

**INVERELL SHIRE COUNCIL**

**NOTICE OF MEETING**

**ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE**

3 June, 2016

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 8 June, 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>
<hr/>	
<b>10.30AM</b>	<b>ADDRESS BY CAROLINE DOWNER, EXECUTIVE DIRECTOR, ARTS NORTH WEST</b>
<b>11.00AM</b>	<b>ADDRESS BY NICOLE LAVENDER, INVERELL DISTRICT FAMILY SERVICES</b>

## Quick Reference Guide

Below is a legend that is common between the:

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

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

# ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING

Wednesday, 8 June, 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 MAY, 2016, COMMENCING AT 9.11AM.

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.

Ken Beddie (Acting General Manager), Brett McInnes (Director Civil and Environmental Services) and Stephen Golding (Executive Manager Corporate and Community Services).

SECTION A

APOLOGIES:

There were no apologies received.

1. CONFIRMATION OF MINUTES

*RESOLVED (Michael/Harmon) that the Minutes of the Economic and Community Sustainability Committee Meeting held on 13 April, 2016 as circulated to members, be confirmed as a true and correct record of that meeting.*

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

The following interests were declared:

- Cr Michael declared a pecuniary interest in Section G, Confidential Reports, Item 2, "104 Otho Street, Inverell – Additional Detail". The nature of the interest relates to Cr Michael's association with a developer with a possible interest in the property.

3. BUSINESS ARISING FROM PREVIOUS MINUTES

Cr Watts clarified that, in reference to Section B, Advocacy Reports, "Domestic Violence Awareness Evening", 163 people were in attendance at the training and 275 people present at the dinner.

SECTION B  
ADVOCACY REPORTS

Cr Baker North East Library Zone Meeting

Cr Baker noted her attendance at the North East Library Zone meeting with Council's Manager Library Services, Mrs Sonya Lange.

The major issue was the proposed merger of Councils in the zone. The concern was the potential loss of librarian staff and members of the North East Library Zone.

SECTION F  
QUESTIONS WITHOUT NOTICE

Cr Harmon Air Services

Cr Harmon informed the Committee that the Regional Airline, Fly Corporate has announced the introduction of a direct air service between Armidale and Brisbane, commencing 1 August, 2016.

Acting General Manager     Air Flights to Sydney – Charter Costs

At the previous Committee Meeting, Cr Baker requested the cost of chartering Sydney return flights that could provide an alternate travel for Sydney residents attending Opera in the Paddock. Mr Ken Beddie advised that Inverell Aviation's indicative price for a five (5) seat aircraft is \$8000 and Corporate Air, from Mascot to Inverell return is;

19 seat aircraft - \$11,000 (crew of 2 pilots)

30 seat aircraft - \$22,900 (crew of 2 pilots and 1 flight attendant)

It is noted that these prices do not include GST and additional costs of keeping the aircraft and crews in Inverell, as this price is a straight pickup/drop off scenario.

SECTION D  
DESTINATION REPORTS

CSOP-A     1.     EXPIRING LICENCE AGREEMENTS                     S5.10.65

1.     Licence Agreement, Mr George Sherry – Part Lot 1, DP 1140913, Cameron Park and Part Closed Road, Inverell.

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

- i)     Council renew the agreement with Mr George Sherry for Part Lot 1, DP 1140913, Cameron Park and Part Closed Road, Inverell for a three (3) year period with a further three (3) year option under the same terms and conditions;*
- ii)    the licence fee be \$390.00 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.     Licence Agreement, Mr Colin Laidlaw – Part Lot 1, DP 1140913, Cameron Park and Part Closed Road, Inverell.

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

- i)     Council renew the agreement with Mr Colin Laidlaw for Part Lot 1, DP 1140913 Cameron Park and Part Closed Road, Inverell for a three (3) year period with a further three (3) year option under the same terms and conditions;*
- ii)    the licence fee be \$420.00 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 REDUCTION ON WATER ACCOUNT (LISTING)  
S32.10.1/09

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

- i)     the matters and information involve 'the personal hardship of any resident or ratepayer.' (Section 10A(2)(b) of the Local Government Act, 1993);*

ii) *on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*

iii) *all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

3. INVERELL MEN'S HEALTH NIGHT - REQUEST FOR FINANCIAL ASSISTANCE S12.22.1/09

GM-A *MOTION (Baker/Harmon) that the Committee recommend to Council that a donation of \$1000 be provided in support of the event, subject to further information being provided regarding the event including Hunter New England's involvement and support.*

*AMENDMENT (Michael/Girle) that the Committee recommend to Council that a donation of \$500 be provided in support of the event, subject to further information being provided regarding the event including Hunter New England's involvement and support.*

*The amendment on being put to the meeting was lost. The motion on being put to the meeting was carried.*

4. 104 OTHO STREET, INVERELL – ADDITIONAL DETAIL (LISTING) S5.2.1/18

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

i) *the matters and information involve 'commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.' (Section 10A(2)(d)(i) of the Local Government Act, 1993);*

ii) *on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*

iii) *all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

SECTION E  
INFORMATION REPORTS

1. ARTS NORTH WEST S26.5.4

GM-A *RESOLVED (Harmon/Michael) that:*

i) *the report be received and noted; and*

ii) *a representative from Arts North West be invited to attend a Council Meeting to present the benefits and opportunities of being a member of Arts North West.*

2. ELECTRO MAGNETIC FREQUENCIES (EMF) EMISSIONS S24.5.3

*RESOLVED (Harmon/Michael) that the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 11 May, 2016, be received and noted.*

SECTION H  
GOVERNANCE REPORTS

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

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

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

2. QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2015/2016  
S12.5.1/09

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

- i) Council's Quarterly Operational Plan and Budget Review for 31 March, 2016 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.*

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

At 9.43am, the Chairperson offered the opportunity to members of the public to make representations as to whether any part of the Committee Meeting should not be considered in Closed Committee. There was no response from the public.

CLOSED COMMITTEE REPORTS

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

Upon resuming Open Committee, at 9.59am, the Chair verbally reported that the Committee, with the Press and Public excluded, having considered the matters referred to it, recommends as follows:

1. REQUEST FOR REDUCTION ON WATER ACCOUNT S32.10.1/09

FO-A *That the Committee recommend to Council that Council issue an amended account of \$254.82 for the quarter in question, based on the average consumption for the last two (2) accounts and write off \$401.41.*

At this juncture, the time being 9.44am, having previously declared a pecuniary interest in Section G, Confidential Reports, Item 2, "104 Otho Street, Inverell – Additional Detail", Cr Michael left the meeting and did not participate in the vote in this matter.

2. 104 OTHO STREET, INVERELL – ADDITIONAL DETAIL S5.2.1/18

GM-A *That the Committee recommend to Council that the offer from BEST Employment for the purchase of 104 Otho Street, Inverell be declined.*

ADOPTION OF RECOMMENDATION

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

At this juncture, the time being 9.59am, Cr Michael returned to the meeting.

There being no further business, the meeting closed at 10.04am.

CR J A WATTS

CHAIRPERSON



**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/06/2016**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S26.5.4
<b>DESTINATION 2:</b>	A community that is healthy, educated and sustainable	<b>C</b>
<b>SUBJECT:</b>	<b>ARTS NORTH WEST</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

Ms Caroline Downer, Executive Director, Arts North West has been invited to address today's meeting to present the benefits of again becoming a member of that organisation. The Committee is being asked to consider the approach.

**COMMENTARY:**

Council at its March, 2016 Ordinary meeting resolved that Council provide Arts North West with the opportunity to present the benefits of again becoming a member of that organisation.

An invitation was subsequently extended to Arts North West in respect of this matter and accordingly, Ms Caroline Downer, Executive Director has accepted the invitation and will address today's meeting.

In the interim, the Inverell Cultural & Arts Council has been campaigning cultural groups and individuals encouraging them to write to Council supporting their bid for Council to re-join Arts North West. The latest item of correspondence received in respect of this matter is from NECOM Inverell – Conservatorium Support Group. A copy of NECOM Inverell's item of correspondence is attached as Appendix 1 (D4) for the information of the Committee. In addition Councillors will recall noting at the May Economic meeting, representations from Jenny Donnelly, Carolyn McCosker and the Inverell Music Appreciation Group.

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

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

**Term Achievement:** C.07.01 Council has locally focused cultural programs and initiatives that facilitate forums, networks and training opportunities that are conducive to strengthening relationships between tourism, arts, heritage, sports and recreational interests.

**Operational Objective:** C.07.01.01 To provide and assist community groups in the provision of recreational and cultural facilities and services for the enjoyment of all residents and visitors to the Shire

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That the report be received and noted.*

<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S15.8.25/09
<b>DESTINATION 2:</b>	A community that is healthy, educated and sustainable	<b>C</b>
<b>SUBJECT:</b>	<b>INVERELL DISTRICT FAMILY SERVICES - FUTURE DIRECTION (LISTING)</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

Inverell District Family Services ('The Service') wish to meet with Council to provide a briefing of an opportunity to expand their Early Learning Services. The Committee is requested to consider a confidential report in this respect.

**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:** 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.01.02 Manage on behalf of the community issues which impact on or threaten the medium and long term sustainability of the community.

**Operational Objective:** C.01.02.01 To provide leadership and community direction to ensure that issues which impact on the community are managed for the benefit of the community.

#### **POLICY IMPLICATIONS:**

Nil.

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

Nil.

#### **LEGAL IMPLICATIONS:**

Nil.

#### **RECOMMENDATION:**

*That the matter be referred to Closed Council 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

*Conservatorium Support Group - Inverell**Inverell*

79 Moore St  
PO Box 1242  
Inverell NSW 2360  
[Inverell@necom.org.au](mailto:Inverell@necom.org.au)  
Ph. 6722 2023

INVERELL SHIRE COUNCIL	
27 MAY 2016	

27<sup>th</sup> May, 2016

General Manager  
Inverell Shire Council  
144 Otho Street  
Inverell. NSW 2360  
Att: Paul Henry

Dear Paul,

I am writing to you on behalf of the Conservatorium Support Group – Inverell to advise that, at its last meeting, the Group resolved to write to Council to urge that it reinstate its membership of Arts North West.

This will enable the Group and other cultural groups in the Inverell Shire to access the services of Arts North West and participate in the programs run by Arts North West.

The Group appreciates the support that the Inverell Shire Council has given to the Inverell Campus over the years.

The Group trusts that Council will consider the Group's views when it makes its decision.

Yours faithfully

  
Chris Newbigin  
Secretary

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/06/2016**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S31.16.22
<b>DESTINATION 3:</b>	An environment that is protected and sustained	<b>E</b>
<b>SUBJECT:</b>	<b>E-WASTE FACILITY AND REVOLVE STORE – WARRA-LI</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

The following information is provided to keep Council informed of Warra-Li's Northern Region NSW E-Waste Recycling facility and Aboriginal Employment initiative. Council is being asked to receive and note the information provided.

**COMMENTARY:**

Council is in receipt of the following advice regarding a number of funding opportunities being pursued by Warra-Li:

- a) On 15 April, 2016, the Deputy Prime Minister Barnaby Joyce was pleased to announce Federal Government funding of \$1,026,273 to Warra-Li for operational expenses associated with the Northern Regional e-Waste facility located at the Burtenshaws Road waste facility for a period of three (3) years.
- b) The Murray Darling Basin Regional Economic Diversification Program is a Commonwealth program administered in NSW by the State Government in accordance with guidelines set by the Commonwealth. Unfortunately, Warra-Li's funding application for capital costs of \$422K associated with the aforementioned project was not approved despite the project satisfying the funding criteria.

Council has sought advice from Warra-Li on the implications for the project following the funding announcements. I will keep Council informed as further advice comes to hand.

**RECOMMENDATION:**

*That the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 8 June, 2016, be received and noted.*

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/06/2016**

<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</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **7 April, 2016 at 10:00am**, for GENERAL, WATER AND SEWER STORES for **INVERELL**.

**COMMENTARY:**

<b>FUND</b>	<b>ADJUSTMENT</b>	<b>NET</b>
GENERAL	WRITE-ON	919.65
GENERAL	WRITE-OFF	0.00
WATER	WRITE-ON	81.06
WATER	WRITE-OFF	-107.92
SEWER	WRITE-ON	71.23
SEWER	WRITE-OFF	0.00
	<b>TOTAL</b>	<b>\$964.02</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>
300050	Coupling Access DWV 150	07/04/16 – 10:00am	10	11	1	10.98
200530	Gasket Kit 80mm CL 16		16	18	2	14.56
200595	Meter – 20mm		26	27	1	38.98
201165	Nipple Brass 25x20mm		6	7	1	4.15
201170	Socket Brass 25x20mm		9	8	-1	-5.38
201270	Valve Jumper ¾"		22	18	-4	-6.82
300015	Mastic – 2.4M		22	26	4	60.25
101435	Distillate – On Road Bulk		17,527	18,500	973	910.10
101445	Petrol – Unleaded		6,501	6,510	9	9.55
200670	Pipe – 90mm PVC Stormwater		30	32	2	23.37
200690	Pipe – 150mm PVC CL12 S1		6	5	-1	-95.72
					<b>TOTAL</b>	<b>\$964.02</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 **\$964.02** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the Committee recommend to Council that:*

- i) the stores and materials Stocktake information be received and noted; and*
- ii) the adjustment of **\$964.02** be made in the Stores Ledger.*

<b>ITEM NO:</b>	2.	<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</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **3 May, 2016 at 10:30am**, for GENERAL, WATER AND SEWER STORES for **INVERELL**.

**COMMENTARY:**

FUND	ADJUSTMENT	NET
GENERAL	WRITE-ON	1,047.98
GENERAL	WRITE-OFF	-1,000.31

WATER	WRITE-ON	0.00
WATER	WRITE-OFF	0.00
SEWER	WRITE-ON	0.00
SEWER	WRITE-OFF	0.00
<b>TOTAL</b>		<b>\$47.67</b>

STOCKTAKE DISCREPANCY LIST						
ITEM	DESCRIPTION	DATE & TIME OF COUNT	BOOK BALANCE QTY	COUNT QTY	DIFF	\$ VALUE ADJ
100360	Star Post Caps	03/05/16 – 10:30am	445	410	-35	-23.98
100335	Pegs – 2 x 1" x 18"		256	261	5	6.53
100110	Toilet – Hand Towel Roll		43	44	1	33.31
100265	Line String 50MTR		5	4	-1	-5.17
100985	Filter Fuel TS1415/FS7909		5	6	1	2.03
100165	Cement – Rapid Set 20kg		78	76	-2	-11.69
100550	Pins Various		116	0	-116	-610.76
100635	Washers – Various		41	0	-41	-345.01
100650	Plough Bolt/Nut – 2 ½ x 5/8"		121	122	1	1.39
100655	Plough Bolt/Nut 3 x 5/8"		27	26	-1	-2.36
100665	Plough Bolt/Nut 2 ¼ x ¾"		35	34	-1	-1.34
100670	Plough Bolt/Nut – 2 ½ x ¾"		25	30	5	6.72
101435	Distillate – On Road Bulk		7,942	9,000	1,058	981.03
101445	Petrol – Unleaded		5,644	5,660	16	16.97
					<b>TOTAL</b>	<b>\$47.67</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 **\$47.67** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.



**RECOMMENDATION:**

*That the Committee recommend to Council that:*

- i) the stores and materials Stocktake information be received and noted; and*
- ii) the adjustment of **\$47.67** be made in the Stores Ledger.*

<b>ITEM NO:</b>	3.	<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</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **11 May, 2016 at 12:00pm**, for GENERAL STORES for **ASHFORD**.

**COMMENTARY:**

FUND	ADJUSTMENT	NET
GENERAL	WRITE-ON	0.00
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>\$0.00</b>

STOCKTAKE DISCREPANCY LIST						
ITEM	DESCRIPTION	DATE & TIME OF COUNT	BOOK BALANCE QTY	COUNT QTY	DIFF	\$ VALUE ADJ
					<b>TOTAL</b>	<b>\$0.00</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:**

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 Committee recommend to Council that:*

- i) the stores and materials Stocktake information be received and noted; and*
- ii) no adjustment be made in the Stores Ledger.*

<b>ITEM NO:</b>	4.	<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</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **11 May, 2016 at 12:00pm**, for GENERAL STORES for **FUEL TANKER T190**.

**COMMENTARY:**

FUND	ADJUSTMENT	NET
GENERAL	WRITE-ON	46.13
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>\$46.13</b>

STOCKTAKE DISCREPANCY LIST						
ITEM	DESCRIPTION	DATE & TIME OF COUNT	BOOK BALANCE QTY	COUNT QTY	DIFF	\$ VALUE ADJ
101435	Distillate – On Road Bulk	11/05/16 – 12:00pm	3,058	3,110	52	46.13
					<b>TOTAL</b>	<b>\$46.13</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 **\$46.13** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the Committee recommend to Council that:*

- i) the stores and materials Stocktake information be received and noted; and*
- ii) the adjustment of **\$46.13** made in the Stores Ledger.*

<b>ITEM NO:</b>	5.	<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</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **11 May, 2016 at 12:00pm**, for GENERAL STORES for **FUEL TANKER T212**.

**COMMENTARY:**

FUND	ADJUSTMENT	NET
GENERAL	WRITE-ON	0.00
GENERAL	WRITE-OFF	-541.42
WATER	WRITE-ON	0.00
WATER	WRITE-OFF	0.00
SEWER	WRITE-ON	0.00
SEWER	WRITE-OFF	0.00
	<b>TOTAL</b>	<b>-\$541.42</b>

STOCKTAKE DISCREPANCY LIST						
ITEM	DESCRIPTION	DATE & TIME OF COUNT	BOOK BALANCE QTY	COUNT QTY	DIFF	\$ VALUE ADJ
101435	Distillate – On Road Bulk	11/05/16 – 12:00pm	2,376	1,800	-576	-541.42
					<b>TOTAL</b>	<b>-\$541.42</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 **-\$541.42** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the Committee recommend to Council that:*

- i) the stores and materials Stocktake information be received and noted; and*
- ii) an adjustment of **-\$541.42** be made in the Stores Ledger.*

<b>ITEM NO:</b>	6.	<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</b>	
<b>PREPARED BY:</b>	Ryan Dick, Expenditure Controller	

**SUMMARY:**

A physical Stocktake was undertaken of Council's Stores and Materials as at **11 May, 2016 at 12:00pm**, for GENERAL STORES for **YETMAN**.

**COMMENTARY:**

<b>FUND</b>	<b>ADJUSTMENT</b>	<b>NET</b>
GENERAL	WRITE-ON	82.82
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>\$82.82</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	11/05/16 – 12:00pm	1,037	1,120	83	82.82
					<b>TOTAL</b>	<b>\$82.82</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 **\$82.82** is required to be undertaken in the stores ledger.

**LEGAL IMPLICATIONS:**

The Stocktake is a Financial Regulation and Audit Requirement.

**RECOMMENDATION:**

*That the Committee recommend to Council that:*

- i) the stores and materials Stocktake information be received and noted; and*
- ii) the adjustment of **\$82.82** made in the Stores Ledger.*

<b>ITEM NO:</b>	7.	<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 May, 2016.

**COMMENTARY:**

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

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

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

<b>Term Deposit Investment Group</b>										
<i>Investment No.</i>	<i>Borrower</i>	<i>FUND</i>	<i>Rating</i>	<i>Risk Rating</i>	<i>Purchase Date</i>	<i>Maturity Date</i>	<i>Current Yield</i>	<i>Principal Value</i>	<i>Current value</i>	<i>Term (days)</i>
16/23	National Australia Bank	General	A1+	1	04-Jan-16	02-Jun-16	3.05%	2,000,000	2,000,000	150
16/25	Suncorp	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	General	A1+	1	14-Dec-15	14-Jun-16	2.98%	2,000,000	2,000,000	183
16/24	National Australia Bank	General	A1+	1	11-Jan-16	11-Jul-16	3.05%	1,000,000	1,000,000	182
16/35	Bank West	Sewer	A1+	1	23-Mar-16	21-Jul-16	3.00%	2,000,000	2,000,000	120
16/26	St George Bank	General	A1+	1	22-Jan-16	22-Jul-16	2.95%	2,000,000	2,000,000	182
15/32	CBA	General	A1+	1	28-Jan-16	28-Jul-16	2.90%	1,000,000	1,000,000	182
16/28	National Australia Bank	Water	A1+	1	13-Feb-16	12-Aug-16	2.95%	1,000,000	1,000,000	181
16/29	AMP BANK	General	A1	2	01-Mar-16	01-Sep-16	3.00%	2,000,000	2,000,000	184
16/30	AMP BANK	General	A1	2	01-Mar-16	01-Sep-16	3.00%	1,000,000	1,000,000	184
16/31	AMP BANK	Water	A1	2	01-Mar-16	01-Sep-16	3.00%	1,000,000	1,000,000	184
16/11	National Australia Bank	General	A1+	1	16-Sep-15	15-Sep-16	2.80%	1,000,000	1,000,000	365
16/33	National Australia Bank	Sewer	A1+	1	17-Mar-16	16-Sep-16	3.10%	2,000,000	2,000,000	183
16/43	Bank West	General	A1+	1	28-Apr-16	26-Sep-16	2.95%	2,000,000	2,000,000	151
16/32	Suncorp	General	A1+	1	01-Mar-16	27-Sep-16	3.05%	1,000,000	1,000,000	210
16/33	Suncorp	General	A1+	1	01-Mar-16	27-Sep-16	3.05%	1,000,000	1,000,000	210
16/36	National Australia Bank	Water	A1+	1	23-Mar-16	27-Sep-16	3.12%	1,000,000	1,000,000	188
16/37	St George Bank	General	A1+	1	08-Apr-16	07-Oct-16	3.12%	2,000,000	2,000,000	182
16/38	St George Bank	General	A1+	1	08-Apr-16	07-Oct-16	3.12%	2,000,000	2,000,000	182
16/45	CBA	General	A1+	1	16-May-16	13-Oct-16	2.70%	1,000,000	1,000,000	150
16/40	National Australia Bank	General	A1+	1	15-Apr-16	14-Oct-16	3.11%	1,000,000	1,000,000	182
16/44	St George Bank	General	A1+	1	16-Apr-16	16-Oct-16	3.00%	1,000,000	1,000,000	183
16/41	CBA	Sewer	A1+	1	19-Apr-16	19-Oct-16	3.05%	2,000,000	2,000,000	183
16/42	Suncorp	General	A1+	1	28-Apr-16	25-Oct-16	3.10%	2,000,000	2,000,000	180
16/39	National Australia Bank	General	A1+	1	11-Apr-16	15-Nov-16	3.11%	2,000,000	2,000,000	214
16/45	CBA	General	A1+	1	19-May-16	18-Nov-16	2.70%	1,000,000	1,000,000	183
15/19	CBA	General	A1+	1	11-Dec-14	11-Dec-16	3.80%	1,000,000	1,000,000	732
14/22	Westpac	General	A1+	1	17-Dec-13	16-Dec-16	4.31%	2,000,000	2,000,000	1095
15/01	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/02	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/03	CBA	General	A1+	1	15-Jul-14	15-Jul-17	4.05%	1,000,000	1,000,000	1095
15/09	CBA	General	A1+	1	01-Sep-14	01-Sep-17	3.90%	1,000,000	1,000,000	1096
15/10	Bank of Queensland	General	A1	2	02-Sep-14	03-Sep-18	4.10%	1,000,000	1,000,000	1462
<b>Sub Total - Term Deposit Investment Group</b>							<b>TOTALS</b>	<b>47,500,000</b>	<b>47,500,000</b>	

<b>Cash Deposits Accounts Investment Group</b>									
<i>As at Date</i>	<i>Borrower</i>	<i>FUND</i>	<i>Rating</i>	<i>Risk Rating</i>	<i>Purchase Date</i>	<i>Maturity Date</i>	<i>Current Yield</i>	<i>Principal Value</i>	<i>Current value</i>
31/5/16	National Australia Bank (Cash Maximiser)	General	A1+	1			2.00%	1,000,000	1,000,000
<b>Sub Total - Cash Deposits Accounts Investment Group</b>								1,000,000	1,000,000

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

<b>Structured Products Investment Group</b>									
<i>As at Date</i>	<i>Borrower</i>	<i>FUND</i>	<i>Rating</i>	<i>Risk Rating</i>	<i>Purchase Date</i>	<i>Maturity Date</i>	<i>Current Yield</i>	<i>Principal Value</i>	<i>Written Down Value 30-6-15</i> <i>Current value</i>
31/12/15	Lehman Brothers Treasury Co B.V (CPPI-745)	Water	DD	5		9/5/2010*	0.00%	300,000	18,000
<b>Sub Total - Structured Products Investment Group</b>								300,000	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. That said, while the written down value is only \$18,000, Council has to date received \$125,423 in principal repayments. These payments are ongoing. These investments were all rated AA- and up to AAA (strong investment grade) when they were entered into and were permissible under the Ministers Investment Order. As noted by the Auditor in their 2015/2016 Audit Report, the Sewer Fund maintains a sound financial position to meet its operational requirements and the Water Fund maintains a strong financial position.



**B) Council Investments by Fund 31 May, 2016**

Portfolio by Fund	30/04/2016	31/05/2016
General Fund	38,000,000	38,000,000
Water Fund	4,518,000	4,518,000
Sewer Fund	6,000,000	6,000,000
<b>TOTAL</b>	<b>\$48,518,000.00</b>	<b>\$48,518,000.00</b>

Council's investment portfolio remained neutral during May, 2016. This was in respect of normal cash flow movements for receipts collected and payments made during May.

While the level of investments has been largely maintained over recent years, these will decrease during 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 \$ 4.01M
- Waste Infrastructure Program \$ 2.0M

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

**C) Interest – Budgeted verses Actual Result to Date**

	Ledger	2015/2016 Budget	Actuals to Date
General Fund	128820	938,800.00	862,058.49
Water Fund	812350	50,000.00	71,192.89
Sewer Fund	906320	70,000.00	132,010.41
<b>TOTAL</b>		<b>\$ 1,058,800.00</b>	<b>\$ 1,065,261.79</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 30-5-16		2.26%	1.75%
Term Deposits	3.21%		
Cash Deposit Accounts	2.00%		
Floating Rate Notes			
Structured Products*	0.00%		

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

**E) Investment Commentary**

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

Council's investment portfolio of \$48.5M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

On 3 May, 2016 the RBA elected to cut the cash rate by a further 25bp, taking it to a modern era low of 1.75%. The Reserve Bank of Australia (RBA) somewhat surprised the market, pulling the trigger immediately by cutting the official cash rate to a record low of 1.75% in its May board meeting. With core inflation growing at an annual rate of 1.5%, money markets were quick to price in a rate cut over coming months.

The Curve Securities Team supplied the following commentary, "Could we See 1% Cash Rate", on 13 May, 2016.

*"This is the growing opinion amongst economists as the fight against weak inflation intensifies.*

*It seems with each passing day following the RBA's surprise rate cut and subsequent downgrade to the inflation outlook that we get another headline grabbing call for even lower rates. The latest call has come from the CBA with their Chief Economist Michael Blythe now calling the cash rate to 1.25%.*

*More specifically Blythe said: "We had pencilled in another 25 bpt rate cut for August. But the level of RBA concern on disinflation and deflation risks is such is that we feel obliged to add another cut. We have inserted a further 25 bpt cut in November on the usual post-CPI-Pre-SMP timing."*

*While current market pricing suggests that his call for two more cuts is not that outlandish, other economists have taken it one step further.*

*Writing for Business Insider, Former ANZ Chief Economist Warren Hogan said: "The RBA may resist the pressure to cut the cash rate ahead of the upcoming federal election, but unless the fortunes of the global economy turn around quickly, the most likely outcome is an RBA cash rate at or below 1% by the end of 2017."*

*His sentiments were echoed by JP Morgan's local Chief Economist Sally Auld who in also calling the cash rate to 1.00%.*

*She said: "The downward revisions to the RBA's inflation rate forecasts suggest that there is now scope to run the economy harder, and labour market conditions tighter, than might have otherwise been the case."*

*From a pure inflationary targeting point of view, there is a valid argument for the cash rate to head much lower in an attempt to spark a pickup in inflation back towards the 2.3% target band. We have seen the Fed, Bank of Japan, European Central Bank all follow this path with little to show for it.*

*ANZ's current Head of Retail, Fred Ohlsson, hit the nail on the head yesterday when he said: "It will be interesting though to see how much this [cut] will actually help. This is what the Reserve Bank and economists all over the world are struggling with – to what extent does monetary policy actually assist [stimulate growth]?"*

*His comments would certainly have struck a chord with Former RBA Governor Bernie Fraser and Former Board member Warrick McKibbin, who both this week suggested monetary policy is not the answer to the current challenge faced by the RBA and Australian economy.*

*The risk of a much lower cash rate cannot be discounted. While one more cut is almost a certainty, the RBA will be reluctant to go too much further and will be hoping the rebalancing of the economy will continue to lift economic growth – and with it the pace of inflation. The debate certainly makes for an interesting couple of months.”*

Reference: <http://curve securities.com.au/could-we-see-a-one-percent-cash-rate/>

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>	8.	<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>BUDGET AND OPERATIONAL PLAN REVIEW 2015/2016</b>	
<b>PREPARED BY:</b>	Ken Beddie, Director Corporate & Economic Services	

**SUMMARY:**

Each quarter Council is required to report on its Operational Plan and Council's Responsible Accounting Officer is required to report as to whether they believe that the Budget Review Statement indicates that the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure, and if unsatisfactory, make recommendations for remedial action. It is requested that the Committee consider the report for variations required to maintain the budget in balance at 30 June, 2016.

**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, H20-H21). 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	-	-	-	-
Adjustments 31-3-16	133,515	-	-	133,515
Adjustments 22-5-16	675,000	-	-	675,000
<b>SUB TOTAL</b>	<b>9,001,140</b>	<b>958,667</b>	<b>3,999,000</b>	<b>13,958,807</b>
<b>Internally Restricted Cash Utilised</b>	<b>(308,515)</b>	<b>-</b>	<b>-</b>	<b>(308,515)</b>
<b>FUNDED FROM EQUITY</b>	<b>(8,692,625)</b>	<b>(958,667)</b>	<b>(3,999,000)</b>	<b>(13,650,292)</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				

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.

#### GENERAL FUND – OPERATIONAL PLAN REVIEW:

The General Fund remains in balance with the predicted Cash Surplus in respect of 2015/2016 operations remaining unchanged following approval of the Budget Variations attached to this report (refer to Appendix 1, H20 – H21).

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 20 May, 2016 are in accordance with the adopted budget. All matters not in accordance with the adopted Budget are included in the Budget Variation Report.

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. 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.

#### **OPERATIONAL PLAN – COMBINED FUND**

Overall Council's operational and financial position in respect of its five (5) destinations are sound. The following information is provided in respect of major issues and projects that Council is leading, participating in, or delivering in 2015/2016:

- Destination 1 – A recognised leader in the broader context:
  - Fastest growing Shire in the Northern Tablelands Electorate with an annual growth rate of 2.39% making Inverell one of the fastest growing regional centres in NSW;
  - 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;
  - Commended by NSW Treasury Corporation (Tcorp) for Council's professionalism and friendly collaboration as they roll out their new Local Government Borrowing Facilities.
- Destination 2 – A community that is healthy, educated and sustained:
  - Facilitation an auspicing 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 auspice Playgroup activities at Tingha and Inverell;
  - Participation in New England Cooperative Library.
- Destination 3 – An environment that is protected and sustained:
  - Partnering with Catchment Management Authority in "Brigalow Nandewar Bio Links Program;
  - Completed installation of weighbridge at Inverell Landfill;

- Received grants totalling \$495K from NSW Environmental Trust for the rehabilitation of Council landfills.
- 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;
  - Delivery of new Inverell Tourism promotional programs, publications and social media;
  - 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 \$17.9M 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 works on Cameron Park Redevelopment;
  - Completed works on new Toilet and Storage building at Cameron Oval;
  - Completed works on New Toilet and Storage shed at Varley Oval – Official opening on 6 November, 2015;
  - Completed upgrade works at Inverell Complex;
  - Completed installation of new playground equipment in Campbell Park;
  - Completed installation of new playground equipment “all abilities” in Victoria Park;
  - Completed 90% of new amenities building in Victoria Park;
  - Completed 75% infrastructure works at Gilgai Park, being new shade shelter;
  - Completed 70% infrastructure works at Lake Inverell;
  - Completed 75% infrastructure works at Bellevue Park being new playground, shelters and amenities;
  - Completed minor upgrades at Equestrian Centre including shade shelters;
  - Commenced legislative upgrade at Ashford Depot fuel facility;
  - Secured Funding for infrastructure works at Waratah Park;
  - Called tenders for new Ashford Sporting Ground amenities building.

#### **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 period ending 22 May, 2016 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 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 8/6/2016			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
<i>Increase/Decrease in INCOME</i>			
127049-3001	Contribution to Capital Works	75,000	Office of Sport Grant for Ashford Sporting Amenities
127049-3002	Contribution to Capital Works	10,000	Contribution from Ashford Business Council - Ashford Sporting Amenities
120800-1000	Interest on Rates Sec 158	16,205	Additional income received
128780-7000	Plant Hire Income	300,000	Additional income received
121201-1000	Grant - Cricket NSW	9,000	Grant fro Nets at Cameron Park
121208-1000	Grant - Clubs Grant	350,000	Clubs Grant for Inverell Sporting Complex
145865-1000	RMS-Connecting Centres for Cycling-2015/16	31,000	RMS Grant
<b>TOTAL INCREASE IN INCOME</b>		<b>791,205</b>	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income)</i>
<i>Increase/Decrease in EXPENDITURE</i>			
130411-1000	Multi Cultural Day	1,205	Council Contribution to Multi Cultural Day
135100-5600	CNCL Support Office Expenses	2,230	Additional expenses incurred
130210-1000	Mayors Travelling	(2,230)	Funding for above
160529-1100	Sporting Field Upgrades - Ashford	275,000	Sporting Complex Redevelopment - Part Grant Funded
139120-3001	Ashford Community Works	(15,000)	Council Contribution to above project - Ashford Sporting Amenities
130270-1000	Bank Charges	5,030	Bank Charges for Bpay, Direct Debts, EFT, EFTPOS etc.
148120-1000	Tourist / Civic Centre	10,420	Visitor Centre and Transit Centre upgrades
148030-1000	Industry Promotions	(10,420)	Funding for above - savings in staff salaries
131020-1000	Council Chambers - Interior M & R	6,500	Additional expenses incurred
132410-1000	S504 Grafton to Inverell Race Expenses	6,900	Expenses incurred for May 2016 event
129710-6060	Admin Services Office Expenses	(3,430)	Part funding for above
137561-1000	Block Grant-Total Allocation-Capital Exps	19,246	Allocate savings on Repair Program Job - Michelle's Lane back to Block Grant
143003-1100	RP-MR134-Rehab/Widen-21.82k to 22.85k Nth MR63	(19,246)	Allocate savings on Repair Program Job - Michelle's Lane back to Block Grant
137842-1100	BLK - MR134 STH - Culvert Replacement	100,500	Replace Culvert on Guyra Road
137561-1000	Block Grant-Total Allocation-Capital Exps	(100,500)	Funding for above
137660-1120	BLK - MR135	3,500	Additional expenses incurred
137680-1120	BLK MR 137 South	15,890	Additional expenses incurred
137760-1120	BLK- MR462 Brunxer Way	17,299	Additional expenses incurred
137561-1000	Block Grant-Total Allocation-Capital Exps	(36,689)	Funding for above
139010-1000	Inverell Seal Mtc	33,445	Additional expenses incurred
139020-1000	Inverell Shoulder Mtc	1,305	Additional expenses incurred
140000-1000	Inverell Unsealed Maint	(13,140)	Funding for above
140470-1000	Cycleway Maintenance	(6,170)	Funding for above
140510-1000	Paved Footpath Maint	(14,135)	Funding for above
140510-1000	Paved Footpath Maint	(1,305)	Funding for above
141340-1000	CBD Upgrade Works	30,500	Additional expenses incurred
138270-1000	Urban Works Program	(28,287)	Funding for above
141331-4450	CBD Works	(2,213)	Funding for above
139160-1000	R'Side Growth Control Sth	8,200	Additional expenses incurred
139190-1000	Rural Seal Drainage Street	4,340	Additional expenses incurred
140050-1000	Unsealed Village Maint	1,770	Additional expenses incurred
140150-1000	Drainage Structures	21,610	Additional expenses incurred
140630-1000	Shire Roads Sth - Timber Clearing	5,266	Additional expenses incurred
142503-1000	ACRD Unallocated	(41,186)	Funding for above
140130-1000	Grading - South	118,475	Additional expenses incurred
148409-1000	Maintenance Grading - MCE Allocation	(118,475)	Funding for above
146840-5540	Works Branch Staff Travelling	5,000	Additional expenses incurred
136170-1000	Town Planning Travell	(5,000)	Funding for above
137151-1000	Passive Parks - Yetman	3,000	Additional expenses incurred
137280-3001	Street Mowing - Ashford	2,500	Additional expenses incurred
146330-4500	Bonshaw Depot	3,480	Additional expenses incurred
142503-1000	ACRD Unallocated	(8,980)	Funding for above
137760-1110	BLK-MR462 Brunxer Way - Maint	17,299	Additional expenses incurred
137561-1000	Block Grant-Total Allocation-Capital Exps	(17,299)	Funding for above
140230-1000	Grading - North	64,913	Additional expenses incurred
148409-1000	Maintenance Grading - MCE Allocation	(64,913)	Funding for above
140540-1000	Tree Plant & Plots Mtc	4,535	Additional expenses incurred
137460-5540	Horticult.-Travelling Expenses	(4,535)	Funding for above
145651-1100	Footpaths Capital Renewal	25,000	Footpath renewal in Victoria Park
148420-1000	DCES Special Projects	(25,000)	Funding for above
139411-1100	F4F-Rehab-MR137 - 7.56-8.5 Nth of Invl "Byron Station Lane"	229,165	Allocation of FFF rehabilitation funding
139404-1100	139404 - Fit4Future-Road Backlog-Heavy patching/Stabilisation	(229,165)	Funding for above
142010-1100	Swanbrook Rd-Moore St. to Runnymede Dr.-Pave/Drainage Wks.	300,000	Allocation of funding as per Council Resolution March 2016
139430-1100	Kings Plain Road Rehabilitation	100,000	Allocation of funding as per Council Resolution March 2016
139431-1100	Auburnvale Road Shoulder Widening	1,000,000	Allocation of funding as per Council Resolution March 2016
131130-1240	Oncost Recovery	(600,000)	Funding for Above - as per Council Resolution March 2016
160534-1100	Cameron Park upgrade	9,000	Grant Funding for Cricket nets
160528-1000	Inverell Sport Complex Upgrade	350,000	Allocate Grant Funding Received
145866-7107	Cycling Connecting Centre Partnership	62,000	Cycleway Rivers Street from Lawrence Street to Mansfield Street
129391-1000	Special Projects	(31,000)	Council contribution to above project \$ for \$
134321-1000	Cultural Icon -Inverell-Community Building Partnership Proje	20,000	Cultural Icon Project
134330-1000	Community Activities	(20,000)	Council contribution to above project
<b>TOTAL INCREASE IN EXPENDITURE</b>		<b>1,466,205</b>	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)</i>



BUDGET VARIATIONS - FINANCE MEETING 8/6/2016			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		675,000	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure
<i>Restricted Assets</i> 162230-6220-31549	STRATEGIC DEVELOPMENT FUND	175,000	Funding for Ashford Sporting Amenities
TOTAL FUNDING FROM RESTRICTED ASSETS		175,000	
FUNDED FROM EQUITY (G5795.000)			
157950-1000-30000		500,000	Reduction in Working Capital to fund Non Recurrent Roads Program as per Council Resolution March 2016 - (Backlog Prevention Works)
NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)		-	
WATER FUND			
<i>Increase/Decrease in INCOME</i>			
TOTAL INCREASE IN INCOME		-	Positive figure indicates increased income, (Negative) figure indicates decreased income
<i>Increase/Decrease in EXPENDITURE</i>			
815020-1000	Mains - Maintenance & Working Expenses	29,920	Additional expenses incurred
812620-1000	Payroll Tax	6,000	Additional expenses incurred
812380-5570	Water - Staff Training	2,520	Additional expenses incurred
814800-1000	Pump Station - Copeton PS1	(20,000)	Funding for above
814810-1000	Pump Station - Copeton PS2	(18,440)	Funding for above
TOTAL INCREASE IN EXPENDITURE		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure
SEWER FUND			
<i>Increase/Decrease in INCOME</i>			
TOTAL INCREASE IN INCOME		-	Positive figure indicates increased income, (Negative) figure indicates decreased income
<i>Increase/Decrease in EXPENDITURE</i>			
TOTAL INCREASE IN EXPENDITURE		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure