

**INVERELL SHIRE COUNCIL**

**NOTICE OF MEETING**

**ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE**

3 February, 2017

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

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

**P J HENRY PSM**

**GENERAL MANAGER**

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**A G E N D A**

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

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## Quick Reference Guide

Below is a legend that is common between the:

- Inverell Shire Council Strategic Plan
- Inverell Shire Council Delivery Plan
- Inverell Shire Council Management Plan.

<i><b>Destinations</b></i>	<i><b>Icon</b></i>	<i><b>Code</b></i>
<p><b>1. A recognised leader in a broader context.</b></p> <p>Giving priority to the recognition of the Shire as a vital component of the New England North West Region through Regional Leadership.</p>		R
<p><b>2. A community that is healthy, educated and sustained.</b></p> <p>Giving priority to the Shire as a sustainable and equitable place that promotes health, well being, life long learning and lifestyle diversity.</p>		C
<p><b>3. An environment that is protected and sustained.</b></p> <p>Giving priority to sustainable agriculture, the protection and conservation of rivers, waterways bio diversity and the built environment.</p>		E
<p><b>4. A strong local economy.</b></p> <p>Giving priority to economic and employment growth and the attraction of visitors.</p>		B
<p><b>5. The Communities are served by sustainable services and infrastructure.</b></p> <p>Giving priority to the provision of community focused services and the maintenance, enhancement and upgrade of infrastructure.</p>		S

# ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING

Wednesday, 8 February, 2017

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## Table of Contents

### SECTION/PAGE

2017/2018 Rate Peg	E	1
Expiring Licence Agreement – Beverley Turner	D	1
Governance - Monthly Investment Report	H	1
In-Kind Donation Request - Inverell Medieval Festival Inc.	D	12
Inverell Community Garden Relocation	D	4
Membership of Aboriginal Consultative Committee	D	2
Quarterly Budget and Operational Plan Review 2016/2017	H	6
Request for Financial Assistance – Inverell Pipe Band Inc.	D	6
Request for Reduction in Town Hall Hire Fees – Inverell Music Appreciation Group Inc.	D	9
Request for Reduction on Water Account	G	1
Request for Reduction on Water Account (Listing)	D	7
Sponsorship Request – Border Branch Stock Horse Challenge	D	11

MINUTES OF THE ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE  
MEETING HELD IN THE COMMITTEE ROOM, INVERELL SHIRE COUNCIL, 144  
OTHO STREET, INVERELL ON WEDNESDAY, 9 NOVEMBER, 2016,  
COMMENCING AT 11.40AM.

PRESENT: Cr J A Watts (Chairperson), Crs P J Harmon, 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), Ken Beddie (Director Corporate and Economic Services), Brett McInnes (Director Civil and Environmental Services) and Stephen Golding (Executive Manager Corporate and Community Services).

SECTION A

APOLOGIES:

There were no apologies received.

1. CONFIRMATION OF MINUTES

*RESOLVED (Dight/King) that the Minutes of the Economic and Community Sustainability Committee Meeting held on 12 October, 2016 as circulated to members, be confirmed as a true and correct record of that meeting.*

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

The following interests were declared:

- Cr King declared a non-pecuniary interest in Section D, Destination Reports, Item 1, "Expiring Agreements". The nature of the interest relates to the Lessee being the son of Cr King.
- Cr Harmon declared a non-pecuniary interest in Section D, Destination Reports, Item 1, "Expiring Agreements". The nature of the interest relates to Cr Harmon being a member of the Club that leases the building.

3. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil

SECTION B  
ADVOCACY REPORTS

Cr Michael Art Exhibition - 56 Otho Street

Cr Michael noted his attendance as the Mayor's Representative at a retrospective exhibition held on 29 October, 2016 of the paintings of Marjory Schmidt.

Cr Michael Esther Gardner Poetry Book Launch

Cr Michael noted his attendance at Esther's Poetry Book Launch as the Mayor's Representative. Esther's Book Launch was held at the Inverell Library on 27 October, 2016.

Cr Michael      Inverell East Rotary – ‘The Great Inverell Duck Race’

Cr Michael attended the Duck Race as the Mayor’s Representative on 27 October, 2016. The Duck Race had to be rescheduled due to the wet weather on the weekend of the Telstra Inverell Sapphire City Festival.

Cr Michael      Community Safety Precinct Committee Meeting (CSPC) – Glen Innes

Cr Michael attended the recent CSPC meeting held in Glen Innes on 2 November, 2016 as the Mayor’s Representative.

The three (3) main topics discussed were:

- a) Domestic Violence – with a new position in the NSW Police being created for a state DV Co-ordination,
- b) Inverell recent house break-ins. Police have arrested those involved.
- c) Inverell Police Station – The new Inverell Police Station project is progressing.

Cr Harmon      Mobile Coverage – Copeton Dam

Cr Harmon noted an incident at Copeton Dam recently that required medical assistance. Triple zero was not able to be called due to the mobile phone coverage issues.

Cr Harmon suggested Council continue to advocate Federal and State Members for improved phone coverage in the area.

Cr King          Esther Gardner Poetry Book Launch

Cr King noted his attendance at Esther’s Poetry Book Launch. Cr King extended thanks to Council staff for their assistance with the Launch.

Cr Berryman    Local Emergency Management Meeting

Cr Berryman noted his attendance at a Local Emergency Management Committee Meeting on 3 November, 2016.

Cr Harmon      Country Mayor’s Association of NSW Meeting

Cr Harmon attended the recent Annual General Meeting, in which new executives were elected. The executive consists of the following Council representatives; Albury City Council, Narrabri Shire Council, Bega Valley Shire Council, Coonamble Shire Council, Inverell Shire Council, Moree Plains Shire Council, Tenterfield Shire Council and Uralla Shire Council.

Cr Harmon      NSW Rural Fire Graduation

Cr Harmon attended the NSW Rural Fire Graduation, with Certificates presented to six (6) Cadets from MacIntyre High School, within the Northern Tablelands.

Cr Watts        Book Launch – Heather Kerridge

Cr Watts attended Heather Kerridge’s book launch. Local author Heather Kerridge launched her third book titled “Touching Tales: Endearing Stories From The Animal Kingdom.”

The book contains wonderful true stories of peoples' interactions and experiences with animals, featuring anecdotes from numerous locals.

Cr Baker                      Library Zone Meeting

Cr Baker noted her attendance at the recent Library Zone Meeting held in Coffs Harbour.

Cr Watts & Cr Dight Hit the Ground Running Workshop

Cr Watts and Cr Dight attended the "Hit the Ground Running Workshop" for new Councillors at Tamworth. Both Councillors agreed that the Workshop was of value and also allowed the opportunity to network with other new Councillors in the region.

At this juncture, the time being 12.00pm, having previously declared a non-pecuniary interest in Section D, Destination Reports, Item 1, "Expiring Agreements", Cr King left the meeting.

At this juncture, the time being 12.00pm, noting he previously declared a non-pecuniary interest in Section D, Destination Reports, Item 1, "Expiring Agreements", Cr Harmon remained in the meeting as an observer and refrained from voting.

## SECTION D

### DESTINATION REPORTS

1. EXPIRING AGREEMENTS S5.10.43 & S5.10.84

1. Lease Agreement, Mr Nick King – Building at Inverell Pool, known as the “Gym”, Evans Street, Inverell.

CSOP-A                      *RESOLVED (Dight/Watts) that the Committee recommend to Council that:*

- i) Council renew the agreement with Mr Nick King for the Building at Inverell Pool, known as the "Gym", Evans Street, Inverell for a three (3) year period with a further three (3) year option under the same terms and conditions;
- ii) the lease fee be \$27.96 per day (GST Inclusive) subject to annual CPI adjustments; and
- iii) the Lease Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.

At this juncture, the time being 12.10pm, Cr King returned to the meeting.

2. Licence Agreement, Mr Owen Lewis – Part Lot 7313, DP 1135965 and Part Unformed Road, Ross Street, Inverell.

CSOP-A *RESOLVED (Harmon/King) that the Committee recommend to Council that the agreement be renewed, under the same terms and conditions, on a month-to-month basis.*

2. SPONSORSHIP REQUEST – 2017 INVERELL TOUGHEN UP CHALLENGE  
S12.22.1/10

CSOP-A *RESOLVED (Harmon/King) that the Committee recommend to Council that:*

- i) Council provide the same sponsorship as in previous years, being the Silver Sponsorship Package valued at \$500 plus GST; and

- ii) *Council invite the Inverell Toughen Up Committee to provide a presentation to Council on the success and ongoing growth of the event.*

3. ADDITIONAL CARPARKING - CATHERINE CAMPBELL CENTRE  
S5.10.10

GM-A *RESOLVED (King/Harmon) that the Committee recommend to Council that Council accede to the request to assist with the extension and resealing of the Catherine Campbell Centre carpark, which is located on Council owned land.*

At this juncture, the time being 12.20pm, Cr Peters arrived at the meeting.

4. REQUEST FOR ASSISTANCE – INVERELL GIRL GUIDES S12.22.1/09

CSOP-A *RESOLVED (Michael/Harmon) that the Committee recommend to Council that Council contribute \$700 towards making the Inverell Girl Guide Hall compliant.*

SECTION E  
INFORMATION REPORTS

1. GRANTS TO VILLAGES AND RURAL AREAS –  
RECREATIONAL/CULTURAL GRANT 2016-2017 S15.8.6/09
2. SOCIAL HOUSING COMMUNITY IMPROVEMENT FUND 2016 - ROSS HILL  
RESERVE S15.8.65/01

*RESOLVED (Dight/Harmon) that the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 9 November, 2016, be received and noted.*

SECTION F  
QUESTIONS WITHOUT NOTICE

Cr Harmon Funding for Removal of Identified Plane Trees

Cr Harmon asked if the trees at the corner of Evans and Campbell Street will be removed as now that the trees are in full leaf they create a blackspot when entering Campbell Street from Evans Street.

Director Civil & Environmental Services, Mr Brett McInnes provided an update on the removal of further plane trees and noted the current resources available.

Cr Michael Lions Park Playground

Cr Michael asked when the Lions Park Playground will be open.

Director Civil & Environmental Services, Mr Brett McInnes advised that there is still works to be completed (pathway).

General Manager Service NSW

The General Manager, Mr Paul Henry informed the Committee of the possibility of establishing a "Service NSW" Office in Inverell. It is anticipated that the current Roads and Maritime Services building will be listed for sale by the end of the year.

Director Corporate & Economic Services NBN Co

Director Corporate and Economic Services, Mr Ken Beddie noted the availability of satellite service for rural residents.

Mr Beddie tabled additional information in this respect.

SECTION H  
GOVERNANCE REPORTS

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

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

2. QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2016/2017  
S12.5.1/09

DCS-A *RESOLVED (Harmon/Michael) that the Committee recommend to Council that:*

- i) Council's Quarterly Operational Plan and Budget Review for 30 September, 2016 be adopted; and*
- ii) the proposed variations to budget votes for the 2016/2017 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2017 from operations of \$2,723.*

There being no further business, the meeting closed at 12.39pm.

CR J A WATTS

CHAIRPERSON



TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/02/2017

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S5.10.117
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>EXPIRING LICENCE AGREEMENT – BEVERLEY TURNER</b>	
<b>PREPARED BY:</b>	Hayley Nichols, Corporate Support Officer - Publishing	

**SUMMARY:**

The Licence Agreement between Council and Beverley Turner is due to expire 24 March, 2017. The Committee is requested to consider offering Ms Turner a new Agreement.

**COMMENTARY:**

The Licence Agreement between Council and Ms Turner for Part Unformed Road, behind Council's Sewer Pump Station in Brewery Street, Inverell is due to expire 24 March, 2017. The authorised use of the land is for the purpose of grazing stock.

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.

Further noted is the last billed amount of \$59.46 (GST inclusive).

The Committee is requested to consider offering Ms Turner a new Agreement.



**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 OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That the Committee recommends to Council that:*

- i) Council renew the agreement with Beverley Turner for Part of Unformed Road, behind Council's Sewer Pump Station, Brewery Street, Inverell;*
- ii) the licence agreement be for a two (2) year period with a further two (2) year option;*
- iii) the Licence fee be \$62.00 per annum (GST Inclusive) with a 3% increase per annum; and*
- iv) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S2.14.1
<b>DESTINATION 1:</b>	A recognised leader in a broader context	<b>R</b>
<b>SUBJECT:</b>	<b>MEMBERSHIP OF ABORIGINAL CONSULTATIVE COMMITTEE</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

Nominations were invited for persons interested in appointment to the Inverell Shire Council Aboriginal Consultative Committee. The nomination period has closed and Council is requested to consider the nominations.

**COMMENTARY:**

In 2014, Council resolved to form a Consultative Committee with the following membership:

- One (1) representative from Ashford Land Council.
- One (1) representative from Anaiwan Land Council.
- One (1) Aboriginal Elder (Chosen by NAIDOC Week Committee).
- Three (3) members of the community.

The term of the inaugural Committee was for two (2) years and concluded as at the date of the September 2016 Local Government Elections. The nominees recommended by the Committee today will be appointed until 31 December, 2019.

Nominations were invited in December 2016 to form a new Committee. Nominations closed on 20 January, 2017.

At the close of nominations the following persons submitted an interest in Serving on the Committee:

- i) Mr Kelvin Brown
  - Long term resident of Inverell,
  - Aboriginal Elder,
  - Extensive knowledge of Aboriginal Affairs,
  - Actively involved with the NAIDOC Committee, Friends of Myall Creek Memorial Committee and the Koori Interagency Network,
  - Involved with Inverell RSL Sub-Branch.
- ii) Mr Gregory Livermore
  - Previously employed as an Aboriginal Community Development Officer,
  - Former member of Campbelltown City Council's Aboriginal Advisory Committee,
  - 32 years of experience in Aboriginal Affairs and Community based organisations and Committees.
- iii) Ms Esther Gardiner
  - Long term resident of Inverell and a very active member of the Community,
  - An Aboriginal Elder,
  - A poet and published author.
- iv) Mr Darren Finn
  - Committed to strongly supporting fellow members to achieve and enhance respect, recognition, reconciliation, equity, health and wellbeing for Aboriginal and Torres Strait Island people in our community,
  - Heavily involved in NCAP (New Careers for Aboriginal People) Programme,
  - Involved in community youth programmes in Tingha and Inverell with strong support from the local Police.
- v) Ms Keira Edwards
  - Extensive experience in encouraging and developing Aboriginal people and their communities alongside Government and Non-Government agencies,
  - Volunteer Secretary and Public Officer for the Mooki Bassendean Association Inc (Indigenous owned organisation that works primarily in the Tingha Area),
  - Strong interest in empowering Indigenous communities,
  - Capable of building knowledge, awareness and understanding of Indigenous people, culture and communities.

The Anaiwan Local Aboriginal Land Council has advised that the President of the Land Council, Mrs Jenni Johnson, will be their representative.

The Ashford Local Aboriginal Land Council has advised that the President of the Land Council, Mrs Helen Hilton, will be their representative.

In 2016, the NAIDOC Week Committee recognised two (2) Elders for their contribution to the Aboriginal Community – Isabel Williams and Malcolm McDougal.

It is submitted that the nominees are recognised community members of some standing and will have an opinion and be able to promote that opinion.

**RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:**

**Strategy:** R.05 Provide access to services in the Shire equivalent to or better than that in other major regional areas.

**Term Achievement:** R.05.01 A plan that identifies the required services to be provided to this community by other levels of Government is in place, which will act as a basis for Council's advocacy for service equity.

**Operational Objective:** R.05.01.01 Identify community issues regarding levels of social service needed by Inverell Shire citizens, particularly target groups identified in the Social Planning framework, and work with Council partners to develop proactive responses to these needs.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That Council appoint representatives to the following positions on the Inverell Shire Aboriginal Consultative Committee for a period of two (2) years:*

- *One (1) representative from Ashford Land Council.*
- *One (1) representative from Anaiwan Land Council.*
- *One (1) Aboriginal Elder (Chosen by NAIDOC Week Committee).*
- *Three (3) members of the community.*

<b>ITEM NO:</b>	3.	<b>FILE NO:</b> S11.15.18
<b>DESTINATION 4:</b>	A strong local economy	<b>B</b>
<b>SUBJECT:</b>	<b>INVERELL COMMUNITY GARDEN RELOCATION</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

The Committee is requested to formulate a response to the request from the Inverell Community Garden Committee for use of the land on the corner of Ross Street and Swanbrook Road, Inverell.

**COMMENTARY:**

At the November Civil & Environmental Services Committee Meeting held on 9 November, 2016 Councillors were addressed by members of the Community Garden Committee on 'their future' after the site of their existing facility will be utilised by Council for other purposes. In summary, the Committee's presentation:

- Outlined the philosophy of the Garden – actions that contribute to a more self-sufficient community,
- Promoted the partnership between the Garden and the Nourish Bar,
- Requested Council to commit to supporting the relocation of the existing facilities to a site on the corner of Swanbrook Road and Ross Street, Inverell.

A copy of the presentation slides used by the Committee is attached for the Committee's information (Appendix 1, D14 – D26).

**1. The Site**

The Committee wish to utilise part Lot 7313, DP 1135965 located on the corner of Ross Street and Swanbrook Road. This area is dedicated as a Reserve for Public Recreation and held under trusteeship by Inverell Shire Council. The proposed use is a permissible use under the 'Reservation'.

Any fixed improvements on this land, by virtue of the Reservation, are assumed 'Council property'.

Council can grant an exclusive licence to any entity to occupy this land for a determined period, up to 21 years.

Currently, the area is licenced to Mr Owen Lewis on a month to month basis for the purpose of agisting horses. The licence may be cancelled by giving one (1) months written notice.

The Committee is requested to determine the question: Is Council prepared to commit the site for the use of the Community Garden?

**2. The Nourish Bar**

The zoning of this parcel of land is RE1 Public Recreation.

The Community Garden Committee proposes to co-locate with the Nourish Bar on this site.

Provided the café is an ancillary activity on the site, with the primary purpose being the garden and education activities, it is possible that the 'Nourish Bar' could utilise a portion of this area.

The Community Garden Committee will need to formulate their proposal to utilise this area with the 'restrictions' of this zoning in mind. Council staff can assist the Committee with this aspect.

**3. The Relocation Process**

Council's 2016/17 Operating Plan contains a \$50K Budget Allocation to meet the costs of land acquisition (by resumption) of the current site of the Community Garden and assist with the relocation costs of the facilities established by the Garden Committee.

While the resumption process is well advanced the final costs of this work have not been billed to Council nor has the purchase price been determined. However, there should be a residual for meeting the costs of relocating the facilities of the Community Garden.

A number of grant opportunities have been identified for the establishment of the Garden on the new site, and Council will be submitting applications for these grants.

#### 4. Suggested Actions

It is suggested that Council consider:

- a) Advising the Inverell Community Garden Committee that part Lot 7313 DP 1135965 will be made available as the site for the 'new community garden',
- b) That Council staff provide advice to the Community Garden Committee to ensure the final concept for the garden meets all relevant legislative requirements, and
- c) That Council confirms that some funds will be available to assist with the costs of relocation of Community Garden assets.

#### **RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:**

**Strategy:** B.01 Business, institutions and Council are working cooperatively towards agreed initiatives to strengthen and expand the Shire's economic base.

**Term Achievement:** B.01.01 The Shire's business community, learning institutions and training institutions are working in an integrated way to strengthen and develop the Shire's economic base.

**Operational Objective:** B.01.01.01 Work with appropriate economic partners on developing mutual understanding and support for a common agenda for action.

#### **POLICY IMPLICATIONS:**

Nil.

#### **CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

#### **LEGAL IMPLICATIONS:**

Nil.

#### **RECOMMENDATION:**

*A matter for the Committee.*

<b>ITEM NO:</b>	4.	<b>FILE NO:</b> S3.7.5
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>REQUEST FOR FINANCIAL ASSISTANCE – INVERELL PIPE BAND INC.</b>	
<b>PREPARED BY:</b>	Hayley Nichols, Corporate Support Officer - Publishing	

**SUMMARY:**

Council is in receipt of correspondence from the Inverell Pipe Band Incorporated requesting the continuation of support from Council by way of an annual financial donation.

**COMMENTARY:**

For 12 years up to 2014/15, Council has provided an annual donation in the amount of \$1,000 to assist the Band with tuition and costs associated with performing at functions in the Inverell LGA and representing Inverell regionally. Following a request from the Band in 2014, Council resolved to increase the donation to \$2K with a review to be undertaken in 12 months. In 2015 Council resolved to donate \$1500 due to a reduction in the number of events the Band was able to perform at due to declining membership with a further review to be undertaken in 12 months. In considering this request, the Committee may wish to consider that Mr Bruce Chisholm, Assistant Secretary of the Band confirms that member numbers are growing slowly following a recent recruitment drive and the advancement of the learners is very encouraging.

The Committee is now requested to make a determination regarding the ongoing financial support of the Inverell Pipe Band Inc.

**RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND MANAGEMENT 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:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*A matter for the Committee.*

<b>ITEM NO:</b>	5.	<b>FILE NO:</b> S32.10.1/09
<b>DESTINATION 1:</b>	A recognised leader in a broader context	<b>R</b>
<b>SUBJECT:</b>	<b>REQUEST FOR REDUCTION ON WATER ACCOUNT (LISTING)</b>	
<b>PREPARED BY:</b>	Somone McLachlan, Debtors Clerk	

**SUMMARY:**

Council has received a letter from a ratepayer regarding an excessive water account and seeks Council's assistance by issuing an amended account based on average usage. The Committee is asked to consider a confidential report in respect of this matter.

**COMMENTARY:**

*Local Government Act 1993* (the Act), and the *Local Government (General) Regulation 2005* makes provision for the closure of meetings to the public and media in specified circumstances. In particular s.10A of the Act provides that Council may close to the public and media so much of a meeting as relates to the discussion and consideration of information identified in s.10A(2). The matters which may be closed to the public and media, as stated in the Act, must involve:

- (a) *Personnel matters concerning particular individuals (other than councillors.)*
- (b) *The personal hardship of any resident or ratepayer.*
- (c) *Information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.*
- (d) *Commercial information of a confidential nature that would, if disclosed:*
  - (i) *prejudice the commercial position of the person who supplied it, or*
  - (ii) *confer a commercial advantage on a competitor of the council, or*
  - (iii) *reveal a trade secret.*
- (e) *Information that would, if disclosed, prejudice the maintenance of law.*
- (f) *Matters affecting the security of the council, councillors, council staff or council property.*
- (g) *Advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege.*
- (h) *Information concerning the nature and location of a place or an item of Aboriginal significance on community land.*

In considering whether to close a part of a meeting to the public and media, Councillors are also reminded of further provisions of s.10D of the Act which states:

**Grounds for closing part of meeting to be specified**

- (1) *The grounds on which part of a meeting is closed must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting.*
- (2) *The grounds must specify the following:*
  - (a) *the relevant provision of section 10A (2),*
  - (b) *the matter that is to be discussed during the closed part of the meeting,*
  - (c) *the reasons why the part of the meeting is being closed, including (if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret) an explanation of the way in which discussion of the matter in an open meeting would be, on balance, contrary to the public interest.*



Having regard for the requirements stated in s.10D of the Act Councillors should note that the matter listed for discussion in Closed Committee includes information provided by the applicants which is considered to be sensitive.

The recommendation that this item of business be considered in Closed Committee is specifically relied on section 10A(2)(b) of the Act as consideration of the matter involves:

- a) The personal hardship of any resident or ratepayer, and
- b) On balance, the public interest in preserving the confidentiality of the matter outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.

#### **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:**

*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.*

<b>ITEM NO:</b>	6.	<b>FILE NO:</b> S12.22.1/10 & S5.24.4/10
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>REQUEST FOR REDUCTION IN TOWN HALL HIRE FEES – INVERELL MUSIC APPRECIATION GROUP INC.</b>	
<b>PREPARED BY:</b>	Hayley Nichols, Corporate Support Officer-Publishing	

**SUMMARY:**

Council has received a request from Mrs Barbara Wigg of the Inverell Music Appreciation Group Inc. requesting a reduction in Town Hall Hire Fees for an upcoming event.

**COMMENTARY:**

Mrs Wigg, on behalf of the Inverell Music Appreciation Group Inc. is requesting a reduction in Town Hall Hire Fees for their proposed event to be held at the Town Hall on Sunday, 23 July, 2017.

The Group have engaged a pianist from England, Mr Anthony Peebles to give a recital in Inverell and hope to utilise the Hall as it provides access to a first class Grand Piano.

The hire fees for the Hall on this date would be \$950; this figure is inclusive of a refundable \$500.00 bond. The hire fees comprise \$360 for the Hall and ancillary use of the kitchen, and \$90 for the use of the Grand Piano.

The Group, prior to the redevelopment, utilised only the Annex for such events and as per their correspondence, have advised that the Annex is still the most suitable however, the concern is relocating the Grand Piano from the main stage to the Annex; this takes significant “man-power” and a high risk of damaging the Hall or the Piano itself. The result being that the main hall is the only viable option for the Group.

If the Group were to utilise the Annex only, the fees would be \$800; inclusive of a refundable \$500.00 bond however, as noted above, Council staff would need to relocate the Grand Piano from the main stage to the Annex then back again, with the risk of injury or damage due to its size and weight. There is also the risk of damaging the floor areas between the stage and the annex.

The Committee is requested to make a determination in this matter.

**RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND MANAGEMENT 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 OFFICERS COMMENT:**

It is noted that for 2015/2016, the running costs of the Hall were \$57K with an income of only \$18,979. Further, the Town Hall hire charges are not cost recovery, but only cover 33% of the costs of each hire, being the base costs of cleaning, electricity, hall setup and consumables.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*A matter for the Committee.*

<b>ITEM NO:</b>	7.	<b>FILE NO:</b> S12.22.1/10
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>SPONSORSHIP REQUEST – BORDER BRANCH STOCK HORSE CHALLENGE</b>	
<b>PREPARED BY:</b>	Hayley Nichols, Corporate Support Officer - Publishing	

**SUMMARY:**

Council has received a request from Caitlin Eather on behalf of Border Branch Australian Stock Horse Society seeking sponsorship towards the 2017 Border Branch Stock Horse Challenge. The Committee is asked to consider the request.

**COMMENTARY:**

Council has received a request from Caitlin Eather on behalf of Border Branch Australian Stock Horse Society asking Council for sponsorship towards the 2017 Border Branch Stock Horse Challenge being held at the Delungra Recreation Ground from 25 – 26 March, 2017.

Following the success of the inaugural event in 2016, the Society hope to make the challenge an annual event. Ms Eather, in her correspondence notes that the program consists of two (2) junior challenges, an encouragement challenge, a 3yr old challenge, a 4yr old challenge, an open and a hack challenge. Each challenge comprises a led, hack, working, time trial or utility and campdraft which each have three (3) places requiring sponsorship of \$30 (1<sup>st</sup> \$15, 2<sup>nd</sup> \$10 & 3<sup>rd</sup> \$5) or \$150 should Council wish to sponsor all events in a particular challenge.

Ms Eather advises that the Society are able to promote Council by way of featuring its logo, over the P.A, the display of a banner, on the Border Branch Facebook page and in the Australian Stock Horse Journal. Council is also invited to have a stall in the marquee throughout the event. In addition, the Society invites a representative to assist in presenting the trophies.

The Committee is asked to determine if it wishes to provide a form of sponsorship to the 2017 Border Branch Stock Horse Challenge being held at the Delungra Recreation Ground from 25 – 26 March, 2017, 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 OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*A matter for the Committee.*

<b>ITEM NO:</b>	8.	<b>FILE NO:</b> S12.22.1/10
<b>DESTINATION 2:</b>	A community that is healthy, educated and sustainable	<b>C</b>
<b>SUBJECT:</b>	<b>IN-KIND DONATION REQUEST - INVERELL MEDIEVAL FESTIVAL INC.</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

Council is in receipt of a request seeking an in-kind donation towards the 2017 Medieval Festival. The Committee is asked to consider the request.

**COMMENTARY:**

As Councillors would recall, Ms Katrina Shailer and Ms Libby Lowe, addressed Council during the public forum session of the October, 2016 meeting. The Festival Representatives presented Council with a portfolio of the Inverell Medieval Festival Inc. event and requested that Council consider supporting the event. In the address, Ms Shailer noted that the event provides educational, cultural and artistic benefits for the community and opportunities for local businesses.

Council is now in receipt of correspondence from Ms Libby Lowe, on behalf of the Inverell Medieval Festival Inc. Committee, asking Council to consider making an in-kind donation towards the 2017 event being held 1-2 March. Ms Lowe asks for the use of Council's gazebos and chairs and for Council's water truck to water the gravel road a few days prior to the event. In addition, it is asked if Council staff could deliver the gazebos and chairs on Friday, 31 March and collect on the afternoon of 2 April.

To assist the Committee in their determination, it is noted that the use of Council's gazebos and chairs would usually incur a refundable bond; \$200 per gazebo and \$100 for the chairs. Further, the cost to Council for the provision of two (2) staff for two (2) hours on a Sunday to collect the gazebos and chairs would be approximately \$188.

It is noted that the 2016 event attracted 1200 people with approximately 300 of those coming from out of town.

A full copy of correspondence received by the Inverell Medieval Festival Inc. Committee is attached as Appendix 2 (D27-D29) for the information of the Committee.

#### **RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:**

**Strategy:** C.10 Contribute to the health of the community by promoting healthy lifestyles and practices.

**Term Achievement:** C.10.01 Council is actively supportive and involved in programs and initiatives that promote and contribute healthy lifestyles and practices.

**Operational Objective:** C.10.01.01 To establish measures and processes to protect the environment and safety of the residents of the Shire through both direct control and education.

#### **POLICY IMPLICATIONS:**

Nil.

#### **CHIEF FINANCIAL OFFICERS COMMENT:**

Any financial assistance provided (plant hire, staff wages etc.) would need to be funded from the Donations Budget.

#### **LEGAL IMPLICATIONS:**

Nil.

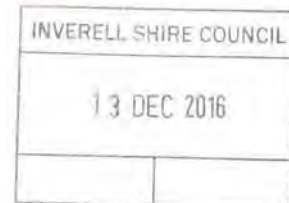
#### **RECOMMENDATION:**

*A matter for the Committee.*

## APPENDIX 1



12<sup>th</sup> December 2016



Mr P Henry PSM  
General Manager  
Inverell Shire Council  
Otho Street  
Inverell NSW 2360

Dear Mr Henry

Thank you for the opportunity and time to present our Relocation Proposal at the Civil & Environmental Services Meeting on the 9<sup>th</sup> November 2016.

The purpose of this letter is to formalise the proposal that was presented by myself, Jenny Cracknell (Gardens Chairperson), Zoe Goddard (Nutritionist) & Emma Warrener (The Nourish Bar Project), and our requests to Council. Please refer to Attachments A & B; the slide presentation & handout for more details.

We propose that

- The Community Gardens is relocated from where it is currently to the corner of Swanbrook Road and Ross Street and to have The Nourish Bar Project located on the same site
- The Community Gardens and The Nourish Bar Project form a collaboration with Inverell Shire Council to develop this project further with the shared vision to create a community that is educated, healthy, self-sufficient and sustainable
- The proposed site is a place for other local enterprises, that promote education, health, well-being, self-sufficiency, sustainability, lifelong learning and lifestyle diversity, to be located.



We are requesting that Council assist by

- Giving the Community Gardens & the Nourish Bar Project a firm commitment that the proposed site be dedicated to this project
- Providing Councils professional knowledge and advice in planning and infrastructure development for this project
- Reaffirming Councils level of financial support for this project.

Please feel free to contact me any time to discuss this further.

Yours sincerely



Jane O'Brien  
Gardens Coordinator  
M: 0458 255 232

Attachments      A – Relocation Proposal Slide Presentation  
                             B – Relocation Proposal Handout

13/12/2016

## WELCOME TO THE FUTURE

## THE INVERELL COMMUNITY GARDENS



- Nurturing plants, people and community
- Showcasing sustainable practices
- Providing opportunities for sharing knowledge, wisdom and culture
- Creating a space where people can belong and feel connected to both nature and others
- All contributing to a more self-sufficient community



*Inverell Community Gardens is a Gwympac Landcare Community Group*

## THE NOURISH BAR PROJECT



We aim to empower, inspire and help raise awareness around the importance of healthy eating and the associated wellbeing and life satisfaction that comes with feeling good through the therapeutic power of food.

### We promote:

- DELICIOUS, honest, damn good real food, with an emphasis on local, seasonal produce and quality nutrient dense ingredients that are nourishing and enjoyable to eat
- A holistic approach to dietary advice and health education for the prevention and management of illness and disease
- Educating the community to make better food choices at home & in everyday life
- Challenging the "busy" lifestyle of our current society and re-focusing on:
  - ✓ Relationships
  - ✓ Enjoyable physical activities
  - ✓ Experiences
  - ✓ Mindfulness
  - ✓ Nature, sunshine, fresh air, gardening
- Living & eating in a sustainable way

## WHY WE WANT TO WORK TOGETHER



13/12/2016

## OUR SHARED VISION



## OUR PROPOSAL

## RELOCATION OF THE GARDENS



## RELOCATION OF THE GARDENS



## MAIN BUILDING - SHED



## WORM FARM



13/12/2016

**WATER TANKS, RECYCLING &  
SOLAR ENERGY****TOILET BLOCK****SPONSORED & LEASED PLOTS****URBAN MARKET GARDEN****SUPPLYING LOCAL PRODUCE****AREA FOR FARMERS MARKETS**

13/12/2016

## CHILDREN'S PLAYGROUND



## CHOOKS

COMPOSTING  
PROGRAMLARGER SCALE  
COMPOSTING

## SPACES FOR SHARING KNOWLEDGE





13/12/2016

## STAGE – CULTURE &amp; ARTS

INDIGENOUS & MULTICULTURAL  
GARDENS

## ORCHARDS



## NOURISH BAR MODULAR CAFÉ



## DESTINATION DINING SPACE



13/12/2016

## CELEBRATE LOCAL PRODUCE



## COMMUNITY FUNCTION ROOM

COMMUNITY  
EDUCATION

## COLLABORATIVE BUSINESS HUB



**HOW DOES THIS FIT IN  
WITH THE COUNCIL &  
OUR COMMUNITY?**

**MISSION**

To work with the community in providing and facilitating the provision of services that enhance the quality of life of all Shire residents.

**Inverell Shire Council, Strategic Plan 2009 – 2029**

13/12/2016



### *Our stories so far.....*

#### **The Inverell Community Gardens**

The initial seed that led to the idea of a local community garden was sown in about 2008 when Max Woods, in his early 90's, raised his concern about food energy and food security at a meeting of Macintyre Development 2000. We pondered for 2 years about how to address this huge issue. We then learnt that Inverell was completely self sufficient in 1914 after winning the District Exhibit at the Sydney Royal Easter Show. We decided that if this town was self sufficient in 1914 it could be again and this would solve the global issues at a local level, of both food energy and food security. Hence a community garden was the first baby step to bring this about by focusing public awareness.

We started in 2010. Our first site, Bellevue Park, was approved by Council, then abandoned after unrealistic insurance demands for security fencing. We then began at the Swanbrook site in 2011. It was a long process, beginning with the basics –clearing, repairing, building, finding water, and eventually, gardening.

We harnessed the willing help of many community groups and individuals. We used recycled materials for almost all projects. We were the recipients of materials from people moving from town, deceased estates, generous businesses and individuals. We have received several grants – the major being from the RAS. We have involved several schools in different ways. We have run many workshops and seminars. We run regular Farmers' Markets. We have been busy!!

Our vision is for the Inverell Community Gardens to be a World of its Own, a place where the local people of our town can meet and enjoy each other's company; enjoy growing and harvesting good food; learn more about producing that food in as healthy a way as possible; have fun; learn to live in tune with nature – the weather, the seasons, the earth, the water, and millions of microbes that make it all possible; share practical knowledge and understanding about all this, help confront food energy and food security; be an interesting and attractive tourist destination....and more.

#### **The Nourish Bar Project**

We are a wholefood café that pride ourselves in delivering delicious, nutritious real food that is completely devoid of processed sugar, bad oils & nasty additives/preservatives that has shown to create disease in our bodies. We use local, seasonal produce and quality nutrient dense ingredients that are nourishing and enjoyable to eat.

Since opening in Feb 2015, the Nourish bar has grown into a popular café destination for locals & tourists. At the Inverell small business awards 2016 the NB received a highly commended award in the food and hospitality section.

Utilising our passion, philosophy & Zoe Goddard's nursing and nutritionist skills, we aim to empower, inspire and help raise awareness around the importance of healthy eating and the associated wellbeing and life satisfaction that comes with feeling good through the therapeutic power of food. We have already conducted a number of educational workshops at Gum Flat School, Holy Trinity School, Bundarra Preschool, Delungra public school and in the general community.

**The Inverell Community Gardens and  
The Nourish Bar Project Collaboration**  
*2 separate entities with a common vision*

**OUR INTEGRATED SHARED VISION:**

A community that is educated, healthy, self-sufficient and sustainable.

Our space will promote  
education  
health  
well being  
self sufficiency  
sustainability  
life long learning  
lifestyle diversity

**Our Proposal**

Relocate the Community Gardens and have the Nourish Bar located in the area

See site map for details

- Main building - Shed
- Toilet Blocks
- Sponsored and leased plots
- Market Garden
- Farmer's markets
- Composting and worm farming
- Chickens
- Orchards
- Indigenous gardens
- Water tanks / Solar energy
- Stage / Amphitheater
- Children's playground
- Modular style cafe
- Café showcasing community gardens and celebrating local produce
- Conference room for education workshops
- Provide a space for collaborative businesses
- Office Hub



## How this collaboration and proposal fits in with the Inverell Council and its Community .....

### *3 separate entities with a common vision*

Inverell Shire Council: Strategic plan 2009-2029

### *We are on the same page!!*

The Community Gardens-Nourish Bar collaboration and the Inverell Council have a total of 24/48 strategies in common.

**Destination 2** - A Community that is Healthy, Educated & Sustainable

**Destination 3** - An Environment that is Protected and Sustained

**Destination 4** - A Strong Local Economy

**Destination 5** - The Communities are supported by sustainable service and infrastructure

## How can the council assist?

Unlike our current site which is Crown Land, the proposed site is owned by Inverell Shire Council.

1. We are asking Council for a firm commitment re this site becoming the space for the new Community Gardens and the Nourish Bar. It appears to be an appropriate buffer between the light industrial area and the residential, school and hospital zones around it.
2. We are seeking professional advice from Inverell Shire Council to bring our project to fruition. This would be in the form of planning, infrastructure and finance.
3. We are also asking Council to reaffirm the level of financial support that it is prepared to provide for this project.



## APPENDIX 2

**INVERELL MEDIEVAL FESTIVAL INCORPORATED**

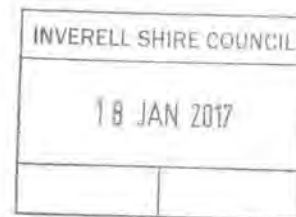
1235 ELSMORE RD ELSMORE 2360

[SACREDCIRCLE7@GMAIL.COM](mailto:SACREDCIRCLE7@GMAIL.COM)

0434 761 362

The General Manager  
Inverell Shire Council  
144 Otho Street.  
INVERELL NSW 2360

REGISTRATION NUMBER INC 1601428

14<sup>th</sup> January 2017

Dear Mr. Henry,

I am writing on behalf of the Inverell Medieval Festival Incorporated Committee requesting the Inverell Shire Council consider making an in-kind donation to our organisation. We are asking for the use of Council's portable gazebos &/or shade structures, use of chairs and the watering of the gravel roads few day's prior to the 2017 event.

The Festival will be held on the weekend of the 1<sup>st</sup> & 2<sup>nd</sup> of April at the Inverell Showground. Set up for the event begins on Friday 31<sup>st</sup> March. Due to the limited shade areas at the showground we are doing our best to provide as many shaded areas as possible for all attending.

We are a not-for-profit organisation and depend on volunteers so it would be of considerable help if Shire employees could drop off on Friday 31<sup>st</sup> March and pick up on Sunday afternoon the 2<sup>nd</sup> April. Any assistance with setting up and packing up the structures would also be greatly appreciated.

Three of our committee members attended a Council meeting on Wednesday 26<sup>th</sup> October 2016 giving an overview of what the Medieval Festival is about and the goals we have to continue to make his annual community event bigger and better each year. Prior to the above mentioned meeting we also gave Councilor Anthony Michael a list of numerous ideas that we felt Council may be able to help us with for this years Festival. A copy of that list is attached. As yet we have had no reply, or response to our requests.

Thank you for your time and we look forward to hearing from you in the near future.

Yours Sincerely,

Libby Lowe



Inverell Medieval Festival IncorporatedVenue - Inverell ShowgroundDate - 1<sup>st</sup> & 2<sup>nd</sup> April 2017Seeking

- Financial support or grant. The monetary assistance will go towards the medieval teams performance fee / travel
- Support with advertising - Board on town outskirts, permission to place signage around the town
- Bunting & supports
- Free rubbish disposal
- Permission to place signage around the town
  
- We will be speaking with local schools in relation to being involved. Whether it is through colouring competitions, art, or some form of creativity that will represents medieval times.
  
- We would also like to approach the 'Chamber Of Commerce' in relation to getting the shops in the town centre to decorate their windows with the medieval theme.
  
- Spoken to Peter Caddey



The background of the poster is a composite image. The top half shows a large, ornate castle with multiple towers and battlements, set against a backdrop of rolling hills and a clear sky. A large, red and gold heraldic shield is superimposed over the castle. The bottom half of the poster features a knight in full plate armor, including a helmet with a visor, holding a sword aloft in his right hand and a shield in his left. The knight is positioned in the foreground, looking towards the right. The overall color palette is dominated by the reds, golds, and browns of the medieval theme.

# Medieval Festival

MEDIEVAL GAMES & EVENTS  
INVERELL  
SHOWGROUND  
April 1st & 2nd 2017

Sat: 9am ~ 7pm

Sun: 9am ~ 5pm

\$5.00 ENTRY

Medieval

Tournaments

Static Displays

Food

& Beverage

Variety of Stalls

and so much

more.....!

Come one! Come all!

Please call Katrina on 0434 761 362



**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/02/2017**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S2.7.2
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>2017/2018 RATE PEG</b>	
<b>PREPARED BY:</b>	Ken Beddie, Director Corporate and Economic Services	

**SUMMARY:**

Council has received advice from IPART NSW that they have determined the 2017/2018 Rate Peg will be 1.5%. The following information is provided for Council in this matter.

**COMMENTARY:**

IPART NSW have advised that the 2017/2018 Rate Peg will reduce to a very low 1.5% for NSW Councils. The 1.5% 2017/2018 Rate Peg will only yield Council an additional \$160K in General Rate Income into its \$31M General Fund Budget.

IPART state that this low Rate Peg has resulted from the “continuing low inflation and minimal growth in council costs”. IPART Chair Peter Boxall said “ratepayers would benefit from the modest rate of public sector wages growth in recent years, as well as the continuing low inflation environment. This has seen the cost of some items used by councils fall, including fuel, gas and telecommunications”. Local Government NSW has been highly critical of the low Rate Peg (refer to Appendix 1, E3 – E4).

A review of the information provided by IPART for the 2017/2018 Rate Peg will continue to show, as previously advised to Council, that the “one-size fits all” Rate Peg disadvantages Rural Council’s, especially those with low population density’s and large Road Networks. Also as the Local Government Cost Index Calculation is only a snapshot at a point in time, being September of the year, 9 months before the Rate Peg actually commences. This means that the data and calculation of the Rate Peg can easily be flawed and outdated.

For example the claim of a 10% reduction in fuel costs for Councils based on Fuel prices at September, 2016 which on IPART’s calculation is supposed to carry over into 2017/2018 is clearly flawed. Council’s fuel costs rose over 10% in the last two (2) weeks adding an additional \$104K p.a to Council’s annual \$1.04M fuel bill. In addition, an increase in fuel costs flows directly through to Council’s Bitumen costs for its Bitumen Resealing and Bitumen Road Renewals and due to Inverell’s location into cost increases in everything else Council buys. A review of the Index will show that IPART have only provided for a 0.6% annual increase in Road and Road Infrastructure costs for the 2017/2018 Rate Peg. Further, Council’s estimated increase in Salary and Wage costs for 2017/2018 are \$381K (excluding increases in the Waste Function Salaries and Wages which are funded from Waste Management Charges). While some of these costs for Works Staff will be charged against the Grant Funded project they are working on, the Rate Peg does not cover the otherwise unfunded proportion of the increase in fixed Salary and Wages costs.

In addition to these matters, as noted by Local Government NSW, Council also has to deal with State and Federal Government Cost shifting which is not a factor considered by IPART in the Rate Peg.

As previously advised, Council has to pay an additional \$101K in NSW State Government Rural Fire Service and Flood Gauge Maintenance Charges in 2017/2018. Cost Shifting is now costing Council \$1.7M p.a. being more than the Special Rate Variation Council is seeking.

Overall, it is now highly evident that under IPARTs continuing Rate Pegs that all NSW Council's will be forced to apply for Special Rate Variations on a continuing basis if they are to be able to continue to provide the services their communities require on a continuing basis and address the communities infrastructure needs.

**RECOMMENDATION:**

*That the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 8 February, 2017, be received and noted.*

## APPENDIX 1

# Media Release



Independent Pricing and Regulatory Tribunal

## 2017-18 RATE PEG FOR NSW LOCAL COUNCILS

**29 November 2016**

Continuing low inflation and minimal growth in council costs will limit the increase in the general income local councils can recover to 1.5% in 2017-18. This is lower than last year's rate peg of 1.8%.

The rate peg is determined by the Independent Pricing and Regulatory Tribunal (IPART) each year and sets the maximum general income NSW councils can collect. The main component of general income is rates revenue, but it also includes some annual user charges. It excludes stormwater, waste collection, water and sewerage charges.

Announcing the annual rate peg today, IPART Chair Peter Boxall said "ratepayers would benefit from the modest rate of public sector wages growth in recent years, as well as the continuing low inflationary environment. This has seen the cost of some items used by councils fall, including fuel, gas and telecommunication services".

IPART determines the rate peg by measuring changes in the Local Government Cost Index (LGCI) that includes changes in the average costs faced by councils, and consideration of a factor to reflect improvements in productivity.

"The Local Government Cost Index increased by 1.47% in the year to September 2016," Dr Boxall said.

"Since the rate peg applies to general income in total, and not to individual rate assessments, it is up to each council to determine whether to apply the allowed increase in full and the impact on individual rate assessments.

"Similarly, if councils want to increase their revenue by more than the rate peg they will need to consult with their communities before applying to IPART for a special variation."

Councils wishing to apply for a special rate variation should aim to notify IPART by 9 December 2016.

A fact sheet on the rate peg is available on IPART's website: [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

*Media contact: Julie Sheather 02 9290 8403 or 0409 514 643*

IPART is required to set the rate peg each year under delegation from the NSW Minister for Local Government.



**Local Government rate peg 2017-18– fast facts**

- ▼ Councils wanting to increase their revenue by more than the rate peg need to apply for a special variation. Councils wishing to apply for special variations should aim to notify IPART by 9 December 2016.
- ▼ The IPART rate peg is a maximum allowable increase to council general income. Individual councils determine how that maximum increase is applied. For example, some rates might increase by more than 1.5% and others may increase by less as long as the total increase in general income does not exceed 1.5%.
- ▼ The 2017-18 rate peg of 1.5% consists of two underlying components: (1) the increase in the Local Government Cost Index (LGCI) in the year to September 2016 of 1.47%; (2) a deduction of 0.001%, to reflect the change in productivity.
- ▼ The rate peg includes a productivity factor to allow ratepayers to share in council productivity gains. We will continue to consider a productivity factor in determining future rate peg increases.
- ▼ The LGCI measures price movements of a representative 'basket' of inputs that are used to deliver local council services, in a similar way the Australian Bureau of Statistics (ABS) measures the Consumer Price Index (CPI). The main components of the index and their percentage share of the overall index are:
  - Employee benefits and on-costs (41.3%)
  - Construction works – roads, drains, footpaths, kerbing, bridges (19.5%)
  - Other expenses (8.9%)
  - Other business services – including items such as contractor and consultancy costs (5.9%)
  - Buildings – non-dwelling (3.9%)
  - Plant and equipment – machinery (3.5%)
  - Electricity (2.7%)
  - Road, footpath, kerbing, bridge and drain building materials (2.5%).

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/02/2017**

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

**SUMMARY:**

To report the balance of investments held as at 30 January, 2017

**COMMENTARY:**

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 30 January, 2017 and an update of the investment environment:

- (a) Council's investments as at 30 January, 2017,
- (b) Council Investments by Fund as at 30 January, 2017,
- (c) Interest – Budgeted vs Actual,
- (d) Investment Portfolio Performance,
- (e) Investment Commentary,
- (f) Certification – Responsible Accounting Officer.

**A) Council Investments as at 30 January, 2017**

<b>Term Deposit Investment Group</b>										
<i>Investment No.</i>	<i>Borrower</i>	<i>FUND</i>	<i>Rating</i>	<i>Risk Rating</i>	<i>Purchase Date</i>	<i>Maturity Date</i>	<i>Current Yield</i>	<i>Principal Value</i>	<i>Current value</i>	<i>Term (days)</i>
17/12	National Australia Bank	Sewer	A1+	1	17-Sep-16	17-Feb-17	2.64%	2,000,000	2,000,000	153
17/24	National Australia Bank	General	A1+	1	15-Nov-16	15-Mar-17	2.72%	2,000,000	2,000,000	120
17/05	AMP BANK	General	A1	2	01-Sep-16	30-Mar-17	2.95%	2,000,000	2,000,000	210
17/06	AMP BANK	General	A1	2	01-Sep-16	30-Mar-17	2.95%	1,000,000	1,000,000	210
17/07	AMP BANK	Water	A1	2	01-Sep-16	30-Mar-17	2.95%	1,000,000	1,000,000	210
17/08	AMP BANK	General	A1	2	01-Sep-16	30-Mar-17	2.95%	1,000,000	1,000,000	210
17/11	National Australia Bank	General	A1+	1	16-Sep-16	14-Apr-17	2.65%	1,000,000	1,000,000	210
17/20	CBA	General	A1+	1	13-Oct-16	14-Apr-17	2.61%	1,000,000	1,000,000	183
17/15	Suncorp	General	A1+	1	27-Sep-16	27-Apr-17	2.55%	1,000,000	1,000,000	212
17/16	Suncorp	General	A1+	1	27-Sep-16	27-Apr-17	2.55%	1,000,000	1,000,000	212
17/26	Bank West	General	A1+	1	25-Nov-16	24-May-17	2.60%	2,000,000	2,000,000	180
17/27	National Australia Bank	General	A1+	1	02-Dec-16	02-Jun-17	2.71%	2,000,000	2,000,000	182
17/29	CBA	General	A1+	1	12-Dec-16	09-Jun-17	2.61%	1,000,000	1,000,000	179
17/21	National Australia Bank	General	A1+	1	14-Oct-16	14-Jun-17	2.72%	1,000,000	1,000,000	243
17/35	National Australia Bank	Water	A1+	1	09-Jan-17	07-Jul-17	2.66%	1,000,000	1,000,000	179
15/01	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/02	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/03	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
17/36	Bank West	Sewer	A1+	1	17-Jan-17	17-Jul-17	2.65%	2,000,000	2,000,000	181
17/37	St George Bank	General	A1+	1	17-Jan-17	17-Jul-17	2.70%	2,000,000	2,000,000	181
17/25	CBA	General	A1+	1	18-May-16	16-Jul-17	2.65%	1,000,000	1,000,000	210
17/23	CBA	Sewer	A1+	1	20-Oct-16	20-Jul-17	2.64%	2,000,000	2,000,000	273
15/09	CBA	General	A1+	1	01-Sep-14	01-Sep-17	3.90%	1,000,000	1,000,000	1096
17/17	National Australia Bank	Water	A1+	1	27-Sep-16	27-Sep-17	2.70%	1,000,000	1,000,000	365
17/13	CBA	General	A1+	1	17-Sep-16	17-Sep-17	3.00%	1,000,000	1,000,000	365
17/33	St George Bank	General	A1+	1	02-Jan-17	02-Oct-17	2.71%	1,000,000	1,000,000	123
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
17/22	St George Bank	General	A1+	1	16-Oct-16	16-Oct-17	3.00%	1,000,000	1,000,000	183
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
17/34	National Australia Bank	General	A1+	1	09-Jan-17	09-Jan-18	2.70%	1,000,000	1,000,000	365
15/10	Bank of Queensland	General	A1	2	02-Sep-14	03-Sep-18	4.10%	1,000,000	1,000,000	1462
<b>Sub Total - Term Deposit Investment Group</b>								<b>TOTALS</b>	<b>47,000,000</b>	<b>47,000,000</b>

Cash Deposits Accounts Investment Group										
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	
30/1/17	National Australia Bank (Cash Maximiser)	General	A1+	1			1.75%	3,000,000	3,000,000	
Sub Total - Cash Deposits Accounts Investment Group								3,000,000	3,000,000	
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							-	-		
Structured Products Investment Group										
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Written Down Value 30-6-15	Current value
30/9/16	Lehman Brothers Treasury Co B.V (CPPI-745)	Water	DD	5		9/5/2010*	0.00%	300,000	9,810	9,810
Sub Total - Structured Products Investment Group							-	300,000	9,810	9,810

The written down value of the Structured Product Investment Group as at 30 June, 2016 was \$9,810, now holding at \$9,810. As previously advised, the write down in the value of Structured Products has been funded from previous years above benchmark investment returns (\$6.8M) which had been held in Internal Restricted Assets. That said, while the written down value is only \$9,810 Council has to date received \$125,423 in principal repayments. These payments are ongoing. These investments were all rated AA- and up to AAA (strong investment grade) when they were entered into and were permissible under the Ministers Investment Order. As noted by the Auditor in their 2015/2016 Audit Report, the Sewer Fund maintains a sound financial position to meet its operational requirements and the Water Fund maintains a strong financial position.

**B) Council Investments by Fund 30 January, 2017**

Portfolio by Fund	31/12/2016	30/01/2017
General Fund	38,000,000	38,000,000
Water Fund	6,009,810	6,009,810
Sewer Fund	6,000,000	6,000,000
<b>TOTAL</b>	<b>\$ 50,009,810.00</b>	<b>\$ 50,009,810.00</b>

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

While the level of Investments has been largely maintained over recent years these will decrease during 2016/2017 as a number of major projects are completed. These include:

- Inverell Sewerage Treatment Works \$ 3.0 M
- Infrastructure Backlog Program \$ 4.01M
- Waste Infrastructure Program \$ 2.0M
- 2015/2016 Revotes \$ 15.5M

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	2016/2017 Budget	Actuals to Date
General Fund	128820	879,000.00	441,500.07
Water Fund	812350	50,000.00	50,693.98
Sewer Fund	906320	70,000.00	35,117.81
<b>TOTAL</b>		<b>\$ 999,000.00</b>	<b>\$ 527,311.86</b>

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 2016/2017.

**D) Investment Portfolio Performance**

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 30/01/2017		1.50%	2.07%	1.73%
Term Deposits	2.94%			
Cash Deposit Accounts	1.75%			
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 \$50M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

While the year began with economists predicting an RBA easing cycle continuing into the foreseeable future, most experts now believe the RBA's next move will be up. Many economists believe that after more than five (5) years of easing, the Reserve Bank is will now increase the official cash rate from mid to late 2017 and 2018. It is noted that many of Australia's lenders have already increased their fixed rate loans. The question is now, will the RBA follow suit.

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

**F) Certification – Responsible Accounting Officer**

I Ken Beddie, 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 the Committee recommend to Council 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.*

<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S12.5.1/10
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2016/2017</b>	
<b>PREPARED BY:</b>	Ken Beddie, Director Corporate & Economic 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 requested that the Committee adopt the report.

**COMMENTARY:****2016/2017 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 Budget remains in balance (also see Appendix 1, H12 – H13). Those items identified as requiring funding since the adoption of the 2015/2016 budget have now been funded in full.

The Budget Variations for 2016/2017 are as follows:

<b>COMBINED FUND - BUDGET VARIATION SUMMARY REPORT</b> <b>ESTIMATED CASH POSITION 30 JUNE, 2017</b> <b>FOR 2016/2017 ACTIVITIES</b>				
	<b>General</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Adopted Budget 2016/2017</b>	6,954,006	822,464	706,869	8,483,339 Deficit
Add Back Depreciation	(6,688,450)	(823,500)	(707,000)	(8,218,950) (Non-cash)
Add Back Carry Amount Assets Sold	(286,612)	-	-	(286,612) (Non-Cash)
Internally Restricted Cash Utilised	19,500			19,500
Transferred to Internally Restricted Cash	-	-	-	-
<b>ESTIMATED CASH RESULT</b>	<b>(1,556)</b>	<b>(1,036)</b>	<b>(131)</b>	<b>(2,723)</b>
<b>FOR 2016/2017 ACTIVITIES</b>				<b>SURPLUS</b>
<b>2016/2017 Budget Variations Required to Maintain a Balanced Budget</b>				
<b>REVOTES</b>	10,304,319	856,426	4,301,991	15,462,736
<b>UNEXPENDED GRANTS</b>	2,413,197	-	-	2,413,197
Adjustments 30-9-16	-	-	-	-
Adjustments 31-12-16	-	-	-	-
<b>SUB TOTAL</b>	<b>12,717,516</b>	<b>856,426</b>	<b>4,301,991</b>	<b>17,875,933</b>
<b>Internally Restricted Cash Utilised</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUNDED FROM EQUITY</b>	<b>(12,717,516)</b>	<b>(856,426)</b>	<b>(4,301,991)</b>	<b>(17,875,933)</b>
<b>NET BUDGET VARIATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVISED CASH RESULT</b>	<b>(1,556)</b>	<b>(1,036)</b>	<b>(131)</b>	<b>(2,723)</b>
<b>FOR 2016/2017 ACTIVITIES</b>				<b>SURPLUS</b>
<b>DEFINITIONS:</b> 1) <b>REVOTES</b> - 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) <b>FUNDED FROM EQUITY</b> - 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) <b>INTERNALLY RESTRICTED CASH</b> - Is cash held in investments to fund future financial obligations, for example Employee Leave Entitlements, Future Projects etc. These funds are not part				

The report indicates that the Net Budget Variations for 2016/2017 continue to remain at **“Zero”**. 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, H14) indicates a Surplus from all Activities to 31 December, 2016 of \$9.44M (part year), against a budgeted annual result of \$2723. This current result indicates that sufficient funding remains available to fund Council's 2016/2017 continuing operations for the next six (6) months to the end of the 2016/2017 Financial Year.



**QUARTERLY BUDGET REVIEW REPORT:**

Council's 31 December, 2016 Quarterly Combined Budget Review Summary Report and Income and Expense Statement by Function are attached (refer to Appendix 3, H15). 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, H16) to fund liabilities, future works and emergencies. The quantum of these funds add 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 2016/2017 operations remaining unchanged following approval of the Budget Variations attached to this report (refer Appendix 1, H12 – H13). This is after transfers to/from Internally Restricted Assets and Revotes from previous years and the bringing forward of Grant Funding received in 2015/2016 which will be expended in 2016/2017.

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 31 December, 2016 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 2016/2017 Operational Plan (refer Appendix 5 and 6, H17 – H18) 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 continued 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 easing cycle again; however some economists anticipate that the RBA will increase the official cash rate later this calendar year. Term Deposits are now as low as 2.60%. The market is fully pricing in one more rate cut by June 2017. It is anticipated that Council will just achieve budget interest during 2016/2017.

A copy of Council's Cash and Investment Budget Review Statement as at 31 December, 2016 is attached (refer to Appendix 7 and 8, H19 – H20). 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 investments 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 over \$150,000 by Council during the quarter ending 31 December, 2016, (refer to Appendix 9, H21). Other consultancy and legal expenses are summarised in the attached Consultancy & Legal Expense summary (refer to Appendix 9, H21).

**Plant Fleet:**

A copy of the Plant Fleet Financial Report to 31 December, 2016 is attached (refer to Appendix 10, H22). The Report indicates a Operating Deficit of \$54,594 to 31 December, 2016. The deficit is directly attributable to the unseasonably wet conditions during the first two (2) financial quarters which has resulted in lower plant utilisation on construction works.

**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, up \$171K in 2012/2013, \$380K in 2013/2014, \$5K in 2014/2015 and \$294 in 2015/2016. It is anticipated that water sales may decline during 2016/2017 due to the unseasonably wet conditions during the first quarter of the financial year.

The Water Fund holds Term Deposits totalling \$6M and cash at bank of \$1.355M (See Appendix 7, H19).

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 now the major refurbishment/expansion of the Inverell Sewerage Treatment Plant in 2016/2017, to be 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 \$6M (includes the \$2M loan) plus cash at bank of \$2.23M (see Appendix 7, H19).

**OPERATIONAL PLAN – COMBINED FUND**

Overall, Council's operational and financial position in respect of its five (5) destinations are sound. The following information is provided in respect of major issues and projects that Council is leading, participating in, or delivering in 2016/2017:

- 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 Group of Councils. Secretariat for the Group;
  - Participated in Border Region Organisation of Councils Meeting;
  - Seeking grants for the benefit of the community;
  - Cinema Under the Stars series for Shire villages.
- Destination 2 – A community that is healthy, educated and sustained:
  - 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;
  - Assist with Grafton to Inverell cycle race;
  - Partnering with Family NSW to provide Playgroup activities at Tingha and Inverell;

- Participation in New England Cooperative Library;
  - Working with BEST Employment in respect of the auspicing of Connections Disability Service;
  - Commenced White Ribbon Community Project;
  - Commenced Yetman Hall Upgrade.
- Destination 3 – An environment that is protected and sustained:
    - Partnering with Local Land Services in “Nandewar Brigalow Bio Links Program;
    - Riverbank cleanup adjacent to Campbell Park;
    - Commenced grant funded landscaping and installation of solar/wind turbines at Waratah Park;
    - Weed control on Dumaresq River;
    - Invasive species removal of river weeds in Inverell;
    - Remove Harrisia Cactus at Yetman.
  - 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;
    - Ongoing discussions with Bindaree Beef in respect of their major expansion;
    - Commence “Retail Revamp” program for small business.
  - 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;
    - Completed Councils 2016/2017 bitumen reseal program;
    - Completed 2015/2016 Financial Statements – sound financial result achieved. With no audit issues raised;
    - Commenced upgrade works at Inverell Sports Complex;
    - Completed installation of new playground equipment in Lions Park;
    - Completed infrastructure works at Bellevue Park;
    - Commenced 2016/2017 Footpath Programs – Rosslyn Street and Lake Inverell;
    - Called Tenders for Tin Tot Bridge replacement and the upgrade works at the Inverell Sewerage Treatment Plant;
    - Commenced White Ribbon Australia workplace accreditation;
    - Completed installation of New Shelters at Waratah Park (Grant Funded);
    - Completed new Ashford Sportsground Amenities Block;
    - Completed public art installation in Henderson Street Roundabout.

Also attached is a copy of Council's Key Financial Performance Indicators (refer to Appendix 11, H23 – H24).

#### **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:**

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 31 December, 2016 indicates that Council's projected financial position at 30 June, 2017 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 2016/2017 Budget in balance, with an indicative surplus of \$2,723.

**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 31 December, 2016 be adopted; and*
- ii) the proposed variations to budget votes for the 2016/2017 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2017 from operations of \$2,723.*

## APPENDIX 1

BUDGET VARIATIONS - FINANCE MEETING 8-2-2017			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
<b>GENERAL FUND</b>			
<i>Increase/Decrease in INCOME</i>			
121120-1000	Grant B-F (Reimbursable)	(55,000)	Advised by RFS that this grant has been removed
121120-4120	Grant Bush Fire	26,226	RFS Transition Grant
122910-1000	Grant - RESTART NSW	79,852	Grant - Higher Mass Limits
121121-1000	Grant-Bush Fire Issues - Capital	40,000	RFS Airbase Grant Funding
127049-3001	Contribution to Works	75,000	Office of Sport - Grant for Ashford Sporting Amenities
148015-1000	Grant Income-NSW Dept Industry-"Energise Enterprise Fund"	15,459	Growing Dynamic and Agile Small Business at Inverell Program
121110-1000	Grant RFS M & R	13,428	Additional RFS grant for M & R
122900-1000	Grant-Timber Bridges Replacement Program-(TinTot Bridge)	500,000	RMS Grant Funding for Tin Tot Bridge
122911-1000	Grant-RESTART NSW	300,000	NSW RESTART Grant Funding for Tin Tot Bridge
127050-1000	Contribution to Works	3,585	Contribution towards driveway accesses Rosslyn Street
<b>TOTAL INCREASE IN INCOME</b>		998,550	Positive figure indicates increased income, (Negative) figure indicates decreased income.
<i>Increase/Decrease in EXPENDITURE</i>			
132530-1000	Contribution to Bush Fire	4,865	Reduction in 2016/2017 Contribution to part offset reduction in Grant B-F (Reimbursable)
132570-2010	Council Funded RFS Expenses	(33,639)	Part funding for reduction in Grant B-F (Reimbursable)
139424-1000	RESTART - MR 462 Bruxner Way - Higher Mass Limits	79,852	Grant Funded Project
159172-1000	Rural Fire Service Airbase Water Tank-Inverell Aerodrome	44,880	Installation of Airbase at Inverell Airport (250,000 Litre Water Tank)
132570-2010	Council Funded RFS Expenses	(4,880)	Contribution to Airbase
160529-1100	Sporting Field Upgrades - Ashford	75,000	Ashford Sporting Amenities
148016-1000	Exps-NSW Dept Industry-"Energise Enterprise Fund"	15,459	Growing Dynamic and Agile Small Business at Inverell Program (Grant Funded)
132550	Grant RFS M & R	13,428	Additional RFS grant for M & R
139400-1100	Tin Tot Bridge Construction & Associated Works	500,000	RMS Grant Funding for Tin Tot Bridge
139400-1100	Tin Tot Bridge Construction & Associated Works	300,000	NSW RESTART Grant Funding for Tin Tot Bridge
143006-1100	RP-MR137 Seg 90/100	96,092	Additional Costs incurred due to wet weather
137561-1000	Block Grant-Capital Exps - Unallocated	(96,092)	Funding for above
139190-1000	Rural Seal Drainage Str	34,620	Additional Costs incurred due to wet weather
140050-1000	Unsealed Village Mtc	1,750	Additional Costs incurred due to wet weather
140400-1000	Bridges - Other Road Rural	4,110	Additional Costs incurred due to wet weather
140630-1000	Shire Roads South Timber Clearing	3,750	Additional Costs incurred due to wet weather
140150-1000	Drainage Structures	48,330	Additional Costs incurred due to wet weather
139300-1000	Heavy Patching - Shire Roads	(92,560)	Funding for above
140120-1000	Gravel Patching	37,029	Additional Costs incurred due to wet weather
140190-1000	Gravel Resheeting - Minor Roads (South)	(37,029)	Funding for above
140130-1000	Grading - South	120,615	Additional Costs incurred due to wet weather
148409-1000	Maintenance Grading MCE Allocation	(120,615)	Funding for above
142511-1100	ACRD - Culvert/Causeway Program 2014/2015	25,860	Contra Item
142512-1100	ACRD Culvert/Causeways - South	(25,860)	Contra Item
140540-1000	Tree Plant & Plots Mtc	21,500	Maintenance of CBD Trees
139160-1000	Roadside Growth Control Sth	(8,835)	Funding for above
141331-4450	Central Business District-Capital Exps	(12,665)	Funding for above
135900-1000	Urban Drainage Mtc - Urban	23,760	Additional Costs incurred due to wet weather
140500-1000	Kerb & Gutter Maintenance	(23,760)	Funding for above
140350-1000	Bridges - Other Urban	11,305	Additional Costs incurred due to wet weather
140510-1000	Paved Footpath Maintenance	(11,305)	Funding for above
145650-3100	Footpath Extensions	65,185	Footpath Extensions and Driveway Construction - Rosslyn Street
129394-1000	Special Projects	(61,600)	Funding for above
<b>TOTAL INCREASE IN EXPENDITURE</b>		998,550	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure.
<b>NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)</b>		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure.
<i>Restricted Assets</i>			
<b>TOTAL FUNDING FROM RESTRICTED ASSETS</b>		-	
<b>FUNDED FROM EQUITY (G5795.000)</b>		-	
<b>NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)</b>		-	



BUDGET VARIATIONS - FINANCE MEETING 8-2-2017			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
<b>WATER FUND</b>			
<i>Increase/Decrease in INCOME</i>			
812270-1000	Contributions to Works - Sect 64	23,060	Additional Income Received
<b>TOTAL INCREASE IN INCOME</b>		<b>23,060</b>	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income</i>
<i>Increase/Decrease in EXPENDITURE</i>			
812380-5570	Staff Training	13,780	Additional Costs incurred
812710-1000	Legal Expenses	1,830	Additional Costs incurred
814660-1000	Reservoirs - Other	7,450	Additional Costs incurred
<b>TOTAL INCREASE IN EXPENDITURE</b>		<b>23,060</b>	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
<b>NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)</b>		<b>23,060</b>	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
<b>SEWER FUND</b>			
<i>Increase/Decrease in INCOME</i>			
906040-1000	Sewerage - Occupied Charge	2,510	Additional Income Received
<b>TOTAL INCREASE IN INCOME</b>		<b>2,510</b>	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income</i>
<i>Increase/Decrease in EXPENDITURE</i>			
906400-5570	Staff Training	2,510	Additional Costs incurred
<b>TOTAL INCREASE IN EXPENDITURE</b>		<b>2,510</b>	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
<b>NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)</b>		<b>-</b>	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>

## APPENDIX 2

**INVERELL SHIRE COUNCIL**  
**BUDGET REVIEW FOR THE QUARTER ENDED 31-12-2016**  
**CONSOLIDATED INCOME AND EXPENSE STATEMENT**

	ORIGINAL BUDGET 2016/2017 (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)	% OF PROJECTED BUDGET
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2016 Review (000's)	Dec 2016 Review (000's)	Mar 2017 Review (000's)	June 2017 Review (000's)					
<b>INCOME</b>												
Rates & Annual Charges	17,724			12				17,736	2	17,738	17,797	100.33%
User Charges & Fees	3,371			1,962				5,333		5,333	1,494	28.01%
Interest	1,027							1,027		1,027	453	44.11%
Other revenues from ordinary activities	427							427		427	351	82.20%
Grants & Contributions provided for non capital purposes	11,836			279				12,115	84	12,199	6,972	57.55%
Grants & Contributions provided for Capital Purposes	962			54				1,016	938	1,954	390	38.39%
Gain from the sale of assets	403							403		403	178	44.17%
Gain from interest in joint ventures & associates								-				
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>35,750</b>			<b>2,307.00</b>				<b>38,057</b>	<b>1,024</b>	<b>39,081</b>	<b>27,635</b>	<b>72.61%</b>
<b>EXPENSES</b>												
Employee Costs	12,670		26	706				13,402	31	13,433	6096	45.49%
Borrowing Costs	209							209		209	100	47.85%
Materials and Contracts	4,887	1,523	1,042	1,497				8,949	117	9,066	3265	36.48%
Depreciation	8,219							8,219		8,219	4110	50.00%
Other Expenses from ordinary activities	4,285	74						4,359	2	4,361	2083	47.79%
Loss from the disposal of assets								-				0.00%
Loss from interest in joint ventures & associates								-				
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>30,270</b>	<b>1,597</b>	<b>1,068</b>	<b>2,203</b>				<b>35,138</b>	<b>150</b>	<b>35,288</b>	<b>15,654</b>	<b>44.55%</b>
<b>NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)</b>	<b>5,480</b>	<b>(1,597)</b>	<b>(1,068)</b>	<b>104</b>				<b>2,919</b>	<b>874</b>	<b>3,793</b>	<b>11,982</b>	<b>410.47%</b>
<b>ADD BACK Non Cash Amounts</b>												
Depreciation	8,219							8,219		8,219	4110	50.00%
Carrying Amount of Assets Sold	287							287		287	103	35.89%
<b>Capital Amounts</b>	<b>13,986</b>	<b>(1,597)</b>	<b>(1,068)</b>	<b>104</b>				<b>11,425</b>	<b>874</b>	<b>12,299</b>	<b>16,194</b>	<b>141.74%</b>
Repayments by deferred Debtors												
Acquisition of Assets	(13,435)	(13,866)	(1,345)	(104)				-28,750	(874)	-29,624	-6404	22.27%
Loan Repayments	(528)							-528		-528	-349	66.10%
Advance to Deferred Debtors												
Loan Funds												
Less Net Transfers to IRA	(20)							-20		-20		0.00%
Plus Equity Funding	-	15,463	2,413					17,876		17,876		0.00%
<b>Unallocated Consolidation Net Profit/(Loss)</b>	<b>3</b>							<b>3</b>		<b>3</b>	<b>9,441</b>	
<b>NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)</b>	<b>4,518</b>							<b>4,518</b>		<b>4,518</b>	<b>11,592</b>	

\* Favourable / (Unfavourable) variance

**EXPLANATION OF MATERIAL VARIANCES****YTD Variances**

Item	Explanation
<b>INCOME</b>	
Rates & Annual Charges	Includes rate levy for 2016/2017
User Charges & Fees	Includes annual DWM charges for 2016/2017
Other revenues from ordinary activities	Includes additional income from private works & SH12

**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 2016/2017 budget have now been funded.



## APPENDIX 3

INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDED 31-12-2016  
INCOME & EXPENSES BY FUNCTION

	ORIGINAL BUDGET 2016/2017 (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)	% OF PROJECTED BUDGET (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2016 Review (000's)	Dec 2016 Review (000's)	Mar 2017 Review (000's)	June 2017 Review (000's)					
<b>EXPENSES</b>												
Governance	311							311		311	115	36.98%
Administration	6,226	18	170	-5				6,409		6,409	2,350	36.67%
Public Order and Safety	964	212						1,176	-20	1,156	409	35.38%
Health & Environment	2,650	38	715	50				3,453	24	3,477	1,410	40.55%
Community Services and Education	107	27	34	285				453		453	103	22.74%
Housing and Community Amenities	966	65	2					1,033		1,033	476	46.07%
Water Supplies	3,321			20				3,341	23	3,364	1,530	45.48%
Sewerage and Drainage Services	1,767							1,767	3	1,770	858	48.47%
Recreation and Culture	2,140	222	9					2,371		2,371	1,124	47.40%
Mining, Manufacturing and Construction	310							310		310	127	40.97%
Transport and Communication	5,040	80	48	1,950				7,118	106	7,224	4,054	56.12%
Economic Affairs	1,324	934	90	-97				2,251	15	2,266	611	26.96%
<b>TOTAL EXPENSES</b>	<b>25,126</b>	<b>1,597</b>	<b>1,068</b>	<b>2,203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,994</b>	<b>151</b>	<b>30,145</b>	<b>13,167</b>	<b>43.68%</b>
<b>REVENUES</b>												
Governance	-							-		-	-	-
Administration	22,233			-3				22,230		22,230	16,143	72.62%
Public Order and Safety	559							559	25	584	0	0.00%
Health & Environment	3,343							3,343		3,343	3,334	99.73%
Community Services and Education	2			280				282		282	177	62.77%
Housing and Community Amenities	268			20				288		288	157	54.51%
Water Supplies	4,537							4,537	23	4,560	2,918	63.99%
Sewerage and Drainage Services	2,619							2,619	3	2,622	2,592	98.86%
Recreation and Culture	172							172	79	251	157	62.55%
Mining, Manufacturing and Construction	178			2,010				2,188		2,188	99	4.52%
Transport and Communication	6,536							6,536	880	7,416	4,024	54.26%
Economic Affairs	308							308	15	323	224	69.35%
<b>TOTAL REVENUE</b>	<b>-40,755</b>	<b>0</b>	<b>0</b>	<b>2,307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-43,062</b>	<b>1,025</b>	<b>-44,087</b>	<b>-29,825</b>	<b>67.65%</b>
<b>OPERATING RESULT: (Surplus)</b>	<b>-15,629</b>	<b>1,597</b>	<b>1,068</b>	<b>-104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,068</b>	<b>-874</b>	<b>-13,942</b>	<b>-16,658</b>	
Depreciation	8,219							8,219		8,219	4,110	50.00%
Increase in Employee Leave Entitlements	2,333							2,333		2,333	746	31.98%
<b>(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS</b>	<b>(5,077)</b>	<b>1,597</b>	<b>1,068</b>	<b>(104)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,516)</b>	<b>(874)</b>	<b>(3,390)</b>	<b>(11,803)</b>	
Carrying Amount of Assets Sold	287							287		287	103	35.89%
Proceeds Sale of Assets	-690							-690		-690	-282	40.87%
Cost Real Estate Assets Sold	0							0		0	0	
Loan Funds Used	0							0		0	0	
Other Debt Finance	0							0		0	0	
Repayments by Deferred Debtors	0							0		0	0	
Acquisition of Assets	13,435	13,866	1,345	104				28,750	874	29,624	6,404	21.62%
Development of Real Estate	0							0		0	0	
Advance to Deferred Debtors	0							0		0	0	
Repayment of Loans	528							528		528	349	66.10%
Repayment of Other Debts	0							0		0	0	
<b>ESTIMATED BUDGET RESULT: (SURPLUS)/DEFICIT</b>	<b>8,483</b>	<b>15,463</b>	<b>2,413</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,359</b>	<b>0</b>	<b>26,359</b>	<b>(5,229)</b>	
ADD BACK Non Cash Amounts												
Depreciation	8,219							8,219		8,219	4,110	
Carrying Amount of Assets Sold	287							287		287	103	
Plus Net Transfers	20							20		20	0	
Plus Equity Funding**		-15,463	-2,413					-17,876		-17,876		
<b>BUDGET (SURPLUS)/DEFICIT</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(3)</b>	<b>(9,441)</b>	
** 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	1,901							1,901		1,901	0	0.00%
Transfers from Internally Restricted Assets	1,881							1,881		1,881	0	0.00%
Net Transfers	20							20		20	0	

## EXPLANATION OF MATERIAL VARIANCES

## YTD Variances

Item	Explanation
Expenses	
INCOME	
Administration	Includes entire rate levy for 2016/2017
Public Order & Safety	Bush Fire Subsidies not received until March 2017
Housing & Community Amenities	Includes entire DWM levy Charges for 2016/2017
Sewerage and Drainage Services	Includes entire annual sewer charges levy for 2016/2017
CAPITAL AMOUNTS	
RECOMMENDED CHANGES TO REVISED BUDGET	

## Expenses

## INCOME

Administration Includes entire rate levy for 2016/2017  
Public Order & Safety Bush Fire Subsidies not received until March 2017  
Housing & Community Amenities Includes entire DWM levy Charges for 2016/2017  
Sewerage and Drainage Services Includes entire annual sewer charges levy for 2016/2017

## 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 2016/2017 budget have now been funded.



## APPENDIX 4

INTERNALLY RESTRICTED ASSETS (CASH) MOVEMENTS							
25/10/2016	EST. BAL. 30/6/15	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2016	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2017
PURPOSE		Code 6210	Code 6220		Code 6210	Code 6220	
<b>GENERAL ACTIVITIES</b>	\$	\$	\$	\$	\$	\$	\$
BUILDING REFURBISHMENT/UPGRADE	2,567,843.18		747,000	1,820,843.18			1,820,843.18
EQUIP. UPGRADE/EMERGENCY MTCE	210,805.00			210,805.00			210,805.00
COMPUTER/IT SYSTEMS UPGRADES	758,046.00	300,000	51,000	1,007,046.00			1,007,046.00
INDUSTRIAL DEVELOPMENT	668,600.00			668,600.00			668,600.00
RESIDENTIAL DEVELOPMENT	7,309.77			7,309.77			7,309.77
AERODROME UPGRADE	134,330.00			134,330.00			134,330.00
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			11,594.00			11,594.00
GARBAGE DEPOT LAND PURCHASE ETC	169,391.00			169,391.00			169,391.00
GARBAGE DEGRADATION/REHAB.	938,342.00			938,342.00	120,000		1,058,342.00
WASTE INFRASTRUCTURE	354,286.00	1,858,482		2,212,768.00			2,212,768.00
WASTE-EXTERNALITY SUSTAINABILITY	177,000.00			177,000.00	120,000		297,000.00
PLANT REPLACEMENT	3,972,547.00	1,649,769	1,812,603	3,809,713.00	1,626,000	1,881,500	3,054,213.00
			500,000	(500,000.00)			
GRAVEL PIT RESTORATION	118,679.00	28,807		147,486.00	17,500		164,986.00
GRAVEL PIT RESTORATION -Roads	55,960.00	28,807		84,767.00	17,500		102,267.00
COMMUNITY CAPITAL PROJECTS AND LAND	1,505,000.00		855,000	650,000.00			650,000.00
BUSINESS UNITS	2,138,616.00		2,138,616				
STRATEGIC CAPITAL PROJECTS FUND	4,450.00			4,450.00			4,450.00
STRATEGIC DEVELOPMENT FUND	1,115,611.00		425,000	690,611.00			690,611.00
EMPLOYEE LEAVE ENTITLEMENTS	1,010,710.46			1,010,710.46			1,010,710.46
WORKERS COMP INSURANCE	438,903.00	133,698		572,601.00			572,601.00
TOWN HALL MAJOR MTCE/UPGRADE	100,000.00			100,000.00			100,000.00
INSURANCE EXCESS/SELF INSURANCE	161,848.00			161,848.00			161,848.00
SWIMMING POOLS UPGRADE/FENCING	2,002,000.00	198,000		2,200,000.00			2,200,000.00
ROAD RESUMPTIONS	20,000.00			20,000.00			20,000.00
INVERELL HOCKEY FACILITY	300,000.00	100,000		400,000.00			400,000.00
CONNECTIONS PLANT/EQUIP.	54,220.61		12,037	42,183.74			42,183.74
CONNECTIONS ELE	25,792.00		25,792				
LINKING TOGETHER CENTRE ELE	17,834.45		17,834				
LINKING TOGETHER CENTRE	0.00						
SES BUILDINGS	67,311.00			67,311.00			67,311.00
<b>FUND TOTAL</b>	<b>19,358,029.47</b>	<b>4,297,563</b>	<b>6,584,882</b>	<b>17,070,710.15</b>	<b>1,901,000</b>	<b>1,881,500</b>	<b>17,090,210.15</b>
<b>WATER SUPPLY</b>							
EMPLOYEE LEAVE ENTITLEMENTS	55,000.00			55,000.00	-	-	55,000.00
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	1,997,260.00	1,113,000		3,110,260.00			3,110,260.00
<b>FUND TOTAL</b>	<b>2,630,200.00</b>	<b>1,113,000</b>	<b>-</b>	<b>3,743,200.00</b>	<b>-</b>	<b>-</b>	<b>3,743,200.00</b>
<b>SEWERAGE SERVICES</b>							
EMPLOYEE LEAVE ENTITLEMENTS	15,000.00			15,000.00	-	-	15,000.00
EQUIPMENT BREAKDOWN	109,078.82			109,078.82	-	-	109,078.82
FUTURE CAPITAL WORKS	1,496,200.00	870,000		2,366,200.00			2,366,200.00
<b>FUND TOTAL</b>	<b>1,620,278.82</b>	<b>870,000</b>	<b>-</b>	<b>2,490,278.82</b>	<b>-</b>	<b>-</b>	<b>2,490,278.82</b>
<b>TOTAL OF ALL FUNDS</b>	<b>23,608,508.29</b>	<b>6,280,563</b>	<b>6,584,882</b>	<b>23,304,188.97</b>	<b>1,901,000</b>	<b>1,881,500</b>	<b>23,323,688.97</b>

INTERNALLY RESTRICTED ASSETS COMMITMENTS			
Note 1 - Building Refurbishment/Upgrade Projects - Asset Renewal funded from annual depreciation expense, includes \$800K provision for new RFS Headquarters Building 2016/2017			
Note 2 - Replace Property/Revenue System 2017/2018			
Note 3 - Funding received from Federal Compensation Package - New Taxi-way to CASA requirements 2015/2016			
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	Tintoi Bridge Replacement	
	150,000.00	Council Contribution to Heritage Trade Training Centre (Transport Museum)	
	<b>650,000.00</b>		
Note 7 - Strategic Capital Projects and Infrastructure Fund			
	Inverell Sports Complex	250,000	2016/2017 Program
	Ashford Amenities	200,000	2016/2017 Program
		<b>450,000</b>	
Note 8 - Future Capital Works			
	Ashford Water Treatment Plant	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
		<b>1,950,000.00</b>	

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



## APPENDIX 5

**CAPITAL EXPENDITURE 2016/2017**

PROGRAM	LEDGER NUMBER	DESCRIPTION	ORIGINAL CAPITAL BUDGET		ADJUSTED CAPITAL BUDGET		Classification		FUNDING	AMOUNT				
			AMOUNT	SECTION TOTAL	AMOUNT	SECTION TOTAL		% Complete						
ADMINISTRATIVE SERV.	159060-1000	OFFICE FURNITURE & EQUIPMENT-DESKS, CHAIRS	5,200		5,200		Renewal	0%	GRANT	121121-1000	310,558			
	134940-1000	ACQUISITION OF ART PRIZE	4,500		4,500		New Asset	78%						
	180470-1000	ART GALLERY REFURBISHMENTS	5,000	14,700	36,000	45,700	Renewal	0%						
ENGINEERING	160800-1100	ENGINEERS INSTRUMENTS & EQUIPMENT	2,100	2,100	2,100	2,100	Renewal	0%						
BUSH FIRE	159141-1000	EQUIPMENT ISSUES	265,678	265,678	265,678		Renewal	RFS						
	159172-1000	AIRBASE WATER TANK			44,880	310,558	New Asset	RFS						
SES	132851-4450	SES BUILDING UPGRADE	7,150	7,150	60,676	60,676	Renewal	6%						
INFORMATION SERVICES	130101-1000	COMPUTER EQUIPMENT	44,290		225,290		Renewal	0%						
	130101-4910	COMPUTER EQUIPMENT	32,000		32,000		Renewal	0%						
	130111-5130	COMPUTER EQUIPMENT - NEW PRINTING EQUIPMENT	39,200		39,200		Renewal	100%						
	130111-5182	COMPUTER EQUIPMENT - NEW HARDWARE	32,000	147,490	32,000	328,480	Renewal	100%						
SPORTING FIELDS	160660-1100	SPORTS GROUND IMPROVEMENT-SPORT CNL	20,000	20,000	20,000		New Asset	0%	CONTRIBUTION	127090-1000	10,000			
	160529-1100	ASHFORD SPORTING FIELDS			265,000		New Asset	90%						
	160528-1000	INVERELL SPORTS COMPLEX			346,050	631,050	New Asset	56%						
PARKS	160565-1000	LIONS PARK PLAYGROUP EQUIPMENT & FENCING			130,608		Renewal	89%						
	160561-1000	WADE STREET PARK			42,215		Renewal	38%						
	160564-1000	WARATAH PARK			29,827	202,648	Renewal	93%						
CEMETERY	136391-4450	CEMETERY	1,000	1,000	1,000	1,000	New Asset	100%						
LIBRARY	160180-1100	LIBRARY-CORPORATE SERVICE COLLECTION	1,350		1,350		Renewal	0%						
	160190-1000	LIBRARY BOOKS	56,500		76,500		Renewal	48%						
	160200-1000	LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION	21,000		21,000		Renewal	100%						
	160240-1000	NON BOOK MATERIALS-VIDEOS CASSETTES ETC.	9,250		9,250		Renewal	86%						
	160270-1000	LIBRARY SECURITY SYSTEM	2,150		2,150		Renewal	100%						
	160393-1000	LIBRARY-SPECIAL GRANT PROJECT	25,000	115,250	37,151	147,401	New Asset	28%	GRANT	160389-1000	25,000			
	WASTE MANAGEMENT	159759-1000	WASTE MANAGEMENT CAPITAL INFRASTRUCTURE	316,000	316,000	316,000	316,000	New Asset	70%					
SCIPF	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE PROGRAM	60,000	60,000	305,914	305,914	Renewal	3%	SCIPF	161920-6220	420,000			
OTHER NEW INFRASTRUCTURE ASSETS	129381-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS	160,000	160,000	790,774	790,774	New Asset	0%						
PLANT	161590-1000	SMALL PLANT	80,000		80,000		Renewal	8%	PLANT REPLACE IRA Less Sales	161660-6220	2,521,000 (689,500)			
	161610-1000	WORKSHOP EQUIPMENT	40,000		40,000		Renewal	0%						
	161600-1000	LIGHT CARS/TRUCKS	743,500		743,500		Renewal	43%			1,831,500			
	161620-1000	HEAVY PLANT	1,657,500		1,657,500		Renewal	17%						
	148221-1000	INVERELL WORKSHOP EQUIPMENT		2,521,000		2,521,000								
TOTAL			3,630,368	3,630,368		5,663,311		REVENUE FUNDING REQUIRED			1,820,498			
SEWERAGE	907170-1000	OTHER EQUIPMENT - Sewer Rodding Equip; Gas Detectors	10,000		45,000		Renewal	3%	CAPITAL WORKS IRA	907360-6220				
	907110-1100	MAINS RELINING PROGRAM	90,000		350,349		Renewal	0%						
	907270-1000	PUMPING STATIONS UPGRADES	440,000		780,000		Renewal	0%						
	907250-3100	RETICULATION MAINS	107,000		107,000		Renewal	0%						
	907280-3100	SEWER INVESTIGATION			182,785			0%	TOTAL IRA FUNDING		-			
	907280-3050	SEWER TREATMENT WORKS - DELUNGRA			100,000			0%	GRANT FUNDING		-			
	907280-3070	SEWER TREATMENT WORKS - GILGAI			80,000			0%	LOAN FUNDS		-			
	907321-3100	SEWER TREATMENT WORKS - INVERELL			3,303,857			1%						
	TOTAL		647,000	647,000		4,948,991		REVENUE FUNDING REQUIRED			647,000			
	WATER	813220-1100	MAINS REPLACEMENT - INVERELL	135,000		328,468		Renewal	13%					
813230-3100		MINOR MAINS EXTENSIONS-INVERELL	50,000		50,000		New Asset	1%						
813285-1000		BACKFLOW PREVENTION WORKS	275,000		550,000		Renewal	0%						
813288-3100		TELEMETRY UPGRADES	300,000		300,000		Renewal	6%						
813260-3100		WATER TREATMENT PLANT			50,000			100%						
813280-3100		PUMP STATIONS			300,000			0%						
813280-3001		METERING - ASHFORD			-		Renewal	0%	CAPITAL WORKS IRA	813380-6220				
813280-3020		METERING - DELUNGRA			-		Renewal	0%						
813280-3100		METERING - INVERELL	66,950		104,910		Renewal	29%						
813280-3230		METERING - YETMAN			-		Renewal	0%						
813280-3020		METERING - BONSHAW			-		Renewal	0%						
813290-3100		OTHER EQUIPMENT	5,000		5,000		Renewal	0%						
TOTAL		831,950	831,950		1,688,376		REVENUE FUNDING REQUIRED					831,950		
ROADS	135960-3100	URBAN DRAINAGE RECONSTRUCTION-Construction Costs	139,000		520,408		Renewal	3%						
	138270-1000	URBAN WORKS PROGRAM	517,000		2,338,343		Renewal	34%						
	141331-4450	CBD WORKS	17,300		19,722									
	137561-1000	BLOCK GRANT WORKS	525,000		474,908		Renewal	86%				GRANT	122400-4450	525,000
	138691-1000	ACRD GRANT WORKS	1,624,253		2,274,379		Renewal	17%				GRANT	122760-1000	1,624,253
	138730-445	3x4 GRANT WORKS	160,000		-		Renewal	0%				GRANT	122860-4450	160,000
	138280-1000	REPAIR PROGRAM WORKS (PJ143003,143004)	942,968		1,506,107		Renewal	38%				GRANT	122460-1000	942,968
	138400-1000	ROADS TO RECOVERY PROGRAM WORKS	3,010,064		3,010,064		Renewal	40%				GRANT	122880-1000	3,010,064
	139400-1100	TIN TOT BRIDGE			1,000,000		Renewal	1%				GRANT	145861-1000	100,000
	139120	VILLAGES DEVELOPMENT WORKS	30,000		104,465		Renewal	0%						
	139200-1000	VILLAGES BITUMEN RESEALS	22,969		67,007		Renewal	90%						
	Various	FIT FOR THE FUTURE - ROAD BACKLOG PROGRAM	-		3,504,714		Renewal	34%						
	140110-1100	GRAVEL RESHEETING MINOR ROADS	44,220		88,440		Renewal	0%						
	140190-1000	GRAVEL RESHEETING MINOR ROADS	33,280		3,273		Renewal	100%				IRA		
	141440-1100	URBAN LANEWAYD PROGRAM	-		46,873		Renewal	77%						
	139430	NON RECURRENT ROADS PROGRAM			1,091,904		Renewal	1%						
	139422	URBAN REHABILITATION - NON-RECURRENT PROGRAM	200,000		200,000		Renewal	17%	TOTAL IRA FUNDING		-			
	139420	NEW BITUMEN SEALS - NON RECURRENT PROGRAM	700,000		700,000		New Asset	0%	GRANT FUNDING		6,362,285			
	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE/PROJECTS FUN (Extension Oliver Street and John Street Sealing)	360,000		360,000		New Asset	29%	TOTAL 15/16 UNEXPENDED GRANTS		957,038			
	160900-1000	CPTIGS - BUS SHELTERS			12,344			100%						
	TOTAL		8,326,054	8,326,054		17,322,951		REVENUE FUNDING REQUIRED			2,884,612			
	TOTAL ACQUISITION OF ASSETS			13,435,372		29,623,629		TOTAL IRA FUNDING			1,831,500			
TOTAL ASSET RENEWALS			11,798,872		28,191,860		GRANT FUNDING			6,397,285				
TOTAL NEW ASSETS			1,636,500		1,431,769									

Capital Expenditure



## APPENDIX 6

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-16  
CAPITAL BUDGET**

	ORIGINAL BUDGET 2016/2017 (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 (000's)	Unexpended Grants (000's)	Sept 2016 Review (000's)	Dec 2016 Review (000's)	Mar 2017 Review (000's)	June 2017 Review (000's)				
<b>CAPITAL FUNDING</b>											
Rates and Other untied Funding											
General Fund	3,462			57				3,519	(61)	3,458	3,458
Sewer Fund	647							647		647	647
Water Fund	832							832		832	832
Capital Grants & Contributions											
Bushfire	266							266	45	311	45
Sporting Fields	10							10	75	85	
Library	25							25		25	25
Roads	6,362			47				6,409	815	7,224	4,384
Internal Restricted Assets											
Aerodrome											
Plant Replacement	1,831							1,831		1,831	
Roads Program											
Sewerage Future Capital Works											
Water Future Capital Works											
Strategic Capital Projects Fund											
Loan Funding											
Equity (Unexpended Grants and Contributions from previous years)		13,866	1,345					15,211		15,211	15,211
<b>TOTAL CAPITAL FUNDING</b>	<b>13,435</b>	<b>13,866</b>	<b>1,345</b>	<b>104</b>				<b>28,750</b>	<b>874</b>	<b>29,624</b>	<b>24,602</b>
<b>CAPITAL EXPENDITURE</b>											
Administrative Services	15	31						46		46	30
Aerodrome											
Engineering Equipment	2							2		2	1
SES/Bushfire	273	54						327	45	372	45
Information Services	147	181						328		328	66
Sporting Fields	20	190	346					556	75	631	433
Parks	-	173	30					203		203	160
Cemetery	1							1		1	1
Library	115	20	12					147		147	78
Plant	2,521							2,521		2,521	616
Other Structures/Buildings											
Minor Community Infrastructure Assets	160	694		(1)				853	(61)	792	10
Strategic Capital Infrastructure Program	60	246									
Waste Management Capital	316			(1)				315		315	221
Sewerage Services	647	4,302						4,949		4,949	5
Water Services	832	856						1,688		1,688	144
Roads	8,326	7,119	957	105				16,507	815	17,322	4,833
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>13,435</b>	<b>13,866</b>	<b>1,345</b>	<b>103</b>				<b>28,749</b>	<b>874</b>	<b>29,623</b>	<b>6,643</b>

**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 2016/2017 budget have now been funded.



## APPENDIX 7

**INVERELL SHIRE COUNCIL**  
**INVESTMENTS HELD 31/12/16**

Start of Year 1/07/2016  
End of Year 30/06/2017

Term Deposit Investment Group										
Investment No.	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
17/09	St George Bank	General	A1+	1	01-Sep-16	02-Jan-17	2.80%	1,000,000	1,000,000	123
17/01	National Australia Bank	General	A1+	1	11-Jul-16	09-Jan-16	2.94%	1,000,000	1,000,000	182
17/04	National Australia Bank	Water	A1+	1	12-Aug-16	09-Jan-17	2.74%	1,000,000	1,000,000	150
17/02	Bank West	Sewer	A1+	1	21-Jul-16	17-Jan-17	2.70%	2,000,000	2,000,000	180
17/03	St George Bank	General	A1+	1	22-Jul-16	17-Jan-17	2.80%	2,000,000	2,000,000	179
17-Dec	National Australia Bank	Sewer	A1+	1	17-Sep-16	17-Feb-17	2.64%	2,000,000	2,000,000	153
17/24	National Australia Bank	General	A1+	1	15-Nov-16	15-Mar-17	2.72%	2,000,000	2,000,000	120
17/05	AMP BANK	General	A1	2	01-Sep-16	30-Mar-17	2.95%	2,000,000	2,000,000	210
17/06	AMP BANK	General	A1	2	01-Sep-16	30-Mar-17	2.95%	1,000,000	1,000,000	210
17/07	AMP BANK	Water	A1	2	01-Sep-16	30-Mar-17	2.95%	1,000,000	1,000,000	210
17/08	AMP BANK	General	A1	2	01-Sep-16	30-Mar-17	2.95%	1,000,000	1,000,000	210
17/11	National Australia Bank	General	A1+	1	16-Sep-16	14-Apr-17	2.65%	1,000,000	1,000,000	210
17/20	CBA	General	A1+	1	13-Oct-16	14-Apr-17	2.61%	1,000,000	1,000,000	183
17/15	Suncorp	General	A1+	1	27-Sep-16	27-Apr-17	2.55%	1,000,000	1,000,000	212
17/16	Suncorp	General	A1+	1	27-Sep-16	27-Apr-17	2.55%	1,000,000	1,000,000	212
17/26	Bank West	General	A1+	1	25-Nov-16	24-May-17	2.60%	2,000,000	2,000,000	180
17/27	National Australia Bank	General	A1+	1	02-Dec-16	02-Jun-17	2.71%	2,000,000	2,000,000	182
17/29	CBA	General	A1+	1	12-Dec-16	09-Jun-17	2.61%	1,000,000	1,000,000	179
17/21	National Australia Bank	General	A1+	1	14-Oct-16	14-Jun-17	2.72%	1,000,000	1,000,000	243
15/01	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/02	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/03	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
17/25	CBA	General	A1+	1	18-May-16	16-Jul-17	2.65%	1,000,000	1,000,000	210
17/23	CBA	Sewer	A1+	1	20-Oct-16	20-Jul-17	2.64%	2,000,000	2,000,000	273
15/09	CBA	General	A1+	1	01-Sep-14	01-Sep-17	3.90%	1,000,000	1,000,000	1096
17/17	National Australia Bank	Water	A1+	1	27-Sep-16	27-Sep-17	2.70%	1,000,000	1,000,000	365
17/13	CBA	General	A1+	1	17-Sep-16	17-Sep-17	3.00%	1,000,000	1,000,000	365
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
17/22	St George Bank	General	A1+	1	16-Oct-16	16-Oct-17	3.00%	1,000,000	1,000,000	183
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
15/10	Bank of Queensland	General	A1	2	02-Sep-14	03-Sep-18	4.10%	1,000,000	1,000,000	1462
Sub Total - Term Deposit Investment Group							TOTALS	47,000,000	47,000,000	

Cash Deposits Accounts Investment Group									
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
31/10/16	National Australia Bank (Cash Maximiser)	General	A1+	1			1.75%	3,000,000	3,000,000
Sub Total - Cash Deposits Accounts Investment Group								3,000,000	3,000,000

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									

Structured Products Investment Group										
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Written Down Value 30-6-15	Current value
30/6/16	Lehman Brothers Treasury Co B.V (CPPI-7457)	Water	DD	5		9/5/2010*	0.00%	300,000	9,810	9,810
Sub Total - Structured Products Investment Group								300,000	9,810	9,810

Portfolio by Fund	
General Fund	38,000,000
Water Fund	6,009,810
Sewer Fund	6,000,000
TOTAL	50,009,810

Portfolio by Fund	30/11/2016	31/12/2016
General Fund	38,000,000	38,000,000
Water Fund	6,009,810	6,009,810
Sewer Fund	6,000,000	6,000,000
TOTAL	\$ 50,009,810.00	\$ 50,009,810.00



## APPENDIX 8

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2016  
CASH & INVESTMENTS**

	ORIGINAL BUDGET 2016/2017 (000's)	Approved Changes						Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2016/2017 (000's)	ACTUALS (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2016 Review (000's)	Dec 2016 Review (000's)	Mar 2017 Review (000's)	June 2017 Review (000's)			
<b>EXTERNALLY RESTRICTED</b>										
Water Services	5,682						5,682		5,682	5,682
Sewerage Services	7,632						7,632		7,632	7,632
Waste Management	3,497						3,497		3,497	3,497
Special Purpose Grants	2,477						2,477		2,477	2,477
Developer Contributions	369						369		369	157
Bonds & Deposits	748						748		748	748
Stormwater Management	-						-		-	141
<b>TOTAL EXTERNALLY RESTRICTED</b>	<b>20,405</b>						<b>20,405</b>		<b>20,405</b>	<b>20,334</b>
<b>INTERNALLY RESTRICTED</b>										
Employee Leave Entitlements	1,011						1,011		1,011	1,011
Strategic Development Fund	690						690		690	690
Plant Replacement	3,310						3,310		3,310	3,310
Computer	1,007						1,007		1,007	1,007
Building Renewal/Upgrades	1,821						1,821		1,821	1,821
Business Units	-						-		-	-
Aerodrome	134						134		134	134
Workers Compensation Insurance	573						573		573	573
Future Capital Works/Land Purchases	650						650		650	650
Emergency Management/ Equipment Upgrades	211						211		211	211
Industrial Development	669						669		669	669
Special Capital Projects	5						5		5	5
Baths Improvements - Inverell Pool	2,200						2,200		2,200	2,200
Sports Grounds - Hockey Facility Resurfacing	400						400		400	400
Other Restrictions	893						893		893	893
<b>TOTAL INTERNALLY RESTRICTED</b>	<b>13,574</b>						<b>13,574</b>		<b>13,574</b>	<b>13,574</b>
<b>TOTAL RESTRICTED</b>	<b>33,979</b>						<b>33,979</b>		<b>33,979</b>	<b>33,908</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>51,834</b>						<b>51,834</b>		<b>51,834</b>	<b>54,610</b>
<b>AVAILABLE WORKING CAPITAL</b>	<b>17,855</b>	Figure incl. revotes & Unexpended grants from 2015/16							<b>17,855</b>	<b>20,702</b>

*Note: The annual interest generated on Council's Working Capital is the funding source for Councils 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 sound and as at 31 December 2016 Councils Cash and Investment Portfolio totalled \$50.01 million plus \$4.6 million Cash at bank. This includes securities with a market value of \$10K that are subject to the market volatility and are effected by the Lehman Brothers Liquidation.

**STATEMENTS**

**INVESTMENTS**

I, Ken Beddie, 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	20,334
Total Internal Restricted Funds	13,574
Total Restricted	33,908
Total Funds Invested as per Investment Report (31-12-16)	54,610
<b>Sub Total</b>	<b>20,702</b>
Less Revotes and Unexpended Grants from 2015/2016	17,876
<b>Total Available Working Capital</b>	<b>2,826</b>

**CASH**

I, KEN BEDDIE, 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 December, 2016, 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, KEN BEDDIE, 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 December, 2016, 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 9

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-16  
CONTRACTS**

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
EIRE Construction P/L	Construction Aeration Tank - Inverell Sewer Treat Plant	\$ 1,919,997.00	03-November-2016	7 Months	Y
Ozwide Bridge Rail & Civil P/L	Design & Construction Tin Tot Bridge	\$ 460,250.00	24-November-2016	8 Months	Y
Abergeldie Wate Tech P/L	Cleaning & CCTV inspections of Sewer Mains	\$ 85,160.00	30-January-2017	3 Months	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
3. Contracts for employment are not included

**Explanation of Unbudgeted Contracts**

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-16  
CONSULTANCY & LEGAL EXPENSES**

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
<b>CONSULTANCIES</b>		
Heritage Advisor	9,599.99	Y
Swimming Pool Facilities	8,455.00	Y
Investment Advisor	7,000.00	Y
Waste Management	24,190.00	Y
Asset Management	3,622.50	Y
<b>LEGAL FEES</b>	9,799.27	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**



## APPENDIX 10

**INVERFLEET OPERATIONS 2016-2017**

FROM 01-Jul-2016 TO 30-Jun-2017

SUFFIX	DESCRIPTION	2017 BUDGET	2017 Y.T.D.	% VOTE	BALANCE
	Operators Wages	32,000	15,677	49.0%	16,323
	Workshop Wages	311,468	218,803	70.2%	92,665
	Repairs	15,000		0.0%	15,000
	Parts	398,500	217,526	54.6%	390,974
	Tyres	195,000	66,718	4.1%	128,282
	Fuel	1,041,000	506,905	48.7%	534,095
	Registration	185,000	20,097	10.9%	164,903
	Accident Expenses	5,000		0.0%	5,000
	Depreciation	1,550,000	775,000	50.0%	775,000
	Oils & Lubricants	40,000	20,740	51.9%	19,260
	Cutting Edges	55,000	26,982	49.1%	28,018
	Insurance	129,000	181,525	140.7%	-52,525
148170	Miscellaneous +G4817.000	253,000	162,294	64.1%	90,706
148190	Insurance Excess	8,000	3,000	37.5%	5,000
148210	Ashford Workshop Exp.	17,000	4,637	27.3%	12,363
148220	Inverell Workshop Exp.	49,345	7,954	16.1%	41,391
148230	Apprentice Exp.	15,000		0.0%	15,000
148240	Administration Charge	303,081	151,541	50.0%	151,541
148250	Small Plant & Tools	105,370	47,262	44.9%	58,108
994825	Depreciation Small Plant & Tools	76,000	38,000	50.0%	38,000
148260	Plant & Tools under \$750	3,000		0.0%	3,000
148280	Oncosts (Super,w/comp etc.)	172,780	62,960	36.4%	109,820
146370	2 Way Radio SYSTEM UPGRADE	0		0.0%	0
146380	2 Way Radio M & R	22,540	3,441	15.3%	19,099
146390	2 Way Radio Installations	2,500	11	0.4%	2,489
146400	2 Way Radio Licences	1,500	131	8.7%	1,369
	<b>TOTAL OPERATING COSTS:</b>	<b>4,986,084</b>	<b>2,531,204</b>	<b>50.8%</b>	<b>1,388,413</b>
128780	Council Hire	-5,402,000	2,695,426	49.9%	-2,706,574
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	5,695	113.9%	695
148400	Small Plant & Tools	-123,150	61,575	50.0%	-61,575
	<b>TOTAL OPERATING INCOME:</b>	<b>-5,536,150</b>	<b>2,762,696</b>	<b>49.9%</b>	<b>-1,299,794</b>
	<b>NET RESULT:</b>	<b>-550,066</b>	<b>231,491</b>	<b>42.1%</b>	<b>-318,575</b>
	Less GPS Units funded from IRA's	<b>-50,000</b>	<b>13,915</b>	<b>27.8%</b>	<b>-36,085</b>
	Less Funding to Non-reccurent Roads Program	<b>600,000</b>	<b>300,000</b>		
	Less Capital Replacement Inflation Allowance				
		<b>-66</b>	<b>54,594</b>	<b>-82717.5%</b>	<b>-54,660</b>
	<b>REPLACEMENT PROGRAM</b>				
161620	Heavy Plant Purchases	1,657,500	286,127	17.3%	1,371,373
161600	Light Plant Purchases	743,500	323,089	43.5%	420,411
161590	Small Plant Purchases	80,000	6,717	8.4%	73,283
	Workshop Upgrades	0	-	0.0%	0
148221	Workshop Equipment	40,000	-	0.0%	40,000
		<b>2,521,000</b>	<b>615,933</b>	<b>24.4%</b>	<b>1,905,067</b>
168100	Sale of Heavy Plant	-349,000	27,197	7.8%	-321,803
168110	Sale of Light Plant	-340,500	202,107	59.4%	-138,393
168120	Sale of Small Plant	0	-	0.0%	0
	<b>NET RESULT:(Surplus)/Deficit</b>	<b>1,831,500</b>	<b>386,629</b>		<b>1,444,871</b>
	<b>PLANT RESERVE</b>				
G6168	Estimated Balance 1.7.14	3,719,547	-		3,719,547
G6168.802	Transfer from 2016/2017	-1,831,500	-		-1,831,500
G6168.801	Transfer to 2016/2017	1,626,000	813,000		813,000
G6168	Balance 30.06.2015	3,514,047	813,000		2,701,047



**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-16  
KEY PERFORMANCE INDICATORS**

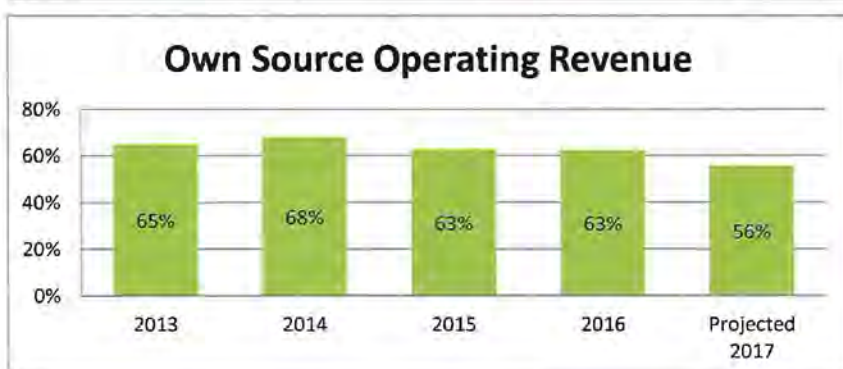


The **Operating Performance Ratio** indicates that Council operating revenue, excluding capital grants and contributions are sufficient to cover operating expenditure. Council has exceeded both the benchmarks listed below

The Tcorp benchmark for the ratio is to have a deficit of less than 4%.

The "fit for the future" benchmark is that council should have a breakeven or better operating performance ratio over a three year period.

The 2016 is inflated due to additional operating grants being received (R2R, Block etc) while expenditure of these grants were capitalised



The **Own Source Operating Revenue** indicates that Council has a low dependence on grants and contributions. Council has exceeded both the benchmarks listed below

The Tcorp benchmark for sustainability is to have a ratio of greater than 60%

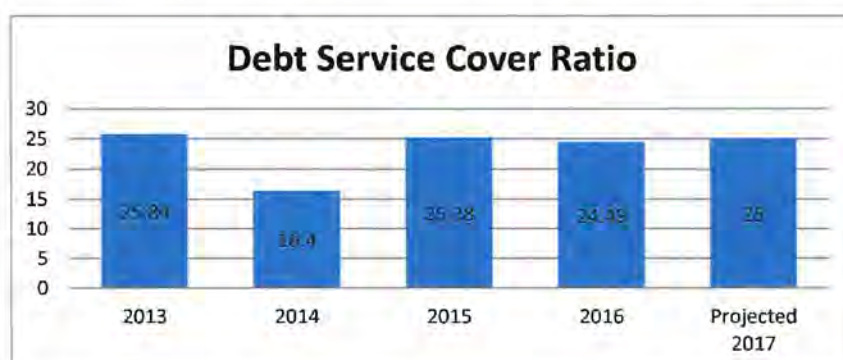
The "fit for the future" benchmark is that councils should have own source revenue of greater than 60% over a three year period.



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

This ratio is before setting aside cash to fund internal restrictions in the General Fund.

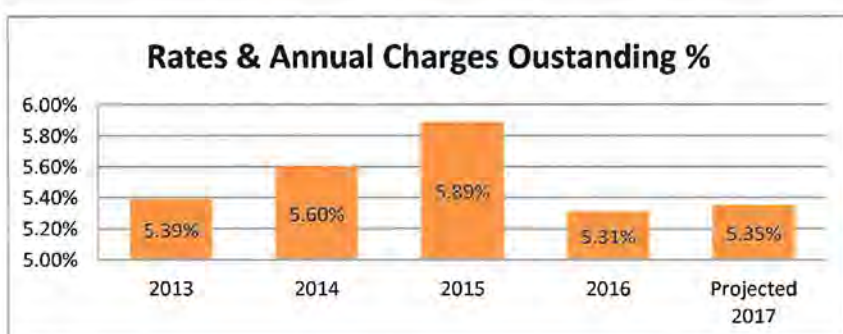
The Tcorp benchmark is greater than 1.5



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.

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

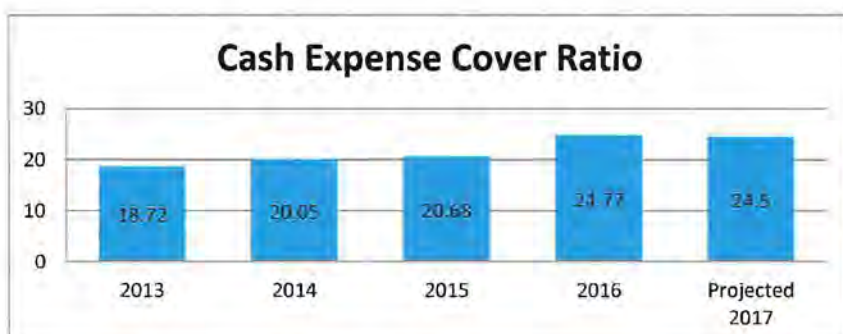
The Tcorp benchmark is to have a ratio of greater than 2.



The **Outstanding Rates Ratio** indicates the percentage of uncollected rates and charges and the adequacy of recovery efforts.

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

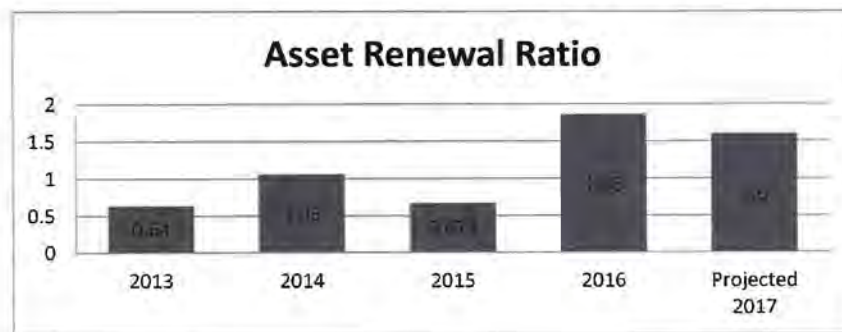
The Tcorp benchmark is to have a ratio of less than 10%



The **Cash Expense Cover Ratio** indicates the number of months Council can pay its expenses without additional cash flow.

The Tcorp benchmark is to have reserves to meet at least three months of operating expenditure

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-16  
KEY PERFORMANCE INDICATORS**

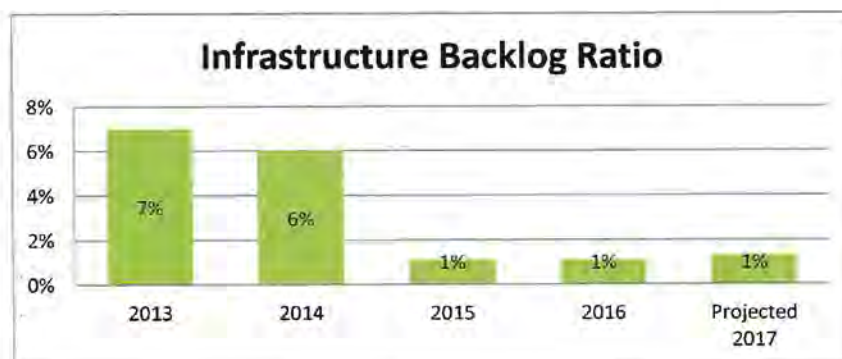


The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

Council's 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

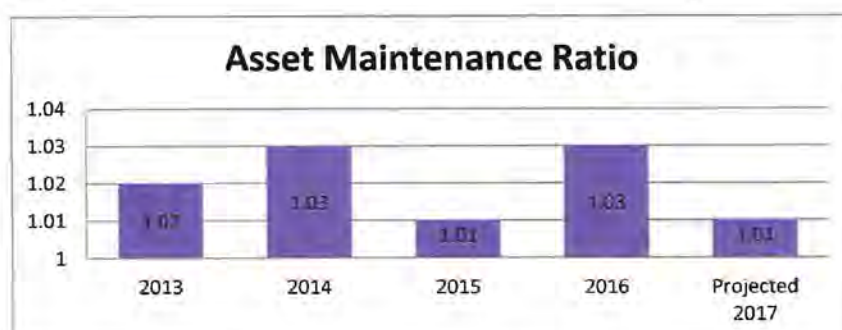


The **Infrastructure Backlog Ratio** assess Council infrastructure backlog against the total value of councils infrastructure.

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

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

2012 figure (20%) was the cost to bring all Shire roads up to HML standard.



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%