

INVERELL SHIRE COUNCIL

NOTICE OF MEETING

ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE

2 May 2018

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 9 May, 2018, commencing at 10.30am.

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

P J HENRY PSM

GENERAL MANAGER

A G E N D A

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

Quick Reference Guide

Below is a legend that is common between the:

- Inverell Shire Council Strategic Plan;
- Inverell Shire Council Delivery Plan; and
- Inverell Shire Council Operational Plan.



ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING

Wednesday, 9 May, 2018

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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 APRIL 2018, COMMENCING AT
11.00AM.

PRESENT: Cr J A Watts (Chairperson), Crs P A King, A A Michael and C M Dight.

Also in attendance: Crs D F Baker, S J Berryman, J N McCosker
and M J Peters.

Paul Henry (General Manager), Paul Pay (Manager Financial
Services), Brett McInnes (Director Civil and Environmental Services)
and Sharon Stafford (Executive Assistant).

SECTION A

APOLOGIES:

The General Manager noted that a leave of absence for business reasons was
previously granted for Cr Harmon by Council at the March 2018 ordinary Meeting.

1. CONFIRMATION OF MINUTES

*RESOLVED (Michael/King) that the Minutes of the Economic and Community
Sustainability Committee Meeting held on 14 March 2018 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

There were no interests declared.

3. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil.

SECTION D
DESTINATION REPORTS

1. PROPOSED CHILD CARE FACILITY – BRIEFING S3.16.3

RESOLVED (Dight/King) that:

- a) *the Committee be briefed by the proponents; and*
- b) *the matter be referred to Closed Council for consideration as:*
 - i) *the report includes '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); and*
 - ii) *on balance the public interest in preserving the confidentiality of this
matter outweighs the public interest in openness and transparency in
Council decision-making by discussing the matter in open meeting.*

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

At 11.05am, 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

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

At this juncture, the time being 11.30am Open Committee resumed and the Committee considered the balance of the agenda.

SECTION D DESTINATION REPORTS (CONTINUED)

- GM-A 2. INVERELL COUNTRY WOMENS ASSOCIATION (CWA) - REQUEST FOR ASSISTANCE S12.22.1/11

RESOLVED (Michael/ Dight), that the Committee recommend to Council that financial assistance of \$4K be provided to the Inverell Country Women's Association to assist with their 'Empowering Young Women' event being held in the Town Hall on 22 September, 2018.

- MFS-A 3. 2018/2019 DRAFT ESTIMATES AND OPERATIONAL PLAN, AND LONG TERM FINANCIAL PLAN S12.5.3

RESOLVED (Dight/King) that the Committee recommend to Council that:

GENERAL ACTIVITIES

1. Draft Operational Plan & Budget

The information be noted.

2. Factors Impacting the Budget

The information be noted.

3. 2018/2019 Budget Programs

- 3.1 Urban Works Program

RESOLVED (Dight/King) the Committee recommend to Council that the following works be funded from the Urban Works Vote and be included in the 2018/2019 Budget:

- A. Inverell and Villages - Urban Renewal and Upgrade General Fund, Water Fund

Gwydir Highway/Bundarra Road Intersection	\$500K	\$ 0K
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- B. Footpaths and Cycleway Construction

\$ for \$ Contribution to PAMP Program (Subject to RMS approving the 2018/2019 Program)	\$43K
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- C. Village Works – Community suggested projects

Ashford	\$7.18K
Delungra	\$7.18K
Gilgai	\$5.04K
Yetman	\$7.18K
Oakwood	\$1.06K

Bonshaw	\$1.06K
Graman	\$1.06K
Nullamanna	\$1.06K
Elsmore	\$1.06K
Stannifer	\$1.06K
Gum Flat	\$1.06K

GENERAL FUND GRAND TOTAL

\$577K

WATER FUND TOTAL

\$0K

In addition, the \$1M Budget Provision – Chester Street Heavy Vehicle Route Renewal, in the Internally Restricted Asset, be allocated into the 2018/2019 Budget to enable these works to be completed at the same time.

3.2 Finance & Assistance Grant Local Roads Component (ACRD) 2018/19 Program

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

- i) the budget allocations of \$1,956K for the 2018/2019 ACRD Program be endorsed; and*
- ii) a further report be presented to the Civil and Environmental Services Committee in respect of the funding allocations and individual works proposed to be undertaken under this program.*

3.3 RMS Supplementary Block Grant Program

RESOLVED (Michael/King) that the Committee recommend to Council that the allocation of the \$160K RMS Supplementary Block Grant Program be the subject of a further report to the Civil and Environmental Services Committee Meeting.

3.4 Roads to Recovery

RESOLVED (Dight/King) that the Committee recommend to Council that:

- i) the budget allocation of \$910K for the 2018/2019 Roads to Recovery Program be endorsed; and*
- ii) a further report be presented to the Civil and Environment Committee in respect of the specific projects to be funded.*

3.5 Block Grant Program – Regional Roads

RESOLVED (King/Michael) that the Committee recommend to Council that the budget allocation of \$2,461K for the 2018/2019 Block Grant Program and \$491K for the RMS Repair Program be endorsed.

4. Revenue & Expenditure Matters

4.1 Revenue

RESOLVED (King/Michael) that the Committee recommend to Council that Council utilises the maximum permissible rate increase allowed by IPART of 7.25% as approved in Council's Special Rate Variation application.

4.2 Expenditure

At this juncture, the time being 12.20pm, Cr Michael left the meeting.

RESOLVED (King/Dight) that the Committee recommend to Council that:

- i) the information be noted;*
- ii) Council provide an allocation of \$117.8K for joint industry promotions and assistance;*
- iii) the following 2018/2019 Strategic Capital Infrastructure/Projects Program projects be endorsed:*
 - Gwydir Highway/Bundarra Road Intersection \$ 540K*
- iv) The budget allocation for \$318K for the 2018/2019 Special Projects – Roads Infrastructure Fund be endorsed;*
- v) A further report be presented to the Civil and Environment Committee in respect of the specific projects to be funding under the Special Projects – Roads Infrastructure Fund;*
- vi) the transfers to and from Internally Restricted Assets be endorsed;*
- vii) the list of inclusions as included in the 2018/2019 draft Operational Plan/Budget and listed in section 4.2.2 & 4.2.3 above be endorsed, including:*

	2018/2019
Works Branch Staff Training	30,000
Aerodrome Inspections and Maintenance	25,000
Councillor Staff Training	10,000
Christmas Tree Lighting	3,000
Sapphire City Festival	2,000
Flood Gauges	5,000
White Ribbon Accreditation	(5,000)
River Bank Clean up	25,000
Building/Facilities Minor Maintenance	10,000
Clear Zone Protection	50,000
Art Northwest Membership	11,400
Opera in the Paddock	(5,000)
Cultural Event	(6,400)
TOTALS	155,000

At this juncture, the time being 12.23pm Cr Michael returned to the meeting.

5. Rating Structure

RESOLVED (Dight/King) that the Committee recommend to Council that:

- a) The following rating categories be utilised for the 2018/19 rating year:*
 - Residential – Inverell*
 - Residential – General*
 - Residential – Ashford*
 - Residential – Delungra*
 - Residential – Gilgai*
 - Residential – Yetman*
 - Residential – Rural*
 - Business – Inverell Industrial/Commercial*

*Business – Other
Farmland
Mining*

- b) *A General Base Amount of \$212 plus an Ad Valorem Rate be determined for the categories detailed in a) above.*

6. Interest Rate on Outstanding Charges

RESOLVED (Michael/King) that the Committee recommend to Council that the Interest Rate applicable to Outstanding Rates and Charges for 2018/2019 be set at 7.5% as advised by the Office of Local Government.

7. Waste Management Charges

RESOLVED (Michael/King) that the Committee recommend to Council that the following Waste Management Charges be adopted:

- i) *Waste Management Charge – All Properties* \$ 80.00
- ii) *Domestic Waste Management - Occupied Charge:*

Number of Services per Assessment	Annual Charge per Assessment
1	\$ 320.00
2	\$ 640.00
3	\$ 960.00
4	\$ 1,280.00
5	\$ 1,600.00
6	\$ 1,920.00
7	\$ 2,240.00
8	\$ 2,560.00
9	\$ 2,880.00
10	\$ 3,200.00
11	\$ 3,520.00
12	\$ 3,840.00
13	\$ 4,160.00
14	\$ 4,480.00
15	\$ 4,800.00
	etc

- iii) *Domestic Waste Management – Unoccupied Charge* \$50.00
- iv) *Other Waste Management Charge*

Number of Services	Yearly Charge per Service (Ex GST)
1	\$ 320.00
2	\$ 640.00
3	\$ 960.00
4	\$ 1,280.00
5	\$ 1,600.00
6	\$ 1,920.00
7	\$ 2,240.00
8	\$ 2,560.00
9	\$ 2,880.00
10	\$ 3,200.00
11	\$ 3,520.00
12	\$ 3,840.00
13	\$ 4,160.00
14	\$ 4,480.00
15	\$ 4,800.00
	etc

- v) *Weekly Commercial Recycling Charge* \$ 110.00 ex GST
Fortnightly Commercial Recycling Charge \$ 55.00 ex GST
(These Charge are levied per Service, and GST is only charged if applicable)

8. Fees and Charges

RESOLVED (Michael/Dight) that the Committee recommend to Council that the Fees and Charges, as recommended, be adopted.

9. Stormwater Management Service Charges

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

- i) *the Stormwater Management Service Charge be set at the maximum amount allowable of \$25.00 per Residential Premises, \$12.50 per Residential Strata lot, and \$25.00 for Business Premises for each 350 square metres or additional part thereof, subject to a maximum charge on Business Premises of \$200.00; and*
- ii) *the Stormwater Management Program as recommended being Gilgai Drainage Project as per the adopted Gilgai Drainage Upgrade Plan, be adopted.*

10. Fit for the Future

RESOLVED (Dight/King) that the Committee recommend to Council that the information be noted.

11. Summary

RESOLVED (Dight/King) that the Committee recommend to Council that:

- i) *the report on the balanced budget be noted;*
- ii) *the draft Estimates (incorporating the Operational Plan and Long Term Financial Plans) for the General Activities for 2018/2019 be adopted and placed on public exhibition for a period of 28 days as required by Section 405 of the Local Government Act 1993.*

SEWERAGE ACTIVITIES

12. Sewerage Activities

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

- (i) *the Sewerage Charges as listed below be adopted for 2018/2019:*

<i>Sewerage Charge Occupied</i>	<i>\$ 500.00</i>
<i>Sewerage Charge Unoccupied</i>	<i>\$ 313.00</i>
<i>Sewerage Charge Flats/Units</i>	<i>\$ 313.00</i>
<i>Sewerage Charge Nursing Homes</i>	<i>\$2,342.00</i>
 <i>Sewerage Charge Hotel/Licensed Clubs</i>	 <i>\$1,500.00</i>
 <i>Number of Services per Assessment</i>	 <i>Annual Charge Per Assessment</i>
<i>1</i>	<i>\$ 500.00</i>
<i>2</i>	<i>\$ 813.00</i>
<i>3</i>	<i>\$1,126.00</i>
<i>4</i>	<i>\$1,439.00</i>
<i>5</i>	<i>\$1,752.00</i>
<i>6</i>	<i>\$2,065.00</i>
<i>7</i>	<i>\$2,378.00</i>
<i>8</i>	<i>\$2,691.00</i>
<i>9</i>	<i>\$3,004.00</i>
<i>10</i>	<i>\$3,317.00</i>
<i>11</i>	<i>\$3,630.00</i>
<i>12</i>	<i>\$3,943.00</i>
<i>13</i>	<i>\$4,256.00</i>
<i>14</i>	<i>\$4,569.00</i>
<i>15</i>	<i>\$4,882.00</i>
 <i>Sewerage Non-Rateable Schools – WC's</i>	 <i>\$78.75 per receptacle</i>
<i>Sewerage Non-Rateable Other – WC's</i>	<i>\$130.65 per receptacle</i>
<i>Sewerage Non-Rateable Urinals</i>	<i>\$ 78.75 per receptacle</i>

Charge Structure for Motels and Caravan Parks

In accordance with the new charge structure for Motels and Caravan Parks the following charges are proposed for 2018/2019.

<i>Motel Residence</i>	<i>\$ 500.00</i>
<i>Motel Restaurant</i>	<i>\$ 500.00</i>
<i>Motel Ensuite</i>	<i>\$ 156.60</i>
<i>Caravan Park Residence</i>	<i>\$ 500.00</i>
<i>Caravan Park Amenities Block</i>	<i>\$1,500.00</i>
<i>Caravan Park Ensuite Cabins</i>	<i>\$ 156.60</i>

- (ii) *the Draft Estimates (incorporating Operational Plan) for the Sewerage Fund for 2018/2019 be adopted and placed on public exhibition for a period of 28 days as required by Section 405 of the Local Government Act 1993.*

WATER ACTIVITIES

13. Water Activities

RESOLVED (King/Dight) that the Committee recommend to Council that:

- i) *a water availability base charge of \$364.00 per assessment (Includes first water meter) be adopted for 2018/2019;*

- ii) a water charge of \$364.00 per additional water meter, per assessment be adopted for 2018/2019;
- iii) a charge of \$1.52 per kilolitre be adopted for commercial water consumption for 2018/2019;
- iv) a charge of \$1.52 per kilolitre, 0 to 600 kilolitres and \$1.78 per kilolitre over 600 kilolitres be adopted for residential water consumption for 2018/2019;
- v) a charge of \$0.80 per kilolitre be adopted for water consumption - Abattoirs, plus a 20 per cent early settlement discount for 2018/2019;
- vi) a charge of \$1.08 per kilolitre be adopted for Sporting Association water consumption;
- vii) a charge of \$1.52 per kilolitre be adopted for Armidale Regional Council water consumption;
- viii) a charge of \$0.39 per kilolitre adopted for Raw Water consumption for 2018/2019; and
- ix) the draft Estimates (incorporating Operational Plan) for the Water Fund for 2018/2019 be adopted and placed on public exhibition for a period of 28 days as required by Section 405 of the Local Government Act, 1993.

4. REPRESENTATIVE – WHITE ROCK COMMUNITY FUND S18.6.52/02

RESOLVED (King/Dight): that the Committee recommend to Council that Cr Watts be nominated as Council's representative on the White Rock Community Fund Committee.

5. EXPIRING LICENCE AGREEMENT – GARRY AND ROBYN BROWN S5.10.102

RESOLVED (Dight/King) that the Committee recommend to Council that:

- i) Council renew the agreement with Mr Garry and Mrs Robyn Brown for Part Unformed Road, Eastern Boundary of Lots 227 & 333 DP 753287, Inverell;
- ii) The licence agreement be for a two (2) year period with a two (2) year option;
- iii) The Licence fee be \$78.78 per annum (GST Inclusive) with a 3% increase per annum; and
- iv) The Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.

6. EXPIRING LICENCE AGREEMENT – MR PAUL HUMPHREYS S5.10.34

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

- i) Council renew the agreement with Mr Paul Humphreys for Part Public Reserve and Part Unformed Road, Macintyre Street, Inverell.
- ii) The licence agreement be for a two (2) year period with a two (2) year option;
- iii) The Licence fee be \$225.10 per annum (GST Inclusive) with a 3% increase per annum; and
- iv) The Licence Agreement be subject to any other terms and conditions as

negotiated by Council's General Manager.

SECTION F
QUESTIONS WITHOUT NOTICE

MFS-A Cr Peters Operational Plan 2018/2019

Cr Peters requested that Councillors be provided with a summary of the 2018/2019 Operational Plan, that provided details of 'highlight projects' to be undertaken in that financial year.

The General Manager advised that this would be arranged.

MFS-A Cr Watts Operational Plan 2018/2019

Cr Watts requested that Councillors be provided with a hardcopy of the 2018/2019 Operational Plan once adopted.

The General Manager advised that this would be arranged.

GM-A General Manager New England Joint Organisation

The General Manager briefed the Committee on the request received from Narrabri Shire Council to join the New England Joint Organisation and the subsequent advice provided by Chris Presland, Office of Local Government. Following consideration of the matter, the Committee did not shift from the previous position resolved at the December 2017 Ordinary meeting.

RESOLVED (Michael/King) that the Committee recommend to Council that it reiterate its position on the establishment of a joint organization for this region. The position being:

A That Council in accordance with Part 7 of Chapter 12 of the Local Government Act 1993 (Act), the Inverell Shire Council (Council) resolves:

- (1) That the Council inform the Minister for Local Government (Minister) of the Council's endorsement of the Minister recommending to the Governor the establishment of a Joint Organisation (Joint Organisation) in accordance with this resolution.*
- (2) To approve the inclusion of the Council's area in the Joint Organisation's area.*
- (3) That the Joint Organisation be established to cover the Council's area and any two or more of the following Council areas:*
 - a) Armidale Regional Council, Glen Innes Severn Council, Gwydir Shire Council, Moree Plains Shire Council, Tenterfield Shire Council and Uralla Shire Council.*
- (4) That before 28 February 2018, the General Manager provide the Minister with a copy of this resolution including the date on which Council made this resolution.*

(5) *That, on the expiry of a period of 28 days from the making of this resolution, the General Manager inform the Minister that this resolution has not been rescinded.*

B That the preferred name for the Organisation is “New England Joint Organisation”, and

C. That the State Government be request to provide ongoing financial support towards the operational costs of the Joint Organisation as the Government has established this governance mechanism to facilitate consultation and co-ordination between State Agencies and Local Government.

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

At 12.35pm, 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 (Dight/Michael) that the Committee proceed into Closed Committee to discuss the matters referred to it, for the reasons stated in the motions of referral.

Upon resuming Open Committee, at 12.43pm, the Chair verbally reported that the Committee, with the Press and Public excluded, having considered the matters referred to it, recommends as follows:

GM-A 1. PROPOSED CHILD CARE FACILITY S3.16.3

That the Committee recommend to Council that:

- i) The information be received and noted;*
- ii) The Mayor convene a meeting involving both organisations to ascertain the possibility of both proposals being accommodated on the Ross Street site.*

SECTION H
GOVERNANCE REPORTS

At this juncture, the time being 12.45pm, Cr Michael and Cr Peters left the meeting.

1. GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2/11

RESOLVED (King/Dight) 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.*

There being no further business, the meeting closed at 12.46pm.

CR J A WATTS

CHAIRPERSON

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 09/05/2018

ITEM NO:	1.	FILE NO: S12.22.1/11
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	REQUEST FOR ASSISTANCE WITH FUNDING – SAPPHIRE CITY CONCERTS BAND INC	
PREPARED BY:	Kristy Paton, Temporary Corporate Support Officer - Publishing	

SUMMARY:

Council has received a request from The Sapphire City Concerts Band Inc, seeking assistance with funding. The Committee is asked to consider this request.

COMMENTARY:

Established in 1995, the Sapphire City Concert Band provides an opportunity for community members to become involved in musical performance. The band plays at diverse functions such as fetes, charity concerts, service club dinners, garden parties, carols, numerous other fund-raisers and at the request of council.

Council previously resolved to financial support to the amount of \$2,000 per year to the Band on the basis of the Band making themselves available to perform at Council supported community events, the Band maintaining its insurances and all band equipment being vested in Council.

Council's donations in previous years have enabled them to buy new music scores, to upgrade their sound system and various other expenditures.

An amount of \$2,000 per annum has been provided in Council's annual budget in this matter.

Council is now requested to consider its continuing level of financial support to the Band.

A copy of the correspondence received from Ann Tubb is attached as Appendix 1 (D3). The Committee is asked to determine if it wishes to provide a contribution to The Sapphire City ConcertsBand, and if so, in what capacity.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: S.03 Council provides equitable services, consistent with available resources and priorities to meet the Shire's identified needs and preferences.

Term Achievement: S.03.01 Services and programs that Council provides are determined based on equity, customer requirements and community benefits, best value and excellence.

Operational Objective: S.03.01.01 Appropriate services and programs are selected based on considerations of equity, best value, relevance and benefit to the community.

POLICY IMPLICATIONS:

Management Policy: Donation Policy – 'Council in accordance with the provisions of Section 356 of the *Local Government Act, 1993* may provide financial assistance by way of Donations to others, including charitable, community and sporting organisations. The purpose of providing Donations

from public funds is to help promote or assist individuals or organisations for which there is a recognised public benefit, Generally the maximum donation provided will be \$200.00.'

CHIEF FINANCIAL OFFICERS COMMENT:

A provision has been made in the current budget should Council wish to make a donation to the Band.

LEGAL IMPLICATIONS:

Nil

RECOMMENDATION:

A matter for the Committee.

APPENDIX 1

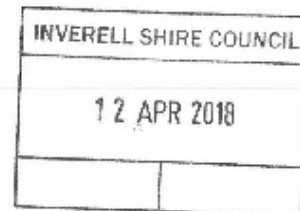
**SAPPHIRE CITY CONCERT BANDS INC****64 Short Street, Inverell 2360.**email: anntubb@hotmail.com

President: Nicky Croft 6722 2305 Secretary: Ann Tubb 6722 1039

Treasurer: Norma Tom 6722 1739

9 April 2018

The General Manager
Inverell Shire Council
PO Box 138
INVERELL NSW 2360



Dear Sir

The Sapphire City Concert Band would again like request Council's assistance with funding.

Council's donations in previous years have enabled us to buy new music scores, to upgrade our sound system and various other expenditures to help keep the Band progressing.

We do appreciate the assistance Council has given us in the past.

Yours sincerely

A handwritten signature in blue ink, which appears to read "Ann Tubb".

Ann Tubb
Secretary

ITEM NO:	2.	FILE NO: S15.8.7/10
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	DONATION REQUEST – INVERELL ANGLERS ASSOCIATION	
PREPARED BY:	Kristy Paton, Corporate Support Officer - Publishing	

SUMMARY:

Council has received a request from Inverell Anglers Association, seeking a donation for their running costs of the trout restocking program. The Committee is asked to consider this request.

COMMENTARY:

Inverell Anglers Association is a not for profit fishing club who stock Trout into our local cool water streams, mainly the upper Macintyre catchment.

Council has received a request from Warren Anderson, Secretary of the Inverell Anglers Association asking if Council will provide a donation towards their running costs of the restocking program. Council generously donated \$500 last year and being a small club they rely on donations as a major source of income for the club.

A copy of the correspondence received from Warren Anderson is attached as Appendix 2 (D5). The Committee is asked to determine if it wishes to provide a contribution to The Inverell Anglers Association, and if so, in what capacity.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: S.03 Council provides equitable services, consistent with available resources and priorities to meet the Shire's identified needs and preferences.

Term Achievement: S.03.01 Services and programs that Council provides are determined based on equity, customer requirements and community benefits, best value and excellence.

Operational Objective: S.03.01.01 Appropriate services and programs are selected based on considerations of equity, best value, relevance and benefit to the community.

POLICY IMPLICATIONS:

Management Policy: Donation Policy – 'Council in accordance with the provisions of Section 356 of the *Local Government Act, 1993* may provide financial assistance by way of Donations to others, including charitable, community and sporting organisations. The purpose of providing Donations from public funds is to help promote or assist individuals or organisations for which there is a recognised public benefit, Generally the maximum donation provided will be \$200.00.'

CHIEF FINANCIAL OFFICERS COMMENT:

Funding could be sourced from Council's Section 356 Donations Allocation.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

A matter for the Committee.

APPENDIX 2

Inverell Anglers Association inc

Warren Anderson 417 Fernhill rd Inverell

0447 560 815

Inverell Shire Council

To whom it may concern, The Inverell Anglers association wishes to thank you for your generous donation of \$500 last financial year towards our running costs, and we are asking if you once again would like to make a donation to our club.

We are a small not for profit club but we are solely responsible for stocking Trout in the Greater Inverell Area, predominately the Macintyre River headwaters and the Gwydir river below Copeton dam.

Any assistance would be greatly appreciated.

Yours Sincerely

Warren Anderson, Secretary IAA inc

ITEM NO:	3.	FILE NO: S21.8.18
DESTINATION 2:	A community that is healthy, educated and sustainable	C
SUBJECT:	GRAMAN RESERVE - DEVELOPMENT OPPORTUNITY	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

Last year the Sapphire City Motor Sports Club (the 'Club') indicated an interest in constructing a 30m x 20m concrete slab at the Graman Recreation Reserve. Further information in respect of the proposal has been sought. The Committee is requested to consider the information and recommend a course of action to Council.

COMMENTARY:

In May, 2017 the Economic & Community Sustainability Committee considered a report in respect of the Sapphire City Motor Sports Club looking to further develop the Graman Recreation Reserve by constructing a 30m x 20m slab to be used for:

- a) 'Young Driver Education and Training' days catering for L, P1 and P2 drivers, and
- b) 'Advanced Driver Training and Education' days which would cater for drivers of all skill levels.

The Club indicated the slab would be constructed with all the safety requirements specified by CAMS and the *Motor Vehicle Sports Act (NSW) 1985*.

This intended use requires development consent.

As Council is Trustee for the Reserve, Council will need to sign the Development Application as owner before the application can be lodged. This provides Council with an opportunity to prevent the application being lodged if there is a perception that the proposed slab could be used for other purposes and this possible use is not a favoured use.

Following consideration of the matter at the May Meeting of the Economic & Community Sustainability Committee Meeting, it was resolved that:

- a) the development opportunity be referred to the Graman Hall Committee seeking their comments prior to further consideration, and
- b) Further clarification from the Sapphire City Motor Sports Club be sought on the intended use of the proposed facility.

Accordingly, Council sought comment from the Graman Hall Committee. A response has been received and is attached as Appendix 3 (D 8).

Further clarification from the Sapphire City Motor Sports Club was sought on the intended use of the proposed facility. The Club have provided a response, refer to Appendix 4 (D 9 - D 10). It will be voted that the use of the slab as a "burnout pad" is contemplated.

Council will also recall receiving a petition from a number of residents in the village opposed to the proposal. A copy of the petition has been forwarded separately.

As Council is Trustee of the Reserve, the Committee is being asked to consider the responses received and determine whether it is now prepared to sign the Development Application as owner of the reserve.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

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

Term Achievement: C.07.02 The Shire's recreational areas and facilitates are contemporary and conducive to the communities wellbeing.

Operational Objective: C.07.02.01 Contribute to the physical well being of the community through the provision of active recreation areas.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

A matter for the Committee.

APPENDIX 3

Graman War Memorial Hall Committee
President: Lois Reardon
Secretary: Annie Nicolle
Treasurer: Jodie Ceely

20 February 2018

General Manager
Inverell Shire Council

Dear Mr Henry

Re: Development Opportunity for Graman

Thank you for your request for comment from the committee regarding the Sapphire City Motor Sports Club interest in constructing a concrete slab at the Graman Recreation Reserve.

We, the committee are in support of this proposal. The stated intended uses of the slab for young driver education and training and advanced driver training and education is something which we support as valuable activities for the community.

We note the petition by concerned Graman community members, opposing the slab and referring to it as a burn out pad. This is not one of the stated intended uses of the slab and as the Recreation Reserve is a secure area, we feel there is little risk of unauthorised use of the slab for unintended purposes.

Should any concerns arise at a later date regarding inappropriate use of the slab, we feel confident that those matters can be addressed suitably by the concerned parties at that time.

Thank you for your patience in awaiting our response.

Should you require any further comment from the committee, please feel free to contact me via email nicollefamily01@gmail.com or phone 0428911825

Kind regards



Annie Nicolle
Secretary

APPENDIX 4

SAPPHIRE CITY MOTOR SPORTS CLUB INC.

P.O. BOX 933 INVERELL N.S.W sapphirecitymotorsportsclub@hotmail.com

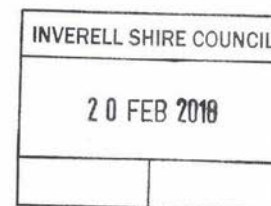
Mr Paul Henry, General Manager

Inverell Shire Council

144 Otho Street,

Inverell NSW 2360

15/02/2018



Dear Mr Henry,

We are writing to Inverell Shire Council in response to a letter dated 12/01/2018 stating that council was not going to support our proposal to construct a concrete slab at Graman Recreation Reserve. We acknowledge that follow up information was not forthcoming from our committee but as a volunteer organisation time prevented us from doing so until now. We are asking the councillors to once again look at our proposal with an open mind as to the benefits to our local communities once this facility is operating at a much higher level.

As stated in our last letter we are seeking council approval to go ahead with a development application to construct a 20 x 30 metre concrete slab, this being stage one (1) of our planned development on the driver trainer course that we are planning to construct at this facility.

A slab this size will serve many purposes as entry level motorsport activities, it will be intergrated into existing short course track currently being developed, serving as a start/ finish area and also being utilised as a motorkhana course (sealed surface) next to our grass course already in existence. All our courses currently come in the category of low speed events, and to date the safety requirements for these events have been checked by local Highway Patrol Heath Roberts and a CAMS official Shawn Fitzgerald, a sport and club development officer. If this application is approved, then when appropriate funds become available we intend to increase the slab area to facilitate driver education courses to be run with the assistance of local police, VRA and accredited driver trainers. Further to this, as a means of funding future development we would also like to use the slab to hold burnout competitions (now a national motorsport event), we have been contacted by sporting car clubs from Armidale, Tamworth, Goondiwindi, Wyallda and Stanthorpe so far, expressing an interest in participating in such events. Local Highway patrol have also shown their support for providing a safe and dedicated area for young people to go and let off steam away from public roads.

In conjunction with Armidale motorsport club we have held three (3) short course grass events at Graman motorsports complex in 2017, with Armidale being accredited to train members of our club to become officials/scrutineers so that we can run future events under our own rights. Members of the Graman community were invited to come along for the day to see what we are doing and to give us feed back on the development of this facility. Several members of the Graman community took up our offer and were pleased that the grounds we being utilised in a manner that would attract visitors from throughout our district. We have already began to build sound barriers between our track and adjoining properties although at this stage we are yet to receive any complaints of that nature.

Sapphire City Motorsports Club Inc. has been a part of Inverell for many years now and it's members still participate in fund raising activities for the community. For the past 5years we have held an annual event at the Pioneer Village with all gate takings going to the village committee, each year around \$2000.00 is raised. Sapphire City Motorsports Club members also have supported Macintyre Lions Club with man power and Vehicles to manage the white goods collection day, organised by council.

With around thirty financial members and a number of individual volunteers , the club is in good financial shape at this stage and are willing to spend the money needed to bring neighbouring motor sport enthusiasts to our towns.

We are asking Inverell Shire Councillors to reconsider their previous position on this matter, and we are also extending an invitation to any Councillors to come out to Graman and see for themselves what a group of enthusiasts have already achieved through dedication and hard work with the reserve.

As the public officer for Sapphire City Motorsports Club I am willing to answer any questions or queries that council may have.

Regards Duane O'Brien

0412 383 496

ITEM NO:	4.	FILE NO: DA-7/2011
DESTINATION 1:	A recognised leader in a broader context	R
SUBJECT:	REQUEST TO VARY LOAN AGREEMENT (LISTING)	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

Council is in receipt of a request for loan relief. The Committee is being asked to consider a Confidential Report in respect of this matter.

COMMENTARY:

The *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 provides the Committee with commercial information about a local business.

The recommendation that this item of business be considered in Closed Committee specifically relies upon section 10A(2)(c):

- 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 this matter outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: R.07 Council is recognised for and distinguished by its management, innovation and customer service.

Term Achievement: R.07.01 Council's operating culture is flexible, efficient, integrated and aligned to Council's strategic objectives and program delivery.

Operational Objective: R.07.01.01 Implement a structured program of continuous improvement, based on identifying and adopting leading practice, across the organisation.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

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

- i) the report includes '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); and*
- ii) on balance the public interest in preserving the confidentiality of this matter outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.*

ITEM NO:	5.	FILE NO: S8.5.3
DESTINATION 4:	A strong local economy	B
SUBJECT:	INVERELL CHAMBER OF COMMERCE REQUEST TO SUPPORT THEIR CAMPAIGN TO INCREASE THE NSW PAYROLL TAX THRESHOLD	
PREPARED BY:	Scott Norman, Director Corporate & Economic Services	

SUMMARY:

Inverell Chamber of Commerce has requested Council's support with their efforts to lobby the New South Wales Government to increase the payroll tax threshold in the upcoming budget.

COMMENTARY:

Inverell Chamber of Commerce is seeking Member's support in their campaign to increase the Payroll Tax Threshold.

They have provided a pro-forma letter (Appendix 5, D 15) addressed to the Hon A J Marshall, Member for Northern Tablelands which they have asked be adapted to Council's details and emailed to him.

The Chamber argues that Payroll Tax is a tax on local job creation and NSW has become uncompetitive, with a current Payroll Tax Threshold of \$750,000 whereas Qld is \$1.1 Million, ACT is \$2 Million and SA Government was elected on the promise of \$1.5 Million. As such they are hoping the current government won't wait till the next election to increase the threshold. But rather will include this increase in their upcoming budget.

In support of the argument the NSW Legislative Assembly Committee on Investment, Industry and Regional Development is conducting an inquiry into zonal taxation in NSW and published an interim report in January 2018 which identified that the current \$750,000 payroll tax threshold may act to discourage regional businesses from expanding due to the payroll tax liability that would apply should a business exceed the threshold. The full interim can be found at [Inquiry into zonal taxation interim report](#).

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

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

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

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

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

RECOMMENDATION:

The Committee recommend to Council support Inverell Chamber of Commerce efforts to lobby the New South Wales Government for an increase in the current payroll tax threshold.

APPENDIX 5**23rd** April 2018

The Hon A J Marshall
Member for Northern Tablelands
PO Box 77
Armidale
NSW 2350
E: northerntablelands@parliament.nsw.gov.au

Dear Mr Marshall,

Lifting NSW's Payroll Tax Threshold to \$1 million

[I am/ We are] writing to you on behalf of [X Business / Organisation] to seek your support to address a major impediment to job creation and a key issue for small business in this region.

Payroll tax is a tax on jobs and job creation. Increasing the payroll tax threshold to at least \$1 million will reduce tax administration expense for small business and help stimulate employment in our region.

With the ACT having recently increased its payroll tax threshold to \$2 million, Queensland to \$1.1 million, and the new government in South Australia committing to a payroll tax threshold of \$1.5 million it is time for the NSW Government to reduce the tax burden faced by small business wanting to create new jobs for the state.

An increase in the payroll tax threshold would provide assistance right across NSW. Importantly, this measure would support small and medium sized businesses in our region that are currently caught up in the complex task of processing payroll tax and who are penalised for hiring more staff.

We call on you to ensure the NSW June State Budget establishes a minimum payroll tax threshold of \$1 million.

Yours sincerely,

ITEM NO:	6.	FILE NO: S5.8.2/04
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	TENDER – PROVISION OF CLEANING SERVICES	
PREPARED BY:	Stephen Golding, Executive Manager Corporate and Community Services	

SUMMARY:

Tenders have been called for the Provision of Cleaning Services for Council's major buildings and identified public toilets. The Committee is being asked to consider a Confidential Report in respect of this matter in Closed Committee.

COMMENTARY:

The *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 provides the Committee with commercial tendering information.

The recommendation that this item of business be considered in Closed Committee specifically relies upon section 10A(2)(c):

- 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 this matter outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:

Strategy: R.07 Council is recognised for and distinguished by its management, innovation and customer service.

Term Achievement: R.07.01 Council's operating culture is flexible, efficient, integrated and aligned to Council's strategic objectives and program delivery.

Operational Objective: R.07.01.01 Implement a structured program of continuous improvement, based on identifying and adopting leading practice, across the organisation.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

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

- i) the report includes '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); and*
- ii) on balance the public interest in preserving the confidentiality of this matter outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.*

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 09/05/2018

ITEM NO:	1.	FILE NO: S6.8.9
DESTINATION 2:	A community that is healthy, educated and sustainable	C
SUBJECT:	LETTER OF APPRECIATION - ROTARY CLUB OF INVERELL EAST	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

Council is in receipt of a letter of appreciation from the Inverell East Rotary Club. Council is being asked to received and note the report.

COMMENTARY:

Council provided financial support for the conduct of the Copeton Freshwater Swim. The Inverell East Rotary Cub has written to express its appreciation for this support.

The Club states:

'without such assistance being extended by the Inverell Shire Council, as a major sponsor, we would not have been able to hold the event.

To ensure that Inverell Shire Council's monetary support was recognised we had a website that was used for online registration and a Facebook page that attracted over 9000 likes. Our major sponsors were recognised on these social media outlets. In addition to the internet and social media contacts there were several interviews with local radio stations. As well as the interviews there was ongoing publicity as a part of the events calendars with the stations.

The event attracted swimmers from all over NSW and southern Queensland who expressed positive comments in regards to the location and venue, weather and race organisation. The spectators also expressed their desire to return in future years'.

ITEM NO:	2.	FILE NO: S27.1.12
DESTINATION 1:	A recognised leader in a broader context	R
SUBJECT:	PERFORMANCE REBATE	
PREPARED BY:	Paul Henry, General Manager	

SUMMARY:

Advice has been received from Council's Workers Compensation Insurer. The Committee is being asked to receive and note the advice received.

COMMENTARY:

Council effects its Workers Compensation Insurance through a Local Government Mutual, called Statecover.

This Mutual provides various rebates to members based on that member's performance as compared to the scheme's 'average performance' as measured by a number of metrics.

Council has 'performed' at a level that is better than the Scheme's average and as a result a rebate on the 2016/17 tariff of \$62,999.13 will be paid by the Mutual.

RECOMMENDATION:

That the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 9 May, 2018, be received and noted.

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 09/05/2018

DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
ITEM NO:	1.	FILE NO: S12.5.1/11
SUBJECT:	QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2017/2018	
PREPARED BY:	Scott Norman, Director Corporate and Economic Services	

SUMMARY:

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

COMMENTARY:**2017/2018 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 2017/2018 Budget remains in balance. (also see Appendix 1, (G 8 – G 9). Those items identified as requiring funding since the adoption of the 2017/2018 budget have now been funded in full.

The Budget Variations for 2017/2018 are as follows:

**COMBINED FUND - BUDGET VARIATION SUMMARY REPORT
ESTIMATED CASH POSITION 30 JUNE, 2018
FOR 2017/2018 ACTIVITIES**

	General	Water	Sewer	Total	
Adopted Budget 2017/2018	7,697,947	836,952	704,949	9,239,848	Deficit
Add Back Depreciation	(6,682,350)	(838,000)	(706,000)	(8,226,350)	(Non-cash)
Add Back Carry Amount Assets Sold	(239,800)	-	-	(239,800)	(Non-Cash)
Internally Restricted Cash Utilised	(776,965)			(776,965)	
Transferred to Internally Restricted Cash	-	-	-	-	
ESTIMATED CASH RESULT FOR 2017/2018 ACTIVITIES	(1,168)	(1,048)	(1,051)	(3,267)	SURPLUS
2017/2018 Budget Variations Required to Maintain a Balanced Budget					
REVOTES	7,970,470	1,395,488	3,771,497	13,137,455	
UNEXPENDED GRANTS	2,390,447	-	-	2,390,447	
Adjustments 30-9-17	200,000	-	-	200,000	
Adjustments 31-12-17	492,500	-	-	492,500	
Adjustments 31-3-18	-	-	-	-	
SUB TOTAL	11,053,417	1,395,488	3,771,497	16,220,402	
Internally Restricted Cash Utilised	(692,500)	-	-	(692,500)	
FUNDED FROM EQUITY	(10,360,917)	(1,395,488)	(3,771,497)	(15,527,902)	
NET BUDGET VARIATIONS	0	0	0	0	
REVISED CASH RESULT FOR 2016/2017 ACTIVITIES	(1,168)	(1,048)	(1,051)	(3,267)	SURPLUS

DEFINITIONS:

- 1) **REVOTES** - Revotes are works budgeted and funded in the previous Financial Year, carried forward for completion in the current financial year. Revotes only occur if cash funding remains available from that previous Financial Years Budget to fund the works. The cash is held as equity.
- 2) **FUNDED FROM EQUITY** - Represents Cash funding received in previous financial years from Revenues, Grants and Other Sources and held as Cash due to its non-expenditure, carried forward to fund the required works in the current Financial Year.
- 3) **INTERNALLY RESTRICTED CASH** - Is cash held in investments to fund future financial obligations, for example Employee Leave Entitlements, Future Projects etc. These funds are not part of Council's Working Capital. The expenditure of funds from Council's Internally Restricted Cash does not impact on Council's ability to undertake its regular activities. Internally Restricted Cash does not include unexpended Grant Funds or Funds which are subject to External Restrictions and Legislative Restrictions in respect of their use.
- 4) **BALANCED BUDGETS** - Council has adopted the principle of delivering "Balanced Budgets" as a major means of ensuring its operations are sustainable in the medium and long term. In determining that this objective is being met, the "Revised Cash Result" must be a "Surplus" for each of the three funds, and equal or exceed the "Original Cash Result" amount.

The report indicates that the Net Budget Variations for 2017/2018 continue to remain at “Zero”. Councillor’s will note that expenditure has increased by \$4.265M, while revenue has increased by \$3.573M. The “zero” change position is achieved by utilising Internally Restricted Assets (IRA). 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, G 10) indicate a Surplus from all Activities to 31 March 2018 of \$1.513M, against a budgeted annual result of \$2,723. This current result indicates that sufficient funding remains available to fund Council’s 2017/2018 continuing operations for the next 3 months to the end of the 2017/2018 Financial Year.

QUARTERLY BUDGET REVIEW REPORT:

Council’s 31 March 2018 Quarterly Combined Budget Review Summary Report and Income and Expense Statement by Function are attached (refer to Appendix 3, G 11). A review of the report indicates that Council’s actual Revenue/Expenditure compares favourably with Council’s revised budget.

Council retains a strong Internally Restricted Asset balance (refer to Appendix 4, G 12) to fund liabilities, future works and emergencies. The quantum of these funds add significantly to Council’s investment income and therefore capacity to undertake recurrent maintenance and capital works.

GENERAL FUND – OPERATIONAL PLAN REVIEW:

The General Fund remains in balance with the predicted Cash Surplus in respect of 2017/2018 operations remaining unchanged following approval of the Budget Variations attached to this report (refer Appendix 1, G 8 – G 9). This is after transfers to/from Internally Restricted Assets and Revotes from previous years and the bringing forward of Grant Funding received in 2016/2017 which will be expended in 2017/2018.

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.

A comprehensive review of the General Fund Budget indicates that overall, incomes and expenditures to 31 March 2018 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 2017/2018 Operational Plan (refer Appendices 5 and 6, G 13, G 14) remains on track.

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

Investments:

The General Fund investments remain sound. It is noted that the RBA continued to hold the official cash rate at a half-century low of 1.5%. The banks have continued to adjust their deposit rates lower with the RBA on its neutral cycle indicating that interest rates will remain on hold for the foreseeable future. Most economists anticipate that the RBA won’t increase the official cash rate until late 2019. Term Deposits are now as low as 2.50-2.7%. It is anticipated that Council will just achieve budgeted interest during 2017/2018.

A copy of Council’s Cash and Investment Budget Review Statement as at 31 March, 2018 is attached (refer to Appendices 7 and 8, G 15 and G 16). 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 under \$150,000 by Council during the quarter ending 31 March 2018, (refer to Appendix 9, G 17). Other consultancy and legal expenses are summarised in the attached Consultancy & Legal Expense summary (refer to Appendix 9, G 17).

Plant Fleet:

A copy of the Plant Fleet Financial Report to 31 March, 2018 is attached (refer to Appendix 10, G 18). The Report indicates a small Operating Surplus of \$6K to 31 March 2018. The fleet fund continues to remain in a sound financial position.

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 and \$380K in 2013/2014 and \$5K in 2014/2015, \$294K in 2015/2016 and down \$83K in 2016/2017. It is anticipated that water sales will continue to increase during 2017/2018 due to the current dry conditions within the Shire.

The Water Fund holds Term Deposits totalling \$7.5M and cash at bank of \$1.27M (See Appendix 7, G 15)

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 the completion of the refurbishment/expansion of the Inverell Sewerage Treatment Plant in 2017/2018. This project is funded from Loans and Cash Reserves. Council has entered into a loan facility with the National Australia Bank for \$2 M at a fixed interest rate of 4.16% in respect of this project. Council is receiving a 3% loan subsidy under the Local Infrastructure Renewal Scheme (LIRS) for the life of the loan.

The Sewerage Fund holds Term Deposits totalling \$5.5M plus cash at bank of \$1.03M (See Appendix 7 G 15).

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 2017/2018:

- 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.

- Seeking grants for the benefit of the community
 - White Ribbon Australia workplace accreditation implementation with final workplace survey underway.
 - Sponsor acquisition prize of Inverell Art Prize
 - Initiate inaugural NAIDOC week art exhibition
 - Secure Country Cricket Championships for Inverell
 - Host Australia Day Celebrations across the Shire
 - Secure funding for community noticeboards in the Shire's Villages
 - Participation in the Northern Inland Risk Management Group
 - Match Standard field lighting installed at sporting complex
 - Host elite rugby league clinics with Pacific Sports Marketing
 - Partner with Pathfinders to host youth scavenger hunt
- Destination 2 – A community that is healthy, educated and sustained:
 - Women in Business workshops for 188 women
 - Youth Opportunities Programs in progress to engage young people aged 12-20 with 232 participants
 - Joint initiative with BEST Employment to commence free learn to swim classes
 - 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;
 - Participation in New England Cooperative Library
 - Working with BEST Employment in respect of the management rights of the Linking Together Centre.
 - White Ribbon Community Project action plan being implemented with final workplace survey underway.
 - Participate in the community Violence Prevention Team movie night at Waratah Park South Inverell.
 - Completed Yetman Hall Upgrade
 - Completed Yetman Recreation Centre Upgrade and cricket pitch upgrade
 - Facilitate Grandparents Day
 - Augment launch of Inverell Parkrun
 - Successful grant submission from Social Housing Community Infrastructure
 - Secured Funding for LTC building modifications to assist in the establishment of a drop-in centre. Quotation phase now complete
 - Secure funding for upgrade of Library Management System
 - Support youth week initiatives with movie screening
 - Crime Prevention Plan public exhibition completed.
- Destination 3 – An environment that is protected and sustained:
 - Partnering with Local Land Services in River Rehabilitation & Weeds Removal Programs;
 - Remove Harrisia Cactus at Yetman
 - Remove Water Lettuce at Beebo West
 - Participated in Cross Borders Working Group on weed control meetings
 - Participated in Northern Inland Regional Waste meetings
 - Submitted grant applications for two new transfer stations and remediation works at four rural landfills
 - Ongoing works at May Street Park to improve riverbank environment.
 - Adopted Open Space Strategy
 - Completed draft LEMP
 - Assist Yetman community to secure weed funding for Mimosa Bush control on Yetman Common.
 - Erect educational signage on Macintyre River for river rehabilitation program.

- Outreach National Science Week activities at Inverell Public School
 - Secure funding from Local Land Services for river rehabilitation in Inverell
 - Upgrade pathway at Ross Hill Reserve
 - Further improvements at the Inverell Landfill.
- Destination 4 – A strong Local Economy:
 - Complete TCRP renewal of Otho Street
 - Participated in a wide range of Tourism and Marketing Shows;
 - Participated in Inverell Promotional Activities with the Inverell Chamber of Commerce and Industry
 - Secure funding for Small Business upskilling workshop
 - Completed upgrade works at Inverell Airport Terminal
 - Liaised with Fly Corporate on the commencement of new Regular Passenger Transport (RPT) service from Brisbane – Inverell – Moree – Brisbane
 - Support Inverell Chamber of Commerce’s “Shop Local & Festival of Christmas campaigns”
 - Cod Cash Fishing Tournament event completed for 2018 with over 700 registered competitors. Project review underway.
 - Public art installed in Ashford and Yetman
 - Destination 5 – The Communities are served by sustainable services and infrastructure:
 - Community signage funding secured for Bonshaw
 - Commenced and completed a range of Road Upgrade Projects on the Regional Road and Local Road Network;
 - Completed a significant quantum of Shire Roads Gravel Resheeting;
 - Completed a significant quantum of heavy patching throughout the Shire;
 - Completed Council’s 2017/2018 bitumen reseal program;
 - Completed 2016/2017 Financial Statements – sound financial result achieved.
 - Upgrades of infrastructure at Inverell Pool
 - Completed upgrade works at Inverell Sports Complex
 - Completed replacement of Tin Tot Bridge
 - Commenced upgrade works at the Inverell Sewerage Treatment Plant.
 - Recreation Grants awards four community groups
 - Community consultation for Open Space Strategy
 - Continual Roll out of Solar Lighting Infrastructure.
 - Secure funding for assessment of Higher Mass Vehicle network expansion.
 - Participation in the Northern Inland Risk Management Group
 - Complete extension of Inverell cycleway in Belgravia
 - Completed installation of new scoreboard at Varley Oval
 - Review of Council’s Business Continuity Plan underway

Also attached is a copy of Council’s Key Financial Performance Indicators (refer to Appendix 11, H 19 – 20)

RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND MANAGEMENT PLAN:

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

Operational Objective: CS.04 Financial Services – 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 March, 2018 indicates that Council's projected financial position at 30 June 2018 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 2017/2018 Budget in balance, with an indicative surplus of \$3,267.

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 March, 2018 be adopted; and*
- ii) the proposed variations to budget votes for the 2017/2018 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2018 from operations of \$3,267.*

APPENDIX 1

BUDGET VARIATIONS - FINANCE MEETING 9-5-2018			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
<i>Increase/Decrease in INCOME</i>			
127049-1000	Contributions to Works	54,000	Hong Yuen Plaza Pty Ltd - Contribution to Oliver Street Carpark
127120-1000	Insurance Proceeds	26,850	Insurance Claim - Replace Shade Structure at Apex Park Ashford
127120-1000	Insurance Proceeds	46,590	Insurance Claim - Damage to Christmas Tree Lights
120100-1000	Rates Income	293,460	Additional Rates Income - Wind turbine sites
120850-1000	Legal/Other Cost Raised	27,270	Additional Rates Income - Legal Fees on debt collection
127070-1000	Rents/Fees Sporting Groups	7,290	Additional income received
128590-1000	Income Other Land and Buildings	17,710	Additional income received
147059-1000	147059 - Income-Noxious Weeds-Special Projects	90,000	Grant Funded Weeds Program - Oosage Orange
160405-1000	Income-Library Infrastructure Grant 2017/18	54,895	Grant Funded Library Project - A modern LMS for Inverell
TOTAL INCREASE IN INCOME		618,065	<i>Positive figure indicates increased income, (Negative) figure indicates decreased income</i>
<i>Increase/Decrease in EXPENDITURE</i>			
160280-1000	CBD Carparking Upgrade	54,000	Hong Yuen Plaza Pty Ltd - Contribution to Oliver Street Carpark
137150-3600	Passive Parks - Ashford	26,850	Insurance Claim - Replace Shade Structure at Apex Park Ashford
143010-1100	RP MR63 63.2 to 64.2 North of Warialda	451,824	Allocation of Repair Program Funding
143007-1100	RP MR137 Seg 160 (20.76 to 22.5 North Inverell) Airlie Break Job)	510,000	Allocation of Repair Program Funding
138280-4450	repair Program Allocation	(961,824)	Funding for above
137843-1100	BLK-(3x4) - MR187 - Cucumber Creek Drainage (2017/18)	160,000	Allocation of Supplementary Block Grant as per Council Resolution
138730-1000	BLK (3x4) Program-Total Allocation	(160,000)	Funding for above
137100-4480	Inverell Baths	25,000	Additional Maintenance and Energy Costs
151140-1000	Motor Museum	25,000	Repairs to Transport Motor Museum Roof
147185-1000	Tourism Development	(25,000)	Funding for above
132501-1000	Christmas Tree	46,590	Replacement of damaged Christmas tree lights - Funded by insurance claim
139433-1100	Special Projects - Road	293,460	Allocation of additional Rates Income from Wind Turbine sites
130310-1000	Debt Recovery Expenses	27,270	Debt recovery expenses
147060-3899	Noxious Weeds-Special Projects-Osage Orange	90,000	Grant Funded Weeds Program - Oosage Orange
160406-1000	Expenses-Library Infrastructure Grant 2017/18	54,895	Grant Funded Library Project - A modern LMS for Inverell
139400-1100	Tit Tot Bridge	69,016	Additional gravel work on approach road
139420-1100	Bitumen Sealing	(69,016)	Funding for above
143008-1100	RP-MR137 Segment 290 (St Hilary)	52,147	Removal of poor sub grade material and wet weather delays during construction
137561-1000	Block Grant Capital Expenditure	(52,147)	Funding for above
137800-1100	BLK - Reseals	25,014	Additional reseals completed on regional roads as per asset management system
138810-1000	ACRD Reseals	(25,014)	Funding for above
135740-1000	Yetman Street / Gutter Cleaning	3,000	Additional costs incurred
137280-3230	Street Mowing - Yetman	(3,000)	Funding for above
137151-3600	Yetman Passive Parks	2,000	Additional costs incurred
137280-3230	Street Mowing - Yetman	(2,000)	Funding for above
137690-1120	BLK - MR 137 North Inv/Bonshaw	30,005	Additional costs incurred
137620-1120	Blk-Tr 63 -49.35 Nth Warialda	(30,005)	Funding for above
137710-1120	BLK- MR187 North Inv/Rocky Dam	43,800	Additional costs incurred
137760-1120	BLK-MR462 Brunxner Way -Maint.	(43,800)	Funding for above
139407-1100	F4F Rehab MR 137 Seg 543 to 555 "Glen Idle"	139,315	Change in project scope - extra 200 metres completed
139404-1100	139404 - Fit4Future-Road Backlog-Heavy patching/Stabilisation	(139,315)	Funding for above
140240-1000	Roadside Furnishings - North	1,940	Additional costs incurred
139270-1000	Rural Seal Roadside Furnish South	(1,940)	Funding for above
139160-1000	Roadside Growth Control South	15,000	Additional costs incurred
139180-1000	Maint. Bitumen Seal Sth.	(15,000)	Funding for above
139170-1000	Maint Roadside Furnish South	9,045	Additional costs incurred
140140-1000	Roadside Furnishings	(9,045)	Funding for above
139190-1000	Rural Seal Drainage	7,920	Additional costs incurred
140150-1000	Drainage Structures	(7,920)	Funding for above
139360-1000	Gunee Feedlot Contrib Road Mtc	16,340	Additional Shoulder Maintenance
142503-1000	ACRD - DCES Allocation	(16,340)	Funding for above
140050-1000	Unsealed Village Maint	7,845	Additional costs incurred
139060-1000	Village Seal Maint South	(7,845)	Funding for above
140630-1000	Shire Road South timber Clearing	24,285	Storm damage clean-up
140400-1000	Bridges-Other Roads Rural	(15,985)	Funding for above
142503-1000	ACRD - DCES Allocation	(8,300)	Funding for above
137680-1170	BLK-Mr 137-South-Inv/Bonshaw	30,000	Additional costs incurred
137630-1120	Blk-Tr 73 -Bundarra/Inverell	(30,000)	Funding for above
137838-1000	Block Exps-Traffic Facilities - South	15,000	Additional costs incurred
137840-1000	Block Exps-Traffic Facilities	(15,000)	Funding for above
145821-1000	Facilities Around Schools - Ashford	31,526	Council's contribution to grant funded project
129381-1000	Special Projects - DCS - (CAPITAL EXPENSES)	(31,526)	Funding for above
135900-1000	Urban Drainage Maint	9,430	Additional costs incurred
148420-1000	DCES-Special Projects	(9,430)	Funding for above
137032-1000	Memorials - Delungra	1,380	Additional costs incurred
137260-1000	Signs on Parks & Reserves	(1,380)	Funding for above
140520-5940	Villages Unpaved Footpaths	8,670	Additional costs incurred
137460-1000	Horticultural Travel Expenses	(8,670)	Funding for above
140540-1000	Tree Plant & Pots Mtc	16,600	Additional costs incurred
145700-1000	Tree Plant & Plots New	(6,430)	Funding for above
148420-1000	DCES Special Projects	(10,170)	Funding for above
137243-3500	Sporting Fields - Varley Oval	36,195	Additional Maintenance
148420-1000	DCES Special Projects	(36,195)	Funding for above
136300-1000	Public Privies	86,000	Additional cleaning requirements at Public Privies
148408-6445	DCES-SRV Maintenance Activity	(86,000)	Funding for above
TOTAL INCREASE IN EXPENDITURE		618,065	<i>Positive figure indicates increased expenditure, (Negative) figure decreased expenditure</i>

NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)				-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
<i>Restricted Assets</i>					
TOTAL FUNDING FROM RESTRICTED ASSETS				-	
FUNDED FROM EQUITY (G5795.000)					
NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)				-	
WATER FUND					
<i>Increase/Decrease in INCOME</i>					
812350-1000	Interest Revenue		15,180	Additional Income Received	
812010-1000	Water Charges (Annual)		2,600	Additional Income Received	
TOTAL INCREASE IN INCOME				17,780	Positive figure indicates increased income, (Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>					
814640-1000	Reservoir - Gilgai Res - 8ML		2,500	additional costs incurred	
814660-1000	Reservoirs - Other		15,280	additional costs incurred	
TOTAL INCREASE IN EXPENDITURE				17,780	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>					
906320-1000	Interest Revenue		18,880	Additional Income Received	
911000-1000	Sewer Section 64 income		30,740	Additional Income Received	
TOTAL INCREASE IN INCOME				49,620	Positive figure indicates increased income, (Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>					
906440-3670	Treatment Works - Other		49,620	Inverell Treatment Plant Sludge Bed Removal	
TOTAL INCREASE IN EXPENDITURE				49,620	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)

APPENDIX 2

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31-3-2018
CONSOLIDATED INCOME AND EXPENSE STATEMENT

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2017/2018 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2017 Review (000's)	Dec 2017 Review (000's)	Mar 2018 Review (000's)	June 2018 Review (000's)					
INCOME												
Rates & Annual Charges	18,473				3			18,476	296	18,772	18,842	100.37%
User Charges & Fees	3,446			-33	438			3,851	7	3,858	2,889	75.02%
Interest	1,027							1,027	34	1,061	512	49.85%
Other revenues from ordinary activities	423				21			444	118	562	534	120.27%
Grants & Contributions provided for non capital purposes	9,964			1,238	24			11,226	145	11,371	6,983	62.20%
Grants & Contributions provided for Capital Purposes	926			820	375			2,121	85	2,206	1,559	73.50%
Gain from the sale of assets	196							196		196	680	346.94%
Gain from interest in joint ventures & associates	-							-				
TOTAL INCOME FROM CONTINUING OPERATIONS	34,455	-	-	2,025	861			37,341	685	38,026	31,999	85.69%
EXPENSES												
Employee Costs	13,312	81		132	37			13,562	39	13,601	9314	68.68%
Borrowing Costs	182							182		182	121	66.48%
Materials and Contracts	5,847	1,381	123	70	443			7,864	225	8,089	4318	54.91%
Depreciation	8,226				15			8,241		8,241	6181	75.00%
Other Expenses from ordinary activities	4,198	135	51	93				4,477	25	4,502	2646	59.10%
Loss from the disposal of assets	-							-				0.00%
Loss from interest in joint ventures & associates	-							-				
TOTAL EXPENSES FROM CONTINUING OPERATIONS	31,765	1,597	174	295	495	-	-	34,326	289	34,615	22,580	65.78%
NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)	2,690	(1,597)	(174)	1,730	366	-	-	3,015	396	3,411	9,419	312.41%
ADD BACK Non Cash Amounts												
Depreciation	8,226							8,226		8,226	6181	75.14%
Carrying Amount of Assets Sold	240							240		240		0.00%
Capital Amounts	11,156	(1,597)	(174)	1,730	366	-	-	11,481	396	11,877	15,600	135.88%
Repayments by deferred Debtors												
Acquisition of Assets	(11,378)	(11,540)	(2,216)	(1,930)	(859)			-27,923	(396)	-28,319	-13629	48.81%
Loan Repayments	(552)							-552		-552	-458	82.97%
Advance to Deferred Debtors												
Loan Funds												
Less Net Transfers to IRA	777			200	493			1,470		1,470		0.00%
Plus Equity Funding	-	13,137	2,390					15,527		15,527		0.00%
Unallocated Consolidation Net Profit/(Loss)	3	-	-	-	-	-	-	3	-	3	1,513	
NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)	1,764							1,764		1,764	7,860	

* Favourable / (Unfavourable) variance

EXPLANATION OF MATERIAL VARIANCES**YTD Variances**

Item	Explanation
INCOME	
Rates & Annual Charges	Includes rate levy for 2017/2018
User Charges & Fees	Includes annual DWM charges for 2017/2018
Other revenues from ordinary activities	Includes additional income from private works & SH12
Gain from the sale of assets	Includes the sale of fleet items deferred from 2016/2017 Higher trade prices than expected on sale of light and heavy plant Carrying value of fleet sold not deducted until year end Additional revenue will be transfer to IRA at years end
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 2017/2018 budget have now been funded.

APPENDIX 3

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31-3-2018
INCOME & EXPENSES BY FUNCTION

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2017/2018 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2017 Review (000's)	Dec 2017 Review (000's)	Mar 2018 Review (000's)	June 2018 Review (000's)					
EXPENSES												
Governance	318							318		318	173	54.40%
Administration	6,749	499				-5	-20	7,223	27	7,250	3,764	51.92%
Public Order and Safety	1,026	92					-9	1,109		1,109	284	25.61%
Health & Environment	2,747	25	22				19	2,813	102	2,915	2,298	78.83%
Community Services and Education	106		55		211		71	442		442	186	42.08%
Housing and Community Amenities	966	53					5	1,024	86	1,110	722	65.05%
Water Supplies	3,344						3	3,347	18	3,365	2,241	66.60%
Sewerage and Drainage Services	1,748							1,748	50	1,798	1,619	90.04%
Recreation and Culture	2,092	168	46		95		14	2,415	136	2,551	1,664	65.23%
Mining, Manufacturing and Construction	330							330		330	200	60.61%
Transport and Communication	5,294	210	18		-5	483		6,000	-13	5,987	4,402	73.53%
Economic Affairs	1,288	550	33			-70		1,801	-117	1,684	923	54.81%
TOTAL EXPENSES	26,007	1,597	174	0	296	496	0	28,570	289	28,859	18,476	64.02%
REVENUES												
Governance								-		-	-	-
Administration	22,501				118			22,619	320	22,939	18,225	79.45%
Public Order and Safety	522					136		658		658	567	86.17%
Health & Environment	3,372					19		3,391	90	3,481	3,472	99.74%
Community Services and Education	1				211	50		262		262	219	83.59%
Housing and Community Amenities	268					5		273		273	182	66.67%
Water Supplies	4,581					3		4,584	18	4,602	3,467	75.34%
Sewerage and Drainage Services	2,628							2,628	50	2,678	2,641	98.62%
Recreation and Culture	171					251		422	116	538	492	91.45%
Mining, Manufacturing and Construction	178							178		178	170	95.51%
Transport and Communication	4,586				1,697	377		6,660		6,660	5,180	77.78%
Economic Affairs	308					21		329	91	420	435	103.57%
TOTAL REVENUE	39,116	0	0	0	2,026	862	0	42,004	685	42,689	35,050	82.11%
OPERATING RESULT: (Surplus)	-13,109	1,597	174	0	-1,730	-366	0	-13,434	-396	-13,830	-16,574	
Depreciation	8226							8,226		8,226	6,170	75.00%
Increase in Employee Leave Entitlements	2389							2,389		2,389	1,654	69.22%
(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS	(2,494)	1,597	174	-	(1,730)	(366)	-	(2,819)	(396)	(3,215)	(8,751)	
Carrying Amount of Assets Sold	240							240		240		0.00%
Proceeds Sale of Assets	-436							-436		-436	-680	155.96%
Cost Real Estate Assets Sold								0		0		
Loan Funds Used								0		0		
Other Debt Finance								0		0		
Repayments by Deferred Debtors								0		0		
Acquisition of Assets	11,378	11,540	2,216		1,930	859		27,923	396	28,319	13,629	48.13%
Development of Real Estate								0		0		
Advance to Deferred Debtors								0		0		
Repayment of Loans	552							552		552	458	82.97%
Repayment of Other Debts								0		0		
ESTIMATED BUDGET RESULT: (SURPLUS)/DEFICIT	9,240	13,137	2,390	0	200	493	0	25,460	0	25,460	4,657	
ADD BACK Non Cash Amounts												
Depreciation	8,226							8,226		8,226	6,170	
Carrying Amount of Assets Sold	240							240		240	0	
Plus Net Transfers	-777				-200	-493		-777		-777		
Plus Equity Funding**		-13,137	-2,390					-15,527		-15,527		
BUDGET (SURPLUS)/DEFICIT	(3)	-	-	-	-	-	-	690	-	490	(1,513)	
** Equity Funding is Unexpended Grants, Contributions and incomplete works from previous years where money is held in equity at end of year												
Transfers to Internally Restricted Assets	2,045							2,045		2,045	0	0.00%
Transfers from Internally Restricted Assets	2,822							2,822	200	3,022	0	0.00%
Net Transfers	-777	0	0	0	0	0	0	-777	-200	-977	0	

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

Item

Explanation

Expenses

Public Order and Safety

A number of expenses for RFS, SES and Ordinance not payable until May & June

Community Services and Education

Youth services grants not yet expended

INCOME

Health & Environment

Includes entire domestic rates for 2017/2018

Housing & Community Amenities

Includes entire DWM levy Chagres for 2017/2018

Sewerage and Drainage Services

Includes entire annual sewer charges levy for 2017/2018

Recreation and Culture

Includes grant funding paid in advance

Mining, Manufacturing and Construction

Includes additional income development application revenue

Economic Funds

Includes additional income from private works for works not yet complete

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 2017/2018 budget have now been funded.

APPENDIX 4

INTERNALLY RESTRICTED ASSETS (CASH) MOVEMENTS								
31/03/2018	EST. BAL.	TRANSFER	TRANSFER	EST. BAL.	TRANSFER	TRANSFER	EST. BAL.	
PURPOSE	30/6/17	TO	FROM	30/6/2018	TO	FROM	30/6/2019	
GENERAL ACTIVITIES	\$	\$	\$	\$	\$	\$	\$	
BUILDING REFURBISHMENT/UPGRADE	2,157,843.18	36,710	25,000	2,169,553.18	36,710		2,206,263.18	Note 1 Funding Building Refurbishments/Asset Management needs/Funded from Depmn Expense OLG Promoting Better Practice Recommendation
EQUIP. UPGRADE/EMERGENCY MTCE	210,805.00			210,805.00			210,805.00	
COMPUTER/IT SYSTEMS UPGRADES	1,107,046.00			1,107,046.00			1,107,046.00	Note 2 Replace Revenue/Property System 2017/2018 - 2018/2019 etc
INDUSTRIAL DEVELOPMENT	1,148,600.00			1,148,600.00			1,148,600.00	Rifle Range Road Subdivision Infrastructure Costs 2017/2018
RESIDENTIAL DEVELOPMENT	7,309.77			7,309.77			7,309.77	
AERODROME UPGRADE/MTC	306,330.00			306,330.00			306,330.00	Note 3 Federal Compensation Package Funds
COPETON NORTHERN FORESHORES	49,000.00			49,000.00			49,000.00	
LIBRARY BUILDING REFURBISHMENT	202,000.00			202,000.00			202,000.00	Future Library Building Refurbishments
INDUSTRIAL/TOURISM PROMOTION	93,594.00			93,594.00			93,594.00	Tourism Brochure etc
GARBAGE DEPOT LAND PURCHASE ETC	169,391.00			169,391.00			169,391.00	Note 4 Waste Strategy Funds - Restricted
GARBAGE DEGRADATION/REHAB.	445,345.00	150,000		595,345.00	120,000		715,345.00	Note 4 Waste Strategy Funds - Restricted
WASTE INFRASTRUCTURE	2,504,068.00	174,825		2,678,893.00	199,445		2,878,338.00	Note 4 Waste Strategy Funds - Restricted
WASTE-EXTERNALITY SUSTAINABILITY	177,000.00	120,000		297,000.00	120,000		417,000.00	Note 4 Waste Strategy Funds - Restricted
PLANT REPLACEMENT	4,245,723.00	1,528,000	2,821,500	2,952,223.00	1,625,000	2,497,500	2,079,723.00	Note 5 Plant Fleet Asset Renewals
GRAVEL PIT RESTORATION	190,753.00	17,500		208,253.00	35,000	24,365	218,888.00	Rehabilitation Requirement
GRAVEL PIT RESTORATION -Roads	128,034.00	17,500		145,534.00	35,000	24,365	156,169.00	Rehabilitation Rifle Range Road and others
COMMUNITY CAPITAL PROJECTS AND LAND	650,000.00		200,000	450,000.00			450,000.00	Note 6
ECONOMIC DEVELOP/GROWTH ASSETS	2,500,000.00		1,000,000	1,500,000.00			1,500,000.00	Note 7 Major Roundabouts with RMS and Federal Government
STRATEGIC CAPITAL PROJECTS FUND	4,450.00			4,450.00			4,450.00	including Chester Street Renewal
STRATEGIC DEVELOPMENT FUND	490,611.00		250,000	240,611.00			240,611.00	Note 8 Land Bank/Infrastructure Development Funding
EMPLOYEE LEAVE ENTITLEMENTS	1,336,710.46			1,336,710.46			1,336,710.46	Restricted - Minimum Statutory Requirement
WORKERS COMP INSURANCE	702,601.00			702,601.00			702,601.00	Promoting Better Practice Recommendation
TOWN HALL MAJOR MTCE/UPGRADE	100,000.00			100,000.00			100,000.00	Funding for future building refurbishments
INSURANCE EXCESS/SELF INSURANCE	209,848.00			209,848.00			209,848.00	Promoting Better Practice Recommendation
SWIMMING POOLS UPGRADE/FENCING	2,590,000.00			2,590,000.00			2,590,000.00	Future Upgrades (includes Transfer from Provisions)
ROAD RESUMPTIONS	20,000.00			20,000.00			20,000.00	Ongoing Issue
IVERELL HOCKEY FACILITY	450,000.00			450,000.00			450,000.00	Field Resurfacing - Provision for Surface Renewal
CONNECTIONS BUILDINGS/PLANT/EQUIP.	72,183.74			72,183.74			72,183.74	Funding Building Refurbishments/Asset Management needs/Funded from Depmn Expense
SES BUILDINGS	104,311.00			104,311.00			104,311.00	SES Building Renewals
FUND TOTAL	22,373,557.15	2,044,535	4,296,500	20,121,592.15	2,171,155	2,546,230	19,746,517.15	
WATER SUPPLY								
EMPLOYEE LEAVE ENTITLEMENTS	65,000.00			65,000.00			65,000.00	Restricted - Statutory Requirement
EQUIPMENT BREAKDOWN	107,940.00			107,940.00			107,940.00	Promoting Better Practice Recommendation
REVENUE EQUALISATION	470,000.00			470,000.00			470,000.00	Best Practice Guidelines
FUTURE CAPITAL WORKS	3,577,260.00			3,577,260.00			3,577,260.00	Note 9
FUND TOTAL	4,220,200.00	-	-	4,220,200.00	-	-	4,220,200.00	
SEWERAGE SERVICES								
EMPLOYEE LEAVE ENTITLEMENTS	20,000.00			20,000.00			20,000.00	Restricted - Statutory Requirement
EQUIPMENT BREAKDOWN	109,078.82			109,078.82			109,078.82	Promoting Better Practice Recommendation
FUTURE CAPITAL WORKS	2,439,200.00			2,439,200.00			2,439,200.00	Inverell Sewer Treatment Plant and Pump Station 1 renewal
FUND TOTAL	2,568,278.82	-	-	2,568,278.82	-	-	2,568,278.82	and Mains Relining
TOTAL OF ALL FUNDS	29,162,035.97	2,044,535	4,296,500	26,910,070.97	2,171,155	2,546,230	26,534,995.97	

INTERNALLY RESTRICTED ASSETS COMMITMENTS

Note 1 - Building Refurbishment/Upgrade Projects - Asset Renewal funded from annual depreciation expense. Asset Management Plans require this level of Funding over the next 10 Years			
Transfer to IRA is lease fee from Connections.			
Note 2 - Replace Property/Revenue System 2017/2018 - 2018/2019			
Note 3 - Funding received from Federal Compensation Package - Future Bitumen Reseals			
Note 4 - Waste Management Strategy Implementation Funding and future land purchases/degradation requirements, including new Garbage Trucks, Solar Power, Weighbridges, Tip Closures etc			
Note 5 - Plant Fleet future acquisitions fund - Asset Renewal plus GPS devices			
Note 6 - Future Capital Works/Non-Trading Land Purchases/Industrial Land Development Fund		300,000.00	Industrial Land Development
		150,000.00	Council Contribution to Heritage Trade Training Centre (Transport Museum)
		450,000.00	
Note 7 - Economic Dev/Growth Assets	Chester St. Renewal - Heavy Vehicle Route	1,000,000.00	Federal Funding \$1.5M, Awaiting RMS Contribution, Council \$0.5M 2017/2018, \$0.54m 2018/2019
	Gwydir Highway/Rosslyn Street Roundabout	1,000,000.00	Land acquired, design in progress for 2018/2019 Project
	Gwydir Highway/Mansfield St Intersection	500,000.00	
		2,500,000.00	
Note 8 - Strategic Capital Projects and Infrastructure Fund	Campbell Street Property/Carpark	240,000	2017/2018 or later Program (RMS)
		240,000	
Note 9 - Future Capital Works	Ashford Water Treatment Plant	850,000.00	Ashford Plant River Inlet and Plant Ancillary Works
	Lake Inverell Safety Works	400,000.00	State Government requirement
	Other Capital Works	700,000.00	Inverell Treatment Works Renewal/Refurbishment Project
		1,950,000.00	

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

APPENDIX 5

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2018
CAPITAL BUDGET

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2016/2017 (000's)	ACTUAL YTD (000's)
		Revotes	Unexpended Grants	Sept 2017 Review	Dec 2017 Review	Mar 2018 Review	June 2018 Review				
		(000's)	(000's)	(000's)	(000's)	(000's)	(000's)				
CAPITAL FUNDING											
Rates and Other untied Funding											
General Fund	2,814				31			2,845	396	3,241	2,845
Sewer Fund	664							664		664	664
Water Fund	848							848		848	848
								-			
Capital Grants & Contributions								-			
Bushfire	220				145			365		365	365
Sporting Fields	10				230			240		240	240
Library	25							25		25	
Roads	4,278			1,710	(40)			5,948		5,948	3,582
								-			
Internal Restricted Assets								-			
Aerodrome								-		-	
Plant Replacement	2,518							2,518		2,518	
Roads Program								-		-	
Sewerage Future Capital Works								-		-	
Water Future Capital Works								-		-	
Strategic Capital Projects Fund								-		-	
Strategic Development Fund					250			250		250	
Building Refurbishment/Upgrade					243			243		243	
Loan Funding								-		-	
Equity (Unexpended Grants and Contributions from pervious years)		11,540	2,216	220				13,976		13,976	13,976
TOTAL CAPITAL FUNDING	11,377	11,540	2,216	1,930	859			27,922	396	28,318	22,520
CAPITAL EXPENDITURE											
Administrative Services	15							15		15	6
Aerodrome					32			32		32	32
Engineering Equipment	2							2		2	-
SES/Bushfire	227				145			372		372	365
Information Services	147	118						265		265	82
Sporting Fields	24	9			697			730		730	652
Cemetery	1							1		1	1
Library	119		9		25			153		153	87
Plant	3,208							3,208		3,208	2,956
Minor Community Infrastructure Assets	280	351		(15)				616	15	631	231
Strategic Capital Infrastructure Program	515	109									
Sewerage Services	664	3,771						4,435		4,435	1,072
Water Services	848	1,395						2,243		2,243	181
Roads	5,328	5,787	2,207	1,945	(40)			15,227	381	15,608	8,734
TOTAL CAPITAL EXPENDITURE	11,378	11,540	2,216	1,930	859			27,923	396	28,319	14,399

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 2017/2018 budget have now been funded.

APPENDIX 6

CAPITAL EXPENDITURE 2017/2018

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	31%			
	134940-1000	ACQUISITION OF ART PRIZE	4,500		4,500		New Asset	98%			
	160470-1000	ART GALLERY REFURBISHMENTS	5,000	14,700	5,000	14,700	Renewal	0%			
ENGINEERING	160800-1100	ENGINEERS INSTRUMENTS & EQUIPMENT	2,100	2,100	2,100	2,100	Renewal	0%			
BUSH FIRE	159141-1000	EQUIPMENT ISSUES	220,000	220,000	365,120	365,120	Renewal	RFS	GRANT	121121-1000	365,120
SES	132851-4450	SES BUILDING UPGRADE	7,150	7,150	7,150	7,150	Renewal	0%			
INFORMATION SERVICES	130101-1000	COMPUTER EQUIPMENT	44,290		161,918		Renewal	28%			
	130101-4910	COMPUTER EQUIPMENT	32,000		32,000		Renewal	11%			
	130111-5130	COMPUTER EQUIPMENT - NEW PRINTING EQUIPMENT	39,200		39,200		Renewal	32%			
	130111-5162	COMPUTER EQUIPMENT - NEW HARDWARE	32,000	147,490	32,000	265,118	Renewal	64%			
SPORTING FIELDS	160660-1100	SPORTS GROUND IMPROVEMENT-SPORT CNL.	20,000		20,000		New Asset	0%	CONTRIBUTION	127090-1000	10,000
	160531-1000	SPORTING FIELD UPGRADES			488,970		Renewal	100%	GRANT	121208-1000	230,000
	134919-1000	EQUESTRIAN CENTRE UPGRADE	4,000	24,000	4,000		Renewal	0%			
	160537-1000	COMPLEX FIELD UPGRADES			217,500	730,470	Renewal	39%			
INVERELL AERODROME	147124-1000	AERODROME CAPITAL UPGRADES			31,920	31,920	Renewal	100%			
CEMETERY	136391-4450	CEMETERY	1,030	1,030	1,030	1,030	New Asset	100%			
LIBRARY	160190-1100	LIBRARY-CORPORATE SERVICE COLLECTION	1,380		1,380		Renewal	0%			
	160190-1000	LIBRARY BOOKS	57,910		57,910		Renewal	70%			
	160200-1000	LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION	21,530		21,530		Renewal	100%			
	160240-1000	NON BOOK MATERIALS-VIDEOS CASSETTES ETC.	9,480		9,480		Renewal	67%			
	160245-1000	LIBRARY - OFFICE EQUIPMENT	2,000		27,000		Renewal	29%			
	160270-1000	LIBRARY SECURITY SYSTEM	2,200		2,200		Renewal	0%			
	160395-1000	LIBRARY-SPECIAL GRANT PROJECT	25,000	119,500	34,603	154,103	New Asset	28%	GRANT	160389-1000	25,000
SCIF	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE PROGRAM	515,000	515,000	624,000	624,000	Renewal	0%			
OTHER NEW INFRASTRUCTURE ASSETS	129381-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS	180,000		133,474		New Asset	24%			
	137373-1000	COMMUNITY GARDENS			100,000		New Asset	0%			
	159772-1000	ENERGY EFFICIENCY PROGRAM	40,000		40,000		New Asset	0%			
	134325-1000	COMMUNITY BUILDING PARTNERSHIP PROGRAM	60,000	280,000	153,597		New Asset	96%			
	137540-3230	TOWN/VILLAGE IMPROVEMENTS			157,594			0%			
	132501-1000	CHRISTMAS TREE LIGHTING			46,590	631,255		100%			
PLANT	161590-1000	SMALL PLANT	80,000		80,000		Renewal	92%	PLANT REPLACE. IRA	161680-6220	3,207,500
	161610-1000	WORKSHOP EQUIPMENT	40,000		40,000		Renewal	0%	Less Sales		(689,500)
	161600-1000	LIGHT CARS/TRUCKS	350,000		350,000		Renewal	100%			2,518,000
	161620-1000	HEAVY PLANT	2,737,500		2,737,500		Renewal	82%			
	148221-1000	INVERELL WORKSHOP EQUIPMENT		3,207,500	-	3,207,500	Renewal				
									TOTAL GRANT / OTHER FUNDING		630,120
									LOAN FUNDS		
									TOTAL 16/17 UNEXPENDED GRANTS		9,603
									TOTAL REVOTES/EQUITY		586,789
									TOTAL IRA FUNDING		2,518,000
									REVENUE FUNDING REQUIRED		2,289,954
SEWERAGE			4,538,470	4,538,470		6,034,466					
	907170-1000	OTHER EQUIPMENT - Sewer Rodding Equip; Gas Detectors	14,000		59,000		Renewal	3%	CAPITAL WORKS IRA	907360-6220	-
	907280-3100	SEWER INVESTIGATION			182,785		Renewal	71%			
	907110-1100	MAINS RELINING PROGRAM	440,000		790,349		Renewal	0%			
	906541-1100	FITTING AND INSTALLATIONS	10,000		10,000		Renewal	24%			
	907250-3100	RETICULATION MAINS	100,000		196,758		Renewal	5%			
	907270-1000	PUMPING STATIONS			780,000		Renewal	0%			
	907320-3050	SEWER TREATMENT WORKS - DELUNGRA			100,000		Renewal	0%			
	907320-3070	SEWER TREATMENT WORKS - GILGAI			80,000		Renewal	0%			
	907321-3100	SEWER TREATMENT WORKS (LRIS PROJECT)			2,136,605		Renewal	43%			
	907272-3050	DELUNGRA TELEMETRY	100,000		100,000		Renewal	7%			
									TOTAL 16/17 UNEXPENDED GRANTS		-
									TOTAL IRA FUNDING		-
									LOAN FUNDS		-
									TOTAL REVOTES/EQUITY		3,771,497
									REVENUE FUNDING REQUIRED		664,000
WATER			664,000	664,000		4,435,497					
	813220-1100	MAINS REPLACEMENT - INVERELL	110,000		316,348		Renewal	42%			
	813230-3100	MINOR MAINS EXTENSIONS-INVERELL	50,000		50,000		New Asset	8%			
	813282-1000	PUMP STATION UPGRADES	70,000		370,000		Renewal	0%			
	813288-1000	TELEMETRY UPGRADES	275,000		548,833		Renewal	1%			
	813290-3100	OTHER EQUIPMENT	20,000		20,000		Renewal	8%			
	813285-1000	BACKFLOW PREVENTION			550,000		Renewal	0%	LOAN FUNDING		
	813260-3001	TREATMENT PLANTS	254,760		254,760		Renewal	0%	CAPITAL WORKS IRA	813380-6220	-
	813280-3001	METERING - ASHFORD			-						
	813280-3020	METERING - DELUNGRA			-						
	813280-3100	METERING - INVERELL	68,620		133,905		Renewal	28%			
	813280-3230	METERING - YETMAN			-						
	813280-3020	METERING - BONSHAW			-						
									TOTAL 16/17 UNEXPENDED GRANTS		-
									TOTAL IRA FUNDING		-
									LOAN FUNDING		-
									TOTAL REVOTES/EQUITY		1,395,466
									REVENUE FUNDING REQUIRED		848,380
ROADS			848,380	848,380		2,243,846					
	135960-3100	URBAN DRAINAGE RECONSTRUCTION-Construction Costs	139,000		593,426		Renewal	2%			
	138270-1000	URBAN WORKS PROGRAM	529,930		1,555,343		Renewal	49%			
	141331-4450	CBD WORKS	17,730		19,700		Renewal	100%			
	145874-1000	SAFER ROADS PROGRAM			152,100		Renewal	5%	GRANT		152,100
	160280-1100	CAR PARKING - OLIVER STREET			368,445		Renewal	100%			
	137561-1000	BLOCK GRANT WORKS	583,755		498,827		Renewal	92%	GRANT	122400-4450	583,755
	138691-1000	ACRD GRANT WORKS	1,662,030		3,375,715		Renewal	41%	GRANT	122760-1000	1,662,030
	1387330-4450	3x4 GRANT WORKS	160,000		160,000		Renewal	0%	GRANT	122860-4450	160,000
	138280-1000	REPAIR PROGRAM WORKS (PJ143003, 143004)	961,824		1,107,277		Renewal	56%	GRANT	122460-1000	961,824
	139400-1000	ROADS TO RECOVERY PROGRAM WORKS	910,064		1,988,719		Renewal	100%	GRANT	122880-1000	1,820,128
	139400-1100	TIMBER BRIDGE PROGRAM			957,672		Renewal	100%	GRANT		736,916
	160566-1100	RIFLE RANGE ROAD SUBDIVISION WORKS			30,000		Renewal	28%	IRA		200,000
	160662-1000	OFF ROAD RECREATIONAL CIRCUIT			15,000		Renewal	44%			
	139420-139432	NON RECURRENT PROGRAM			1,910,323		Renewal	14%			
	139433-1100	SPECIAL PROJECTS - ROAD INFRASTRUCTURE			293,460		Renewal	0%			
	145821	FACILITIES AROUND SCHOOLS			59,122		New Asset	100%			
	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE/PROJECTS FUND (Extension Oliver Street and John Street Sealing)			325,650		New Asset	6%			
	145836-1100	PAMP			70,000		New Asset	12%			
	139120	VILLAGES DEVELOPMENT WORKS	33,340		134,089		Renewal	0%			
	139200-1000	VILLAGES BITUMEN RESEALS	23,540		23,540		Renewal	0%			
	140110-1100	GRAVEL RESHEETING MINOR ROADS	44,220		44,220		Renewal	74%			
	140190-1000	GRAVEL RESHEETING MINOR ROADS	33,280		33,280		Renewal	0%			
	139404-6445	F4F - ROAD BACKLOG STABILISATION	228,000		1,889,707		Renewal	33%			
									TOTAL 16/17 UNEXPENDED GRANTS		2,206,653
									TOTAL GRANT FUNDING		5,924,653
									TOTAL IRA FUNDING		200,000
									TOTAL REVOTES/EQUITY		5,786,566
									REVENUE FUNDING REQUIRED		1,487,743
			5,326,713	5,326,713		15,605,615					
		TOTAL ACQUISITION OF ASSETS		11,377,563		28,319,424					
		TOTAL ASSET RENEWALS		10,997,033		27,327,448					
		TOTAL NEW ASSETS		380,530		991,976					
									TOTAL IRA FUNDING		2,718,000
									GRANT FUNDING		6,554,773
									LOAN FUNDING		-
									TOTAL 16/17 UNEXPENDED GRANTS		2,216,256
									TOTAL REVOTES/EQUITY		11,540,318
									REVENUE FUNDING REQUIRED		5,290,077
									TOTAL		28,319,424

APPENDIX 7

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2018

3

	ORIGINAL BUDGET 2017/2018 (000's)	Approved Changes						Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2017/2018 (000's)	ACTUALS (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2017 Review (000's)	Dec 2017 Review (000's)	Mar 2018 Review (000's)	June 2018 Review (000's)			
EXTERNALLY RESTRICTED										
Water Services	7,677						7,677		7,677	7,677
Sewerage Services	7,155						7,155		7,155	7,155
Waste Management	3,295						3,295		3,295	3,295
Special Purpose Grants	5,448						5,448		5,448	3,448
Developer Contributions	478						478		478	157
Bonds & Deposits	111						111		111	110
Stormwater Management	-						-		-	147
TOTAL EXTERNALLY RESTRICTED	24,164						24,164		24,164	21,989
INTERNALLY RESTRICTED										
Employee Leave Entitlements	1,337						1,337		1,337	1,337
Strategic Development Fund	490						490		490	490
Plant Replacement	4,246						4,246		4,246	4,246
Computer	1,107						1,107		1,107	1,107
Building Renewal/Upgrades	2,258						2,258		2,258	2,258
Economic Development/Growth Assets	2,500						2,500		2,500	2,500
Aerodrome	306						306		306	306
Workers Compensation Insurance	703						703		703	703
Future Capital Works/Land Purchases	650						650		650	650
Emergency Management/ Equipment Upgrades	315						315		315	315
Industrial Development	1,149						1,149		1,149	1,149
Baths Improvements - Inverell Pool	2,590						2,590		2,590	2,590
Sports Grounds - Hockey Facility Resurfacing	450						450		450	450
Other Restrictions	978						978		978	978
TOTAL INTERNALLY RESTRICTED	19,079						19,079		19,079	19,079
TOTAL RESTRICTED	43,243						43,243		43,243	41,068
TOTAL CASH & INVESTMENTS	57,174						57,174		57,174	53,000
AVAILABLE WORKING CAPITAL	13,931	Figure incl. revotes & Unexpended grants from 2016/2017							13,931	11,932

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

COMMENT ON CASH & INVESTMENT POSITION

Councils overall Investment Portfolio remains sound and as at 31 March 2018 Councils Cash and Investment Portfolio totalled \$52.00 million plus \$2.84 million Cash at bank

STATEMENTS**INVESTMENTS**

I SCOTT NORMAN, 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	21,989
Total Internal Restricted Funds	19,079
Total Restricted	41,068
Total Funds Invested as per Investment Report (31-03-2018)	53,000
Total Available Working Capital	11,932

CASH

I, SCOTT NORMAN, 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 March, 2018, 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, SCOTT NORMAN, 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 March, 2018, 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 8

INVERELL SHIRE COUNCIL
INVESTMENTS HELD 31-3-18

Start of Year 1/07/2017
End of Year 30/06/2018

Term Deposit Investment Group

Investment No.	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
17/55	CBA	General	A1+	1	16-Jun-17	12-Apr-18	2.59%	1,000,000	1,000,000	300
18/03	St George Bank	General	A1+	1	17-Jul-17	17-Apr-18	2.52%	2,000,000	2,000,000	274
17/45	CBA	General	A1+	1	18-Apr-17	18-Apr-18	2.64%	1,000,000	1,000,000	365
17/53	CBA	General	A1+	1	09-Jun-17	08-Jun-18	2.56%	1,000,000	1,000,000	364
17/54	National Australia Bank	General	A1+	1	14-Jun-17	14-Jun-18	2.53%	1,000,000	1,000,000	365
17/56	Westpac Bank	General	A1+	1	28-Jun-17	28-Jun-18	2.69%	2,000,000	2,000,000	365
17/57	Westpac Bank	Water	A1+	1	28-Jun-17	28-Jun-18	2.69%	1,000,000	1,000,000	365
17/58	Westpac Bank	General	A1+	1	28-Jun-17	28-Jun-18	2.69%	2,000,000	2,000,000	365
18/22	Suncorp Bank	General	A1+	1	14-Dec-17	12-Jul-18	2.50%	1,000,000	1,000,000	210
18/01	CBA	General	A1+	1	17-Jul-17	17-Jul-18	2.56%	3,000,000	3,000,000	1095
18/26	Bank West	Sewer	A1+	1	17-Jan-18	17-Jul-18	2.55%	2,000,000	2,000,000	181
18/19	Bank of Queensland	General	A1	2	27-Nov-17	25-Jul-18	2.55%	1,000,000	1,000,000	240
18/04	CBA	General	A1+	1	01-Sep-17	01-Aug-18	2.50%	1,000,000	1,000,000	334
15/10	Bank of Queensland	General	A1	2	02-Sep-14	03-Sep-18	4.10%	1,000,000	1,000,000	1462
18/05	CBA	General	A1+	1	18-Sep-17	14-Sep-18	2.63%	1,000,000	1,000,000	361
18/06	National Australia Bank	Water	A1+	1	27-Sep-17	27-Sep-18	2.61%	1,000,000	1,000,000	365
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18/12	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.60%	2,000,000	2,000,000	365
18/13	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.60%	1,000,000	1,000,000	365
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18/29	Westpac Bank	Sewer	A1+	1	15-Mar-18	15-Mar-19	2.67%	1,500,000	1,500,000	365
18/30	National Australia Bank	General	A1+	1	27-Mar-18	27-Mar-19	2.66%	2,000,000	2,000,000	365
Sub Total - Term Deposit Investment Group								TOTALS	52,000,000	52,000,000

Cash Deposits Accounts Investment Group

As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
31/3/18	National Australia Bank (Cash Maximiser)	General	A1+	1			1.75%	1,000,000	1,000,000
Sub Total - Cash Deposits Accounts Investment Group								1,000,000	1,000,000

Floating Rate Notes Investment Group

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

Structured Products Investment Group

As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Written Down Value	Current value
Sub Total - Structured Products Investment Group								-	-	-

Portfolio by Fund

General Fund	40,000,000
Water Fund	7,500,000
Sewer Fund	5,500,000
TOTAL	53,000,000

Portfolio by Fund	28/02/2018	31/03/2018
General Fund	40,000,000	40,000,000
Water Fund	6,000,000	7,500,000
Sewer Fund	4,000,000	5,500,000
TOTAL	\$ 50,000,000	\$ 53,000,000

APPENDIX 9

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-03-2018
CONTRACTS**

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
JR & JG Dezius	Cycleway Construction	\$86.50 sqm	07-February-2018	3 months	Y

Notes

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

Explanation of Unbudgeted Contracts

No unbudgeted contracts as at 31 March 2018

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-03-2018
CONSULTANCY & LEGAL EXPENSES**

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
CONSULTANCIES		
Heritage Advisor	13,890.00	Y
Work Health & Safety	7,136.00	Y
Human Resources	26,650.79	Y
Investment Advisor	10,000.00	Y
Waste Management	3,545.45	
Urban Works - TCRP	18,134.00	Y
Information Services	1,200.00	Y
LEGAL FEES	8,387.00	Y

Definition of Consultant

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

Explanation of Unbudgeted Consultancy & Legal Fees

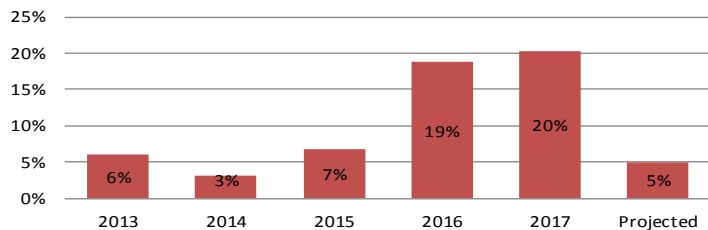
No unbudgeted Consultancy or Legal Fees as at 31 March 2018

APPENDIX 10

INVERFLEET OPERATIONS 2017-2018					
FROM 01-Jul-2017 TO 30-Jun-2018					
SUFFIX	DESCRIPTION	2018 BUDGET	2018 Y.T.D.	% VOTE	BALANCE
	Operators Wages	58,680	58,134	99.1%	546
	Workshop Wages	293,394	235,823	80.4%	57,571
	Repairs, Parts & Tyres	656,000	643,790	98.1%	12,210
	Fuel	1,032,800	808,292	78.3%	224,508
	Registration	175,000	175,998	100.6%	-998
	Accident Expenses	5,000	-	0.0%	5,000
	Depreciation	1,450,000	1,087,500	75.0%	362,500
	Oils & Lubricants	40,000	26,681	66.7%	13,319
	Cutting Edges	54,000	31,943	59.2%	22,057
	Insurance	177,000	161,537	91.3%	15,463
148170	Miscellaneous +G4817.000	312,160	159,473	51.1%	152,687
148190	Insurance Excess	9,000	6,864	76.3%	2,136
148210	Ashford Workshop Exp.	18,000	7,740	43.0%	10,260
148220	Inverell Workshop Exp.	45,345	9,641	21.3%	35,704
148230	Apprentice Exp.	15,000	-	0.0%	15,000
148240	Administration Charge	296,630	222,473	75.0%	74,158
148250	Small Plant & Tools	107,650	44,516	41.4%	63,134
994825	Depreciation Small Plant & Tools	78,000	58,500	75.0%	19,500
148260	Plant & Tools under \$750	3,000	-	0.0%	3,000
148280	Oncosts (Super,w/comp etc.)	181,325	100,893	55.6%	80,432
146370	2 Way Radio SYSTEM UPGRADE	0	-	0.0%	0
146380	2 Way Radio M & R	23,090	4,991	21.6%	18,099
146390	2 Way Radio Installations	2,500	-	0.0%	2,500
146400	2 Way Radio Licences	2,200	1,457	66.2%	743
	TOTAL OPERATING COSTS:	5,035,774	3,846,246	76.4%	1,388,413
128780	Council Hire	-4,850,000	- 4,002,003	82.5%	-847,997
128781	RTA Hire	0	-	0.0%	0
128782	Private Hire	-6,000	-	0.0%	-6,000
G2315	Apprentice Subsidy	-	-	0.0%	0
127800	Radio Communications Site	-5,000	- 5,784	115.7%	784
148400	Small Plant & Tools	-125,620	- 94,215	75.0%	-31,405
	TOTAL OPERATING INCOME:	-4,986,620	- 4,102,002	82.3%	-1,299,794
	NET RESULT:	49,154	- 255,757	-520.3%	304,911
	Less GPS Units funded from IRA's	-50,000	-	0.0%	-50,000
	Less Capital Replacement Inflation Allowance		250,000		
		-846	- 5,757	680.4%	4,911
REPLACEMENT PROGRAM					
161620	Heavy Plant Purchases	2,737,500	2,231,214	81.5%	506,286
161600	Light Plant Purchases	350,000	650,990	186.0%	-300,990
161590	Small Plant Purchases	80,000	73,760	92.2%	6,240
	Workshop Upgrades	0	-	0.0%	0
148221	Workshop Equipment	40,000	-	0.0%	40,000
		3,207,500	2,955,964	92.2%	251,536
168100	Sale of Heavy Plant	-261,000	- 356,229	136.5%	95,229
168110	Sale of Light Plant	-175,000	- 384,789	219.9%	209,789
168120	Sale of Small Plant	0	-	0.0%	0
	NET RESULT (Surplus)/Deficit	2,771,500	2,214,946		556,554
PLANT RESERVE					
G6168	Estimated Balance 1.7.17	3,054,213	3,054,213		0
G6168.802	Transfer from 2017/2018	-2,821,500	-2,214,946		-606,554
G6168.801	Transfer to 2017/2018	1,528,000	1,390,243		137,757
G6168	Balance 30.06.2018	1,760,713	2,229,511		-468,798

APPENDIX 11

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-03-2018
KEY PERFORMANCE INDICATORS**

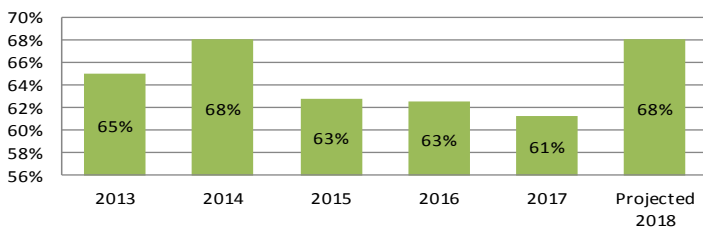
Operating Performance

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.

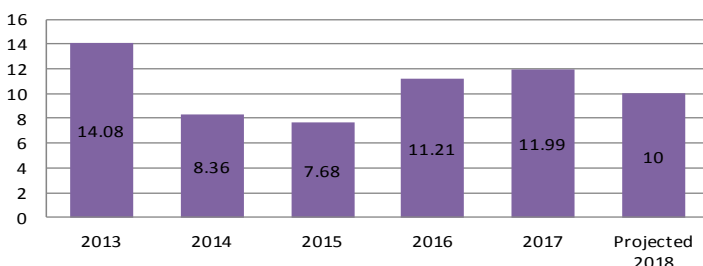
The 2017 is inflated due to the advanced payment of 50% 2017-2018 Financial Assistance Grant .

Own Source Operating Revenue

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%

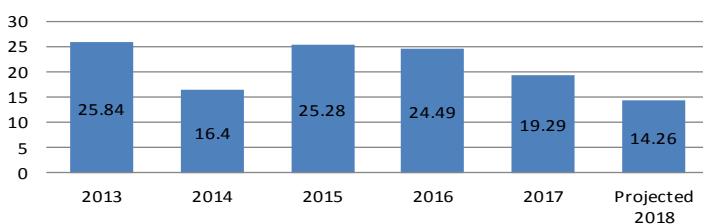
The "fit for the future" benchmark is that councils should have own source revenue of greater than 60% over a three year period.

Unrestricted Current Ratio

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.

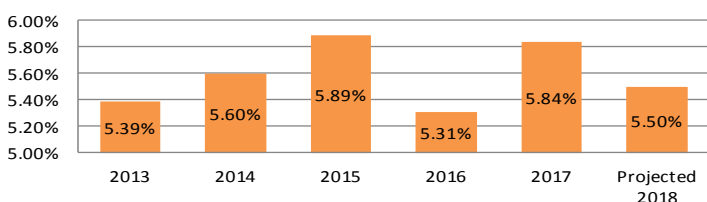
The Tcorp benchmark is greater than 1.5

Debt Service Cover Ratio

The **Debt Service Ratio** indicates the extent to which council's operating revenues are committed to servicing both interest and the repayment of principal repayments on existing loans.

Councils Debt Service Ratio will increase marginally over the coming years with Councils increasing its loan borrowings by \$2m for Water and Sewer Fund activities and Waste Management Funds

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

Rates & Annual Charges Outstanding %

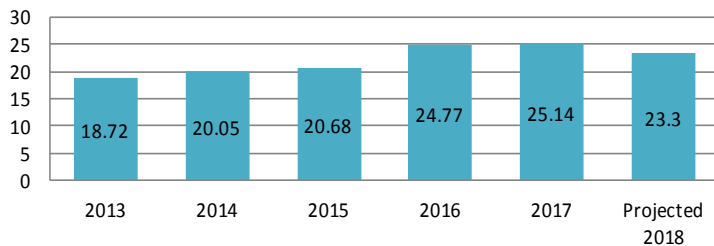
The **Outstanding Rates Ratio** indicates the percentage of uncollected rates and charges and the adequacy of recovery efforts.

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%

INVERELL SHIRE COUNCIL BUDGET REVIEW FOR THE QUARTER ENDING 31-03-2018 KEY PERFORMANCE INDICATORS

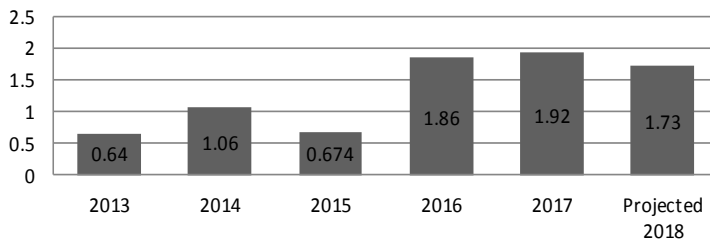
Cash Expense Cover Ratio



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

Asset Renewal Ratio



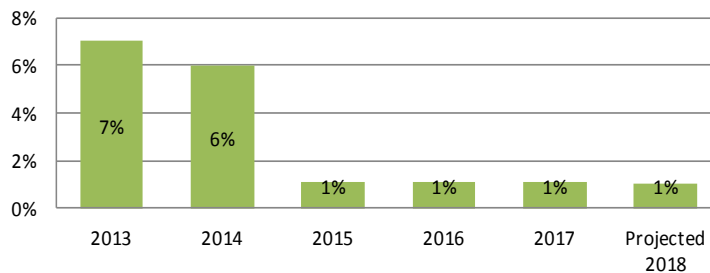
The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

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

Infrastructure Backlog Ratio

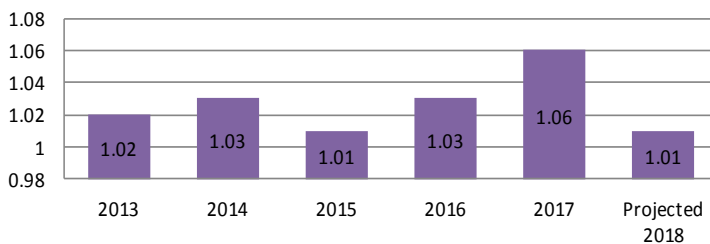


The **Infrastructure Backlog Ratio** assess Council infrastructure backlog against the total value of councils infrastructure.

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

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

Asset Maintenance Ratio



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%

ITEM NO:	2.	FILE NO: S12.12.2/11
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	GOVERNANCE - MONTHLY INVESTMENT REPORT	
PREPARED BY:	Paul Pay, Manager Financial Services	

SUMMARY:

To report the balance of investments held as at 30 April, 2018.

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 30 April, 2018 and an update of the investment environment:

- (a) Council's investments as at 30 April, 2018
- (b) Council Investments by Fund as at 30 April, 2018
- (c) Interest – Budgeted vs Actual.
- (d) Investment Portfolio Performance.
- (e) Investment Commentary.
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 30 April, 2018

Term Deposit Investment Group										
Investment No.	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
17/53	CBA	General	A1+	1	09-Jun-17	08-Jun-18	2.56%	1,000,000	1,000,000	364
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18/01	CBA	General	A1+	1	17-Jul-17	17-Jul-18	2.56%	3,000,000	3,000,000	1095
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18/15	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.60%	1,000,000	1,000,000	365
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18/17	Bank West	General	A1+	1	27-Nov-17	27-Nov-18	2.55%	2,000,000	2,000,000	365
18/18	Suncorp Bank	General	A1+	1	27-Nov-17	27-Nov-18	2.50%	1,000,000	1,000,000	365
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18/27	National Australia Bank	General	A1+	1	15-Mar-18	09-Jan-19	2.60%	2,000,000	2,000,000	365
18/28	Westpac Bank	Water	A1+	1	15-Mar-18	15-Mar-19	2.67%	1,500,000	1,500,000	365
18/29	Westpac Bank	Sewer	A1+	1	15-Mar-18	15-Mar-19	2.67%	1,500,000	1,500,000	365
18/30	National Australia Bank	General	A1+	1	27-Mar-18	27-Mar-19	2.66%	2,000,000	2,000,000	365
18/31	CBA	General	A1+	1	12-Apr-18	12-Apr-19	2.68%	1,000,000	1,000,000	365
18/32	St George Bank	General	A1+	1	17-Apr-18	17-Apr-19	2.76%	2,000,000	2,000,000	365
18/33	CBA	General	A1+	1	18-Apr-18	18-Apr-19	2.72%	1,000,000	1,000,000	365
Sub Total - Term Deposit Investment Group								TOTALS	52,000,000	52,000,000

Cash Deposits Accounts Investment Group

[illegible]

Floating Rate Notes Investment Group

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

B) Council Investments by Fund 30 April, 2018

Portfolio by Fund	31/03/2018	30/04/2018
General Fund	40,000,000	40,000,000
Water Fund	7,500,000	7,500,000
Sewer Fund	5,500,000	5,500,000
TOTAL	\$ 53,000,000	\$ 53,000,000

Council investment portfolio remained neutral during April 2018. This was in respect of normal cash flow movements for receipts collected and payments made during April 2018.

While the level of Investments has been largely maintained over recent years these will decrease during 2017/2018 as a number of major projects are completed. These include:

- Inverell Sewerage Treatment Works \$ 2.0 M
- Infrastructure Backlog Program \$ 3.3M
- Waste Infrastructure Program \$ 1.5M
- 2017/2018 Revotes \$13.1M
-

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	2017/2018 Budget	Actuals to Date
General Fund	128820	879,000.00	357,568.97
Water Fund	812350	50,000.00	65,181.12
Sewer Fund	906320	70,000.00	51,115.08
TOTAL		\$ 999,000.00	\$ 473,865.17

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 2017/2018.

D) Investment Portfolio Performance

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 30-4-18		1.50%	1.75%	1.50%
Term Deposits	2.64%			
Cash Deposit Accounts	1.50%			
Floating Rate Notes				
Structured Products*	0.00%			

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

E) Investment Commentary

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

Council's investment portfolio of \$53M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

As widely expected, the Reserve Bank (RBA) kept interest rates unchanged at 1.50% at its April 2018 meeting making it the 20th month in a row at these record lows. There has not been an official rate increase since November 2010.

The RBA's 'patient approach' ensures that their current policy will remain on hold over the first half of 2018 as low interest rates continue to support the Australian economy. The board expects that a reduction in unemployment and a return to the 2-3% target range for inflation will be gradual throughout 2018. However, it will remain increasingly difficult to keep rates unchanged as the US moves towards a 3% cash rate. Current market pricing is estimating a small rate rise early in 2019.

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

F) Certification – Responsible Accounting Officer

I Scott Norman, 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:

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