

INVERELL SHIRE COUNCIL

NOTICE OF MEETING

ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE

2 November, 2017

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 8 November, 2017, commencing at 10.30am.

Your attendance at this Economic & Community Sustainability Committee Meeting would be appreciated.

P J HENRY PSM

GENERAL MANAGER

A G E N D A

SECTION A	APOLOGIES CONFIRMATION OF MINUTES DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS BUSINESS ARISING FROM PREVIOUS MINUTES
SECTION B	ADVOCACY REPORTS
SECTION C	COMMITTEE REPORTS
SECTION D	DESTINATION REPORTS
SECTION E	INFORMATION REPORTS
SECTION F	GENERAL BUSINESS
SECTION H	GOVERNANCE REPORTS
SECTION G	CONFIDENTIAL MATTERS (COMMITTEE-OF-THE-WHOLE)

Quick Reference Guide

Below is a legend that is common between the:

- Inverell Shire Council Strategic Plan;
- Inverell Shire Council Delivery Plan; and
- Inverell Shire Council Operational Plan.



ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING

Wednesday, 8 November, 2017

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MINUTES OF THE ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING HELD IN THE COMMITTEE ROOM, INVERELL SHIRE COUNCIL, 144 OTHO STREET, INVERELL ON WEDNESDAY, 11 OCTOBER, 2017, COMMENCING AT 11.15AM.

PRESENT: Cr P J Harmon (Chairperson), Crs J A Watts, P A King, A A Michael and C M Dight.

Also in attendance: Crs D F Baker, S J Berryman, J N McCosker and M J Peters.

Paul Henry (General Manager), Brett McInnes (Director Civil and Environmental Services) and Sharon Stafford (Executive Assistant).

SECTION A

APOLOGIES:

There were no apologies received.

1. ELECTION OF CHAIRPERSON

The General Manager advised Councillors of the requirements of Council's Meeting Code and the need to elect a Chairperson for the next one (1) year term.

The General Manager advised Councillors of the entitlement under the Code for the Mayor to Chair Committee Meetings. Cr Harmon declined to exercise the right to Chair the Meeting, inviting the General Manager to call for nominations for the position of Chairperson.

The General Manager called for nominations for the position of Chairperson:

Cr King nominated Cr Watts.

Cr Watts being the only nomination was declared Chairperson for the ensuing one (1) year period.

At this juncture the time being 11.20am Cr Watts assumed the Chair.

2. CONFIRMATION OF MINUTES

RESOLVED (Harmon/Michael) that the Minutes of the Economic and Community Sustainability Committee Meeting held on 13 September, 2017 as circulated to members, be confirmed as a true and correct record of that meeting.

3. DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

There were no interests declared.

4. BUSINESS ARISING FROM PREVIOUS MINUTES

GM-A Boundary Adjustment Armidale Regional Council S13.1.1

Cr Harmon noted that the newly elected Mayor of Armidale Regional Council is not in favour of the proposed Tingha boundary adjustment and would like to further test that hypothesis.

RESOLVED (Harmon/Michael) that the Committee recommend to Council that Council offer assistance to the Tingha Progress Association in garnering the views of the

residents affected by the proposed boundary adjustment which may result in the Progress Association preparing a submission to Armidale Regional Council.

SECTION D
DESTINATION REPORTS

CSO-P 1. EXPIRING LICENCE AGREEMENT – MR D PRIEST & MS K NICHOLSON S5.10.95

RESOLVED (Michael/Harmon) that the Committee recommend to Council that:

- i) Council renew the agreement with Mr D Priest and Ms K Nicholson for Part Lot 112, DP 753277, Rifle Range Road, Inverell;*
- ii) Council grant permission to graze a portion of the lot,*
- iii) The licence agreement be for a five (5) year period with a five (5) year option;*
- iv) The Licence fee be \$140.55 per annum (GST Inclusive) with a 3% increase per annum; and*
- v) The Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

EMCCS-A 2. PROPOSED 'COD CASH' PROMOTION S8.12.12

RESOLVED (Harmon/Michael) that the Committee recommend to Council that:

- i) Council develop the concept to capitalise on conducting an amateur 'Cod Cash' Promotion which considers, but is not limited to, proposed entry fee, sponsors still contributing if fish is not caught; registrations for the event only available through local business houses; and*
- ii) A report is brought back to the Committee for consideration.*

CSO-P 3. REQUEST TO LICENCE LAND – O'CASS S5.10.54

RESOLVED (King/Harmon) that the Committee recommend to Council that:

- i) Council enter into a Licence Agreement with Mr Nathan O'Cass for Lot 89, DP 754847, Little Plain Recreation Reserve, for a two (2) year period with a further two (2) year option;*
- ii) the Licence fee be \$403.14 per annum (GST Inclusive) with a 3% increase per annum; and*
- iii) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

CSO-P 4. DONATION REQUEST – INVERELL SHOW SOCIETY 150 YEAR ANNIVERSARY S15.8.7/09

RESOLVED (Michael/Harmon) that the Committee recommend to Council that:

- i) Council enter into discussions with the Inverell Show Society regarding the possibility of sponsoring a particular event on program; and*
- ii) A report be brought back to the Committee for consideration.*

5. REQUEST FOR REDUCTION ON WATER ACCOUNT – RAINE & HORNE (LISTING) S32.10.1/10

RESOLVED (Harmon/Michael) that the matter be referred to Closed Committee for consideration as:

- i) the matters and information are ‘the personal hardship of any resident or ratepayer.’ (Section 10A(2)(b) of the Local Government Act, 1993);*
- ii) on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*
- iii) all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

6. REQUEST FOR REDUCTION ON WATER ACCOUNT – DEVLIN (LISTING) S32.10.1/10

RESOLVED (Harmon/Michael) that the matter be referred to Closed Committee for consideration as:

- i) the matters and information are ‘the personal hardship of any resident or ratepayer.’ (Section 10A(2)(b) of the Local Government Act, 1993);*
- ii) on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*
- iii) all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

SECTION E
INFORMATION REPORTS

1. GRANTS TO VILLAGES AND RURAL AREAS – RECREATIONAL / CULTURAL GRANT 2017-18 S15.8.6/10

RESOLVED (Michael/Dight) that the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 11 October, 2017, be received and noted.

SECTION F
QUESTIONS WITHOUT NOTICE

Cr Harmon Copeton Freshwater Swim 2018

Cr Harmon advised that he had been approached to consider becoming the major sponsor for the 2018 event. Cr Harmon confirmed that a formal approach will be made to Council.

GM-A General Manager National Disability Incentive Scheme (NDIS) S3.16.4

The General Manager briefed the Committee on feedback received from a number of people impacted by the NDIS.

The General Manager asked the Committee if they believe Council has a role to play in expressing to the Department the concerns of people affected by the Scheme.

Noting that the Committee confirmed an appetite to explore the issues with focus groups to identify if there are any organisations interested in undertaking an advocacy role in respect of this matter, the General Manager confirmed he will continue to further explore the issues and keep the Committee briefed.

SECTION H GOVERNANCE REPORTS

MFS-A 1. GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2/09

RESOLVED (Harmon/Michael) that:

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*

SECTION G CONFIDENTIAL REPORTS IN CLOSED COMMITTEE (SECTION 10A(2) OF THE LOCAL GOVERNMENT ACT 1993)

At 11.58am, the Chairperson offered the opportunity to members of the public to make representations as to whether any part of the Committee Meeting should not be considered in Closed Committee. There was no response from the public.

CLOSED COMMITTEE REPORTS

RESOLVED (Michael/Harmon) that the Committee proceed into Closed Committee to discuss the matters referred to it, for the reasons stated in the motions of referral.

Upon resuming Open Committee, at 12.10pm, the Chair verbally reported that the Committee, with the Press and Public excluded, having considered the matters referred to it, recommends as follows:

DC-A 1. REQUEST FOR REDUCTION ON WATER ACCOUNT – RAINE & HORNE S32.10.1/10

The Committee recommend to Council that:

- i) The report be received and noted; and*
- ii) Council issue an amended account of \$155.03 for the last quarter based on the average consumption of accounts prior to the leak, and write off \$1338.82.*

DC-A 2. REQUEST FOR REDUCTION ON WATER ACCOUNT – DEVLIN S32.10.1/10

The Committee recommend to Council that:

- i) The report be received and noted;*
- ii) Council issue an amended account of \$184.26 for the last quarter based on the average consumption of accounts prior to the leak and write off \$681.39.*

ADOPTION OF RECOMMENDATION

RESOLVED (Harmon/Dight) that the recommendation from Closed Committee be adopted.

There being no further business, the meeting closed at 12.12pm.

CR J A WATTS

CHAIRPERSON

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 8/11/2017

ITEM NO:	1.	FILE NO: S5.10.126
DESTINATION 5:	The communities are served by sustainable services and infrastructure.	S
SUBJECT:	EXPIRING LICENCE AGREEMENT – INVERELL COMMUNITY GARDENS	
PREPARED BY:	Fiona Adams, Manager Integrated Planning and Reporting	

SUMMARY:

The Licence Agreement between Council and Inverell Community Gardens is due to expire on 28 November, 2017. The Committee is requested to consider offering the Community Gardens a new Agreement.

COMMENTARY:

The Licence Agreement between Council and Inverell Community Gardens for Reserve 1571, Swanbrook Road, Inverell expires on 28 November, 2017. The authorised use of the land is for the purpose of public recreation and the lease area is 2.13 hectares. An inspection of the area confirms use is in accordance with the Licence Agreement.

It is noted that the licences are issued subject to the licensee providing Public Liability Insurance for \$10M. These Policies now cost over \$500 p.a. The last billed annual amount for this lease agreement was \$450.20 (GST inclusive).

The Committee is requested to consider offering Inverell Community Gardens a new Agreement, with the agreement able to be transferred to the new site of the Gardens when required.



RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND MANAGEMENT PLAN:

Strategy: S.01 Sound Local Government Administration, Governance and Financial Management are provided.

Term Achievement: S.01.10 Best Practice in Land Use Administration has been adopted and implemented.

Operational Objective: To maintain a suitable portfolio of land for development and sale at a fair market price.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICER'S COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

That the Committee recommends to Council that:

- i) Council renew the agreement with Inverell Community Gardens for Part Reserve 1571, Swanbrook Road, Inverell;*
- ii) The licence agreement be for a five (5) year period with a five (5) year option;*
- iii) The Licence fee be \$463.70 per annum (GST Inclusive) with a 3% increase per annum;*
- iv) The Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager; and*
- v) Inverell Community Gardens be responsible for any electricity, water, sewer, waste management and stormwater charges and any metered water use.*

ITEM NO:	2.	FILE NO: S21.8.18
DESTINATION 2:	A community that is healthy, educated and sustainable	C
SUBJECT:	GRAMAN RESERVE - DEVELOPMENT OPPORTUNITY	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

Earlier this year the Sapphire City Motor Sports Club (the 'Club') indicated an interest in constructing a 30m x 20m concrete slab at the Graman Recreation Reserve. Further information in respect of the proposal has been sought. The Committee is requested to determine a recommendation in respect of the request.

COMMENTARY:

In May, 2017 the Economic & Community Sustainability Committee considered a report in respect of the Sapphire City Motor Sports Club looking to further develop the Graman Recreation Reserve by constructing a 30m x 20m slab to be used for:

- a) 'Young Driver Education and Training' days catering for L, P1 and P2 drivers, and
- b) 'Advanced Driver Training and Education' days which would cater for drivers of all skill levels.

The Club indicated the slab would be constructed with all the safety requirements specified by CAMS and the *Motor Vehicle Sports Act (NSW) 1985*.

This intended use requires development consent.

As Council is Trustee for the Reserve, Council will need to sign the Development Application as owner before the application can be lodged. This provides Council with an opportunity to prevent the application being lodged if there is a perception that the proposed slab could be used for other purposes and this possible use is not a favoured use.

Following consideration of the matter at the May Meeting of the Economic & Community Sustainability Committee Meeting, it was resolved that:

- a) the development opportunity be referred to the Graman Hall Committee seeking their comments prior to further consideration, and
- b) Further clarification from the Sapphire City Motor Sports Club be sought on the intended use of the proposed facility.

Accordingly, Council sought comment from the Graman Hall Committee. To date a response has not been forthcoming.

Further clarification from the Sapphire City Motor Sports Club was sought on the intended use of the proposed facility. The Club have provided no further clarification.

Council is however in receipt of a petition from a number of residents in the village opposed to the proposal. A copy of the petition has been forwarded separately.

As Council is Trustee of the Reserve, the Committee is being asked to consider the responses received to date and determine whether at this point it is prepared to sign the Development Application as owner of the reserve, and thereby allow the Application to be lodged for consideration.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: C.07 Provide local opportunities for recreation, cultural and social activities.

Term Achievement: C.07.02 The Shire's recreational areas and facilities are contemporary and conducive to the communities wellbeing.

Operational Objective: C.07.02.01 Contribute to the physical well being of the community through the provision of active recreation areas.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

A matter for the Committee.

ITEM NO:	3.	FILE NO: S26.1.1/10
DESTINATION 2:	A community that is healthy, educated and sustainable	C
SUBJECT:	REQUEST FOR SPONSORSHIP – COPETON FRESHWATER SWIM	
PREPARED BY:	Fiona Adams, Manager Integrated Planning & Reporting	

SUMMARY:

Council has received a request from Wayne Fowke, President, Inverell East Rotary Club, requesting financial assistance with the 2018 Copeton Freshwater Swim. The annual event is to be held 24 March, 2018 and organisers have recently been advised Gwydir Shire Council is stepping down as a major sponsor for the event.

COMMENTARY:

The Copeton Freshwater Swim has been held annually since 2013. The event is organised by a team of volunteers comprising members of the Rotary Club of Inverell East and local residents. Last year's event attracted 125 competitors, who travelled from across the North West, North Coast and South-east Queensland and as far afield as Wollongong. The event is the only open water inland swim in New South Wales and is contested over four distances – 500 metres, 1 kilometre, 2.5 kilometres and 5 kilometres.

Gwydir Shire Council has been the event's major sponsor since its inception and last year provided \$5,000 sponsorship. The organisers have recently been informed Gwydir Shire Council is stepping down as a major sponsor.

A copy of the correspondence received from Mr Fowke is attached as Appendix 1 (D6). It outlines budget items associated with the swim include:

- Providing Lifeguards from Yamba Surf Lifesaving Club for water supervision and safety;
- Event timing and management systems;
- Promotion and advertising, including television and radio;
- Hire of marine markers and buoys; and
- Event equipment including bunting, generators and inflatable finish line.

The Committee is asked to determine if it wishes to provide a contribution to the Copeton Freshwater Swim 2018, and if so, in what capacity.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: S.03 Council provides equitable services, consistent with available resources and priorities to meet the Shire's identified needs and preferences.

Term Achievement: S.03.01 Services and programs that Council provides are determined based on equity, customer requirements and community benefits, best value and excellence.

Operational Objective: S.03.01.01 Appropriate services and programs are selected based on considerations of equity, best value, relevance and benefit to the community.

POLICY IMPLICATIONS:

Management Policy: Donation Policy – 'The purpose of providing Donations from public funds is to help promote or assist individuals or organisations for which there is a recognised public benefit, Generally the maximum donation provided will be \$200.00.'





CHIEF FINANCIAL OFFICER'S COMMENT:

No specific funding for the level of financial support requested for this event has been provided in the Donations budget allocation. However, if Council wishes to provide this level of support the Donations budget allocation could be utilised but will reduce Council's ability to consider future requests for support.

LEGAL IMPLICATIONS:

Nil.

APPENDIX 1



Rotary Club of Inverell East

President: Wayne Fowke
Secretary: Ros Scoble

PO Box 472
Inverell
NSW 2360
Australia 2360
secretary@inverelleastrotary.org.au

23rd October 2017

Mayor Paul Harmon
Inverell Shire Council
Inverell NSW 2360

Dear Mayor Paul Harmon,


As discussed in person, Rotary Club of Inverell East is approaching Inverell Shire to be the Major Sponsors of the Copeton Dam Open Water Swim, "the Swim with Altitude". Next Year's event is program for the 24th March 2018 and is the only open water competitive swim held inland in New South Wales. The swim has competitors from far north as Queensland down to Wollongong from varying abilities and ages. Last year's winning swimmer for the 5-km swim used the race to prepare for the 10km open water Hong Kong Championships.

Due to unforeseen reasons the Gwydir Shire who has been our sponsor for the past 5 years have withdrawn their support of \$5,000.00 and without this contribution the swim may not be economically viable to run.

The sponsorship money is used to support the successful running of this event in the following areas;

- a. Providing Lifeguards from Yamba Surf Lifesaving Club for water supervision and safety
- b. Provide technical assistance in the event timing and management systems.
- c. Promotion of the swim event on many media platforms
- d. Television and Radio Advertisement.
- e. Hire and use of marine markers and buoys.
- f. General equipment hire such as generators, inflatable finish line, bunting etc.

The Shire's consideration in this matter is greatly appreciated. Any further information relating to this request can be addressed to Wayne Fowke, President of Rotary Club of Inverell East.

Yours Sincerely

Mr Wayne Fowke
Rotary Club of Inverell East

ITEM NO:	4.	FILE NO: S4.12.1
DESTINATION 1:	A recognised leader in a broader context	R
SUBJECT:	REVIEW OF THE MODEL CODE OF CONDUCT	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

The Office of Local Government (OLG) is consulting with councils and other stakeholders on changes to the *Model Code of Conduct for Local Councils in NSW* (the Model Code of Conduct) and its associated procedures. The Committee is being asked to consider the consultation draft and determine if they wish to make a submission in respect of the changes proposed.

COMMENTARY:

The OLG has prepared a consultation draft of the new Model Code of Conduct. OLG is seeking the views of councils and other stakeholders on the consultation draft prior to finalising the new Model Code of Conduct.

A copy of the consultation draft of the Model Code of Conduct is attached as separate document.

The proposed amendments to the Model Code of Conduct are highlighted in **bold type** in the consultation draft. These amendments are designed to update, clarify and enhance prescribed ethical standards, to address issues identified in the four years the current version of the Model Code of Conduct has been in force and to improve its operation.

The new Model Code of Conduct will also contain new provisions that are designed to improve ethical standards, more effectively deter non-compliance and lead to improved transparency and accountability. In addition to the provision regarding pecuniary interests, among the notable changes proposed in the draft Model Code include:

- clarification that conduct in good faith, whether or not it involves error, will not constitute a breach of fairness and equity obligations (see clause 3.5)
- there are new bullying provisions, but it is made clear that reasonable management action carried out in a reasonable manner does not constitute bullying behaviour (see clauses 3.8-3.11)
- new standards requiring compliance with work health and safety obligations under the Work Health and Safety Act 2011 (see clause 3.12)
- new standards requiring disclosure of records of meetings and other communications with applicants and objectors to planning applications at the meeting at which the application is determined (see clause 3.15)
- new provisions regarding behaviour of councillors at meetings (see clauses 3.21-3.24)
- clarification of the types of relationships that might give rise to non-pecuniary conflicts, and reinforcement of the importance of perception (see Part 5)
- a requirement that council officials do not participate in competitions for prizes where eligibility is based on the council being in a customer-supplier relationship with the competition organiser and a prohibition against personally benefiting from reward point programs when purchasing on behalf of council (see clause 6.3)

- banning gifts or benefits greater than \$50 from being accepted and introducing mandatory reporting of all gifts or benefits regardless of value (see clause 6.6)
- clarification that in relation to inappropriate interactions, a public forum includes social media (see clause 7.5)
- banning access to council information when councillors have a pecuniary or a significant non-pecuniary conflict of interest unless the information is otherwise available to members of the public, or the council has determined to make the information available under the GIPA Act (see clause 8.6)
- new standards regarding internet access and use of social media (see clause 8.20).

The Code Procedures

The draft Code Procedures have been amended to reflect that pecuniary interest matters are now dealt with under the Model Code. Other noteworthy provisions are:

- clarification on when complaints are not considered “code of conduct complaints” (see clause 4.2)
- clarification that complaints about the General Manager may be made to external agencies (see clause 4.11)
- a discretion for a General Manager or Mayor to delegate functions under Part 5 of the Code Procedures to a member of staff or persons external to council (see clause 5.1)
- clarification on when the Mayor or General Manager may decline to deal with a complaint at the outset (see clause 5.2)
- a new provision providing a procedure for dealing with a complaint about both the General Manager and Mayor (see clause 5.33)
- establishing additional complaints assessment criteria to be considered by a conduct reviewer in the preliminary assessment of a complaint (see clause 6.30)
- establishing additional sanctions which an investigator may recommend be imposed by a council if it is determined that conduct investigated constitutes a breach of the code of conduct (see clause 7.36)
- a prohibition against council inviting submissions from persons other than the person the subject of an investigation when considering a final investigation report and the sanctions to be imposed on that person (see clause 7.52)
- a requirement for a report to OLG to be given if Council does not adopt the sanctions in the investigation report (see clauses 7.60 – 7.62)
- a discretion for the General Manager to refuse to provide further information about a code of conduct complaint (with the consent of the OLG) if a complainant has publicly disclosed information about a code of conduct complaint that they have made or purported to make (see clause 12.2)

The Committee is being asked to consider the consultation draft and determine if they wish to recommend making a submission in respect of proposed changes.

Once finalised, councils will be given a 6 month transitional period in which to adopt the new Model Code and Code Procedures and update their systems to align with the new requirements.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: R.07 Council is recognised for and distinguished by its management, innovation and customer service.

Term Achievement: R.07.01 Council's operating culture is flexible, efficient, integrated and aligned to Council's strategic objectives and program delivery.

Operational Objective: R.07.01.01 Implement a structured program of continuous improvement, based on identifying and adopting leading practice, across the organisation.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

A matter for the Committee.

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/11/2017

ITEM NO:	1.	FILE NO: S26.4.21
DESTINATION 2:	A community that is healthy, educated and sustainable	C
SUBJECT:	INVERELL COMMUNITY RADIO	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

At the September, 2017 Ordinary Meeting of Council, Council resolved to investigate an opportunity to establish STA FM Community Radio as the community's emergency announcement broadcaster. Council is being asked to receive and note the information provided.

COMMENTARY:

As Council would be aware, Mr Peter Jarrett, STA FM advised Council during the public forum session of the September 2017 Ordinary Meeting that STA FM had been issued with a permanent broadcasting licence. Mr Jarrett noted that the licence imposes a number obligations on the station, in particular, a requirement to fulfil the needs of the community.

In seeking to fulfil the needs of the community, an opportunity for the radio station to be established as an emergency announcement broadcaster and Centre of Excellence has been identified.

Council staff are currently working with STA FM to investigate and cost the necessary upgrade of the station. A report will be brought back to the Committee for consideration once the investigation is complete.

It should also be noted that a part of the investigation will involve looking at options for the hosting of transmission equipment for the street public address system.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: C.03 Promote an ordered and safe Community.

Term Achievement: C.03.02 Appropriate management plans and facilities are developed and implemented in partnership with emergency services.

Operational Objective: C.03.02.01 To ensure the availability of an adequate emergency response service within the Shire to deal with the natural disasters and man made incidences.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

That the items contained in the Information Reports to the Economic & Community Sustainability Committee meeting held on 8 November, 2017 be received and noted.

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 8/11/2017

ITEM NO:	1.	FILE NO: S12.12.2/10
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	GOVERNANCE - MONTHLY INVESTMENT REPORT	
PREPARED BY:	Paul Pay, Manager Financial Services	

SUMMARY:

To report the balance of investments held as at 31 October, 2017.

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 31 October, 2017 and an update of the investment environment:

- (a) Council's investments as at 31 October, 2017;
- (b) Council Investments by Fund as at 31 October, 2017;
- (c) Interest – Budgeted vs Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 31 October, 2017

Term Deposit Investment Group										
Investment No.	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
17/40	AMP BANK	General	A1	2	30-Mar-17	27-Nov-17	2.75%	2,000,000	2,000,000	242
17/42	AMP BANK	Water	A1	2	30-Mar-17	27-Nov-17	2.75%	1,000,000	1,000,000	242
17/43	AMP BANK	General	A1	2	30-Mar-17	27-Nov-17	2.75%	1,000,000	1,000,000	242
17/41	AMP BANK	General	A1	2	30-Mar-17	27-Nov-17	2.75%	1,000,000	1,000,000	242
17/48	NAB	Sewer	A1+	1	30-May-17	27-Nov-17	2.50%	2,000,000	2,000,000	181
17/49	Bank West	General	A1+	1	30-May-17	27-Nov-17	2.50%	2,000,000	2,000,000	181
17/50	Suncorp Bank	General	A1+	1	30-May-17	27-Nov-17	2.60%	1,000,000	1,000,000	181
17/51	Bank of Queensland	General	A1	2	30-May-17	27-Nov-17	2.65%	1,000,000	1,000,000	181
17/52	National Australia Bank	General	A1+	1	02-Jun-17	27-Nov-17	2.50%	2,000,000	2,000,000	178
17/28	St George Bank	Water	A1+	1	01-Dec-16	01-Dec-17	2.75%	1,000,000	1,000,000	365
17/30	Suncorp	General	A1+	1	14-Dec-16	14-Dec-17	2.75%	1,000,000	1,000,000	365
17/31	National Australia Bank	General	A1+	1	14-Dec-16	14-Dec-17	2.72%	2,000,000	2,000,000	365
17/32	Community Mutual	Water	NR	3	14-Dec-16	14-Dec-17	2.90%	2,000,000	2,000,000	365
17/46	Suncorp	General	A1+	1	27-Apr-17	08-Jan-18	2.58%	1,000,000	1,000,000	256
17/47	Suncorp	General	A1+	1	27-Apr-17	08-Jan-18	2.36%	1,000,000	1,000,000	256
17/34	National Australia Bank	General	A1+	1	09-Jan-17	09-Jan-18	2.70%	1,000,000	1,000,000	365
1802	Bank West	Sewer	A1+	1	17-Jul-17	17-Jan-18	2.50%	2,000,000	2,000,000	184
17/39	National Australia Bank	General	A1+	1	15-Mar-17	15-Mar-18	2.63%	2,000,000	2,000,000	365
17/55	CBA	General	A1+	1	16-Jun-17	12-Apr-18	2.59%	1,000,000	1,000,000	300
18/03	St George Bank	General	A1+	1	17-Jul-17	17-Apr-18	2.52%	2,000,000	2,000,000	274
17/45	CBA	General	A1+	1	18-Apr-17	18-Apr-18	2.64%	1,000,000	1,000,000	365
17/53	CBA	General	A1+	1	09-Jun-17	08-Jun-18	2.56%	1,000,000	1,000,000	364
17/54	National Australia Bank	General	A1+	1	14-Jun-17	14-Jun-18	2.53%	1,000,000	1,000,000	365
17/56	Westpac Bank	General	A1+	1	28-Jun-17	28-Jun-18	2.69%	2,000,000	2,000,000	365
17/57	Westpac Bank	Water	A1+	1	28-Jun-17	28-Jun-18	2.69%	1,000,000	1,000,000	365
17/58	Westpac Bank	General	A1+	1	28-Jun-17	28-Jun-18	2.69%	2,000,000	2,000,000	365
18/01	CBA	General	A1+	1	17-Jul-17	17-Jul-18	2.56%	3,000,000	3,000,000	1095
18/04	CBA	General	A1+	1	01-Sep-17	01-Aug-18	2.50%	1,000,000	1,000,000	334
15/10	Bank of Queensland	General	A1	2	02-Sep-14	03-Sep-18	4.10%	1,000,000	1,000,000	1462
18/05	CBA	General	A1+	1	18-Sep-17	14-Sep-18	2.63%	1,000,000	1,000,000	361
18/06	National Australia Bank	Water	A1+	1	27-Sep-17	27-Sep-18	2.61%	1,000,000	1,000,000	365
18/06	St George Bank	General	A1+	1	02-Oct-17	02-Oct-18	2.62%	1,000,000	1,000,000	365
18/08	St George Bank	General	A1+	1	07-Oct-17	08-Oct-18	2.62%	2,000,000	2,000,000	366
18/09	St George Bank	General	A1+	1	07-Oct-17	08-Oct-18	2.62%	2,000,000	2,000,000	366
18/10	National Australia Bank	General	A1+	1	10-Oct-17	09-Oct-18	2.58%	1,000,000	1,000,000	364
18/11	St George Bank	General	A1+	1	16-Oct-17	16-Oct-18	2.60%	1,000,000	1,000,000	365
Sub Total - Term Deposit Investment Group							TOTALS	51,000,000	51,000,000	

Cash Deposits Accounts Investment Group									
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
31/8/17	National Australia Bank (Cash Maximiser)	General	A1+	1			1.75%	1,000,000	1,000,000
Sub Total - Cash Deposits Accounts Investment Group								1,000,000	1,000,000
Floating Rate Notes Investment Group									
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
Sub Total - Floating Rate Notes Investment Group							-	-	

B) Council Investments by Fund 31 October, 2017

Portfolio by Fund	30/09/2017	31/10/2017
General Fund	42,000,000	42,000,000
Water Fund	6,000,000	6,000,000
Sewer Fund	4,000,000	4,000,000
TOTAL	\$ 52,000,000	\$ 52,000,000

Council investment portfolio remained neutral throughout October 2017. This was in respect of normal cash flow movements for receipts collected and payments made during September 2017.

While the level of Investments has been largely maintained over recent years these will decrease during 2017/2018 as a number of major projects are completed. These include:

- Inverell Sewerage Treatment Works \$2.0M
- Infrastructure Backlog Program \$3.3M
- Waste Infrastructure Program \$1.5M
- 2017/2018 Revotes \$13.1M

In addition to these amounts Council also holds substantial unexpended Grant Funds in the General Fund which can only be utilised for the purpose for which they were granted.

C) Interest – Budgeted verses Actual Result to Date

	Ledger	2017/2018 Budget	Actuals to Date
General Fund	128820	879,000.00	102,876.02
Water Fund	812350	50,000.00	8,689.69
Sewer Fund	906320	70,000.00	5,361.65
TOTAL		\$ 999,000.00	\$ 116,927.36

The interest received to date (cash basis) is in accordance with Budget and does not include accruals. It is again expected that Council's Investment Portfolio will achieve benchmark returns in 2017/2018.

D) Investment Portfolio Performance

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 30-9-2018		1.50%	1.72%	1.53%
Term Deposits	2.67%			
Cash Deposit Accounts	1.50%			
Floating Rate Notes				
Structured Products*	0.00%			

*Structured Products exclude 1 CDO's currently in default and returning zero coupon

E) Investment Commentary

Council's investment portfolio returns exceeded the 11am Cash Rate benchmark in all investment categories except for Structured Products and Cash Deposits Accounts. Term Deposits exceed the UBSA Bank Bill Index benchmark. Money is held in cash deposits accounts for liquidity purposes.

Council's investment portfolio of \$52M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

As widely expected, the Reserve Bank (RBA) kept interest rates unchanged at 1.50% at its October meeting. The RBA statement was very similar to September. They remain on a neutral bias and appear to be some time away from hiking interest rates. They expect growth in Australia to be 3.25% in 2018 and 3.5% in 2019 (above trend of 2.75%) and is also forecasting 2% underlying inflation in 2017 and 2018 (bottom of target band) to be followed by 2.5% in 2019.

For now it appears that interest rates will remain low for the foreseeable future. Council continues to invest at unprecedented low rates of around 2.5%.

Council staff will continue to monitor interest movements to ensure the best possible returns on investments.

F) Certification – Responsible Accounting Officer

I Paul Pay, hereby certify that the investments listed in this report have been made in accordance with Section 625 of the *Local Government Act 1993*, Clause 212 of the Local Government (General) Regulations 2005 and Council's Investment Policy.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND MANAGEMENT PLAN:

Strategy: S.01 Sound Local Government Administration, Governance and Financial Management are provided.

Term Achievement: S.01.02 A sound long term financial position is maintained.

Operational Objective: S.01.02.01 To manage Council Finances with the view to ensuring Council's ongoing financial health and stability, the discharge of statutory and fiduciary responsibilities, proper accounting systems and standards and an efficient and equitable revenue base.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

It is noted that the volatility for current financial markets and pending legal actions will not impact on Council's Rates and Charges, its ability to deliver its existing Services across the funds, or its medium or long term sustainability. Council's overall Investment Portfolio remains sounds.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

That:

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*

ITEM NO:	2.	FILE NO: S12.5.1/10
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2017/2018	
PREPARED BY:	Paul Pay, Manager Financial Services	

SUMMARY:

Each quarter Council is required to report on its Operational Plan and Council's Responsible Accounting Officer is required to report as to whether they believe that the Budget Review Statement indicates that the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure, and if unsatisfactory, make recommendations for remedial action. It is required that the Committee adopt the report.

COMMENTARY:**2017/2018 BUDGET VARIATIONS:**

It is advised that Council's financial position remains sound.

The following table represents variations required to be made to budget votes as a result of changes since the last meeting to ensure the 2017/2018 Budget remains in balance (refer to Appendix 1 and 2, H11-H12). Those items identified as requiring funding since the adoption of the 2016/2017 budget have now been funded in full.

The Budget Variations for 2017/2018 are as follows:

**COMBINED FUND - BUDGET VARIATION SUMMARY REPORT
ESTIMATED CASH POSITION 30 JUNE, 2018
FOR 2017/2018 ACTIVITIES**

	General	Water	Sewer	Total
Adopted Budget 2017/2018	7,697,947	836,952	704,949	9,239,848 Deficit
Add Back Depreciation	(6,682,350)	(838,000)	(706,000)	(8,226,350) (Non-cash)
Add Back Carry Amount Assets Sold	(239,800)	-	-	(239,800) (Non-Cash)
Internally Restricted Cash Utilised	(776,965)			(776,965)
Transferred to Internally Restricted Cash	-	-	-	-

ESTIMATED CASH RESULT	(1,168)	(1,048)	(1,051)	(3,267)
FOR 2017/2018 ACTIVITIES				SURPLUS

2017/2018 Budget Variations Required to Maintain a Balanced Budget

REVOTES	7,970,470	1,395,488	3,771,497	13,137,455
UNEXPENDED GRANTS	2,390,447	-	-	2,390,447
Adjustments 30-9-17	200,000	-	-	200,000
Adjustments 31-12-17	-	-	-	-
Adjustments 31-3-18	-	-	-	-

SUB TOTAL	10,560,917	1,395,488	3,771,497	15,727,902
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Internally Restricted Cash Utilised	(200,000)	-	-	(200,000)
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FUNDED FROM EQUITY	(10,360,917)	(1,395,488)	(3,771,497)	(15,527,902)
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NET BUDGET VARIATIONS	0	0	0	0
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REVISED CASH RESULT	(1,168)	(1,048)	(1,051)	(3,267)
FOR 2016/2017 ACTIVITIES				SURPLUS

DEFINITIONS:

- 1) **REVOTES** - Revotes are works budgeted and funded in the previous Financial Year, carried forward for completion in the current financial year. Revotes only occur if cash funding remains available from that previous Financial Years Budget to fund the works. The cash is held as equity.
- 2) **FUNDED FROM EQUITY** - Represents Cash funding received in previous financial years from Revenues, Grants and Other Sources and held as Cash due to its non-expenditure, carried forward to fund the required works in the current Financial Year.
- 3) **INTERNALLY RESTRICTED CASH** - Is cash held in investments to fund future financial obligations, for example Employee Leave Entitlements, Future Projects etc. These funds are not part of Council's Working Capital. The expenditure of funds from Council's Internally Restricted Cash does not impact on Council's ability to undertake its regular activities. Internally Restricted Cash does not include unexpended Grant Funds or Funds which are subject to External Restrictions and Legislative Restrictions in respect of their use.
- 4) **BALANCED BUDGETS** - Council has adopted the principle of delivering "Balanced Budgets" as a major means of ensuring its operations are sustainable in the medium and long term. In determining that this objective is being met, the "Revised Cash Result" must be a "Surplus" for each of the three funds, and equal or exceed the "Original Cash Result" amount.

The report indicates that the Net Budget Variations for 2017/2018 continue to remain at **“Zero”**. Councillors will note that expenditure has increased by \$2.225M, while revenue has increased by \$2.025M. The “zero” change position is achieved by utilising Internally Restricted Assets (IRA) which was a requirement of the grant funding for Tin Tot Bridge Construction. This means that all budget variations required to be made to this point, to cover increased or additional expenditures, have been fully funded from either Council receiving additional income or alternately from reductions in expenditures in other areas. There has been no reduction in Working Capital.

The Attached Consolidated Income and Expense Statement (refer Appendix 2, H12) indicate a Surplus from all Activities to 30 September, 2017 of \$12.6M (part year), against a budgeted annual result of \$2723. This current result indicates that sufficient funding remains available to fund Council's 2017/2018 continuing operations for the next 9 months to the end of the 2017/2018 Financial Year.

QUARTERLY BUDGET REVIEW REPORT:

Council's 30 September 2017 Quarterly Combined Budget Review Summary Report and Income and Expense Statement by Function are attached (refer to Appendix 3, H13). A review of the report indicates that Council's actual Revenue/expenditure compares favourably with Council's revised budget.

Council retains a strong Internally Restricted Asset balance (refer to Appendix 4, H14) to fund liabilities, future works and emergencies. The quantum of these funds adds significantly to Council's investment income and therefore capacity to undertake recurrent maintenance and capital works.

GENERAL FUND – OPERATIONAL PLAN REVIEW:

The General Fund remains in balance with the predicted Cash Surplus in respect of 2017/2018 operations remaining unchanged following approval of the Budget Variations attached to this report (refer Appendix 1, H11). This is after transfers to/from Internally Restricted Assets and Revotes from previous years and the bringing forward of Grant Funding received in 2016/2017 which will be expended in 2017/2018.

A range of additional costs have and are expected to be incurred in the General Fund over the year. These are to be funded as indicated in the Budget Variation Report, from cost savings in other areas and from additional income received. These do not result in a draw down of equity in the General Fund.

A comprehensive review of the General Fund Budget indicates that overall, incomes and expenditures to 30 September, 2017 are in accordance with the adopted budget. All matters not in accordance with the adopted Budget are included in the Budget Variation Report.

Capital Works:

Council's Capital Works Program as disclosed in the 2017/2018 Operational Plan (refer to Appendix 5 and 6, H15-H16) remains on track.

Progress on the major Road Construction Program, has been reported to Council through the Civil and Environmental Services Committee.

Investments:

The General Fund investments remain sound, It is noted that the RBA continues to hold the official cash rate at a half-century low of 1.5%. The banks have continued to adjust their deposit rates lower with the RBA on its neutral cycle indicating that interest rates will remain on hold for the foreseeable future. However, some economists anticipate that the RBA will increase the official cash rate late 2018. Term Deposits are now as low as 2.50%. It is anticipated that Council will just achieve budget interest during 2017/2018.

A copy of Council's Cash and Investment Budget Review Statement as at 30 September, 2017 is attached (refer to Appendix 7 and 8, H17-H18). Council retains a sound investment position to fund all of Council's internal and external restrictions and Council's Working Capital/Cash flow needs.

A detailed investment report is provided to Council on a monthly basis and all investment continue to comply with Council's Investment Policy.

Contracts, Consultancy & Legal Expenses

The attached Contracts Summary indicates any Contracts entered into with a value of under \$150,000 by Council during the quarter ending 30 September 2017, (refer to Appendix 9, H19). Other consultancy and legal expenses are summarised in the attached Consultancy & Legal Expense summary (refer to Appendix 9, H19).

Plant Fleet:

A copy of the Plant Fleet Financial Report to 30 September, 2017 is attached (refer to Appendix 10, H20). The Report indicates a small Operating Surplus of \$32,844 to 30 September, 2017.

General Fund Summary:

Overall, the Operational and financial position of the General Fund Function is sound.

WATER FUND – OPERATIONAL PLAN REVIEW:

The Water Fund continues to show sound growth. This position is as always dependant on Water Sales. Water Sales were down by \$120K in 2011/12 and up \$171K in 2012/2013 and \$380K in 2013/2014 and \$5K in 2014/2015, \$294K in 2015/2016 and down \$83K in 2016/2017. It is anticipated that water sales will continue to increase during 2017/2018 due to the current dry conditions within the Shire.

The Water Fund holds Term Deposits totalling \$6M and cash at bank of \$2.3M (refer to Appendix 7, H17).

Overall, the Operational and financial position of the Water Fund Function is sound.

SEWERAGE FUND OPERATIONAL PLAN REVIEW:

The Sewerage Fund continues to hold a sound operational and financial position.

The Committee will be aware that the main priority for the Sewer Fund is the completion of the refurbishment/expansion of the Inverell Sewerage Treatment Plant in 2017/2018. This project is funded from Loans and Cash Reserves. Council has entered into a loan facility with the National Australia Bank for \$2M at a fixed interest rate of 4.16% in respect of this project. Council is receiving a 3% loan subsidy under the Local Infrastructure Renewal Scheme (LIRS) for the life of the loan.

The Sewerage Fund holds Term Deposits totalling \$4M (Includes the \$2M Loan) plus cash at bank of \$3.3M (refer to Appendix 7, H17).

OPERATIONAL PLAN – COMBINED FUND

Overall Council's operational and financial position in respect of its five destinations are sound. The following information is provided in respect of major issues and projects that Council is leading, participating in, or delivering in 2017/2018:

- Destination 1 – A recognised leader in the broader context:
 - Participation in Road Funding meetings with the Roads and Maritime Services;
 - Participation in New England Northwest Regional Tourism meetings;
 - Participation in New England Destination Management Hub;
 - Participated in meetings with New England Councils Joint Organisation of Councils in the New England. Secretariat for the Group;
 - Participated in Border Region Organisation of Councils Meeting;
 - Seeking grants for the benefit of the community;
 - White Ribbon Australia workplace accreditation implementation;

- Sponsor acquisition prize of Inverell Art Prize;
- Initiate inaugural NAIDOC week art exhibition; and
- Secure Country Cricket Championships for Inverell.

- Destination 2 – A community that is healthy, educated and sustained:
 - Joint initiative with BEST Employment to commence free learn to swim classes;
 - Facilitation role for “Linking Together Centre” and development of strong partnerships with Best Employment, State and Federal Government funding bodies;
 - Assist with Sapphire City Festival;
 - Participation in New England Cooperative Library;
 - Working with BEST Employment in respect of the management rights of the Linking Together Centre;
 - White Ribbon Community Project action plan being implemented;
 - Completed Yetman Hall Upgrade;
 - Completed Yetman Recreation Centre Upgrade and cricket pitch upgrade;
 - Facilitate Grandparents Day;
 - Augment launch of Inverell Parkrun; and
 - Successful grant submission from NSW Government for LTC building modifications to assist in the establishment of a drop-in centre.

- Destination 3 – An environment that is protected and sustained:
 - Partnering with Local Land Services in “Nandewar Brigalow Bio Links Program”;
 - Remove Harrisia Cactus at Yetman;
 - Remove Water Lettuce at Beebo West;
 - Participated in Cross Borders Working Group on weed control meetings;
 - Participated in Northern Inland Regional Waste meetings;
 - Submitted grant applications for two new transfer stations and remediation works at four rural landfills;
 - Ongoing works at May Street Park;
 - Completed draft open space strategy;
 - Completed draft LEMP;
 - Assist Yetman community to secure weed funding for Mimosa Bush control on Yetman Common;
 - Erect education signage on Macintyre River for river rehabilitation program; and
 - Outreach National Science Week activities at Inverell Public School.

- Destination 4 – A strong Local Economy:
 - Participated in a wide range of Tourism and Marketing Shows;
 - Participated in Inverell Promotional Activities with the Inverell Chamber of Commerce and Industry;
 - Secure funding for Small Business up skilling workshops;
 - Completed upgrade works at Inverell Airport Terminal; and
 - Liaised with Fly Corporate on the commencement of new Regular Passenger Transport (RPT) service from Brisbane – Inverell – Moree – Brisbane.

- Destination 5 – The Communities are served by sustainable services and infrastructure:
 - Commenced and completed a range of Road Upgrade Projects on the Regional Road and Local Road Network;
 - Completed a significant quantum of Shire Roads Gravel Resheeting;
 - Completed a significant quantum of heavy patching throughout the Shire;
 - Commenced Council's 2017/2018 bitumen reseal program;
 - Completed 2016/2017 Financial Statements – sound financial result achieved. With no audit issues raised;
 - Upgrades of infrastructure at Inverell Pool;
 - Commenced upgrade works at Inverell Sports Complex;
 - Completed 90% of replacement of Tin Tot Bridge;
 - Commenced upgrade works at the Inverell Sewerage Treatment Plant;

- Implementing White Ribbon Australia workplace accreditation;
- Recreation Grants awards four community groups;
- Community consultation for Open Space Strategy; and
- Continual Roll out of hybrid solar lighting infrastructure.

Also attached is a copy of Council's Key Financial Performance Indicators (refer to Appendix 11, H21).

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND MANAGEMENT PLAN:

Strategy: S.01 Sound Local Government Administration, Governance and Financial Management are provided.

Operational Objective: CS.04 Financial Services – To manage Council Finances with the view to ensuring Council's ongoing financial health and stability, the discharge of statutory and fiduciary responsibilities, proper accounting systems and standards and an efficient and equitable revenue base.

POLICY IMPLICATIONS:

No Council or Management Policy is relevant at this time, however, adoption of the recommendation will ensure that Council's philosophy of maintaining "balanced budgets" is continued.

CHIEF FINANCIAL OFFICERS COMMENT:

In accordance with the Local Government (General) Regulation 2005 it is my opinion that the Quarterly Budget Review Statement for Inverell Shire Council for the quarter ended 30 September, 2017 indicates that Council's projected financial position at 30 June, 2018 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Adoption of the proposed budget variations as indicated above will maintain Council's 2017/2018 Budget in balance, with an indicative surplus of \$3,267.

LEGAL IMPLICATIONS:

Council is required to comply with the provisions of the *Local Government Act*, 1993 and Local Government Regulation, 2005 in these matters.

RECOMMENDATION:

That the Committee recommend to Council that:

- i) Council's Quarterly Operational Plan and Budget Review for 30 September, 2017 be adopted; and*
- ii) the proposed variations to budget votes for the 2017/2018 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2018 from operations of \$3,267.*

APPENDIX 1

BUDGET VARIATIONS - FINANCE MEETING 8-11-2017			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
<i>Increase/Decrease in INCOME</i>			
122880-1000	R2R Grant-Rds.to Recovery	910,064	RMS Grant Funding
145873-1000	RMS Safer Roads Program 2017/18	152,100	RMS Grant Funding
121000-1000	Financial Assistance Grant	90,000	Additional Grant Received
122760-1000	Grant - ACRD	27,267	Additional Grant Received
180780-1000	FACS-NSW Grand Parents Day 2017-Income	5,775	Family & Community Services grant.
122370-1000	Grant - Sh 12	(32,575)	Reduction in RMS Grant Funding to achieve cost savings for RMS
180500-4360	LTC Helping Hands Program	205,000	Grant Funding for LTC Helping Hands Program
122900-1000	Grant-Timber Bridges Replacement Program-(Tin Tot Bridge)	390,900	Balance of RMS Grant Funding for Tin Tot Bridge
122911-1000	Grant-RESTART NSW (Tin Tot)	277,000	Balance of NSW Restart Grant Funding for Tin Tot Bridge
TOTAL INCREASE IN INCOME		2,025,531	Positive figure indicates increased income, (Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>			
143631-1100	Gravel Resheeting-Local Roads-South	312,990	Correct Allocation of Road Funding to ensure that grant funding which requires annual acquittals can be expended before Councils general revenue funded projects are completed.
143632-1100	Gravel Resheeting-Local Roads-North	224,074	
143633-1100	Culverts/Causeways/Bridges	(100,000)	
143634-1100	Bitumen Road Renewal	(300,000)	
143635-1100	Heavy Patching	(137,064)	
142980-1100	ACRD - Gravel Resheeting - South - Arterial & Collector	(156,470)	
142505-1100	ACRD - Gravel Resheeting - South - Local Roads	(156,520)	
139990-1100	ACRD - Gravel Resheeting - North - Arterial & Collector	(142,220)	
142990-1100	ACRD - Gravel Resheeting - North - Local Roads	(81,854)	
138801-1100	Heavy Patching Shire Roads - ACRD	137,064	
142515-1100	2016/2017 Culverts & Causeways	100,000	
142514-1100	Bitumen Renewal	300,000	
139431-1100	SR199-Auburn Vale Road-Shoulder Widening & Realignment	910,064	Allocation of grant funding received
137149-1000	Passive Park-APEX Park ASHFORD	5,000	Additional Maintenance Program
129390-1000	Special Projects	(5,000)	Funding for above
160662-1000	Off Road Recreational Circuit	15,000	Project Design Costs
129391-1000	Special Projects	(15,000)	Funding for above
145874-1000	Safer Roads Program 2017/18 - Expenses	152,100	Grant Funded Program
137100-4750	Inverell Swimming Pool	90,000	Management Fee for Inverell Swimming Pool as per contract
142503-1000	ARCD Maintenance	27,267	Additional grant funds received
180790-1000	FACS-NSW Grand Parents Day 2017-Expenses	5,775	Grant funded program
137770-6009	SH 12 Maintenance	(32,575)	Reduction in RSM funding
180510-1000	LTC Helping Hands Program	205,000	Grant funded program
139400-1100	Tin Tot Bridge Construction & Associated Works	867,900	Construction of Tin Tot Bridge - RMS Funding and IRA Funding
TOTAL INCREASE IN EXPENDITURE		2,225,531	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		200,000	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
<i>Restricted Assets</i>			
161970-6220-31527	Community Capital Projects	200,000	Councils Contribution to Tin Tot Bridge Replacement
TOTAL FUNDING FROM RESTRICTED ASSETS		200,000	
FUNDED FROM EQUITY (G5795.000)			
NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)		-	
WATER FUND			
<i>Increase/Decrease in INCOME</i>			
TOTAL INCREASE IN INCOME		-	Positive figure indicates increased income, (Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>			
TOTAL INCREASE IN EXPENDITURE		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
SEWER FUND			
<i>Increase/Decrease in INCOME</i>			
TOTAL INCREASE IN INCOME		-	Positive figure indicates increased income, (Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>			
TOTAL INCREASE IN EXPENDITURE		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)

APPENDIX 2

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 30-9-2017
CONSOLIDATED INCOME AND EXPENSE STATEMENT

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2017/2018 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2017 Review (000's)	Dec 2017 Review (000's)	Mar 2018 Review (000's)	June 2018 Review (000's)					
INCOME												
Rates & Annual Charges	18,473							18,473		18,473	18,393	99.57%
User Charges & Fees	3,446							3,446	-33	3,413	402	11.67%
Interest	1,027							1,027		1,027	98	9.54%
Other revenues from ordinary activities	423							423		423	141	33.33%
Grants & Contributions provided for non capital purposes	9,964							9,964	1,238	11,202	3,237	32.49%
Grants & Contributions provided for Capital Purposes	926							926	820	1,746	529	57.13%
Gain from the sale of assets	196							196		196	176	89.80%
Gain from interest in joint ventures & associates	-							-				
TOTAL INCOME FROM CONTINUING OPERATIONS	34,455	-	-	-				34,455	2,025	36,480	22,976	66.68%
EXPENSES												
Employee Costs	13,312	81						13,393	132	13,525	3122	23.31%
Borrowing Costs	182							182		182	57	31.32%
Materials and Contracts	5,847	1,381	123					7,351	70	7,421	1036	14.09%
Depreciation	8,226							8,226		8,226	2057	25.00%
Other Expenses from ordinary activities	4,198	135	51					4,384	93	4,477	1456	33.21%
Loss from the disposal of assets	-							-				0.00%
Loss from interest in joint ventures & associates	-							-				
TOTAL EXPENSES FROM CONTINUING OPERATIONS	31,765	1,597	174	-	-	-	-	33,536	295	33,831	7,728	23.04%
NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)	2,690	(1,597)	(174)	-	-	-	-	919	1,730	2,649	15,249	1659.25%
ADD BACK Non Cash Amounts												
Depreciation	8,226							8,226		8,226	2057	25.00%
Carrying Amount of Assets Sold	240							240		240		0.00%
Capital Amounts	11,156	(1,597)	(174)	-	-	-	-	9,385	1,730	11,115	17,305	184.39%
Repayments by deferred Debtors												
Acquisition of Assets	(11,378)	(11,540)	(2,216)					-25,134	(1,930)	-27,064	-4397	17.49%
Loan Repayments	(552)							-552		-552	-271	49.09%
Advance to Deferred Debtors												
Loan Funds												
Less Net Transfers to IRA	777							777	200	977		0.00%
Plus Equity Funding	-	13,137	2,390					15,527		15,527		0.00%
Unallocated Consolidation Net Profit/(Loss)	3	-	-	-	-	-	-	3	-	3	12,637	
NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)	1,764							1,764		1,764	14,720	

* Favourable / (Unfavourable) variance

EXPLANATION OF MATERIAL VARIANCES**YTD Variances**

Item	Explanation
INCOME	
Rates & Annual Charges	Includes rate levy for 2017/2018

EXPENSES**CAPITAL AMOUNTS****RECOMMENDED CHANGES TO REVISED BUDGET**

The budget variations recommended above are required to be made to budget votes as a result of changes since the last budget review. Refer to attached appendix "Budget Variations" for commentary on each budget variation. Those items identified as requiring funding since the adoption of the 2017/2018 budget have now been funded.

APPENDIX 3

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 30-9-2017
INCOME & EXPENSES BY FUNCTION

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2017/2018 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2017 Review (000's)	Dec 2017 Review (000's)	Mar 2018 Review (000's)	June 2018 Review (000's)					
EXPENSES												
Governance	318							318		318	55	17.30%
Administration	6,749	499						7,248	-5	7,243	1,576	21.76%
Public Order and Safety	1,026	92						1,118		1,118	175	15.65%
Health & Environment	2,747	25	22					2,794		2,794	702	25.13%
Community Services and Education	105		55					160	211	371	19	5.12%
Housing and Community Amenities	966	53						1,019		1,019	243	23.85%
Water Supplies	3,344							3,344		3,344	709	21.20%
Sewerage and Drainage Services	1,748							1,748		1,748	465	26.60%
Recreation and Culture	2,092	168	46					2,306	95	2,401	558	23.24%
Mining, Manufacturing and Construction	330							330		330	69	20.91%
Transport and Communication	5,294	210	18					5,522	-5	5,517	1,586	28.75%
Economic Affairs	1,288	550	33					1,871		1,871	456	24.37%
TOTAL EXPENSES	26,007	1,597	174	0	0	0	0	27,778	296	28,074	6,613	23.56%
REVENUES												
Governance								-		-		-
Administration	22,501							22,501	118	22,619	13,160	58.18%
Public Order and Safety	522							522		522	16	3.07%
Health & Environment	3,372							3,372		3,372	3,139	93.09%
Community Services and Education	1							1	211	212	55	25.94%
Housing and Community Amenities	268							268		268	46	17.16%
Water Supplies	4,581							4,581		4,581	2,081	45.43%
Sewerage and Drainage Services	2,628							2,628		2,628	2,469	93.95%
Recreation and Culture	171							171		171	19	11.11%
Mining, Manufacturing and Construction	178							178		178	42	23.60%
Transport and Communication	4,586							4,586	1,697	6,283	2,957	47.06%
Economic Affairs	308							308		308	161	52.27%
TOTAL REVENUE	39,116	0	0	0	0	0	0	39,116	2,026	41,142	24,145	58.69%
OPERATING RESULT: (Surplus)	-13,109	1,597	174	0	0	0	0	-11,338	-1,730	-13,068	-17,532	
Depreciation	8,226							8,226		8,226	2,057	25.00%
Increase in Employee Leave Entitlements	2,389							2,389		2,389	403	16.87%
(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS	(2,494)	1,597	174	-	-	-	-	(723)	(1,730)	(2,453)	(15,073)	
Carrying Amount of Assets Sold	240							240		240		0.00%
Proceeds Sale of Assets	-436							-436		-436	-176	40.37%
Cost Real Estate Assets Sold								0		0		
Loan Funds Used								0		0		
Other Debt Finance								0		0		
Repayments by Deferred Debtors								0		0		
Acquisition of Assets	11,378	11,540	2,216					25,134	1930	27,064	4,397	16.25%
Development of Real Estate								0		0		
Advance to Deferred Debtors								0		0		
Repayment of Loans	552							552		552	271	49.09%
Repayment of Other Debts								0		0		
ESTIMATED BUDGET RESULT: (SURPLUS)/DEFICIT	9,240	13,137	2,390	0	0	0	0	24,767	200	24,967	(10,581)	
ADD BACK Non Cash Amounts												
Depreciation	8,226							8,226		8,226	2,057	
Carrying Amount of Assets Sold	240							240		240	0	
Plus Net Transfers	-777							-777	-200	-977	0	
Plus Equity Funding**		-13,137	-2,390					-15,527		-15,527		
BUDGET (SURPLUS)/DEFICIT	(3)	-	-	-	-	-	-	(3)	-	(3)	(12,637)	
** Equity Funding is Unexpended Grants, Contributions and incomplete works from previous years where money is held in equity at end of year												
Transfers to Internally Restricted Assets	2,045							2,045		2,045	0	0.00%
Transfers from Internally Restricted Assets	2,822							2,822	200	3,022	0	0.00%
Net Transfers	-777	0	0	0	0	0	0	-777	-200	-977	0	

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

Item	Explanation
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Expenses

INCOME

Administration	Includes entire rate levy for 2017/2018
Public Order & Safety	Bush Fire Subsidies not received until March 2018
Housing & Community Amenities	Includes entire DWM levy Charges for 2017/2018
Sewerage and Drainage Services	Includes entire annual sewer charges levy for 2017/2018

CAPITAL AMOUNTS

RECOMMENDED CHANGES TO REVISED BUDGET

The budget variations recommended above are required to be made to budget votes as a result of changes since the last budget review. Refer to attached appendix "Budget Variations" for commentary on each budget variation. Those items identified as requiring funding since the adoption of the 2017/2018 budget have now been funded.

APPENDIX 4

INTERNALLY RESTRICTED ASSETS (CASH) MOVEMENTS							
30/09/2017	EST. BAL. 30/6/16	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2017	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2018
PURPOSE		Code 6210	Code 6220		Code 6210	Code 6220	
GENERAL ACTIVITIES	\$	\$	\$	\$	\$	\$	\$
BUILDING REFURBISHMENT/UPGRADE	1,820,843.18	337,000		2,157,843.18	36,710		2,194,553.18
EQUIP. UPGRADE/EMERGENCY MTCE	210,805.00			210,805.00			210,805.00
COMPUTER/IT SYSTEMS UPGRADES	1,007,046.00	100,000		1,107,046.00			1,107,046.00
INDUSTRIAL DEVELOPMENT	668,600.00	480,000		1,148,600.00			1,148,600.00
RESIDENTIAL DEVELOPMENT	7,309.77			7,309.77			7,309.77
AERODROME UPGRADE/MTCE	134,330.00	172,000		306,330.00			306,330.00
COPETON NORTHERN FORESHORES	49,000.00			49,000.00			49,000.00
LIBRARY BUILDING REFURBISHMENT	202,000.00			202,000.00			202,000.00
INDUSTRIAL/TOURISM PROMOTION	11,594.00	82,000		93,594.00			93,594.00
GARBAGE DEPOT LAND PURCHASE ETC	169,391.00			169,391.00			169,391.00
GARBAGE DEGRADATION/REHAB.	938,342.00		492,997	445,345.00	150,000		595,345.00
WASTE INFRASTRUCTURE	2,212,768.00	291,300		2,504,068.00	174,825		2,678,893.00
WASTE-EXTERNALITY SUSTAINABILITY	177,000.00			177,000.00	120,000		297,000.00
PLANT REPLACEMENT	3,309,713.00	1,481,014	545,004	4,245,723.00	1,528,000	2,821,500	2,952,223.00
GRAVEL PIT RESTORATION	147,486.00	43,267		190,753.00	17,500		208,253.00
GRAVEL PIT RESTORATION -Roads	84,767.00	43,267		128,034.00	17,500		145,534.00
COMMUNITY CAPITAL PROJECTS AND LAND	650,000.00			650,000.00		200,000	450,000.00
ECONOMIC DEVELOP/GROWTH ASSETS	0.00	2,500,000		2,500,000.00		1,000,000	1,500,000.00
STRATEGIC CAPITAL PROJECTS FUND	4,450.00			4,450.00			4,450.00
STRATEGIC DEVELOPMENT FUND	690,611.00		200,000	490,611.00			490,611.00
EMPLOYEE LEAVE ENTITLEMENTS	1,010,710.46	326,000		1,336,710.46			1,336,710.46
WORKERS COMP INSURANCE	572,601.00	130,000		702,601.00			702,601.00
TOWN HALL MAJOR MTCE/UPGRADE	100,000.00			100,000.00			100,000.00
INSURANCE EXCESS/SELF INSURANCE	161,848.00	48,000		209,848.00			209,848.00
SWIMMING POOLS UPGRADE/FENCING	2,200,000.00	390,000		2,590,000.00			2,590,000.00
ROAD RESUMPTIONS	20,000.00			20,000.00			20,000.00
INVERELL HOCKEY FACILITY	400,000.00	50,000		450,000.00			450,000.00
CONNECTIONS BUILDINGS/PLANT/EQUIP.	42,183.74	30,000		72,183.74			72,183.74
SES BUILDINGS	67,311.00	37,000		104,311.00			104,311.00
FUND TOTAL	17,070,710.15	6,540,848	1,238,001	22,373,557.15	2,044,535	4,021,500	20,396,592.15
WATER SUPPLY							
EMPLOYEE LEAVE ENTITLEMENTS	55,000.00	10,000	-	65,000.00	-	-	65,000.00
EQUIPMENT BREAKDOWN	107,940.00	-	-	107,940.00	-	-	107,940.00
REVENUE EQUALISATION	470,000.00			470,000.00			470,000.00
FUTURE CAPITAL WORKS	3,110,260.00	467,000		3,577,260.00			3,577,260.00
FUND TOTAL	3,743,200.00	477,000	-	4,220,200.00	-	-	4,220,200.00
SEWERAGE SERVICES							
EMPLOYEE LEAVE ENTITLEMENTS	15,000.00	5,000	-	20,000.00	-	-	20,000.00
EQUIPMENT BREAKDOWN	109,078.82	-	-	109,078.82	-	-	109,078.82
FUTURE CAPITAL WORKS	2,366,200.00	73,000		2,439,200.00			2,439,200.00
FUND TOTAL	2,490,278.82	78,000	-	2,568,278.82	-	-	2,568,278.82
TOTAL OF ALL FUNDS	23,304,188.97	7,095,848	1,238,001	29,162,035.97	2,044,535	4,021,500	27,185,070.97

INTERNALLY RESTRICTED ASSETS COMMITMENTS			
Note 1 - Building Refurbishment/Upgrade Projects - Asset Renewal funded from annual depreciation expense. Asset Management Plans require this level of Funding over the next 10 Years			
Transfer to IRA is lease fee from Connections.			
Note 2 - Replace Property/Revenue System 2017/2018 - 2018/2019			
Note 3 - Funding received from Federal Compensation Package - Future Bitumen Reseals			
Note 4 - Waste Management Strategy Implementation Funding and future land purchases/degradation requirements, including new Garbage Trucks, Solar Power, Weighbridges, Tip Closures etc			
Note 5 - Plant Fleet future acquisitions fund - Asset Renewal plus GPS devices			
Note 6 - Future Capital Works/Non-Trading Land Purchases/Industrial Land Development Fund		300,000.00	Industrial Land Development
		200,000.00	Tintot Bridge Replacement
		150,000.00	Council Contribution to Heritage Trade Training Centre (Transport Museum)
		650,000.00	
Note 7 - Economic Dev/Growth Assets		1,000,000.00	Federal Funding \$1.5M, Awaiting RMS Contribution, Council \$0.5M 2017/2018
Gwydir Highway/Rosslyn Street Roundabout		1,000,000.00	Land acquired, design in progress for 2018/2019 Project
Gwydir Highway/Mansfield St Intersection		500,000.00	
		2,500,000.00	
Note 8 - Strategic Capital Projects and Infrastructure Fund		250,000	2016/2017 Program Asset Renewal - Grant Funding \$930K
Inverell Sports Complex		240,000	2017/2018 or later Program (RMS)
		490,000	
Note 9 - Future Capital Works		850,000.00	Ashford Plant River Inlet and Plant Ancillary Works
Lake Inverell Safety Works		400,000.00	State Government requirement
Other Capital Works		700,000.00	Inverell Treatment Works Renewal/Refurbishment Project
		1,950,000.00	

These funds are held as Cash and Investments, primarily as Term Deposits

APPENDIX 5

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2017
CAPITAL BUDGET

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2016/2017 (000's)	ACTUAL YTD (000's)
		Revotes	Unexpended Grants	Sept 2017 Review	Dec 2017 Review	Mar 2018 Review	June 2018 Review				
		(000's)	(000's)	(000's)	(000's)	(000's)	(000's)				
CAPITAL FUNDING											
Rates and Other untied Funding											
General Fund	2,814							2,814		2,814	2,814
Sewer Fund	664							664		664	664
Water Fund	848							848		848	848
Capital Grants & Contributions								-			
Bushfire	220							220		220	
Sporting Fields	10							10		10	
Library	25							25		25	
Roads	4,278							4,278	1,710	5,988	1,450
Internal Restricted Assets								-			
Aerodrome								-		-	
Plant Replacement	2,518							2,518		2,518	
Roads Program								-		-	
Sewerage Future Capital Works								-		-	
Water Future Capital Works								-		-	
Strategic Capital Projects Fund								-		-	
Loan Funding								-		-	
Equity (Unexpended Grants and Contributions from previous years)		11,540	2,216					13,756	220	13,976	13,976
TOTAL CAPITAL FUNDING	11,377	11,540	2,216	-				25,133	1,930	27,063	19,752
CAPITAL EXPENDITURE											
Administrative Services	15							15		15	6
Aerodrome								-		-	
Engineering Equipment	2							2		2	
SES/Bushfire	227							227		227	
Information Services	147	118						265		265	18
Sporting Fields	24	9						33		33	9
Cemetery	1							1		1	1
Library	119		9					128		128	31
Plant	3,208							3,208		3,208	1,232
Minor Community Infrastructure Assets	280	351						631	(15)	616	147
Strategic Capital Infrastructure Program	515	109									
Sewerage Services	664	3,771						4,435		4,435	788
Water Services	848	1,395						2,243		2,243	86
Roads	5,327	5,787	2,207					13,321	1,945	15,266	2,018
TOTAL CAPITAL EXPENDITURE	11,377	11,540	2,216	-				25,133	1,930	27,063	4,336

RECOMMENDED CHANGES TO REVISED BUDGET

The budget variations recommended above are required to be made to budget votes as a result of changes since the last budget review. Refer to attached appendix "Budget Variations" for commentary on each budget variation. Those items identified as requiring funding since the adoption of the 2017/2018 budget have now been funded.

APPENDIX 6

CAPITAL EXPENDITURE 2017/2018

PROGRAM	LEDGER NUMBER	DESCRIPTION	ORIGINAL CAPITAL BUDGET		ADJUSTED CAPITAL BUDGET		Classification	% Complete	FUNDING		AMOUNT
			AMOUNT	SECTION TOTAL	AMOUNT	SECTION TOTAL					
ADMINISTRATIVE SERV.	159060-1000	OFFICE FURNITURE & EQUIPMENT-DESKS, CHAIRS	5,200		5,200		Renewal	24%			
	134940-1000	ACQUISITION OF ART PRIZE	4,500		4,500		New Asset	98%			
	160470-1000	ART GALLERY REFURBISHMENTS	5,000	14,700	5,000	14,700	Renewal	0%			
ENGINEERING	160800-1100	ENGINEERS INSTRUMENTS & EQUIPMENT	2,100	2,100	2,100	2,100	Renewal	0%			
BUSH FIRE	159141-1000	EQUIPMENT ISSUES	220,000	220,000	220,000	220,000	Renewal	RFS	GRANT	121121-1000	220,000
SES	132851-4450	SES BUILDING UPGRADE	7,150	7,150	7,150	7,150	Renewal	0%			
INFORMATION SERVICES	130101-1000	COMPUTER EQUIPMENT	44,290		161,918		Renewal	0%			
	130101-4910	COMPUTER EQUIPMENT	32,000		32,000		Renewal	0%			
	130111-5130	COMPUTER EQUIPMENT - NEW PRINTING EQUIPMENT	39,200		39,200		Renewal				
	130111-5162	COMPUTER EQUIPMENT - NEW HARDWARE	32,000	147,490	32,000	265,118	Renewal	56%			
SPORTING FIELDS	160660-1100	SPORTS GROUND IMPROVEMENT-SPORT CNL	20,000		20,000		New Asset	0%	CONTRIBUTION	127090-1000	10,000
	160531-1000	SPORTING FIELD UPGRADES			8,970		Renewal				
	134919-1000	EQUESTRIAN CENTRE UPGRADE	4,000	24,000	4,000	32,970	Renewal				
CEMETERY	136391-4450	CEMETERY	1,030	1,030	1,030	1,030	New Asset	100%			
LIBRARY	160180-1100	LIBRARY-CORPORATE SERVICE COLLECTION	1,380		1,380		Renewal	0%			
	160190-1000	LIBRARY BOOKS	57,910		57,910		Renewal	37%			
	160200-1000	LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION	21,530		21,530		Renewal	0%			
	160240-1000	NON BOOK MATERIALS-VIDEOS CASSETTES ETC.	9,480		9,480		Renewal	1%			
	160245-1000	LIBRARY - OFFICE EQUIPMENT	2,000		2,000		Renewal				
	160270-1000	LIBRARY SECURITY SYSTEM	2,200		2,200		Renewal	0%			
	160395-1000	LIBRARY-SPECIAL GRANT PROJECT	25,000	119,500	34,603	129,103	New Asset	28%	GRANT	160389-1000	25,000
SCIF	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE PROGRAM	515,000	515,000	624,000	624,000	Renewal	0%			
OTHER NEW INFRASTRUCTURE ASSETS	129381-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS	180,000		165,000		New Asset	0%			
	137373-1000	COMMUNITY GARDENS			100,000		New Asset	1%			
	159772-1000	ENERGY EFFICIENCY PROGRAM	40,000		40,000		New Asset	0%			
	134325-1000	COMMUNITY BUILDING PARTNERSHIP PROGRAM	60,000	280,000	153,597		New Asset	0%			
	137540-3230	TOWN/VILLAGE IMPROVEMENTS			157,594	616,191					
PLANT	161590-1000	SMALL PLANT	80,000		80,000		Renewal	100%	PLANT REPLACE. IRA	161680-6220	3,207,500
	161610-1000	WORKSHOP EQUIPMENT	40,000		40,000		Renewal	0%	Less Sales		(689,500)
	161600-1000	LIGHT CARS/TRUCKS	350,000		350,000		Renewal	77%			2,518,000
	161620-1000	HEAVY PLANT	2,737,500		2,737,500		Renewal	31%			
	148221-1000	INVERELL WORKSHOP EQUIPMENT		3,207,500	-	3,207,500	Renewal				
TOTAL			4,538,470	4,538,470		5,119,862			REVENUE FUNDING REQUIRED		255,000
SEWERAGE									LOAN FUNDS		
SEWERAGE	907170-1000	OTHER EQUIPMENT - Sewer Rodding Equip; Gas Detectors	14,000		59,000		Renewal	3%	CAPITAL WORKS IRA	907360-6220	-
	907280-3100	SEWER INVESTIGATION			182,785		Renewal	0%			
	907110-1100	MAINS RELINING PROGRAM	440,000		790,349		Renewal	0%			
	906541-1100	FITTING AND INSTALLATIONS	10,000		10,000		Renewal	0%			
	907250-3100	RETICULATION MAINS	100,000		196,758		Renewal	2%			
	907270-1000	PUMPING STATIONS			780,000		Renewal	0%			
	907320-3050	SEWER TREATMENT WORKS - DELUNGRA			100,000		Renewal	0%			
	907320-3070	SEWER TREATMENT WORKS - GILGAI			80,000		Renewal	0%			
	907321-3100	SEWER TREATMENT WORKS (LRIS PROJECT)			2,136,605		Renewal	37%			
	907272-3050	DELUNGRA TELEMTRY	100,000		100,000		Renewal	3%			
TOTAL			664,000	664,000		4,435,497			TOTAL 16/17 UNEXPENDED GRANTS		-
									TOTAL IRA FUNDING		-
									LOAN FUNDS		-
									TOTAL REVOTES/EQUITY		3,771,497
									REVENUE FUNDING REQUIRED		664,000
WATER									TOTAL 16/17 UNEXPENDED GRANTS		-
WATER	813220-1100	MAINS REPLACEMENT - INVERELL	110,000		316,348		Renewal	24%			
	813230-3100	MINOR MAINS EXTENSIONS-INVERELL	50,000		50,000		New Asset	1%			
	813282-1000	PUMP STATION UPGRADES	70,000		370,000		Renewal	0%			
	813288-3100	TELEMTRY UPGRADES	275,000		548,833		Renewal	1%			
	813290-3100	OTHER EQUIPMENT	20,000		20,000		Renewal	0%			
	813285-1000	BACKFLOW PREVENTION			550,000		Renewal	0%			
	813260-3001	TREATMENT PLANTS	254,760		254,760		Renewal	0%			
	813280-3001	METERING - ASHFORD			-				CAPITAL WORKS IRA	813380-6220	-
	813280-3020	METERING - DELUNGRA			-						
	813280-3100	METERING - INVERELL	68,620		133,905		Renewal	6%			
	813280-3230	METERING - YETMAN			-						
	813280-3020	METERING - BONSHAW			-						
TOTAL			848,380	848,380		2,243,846			TOTAL 16/17 UNEXPENDED GRANTS		-
									TOTAL IRA FUNDING		-
									LOAN FUNDS		-
									TOTAL REVOTES/EQUITY		1,395,486
									REVENUE FUNDING REQUIRED		848,380
ROADS									TOTAL 16/17 UNEXPENDED GRANTS		-
ROADS	139560-3100	URBAN DRAINAGE RECONSTRUCTION-Construction Costs	139,000		593,426		Renewal	0%			
	138270-1000	URBAN WORKS PROGRAM	529,930		1,555,343		Renewal	0%			
	137561-1000	BLOCK GRANT WORKS	583,755		583,755		Renewal	0%	GRANT	122400-4450	583,755
	138691-1000	ACRD GRANT WORKS	1,662,030		3,383,271		Renewal	13%	GRANT	122760-1000	1,662,030
	138730-4450	3x4 GRANT WORKS	160,000		160,000		Renewal	0%	GRANT	122860-4450	160,000
	138280-1000	REPAIR PROGRAM WORKS (PJ143003,143004)	961,824		1,055,130		Renewal	3%	GRANT	122460-1000	961,824
	138400-1000	ROADS TO RECOVERY PROGRAM WORKS	910,064		1,988,719		Renewal	36%	GRANT	122880-1000	1,820,128
	139400-1100	TIMBER BRIDGE PROGRAM			888,656		Renewal	0%	GRANT		667,900
	160566-1100	RIFLE RANGE ROAD SUBDIVISION WORKS			30,000		Renewal	15%	IRA		200,000
	160662-1000	OFF ROAD RECREATIONAL CIRCUIT			15,000		Renewal	0%			
	139420-139432	NON RECURRENT PROGRAM			1,979,339		Renewal	0%			
	145836-1100	PAMP			70,000		New Asset	0%			
	146821	FACILITIES AROUND SCHOOLS			27,596		New Asset	100%			
	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE/PROEJCTS FUND (Extension Oliver Street and John Street Sealing)			325,650		New Asset	4%			
	145874-1000	SAFER ROADS PROGRAM			152,100		Renewal	0%	GRANT		152,100
	160280-1100	CAR PARKING - OLIVER STREET			314,445		Renewal	112%			
	141331-4450	CBD WORKS	17,730		17,730		Renewal	0%			
	139120	VILLAGES DEVELOPMENT WORKS	33,340		134,089		Renewal	0%			
	139200-1000	VILLAGES BITUMEN RESEALS	23,540		23,540		Renewal	0%			
	140110-1100	GRAVEL RESHEETING MINOR ROADS	44,220		44,220		Renewal	68%			
	140190-1000	GRAVEL RESHEETING MINOR ROADS	33,280		33,280		Renewal	0%			
	139404-6445	F4F - ROAD BACKLOG STABILISATION	228,000		1,889,707		Renewal	21%			
TOTAL			5,326,713	5,326,713		15,264,996			TOTAL 16/17 UNEXPENDED GRANTS		2,206,653
									TOTAL GRANT FUNDING		6,007,737
									TOTAL IRA FUNDING		200,000
									TOTAL REVOTES/EQUITY		5,786,566
									REVENUE FUNDING REQUIRED		1,064,040
									TOTAL 16/17 UNEXPENDED GRANTS		2,216,256
									TOTAL REVOTES/EQUITY		11,540,318
									REVENUE FUNDING REQUIRED		4,326,890
									TOTAL		27,064,201
									TOTAL IRA FUNDING		2,718,000
									GRANT FUNDING		6,282,737
									LOAN FUNDING		-
									TOTAL 16/17 UNEXPENDED GRANTS		2,216,256
									TOTAL REVOTES/EQUITY		11,540,318
									REVENUE FUNDING REQUIRED		4,326,890
									TOTAL		27,064,201

APPENDIX 7

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2017
CASH & INVESTMENTS

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2017/2018 (000's)	ACTUALS (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2017 Review (000's)	Dec 2017 Review (000's)	Mar 2018 Review (000's)	June 2018 Review (000's)			
EXTERNALLY RESTRICTED										
Water Services	7,677						7,677		7,677	7,677
Sewerage Services	7,155						7,155		7,155	7,155
Waste Management	3,295						3,295		3,295	3,295
Special Purpose Grants	5,448						5,448		5,448	3,448
Developer Contributions	478						478		478	157
Bonds & Deposits	111						111		111	128
Stormwater Management	-						-		-	147
TOTAL EXTERNALLY RESTRICTED	24,164						24,164		24,164	22,007
INTERNALLY RESTRICTED										
Employee Leave Entitlements	1,337						1,337		1,337	1,337
Strategic Development Fund	490						490		490	490
Plant Replacement	4,246						4,246		4,246	4,246
Computer	1,107						1,107		1,107	1,107
Building Renewal/Upgrades	2,258						2,258		2,258	2,258
Economic Development/Growth Assets	2,500						2,500		2,500	2,500
Aerodrome	306						306		306	306
Workers Compensation Insurance	703						703		703	703
Future Capital Works/Land Purchases	650						650		650	650
Emergency Management/ Equipment Upgrades	315						315		315	315
Industrial Development	1,149						1,149		1,149	1,149
Baths Improvements - Inverell Pool	2,590						2,590		2,590	2,590
Sports Grounds - Hockey Facility Resurfacing	450						450		450	450
Other Restrictions	978						978		978	978
TOTAL INTERNALLY RESTRICTED	19,079						19,079		19,079	19,079
TOTAL RESTRICTED	43,243						43,243		43,243	41,086
TOTAL CASH & INVESTMENTS	57,174						57,174		57,174	58,100
AVAILABLE WORKING CAPITAL	13,931	Figure incl. revotes & Unexpended grants from 2016/2017							13,931	17,014

Note: The annual interest generated on Council's Working Capital is the funding source for Council's annual Strategic Capital Infrastructure Project Fund. Any reduction in Working Capital will result in a further reduction in the quantum of funds available annually for Council to undertake Strategic Projects

COMMENT ON CASH & INVESTMENT POSITION

Councils overall Investment Portfolio remains sounds and as at 30 September 2017 Councils Cash and Investment Portfolio totalled \$52.00 million plus \$6.1 million Cash at bank (Water Fund \$2.3m, Sewer Fund \$3.3m, General Fund \$5m).

STATEMENTSINVESTMENTS

I PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the restricted funds listed above are invested in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulations 2005 and Council's Investment Policy. For further information about Councils investment portfolio and performance refer to Councils Monthly Investment Report included in Councils Business Paper

Total External Restricted Funds	22,007
Total Internal Restricted Funds	19,079
Total Restricted	41,086
Total Funds Invested as per Investment Report (30-09-16)	58,100
Total Available Working Capital	17,014

CASH

I, PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the bank balances, as per General Ledger, have been reconciled with the bank statements for the month of September, 2017, and the details have been recorded. For further information about Councils bank reconciliations refer to Councils Monthly Financial Statements report included in the Council Business Paper

RECONCILIATION

I, PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the investment balances, as per General Ledger, have been reconciled with the investment report for the month of September, 2017, and the details have been recorded. For further information about Councils investment portfolio and performance refer to Councils Monthly Investment Report included in the Councils Business Paper.

APPENDIX 8

INVERELL SHIRE COUNCIL
INVESTMENTS HELD 30-9-17

Term Deposit Investment Group										
Investment No.	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
17/33	St George Bank	General	A1+	1	02-Jan-17	02-Oct-17	2.71%	1,000,000	1,000,000	273
17/18	St George Bank	General	A1+	1	07-Oct-16	07-Oct-17	3.00%	2,000,000	2,000,000	365
17/19	St George Bank	General	A1+	1	07-Oct-16	07-Oct-17	3.00%	2,000,000	2,000,000	365
17/44	National Australia Bank	General	A1+	1	13-Apr-17	10-Oct-17	2.57%	1,000,000	1,000,000	180
17/22	St George Bank	General	A1+	1	16-Oct-16	16-Oct-17	3.00%	1,000,000	1,000,000	365
17/40	AMP BANK	General	A1	2	30-Mar-17	27-Nov-17	2.75%	2,000,000	2,000,000	242
17/42	AMP BANK	Water	A1	2	30-Mar-17	27-Nov-17	2.75%	1,000,000	1,000,000	242
17/43	AMP BANK	General	A1	2	30-Mar-17	27-Nov-17	2.75%	1,000,000	1,000,000	242
17/41	AMP BANK	General	A1	2	30-Mar-17	27-Nov-17	2.75%	1,000,000	1,000,000	242
17/48	NAB	Sewer	A1+	1	30-May-17	27-Nov-17	2.50%	2,000,000	2,000,000	181
17/49	Bank West	General	A1+	1	30-May-17	27-Nov-17	2.50%	2,000,000	2,000,000	181
17/50	Suncorp Bank	General	A1+	1	30-May-17	27-Nov-17	2.60%	1,000,000	1,000,000	181
17/51	Bank of Queensland	General	A1	2	30-May-17	27-Nov-17	2.65%	1,000,000	1,000,000	181
17/52	National Australia Bank	General	A1+	1	02-Jun-17	27-Nov-17	2.50%	2,000,000	2,000,000	178
17/28	St George Bank	Water	A1+	1	01-Dec-16	01-Dec-17	2.75%	1,000,000	1,000,000	365
17/30	Suncorp	General	A1+	1	14-Dec-16	14-Dec-17	2.75%	1,000,000	1,000,000	365
17/31	National Australia Bank	General	A1+	1	14-Dec-16	14-Dec-17	2.72%	2,000,000	2,000,000	365
17/32	Community Mutual	Water	NR	3	14-Dec-16	14-Dec-17	2.90%	2,000,000	2,000,000	365
17/46	Suncorp	General	A1+	1	27-Apr-17	08-Jan-18	2.58%	1,000,000	1,000,000	256
17/47	Suncorp	General	A1+	1	27-Apr-17	08-Jan-18	2.36%	1,000,000	1,000,000	256
17/34	National Australia Bank	General	A1+	1	09-Jan-17	09-Jan-18	2.70%	1,000,000	1,000,000	365
18/02	Bank West	Sewer	A1+	1	17-Jul-17	17-Jan-18	2.50%	2,000,000	2,000,000	184
17/39	National Australia Bank	General	A1+	1	15-Mar-17	15-Mar-18	2.63%	2,000,000	2,000,000	365
17/55	CBA	General	A1+	1	16-Jun-17	12-Apr-18	2.59%	1,000,000	1,000,000	300
18/03	St George Bank	General	A1+	1	17-Jul-17	17-Apr-18	2.52%	2,000,000	2,000,000	274
17/45	CBA	General	A1+	1	18-Apr-17	18-Apr-18	2.64%	1,000,000	1,000,000	365
17/53	CBA	General	A1+	1	09-Jun-17	08-Jun-18	2.56%	1,000,000	1,000,000	364
17/54	National Australia Bank	General	A1+	1	14-Jun-17	14-Jun-18	2.53%	1,000,000	1,000,000	365
17/56	Westpac Bank	General	A1+	1	28-Jun-17	28-Jun-18	2.69%	2,000,000	2,000,000	365
17/57	Westpac Bank	Water	A1+	1	28-Jun-17	28-Jun-18	2.69%	1,000,000	1,000,000	365
17/58	Westpac Bank	General	A1+	1	28-Jun-17	28-Jun-18	2.69%	2,000,000	2,000,000	365
18/01	CBA	General	A1+	1	17-Jul-17	17-Jul-18	2.56%	3,000,000	3,000,000	1095
18/04	CBA	General	A1+	1	01-Sep-17	01-Aug-18	2.50%	1,000,000	1,000,000	334
15/10	Bank of Queensland	General	A1	2	02-Sep-14	03-Sep-18	4.10%	1,000,000	1,000,000	1462
18/05	CBA	General	A1+	1	18-Sep-17	18-Sep-18	2.63%	1,000,000	1,000,000	365
18/06	National Australia Bank	Water	A1+	1	27-Sep-17	27-Sep-18	2.61%	1,000,000	1,000,000	365
Sub Total - Term Deposit Investment Group							TOTALS	51,000,000	51,000,000	

Cash Deposits Accounts Investment Group									
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
30/9/17	National Australia Bank (Cash Maximiser)	General	A1+	1			1.75%	1,000,000	1,000,000
Sub Total - Cash Deposits Accounts Investment Group								1,000,000	1,000,000

Floating Rate Notes Investment Group									
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
Sub Total - Floating Rate Notes Investment Group							-	-	

Portfolio by Fund	
General Fund	42,000,000
Water Fund	6,000,000
Sewer Fund	4,000,000
TOTAL	52,000,000

APPENDIX 9

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2017
CONTRACTS**

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
NSW Spray Seal	Bitumen Resealing Program 2017-2018 (Full Service Option)	\$ 1,602,824.00	01-September-2017	4 months	Y
Community Aquatics Pty Ltd	Management and Operation of Inverell & Ashford Swimming Pools	\$ 390,000.00	01-July-2017	3 Years	Y

Notes

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser
2. Contractors to be listed are those entered into during the quarter and have yet to be fully performed, excluding contractors that are on Council's Preferred supplier list and Fleet purchased through LGP.
3. Contracts for employment are not included

Explanation of Unbudgeted Contracts

No unbudgeted contracts as at 30 September 2017

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2017
CONSULTANCY & LEGAL EXPENSES**

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
CONSULTANCIES		
Heritage Advisor	5,400.00	Y
Work Health & Safety	7,136.00	Y
Human Resources	4,651.00	Y
Investment Advisor	4,000.00	Y
LEGAL FEES	1,173.82	Y

Definition of Consultant

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level special or professional advice to assist decision making by management. General it is the advisory nature of the work that differentiates a consultant from other contractors

Explanation of Unbudgeted Consultancy & Legal Fees

No unbudgeted Consultancy or Legal Fees as at 30 September 2017

APPENDIX 10

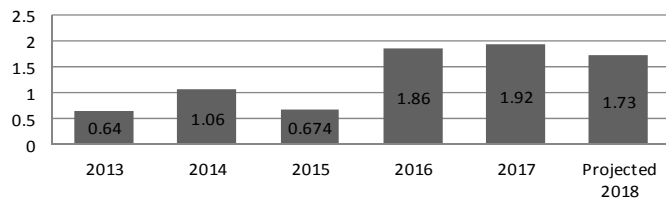
INVERFLEET OPERATIONS 2017-2018					
FROM 01-Jul-2017 TO 30-Jun-2018					
SUFFIX	DESCRIPTION	2018 BUDGET	2018 Y.T.D.	% VOTE	BALANCE
	Operators Wages	58,680	19,633	33.5%	39,047
	Workshop Wages	293,394	93,249	31.8%	200,145
	Repairs	10,000		0.0%	10,000
	Parts	461,000	154,787	33.6%	501,213
	Tyres	185,000	44,595	2.7%	140,405
	Fuel	1,032,800	316,326	30.6%	716,474
	Registration	175,000	28,259	16.1%	146,741
	Accident Expenses	5,000		0.0%	5,000
	Depreciation	1,450,000	362,500	25.0%	1,087,500
	Oils & Lubricants	40,000	10,826	27.1%	29,174
	Cutting Edges	54,000	10,374	19.2%	43,626
	Insurance	177,000	161,537	91.3%	15,463
148170	Miscellaneous +G4817.000	312,160	98,582	31.6%	213,578
148190	Insurance Excess	9,000	2,000	22.2%	7,000
148210	Ashford Workshop Exp.	18,000	2,534	14.1%	15,466
148220	Inverell Workshop Exp.	45,345	4,959	10.9%	40,386
148230	Apprentice Exp.	15,000	-	0.0%	15,000
148240	Administration Charge	296,630	74,158	25.0%	222,473
148250	Small Plant & Tools	107,650	16,738	15.5%	90,912
994825	Depreciation Small Plant & Tools	78,000	19,500	25.0%	58,500
148260	Plant & Tools under \$750	3,000	-	0.0%	3,000
148280	Oncosts (Super,w/comp etc.)	181,325	32,713	18.0%	148,612
146370	2 Way Radio SYSTEM UPGRADE	0	-	0.0%	0
146380	2 Way Radio M & R	23,090	2,691	11.7%	20,399
146390	2 Way Radio Installations	2,500	-	0.0%	2,500
146400	2 Way Radio Licences	2,200	-	0.0%	2,200
	TOTAL OPERATING COSTS:	5,035,774	1,455,960	28.9%	1,388,413
128780	Council Hire	-4,850,000	- 1,495,599	30.8%	-3,354,401
128781	RTA Hire	0	-	0.0%	0
128782	Private Hire	-6,000	-	0.0%	-6,000
G2315	Apprentice Subsidy		-	0.0%	0
127800	Radio Communications Site	-5,000	-	0.0%	-5,000
148400	Small Plant & Tools	-125,620	- 31,405	25.0%	-94,215
	TOTAL OPERATING INCOME:	-4,986,620	- 1,527,004	30.6%	-1,299,794
	NET RESULT:	49,154	- 71,044	-144.5%	120,198
	Less GPS Units funded from IRA's	-50,000	-	0.0%	-50,000
	Less Capital Replacement Inflation Allowance		38,200		
		-846	- 32,844	3882.2%	31,998
REPLACEMENT PROGRAM					
161620	Heavy Plant Purchases	2,737,500	850,000	31.1%	1,887,500
161600	Light Plant Purchases	350,000	270,162	77.2%	79,838
161590	Small Plant Purchases	80,000	106,790	133.5%	-26,790
	Workshop Upgrades	0	-	0.0%	0
148221	Workshop Equipment	40,000	-	0.0%	40,000
		3,207,500	1,226,952	38.3%	1,980,548
168100	Sale of Heavy Plant	-261,000	70,909	-27.2%	-331,909
168110	Sale of Light Plant	-175,000	127,727	-73.0%	-302,727
168120	Sale of Small Plant	0	-	0.0%	0
	NET RESULT:(Surplus)/Deficit	2,771,500	1,425,588		1,345,912
PLANT RESERVE					
G6168	Estimated Balance 1.7.17	3,054,213	-		3,054,213
G6168.802	Transfer from 2017/2018	-2,821,500	-		-2,821,500
G6168.801	Transfer to 2017/2018	1,528,000	-		1,528,000
G6168	Balance 30.06.2018	1,760,713	-		1,760,713

APPENDIX 11

INVERELL SHIRE COUNCIL																			
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2017																			
KEY PERFORMANCE INDICATORS																			
<h3>Operating Performance</h3> <table><tr><th>Year</th><th>Operating Performance (%)</th></tr><tr><td>2013</td><td>6%</td></tr><tr><td>2014</td><td>3%</td></tr><tr><td>2015</td><td>7%</td></tr><tr><td>2016</td><td>19%</td></tr><tr><td>2017</td><td>20%</td></tr><tr><td>Projected 2018</td><td>5%</td></tr></table>			Year	Operating Performance (%)	2013	6%	2014	3%	2015	7%	2016	19%	2017	20%	Projected 2018	5%	<p>The Operating Performance Ratio indicates that Council operating revenue, excluding capital grants and contributions are sufficient to cover operating expenditure. Council has exceeded both the benchmarks listed below</p> <p>The Tcorp benchmark for the ratio is to have a deficit of less than 4%.</p> <p>The "fit for the future" benchmark is that council should have a breakeven or better operating performance ratio over a three year period.</p> <p>The 2017 is inflated due to the advanced payment of 50% 2017-2018 Financial Assistance Grant .</p>		
Year	Operating Performance (%)																		
2013	6%																		
2014	3%																		
2015	7%																		
2016	19%																		
2017	20%																		
Projected 2018	5%																		
<h3>Own Source Operating Revenue</h3> <table><tr><th>Year</th><th>Own Source Operating Revenue (%)</th></tr><tr><td>2013</td><td>65%</td></tr><tr><td>2014</td><td>68%</td></tr><tr><td>2015</td><td>63%</td></tr><tr><td>2016</td><td>63%</td></tr><tr><td>2017</td><td>61%</td></tr><tr><td>Projected 2018</td><td>68%</td></tr></table>			Year	Own Source Operating Revenue (%)	2013	65%	2014	68%	2015	63%	2016	63%	2017	61%	Projected 2018	68%	<p>The Own Source Operating Revenue indicates that Council has a low dependence on grants and contributions. Council has exceeded both the benchmarks listed below</p> <p>The Tcorp benchmark for sustainability is to have a ratio of greater than 60%</p> <p>The "fit for the future" benchmark is that councils should have own source revenue of greater than 60% over a three year period.</p>		
Year	Own Source Operating Revenue (%)																		
2013	65%																		
2014	68%																		
2015	63%																		
2016	63%																		
2017	61%																		
Projected 2018	68%																		
<h3>Unrestricted Current Ratio</h3> <table><tr><th>Year</th><th>Unrestricted Current Ratio</th></tr><tr><td>2013</td><td>14.08</td></tr><tr><td>2014</td><td>8.36</td></tr><tr><td>2015</td><td>7.68</td></tr><tr><td>2016</td><td>11.21</td></tr><tr><td>2017</td><td>11.99</td></tr><tr><td>Projected 2018</td><td>10</td></tr></table>			Year	Unrestricted Current Ratio	2013	14.08	2014	8.36	2015	7.68	2016	11.21	2017	11.99	Projected 2018	10	<p>The Unrestricted Current Ratio excludes all current assets and liabilities that are restricted for specific purposes. These include the water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions</p> <p>This ratio is before setting aside cash to fund internal restrictions in the General Fund.</p> <p>The Tcorp benchmark is greater than 1.5</p>		
Year	Unrestricted Current Ratio																		
2013	14.08																		
2014	8.36																		
2015	7.68																		
2016	11.21																		
2017	11.99																		
Projected 2018	10																		
<h3>Debt Service Cover Ratio</h3> <table><tr><th>Year</th><th>Debt Service Cover Ratio</th></tr><tr><td>2013</td><td>25.84</td></tr><tr><td>2014</td><td>16.4</td></tr><tr><td>2015</td><td>25.28</td></tr><tr><td>2016</td><td>24.49</td></tr><tr><td>2017</td><td>19.29</td></tr><tr><td>Projected 2018</td><td>14.26</td></tr></table>			Year	Debt Service Cover Ratio	2013	25.84	2014	16.4	2015	25.28	2016	24.49	2017	19.29	Projected 2018	14.26	<p>The Debt Service Ratio indicates the extent to which council's operating revenues are committed to servicing both interest and the repayment of principal repayments on existing loans.</p> <p>Councils Debt Service Ratio will increase marginally over the coming years with Councils increasing its loan borrowings by \$2m for Water and Sewer Fund activities and Waste Management Funds</p> <p>The Tcorp benchmark is to have a ratio of greater than 2.</p>		
Year	Debt Service Cover Ratio																		
2013	25.84																		
2014	16.4																		
2015	25.28																		
2016	24.49																		
2017	19.29																		
Projected 2018	14.26																		
<h3>Rates & Annual Charges Outstanding %</h3> <table><tr><th>Year</th><th>Rates & Annual Charges Outstanding %</th></tr><tr><td>2013</td><td>5.39%</td></tr><tr><td>2014</td><td>5.60%</td></tr><tr><td>2015</td><td>5.89%</td></tr><tr><td>2016</td><td>5.31%</td></tr><tr><td>2017</td><td>5.84%</td></tr><tr><td>Projected 2018</td><td>5.50%</td></tr></table>			Year	Rates & Annual Charges Outstanding %	2013	5.39%	2014	5.60%	2015	5.89%	2016	5.31%	2017	5.84%	Projected 2018	5.50%	<p>The Outstanding Rates Ratio indicates the percentage of uncollected rates and charges and the adequacy of recovery efforts.</p> <p>Council's ratio remains at a low level and is within benchmarks for group 11 Councils and reflects good recovery procedures as advised by Councils Auditor</p> <p>The Tcorp benchmark is to have a ratio of less than 10%</p>		
Year	Rates & Annual Charges Outstanding %																		
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Projected 2018	5.50%																		
<h3>Cash Expense Cover Ratio</h3> <table><tr><th>Year</th><th>Cash Expense Cover Ratio</th></tr><tr><td>2013</td><td>18.72</td></tr><tr><td>2014</td><td>20.05</td></tr><tr><td>2015</td><td>20.68</td></tr><tr><td>2016</td><td>24.77</td></tr><tr><td>2017</td><td>25.14</td></tr><tr><td>Projected 2018</td><td>23.3</td></tr></table>			Year	Cash Expense Cover Ratio	2013	18.72	2014	20.05	2015	20.68	2016	24.77	2017	25.14	Projected 2018	23.3	<p>The Cash Expense Cover Ratio indicates the number of months Council can pay its expenses without additional cash flow.</p> <p>The Tcorp benchmark is to have reserves to meet at least three months of operating expenditure</p>		
Year	Cash Expense Cover Ratio																		
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INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2017
KEY PERFORMANCE INDICATORS

Asset Renewal Ratio



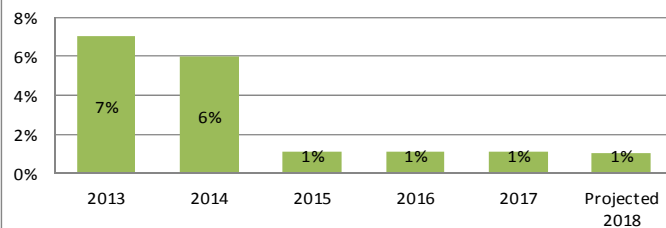
The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

Councils ratio indicates that Council is expending more on asset renewals compared to the estimated asset deterioration (depreciation) across the General, Water and Sewerage Funds. This is largely due to the quantum of grant funded works being undertaken on the Shire Road Network.

The Tcorp benchmark is to have a ratio of greater than 1.

The "fit for the future" benchmark is that councils should have a ratio of greater than 1 over a three year period

Infrastructure Backlog Ratio

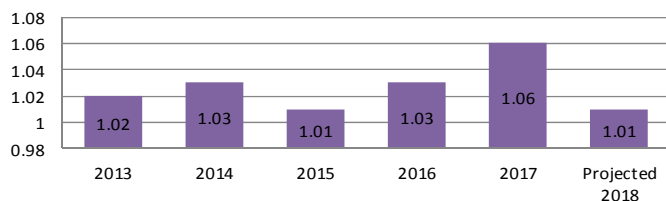


The **Infrastructure Backlog Ratio** assess Council infrastructure backlog against the total value of councils infrastructure.

The Tcorp benchmark is a ratio of less than 20%.

The "fit for the future" benchmark is less than 2%

Asset Maintenance Ratio



The **Asset Maintenance Ratio** compares actual asset maintenance expenses against the estimated asset maintenance required for each year.

The Tcorp benchmark is a ratio of greater than 1

The "fit for the future" benchmark is less than 2%