

INVERELL SHIRE COUNCIL

NOTICE OF MEETING

ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE

9 November, 2018

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 14 November, 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 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, 14 November, 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, 10 OCTOBER, 2018, COMMENCING AT 11.30AM.

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

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

Paul Henry (General Manager), Scott Norman (Director Corporate and Economic Services) and Brett McInnes (Director Civil and Environmental Services).

SECTION A

APOLOGIES:

There were no apologies received.

1. CONFIRMATION OF MINUTES

RESOLVED (Michael/Dight) that the Minutes of the Economic and Community Sustainability Committee Meeting held on 12 September, 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 B
ADVOCACY REPORTS

1. INVERELL SHIRE VOLUNTEERS NETWORK S3.15.16

RESOLVED (Harmon/Dight) that the Committee recommend to Council that Council establish an Online Inverell Volunteers Network notice board for organisations to list their requirements and contact details and furthermore; this online notice board is hosted on Council's website.

Cr Watts CWA Girl Empowerment High Tea

Cr Watts attended the Inverell CWA Girl Empowerment High Tea on 22 September, 2018. The event aimed to empower young women by developing resilience and a strong sense of identity needed to cope with unprecedented pressures in the modern, connected world. The guest speaker was Dannielle Miller of Enlighten Education. The event was well supported and well received.

Cr Dight Dye Hard Fun Run S15.8.77

Cr Dight attended the Dye Hard Fun Run on Saturday 6 October, 2018. Approximately 400 runners participated and it appeared a much appreciated and successful event.

Cr Michael Wreath-laying Ceremony

Cr Michael attended the Wreath-laying Ceremony to commemorate Private Clarence Noel Moore who was Inverell's last Kurrajong to be killed in action during WWI 100 years ago.

Cr Michael Small Business Week S15.8.83

Cr Michael attended the Small Business Week event organised by Council. Guest speaker was Robert Gerrish. The topic was helping you on the path to start, tune and refine your small business.

SECTION D
DESTINATION REPORTS

1. DONATION OF SURPLUS VEHICLES S23.7.23

RESOLVED (King/Dight) that the Committee recommend to Council that Council agree to the transfer of the following surplus vehicles to BEST Employment at no cost:

- a) 2014 Mazda 2 Neo (Rego BZ14BX)
- b) 2015 Toyota Hilux Twin Cab (Rego BZ71WA)
- c) 2011 Toyota Hiace Bus (BL27SW)

For the purpose of delivering the Youth programs from the Linking Together Centre.

2. NORTHERN INLAND ACADEMY OF SPORT S26.4.15

RESOLVED (Harmon/Michael) that the Committee seek clarification on the funding model for the Northern Inland Academy of Sport.

SECTION F
QUESTIONS WITHOUT NOTICE

Cr Dight Cultural and Arts Strategic Plan S15.8.81/01

Cr Dight asked if quotes have been called for the development of the Cultural and Arts Strategic Plan.

She was informed that the application period is currently open and will close Friday 12 October, 2018.

Mr Paul Henry Development Application from IDFS DA-95/2017

Informed the Committee the Lands Department has agreed to endorse the Development Application from IDFS for the Vacation Care Centre on the reserve on the corner of Swanbrook Road and Ross St. However, as part of that process it was discovered a crown road exists through the section of the Reserve the Community Garden was going to move to. Council will now put in an application to close the road.

SECTION G
GOVERNANCE REPORTS

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

RESOLVED (Michael/ King) 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 12.10 pm.

CR J A WATTS

CHAIRPERSON

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 14/11/2018

ITEM NO:	1.	FILE NO: S12.22.1/11
DESTINATION 2:	A community that is healthy, educated and sustainable	C
SUBJECT:	REQUEST FOR SPONSORSHIP – INVERELL SWIMMING CLUB	
PREPARED BY:	Kristy Paton, Corporate Support Officer - Publishing	

SUMMARY:

Council has received a request from Phillipa Raw, Treasurer of the Inverell Swimming Club Inc, asking Council for assistance by providing monetary donations to go towards their annual Regional Swimming Club Carnival.

COMMENTARY:

Inverell Swimming Club Inc is a non-profit sporting club that has a long history in supporting the local community by encouraging community members, ranging from ages as young as 5 years old and onwards, to participate in swimming for not only fun, but for mental and physical health as well.

Inverell Swimming Club Inc has written thanking Council for their generous donation last year (2017/2018) and is again seeking support in the form of a donation for their 2018/2019 season, particularly for their annual Regional Swimming Club Carnival which is expected to attract families from all over NSW. A donation of \$200 was made to the club in the 2017/2018 season.

Prizes for this event include medals, ribbons and Cash prizes.

A copy of the correspondence received from Phillipa Raw including the Sponsorship opportunity document is attached as Appendix 1 (D3 – D5). The Committee is asked to determine if it wishes to provide a contribution to the Inverell Swimming Club, 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 – '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:

The General Donations (\$356) budget is \$7400 with current spending of \$200.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

A matter for the Committee.

APPENDIX 1

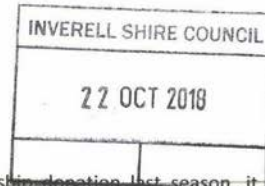


Inverell Swimming Club Inc.

PO Box 337 Inverell 2360

Email: inverellswimmingclub@yahoo.com.au

web: <http://www.inverell.swimming.org.au>



Dear Sir/Madam,

We would like to thank you very much for your kind sponsorship ~~donation last season~~, it was much appreciated by the Club and its members. The Club had a successful year in the pool with your assistance, and we would love to see you back on our Sponsor's board for 2018-2019.

We are again undertaking a sponsorship drive to assist us with our 2018-2019 Season. Attached, for your perusal, is our Sponsorship Opportunity document.

If you are interested in our activities, we conduct our Club nights at the Inverell Swimming Pool from 6pm every Tuesday night commencing early October. Please feel free to come along at any time.

A large focus for our fundraising this year is our Club Carnival, which we expect to attract swimming families from all over northern NSW and beyond. We are offering prizes in the form of ribbons, medals and prize money throughout the carnival.

We look forward to hearing from you at your earliest possible convenience. Our contact details are within our letterhead, and if you would like someone to collect the sponsorship form and payment, please feel free to call me on 0413224915 or email myself phil.raw@bigpond.com the club via the above email.

Thank you for your time in advance.

Kind Regards

Philippa

Philippa Raw
Treasurer – Inverell Swimming Club Inc.



Inverell Swimming Club Inc.

PO Box 337 Inverell 2360

Email: inverellswimmingclub@yahoo.com.au

web: <http://www.inverell.swimming.org.au>

Sponsorship Opportunity

Club Overview

Inverell Swimming Club Inc. is a local non-profit sporting club with a long history in Inverell. Our club is affiliated with Swimming NSW and offers membership for children and adults who wish to swim competitively or for personal fitness. We encourage the pursuit of personal best times and goal setting among our members.

Inverell Swimming Club Inc. is very much a family oriented club, with members last season competing at just 5 years of age. We encourage family participation in every club night, by way of a regular dinner BBQ, and seeing some of the parents actually participating in our club night time trials is fantastic!

Our Club caters for these groups by offering membership to Swimming NSW and consequently enabling members to compete in swimming carnivals ranging from local events to State and National Championships. Inverell Swimming Club Inc. run a series of regular time trials at Club Nights each Tuesday during the summer terms, and where possible in winter at Inverell Swimming Pool.

Our club is extremely proud of the achievements of all of our swimmers, and are equally proud of our supportive families who give up their Tuesday nights to help run our Club Nights.

Inverell Swimming Club Inc. relies on in-club fundraising and donations from the Community to enable us to hold our annual Carnival, supporting the coaches & swimmers, updating equipment and providing prizes to annual Champions and award winners. Thirty swimmers usually attend Club Nights and including family and supporters upwards of sixty people are catered for at BBQs every second week. The annual Inverell Club Carnival is a popular event attracting a crowd over 300 people and gets coverage by local news media.

This year we are appealing to the Inverell business community to help us meet these costs, with advertising and promotional benefits being offered in return for sponsorship.

What are we looking for – what do we need?

We want to continue developing our club and sport. We need to continue to encourage children and adults to swim for physical and mental health and well-being. Inverell Swimming club can continue to provide a platform towards this, by way of:

- Providing a well-resourced club with up to date technology and methods,
- Funding a well organised and attractive annual Swimming Carnival, giving our swimmers the best local opportunity to compete at home.
- Keeping annual fees to a minimum.
- Providing assistance to our Club Coach

- Assisting funding of our Club Championships and Annual awards.

We would like to offer your business the opportunity to sponsor Inverell Swimming Club Inc.

Inverell Swimming Club Sponsorship Packages			
Platinum - \$1500	Gold - \$550	Silver - \$300	Bronze - \$150
Benefits: <ul style="list-style-type: none"> • Gold sponsorship package Plus • Sole naming rights of Inverell Club Carnival • Logo appears on club banner for interclub carnivals • * if more than one nomination the club will negotiate with nominees 	Benefits: <ul style="list-style-type: none"> • Large Business Logo on Club House • Full page business advertisement in Annual Carnival program • Logo appears on our Website and Facebook page with link to business website • Logo appears in the Almanac • Logo appears in club correspondence – newsletters 	Benefits: <ul style="list-style-type: none"> • A3 Business Logo on Club House • Advert in Annual Carnival program • Logo appears on our Website • Logo appears in club correspondence – newsletters 	Benefits: <ul style="list-style-type: none"> • A4 Business Logo on Club House • Logo appears on our Website • Logo appears in club correspondence – newsletters
<p style="text-align: center;">2018-2019 Almanac Sponsorship - \$55.00* Have a business card size advert appear in our Almanac <i>The Inverell Swimming Club Almanac is an annual publication that is an essential booklet to Inverell Swimming Club members and their families. The Almanac is often considered to be more valuable to swimmers than their goggles and towel.</i> <i>*Booklet is due for printing at the start of November</i></p>			

In Kind Sponsorship

Much of our fundraising is supported by generous donations of prizes and goods in the form of company merchandise and promotional products, along with goods required for regular BBQ's. If your company could assist in this area it would be greatly appreciated.

We thank you in advance for your time and kind donations,

Inverell Swimming Club

Business Name : _____

Address: _____

Contact Name: _____

Contact Phone: _____

EMAIL: _____

Yes, I can assist by way of:

☐ Sponsorship of \$ _____ ☐ Gold \$ _____ ☐ Silver \$ _____ ☐ Bronze \$ _____ ☐ Almanac \$55.00

☐ Sponsorship /Donation in the following way (including Goods in Kind).

Please complete the form, enclose your cheque, payable to Inverell Swimming Club Inc.

Direct deposit: BSB 932 000 Acct no. 745081 By the 2nd November as our carnival is on the 10th and 11th of November 2018 Any questions please contact Philippa Raw (Treasurer)

ITEM NO:	2.	FILE NO: S5.10.54
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	REQUEST TO LICENCE LAND – MANDY WATTS	
PREPARED BY:	Kristy Paton, Corporate Support Officer - Publishing	

SUMMARY:

Council has received a request from Ms Mandy Watts to licence land known as Lot 89, DP 754847, Little Plain Recreation Reserve, Little Plain.

The Committee is requested to consider the request to licence the land.

COMMENTARY:

Council has received a request from Ms Mandy Watts to licence land known as Lot 89, DP 754847, Little Plain Recreation Reserve, Little Plain. Ms Watts is willing to pay \$400 per annum and would like to lease the land for a period of 5 years. The land is just over 7.6 hectares in area.

This parcel of land was previously leased to Mr Nathan O'Cass for the purpose of grazing horses and due to the drought conditions; this agreement was terminated by the lessee in October, 2018.

Ms Watts wishes to utilise the land for the purpose of grazing cattle.

It is suggested that Council enter into an agreement with Ms Watts for a five (5) year term with a further five (5) year option and that the licence fee be \$400 per annum, being subject to a 3% yearly increase.

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

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

Term Achievement: S.01.10 Best Practice in Land Use Administration has been adopted and implemented.

Operational Objective: S.01.10.01 To provide and maintain a modern efficient and reliable land use administration system which enables the effective and efficient management of Shire land.

POLICY IMPLICATIONS:

Nil.

CHIEF FINANCIAL OFFICERS COMMENT:

Nil.

LEGAL IMPLICATIONS:

Nil.

RECOMMENDATION:

That the Committee recommend to Council that:

- i) Council enter into a Licence Agreement with Ms Mandy Watts for, Lot 89, DP 754847, Little Plain Recreation Reserve, Little Plain for a five (5) year period with a further five (5) year option;*
- ii) the Licence fee be \$400 per annum (GST Inclusive) with a 3% increase per annum; and*
- iii) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 14/11/2018

ITEM NO:	1.	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 31 October, 2018.

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 31 October, 2018 and an update of the investment environment:

- (a) Council's investments as at 31 October, 2018;
- (b) Council Investments by Fund as at 31 October, 2018;
- (c) Interest – Budgeted vs Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 31 October, 2018

Term Deposit Investment Group										
Investment No.	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
18/12	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.40%	2,000,000	2,000,000	365
18/13	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.40%	1,000,000	1,000,000	365
18/14	AMP BANK	Water	A1	2	27-Nov-17	27-Nov-18	2.40%	1,000,000	1,000,000	365
18/15	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.40%	1,000,000	1,000,000	365
18/16	National Australia Bank	Sewer	A1+	1	27-Nov-17	20-Nov-18	2.50%	2,000,000	2,000,000	358
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
18/21	St George Bank	Water	A1+	1	01-Dec-17	30-Nov-18	2.50%	1,000,000	1,000,000	364
18/23	National Australia Bank	General	A1+	1	14-Dec-17	14-Dec-18	2.52%	2,000,000	2,000,000	365
18/24	Regional Australia Bank	Water	NR	3	14-Dec-17	14-Dec-18	2.51%	2,000,000	2,000,000	365
18/25	National Australia Bank	General	A1+	1	09-Jan-18	09-Jan-19	2.52%	1,000,000	1,000,000	365
18/27	National Australia Bank	General	A1+	1	15-Mar-18	09-Jan-19	2.60%	2,000,000	2,000,000	300
18/34	AMP BANK	General	A1	2	22-Jun-18	18-Jan-19	2.85%	2,000,000	2,000,000	210
18/35	AMP BANK	Water	A1	2	22-Jun-18	18-Jan-19	2.85%	1,000,000	1,000,000	210
18/36	AMP BANK	Sewer	A1	2	22-Jun-18	18-Jan-19	2.85%	500,000	500,000	210
18/37	Westpac Bank	General	A1+	1	28-Jun-18	21-Jan-19	2.85%	2,000,000	2,000,000	207
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	17-Apr-19	2.72%	1,000,000	1,000,000	364
18/38	Westpac Bank	Water	A1+	1	28-Jun-18	25-Jun-19	2.95%	1,000,000	1,000,000	362
18/39	Westpac Bank	General	A1+	1	28-Jun-18	25-Jun-19	2.95%	2,000,000	2,000,000	362
19/01	CBA	General	A1+	1	17-Jul-18	17-Jul-19	2.76%	3,000,000	3,000,000	365
19/02	Bank West	Sewer	A1+	1	17-Jul-18	17-Jul-19	2.80%	2,000,000	2,000,000	365
19/03	Bank of Queensland	General	A1	2	03-Sep-18	03-Sep-19	2.73%	1,000,000	1,000,000	365
19/04	CBA	General	A1+	1	14-Sep-18	13-Sep-19	2.68%	1,000,000	1,000,000	364
19/05	National Australia Bank	Water	A1+	1	27-Sep-18	27-Sep-19	2.75%	1,000,000	1,000,000	365
19/06	St George Bank	General	A1+	1	02-Oct-18	02-Oct-19	2.60%	1,000,000	1,000,000	365
19/07	National Australia Bank	General	A1+	1	09-Oct-18	09-Oct-19	2.74%	1,000,000	1,000,000	365
19/08	Bendigo Adelaide Bank	General	A2	2	25-Oct-18	25-Oct-19	2.75%	2,000,000	2,000,000	365
19/09	ING BANK	General	A1+	1	25-Oct-18	26-Oct-20	2.90%	2,000,000	2,000,000	730
19/10	Westpac Bank	General	A1+	1	25-Oct-15	25-Oct-21	2.97%	2,000,000	2,000,000	1096
Sub Total - Term Deposit Investment Group							TOTALS	51,500,000	51,500,000	

Cash Deposits Accounts Investment Group									
As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
31/10/18	National Australia Bank (Cash Maximiser)	General	A1+	1			1.65%	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							-	-	

A) Council Investments by Fund 31 October, 2018

Portfolio by Fund		
General Fund		\$ 38,000,000
Water Fund		\$ 8,500,000
Sewer Fund		\$ 6,000,000
TOTAL		\$ 52,500,000

Council investment portfolio increased by \$1M during October 2018. This was in respect of normal cash flow movements for receipts collected and payments made during October 2018 and the receipt of an RMS grant monies during late September 2018.

B) Interest – Budgeted verses Actual Result to Date

Ledger		2018/2019 Budget	Actuals to Date
General Fund	128820	879,000.00	86,930.53
Water Fund	812350	85,000.00	18,233.06
Sewer Fund	906320	87,000.00	12,689.59
TOTAL		\$ 1,051,000.00	\$ 117,853.18

The interest received to date (cash basis) is in accordance with budget and does not include accruals. It is noted that Council has investments totalling \$22M maturing over the next 90 days. It is again expected that Council's Investment Portfolio will achieve benchmark returns in 2018/2019.

C) Investment Portfolio Performance

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 31-10-2019		1.50%	1.85%	1.50%
Term Deposits	2.65%			
Cash Deposit Accounts	1.65%			
Floating Rate Notes				
Structured Products*	0.00%			

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

D) Investment Commentary

Council's investment portfolio returns exceeded the 11am Cash Rate benchmark in all investment categories except for Council's cash deposit accounts. These accounts are held for liquidity purposes. Term Deposits exceed all benchmarking indexes.

Council's investment portfolio of \$51.5M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

As widely expected, the RBA kept interest rates unchanged at 1.50% in its meeting in October 2018. The RBA's forecast for GDP growth remains unchanged at a bit above 3 per cent in 2018 and 2019.

Positive business conditions exist with some uncertainty towards "household consumption". The unemployment rate was at its lowest in 5 years at 5.3%. The forecast for the unemployment rate remains unchanged to settle at 5 per cent "over the next couple of years".

Business conditions and non-mining business investment remain positive. Household income has been growing slowly and debt levels are high. The Australian dollar remains within the guidance range.

RBA again used relatively mild language in their interest rate decision. Nothing suggested a deviation from its slow cycle stance, and markets factor in no rate increase until late 2019.

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

B) 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 sound.

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.*

ITEM NO:	2.	FILE NO: S12.5.1/11
DESTINATION 5:	The communities are served by sustainable services and infrastructure	S
SUBJECT:	QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2018/2019	
PREPARED BY:	Scott Norman, Director Corporate 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 required that the Committee adopt the report.

COMMENTARY:**2018/2019 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 2018/2019 Budget remains in balance. (Also see Appendix 1, G11 – G12). Those items identified as requiring funding since the adoption of the 2018/2019 budget have now been funded in full.

The Budget Variations for 2018/2019 are as follows:

COMBINED FUND - BUDGET VARIATION SUMMARY REPORT
ESTIMATED CASH POSITION 30 JUNE, 2018
FOR 2018/2019 ACTIVITIES

	General	Water	Sewer	Total
Adopted Budget 2018/2019	7,556,285	850,913	699,900	9,107,098 Deficit
Add Back Depreciation	(6,943,050)	(853,000)	(701,000)	(8,497,050) (Non-cash)
Add Back Carry Amount Assets Sold	(240,400)	-	-	(240,400) (Non-Cash)
Internally Restricted Cash Utilised	(375,075)			(375,075)
Transferred to Internally Restricted Cash	-	-	-	-
ESTIMATED CASH RESULT	(2,240)	(2,087)	(1,100)	(5,427)
FOR 2018/2019 ACTIVITIES				SURPLUS
2018/2019 Budget Variations Required to Maintain a Balanced Budget				
REVOTES	5,896,199	1,988,047	3,316,614	11,200,860
UNEXPENDED GRANTS	1,371,846	-	-	1,371,846
Budget Review Adjustments 30-9-18	415,000	-	-	415,000
SUB TOTAL	7,683,045	1,988,047	3,316,614	12,987,706
Internally Restricted Cash Utilised	(415,000)	-	-	(415,000)
FUNDED FROM EQUITY	(7,268,045)	(1,988,047)	(3,316,614)	(12,572,706)
NET BUDGET VARIATIONS	0	0	0	0
REVISED CASH RESULT	(2,240)	(2,087)	(1,100)	(5,427)
FOR 2017/2018 ACTIVITIES				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 2018/2019 continue to remain at **“Zero”**. Councillors will note that expenditure has increased by \$3.389M, while revenue has increased by \$2.974M. 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, G13) indicate a surplus from all activities to 30 September 2018 of \$17.074M, against a budgeted annual result of \$5,427. This current result indicates that sufficient funding remains available to fund Council's 2018/2019 continuing operations for the next 9 months to the end of the 2018/2019 Financial Year.

QUARTERLY BUDGET REVIEW REPORT:

Council's 30 September 2018 quarterly Combined Budget Review summary report and Income and Expense Statement by function are attached (Appendix 3, G14). 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, G15). 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 2018/2019 operations remaining unchanged following approval of the Budget Variations attached to this report (refer Appendix 1, G11 – G12). This is after transfers to/from Internally Restricted Assets and revotes from previous years and the bringing forward of Grant Funding received in 2017/2018 which will be expended in 2018/2019.

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 30 September 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 2018/2019 Operational Plan (refer to Appendix 5 and 6, G16 - G17) 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 2.50-2.75%. It is anticipated that Council will achieve budgeted interest during 2017/2018.

A copy of Council's Cash and Investment Budget Review Statement as at 30 September, 2018 is attached (refer to Appendix 7 and 8, G18 – G19). Council retains a sound investment position to fund all of Council's internal and external restrictions and Council's working capital/cash flow needs.

A detailed investment report is provided to Council on a monthly basis and all investments continue to comply with Council's Investment Policy.

Contracts, Consultancy & Legal Expenses

The attached Contracts Summary indicates any contracts entered into with a value of over \$150,000 by Council during the quarter ending 30 September 2018, (refer to Appendix 9, G20). Other consultancy and legal expenses are summarised in the attached Consultancy & Legal Expense summary (refer to Appendix 9, G20).

Plant Fleet:

A copy of the Plant Fleet Financial Report to 30 September, 2018 is attached (refer to Appendix 10, G21). The Report indicates a small operating surplus of \$45K to 31 October 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 always dependant on Water Sales. Water Sales were up, \$294K in 2015/2016, down \$83K in 2016/2017 and up \$535K in 2017/2018. It is anticipated that water sales will continue to increase during 2018/2019 due to the current dry conditions within the Shire.

The Water Fund holds term deposits totalling \$8.5M and cash at bank of \$1.42M (See Appendix 7, G18).

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 2018/2019. This project is funded from loans and cash Reserves. Council is also implementing an \$885K sewer pipe relining program.

The Sewerage Fund holds Term Deposits totalling \$6.0M plus cash at bank of \$1.40M (See Appendix 7, G18).

OPERATIONAL PLAN – COMBINED FUND

Overall Council's operational and financial position in respect of its five destinations is sound. The following information is provided in respect of major issues and projects that Council is leading, participating in, or delivering in 2018/2019:

- 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 meeting of the New England Joint Organisation of Councils. Interim Executive officer for the Group;
 - Participated in Border Region Organisation of Councils Meeting;
 - Seeking grants for the benefit of the community;

- Sponsor acquisition prize of Inverell Art Prize;
 - Assist with the running of Country Cricket Championships for Inverell;
 - Participation in the Northern Inland Risk Management Group;
 - Secure funding for the development of an Arts & Cultural Strategic Plan;
 - Secure \$2.5M funding to facilitate an \$8M upgrade of the Inverell Livestock Exchange;
 - Completed installation of Illuminator lighting system to sportsgrounds to increase lighting efficiency; and
 - Facilitate high speed data connectivity between Admin, Library, Tourism buildings.
- Destination 2 – A community that is healthy, educated and sustained:
 - Youth Opportunities Programs in progress to engage young people aged 12-20 with 1430 participants;
 - Joint initiative with BEST Employment to commence free learn to swim classes – 80 participants;
 - Assist with Sapphire City Festival;
 - Participation in New England Cooperative Library;
 - Working with BEST Employment in respect of the management rights of the Linking Together Centre;
 - Host Grandparents Day with 150 participants;
 - Completed Sale of Land for Unpaid rates;
 - Assisted with preparation for Armistice Day;
 - Host grant writing workshops with 36 participants;
 - Assist more than 30 community groups and schools to apply for grant funding; and
 - Commence upgrade of Library Management System.
 - Destination 3 – An environment that is protected and sustained:
 - Partnering with Local Land Services in River Rehabilitation & Weeds Removal Programs;
 - Completed Harrisia Cactus program at Yetman;
 - Remove Water Lettuce at Beebo West;
 - Completed a Cats Claw program on Dumeresq River
 - Commenced an Osage Orange Program along the Macintyre River;
 - Participated in Cross Borders Working Group on weed control meetings;
 - Participated in Northern Inland Regional Waste meetings;
 - Ongoing works at May Street Park to improve riverbank environment;
 - Development of Soundtracks mobile App for Goonoowigall Conservation Area; and
 - Complete install of walking tracks and seating at Ross Hill Reserve.
 - Destination 4 – A strong Local Economy:
 - Participated in a wide range of Tourism and Marketing Shows;
 - Participated in Inverell Promotional Activities with the Inverell Chamber of Commerce and Industry;
 - Secure funding for Small Business up skilling workshop in marketing;
 - Celebrated Fly Corporate first anniversary of the new Regular Passenger Transport (RPT) service from Brisbane – Inverell – Moree – Brisbane;
 - Collaborate with Community groups to develop proposals for Drought Communities Programs; and
 - Sponsorship of Eat Drink Live.
 - Destination 5 – The Communities are served by sustainable services and infrastructure:
 - Commenced and completed a range of Road Upgrade Projects on the Regional Road and Local Road Network;
 - Completed a significant quantum of Shire Roads Gravel Resheeting;
 - Completed a significant quantum of heavy patching throughout the Shire;
 - Commenced Council's 2018/2019 bitumen reseal program;

- Completed 2018/2019 Financial Statements – sound financial result achieved;
- Commenced upgrade works at the Inverell Sewerage Treatment Plant;
- Commenced assessment of Higher Mass Vehicle network expansion;
- Upgrade of Inverell Town Hall Annex to Create a multipurpose Arts Space; and
- Facilitate transition of Inverell Family History Group's premises to Inverell Library.

Also attached is a copy of Council's Key Financial Performance Indicators (refer to Appendix 11, G22 – G23).

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 30 September, 2018 indicates that Council's projected financial position at 30 June 2019 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 2018/2019 Budget in balance, with an indicative surplus of \$5,427.

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 30 September, 2018 be adopted; and*
- ii) the proposed variations to budget votes for the 2018/2019 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2019 from operations of \$5,427.*

APPENDIX 1

BUDGET VARIATIONS - FINANCE MEETING 14-11-2018

ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
<i>Increase/Decrease in INCOME</i>			
121995-1000	Grant-Dept Industry Innovation & Science-Building Better Reg	11,726	New Grant Cultural & Arts Plan
121996-1000	Grant-Dept Industry Innovation & Science-Building Better Reg	250,000	New Grant - Saleyard Upgrades (further funding in future years of \$2.25M
121211-1000	Grant-(SCCF)-Stronger Country Communities Funding	50,000	New Grant - Inverell Skate Park Extension
121211-1000	Grant-(SCCF)-Stronger Country Communities Funding	350,000	New Grant - Athletics and Cricket Precinct Inverell complex
121211-1000	Grant-(SCCF)-Stronger Country Communities Funding	881,606	New Grant - Lake Inverell Boardwalk and Boat / Kayak Ramp
121211-1000	Grant-(SCCF)-Stronger Country Communities Funding	1,000,000	New Grant - Off Road Recreation Circuit
121211-1000	Grant-(SCCF)-Stronger Country Communities Funding	235,964	New Grant - Inverell Tennis Club upgrade
180780-1000	FACS - NSW Grand Parents Day	6,507	Grant funded program
122910-1000	Grant-RESTART NSW - Operating	144,410	NSW Restart funding - HML load capacity assessments
122880-1000	R2R Grant-Rds.to Recovery	(252,989)	Adjust current year allocation as Council utilised extra funding in 2017/2018 on a five year program
122370-5999	Grant SH12 - Ordered Works	287,007	RMS funding heavy patching on SH12
122370-1000	Grant SH12	(30,000)	Reducing in RMS Funding for SH12 maintenance
160899-1000	Income-CPTIGS-Country Passenger Transport Infrast Scheme	40,000	Country Passenger Transport Infrastructure Grant Scheme to build new bus shelters
TOTAL INCREASE IN INCOME		2,974,231	Positive figure indicates increased income, (Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>			
134322-1000	Cultural/Arts Strategic Plan for Inverell-Grant Funded-2019	11,726	New Grant Cultural & Arts Plan
147900-1000	Inv.Saleyards Upgrade & Redevelopment-Grant Funded	250,000	New Grant - Saleyard Upgrades (further funding in future years of \$2.25M
160245-1000	160245 - Library - Office Equipment	2,000	Council contribution to new grant funded scanner at Inverell Library
136860-1000	Library-Furniture & Equipment Maintenance	(2,000)	Funding for above
160761-1000	Skate Park Extensions/Upgrade-(SCCF Grant Program-2019)	50,000	New Grant - Inverell Skate Park Extension
160761-1000	Skate Park Extensions/Upgrade-(SCCF Grant Program-2019)	39,555	Council Contribution towards Skate Park Upgrade
129381-1000	Special Projects	(39,555)	Funding for about
160538-1000	Sports Complex Upgrade-Athletics Precinct-(SCCF Grant- 2019)	350,000	New Grant - Athletics and Cricket Precinct Inverell complex
160538-1000	Sports Complex Upgrade-Athletics Precinct-(SCCF Grant- 2019)	100,000	Council Contribution towards Athletic & Cricket Precinct - Inverell Complex
134325-1000	Community Building Partnership Program	(100,000)	Funding for above
137375-1000	Lake Inverell Upgrade-Boardwalk/Paths/Kayak Facilities etc	881,606	New Grant - Lake Inverell Boardwalk and Boat / Kayak Ramp
160662-1000	Off Road Recreational Circuit- (SCCF Grant Program 2019)	1,000,000	New Grant - Off Road Recreation Circuit
160662-1000	Off Road Recreational Circuit- (SCCF Grant Program 2019)	415,000	Council Contribution towards Off Road Recreation Circuit
160663-1000	Inverell Tennis Club Upgrade/Extensions-(SCCF Grant - 2019)	235,964	New Grant - Inverell Tennis Club upgrade
138820-1000	SH12 (WO) Heavy Patching	287,007	RMS funded heavy patching on SH12
137770-various	SH12 Maintenance	(30,000)	Reduction in RMS SH12 maintenance
180791-1000	FACS - NSW Grand Parents Day	6,507	Grant funded program
139426-1000	Exps-RESTART NSW-Regional Roads- Higher Mass Limits	144,410	NSW Restart funding - HML load capacity assessments
143639-1100	R2R4-Yr5 Bitumen Renewal	(300,000)	Adjust current year allocation as Council utilised extra funding in 2017/2018 on a five year program
143640-1100	R2R4-Yr5 Heavy Patching	47,011	Adjust current year allocation as Council utilised extra funding in 2017/2018 on a five year program
139070-1000	Village Seal Maintenance - North	4,120	Heavy patching in Ashford in preparation for reseals
139290-1000	Rural Seal Bitumen Mtc	(4,120)	Funding for above
140050-1000	Unsealed Village Maintenance - South	2,930	Heavy patching in Delungra in preparation for reseals
139180-1000	Maint Bitumen Seal - South	(2,930)	Funding for above
160900-1000	CPTIGS-Construct Bus Shelters	40,000	Country Passenger Transport Infrastructure Grant Scheme to build new bus shelters
TOTAL INCREASE IN EXPENDITURE		3,389,231	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		415,000	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
<i>Restricted Assets</i>			
PJ-162230-6220-3	STRATEGIC DEVELOPMENT FUND	415,000	Funding for Council Contribution towards Criterium Track at Lake Inverell
TOTAL FUNDING FROM RESTRICTED ASSETS		415,000	
FUNDED FROM EQUITY (G5795.000)			
NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)		-	

WATER FUND			
Increase/Decrease in INCOME			
TOTAL INCREASE IN INCOME		-	Positive figure indicates increased income, (Negative) figure indicates decreased income)
Increase/Decrease in EXPENDITURE			
TOTAL INCREASE IN EXPENDITURE		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
SEWER FUND			
Increase/Decrease in INCOME			
TOTAL INCREASE IN INCOME		-	Positive figure indicates increased income, (Negative) figure indicates decreased income)
Increase/Decrease in EXPENDITURE			
TOTAL INCREASE IN EXPENDITURE		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
NET CHANGE TO CURRENT BUDGET Surplus/(Deficit)		-	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)

APPENDIX 2

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 30-9-2018
CONSOLIDATED INCOME AND EXPENSE STATEMENT

	ORIGINAL BUDGET 2018/2019 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2018/2019 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2018 Review (000's)	Dec 2018 Review (000's)	Mar 2019 Review (000's)	June 2019 Review (000's)					
INCOME												
Rates & Annual Charges	19,697							19,697		19,697	19,669	99.86%
User Charges & Fees	3,652							3,652	257	3,909	465	12.73%
Interest	1,069							1,069		1,069	40	3.74%
Other revenues from ordinary activities	435							435		435	108	24.83%
Grants & Contributions provided for non capital purposes	9,049							9,049	2,930	11,979	981	10.84%
Grants & Contributions provided for Capital Purposes	1,885							1,885	-213	1,672	23	1.22%
Gain from the sale of assets	613							613		613	70	11.42%
Gain from interest in joint ventures & associates	-							-				
TOTAL INCOME FROM CONTINUING OPERATIONS	36,400	-	-	-				36,400	2,974	39,374	21,356	58.67%
EXPENSES												
Employee Costs	13,698	71						13,769	160	13,929	3,699	26.86%
Borrowing Costs	159							159		159	51	32.08%
Materials and Contracts	6,091	1,800	417					8,308	743	9,051	1,358	16.35%
Depreciation	8,497							8,497		8,497	2,124	25.00%
Other Expenses from ordinary activities	4,243	190	21					4,454		4,454	1,516	34.04%
Loss from the disposal of assets	-							-				
Loss from interest in joint ventures & associates	-							-				
TOTAL EXPENSES FROM CONTINUING OPERATIONS	32,688	2,061	438	-	-	-	-	35,187	903	36,090	8,748	24.86%
NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)	3,712	(2,061)	(438)	-	-	-	-	1,213	2,071	3,284	12,608	1039.39%
ADD BACK Non Cash Amounts												
Depreciation	8,497							8,497		8,497	2124	25.00%
Carrying Amount of Assets Sold	240							240		240	28	11.67%
Capital Amounts	12,449	(2,061)	(438)	-	-	-	-	9,950	2,071	12,021	14,760	148.34%
Repayments by deferred Debtors												
Acquisition of Assets	(12,243)	(9,140)	(934)					-22,317	(2,486)	-24,803	-3195	14.32%
Loan Repayments	(576)							-576		-576	-281	48.78%
Advance to Deferred Debtors												
Loan Funds												
Less Net Transfers to IRA	375							375	415	790	790	210.67%
Plus Equity Funding	-	11,201	1,372					12,573		12,573		0.00%
Unallocated Consolidation Net Profit/(Loss)	5	-	-	-	-	-	-	5	-	5	12,074	
NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)	1,827							1,827		1,827	12,585	

* Favourable / (Unfavourable) variance

EXPLANATION OF MATERIAL VARIANCES**YTD Variances**

Item	Explanation
INCOME	
Rates & Annual Charges	Includes rate levy for 2017/2018
Interest	Recorded on a cash basis only. Council has \$22 million worth of investment maturing during Oct-Dec 2018
Grants & Contributions provided for Capital Purposes	Council is expected to meet budget again in 2018/2019
	Works have not yet commenced on these projects and grant funding for road projects are normally paid in arrears

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 2018/2019 budget have now been funded.

APPENDIX 3

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 30-9-2018
INCOME & EXPENSES BY FUNCTION

	ORIGINAL BUDGET 2018/2019 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2018/2019 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2018 Review (000's)	Dec 2018 Review (000's)	Mar 2019 Review (000's)	June 2019 Review (000's)					
EXPENSES												
Governance	314							314		314	45	14.33%
Administration	6,722	367	21					7,110		7,110	1,662	23.38%
Public Order and Safety	979	146						1,125		1,125	113	10.04%
Health & Environment	3,001	50	152					3,203		3,203	962	30.03%
Community Services and Education	82		59					141	7	148	45	30.41%
Housing and Community Amenities	988	161						1,149		1,149	250	21.76%
Water Supplies	3,456							3,456		3,456	878	25.41%
Sewerage and Drainage Services	1,811	57						1,868		1,868	490	26.23%
Recreation and Culture	2,267	297	117					2,681	246	2,927	642	21.93%
Mining, Manufacturing and Construction	363							363		363	98	27.00%
Transport and Communication	5,472	312	3					5,787	401	6,188	1,799	29.07%
Economic Affairs	1,335	670	86					2,091	250	2,341	380	16.23%
TOTAL EXPENSES	26,790	2,060	438	0	0	0	0	29,288	904	30,192	7,364	24.39%
REVENUES												
Governance								-		-		-
Administration	23,984							23,984		23,984	14,467	60.32%
Public Order and Safety	415							415		415	10	2.41%
Health & Environment	3,631							3,631		3,631	3,256	89.67%
Community Services and Education	1							1	7	8	8	100.00%
Housing and Community Amenities	281							281		281	49	17.44%
Water Supplies	4,650							4,650		4,650	2,053	44.15%
Sewerage and Drainage Services	2,691							2,691		2,691	2,434	90.45%
Recreation and Culture	194							194	2,530	2,724	25	0.92%
Mining, Manufacturing and Construction	183							183		183	44	24.04%
Transport and Communication	4,503							4,503	188	4,691	229	4.88%
Economic Affairs	310							310	250	560	64	11.43%
TOTAL REVENUE	40,843	0	0	0	0	0	0	40,843	2,975	43,818	22,639	51.67%
OPERATING RESULT: (Surplus)	-14,053	2,060	438	0	0	0	0	-11,555	-2,071	-13,626	-15,275	
Depreciation	8497							8,497		8,497	2,124	25.00%
Increase in Employee Leave Entitlements	2457							2,457		2,457	613	24.95%
(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS	(3,099)	2,060	438	-	-	-	-	(601)	(2,071)	(2,672)	(12,538)	
Carrying Amount of Assets Sold	240							240		240	28	11.67%
Proceeds Sale of Assets	-853							-853		-853	-98	11.49%
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	12,243	9,140	934					22,317	2486	24,803	3,195	12.88%
Development of Real Estate								0		0		
Advance to Deferred Debtors								0		0		
Repayment of Loans	576							576		576	281	48.78%
Repayment of Other Debts								0		0		
ESTIMATED BUDGET RESULT: (SURPLUS)/DEFICIT	9,107	11,200	1,372	0	0	0	0	21,679	415	22,094	(9,132)	
ADD BACK Non Cash Amounts												
Depreciation	8,497							8,497		8,497	2,124	
Carrying Amount of Assets Sold	240							240		240	28	
Plus Net Transfers	-375							-375	-415	-790	-790	
Plus Equity Funding**		-11,200	-1,372					-12,572		-12,572		
BUDGET (SURPLUS)/DEFICIT	(5)	-	-	-	-	-	-	(5)	-	(5)	(12,074)	
** Equity Funding is Unexpended Grants, Contributions and incomplete works from previous years where money is held in equity at end of year												
Transfers to Internally Restricted Assets	2,171							2,171		2,171	0	0.00%
Transfers from Internally Restricted Assets	2,546							2,546	415	2,961	0	0.00%
Net Transfers	-375	0	0	0	0	0	0	-375	-415	-790	0	

EXPLANATION OF MATERIAL VARIANCES**YTD Variances**

Item	Explanation
Expenses	

INCOME

Administration	Includes entire rate levy for 2018/2019
Public Order & Safety	Bush Fire Subsidies not received until March 2019
Housing & Community Amenities	Includes entire DWM levy charges for 2018/2019
Sewerage and Drainage Services	Includes entire annual sewer charges levy for 2018/2019

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 2018/2019 budget have now been funded.

APPENDIX 4

INTERNALLY RESTRICTED ASSETS (CASH) MOVEMENTS

31/10/2018	EST. BAL. 30/6/17	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2018	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2019	
PURPOSE								
GENERAL ACTIVITIES	\$	\$	\$	\$	\$	\$	\$	Comments
BUILDING REFURBISHMENT/UPGRADE	2,157,843.18	80,000	242,500	1,995,343.18	36,710		2,032,053.18	Note 1 Funding Building Refurbishments/Asset Management needs/Funded from Depmn Expense
EQUIP. UPGRADE/EMERGENCY MTCE	210,805.00			210,805.00			210,805.00	OLG Promoting Better Practice Recommendation
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/MTCE	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	250,000		695,345.00	120,000		815,345.00	Note 4 Waste Strategy Funds - Restricted
WASTE INFRASTRUCTURE	2,504,068.00	182,114		2,686,182.00	199,445		2,885,627.00	Note 4 Waste Strategy Funds - Restricted
WASTE-EXTERNALITY SUSTAINABILITY	177,000.00	270,000		447,000.00	120,000		567,000.00	Note 4 Waste Strategy Funds - Restricted
PLANT REPLACEMENT	4,245,723.00	1,891,858	2,499,212	3,638,369.00	1,625,000	2,497,500	2,765,869.00	Note 5 Plant Fleet Asset Renewals
GRAVEL PIT RESTORATION	190,753.00	46,843		237,596.00	35,000		248,231.00	Rehabilitation Requirement
GRAVEL PIT RESTORATION -Roads	128,034.00	46,842		174,876.00	35,000	24,365	185,511.00	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	1,710,000		4,210,000.00			4,210,000.00	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	515,000	250,000	755,611.00			755,611.00	Note 8 Land Bank/Infrastructure Development Funding
EMPLOYEE TRAINING (STATUTORY)	0.00	131,750		131,750.00			131,750.00	
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	233,000		935,601.00			935,601.00	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	400,000	85,000	2,905,000.00			2,905,000.00	Future Upgrades (includes Transfer from Provisions)
ROAD RESUMPTIONS	20,000.00			20,000.00			20,000.00	Ongoing Issue
INVERRELL 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	5,757,407	3,276,712	24,854,252.15	2,171,155	2,546,230	24,479,177.15	
WATER SUPPLY								
EMPLOYEE LEAVE ENTITLEMENTS	65,000.00	65,000		130,000.00			130,000.00	Restricted - Statutory Requirement
EQUIPMENT BREAKDOWN	107,940.00	100,000		207,940.00			207,940.00	Promoting Better Practice Recommendation
REVENUE EQUALISATION	470,000.00	526,000		996,000.00			996,000.00	Best Practice Guidelines
FUTURE CAPITAL WORKS	3,577,260.00	453,000		4,030,260.00			4,030,260.00	Note 9
FUND TOTAL	4,220,200.00	1,144,000	-	5,364,200.00	-	-	5,364,200.00	
SEWERAGE SERVICES								
EMPLOYEE LEAVE ENTITLEMENTS	20,000.00	47,000		67,000.00			67,000.00	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 and Mains Relining
FUND TOTAL	2,568,278.82	47,000	-	2,615,278.82	-	-	2,615,278.82	
TOTAL OF ALL FUNDS	29,162,035.97	6,948,407	3,276,712	32,833,730.97	2,171,155	2,546,230	32,458,655.97	

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 IRAs 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		1,000,000.00	
Chester St. Renewal - Heavy Vehicle Route			
Roundabout-SH12/MR73-(Tingha Bridge Roundabout)		1,000,000.00	Council Contribution 2017/18 Urban Works, 2017/18 SCIF Plus Federal Funding \$1.5M, Awaiting RMS Contribution, Plus Council Urban Works 2018/19 \$500K, Plus SCIF 2018/19 \$540K
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	
Oliver Street Extension		310,000.00	
Jardine Road Resealing & Rehabilitation		400,000.00	
		4,210,000.00	
Note 8 - Strategic Capital Projects and Infrastructure Fund		240,000	2017/2018 or later Program (RMS)
Campbell Street Property/Carpark		415,000	2018/2019 Council Contribution towards Criterion Track at Lake Inverell
		100,000	Provision (not commitment) for Inverell Community Gardens Projects
		755,000	
Note 9 - Future Capital Works		850,000.00	Ashford Plant River Inlet and Plant Ancillary Works
Ashford Water Treatment Plant		400,000.00	State Government requirement
Lake Inverell Safety Works		700,000.00	Inverell Treatment Works Renewal/Refurbishment Project
Other Capital Works			
		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 30-9-2018
CAPITAL BUDGET**

	ORIGINAL BUDGET 2018/2019 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2018/2019 (000's)	ACTUAL YTD (000's)
		Revotes	Unexpended Grants	Sept 2018 Review	Dec 2018 Review	Mar 2019 Review	June 2019 Review				
		(000's)	(000's)	(000's)	(000's)	(000's)	(000's)				
CAPITAL FUNDING											
Rates and Other untied Funding											
General Fund	3,770							3,770	2	3,772	3,772
Sewer Fund	640							640		640	640
Water Fund	835							835		835	835
								-			
Capital Grants & Contributions								-			
Bushfire	197							197		197	-
Sporting Fields	10							10		10	-
Library	25							25		25	-
Roads	4,268							4,268	(213)	4,055	1,451
Open Space								-	2,697	2,697	-
								-			
Internal Restricted Assets								-			
Aerodrome								-		-	
Plant Replacement	2,498							2,498		2,498	2,498
Roads Program								-		-	
Sewerage Future Capital Works								-		-	
Water Future Capital Works								-		-	
Strategic Capital Projects Fund								-		-	
Other									415	415	415
Loan Funding								-		-	
Equity (Unexpended Grants and Contributions from previous years)		9,140	934					10,074		10,074	10,034
TOTAL CAPITAL FUNDING	12,243	9,140	934	-				22,317	2,901	25,218	19,645
CAPITAL EXPENDITURE											
Administrative Services	15							15		15	3
Aerodrome								-		-	
Engineering Equipment	2							2		2	
SES/Bushfire	205							205		205	
Information Services	147							147		147	4
Sporting Fields	24	22						46		46	
Cemetery	8							8		8	8
Library	122	159	25					306	2	308	30
Plant	3,350							3,350		3,350	985
Minor Community Infrastructure Assets	280	210						490	(140)	350	4
Stronger Country Communities									2,837		7
Strategic Capital Infrastructure Program	540										
Sewerage Services	640	3,260						3,900		3,900	7
Water Services	835	1,988						2,823		2,823	245
Roads	6,075	3,501	909					10,485	(213)	10,272	1,955
TOTAL CAPITAL EXPENDITURE	12,243	9,140	934	-				22,317	2,486	24,803	3,248

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 2018/2019 budget have now been funded.

APPENDIX 6

CAPITAL EXPENDITURE 2018/2019

PROGRAM	LEDGER NUMBER	DESCRIPTION	ORIGINAL CAPITAL BUDGET		ADJUSTED CAPITAL BUDGET		Classification	% Complete	FUNDING		
			AMOUNT	SECTION TOTAL	AMOUNT	SECTION TOTAL				AMOUNT	
ADMINISTRATIVE SERV.	159060-1000	OFFICE FURNITURE & EQUIPMENT-DESKS, CHAIRS	5,200		5,200		Renewal	0%			
	134940-1000	ACQUISITION OF ART PRIZE	4,500		4,500		New Asset	78%			
	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	197,400	197,400	197,400	197,400	Renewal	RFS	GRANT	121121-1000	197,400
SES	132851-4450	SES BUILDING UPGRADE	7,150	7,150	7,150	7,150	Renewal	0%			
INFORMATION SERVICES	130101-1000	COMPUTER EQUIPMENT	44,290		164,290		Renewal	0%			
	130101-4910	COMPUTER EQUIPMENT	32,000		32,000		Renewal	0%			
	130111-5130	COMPUTER EQUIPMENT - NEW PRINTING EQUIPMENT	39,200		39,200		Renewal	0%			
	130111-5162	COMPUTER EQUIPMENT - NEW HARDWARE	32,000	147,490	70,540	306,030	Renewal	6%			
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			22,000		Renewal	0%			
	134919-1000	EQUESTRIAN CENTRE UPGRADE	4,000	24,000	4,000	46,000	Renewal	0%			
CEMETERY	136391-4450	CEMETERY	8,000	8,000	8,000	8,000	New Asset	100%			
LIBRARY	160180-1100	LIBRARY-CORPORATE SERVICE COLLECTION	1,410		1,410		Renewal	0%			
	160190-1000	LIBRARY BOOKS	59,360		59,360		Renewal	42%			
	160200-1000	LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION	22,070		22,070		Renewal	0%			
	160240-1000	NON BOOK MATERIALS-VIDEOS CASSETTES ETC.	9,720		9,720		Renewal	38%			
	160245-1000	LIBRARY - OFFICE EQUIPMENT	2,000		7,475		Renewal	20%			
	160270-1000	LIBRARY SECURITY SYSTEM	2,260		2,260		Renewal	0%			
	160395-1000	LIBRARY-SPECIAL GRANT PROJECT	25,000	121,820	46,057	148,352	New Asset	0%	GRANT	160389-1000	25,000
	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE PROGRAM	540,000	540,000	540,000	540,000	Renewal	0%			
OTHER NEW INFRASTRUCTURE ASSETS	129381-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS	180,000		180,990		New Asset	0%			
	159772-1000	ENERGY EFFICIENCY PROGRAM	40,000		56,990		New Asset	7%			
	134325-1000	COMMUNITY BUILDING PARTNERSHIP PROGRAM	60,000	280,000	113,597		New Asset	0%			
	137540-3230	TOWN/VILLAGE IMPROVEMENTS			-	351,577					
STONGER COUNTRY COMMUNITIES PRGRAM	137375-1000	LAKE INVERELL UPGRADE	-		881,606		New Asset	0%	GRANT	121211-1000	881,606
	160538-1000	SPORTS COMPLEX - ATHLETICS PRECINCT	-		450,000		New Asset	0%	GRANT		350,000
	160662-1000	OFF ROAD RECREATIONAL CIRCUIT	-		1,415,000		New Asset	0%	GRANT		1,000,000
	160761-1000	SKATE PARK EXTENSIONS	-		89,555	2,836,161	New Asset	0%	GRANT IRA		50,000
											415,000
PLANT	161590-1000	SMALL PLANT	80,000		80,000		Renewal	65%	PLANT REPLACE. IRA	161680-6220	3,350,500
	161610-1000	WORKSHOP EQUIPMENT	40,000		40,000		Renewal	0%	Less Sales		(853,000)
	161600-1000	LIGHT CARS/TRUCKS	780,000		780,000		Renewal	7%			
	161620-1000	HEAVY PLANT	2,450,500	3,350,500	2,450,500		Renewal	36%			
					-	3,350,500					
TOTAL			4,693,160	4,693,160		7,807,970			TOTAL GRANT / OTHER FUNDING		2,929,006
									LOAN FUNDS		
									TOTAL 17/18 UNEXPENDED GRANTS		24,532
									TOTAL REVOTES/EQUITY		391,672
									TOTAL IRA FUNDING		2,912,500
									REVENUE FUNDING REQUIRED		1,550,260
SEWERAGE	907170-1000	OTHER EQUIPMENT	10,000		10,000		Renewal	0%	CAPITAL WORKS IRA	907360-6220	-
	907110-1100	MAINS RELINING PROGRAM	170,000		1,160,349		Renewal	0%			
	906541-1100	FITTING AND INSTALLATIONS	10,000		32,000		Renewal	25%			
	907250-3100	RETICULATION MAINS	100,000		284,671		Renewal	0%			
	907270-1000	PUMPING STATIONS	100,000		680,000		Renewal	0%			
	907272-3050	TELEMETRY	250,000		350,000		Renewal	0%			
	907320-3050	SEWER TREATMENT WORKS - DELUNGRA	-		100,000		Renewal	0%			
	907320-3070	SEWER TREATMENT WORKS - GILGAI	-		80,000		Renewal	0%			
	907321-31000	SEWER TREATMENT WORKS - INVERELL	-		1,202,858		Renewal	0%			
									TOTAL 17/18 UNEXPENDED GRANTS		-
TOTAL			640,000	640,000		3,899,878			TOTAL IRA FUNDING		-
WATER	813220-1100	MAINS REPLACEMENT - INVERELL	112,750		275,452		Renewal	77%			
	813230-3100	MINOR MAINS EXTENSIONS-INVERELL	51,250		51,250		New Asset	0%	CAPITAL WORKS IRA	813380-6220	-
	813282-1000	PUMP STATION UPGRADES	75,000		445,000		Renewal	0%			
	813290-3100	OTHER EQUIPMENT	20,000		40,000		Renewal	17%			
	813285-1000	BACKFLOW PREVENTION	155,000		705,000		Renewal	0%			
	813260-3001	TREATMENT PLANTS	350,320		605,080		Renewal	3%			
	813288-3100	TELEMETRY			542,163		Renewal	0%			
	813280-3001	METERING - ASHFORD			-						
	813280-3020	METERING - DELUNGRA			-						
	813280-3100	METERING - INVERELL	70,340		158,762		Renewal	6%			
ROADS	813280-3230	METERING - YETMAN			-						
	813280-3020	METERING - BONSHAW			-						
									TOTAL 17/18 UNEXPENDED GRANTS		-
									TOTAL IRA FUNDING		-
									LOAN FUNDING		-
									TOTAL REVOTES/EQUITY		1,988,047
									REVENUE FUNDING REQUIRED		834,660
	135960-3100	URBAN DRAINAGE RECONSTRUCTION-Construction Costs	140,475		573,596		Renewal	10%			
	138270-1000	URBAN WORKS PROGRAM	543,180		543,180		Renewal	0%			
	141331-4450	CBD WORKS	18,170		51,719		Renewal	0%			
ROADS	145650-1000	CYCLEWAY/FOOTPATH (PAMP)			140,545		New Asset	2%			
	137561-1000	BLOCK GRANT WORKS	516,359		516,359		Renewal	1%	GRANT	122400-4450	516,359
	138691-1000	ACRD GRANT WORKS	1,700,520		2,325,368		Renewal	11%	GRANT	122760-1000	1,700,520
	1387330-4450	3x4 GRANT WORKS	160,000		160,000		Renewal	0%	GRANT	122860-4450	160,000
	138280-1000	REPAIR PROGRAM WORKS	981,026		1,140,153		Renewal	18%	GRANT	122460-1000	981,026
	138400-1000	ROADS TO RECOVERY PROGRAM WORKS	910,064		657,075		Renewal	7%	GRANT	122880-1000	910,064
	143630-1100	MR187 - SOUTH WALLANGRA ROAD			1,117,180		Renewal	3%			
	139120	VILLAGES DEVELOPMENT WORKS	34,220		151,369		Renewal	0%			
	139200-1000	VILLAGES BITUMEN RESEALS	24,130		47,670		Renewal	0%			
	140110-1100	GRAVEL RESHEETING MINOR ROADS	44,220		44,220		Renewal	100%			
ROADS	140190-1000	GRAVEL RESHEETING MINOR ROADS	33,280		33,280		Renewal	100%			
	139401-6445	F4F - ROAD BACKLOG - BITUMEN SEALS	-		100,924		Renewal	0%			
	139403-6445	F4F - ROAD BACKLOG - GRAVEL PATCHING	-		47,931		Renewal	0%	GRANT	160899-1000	40,000
	139404-6445	F4F - ROAD BACKLOG STABILISATION	599,400		1,226,400		Renewal	63%			
	139405-6445	F4F - ROAD BACKLOG PREVENTION	52,000		52,000		Renewal	0%			
	139421-1100	NON RECURRENT PROGRAM	-		662,459		Renewal	81%			
	160900-1000	CPTGS - CONSTRUCT BUS SHELTERS	-		40,000		New Asset	0%			
	160566-1000	RIFLE RANGE ROAD SUBDIVISION COSTS	-		30,000		Renewal	0%			
	139433-1000	SPECIAL PROJECTS - ROADS INFRASTRUCTURE FUND	318,000		611,460		Renewal	0%			
					-				TOTAL GRANT FUNDING		4,307,969
TOTAL			6,075,044	6,075,044		10,272,888			TOTAL IRA FUNDING		-
									TOTAL REVOTES/EQUITY		3,501,431
									REVENUE FUNDING REQUIRED		1,554,086
									TOTAL ASSET RENEWALS		21,503,433
									TOTAL NEW ASSETS		388,750
									TOTAL 17/18 UNEXPENDED GRANTS		933,934
									TOTAL REVOTES/EQUITY		9,141,028
									REVENUE FUNDING REQUIRED		4,579,006
									TOTAL		24,803,443

APPENDIX 7

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2018
CASH & INVESTMENTS**

	ORIGINAL BUDGET 2018/2019 (000's)	Approved Changes						Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2018/2019 (000's)	ACTUALS (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2018 Review (000's)	Dec 2018 Review (000's)	Mar 2019 Review (000's)	June 2019 Review (000's)			
EXTERNALLY RESTRICTED										
Water Services	9,217						9,217		9,217	9,217
Sewerage Services	6,795						6,795		6,795	6,795
Waste Management	3,997						3,997		3,997	3,997
Special Purpose Grants	4,648						4,648		4,648	4,648
Developer Contributions	505						505		505	
Bonds & Deposits	101						101		101	
Stormwater Management							-		-	146
TOTAL EXTERNALLY RESTRICTED	25,263						25,263		25,263	24,803
INTERNALLY RESTRICTED										
Employee Leave Entitlements	1,337						1,337		1,337	1,337
Strategic Development Fund	756						756		756	756
Plant Replacement	3,638						3,638		3,638	3,638
Computer	1,107						1,107		1,107	1,107
Building Renewal/Upgrades	2,095						2,095		2,095	2,095
Economic Development/Growth Assets	4,210						4,210		4,210	4,210
Aerodrome	306						306		306	306
Workers Compensation Insurance	936						936		936	936
Future Capital Works/Land Purchases	450						450		450	450
Emergency Management/ Equipment Upgrades	315						315		315	315
Industrial Development	1,149						1,149		1,149	1,149
Baths Improvements - Inverell Pool	2,905						2,905		2,905	2,905
Sports Grounds - Hockey Facility Resurfacing	450						450		450	450
Other Restrictions	1,203						1,203		1,203	1,203
TOTAL INTERNALLY RESTRICTED	20,857						20,857		20,857	20,857
TOTAL RESTRICTED	46,120						46,120		46,120	45,660
TOTAL CASH & INVESTMENTS	57,104						57,104		57,104	57,037
AVAILABLE WORKING CAPITAL	10,984	Figure incl. revotes & Unexpended grants from 2017/2018							10,984	11,377

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

COMMENT ON CASH & INVESTMENT POSITION

Councils overall Investment Portfolio remains sound and as at 30 September 2018 Councils Cash and Investment Portfolio totalled \$51.50 million plus \$5.537 million Cash at bank (Water Fund \$1.425m, Sewer Fund \$1.402m, General Fund \$2.710m).

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	24,803
Total Internal Restricted Funds	20,857
Total Restricted	45,660
Total Funds Invested as per Investment Report (30-09-18)	57,037
Total Available Working Capital	11,377

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 September, 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 September, 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 30-9-2018

Start of Year

1/07/2018

End of Year

30/06/2019

Term Deposit Investment Group

Investment No.	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
18/06	St George Bank	General	A1+	1	02-Oct-17	02-Oct-18	2.62%	1,000,000	1,000,000	365
18/08	St George Bank	General	A1+	1	07-Oct-17	07-Oct-18	2.62%	2,000,000	2,000,000	365
18/09	St George Bank	General	A1+	1	07-Oct-17	07-Oct-18	2.62%	2,000,000	2,000,000	365
18/10	National Australia Bank	General	A1+	1	10-Oct-17	09-Oct-18	2.58%	1,000,000	1,000,000	364
18/11	St George Bank	General	A1+	1	16-Oct-17	16-Oct-18	2.60%	1,000,000	1,000,000	365
18/12	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.40%	2,000,000	2,000,000	365
18/13	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.40%	1,000,000	1,000,000	365
18/14	AMP BANK	Water	A1	2	27-Nov-17	27-Nov-18	2.40%	1,000,000	1,000,000	365
18/15	AMP BANK	General	A1	2	27-Nov-17	27-Nov-18	2.40%	1,000,000	1,000,000	365
18/16	National Australia Bank	Sewer	A1+	1	27-Nov-17	20-Nov-18	2.50%	2,000,000	2,000,000	358
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
18/21	St George Bank	Water	A1+	1	01-Dec-17	30-Nov-18	2.50%	1,000,000	1,000,000	364
18/23	National Australia Bank	General	A1+	1	14-Dec-17	14-Dec-18	2.52%	2,000,000	2,000,000	365
18/24	Regional Australia Bank	Water	NR	3	14-Dec-17	14-Dec-18	2.51%	2,000,000	2,000,000	365
18/25	National Australia Bank	General	A1+	1	09-Jan-18	09-Jan-19	2.52%	1,000,000	1,000,000	365
18/27	National Australia Bank	General	A1+	1	15-Mar-18	09-Jan-19	2.60%	2,000,000	2,000,000	300
18/34	AMP BANK	General	A1	2	22-Jun-18	18-Jan-19	2.85%	2,000,000	2,000,000	210
18/35	AMP BANK	Water	A1	2	22-Jun-18	18-Jan-19	2.85%	1,000,000	1,000,000	210
18/36	AMP BANK	Sewer	A1	2	22-Jun-18	18-Jan-19	2.85%	500,000	500,000	210
18/37	Westpac Bank	General	A1+	1	28-Jun-18	21-Jan-19	2.85%	2,000,000	2,000,000	207
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	17-Apr-19	2.72%	1,000,000	1,000,000	364
18/38	Westpac Bank	Water	A1+	1	28-Jun-18	25-Jun-19	2.95%	1,000,000	1,000,000	362
18/39	Westpac Bank	General	A1+	1	28-Jun-18	25-Jun-19	2.95%	2,000,000	2,000,000	362
19/01	CBA	General	A1+	1	17-Jul-18	17-Jul-19	2.76%	3,000,000	3,000,000	365
19/02	Bank West	Sewer	A1+	1	17-Jul-18	17-Jul-19	2.80%	2,000,000	2,000,000	365
19/03	Bank of Queensland	General	A1	2	03-Sep-18	03-Sep-19	2.73%	1,000,000	1,000,000	365
19/04	CBA	General	A1+	1	14-Sep-18	13-Sep-19	2.68%	1,000,000	1,000,000	364
19/05	National Australia Bank	Water	A1+	1	27-Sep-18	27-Sep-19	2.75%	1,000,000	1,000,000	365
Sub Total - Term Deposit Investment Group								TOTALS	50,500,000	50,500,000

Cash Deposits Accounts Investment Group

As at Date	Borrower	FUND	Rating	Risk Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value
30/9/18	National Australia Bank (Cash Maximiser)	General	A1+	1			2.00%	1,000,000	1,000,000
Sub Total - Cash Deposits Accounts Investment Group								1,000,000	1,000,000

Floating Rate Notes Investment Group

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

Portfolio by Fund

General Fund	37,000,000
Water Fund	8,500,000
Sewer Fund	6,000,000
TOTAL	51,500,000

Portfolio by Fund	31/08/2018	30/09/2018
General Fund	37,000,000	37,000,000
Water Fund	8,500,000	8,500,000
Sewer Fund	6,000,000	6,000,000
TOTAL	\$ 51,500,000	\$ 51,500,000

APPENDIX 9

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2018
CONTRACTS

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
Interflow Pty Ltd	Inverell Sewer Mains Rehabilitation & Repair-Relining	\$ 885,206.50	28-September-2018	6 Months	Y
Emco Capital P/L Trading as Onescope	Cleaning Contract - Inverell Shire Public Toilets	\$ 296,380.00	01-July-2018	2 Years	Y
Emco Capital P/L Trading as Onescope	Cleaning Contract - Aerodrome & EOC & Works Depot	\$ 79,152.50	01-October-2018	21 Months	Y
Emco Capital P/L Trading as Onescope	Cleaning Contract - Tourist Centre & Transit Centre & Library	\$ 108,925.25	01-October-2018	21 Months	Y
Emco Capital P/L Trading as Onescope	Cleaning Contract - Administration Centre & Town Hall	\$ 127,438.50	01-October-2018	21 Months	Y
Emco Capital P/L Trading as Onescope	Cleaning Contract - Inverell Waste Depot	\$ 7,280.00	01-November-2018	20 Months	Y
Inverell Power Farm	New Holland FWD Tractor	\$ 149,600.00	02-July-2018	10 Weeks	Y
Conplant Pty Ltd	Ammann Rubber Tyre Roller	\$ 154,550.00	21-August-2018	15 Weeks	Y
Westrac Equipment	CAT Smooth Drum Roller	\$ 176,200.00	21-August-2018	15 Weeks	Y
Wideland Truck & Machinery	International Prostar Tipper	\$ 265,000.00	21-August-2018	15 Weeks	Y

Notes

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

Explanation of Unbudgeted Contracts

No unbudgeted contracts as at 30 September 2018

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2018
CONSULTANCY & LEGAL EXPENSES

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
CONSULTANCIES		
Heritage Advisor	3,000.00	Y
Human Resources	4,384.55	Y
Investment Advisor	2,000.00	Y
LEGAL FEES	2,873.98	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 30 September 2018

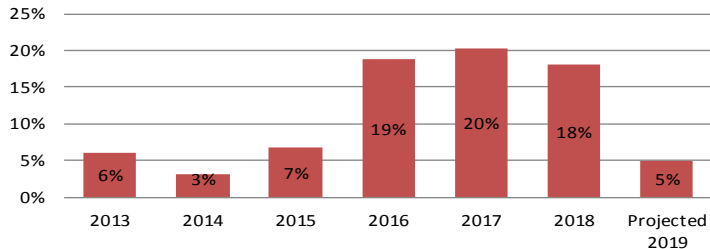
APPENDIX 10

INVERFLEET OPERATIONS 2018-2019					
FROM 01-Jul-20178 TO 30-Jun-2019					
SUFFIX	DESCRIPTION	2018/2019 BUDGET	2018/2019 Y.T.D.	% VOTE	BALANCE
	Operators Wages	58,680	23,004	39.2%	35,676
	Workshop Wages	299,514	98,350	32.8%	201,164
	Repairs, Parts & Tyres	654,400	212,570	32.5%	441,830
	Fuel	1,032,000	379,914	36.8%	652,086
	Registration	180,000	29,935	16.6%	150,065
	Accident Expenses	5,000	-	0.0%	5,000
	Depreciation	1,550,000	387,500	25.0%	1,162,500
	Oils & Lubricants	40,000	11,783	29.5%	28,217
	Cutting Edges	48,000	18,818	39.2%	29,182
	Insurance	169,620	167,916	99.0%	1,704
148170	Miscellaneous +G4817.000	327,000	69,197	21.2%	257,803
148190	Insurance Excess	10,000	500	5.0%	9,500
148210	Ashford Workshop Exp.	18,000	1,966	10.9%	16,034
148220	Inverell Workshop Exp.	41,165	2,573	6.3%	38,592
148230	Apprentice Exp.	15,000	-	0.0%	15,000
148240	Administration Charge	333,020	166,510	50.0%	166,510
148250	Small Plant & Tools	110,600	25,088	22.7%	85,512
994825	Depreciation Small Plant & Tools	75,000	18,750	25.0%	56,250
148260	Plant & Tools under \$750	3,000	-	0.0%	3,000
148280	Oncosts (Super,w/comp etc.)	189,580	52,919	27.9%	136,661
146360	Community Radio Repeater	1,200	-		
146370	2 Way Radio SYSTEM UPGRADE			0.0%	0
146380	2 Way Radio M & R	23,740	6,293	26.5%	17,447
146390	2 Way Radio Installations	2,500	-	0.0%	2,500
146400	2 Way Radio Licences	2,200	-	0.0%	2,200
	TOTAL OPERATING COSTS:	5,189,219	1,673,584	32.3%	1,388,413
128780	Council Hire	-5,050,000	- 1,752,563	34.7%	-3,297,437
128781	RTA Hire	-	-	0.0%	0
128782	Private Hire	-5,000	-	0.0%	-5,000
G2315	Apprentice Subsidy	-	-	0.0%	0
127800	Radio Communications Site	-5,500	-	0.0%	-5,500
148400	Small Plant & Tools	-128,820	- 64,410	50.0%	-64,410
	TOTAL OPERATING INCOME:	-5,189,320	- 1,816,973	35.0%	-1,299,794
	NET RESULT:	-101	- 143,389	141969.6%	143,288
	Less Capital Replacement Inflation Allowance		98,530		
		-101	- 44,859	44415.1%	44,758
REPLACEMENT PROGRAM					
161620	Heavy Plant Purchases	2,450,500	880,110	35.9%	1,570,390
161600	Light Plant Purchases	780,000	53,442	6.9%	726,558
161590	Small Plant Purchases	80,000	51,748	64.7%	28,252
	Workshop Upgrades	0		0.0%	0
148221	Workshop Equipment	40,000		0.0%	40,000
		3,350,500	985,300	29.4%	2,365,200
168100	Sale of Heavy Plant	-503,000	- 164,756	32.8%	-338,244
168110	Sale of Light Plant	-350,000	-	0.0%	-350,000
168120	Sale of Small Plant	0	-	0.0%	0
	NET RESULT:(Surplus)/Deficit	2,497,500	820,544		1,676,956
PLANT RESERVE					
G6168	Estimated Balance 1.7.18	2,952,223	-		2,952,223
G6168.802	Transfer from 2018/2019	-2,497,500	-		-2,497,500
G6168.801	Transfer to 2018/2019	1,625,000	-		1,625,000
G6168	Balance 30.06.2019	2,079,723	-		2,079,723

APPENDIX 11

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 30-9-2018
KEY PERFORMANCE INDICATORS**

Operating Performance



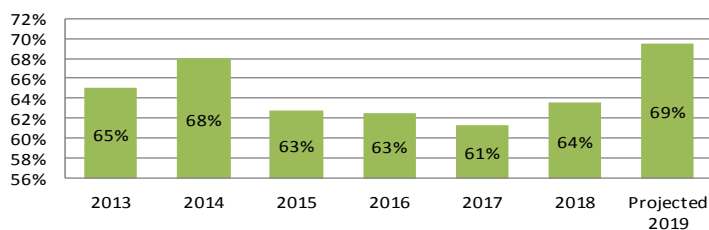
The **Operating Performance Ratio** indicates that Council operating revenue, excluding capital grants and contributions are sufficient to cover operating expenditure. Council has exceeded both the benchmarks listed below

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

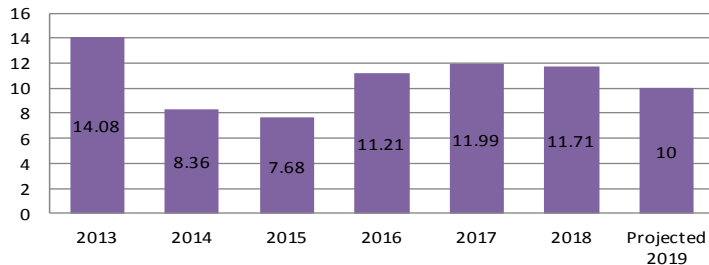


The **Own Source Operating Revenue** indicates that Council has a low dependence on grants and contributions. Council has exceeded both the benchmarks listed below

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

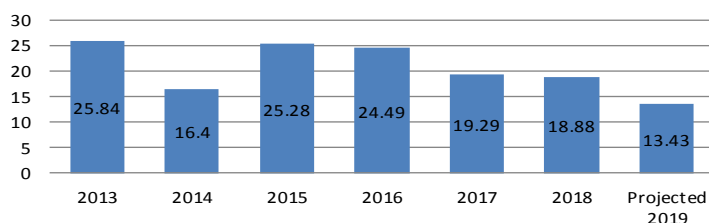


The **Unrestricted Current Ratio** excludes all current assets and liabilities that are restricted for specific purposes. These include the water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions

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

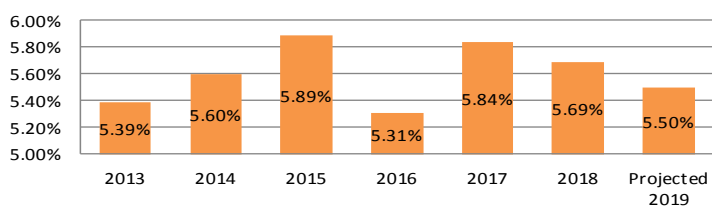


The **Debt Service Ratio** indicates the extent to which council's operating revenues are committed to servicing both interest and the repayment of principal repayments on existing loans.

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 %



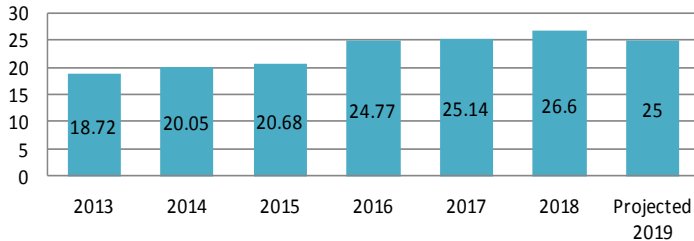
The **Outstanding Rates Ratio** indicates the percentage of uncollected rates and charges and the adequacy of recovery efforts.

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 30-9-2018 KEY PERFORMANCE INDICATORS

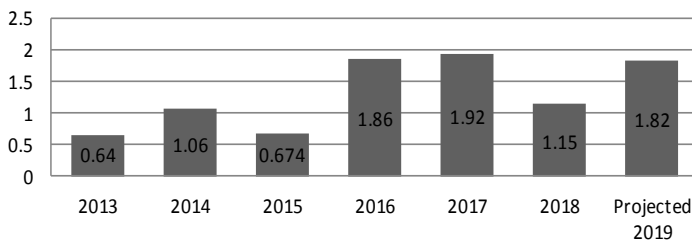
Cash Expense Cover Ratio



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



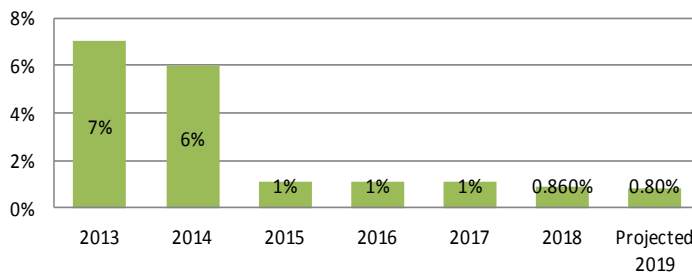
The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

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

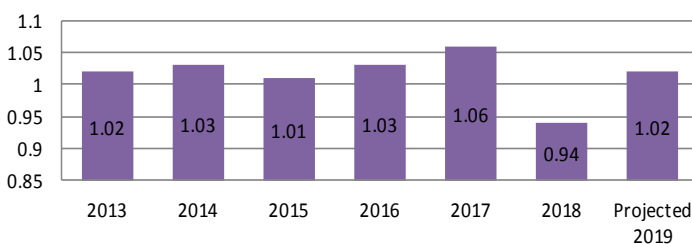


The **Infrastructure Backlog Ratio** assess Council infrastructure backlog against the total value of councils infrastructure.

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 greater than 1