



BUSINESS PAPER

**Economic and Community
Sustainability Committee Meeting
Wednesday, 11 May 2022**

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

6 May, 2022

An Economic and Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 11 May, 2022, 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 recorded. The 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

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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 13 April, 2022, 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, 13 APRIL 2022 AT 11AM**

PRESENT: Cr Paul King OAM (Chairperson), Cr Paul Harmon (Mayor), Cr Kate Dight and Cr Nicky Lavender.

IN ATTENDANCE: Cr Stewart Berryman, Cr Jacko Ross, Cr Wendy Wilks and Cr Di Baker.

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

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

That the apology received from Cr Jo Williams for personal reasons be accepted and leave of absence granted.

CARRIED

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 9 March, 2022, 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 DONATION REQUEST - INVERELL ANGLERS' ASSOCIATION S12.22.1/15

COMMITTEE RESOLUTION

Moved: Cr Nicky Lavender

Seconded: Cr Paul Harmon

The Committee recommend to Council that Council donate \$500 to the Inverell Anglers' Association to assist with costs associated with restocking trout in the Macintyre River Catchment.

CARRIED

4.2 ARTS NORTH WEST (ANW) MEMBERSHIP S26.5.4**COMMITTEE RESOLUTION**

Moved: Cr Kate Dight

Seconded: Cr Paul Harmon

The Committee recommend to Council that Council agree to membership of Arts North West for the year 2022/23 at \$14,866.70.

CARRIED

4.3 2022/2023 DRAFT ESTIMATES AND OPERATIONAL PLAN, AND LONG TERM FINANCIAL PLAN S12.5.3**COMMITTEE RESOLUTION**

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

The Committee recommend to Council that:

1. *Council authorise the General Manager to submit a permanent Additional Special Variation (ASV) under section 508(2) of the Local Government Act 1993 of 1.3% increase in General Rates Revenue which will generate additional revenue of \$191,179;*
2. *Council proceed with a permanent Additional Special Variation application for the purpose of maintaining financial sustainability and to maintain essential community infrastructure assets including Council's road network; and*
3. *Council has considered the impact of the ASV on ratepayers and the community and considers the increases in general rates to be reasonable.*

CARRIED

4.4 2022/2023 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 2022/2023 Budget:*

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

		General Fund	Water Fund
A	Inverell and Villages - Urban Renewal and Upgrade <i>Project subject to a further report to Civil and Environmental Committee</i>	\$500.16K	\$ 0K
B	Urban Work Contribution to Pool Loan	\$98.76K	
C	Footpaths and Cycleway Construction \$ for \$ Contribution to PAMP Program (Subject to RMS approving the 2022/2023 Program)	\$47.73K	
D	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	
	TOTALS	\$ 692.19K	\$0K

2. *That:*

- i) *the budget allocations of \$2.378M for the 2022/2023 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 \$2.912M for the 2022/2023 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*
 - iv) *the budget allocation of \$1.402M for the 2022/2023 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;*
 - 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 2022/2023 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 0.7% plus any approved ASV of up to 1.3%.*
4. *That:*
- i) *The Financial Reserves Policy be adopted;*
 - ii) *The new format for reporting of the financial reserves be endorsed;*
 - iii) *Council provide an allocation of \$117K for joint industry promotions and assistance;*
 - iv) *the 2022/2023 Strategic Capital Infrastructure Fund of \$630K be utilised for loan repayments for the Inverell Aquatic Centre Redevelopment*
 - v) *The budget allocation of \$341K for the 2021/2023 Special Projects – Roads Infrastructure Fund be endorsed;*
 - vi) *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;*
 - vii) *the transfers to and from Internally Restricted Assets be endorsed; and*
 - viii) *the list of inclusions as included in the 2022/2023 draft Operational Plan/Budget and listed in section 6.2.2 & 6.2.3 of the report be endorsed.*
5. *That:*
- i) *The following rating categories be utilised for the 2022/2023 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. *Extra charges on overdue rates and charges will be levied at the rate of six (6) per cent per annum on a daily simple interest basis for the year ending 30 June 2023.*

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

- | | | |
|------|--|-----------------|
| i) | <i>Waste Management Charge – All Properties</i> | <i>\$96.00</i> |
| ii) | <i>Domestic Waste Management - Occupied Charge: per service per assessment</i> | <i>\$363.00</i> |
| iii) | <i>Domestic Waste Management - Occupied Charge</i> | <i>\$363.00</i> |
| | <i>Tingha Boundary Adjustment – properties with 140lt garbage bin per service per assessment</i> | |
| iv) | <i>Domestic Waste Management – Unoccupied Charge</i> | <i>\$66.00</i> |
| v) | <i>Weekly Commercial Waste Management Charge</i> | <i>\$363.00</i> |
| | <i>(This Charge is levied per Service, and GST is charged if applicable)</i> | |
| vi) | <i>Weekly Commercial Recycling Charge (ex GST)</i> | <i>\$135.00</i> |
| vii) | <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) *Council borrow up to \$10,000,000 for the redevelopment of the Inverell Aquatic Centre over 20 years;*
- ii) *Loan Repayments be funded from the Strategic Capital Infrastructure Fund and Urban Works allocations as detailed in the tables provided.*

11. *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 2022/2023 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) *the Sewerage Charges as listed below be adopted for 2022/2023:*

Charge	\$
Sewerage Charge Occupied	580.00
Sewerage Charge Unoccupied	365.00
Sewerage Charge Flats/Units	365.00
Sewerage Charge Nursing Homes	2,720.00
Sewerage Charge Hotel/Licensed Clubs	1,735.00

<i>Number of Services per Assessment</i>	<i>Annual Charge Per Assessment</i> \$
1	580.00
2	925.00
3	1,270.00
4	1,615.00
5	1,960.00
6	2,305.00
7	2,650.00
8	2,995.00
9	3,340.00
10	3,685.00
11	4,030.00
12	4,375.00
13	4,720.00
14	5,065.00
15	5,410.00
16	5,755.00

Charge Structure for Non-Ratables

Charge	\$
Non-ratable - Schools - wc's	95.00
Non-ratable - Other - wc's	158.00
Non-rayable - Urinals	95.00

Charge Structure for Motels and Caravan Parks

In accordance with the new charge structure for Motels and Caravan Parks the following charges be adopted for 2022/2023:

Charge	\$
Motel Residence	1,735.00
Motel Restaurant	580.00
Motel Ensuite	183.00
Caravan Park Residence	580.00
Caravan Park Amenities Block	1,735.00
Caravan Park Ensuite Cabins	183.00

- ii) *The Draft Estimates (incorporating Operational Plan) for the Sewerage Fund for 2022/2023 be adopted and placed on public exhibition for a period of 28 days as required by Section 405 of the Local Government Act 1993.*

13. *That:*

- i) *a water availability base charge of \$415.00 per assessment (Includes first water meter) be adopted for 2022/2023;*
- ii) *a water charge of \$415.00 per additional water meter, per assessment be adopted for 2022/2023;*
- iii) *a water charge of \$410.00 per assessment (includes first water meter) be adopted for properties within the Tingha Boundary Adjustment area for 2022/2023;*
- iv) *a water charge of \$415.00 per additional water meter, per assessment be adopted for properties within the Tingha Boundary Adjustment area for 2022/2023;*
- v) *a charge of \$1.78 per kilolitre be adopted for commercial water consumption for 2022/2023;*
- vi) *a charge of \$1.78 per kilolitre, 0 to 600 kilolitres and \$2.00 per kilolitre over 600 kilolitres be adopted for residential water consumption for 2022/2023;*
- vii) *a charge of \$0.93 per kilolitre be adopted for water consumption - Abattoirs, plus a 20 per cent early settlement discount for 2022/2023;*
- viii) *a charge of \$0.93 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 2022/2023;*
- ix) *a charge of \$0.45 per kilolitre be adopted for Raw Water consumption for 2022/2023; and*
- x) *the draft Estimates (incorporating Operational Plan) for the Water Fund for 2022/2023 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

5 GOVERNANCE REPORTS

5.1 GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2

COMMITTEE RESOLUTION

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

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

The Meeting closed at 12.55pm.

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

4 INFORMATION REPORTS

4.1 ADVANCE PAYMENT OF 2022-2023 FINANCIAL ASSISTANCE GRANT

File Number: S15.8.13/14 / 22/14143

Author: Paul Pay, Director Corporate and Economic Services

SUMMARY:

Council has received a 75% advance payment of the 2022-2023 Financial Assistance Grant.

COMMENTARY:

The Australian Government will have provided approximately 64 billion dollars under the Financial Assistance Grant (FAG) program to local government since 1974–75 (including 2022–23). The grant is provided under the *Local Government (Financial Assistance) Act 1995*.

The Financial Assistance Grant program consists of two components:

- a general purpose component which is distributed between the states and territories according to population (i.e. on a per capita basis), and
- an identified local road component which is distributed between the states and territories according to road length and number of bridges.

Both components of the grant are untied in the hands of local government, allowing councils to spend the grants according to local priorities. While the grants are untied, Council has traditionally allocated the local road component exclusively for expenditure on Rural and Urban Roads within the Shire.

The Federal Budget for 2022-23 released on 29 March 2022 again provided for an advance payment of the estimated 2022-2023 FAGs. The advance payment will represent approximately 75% of the amount council is entitled to during 2022-2023. On 12 April, 2022 Council received \$5,437,647 in advanced payments. Under the current accounting standards this advance payment will be recorded as grant revenue for operating purposes in Council's 2021-2022 financial statements. Over recent years the "in advance" component has been 50% and has historically been paid in late June.

The balance of the 2022-2023 FAGs (approximately \$1,812,549) will be remitted to Council via four instalments during 2022-2023. This revenue will be recorded as revenue in the 2022-2023 Financial Statements.

Council has invested the advance payment in short term, term deposits to mature throughout next financial year. This will ensure that Council has sufficient funds (cashflow) to meet budgeted operating expenditure that are normally offset by the FAGs grant during next financial year.

Assistant Minister to the Deputy Prime Minister and Assistant Minister for Local Government Kevin Hogan stated that the pre-payment of FAGs means the Government is backing local councils when they need it most. With 75% being brought forward to be paid early to local governments for rebuilding after floods and the transition and planning of living with COVID-19.

The advance payment will impact on Council's Operating Result (before capital income) and will negatively impact two of Council's key financial indicators, Operating Performance Ratio and Own Source Revenue.

1. Operating Result (before capital income) and Operating Performance Ratio

The advance payment means that in April Council received 75% of next year's FAG grant allocation, plus Council has also recorded income for 50% of this year's allocation, which equals total revenue of 125% of FAGs.

So, the jump to 75% means that Council's Operating results (before capital income) will be overstated for no good reason. If the Federal Government does not continue with the 75% advance payment in 2022-2023 then Operating results (before capital income) will decrease for no good reason in the 2022-2023 Financial Statements.

Therefore, Council's Operating result will be "all over the shop" comparison wise for no reason to do with Council's actual financial performance.

It is worth noting that the last time the Federal Government altered the FAG grant timing and in fact stopped the "in advance" component was in 2013-2014 which just happened to be the financial year that the NSW State Government concluded that NSW Councils were financially unsustainable. No wonder when \$400 million in general FAG grants was not recorded in the 2013-2014 financial statements.

2. Own Source Operating Revenue

The 'own source operating revenue ratio' measures a council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG for the ratio is greater than 60%.

This ratio is impacted by the amount of grant funding Council receives in a particular year. A year where Council receives significantly above average grant funding, something typically to be welcomed, the Own Source Revenue Ratio will dip below the benchmark of 60%. The advance payment of 2022-2023 FAGs will result in Council's ratio falling below the required 60% benchmark.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

5 GOVERNANCE REPORTS

5.1 QUARTERLY BUDGET AND OPERATIONAL PLAN 2021/2022

File Number: S12.5.1 / 22/12844

Author: Robert Kimmince, Manager Financial 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:

That the Committee recommend to Council that:

- i) Council's Quarterly Operational Plan and Budget Review for 31st March, 2022 be adopted; and*
- ii) The proposed variations to budget votes for the 2021/2022 Financial Year be adopted providing an estimated Cash Surplus at 31st March, 2022 from operations of \$6,161.*

COMMENTARY:

2021/2022 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 2021/2022 budget remains in balance (see attachment). Those items identified as requiring funding since the adoption of the 2021/2022 budget have now been funded in full.

The Budget Variations for 2021/2022 are as follows:

COMBINED FUND - BUDGET VARIATION SUMMARY REPORT ESTIMATED CASH POSITION 30 JUNE 2022 FOR 2021/2022 ACTIVITIES

	General	Water	Sewer	Total	
Adopted Budget 2021/2022	12,353,663	1,633,705	1,104,235	15,091,603	Deficit
Add Back Depreciation	(9,723,400)	(1,606,000)	(1,066,500)	(12,395,900)	(Non-cash)
Add Back Carry Amount Assets Sold	(694,770)	-	-	(694,770)	(Non-Cash)
Internally Restricted Cash Utilised	(1,937,094)	(30,000)	(40,000)	(2,007,094)	
Transferred to Internally Restricted Cash	-		-	-	
ESTIMATED CASH RESULT	(1,601)	(2,295)	(2,265)	(6,161)	SURPLUS

FOR 2021/2022 ACTIVITIES					
2021/2022 Budget Variations Required to Maintain a Balanced Budget					
REVOTES	7,602,037	3,607,215	3,525,770	14,735,022	
UNEXPENDED GRANTS & CONTRACT LIABILITIES	1,166,498	-	-	1,166,498	
Budget Review Adjustments 30-9-21	100,096	-	-	100,096	
Budget Review Adjustments 31-12-21	78,372	-	-	78,372	
Budget Review Adjustments 31-3-2022	-	-	-	-	
SUB TOTAL	8,947,003	3,607,215	3,525,770	16,079,988	
Internally Restricted Cash Utilised	(178,468)			(178,468)	
FUNDED FROM EQUITY	(8,768,535)	(3,607,215)	(3,525,770)	(15,901,520)	
NET BUDGET VARIATIONS	-	-	-	-	
REVISED CASH RESULT FOR 2021/2022 ACTIVITIES	(1,601)	(2,295)	(2,265)	(6,161)	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 2021/2022 continue to remain at “Zero”. Councillors will note that expenditure has increased by \$15.396M, while revenue has increased by \$15.218M. The “zero” change position is achieved by utilising Internally Restricted Assets (IRA) of \$0.178M. 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 31st March, 2022 of \$2.712M, against a budgeted annual result of \$6,161. This current result indicates that sufficient funding remains available to fund Council’s 2021/2022 continuing operations for the next 3 months to the end of the 2021/2022 Financial Year.

QUARTERLY BUDGET REVIEW REPORT:

Council’s 31st March, 2022 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 2021/2022 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 2020/2021 which will be expended in 2021/2022.

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 31st March, 2022 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. Council’s recent focus on repairing flood damaged roads have impacted on the delivery of Council’s large Capital works.

Many of Council’s revenue funded road projects will be deferred to 2022/2023 as a result of grant funded projects taking priority.

Investments:

The General Fund investments remain sound.

Council’s General Fund investment portfolio of \$46.48M 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 in this low interest rate environment.

Council’s term deposit portfolio was yielding 1.22% p.a. at 31st March 2022, with a weighted average duration of approximately 429 days or 14 months. This average duration will provide some income protection against the low interest rate environment over the immediate future.

Given our strong investment balances and a number of longer dated term deposits yielding significantly higher returns than the current market, Council is expected to meet interest revenue targets in 2021/2022. Any additional interest received during 2021/2022 will be allocated to Council's Investment Equalisation Reserves to help fund future budget reductions in interest revenue.

A copy of Council's Cash and Investment Budget Review Statement as at 31st March, 2022 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 investments continue to comply with Council's Investment Policy.

Contracts, Consultancy & Legal Expenses

The attached Contracts Summary indicates any contracts entered into with a value of over \$50,000 by Council during the quarter ending 31st March, 2022, 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 growth. This position is always dependant on weather conditions which effects water use and resultant sales. Water sales were up, \$535K in 2017/2018, up \$749K in 2018/2019, up \$685K in 2019/2020 and up \$31K in 2020/2021. It should be noted that Water Sales have declined over the last two quarters in 2021/2022 largely due to extreme wet weather conditions. If water sales decline, production costs will also decline to balance things out. Any shortfall in Water Sales is funded from Council's Water Fund Revenue Equalisation Reserve.

The Water Fund holds investments totalling \$12.5M and cash at bank of \$.923M.

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 and upgrade of telemetry systems in 2021/2022. Tenders will soon be called for the Inverell Sewerage Treatment Plant IDEA Tanks 1 & 2 aeration system upgrade and refurbishment.

The Sewerage Fund holds Term Deposits totalling \$7M plus cash at bank of \$1.608M.

Overall, the operational and financial position of the Sewer Fund function is sound.

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 2021/2022.

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;
- Seeking grants for the benefit of the community;
- Sponsored acquisition prize of Inverell Art Prize; and
- Participated in the Northern Inland Risk Management Group.

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

- Commenced planning for 2022 Sapphire City Festival;
- Installed solar lighting at Tingha Recreation Reserve;
- Secured NSW Government funding for extension of shared path network in Inverell;
- Secured funding for Inverell Netball Courts Upgrade
- Participation in New England Cooperative Library;
- Participation in work experience programs with local schools;
- Commenced an 18-month long youth activities program;
- Conduct summer and winter school holiday youth activities program;
- Installed new covered grandstand and sports field irrigation at Tingha Recreation Ground;
- Secured funding for the installation of Lighting of Inverell half-court basketball court;
- Secured funding for the construction of a pump track at Inverell;
- Secured funding for amenities upgrades at Ashford cemetery and Lake Inverell;
- Construct fully accessible changerooms & amenities at Inverell Sports Complex;
- Secured funding for new Bus Shelters across Shire;
- Secured funding for Ashford Sports Ground upgrade – Lighting and footpaths; and
- Secured funding for upgrade of Joseph Wills Park at Elsmore.

Destination 3 – An environment that is protected and sustained:

- Partnering with Local Land Services in River Rehabilitation & Weeds Removal Programs;
- 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;
- Host chemical collection event to collect hazardous waste and Materials;
- Secured Funding for Self-Guided Heritage Walk;
- Secured Funding from EPA (Bushfire Recovery Program for Council Landfills) for remediation of Tingha Waste Management Facility; and
- Secured funding for management of Invasive grass on Ross Hill reserve.

Destination 4 – A strong Local Economy:

- Participated in Inverell promotional activities with the Inverell Chamber of Commerce and Industry;
- Facilitated round one of Sapphire Wind Farm Community Benefit Fund;
- Partnered with Inverell Chamber of Commerce for “Flag a Job” initiative;

- Secured funding for the upgrade to amenities and caretaker residence at Tingha Gems Caravan Park;
- Completed \$5M upgrade of Copeton Northern Foreshores, funded by NSW Government;
- Tourism promotion in partnership with “Regional Lifestyle Magazine”;
- Development of new Tourism guide;
- Commenced redevelopment of the Ashford Tourism website and brochure;
- Completed Public Art mural in Evans Street Inverell;
- Renovate amenities block at Ashford Caravan Park;
- Supported new television campaign to promote Inverell “Choose your Own Adventure”;
- Secured funding for Inverell RLX Stage Two upgrade of Inverell Saleyards;
- Secured funding from NSW Partnerships – Local Council Program for Business Support & Small Grants Program; and
- Secured funding to redevelop Wing Hing Long Museum Website.

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;
- Progress upgrade to Bonshaw water supply;
- Completed a significant quantum of Shire Roads Gravel Resheeting;
- Commenced a significant quantum of heavy patching throughout the Shire;
- Completed Council’s 2021/2022 bitumen reseal program;
- Completed 2020/2021 Financial Statements – sound financial result achieved;
- Progressing with upgrade works at the Inverell Sewerage Treatment Plant;
- Commenced upgrade of Mathers Bridge, Nullamanna;
- Secured funding to upgrade Ashford Caravan Park;
- Secured funding for Brooks Oval Amenities block in partnership with Inverell Junior Cricket Association;
- Secured funding for Inverell Aerodrome Lighting upgrade;
- Secured funding for Moore Street and hospital access upgrade;
- Commenced upgrade of Walkers Bridge, Tingha;
- Completed assessment of Local Roads Culverts & Bridges for HML;
- Completed installation of 4 bus shelters under the Country Passenger Transport Infrastructure Program;
- Secured funding from NSW Partnerships – Local Council Program for BBQ trailer & Shelter; and
- Commenced Work on construction of new roundabout located at intersection of SH12 and Tingha Road.

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 31st March, 2022 indicates that Council's projected financial position at 30 June, 2022 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 2021/2022 budget in balance, with an indicative surplus of \$6,161.

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. Quarterly Budget & Operation Plan 2021/2022 - Budget Review - 31st March 2022 [↓](#)

BUDGET VARIATIONS - FINANCE MEETING 11-5-2022			
ITEM/LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
<i>Increase/Decrease in INCOME</i>			
121812-1000	Grant-Library - Miscellaneous Small Grants	1,800	Grant - Australian Library & Information Association -Support for Online Storytime program.
121810-1000	Grant-Library Per Capita Grant	5,800	Addition Library Subsidy Grant Received in 2021/2022
122370-1000	Grant-SH12 Maintenance	8,630	Revised Transport for NSW allocation for 2021/2022
122370-5999	Grant-SH12 Maintenance - Work Orders	103,190	Transport for NSW allocation for 2021/2022 for SH 12 work orders
122400-1000	Grant-Block Grant for Regional Roads	(58,240)	Revised Transport for NSW allocation for Block Grant for 2021/22
160545-1000	Grant-Crown Reserve Improvement Fund- Joseph Wills Park	81,558	Grant - Upgrade of Joseph Wills Park at Elsmore
137351-1000	Grant-Northern Tablelands Local Land Services Project-National Landcare Program	4,800	Grant for Invasive Grass management on Ross Hill Reserve
121219-1000	Grant-Stronger Country Communities Fund-Round 4	485,150	Grant for Inverell Netball Courts Upgrade
127330-1000	Copeton Northern Foreshores - Income	40,000	Additional Admission Income for CNFS
126310-1000	Cemeteries Fees - Income	15,000	Additional Cemetery Income
121340-1000	Grant - Youth Week	3,313	Grant funding for Youth Week
123120-1000	Income- Grant Jobstart Incentives	20,000	Additional Income
TOTAL INCREASE IN INCOME		711,001	Positive figure indicates increased income,(Negative) figure indicates decreased income)
<i>Increase/Decrease in EXPENDITURE</i>			
136670-2000	Grant Expenses - Library Story Time Program	1,800	Grant - Australian Library & Information Association -Support for Online Storytime program.
136850-1000	Library Building maintenance	5,800	Additional Cost for Pest Control on Library Building-Funded from Library Grant
137121-1000	Sporting Fields - Tingha	9,000	Goal posts for Tingha Sports field.
148420-1000	DCES - Special Projects	(9,000)	Funding for above
137771-1000	SH12 Maintenance Expenses	8,630	Revised Transport for NSW allocation for SH 12 Maintenance for 2021/2022
138830-1000	Grant-SH12 Maintenance - Work Orders - (Bitumen Resurfacing)	413,541	Transport for NSW allocation for work orders on SH12 for 2021/2022
138830-1000	Grant-SH12 Maintenance - Work Orders - (Swanvale Final Seal)	83,523	Transport for NSW allocation for work orders on SH12 for 2021/2022
138830-1000	Grant-SH12 Maintenance - Work Orders - (Elsmore Final Seal)	158,230	Transport for NSW allocation for work orders on SH12 for 2021/2022
138820-1000	Grant-SH12 Maintenance - Work Orders - (Heavy Patching)	(552,104)	Transport for NSW allocation for work orders on SH12 for 2021/2022
137561-1000	Grant-Block Grant Expenses for Regional Roads-Capital Allocation	(58,240)	Revised Transport for NSW allocation for Block Grant for 2021/22
160546-1000	Grant-Crown Reserve Improvement Fund- Joseph Wills Park	81,558	Grant - Upgrade of Joseph Wills Park at Elsmore
130101-1000	Computer Projects - Capital	157,650	Replacement NetApp Storage Area Unit
130100-1000	Computer Projects - Non Capital	(157,650)	Funding for above
137352-1000	Grant-Northern Tablelands Local Land Services Project-National Landcare Program	4,800	Grant for Invasive Grass management on Ross Hill Reserve
160541-1000	Grant-Stronger Country Communities Fund-Round 4-Inverell Netball Courts Upgrade	485,150	Grant for Inverell Netball Courts Upgrade
160541-1000	Grant-Stronger Country Communities Fund-Round 4-Inverell Netball Courts Upgrade	50,000	Council Contribution for Inverell Netball Courts Upgrade
129391-1000	Special Project - Capital	(50,000)	Funding for above
140230-1000	Grading Maintenance - North	200,000	Maintenance Grading
140130-1000	Grading Maintenance - South	200,000	Maintenance Grading
148409-1000	MCE - Maintenance grading allocation	(371,140)	Funding for above
148409-6445	MCE - Maintenance grading allocation	(28,860)	Funding for above
134030-5540	Travelling Exps - Health - Plant Costs	10,000	additional Health Travelling Expenses
134040-1000	Travelling Exps - Health - Private Plant Costs	(1,000)	Funding for above
136170-5540	Travelling Exps - Town Planning - Plant Costs	(4,000)	Funding for above
136200-4230	Sundry Town Planning Expenses	(5,000)	Funding for above
137340-1000	Copeton Northern Foreshores - Working Expenses	40,000	Additional Costs incurred due to redevelopment of CNFS
137503-1000	Public Hall - Delungra	22,400	Additional Cost to control Rising Damp in building
137505-1000	Public Hall - Bonshaw	6,000	Additional maintenance required - New Downpipes
151131-1000	Building/Facilities Minor Upgrades	(28,400)	Funding for above
137518-1000	Public Hall - Wallangra	1,500	Additional Costs for Fire Inspections
137510-1000	Public Halls - Other	(1,500)	Funding for above
136391-1000	Public Cemeteries - Capital Exps	15,000	Purchase of Shoring for grave digging
135030-1000	Youth Week	3,313	Grant Funding for Youth Week
148002-1000	Bushfire Community Resilience & Recovery Fund - Tingha Amentities Block	5,820	Council contribution to Upgrade of Tingha Amenities Block
151131-1000	Building/Facilities Minor Upgrades	(5,820)	Funding for above
148005-1000	Drought Communities Program 2 - Solar Lighting Old Bundarra Road (Half basket ball courts)	11,250	Council contribution towards Lighting
129381-1000	Special Project - Capital	(11,250)	Funding for Above
138680-1100	ACRD - Urban Reseals	43,500	Additional Urban reseals completed and increase in cost of bitumen
139185-1000	ACRD - Rural Road Reseals	(43,500)	Funding for Above
143654-1100	R2R - Reseals Local Rural Roads	28,500	Additional Local Roads reseals completed and increase in cost of bitumen
143655-1100	R2R - Bitumen Renewal	(28,500)	Funding for Above
139200-6445	Bitumen Reseals - Villages	138,750	Additional Village reseals completed and increase in cost of bitumen
139405-6445	Fit 4 Future - Assest Renewal - Backlog Prevention	(138,750)	Funding for Above
137140-1000	Sporting Fields - Ashford	1,650	Additional costs Incurred for mowing due to wet weather.
137155-1000	Passive parks - Rest Area - North	(1,650)	Funding for Above
137150-1000	Passive Parks - Ashford	1,000	Additional costs Incurred for mowing due to wet weather
139070-1000	Village - Seal Maintenance - North	(1,000)	Funding for Above

137280-3001	Street Mowing - North	20,000	Additional costs Incurred for mowing & growth control due to wet weather
139280-1000	Rural Seal Maintenance - North	(20,000)	Funding for Above
146300-4570	Ashford Depot Maintenance	10,000	Roller door replacement
129381-1000	Special Projects	(10,000)	Funding for above
137281-3200	Street Mowing - Tingha	5,000	Additional costs Incurred for mowing due to wet weather
137121-1000	Sporting Fields - Tingha	(5,000)	Funding for Above
139160-1000	Roadside Growth Control - South	15,000	Additional costs Incurred for slashing & Spraying due to wet weather
139300-1000	Heavy Patching Shire Roads	(15,000)	Funding for Above
139170-1000	Maintenance Roadside Furnishing - South	14,000	Additional costs Incurred for roadside furnishings-Guideposts / signs etc.
140150-1000	Drainage structures	(14,000)	Funding for Above
139180-1000	Maintenance Bitumen Seal	45,000	Additional costs Incurred due to wet weather
140400-1000	Bridges - Other Roads Rural	(24,875)	Funding for Above
140400-3200	Bridges - Other Roads Rural - Tingha	(5,125)	Funding for Above
139300-1000	Heavy Patching Shire Roads	(15,000)	Funding for Above
140120-1000	Gravel Patching - South	20,000	Additional costs Incurred due to wet weather
140190-3200	Gravel Resheeting Minor Roads - South	(20,000)	Funding for Above
143651-1100	R2R - Gravel resheeting	80,000	Additional gravel resheeting completed - grant funded
143656-1100	R2R - Heavy Patching	(80,000)	Funding for above
135900-1000	Urban Drainage Maintenance	10,000	Additional costs Incurred for drainage cleaning as a result of wet weather
140500-1000	Kerb & Gutter Maintenance	1,500	Additional costs Incurred due to wet weather
135960-3070	Urban Drainage Reconstruction - Gilgai	(11,500)	Funding for above
141330-4570	CBD Maintenance	50,000	Additional Cost incurred for footpath repairs
140470-1000	Cycleway Maintenance	(10,000)	Funding for above
140510-1000	Paved Footpath Maintenance	(5,000)	Funding for above
140550-1000	Roads & Traffic Signs Maintenance	(15,000)	Funding for above
138910-1000	ACRD - Pavement Management	43,500	Bulk purchase of Steel Flex posts
142995-1100	ACRD- Bitumen Renewals Program	(43,500)	Funding for above
140520-3100	Village Unpaved Footpaths	75,000	Additional costs Incurred for mowing and spraying due to wet weather
140620-1000	Shire Roads Northern Timber Clearing	(44,350)	Funding for Above
140630-3200	Shire Roads Southern Timber Clearing	(11,650)	Funding for Above
148408-6445	DCES Maintenance Activity from Asset Management System	(19,000)	Funding for Above
140540-1000	Tree Plant & Plot Maintenance	30,000	Additional costs Incurred for dangerous tree removals
148408-6445	DCES Maintenance Activity from Asset Management System	(30,000)	Funding for Above
137620-1120	Grant - Block Grant Expenses - TR 63	17,920	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137630-1120	Grant - Block Grant Expenses - TR 73	16,370	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137650-1120	Grant - Block Grant Expenses - MR 134 South	5,380	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137660-1120	Grant - Block Grant Expenses - MR 135	17,000	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137680-1120	Grant - Block Grant Expenses - MR 137 South	8,970	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137690-1120	Grant - Block Grant Expenses - MR 137 North	8,970	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137700-1120	Grant - Block Grant Expenses - MR 138	900	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137710-1120	Grant - Block Grant Expenses - MR 187 North	8,970	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137720-1120	Grant - Block Grant Expenses - MR 187 South	10,770	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137760-1120	Grant - Block Grant Expenses - MR 462	22,410	Reallocation of Block grant funding to Regional Roads Maintenance due to wet weather
137561-1000	Grant-Block	(117,660)	Funding for Above
TOTAL INCREASE IN EXPENDITURE		711,001	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)
Restricted Assets			
TOTAL FUNDING FROM RESTRICTED ASSETS		-	
FUNDED FROM EQUITY (G5795.000)			
NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit)		-	
WATER FUND			
Increase/Decrease in INCOME			
812010-1000	Water Charge Income	3,550	Additional Income from Annual water charge
TOTAL INCREASE IN INCOME		3,550	Positive figure indicates increased income,(Negative) figure indicates decreased income)
Increase/Decrease in EXPENDITURE			
812690-1000	Bad & Doubtful Debts	7,900	Water Rates Write off following sale of Land - Tingha Properties
812420-1000	Sundries Adminstrative Costs	(4,350)	Funding for Above
814660-1000	Reservoirs - Others (10)	19,000	Cleaning of Reservoirs by Contractors
814810-1000	Pump Station - Copeton Ps 2	(15,000)	Funding for Above
814800-1000	Pump Station - Copeton Ps 1	(4,000)	Funding for Above
TOTAL INCREASE IN EXPENDITURE		3,550	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	Sewer Application Fees - Plans	6,600	Additional Income Received
TOTAL INCREASE IN INCOME		6,600	Positive figure indicates increased income,(Negative) figure indicates decreased income)
Increase/Decrease in EXPENDITURE			
906685-1000	Bad & Doubtful Debts	6,600	Sewer Rates Write off following sale of Land - Tingha Properties
906470-1000	Pumping Station & Plant	50,000	Major repairs Pump Station 2
906445-1000	Treatment Works - Tingha	(50,000)	Funding for Above
TOTAL INCREASE IN EXPENDITURE		6,600	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 31-3-2022
CONSOLIDATED INCOME AND EXPENSE STATEMENT

	ORIGINAL BUDGET 2021/2022 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2021/2022 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET
		Revotes (000's)	Unexpended Grants & Contract Liabilities B/FW (000's)	Sept 2021 Review (000's)	Dec 2021 Review (000's)	Mar 2022 Review (000's)	June 2022 Review (000's)					
INCOME												
Rates & Annual Charges	23,067				1			23,068	3	23,071	23,096	100.11%
User Charges & Fees	4,721			856	7			5,584	111	5,695	2,560	44.95%
Interest	527							527		527	567	107.59%
Other revenues from ordinary activities	590			221	36			847	21	868	860	99.08%
Grants & Contributions provided for non capital purposes	14,307		1,838	2,000	2,031			20,176	13	20,189	7,500	37.15%
Grants & Contributions provided for Capital Purposes	979		1,707	9,004	341			12,031	573	12,604	3,731	29.60%
Gain from the sale of assets								-		-	455	100.00%
Gain from interest in joint ventures & associates	-							-				
TOTAL INCOME FROM CONTINUING OPERATIONS	44,191	-	3,545	12,081	2,416			62,233	721	62,954	38,769	62.30%
EXPENSES												
Employee Costs	15,106	260	84	180				15,630	5	15,635	10,966	70.14%
Borrowing Costs	82							82		82	56	68.29%
Materials and Contracts	10,524	3,284	2,047	2,683	2,260			20,798	221	21,019	11,810	56.19%
Depreciation	12,396							12,396		12,396	9,297	75.00%
Other Expenses from ordinary activities	4,844	417		21	(5)			5,277	17	5,294	3,717	70.21%
Loss from the disposal of assets	50							50		50	-	0.00%
Loss from interest in joint ventures & associates	-							-		-	-	-
TOTAL EXPENSES FROM CONTINUING OPERATIONS	43,002	3,961	2,131	2,884	2,255	-	-	54,233	243	54,476	35,846	66.10%
NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT)	1,189	(3,961)	1,414	9,197	161	-	-	8,000	478	8,478	2,923	36.54%
ADD BACK Non Cash Amounts												
Depreciation	12,396							12,396	-	12,396	9,297	75.00%
Carrying Amount of Assets Sold	695							695		695	-	0.00%
Capital Amounts	14,280	(3,961)	1,414	9,197	161	-	-	21,091	478	21,569	12,220	57.94%
Repayments by deferred Debtors	-											
Acquisition of Assets	(15,628)	(10,774)	(2,581)	(9,297)	(239)			(38,519)	(478)	(38,997)	(8,970)	23.29%
Loan Repayments	(653)							(653)		(653)	(538)	82.39%
Advance to Deferred Debtors												
Loan Funds												
Less Net Transfers to IRA	2,007			100	78			2,185		2,185		0.00%
Plus Equity Funding	-	14,735	1,167					15,902		15,902		0.00%
Unallocated Consolidation Net Profit/(Loss)	6	-	-	-	-	-	-	6	-	6	2,712	
NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT)	210							210		210	(808)	

* Favourable / (Unfavourable) variance

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

Item	Explanation
INCOME	
Rates & Annual Charges	Includes rate levy for 2021/2022
User Charges & Fees	3rd Quarter Water sales (\$738k) not raised until first week of April 2022. Water sales are estimated to be below budget during 2021/22 due to prolonged wet weather. Any short fall will be offset by Councils Water Sales Equalisation IRA
Grants & Contributions provided for non capital purposes	Works have not yet commenced on these projects and grant funding for road projects are normally paid in arrears
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
Other Revenue from Ordinary Activities	Additional proceeds from sale of scrap steel \$200k received late march. This will be offset to the waste manmagement function
Gain from the sale of assets	Sales of second hand plant and equipment is currently at record highs due to limited supply of new replacement equipment. Additional Gain on sale of assets will be transferred to Fleet IRA at end of financial year.
EXPENSES	
Other Expenses from ordinary activities	Includes yearly payments for Rates, insurances, emergency levies and memberships/subscriptions
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 2021/2022 budget have now been funded.

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31-3-2022
INCOME & EXPENSES BY FUNCTION

	ORIGINAL BUDGET 2021/2022 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2021/2022 (000's)	ACTUAL YTD (000's)	% OF PROJECTED BUDGET (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2021 Review (000's)	Dec 2021 Review (000's)	Mar 2022 Review (000's)	June 2022 Review (000's)					
EXPENSES												
Governance	263							263		263	167	63.50%
Administration	7,303	592	45	21	-11			7,950	-148	7,802	4,219	54.08%
Public Order and Safety	1,284			1,363	1,574			4,221		4,221	4,212	99.79%
Health & Environment	3,921	50	151		407			4,529	24	4,553	2,724	59.83%
Community Services and Education	94	131						225	4	229	23	10.04%
Housing and Community Amenities	1,180	74	136	176	70			1,636	-3	1,633	961	58.85%
Water Supplies	3,752	-	22		49			3,823	3	3,826	2,700	70.57%
Sewerage and Drainage Services	1,973	-			1			1,974	7	1,981	1,603	80.92%
Recreation and Culture	2,669	428			45			3,142	81	3,223	1,902	59.01%
Mining, Manufacturing and Construction	436	20						456		456	351	76.97%
Transport and Communication	8,888	2,012	1,777	1,494	120			14,291	318	14,609	9,084	62.18%
Economic Affairs	1,443	654						2,097	-43	2,054	998	48.59%
TOTAL EXPENSES	33,206	3,961	2,131	3,054	2,255	0	0	44,607	243	44,850	28,944	64.54%
REVENUES												
Governance	-							-		-	-	-
Administration	26,855	-		21				26,876	20	26,896	21,858	81.27%
Public Order and Safety	402			1,461	1,586			3,449		3,449	168	4.87%
Health & Environment	4,498	-			361			4,859	5	4,864	4,570	93.96%
Community Services and Education	23			5				28	3	31	20	64.52%
Housing and Community Amenities	308	-		1,074	130			1,512	15	1,527	414	27.11%
Water Supplies	5,658	-			49			5,707	4	5,711	4,380	76.69%
Sewerage and Drainage Services	3,052			170	1			3,223	7	3,230	3,104	96.10%
Recreation and Culture	217	-		4,519	244			4,980	614	5,594	1,161	20.75%
Mining, Manufacturing and Construction	213							213		213	165	77.46%
Transport and Communication	7,990	-		4,896	45			12,931	53	12,984	6,105	47.02%
Economic Affairs	352	-		105				457		457	323	70.68%
TOTAL REVENUE	49,568	-	-	12,251	2,416	-	-	64,235	721	64,956	42,268	65.07%
OPERATING RESULT: (Surplus)	(16,362)	3,961	2,131	(9,197)	(161)	-	-	(19,628)	(478)	(20,106)	(13,324)	
Depreciation	12,396							12,396		12,396	9,297	75.00%
Increase in Employee Leave Entitlements	2,727							2,727		2,727	1,559	57.17%
(PROFIT)/LOSS BEFORE CAPITAL AMOUNTS	(1,239)	3,961	2,131	(9,197)	(161)	-	-	(4,505)	(478)	(4,983)	(2,468)	
Carrying Amount of Assets Sold	695							695		695	0	0.00%
Proceeds Sale of Assets	(645)							(645)		(645)	(455)	70.54%
Cost Real Estate Assets Sold	-							-		-	-	
Loan Funds Used	-							-		-	-	
Other Debt Finance	-							-		-	-	
Repayments by Deferred Debtors	-							-		-	-	
Acquisition of Assets	15,628	10,774	2,581	9,297	239			38,519	478	38,997	8,970	23.00%
Development of Real Estate	-							-		-	-	
Advance to Deferred Debtors	-							-		-	-	
Repayment of Loans	653							653		653	538	82.39%
Repayment of Other Debts	-							-		-	-	
ESTIMATED BUDGET RESULT: (SURPLUS)/DEFICIT	15,092	14,735	4,712	100	78	-	-	34,717	0	34,717	6,585	
ADD BACK Non Cash Amounts												
Depreciation	12,396							12,396		12,396	9,297	
Carrying Amount of Assets Sold	695							695		695	0	
Plus Net Transfers	(2,007)			(100)	(78)			(2,185)	-	(2,185)		
Plus Equity Funding**		(14,735)	(4,712)					(19,447)		(19,447)		
BUDGET (SURPLUS)/DEFICIT	(6)	-	-	-	-	-	-	(6)	-	(6)	(2,712)	
** 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	2,007			100	78			2,185		2,185	2,185	100.00%
Net Transfers	(2,007)	-	-	(100)	(78)	-	-	(2,185)	-	(2,185)	(2,185)	

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

Item	Explanation
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EXPENSES

Public Order and Safety Includes yearly payments for Rates, insurances, emergency levies and memberships/subscriptions as well as payment for natural Disaster (Floods)

INCOME

Administration Includes entire rate levy for 2021/22
Public Order & Safety Natural Disaster (Floods) & Bush Fire Subsidies not received until latter in the year
Health & Environment Includes entire DWM levy Chagres for 2021/22
Sewerage and Drainage Services Includes entire annual sewer charges levy for 2021/22

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 2021/2022 budget have now been funded.

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2022
CAPITAL BUDGET

	ORIGINAL BUDGET 2021/2022 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2021/2022 (000's)	ACTUAL YTD (000's)
		Revotes	Unexpended Grants	Sept 2021 Review	Dec 2021 Review	Mar 2022 Review	June 2022 Review				
		(000's)	(000's)	(000's)	(000's)	(000's)	(000's)				
CAPITAL FUNDING											
Rates and Other untied Funding											
General Fund	3,885				(105)			3,780	130	3,910	3,910
Sewer Fund	838							838		838	838
Water Fund	1,504							1,504		1,504	1,504
								-			
Capital Grants & Contributions								-			
Bushfire	200			268				468		468	-
Sporting Fields	10			539	237			786		786	133
Cemetery					40			40		40	40
Library	27			36				63		63	63
Roads	5,308			6,986	(12)			12,282	(219)	12,063	5,132
Open Space				1,021				1,021	567	1,588	359
Aerodrome				347				347		347	101
Water								-		-	-
								-			
Internal Restricted Assets								-			
Aerodrome								-		-	
Plant Replacement	1,816							1,816		1,816	1,816
Roads Program	2,040			100				2,140		2,140	2,140
Sewerage Future Capital Works								-		-	-
Water Future Capital Works								-		-	-
Strategic Capital Projects Fund						34		34		34	34
Buildings						45		45		45	45
Other								-		-	-
Loan Funding								-		-	-
Equity (Unexpended Grants and Contributions from previous years)		10,774	2,581					13,355		13,355	13,355
TOTAL CAPITAL FUNDING	15,628	10,774	2,581	9,297	239			38,519	478	38,997	29,470
CAPITAL EXPENDITURE											
Administrative Services	15							15		15	3
Aerodrome				347				347		347	66
Engineering Equipment	2				15			17		17	14
SES/Bushfire	207			268				475		475	3
Information Services	148							148	158	306	2
Sporting Fields	24		496	539	182			1,241		1,241	1,055
Cemetery	15				40			55	15	70	53
Library	128		21	36				185		185	111
Open Space		59		870				929		929	11
Plant	2,461				(15)			2,446		2,446	1,030
Minor Community Infrastructure Assets	140	366	91	152	133			882	556	1,438	405
Strategic Capital Infrastructure Program	515							515		515	64
Sewerage Services	838	3,526						4,364		4,364	253
Water Services	1,504	3,607						5,111		5,111	753
Roads	9,631	3,216	1,973	7,085	(116)			21,789	(251)	21,538	5,147
TOTAL CAPITAL EXPENDITURE	15,628	10,774	2,581	9,297	239			38,519	478	38,997	8,970

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 2021/2022 budget have now been funded.

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2022
CASH & INVESTMENTS

	ORIGINAL BUDGET 2021/2022 (000's)	Approved Changes						REVISED BUDGET (000's)	Recommended Changes for Council Resolution (000's)	PROJECTED Year End Result 2021/2022 (000's)	ACTUALS (000's)
		Revotes (000's)	Unexpended Grants B/FW (000's)	Sept 2021 Review (000's)	Dec 2021 Review (000's)	Mar 2022 Review (000's)	June 2022 Review (000's)				
EXTERNALLY RESTRICTED											
Water Services	13,449	-	-	-	-			13,449	-	13,449	13,449
Sewerage Services	7,609	-	-	-	-			7,609	-	7,609	7,609
Waste Management	5,376	-	-	-	-			5,376	-	5,376	5,376
Special Purpose Grants (Contract Liabilities)	3,545	-	-	-	-			3,545	-	3,545	3,545
Developer Contributions	663	-	-	-	-			663	-	663	663
Bonds & Deposits	348	-	-	-	-			348	-	348	287
Stormwater Management	146				-			146	-	146	147
TOTAL EXTERNALLY RESTRICTED	31,136	-	-	-	-	-	-	31,136	-	31,136	31,076
INTERNALLY RESTRICTED											
Employee Leave Entitlements	1,502	-	-	-	-			1,502	-	1,502	1,502
Strategic Development Fund	101	-	-	-	-			101	-	101	101
Plant Replacement	2,418	-	-	-	-			2,418	-	2,418	2,418
Computer	1,739	-	-	-	-			1,739	-	1,739	1,739
Building Renewal/Upgrades	785	-	-		(44)			741	-	741	741
Economic Development/Growth Assets	3,582	-	-	(100)				3,482	-	3,482	3,482
Aerodrome	196	-	-	-	-			196	-	196	196
Workers Compensation Insurance	857	-	-	-	-			857	-	857	857
Future Capital Works/Land Purchases	450	-	-	-	(34)			416	-	416	416
Emergency Management/ Equipment Upgrades	380	-	-	-	-			380	-	380	380
Industrial Development	288	-	-	-	-			288	-	288	288
Baths Improvements - Inverell Pool	6,615	-	-	-	-			6,615	-	6,615	6,615
Sports Grounds - Hockey Facility Resurfacing	450	-	-	-	-			450	-	450	450
Financial Assistance Grants	4,392	-	-	-	-			4,392	-	4,392	4,392
Other Restrictions	2,862	-	-	-	-			2,862	-	2,862	2,862
TOTAL INTERNALLY RESTRICTED	26,617	-	-	(100)	(78)	-	-	26,439	-	26,439	26,439
TOTAL RESTRICTED	57,753						-	57,575	-	57,575	57,515
TOTAL CASH & INVESTMENTS	69,646							69,646		69,646	66,003
AVAILABLE WORKING CAPITAL	11,893	Figure incl. revotes & Unexpended grants from 2020/2021					-	12,071	-	12,071	8,488

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

COMMENT ON CASH & INVESTMENT POSITION

Councils overall Investment Portfolio remains sounds and as at 31st March 2022 Councils Cash and Investment Portfolio totalled \$66.003 million plus \$7.558 million Cash at bank (Water Fund \$.923m, Sewer Fund \$1.608m, General Fund \$5.027m).

STATEMENTS

INVESTMENTS

I PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the restricted funds listed above are invested in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulations 2005 and Council's Investment Policy. For further information about Councils investment portfolio and performance refer to Councils Monthly Investment Report included in Councils Business Paper

	\$000
Total External Restricted Funds	31,076
Total Internal Restricted Funds	26,439
Total Restricted	57,515
Total Funds Invested as per Investment Report (31-3-22)	66,003
Total Available Working Capital	8,488

CASH

I, PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the bank balances, as per General Ledger, have been reconciled with the bank statements for the month of March, 2022, and the details have been recorded. For further information about Councils bank reconciliations refer to Councils Monthly Financial Statements report included in the Council Business Paper

RECONCILIATION

I, PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the investment balances, as per General Ledger, have been reconciled with the investment report for the month of March, 2022, and the details have been recorded. For further information about Councils investment portfolio and performance refer to Councils Monthly Investment Report included in the Councils Business Paper.

CAPITAL EXPENDITURE 2021/2022

	LEDGER		ORIGINAL		ADJUSTED		Classification	% Complete				
PROGRAM	NUMBER	DESCRIPTION	AMOUNT	SECTION TOTAL	AMOUNT	SECTION TOTAL			FUNDING			
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	69%				
	160470-1000	ART GALLERY REFURBISHMENTS	5,000	14,700	5,000	14,700	Renewal	0%				
AERODROME	147124-1000	AERODROME-LIGHTING / WEATHER STATION			346,605	346,605	New Asset	19%	GRANT	121988-1000	346,605	
ENGINEERING	160800-1100	ENGINEERS INSTRUMENTS & EQUIPMENT	2,100	2,100	2,100	2,100	New Asset	0%				
DEPOTS	160850-3001	COUNCIL DEPOTS IMPROVEMENTS/UPGRADE			15,000	15,000	Renewal	93%				
BUSH FIRE	159141-1000	EQUIPMENT ISSUES	200,000	200,000	368,452	368,452	Renewal	RFS	GRANT	121121-1000	368,452	
	159170-3150	BUSHFIRE SHED			100,000	100,000	Renewal	RFS	GRANT	121121-1000	100,000	
SES	132851-4450	SES BUILDING UPGRADE	7,150	7,150	7,150	7,150	Renewal	46%				
INFORMATION SERVICES	130101-1000	COMPUTER EQUIPMENT	44,290		201,940		Renewal	0%				
	130101-4910	COMPUTER EQUIPMENT	32,000		32,000		Renewal	0%				
	130111-5130	COMPUTER EQUIPMENT - NEW PRINTING EQUIPMENT	39,200		39,200		Renewal	6%				
	130111-5162	COMPUTER EQUIPMENT - NEW HARDWARE	32,000	147,490	32,000	305,140	Renewal	0%				
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%				
	139455-1000	SPORTS COMPLEX - AMENITIES BLOCK-LRCI FUNDING	-		956,823		New Asset	99%	GRANT	121985-1000	500,000	
	139462-1000	BROOKS OVAL - AMENITIES BLOCK - LRCI FUNDING	-		261,355	1,242,178	New Asset	41%	GRANT	121985-1000	39,344	
								CONTRIBUTION	127049-1000	137,820		
								IRA-BUILDING REFURBISHM	161720-6220	44,847		
CEMETERY	136391-4450	CEMETERY	15,000	15,000	30,000	30,000	New Asset	103%				
	136416-1000	CEMETERY-ASHFORD AMENITIES UPGRADE			39,645	39,645	Renewal	55%	GRANT	121215-1000	39,645	
LIBRARY	160180-1100	LIBRARY-CORPORATE SERVICE COLLECTION	1,490		1,490		Renewal	39%				
	160190-1000	LIBRARY BOOKS	62,360		62,360		Renewal	79%				
	160200-1000	LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION	23,190		23,190		Renewal	100%				
	160240-1000	NON BOOK MATERIALS-VIDEOS CASSETTES ETC.	10,210		10,210		Renewal	68%				
	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	26,500	128,130	84,457	186,087	Renewal	37%	GRANT	160389-1000	62,987	
PARKS	160562-1000	CAMPBELL PARK UPGRADE	-		19,035		Renewal					
	160563-1000	VICTORIA PARK UPGRADE			40,000		New Asset	19%				
	147998-1000	LIONS PARK - PUMP TRACK			432,667		New Asset	0%	GRANT	121337-1000	432,667	
	147999-1000	LAKE INVERELL / INVERELL CEMETERY -AMENITIES BLOCK			408,220		New Asset	1%	GRANT	121338-1000	408,220	
	160670-1000	LIGHTING - HALF COURT BASKETBALL COURT			28,416	928,338	New Asset	0%	GRANT	121216-1000	28,416	
SCIF	141899-1000	STRATEGIC CAPITAL INFRASTRUCTURE PROGRAM	515,000	515,000	515,000	515,000	New Asset	12%				
OTHER NEW INFRASTRUCTURE ASSETS	129381-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS	100,000		193,350		New Asset	66%				
	132501-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS-Xmas Tree			10,000		Renewal	0%				
	134326-1000	MINOR COMMUNITY INFRASTRUCTURE ASSETS-Signage			29,559		Renewal	0%				
	159772-1000	ENERGY EFFICIENCY PROGRAM	40,000	140,000	152,333		New Asset	0%				
	139463-1000	DOG POUND - LRCI FUNDING			20,000		Renewal	16%				
	147835-1000	TINGHA CARAVAN PARK			121,768		New Asset	18%	GRANT	121987-1000	105,000	
	148000-1000	ASHFORD CARAVAN PARK			98,011		Renewal	96%	GRANT	121339-1000	20,403	
	148003-1000	TINGHA SOLAR LIGHTS			42,346		New Asset	90%	GRANT	121349-1000	16,604	
	148005-1000	DROUGHT COMMUNITY PROGRAM			21,148		Renewal	100%	GRANT	121994-1000	9,988	
	160541-1000	STRONGER COUNTRY COMMUNITIES FUND - Round 4			535,150		Renewal	0%	GRANT	121219-1000	485,150	
	160546-1000	CROWN RESERVE IMPROVEMENT FUND-Joseph Wills Park			81,558		Renewal	0%	GRANT	160545-1000	81,558	
	160674-1000	NSW PARTNERSHIPS - LOCAL COUNCILS-BBQ Trailer + shelter			20,000		New Asset	2%	GRANT	121217-1000	20,000	
	160671-1000	ASHFORD SPORTS GROUND UPGRADE-Lighting & Footpaths			79,561	1,438,309	New Asset	80%	GRANT	121218-1000	73,061	
	159000-1000	LAND PURCHASE			33,525		New Asset	100%	IRA-STRATEGIC LAND PURC	161970-6220	33,525	
	PLANT	161590-1000	SMALL PLANT	80,000		80,000		Renewal	88%	PLANT REPLACE. IRA	161680-6220	2,461,344
		161610-1000	WORKSHOP EQUIPMENT	40,000		25,000		Renewal	0%	Less Sales		(645,000)
		161600-1000	LIGHT CARS/TRUCKS	893,000		893,000		Renewal	62%			1,816,344
		161620-1000	HEAVY PLANT	1,448,344	2,461,344	1,448,344	2,446,344	Renewal	28%			
									TOTAL GRANT / OTHER FUNDING		3,285,830	
								LOAN FUNDS				
								TOTAL 20/21 UNEXPENDED GRANTS		607,755		
								TOTAL REVOTES/EQUITY		425,527		
								TOTAL IRA FUNDING		1,894,716		
								REVENUE FUNDING REQUIRED		1,771,220		
SEWERAGE	907170-1000	OTHER EQUIPMENT	14,000		38,000		New Asset	0%	CAPITAL WORKS IRA	907360-6220	-	
	907110-1100	MAINS RELINING PROGRAM	120,000		414,430		Renewal	19%				
	906541-1100	FITTING AND INSTALLATIONS	10,000		10,000		Renewal	0%				
	907250-3100	RETICULATION MAINS	107,690		381,775		Renewal	0%				
	907240-1000	CAPITAL INFRASTRUCTURE WORKS	168,500		168,500		Renewal	0%				
	907320-3050	SEWER TREATMENT WORKS - DELUNGRA			100,000		Renewal	0%				
	907320-3070	SEWER TREATMENT WORKS - GILGAI	100,000		280,000		Renewal	0%				
	907321-3100	SEWER TREATMENT WORKS - INVERELL			1,203,989		Renewal	3%				
	907270-1000	PUMPING STATIONS	318,000		1,492,800		Renewal	0%				
	907272-1000	TELEMETRY UPGRADES - INVERELL			174,466		Renewal	78%				
	907272-3050	TELEMETRY UPGRADES - DELUNGRA			100,000		Renewal	0%				
									TOTAL 20/21 UNEXPENDED GRANTS		-	
									TOTAL IRA FUNDING		-	
								LOAN FUNDS		-		
								TOTAL REVOTES/EQUITY		3,525,770		
								REVENUE FUNDING REQUIRED		838,190		
WATER	813220-1100	MAINS REPLACEMENT - INVERELL	118,460		284,698		Renewal	4%				
	813230-3100	MINOR MAINS EXTENSIONS-INVERELL	53,840		53,840		New Asset	2%	CAPITAL WORKS IRA	813380-6220	-	
	813282-1000	PUMP STATION UPGRADES	50,000		439,328		Renewal	48%				
	813290-3100	OTHER EQUIPMENT	11,000		54,118		New Asset	0%				
	813285-1000	BACKFLOW PREVENTION	50,000		928,750		Renewal	0%				
	813288-3100	TELEMETRY UPGRADES			394,020		Renewal	117%				
	813260-3100	TREATMENT PLANTS	292,000		1,629,744		Renewal	1%				
	813342-1000	RESERVOIRS CAPITAL UPGRADES	235,000		465,020		Renewal	2%				
	813180-1000	CAPITAL INFRASTRUCTURE WORKS	620,000		620,000		Renewal	0%				
	813280-3100	METERING - INVERELL	73,900		241,897		Renewal	18%				
									TOTAL 20/21 UNEXPENDED GRANTS		-	
									TOTAL IRA FUNDING		-	
									TOTAL GRANT / OTHER FUNDING		-	
								TOTAL REVOTES/EQUITY		3,607,215		
								REVENUE FUNDING REQUIRED		1,504,200		
ROADS	135960-3100	URBAN DRAINAGE RECONSTRUCTION-Construction Costs	146,770		510,605		Renewal	0%				
	138270-1000	URBAN WORKS PROGRAM	584,950		538,150		Renewal	0%				
	141331-4450	CBD WORKS	19,090				Renewal	0%				
	145868-1000	ACTIVE TRANSPORT PROGRAM (PAMP)	-		46,800		New Asset	80%				
	140833-1000	SH12/MR73 TINGHA BRIDGE ROUNDABOUT	2,020,500		2,020,500		New Asset	0%	IRA	161900-6220	2,040,000	
	137561-1000	BLOCK GRANT WORKS	714,395		538,495		Renewal	99%	GRANT	122400-4450	714,395	
	138691-1000	ACRD GRANT WORKS	1,941,680		2,861,820		Renewal	33%	GRANT	122760-1000	1,941,680	
	138730-4450	3x4 GRANT WORKS	160,000		-		Renewal	0%	GRANT	122860-4450	160,000	
	138280-1000	REPAIR PROGRAM WORKS	1,089,986		1,089,986		Renewal	0%	GRANT	122460-1000	1,089,986	
	138400-1000	ROADS TO RECOVERY PROGRAM WORKS	1,402,055		1,648,996		Renewal	92%	GRANT	122880-1000	1,588,996	
	1											

INVERELL SHIRE COUNCIL										
INVESTMENTS HELD 31/03/2022										
Start of Year	1/07/2021								31/03/2022	
End of Year	30/06/2022								22-Apr-22	
Term Deposit Investment Group										
Investment	Borrower	FUND	Interest Frequency	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
19/29	Newcastle Permanent	General	Quarterly	17-Apr-19	17-Jan-22	19-Apr-22	2.70%	1,000,000	1,000,000	1098
21/08	AMP Bank	General	Annually	27-Nov-20	29-Nov-21	27-May-22	0.75%	2,000,000	2,000,000	546
20/38	Bank of Queensland	Sewer	Maturity	27-May-20	27-May-20	27-May-22	1.30%	2,000,000	2,000,000	730
22/19	Community First Credit	Sewer	Maturity	07-Dec-21	07-Dec-21	07-Jun-22	1.00%	1,000,000	1,000,000	182
19/31	Westpac Bank	Water	Annually	25-Jun-19	25-Jun-21	25-Jun-22	2.30%	1,000,000	1,000,000	1096
19/34	Westpac Bank	General	Annually	25-Jun-19	25-Jun-21	25-Jun-22	2.30%	2,000,000	2,000,000	1096
19/32	Westpac Bank	General	Annually	27-Jun-19	27-Jun-21	27-Jun-22	2.30%	2,000,000	2,000,000	1096
22/01	Bank of Sydney	General	Annually	19-Jul-21	19-Jul-21	19-Jul-22	0.65%	1,500,000	1,500,000	365
22/02	Bank of Sydney	General	Annually	03-Aug-21	03-Aug-21	03-Aug-22	0.64%	1,000,000	1,000,000	365
20/05	Bank of Queensland	General	Annually	03-Sep-19	06-Sep-21	05-Sep-22	1.80%	1,000,000	1,000,000	1098
20/06	Bank of Queensland	General	Annually	13-Sep-19	14-Sep-21	13-Sep-22	1.80%	1,000,000	1,000,000	1096
22/04	Bank of Sydney	Water	Annually	17-Sep-21	17-Sep-21	19-Sep-22	0.63%	1,000,000	1,000,000	367
22/06	Bank of Sydney	Sewer	Annually	30-Sep-21	30-Sep-21	30-Sep-22	0.60%	1,500,000	1,500,000	365
22/07	MyState Bank	General	Annually	01-Oct-21	01-Oct-21	04-Oct-22	0.50%	2,000,000	2,000,000	368
22/08	AMP BANK	General	Annually	05-Oct-21	05-Oct-21	05-Oct-22	0.80%	2,000,000	2,000,000	365
22/13	AMP BANK	Water	Annually	25-Nov-21	25-Nov-21	25-Nov-22	1.00%	1,000,000	1,000,000	365
22/18	AMP BANK	General	Maturity	07-Dec-21	07-Dec-21	07-Dec-22	1.00%	2,000,000	2,000,000	365
21/10	Warwick Credit Union	General	Maturity	22-Jan-21	22-Jan-21	23-Jan-23	1.00%	1,500,000	1,500,000	731
22/05	AMP BANK	General	Annually	20-Sep-21	20-Sep-21	20-Mar-23	0.80%	1,000,000	1,000,000	546
22/12	AMP BANK	General	Annually	25-Nov-21	25-Nov-21	25-May-23	1.00%	1,000,000	1,000,000	546
22/14	AMP BANK	General	Annually	25-Nov-21	25-Nov-21	25-Mar-23	1.00%	1,000,000	1,000,000	485
20/32	Auswide Bank	General	Annually	24-Mar-20	24-Mar-22	24-Mar-23	1.88%	1,000,000	1,000,000	1095
22/22	Westpac Bank	General	Quarterly	29-Mar-22	29-Mar-22	29-Mar-23	1.56%	1,950,000	1,950,000	365
21/16	National Australia Bank	Water	Annually	28-Jun-21	28-Jun-21	28-Jun-23	0.60%	1,000,000	1,000,000	730
21/17	ICBC - Industrial and Commercial Bank of China	General	Annually	29-Jun-21	29-Jun-21	29-Jun-23	0.70%	1,000,000	1,000,000	730
21/18	National Australia Bank	Water	Quarterly	29-Jun-21	29-Mar-22	29-Jun-23	0.65%	2,000,000	2,000,000	730
22/09	National Australia Bank	General	Annually	06-Oct-21	06-Oct-21	06-Oct-23	0.64%	1,000,000	1,000,000	730
22/10	Westpac Bank	General	Quarterly	25-Oct-21	24-Jan-22	25-Oct-23	0.91%	2,000,000	2,000,000	730
22/11	Westpac Bank	General	Quarterly	25-Nov-21	25-Feb-22	25-Nov-23	1.28%	1,000,000	1,000,000	730
22/15	ICBC - Industrial and Commercial Bank of China	General	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732
22/16	ICBC - Industrial and Commercial Bank of China	General	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732
22/17	ICBC - Industrial and Commercial Bank of China	Water	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	1,000,000	1,000,000	732
22/03	National Australia Bank	General	Annually	27-Aug-21	27-Aug-21	27-Aug-24	0.85%	2,000,000	2,000,000	1096
22/20	MyState Bank	General	Quarterly	02-Mar-22	02-Mar-22	04-Mar-24	1.70%	2,000,000	2,000,000	733
22/21	Bank of Queensland	General	Quarterly	02-Mar-22	02-Mar-22	04-Mar-24	1.70%	1,000,000	1,000,000	733
21/11	ICBC - Industrial and Commercial Bank of China	Water	Annually	26-Mar-21	26-Mar-22	26-Mar-24	0.82%	2,000,000	2,000,000	1096
21/13	ICBC - Industrial and Commercial Bank of China	Water	Annually	27-May-21	27-May-21	27-May-26	1.40%	1,000,000	1,000,000	1826
21/14	ICBC - Industrial and Commercial Bank of China	Sewer	Annually	27-May-21	27-May-21	27-May-26	1.40%	1,000,000	1,000,000	1826
21/15	ICBC - Industrial and Commercial Bank of China	General	Annually	27-May-21	27-May-21	27-May-26	1.40%	1,000,000	1,000,000	1826
							TOTALS	55,450,000	55,450,000	
Floating Rate Notes										
As at Date	Borrower	FUND	Interest Frequency	Purchase Date	Last Coupon Date	Coupon End Date	Current Yield*	Principal Value	Current value	Coupon Term
								-	-	
* Yield changes every 3 months and is a margin over the 3 month BBSW (Bank Bill Swap Rate)										
180 Day Deposit Accounts										
As at Date	Borrower	FUND	Interest Frequency	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Principal Value	Current value	Term
31/3/2022	AMP Bank	General	Monthly	28/6/2021	30/11/2021	30/6/2022	0.70%	2,500,000	2,509,363	
Sub Total - Cash Deposits Accounts Investment Group								2,500,000	2,509,363	
Cash Deposit Accounts										
As at Date	Borrower	FUND		Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Value at beg year	Current value	Term
31/3/2022	Commonwealth Bank	General		9/11/2020			0.00%		1,255	
31/3/2022	Macquarie Bank	General	Monthly	9/11/2020	28/2/2022	30/6/2022	0.60%	4,011,560	4,023,997	
31/3/2022	Macquarie Bank	Water	Monthly	9/11/2020	28/2/2022	30/6/2022	0.60%	2,504,313	2,512,076	
31/3/2022	Macquarie Bank	Sewer	Monthly	9/11/2020	28/2/2022	30/6/2022	0.60%	1,501,380	1,506,034	
Sub Total - Cash Deposit Accounts							-	-	8,043,362	-
Portfolio by Fund		28/02/2022	31/03/2022							
General Fund		\$46,482,874	\$46,484,615							
Water Fund		\$12,510,990	\$12,512,076							
Sewer Fund		\$7,005,382	\$7,006,034							
TOTAL		\$65,999,246	\$66,002,725							

RESTRICTED ASSETS (CASH) MOVEMENTS								
14/09/2021								
PURPOSE	EST. BAL. 30/6/2020	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2021	TRANSFER TO	TRANSFER FROM	EST. BAL. 30/6/2022	
GENERAL ACTIVITIES	\$	\$	\$	\$	\$	\$	\$	Comments
BUILDING REFURBISHMENT/UPGRADE	2,417,841.18	21,483	1,754,514	684,810.18		44,847	639,963.18	Note 1 Funding Building Refurbishments/Asset Management needs/Funded from Deprn Expense
EQUIP. UPGRADE/EMERGENCY MTCE	210,805.00			210,805.00			210,805.00	OLG Promoting Better Practice Recommendation
COMPUTER/IT SYSTEMS UPGRADES	1,541,357.00	197,987		1,739,344.00			1,739,344.00	Note 2 Replacement of key IT equipment and essential Software upgrades/replacements
INDUSTRIAL DEVELOPMENT	287,595.00			287,595.00			287,595.00	Land Development - Subdivision costs
RESIDENTIAL DEVELOPMENT	7,309.77			7,309.77			7,309.77	
AERODROME UPGRADE/MTC	306,330.00		110,000	196,330.00			196,330.00	Note 3 Federal Compensation Package Funds
COPETON NORTHERN FORESHORES	49,000.00	218,419		267,419.00			267,419.00	Funding for future refurbishments and maintenance of CNFS assets
LIBRARY BUILDING REFURBISHMENT	202,000.00			202,000.00			202,000.00	Future Library Building Refurbishments
INDUSTRIAL PROMOTION/TOURISM PROMOTION	93,594.00	282,000		375,594.00			375,594.00	Industrial Promotions - Council business incentives to relocate or expand Tourism Promotion - Tourism Brochure etc
PLANT REPLACEMENT	3,155,138.00	2,281,715	2,911,918	2,524,935.00	1,709,250	1,816,344	2,417,841.00	Note 5 Plant Fleet Asset Renew als, new truck wash and fleet storage shed
GRAVEL PIT RESTORATION	218,513.00	17,847.00		236,360.00	50,000	45,000	241,360.00	Rehabilitation Requirement
GRAVEL PIT RESTORATION -Roads	155,793.00	17,848.00		173,641.00	50,000	45,000	178,641.00	Rehabilitation Rifle Range Road and others
COMMUNITY CAPITAL PROJECTS AND LAND PURCHASES	450,000.00			450,000.00		33,525	416,475.00	Note 6
ECONOMIC DEVELOP/GROWTH ASSETS	5,596,157.00	500,000	474,537	5,621,620.00		2,140,096	3,481,524.00	Note 7
STRATEGIC CAPITAL PROJECTS FUND	4,450.00			4,450.00			4,450.00	
STRATEGIC DEVELOPMENT FUND	100,611.00			100,611.00			100,611.00	Note 8 Land Bank/Infrastructure Development Funding
EMPLOYEE TRAINING (STATUTORY)	256,756.00	68,140		324,896.00			324,896.00	Funding for employee statutory training
EMPLOYEE LEAVE ENTITLEMENTS	1,501,710.46			1,501,710.46			1,501,710.46	Restricted - Minimum Statutory Requirement
WORKERS COMP INSURANCE	857,301.00			857,301.00			857,301.00	Promoting Better Practice Recommendation
TOWN HALL MAJOR MTCE/UPGRADE	100,000.00			100,000.00			100,000.00	Funding for future building refurbishments
INSURANCE EXCESS/SELF INSURANCE	209,848.00			209,848.00			209,848.00	Promoting Better Practice Recommendation
SWIMMING POOLS UPGRADE/FENCING	4,000,000.00	2,614,514		6,614,514.00			6,614,514.00	Future Upgrades (includes Transfer from Provisions)
ROAD RESUMPTIONS	20,000.00			20,000.00			20,000.00	Ongoing Issue
INVERELL HOCKEY FACILITY	450,000.00			450,000.00			450,000.00	Field Resurfacing - Provision for Surface Renew al
OPEN SPACE UPGRADES	0.00	110,000		110,000.00			110,000.00	Implementation of Open Space Strategy
CONNECTIONS BUILDINGS/PLANT/EQUIP.	72,183.61			72,183.61			72,183.61	Funding Building Refurbishments/Asset Management needs/Funded from Deprn Expense
SES BUILDINGS	168,554.00			168,554.00			168,554.00	SES Building Renew als
INTEREST EQUALISATION	650,000.00	150,000		800,000.00		150,000	650,000.00	Interest equalisation reserve - funds moves in interest rates
EMERGENCY MANAGEMENT (FIRE, FLOOD, STORM)	200,000.00			200,000.00			200,000.00	
FUND TOTAL	23,282,847.02	6,479,953.00	5,250,969.00	24,511,831.02	1,809,250.00	4,274,812.00	22,046,269.02	
WASTE	\$	\$	\$	\$	\$	\$	\$	
GARBAGE DEPOT LAND PURCHASE ETC	169,391.00			169,391.00			169,391.00	Note 4 Waste Strategy Funds - Restricted
GARBAGE DEGRADATION/REHAB.	951,134.00	150,000		1,101,134.00	100,000		1,201,134.00	Note 4 Waste Strategy Funds - Restricted
WASTE INFRASTRUCTURE	2,935,322.00	223,409		3,158,731.00	150,000		3,308,731.00	Note 4 Waste Strategy Funds - Restricted
WASTE-EXTERNALITY SUSTAINABILITY	497,000.00	100,000		597,000.00	100,000		697,000.00	Note 4 Waste Strategy Funds - Restricted
DOMESTIC WASTE MANAGEMENT				-			-	
FUND TOTAL	4,552,847.00	473,409.00	0.00	5,026,256.00	350,000.00	0.00	5,376,256.00	
WATER SUPPLY	\$	\$	\$	\$	\$	\$	\$	
EMPLOYEE LEAVE ENTITLEMENTS	130,000.00			130,000.00			130,000.00	Restricted - Statutory Requirement
EQUIPMENT BREAKDOWN	407,940.00			407,940.00			407,940.00	Promoting Better Practice Recommendation
REVENUE EQUALISATION	1,876,763.00			1,876,763.00			1,876,763.00	Best Practice Guidelines - Funds movements in water sales
INTEREST EQUALISATION	350,000.00	50,000		400,000.00		30,000	370,000.00	Interest equalisation reserve - funds moves in interest rates
FUTURE CAPITAL WORKS	4,587,491.00	250,000		4,837,491.00			4,837,491.00	Water augmentation and mains replacement
FUND TOTAL	7,352,194.00	300,000	-	7,652,194.00	-	30,000	7,622,194.00	
SEWERAGE SERVICES	\$	\$	\$	\$	\$	\$	\$	
EMPLOYEE LEAVE ENTITLEMENTS	67,000.00			67,000.00			67,000.00	Restricted - Statutory Requirement
INTEREST EQUALISATION	257,496.00	35,000		292,496.00		40,000	252,496.00	Interest equalisation reserve - funds moves in interest rates
EQUIPMENT BREAKDOWN	159,078.82			159,078.82			159,078.82	Promoting Better Practice Recommendation
FUTURE CAPITAL WORKS	2,589,200.00	132,000		2,721,200.00			2,721,200.00	Inverell Sew er Treatment Plant and Pump Station 1 renewal and mains relining
FUND TOTAL	3,072,774.82	167,000	-	3,239,774.82	-	40,000	3,199,774.82	
TOTAL OF ALL FUNDS	38,260,662.84	7,420,362.00	5,250,969.00	40,430,055.84	2,159,250.00	4,344,812.00	38,244,493.84	

INTERNALLY RESTRICTED ASSETS COMMITMENTS			
Note 1 - Building Refurbishment/Upgrade Projects -	Building Maintenance Fund	234,810.00	Funding for periodic maintenance of Council Buildings (including Tingha Age Care Units)
	Refurbish Tingha Toilets	50,000.00	
	Initial Allocation toward Dog Pound	400,000.00	
	684,810.00		
Note 2 - Replacement of key IT equipment and essential Software upgrades/replacements			
Note 3 - Funding received from Federal Compensation Package - Future Bitumen Reseals			
Note 4 - Waste Management Strategy Implementation Funding and future land purchases/degradation requirements, including new Garbage Trucks, Solar Power, Weighbridges, Tip Closures etc			
Note 5 - Plant Fleet future acquisitions fund - Asset Renewal plus GPS devices			
Note 6 - Future Capital Works/Non-Trading Land Purchases/Industrial Land Development Fund		450,000.00	Strategic Land Purchases / Industrial Land Development Fund
		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	2,540,000.00	
	Gwydir Highway/Rossllyn Street Roundabout	1,000,000.00	
	Gwydir Highway/Mansfield St Intersection	500,000.00	
	Oliver Street Extension	91,000.00	
	Initial Allocation toward TCRP Stage 3	490,620.00	
	5,621,620.00		
Note 8 - Strategic Capital Projects and Infrastructure Fund		65,000	Inverell Community Gardens Projects
		65,000	

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

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2022
CONTRACTS**

Contractor	Contract Details & purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
FLEET PURCHASES					
Gaukrogers	Hyundai W7 Palisade	\$ 62,862.24	21-March-2022	3 Months	Y
Construction Equipment Australia	Dynapac Pad Foot Drum Roller (9119)	\$ 155,300.00	03-March-2022	3 Months	Y
OTHER					
Interflow Pty Ltd.	Inverell Sewer Main Condition Assessment	\$ 211,053.00	25-February-2022	6 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 2022

**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2022
CONSULTANCY & LEGAL EXPENSES**

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
CONSULTANCIES		
Heritage Advisor	12,065.00	Y
Investment Advisor	6,666.64	Y
HR Consulting	2,754.55	Y
LEGAL FEES	-	

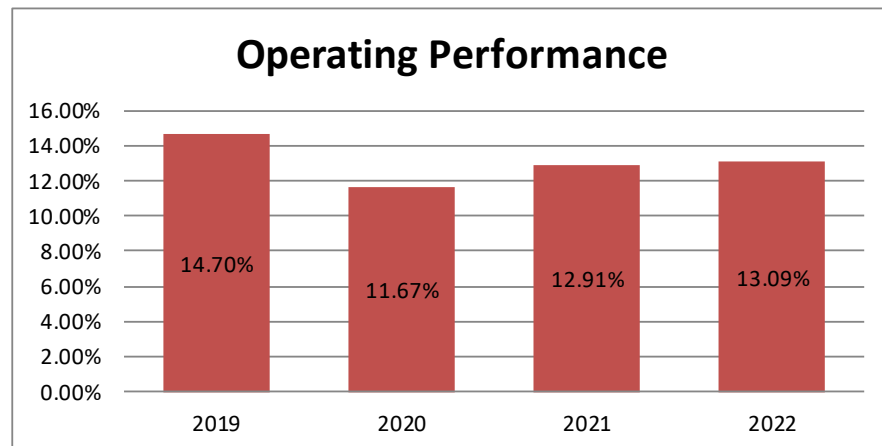
Definition of Consultant

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 2022

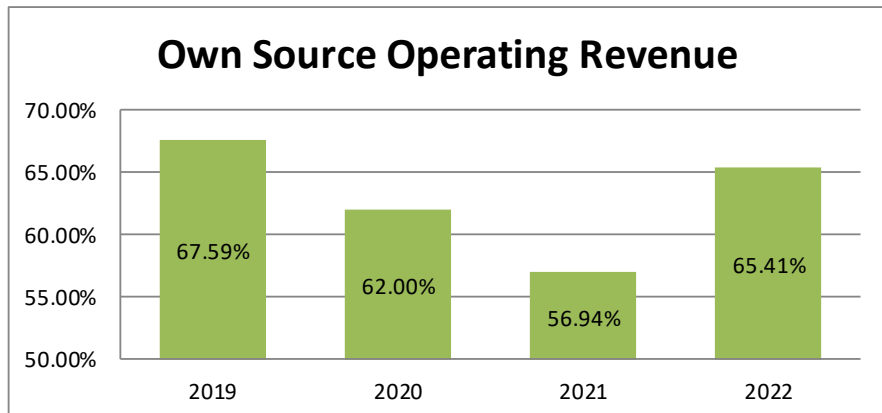
**INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-3-2022
KEY PERFORMANCE INDICATORS**



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

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

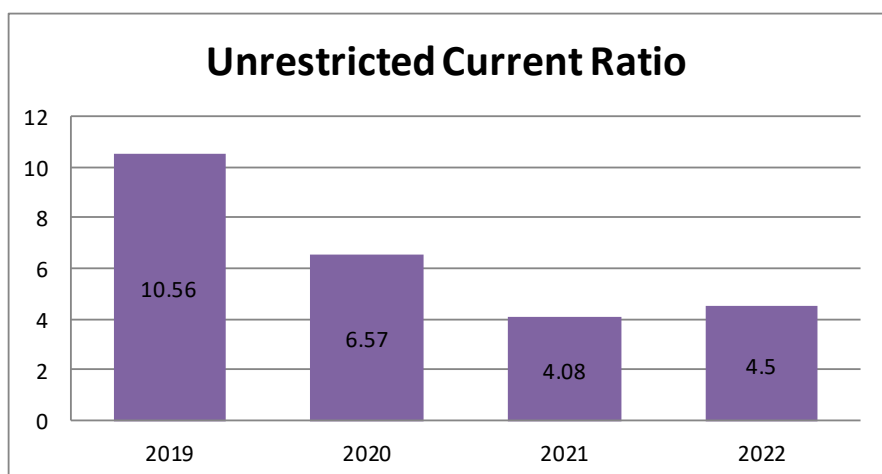
The "fit for the future" benchmark is that council should have a breakeven or better operating performance ratio over a three year period.



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

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

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

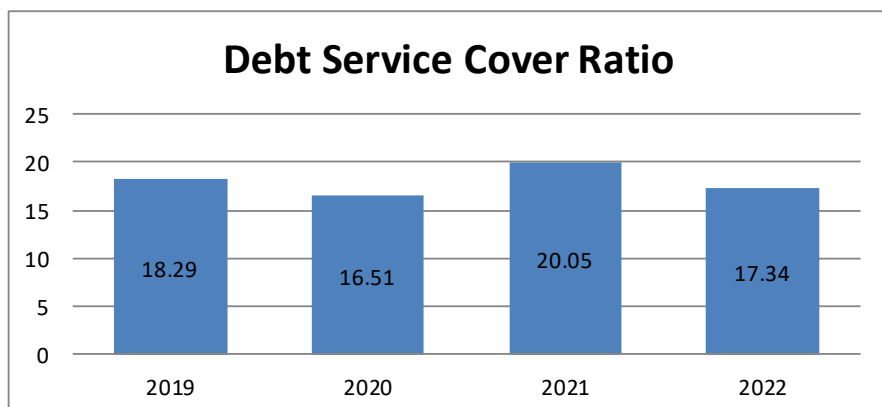


The **Unrestricted Current Ratio** excludes all current assets and liabilities that are restricted for specific purposes. These include the water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions

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

The Tcorp benchmark is greater than 1.5

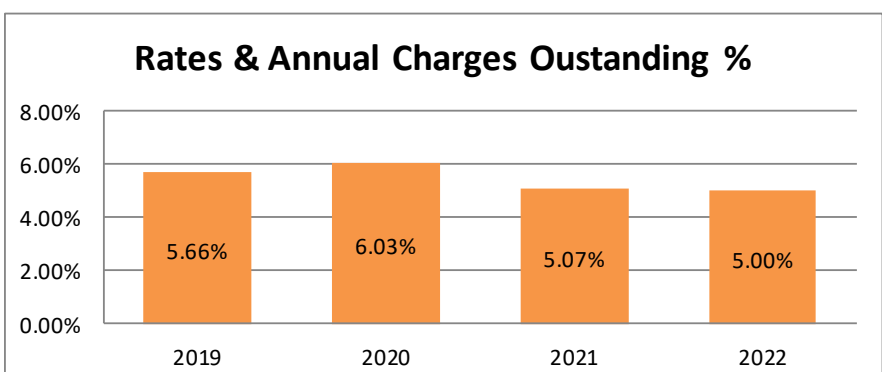
The decrease in 2021 is primarily due to an increase in non current investments held



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 ability to generate sufficient cash to cover its debt payments is sound and is in excess of Tcorp benchmark.

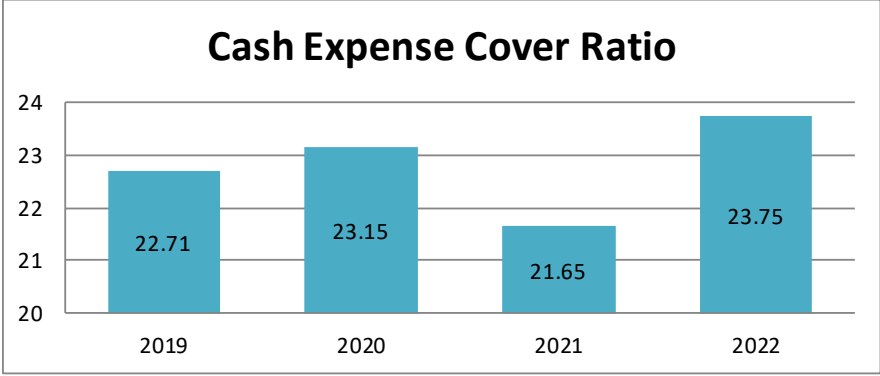
The Tcorp benchmark is to have a ratio of greater than 2.



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

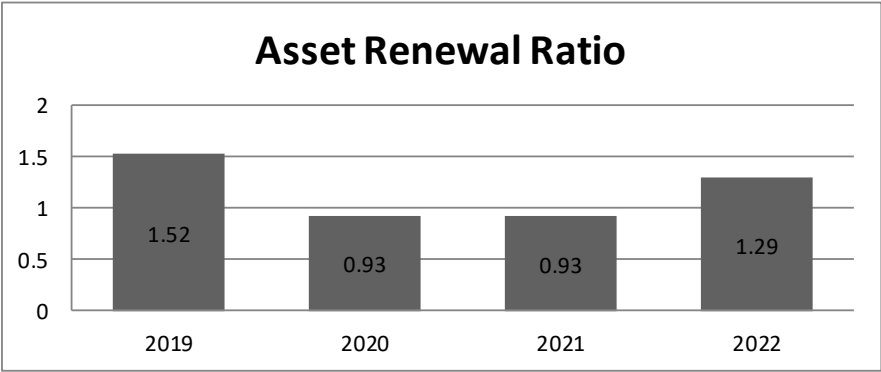
Council's ratio remains at a low level and is within benchmarks for group 11 Councils and reflects good recovery procedures as advised by Councils Auditor

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

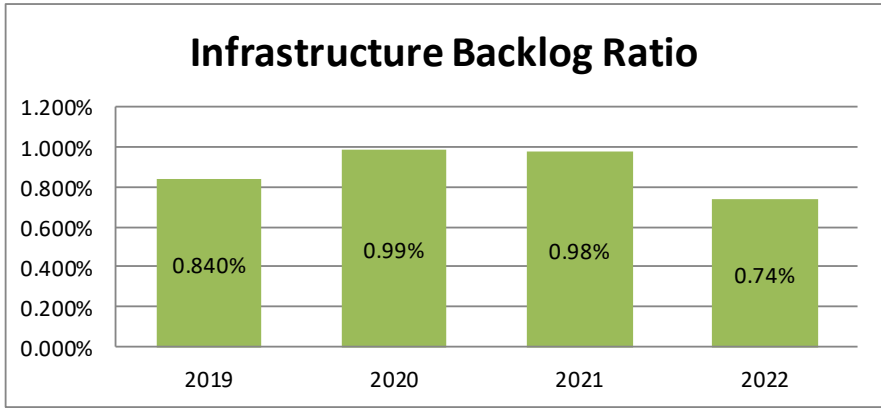


The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

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.

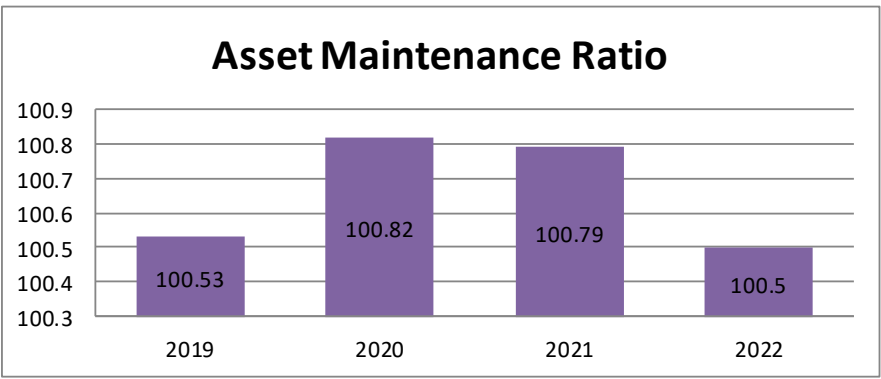
The "fit for the future" benchmark is that councils should have a ratio of greater than 1 over a three year period



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

5.2 GOVERNANCE - MONTHLY INVESTMENT REPORT**File Number:** S12.12.2 / 22/14132**Author:** Robert Kimmince, Manager Financial Services**SUMMARY:**

To report the balance of investments held as at 30 April, 2022.

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, 2022 and an update of the investment environment:

- (a) Council's Investments as at 30 April, 2022;
- (b) Council Investments by Fund as at 30 April, 2022;
- (c) Interest – Budgeted vs. Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

Term Deposit Investment Group										
Investment	Borrower	FUND	Interest Frequency	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
21/08	AMP Bank	General	Annually	27-Nov-20	29-Nov-21	27-May-22	0.75%	2,000,000	2,000,000	546
20/38	Bank of Queensland	Sewer	Maturity	27-May-20	27-May-20	27-May-22	1.30%	2,000,000	2,000,000	730
22/19	Community First Credit Union	Sewer	Maturity	07-Dec-21	07-Dec-21	07-Jun-22	1.00%	1,000,000	1,000,000	182
19/31	Westpac Bank	Water	Annually	25-Jun-19	25-Jun-21	25-Jun-22	2.30%	1,000,000	1,000,000	1096
19/34	Westpac Bank	General	Annually	25-Jun-19	25-Jun-21	25-Jun-22	2.30%	2,000,000	2,000,000	1096
19/32	Westpac Bank	General	Annually	27-Jun-19	27-Jun-21	27-Jun-22	2.30%	2,000,000	2,000,000	1096
22/01	Bank of Sydney	General	Annually	19-Jul-21	19-Jul-21	19-Jul-22	0.65%	1,500,000	1,500,000	365
22/24	National Australia Bank	General	Maturity	19-Apr-22	19-Apr-22	19-Jul-22	0.77%	2,000,000	2,000,000	91
22/02	Bank of Sydney	General	Annually	03-Aug-21	03-Aug-21	03-Aug-22	0.64%	1,000,000	1,000,000	365
20/05	Bank of Queensland	General	Annually	03-Sep-19	06-Sep-21	05-Sep-22	1.80%	1,000,000	1,000,000	1098
20/06	Bank of Queensland	General	Annually	13-Sep-19	14-Sep-21	13-Sep-22	1.80%	1,000,000	1,000,000	1096
22/04	Bank of Sydney	Water	Annually	17-Sep-21	17-Sep-21	19-Sep-22	0.63%	1,000,000	1,000,000	367
22/06	Bank of Sydney	Sewer	Annually	30-Sep-21	30-Sep-21	30-Sep-22	0.60%	1,500,000	1,500,000	365
22/07	MyState Bank	General	Annually	01-Oct-21	01-Oct-21	04-Oct-22	0.50%	2,000,000	2,000,000	368
22/08	AMP BANK	General	Annually	05-Oct-21	05-Oct-21	05-Oct-22	0.80%	2,000,000	2,000,000	365
22/25	Westpac Bank	General	Maturity	19-Apr-22	19-Apr-22	19-Oct-22	1.31%	2,000,000	2,000,000	183
22/13	AMP BANK	Water	Annually	25-Nov-21	25-Nov-21	25-Nov-22	1.00%	1,000,000	1,000,000	365
22/18	AMP BANK	General	Maturity	07-Dec-21	07-Dec-21	07-Dec-22	1.00%	2,000,000	2,000,000	365
21/10	Warwick Credit Union	General	Maturity	22-Jan-21	22-Jan-21	23-Jan-23	1.00%	1,500,000	1,500,000	731
22/05	AMP BANK	General	Annually	20-Sep-21	20-Sep-21	20-Mar-23	0.80%	1,000,000	1,000,000	546
22/12	AMP BANK	General	Annually	25-Nov-21	25-Nov-21	25-May-23	1.00%	1,000,000	1,000,000	546
22/14	AMP BANK	General	Annually	25-Nov-21	25-Nov-21	25-Mar-23	1.00%	1,000,000	1,000,000	485
20/32	Auswide Bank	General	Annually	24-Mar-20	24-Mar-22	24-Mar-23	1.88%	1,000,000	1,000,000	1095
22/22	Westpac Bank	General	Quarterly	29-Mar-22	29-Mar-22	29-Mar-23	1.56%	1,950,000	1,950,000	365
22/23	ING	General	Annually	19-Apr-22	19-Apr-22	19-Apr-23	2.21%	2,000,000	2,000,000	365
21/16	National Australia Bank	Water	Annually	28-Jun-21	28-Jun-21	28-Jun-23	0.60%	1,000,000	1,000,000	730
21/17	ICBC - Industrial and Commercial Bank of China	General	Annually	29-Jun-21	29-Jun-21	29-Jun-23	0.70%	1,000,000	1,000,000	730
21/18	National Australia Bank	Water	Quarterly	29-Jun-21	29-Mar-22	29-Jun-23	0.65%	2,000,000	2,000,000	730
22/09	National Australia Bank	General	Annually	06-Oct-21	06-Oct-21	06-Oct-23	0.64%	1,000,000	1,000,000	730
22/10	Westpac Bank	General	Quarterly	25-Oct-21	25-Apr-22	25-Oct-23	0.91%	2,000,000	2,000,000	730
22/11	Westpac Bank	General	Quarterly	25-Nov-21	25-Feb-22	25-Nov-23	1.28%	1,000,000	1,000,000	730
22/15	ICBC - Industrial and Commercial Bank of China	General	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732
22/16	ICBC - Industrial and Commercial Bank of China	General	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732
22/17	ICBC - Industrial and Commercial Bank of China	Water	Annually	02-Dec-21	02-Dec-21	04-Dec-23	1.36%	1,000,000	1,000,000	732
22/03	National Australia Bank	General	Annually	27-Aug-21	27-Aug-21	27-Aug-24	0.85%	2,000,000	2,000,000	1096
22/20	MyState Bank									

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

100 Day Deposit Accounts										
As at Date	Borrower	FUND	Interest Frequency	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Principal Value	Current value	Term
30/4/22	AMP Bank	General	Monthly	28/6/2021	30/11/2021	30/6/2022	0.70%	2,500,000	2,509,363	
Sub Total - Cash Deposits Accounts Investment Group								2,500,000	2,509,363	

Cash Deposit Accounts										
As at Date	Borrower	FUND		Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Value at beg year	Current value	Term
30/4/22	Commonwealth Bank	General		9/11/2020			0.00%		1,255	
30/4/22	Macquarie Bank	General	Monthly	9/11/2020	28/2/2022	30/6/2022	0.60%	4,011,560	4,025,916	
30/4/22	Macquarie Bank	Water	Monthly	9/11/2020	28/2/2022	30/6/2022	0.60%	2,504,313	2,513,274	
30/4/22	Macquarie Bank	Sewer	Monthly	9/11/2020	28/2/2022	30/6/2022	0.60%	1,501,380	1,506,752	
Sub Total - Cash Deposit Accounts								-	8,047,197	-

Portfolio by Fund	31/03/2022	30/04/2022
General Fund	\$46,484,615	\$51,486,535
Water Fund	\$12,512,076	\$12,513,274
Sewer Fund	\$7,006,034	\$7,006,752
TOTAL	\$66,002,725	\$71,006,561

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Interest – Budgeted verses Actual Result to Date

	Ledger	2021/2022 Budget \$	Actuals to Date \$	Accrued Interest to Date \$	TOTAL \$
General Fund	128820	394,000.00	212,038.18	237,014.36	449,052.54
Water Fund	812350	64,000.00	28,191.66	44,112.88	72,304.54
Sewer Fund	906320	41,000.00	26,622.74	27,254.79	53,877.53
TOTAL		499,000.00	266,852.58	308,382.03	575,234.61

Term deposit interest rates have improved recently with a 12-month term deposit now yielding 1-1.7%. Given our strong investment balances, Council is expected to exceed interest revenue targets in 2021/2022. Any additional interest received during 2021/2022 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 30/04/2022		0.10%	0.071%	0.10%
Term Deposits	1.20%			
Cash Deposit Accounts	0.60%			
180 Day Call Account	0.70%			
Floating Rate Notes	0.00%			

D) Investment Commentary

Council's investment portfolio exceeded all benchmarking indexes.

Council's investment portfolio of \$71M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

On Tuesday 3 May, 2022 the Reserve Bank increased interest rates for the first time since 2010, with a 25-basis-point hike taking the cash rate target to 0.35 per cent. Reserve Bank Governor Philip Lowe said the combination of recent very high inflation numbers and evidence that workers were starting to get bigger wage increases meant the time was right for "normalising" interest rates away from emergency lows.

Governor Lowe stated "The board is committed to doing what is necessary to ensure that inflation in Australia returns to target over time". "This will require a further lift in interest rates over the period ahead."

Governor Lowe told reporters in his post-meeting statement that the cash rate still had a long way to go to get back to more normal levels where it at least matched the rate of inflation. This indicates that over time it is not unreasonable to expect the cash rate to reach 2-3%.

Economists at the major banks remain deeply divided about how high interest rates would rise — CBA have forecasted 1.6%, Westpac estimate 2%, while ANZ are predicting more than 3%.

Term deposit rates will continue to increase over the near future as the cash rate increases. This will generate additional interest revenue for Council.

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:

Council's term deposit portfolio was yielding 1.2% p.a. at month-end, with a weighted average duration of around 317 days or 10.5 months. Council is well positioned to take advantage of increasing term deposit rates as investment mature.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

5.3 AASB 124 RELATED PARTY TRANSACTIONS**File Number:** S12.2.2 / 22/14155**Author:** Paul Pay, Director Corporate and Economic Services**SUMMARY:**

The Australian Accounting Standard 124 (AASB 124) require local government authorities to identify and disclose related party transactions that are individually or collectively material.

This report requests that Council's Key Management Personnel (KMP) declare details of any Related Parties and Related Party Transactions by completing Sections 1 and 2 of Council's KMP – Related Party Transaction Questionnaire form.

RECOMMENDATION:

The Committee recommend to Council that:

- a) *The report be received and noted; and*
- b) *In accordance with AASB 124, Key Management Personnel (KMP) complete section 1 and 2 of Council's KMP – Related Party Transactions Questionnaire and return completed forms to Council by 22 June, 2022.*

COMMENTARY:

All councils in New South Wales must produce annual financial statements that comply with Australian Accounting Standards.

The Australian Accounting Standard 124 (AASB 124) require local government authorities to identify and disclose related party transactions between Council and its related parties that are individually or collectively material.

The objective of the standard is to ensure that Council's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

As a result, Council must disclose Related Parties of Key Management Personnel (KMP) and all material and significant Related Party Transactions including outstanding balances and commitments, in its Annual Financial Statements commencing with the reporting period ending 30 June, 2022.

The impact of AASB 124 is on the disclosures within the Annual Financial Statements; there is no financial impact on Council's reported financial position or performance.

KMPs are defined as those persons who have authority and responsibility, either directly or indirectly, for planning, directing and controlling the activities of the Council. KMPs for the Council are therefore considered to include:

- Mayor;
- Councillors;
- General Manager;
- Director of Corporate and Economic Services; and
- Director Civil and Environmental Services.

For the purpose of AASB 124, close family members could include extended members of a family (such as, without limitation, parents, siblings, grandparents, uncles/aunts or cousins) if they could be expected to influence, or be influenced by, the KMP in their dealings with Council.

Related party transactions are a transfer of resources, services or obligations between the Council and a related party, regardless of whether a price is charged. Examples of related party transactions are:

- purchases or sales of goods;
- purchases or sales of property and other assets;
- rendering or receiving of services;
- rendering or receiving of goods;
- leases;
- transfers under licence agreements;
- transfers under finance arrangements (for example: loans);
- provision of guarantees (given or received);
- commitments to do something if a particular event occurs or does not occur in the future; and
- Settlement of liabilities on behalf of Council or by Council on behalf of that related party.

Council will need to disclose the nature of the relationship with the related party, as well as sufficient information about the transactions and outstanding balances, including commitments, necessary for users of the financial statements to understand the potential effect of the relationship on the financial statements.

Information provided by KMPs and other related parties will be held for the purpose of compliance with Council's legal obligations and shall be disclosed where required for compliance or legal reasons only. KMP compensation will be disclosed on an aggregated basis only (KMP will not be named).

To assist Council to comply with AASB 124, Council's KMPs will be required to declare full details of any Related Parties and Related Party Transactions by completing Sections 1 and 2 of Council's KMP – Related Party Transaction Questionnaire form. This form will be distributed by the Director Corporate and Economic Services at the May 2022 Committee Meetings. All sections of the Questionnaire must be completed by providing the appropriate information or a "NIL" response.

It is requested that KMPs return their completed questionnaires by Wednesday, 22 June, 2022 to the Director Corporate and Economic Services.

For assistance in completing the questionnaire please contact Council's Director Corporate and Economic Services, Paul Pay on 02 67 288 261.

RISK ASSESSMENT:

These declarations are a reporting requirement and do not impact the risk profile of Council beyond that.

POLICY IMPLICATIONS:

Council must comply with AASB 124 and Council's Key Management Personnel (KMP) – Related Party Transactions Policy and declare, where necessary, details of any Related Parties and Related Party Transactions in Council's Annual Financial Statements.

CHIEF FINANCIAL OFFICERS COMMENT:

AASB 124 requires an additional disclosure in the notes to Council's Financial Statements, titled "Note 24 – Related Party Transactions" for the period ending 30 June, 2022. This will not impact Council's financial result and comparatives are not required.

Any financial implications will relate to indirect costs associated with researching, collecting and recording information which are expected to be minimal.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

1. **Related Party Transaction Questionnaire Form** [↓](#)



Inverell Shire Council

KMP - Related Party Transaction Questionnaire

Introduction

This questionnaire helps Inverell Shire Council identify KMPs and their related parties, and understand the nature and types of related party transactions and balances. It is a valuable source of information and audit evidence and will allow Council to comply with AASB 124.

This document is a modified version of the NSW Audit Office questionnaire used when conducting Government audits.

Section 1

Name of the KMP Please provide full Name	Mr/Mrs/Ms		
KMP's close family members¹ Please list the names of close family members where an interest is to be disclosed.	Name	Nature of relationship [e.g.: Partner/Spouse/Child/Parent etc.]	
	Entities controlled, jointly controlled or significantly influenced by the KMP or a close family member.	List the names of all entities you or your close family members control, jointly control or significantly influence - refer to section 3 of this document	
Name of related entity	How is the entity a related party?	Date appointed/commenced	Date resigned/terminated

¹ Refer to section 3 of this document for [definitions](#) and references.

Section 2

KMP Compensation² (AASB124.17)

Provide details of [compensation](#) paid, payable or provided by the reporting entity, or on behalf of the reporting entity (or a parent of the reporting entity), in exchange for services rendered by you or your close family members. Where consolidated financial statements are being prepared and you, or your close family members render services to two or more entities within the group, disclose compensation from each of those entities, regardless of the capacity in which the compensation was received.

Short-term employee benefits	Comments
<p>Disclose compensation received or receivable for services during the reporting period as:</p> <p>a KMP</p> <p>a close family member of a KMP.</p> <p>For each KMP and their close family members include:</p> <p>amounts relating to profit-sharing plans or bonuses, indicating:</p> <ul style="list-style-type: none"> – whether bonus payments were for performance in the current or prior year – the date the bonus was paid – the performance criteria to which the bonus relates – terms and conditions (and changes thereto) of the bonus – the percentage of the bonus paid or vested during the year – the percentage of the bonus or grant forfeited during the year – the financial year (after the current year) in which the bonus will become payable if the performance criteria are satisfied – estimates of the maximum and minimum possible amount of the bonus for financial years after the current financial year <p>sums received before commencing in a new position that was consideration for agreeing to hold that position</p> <p>salary sacrifice arrangements</p> <p>non-monetary benefits.</p> <p>Exclude amounts received as a consequence of a share-based payment entitlement. Share based payments are considered below.</p>	

Compensation paid by	Compensation paid to	In connection with the affairs of	Type of compensation	Amount (\$)
[Name of entity]	[Name of KMP or close family member]	[Name of entity]	[see compensation]	

² Refer to section 3 of this document for [definitions](#) and references.

Post-employment benefits	Comments
Provide details about: whether the superannuation plan was a defined benefit or defined contribution plan, and the name of the superannuation plan the amount of superannuation contributed for services rendered during the financial year.	

Compensation paid by	Compensation paid to	In connection with the affairs of	Type of compensation	Amount (\$)

Other long-term employee benefits	Comments
Provide details about: the nature and amount of other long-term employee benefits for services rendered during the financial year, separately identifying amounts attributable to long-term incentive plans.	

Compensation paid by	Compensation paid to	In connection with the affairs of	Type of compensation	Amount (\$)

Termination benefits	Comments
Provide details about: the terms and conditions of termination benefits received/receivable, including the amount and whether it was provided for under a contract for services.	

Compensation paid by	Compensation paid to	In connection with the affairs of	Type of compensation	Amount (\$)

Share-based payments	Comments
Provide details about: participation in share-based payment arrangements (including employee share plans and/or option plans) changes to share-based payment arrangements during the financial year.	

Compensation paid by	Compensation paid to	In connection with the affairs of	Type of compensation	Amount (\$)

Transactions and related outstanding balances (AASB 124.26-27)

Provide details about the following transactions and balances during the reporting period between the reporting entity and yourself as a KMP and your close family members and any entity you or your close family members control, jointly control or significantly influence.

Transaction(s)	Details ³ :	Amount of the transaction, balance or commitment
Loans made, guaranteed or secured, directly or indirectly, by the company or its subsidiaries	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Purchases or sales of goods and rendering or receiving of services ⁴	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Purchases or sales of property or other assets	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Leases (either as lessee or lessor)	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Transfers of research and development	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Transfers under licence agreements	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Transfers under finance agreements (including loans and equity contributions in cash or in kind)	Name of related party: Nature of relationship:	

³ Provide sufficient detail to provide an understanding of the effects of the transactions for disclosure and audit purposes.

⁴ KMPs will consume public services on the same terms and conditions as other members of the public. No disclosure is required about these types of transactions.

Transaction(s)	Details ³ :	Amount of the transaction, balance or commitment
	Nature of transaction, balance or commitment:	
Provision of guarantees or collateral	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Commitments to something if a particular event occurs or does not occur in the future (including executory contracts)	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Settlement of liabilities/debts forgiven	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Grants, scholarships, bequests and other benefits	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	
Other (e.g. debentures, options etc.)	Name of related party: Nature of relationship: Nature of transaction, balance or commitment:	



DECLARATION

To the best of my knowledge and belief, the information provided in the attached Key Management Personnel Related Party Transactions and Disclosures Questionnaire is complete and accurate.

Signed: _____

Name: _____

Title: _____

Date: _____