-	1,000	37,660	30/09/2009	6.26	3.08	Low
AA*	A+	18/02/2008	24/02/2010	1,514,610	(2,825)	7,850	-	(800)	22,505	-	-	4,919	21,702	30/09/2009	6.28	3.08	Low
Total				2,195,720	3,301	12,950	-	8,020	50,725	-	-	5,919	59,362				
BENCHMARK RATE - 90 DAY BBSW																	
Securities No Longer Held (excluding Managed Funds)																	
GRAND TOTAL (Incl. Fees)				6,243,644	14,541	26,878	-	54,400	93,560	-	-	18,969	155,057				
Less Portfolio Fees (Incl. Fee & Salary)				(16,191,731)				(16,191,731)									
GRAND TOTAL				(9,948,087)				(9,948,087)									

Less Unvested Capital Gains for Available For Sale Investments
 762,393

606,165

606,165

762,393

606,165
 1,168,937
 250,765
 1,419,702

\$ 160,654,024

\$ 46,232,169
 \$ 73,233,671

\$ 46,127,984
 \$ 1,654,021
 \$ 38,270,204
 \$ 204,770

\$ 1,308,888
 \$ 1,113,139
 \$ 295,749

\$ 160,654,024

\$ 120,811,031

\$ 38,270,204

\$ 295,749

\$ 160,654,024

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\$ 295,749

(a)

Notes:

1. The "Estimated Unrestricted Cash - June 2009 Investment Report" of \$1,308,888 was derived as follows:
 Estimated Unrestricted Cash \$ 1,620,000
 Estimated Portfolio Deficit \$ (251,129)
 Estimated Deficit 2008/09 \$ 1,368,871

2. An unrestricted cash balance of \$288,749 at 30 September 2008, if achieved, compares to a surplus of \$1,308,888 at 30 June 2009 after review and finalisation of the 2008/09 financial reports.

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

[Signature]
 Responsible Accounting Officer