



BUSINESS PAPER

**Economic and Community
Sustainability Committee Meeting
Wednesday, 12 May 2021**

INVERELL SHIRE COUNCIL**NOTICE OF ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING**

6 May, 2021

An Economic and Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 12 May, 2021, commencing at **10.30AM**.

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

Please Note: Under the provisions of the Code of Meeting Practice the proceedings of this meeting (including presentations, deputations and debate) will be webcast. An audio recording of the meeting will be uploaded on the Council's website at a later time. Your attendance at this meeting is taken as consent to the possibility that your voice may be recorded and broadcast to the public.

I would like to remind those present that an audio recording of the meeting will be uploaded on the Council's website at a later time and participants should be mindful not to make any defamatory or offensive statements.

P J HENRY PSM

GENERAL MANAGER

Agenda

1	Apologies	5
2	Confirmation of Minutes.....	5
3	Disclosure Of Conflict Of Interests/Pecuniary And Non-Pecuniary Interests	15
4	Destination Reports.....	16
	4.1 Smoking in the CBD.....	16
5	Information Reports.....	18
	5.1 Bushfire Community Recovery Funding	18
6	Governance Reports.....	19
	6.1 Quarterly Budget and Operational Plan 2020/2021	19
	6.2 Governance - Monthly Investment Report	37

Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

Conflict of interest

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- **Pecuniary** – regulated by the *Local Government Act 1993* and Office of Local Government
- **Non-pecuniary** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, Councillors can choose to either disclose and vote, disclose and not vote or leave the Chamber.

The test for conflict of interest

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

Identifying problems

- 1st** Do I have private interests affected by a matter I am officially involved in?
2nd Is my official role one of influence or perceived influence over the matter?
3rd Do my private interests conflict with my official role?

Local Government Act 1993 and Model Code of Conduct

For more detailed definitions refer to Sections 442, 448 and 459 or the *Local Government Act 1993* and Model Code of Conduct, Part 4 – conflicts of interest.

Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Section 451(1) of the *Local Government Act 1993* (pecuniary interests) and Part 4 of the Model Code of Conduct prescribed by the Local Government (Discipline) Regulation (conflict of interests) it is necessary for you to disclose the nature of the interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

A Declaration form should be completed and handed to the General Manager as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at [Declaration Form](#)

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.



1 APOLOGIES

2 CONFIRMATION OF MINUTES

RECOMMENDATION:

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 14 April, 2021, as circulated to members, be confirmed as a true and correct record of that meeting.

**MINUTES OF INVERELL SHIRE COUNCIL
ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING
HELD AT THE COMMITTEE ROOM, ADMINISTRATIVE CENTRE, 144 OTHO STREET,
INVERELL
ON WEDNESDAY, 14 APRIL 2021 AT 9.30AM**

PRESENT: Cr Jacki Watts (Chair), Cr Paul King OAM, Cr Paul Harmon (Mayor), Cr Kate Dight and Cr Anthony Michael (Deputy Mayor).

IN ATTENDANCE: Cr Stewart Berryman.

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

1 APOLOGIES

Nil

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Anthony Michael

Seconded: Cr Kate Dight

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 10 March, 2021, as circulated to members, be confirmed as a true and correct record of that meeting.

CARRIED

3 DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

Nil

4 DESTINATION REPORTS

4.1 2021/2022 DRAFT ESTIMATES AND OPERATIONAL PLAN, AND LONG TERM FINANCIAL PLAN S12.5.3

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

1. That the following works be funded from the Urban Works Vote and be included in the 2021/2022 Budget:

i) Inverell and Villages - Urban Renewal and Upgrade General Fund. Water Fund

Project subject to a further report to Civil and Environmental Committee

\$538.15K

\$ 0K

ii) Footpaths and Cycleway Construction

\$46.8K

*\$ for \$ Contribution to PAMP Program**(Subject to RMS approving the 2021/2022 Program)**iii) Village Works – Community suggested projects*

Ashford	\$7.54K
Delungra	\$7.54K
Gilgai	\$7.54K
Yetman	\$7.54K
Tingha	\$7.54K
Oakwood	\$1.12K
Bonshaw	\$1.12K
Graman	\$1.12K
Nullamanna	\$1.12K
Elsmore	\$1.12K
Stannifer	\$1.12K
Gum Flat	\$1.12K

GENERAL FUND GRAND TOTAL**\$ 630.49K****WATER FUND TOTAL****\$ 0K****2. That:**

- i) the budget allocations of \$2.26M for the 2021/2022 ACRD Program be endorsed and 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;*
- ii) the budget allocations of the \$160K RMS Supplementary Block Grant Program be the subject of a further report to the Civil and Environmental Services Committee Meeting;*
- iii) the budget allocation of \$1.402M for the 2021/2022 Roads to Recovery Program be endorsed and a further report be presented to the Civil and Environmental Services Committee in respect of the specific projects to be funded;*
- iv) the budget allocation of \$2.970M for the 2021/2022 Block Grant Program be endorsed and a further report be presented to the Civil and Environmental Services Committee in respect of the specific projects to be funded; and*
- v) the budget allocation of \$544.99K for the RMS Repair Program be endorsed and a report on the projects for the RMS approved Repair Program for 2021/2022 be presented to the Civil and Environmental Services Committee once advice has been received.*

3. That Council utilises the maximum permissible rate increase allowed by IPART of 2%.**4. That:**

- i) Council provide an allocation of \$115K for joint industry promotions and assistance;*
- ii) the following 2021/2022 Strategic Capital Infrastructure/Projects Program projects*

be endorsed:

- *Inverell Swimming Pool Redevelopment* \$ 515K

- iii) *The budget allocation of \$341K for the 2021/2022 Special Projects – Roads Infrastructure Fund be endorsed;*
- iv) *A further report be presented to the Civil and Environment Committee in respect of the specific projects to be funded under the Special Projects – Roads Infrastructure Fund;*
- v) *the transfers to and from Internally Restricted Assets be endorsed; and*
- vi) *the list of inclusions as included in the 2021/2022 draft Operational Plan/Budget and listed in section 4.2.2 & 4.2.3 of the report be endorsed.*

5. *That:*

- i) *The following rating categories be utilised for the 2021/2022 rating year:*

Residential – Inverell

Residential – General

Residential – Ashford

Residential – Delungra

Residential – Gilgai

Residential – Yetman

Residential - Tingha

Residential – Rural

Business – Inverell Industrial/Commercial

Business – Other

Farmland

Mining

- ii) *A General Base Amount of \$225 plus an Ad Valorem Rate be determined for the categories detailed in above.*

6. *That the Interest Rate applicable to Outstanding Rates and Charges for 2021/2022 be set at the maximum allowable rate as advised by the Office of Local Government.*

7. *That the following Waste Management Charges be adopted:*

- i) *Waste Management Charge – All Properties* \$95.00
- ii) *Waste Management Charge – All Properties* \$95.00
(Tingha Boundary Adjustment)
- iii) *Domestic Waste Management - Occupied Charge: per service per assessment* \$350.00
- iv) *Domestic Waste Management - Occupied Charge* \$350.00
Tingha Boundary Adjustment – properties with 140lt garbage bin per service per assessment

- | | | |
|-------|--|-----------------|
| v) | <i>Domestic Waste Management – Unoccupied Charge</i> | <i>\$65.00</i> |
| vi) | <i>Weekly Commercial Waste Management Charge</i> | <i>\$350.00</i> |
| | <i>(This Charge is levied per Service, and GST is charged if applicable)</i> | |
| vii) | <i>Weekly Commercial Recycling Charge (ex GST)</i> | <i>\$130.00</i> |
| viii) | <i>Fortnightly Commercial Recycling Charge (ex GST)</i> | <i>\$70.00</i> |
| | <i>(These Charge are levied per Service, and GST is charged if applicable)</i> | |

8. *That the Fees and Charges, as recommended, be adopted.*

9. *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. *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 2021/2022 be adopted and placed on public exhibition for a period of 28 days as required by Section 405 of the Local Government Act 1993.*

11. *That:*

- i) *the Sewerage Charges as listed below be adopted for 2021/2022:*

- | | | |
|---|---------------------------------------|--------------------|
| • | <i>Sewerage Charge Occupied</i> | <i>\$ 550.00</i> |
| • | <i>Sewerage Charge Unoccupied</i> | <i>\$ 345.00</i> |
| • | <i>Sewerage Charge Unoccupied</i> | <i>\$ 345.00</i> |
| | <i>–Tingha</i> | |
| | <i>Boundary adjustment</i> | |
| • | <i>Sewerage Charge Flats/Units</i> | <i>\$ 345.00</i> |
| • | <i>Sewerage Charge Nursing</i> | <i>\$ 2,585.00</i> |
| | <i>Homes</i> | |
| • | <i>Sewerage Charge Hotel/Licenced</i> | |
| | <i>Clubs</i> | <i>\$ 1,650.00</i> |

<i>Number of Services per Assessment</i>	<i>Annual Charge Per Assessment</i>
<i>1</i>	<i>\$ 550.00</i>
<i>2</i>	<i>\$ 895.00</i>
<i>3</i>	<i>\$1,240.00</i>
<i>4</i>	<i>\$1,585.00</i>
<i>5</i>	<i>\$1,930.00</i>
<i>6</i>	<i>\$2,275.00</i>
<i>7</i>	<i>\$2,620.00</i>

8	\$2,965.00
9	\$3,310.00
10	\$3,655.00
11	\$4,000.00
12	\$4,345.00
13	\$4,690.00
14	\$5,035.00
15	\$5,380.00

- Sewerage Non-Rateable Schools – WC's \$90.00 per receptacle
- Sewerage Non-Rateable Other – WC's \$150.00 per receptacle
- Sewerage Non-Rateable Urinals \$ 90.00 per receptacle

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 2021/2022:

- Motel Residence \$ 550.00
- Motel Restaurant \$ 550.00
- Motel Ensuite \$ 173.00
- Caravan Park Residence \$ 550.00
- Caravan Park Amenities \$1,650.00
- Block
- Caravan Park Ensuite \$ 173.00
- Cabins

- ii) *The Draft Estimates (incorporating Operational Plan) for the Sewerage Fund for 2021/2022 be adopted and placed on public exhibition for a period of 28 days as required by Section 405 of the Local Government Act 1993.*

12. That:

- i) *a water availability base charge of \$395.00 per assessment (Includes first water meter) be adopted for 2021/2022;*
- ii) *a water charge of \$395.00 per additional water meter, per assessment be adopted for 2021/2022;*
- iii) *a water charge of \$370.00 per assessment (includes first water meter) be adopted for properties within the Tingha Boundary Adjustment area for 2021/2022;*
- iv) *a water charge of \$370.00 per additional water meter, per assessment be adopted for properties within the Tingha Boundary Adjustment area for 2021/2022;*
- v) *a charge of \$1.72 per kilolitre be adopted for commercial water consumption for 2021/2022;*
- vi) *a charge of \$1.72 per kilolitre, 0 to 600 kilolitres and \$2.00 per kilolitre over 600 kilolitres be adopted for residential water consumption for 2021/2022;*

- vii) *a charge of \$0.90 per kilolitre be adopted for water consumption - Abattoirs, plus a 20 per cent early settlement discount for 2021/2022;*
- viii) *a charge of \$0.90 per kilolitre be adopted for Community Facilities water consumption; Eligible entities include: Inverell Minor League, Inverell Golf Club, Inverell Tennis Club, Inverell Rugby Club, Gilgai Tennis Club, Inverell Equestrian Council and Inverell Shire Council (Sporting fields and Parks) for 2021/2022;*
- ix) *a charge of \$0.44 per kilolitre be adopted for Raw Water consumption for 2021/2022; and*
- x) *the draft Estimates (incorporating Operational Plan) for the Water Fund for 2021/2022 be adopted and placed on public exhibition for a period of 28 days as required by Section 405 of the Local Government Act, 1993.*

CARRIED

4.2 HIGH SECURITY WATER CHARGE

COMMITTEE RESOLUTION

Moved: Cr Kate Dight
Seconded: Cr Paul Harmon

That the Committee recommend to Council that:

- i) *Council make a submission to IPART opposing the increase in high security water charges on the basis that the charges are not reflective of the costs involved; and*
- ii) *Council seek reconsideration of the water charges imposed by Water NSW.*

CARRIED

At 10:12 am, Cr Anthony Michael left the meeting to enable him to represent Council at the official opening of Stage 2 of the Inverell Hospital Redevelopment.

4.3 REQUEST TO CLOSE COUNCIL ROAD - RAINGERS ROAD, MOUNT RUSSELL S28.22.1/14

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon
Seconded: Cr Paul King OAM

The Committee recommend to Council that Council not accede to the request to close Raingers Road, Mount Russell.

CARRIED

4.4 RIVERSIDE RESTAURANT - LEASE S5.10.93**COMMITTEE RESOLUTION**

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

That the matter be referred to Closed Council for consideration as the matters and information are:

- a personnel matters concerning particular individuals (other than councillors).*

On balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.

CARRIED

5 INFORMATION REPORTS**COMMITTEE RESOLUTION**

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

That the information reports be received and noted.

CARRIED

5.1 SUMMARY OF ARTS NORTH WEST SUPPORT OF ARTS AND CULTURAL ACTIVITY 2020 S26.5.4**5.2 MOBILE BLACK SPOT PROGRAM S10.12.2/14****5.3 UPDATE ON CROWN LAND MANAGED BY COUNCIL S5.19.1****6 GOVERNANCE REPORTS****6.1 GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2****COMMITTEE RESOLUTION**

Moved: Cr Kate Dight

Seconded: Cr Paul King OAM

The Committee recommend to Council that:

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

CARRIED

7 CONFIDENTIAL MATTERS (COMMITTEE-OF-THE-WHOLE)

At 10.23am, the Chairperson noted that no members of the public or press were in attendance at the meeting therefore the Committee proceeded to consider the motion to close the meeting to the press and public.

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

That the Committee proceeds into Closed Committee to discuss the matters referred to it, for the reasons stated in the motions of referral.

CARRIED

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

That the Committee proceeds out of Closed Committee into Open Committee.

CARRIED

Upon resuming Open Committee at 10.47am, the Chairperson verbally reported that the Committee had met in Closed Committee, with the Press and Public excluded, and had resolved to recommend to Council the following:

7.1 RIVERSIDE RESTAURANT - LEASE S5.10.93

RECOMMENDATION:

The Committee recommend to Council that:

- i) *Council notes that the lessee ceased trading at the Riverside Restaurant on 11 April, 2021,*
- ii) *The Mayor and General Manager be delegated authority to negotiate the purchase of the lessee's restaurant equipment in accordance with a price guided by those with appropriate knowledge of the restaurant equipment market;*
- iii) *Expressions of Interest be called at the earliest opportunity for the lease of the function centre tenancy including various options to purchase/lease the equipment detailed in ii) above.*

ADOPTION OF RECOMMENDATIONS

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

That the recommendations of Closed Committee be adopted.

CARRIED

LEAVE OF ABSENCE

Cr Watts sought a leave of absence for the April Ordinary Council Meeting for personal reasons.

The Meeting closed at 10.49am.

3 DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

4 DESTINATION REPORTS

4.1 SMOKING IN THE CBD

File Number: S24.12.5 / 21/15258

Author: Paul Henry, General Manager

SUMMARY:

Council sought information on the suggestion to ban smoking in the CBD. That information is now to hand.

RECOMMENDATION:

A matter for the Committee.

COMMENTARY:

In May, 2020, Council considered a request to ban smoking in the CBD. Council resolved to seek further information on this issue.

The information sought was:

- a) Council's powers to ban smoking, and
- b) The cost of erecting signage notifying the public of a Council decision to ban smoking.

1. Legislative Setting

- a) *Smoke Free Environment Act 2000*

This Act established 'smoke free areas' in a number of enclosed public spaces (set out in schedule 1 of the Act).

The scheduled premises include:

- Swimming pools
- Dining areas
- Theatres
- Community centres
- Libraries: and
- Recreation Centres.

The Act has been amended at least 11 times since its enactment, each time adding to the 'smoke free areas', including:

- Within 10 metres of outdoor children play equipment;
- Spectator areas at public sports grounds during an organised sporting event; and
- Public transport stops.

Enforcement of the provision of the Act is conducted by NSW Health Inspectors.

- b) *Local Government Act 1993*

s.632(1) and (22)(e) of the Act empowers Councils to regulate the activities of the public by erecting signage that prohibits certain behaviours. A member of the public acting contrary to the sign is guilty of an offence.

These powers have been used by Councils to extend the ban on smoking in public places, beyond schedule 1 of the Smoke Free Environment Act.

Enforcement of any prohibited behaviour is conducted by a duly authorised Council Ordinance Officer (Ranger).

2. Cost of Signage

A survey of the 'core CBD' was undertaken to determine the number of signs required to give effect to a 'smoking ban'. A total of 50 signs would be required.

The cost of this signage is:

Aluminium signs (50)	\$2K
Poles and caps (50 x \$100)	\$5K
Labour	<u>\$2K</u>
Total	\$9K

3. Petition

Since the issue was raised, a petition from several businesses in Otho Street supporting a ban on smoking has been received - 14 signatures were recorded on the petition.

A copy of the petition has been circulated separately.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

5 INFORMATION REPORTS

5.1 BUSHFIRE COMMUNITY RECOVERY FUNDING

File Number: S15.8.110 / 21/13911

Author: Fiona Adams, Manager Integrated Planning and Reporting

SUMMARY:

Council has received confirmation that it will receive funding for two projects under the Bushfire Community Resilience and Recovery Fund Stream 2. This is a joint funding program between the Federal and State Government and will enable projects to be delivered at Ashford and Tingha.

COMMENTARY:

Council has secured funding from the Bushfire Community Recovery and Resilience Fund (Stream 2). This program is jointly funded by the Commonwealth and State Governments and supports projects which improve community wellbeing, social recovery and future disaster resilience. Council has received funding for two projects, which are detailed below.

Project 1: Tingha Recreation Reserve \$55,346

Tingha Recreation Reserve has been designated as a Neighbourhood Safer Place by the NSW Government, which means it is a place of last resort during a bushfire emergency. This project will prepare the Reserve for future emergencies by installing the following:

- Five (5) solar lights (6 metres tall) throughout reserve to improve safety after dark; and
- Four (4) showers fitted to the existing amenities block, which will be available to those taking refuge at the site and also for sporting fixtures.

Project 2: Ashford \$81,689

This project is focused on Ashford's community wellbeing and resilience to future natural disasters. There are a number of components to this project, including upgrades to Ashford Caravan Park, which has experienced a 24 per cent increase in visitation over the last 12 months. The project includes:

- Upgrade Ashford Caravan Park amenities and barbecue area;
- Donation to the Salami Festival to be held Saturday, 16 October, 2021;
- Installation of a community noticeboard; and
- Redevelopment of the Ashford Online community website.

Both projects are expected to commence before the end of May, 2021 and be completed before the end of 2021.

ATTACHMENTS:

Nil

6 GOVERNANCE REPORTS**6.1 QUARTERLY BUDGET AND OPERATIONAL PLAN 2020/2021****File Number:** S12.5.1 / 21/15061**Author:** Paul Pay, 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 the Budget Review Statement indicates that the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure, and if unsatisfactory, make recommendations for remedial action. The Committee is being asked to consider the report.

RECOMMENDATION:

The Committee recommend to Council that:

- i) Council's Quarterly Operational Plan and Budget Review for 31 March, 2021 be adopted; and*
- ii) The proposed variations to budget votes for the 2020/2021 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2021 from operations of \$3,946.*

COMMENTARY:**2020/2021 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 2020/2021 budget remains in balance (see attachment). Those items identified as requiring funding since the adoption of the 2020/2021 budget have now been funded in full.

The Budget Variations for 2020/2021 are as follows:

COMBINED FUND - BUDGET VARIATION SUMMARY REPORT
ESTIMATED CASH POSITION 30 JUNE, 2021
FOR 2020/2021 ACTIVITIES

	General	Water	Sewer	Total	
Adopted Budget 2020/2021	8,849,424	1,587,340	1,048,575	11,485,339	Deficit
Add Back Depreciation	(7,837,100)	(1,588,500)	(1,008,000)	(10,433,600)	(Non-cash)
Add Back Carry Amount Assets Sold	(578,640)	-	-	(578,640)	(Non-Cash)
Internally Restricted Cash Utilised	(434,795)		(42,250)	(477,045)	
Transferred to Internally Restricted Cash	-		-	-	
ESTIMATED CASH RESULT FOR 2019/2020 ACTIVITIES	(1,111)	(1,160)	(1,675)	(3,946)	SURPLUS
<i>2020/2021 Budget Variations Required to Maintain a Balanced Budget</i>					
REVOTES	5,837,592	2,923,867	3,145,769	11,907,228	
UNEXPENDED GRANTS	3,152,787	94,050	-	3,246,837	
Budget Review Adjustments 30-9-20	314,241	-	-	314,241	
Budget Review Adjustments 31-12-20	869,147	-	-	869,147	
Budget Review Adjustments 31-3-2021	14,100	-	-	14,100	
SUB TOTAL	10,187,867	3,017,917	3,145,769	16,351,553	
Internally Restricted Cash Utilised	(1,197,488)	-	-	(1,197,488)	
FUNDED FROM EQUITY	(8,990,379)	(3,017,917)	(3,145,769)	(15,154,065)	
NET BUDGET VARIATIONS	-	-	-	-	
REVISED CASH RESULT FOR 2020/2021 ACTIVITIES	(1,111)	(1,160)	(1,675)	(3,946)	SURPLUS

DEFINITIONS:**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.

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.

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.

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 2020/2021 continue to remain at “Zero”. Councillors will note that expenditure has increased by \$14.38M, while revenue has increased by \$13.18M. The “zero” change position is achieved by utilising Internally Restricted Assets (IRA) of \$1.2M. 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 indicates a surplus from all activities to 31 March, 2021 of \$3.678M, against a budgeted annual result of \$3,946. This current result indicates that sufficient funding remains available to fund Council's 2020/2021 continuing operations for the next 3 months to the end of the 2020/2021 Financial Year.

QUARTERLY BUDGET REVIEW REPORT:

Council's 31 March, 2021 Quarterly Combined Budget Review Summary Report and Income and Expense Statement by function are attached. 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, see attached. These restricted balances fund liabilities, future works and emergencies. The quantum of these funds adds 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 2020/2021 operations remaining unchanged following approval of the Budget Variations attached to this report. This is after transfers to/from Internally Restricted Assets and Revotes from previous years and the bringing forward of grant funding received in 2019/2020 which will be expended in 2020/2021.

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, 2021 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:

Progress on the major Road Construction Program, has been reported to Council through the Civil and Environmental Services Committee. Many of Council's revenue funded road projects will be deferred to 2021/2022 as a result of grant fund project taking priority.

A funding strategy will be presented to Council once the full extent of recent storm damage have been assessed and fully costed.

Investments:

The General Fund investments remain sound.

Council's General Fund investment portfolio of \$43M is almost entirely invested in fixed term deposits. The portfolio aligns with Council's adopted Investment Policy.

The biggest risk that Council faces over the medium-longer term in this environment is not the potential loss of capital (given all the banks are well capitalised and regulated by APRA), but the rapid loss of interest income as interest rates have plummeted (Reinvestment Risk).

Council's term deposit portfolio was yielding 1.58% p.a. at month-end, with a weighted average duration of around 311 days or 10.5 months. This average duration will provide some income protection against the low interest rate environment over the next 12 months. As existing deposits mature however, they will inevitably be reinvested at much lower prevailing rates.

Given official rates have fallen to record lows; Council is likely to see a rapid decline in interest income over future financial years. Its budgeted income over the medium-longer term needs to be revised to reflect the low interest rate environment. Returns between 0.30%-0.50% p.a. may potentially be the “norm” over the next few financial years. Council’s Investment Equalisation Reserve will help protect Council against any reinvestment risk over the short term.

Given our strong investment balances and a number of longer date term deposits yielding significantly higher returns than the current market, Council is expected to meet interest revenue targets in 2020/2021. Any additional interest received during 2020/2021 will be allocated to Council’s Investment Equalisation Reserves to help fund future budget reductions in interest revenue.

A prolonged recovery may require Council to downgrade its interest revenue target in future years. This will require Council to reduce expenditure to offset the reduced income from investment revenue. Expenditure can be reduced by cutting various programs from the budget or by reducing/freezing budget increases, that is, no CPI increases. This results in an expenditure decrease in real terms.

A copy of Council’s Cash and Investment Budget Review Statement as at 31 March, 2021 is attached. 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 investment continues 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 \$50,000 by Council during the quarter ending 31 March, 2021, other consultancy and legal expenses are summarised in the attached Consultancy & Legal Expense summary.

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 up, \$535K in 2017/2018, up \$749K in 2018/2019 and up \$685K in 2019/2020. Water Sales have declined over the last quarter largely due to extreme wet weather conditions.

The Water Fund holds investments totalling \$11.5M and cash at bank of \$1.8M.

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 2020/2021. This project is funded from Loans and Cash Reserves.

The Sewerage Fund holds Term Deposits totalling \$5M plus cash at bank of \$2.6M.

OPERATIONAL PLAN – COMBINED FUND

Overall Council’s operational and financial position in respect of its five (5) destinations is sound. The following information is provided in respect of major issues and projects that Council is leading, participating in, or delivering in 2020/2021.

Destination 1 – A recognised leader in the broader context:

- Participated in road funding meetings with the Roads and Maritime Services;
- Participated in New England High Country Destination Management Hub;
- Participated in meetings with New England Council's Joint Organisation of Councils;
- Participated in Border Region Organisation of Councils Meeting;
- Participated in NAIDOC Committee meetings;
- Participated in 2020 NAIDOC Celebrations;
- Seeking grants for the benefit of the community;
- Sponsor acquisition prize of Inverell Art Prize;
- Participated in the Northern Inland Risk Management Group;
- Audit Risk & Improvement Committee transitioning from establishment to assuming the functions of the committee;
- Host Australia Day events throughout Shire;
- Review of WHS and establishment of working group to implement reforms; and
- Completed Council Strategic Planning review of future projects for this term of Council.

Destination 2 – A community that is healthy, educated and sustained:

- Assist with Sapphire City Festival; (did not proceed due to COVID restrictions)
- Secure funding to install solar lighting at Tingha Recreation Reserve;
- Secure NSW Government funding for extension of shared path network in Inverell;
- Participation in New England Cooperative Library;
- Assist 10 community groups to apply for grant funding;
- Participation in work experience programs with local schools;
- Commence an 18 month long youth activities program;
- Completed Lake Inverell upgrade;
- Continue \$5M Upgrade of Copeton Dam Northern Foreshores;
- Secure funding for infrastructure projects including Off Leash Dog Area, Taylor Avenue Long Jump Facilities and TCRP Stage 3 - \$1.4M;
- Complete public art mural in Yetman;
- Conduct summer school holiday youth activities program;
- Install new covered grandstand and sports field irrigation at Tingha Recreation Ground;
- Complete Construction of half court basketball court in Inverell;
- Assist with the relocation of Inverell community Gardens; and
- Secure funding for bus shelters across Shire.

Destination 3 – An environment that is protected and sustained:

- Partnering with Local Land Services in River Rehabilitation & Weeds Removal Programs;
- 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 to improve riverbank environment in Inverell;
- Finalise grant funded rehabilitation of Gum Flat & Nullamanna Landfills;
- Completed LED lighting upgrade at Inverell Library;
- Commenced LED street lighting upgrade in partnership with Essential Energy; and
- Host an art competition for Tingha students K-Y6 to promote anti-litter campaign.

Destination 4 – A strong Local Economy:

- Participated in Inverell promotional activities with the Inverell Chamber of Commerce and Industry;
- Complete Stage 3 TCRP upgrade in Byron Street;
- Supported small business in Inverell Shire through small grants program;
- Facilitated round one of Sapphire Wind Farm Community Benefit Fund;
- Partnered with 'Buy from the Bush' to host small business workshops;
- Commenced management of Tingha Gems Caravan Park;
- Supported the Chamber's "Choose Inverell" campaign;
- Commenced \$5M upgrade of Copeton Northern Foreshores, funded by NSW Government;
- Completed Inverell RLX \$8.5M upgrade of saleyards;
- Commenced redevelopment of Tourism Inverell website; and
- New television campaign to promote Inverell.

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 2020/2021 bitumen reseal program;
- Completed 2019/2020 Financial Statements – sound financial result achieved;
- Progressing with upgrade works at the Inverell Sewerage Treatment Plant;
- Commenced permanent water conservation measures and education campaign;
- Complete RMS Drought Relief-Heavy Vehicle Access funding for upgrade works on Jardine Road;
- Complete construction of Inverell Sports Complex Athletics Precinct;
- Secured State Government funding for SH12/Tingha bridge roundabout;
- Commence upgrade of Mathers Bridge, Nullamanna;
- Completed refurbishment of public amenities in Sinclair Park;
- Commenced refurbishment of public amenities in Campbell Park;
- Install permanent shade shelters at Ashford Pool and Ashford Skate Park;
- Complete upgrade at Ashford Water Treatment Plant;
- Commence upgrade of Bonshaw Water Supply;
- Secure funding to upgrade Ashford Caravan Park;
- Commenced LED Street Lighting Upgrade; and

- Completed installation of 4 bus shelters under the Country Passenger Transport Infrastructure Program.

Also attached is a copy of Council's Key Financial Performance Indicators.

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, 2021 indicates that Council's projected financial position at 30 June, 2021 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 2020/2021 budget in balance, with an indicative surplus of \$3,946.

LEGAL IMPLICATIONS:

Council is required to comply with the provisions of the *Local Government Act, 1993* and Local Government Regulation, 2005 in these matters.

ATTACHMENTS:

1. QBRs Attachments March 2021

BUDGET VARIATIONS - FINANCE MEETING 12-5-2021			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
<i>Increase/Decrease in INCOME</i>			
122460-1000	Grant Repair Program	(10,839)	Reduction in Repair Program Grant - No CPI increase during 2020-2021
121214-1000	Grant-Department of Regional NSW	10,000	Grant-Department of Regional NSW - Summer break activities
145878-1000	Income-Road Safety Program (Stimulus Commitment) 2020/21	167,581	Grant - Road Safety Program - Gwydir Highway shared path, Campbell Street pedestrian safety.
121110-1000	Grant RFS	(1,200)	Reduction in grant allocation
121120-1000	Grant RFS equipment issues	13,521	Increase in grant for equipment issues
121121-1000	Grant RFS Capital items	312,600	Increase in grant for Capital items. Includes replacement of three RFS trucks and Nullamanna RFS Shed
122370-5999	Grant - SH12 Ordered Works	1,191,462	Grant funded works on SH12
123360-1000	Paid Parental Leave Scheme - Reimbursement	21,180	Government funded maternity leave
100000-1000	Clerk Certicates S603	8,230	Additional S603 certificates
128410-1000	Private works income	119,650	Private Works - Tindall Subdivision
TOTAL INCREASE IN INCOME		1,832,185	Positive figure indicates increased income,(Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>			
143135-1100	RP-MR73 - Bundarra Road - 1km to 2.3km from Int/sect of Gwy	(21,678)	Reduction in Repair Program Grant - No CPI increase during 2020-2021
137561-1100	Block Grant-Total Allocation-Capital Exps	10,839	Reduction in Repair Program Grant - No CPI increase during 2020-2021 - Restore Block Grant Allocation
148023-1000	Grant Exps-Department of Regional NSW-Summer Break Activitie	10,000	Grant - Department of Regional NSW-Summer Break Activities
145879-1000	Exps-Road Safety Program (Stimulus Commitment) 2020/21	167,581	Grant - Road Safety Program - Gwydir Highway shared path, Campbell Street pedestrian safety.
132550-5510	RFS - Stations & Sheds	(1,200)	Reduction in grant allocation
159140-1000	RFS - Equipment Issues	13,521	Increase in grant for equipment issues
159141-4450	RFS - Capital purchases	312,600	Increase in grant for Capital items. Includes replacement of three RFS trucks and Nullamanna RFS Shed
140790-1100	SH12 W/O - Elsmore Road Pavement Safety Treatment works	1,191,462	Grant funded works on SH12
160538-1000	Sports Complex Upgrade-Athletics Precinct	25,000	Additional works to complex Athletic Precinct for School carnivals
148420-1000	DCES Special Projects	(25,000)	funding for above
160850-3200	Council Depots Improvements/Upgrades	14,100	3000L Diesel fuel tank for Tingha Depot
130390-1000	Subs to LG Association	3,030	Additional costs incurred
136270-1000	Rural addressing of Shire	3,700	Bulk purchase of supplies
131030-1000	Chambers - Furniture & Fittings	6,250	New Office furniture
132490-1000	Life Education Van Exps	2,000	Maintenance Costs
146480-1000	Work Health & Safety	6,500	Staff respiratory Health monitoring
160540-1000	Sporting Fields Upgrade - Operational Expenses	7,930	Maintenance of trees at Inverell Sporting Complex
137150-3600	Passive Parks - Ashford	6,800	Additional mowing
137140-5790	Sporting Fields - Ashford	(1,500)	Funding for above
137154-1000	Passive Parks - Pindari Dame	(5,300)	Funding for above
146300-4500	Ashford Depot	15,000	Bitumen resealing works
139280-1000	Rural Seal Bitumen Mtc	(7,500)	Funding for above
151131-1000	Buildings/Facilities-Minor Upgrades	(7,500)	Funding for above
137280-3001	Street Mowing	1,500	Additional slashing
137155-1000	Passive Parks Rest Areas North	(1,500)	Funding for above
137281-3200	Street Mowing - Tingha	2,500	Additional slashing
137342-1000	Copeton Dam - Tingha	(2,500)	Funding for above
139160-1000	Roadside Growth Control South	11,600	Additional slashing
139150-1000	Roadside Growth Control - Clear Zone Protection	(11,600)	Funding for above
139190-3200	Rural Seal Drainage Streets	3,200	Additional drainage maintenance
140150-1000	Drainage Structures	(3,200)	Funding for above
137630-1120	BLK TR 73 Bundarra/Inverell	91,650	Additional bitumen seal maintenance works
137680-1120	BLK MR137 South Inverell/Bonshaw	25,650	Additional bitumen seal maintenance works
137660-1120	BLK-MR 135 - West Of Guyra	(117,300)	Funding for above
140120-1000	Gravel Patching South	60,150	Storm Damage (Jan 21) Burts Lane
140190-1000	Gravel resheeting Minor roads South	(60,150)	Funding for above
148800-1000	Private Works South	119,650	Private Works - Tindall Subdivision
135900-1000	Urban Drainage Maint	43,420	Additional drainage maintenance
140500-1000	Kerb & Gutter Maintenance	(43,420)	Funding for above
140520-3100	Village Unpaved Footpaths	10,100	Roadside slashing
148408-1000	SRV Maintainence allocation	(10,100)	Funding for above
140540-1000	Tree Plant & Plat Mtc	9,150	Tree Removal due to drought
123120-1000	Income - Grant Jobstart Incentives	(9,150)	Funding for above
TOTAL INCREASE IN EXPENDITURE		1,846,285	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
NET CHANGE TO CURRENT BUDGET (Surplus)/Deficit		14,100	Positive figure indicates increased expenditure, (Negative) figure decreased expenditure)
<i>Restricted Assets</i>			
161680-6220	Plant Replacement	14,100	Funding from Plant IRA for Tingha depot fuel tank
TOTAL FUNDING FROM RESTRICTED ASSETS		14,100	
FUNDED FROM EQUITY (G5795.000)			
NET CHANGE TO CURRENT BUDGET (Surplus)/Deficit		-	

WATER FUND			
Increase/Decrease in INCOME			
812260-1000	Water meter installations / Repairs	5,300	New installations
812270-1000	Contribution to works (Sec 64)	13,150	Additional Income
TOTAL INCREASE IN INCOME		18,450	Positive figure indicates increased income,(Negative) figure indicates decreased income)
Increase/Decrease in EXPENDITURE			
814630-1000	Reservoir - Gilgai	1,500	Additional maintenance costs
814810-1000	Pump Station - Copeton PS2	11,650	
812530-1000	Water Meter Installations / Repairs	5,300	New installations
TOTAL INCREASE IN EXPENDITURE		18,450	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			
906220-1000	Application Fees - Sewer Plans	2,750	Additional Income
TOTAL INCREASE IN INCOME		2,750	Positive figure indicates increased income,(Negative) figure indicates decreased income)
Increase/Decrease in EXPENDITURE			
906470-1000	Pumping Station & Plant	2,750	Additional maintenance costs
TOTAL INCREASE IN EXPENDITURE		2,750	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)

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31-3-2021
CONSOLIDATED INCOME AND EXPENSE STATEMENT

	ORIGINAL BUDGET 2020/2021 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2020/2021 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2020 Review (000's)	Dec 2020 Review (000's)	Mar 2021 Review (000's)	June 2021 Review (000's)					
INCOME												
Rates & Annual Charges	22,247			85	22			22,354		22,354	22,345	99.96%
User Charges & Fees	4,223			1,177	338			5,738	1,325	7,063	2,785	39.43%
Interest	867							867		867	859	99.08%
Other revenues from ordinary activities	544				68			612	24	636	545	85.69%
Grants & Contributions provided for non capital purposes	10,323			3,359	126			13,808	28	13,836	11,002	79.52%
Grants & Contributions provided for Capital Purposes	7,452			6,026	310			13,788	482	14,270	3,445	24.14%
Gain from the sale of assets	102							102		102	82	80.39%
Gain from interest in joint ventures & associates	-							-				
TOTAL INCOME FROM CONTINUING OPERATIONS	45,758	-	-	10,647	864			57,269	1,859	59,128	41,063	71.70%
EXPENSES												
Employee Costs	14,855	308		1,168	(23)			16,308	467	16,775	10,331	61.59%
Borrowing Costs	109							109		109	73	66.97%
Materials and Contracts	8,045	2,129	978	3,224	422			14,798	954	15,752	7,556	47.97%
Depreciation	10,434							10,434		10,434	7,826	75.00%
Other Expenses from ordinary activities	4,699	212		126	49			5,086	3	5,089	3,563	70.01%
Loss from the disposal of assets	-							-		-	-	-
Loss from interest in joint ventures & associates	-							-		-	-	-
TOTAL EXPENSES FROM CONTINUING OPERATIONS	38,142	2,649	978	4,518	448	-	-	46,735	1,424	48,159	29,349	62.80%
NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)	7,616	(2,649)	(978)	6,129	416	-	-	10,534	435	10,969	11,715	111.21%
ADD BACK Non Cash Amounts												
Depreciation	10,434							10,434	-	10,434	7,826	75.00%
Carrying Amount of Assets Sold	578							578		578	270	46.71%
Capital Amounts	18,628	(2,649)	(978)	6,129	416	-	-	21,546	435	21,981	19,810	91.94%
Repayments by deferred Debtors	-											
Acquisition of Assets	(18,475)	(9,259)	(2,269)	(6,443)	(1,285)			(37,731)	(449)	(38,180)	(15,615)	41.39%
Loan Repayments	(626)							(626)		(626)	(517)	82.59%
Advance to Deferred Debtors												
Loan Funds												
Less Net Transfers to IRA	477			314	869			1,660	14	1,674		0.00%
Plus Equity Funding	-	11,908	3,247					15,155		15,155		0.00%
Unallocated Consolidation Net Profit/(Loss)	4	-	-	-	-	-	-	4	-	4	3,678	
NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)	164							164		164	8,270	

* Favourable / (Unfavourable) variance

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

Item	Explanation
INCOME	
Rates & Annual Charges	Includes rate levy for 2020/2021
Interest Revenue	Council's portfolio is current yielding better than anticipated. Any surplus interest revenue will be transferred to the Interest Equalisation Reserve at years end
Grants & Contributions provided for Capital Purposes	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 2020/2021 budget have now been funded.

INVERELL SHIRE COUNCIL

BUDGET REVIEW FOR THE QUARTER ENDED 31-3-2021

INCOME & EXPENSES BY FUNCTION

	ORIGINAL BUDGET 2020/2021 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2020/2021 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET (000'S)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2020 Review (000's)	Dec 2020 Review (000's)	Mar 2021 Review (000's)	June 2021 Review (000's)					
EXPENSES												
Governance	254							254		254	126	49.61%
Administration	7,434	282	45					7,761	31	7,792	3,631	46.60%
Public Order and Safety	1,109	30		137				1,276	9	1,285	889	69.18%
Health & Environment	3,760	50	95	197	-7			4,095	43	4,138	3,073	74.26%
Community Services and Education	105	111						216	2	218	27	12.39%
Housing and Community Amenities	1,166	47	90	419				1,722	10	1,732	1,291	74.54%
Water Supplies	3,741			10	32			3,783	18	3,801	2,746	72.24%
Sewerage and Drainage Services	1,985				23			2,008	3	2,011	1,531	76.13%
Recreation and Culture	2,556	407	30	27				3,020	4	3,024	1,910	63.16%
Mining, Manufacturing and Construction	433	50						483		483	320	66.25%
Transport and Communication	6,342	929	718	3,733	331			12,053	1,217	13,270	7,719	58.17%
Economic Affairs	1,498	742		-5	69			2,304	87	2,391	1,041	43.54%
TOTAL EXPENSES	30,383	2,648	978	4,518	448	0	0	38,975	1424	40,399	24,304	60.16%
REVENUES												
Governance	-							-		-	-	-
Administration	26,579			138				26,717	39	26,756	22,085	82.54%
Public Order and Safety	391							391	321	712	205	28.79%
Health & Environment	4,357			100	(7)			4,450		4,450	4,413	99.17%
Community Services and Education	24							24		24	20	83.33%
Housing and Community Amenities	300			2,273				2,573	10	2,583	1,769	68.49%
Water Supplies	5,044			104	164			5,312	18	5,330	3,931	73.75%
Sewerage and Drainage Services	2,880				23			2,903	3	2,906	2,882	99.17%
Recreation and Culture	4,708			278	32			5,018		5,018	1,503	29.95%
Mining, Manufacturing and Construction	212							212		212	209	98.58%
Transport and Communication	6,195			7,754	433			14,382	1,348	15,730	7,706	48.99%
Economic Affairs	342				219			561	120	681	494	72.54%
TOTAL REVENUE	51,032	-	-	10,647	864	-	-	62,543	1,859	64,402	45,217	70.21%
OPERATING RESULT: (Surplus)	(20,649)	2,648	978	(6,129)	(416)	-	-	(23,568)	(435)	(24,003)	(20,913)	
Depreciation	10,434							10,434		10,434	7,826	75.00%
Increase in Employee Leave Entitlements	2,702							2,702		2,702	1,455	53.85%
(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS	(7,513)	2,648	978	(6,129)	(416)	-	-	(10,432)	(435)	(10,867)	(11,633)	
Carrying Amount of Assets Sold	578							578		578	270	46.71%
Proceeds Sale of Assets	(681)							(681)		(681)	(352)	51.69%
Cost Real Estate Assets Sold								-		-		
Loan Funds Used								-		-		
Other Debt Finance								-		-		
Repayments by Deferred Debtors								-		-		
Acquisition of Assets	18,475	9,259	2,269	6,443	1,285			37,731	449	38,180	15,615	40.90%
Development of Real Estate								-		-		
Advance to Deferred Debtors								-		-		
Repayment of Loans	626							626		626	517	82.59%
Repayment of Other Debts								-		-		
ESTIMATED BUDGET RESULT: (SURPLUS)/DEFICIT	11,485	11,907	3,247	314	869	-	-	27,822	14	27,836	4,418	
ADD BACK Non Cash Amounts												
Depreciation	10,434							10,434		10,434	7,826	
Carrying Amount of Assets Sold	578							578		578	270	
Plus Net Transfers	(477)			(314)	(869)			(1,660)	(14)	(1,646)		
Plus Equity Funding**		-11,907	-3,247					-15,154		-15,154		
BUDGET (SURPLUS)/DEFICIT	(4)	-	-	-	-	-	-	(4)	-	24	(3,678)	
** Equity Funding is Unexpended Grants, Contributions and incomplete works from pervious years were money is held in equity at end of year												
Transfers to Internally Restricted Assets	0							0		0	0	
Transfers from Internally Restricted Assets	477			314	869			1,660	-14	1,646	1,646	99.16%
Net Transfers	(477)	-	-	(314)	(869)	-	-	(1,660)	14	(1,646)	(1,646)	

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

Item	Explanation
EXPENSES	
Community Services and Education	Building maintenance on Linking together building not yet commenced.
INCOME	
Administration	Includes entire rate levy for 2020/21
Public Order & Safety	Bush Fire Subsidies not received until March 2021
Health & Environment	Includes entire DWM levy Chagres for 2020/21
Sewerage and Drainage Services	Includes entire annual sewer charges levy for 2020/21

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 2020/2021 budget have now been funded.

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2021
CAPITAL BUDGET

	ORIGINAL BUDGET 2020/2021 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2020/2021 (000's)	ACTUAL YTD (000's)
		Revotes	Unexpended Grants	Sept 2020 Review	Dec 2020 Review	Mar 2021 Review	June 2021 Review				
		(000's)	(000's)	(000's)	(000's)	(000's)	(000's)				
CAPITAL FUNDING											
Rates and Other untied Funding											
General Fund	3,899							3,899	(35)	3,864	3,864
Sewer Fund	670							670		670	670
Water Fund	884							884		884	884
								-			
Capital Grants & Contributions								-			
Bushfire	197							197	313	510	47
Sporting Fields	10			60				70		70	70
Library	25			38				63		63	63
Roads	5,944			5,296	102			11,342	157	11,499	3,846
Open Space	4,500			520				5,020		5,020	3,473
Aerodrome				218				218		218	133
Water				94	132			226		226	126
Other					182			182		182	75
								-			
Internal Restricted Assets								-			
Aerodrome				217				217		217	217
Plant Replacement	2,346				83			2,429	14	2,443	2,429
Roads Program					556					-	556
Sewerage Future Capital Works								-		-	
Water Future Capital Works								-		-	
Strategic Capital Projects Fund								-		-	
Other					230			230		230	230
Loan Funding								-		-	
Equity (Unexpended Grants and Contributions from pervious years)		9,259	2,269					11,528		11,528	11,528
TOTAL CAPITAL FUNDING	18,475	9,259	2,269	6,443	1,285			37,731	449	37,624	28,211
CAPITAL EXPENDITURE											
Administrative Services	15							15		15	3
Aerodrome				435				435		435	251
Engineering Equipment	2							2		2	1
SES/Bushfire	204							204	313	517	47
Information Services	147	76						223		223	124
Sporting Fields	24			60				84	25	109	28
Cemetery	10							10		10	8
Library	127	8	15	38				188		188	104
Open Space		75	70	126	14			285		285	271
Plant	3,026	100			83			3,209		3,209	3,094
Minor Community Infrastructure Assets	4,720	570	182	394	398			6,264	14	6,278	4,068
Strategic Capital Infrastructure Program	360							360		360	-
Sewerage Services	670	2,924						3,594		3,594	210
Water Services	884	3,146	94	94	132			4,350		4,350	217
Roads	8,286	2,360	1,908	5,296	658			18,508	97	18,605	7,189
TOTAL CAPITAL EXPENDITURE	18,475	9,259	2,269	6,443	1,285			37,731	449	38,180	15,615

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 2020/2021 budget have now been funded.

CAPITAL EXPENDITURE 2020/2021

PROGRAM	LEDGER NUMBER	DESCRIPTION	ORIGINAL CAPITAL BUDGET		ADJUSTED CAPITAL BUDGET		Classification	% Complete	FUNDING			AMOUNT
			AMOUNT	SECTION TOTAL	AMOUNT	SECTION TOTAL						
ADMINISTRATIVE SERV.	159060-1000	OFFICE FURNITURE & EQUIPMENT-DESKS, CHAIRS	5,200		5,200		Renewal	0%				
	134940-1000	ACQUISITION OF ART PRIZE	4,500		4,500		New Asset	73%				
	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	New Asset	25%				
BUSH FIRE	159141-1000	EQUIPMENT ISSUES	197,400	197,400	510,000	510,000	Renewal	RFS	GRANT	121121-1000		510,000
SES	132851-4450	SES BUILDING UPGRADE	7,150	7,150	7,150	7,150	Renewal	0%				
INFORMATION SERVICES	130101-1000	COMPUTER EQUIPMENT	44,290		120,290		Renewal	97%				
	130101-4910	COMPUTER EQUIPMENT	32,000		32,000		Renewal	0%				
	130111-5130	COMPUTER EQUIPMENT - NEW PRINTING EQUIPMENT	39,200		39,200		Renewal	11%				
	130111-5162	COMPUTER EQUIPMENT - NEW HARDWARE	32,000	147,490	32,000	223,490	Renewal	6%				
SPORTING FIELDS	160660-1100	SPORTS GROUND IMPROVEMENT-SPORT CNL.	20,000		20,000		New Asset	0%	CONTRIBUTION	127090-1000		10,000
	134929-1000	EQUESTRIAN CENTRE UPGRADE	4,000	24,000	4,000		Renewal	0%				
	139458-1000	LRCIP - LONG JUMP FACILITY - INVERELL COMPLEX			60,000		New Asset	46%	GRANT	121898-1000		60,000
	160538-1000	SPORTS COMPLEX - ATHLETIC PRECINCT			25,000	109,000	Renewal	0%				
PASSIVE PARKS	160560-1000	TINGHA SKATE PARK			4,310		New Asset	100%				
	139457-1000	LRCIP - OFF LEASE DOG EXERCISE AREA			75,000		New Asset	64%	GRANT	121898-1000		75,000
	160562-1000	CAMPBELL PARK - PLAYGROUND EQUIPMENT			75,000		Renewal	75%				
	160667-1000	ACTIVATING YOUTH FRIENDLY OPEN SPACE			116,722		New Asset	100%	GRANT	121212-1000		157,555
	160761-1000	INVERELL SKATE PARK			14,165	285,197	New Asset	100%				
CEMETERY	136391-4450	CEMETERY	10,250	10,250	10,250	10,250	New Asset	80%				
LIBRARY	160180-1100	LIBRARY-CORPORATE SERVICE COLLECTION	1,490		1,490		Renewal	0%				
	160190-1000	LIBRARY BOOKS	62,360		70,706		Renewal	64%				
	160200-1000	LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION			23,190		Renewal	100%				
	160240-1000	NON BOOK MATERIALS-VIDEOS CASSETTES ETC.	10,210		10,210		Renewal	81%				
	160245-1000	LIBRARY - OFFICE EQUIPMENT	2,000		2,000		Renewal	0%				
	160270-1000	LIBRARY SECURITY SYSTEM	2,380		2,380		Renewal	0%				
	160395-1000	LIBRARY-SPECIAL GRANT PROJECT	25,000	126,630	78,304	188,280	Renewal	35%	GRANT	160389-1000		62,987
	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE PROGRAM	360,000	360,000	360,000	360,000	New Asset	0%				
OTHER INFRASTRUCTURE ASSETS	129381-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS	180,000		194,027		New Asset	48%				
	159772-1000	ENERGY EFFICIENCY PROGRAM	40,000		112,333		New Asset	0%				
	160665-1000	COPETON NORTHERN FORESHORES UPGRADE	4,500,000		4,836,094		Renewal	69%	GRANT	122911-1000		4,500,000
	132501-1000	CHRISTMAS DECORATIONS			4,000		New Asset	0%				
	134326-1000	VILLAGE SIGNAGE			29,559		New Asset	0%				
	137373-1000	INVERELL COMMUNITY GARDENS			26,322		New Asset	100%				
	148004-1000	BUSFIRE COMMUNITY RESILIENCE GRANTS			19,403		Renewal	100%				
	148005-1000	DROUGHT COMMUNITIES PROGRAM 2			209,400		Renewal	96%	GRANT	121994-1000		142,000
	137375-1000	LAKE INVERELL UPGRADE		4,720,000	366,551		New Asset	99%	GRANT	121211-1000		299,746
	147835-1000	TINGHA CARAVAN PARK			150,000		Renewal	0%	GRANT	121987-1000		150,000
	159000-1000	STRATEGIC LAND PURCHASES			315,000		New Asset	100%	IRA			230,000
	160850-3200	TINGHA DEPOT IMPROVEMENTS			14,100	6,276,789	New Asset	100%	IRA			14,100
AERODROME	147124-1000	AERODROME - INVERELL			435,364	435,364	New Asset	58%	GRANT IRA	121988-1000		217,682 217,682
PLANT	161590-1000	SMALL PLANT	80,000		262,990		Renewal	66%	PLANT REPLACE. IRA	161680-6220		3,208,990
	161610-1000	WORKSHOP EQUIPMENT	40,000		40,000		Renewal	0%	Less Sales			(680,500)
	161600-1000	LIGHT CARS/TRUCKS	985,000		985,000		Renewal	71%				2,528,490
	161620-1000	HEAVY PLANT	1,921,000	3,026,000	1,921,000	3,208,990	Renewal	100%				
									TOTAL GRANT / OTHER FUNDING			6,184,970
									LOAN FUNDS			
									TOTAL 19/20 UNEXPENDED GRANTS			266,665
									TOTAL REVOTES/EQUITY			829,338
									TOTAL IRA FUNDING			2,976,172
	TOTAL		8,635,720	8,635,720		11,631,310			REVENUE FUNDING REQUIRED			1,374,165
SEWERAGE	907170-1000	OTHER EQUIPMENT	14,000		24,000		Renewal	0%	CAPITAL WORKS IRA	907360-6220		-
	907110-1100	MAINS RELINING PROGRAM	120,000		359,447		Renewal	18%				
	906541-1100	FITTING AND INSTALLATIONS	10,000		10,000		Renewal	0%				
	907250-3100	RETICULATION MAINS	107,690		274,085		Renewal	0%				
	907321-3100	SEWER TREATMENT WORKS - INVERELL			1,203,989		Renewal	0%				
	907320-3070	SEWER TREATMENT WORKS - GILGAI	100,000		180,000		Renewal	0%				
	907321-3100	SEWER TREATMENT WORKS - DELUNGRA	-		100,000		Renewal	0%				
	907270-1000	PUMPING STATIONS	318,000		1,174,800		Renewal	0%				
	907272-1000	TELEMENTRY UPGRADES	-		345,938		Renewal	6%	TOTAL 19/20 UNEXPENDED GRANTS			-
	907322-1000	PUMP STATIONS/PODS REPLACEMENTS TINGHA			143,200		Renewal	87%	TOTAL IRA FUNDING			-
									LOAN FUNDS			-
									TOTAL REVOTES/EQUITY			3,145,769
	TOTAL		669,690	669,690		3,815,459			REVENUE FUNDING REQUIRED			669,690
WATER	813220-1100	MAINS REPLACEMENT - INVERELL	118,460		172,145		Renewal	14%				
	813230-3100	MINOR MAINS EXTENSIONS-INVERELL	53,840		53,840		New Asset	0%	CAPITAL WORKS IRA	813380-6220		-
	813282-1000	PUMP STATION UPGRADES	50,000		463,716		Renewal	16%				
	813290-3100	OTHER EQUIPMENT	11,000		50,474		Renewal	0%				
	813285-1000	BACKFLOW PREVENTION	50,000		878,750		Renewal	0%				
	813260-3001	TREATMENT PLANTS	292,000		1,337,972		Renewal	1%				
	813342-1000	RESERVOIRS CAPITAL UPGRADES	235,000		235,000		Renewal	2%				
	813288-1000	TELEMENTRY UPGRADES			538,101			13%				
	813344-1000	DROUGHT COMMUNITIES PROGRAM 2			188,100		New Asset	0%	GRANT	812232-1000		94,050
	813280-3100	METERING - INVERELL	73,900		210,669		Renewal	17%				
									TOTAL 19/20 UNEXPENDED GRANTS			94,050
									TOTAL IRA FUNDING			-
									TOTAL GRANT / OTHER FUNDING			94,050
									TOTAL REVOTES/EQUITY			2,923,867
	TOTAL		884,200	884,200		4,128,767			REVENUE FUNDING REQUIRED			1,016,800
ROADS	135960-3100	URBAN DRAINAGE RECONSTRUCTION-Construction Costs	146,000		476,256		Renewal	11%				
	138270-1000	URBAN WORKS PROGRAM	521,680		399,680		Renewal	0%				
	141331-4450	CBD WORKS	19,090		19,090		Renewal	0%				
	145650-1000	CYCLEWAY/FOOTPATH	49,000		60,110		New Asset	50%				
	145868-1000	ACTIVE TRANSPORT PROGRAM (PAMP)			203,711		New Asset	1%	GRANT	145867-1000		101,711
	160280-1000	CBD CARPARK UPGRADES			94,090		Renewal	0%				
	142007-000	COUNTRY LANE UPGRADE			208,236		Renewal	64%				
	137561-1000	BLOCK GRANT WORKS	658,495		721,906		Renewal	96%	GRANT	122400-4450		658,495
	138691-1000	ACRD GRANT WORKS	1,911,050		2,979,900		Renewal	53%	GRANT	122760-1000		1,911,050
	138730-4450	3x4 GRANT WORKS	160,000		-		Renewal	0%	GRANT	122860-4450		160,000
	138280-1000	REPAIR PROGRAM WORKS	1,111,664		1,089,986		Renewal	100%	GRANT	122460-1000		1,111,664
	138400-1000	ROADS TO RECOVERY PROGRAM WORKS	2,103,082		2,832,869		Renewal	81%	GRANT	122880-1000		2,832,869
	139120	VILLAGES DEVELOPMENT WORKS	45,540		134,034		Renewal	7%	GRANT	121989-1000		1,275,000
	139200-1000	VILLAGES BITUMEN RESEALS	25,350		50,080		Renewal	0%	GRANT	122911-1000		3,665,000
	140110-1100	GRAVEL RESHEETING MINOR ROADS	44,220		88,440		Renewal	0%				
	140190-1000	GRAVEL RESHEETING MINOR ROADS	144,090		83,940		Renewal	34%				
	145879-1000	ROAD SAFETY PROGRAM			167,581		New Asset	4%	GRANT	145878-1000		167,581
	139404-6445	F4F - ROAD BACKLOG HEAVY PATCHING/STABILISATION	1,005,500		2,438,880		Renewal	2%	IRA			556,157
	139433-1000	SPECIAL PROJECTS - ROADS INFRASTRUCTURE FUND	341,055		388,024		Renewal	51%	TOTAL 19/20 UNEXPENDED GRANTS			1,908,335
	139450-1000	WALKERS BRIDGE UPGRADE			671,570		Renewal	19%	TOTAL GRANT FUNDING			11,715,789
	139428-1000	RESTART NSW - MR187 YETMAN ROAD UPGRADE			3,665,000		Renewal	0%	TOTAL IRA FUNDING			556,157
	139456-1100	LRCIP - TAYLOR AVENUE/MR187 INTERSECTION			275,000		Renewal	6%				
	141344-1100	TOWN CENTRE RENEWAL			1,556,157		Renewal	63%				
									TOTAL REVOTES/EQUITY			2,359,475
	TOTAL		8,285,816	8,285,816		18,604,540			REVENUE FUNDING REQUIRED			2,064,784
		TOTAL ACQUISITION OF ASSETS		18,475,426		38,180,076						
		TOTAL ASSET RENEWALS		17,730,736		35,058,406						
		TOTAL NEW ASSETS		744,690		3,121,670						
									TOTAL IRA FUNDING			3,532,329
									GRANT FUNDING			17,994,809
									LOAN FUNDING			-
									TOTAL 19/20 UNEXPENDED GRANTS			2,269,050
									TOTAL REVOTES/EQUITY			9,2

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2021
CONTRACTS

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
SMEC Australia	Design Roundabout Gwydir highway	\$ 369,316.21	19-April-2021	6 Months	Y
ABB Australia Limited	Variable speed drive - PS No1	\$ 211,534.00	10-March-2021	3 Months	Y
Ozwide Bridge Rail & Civil P/L	Myall Creek Bridge Repairs	\$ 107,393.00	20-January-2021	6 Months	Y
Irwin Fencing P/L	Supply and install Guard Rail	\$ 85,638.00	11-March-2021	3 Months	Y
Aquatec Fluid Systems P/L	Aquatek One 2000 Series - Sewer upgrade kits	\$ 59,727.00	11-January-2021	3 Months	Y
FLEET PURCHASES					
Wideland Truck & Machinery	IVECO Daily 50C18 Dual Cab	\$ 123,157.00	17-February-2021	3 Months	Y
Wideland Truck & Machinery	IVECO Daily 50C18 Single Cab	\$ 99,961.19	17-February-2021	3 Months	Y
Tait Hino (Inverell)	Hino 300 Series 616	\$ 60,005.00	31-March-2021	3 Months	Y
New England Toyota	Toyota Hilux 4x4 SR	\$ 53,670.90	31-March-2021	2 Months	Y
Gaukrogers Sales P/L	Isuzu D-Max 21MY 4x4	\$ 52,916.00	31-March-2021	2 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.
3. Contracts for employment are not included

Explanation of Unbudgeted Contracts

No unbudgeted contracts as at 31 March 2021

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2021
CONSULTANCY & LEGAL EXPENSES

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
CONSULTANCIES		
Heritage Advisor	14,085.00	Y
Waste Management	14,036.37	Y
Investment Advisor	7,499.88	Y
Sewer Civil Works	12,890.00	Y
Dam Investigations (Lake Inverell)	15,800.00	Y
Wing Hing Long Plan	15,396.00	Y
LEGAL FEES	7,196.35	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. Generally 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 2021

**INVERELL SHIRE COUNCIL
INVESTMENTS HELD 31-03-2021**

Term Deposit Investment Group								
<i>Investment</i>	<i>Borrower</i>	<i>FUND</i>	<i>Purchase Date</i>	<i>Maturity Date</i>	<i>Current Yield</i>	<i>Principal Value</i>	<i>Current value</i>	<i>Term (days)</i>
19/30	Rural Bank	General	17-Apr-19	19-Apr-21	2.63%	1,000,000	1,000,000	733
20/34	Macquarie Bank	General	17-Apr-20	19-Apr-21	1.74%	2,000,000	2,000,000	367
21/04	Bank of Sydney	General	27-Aug-20	27-May-21	1.00%	1,000,000	1,000,000	273
20/39	ING BANK	Sewer	27-May-20	27-May-21	1.10%	1,000,000	1,000,000	365
20/40	ING BANK	Water	27-May-20	27-May-21	1.10%	1,000,000	1,000,000	365
19/33	Westpac Bank	Water	27-Jun-19	27-Jun-21	2.30%	2,000,000	2,000,000	731
20/43	National Australia Bank	Water	26-Jun-20	28-Jun-21	0.95%	1,000,000	1,000,000	367
20/02	Bank of Queensland	General	17-Jul-19	19-Jul-21	2.00%	1,500,000	1,500,000	733
21/02	Bank of Sydney	General	31-Jul-20	30-Jul-21	0.95%	1,000,000	1,000,000	364
20/03	Bank of Queensland	General	27-Aug-19	27-Aug-21	1.75%	2,000,000	2,000,000	731
21/05	Bank of Sydney	Water	17-Sep-20	17-Sep-21	0.94%	1,000,000	1,000,000	365
20/33	AMP Bank	General	24-Mar-20	24-Sep-21	1.80%	1,000,000	1,000,000	549
20/08	AMB - Australian Military Bank	Sewer	30-Sep-19	30-Sep-21	1.77%	1,500,000	1,500,000	731
21/06	St George Bank	General	06-Oct-20	06-Oct-21	0.75%	1,000,000	1,000,000	365
19/10	Westpac Bank	General	25-Oct-18	25-Oct-21	2.97%	2,000,000	2,000,000	1096
21/07	Community First Credit Union	General	25-Nov-20	25-Nov-21	0.65%	1,000,000	1,000,000	365
20/35	AMP BANK	General	25-May-20	25-Nov-21	1.65%	1,000,000	1,000,000	549
20/36	AMP BANK	Water	25-May-20	25-Nov-21	1.65%	1,000,000	1,000,000	549
20/37	AMP BANK	General	25-May-20	25-Nov-21	1.65%	1,000,000	1,000,000	549
20/41	AMP BANK	General	10-Jun-20	10-Dec-21	1.60%	2,000,000	2,000,000	548
21/09	Warwick Credit Union	General	20-Jan-21	20-Jan-22	0.80%	1,000,000	1,000,000	365
20/30	Auswide Bank	General	02-Mar-20	02-Mar-22	1.75%	2,000,000	2,000,000	730
20/31	Warwick Credit Union	General	02-Mar-20	02-Mar-22	1.90%	1,000,000	1,000,000	730
21-Dec	BNK Bank	General	29-Mar-21	29-Mar-22	0.65%	1,950,000	1,950,000	365
19/29	Newcastle Permanent	General	17-Apr-19	19-Apr-22	2.70%	1,000,000	1,000,000	1098
21/08	AMP Bank	General	27-Nov-20	27-May-22	0.95%	2,000,000	2,000,000	546
20/38	Bank of Queensland	Sewer	27-May-20	27-May-22	1.30%	2,000,000	2,000,000	730
19/31	Westpac Bank	Water	25-Jun-19	25-Jun-22	2.30%	1,000,000	1,000,000	1096
19/34	Westpac Bank	General	25-Jun-19	25-Jun-22	2.30%	2,000,000	2,000,000	1096
19/32	Westpac Bank	General	27-Jun-19	27-Jun-22	2.30%	2,000,000	2,000,000	1096
20/05	Bank of Queensland	General	03-Sep-19	05-Sep-22	1.80%	1,000,000	1,000,000	1098
20/06	Bank of Queensland	General	13-Sep-19	13-Sep-22	1.80%	1,000,000	1,000,000	1096
21/10	Warwick Credit Union	General	22-Jan-21	23-Jan-23	1.00%	1,500,000	1,500,000	731
20/32	Auswide Bank	General	24-Mar-20	24-Mar-23	1.88%	1,000,000	1,000,000	1095
21/11	Industrial and Commercial Bank	Water	26-Mar-21	26-Mar-24	0.82%	2,000,000	2,000,000	1096
					TOTALS	48,450,000	48,450,000	

Floating Rate Notes

<i>As at Date</i>	<i>Borrower</i>	<i>FUND</i>	<i>Purchase Date</i>	<i>Coupon End Date</i>	<i>Current Yield*</i>	<i>Principal Value</i>	<i>Current value</i>	<i>Coupon Term</i>
31/3/2021	Commonwealth Bank	General	11/1/2019	12-Apr-21	1.15%	2,000,000	2,048,848	366
31/3/2021	ANZ Bank	General	08/2/2019	10-May-21	1.11%	2,000,000	2,046,762	367
31/3/2021	ANZ Bank	Water	08/2/2019	10-May-21	1.11%	1,000,000	1,023,381	367
						5,000,000	5,118,991	

* Yield changes every 3 months and is a margin over the 3 month BBSW (Bank Bill Swap Rate)

Cash Deposit Accounts

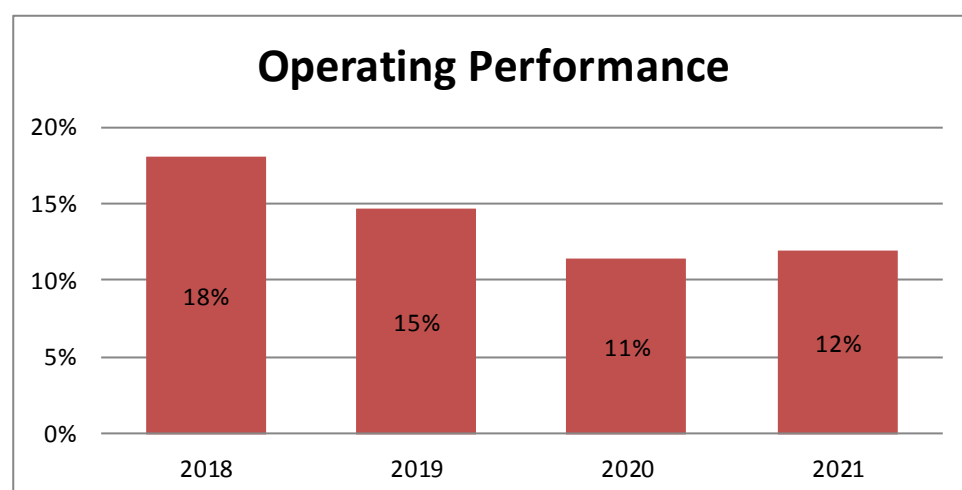
<i>As at Date</i>	<i>Borrower</i>	<i>FUND</i>	<i>Purchase Date</i>	<i>Maturity Date</i>	<i>Current Yield</i>	<i>Principal Value</i>	<i>Current value</i>	<i>Term</i>
31/3/2021	Commonwealth Bank	General	9/11/2020		0.00%		1,258	
31/3/2021	Macquarie Bank	General	9/11/2020		0.50%	4,000,000	4,007,498	
31/3/2021	Macquarie Bank	Water	9/11/2020		0.50%	1,500,000	1,502,797	
31/3/2021	Macquarie Bank	Sewer	9/11/2020		0.50%	500,000	500,895	
Sub Total - Cash Deposit Accounts					-	-	6,012,448	-

Portfolio by Fund	28/02/2021	31/03/2021
General Fund	\$43,105,406	\$43,054,366
Water Fund	\$11,526,514	\$11,526,178
Sewer Fund	\$5,000,732	\$5,000,895
TOTAL	\$59,632,652	\$59,581,439

INTERNALLY RESTRICTED ASSETS (CASH) MOVEMENTS							
27/03/2021	EST. BAL.	TRANSFER	TRANSFER	EST. BAL.	TRANSFER	TRANSFER	EST. BAL.
PURPOSE	30/6/2020	TO	FROM	30/6/2021	TO	FROM	30/6/2022
GENERAL ACTIVITIES	\$	\$	\$	\$	\$	\$	\$
							Comments
BUILDING REFURBISHMENT/UPGRADE	2,417,841.18			2,417,841.18			Note 1 Funding Building Refurbishments/Asset Management needs/Funded from Deprn Expense
EQUIP. UPGRADE/EMERGENCY MTCE	210,805.00			210,805.00			OLG Promoting Better Practice Recommendation
COMPUTER/IT SYSTEMS UPGRADES	1,541,357.00			1,541,357.00			Note 2 Replacement of key IT equipment and essential Softw are upgrades/replacements
INDUSTRIAL DEVELOPMENT	287,595.00		230,000	57,595.00			Land Development - Subdivision costs
RESIDENTIAL DEVELOPMENT	7,309.77			7,309.77			
AERODROME UPGRADE/MTCE	306,330.00		217,682	88,648.00			Note 3 Federal Compensation Package Funds
COPETON NORTHERN FORESHORES	49,000.00			49,000.00			
LIBRARY BUILDING REFURBISHMENT	202,000.00			202,000.00			Future Library Building Refurbishments
INDUSTRIAL/TOURISM PROMOTION	93,594.00			93,594.00			Tourism Brochure etc
GARBAGE DEPOT LAND PURCHASE ETC	169,391.00	10,700		180,091.00			Note 4 Waste Strategy Funds - Restricted
GARBAGE DEGRADATION/REHAB.	951,134.00	100,000	96,559	954,575.00	100,000		Note 4 Waste Strategy Funds - Restricted
WASTE INFRASTRUCTURE	2,935,322.00	150,000		3,085,322.00	150,000		Note 4 Waste Strategy Funds - Restricted
WASTE-EXTERNALITY SUSTAINABILITY	497,000.00	100,000		597,000.00	100,000		Note 4 Waste Strategy Funds - Restricted
PLANT REPLACEMENT	3,155,138.00	1,663,600	2,345,500	2,473,238.00	1,709,250	1,816,344	Note 5 Plant Fleet Asset Renewals, new truck wash and fleet storage shed
GRAVEL PIT RESTORATION	218,513.00	50,000	45,000	223,513.00	50,000	45,000	Rehabilitation Requirement
GRAVEL PIT RESTORATION -Roads	155,793.00	50,000	45,000	160,793.00	50,000	45,000	Rehabilitation Rifle Range Road and others
COMMUNITY CAPITAL PROJECTS AND LAND PURCHASES	450,000.00			450,000.00			Note 6
ECONOMIC DEVELOP/GROWTH ASSETS	5,596,157.00		556,157	5,040,000.00		2,040,000	Note 7 Major Roundabouts with RMS and Federal Government
STRATEGIC CAPITAL PROJECTS FUND	4,450.00			4,450.00			including Chester Street Renew al
STRATEGIC DEVELOPMENT FUND	100,611.00		65,000	35,611.00			Note 8 Land Bank/Infrastructure Development Funding
EMPLOYEE TRAINING (STATUTORY)	256,756.00			256,756.00			
EMPLOYEE LEAVE ENTITLEMENTS	1,501,710.46			1,501,710.46			Restricted - Minimum Statutory Requirement
WORKERS COMP INSURANCE	857,301.00			857,301.00			Promoting Better Practice Recommendation
TOWN HALL MAJOR MTCE/UPGRADE	100,000.00			100,000.00			Funding for future building refurbishments
INSURANCE EXCESS/SELF INSURANCE	209,848.00			209,848.00			Promoting Better Practice Recommendation
SWIMMING POOLS UPGRADE/FENCING	4,000,000.00			4,000,000.00			Future Upgrades (includes Transfer from Provisions)
ROAD RESUMPTIONS	20,000.00			20,000.00			Ongoing Issue
INVERELL HOCKEY FACILITY	450,000.00			450,000.00			Field Resurfacing - Provision for Surface Renew al
CONNECTIONS BUILDINGS/PLANT/EQUIP.	72,183.61			72,183.61			Funding Building Refurbishments/Asset Management needs/Funded from Deprn Expense
SES BUILDINGS	168,554.00			168,554.00			SES Building Renew als
INTEREST EQUALISATION	650,000.00		123,595	526,405.00		150,000	Interest equalisation reserve - funds moves in interest rates
EMERGENCY MANAGEMENT (FIRE, FLOOD,STORM)	200,000.00			200,000.00			
FUND TOTAL	27,835,694.02	2,124,300.00	3,724,493.00	26,235,501.02	2,159,250.00	4,096,344.00	24,298,407.02
WATER SUPPLY	\$	\$	\$	\$	\$	\$	\$
EMPLOYEE LEAVE ENTITLEMENTS	130,000.00			130,000.00			Restricted - Statutory Requirement
EQUIPMENT BREAKDOWN	407,940.00			407,940.00			Promoting Better Practice Recommendation
REVENUE EQUALISATION	1,876,763.00			1,876,763.00			Best Practice Guidelines - Funds movements in water sales
INTEREST EQUALISATION	350,000.00			350,000.00		30,000	Interest equalisation reserve - funds moves in interest rates
FUTURE CAPITAL WORKS	4,587,491.00			4,587,491.00			Water augmentation and mains replacement
FUND TOTAL	7,352,194.00	-	-	7,352,194.00	-	30,000	7,322,194.00
SEWERAGE SERVICES	\$	\$	\$	\$	\$	\$	\$
EMPLOYEE LEAVE ENTITLEMENTS	67,000.00			67,000.00			Restricted - Statutory Requirement
INTEREST EQUALISATION	257,496.00		42,250	215,246.00		40,000	Interest equalisation reserve - funds moves in interest rates
EQUIPMENT BREAKDOWN	159,078.82			159,078.82			Promoting Better Practice Recommendation
FUTURE CAPITAL WORKS	2,589,200.00			2,589,200.00			Inverell Sewer Treatment Plant and Pump Station 1 renew al and mains relining
FUND TOTAL	3,072,774.82	-	42,250	3,030,524.82	-	40,000	2,990,524.82
TOTAL OF ALL FUNDS	38,260,662.84	2,124,300	3,766,743	36,618,219.84	2,159,250	4,166,344	34,611,125.84

INTERNALLY RESTRICTED ASSETS COMMITMENTS			
Note 1 - Building Refurbishment/Upgrade Projects -	Building Maintenance Fund	213,327.00	Funding for periodic maintenance of Council Buildings (including Tingha Age Care Units)
	Refurbish Tingha Toilets	50,000.00	
	Pool Redevelopment	1,754,514.00	
	Initial Allocation toward Dog Pound	400,000.00	
		2,417,841.00	
Note 2 - Replacement of key IT equipment and essential Software upgrades/replacements			
Note 3 - Funding received from Federal Compensation Package - Future Bituemen Reseals			
Note 4 - Waste Management Strategy Implementation Funding and future land purchases/degradation requirements , including new Garbage Trucks, Solar Power, Weghbridges, Tip Closures etc			
Note 5 - Plant Fleet future acquisitions fund - Asset Renewal plus GPS devices			
Note 6 - Future Capital Works/Non-Trading Land Purchases/Industrial Land Development Fund		220,000.00	Industrial Land Development
		230,000.00	Purchase of Lawrence Street Property
		450,000.00	
Note 7 - Economic Dev/Growth Assets	Chester St. Renewal - Heavy Vehicle Route	1,000,000.00	
	Roundabout-SH12/MR73-(Tingha Bridge Roun	2,040,000.00	Council Urban Works 2017-19 \$1M, Plus SCIF 2017-19 \$1.04M Plus Federal Funding \$1.5M, RMS Contribution \$2.2M
	Gwydir Highway/Rossllyn 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	500,000.00	
	Initial Allocation toward TCRP Stage 3	556,157.00	2020/2021
		5,596,157.00	
Note 8 - Strategic Capital Projects and Infrastructure Fund		65,000	Inverell Commuity Gardens Projects
		65,000	

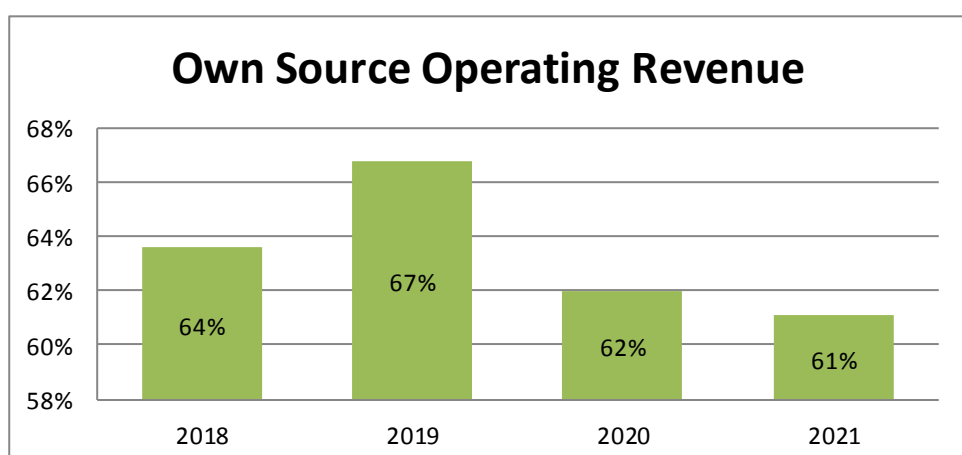
These funds are held as Cash and Investments, primarily as Term Deposits



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

The Tcorp benchmark for the ratio is to have a deficit of less than 4%.

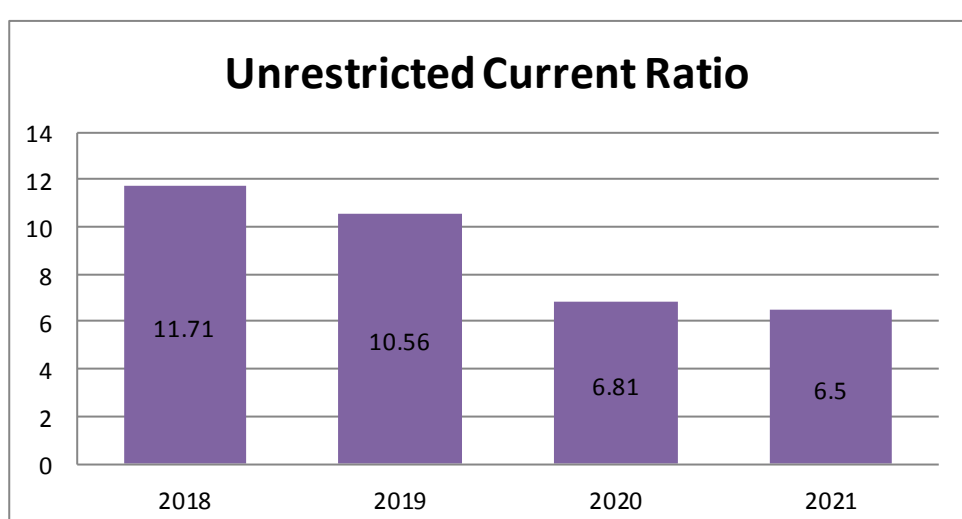
The "fit for the future" benchmark is that council should have a breakeven or better operating performance ratio over a three year period.



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

The Tcorp benchmark for sustainability is to have a ratio of greater than 60%

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

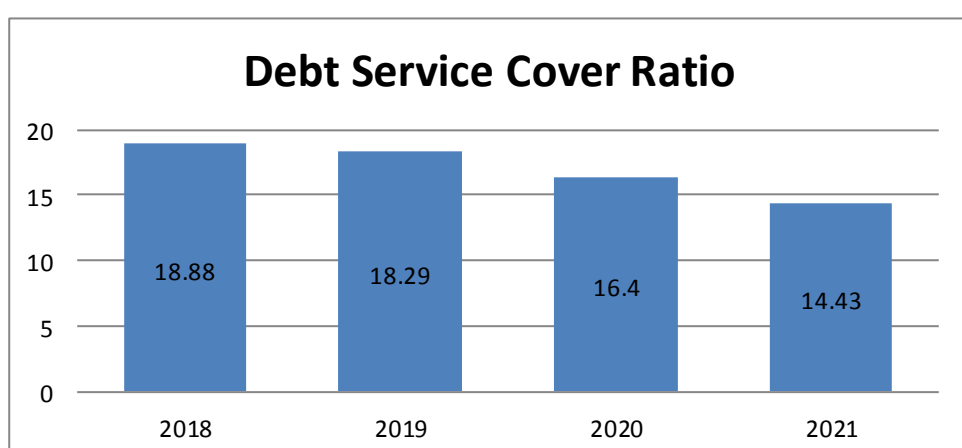


The **Unrestricted Current Ratio** excludes all current assets and liabilities that are restricted for specific purposes. These include the water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions

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

The Tcorp benchmark is greater than 1.5

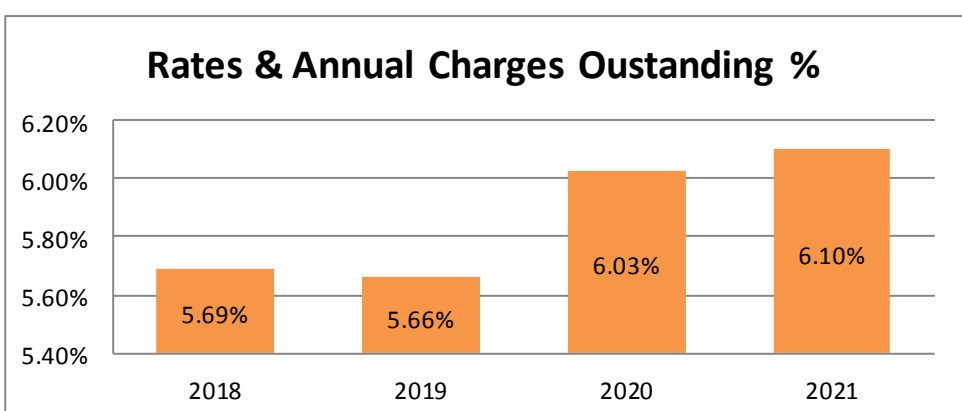
The decrease in 2020 is primarily due to an increase in non current investments held



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.

Council's 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

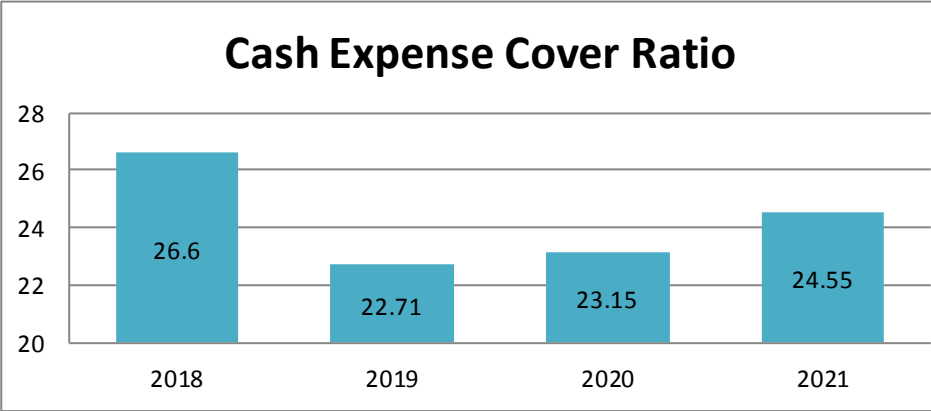
The Tcorp benchmark is to have a ratio of greater than 2.



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

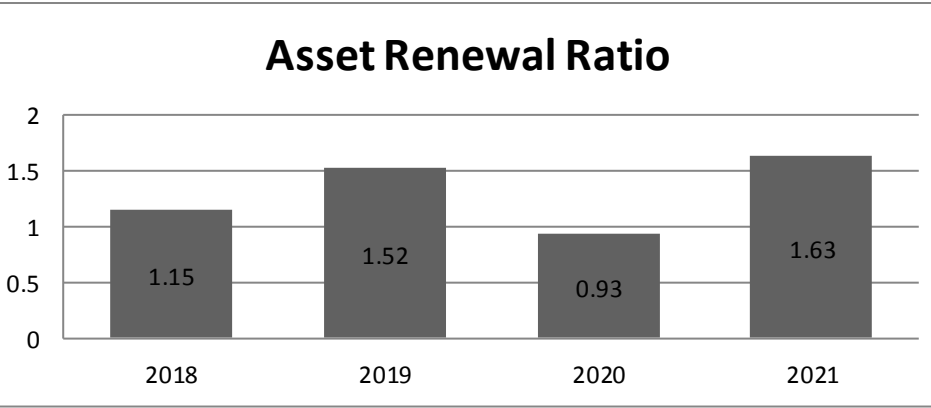
Council's ratio remains at a low level and is within benchmarks for group 11 Councils and reflects good recovery procedures as advised by Councils Auditor

The Tcorp benchmark is to have a ratio of less than 10%



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

The Tcorp benchmark is to have reserves to meet at least three months of operating expenditure

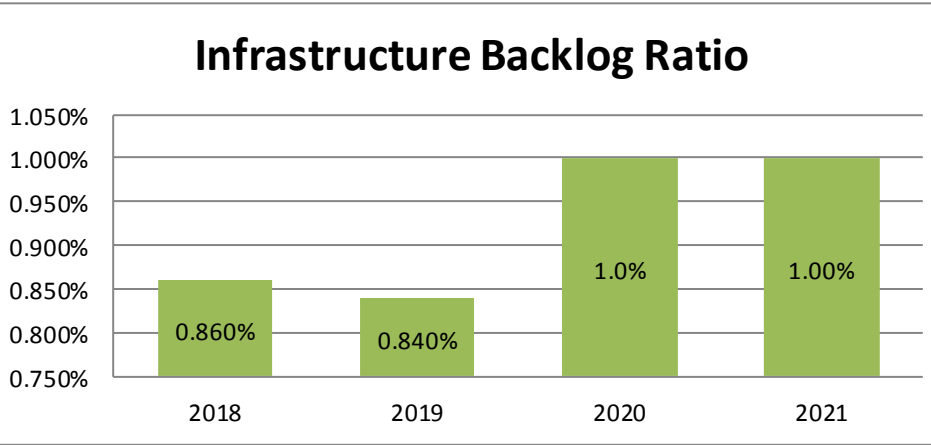


The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

Council's ratio indicates that Council is expending more on asset renewals compared to the estimated asset deterioration (depreciation) across the General, Water and Sewerage Funds. This is largely due to the quantum of grant funded works being undertaken on the Shire Road Network.

The Tcorp benchmark is to have a ratio of greater than 1.

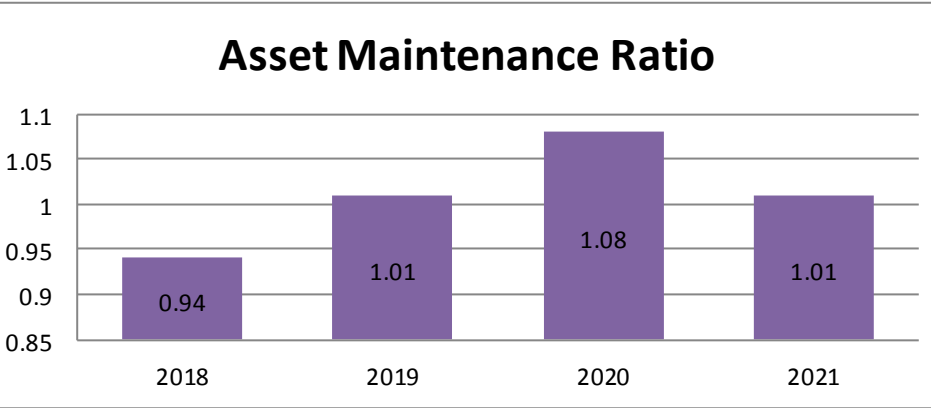
The "fit for the future" benchmark is that councils should have a ratio of greater than 1 over a three year period



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

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

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



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

6.2 GOVERNANCE - MONTHLY INVESTMENT REPORT**File Number:** S12.12.2 / 21/15181**Author:** Paul Pay, Director Corporate and Economic Services**SUMMARY:**

To report the balance of investments held as at 30 April, 2021.

RECOMMENDATION:

The Committee recommend to Council that:

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

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 30 April, 2021 and an update of the investment environment:

- (a) Council's Investments as at 30 April, 2021;
- (b) Council Investments by Fund as at 30 April, 2021;
- (c) Interest – Budgeted vs. Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 30 April, 2021

Term Deposit Investment Group								
Investment	Borrower	FUND	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
21/04	Bank of Sydney	General	27-Aug-20	27-May-21	1.00%	1,000,000	1,000,000	273
20/39	ING BANK	Sewer	27-May-20	27-May-21	1.10%	1,000,000	1,000,000	365
20/40	ING BANK	Water	27-May-20	27-May-21	1.10%	1,000,000	1,000,000	365
19/33	Westpac Bank	Water	27-Jun-19	27-Jun-21	2.30%	2,000,000	2,000,000	731
20/43	National Australia Bank	Water	26-Jun-20	28-Jun-21	0.95%	1,000,000	1,000,000	367
20/02	Bank of Queensland	General	17-Jul-19	19-Jul-21	2.00%	1,500,000	1,500,000	733
21/02	Bank of Sydney	General	31-Jul-20	30-Jul-21	0.95%	1,000,000	1,000,000	364
20/03	Bank of Queensland	General	27-Aug-19	27-Aug-21	1.75%	2,000,000	2,000,000	731
21/05	Bank of Sydney	Water	17-Sep-20	17-Sep-21	0.94%	1,000,000	1,000,000	365
20/33	AMP Bank	General	24-Mar-20	24-Sep-21	1.80%	1,000,000	1,000,000	549
20/08	AMB - Australian Military Bank	Sewer	30-Sep-19	30-Sep-21	1.77%	1,500,000	1,500,000	731
21/06	St George Bank	General	06-Oct-20	06-Oct-21	0.75%	1,000,000	1,000,000	365
19/10	Westpac Bank	General	25-Oct-18	25-Oct-21	2.97%	2,000,000	2,000,000	1096
21/07	Community First Credit Union	General	25-Nov-20	25-Nov-21	0.65%	1,000,000	1,000,000	365
20/35	AMP BANK	General	25-May-20	25-Nov-21	1.65%	1,000,000	1,000,000	549
20/36	AMP BANK	Water	25-May-20	25-Nov-21	1.65%	1,000,000	1,000,000	549
20/37	AMP BANK	General	25-May-20	25-Nov-21	1.65%	1,000,000	1,000,000	549
20/41	AMP BANK	General	10-Jun-20	10-Dec-21	1.60%	2,000,000	2,000,000	548
21/09	Warwick Credit Union	General	20-Jan-21	20-Jan-22	0.80%	1,000,000	1,000,000	365
20/30	Auswide Bank	General	02-Mar-20	02-Mar-22	1.75%	2,000,000	2,000,000	730
20/31	Warwick Credit Union	General	02-Mar-20	02-Mar-22	1.90%	1,000,000	1,000,000	730
21-Dec	BNK Bank	General	29-Mar-21	29-Mar-22	0.65%	1,950,000	1,950,000	365
19/29	Newcastle Permanent	General	17-Apr-19	19-Apr-22	2.70%	1,000,000	1,000,000	1098
21/08	AMP Bank	General	27-Nov-20	27-May-22	0.95%	2,000,000	2,000,000	546
20/38	Bank of Queensland	Sewer	27-May-20	27-May-22	1.30%	2,000,000	2,000,000	730
19/31	Westpac Bank	Water	25-Jun-19	25-Jun-22	2.30%	1,000,000	1,000,000	1096
19/34	Westpac Bank	General	25-Jun-19	25-Jun-22	2.30%	2,000,000	2,000,000	1096
19/32	Westpac Bank	General	27-Jun-19	27-Jun-22	2.30%	2,000,000	2,000,000	1096
20/05	Bank of Queensland	General	03-Sep-19	05-Sep-22	1.80%	1,000,000	1,000,000	1098
20/06	Bank of Queensland	General	13-Sep-19	13-Sep-22	1.80%	1,000,000	1,000,000	1096
21/10	Warwick Credit Union	General	22-Jan-21	23-Jan-23	1.00%	1,500,000	1,500,000	731
20/32	Auswide Bank	General	24-Mar-20	24-Mar-23	1.88%	1,000,000	1,000,000	1095
21/11	Industrial and Commercial Bank	Water	26-Mar-21	26-Mar-24	0.82%	2,000,000	2,000,000	1096
					TOTALS	45,450,000	45,450,000	

Floating Rate Notes								
As at Date	Borrower	FUND	Purchase Date	Coupon End Date	Current Yield*	Principal Value	Current value	Coupon Term
30/4/21	Commonwealth Bank	General	11/1/2019	12-Apr-21	1.15%	2,000,000	2,047,898	366
30/4/21	ANZ Bank	General	08/2/2019	10-May-21	1.11%	2,000,000	2,046,422	367
30/4/21	ANZ Bank	Water	08/2/2019	10-May-21	1.11%	1,000,000	1,023,211	367
						5,000,000	5,117,531	

* Yield changes every 3 months and is a margin over the 3 month BBSW (Bank Bill Swap Rate)

Cash Deposit Accounts								
As at Date	Borrower	FUND	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term
30/4/21	Commonwealth Bank	General	9/11/2020		0.00%		1,258	
30/4/21	Macquarie Bank	General	9/11/2020		0.50%	4,000,000	4,008,822	
30/4/21	Macquarie Bank	Water	9/11/2020		0.50%	1,500,000	1,503,291	
30/4/21	Macquarie Bank	Sewer	9/11/2020		0.50%	500,000	501,053	
Sub Total - Cash Deposit Accounts					-	-	6,014,424	-

B) Council Investments by Fund 30 April, 2021

Portfolio by Fund	31/03/2021	31/04/2021
General Fund	\$43,054,366	\$40,054,400
Water Fund	\$11,526,178	\$11,526,502
Sewer Fund	\$5,000,895	\$5,001,053
TOTAL	\$59,581,439	\$56,581,955

Council's investment portfolio decreased by approximately \$3M throughout April 2021. This was in respect of normal cash flow movements for receipts collected and payments made during April 2021 and two investments (totalling \$3M) maturing late April were redeemed due to poor interest rate quotes. These funds will be reinvested during May 2021.

Interest – Budgeted verses Actual Result to Date

	Ledger	2020/2021 Budget \$	Actuals to Date \$	Accrued Interest to Date \$	TOTAL \$
General Fund	128820	655,405.00	343,362.86	467,185.71	810,548.57
Water Fund	812350	125,000.00	25,515.06	95,057.50	120,572.56
Sewer Fund	906320	58,750.00	12,197.94	48,442.40	60,640.34
TOTAL		839,155.00	381,075.86	610,685.61	991,761.47

Term deposit interest rates have moved to historic lows of approximately .30%-0.40% for a 12 month term deposit. Given our strong investment balances, Council is expected to meet interest revenue targets in 2020/2021. Any additional interest received during 2020/2021 will be allocated to Council's Investment Equalisation Reserves to help fund future budget reductions in interest revenue.

C) Investment Portfolio Performance

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 30/4/2021		0.10%	0.04%	0.10%
Term Deposits	1.54%			
Cash Deposit Accounts	0.50%			
Floating Rate Notes	1.12%			

D) Investment Commentary

Council's investment portfolio returns exceeded the Australia Bond Bank Bill benchmark in all investment categories except for Council's cash deposit accounts. These accounts are held for liquidity purposes. Term Deposits exceeded all benchmarking indexes.

Council's investment portfolio of \$56.6M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

Council's investment advisor, Michael Chandra, Imperium Markets, provides the following commentary on the current investment market:

The combination of high unemployment, soft credit growth and cheap funding for the banks via the RBA's term funding facility (TFF) and Quantitative Easing (QE) program has resulted in excess liquidity in the marketplace. Margins continue to squeeze on the back of excess liquidity provided by unprecedented fiscal and monetary policy support.

The retail deposit market has been flooded with cash on the back of increased government payments, superannuation withdrawals, and repayment deferrals, which have offset the hit to household incomes in aggregate. As a result, several ADIs have been selective in seeking 'new' wholesale funding, often only looking to roll existing deposits, whilst some are simply redeeming all deposits at maturity.

The RBA has reiterated they do not expect to increase the official cash rate "until 2024 at the earliest". With the banks having the option to access cheap funding directly via the RBA's Term Funding Facility (cost of 0.10% for 3 years), reinvestment risk continues to pose as the biggest threat to depositor's interest income as margins continue to compress. This is particularly the case for those investors who overpay for liquidity and generally roll their deposits for less than 6 months.

The RBA is of the view that "a materially lower unemployment rate" (NAIRU of low 4s or even 3s) is needed to generate wages growth in excess of 3%, which is the level the RBA thinks is needed to deliver inflation sustainably within the 2-3% inflation target. The Bank does not see this occurring "until 2024 at the earliest", which underpins their rates guidance.

RBA Governor Lowe has pushed back on market pricing of rate hikes as early as late 2022. Dr Lowe reiterated his 'best guidance' was that it is "unlikely to see wages growth consistent with the inflation target before 2024. This is the basis for our assessment that the cash rate is very likely to remain at its current level until at least 2024".

E) Certification – Responsible Accounting Officer

I Paul Pay, 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.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

It is noted that the volatility for current financial markets 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

ATTACHMENTS:

Nil