

**INVERELL SHIRE COUNCIL**

**NOTICE OF MEETING**

**ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE**

5 February, 2016

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 10 February, 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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## 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 February, 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, 11 NOVEMBER, 2015,  
COMMENCING AT 12.35PM.

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

Also in attendance: Crs H N Castledine, B C Johnston and D C  
Jones.

Paul Henry (General Manager) and Ken Beddie (Director Corporate  
and Economic Services).

APOLOGIES:

There were no apologies received.

SECTION A

1. CONFIRMATION OF MINUTES

*RESOLVED (Michael/Girle) that the Minutes of the Economic and Community  
Sustainability Committee Meeting held on 14 October, 2015 as circulated to members,  
be confirmed as a true and correct record of that meeting, noting that the donation to  
the Inverell Pipe Band was recorded incorrectly, with the donation to be \$1500.00.*

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

There were no interests declared.

3. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil.

SECTION D  
DESTINATION REPORTS

1. REQUEST TO LICENCE LAND – WATTS S5.10.150

CSOP-A *RESOLVED (Baker/Harmon) 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.*

2. REQUEST FOR DONATION – INVERELL COMMUNITY GARDENS  
S12.22.1/08

CSOP-A *RESOLVED (Girle/Harmon) that the Committee recommend to Council that Council  
provide the Inverell Community Gardens with a general waste bin and a 360 L recycle  
bin provided that the Inverell Community Gardens accept responsibility for the annual  
collection charges.*

3. EXPIRING LICENCE AGREEMENT S5.10.107

CSOP-A *RESOLVED (Harmon/Baker) 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.*

SECTION E  
INFORMATION REPORTS

1. CHANGES TO ESSENTIAL ENERGY'S REGIONAL STRUCTURE  
S8.5.4

GM-A *RESOLVED (Baker/Michael) that the Committee recommend to Council that Council write to the AER and Local Member, Mr Adam Marshall expressing Council's significant concerns at the impact on service delivery and continuity of supply flowing from the AER's recent decision in respect of Essential Energy.*

SECTION F  
QUESTIONS WITHOUT NOTICE

General Manager Old Bundarra Road

The General Manager noted that a number of residents on the road believe the unsealed section of this road and also Schwenkes Lane should be sealed. A petition is being prepared by a resident of the area.

Maintenance works have been undertaken following the recent rain however, the roads are not priority projects for Council.

General Manager Elsmore Road

The General Manager noted an approach has been made to have this road line marked.

The General Manager provided the Committee with details in this matter.

SECTION H  
GOVERNANCE REPORTS

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

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

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

2. QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2015/2016  
S12.5.1/08

- DCS-A     *RESOLVED (Harmon/Girle) 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.*

There being no further business, the meeting closed at 1.07pm.

CR J A WATTS

CHAIRPERSON

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 10/02/2016**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S13.1.2
<b>DESTINATION 1:</b>	A recognised leader in a broader context	<b>R</b>
<b>SUBJECT:</b>	<b>FIT FOR THE FUTURE (FFF) - UPDATE</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

This report formalises the announcement of the Premier on the current phase of the FFF program. Council is requested to consider its participation in the next phase of the program.

**COMMENTARY:**

On 18 December, 2015 the Premier and Minister for Local Government announced the Government's response to the 'final consultation phase' of the FFF program. The announcement has specific implications for some Councils in this Region as well as changes that will impact all Councils.

The announcement covered the following matters:

- Inverell Shire Council will not be part of a merger proposal. The only proposals for this region were Armidale Dumaresq and Guyra Councils; Tamworth Regional and Walcha Councils. The process to be undertaken with these merger proposals is outlined in Item 1 below.
- Amendments to the Local Government Act that will provide:
  - i) Two (2) year terms for Mayors not 'popularly elected',
  - ii) Financial intervention powers that grants the Minister for Local Government the power to appoint a 'financial controller' where Councils are operating under a 'performance improvement order'.

These proposed amendments were not detailed during the announcement, however the Government has since released an outline of its proposals, which they refer to as 'Phase 1 Amendments'. Details of the amendments are shown in Item 3 below.

- IPART to Review the Rating System, including the freezing of rates for four (4) years of merged Councils. This report is required to be presented to the Government by the end of 2016.
- Councils deemed 'Not Fit' by IPART will be given an opportunity to be reassessed in 2016.
- Council's current term extended to March, 2017.

**1. The Merger Process**

Appendix 1 (D10 - D11) is a map that shows the 35 proposed mergers.

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a) Statutory Procedures

The Government has determined that the current provisions of the Act (requiring proposals to be determined by the Boundaries Commission) shall be applied to an assessment of each proposal with an additional step of firstly having proposals assessed by a delegate of the CEO of the Office of Local Government. This additional step has been initiated due to the large number of proposals put forward by the Government. The following steps will be undertaken:

- A delegate will examine a merger proposal using the various heads of consideration that are set out in the Local Government Act – financial considerations, communities of interest, elected representation, employment of staff and the attitude of residents and ratepayers,
- The delegates will conduct public meetings and call for written submissions,
- The delegates reports will go to the Minister and the Local Government Boundaries Commission, which will comment on the delegates report,
- The Minister will then determine the outcome of the merger proposals.

At the time of writing, no time frame has been announced for this part of the process.

The delegates who will review the proposals for this area are:

i) Greg Wright – Armidale Dumaresq and Guyra

Greg Wright is the former General Manager of Camden Council.

ii) Amanda Chadwick – Tamworth and Walcha

Amanda Chadwick is the Executive Director, Policy and Economics at NSW Trade and Investment.

b) Caretaker Mode

Those Councils that are subject to merger proposals have been issued with detailed guidelines on Council decision-making during merger proposal periods.

Essentially, Councils and staff should not make decisions that needlessly impose avoidable costs on a new Council. Councils can implement their adopted Budget, however there must be a 'clear and compelling' reason to depart from this budget and any 'new expenditure' over \$250K can not be incurred unless the Minister's approval is obtained.

2. 'Not Fit' Reassessments

The announcement that those Councils declared 'Not Fit' and not part of any merger proposal can have their 'roadmaps' reassessed was very scant on detail. Reassessment guidelines will be issued in February 2016 and revised improvement plans will need to be lodged in May, 2016. What happens after the reassessment of the plans is not specified.

3. Local Government Act Amendments

Many of the suggested changes by the Independent Review Panel to the System of Local Government require legislative amendments to the current Local Government Act. The suggested changes are extensive and as a result the Government has decided to amend the Act in stages.

Stage One reforms will deal with governance and strategic business planning processes of Council. Stage Two amendments will focus on how Councils raise revenue and exercise regulatory functions.

A number of the proposed amendments are highlighted to provide Council with an indication of the range of matters to be included in the new Act:



- Role of Local Government (Council Charter) – the current Council Charter will be replaced and there will be in the role of Council a focus on requiring Council to work collaboratively with other Councils, State Agencies and ‘outside organisations’ to enable local communities to be ‘healthy and prosperous’. The current charter is non-binding and does not provide grounds for legal action against Council. Will this change in the rewording of Section 8?
- Role of the Governing Body – it is proposed that the prescribed role of the Council in Section 223 will be amended to a more expansive list of functions the governing body is required to undertake. The expanded list of functions will emphasise strategic planning as a key role of the governing body.
- Mayor’s Term of Office – For Mayors elected by Councillors, the term will be increased to a minimum of two (2) years, however the Council will be given the option of electing a person to the office for the whole four (4) year term.
- Oath or Affirmation of Office – it is proposed that Councillors will be required to take an Oath or Affirmation of Office prior to commencing duties. It is suggested that this process be part of the induction process for Councillors.
- Councillors Professional Development – Councils will be required to develop an induction program and an ongoing development program for all Councillors. There will be provision that requires Councillors to participate in this program and making Councillors accountable for a failure to do so.
- Financial Controllers – a new provision that allows the Minister to appoint a controller to a Council that is ‘performing poorly’. The controller is required to authorise all payments by the Council.
- Regional Priorities in Council’s Delivery Plan – a new provision that requires Council to identify key regional priorities in conjunction with adjoining Councils and State Agencies. These priorities must then be included in Council’s Delivery Plan, actioned and reported upon.
- Community Engagement Strategy – a new provision that makes it mandatory that a community engagement strategy be developed and implemented.
- Performance Measurement – a comprehensive performance framework will be developed, which will require Council to report against an extensive list of performance measures. These measures will be similar to the system introduced in Victoria. Many of these measures will be new measures, so procedures will need to be introduced to capture, record and report on the focus areas determined by the Office of Local Government.
- Internal and External Audit Changes – there will be significant changes to the auditing of Council’s functions/activities. This aspect will be subject to a separate report to the February 2016 Audit and Risk Committee.

No indication has been provided by the Minister for Local Government, as to when the Draft Bill for these amendments will be released. Also, no indication has been given as to when the Bill is expected to be introduced to Parliament.

#### 4. Council Involvement in the Next Step

The merger proposal of Armidale/Dumaresq and Guyra will be considered by the appointed delegate early in 2016. The community consultation process provides an opportunity for all parties to express a view on the proposal.

Does Council wish to use this opportunity (when available) to raise the expansion of Inverell Shire boundaries to include the Tingha area?

If so, a draft submission could be prepared and submitted to Council for endorsement. The submission could then be submitted at the appropriate time.

Council’s determination of this matter is requested.

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

**Strategy:** R.08 Council leads the community by influencing and participating in policy development to the benefit of the Shire through partnerships and alliances with government, regional interests, shire groups and communities.

**Term Achievement:** R.08.01 A targeted program of advocacy and policy discussion is being conducted with the active cooperation of others benefiting interests around social, environmental, economic and infrastructure priorities.

**Operational Objective:** R.08.01.01 To facilitate intergovernmental relations to ensure maximum cooperation between the Council and the Federal and State Governments to achieve the optimum support for the Inverell Shire

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That the Committee recommend to Council that:*

- i) the report be received and noted, and*
- ii) Council determine its position in relation to the Armidale Dumaresq and Guyra merger.*

<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S3.16.1
<b>DESTINATION 2:</b>	A community that is healthy, educated and sustainable	<b>C</b>
<b>SUBJECT:</b>	<b>MCLEAN CARE - MID YEAR ECONOMIC AND FISCAL OUTLOOK (MYEFO)</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

Preliminary advice has been received from the Chief Executive Officer of McLean Care regarding the financial impacts of the Federal Government's changes to Aged Care funding.

**COMMENTARY:**

At the December Council Meeting, Council was informed of the potential financial impact on McLean Care as a result of the Federal Government changing its funding of the Aged Care sector.

The CEO of McLean, Ms Sue Thomson, has provided an initial indication of the likely impacts (between \$200K and \$500K). The impact on employment arising out of this reduced funding is also significant.

It is heartening that McLean Care will seek to minimise any impact on the quality of care delivered. However, the Board would welcome Council advocating on behalf of the community in relation to the impacts on Aged Care arising out of the recent funding changes.

A copy of Ms Thompson's letter is attached as Appendix 2 (D12) for Councillor's information.

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

**Strategy:** C.01 Facilitate the provision of a broad range of services and opportunities which aid the long term sustainability of the community.

**Term Achievement:** C.01.01 Advocate on behalf of the community for the provision of services which meet community needs and expectations.

**Operational Objective:** C.01.01.01 To provide community leadership and advocacy to ensure the community is provided with a broad range of services and opportunities commensurate with other regional centres.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That:*

- i) Council liaise with McLean Care on the details of the impacts of funding changes; and*
- ii) the Mayor seek an appointment with Mr Barnaby Joyce, Member for New England, to highlight the impacts of changes in Aged Care funding.*

<b>ITEM NO:</b>	3.	<b>FILE NO:</b> S4.10.5
<b>DESTINATION 1:</b>	A recognised leader in a broader context	<b>R</b>
<b>SUBJECT:</b>	<b>AMENDMENT TO LOCAL GOVERNMENT ACT (LG ACT)</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

In December, 2015 the Local Government Act was amended by the *Councillor Misconduct and Poor Performance Act, 2015*. This amendment will require an amendment to Council's Code of Conduct.

**COMMENTARY:**

On 17 December, 2015 Council received advice that the Local Government Act had been amended to provide for these key matters:

- *Councillors suspended on 2 or more occasions will be automatically disqualified for 5 years, if they are suspended on a further occasion.*
- *The definition of "misconduct" expanded to include acts or omissions by Councillors that are intended to prevent the proper or effective functioning of a Council.*
- *Councillors will no longer be permitted to participate in the consideration of the making, amendment, alteration or repeal of an environmental instrument applying to the whole or a significant part of their local government area they have pecuniary interests in whereas:*
  - a) *The only interests affected by the changes are the interests they or their relatives have in their principal places of residence, and*
  - b) *They have made a special disclosure of the affected interests.*

Other procedural changes, relating to misconduct processes were made. A summary of all the changes are attached as Appendix 3 (D13 – D16).

To give effect to these amendments, Council's Code of Conduct will need amending. The required change is a rewording of clause 4.29 to:

*"A Councillor, who would otherwise be precluded from participating in the consideration of a matter under this Part because they have a non-pecuniary conflict of interest in the matter, is permitted to participate in consideration of the matter, if:*

- a) *the matter is a proposal relating to*
  - i) *the making of a principal environmental planning instrument applying to the whole or a significant part of the council's area, or*
  - ii) *the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant part of the council's area, and*
- b) *the non-pecuniary conflict of interests arises only because of an interest that a person has in that person's principal place of residence, and*
- c) *the councillor declares the interest they have in the matter that would otherwise have precluded their participation in consideration of the matter under this part."*

**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:**

Council's Code of Conduct to be amended.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That the Committee recommend to Council that Council amend the "Inverell Shire Council – Code of Conduct" by inserting the following wording for clause 4.29;*

*"A Councillor, who would otherwise be precluded from participating in the consideration of a matter under this Part because they have a non-pecuniary conflict or interest in the matter, is permitted to participate in consideration of the matter, if:*

- a) *the matter is a proposal relating to:*
  - i. *the making of a principal environmental planning instrument applying to the whole or a significant part of the council's area, or*
  - ii. *the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant part of the council's area, and*
- b) *the non-pecuniary conflict of interests arises only because of an interest that a person has in that person's principal place of residence, and*
- c) *the councillor declares the interest they have in the matter that would otherwise have precluded their participation in consideration of the matter under this part."*

<b>ITEM NO:</b>	4.	<b>FILE NO:</b> S5.2.0/09 & S5.2.48
<b>DESTINATION 4:</b>	A strong local economy	<b>B</b>
<b>SUBJECT:</b>	<b>LAND SALES – VARIOUS (LISTING)</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

The Committee is requested to consider a confidential report regarding various matters relating to the sale of Council owned land.

**COMMENTARY:**

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

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

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

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

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

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

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

- a) Commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it, and
- b) On balance, the public interest in preserving the confidentiality of the matter outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.

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

**Strategy:** B.02 Plan for and promote the clustering of specific business and industry sectors in commercially appropriate locations.

**Term Achievement:** B.02.01 Networks and clusters of similar economic activity are developing in appropriate areas.

**Operational Objective:** B.02.01.01 To ensure the physical development of the Shire is in accordance with community needs and expectations, using adopted planning instruments and policies.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

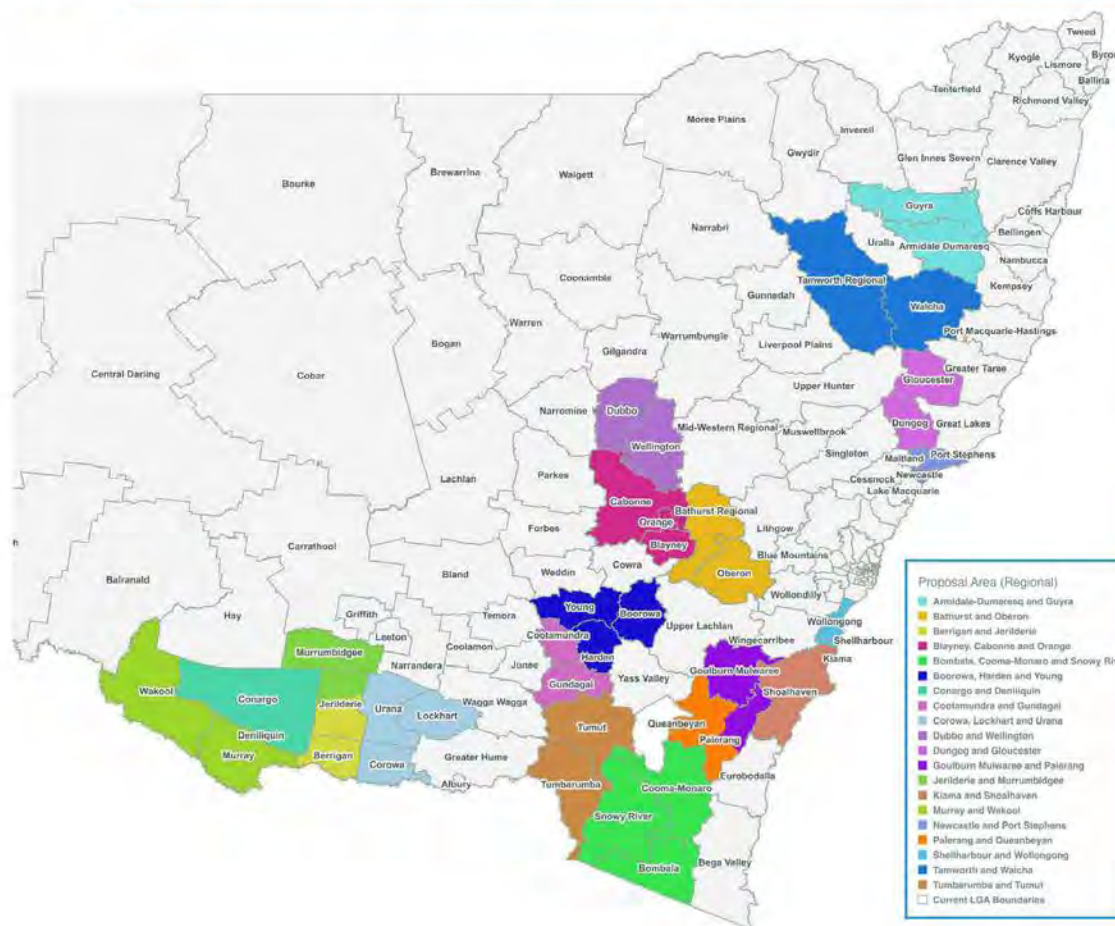
*That the matter be referred to Closed Committee for consideration as:*

- i) the matters and information are '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.*

## APPENDIX 1



## Proposed Regional and Rural Council Mergers



## Stronger councils to help regions grow

- Reducing the number of regional councils from 109 to 87
- 20 new councils will be created by merging 42 councils
- Over \$2 billion in financial benefits for NSW over 20 years to invest in infrastructure, improve services or stabilise rates

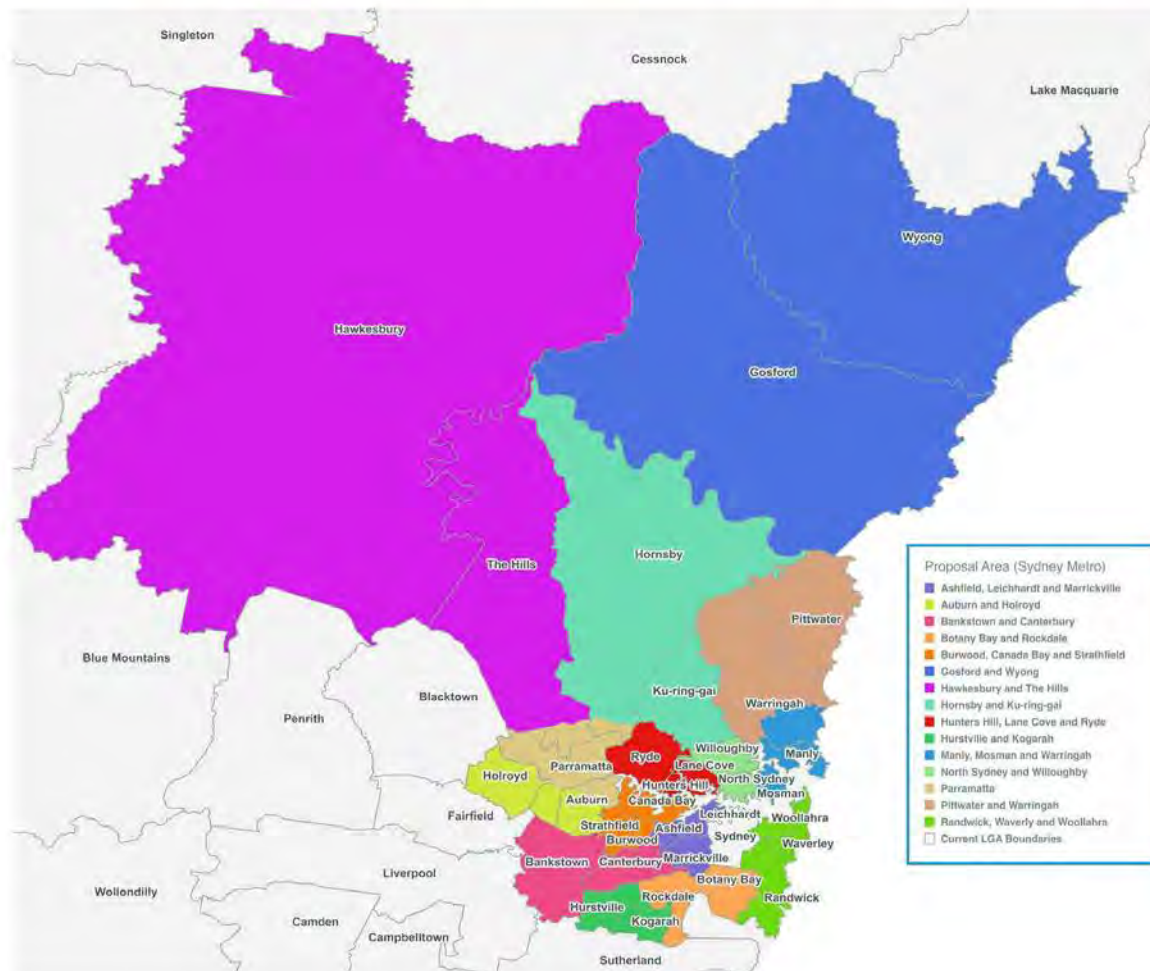
### Why these mergers?

- Unique needs and characteristics of each area - small and declining populations, growing regional centres
- No 'one-size-fits-all' solution
- Four years of consultation, independent assessments and identification of high priority mergers and opportunities to strengthen councils financially and strategically, and council merger preferences.
- Joining communities with common characteristics and connections





## Proposed Sydney Region Council Mergers



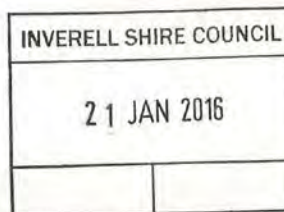
### Stronger councils to help Sydney grow

- Reducing the number of councils in Greater Sydney from 43 to 25
- 15 new councils will be created by merging 33 councils
- Over \$2 billion in financial benefits for NSW over 20 years to invest in infrastructure, improve services or stabilise rates

### Why these mergers?

- Too many councils in Sydney
- No 'one-size-fits-all' solution
- Four years of consultation, independent assessments, council merger preferences, and feedback from communities and stakeholders
- Achieving as much consensus as possible
- Councils representing communities of sufficient size to deliver efficiencies and reduce red tape – population of around 150,000
- But still ensuring effective local representation – no greater than Blacktown's projected 2031 population of 473,000
- Joining communities with common characteristics and connections

## APPENDIX 2



Monday 11 January 2016

Mr Paul Henry  
 General Manager  
 Inverell Shire Council  
 144 Otho Street  
 INVERELL NSW 2360

Dear Mr Henry,

**re: Mid Year Economic and Fiscal Outlook (MYEFO)**

McLean Care Ltd is in receipt of your letter of 18 December 2015. It is gratifying to receive such a letter – your support of McLean Care and your request to understand the implications of funding changes is much appreciated.

We are eager to work through the process of potential impacts, but, as we are yet to be advised of exact rate changes and introduction dates, a finite analysis cannot be determined at this interim point. We do know, however, that McLean Care will be significantly impacted financially – our initial calculations are that this impact could be between \$200k and \$500k.

Our first priority is to remain financially sustainable – we can then continue our commitment to those we serve in our community. Our ethos, as a not for profit, community owned organisation is to remain viable. We will be undertaking a full review of operations. The financial impact potentially equates to between 5 FTE's and 9 FTE's, therefore we will investigate other areas of achievable savings as a reduction in staff translates to a potential reduction in the quality of care provided. This is unthinkable and McLean Care will do whatever it takes to ensure our quality of care is not compromised.

2016 will clearly be a very challenging year for McLean Care and all aged care service providers. We are encouraged by your letter and request for information.

On behalf of the Board of Directors of McLean Care Ltd I thank you for your interest and your offer to approach our Local Federal Member on our behalf. We appreciate your commitment to our endeavours to continue to provide the best service to our community and ask that you escalate our concerns to the Federal Government.

Yours sincerely,

**Sue Thomson**  
 Chief Executive Officer

cc: McLean Care Ltd Board of Directors

**Inverell Corporate**  
 PO Box 360  
 INVERELL NSW 2360  
 T: 02 6721 7300  
 T: 1300 791 660  
 F: 02 6722 2025  
 E: admin@mcleancare.org.au

**Inverell Residential Care**  
 67 Killeen Street  
 INVERELL NSW 2360  
 T: 02 6721 7300  
 F: 02 6722 2025

**Inverell Community Care**  
 94-100 Byron Street  
 INVERELL NSW 2360  
 T: 02 6721 7333  
 F: 02 6721 5752

**Tamworth Community Care**  
 Suite 1, 11-15 Dowe Street  
 TAMWORTH NSW 2340  
 T: 02 6766 5006  
 F: 02 6766 3212



## APPENDIX 3

Office of  
Local Government

## Circular to Councils

<b>Circular Details</b>	15-41 / 17 December 2015 / A446439
<b>Previous Circular</b>	
<b>Who should read this</b>	Councillors / General Managers / Complaints Coordinators
<b>Contact</b>	Council Governance Team / 4428 4100
<b>Action required</b>	Information

**Commencement of the Local Government Amendment (Councillor Misconduct and Poor Performance Act) 2015****What's new or changing**

- Amendments to the *Local Government Act 1993* made by the *Local Government Amendment (Councillor Misconduct and Poor Performance) Act 2015* commenced on **13 November 2015**.

**What this will mean for your Council****Councillors and General Managers must note the following:**

- As of the commencement date, Councillors who have previously been suspended on two or more occasions will be automatically disqualified from holding office in a Council for 5 years if they are suspended on a further occasion. The Office has written directly to Councillors who have been suspended on two or more occasions to inform them of this change.
- The definition of "misconduct" has been expanded to include acts or omissions by Councillors that are intended to prevent the proper or effective functioning of a council or a committee of a Council (e.g. by disrupting decision making). Penalties for Councillor misconduct include suspension and disqualification from holding office.
- Councillors will no longer be permitted to participate in the consideration of the making, amendment, alteration or repeal of an environmental planning instrument applying to the whole or a significant part of their local government area they have pecuniary interests in unless:
  - the only interests affected by the changes are the interests they or their relatives have in their principal places of residence; **and**
  - they have made a special disclosure of the affected interests.
- This amendment is complemented by an amendment to clause 4.29 of the *Model Code of Conduct for Local Councils in NSW* which also commenced on 13 November 2015. The amendment will mean that councillors with significant non-pecuniary conflicts of interests in the making, amendment, alteration or repeal of an environmental planning instrument applying to the whole or a significant part of their local government area will no longer be permitted to participate in consideration of those matters unless:

Office of Local Government  
5 O'Keefe Avenue NOWRA NSW 2541  
Locked Bag 3015 NOWRA NSW 2541  
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209  
E [olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au) W [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au) ABN 44 913 630 046

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- the only interests affected by the changes relate to the interest a person (e.g. a close friend or affiliate of a Councillor) has in their principal place of residence; and
- the Councillor has disclosed the affected interests.

**Complaints coordinators must note the following:**

- Councils must amend their adopted codes of conduct as soon as possible to reflect the amendment to clause 4.29 referred to above. The amended Model Code of Conduct is available on the Office of Local Government's website at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au).
- Notice is no longer required of a motion to censure a Councillor for misconduct under section 440G. Under the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*, Councils can only formally censure a Councillor for misconduct where this is recommended in a report by an independent investigator. This will be reported to the Council under cover of a staff report by a Council's complaints coordinator.

**Other key changes**

- The amendments are also designed to:
  - ensure a faster but fair investigation process for Councillor misconduct;
  - remove impediments to effective action in response to serious corrupt conduct;
  - maximise the effectiveness of Performance Improvement Orders issued by the Minister for Local Government to a Council; and
  - more effectively address Council maladministration.

**Where to go for further information**

- For more information on the amendments to the Act, see the attachment to this Circular.
- An updated version of the *Model Code of Conduct for Local Councils in NSW* has been published on the Office of Local Government's website at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au).
- Contact the Office's Council Governance Team on 4428 4100.



Tim Hurst  
Acting Chief Executive  
Office of Local Government

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**ATTACHMENT**

The amendments to the *Local Government Act 1993* referred to in this Circular are designed to:

More effectively deter and address Councillor misconduct by:

- providing for the automatic disqualification of a Councillor from holding civic office for a period of 5 years where they have been suspended for misconduct on a third occasion;
- expanding the definition of "misconduct" in the Act to include conduct that is intended to prevent the proper or effective functioning of a Council (i.e. through the disruption of Council and Committee meetings).

Streamline the process for dealing with Councillor misconduct to ensure faster but fair outcomes by:

- removing the requirement for notice to be given of a motion at a Council meeting to formally censure a Councillor in recognition that Councils may now only do so on the recommendation of an independent investigator following a formal investigation process;
- removing the mandatory requirement for the Chief Executive of the Office of Local Government to undertake an investigation as a prerequisite to taking disciplinary action for misconduct where the conduct has previously been investigated under a Council's code of conduct and for minor misconduct that requires only a reprimand or counselling, and removing rights of appeal in relation to reprimand and counselling;
- providing that prior to taking disciplinary action against a Councillor, the Chief Executive is to give the Councillor at least 14 days' notice of his or her intention to take disciplinary action, including the disciplinary action that is proposed to be taken and the grounds upon which the proposed disciplinary action is to be taken and to consider any submissions made by the Councillor in relation to the notice;
- expanding the class of persons the Chief Executive may direct to provide written information or a document for the purposes of investigating Councillor misconduct to "any person" but excluding privileged information or documents without the person's consent.

Promote community confidence in Council planning decisions by:

- amending the provision in the Act that allows Councillors to participate in the consideration of changes to a planning instrument applying to the whole or a significant part of a Council's area they have pecuniary interests in by limiting its application to the interests Councillors have in their and related persons' principal places of residence, thereby preventing participation in consideration of such matters by Councillors with other property interests.

Remove impediments to effective action in response to serious corrupt conduct by:

- providing that a former Councillor may be disqualified from holding civic office for serious corrupt conduct;
- providing that where the Minister, on a recommendation by the ICAC, suspends a Councillor from civic office for serious corrupt conduct and the Councillor brings legal proceedings to challenge the ICAC's recommendation, the suspension will continue until the proceedings are concluded and for six months



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afterwards to allow time to arrange for their dismissal and disqualification should this be warranted;

Maximise the effectiveness of Performance Improvement Orders issued by the Minister to a Council by:

- reducing the minimum consultation period for a notice of intention to issue a Performance Improvement Order from 21 to 7 days;
- providing that a Council may be required to provide more than one compliance report on its compliance with a Performance Improvement Order, allowing the Minister to vary the terms of an Order on giving 7 days' notice, and allowing other intervention action while the Order is in force;
- deterring non-compliance by individual Councillors with a requirement under a Performance Improvement Order by:
  - empowering the Minister, where he or she is satisfied that a Councillor has failed to comply with such a requirement, to effectively suspend the Councillor until they have complied with the requirement or for a period of up to 3 months (with a possible extension of a further 3 months) (whichever is the lesser); and
  - allow the Minister to request the Chief Executive to refer non-compliance to the NSW Civil and Administrative Tribunal for disciplinary action.

More effectively address Council maladministration by:

- reducing the time in which a Council is required to respond to recommendations made by the Chief Executive arising from the investigation of a council from 40 to 28 days.

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 10/02/2016**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S12.4.1/09
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>CREDIT CARD PAYMENTS</b>	
<b>PREPARED BY:</b>	Ken Beddie, Director Corporate and Economic Services	

**SUMMARY:**

The following information is provided for the Committee's information in respect of Credit Card Payments by Council's customers.

**COMMENTARY:**

The Committee will be aware that staff have been pursuing a reduction in the Merchant Service Fee Surcharge that is charged on Credit Card Payments. As a result of Council's actions the following surcharges now apply:

- Standard Credit Cards                      0.650% (reduced from 0.872%);
- Premium/Business/Corporate Cards      1.760% (reduced from 2.082%).

While a number of customers have voiced their concerns over time, the Committee will be aware that many organisations on-charge Merchant Service Fees. Discussions with a range of Financial Institutions have again raised the question as to why Council would want to pay for their customers 'Credit Card Rewards' entitlements, especially in the long standing Rate Pegging environment.

From 31 October, 2015 Council also enhanced its systems to provide its customers with the Credit Card option, for the payment of a wider range of GST applicable transactions including Development Fees and Charges.

Council staff are now investigating 'Online Credit Card Payment' facilities to compliment its existing range of payment options.

**POLICY IMPLICATIONS:**

Council has a Policy of surcharging Merchant Service Fees on Credit Card Payments and certain Debit Card transactions where a Credit option is utilised by the customer.

**CHIEF FINANCIAL OFFICERS COMMENT:**

The cost of Council not surcharging Credit Card Payments has been estimated at \$100K per annum being equivalent to a 1% Rate increase.

<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S3.6.4
<b>DESTINATION 2:</b>	A community that is healthy, educated and sustainable.	<b>C</b>
<b>SUBJECT:</b>	<b>LIBRARY CONFERENCE AND ASSOCIATION AGM</b>	
<b>PREPARED BY:</b>	Cr Dianna Baker & Sonya Lange, Manager Library Services	

**SUMMARY:**

Report on the proceedings of the AGM of the New South Wales Public Libraries Association and the annual NSW Public Libraries Conference held in Sydney from 17 - 20 November, 2015.

**COMMENTARY:**

The annual NSW Libraries Conference focused on the theme 'Sustain+ability', exploring a range of issues around sustainability for libraries. Presentations included developing sustainable partnerships, brand sustainability, financial sustainability and meaningful measurement. The session on meaningful measurement examined how to articulate the value of libraries in a contemporary context, and presented some key questions to underpin an evaluation of library services. A UK speaker gave a presentation on the continuing erosion of British library services, arising from severe austerity measures. Of particular interest was the keynote presentation on branding, which outlined 8 simple rules to 'market just about anything, to just about anybody'. A key message of this presentation was the need to be 'borrower-centric' in everything that you do.

The AGM of the New South Wales Public Libraries Association was held following the conference.

Key matters arising from the AGM were:

- How FFF will affect Libraries? FFF will cause a rationalisation of Libraries with a loss of staff and some services. In the metropolitan area some will definitely be closed,
- The ongoing financial struggle to allow larger capital grants beyond the present cap of \$200,000.

No elections were held as they are due next year in the two (2) year election cycle.

<b>ITEM NO:</b>	3.	<b>FILE NO:</b> S3.6.1/09
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>LIBRARY STATISTICAL OVERVIEW 2014/15</b>	
<b>PREPARED BY:</b>	Sonya Lange, Manager Library Services	

**SUMMARY:**

The following report summarises key statistics for the library in 2014/15, and considers the implications arising from identified trends.



**COMMENTARY:**

Key measures for library performance are visitor numbers, circulation, collection size and membership figures. The library has experienced strong growth on a number of these measures, which has a number of implications for future planning.

**Visitors**

**Door Count: 80,834 +6.1%**

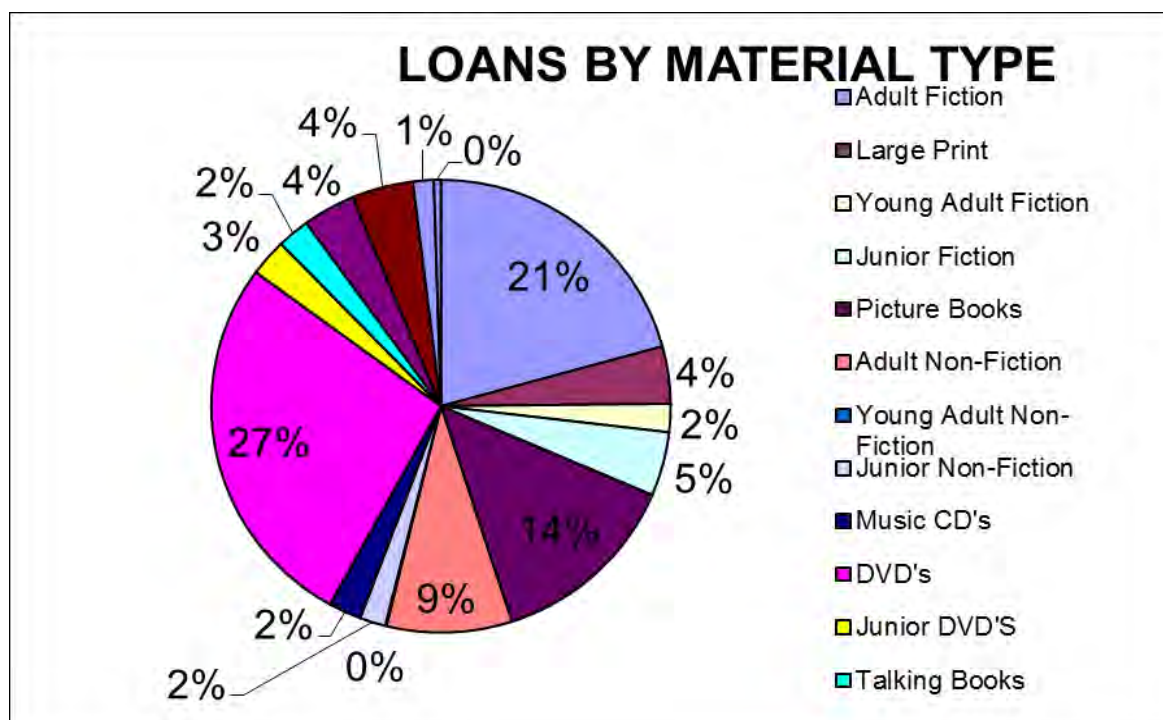
The daily average for visitors sits at 270 people, up from an average of 255 in the 2013-14 year. Peak periods were February, March and April. This peak may be attributable to strong promotion of the library associated with the 75<sup>th</sup> anniversary celebrations, which occurred in March, 2015.

**Circulation**

**Loans: 142,004 +4.1%**

Total circulation has increased by 4.1%, with a number of marked changes evident in subcategories of the collection. Notably, adult DVD loans have increased by over 10,000 issues or 34.7%. This sector is now the most used collection area, and makes up 27% of all loans, with adult fiction the second most borrowed category at 21%. In the 2013-14 period, DVD's were at 21% and adult fiction at 23%. This growth trend in DVD loans has been evident since at least 2009, when the proportions were at 13% and 31% respectively. It must be noted that the library has a range of policies around selection of DVD's for the collection, which aims to focus purchasing on Australian content, movies and television series based on books, award winning films, and classics. Documentaries, children's programs and television series are also collected. As the funding allocated for non-print items has remained stable over recent years, purchasing for the DVD collection has been supported by the use of the discretionary portion of SLNSW funding. This has allowed the library to meet patron demand, however an increase in the non-print budget is desired.

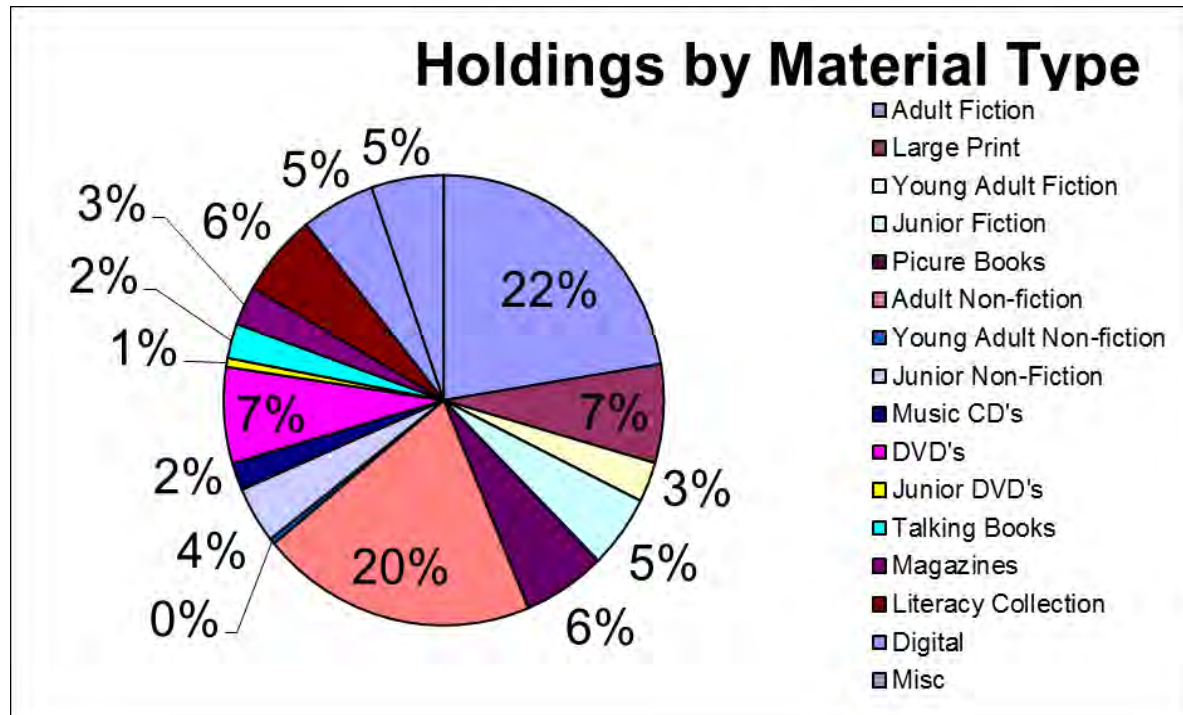
Picture book usage also grew sharply, with a 27.9% increase in loans. This strong usage is linked to the high levels of attendance at early childhood literacy programs (Baby Bounce and Storytime).



### Collection

**Items:**                      **56,318 +7.6%**

The library collection sits at 56,318 physical and digital objects, with a further 4,850 digital items available to library members through consortia arrangements (NTCLS). Growth across all areas of the collection has been evenly spread. Adult DVD's form only 7% of the collection, despite accounting for 27% of all loans, and development of this collection is recommended. The library makes an effort to maintain a current collection, with patron requests informing a proportion of purchasing, and regular weeding of dated and worn resources.



### Membership

**Active Members:**        **4,989 -11.3%**

Active members are defined as those who have borrowed from the library in the last two (2) years. New guidelines from the State Library have changed this definition to three (3) years; this change in procedures will be applied in future years. The largest decline was in the young adult (13 – 17) category, where membership fell by 25%.

### Computer use

**Bookings:**                      **15, 468 +3.5%**

**WiFi logins:**                      **12,585 +83.1%**

Computer usage and WiFi bookings continue to grow. Computer usage tends to fall into two (2) distinct areas; people who use the computer frequently (often on a daily basis) – for research, access to email and social media; and those who need to access the computers very infrequently, for a specific purpose – printing documents, visitors, temporary disruption to home computing facilities. Staff have noted strong demand for assistance in the use of tablet computers from patrons, and continue to provide assistance in basic computer skills for patrons with little to no computer skills, but who are forced to interact with government agencies or service providers online.

### **Conclusions**

Despite a decline in the number of active members, usage of the library and its services has grown across all other measures. The extremely strong growth in loans of the DVD collection has an impact on future planning for both budget expenditure and space allocation within the library. It is likely that this strong level of demand will continue in the short to medium term. Whilst on-demand television and movie streaming is becoming more common in the community, it is unlikely to impact on DVD loan figures until high quality broadband internet access (NBN) is available (and affordable) to most of the community. The collection would benefit from additional funding being directed to the acquisition of DVD materials for the short to medium term. The existing non-print budget funds DVD, CD and talking book purchases. Whilst music CD loans are in decline (and expenditure is consequently reduced), talking books remain in demand and usually have a high unit cost.

Usage of print resources across most sectors of the collection remained steady, with some minor declines. Maintaining the existing level of print funding (which is also used for the purchase of e-books) allows the library to maintain a strong, up-to-date collection, which is responsive to customer needs.

Continued strong computer usage and demand for training and assistance in technology use suggests that computing facilities need to be maintained at the current level and that equipment should be replaced and upgraded regularly. Of the computers for public use, the five (5) Express PC's were purchased in 2010 and the 10 Public PC's in 2011. These machines are now all out of warranty but remain functional. These will be replaced inline with Council's Information Services PC roll-out program in the next 12-24 months, to ensure functionality is maintained and customer expectations around quality of service and experience are met.

It is important to remember when considering the needs of the library that the library strives to provide equitable access to resources for all members of the community. For many in the community with limited access to resources (financial, connectivity, digital literacy skills) the library may be their only source of access to resources to support cultural, educational and leisure activities, and engagement with service providers and the wider community.

#### **RECOMMENDATION:**

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

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 10/02/2016**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S23.16.5/09
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>STORES &amp; MATERIALS STOCKTAKE - INVERELL</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **5 January, 2016 at 12:00 pm**, for GENERAL, WATER AND SEWER STORES for **INVERELL**.

**COMMENTARY:**

<b>FUND</b>	<b>ADJUSTMENT</b>	<b>NET</b>
GENERAL	WRITE-ON	1,163.32
GENERAL	WRITE-OFF	-40.18
WATER	WRITE-ON	0.00
WATER	WRITE-OFF	0.00
SEWER	WRITE-ON	0.00
SEWER	WRITE-OFF	0.00
	<b>TOTAL</b>	<b>\$1,123.14</b>

**STOCKTAKE DISCREPANCY LIST**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>DATE &amp; TIME OF COUNT</b>	<b>BOOK BALANCE QTY</b>	<b>COUNT QTY</b>	<b>DIFF</b>	<b>\$ VALUE ADJ</b>
100255	Bags – Silt Green	05/01/16 – 12:00pm	335	336	1	5.85
100360	Post Star Caps		444	417	-27	-18.81
100340	Pegs – 1 ½ x 1 ½ x 48"		295	320	25	50
100350	Pegs – Dumpy		151	147	-4	-2.74
100105	Toilet – Interleaf Hand Towel		42	43	1	27.76
100250	Bags Sand – Jute		2,069	2,269	200	153.18
100100	Toilet Roll 4735		111	110	-1	-17.50
100055	Fly Repellent 150gsm		37	38	1	6.01
100710	Tape – Insulation		114	113	-1	-1.13
100160	Cement – Builders 20kg		214	221	7	43.37
100495	Cutting Edge – 7' x 6 x 5/8" – 3/4B"		123	125	2	162.56
101435	Distillate – On Road Bulk		21,841	22,400	559	546.90
101445	Petrol – Unleaded		9,292	9,450	158	167.69
					<b>TOTAL</b>	<b>\$1,123.14</b>

**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.01.05 Best Practice in Procurement and Inventory Management have been adopted and implemented.

**Operational Objective:** S.01.05.01 To provide and maintain quality stock control of goods and material purchasing activities.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

An adjustment of **\$1,123.14** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the stores and materials Stocktake information be received and noted and the adjustment of **\$1,123.14** be made in the Stores Ledger.*

<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S23.16.5/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>STORES &amp; MATERIALS STOCKTAKE - ASHFORD</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **3 December, 2015 at 1:30 pm**, for GENERAL STORES for **ASHFORD**.

**COMMENTARY:**

A physical Stocktake was undertaken of Council's Stores and Materials for General Stores for Ashford. All Stores and Materials were accounted for therefore no adjustment is required to be made in the Stores Ledger.

**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.01.05 Best Practice in Procurement and Inventory Management have been adopted and implemented.

**Operational Objective:** S.01.05.01 To provide and maintain quality stock control of goods and material purchasing activities.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

No adjustment is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the stores and materials Stocktake information be received and noted.*

<b>ITEM NO:</b>	3.	<b>FILE NO:</b> S23.16.5/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>STORES &amp; MATERIALS STOCKTAKE – FUEL TANKER T190</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **3 December, 2015 at 1:30pm**, for GENERAL STORES for **FUEL TANKER T190**.

**COMMENTARY:**

<b>FUND</b>	<b>ADJUSTMENT</b>	<b>NET</b>
GENERAL	WRITE-ON	684.52
GENERAL	WRITE-OFF	0.00
WATER	WRITE-ON	0.00
WATER	WRITE-OFF	0.00
SEWER	WRITE-ON	0.00
SEWER	WRITE-OFF	0.00
	<b>TOTAL</b>	<b>\$684.52</b>

STOCKTAKE DISCREPANCY LIST						
ITEM	DESCRIPTION	DATE & TIME OF COUNT	BOOK BALANCE QTY	COUNT QTY	DIFF	\$ VALUE ADJ
101435	Distillate – On Road Bulk	03/12/15 – 1:30pm	2,480	3,120	640	684.52
					<b>TOTAL</b>	<b>\$684.52</b>

**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.01.05 Best Practice in Procurement and Inventory Management have been adopted and implemented.

**Operational Objective:** S.01.05.01 To provide and maintain quality stock control of goods and material purchasing activities.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

An adjustment of **\$684.52** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the stores and materials Stocktake information be received and noted and the adjustment of **\$684.52** made in the Stores Ledger.*

<b>ITEM NO:</b>	4.	<b>FILE NO:</b> S23.16.5/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure.	<b>S</b>
<b>SUBJECT:</b>	<b>STORES &amp; MATERIALS STOCKTAKE - FUEL TANKER T212</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **3 December, 2015 at 1:30 pm**, for GENERAL STORES for **FUEL TANKER T212**.

**COMMENTARY:**

FUND	ADJUSTMENT	NET
GENERAL	WRITE-ON	0.00
GENERAL	WRITE-OFF	-211.87
WATER	WRITE-ON	0.00
WATER	WRITE-OFF	0.00
SEWER	WRITE-ON	0.00
SEWER	WRITE-OFF	0.00
	<b>TOTAL</b>	<b>-\$211.87</b>

STOCKTAKE DISCREPANCY LIST						
ITEM	DESCRIPTION	DATE & TIME OF COUNT	BOOK BALANCE QTY	COUNT QTY	DIFF	\$ VALUE ADJ
101435	Distillate – On Road Bulk	03/12/15 – 1:30pm	2,078	1,880	-198	-211.87
					<b>TOTAL</b>	<b>-\$211.87</b>

**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.01.05 Best Practice in Procurement and Inventory Management have been adopted and implemented.

**Operational Objective:** S.01.05.01 To provide and maintain quality stock control of goods and material purchasing activities.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

An adjustment of **-\$211.87** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the stores and materials Stocktake information be received and noted and an adjustment of **-\$211.87** is made in the Stores Ledger.*



<b>ITEM NO:</b>	5.	<b>FILE NO:</b> S23.16.5/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>STORES &amp; MATERIALS STOCKTAKE - YETMAN</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **3 December, 2015 at 1:30 pm**, for GENERAL STORES for **YETMAN**.

**COMMENTARY:**

<b>FUND</b>	<b>ADJUSTMENT</b>	<b>NET</b>
GENERAL	WRITE-ON	81.81
GENERAL	WRITE-OFF	0.00
WATER	WRITE-ON	0.00
WATER	WRITE-OFF	0.00
SEWER	WRITE-ON	0.00
SEWER	WRITE-OFF	0.00
	<b>TOTAL</b>	<b>\$81.81</b>

<b>STOCKTAKE DISCREPANCY LIST</b>						
<b>ITEM</b>	<b>DESCRIPTION</b>	<b>DATE &amp; TIME OF COUNT</b>	<b>BOOK BALANCE QTY</b>	<b>COUNT QTY</b>	<b>DIFF</b>	<b>\$ VALUE ADJ</b>
101435	Distillate – On Road Bulk	03/12/15 – 1:30pm	2,733	2,800	67	81.81
					<b>TOTAL</b>	<b>\$81.81</b>

**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.01.05 Best Practice in Procurement and Inventory Management have been adopted and implemented.

**Operational Objective:** S.01.05.01 To provide and maintain quality stock control of goods and material purchasing activities.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

An adjustment of **\$81.81** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the stores and materials Stocktake information be received and noted and the adjustment of **\$81.81** made in the Stores Ledger.*

<b>ITEM NO:</b>	6.	<b>FILE NO:</b> S23.16.5/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>STORES &amp; MATERIALS STOCKTAKE - INVERELL</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **1<sup>st</sup> December, 2015** at **9:30 am**, for GENERAL, WATER AND SEWER STORES for **INVERELL**.

**COMMENTARY:**

<b>FUND</b>	<b>ADJUSTMENT</b>	<b>NET</b>
GENERAL	WRITE-ON	0.00
GENERAL	WRITE-OFF	-93.14
WATER	WRITE-ON	181.48
WATER	WRITE-OFF	-124.70
SEWER	WRITE-ON	53.51
SEWER	WRITE-OFF	-21.97
	<b>TOTAL</b>	<b>-\$4.82</b>

**STOCKTAKE DISCREPANCY LIST**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>DATE &amp; TIME OF COUNT</b>	<b>BOOK BALANCE QTY</b>	<b>COUNT QTY</b>	<b>DIFF</b>	<b>\$ VALUE ADJ</b>
300045	Cap – Access Coupling	01/12/15 – 9:30am	26	27	1	6.39
300065	Adaptor to fit E.W. Spigot – 150		16	18	2	47.12
300070	Adaptor to fit E.W. Socket – 150		19	18	-1	-21.97
200350	Hose Cock – 20mm Anti-vandal, MA		8	7	-1	-6.13
200770	Tapping Band 100 x 20mm Multitap		25	26	1	33.04
201270	Valve Jumper ¾"		40	36	-4	-6.82
200630	Tube – Copper 20mm CL:B		25	24	-1	-33.26
101435	Distillate – On Road Bulk		10,676	10,600	-76	-81.24

101445	Petrol – Unleaded		2,360	2,350	-10	-11.90
200680	Pipe – 100mm PVC CL12 S1		50	54	4	148.44
200880	SV Cover White		32	31	-1	-78.49
					<b>TOTAL</b>	<b>-\$4.82</b>

**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.01.05 Best Practice in Procurement and Inventory Management have been adopted and implemented.

**Operational Objective:** S.01.05.01 To provide and maintain quality stock control of goods and material purchasing activities.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

An adjustment of **-\$4.82** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the stores and materials Stocktake information be received and noted and the adjustment of **-\$4.82** be made in the Stores Ledger.*

<b>ITEM NO:</b>	7.	<b>FILE NO:</b> S23.16.5/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>STORES &amp; MATERIALS STOCKTAKE - INVERELL</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **5 November, 2015 at 9:30 am**, for GENERAL, WATER AND SEWER STORES for **INVERELL**.

**COMMENTARY:**

FUND	ADJUSTMENT	NET
GENERAL	WRITE-ON	65.09
GENERAL	WRITE-OFF	-33.72
WATER	WRITE-ON	6.10
WATER	WRITE-OFF	-10.05
SEWER	WRITE-ON	0.00
SEWER	WRITE-OFF	0.00
<b>TOTAL</b>		<b>\$27.42</b>

**STOCKTAKE DISCREPANCY LIST**

ITEM	DESCRIPTION	DATE & TIME OF COUNT	BOOK BALANCE QTY	COUNT QTY	DIFF	\$ VALUE ADJ
102900	Bracket – Signfix 50mm	05/11/15 – 9:30am	91	94	3	8.29
102310	Safety Ear Plugs		373	370	-3	-0.49
102335	Glove - Leather		269	268	-1	-4.03
102340	Glove – Rubber Size 9		219	218	-1	-0.84
102487	Hat Bucket – AH695		50	51	1	7.16
200110	Marker Plate – W.M.		23	24	1	6.10
200320	Cock – Hose 20mm		11	10	-1	-5.57
200325	Cock – Top, Meter – 20mm		37	36	-1	-4.48
101435	Distillate – On Road Bulk		26,867	26,870	3	3.21
101445	Petrol – Unleaded		3,931	3,970	39	46.43
102935	Post & Cap – 50mm		56	55	-1	-28.36
					<b>TOTAL</b>	<b>\$27.42</b>

**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.01.05 Best Practice in Procurement and Inventory Management have been adopted and implemented.

**Operational Objective:** S.01.05.01 To provide and maintain quality stock control of goods and material purchasing activities.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

An adjustment of **\$27.42** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the stores and materials Stocktake information be received and noted and the adjustment of **\$27.42** be made in the Stores Ledger.*

<b>ITEM NO:</b>	8.	<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 January, 2016.

**COMMENTARY:**

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

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

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

<b>Term Deposit Investment Group</b>											
<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>
16/01	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	4180726	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	17-Sep-15	17-Mar-19	3.00%	2,000,000	2,000,000	180
16/16	Bank West	4406033	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
16/21	CBA		Sewer	A1+	1	21-Dec-15	19-Apr-16	3.20%	2,000,000	2,000,000	120
16/17	Suncorp	4181377	General	A1+	1	28-Oct-15	28-Apr-16	2.90%	2,000,000	2,000,000	183
16/18	Bank West	4386793	General	A1+	1	26-Nov-15	28-Apr-16	3.00%	2,000,000	2,000,000	90
16/10	CBA	06255650139260	General	A1+	1	16-Sep-15	16-May-16	2.70%	1,000,000	1,000,000	243
16-22	CBA		General	A1+	1	21-Dec-15	19-May-16	3.00%	1,000,000	1,000,000	150
16/23	National Australia Bank	94-191-1076	General	A1+	1	04-Jan-16	02-Jun-16	3.05%	2,000,000	2,000,000	150
16/25	Suncorp	4010002104	General	A1+	1	18-Jan-16	14-Jun-16	2.93%	1,000,000	1,000,000	148
16/19	Bank West		Water	A1+	1	14-Dec-15	14-Jun-16	3.00%	1,500,000	1,500,000	183
16/20	National Australia Bank	84-516-3709	General	A1+	1	14-Dec-15	14-Jun-16	2.98%	2,000,000	2,000,000	183
16/24	National Australia Bank	13-782-7359	General	A1+	1	11-Jan-16	11-Jul-16	3.05%	1,000,000	1,000,000	182
16/26	St George Bank	354564217	General	A1+	1	22-Jan-16	22-Jul-16	2.95%	2,000,000	2,000,000	182
15/32	CBA	255650138612	General	A1+	1	28-Jan-16	28-Jul-16	2.90%	1,000,000	1,000,000	182
16/11	National Australia Bank	94-942-1426	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
<b>Sub Total - Term Deposit Investment Group</b>									<b>TOTALS</b>	<b>45,500,000</b>	<b>45,500,000</b>

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		
31/1/16	National Australia Bank (Cash Maximiser)	83-038-3012	General	A1+	1			2.50%	1,000,000	1,000,000		
31/1/16	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	
31/12/15	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 January, 2016**

Portfolio by Fund	30/11/2015	31/01/2016
General Fund	37,043,367	37,043,367
Water Fund	3,018,000	4,518,000
Sewer Fund	5,500,000	6,000,000
<b>TOTAL</b>	<b>\$45,561,367.27</b>	<b>\$47,561,367.27</b>

Council's investment portfolio has increased during December 2015 and January 2016. This was in respect of normal cash flow movements for receipts collected and payments made during December and January.

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	507,787.76
Water Fund	812350	50,000.00	19,788.76
Sewer Fund	906320	70,000.00	59,278.91
<b>TOTAL</b>		<b>\$ 1,058,800.00</b>	<b>\$ 586,855.43</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 2015/2016.

**D) Investment Portfolio Performance**

Investment Portfolio Return		Benchmarks	
	% pa	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 31-1-16		2.37%	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 \$47.5M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

It is noted that the RBA continue to hold the official cash rate at a half-century low of 2.00%. The banks have continued to adjust their deposit rates based on improved economic conditions and favourable unemployment data over recent months. The Banks had previously fully factored in a 25 point rate cut by early 2016. The Banks are now anticipating another rate cut late 2016. Term deposit rates now sit between 2.5%-3%. Council portfolio is averaging 3.17%.

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

**F) Certification – Responsible Accounting Officer**

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

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

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

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

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

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

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

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That the Committee recommend to Council that:*

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

<b>ITEM NO:</b>	9.	<b>FILE NO:</b> S12.5.1/09
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2015/2016</b>	
<b>PREPARED BY:</b>	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. The Committee is being asked to 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, H21 – H22). 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
<b>Adopted Budget 2015/2016</b>	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	-	-	-	-
<b>ESTIMATED CASH RESULT FOR 2015/2016 ACTIVITIES</b>	<b>(1,361)</b>	<b>(698)</b>	<b>(4,893)</b>	<b>(6,952) SURPLUS</b>
<b>2015/2016 Budget Variations Required to Maintain a Balanced Budget</b>				
<b>REVOTES</b>	6,227,078	958,667	3,999,000	11,184,745
<b>UNEXPENDED GRANTS</b>	1,965,547	-	-	1,965,547
Adjustments 30-9-15	-	-	-	-
Adjustments 31-12-15	-	-	-	-
<b>SUB TOTAL</b>	<b>8,192,625</b>	<b>958,667</b>	<b>3,999,000</b>	<b>13,150,292</b>
<b>Internally Restricted Cash Utilised</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUNDED FROM EQUITY</b>	<b>(8,192,625)</b>	<b>(958,667)</b>	<b>(3,999,000)</b>	<b>(13,150,292)</b>
<b>NET BUDGET VARIATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVISED CASH RESULT FOR 2015/2016 ACTIVITIES</b>	<b>(1,361)</b>	<b>(698)</b>	<b>(4,893)</b>	<b>(6,952) SURPLUS</b>
DEFINITIONS:				
1) <b>REVOTES</b> - Revotes are works budgeted and funded in the previous Financial Year, carried forward for completion in the current financial year. Revotes only occur if cash funding remains available from that previous Financial Years Budget to fund the works. The cash is held as equity.				
2) <b>FUNDED FROM EQUITY</b> - Represents Cash funding received in previous financial years from Revenues, Grants and Other Sources and held as Cash due to its non-expenditure, carried forward to fund the required works in the current Financial Year.				
3) <b>INTERNALLY RESTRICTED CASH</b> - Is cash held in investments to fund future financial obligations, for example Employee Leave Entitlements, Future Projects etc. These funds are not part				

The report indicates that the Net Budget Variations for 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, H23) indicates a Surplus from all Activities to 31 December, 2015 of \$9.8M, against a budgeted annual result of \$6,952. This current result indicates that sufficient funding remains available to fund Council's 2015/2016 continuing operations for the next six (6) months to the end of the 2015/2016 Financial Year.

**QUARTERLY BUDGET REVIEW REPORT:**

Council's 31 December, 2015 Quarterly Combined Budget Review Summary Report and Income and Expense Statement by Function are attached as Appendix 3 (H24). 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 to fund liabilities, future works and emergencies (refer to Appendix 4, H25). 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 Appendix 1, H21 – H22). 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 31 December, 2015 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 remains on track (refer Appendix 5 and 6, H26 – H27).

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

**Investments:**

The General Fund investments remain sound. It is noted that the RBA continues to hold the official cash rate at a half-century low of 2.00%. The banks have continued to adjust their deposit rates based on improved economic conditions and favourable unemployment data over recent months. The Banks had previously fully factored in a 25 point rate cut by early 2016; however they now anticipate another rate cut late 2016. Term deposit rates now sit between 2.5%-3%. Council portfolio is averaging 3.17%.

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 31 December, 2015 is attached as Appendix 7 and 8 (H28 – H29). 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, H30). Other consultancy and legal expenses are summarised in the attached Consultancy & Legal Expense summary (refer to Appendix 9, H30).

**Plant Fleet:**

A copy of the Plant Fleet Financial Report to 31 December, 2015 is attached as Appendix 10 (H31). The Report indicates an Operating Surplus of \$454K to 31 December, 2015. This reduces to a smaller 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. The substantially increased roads program has contributed to this result.

**General Fund Summary:**

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

**WATER FUND – OPERATIONAL PLAN REVIEW:**

The Water Fund continues to show sound growth. This position is as always, dependant on Water Sales. Water Sales were down by \$120K in 2011/12 and up \$171K in 2012/2013, \$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 due 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 and River Inlet.

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 \$4.5M and cash at bank of \$1.6M (see Appendix 7, H28).

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 (\$3.6M) 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 \$6M (Includes the \$2M Loan) plus cash at bank of \$0.913M (see Appendix 7, H28).

**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 Councils Joint Organisation of Councils in the New England. Secretariat for the Group;
  - Participated in Border Region Organisation of Councils Meeting;
  - Announced "Fit for the Future" by IPART;
  - 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;
  - 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;
  - Completed installation of weight 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;
  - 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;
  - Completed 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;
  - Commenced works on new Toilet and Storage building at Cameron Oval;
  - Completed works on New Toilet and Storage shed at Varley Oval – Officially opened on 6 November, 2015;
  - Completed upgrade works at Inverell Complex;
  - Completed installation of new playground equipment in Campbell Park;
  - Completed installation of new “all abilities” playground equipment in Victoria Park;
  - Commenced infrastructure works at Bellevue Park;
  - Completed minor upgrades at Equestrian Centre;
  - Commenced legislative upgrade at Ashford Depot fuel facility.

Also attached as Appendix 11 (H32 – H33) is a copy of Council's Key Financial Performance Indicators.

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

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

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

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

**POLICY IMPLICATIONS:**

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

**CHIEF FINANCIAL OFFICERS COMMENT:**

In accordance with the Local Government (General) Regulation 2005 it is my opinion that the Quarterly Budget Review Statement for Inverell Shire Council for the quarter ended 31 December, 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 Operational Plan and Budget Review for 31 December, 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 10/2/2016			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
<b>GENERAL FUND</b>			
<i>Increase/Decrease in INCOME</i>			
132725-1000	Grant Income-Responsible Pet Ownership (OLG)-2016	14,998	OLG Grant funded program
122370-1000	Grant SH12	1,078,823	RMS Grant Funding for State Highway 12
122370-1000	Grant SH12	223,188	RMS Grant Funding for Asphalt resurfacing Inverell CBD & Town Bridge
180500-1000	Helping Hands Program-Income	205,000	Dept Prime Minister & Cabinet Grant - Helping Hands & Linking Youth Program
121560-1000	Grant - Connections - ILT/CAS	(600,000)	Program transferred to Best Employment
121206-1000	Grant - Public Reserve Management	6,660	Band Hall upgrade
123340-1000	Admin Sundry Income	2,100	Additional income received
121344-1000	Grants - Arts NSW	30,000	Grant for Art Gallery Upgrades
122400-4450	Block Grant	47,000	Addition Block Grant Allocation
<b>TOTAL INCREASE IN INCOME</b>		<b>1,007,769</b>	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income</i>
<i>Increase/Decrease in EXPENDITURE</i>			
132320-1000	Other Public Events	6,500	Kurrajong Re-enactment March Expenses
129391-1000	Special Projects	(6,500)	Funding for above
132726-1000	Expenses-Responsible Pet Ownership Program (OLG)-2016	14,998	OLG Responsible Pet Ownership Program - Grant Funded
142300-1000	May St. Viewing Area/Lookout (Rotary Park)	23,000	Additional fencing at Rotary Park
129391-1000	Special Projects	(23,000)	Funding for above
140786-1100	SH12(WO)-Mytona-Rehab Seg 7620 & 7630	1,078,823	RMS Grant Funding for State Highway 12 Rehabilitation Segments 7620 & 7630
138840-1000	SH12(WO)-Asphalt Resurfacing	223,188	RMS Grant Funding for Asphalt resurfacing Inverell CBD & Town Bridge
Various Numbers	Helping Hands & Linking Youth Program	205,000	Grant funded program for Linking Together Centre
134840-1340	Connections - Sec527	(600,000)	Program transferred to Best Employment
132501-1000	Christmas Tree	72,000	New Christmas Tree, Street banners and wreaths
148070-1000	Joint Industrial Promotions	(72,000)	funding for above
136381-1000	Public Cemetery Inverell	18,000	Maintenance works - Work for the Dole Program
129381-1000	Special Projects	(18,000)	Funding for above
137540-3250	Band Hall	6,660	Grant Funded - Disable access to Band Hall
130160-1000	Café Bar & Sundry Expenses	2,100	
143004-1100	MR137-40.69k-42.18k Nth Inverell (2014/2015 Program)	178,424.00	Additional 500 meters completed to connect to previous completed section
138730-4450-16037	Karoala Road - "3 Sisters"		
137561-1000-16031	2015/16 BLK Grant Supplementary	(160,000.00)	Funding for above
143621-1100	BLK Grant Unallocated	(18,424.00)	Funding for above
143622-1100	R2R4 - YR2 - Regional Road Reseals	70,358.00	Additional works completed on MR462 - Brunxer way
143620-1100	R2R4-YR2 - Local Roads Reseals	(7,010.00)	Funding for above
143617-1100	R2R4-YR2 - Heavy Patching	(18,925.00)	Funding for above
135900-1000	R2R4-YR2 - Gravel Resheeting North	(44,423.00)	Funding for above
140500-1000	Urban Drainage Mtc	56,390.00	Additional works to be completed - Cleaning stormwater pipes.
139030-1000	Kerb & Gutter Mtc	(26,625.00)	Funding for above
148408-1000	Mtc of Pavement Markings	(6,625.00)	Funding for above
141340-1000	DCES-Maintenance Activity from Asset Mgt System	(23,140.00)	Funding for above
138270-1000	CBD Upgrade Works	35,123.00	Removal of Plane Trees
145852-1100	Urban Works Program	(35,123.00)	Funding for above
145650-3050	Network & Safety Program Expenses	1,207.00	Completion of works on Henderson St Roundabout Pram Ramp
143005-1100	Cycleway / Footpath Extensions	(1,207.00)	Funding for above
143003-1100	MR187 Fuller Lanes to Saleyards	10,640.00	Additional funding required
137561-1000	RP - MR134 Michelle Lane	(2,007.00)	Funding for above
140120-1000	BLK Grant Unallocated	(8,633.00)	Funding for above
140220-1000	Gravel Patching - South	10,577.00	Additional costs incurred
141341-1100	Gravel Patching - North	(10,577.00)	Funding for above
137760-1110	Town Centre Renewal Project	29,000.00	Planting new trees.
137620-1120	Urban Works Program	(29,000.00)	Funding for above
145650-3050	BLK-MR462 Brunxer Way	37,785.00	Addition costs incurred
142303-1100	BLK TR63	(37,785.00)	Funding for above
129381-1000	Cycleway / Footpath Extensions	20,000.00	Footpath Extension Byron Street (Wood St to Kamilaroi Oval)
160470-1000	Cycleway / Footpath Extensions	70,000.00	Footpath Extension Brae Street (Chisholm St to Inverell High School)
159772-1000	Lions Park Fencing	48,000.00	Fencing works required
129381-1000	Special Projects	(138,000.00)	Funding for above
137840-1000	Art Galley Upgrade	107,000.00	Installation of New Air Conditioners and Solar Panels (Part Grant Funded)
137561-1000	Community Energy Efficiency Program	(43,000.00)	Funding for Above
	Special Projects	(34,000.00)	Funding for Above
	Block Exps-Traffic Facilities	2,000.00	Additional Block Grant Funding
	Block Grant- Capital Expenditure	45,000.00	Additional Block Grant Funding
<b>TOTAL INCREASE IN EXPENDITURE</b>		<b>1,007,769</b>	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
<b>NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)</b>		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>
<i>Restricted Assets</i>			
<b>TOTAL FUNDING FROM RESTRICTED ASSETS</b>		-	
<b>FUNDED FROM EQUITY (G5795.000)</b>		-	
<b>NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)</b>		-	



BUDGET VARIATIONS - FINANCE MEETING 10/2/2016			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
<b>WATER FUND</b>			
<i>Increase/Decrease in INCOME</i>			
<b>TOTAL INCREASE IN INCOME</b>		-	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income)</i>
<i>Increase/Decrease in EXPENDITURE</i>			
<b>TOTAL INCREASE IN EXPENDITURE</b>		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)</i>
<b>NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)</b>		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)</i>
<b>SEWER FUND</b>			
<i>Increase/Decrease in INCOME</i>			
<b>TOTAL INCREASE IN INCOME</b>		-	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income)</i>
<i>Increase/Decrease in EXPENDITURE</i>			
<b>TOTAL INCREASE IN EXPENDITURE</b>		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)</i>
<b>NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)</b>		-	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)</i>

## APPENDIX 2

**INVERELL SHIRE COUNCIL**  
**BUDGET REVIEW FOR THE QUARTER ENDED 31-12-2015**  
**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)					
<b>INCOME</b>												
Rates & Annual Charges	16,944							16,944		16,944	17,023	100.47%
User Charges & Fees	3,385			118				3,503	1,302	4,805	1,501	42.85%
Interest	1,087							1,087		1,087	353	32.47%
Other revenues from ordinary activities	441			40				481	2	483	525	109.15%
Grants & Contributions provided for non capital purposes	8,779			71				8,850	-373	8,477	6,448	72.86%
Grants & Contributions provided for Capital Purposes	5,035			1,491				6,526	77	6,603	2,501	38.32%
Gain from the sale of assets	160							160		160	556	347.50%
Gain from interest in joint ventures & associates								-		0		0.00%
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>35,831</b>	<b>-</b>	<b>-</b>	<b>1,720.00</b>				<b>37,551</b>	<b>1,008</b>	<b>38,559</b>	<b>28,907</b>	<b>76.98%</b>
<b>EXPENSES</b>												
Employee Costs	12,961	111	178	25				13,275	2	13,277	5706	42.98%
Borrowing Costs	251							251		251	61	24.30%
Materials and Contracts	6,200	2,042	642	103				8,987	909	9,896	2796	31.11%
Depreciation	8,208							8,208		8,208	4104	50.00%
Other Expenses from ordinary activities	4,211	120						4,331	3	4,334	2213	51.10%
Loss from the disposal of assets								-				
Loss from interest in joint ventures & associates								-				
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>31,831</b>	<b>2,273</b>	<b>820</b>	<b>128</b>				<b>35,052</b>	<b>914</b>	<b>35,966</b>	<b>14,880</b>	<b>42.45%</b>
<b>NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)</b>	<b>4,000</b>	<b>(2,273)</b>	<b>(820)</b>	<b>1,592</b>				<b>2,499</b>	<b>94</b>	<b>2,593</b>	<b>14,027</b>	<b>561.30%</b>
<b>ADD BACK Non Cash Amounts</b>												
Depreciation	8,208							8,208		8,208	4104	50.00%
Carrying Amount of Assets Sold	85							85		85		0.00%
	<b>12,293</b>	<b>(2,273)</b>	<b>(820)</b>	<b>1,592</b>				<b>10,792</b>	<b>94</b>	<b>10,886</b>	<b>18,131</b>	<b>168.00%</b>
<b>Capital Amounts</b>												
Repayments by deferred Debtors	-1							-1		-1	-2	200.00%
Acquisition of Assets	(17,335)	(8,912)	(1,145)	(1,592)				-28,984	(94)	-29,078	-8119	28.01%
Loan Repayments	(500)							-500		-500	-167	33.40%
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%
<b>Unallocated Consolidation Net Profit/(Loss)</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>				<b>7</b>	<b>-</b>	<b>7</b>	<b>9,843</b>	
<b>NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)</b>	<b>(1,035)</b>							<b>(1,035)</b>		<b>(1,035)</b>	<b>11,526</b>	

\* Favourable / (Unfavourable) variance

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

Item	Explanation
<b>INCOME</b>	
Rates & Annual Charges	Includes rate levy for 2014/2016
User Charges & Fees	Includes annual DWM charges for 2015/2016
Other revenues from ordinary activities	Includes additional additional income from private works
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 2013/2014 budget have now been funded.



## APPENDIX 3

INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDED 31-12-2015  
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)					
<b>EXPENSES</b>												
Governance	311							311		311	114	36.66%
Administration	6,334	707						7,041	2	7,043	2,190	31.09%
Public Order and Safety	941	116						1,057	15	1,072	493	45.99%
Health & Environment	2,629	13	496	22				3,160	56	3,216	1,276	39.68%
Community Services and Education	1,389	87	9					1,485	-395	1,090	567	52.02%
Housing and Community Amenities	688	64	16					768	18	786	474	60.31%
Water Supplies	3,223							3,223		3,223	1,483	46.01%
Sewerage and Drainage Services	1,754							1,754		1,754	862	49.14%
Recreation and Culture	2,098	279	20	68				2,465	7	2,472	1,128	45.63%
Mining, Manufacturing and Construction	386							386		386	108	27.98%
Transport and Communication	5,215	33	83	-1				5,330	1283	6,613	3,263	49.34%
Economic Affairs	1,295	974	196	40				2,505	-72	2,433	631	25.94%
<b>TOTAL EXPENSES</b>	<b>26,263</b>	<b>2,273</b>	<b>820</b>	<b>129</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,485</b>	<b>914</b>	<b>30,399</b>	<b>12,589</b>	<b>41.41%</b>
<b>REVENUES</b>												
Governance	-							-		-	-	-
Administration	21,299							21,299	2	21,301	17,531	82.30%
Public Order and Safety	647							647	15	662	30	4.53%
Health & Environment	3,096			22				3,118		3,118	3,003	96.31%
Community Services and Education	1,263							1,263	-395	868	645	74.31%
Housing and Community Amenities	250							250		250	145	58.00%
Water Supplies	4,394							4,394		4,394	2,778	63.22%
Sewerage and Drainage Services	2,494							2,494		2,494	2,479	99.40%
Recreation and Culture	175			50				225	37	262	127	48.47%
Mining, Manufacturing and Construction	178							178		178	121	67.98%
Transport and Communication	6,338			1,609				7,947	1349	9,296	3,825	41.15%
Economic Affairs	343			40				383		383	409	106.79%
<b>TOTAL REVENUE</b>	<b>40,477</b>	<b>0</b>	<b>0</b>	<b>1,721</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,198</b>	<b>1,008</b>	<b>43,206</b>	<b>31,093</b>	<b>71.96%</b>
<b>OPERATING RESULT: (Surplus)</b>	<b>-14,214</b>	<b>2,273</b>	<b>820</b>	<b>-1,592</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-12,713</b>	<b>-94</b>	<b>-12,807</b>	<b>-18,504</b>	
Depreciation	8208							8,208		8,208	4,104	50.00%
Increase in Employee Leave Entitlements	2168							2,168		2,168	933	43.04%
<b>(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS</b>	<b>(3,838)</b>	<b>2,273</b>	<b>820</b>	<b>(1,592)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,337)</b>	<b>(94)</b>	<b>(2,431)</b>	<b>(13,467)</b>	
Carrying Amount of Assets Sold	85							85		85	0	0.00%
Proceeds Sale of Assets	-245							-245		-245	-556	226.94%
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	-2	200.00%
Acquisition of Assets	17,335	8,912	1,145	1,592				28,984	94	29,078	8,119	27.92%
Development of Real Estate								0		0		
Advance to Deferred Debtors								0		0		
Repayment of Loans	500							500		500	167	33.40%
Repayment of Other Debts								0		0		
<b>ESTIMATED BUDGET RESULT: (Deficit)</b>	<b>11,836</b>	<b>11,185</b>	<b>1,965</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,986</b>	<b>0</b>	<b>24,986</b>	<b>(5,739)</b>	
ADD BACK Non Cash Amounts												
Depreciation	8,208							8,208		8,208	4,104	
Carrying Amount of Assets Sold	85							85		85	0	
Plus Net Transfers	-3,550							-3,550		-3,550	0	
Plus Equity Funding**		-11,185	-1,965					-13,150		-13,150		
<b>BUDGET (SURPLUS)/DEFICIT</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>-</b>	<b>(250)</b>	<b>(9,843)</b>	
** Equity Funding is Unexpended Grants, Contributions and incomplete works from previous years were 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
Health & Environment	Includes entire DWM levy Chagres for 2015/2016
Housing & Community Amenities	Includes entire DWM levy Chagres 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 2013/2014 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	
<b>GENERAL ACTIVITIES</b>	\$	\$	\$	\$	\$	\$	\$
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		865,000	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
<b>FUND TOTAL</b>	<b>17,758,421.47</b>	<b>4,623,264</b>	<b>3,023,656</b>	<b>19,358,029.47</b>	<b>2,171,000</b>	<b>5,720,616</b>	<b>15,808,413.47</b>
<b>WATER SUPPLY</b>							
EMPLOYEE LEAVE ENTITLEMENTS	55,000.00		-	55,000.00	-	-	55,000.00
EQUIPMENT BREAKDOWN	107,940.00		-	107,940.00	-	-	107,940.00
REVENUE EQUALISATION	470,000.00		-	470,000.00			470,000.00
FUTURE CAPITAL WORKS	1,372,260.00	625,000		1,997,260.00			1,997,260.00
<b>FUND TOTAL</b>	<b>2,005,200.00</b>	<b>625,000</b>	<b>-</b>	<b>2,630,200.00</b>	<b>-</b>	<b>-</b>	<b>2,630,200.00</b>
<b>SEWERAGE SERVICES</b>							
EMPLOYEE LEAVE ENTITLEMENTS	15,000.00		-	15,000.00	-	-	15,000.00
EQUIPMENT BREAKDOWN	109,078.82		-	109,078.82	-	-	109,078.82
FUTURE CAPITAL WORKS	1,053,200.00	443,000	-	1,496,200.00			1,496,200.00
<b>FUND TOTAL</b>	<b>1,177,278.82</b>	<b>443,000</b>	<b>-</b>	<b>1,620,278.82</b>	<b>-</b>	<b>-</b>	<b>1,620,278.82</b>
<b>TOTAL OF ALL FUNDS</b>	<b>20,940,900.29</b>	<b>5,691,264</b>	<b>3,023,656</b>	<b>23,608,508.29</b>	<b>2,171,000</b>	<b>5,720,616</b>	<b>20,058,892.29</b>

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 Resear  
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  
Note 8

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, Weghbridges, 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		



## APPENDIX 5

CAPITAL EXPENDITURE 2015/2016											
PROGRAM	LEDGER NUMBER	DESCRIPTION	ORIGINAL CAPITAL BUDGET		ADJUSTED CAPITAL BUDGET		Classification	% Complete	FUNDING		AMOUNT
			AMOUNT	SECTION TOTAL	AMOUNT	SECTION TOTAL					
ADMINISTRATIVE SERV.	159060-1000	OFFICE FURNITURE & EQUIPMENT-DESKS, CHAIRS	5,200		5,200		Renewal	0%			
	134940-1000	ACQUISITION OF ART PRIZE	4,500		4,500		New Asset	100%			
	160470-1000	ART GALLERY REFURBISHMENTS	5,000	14,700	172,300		Renewal	18%	GRANT		30,000
	137540-1000	BAND HALL REFURBISHMENTS			6,660	188,660	Renewal	75%	GRANT	121206-1000	6,660
ENGINEERING	160800-1100	ENGINEERS INSTRUMENTS & EQUIPMENT	2,100	2,100	2,100	2,100	Renewal	30%			
BUSH FIRE	159141-1000	EQUIPMENT ISSUES	360,000	360,000	360,000	360,000	Renewal	RFS	GRANT	121121-1000	360,000
SES	132851-4450	SES BUILDING UPGRADE	7,150	7,150	22,650	22,650	Renewal	0%			
INFORMATION SERVICES	130101-1000	COMPUTER EQUIPMENT	44,290		44,290		Renewal	100%			
	130101-4910	COMPUTER EQUIPMENT	32,000		32,000		Renewal	0%			
	130111-5162	COMPUTER EQUIPMENT - NEW HARDWARE	32,000	108,290	32,000	108,290	Renewal	100%			
SPORTING FIELDS	160680-1100	SPORTS GROUND IMPROVEMENT-SPORT CNL	20,000	20,000	20,000	20,000	New Asset	0%	CONTRIBUTION	127090-1000	10,000
CEMETERY	136391-4450	CEMETERY	1,000	1,000	1,000	1,000	New Asset	100%			
LIBRARY	160180-1100	LIBRARY-CORPORATE SERVICE COLLECTION	1,350		1,350		Renewal	0%			
	160190-1000	LIBRARY BOOKS	56,500		56,500		Renewal	45%			
	160200-1000	LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION	20,000		20,000		Renewal	0%			
	160240-1000	NON BOOK MATERIALS-VIDEOS CASSETTES ETC.	9,250		9,250		Renewal	70%			
	160270-1000	LIBRARY SECURITY SYSTEM	2,150		2,150		Renewal	77%			
	160393-1000	LIBRARY-SPECIAL GRANT PROJECT	25,000	114,250	28,571	117,821	New Asset	1%	GRANT	160389-1000	25,000
WASTE MANAGEMENT	159759-1000	WASTE MANAGEMENT CAPITAL INFRASTRUCTURE	2,000,000	2,000,000	2,167,984	2,167,984	New Asset	1%	LOAN FUNDS	163520-4630	2,000,000
PARKS	159116-1000	EQUESTRIAN CENTRE SHADE SHELTERS			40,000		New Asset	65%			
	160531-1000	INVERELL COMPLEX UPGRADES			120,850		New Asset	75%			
	160561-1000	BELLEVUE PARK			150,000		New Asset	16%			
	160562-1000	CAMPBELL PARK UPGRADE			100,000		New Asset	87%			
	160563-1000	VICTORIA PARK UPGRADE			184,500		New Asset	92%			
	132501-1000	TOURIST CENTRE			82,000		New Asset	100%			
	142303-1000	LIONS PARK			48,000	725,350	New Asset	0%			
SCIF	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE PROGRAM	135,000	135,000	681,392	681,392	Renewal	7%	SCIF IRA	161920-6220	135,000
OTHER NEW INFRASTRUCTURE ASSETS	129381-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS	160,000	160,000	508,122	508,122	New Asset	4%			
	1592772-100	ENERGY EFFICIENCY PROGRAM			235,000	235,000	Renewal	0%			
PLANT	161590-1000	SMALL PLANT	105,000		105,000		Renewal	40%	PLANT REPLACE. IRA	161680-6220	1,624,000
	161610-1000	WORKSHOP EQUIPMENT	40,000		40,000		Renewal				
	161600-1000	LIGHT CARS/TRUCKS	249,000		249,000		Renewal	95%			
	161620-1000	HEAVY PLANT	925,000		925,000		Renewal	86%			
	148221-1000	INVERELL WORKSHOP EQUIPMENT	305,000	1,624,000	305,000	1,624,000	Renewal	0%			
TOTAL			4,546,490	4,546,490		6,762,369			REVENUE FUNDING REQUIRED		331,950
SEWERAGE	907170-1000	OTHER EQUIPMENT - Sewer Rodding Equip; Gas Detectors	40,000		40,000		Renewal	1%	CAPITAL WORKS IRA	907360-6220	-
	907110-1100	MAINS RELINING PROGRAM	100,000		260,349		Renewal	0%	LOAN FUNDS		
	907270-1000	PUMPING STATIONS UPGRADES	340,000		340,000		Renewal	0%			
	907290-3100	MAINS REPLACEMENT - INVERELL	60,000		60,000		Renewal	20%	TOTAL IRA FUNDING		-
	907280-3100	SEWER INVESTIGATION			183,851		Renewal	1%	GRANT FUNDING		-
	907321-3100	SEWER TREATMENT WORKS			3,655,000		Renewal	2%	LOAN FUNDS		-
									TOTAL REVOTES/EQUITY		3,999,000
TOTAL			540,000	540,000		4,539,000			REVENUE FUNDING REQUIRED		540,000
WATER	813220-1100	MAINS REPLACEMENT - INVERELL	175,000		478,170		Renewal	27%			
	813230-3100	MINOR MAINS EXTENSIONS-INVERELL	15,000		15,000		New Asset	100%			
	813285-1000	BACKFLOW PREVENTION WORKS	275,000		275,000		Renewal	0%			
	813282-1000	PUMP STATION UPGRADES	300,000		300,000		Renewal	0%			
	813260-3100	WATER TREATMENT PLANTS			655,497		Renewal	52%			
	813280-3001	METERING - ASHFORD	-		-		Renewal	0%	CAPITAL WORKS IRA	813380-6220	-
	813280-3020	METERING - DELUNGRA	-		-		Renewal	0%			
	813280-3100	METERING - INVERELL	66,950		66,950		Renewal	15%	LOAN FUNDING	W1394.514	-
	813280-3230	METERING - YETMAN	-		-		Renewal	0%			
	813280-3020	METERING - BONSHAW	-		-		Renewal	0%			
	813290-3100	OTHER EQUIPMENT	-		-		Renewal	0%			
									TOTAL IRA FUNDING		-
TOTAL			831,950	831,950		1,790,617			REVENUE FUNDING REQUIRED		831,950
ROADS	135960-3100	URBAN DRAINAGE RECONSTRUCTION-Construction Costs	509,000		671,571		Renewal	2%			
	138270-1000	URBAN WORKS PROGRAM	296,600		2,174,364		Renewal	13%			
	137561-1000	BLOCK GRANT WORKS	525,000		542,943		Renewal	77%	GRANT	122400-4450	572,000
	138691-1000	ACRD GRANT WORKS	1,505,500		1,862,662		Renewal	47%	GRANT	122760-1000	1,505,500
	1387330-445	3x4 GRANT WORKS	160,000		-		Renewal	0%	GRANT	122860-4450	160,000
	138280-1000	REPAIR PROGRAM WORKS (PJ143003,143004)	924,458		1,601,898		Renewal	43%	GRANT	122460-1000	924,458
	138400-1000	ROADS TO RECOVERY PROGRAM WORKS	1,820,128		3,096,741		Renewal	69%	GRANT	122880-1000	3,096,741
	141331-4450	CBD WORKS	17,300		17,300		Renewal	0%	GRANT	145861-1000	237,100
	139120	VILLAGES DEVELOPMENT WORKS	26,000		84,545		Renewal	15%	GRANT	122900-1000	800,000
	139200-1000	VILLAGES BITUMEN RESEALS	22,969		44,038		Renewal	0%	GRANT		197,500
	140110-1100	GRAVEL RESHEETING MINOR ROADS	44,220		44,220		Renewal	0%	SCIF IRA		380,000
	140190-1000	GRAVEL RESHEETING MINOR ROADS	33,280		33,280		Renewal	0%	IRA		4,291,616
	145862-1100	RMS - ACTIVE TRANSPORT PROGRAM	440,800		474,200		Renewal	1%	TOTAL IRA FUNDING		4,671,616
	Various	FIT FOR THE FUTURE - ROAD BACKLOG PROGRAM	4,091,616		4,091,616		Renewal	15%	GRANT FUNDING		7,493,299
	139400-1100	TIN TOT BRIDGE	1,000,000		1,000,000		Renewal	0%	TOTAL 14/15 UNEXPENDED GRANTS		778,024
	139500	BLACKSPOT PROGRAM			197,500		Renewal	56%			
	160900-1000	CPTIGS - BUS SHELTERS			49,703		New	10%			
									TOTAL REVOTES/EQUITY		2,081,772
	TOTAL			11,416,871	11,416,871		15,986,581			REVENUE FUNDING REQUIRED	
TOTAL ACQUISITION OF ASSETS			17,335,311		29,078,567						
TOTAL ASSET RENEWALS			14,524,011		24,779,137						
TOTAL NEW ASSETS			2,811,300		4,299,430						



## APPENDIX 6

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-15  
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)				
<b>CAPITAL FUNDING</b>											
Rates and Other untied Funding											
General Fund	1,182			101				1,283	10	1,293	1,293
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			1,491				7,446	47	7,493	4,969
Other									37	37	
Internal Restricted Assets											
Aerodrome											
Plant Replacement	1,624							1,624		1,624	
Roads Program	4,292							4,292		4,292	
Sewerage Future Capital Works											
Water Future Capital Works											
Strategic Capital Projects Fund	515							515		515	
Loan Funding	2,000							2,000		2,000	
Equity (Unexpended Grants and Contributions from previous years)		8,912	1,145					10,057		10,057	10,057
<b>TOTAL CAPITAL FUNDING</b>	<b>17,335</b>	<b>8,912</b>	<b>1,145</b>	<b>1,592</b>				<b>28,984</b>	<b>94</b>	<b>29,078</b>	<b>17,691</b>
<b>CAPITAL EXPENDITURE</b>											
Administrative Services	15			60				75	114	189	41
Aerodrome											
Engineering Equipment	2							2		2	1
SES/Bushfire	367	15						382		382	
Information Services	108							108		108	108
Sporting Fields	20							20		20	
Cemetery	1							1		1	1
Library	114		4					118		118	35
Plant	1,624							1,624		1,624	1,162
Other Structures/Buildings		801	16	23				840	120	960	510
Minor Community Infrastructure Assets	160	490	156	(101)				705	(197)	508	19
Strategic Capital Infrastructure Program	135	566	23					724	(43)	681	47
Waste Management Capital	2,000		168					2,168		2,168	38
Sewerage Services	540	3,999						4,539		4,539	97
Water Services	832	959						1,791		1,791	511
Roads	11,417	2,082	778	1,610				15,887	100	15,987	5,147
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>17,335</b>	<b>8,912</b>	<b>1,145</b>	<b>1,592</b>				<b>28,984</b>	<b>94</b>	<b>29,078</b>	<b>7,717</b>

**RECOMMENDED CHANGES TO REVISED BUDGET**

The budget variations recommended above are required to be made to budget votes as a result of changes since the last budget review. Refer to attached appendix "Budget Variations" for commentary on each budget variation. Those items identified as requiring funding since the adoption of the 2015/2016 budget have now been funded.



## APPENDIX 7

INVERELL SHIRE COUNCIL  
INVESTMENTS HELD 31-12-15Start of Year 1/07/2015  
End of Year 30/06/2016

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)
15/33	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	4180726	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	17-Sep-15	17-Mar-16	3.00%	2,000,000	2,000,000	180
16/16	Bank West	4406033	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
16/21	CBA		Sewer	A1+	1	21-Dec-15	19-Apr-16	3.20%	2,000,000	2,000,000	120
16/17	Suncorp	4181377	General	A1+	1	28-Oct-15	28-Apr-16	2.90%	2,000,000	2,000,000	183
16/18	Bank West	4386793	General	A1+	1	26-Nov-15	28-Apr-16	3.00%	2,000,000	2,000,000	90
16/10	CBA	06255650139260	General	A1+	1	16-Sep-15	16-May-16	2.70%	1,000,000	1,000,000	243
16-22	CBA		General	A1+	1	21-Dec-15	19-May-16	3.00%	1,000,000	1,000,000	150
16/19	Bank West		Water	A1+	1	14-Dec-15	14-Jun-16	3.00%	1,500,000	1,500,000	183
16/20	National Australia Bank	84-516-3709	General	A1+	1	14-Dec-15	14-Jun-16	2.98%	2,000,000	2,000,000	183
16/11	National Australia Bank	94-942-1426	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	45,500,000	45,500,000

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
30/11/15	National Australia Bank (Cash Maximiser)	83-038-3012	General	A1+	1			2.50%	1,000,000	1,000,000
30/11/15	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
31/12/15	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	18,000	18,000

Portfolio by Fund	
General Fund	37,043,367
Water Fund	4,518,000
Sewer Fund	6,000,000
TOTAL	47,561,367

Portfolio by Fund	30/11/2015	31/12/2015
General Fund	37,043,367	37,043,367
Water Fund	3,018,000	4,518,000
Sewer Fund	5,500,000	6,000,000
TOTAL	\$ 45,561,367.27	\$ 47,561,367.27



## APPENDIX 8

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2015  
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)			
<b>EXTERNALLY RESTRICTED</b>										
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	510
Stormwater Management	-						-		-	131
<b>TOTAL EXTERNALLY RESTRICTED</b>	<b>15,635</b>						<b>15,635</b>		<b>15,635</b>	<b>17,713</b>
<b>INTERNALLY RESTRICTED</b>										
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
<b>TOTAL INTERNALLY RESTRICTED</b>	<b>17,720</b>						<b>17,720</b>		<b>17,720</b>	<b>17,720</b>
<b>TOTAL RESTRICTED</b>	<b>33,355</b>						<b>33,355</b>		<b>33,355</b>	<b>35,433</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>46,541</b>						<b>46,541</b>		<b>46,541</b>	<b>47,561</b>
<b>AVAILABLE WORKING CAPITAL</b>	<b>13,186</b>	Figure incl. revotes & Unexpended grants from 2014/15 \$8.2m							<b>13,186</b>	<b>12,128</b>

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

**COMMENT ON CASH & INVESTMENT POSITION**

Councils overall Investment Portfolio remains sound and as at 31 December 2015 Councils Cash and Investment Portfolio totalled \$47.6 million plus \$2.7 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	17,713
Total Internal Restricted Funds	17,720
Total Restricted	35,433
Total Funds Invested as per Investment Report (31-12-15)	47,561
Total Available Working Capital	12,128

**CASH**

I, KEN BEDDIE, as Council's Responsible Accounting Officer, hereby certify that the bank balances, as per General Ledger, have been reconciled with the bank statements for the month of December, 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 December, 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 31-12-15  
CONTRACTS**

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
Danbuilt P/L	Construct Toilet and Storage Building at Cameron Oval	\$ 374,656.39	01-October-2015	20 weeks	Y

**Notes**

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

**Explanation of Unbudgeted Contracts**

**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-15  
CONSULTANCY & LEGAL EXPENSES**

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
<b>CONSULTANCIES</b>		
Heritage Advisor	7,977.27	Y
Town Centre Renewal	6,200.00	Y
Investment Advisor	6,000.00	y
Waste Management	12,782.00	
Asset Management	3,937.50	
<b>LEGAL FEES</b>	9,926.27	Y

**Definition of Consultant**

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

**Explanation of Unbudgeted Consultancy & Legal Fees**



## APPENDIX 10

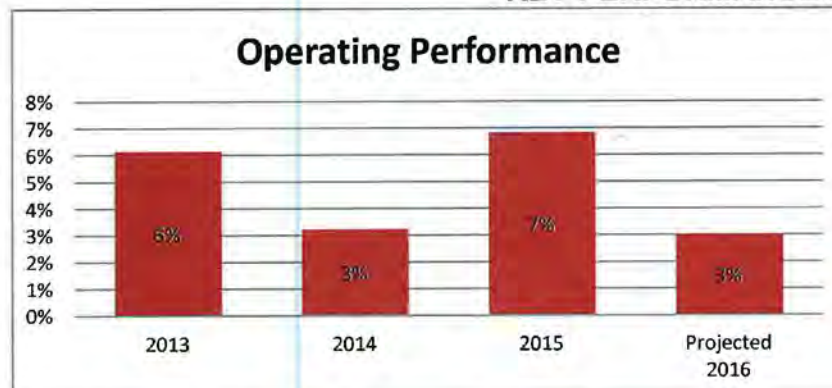
## INVERFLEET OPERATIONS 2015-2016

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

SUFFIX	DESCRIPTION	2016 BUDGET	2016 Y.T.D.	% VOTE	BALANCE
	Operators Wages	32,000	9,681	30.3%	22,319
	Workshop Wages	264,660	228,377	86.3%	36,283
	Repairs	15,000	-	0.0%	15,000
	Parts	370,000	203,359	55.0%	378,641
	Tyres	197,000	58,879	3.6%	138,121
	Fuel	1,086,000	541,681	49.9%	544,319
	Registration	185,000	18,831	10.2%	166,169
	Accident Expenses	7,500	-	0.0%	7,500
	Depreciation	1,600,000	800,000	50.0%	800,000
	Oils & Lubricants	40,000	20,624	51.6%	19,376
	Cutting Edges	60,000	24,176	40.3%	35,824
	Insurance	130,000	144,004	110.8%	-14,004
148170	Miscellaneous +G4817.000	253,000	169,419	67.0%	83,581
148190	Insurance Excess	8,000	1,955	24.4%	6,045
148210	Ashford Workshop Exp.	22,000	8,240	37.5%	13,760
148220	Inverell Workshop Exp.	48,015	15,099	31.4%	32,916
148230	Apprentice Exp.	15,000	-	0.0%	15,000
148240	Administration Charge	302,040	151,051	50.0%	150,989
148250	Small Plant & Tools	80,195	36,992	46.1%	43,203
994825	Depreciation Small Plant & Tools	76,000	38,000	50.0%	38,000
148260	Plant & Tools under \$750	3,000	-	0.0%	3,000
148280	Oncosts (Super,w/comp etc.)	163,935	107,099	65.3%	56,836
146370	2 Way Radio SYSTEM UPGRADE	0	-	0.0%	0
146380	2 Way Radio M & R	17,020	13,249	77.8%	3,771
146390	2 Way Radio Installations	2,500	155	6.2%	2,345
146400	2 Way Radio Licences	1,500	-	0.0%	1,500
TOTAL OPERATING COSTS:		4,979,365	2,590,871	52.0%	1,388,413
128780	Council Hire	-4,802,000	3,027,016	63.0%	-1,774,984
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	60,060	50.0%	-60,060
TOTAL OPERATING INCOME:		-4,929,620	3,087,076	62.6%	-1,299,794
NET RESULT:		49,745	496,205	-997.5%	545,950
Less GPS Units		-50,000	-	0.0%	-50,000
Less Capital Replacement Inflation Allowance		-	41,900		
		-255	454,305	178158.7%	454,050
REPLACEMENT PROGRAM					
161620	Heavy Plant Purchases	925,000	1,098,737	118.8%	-173,737
161600	Light Plant Purchases	249,000	345,597	138.8%	-96,597
161590	Small Plant Purchases	105,000	45,598	43.4%	59,402
	Workshop Upgrades	305,000	-	0.0%	305,000
148221	Workshop Equipment	40,000	-	0.0%	40,000
		1,624,000	1,489,933	91.7%	134,067
168100	Sale of Heavy Plant	-140,000	131,480	-93.9%	-271,480
168110	Sale of Light Plant	-105,000	99,091	-94.4%	-204,091
168120	Sale of Small Plant	0	-	0.0%	0
NET RESULT:(Surplus)/Deficit		1,379,000	1,720,503		-341,503
PLANT RESERVE					
G6168	Estimated Balance 1.7.14	4,336,562	4,336,562		0
G6168.802	Transfer from 2014/2015	-1,929,000	1,720,503		-208,497
G6168.801	Transfer to 2014/2015	1,676,000	838,000		838,000
G6168	Balance 30.06.2015	4,083,562	3,454,059		629,503



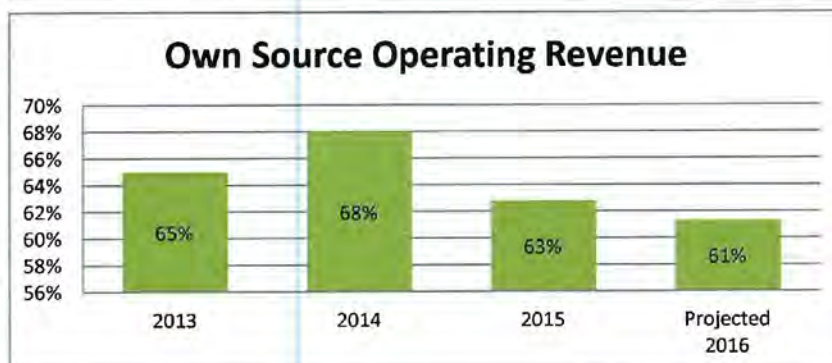
**INVERELL SHIRE COUNCIL  
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2015  
KEY PERFORMANCE INDICATORS**



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%.

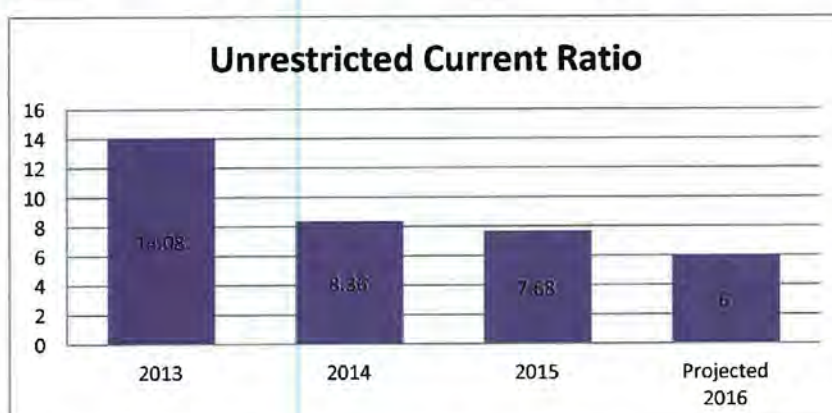
The "fit for the future" benchmark is that council should have a breakeven or better operating performance ratio over a three year period.



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.

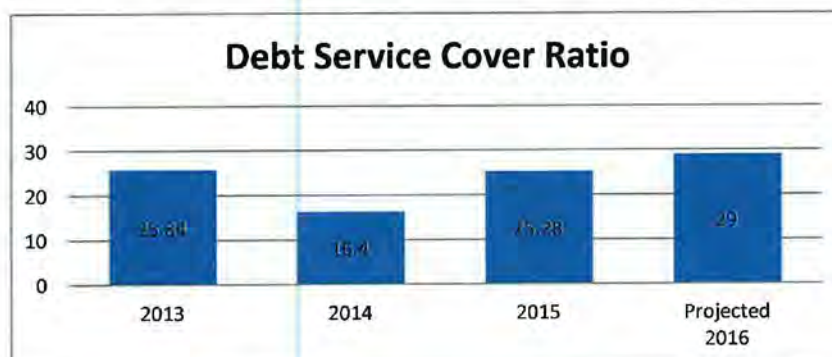


The **Unrestricted Current Ratio** excludes all current assets and liabilities that are restricted for specific purposes. These include the water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions

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

The Tcorp benchmark is greater than 1.5

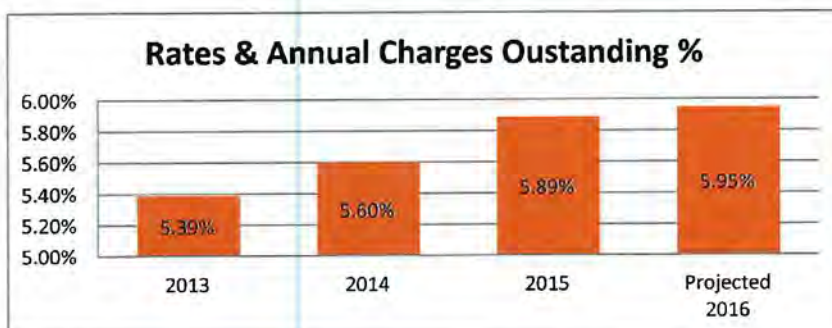
The "fit for the future" benchmark is that councils should have own source revenue of greater than 60% over a three year period.



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

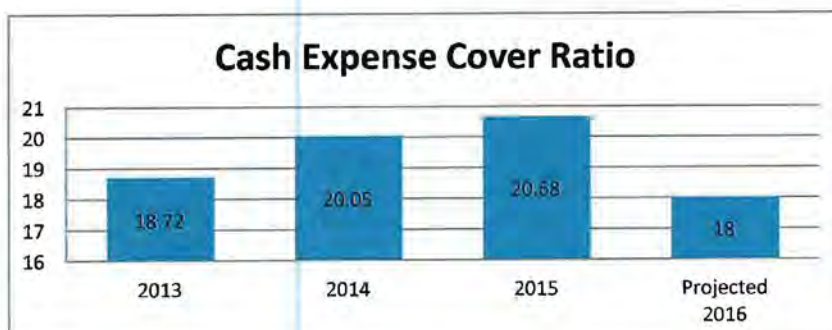
The Tcorp benchmark is to have a ratio of greater than 2.



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%

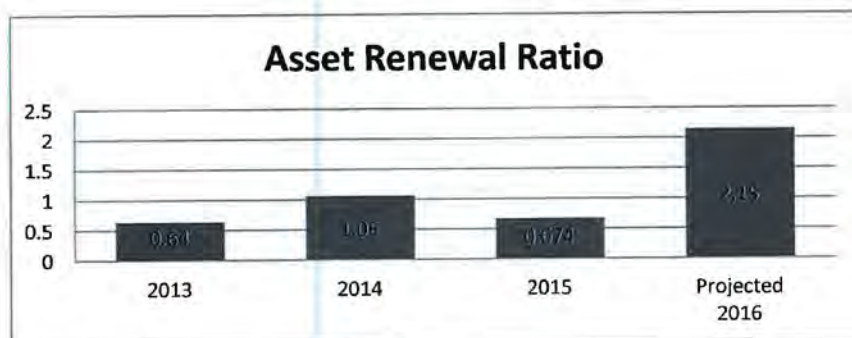


The **Cash Expense Cover Ratio** indicates the number of months Council can pay its expenses without additional cash flow.

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**

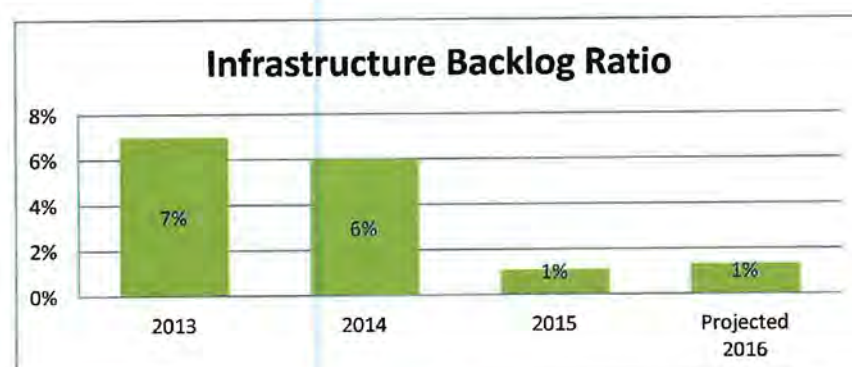


The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

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

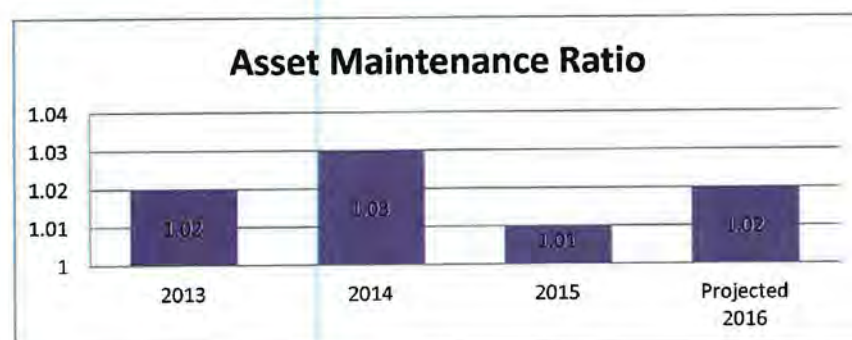


The **Infrastructure Backlog Ratio** assess Council infrastructure backlog against the total value of councils infrastructure.

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

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

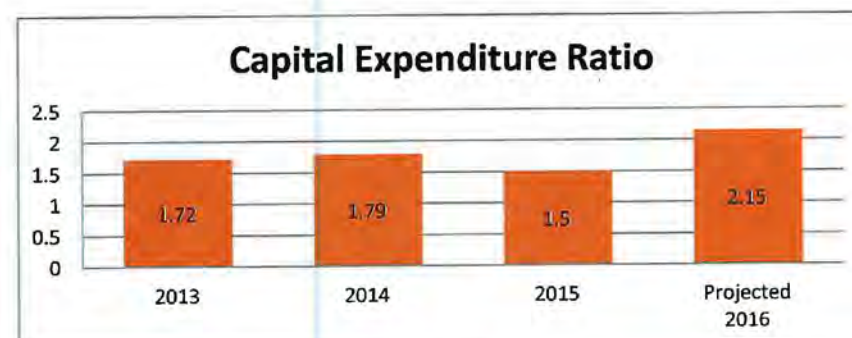
2012 figure (20%) was the cost to bring all Shire roads up to HML standard.



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.