

**INVERELL SHIRE COUNCIL**

**NOTICE OF MEETING**

**ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE**

4 August, 2016

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 10 August, 2016, 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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**NOTE:** A JOINT SITTING OF THE TWO STANDING COMMITTEE'S WILL BE HELD AT THE CONCLUSION OF THE ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING TO CONSIDER A GOVERNANCE DISCUSSION PAPER. THE DISCUSSION PAPER WILL BE FORWARDED UNDER SEPARATE COVER.

## 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, 10 August, 2016

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MINUTES OF THE ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING HELD IN THE COMMITTEE ROOM, INVERELL SHIRE COUNCIL, 144 OTHO STREET, INVERELL ON WEDNESDAY, 13 JULY, 2016, COMMENCING AT 10.30AM.

PRESENT: Cr A A Michael (Chairperson), Crs D F Baker, P J Girle, H N Castledine, B C Johnston and D C Jones.

Also in attendance: Paul Henry (General Manager), Ken Beddie (Director Corporate and Economic Services) and Brett McInnes (Director Civil and Environmental Services).

SECTION A

APOLOGIES:

Apologies were received from Crs P J Harmon and J A Watts.

*RESOLVED (Girle/Johnston) that the apologies from Crs P J Harmon and J A Watts be noted.*

1. CONFIRMATION OF MINUTES

*RESOLVED (Baker/Jones) that the Minutes of the Economic and Community Sustainability Committee Meeting held on 8 June, 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 Michael declared a pecuniary interest in Section G, Confidential Reports, Item 1, "104 Otho Street, Inverell". The nature of the interest relates to Cr Michael's association with a developer with a possible interest in the property.

3. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil.

SECTION B  
ADVOCACY REPORTS

MTM-A      Cr Girle      Sapphire City Festival 2016      S26.3.11/08

Cr Girle noted the recent meeting for the 60<sup>th</sup> Anniversary Festival Event. An event is being planned for past Festival Queens at the Art Gallery. Can Council assist in this matter?

*RESOLVED (Girle/Jones) that the Committee recommend to Council that a Mayoral Civic Reception be held for the past Festival Queens as part of the 60<sup>th</sup> Anniversary 2016 Sapphire City Festival.*

Cr Michael      Tingha Public Meeting

Cr Michael noted the comprehensive report prepared for the Tingha Public Meeting by the General Manager and commended the General Manager on the quality of the report. The report covered a range of matters which appeared to anticipate the type of matters that were of interest to Tingha residents.

SECTION C  
COMMITTEE REPORTS

1. PUBLIC ART SUNSET COMMITTEE MEETING MINUTES – 2 JUNE 2016  
S26.5.10

*RESOLVED (Johnston/Castledine) that:*

- i) the Minutes of the Public Art Sunset Committee Meeting held on Thursday, 2 June, 2016, be received and noted; and*
- ii) the following recommendation of the Public Art Sunset Committee be considered by Council:*

1. CHRISTMAS DECORATIONS 2016

*That Council proceed with the acquisition of LED lit Christmas decorations for the Campbell Street and Byron/Otho Street roundabouts for Christmas 2016.*

SECTION D  
DESTINATION REPORTS

1. EXPIRING LEASE AGREEMENT S5.10.63

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

- i) Council renew the agreement with Northern Broadcasters Pty Ltd for Part Lot 520, DP 753287, McIlveen Park Lookout, Inverell for a five (5) year period with a further five (5) year option;*
- ii) the lease fee be \$2500.00 per annum (GST inclusive) with a 3% increase per annum; and*
- iii) the Lease Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

2. REQUEST FOR ASSISTANCE - INVERELL SHOW SOCIETY S12.22.1/09

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

- i) Council advise the Inverell Show Society that it is prepared to consider the opportunities to support the Society for the development of a suitable major multi-use building facility at the Inverell Show Ground; and*
- ii) the Society's attention be drawn to the historic pavilion that was located on the Ground and request the Society consider constructing their facility in a similar manner.*

3. SPONSORSHIP REQUEST – 2016 ASHFORD SALAMI FESTIVAL  
S12.22.1/09

CSOP-A *RESOLVED (Baker/Girle) that the Committee recommend to Council that Council provide a \$200 donation to the 2016 Ashford Salami Festival.*

4. INVERELL CHAMBER OF COMMERCE AND INDUSTRY - REQUEST FOR FUNDING S8.5.3

DCS-A *RESOLVED (Baker/Jones) that the Committee recommend to Council that Council provide \$10,000 marketing contribution to the Inverell Chamber of Commerce and Industry for the 2016 WOW Shop Local Advertising Program, subject to Council being*

*provided with a report on the expenditure of the funds and the program outcomes.*

5. 104 OTHO STREET, INVERELL (LISTING) S5.2.1/18

*RESOLVED (Jones/Girle) 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.*

6. INLAND RAIL STAKEHOLDER WORKSHOP S30.16.7

GM-A *RESOLVED (Girle/Johnston) that the Committee recommend to Council that:*

- i) the information be noted; and*
- ii) Goondowindi Regional Council be advised that Council is prepared to support any community seeking to be served by the Inland Rail, provided the integrity of the project is not compromised.*

#### SECTION E INFORMATION REPORTS

1. LOCAL GOVERNMENT AMENDMENT (GOVERNANCE AND PLANNING) BILL 2016 S4.10.5

2. STAFF MOVEMENTS: 1 JANUARY 2016 TO 31 MARCH 2016 S22.25.1

3. STAFF MOVEMENTS: 1 APRIL 2016 TO 30 JUNE 2016 S22.25.1

*RESOLVED (Baker/Castledine) that the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 13 July, 2016, be received and noted.*

At this juncture, the time being 11.05am, Cr Johnston left the meeting.

#### SECTION F QUESTIONS WITHOUT NOTICE

General Manager Joint Organisation of Councils (JOC)

The Office of Local Government has been providing training for Councils in this matter, including the proposed make-up of each JOC. At the Armidale training, Armidale Regional Council advised that it is their intention to become part of the Namoi JOC in preference to being part of the New England JOC. This has significant implications for the New England JOC.

SECTION H  
GOVERNANCE REPORTS

1. STORES & MATERIALS STOCKTAKE S23.16.5/09

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

- i) the stores and materials Stocktake information be received and noted; and*
- ii) the adjustment of **-\$212.57** be made in the Stores Ledger.*

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

*RESOLVED (Jones/Girle) 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.*

At this juncture, the time being 11.16am, having previously declared a pecuniary interest in Section G, Confidential Reports, Item 1, "104 Otho Street, Inverell", Cr Michael left the meeting and did not participate in the vote in this matter. Cr Castledine assumed the Chair.

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

At 11.17am, the Chairperson noted that no members of the public were present at the meeting to make representations as to whether any part of the Committee Meeting should not be considered in Closed Committee.

CLOSED COMMITTEE REPORTS

*RESOLVED (Baker/Castledine) 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 11.28am, the Chair verbally reported that the Committee, with the Press and Public excluded, having considered the matters referred to it, recommends as follows:

1. 104 OTHO STREET, INVERELL S5.2.1/18

GM-A *That the Committee recommend to Council that:*

- i) this allotment be valued by LJ Hooker (Inverell) in accordance with the "valuation of land" proposal accepted by Council at the June, 2016 Council Meeting;*
- ii) after Council determines the price for this allotment, that the property be listed for sale with all local Real Estate Agents; and*
- iii) the conditions of offer shall be that the prospective purchaser:*
  - a. develop a multi-storey building with a mix of retail/commercial/accommodation activities, and*
  - b. the development be of an appropriate scale and capacity complimentary of the three (3) developments on the opposing corners of the site in the*

CBD.

ADOPTION OF RECOMMENDATION

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

At this juncture, the time being 11.29am, Cr Michael returned to the meeting and assumed the Chair.

There being no further business, the meeting closed at 11.31am.

CR A A MICHAEL

CHAIRPERSON



TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 10/08/2016

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S5.10.128
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>EXPIRING LICENCE AGREEMENT - INVERELL POLOCROSSE CLUB INC.</b>	
<b>PREPARED BY:</b>	Hayley Nichols, Corporate Support Officer - Publishing	

**SUMMARY:**

The Licence Agreement between Council and the Inverell Polocrosse Club Inc. expired 30 June, 2016. The Committee is requested to consider offering the Club a new Agreement.

**COMMENTARY:**

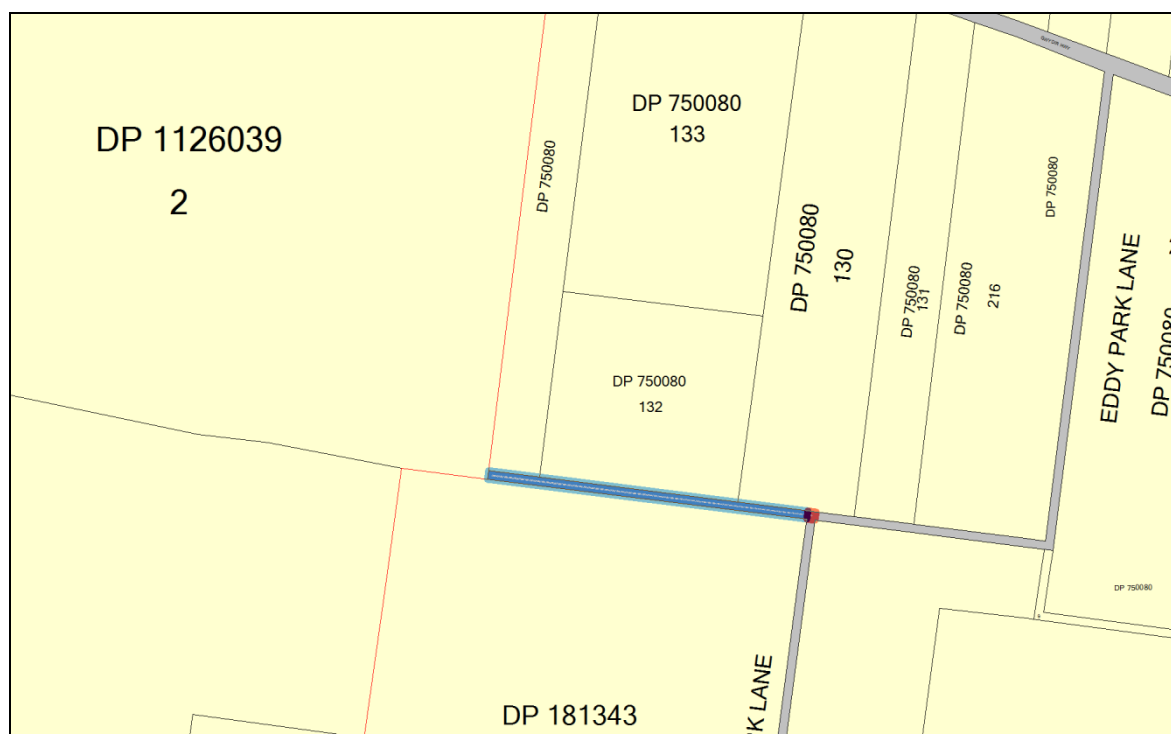
The Licence Agreement between Council and the Inverell Polocrosse Club Inc. expired 30 June, 2016. The Agreement for the approximate 750 metre unformed road was originally granted in 2012 to facilitate access to the Polocrosse fields located on the adjoining Lot, being Lot 2, DP1126039. The authorised use of the land remains unchanged.

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 \$113.30 (GST inclusive).

The Committee is requested to consider offering the Inverell Polocrosse Club Inc. 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:**

*The Committee recommends to Council that:*

- i) Council renew the agreement with Inverell Polocrosse Inc. for Part unformed road off Eddy Park Lane, Rob Roy;*
- ii) the licence agreement be for a two (2) year period with a further two (2) year option;*
- iii) the Licence fee be \$120.00 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> S5.2.3
<b>DESTINATION 1:</b>	A recognised leader in a broader context	<b>R</b>
<b>SUBJECT:</b>	<b>ABORIGINAL LAND CLAIM</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

Council is in receipt of correspondence from the NSW Government, Department of Industry advising of the lodgement of an Aboriginal land claim. Council is being asked to receive and note the action that has been taken.

**COMMENTARY:**

The Aboriginal Land Claim Investigation Unit (ALCIU) as the responsible authority for the investigation of Aboriginal Land Claims has been notified by the Office of the Registrar Aboriginal Land Rights Act of the following Aboriginal Land Claims within the Inverell Local Government Area.

Claim No	Land Council	Land Claimed	Lodged	LGA	Suburb
40893	New South Wales	Lot 616 DP 41796;	28/06/2016	INVERELL	INVERELL

Lot 616, DP 41796 is situated on Ashford Road, on the outskirts of Inverell, and is known as the Inverell Motorsport Complex, Reserve 97964 gazetted 25 October, 1985 for the purpose of public recreation (speedway). The reserve is managed by a volunteer community reserve trust board.

The reserve has an area of 12.94 ha. A map of the area is detailed below.



Investigation of this claim has not commenced and a time period for when it will be investigated cannot be given at this time.

This correspondence is only to advise Council of the lodgement of the claim, which may or may not affect land managed by Council or land which Council has identified for future projects.

Lodging of an Aboriginal Land Claim creates an interest in the land. Prior to any future dealings in this land, consultation should be undertaken with Crowns Lands.

Aboriginal Land Claims are investigated against criteria set out in Section 36 of the *Aboriginal Land Rights Act 1983*. Regardless of when an investigation is conducted, the key date for the investigation is the date the claim was lodged.

The NSW Government has indicated that if Council has any information clearly identifying the subject land as being lawfully used and occupied, needed for an essential public purpose, or needed for residential lands, Council is requested to provide this information to the ALCIU. In due course Council may be formally requested to provide information on this matter.

As Council would be well aware, this parcel of land is important to Inverell's recreation/community land bank. As with other parcels of land identified as being vital for recreational/community use, details of lawful use and occupation have been forwarded to the Aboriginal Land Claim Investigation Unit.

**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 actions taken in respect of the Inverell Speedway be received and noted.*

<b>ITEM NO:</b>	3.	<b>FILE NO:</b> S5.10.96
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>REQUEST TO TRANSFER LICENCE AGREEMENT</b>	
<b>PREPARED BY:</b>	Hayley Nichols, Corporate Support Officer - Publishing	

**SUMMARY:**

Council is being asked to authorise the transfer of a licence agreement as a result of the sale of the adjoining property.

**COMMENTARY:**

Council is being asked to authorise the transfer of a licence agreement as a result of the sale of the adjoining property. Lot 3, DP 235812 and Part Lot 11, DP 202029 is a drainage reserve adjoining 32 Lang Street, Inverell, as shown in the below map. The previous owners of 32 Lang Street, Inverell have held the licence agreement since 2006, for the purpose of facilitating access to the property.

It is recommended that the agreement, under that same terms and conditions be transferred to Ms Jamie Pay as new owner of 32 Lang Street, Inverell.



**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) the Agreement for Lot 3, DP 235812 and Part Lot 11, DP 202029, Drainage Reserve, Lang Street, Inverell be transferred to Ms Jamie Pay;*
- ii) the Agreement be for a five (5) year period with a further five (5) year Option period;*

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| <p><i>iii) the licence fee be \$1.00 per annum (GST Inclusive); and</i></p> <p><i>iv) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.</i></p> |
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**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 10/08/2016**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S17.11.7
<b>DESTINATION 2:</b>	A community that is healthy, educated and sustainable	<b>C</b>
<b>SUBJECT:</b>	<b>COMMUNITY SAFETY CAMERA PROGRAM COUNCIL TERM REVIEW</b>	
<b>PREPARED BY:</b>	Stephen Golding, Executive Manager Corporate and Community Services	

**SUMMARY:**

The following is a report on the Council's Community Safety Camera Program during the current Council term.

**COMMENTARY:**

Council's Community Safety Camera Program (CSCP) remains an invaluable resource that continues to contribute to the community's desire for achieving a safer community as espoused in the Inverell Shire's Community Strategic Plan. Inverell is proud of its safe and caring community spirit, and the CSCP is one of many methods of dealing with the national issues of alcohol and drug related anti-social behaviour that also impacts our community.

Since implementation of this program in 2012, the CCTV camera network has steadily increased providing a wider coverage of the Inverell CBD.

The CSCP remains operational in a passive monitoring mode by Council and the Inverell Police Station. System Operations, inclusive of systems checks are performed regularly by Council authorised CSCP staff. Inverell Police provide feedback regarding CCTV Camera Coverage changes according to unlawful activity requirement. Mobile CSCP CCTV cameras in the last two (2) years have been used extensively in Inverell for the purpose of preventing malicious damage to Council infrastructure projects, assets renewals and tree plantings.

The Executive Manager of Corporate and Community Services and the Manager Information Services reviews all requests and video footage to ensure that all CSCP forms are correctly authorised with a Police Event Number and that the footage is of the offence indicated. The CSCP Council Staff continually apply the Code of Practice's key principles and protocol to the operation of this program.

Operational processes and procedures are reviewed annually or as required to ensure the sustainability, efficiency and effectiveness of the CSCP.

The CSCP has proved to be an extremely beneficial service to the Inverell Police. The CCTV footage collected as part of the CSCP program is proven to be a crucial tool when investigating street crime such as assaults, malicious damage and theft within the CBD.

CCTV footage reduces Police time in investigating incidents but also for the Courts. In a majority of cases, once solicitors have viewed the CCTV footage, the offender has entered into a guilty plea reducing the time the case spends in Court.



The request for footage in relation to criminal activity, as expected, increased in the first two (2) years of operation. In the last two (2) years there is a small declining trend in requests supporting the effectiveness of the CSCP. During its operation, to date, there has been a total of 104 requests for CCTV footage from the Police and one (1) subpoenaed.

As per the Code and Protocols, no footage has been released via public or legal requests as this requires a subpoena.

The CSCP program is reviewed and reported annually to the General Manager.

During the operation of the CSCP, procedures and policies have been refined to increase efficiencies in processing police requests for CCTV footage. Collaboration between Council and the Police continues to grow allowing for improved community safety and the reduction of time in Police investigations into criminal activity in the CBD. There will continually be direct and ongoing cost to Council in relation to the CSCP.

At an operational level, Council's Information Technology staff spend on average three (3) hours per week including camera adjustments, functionality and recordings.

Council's Asset renewal activities in the CBD, since the implementation of the CSCP, now include the installation of conduits where applicable, to provide opportunities for expansion of this valuable community safety program.

Council is continually seeking funding for the expansion of the CSCP. During this period several grant submissions for funding have been made to both State and Federal Governments, with the recent grant submission being supported by our Federal Member. Unfortunately Council has been unsuccessful in this competitive field of grant funding.

**RECOMMENDATION:**

*That the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 10 August, 2016, be received and noted.*



TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 10/08/2016

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S12.12.2/09
<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 31 July, 2016.

**COMMENTARY:**

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 31 July, 2016 and an update of the investment environment:

- (a) Council's Investments as at 31 July, 2016.
- (b) Council's Investments by Fund as at 31 July, 2016.
- (c) Interest – Budgeted vs Actual.
- (d) Investment Portfolio Performance.
- (e) Investment Commentary.
- (f) Certification – Responsible Accounting Officer.

**A) Council Investments as at 31 July, 2016.**

<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>
16/28	National Australia Bank	Water	A1+	1	13-Feb-16	12-Aug-16	2.95%	1,000,000	1,000,000	181
16/29	AMP BANK	General	A1	2	01-Mar-16	01-Sep-16	3.00%	2,000,000	2,000,000	184
16/30	AMP BANK	General	A1	2	01-Mar-16	01-Sep-16	3.00%	1,000,000	1,000,000	184
16/31	AMP BANK	Water	A1	2	01-Mar-16	01-Sep-16	3.00%	1,000,000	1,000,000	184
16/11	National Australia Bank	General	A1+	1	16-Sep-15	16-Sep-16	2.80%	1,000,000	1,000,000	365
16/33	National Australia Bank	Sewer	A1+	1	17-Mar-16	17-Sep-16	3.10%	2,000,000	2,000,000	184
16/26	CBA	General	A1+	1	17-Mar-16	17-Sep-16	2.90%	1,000,000	1,000,000	182
16/43	Bank West	General	A1+	1	28-Apr-16	26-Sep-16	2.95%	2,000,000	2,000,000	151
16/32	Suncorp	General	A1+	1	01-Mar-16	27-Sep-16	3.05%	1,000,000	1,000,000	210
16/33	Suncorp	General	A1+	1	01-Mar-16	27-Sep-16	3.05%	1,000,000	1,000,000	210
16/36	National Australia Bank	Water	A1+	1	23-Mar-16	27-Sep-16	3.12%	1,000,000	1,000,000	188
16/37	St George Bank	General	A1+	1	08-Apr-16	07-Oct-16	3.12%	2,000,000	2,000,000	182
16/38	St George Bank	General	A1+	1	08-Apr-16	07-Oct-16	3.12%	2,000,000	2,000,000	182
16/45	CBA	General	A1+	1	16-May-16	13-Oct-16	2.70%	1,000,000	1,000,000	150
16/40	National Australia Bank	General	A1+	1	15-Apr-16	14-Oct-16	3.11%	1,000,000	1,000,000	182
16/44	St George Bank	General	A1+	1	16-Apr-16	16-Oct-16	3.00%	1,000,000	1,000,000	183
16/41	CBA	Sewer	A1+	1	19-Apr-16	19-Oct-16	3.05%	2,000,000	2,000,000	183
16/42	Suncorp	General	A1+	1	28-Apr-16	25-Oct-16	3.10%	2,000,000	2,000,000	180
16/39	National Australia Bank	General	A1+	1	11-Apr-16	15-Nov-16	3.11%	2,000,000	2,000,000	214
16/46	CBA	General	A1+	1	19-May-16	18-Nov-16	2.72%	1,000,000	1,000,000	183
16/47	National Australia Bank	General	A1+	1	02-Jun-16	02-Dec-16	2.98%	2,000,000	2,000,000	183
15/19	CBA	General	A1+	1	11-Dec-14	11-Dec-16	3.80%	1,000,000	1,000,000	732
16/48	Suncorp	General	A1+	1	14-Jun-16	14-Dec-16	3.00%	1,000,000	1,000,000	183
16/49	National Australia Bank	General	A1+	1	14-Jun-16	14-Dec-16	2.97%	2,000,000	2,000,000	183
16/50	Community Mutual	Water	NR	3	14-Jun-16	14-Dec-16	3.00%	2,000,000	2,000,000	183
14/22	Westpac	General	A1+	1	17-Dec-13	16-Dec-16	4.31%	2,000,000	2,000,000	1095
17/01	National Australia Bank	General	A1+	1	11-Jul-16	09-Jan-16	2.94%	1,000,000	1,000,000	182
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
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
15/09	CBA	General	A1+	1	01-Sep-14	01-Sep-17	3.90%	1,000,000	1,000,000	1096
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>48,000,000</b>	<b>48,000,000</b>

Cash Deposits Accounts Investment Group										
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	
31/7/16	National Australia Bank (Cash Maximiser)	General	A1+	1			2.00%	1,000,000	1,000,000	
Sub Total - Cash Deposits Accounts Investment Group								1,000,000	1,000,000	
Floating Rate Notes Investment Group										
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	
Sub Total - Floating Rate Notes Investment Group							-	-		
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-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 31 July, 2016**

Portfolio by Fund	30/06/2016	31/07/2016
General Fund	38,000,000	38,000,000
Water Fund	5,018,000	5,009,810
Sewer Fund	6,000,000	6,000,000
<b>TOTAL</b>	<b>\$ 49,018,000.00</b>	<b>\$ 49,009,810.00</b>

Council's Investment Portfolio decreased by \$8,190 during July, 2016. This was in respect of normal cash flow movements for receipts collected and payments made during May.

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

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	4,475.34
Water Fund	812350	50,000.00	-
Sewer Fund	906320	70,000.00	3,452.05
<b>TOTAL</b>		<b>\$ 999,000.00</b>	<b>\$ 7,927.39</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	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 31/7/16		2.20%	1.75%
Term Deposits	3.19%		
Cash Deposit Accounts	2.00%		
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 \$49M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

The RBA meets on Tuesday, 2 August and it is expected they will hold the cash rate at 1.75%. While they dropped their easing bias language last month, August's meeting may well see that language reinstated.

Money market continue to fully price in a rate cut by November. 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.*