

4. Certificate of Investments made under Section 625 of the Local Government Act 1993

This report provides details of Council's investments during the month of May 2009.

Finance Manager

BACKGROUND

Council must be presented with a monthly report certifying Council's investments have been made in accordance with legal and policy requirements.

The relevant certification is attached to and forms part of this report to Council.

LEGAL

Section 625 of the Local Government Act 1993 determines that money may only be invested in a form of investment notified by order of the Minister for Local Government published in the Gazette.

Clause 212 of the Local Government (General) Regulation 2005 determines that the responsible accounting officer must provide Council with a written report setting out details of all money that Council has invested under section 625 of the Local Government Act 1993.

The report must also include a certificate as to whether or not the investments have been made in accordance with the Local Government Act 1993, the regulations and the Council's investment policies.

FINANCIAL

Estimated interest on investments income for General, Water and Sewer Funds is \$1,018,600 for 2008/09. Of this amount \$548,600 will be held as restricted funds (comprising Water Fund, Sewer Fund and Developer Contributions).

All investments greater than \$1 million have been assured by the financial institutions.


RECOMMENDATION

That the Certificate of Investment made under Section 625 of the Local Government Act, 1993 as at 31 May 2009 be received and noted.

16 June 2009

**Certificate of Investments
made under Section 625
of the Local Government Act 1993**

The following table sets out details of all money that Council has invested as at 31 May 2009 under Section 625 of the Act. In accordance with the provision of Clause 212 of the Local Government (General) Regulation 2005, I hereby certify that these investments have been made in accordance with the Act, the Regulations and Council's investment policies.


R C Cootes
Responsible Accounting Officer

	Interest Rate %	Placement Date	Term Days	Amount \$	Expected Net Return
MACQUARIE BANK	4.40%	26-Feb-09	97	1,000,000.00	11,693.15
WESTPAC	4.20%	27-Feb-09	98	500,000.00	5,638.36
MACQUARIE BANK	4.30%	02-Mar-09	94	711,267.12	7,876.55
MACQUARIE BANK	4.30%	04-Mar-09	98	1,016,609.59	11,736.97
BANK OF QLD	4.25%	05-Mar-09	98	1,000,000.00	11,410.96
MACQUARIE BANK	4.30%	05-Mar-09	99	1,015,123.29	11,839.40
MACQUARIE BANK	4.30%	06-Mar-09	103	1,014,958.90	12,315.76
WESTPAC	4.20%	06-Mar-09	104	700,000.00	8,376.99
WESTPAC	4.20%	06-Mar-09	105	1,000,000.00	12,082.19
MACQUARIE BANK	4.30%	13-Mar-09	103	811,967.12	9,852.61
MACQUARIE BANK	4.30%	20-Mar-09	97	1,012,513.70	11,570.40
MACQUARIE BANK	4.00%	25-Mar-09	182	1,019,561.64	20,335.37
MACQUARIE BANK	4.30%	26-Mar-09	92	1,019,561.64	11,050.37
BANKWEST	4.25%	27-Mar-09	119	1,000,000.00	13,856.16
BANKWEST	4.15%	08-Apr-09	91	636,853.58	6,589.25
MACQUARIE BANK	4.10%	09-Apr-09	91	1,000,000.00	10,221.92
BANKWEST	4.05%	22-Apr-09	85	810,783.56	7,646.91
BANKWEST	4.05%	24-Apr-09	89	577,303.52	5,701.07
WESTPAC	4.15%	29-Apr-09	91	1,012,756.16	10,478.56
IMB	4.10%	30-Apr-09	91	1,136,284.07	11,615.00
BANKWEST	4.00%	01-May-09	91	1,082,356.55	10,793.91
BANKWEST	4.00%	07-May-09	90	1,000,000.00	9,863.01
BANKWEST	4.00%	07-May-09	91	1,000,000.00	9,972.60
BANKWEST	4.00%	07-May-09	92	1,000,000.00	10,082.19
BANKWEST	4.00%	07-May-09	118	1,000,000.00	12,931.51
NEWCASTLE PERM	3.65%	08-May-09	68	1,000,000.00	6,800.00
WESTPAC	4.00%	14-May-09	90	1,011,161.64	9,973.10

FINANCE AND INFRASTRUCTURE COMMITTEE

16 June 2009

BANKWEST	4.00%	15-May-09	90	1,000,000.00	9,863.01
BANKWEST	4.00%	15-May-09	91	700,000.00	6,980.82
ELDERS RURAL	3.76%	15-May-09	119	1,000,000.00	12,258.63
WESTPAC	4.25%	20-May-09	91	1,011,046.58	10,712.94
HORIZON	4.00%	21-May-09	91	1,000,000.00	9,972.60
BANKSTOWN C.C.U.	4.10%	21-May-09	92	1,000,000.00	10,334.25
BANKWEST	4.25%	22-May-09	96	1,040,459.42	11,630.34
BANKWEST	4.00%	27-May-09	36	1,000,000.00	3,945.21
WESTPAC	4.10%	27-May-09	91	1,011,161.64	10,336.01
WESTPAC	4.10%	28-May-09	91	1,011,276.71	10,337.19
MACQUARIE BANK	4.00%	29-May-09	91	1,026,967.84	10,241.54
BANKWEST	4.15%	29-May-09	118	500,000.00	6,708.22
BANKWEST	4.15%	29-May-09	119	1,000,000.00	13,530.14
Westpac	2.60%	Daily	Daily	1,243,734.81	32,337.11
Total Investments				38,633,709.08	441,492.28
Source Of Investments					
General Fund Externally Restricted Funds					3,461,960.27
General Fund Internally Restricted Funds					6,633,928.45
Water Fund Externally Restricted Funds					9,572,304.38
Water Fund Internally Restricted Funds					4,397,185.54
Sewer Fund Externally Restricted Funds					1,137,551.68
Sewer Fund Internally Restricted Funds					5,543,128.06
Unrestricted Funds					7,887,650.70
Total Investments					38,633,709.08

The graph below provides a comparison between the interest rates Council has invested funds for and the "bank bill swap rate". The bank bill swap rate is an average of the rates offered by the ten major banks. This rate is the accepted industry benchmark.

By comparing the two interest rates Council can monitor the performance of Council's investment portfolio.

