

INVERELL SHIRE COUNCIL

NOTICE OF ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING

5 November, 2015

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 11 November, 2015, commencing at 10.30am.

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

P J HENRY PSM

GENERAL MANAGER






A G E N D A

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

Quick Reference Guide

Below is a legend that is common between the:

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

<i>Destinations</i>	<i>Icon</i>	<i>Code</i>
<p>1. A recognised leader in a broader context.</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>2. A community that is healthy, educated and sustained.</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>3. An environment that is protected and sustained.</p> <p>Giving priority to sustainable agriculture, the protection and conservation of rivers, waterways bio diversity and the built environment.</p>		E
<p>4. A strong local economy.</p> <p>Giving priority to economic and employment growth and the attraction of visitors.</p>		B
<p>5. The Communities are served by sustainable services and infrastructure.</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, 11 November, 2015

Table of Contents

SECTION/PAGE

Changes to Essential Energy's Regional Structure	E	1
Expiring Licence Agreement	D	3
Governance - Monthly Investment Report	H	1
Quarterly Budget and Operational Plan Review 2015/2016	H	6
Request for Donation – Inverell Community Gardens	D	2
Request to Licence Land – Watts	D	1

MINUTES OF THE ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE
MEETING HELD IN THE COMMITTEE ROOM, INVERELL SHIRE COUNCIL, 144
OTHO STREET, INVERELL ON WEDNESDAY, 14 OCTOBER, 2015, COMMENCING
AT 10.00AM.

PRESENT: Cr J A Watts (Chairperson), Crs D F Baker, P J Girle, A A Michael and D C Jones.

Also in attendance: 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).

APOLOGIES:

Apologies were received from Crs Castledine and Johnston for personal reasons and Cr Harmon for business reasons.

RESOLVED (Baker/Watts) that the apologies from Crs Castledine, Johnston and Harmon be noted.

1. ELECTION OF CHAIRPERSON

The General Manager advised Councillors of the requirements of Council's Meeting Code and the need to elect a Chairperson for the next 12 month term.

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

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

One (1) nomination for the position of Chairperson was received being Cr Watts. There being only one (1) nomination, Cr Watts was declared duly elected as Chairperson for the ensuing period.

SECTION A

2. CONFIRMATION OF MINUTES

RESOLVED (Baker/Watts) that the Minutes of the Economic and Community Sustainability Committee Meeting held on 9 September, 2015 as circulated to members, be confirmed as a true and correct record of that meeting.

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

There were no interests declared.

4. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil.

SECTION D
DESTINATION REPORTS

1. REQUEST TO LICENCE BUILDING – LIONS CLUB OF ASHFORD
S5.10.65

CSOP-A *RESOLVED (Baker/Michael) that the Committee recommend to Council that the Lions Club of Ashford be offered a licence for \$100 per annum for a three (3) year period for the store shed area including access to the shed, but excluding the entire compound.*

2. REQUEST FOR FINANCIAL ASSISTANCE – INVERELL PIPE BAND INC.
S3.7.5

CSOP-A *RESOLVED (Jones/Baker) that the Committee recommend to Council that:*

- i) *Council provide a donation of \$1000 to the Inverell Pipe Band for 2015/2016;*
- ii) *a review on requests for future donations to the Inverell Pipe Band be undertaken in 12 months;*
- iii) *Council request that the Inverell Pipe Band give consideration to performing at the ANZAC and Australia Day ceremonies as a minimum in recognition of Council's support for the Band; and*
- iv) *a policy for donation requests over \$200 be developed.*

3. REQUEST FOR FINANCIAL ASSISTANCE – MT RUSSELL HALL
S12.22.1/08 & S5.13.12

CSOP-A *RESOLVED (Girle/Baker) that the Committee recommend to Council that:*

- i) *the request be noted;*
- ii) *the Policy relating to local Halls remain in place; and*
- iii) *the Mt Russell Hall Committee be advised of the current financial support.*

4. LIBRARY DEVELOPMENT - CAFE PROPOSAL S3.6.1/08

MLS-A *RESOLVED (Michael/Baker) that the Committee recommend to Council that Council take up Option 4, being two vending machines, one (1) hot and (1) cold, with a review in 12 months.*

5. RATING CATEGORY REVIEW S25.11.3

DCS-A *RESOLVED (Michael/Jones) that the Committee recommend to Council that a report on Rating Category Redistribution be prepared for the November Committee which includes, but is not limited to:*

- a) *equity of the percentage of rate contributions across the categories,*
- b) *capacity to pay,*
- c) *maintaining relative to surrounding Local Government Areas.*

6. JOINT ORGANISATION OF COUNCILS - EMERGING DIRECTIONS
S13.1.2

GM-A *RESOLVED (Michael/Baker) that the Committee recommend to Council that Council's submission raise the following issues:*

- a) *that the governing principles be supported,*
- b) *ensure governance agreement and functions does not result in a 4th tier of Government,*
- c) *opposed to the Board Sitting Fee,*
- d) *Employment of an Executive Officer not be mandatory.*

7. MEMORANDUM OF UNDERSTANDING - E-WASTE FACILITY AND
REVOLVE STORE (LISTING) S31.8.1

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

- i) *the matters and information are 'commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.' (Section 10A(2)(d)(i) of the Local Government Act, 1993);*
- ii) *on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*
- iii) *all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

SECTION E INFORMATION REPORTS

1. SMALL BUSINESS FRIENDLY COUNCIL PROGRAM S8.3.1/08

DCS-A *RESOLVED (Baker/Jones) that:*

- i) *the items contained in the Information Report to the Economic & Community Sustainability Committee Meeting held on Wednesday, 14 October, 2015, be received and noted; and*
- ii) *the Small Business Newsletter be automatically emailed to the Chamber of Commerce.*

2. LAND CLAIMS S5.2.3

The General Manager advised that Council is in receipt of correspondence from Trade & Investment Crown Lands confirming the lodgment of Land Claims within the Inverell Local Government Area. These claims may or may not affect land managed by Council or land which Council has identified for future projects, including a number of Council's operational gravel pits and road reserves.

GM-N *RESOLVED (Michael/Baker) that the Committee recommend to Council that Council object to these land claims due to the impact on Council's operations.*

SECTION F QUESTIONS WITHOUT NOTICE

Director Corporate and Economic Services	<u>Proposed Victoria Park Amenities Building Plan</u> The Director Corporate and Economic Services, Mr Ken Beddie tabled the plans for the proposed Victoria Park Amenities Building for the Committee's consideration. The Committee provided feedback for plan amendments.
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SECTION H GOVERNANCE REPORTS

1. STORES & MATERIALS STOCKTAKE S23.16.5/08

EC-A *RESOLVED (Michael/Jones) that the Committee recommend to Council that:*

- i) *the stores and materials Stocktake information be received and noted; and*
- ii) *the adjustment of **\$220.97** be made in the Stores Ledger.*

2. GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2/08

RESOLVED (Baker/Michael) 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.*

3. STORES & MATERIALS STOCKTAKE S23.16.5/07

EC-A *RESOLVED (Jones/Michael) that the Committee recommend to Council that:*

- i) stores and materials Stocktake information be received and noted; and*
- ii) the adjustment of **\$234.31** be made in the Stores Ledger.*

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

At 11.52am, the Chairperson offered the opportunity to members of the public to make representations as to whether any part of the Committee Meeting should not be considered in Closed Committee. There was no response from the public.

CLOSED COMMITTEE REPORTS

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

Upon resuming Open Committee, at 12.23pm, the Chair verbally reported that the Committee, with the Press and Public excluded, having considered the matters referred to it, recommends as follows:

1. MEMORANDUM OF UNDERSTANDING - E-WASTE FACILITY AND REVOLVE STORE S31.8.1

MCE-A *That the Committee recommend to Council that a further report be provided to the Committee with additional information on the MOU.*

ADOPTION OF RECOMMENDATION

RESOLVED (Michael/Baker) that the recommendation from Closed Committee be adopted.

There being no further business, the meeting closed at 12.24pm.

CR J A WATTS

CHAIRPERSON

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL 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: S.01.10.01 To provide and maintain a modern efficient and reliable land use administration system which enables the effective and efficient management of Shire land.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

That the Committee recommend to Council that:

- i) Council enter into a Licence Agreement with Mr Cameron Watts for Lot 1, Part Lot 2, DP 1135514, Delvyn Drive, Inverell for a two (2) year period with a further two (2) year option;*
- ii) the Licence fee be \$350.00 per annum (GST Inclusive) with a 3% increase per annum; and*
- iii) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

ITEM NO:	2.	FILE NO: S12.22.1/08
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	REQUEST FOR DONATION – INVERELL COMMUNITY GARDENS	
PREPARED BY:	Hayley Nichols, Corporate Support Officer - Publishing	

SUMMARY:

Council has received a letter from the Inverell Community Gardens requesting supply of a general waste bin, a 360L recycle bin and the waiving of the associated waste collection fees.

COMMENTARY:

Council has received a letter from Jane O'Brien, Coordinator of the Inverell Community Gardens requesting the supply of a general waste bin, a 360L recycle bin and the waiving of the associated waste collection fees.

The Community Gardens in a not-for-profit sub group of Gwymac Landcare and is a volunteer based organisation in existence for the community. Mrs O'Brien states that as a result of the growth of the Gardens, the Committee are finding it difficult to manually manage the disposal of rubbish.

To assist the Committee in making a determination, the following information is provided.

- a general waste bin costs \$80,
- a 360L recycle bin costs \$120,
- commercial waste collection fee for general waste is \$300 per annum (one (1) collection per week),
- recycle collection fee is \$100 for a weekly collection or \$50 per year for a fortnightly collection.

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

RECOMMENDATION:

A matter for the Committee.

ITEM NO:	3.	FILE NO: S5.10.107
DESTINATION 5:	The communities are served by sustainable services and infrastructure.	S
SUBJECT:	EXPIRING LICENCE AGREEMENT	
PREPARED BY:	Hayley Nichols, Corporate Support Officer - Publishing	

SUMMARY:

The Licence Agreement with Inverell Building Supplies expired 31 October, 2015. The Committee is requested to consider renewing the Agreement.

COMMENTARY:

The Licence Agreement with Inverell Building Supplies for Part Lot 2, DP 1126040, Brissett Street, Inverell expired 31 October, 2015. Inverell Building Supplies have requested to renew the Agreement for a further five (5) year term.

The land, utilised as a loading area measures approximately 1456m² has been audited for compliance of Licence conditions and payment of associated fees. It is noted that last year's fee was \$616.72 (GST Inclusive).

The Committee is asked to consider offering Inverell Building Supplies a new Agreement for a five (5) year period.

**RECOMMENDATION:**

That the Committee recommend to Council that:

- i) Council renew the agreement with Inverell Building Supplies for Part Lot 2, DP 1126040 for a further five (5) year period;*
- ii) the licence fee be \$650.00 per annum (GST Inclusive) with a 3% increase per annum; and*
- iii) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 11/11/2015

ITEM NO:	1.	FILE NO: S8.5.4
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	CHANGES TO ESSENTIAL ENERGY'S REGIONAL STRUCTURE	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

Changes to the scale of Essential Energy's (EE) operations are reported for Council's information.

COMMENTARY:

Early this year the Australian Energy Regulator cut EE's proposed capital and operating programs that covered the period 2014 – 2019. The effect was to reduce the budgeted expenditure on a range of programs, including maintenance work, and to reduce proposed increases in electricity charges.

This resulted in the Energy Distributors planned staff restructuring being expanded, by adding a new category of employees ('unfunded positions') to the existing 'displaced positions' which will be removed from the organisation structure.

Various items of correspondence have provided the following information on EE's response to the Regulator's decision:

- *Three (3) management zones have been established (map attached as Appendix 1, E2),*
- *Inverell Shire in the northern zone. Regional manager based in Tamworth. New Manager appointed – Mark Summers,*
- *Street lighting charges will be increased,*
- *Full time positions are being converted to contract position of durations of between 6 months and two (2) years,*
- *Regional offices in Queanbeyan, Dubbo, Leeton, Wallsend and Sydney will be closed,*
- *319 'unfunded' positions'; seven (7) of which are at the Inverell Depot,*
- *10 Depots to close, including Bingara.*

RECOMMENDATION:

That the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 11 November, 2015, be received and noted.

APPENDIX 1



Essential Energy's Regions



Essential Energy's Northern Region Boundaries and Contacts



Regional Manager Northern

Mark Summers

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Mobile: 0407 783 880

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Manager Community Relations Northern

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TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 11/11/2015

ITEM NO:	1.	FILE NO: S12.12.2/08
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	GOVERNANCE - MONTHLY INVESTMENT REPORT	
PREPARED BY:	Paul Pay, Manager Financial Services	

SUMMARY:

To report the balance of investments held as at 31 October, 2015.

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 31 October, 2015 and an update of the investment environment:

- (a) Council's Investments as at 31 October, 2015.
- (b) Council Investments by Fund as at 31 October, 2015.
- (c) Interest – Budgeted vs Actual.
- (d) Investment Portfolio Performance.
- (e) Investment Commentary.
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 31 October, 2015.

Term Deposit Investment Group											
<i>Investment No.</i>	<i>Borrower</i>	<i>Account No.</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>
16/04	Bank West	4386793	General	A1+	1	28-Aug-15	26-Nov-15	2.80%	2,000,000	2,000,000	90
16/07	St George Bank		General	A1+	1	02-Sep-15	02-Dec-15	2.60%	1,000,000	1,000,000	91
15/20	CBA	255650139682	Sewer	A1+	1	11-Dec-14	11-Dec-15	3.55%	1,500,000	1,500,000	365
15/35	National Australia Bank	84-516-3709	General	A1+	1	17-Jun-15	14-Dec-15	3.00%	2,000,000	2,000,000	180
15/33	National Australia Bank	94-191-1076	General	A1+	1	01-Jun-15	04-Jan-16	3.00%	2,000,000	2,000,000	217
15/34	National Australia Bank	13-782-7359	General	A1+	1	10-Jun-15	11-Jan-16	3.00%	1,000,000	1,000,000	215
15/37	St George Bank	354564217	General	A1+	1	22-Jun-15	22-Jan-16	3.05%	2,000,000	2,000,000	214
15/36	Suncorp	4010002104	General	A1+	1	22-Jun-15	18-Jan-16	3.00%	1,000,000	1,000,000	210
15/32	CBA	255650138612	General	A1+	1	28-May-15	28-Jan-16	3.05%	1,000,000	1,000,000	245
16/01	National Australia Bank	94-943-0648	Water	A1+	1	13-Aug-15	09-Feb-16	2.90%	1,000,000	1,000,000	180
16/05	IMB	43637	General	A2	2	28-Aug-15	01-Mar-16	2.80%	1,000,000	1,000,000	186
16/03	AMP BANK	TD676788581-353235	General	A1	2	28-Aug-15	01-Mar-16	2.90%	2,000,000	2,000,000	186
16/06	Suncorp		General	A1+	1	28-Aug-15	01-Mar-16	2.80%	1,000,000	1,000,000	186
16/08	AMP BANK	TD016305328-354197	General	A1	2	04-Sep-15	01-Mar-16	2.90%	1,000,000	1,000,000	179
16/09	AMP BANK	TD000404707-354196	Water	A1	2	04-Sep-15	01-Mar-16	2.90%	1,000,000	1,000,000	179
16/12	National Australia Bank	73-096-3984	Sewer	A1+	1	19-Sep-15	15-Mar-16	3.00%	2,000,000	2,000,000	180
16/16	Bank West		Sewer	A1+	1	28-Oct-15	23-Mar-16	2.85%	2,000,000	2,000,000	147
15/38	National Australia Bank	16-437-5597	Water	A1+	1	22-Jun-15	23-Mar-16	3.05%	1,000,000	1,000,000	274
16/13	St George Bank	353307121	General	A1+	1	08-Oct-15	08-Apr-16	2.86%	2,000,000	2,000,000	183
16/01	National Australia Bank	39-818-0450	General	A1+	1	15-Jul-15	11-Apr-16	2.95%	2,000,000	2,000,000	271
16/14	National Australia Bank	11-976-1659	General	A1+	1	15-Oct-15	11-Apr-16	2.95%	1,000,000	1,000,000	179
16/15	St George Bank	352507702	General	A1+	1	16-Oct-15	16-Apr-16	2.80%	1,000,000	1,000,000	183
16/17	Suncorp		General	A1+	1	28-Oct-15	28-Apr-16	2.90%	2,000,000	2,000,000	183
16/10	CBA		General	A1+	1	16-Sep-15	16-May-16	2.70%	1,000,000	1,000,000	243
16/11	National Australia Bank		General	A1+	1	16-Sep-15	15-Sep-16	2.80%	1,000,000	1,000,000	365
15/19	CBA	255650139690	General	A1+	1	11-Dec-14	11-Dec-16	3.80%	1,000,000	1,000,000	732
14/22	Westpac	032-555 23-2282	General	A1+	1	17-Dec-13	16-Dec-16	4.31%	2,000,000	2,000,000	1095
15/01	CBA	255650139789	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/02	CBA	255650140915	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/03	CBA	255650140923	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/09	CBA	255650141168	General	A1+	1	01-Sep-14	01-Sep-17	3.90%	1,000,000	1,000,000	1096
15/10	Bank of Queensland	11307	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	43,500,000	43,500,000

Cash Deposits Accounts Investment Group											
As at Date	Borrower	Account No.	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	
31/10/15	National Australia Bank (Cash Maximiser)	83-038-3012	General	A1+	1			2.50%	1,000,000	1,000,000	
31/10/15	UBS Cash Management Account	450193	General	A1+	1			2.25%	1,043,367	1,043,367	
Sub Total - Cash Deposits Accounts Investment Group									2,043,367	2,043,367	
Floating Rate Notes Investment Group											
As at Date	Borrower	Account No.	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	Account No.	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Written Down Value 30-6-15	Current value
30/9/15	Lehman Brothers Treasury Co B.V (CPPI-745	7457	Water	DD	5		9/5/2010*	0.00%	300,000	18,000	18,000
Sub Total - Structured Products Investment Group								-	300,000	18,000	18,000

The written down value of the Structured Product Investment Group as at 30 June, 2015 was \$18,000, now holding at \$18,000. 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. 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 2013/2014 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 31 October, 2015

Portfolio by Fund	as at 30-9-2015	as at 31-10-2015
General Fund	38,043,367	37,043,367
Water Fund	3,018,000	3,018,000
Sewer Fund	5,500,000	5,500,000
TOTAL	46,561,367	45,561,367

Council's investment portfolio has decreased by \$1,000,000. This decrease was in respect of normal cash flow movements for receipts collected and payments made during October, 2015.

While the level of Investments has been largely maintained over recent years, these will decrease during 2015/2016 as a number of major projects are completed. These include:

- Ashford Water Treatment Plant \$ 1.0 M
- Inverell Sewerage Treatment Works \$ 3.0 M
- Infrastructure Backlog Program \$ 4.01 M

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	2015/2016 Budget	Actuals to Date
General Fund	128820	938,800.00	232,997.26
Water Fund	812350	50,000.00	13,279.18
Sewer Fund	906320	70,000.00	35,352.94
TOTAL		1,058,800.00	281,629.38

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 2015/2016.

D) Investment Portfolio Performance

Investment Portfolio Return		Benchmarks	
	% pa	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 31-10-2015		2.49%	2.00%
Term Deposits	3.17%		
Cash Deposit Accounts	2.38%		
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 Term Deposits exceed the UBSA Bank Bill Index benchmark. Money is held in cash deposits accounts for liquidity purposes.

Council's investment portfolio of \$45.5M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

As expected, the Reserve Bank of Australia elected to keep the cash rate unchanged at 2% at its Board meeting at the start of October. The overall recent message from the RBA is that interest rates are likely to be unchanged until there is a material change in the domestic economic data.

RBA Officials have also recently suggested they are relatively content with the level of the Australian dollar and are keeping a close eye on the US Federal Reserve in regards to its rate increase.

It is noted however, the market continues to factor in another rate cut by December, 2015.

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.

ITEM NO:	2.	FILE NO: S12.5.1/08
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2015/2016	
PREPARED BY:	Ken Beddie, Director Corporate and 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:

2015/2016 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 2015/2016 are as follows:

COMBINED FUND - BUDGET VARIATION SUMMARY REPORT ESTIMATED CASH POSITION 30 JUNE, 2016 FOR 2015/2016 ACTIVITIES				
	General	Water	Sewer	Total
Adopted Budget 2015/2016	10,348,265	802,802	685,107	11,836,174 Deficit
Add Back Depreciation	(6,714,900)	(803,500)	(690,000)	(8,208,400) (Non-cash)
Add Back Carry Amount Assets Sold	(85,110)	-	-	(85,110) (Non-Cash)
Internally Restricted Cash Utilised	(3,549,616)			(3,549,616)
Transferred to Internally Restricted Cash	-	-	-	-
ESTIMATED CASH RESULT FOR 2015/2016 ACTIVITIES	(1,361)	(698)	(4,893)	(6,952) SURPLUS
2015/2016 Budget Variations Required to Maintain a Balanced Budget				
REVOTES	6,227,078	958,667	3,999,000	11,184,745
UNEXPENDED GRANTS	1,965,547	-	-	1,965,547
Adjustments 30-9-15	-	-	-	-
SUB TOTAL	8,192,625	958,667	3,999,000	13,150,292
Internally Restricted Cash Utilised	-	-	-	-
FUNDED FROM EQUITY	(8,192,625)	(958,667)	(3,999,000)	(13,150,292)
NET BUDGET VARIATIONS	0	0	0	0
REVISED CASH RESULT FOR 2015/2016 ACTIVITIES	(1,361)	(698)	(4,893)	(6,952) SURPLUS
DEFINITIONS:				
1) REVOTES - Revotes are works budgeted and funded in the previous Financial Year, carried forward for completion in the current financial year. Revotes only occur if cash funding remains available from that previous Financial Years Budget to fund the works. The cash is held as equity.				
2) FUNDED FROM EQUITY - Represents Cash funding received in previous financial years from Revenues, Grants and Other Sources and held as Cash due to its non-expenditure, carried forward to fund the required works in the current Financial Year.				
3) INTERNALLY RESTRICTED CASH - Is cash held in investments to fund future financial obligations, for example Employee Leave Entitlements, Future Projects etc. These funds are not part				

The report indicates that the Net Budget Variations for 2015/2016 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 30 September, 2015 of \$15.1M, against a budgeted annual result of \$4,959. This current result indicates that sufficient funding remains available to fund Council's 2015/2016 continuing operations for the next 9 months to the end of the 2015/2016 Financial Year.

QUARTERLY BUDGET REVIEW REPORT:

Council's 30 September, 2015 Quarterly Combined Budget Review Summary Report and Income and Expense Statement by Function are attached as 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 2015/2016 operations remaining unchanged following approval of the Budget Variations attached to this report, refer to 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 2014/2015 which will be expended in 2015/2016.

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

A comprehensive review of the General Fund Budget indicates that overall, incomes and expenditures to 30 September, 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 2015/2016 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 2.00%. The banks have continued to adjust their deposit rates lower with the RBA on its easing cycle again, particularly with expectations of further cuts in the immediate future. The market is fully pricing in one more rate cut by December, 2015. It is anticipated that Council will achieve budget interest during 2015/2016.

A copy of Council's Cash and Investment Budget Review Statement as at 30 September, 2015 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 30 September, 2015 (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 30 September, 2015 is attached as Appendix 10 (H22). The Report indicates an Operating Surplus of \$234K to 30 September, 2015. This reduces to a small surplus after an allowance is made for registration costs, insurance costs and on costs (workers compensation etc.) not paid until later in the financial year.

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 should be enhanced in 2015/2016; however, this will be dependant on Water Sales. Water Sales were down by \$120K in 2011/12 and up \$171K in 2012/2013 and \$380K in 2013/2014 and \$5K in 2014/2015. It is anticipated that water sales will continue to increase during 2015/2016 due to the dry conditions in the first half of the financial year.

The Committee will be aware that the major priority for the Water Fund is now the completion of the new Ashford Water Treatment Plant.

In respect of Council's Water Fund Investments it is noted that Council staff continue to monitor the developments relating to the bankruptcy of Lehman Brothers. Council's Water Fund holds one remaining CDO with a face value of \$300K, Term Deposits totalling \$3M and cash at bank of \$2.2M (See Appendix 7).

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 2015/2016 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 \$5.5M (Includes the \$2M Loan) plus cash at bank of \$1.36M, see Appendix 7 (H19).

OPERATIONAL PLAN – COMBINED FUND

Overall Council's operational and financial position in respect of its five destinations are sound. The following information is provided in respect of major issues and projects that Council is leading, participating in, or delivering in 2015/2016:

- 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;
 - Announced "Fit for the Future" by IPART; and
 - Held Committee meetings in Yetman.

- 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; and
 - Working with BEST Employment in respect of the auspicing of Connections Disability Service.
- Destination 3 – An environment that is protected and sustained:
 - Partnering with Catchment Management Authority in “Brigalow Nandewar Bio Links Program; and
 - Completed installation of weigh bridges at Inverell Landfill.
- 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; and
 - Ongoing discussions with Bindaree Beef in respect of their major expansion.
- 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;
 - Commenced \$16.5M Rural Roads Program. This is the largest Rural Road Program implemented by Council, being some \$6M greater than the normal program;
 - Completed a significant quantum of Shire Roads Gravel Resheeting;
 - Completed a significant quantum of heavy patching throughout the Shire;
 - Commenced Council's 2015/2016 bitumen reseal program;
 - Completed 2014/2015 Financial Statements – sound financial result achieved;
 - Secured additional Active Transport Funding (PAMP) for 2015/2016 - \$16K Project;
 - Secured Black Spot funding for upgrade of Leviathan to Schwenkes Lane and a turning lane at Rob Roy Road, \$322K;
 - Completed 90% of works on Cameron Park Redevelopment;
 - Completed works on New Toilet and Storage shed at Varley Oval – Official opening on 6 November, 2015;
 - Completed upgrade works at Inverell Complex;
 - Completed installation of new playground equipment in Campbell Park;
 - Completed installation of new playground equipment “all abilities” in Victoria Park; and
 - Commenced infrastructure works at Bellevue Park.

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 30 September, 2015 indicates that Council's projected financial position at 30 June, 2016 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 2015/2016 Budget in balance, with an indicative surplus of \$6,952.

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 Budget and Operational Plan Review for 30 September, 2015 be adopted; and*
- ii) the proposed variations to budget votes for the 2015/2016 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2016 from operations of \$6,952.*

APPENDIX 1

BUDGET VARIATIONS - FINANCE MEETING 11-11-15			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
Increase/Decrease in INCOME			
122880-1000	R2R Grant Funding	496,843	Balance of 2014-2015 Grant Funding
122880-1000	R2R Grant Funding	779,770	Additional Supplementary R2R Funding
122370-1000	Grant SH12	(28,000)	Reduction in RMCC Funding
128100-1000	Tourist Brochure Income	40,000	Advertising income from tourist brochure
122376-1000	Grant - Australian Government Black Spot Program	197,500	Grant - Old Bundarra Road
122377-1000	Grant - Australian Government Black Spot Program	125,000	Grant - SH12 - Rob Roy Road
122370-1000	SH12 - Grant	20,743	Balance of RMS Grant for Miscellaneous Work order 04INV12
145865-1000	Active Transport Program - Cycling Connecting Centres	188,500	Correct Allocation of Active Transport Program Grant Funding
145869-1000	Active Transport Program - Walking Communities	31,900	Correct Allocation of Active Transport Program Grant Funding
145861-1000	Active Transport Program	(220,400)	Correct Allocation of Active Transport Program Grant Funding
145856-1000	Active Transport Program - Cycling Connecting Centres	16,700	Additional Grant Funding
127050-3600	Brighter Access Grants	30,036	Brighter Access Grant - Various works at Inverell Complex
121202-1000	Sport & Rec Grant	10,545	Sport & Rec Grant - Upgrade Amenities at Inverell Complex
147059-4360	Grants - Noxious Weeds-Special Projects	15,552	Additional Grant Income
147059-4360	Grants - Noxious Weeds-Special Projects	6,376	Additional Grant Income
137601-1000	Fish Habitat Action Grant	8,925	Additional Grant Income
TOTAL INCREASE IN INCOME		1,719,990	Positive figure indicates increased income, (Negative) figure indicates decreased income.
Increase/Decrease in EXPENDITURE			
138801-1100	ACRD - Heavy Patching	392,268	Correct Allocation of Road Funding to ensure that grant funding which requires annual acquittals can be expended before Councils general revenue funded projects are completed.
142512-1100	ACRD - Culverts/Causeways - South	173,778	
142513-1100	ACRD - Culverts/Causeways - North	86,000	
142514-1100	ACRD - Bitumen Renewal	712,454	
138680-1100	ACRD - Urban Reseals	(160,000)	
138810-1100	ACRD - Rural Reseals	(565,000)	
138815-1100	ACRD - Village Reseals	(16,000)	
142980-1100	ACRD - Gravel Resheeting - South - Arterial & Collector	(152,650)	
142505-1100	ACRD - Gravel Resheeting - South - Local Roads	(152,700)	
139990-1100	ACRD - Gravel Resheeting - North - Arterial & Collector	(138,750)	
142990-1100	ACRD - Gravel Resheeting - North - Local Roads	(179,400)	
143618-1100	R2R - Culverts/Causeways	(259,778)	Correct Allocation of Road Funding to ensure that grant funding which requires annual acquittals can be expended before Councils general revenue funded projects are completed.
143619-1100	R2R - Bitumen Road Renewal	(712,454)	
143620-1100	R2R - Heavy Patching	(392,268)	
143616-1100	R2R - Gravel Resheeting - South	305,350	
143617-1100	R2R - Gravel Resheeting - North	318,150	
143621-1100	R2R - Reseals - Regional Roads	419,963	
143622-1100	R2R - Reseals - Local Roads	321,037	
143621-1100	R2R - Reseals - Regional Roads	187,546	
143619-1100	R2R - Bitumen Road Renewal	(187,546)	
139404-1100	Fit 4 Future - Road Backlog - Heavy Patching/Stabilisation	187,546	
139401-1100	Fit 4 Future - Road Backlog - Bitumen Reseals	(187,546)	
143618-1100	Culverts/Causeways	59,778	Allocation of Balance of R2R Funding 2014-2015
143619-1100	Bitumen Road Renewal	300,000	Allocation of Balance of R2R Funding 2014-2016
143620-1100	R2R - Heavy Patching	137,065	Allocation of Balance of R2R Funding 2014-2017
143616-1100	R2R - Gravel Resheeting - South	355,828	Allocation of Additional R2R Supplementary Grant Funding
143617-1100	R2R - Gravel Resheeting - North	303,301	Allocation of Additional R2R Supplementary Grant Funding
143621-1100	R2R - Reseals - Regionals Roads	120,641	Allocation of Additional R2R Supplementary Grant Funding
138801-1100	ACRD - Heavy Patching	119,224	Correct allocation of original budget
138800-1100	ACRD - Heavy Patching	(119,224)	Correct allocation of original budget
137830-1100	BLK-Heavy Patching-Region Rds.	40,000	Allocation funds to heavy patching on regional roads
137630-1120	Blk-Tr 73 -Bundarra/Inverell	(40,000)	Funding for above
137770-1000	SH 12 Maintenance	(28,000)	Reduction in SH12 RMCC funding
160531-1000	Sporting Fields Upgrade	23,000	New Fencing complex 2
145650-1100	Footpath Extensions	30,000	New Paving - Evans Street (Otho to Otho Lane)
129391-1000	Special Projects	(53,000)	Funding for above
128099-1000	Tourist Brochure Expenses	40,000	Tourist Brochure expenses - offset by advertising sales
139500-1100	BlackSpot 2015/16-Old Bundarra Rd (Leviathan-Schwenkes Lane)	197,500	Blackspot funding for Old Bundarra Road
140831-1000	Blackspot 2015/16-SH12 & Rob Roy Intersection	125,000	Blackspot funding for Intersection SH12 & Rob Roy Road
138900-1000	SH12-(WO)-Miscellaneous	20,743	SH12 Miscellaneous works
145866-7100	RMS-Connecting Centres for Cycling-2015/16 Exps	64,000	Correct Allocation of Active Transport Program
145866-7101	RMS-Connecting Centres for Cycling-2015/16 Exps	31,000	Correct Allocation of Active Transport Program
145866-7102	RMS-Connecting Centres for Cycling-2015/16 Exps	282,000	Correct Allocation of Active Transport Program
145870-7103	RMS-Walking Community Infrastructure Exps-2015/16	33,000	Correct Allocation of Active Transport Program
145870-7104	RMS-Walking Community Infrastructure Exps-2015/16	30,800	Correct Allocation of Active Transport Program
145862-1000	RMS-Active Transport Program 2015/16-Expenses	(440,800)	Funding for above
145866-7105	RMS-Connecting Centres for Cycling-2015/16 Exps	4,400	New Grant Funding - Kerb Ramps at Rivers & Mansfield Street
145866-7106	RMS-Connecting Centres for Cycling-2015/16 Exps	29,000	New Grant Funding - Kerb Ramps at SH12 & Inverell Caravan Park & Widen existing path
138270-1000	Urban Works Program-TOTAL ALLOCATION	(16,700)	Council 50% contribution to above programs
137242-3500	Brighter Access Grants	40,581	Brighter Access Grant & Sport & Rec Grant - Various works at Inverell Complex
137242-3500	Sporting Fields-Sports Complex	18,040	Painting Lions & Hockey Shelters at Inverell Complex
129381-1000	Special Projects - DCS	(18,040)	Funding for above

BUDGET VARIATIONS - FINANCE MEETING 11-11-15			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
143006-1100	RP-MR137 Seg 90/100 - Roadside Memorial	924,458	Repair Program Funding for Roadside Memorial Rehabilitation
138280-1000	Repair Program Allocation	(924,458)	Funding for above
147060-3898	Noxious Weeds-Special Projects	15,552	Grant Funding for Cal's Claw Creeper Control
147060-3893	Noxious Weeds-Special Projects	6,376	Grant Funding for Serrated Tussock Control
137603-1000	Fish Habitat Action Grant-Expenditure 2014-2016	8,925	Weir to Bridge - Exotic Invasive Weed Removal
160470-1000	Art Galley Upgrade	60,300	Replace air conditioning at Art Gallery
129381-1000	Special Projects - DCS	(60,300)	Funding for above
TOTAL INCREASE IN EXPENDITURE		1,719,990	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
Restricted Assets			
TOTAL FUNDING FROM RESTRICTED ASSETS		-	
FUNDED FROM EQUITY (G5795.000)		-	
NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)		-	
WATER FUND			
<i>Increase/Decrease in INCOME</i>			
TOTAL INCREASE IN INCOME		-	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income</i>
<i>Increase/Decrease in EXPENDITURE</i>			
TOTAL INCREASE IN EXPENDITURE		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
SEWER FUND			
<i>Increase/Decrease in INCOME</i>			
TOTAL INCREASE IN INCOME		-	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income</i>
<i>Increase/Decrease in EXPENDITURE</i>			
TOTAL INCREASE IN EXPENDITURE		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>

APPENDIX 2

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 30-9-2015
CONSOLIDATED INCOME AND EXPENSE STATEMENT**

	ORIGINAL BUDGET 2015/2016 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2015/2016 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2015 Review (000's)	Dec 2015 Review (000's)	Mar 2016 Review (000's)	June 2016 Review (000's)					
INCOME												
Rates & Annual Charges	16,944							16,944		16,944	17,023	100.47%
User Charges & Fees	3,385							3,385	118	3,503	551	16.28%
Interest	1,087							1,087		1,087	192	17.66%
Other revenues from ordinary activities	441							441	40	481	277	62.81%
Grants & Contributions provided for non capital purposes	8,779							8,779	71	8,850	4,448	50.67%
Grants & Contributions provided for Capital Purposes	5,035							5,035	1,491	6,526	1,136	22.56%
Gain from the sale of assets	160							160		160	210	131.25%
Gain from interest in joint ventures & associates								-		0		0.00%
TOTAL INCOME FROM CONTINUING OPERATIONS	35,831							35,831	1,720	37,551	23,837	66.53%
EXPENSES												
Employee Costs	12,961	111	178					13,250	25	13,275	3023	22.82%
Borrowing Costs	251							251		251	20	7.97%
Materials and Contracts	6,200	2,042	642					8,884	103	8,987	1226	13.80%
Depreciation	8,208							8,208		8,208	2052	25.00%
Other Expenses from ordinary activities	4,211	120						4,331		4,331	1365	31.52%
Loss from the disposal of assets								-				
Loss from interest in joint ventures & associates								-				
TOTAL EXPENSES FROM CONTINUING OPERATIONS	31,831	2,273	820					34,924	128	35,052	7,686	22.01%
NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)	4,000	(2,273)	(820)					907	1,592	2,499	16,151	1780.71%
ADD BACK Non Cash Amounts												
Depreciation	8,208							8,208		8,208	2052	25.00%
Carrying Amount of Assets Sold	85							85		85		0.00%
Capital Amounts	12,293	(2,273)	(820)					9,200	1,592	10,792	18,203	197.86%
Repayments by deferred Debtors	-1							-1		-1	-1	100.00%
Acquisition of Assets	(17,335)	(8,912)	(1,145)					-27,392	(1,592)	-28,984	-2936	10.72%
Loan Repayments	(500)							-500		-500	-83	16.60%
Advance to Deferred Debtors												
Loan Funds	2,000							2,000		2,000	-	0.00%
Less Net Transfers to IRA	3,550							3,550		3,550		0.00%
Plus Equity Funding	-	11,185	1,965					13,150		13,150		0.00%
Unallocated Consolidation Net Profit/(Loss)	7	-	-					7	-	7	15,183	
NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)	(1,035)							(1,035)		(1,035)	15,015	

* Favourable / (Unfavourable) variance

EXPLANATION OF MATERIAL VARIANCES**YTD Variances**

Item	Explanation
INCOME	
Rates & Annual Charges	Includes rate levy for 2014/2016
User Charges & Fees	Includes annual DWM charges for 2015/2016
Gain from the sale of assets	Includes to proceeds from the sale of Fleet items deferred from 2014/2015

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 2015/2016 budget have now been funded.

APPENDIX 3

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 30-9-2015
INCOME & EXPENSES BY FUNCTION

	ORIGINAL BUDGET 2015/2016 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2015/2016 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2015 Review (000's)	Dec 2015 Review (000's)	Mar 2016 Review (000's)	June 2016 Review (000's)					
EXPENSES												
Governance	311							311		311	56	18.01%
Administration	6,334	707						7,041		7,041	1,139	16.18%
Public Order and Safety	941	116						1,057		1,057	306	28.95%
Health & Environment	2,629	13	496					3,138	22	3,160	620	19.62%
Community Services and Education	1,389	87	9					1,485		1,485	422	28.42%
Housing and Community Amenities	688	64	16					768		768	188	24.48%
Water Supplies	3,223							3,223		3,223	696	21.59%
Sewerage and Drainage Services	1,754							1,754		1,754	438	24.97%
Recreation and Culture	2,098	279	20					2,397	68	2,465	522	21.18%
Mining, Manufacturing and Construction	386							386		386	58	15.03%
Transport and Communication	5,215	33	83					5,331	-1	5,330	1,378	25.85%
Economic Affairs	1,295	974	196					2,465	40	2,505	420	16.77%
TOTAL EXPENSES	26,263	2,273	820	0	0	0	0	29,356	129	29,485	6,243	21.17%
REVENUES												
Governance	-							-		-	-	-
Administration	21,299							21,299		21,299	14,749	69.25%
Public Order and Safety	647							647		647	5	0.77%
Health & Environment	3,096							3,096	22	3,118	2,724	87.36%
Community Services and Education	1,263							1,263		1,263	519	41.09%
Housing and Community Amenities	250							250		250	72	28.80%
Water Supplies	4,394							4,394		4,394	2,004	45.61%
Sewerage and Drainage Services	2,494							2,494		2,494	2,296	92.06%
Recreation and Culture	175							175	50	225	64	28.44%
Mining, Manufacturing and Construction	178							178		178	74	41.57%
Transport and Communication	6,338							6,338	1609	7,947	1,865	23.47%
Economic Affairs	343							343	40	383	271	70.76%
TOTAL REVENUE	40,477	0	0	0	0	0	0	40,477	1,721	42,198	24,643	58.40%
OPERATING RESULT: (Surplus)	-14,214	2,273	820	0	0	0	0	-11,121	-1,692	-12,713	-18,400	
Depreciation	8,208							8,208		8,208	2,052	25.00%
Increase in Employee Leave Entitlements	2168							2,168		2,168	409	18.87%
(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS	(3,838)	2,273	820	-	-	-	-	(745)	(1,592)	(2,337)	(15,939)	
Carrying Amount of Assets Sold	85							85		85	0	0.00%
Proceeds Sale of Assets	-245							-245		-245	-210	85.71%
Cost Real Estate Assets Sold								0		0		
Loan Funds Used	-2000							-2,000		-2,000		
Other Debt Finance								0		0		
Repayments by Deferred Debtors	-1							-1		-1	-1	100.00%
Acquisition of Assets	17,335	8,912	1,145					27,392	1592	28,984	2,936	10.13%
Development of Real Estate								0		0		
Advance to Deferred Debtors								0		0		
Repayment of Loans	500							500		500	83	16.60%
Repayment of Other Debts								0		0		
ESTIMATED BUDGET RESULT:												
(SURPLUS)/DEFICIT	11,836	11,185	1,965	0	0	0	0	24,986	0	24,986	(13,131)	
ADD BACK Non Cash Amounts												
Depreciation	8,208							8,208		8,208	2,052	
Carrying Amount of Assets Sold	85							85		85	0	
Plus Net Transfers	-3,550							-3,550		-3,793	0	
Plus Equity Funding**		-11,185	-1,965					-13,150		-13,150		
BUDGET (SURPLUS)/DEFICIT	(7)	-	-	-	-	-	-	(7)	-	(250)	(15,183)	
** Equity Funding is Unexpended Grants, Contributions and incomplete works from previous years where money is held in equity at end of year												
Transfers to Internally Restricted Assets	2,171							2,171		2,171	0	0.00%
Transfers from Internally Restricted Assets	-5,721							-5,721	-243	-5,964	0	0.00%
Net Transfers	-3,550							-3,550	-3,550	-3,793	0	

EXPLANATION OF MATERIAL VARIANCES**YTD Variances**

Item	Explanation
Expenses	

INCOME

Administration	Includes entire rate levy for 2015/2016
Public Order & Safety	Bush Fire Subsidies not received until March 2016
Housing & Community Amenities	Includes entire DWM levy Charges for 2015/2016
Sewerage and Drainage Services	Includes entire annual sewer charges levy for 2015/2016

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 2015/2016 budget have now been funded.

APPENDIX 4

INTERNALLY RESTRICTED ASSETS (CASH) MOVEMENTS							
8/09/2015	EST. BAL. 30/6/14	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2015	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2016
PURPOSE		Code 6210	Code 6220		Code 6210	Code 6220	
GENERAL ACTIVITIES	\$	\$	\$	\$	\$	\$	\$
BUILDING REFURBISHMENT/UPGRADE	2,567,843.18			2,567,843.18		747,000	1,820,843.18
EQUIP. UPGRADE/EMERGENCY MTCE	210,805.00			210,805.00			210,805.00
COMPUTER/IT SYSTEMS UPGRADES	758,046.00			758,046.00		51,000	707,046.00
INDUSTRIAL DEVELOPMENT	668,600.00			668,600.00			668,600.00
RESIDENTIAL DEVELOPMENT	7,309.77			7,309.77			7,309.77
AERODROME UPGRADE	508,330.00		374,000	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.	847,842.00	90,500		938,342.00	120,000		1,058,342.00
WASTE INFRASTRUCTURE	242,274.00	112,012		354,286.00	220,000		574,286.00
WASTE-EXTERNALITY SUSTAINABILITY	123,000.00	54,000		177,000.00	120,000		297,000.00
PLANT REPLACEMENT	3,656,062.00	1,669,391	1,352,906	3,972,547.00	1,676,000	1,429,000	4,219,547.00
						500,000	(500,000.00)
GRAVEL PIT RESTORATION	93,076.00	25,603		118,679.00	17,500		136,179.00
GRAVEL PIT RESTORATION -Roads	30,357.00	25,603		55,960.00	17,500		73,460.00
COMMUNITY CAPITAL PROJECTS AND LAND	1,355,000.00	150,000		1,505,000.00		855,000	650,000.00
BUSINESS UNITS	618,616.00	1,520,000		2,138,616.00		2,138,616	-
STRATEGIC CAPITAL PROJECTS FUND	384,000.00	515,000	894,550	4,450.00	-	-	4,450.00
STRATEGIC DEVELOPMENT FUND	1,115,611.00			1,115,611.00			1,115,611.00
EMPLOYEE LEAVE ENTITLEMENTS	1,000,710.46	10,000		1,010,710.46			1,010,710.46
WORKERS COMP INSURANCE	438,903.00			438,903.00			438,903.00
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	1,752,000.00	250,000		2,002,000.00			2,002,000.00
ROAD RESUMPTIONS	20,000.00			20,000.00			20,000.00
INVERELL HOCKEY FACILITY	150,000.00	150,000		300,000.00			300,000.00
CONNECTIONS PLANT/EQUIP.	54,220.61			54,220.61			54,220.61
CONNECTIONS ELE	25,792.00			25,792.00			25,792.00
LINKING TOGETHER CENTRE ELE	17,834.45			17,834.45			17,834.45
LINKING TOGETHER CENTRE	24,000.00		24,000	-			-
ASHFORD MEDICAL CENTRE	250,000.00		250,000	-			-
SES BUILDINGS	144,356.00	51,155	128,200	67,311.00			67,311.00
FUND TOTAL	17,758,421.47	4,623,264	3,023,656	19,358,029.47	2,171,000	5,720,616	15,808,413.47
WATER SUPPLY							
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	1,372,260.00	625,000		1,997,260.00			1,997,260.00
FUND TOTAL	2,005,200.00	625,000	-	2,630,200.00	-	-	2,630,200.00
SEWERAGE SERVICES							
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	1,053,200.00	443,000	-	1,496,200.00			1,496,200.00
FUND TOTAL	1,177,278.82	443,000	-	1,620,278.82	-	-	1,620,278.82
TOTAL OF ALL FUNDS	20,940,900.29	5,691,264	3,023,656	23,608,508.29	2,171,000	5,720,616	20,058,892.29

Note 1 Funding Building Refurbishments
OLG Promoting Better Practice Recommendation
Note 2 Replace Revenue/Property System 2015/2016 etc
Rifle Range Road Subdivision
Note 3 Federal Compensation Package Funds, 2014/15 Reseal
Future Library Building Refurbishments
Tourism Brochure etc
Note 4 Waste Strategy Funds - Restricted
Note 4 Waste Strategy Funds - Restricted
Note 4 Waste Strategy Funds - Restricted
Note 4 Waste Strategy Funds - Restricted
Note 5 Plant Fleet Asset Renewals
Rehabilitation Requirement
Rehabilitation Rifle Range Road and others
Note 6 Was Saleyards. 2014/2015 Commitment \$200K Tintot Bridge Renewal
Note 7 Land Bank/Infrastructure Development Funding
Restricted - Minimum Statutory Requirement
Promoting Better Practice Recommendation
Funding for future building refurbishments
Promoting Better Practice Recommendation
Future Upgrades (includes Transfer from Provisions)
Ongoing Issue
Field Resurfacing
Restricted - Auspiced Program
Restricted - Auspiced Program
Restricted - Auspiced Program
Accumulated Funds - Building Contribution
2014/2015 Project
Ashford SES Building

Restricted - Statutory Requirement
Promoting Better Practice Recommendation
Note 8 Best Practice Guidelines

Fit for the Future
Rural Roads Program
4,291,616

Restricted - Statutory Requirement
Promoting Better Practice Recommendation
Inverell Sewer Treatment Plant and Pump Station 1 renewal

INTERNALLY RESTRICTED ASSETS COMMITMENTS			
Note 1 - Building Refurbishment/Upgrade Projects - Asset Renewal funded from annual depreciation expense			
Note 2 - Replace Property/Revenue System			
Note 3 - Funding received from Federal Compensation Package - full runway reseal and line mark 2014/2015 \$450K - Asset Renewal			
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			
Note 6 - Future Capital Works/Non-Trading Land Purchases/Industrial Land Development Fund		500,000.00	Industrial Land Development
		150,000.00	Council Contribution to Heritage Trade Training Centre
		650,000.00	
Note 7 - Strategic Capital Projects and Infrastructure Fund	Cameron Oval	247,450	2014/2015 Program Asset Renewal - Grant Funding \$510k
		247,450	
Note 8 - Future Capital Works	Ashford Water Treatment Plant	1,013,000.00	2012/2013 Infrastructure Renewal Program LIRS Project
	Other Capital Works	700,000.00	Inverell Treatment Works Renewal/Refurbishment Project
		1,713,000.00	

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

CAPITAL EXPENDITURE 2015/2016

Capital Expenditure

TOTAL IRA FUNDING	6,430,616
GRANT FUNDING	7,643,799
LOAN FUNDING	2,000,000
TOTAL 1415 UNEXPENDED GRANTS	-
TOTAL REVOTES/EQUITY	-
REVENUE FUNDING REQUIRED	2,870,933
TOTAL	18,945,348

APPENDIX 6

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2015
CAPITAL BUDGET**

	ORIGINAL BUDGET 2015/2016 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2015/2016 (000's)	ACTUAL YTD (000's)
		Revotes (000's)	Unexpended Grants (000's)	Sept 2015 Review (000's)	Dec 2015 Review (000's)	Mar 2016 Review (000's)	June 2016 Review (000's)				
CAPITAL FUNDING											
Rates and Other untied Funding											
General Fund	1,182							1,182	101	1,283	1,283
Sewer Fund	540							540		540	540
Water Fund	832							832		832	832
Capital Grants & Contributions											
Bushfire	360							360		360	
Sporting Fields	10							10		10	
Library	25							25		25	
Roads	5,955							5,955	1,491	7,446	1,136
Internal Restricted Assets											
Aerodrome											
Plant Replacement	1,624							1,624		1,624	
Roads Program	4,292										
Sewerage Future Capital Works											
Water Future Capital Works											
Strategic Capital Projects Fund	515							515		515	
Loan Funding	2,000										
Equity (Unexpended Grants and Contributions from previous years)		8,912	1,145					10,057		10,057	10,057
TOTAL CAPITAL FUNDING	17,335	8,912	1,145	-				27,392	1,592	22,692	13,848
CAPITAL EXPENDITURE											
Administrative Services	15							15	60	75	19
Aerodrome											
Engineering Equipment	2							2		2	2
SES/Bushfire	367	15						382		382	
Information Services	108							108		108	26
Sporting Fields	20							20		20	8
Cemetery	1							1		1	
Library	114		4					118		118	20
Plant	1,624							1,624		1,624	1,100
Other Structures/Buildings		801	6					807	23	830	478
Minor Community Infrastructure Assets	160	490	166					816	(101)	715	
Strategic Capital Infrastructure Program	135	566	23								
Waste Management Capital	2,000		168								
Sewerage Services	540	3,999						4,539		4,539	60
Water Services	832	959						1,791		1,791	878
Roads	11,417	2,082	778					14,277	1,610	15,887	952
TOTAL CAPITAL EXPENDITURE	17,335	8,912	1,145	-				27,392	1,592	28,984	3,543

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 2015/2016 budget have now been funded.

APPENDIX 7

INVERELL SHIRE COUNCIL
INVESTMENTS HELD 30/9/15

Term Deposit Investment Group											
Investment No.	Borrower	Account No.	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
15/29	St George Bank	353307121	General	A1+	1	08-Apr-15	08-Oct-15	2.80%	2,000,000	2,000,000	183
15/16	National Australia Bank	11-976-1659	General	A1+	1	15-Oct-14	15-Oct-15	3.60%	1,000,000	1,000,000	365
15/30	St George Bank	352507702	General	A1+	1	16-Apr-15	16-Oct-15	2.77%	1,000,000	1,000,000	183
15/18	Westpac	032-555 21-2740	General	A1+	1	28-Oct-14	28-Oct-15	3.58%	3,000,000	3,000,000	365
15/31	Bank West	4355369	Sewer	A1+	1	28-May-15	28-Oct-15	3.00%	2,000,000	2,000,000	153
16/04	Bank West	4386793	General	A1+	1	28-Aug-15	26-Nov-15	2.80%	2,000,000	2,000,000	90
16/07	St George Bank		General	A1+	1	02-Sep-15	02-Dec-15	2.60%	1,000,000	1,000,000	91
15/20	CBA	255650139682	Sewer	A1+	1	11-Dec-14	11-Dec-15	3.55%	1,500,000	1,500,000	365
15/35	National Australia Bank	84-516-3709	General	A1+	1	17-Jun-15	14-Dec-15	3.00%	2,000,000	2,000,000	180
15/33	National Australia Bank	94-191-1076	General	A1+	1	01-Jun-15	04-Jan-16	3.00%	2,000,000	2,000,000	217
15/34	National Australia Bank	13-782-7359	General	A1+	1	10-Jun-15	11-Jan-16	3.00%	1,000,000	1,000,000	215
15/37	St George Bank	354564217	General	A1+	1	22-Jun-15	22-Jan-16	3.05%	2,000,000	2,000,000	214
15/38	Suncorp	4010002104	General	A1+	1	22-Jun-15	18-Jan-16	3.00%	1,000,000	1,000,000	210
15/32	CBA	255650138612	General	A1+	1	28-May-15	28-Jan-16	3.05%	1,000,000	1,000,000	245
16/01	National Australia Bank	94-943-0648	Water	A1+	1	13-Aug-15	09-Feb-16	2.90%	1,000,000	1,000,000	180
16/05	IMB	43637	General	A2	2	28-Aug-15	01-Mar-16	2.80%	1,000,000	1,000,000	186
16/03	AMP BANK	TD676788581-353235	General	A1	2	28-Aug-15	01-Mar-16	2.90%	2,000,000	2,000,000	186
16/06	Suncorp		General	A1+	1	28-Aug-15	11-Mar-16	2.80%	1,000,000	1,000,000	186
16/08	AMP BANK	TD016305328-354197	General	A1	2	04-Sep-15	01-Mar-16	2.90%	1,000,000	1,000,000	179
16/09	AMP BANK	TD000404707-354196	Water	A1	2	04-Sep-15	01-Mar-16	2.90%	1,000,000	1,000,000	179
16/12	National Australia Bank	73-096-3984	Sewer	A1+	1	19-Sep-15	15-Mar-16	3.00%	2,000,000	2,000,000	180
15/38	National Australia Bank	16-437-5597	Water	A1+	1	22-Jun-15	23-Mar-16	3.05%	1,000,000	1,000,000	274
16/01	National Australia Bank	39-818-0450	General	A1+	1	15-Jul-15	11-Apr-16	2.95%	2,000,000	2,000,000	271
16/10	CBA		General	A1+	1	16-Sep-15	16-May-16	2.70%	1,000,000	1,000,000	243
16/11	National Australia Bank		General	A1+	1	18-Sep-15	15-Sep-16	2.80%	1,000,000	1,000,000	365
15/19	CBA	255650139690	General	A1+	1	11-Dec-14	11-Dec-16	3.80%	1,000,000	1,000,000	732
14/22	Westpac	032-555 23-2282	General	A1+	1	17-Dec-13	16-Dec-16	4.31%	2,000,000	2,000,000	1095
15/01	CBA	255650139789	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/02	CBA	255650140915	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/03	CBA	255650140923	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/08	CBA	255650141168	General	A1+	1	01-Sep-14	01-Sep-17	3.90%	1,000,000	1,000,000	1096
15/10	Bank of Queensland	11307	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	44,500,000	44,500,000

Cash Deposits Accounts Investment Group											
As at Date	Borrower	Account No.	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	
30/9/15	National Australia Bank (Cash Maximiser)	83-038-3012	General	A1+	1			2.50%	1,000,000	1,000,000	
30/9/15	UBS Cash Management Account	450193	General	A1+	1			2.25%	1,043,367	1,043,367	
Sub Total - Cash Deposits Accounts Investment Group									2,043,367	2,043,367	

Floating Rate Notes Investment Group											
As at Date	Borrower	Account No.	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	Account No.	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Written Down Value 30-6-15	Current value	
30/9/15	Lehman Brothers Treasury Co B.V (CPPI-7457)	7457	Water	DD	5		9/5/2010*	0.00%	300,000	18,000	18,000	
Sub Total - Structured Products Investment Group									-	300,000	36,000	18,000

Portfolio by Fund	
General Fund	38,043,367
Water Fund	3,018,000
Sewer Fund	5,500,000
TOTAL	46,561,367

Portfolio by Fund	as at 31-8-15	as at 30-9-2015
General Fund	39,043,367	38,043,367
Water Fund	3,018,000	3,018,000
Sewer Fund	5,500,000	5,500,000
TOTAL	47,561,367	46,561,367

APPENDIX 8

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2015
CASH & INVESTMENTS**

	ORIGINAL BUDGET 2015/2016 (000's)	Approved Changes						Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2015/2016 (000's)	ACTUALS (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2015 Review (000's)	Dec 2015 Review (000's)	Mar 2016 Review (000's)	June 2016 Review (000's)			
EXTERNALLY RESTRICTED										
Water Services	5,505						5,505		5,505	5,505
Sewerage Services	6,324						6,324		6,324	6,324
Waste Management	1,638						1,638		1,638	1,638
Special Purpose Grants	1,834						1,834		1,834	3,448
Developer Contributions	301						301		301	157
Bonds & Deposits	33						33		33	33
Stormwater Management	-						-		-	109
TOTAL EXTERNALLY RESTRICTED	15,635						15,635		15,635	17,214
INTERNALLY RESTRICTED										
Employee Leave Entitlements	1,054						1,054		1,054	1,054
Strategic Development Fund	1,115						1,115		1,115	1,115
Plant Replacement	3,973						3,973		3,973	3,973
Computer	758						758		758	758
Administration Building	2,568						2,568		2,568	2,568
Business Units	2,139						2,139		2,139	2,139
Aerodrome	134						134		134	134
Workers Compensation Insurance	439						439		439	439
Future Capital Works/Land Purchases	1,505						1,505		1,505	1,505
Emergency Management/ Equipment Upgrades	211						211		211	211
Industrial Development	669						669		669	669
Special Capital Projects	5						5		5	5
Baths Improvements	2,002						2,002		2,002	2,002
Sports Grounds - Hockey Facility	300						300		300	300
Other Restrictions	848						848		848	848
TOTAL INTERNALLY RESTRICTED	17,720						17,720		17,720	17,720
TOTAL RESTRICTED	33,355						33,355		33,355	34,934
TOTAL CASH & INVESTMENTS	46,541						46,541		46,541	46,561
AVAILABLE WORKING CAPITAL	13,186	Figure incl. revotes & Unexpended grants from 2014/15 \$8.2m							13,186	11,627

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

COMMENT ON CASH & INVESTMENT POSITION

Councils overall Investment Portfolio remains sound and as at 30 September 2015 Councils Cash and Investment Portfolio totalled \$46.6 million plus \$5.65 million Cash at bank. This includes securities with a market value of \$18K 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	17,214
Total Internal Restricted Funds	17,720
Total Restricted	34,934
Total Funds Invested as per Investment Report (30-09-13)	46,561
Total Available Working Capital	11,627

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 September, 2015, 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 September, 2015, 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 30-9-2015
CONTRACTS**

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
NSW Spray Seal	2015/2016 Reseal Program	\$ 1,090,550.00	Sep-15	Dec-15	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 30-9-2015
CONSULTANCY & LEGAL EXPENSES**

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
CONSULTANCIES		
Heritage Advisor	4,050.00	Y
Town Centre Renewal	6,200.00	Y
Investment Advisor	3,000.00	y
LEGAL FEES	1,171.00	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

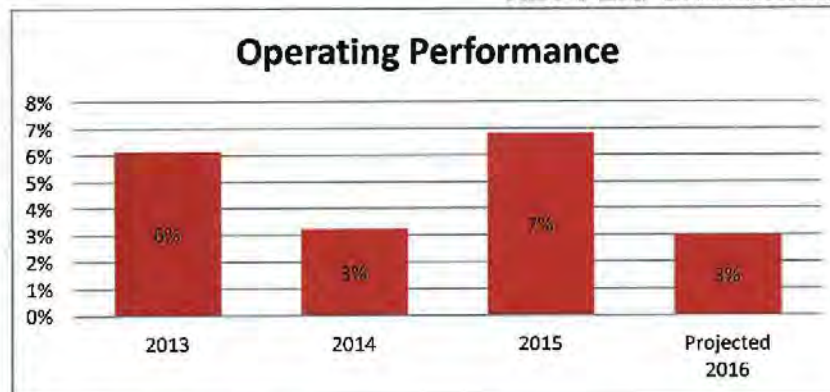
APPENDIX 10

INVERFLEET OPERATIONS 2015-2016

FROM 01-Jul-2015 TO 30-Jun-2016

SUFFIX	DESCRIPTION	2016 BUDGET	2016 Y.T.D.	% VOTE	BALANCE
	Operators Wages	32,000	17,005	53.1%	14,995
	Mechanics Wages	264,660	119,106	45.0%	145,554
	Repairs	15,000	-	0.0%	15,000
	Parts	370,000	146,967	39.7%	435,033
	Tyres	197,000	21,196	1.3%	175,804
	Fuel	1,086,000	341,114	31.4%	744,886
	Registration	185,000	10,692	5.8%	174,308
	Accident Expenses	7,500	-	0.0%	7,500
	Depreciation	1,600,000	400,000	25.0%	1,200,000
	Oils & Lubricants	40,000	12,812	32.0%	27,188
	Cutting Edges	60,000	13,696	22.8%	46,305
	Insurance	130,000	123,124	94.7%	6,876
148170	Miscellaneous +G4817.000	253,000	44,035	17.4%	208,965
148190	Insurance Excess	8,000	-	0.0%	8,000
148210	Ashford Workshop Exp.	22,000	3,988	18.1%	18,012
148220	Inverell Workshop Exp.	48,015	9,252	19.3%	38,763
148230	Apprentice Exp.	15,000	-	0.0%	15,000
148240	Administration Charge	302,040	75,510	25.0%	226,530
148250	Small Plant & Tools	80,195	19,967	24.9%	60,228
994825	Depreciation Small Plant & Tools	76,000	19,000	25.0%	57,000
148260	Plant & Tools under \$750	3,000	-	0.0%	3,000
148280	Oncosts (Super,w/comp etc.)	163,935	46,633	28.4%	117,302
146370	2 Way Radio SYSTEM UPGRADE	0	-	0.0%	0
146380	2 Way Radio M & R	17,020	8,732	51.3%	8,288
146390	2 Way Radio Installations	2,500	-	0.0%	2,500
146400	2 Way Radio Licences	1,500	-	0.0%	1,500
TOTAL OPERATING COSTS:		4,979,365	1,432,828	28.8%	1,388,413
128780	Council Hire	-4,802,000	- 1,657,924	34.5%	-3,144,076
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	-1,500	-	0.0%	-1,500
148400	Small Plant & Tools	-120,120	- 30,030	25.0%	-90,090
TOTAL OPERATING INCOME:		-4,929,620	- 1,687,954	34.2%	-1,299,794
NET RESULT:		49,745	255,126	-512.9%	304,871
Less GPS Units		-50,000	-	0.0%	-50,000
Less Capital Replacement Inflation Allowance		-	20,950		
		-255	234,176	91833.5%	233,921
REPLACEMENT PROGRAM					
161620	Heavy Plant Purchases	925,000	916,889	99.1%	8,111
161600	Light Plant Purchases	249,000	246,416	99.0%	2,584
161590	Small Plant Purchases	105,000	38,987	37.1%	66,013
	Workshop Upgrades	305,000	-	0.0%	305,000
148221	Workshop Equipment	40,000	-	0.0%	40,000
		1,624,000	1,202,293	74.0%	421,707
168100	Sale of Heavy Plant	-140,000	- 103,727	74.1%	-36,273
168110	Sale of Light Plant	-105,000	- 60,909	58.0%	-44,091
168120	Sale of Small Plant	0	-	0.0%	0
NET RESULT:(Surplus)/Deficit		1,379,000	1,037,657		341,343
PLANT RESERVE					
G6168	Estimated Balance 1.7.14	4,336,562	4,336,562		0
G6168.802	Transfer from 2014/2015	-1,929,000	- 1,037,657		-891,343
G6168.801	Transfer to 2014/2015	1,676,000	419,000		1,257,000
G6168	Balance 30.06.2015	4,083,562	3,717,905		365,657

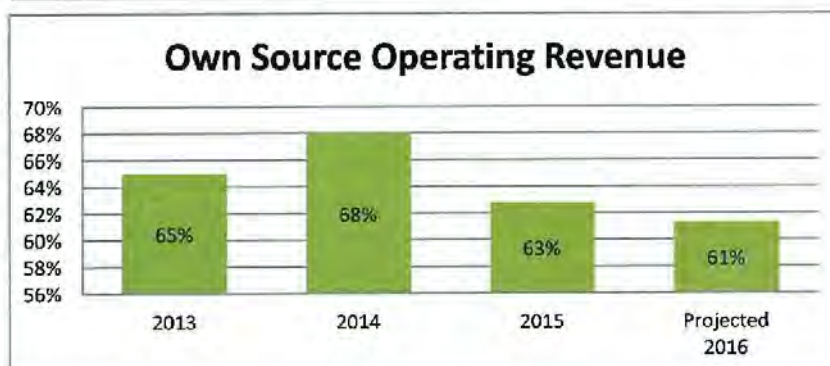
**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2015
KEY PERFORMANCE INDICATORS**



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%.

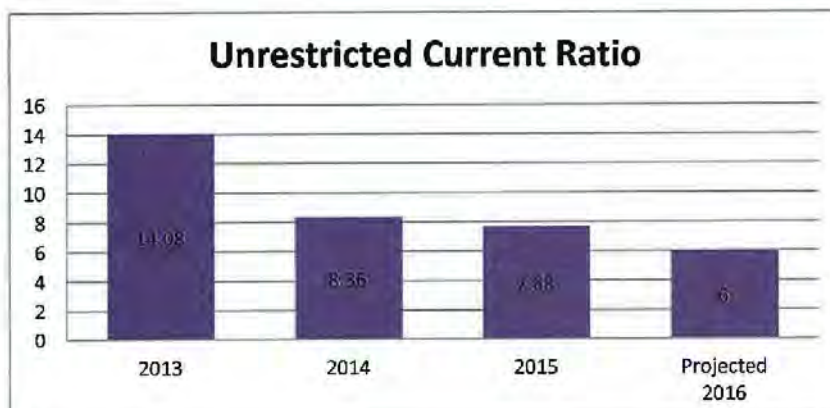
The "fit for the future" benchmark is that council should have a breakeven or better operating performance ratio over a three year period.



The **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.

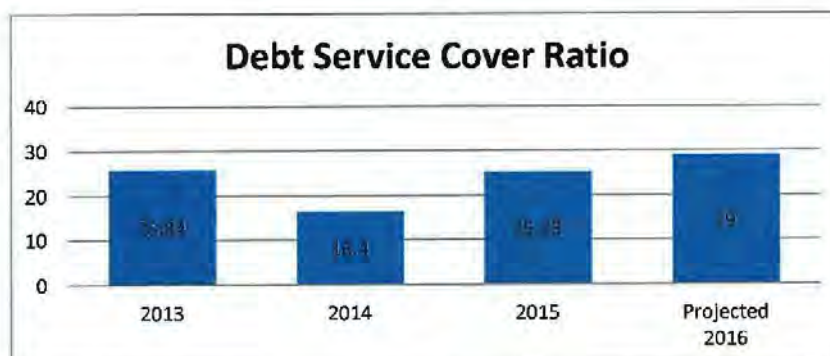


The **Unrestricted Current Ratio** excludes all current assets and liabilities that are restricted for specific purposes. These include the water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions

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

The Tcorp benchmark is greater than 1.5

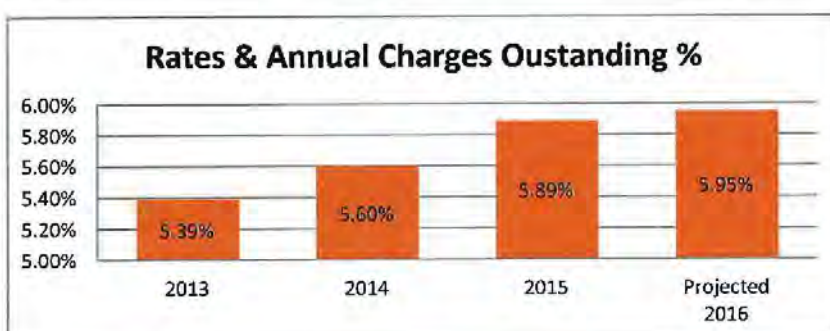
The "fit for the future" benchmark is that councils should have own source revenue of greater than 60% over a three year period.



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

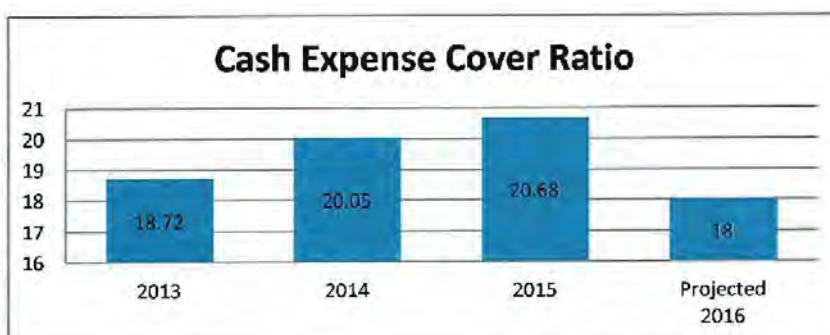
The Tcorp benchmark is to have a ratio of greater than 2.



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

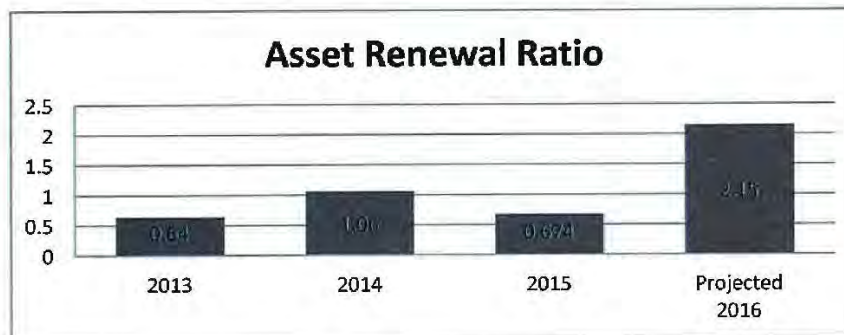
The Tcorp benchmark is to have a ratio of less than 10%



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 30-9-2015
KEY PERFORMANCE INDICATORS**

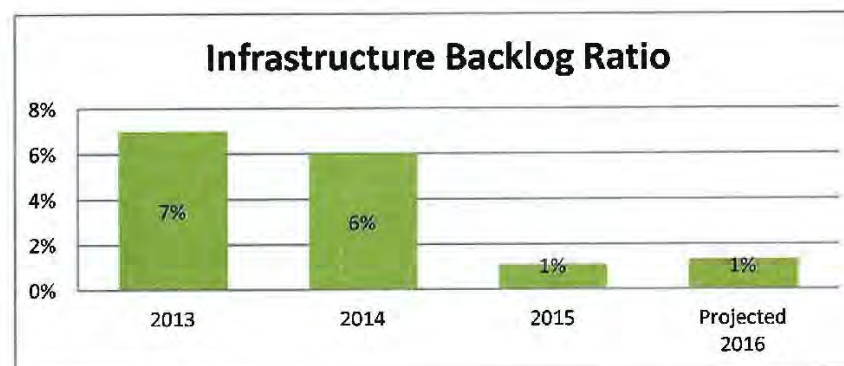


The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

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

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

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

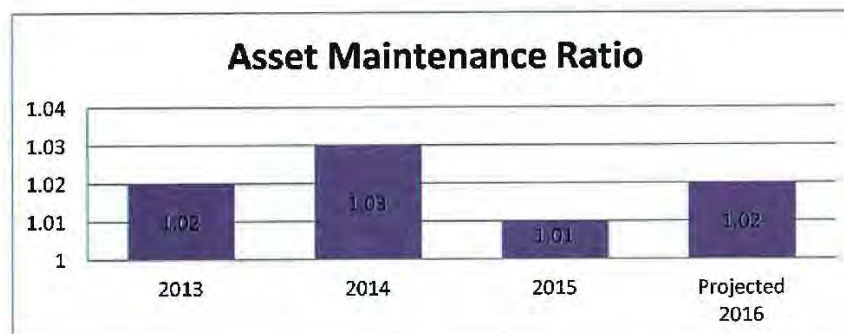


The **Infrastructure Backlog Ratio** assess Council infrastructure backlog against the total value of councils infrastructure.

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

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

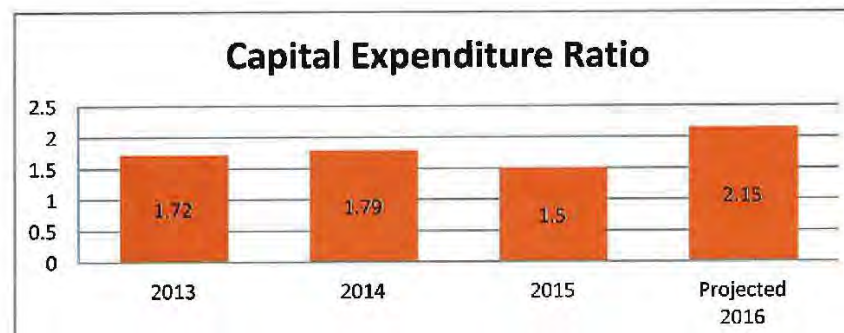
2012 figure (20%) was the cost to bring all Shire roads up to HML standard.



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%



The **Capital Expenditure Ratio** indicates the extend to which Council is forecasting to expend its asset base with capital expenditure spent on both new assets and replacelment and renewal of existing assets.

The Tcorp benchmark is a ratio of greater than 1.1.