



BUSINESS PAPER

**Economic and Community
Sustainability Committee Meeting
Wednesday, 14 September 2022**

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

9 September, 2022

An Economic and Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 14 September, 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 Forms can be downloaded at [Disclosure of pecuniary interests form](#) or [non-pecuniary interests 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 10 August, 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 YETMAN HALL, YETMAN ON WEDNESDAY, 10 AUGUST, 2022 AT 1.50PM**

PRESENT: Cr Paul King OAM (Chair), Cr Kate Dight, Cr Nicky Lavender and Cr Jo Williams.

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

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

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

That the apology received from Cr Paul Harmon for Council business reasons be accepted and leave of absence granted.

CARRIED

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 13 July, 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 REQUEST FOR SPONSORSHIP - INVERELL DARTS ASSOCIATION - DART COMPETITION - 15-16 OCTOBER, 2022 S12.22.1/15

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

The Committee recommend to Council that Council provide a donation to Inverell Darts Association of \$200 from Council's donation budget.

CARRIED

4.2 REFERRAL OF CONFIDENTIAL REPORT

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

That the Committee refer the matter to Closed (Public excluded) meeting of the Committee and that the press and members of the public be asked to leave the chambers whilst the Committee considers the following item:

Item: #7.1 – S32.10.1 – Request for Reduction in Water Usage Account

Authority: Section 10A (2)(b) “The personal hardship of any resident or ratepayer.” Local Government Act 1993.

CARRIED

5 INFORMATION REPORTS

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Stewart Berryman

That the following information report be received and noted.

CARRIED

5.1 LIBRARY STATISTICAL OVERVIEW 2021/22 S0.0.0

5.2 IMPORTANT UPCOMING CHANGES TO THE AUSTRALIAN FIRE DANGER RATINGS SYSTEM S28.9.18

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

The Committee recommend to Council that:

- i. The information report be received and noted; and*
- ii. Council contact NSW Rural Fire Service to ascertain the next priority locations for additional Fire Rating Signs. Yetman and Ashford Roads to be considered.*

COMMITTEE RESOLUTION

Moved: Cr Nicky Lavender
Seconded: Cr Kate Dight

That the following information report be received and noted.

CARRIED**5.3 MAYORAL MINUTE - URALLA SHIRE COUNCIL S13.1.1****6 GOVERNANCE REPORTS****6.1 GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2****COMMITTEE RESOLUTION**

Moved: Cr Kate Dight
Seconded: Cr Nicky Lavender

The Committee recommend to Council that:

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

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

At 2.28pm, the Chairperson offered the opportunity to members of the public to make representations as to whether any part of the Committee Meeting should not be considered in Closed Committee. There was no response.

COMMITTEE RESOLUTION

Moved: Cr Kate Dight
Seconded: Cr Jo Williams

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

CARRIED**COMMITTEE RESOLUTION**

Moved: Cr Kate Dight
Seconded: Cr Jo Williams

That Committee proceeds out of Closed Committee into Open Committee.

CARRIED

Upon resuming Open Committee at 2.29pm, the Chairperson verbally reported that the Committee had met in Closed Committee, with the Press and Public excluded, and had resolved to recommend the following:

7.1 REQUEST FOR A REDUCTION IN A WATER USAGE ACCOUNT S32.10.1

RECOMMENDATION:

That the Committee recommend to Council that:

- i. the report be received; and*
- ii. Council issue an amended account for the property known as 30 Karinda Drive, Inverell for \$79.12, which is based on the average consumption prior to the leak and write off \$2,812.40.*

ADOPTION OF RECOMMENDATIONS

COMMITTEE RESOLUTION

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

That the recommendations of Closed Committee be adopted.

CARRIED

The Meeting closed at 2.33pm.

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

4 DESTINATION REPORTS

4.1 INVERELL SHOWGROUND LAND MANAGER - REQUEST FOR A DONATION FOR SEWER CHARGES

File Number: S25.9.3 / 22/30794

Author: Emma Murphy, Revenue Coordinator

SUMMARY:

Council is in receipt of a letter from Heather Morris, Secretary of the Inverell Showground Land Manager. The Land Manager is seeking a reduction/adjustment to the sewer charges for the Inverell Showground in 2022/23.

RECOMMENDATION:

A matter for the committee.

COMMENTARY:

In 2020 and 2021, the Inverell Showground Land Manager applied to Council for a reduction in the sewer charges for the 2020/21 and 2021/22 rating years due to the Land Manager receiving minimal income due to the COVID-19 pandemic and minimal opportunities to host events. Council acceded to this request by providing a 30% reduction in the sewer charges for the 2020/21 and 2021/22 rating years for the sum of \$2,179.32 and \$2,265.78 respectively.

The Inverell Showground Land Manager has again applied to Council for financial support; seeking a donation for the 2022/23 sewer charges.

The Inverell Showground Land Manager has advised that several events, regular and itinerant were cancelled during 2021, it has resulted in a loss of income and less use of the facilities (toilets etc).

The Inverell Showground is a non-ratable property, under section 555 of *The Local Government Act - land is exempt from all rates - (a) land owned by the Crown not being land held under a lease for private purposes*. The property does not pay general rates, only services, such as water and sewer.

Non-ratable properties are levied under Council's non-ratable sewer structure, which is an annual charge, per toilet (\$158.00) and per urinal (\$95.00) rate. In 2022/23 Council levied the showground with 50 toilets and 4 urinals, totaling \$8,280.00.

Providing a reduction in the number of sewer services in the rating system is not permissible under the *Local Government Act 1993* and *Local Government Regulations 2005*. Should Council wish to provide the Trust with assistance for the 2022/2023 financial year, a donation maybe made in lieu of rates.

If a 30% donation in lieu of sewer rates is provided this would equate to, \$2,484.00.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council regularly provides donation in lieu of rates to other community groups and public community halls. The donation is usually made after rates have been paid in full. A donation in lieu of rates to the Inverell Showground Land Manager would be funded from Council's donation budget which currently has \$22,495 in available funding.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

1. Letter from the Inverell Showground Land Manager [↓](#)

INVERELL SHOWGROUND LAND MANAGER**ABN 76 748 463 581**

Incorporated under the Crown Land Management Act 2016

17th August 2022

The General Manager
Inverell Shire Council
Attention: Paul Pay/Emma Murphy

Dear Sir,

Toilet tax charged to Inverell Showground Land Managers.

We refer to your letter of the 12th June 2020 – ref s25.9.3 advising the Inverell Shire Council's offer of a donation of 30% of the Sewerage rates.

Several events, regular and itinerant were cancelled during 2021 resulting in loss of income and less use of facilities (toilets etc).

Apart from this most of the toilets/showers are not used on a regular basis.

We again ask if the Council could provide assistance by offering the same arrangement as last rateable year for the sewerage rate (Toilet tax) .

Yours sincerely



Heather Morris
Secretary.

Email: inverellshowground@outlook.com

Phone -Secretary: 0412768803

Mail: P O Box 128, INVERELL NSW 2360

4.2 ARTS NORTH WEST MEMBERSHIP**File Number:** S26.5.4 / 22/31468**Author:** Paul Henry, General Manager**SUMMARY:**

Three (3) items of correspondence have been received in relation to Council's decision on membership of Arts North West.

RECOMMENDATION:

The Committee recommend to Council that:

- (a) The information be noted; and*
- (b) The request from the Sapphire City Concert Band for an additional donation be declined.*

COMMENTARY:

Since the decision to cease membership of Arts North West the following items of correspondence have been received:

1. Form Letter

Authors: Mr Peter Robertson
Mrs Margaret Robinson

The two (2) correspondents have utilised a form letter distributed to a number of cultural groups in Inverell . A copy of this letter is attached.

2. Sapphire City Concert Band Inc

Mrs Tubb requests Council make a \$3K donation to the Band to 'recompense' them for not receiving grant funding from Arts North West.

Mrs Tubb has made an erroneous assumption and as such the request for an additional donation has limited merit.

The following information is provided to illustrate this point:

- i) The Country Arts Support Program (CASP) funding program is administered by the Regional Arts Development Organisations. Each organisation is provided with a sum of approximately \$18K to distribute.
- ii) The program is a competitive program. There is no assurance that any application will receive funding as only six (6) applications will be successful.
- iii) The Arts North West CASP program had the following critical dates:
 - 11 April 2002 applications open
 - 30 May 2022 applications close
 - 17 June 2022 successful recipients notified
- iv) Inverell Shire was a member of Arts North West at each of these critical dates.
- v) Arts North West website states that any group or any arts-based organisation operating in one of the 12 listed local government areas is eligible to apply – Inverell Shire is listed as one of the 12 nominated areas.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

4.3 TRANSFER OF INTERNALLY RESTRICTED ASSETS AND BUDGET REVOTES FROM 2021/2022**File Number:** S12.5.1/15 / 22/31852**Author:** Robert Kimmince, Manager Financial Services**SUMMARY:**

The purpose of this report is to provide Council with information on those votes of expenditure in the 2021/2022 Operational Plan that need to be “revoted” and included in an amended 2022/2023 Operational Plan.

RECOMMENDATION:

The Committee recommend to Council that:

- i) the report be received and noted;*
- ii) the list of revotes in the attachment be revoted to the 2022/2023 budget; and*
- iii) the transfers to Council’s Externally / Internally Restricted Assets for the 2021/2022 Financial Year totalling \$7,277,088 and Council’s transfers from Externally / Internally Restricted Assets for the 2021/2022 Financial Year totalling \$3,498,443 be endorsed.*

COMMENTARY:

Each year Council votes funds for the undertaking of special projects and the provision of regular services by adopting an Operational Plan. These votes of funds lapse at the end of each financial year.

However, the Local Government (General) Regulations 2005 provides for a number of exceptions to this rule. In addition, Council has resolved that at the end of each financial year certain additional provisions are to be made in the following year’s Operational Plan to ensure the sustainability of Council’s Financial Position.

The exception and additional provisions needing to be “revoted” by Council resolution into the following year’s Operational Plan are:

- Works/services/facilities carried out, stated or contracted to be carried out (revenue and grant funded works),
- Maintenance of the Interest Equalisation Reserve,
- Accumulation of the Village Grant Scheme and Public Art Votes; and
- Provisions of Transfer to Reserves for undertaking major capital works in future years. For example: Tingha Bridge Roundabout and Inverell Swimming Pool Redevelopment.

In pursuance of these legislative provisions and Council policies, a schedule of individual votes required to be included in an amended 2022/2023 Operational Plan is attached (**Attachment 1**).

This list is greater than 2020/2021 revotes due to the significant amount of grant funding received in the 2021/2022 financial year (a total of \$28.211M with the previous 5 years only averaging \$14.796M) that resulted in the deferral of a number of revenue funded works, particularly road works.

The transfers to/from Internally Restricted Assets are shown in the attached (**Attachment 2**) “Internally Restricted Assets (Cash) Movements Summary”.

Details of the purpose of each restricted asset are shown in the Summary.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

A resolution of Council is required for the revoting of expenditures.

ATTACHMENTS:

1. 2021/2022 Revotes [↓](#)
2. Financial Reserve Balances - Summary [↓](#)
3. Financial Reserve Balances - Detailed [↓](#)

BUDGET VARIATIONS - REVOTES			
LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
GENERAL FUND			
CAPITAL PROJECTS - ROAD SERVICES			
134326-1000	Community Better Partnership - Village Signage (ISC Contrib)	29,559	Revote - Community Project
139402-1100	FFF - Road Backlog - Gavel Resheeting	100,000	Revote - 2021/2022 Program
139404-1100	FFF - Road Infrastructure Program - Heavy Patching	2,119,769	Revote - 2021/2022 Program
139405-1000	FFF - Road Backlog - Asset Renewal - Backlog Prevention	69,743	Revote - 2021/2022 Program
139433-1100	Special Roads Projects (Wind Farm Rates)	347,671	Revote - Special Road Projects
135960-3070	Urban Drainage Construction (Gilgai Drainage - Park Street)	510,605	Revote - Urban Works - (Fund from Stormwater Management Charge)
143136-1000	RP-MR137 - Ashford Road-Rehabilitation/Wideing-Wandera Sth. (Council Contribution)	645,139	Revote - Repair Program
145838-1000	PAMP Program	9,570	Revote - 2021/2022 Program
140190-1000	Gravel Resheeting - Minor Roads - South	120,910	Revote - 2021/2022 Program
140110-1000	Gravel Resheeting - Minor Roads - North	132,660	Revote - 2021/2022 Program
139640-1000	Mathers Bridge (Council Contribution)	250,000	Revote - 2021/2022 Program
TOTAL CAPITAL PROJECTS - ROAD SERVICES		4,335,626	
CAPITAL PROJECTS - OTHER			
139120-3001	Ashford Community Works	2,782	Revote - Community Project
139120-3020	Bonshaw Community Works	1,543	Revote - Community Project
139120-3030	Bukkulla Community Works	1,000	Revote - Community Project
139120-3050	Delungra Community Works	15,549	Revote - Community Project
139120-3060	Elsmore Community Works	7,420	Revote - Community Project
139120-3070	Gilgai Community Works	28,010	Revote - Community Project
139120-3080	Graman Community Works	11,480	Revote - Community Project
139120-3090	Gum Flat Community Works	6,420	Revote - Community Project
139120-3150	Nullamanna Community Works	7,420	Revote - Community Project
139120-3160	Oakwood Community Works	7,420	Revote - Community Project
139120-3190	Stannifer Community Works	7,420	Revote - Community Project
139120-3200	Tingha Community Works	22,440	Revote - Community Project
139120-3230	Yetman Community Works	24,360	Revote - Community Project
Various	Library Books	8,237	Revote - 2021/2022 Program
160563-1000	Reflections Garden	60,000	Revote - 2021/2022 Program
160562-1000	Campbell Park Playground equipment	19,035	Revote - 2021/2022 Program
160541-1000	SCCF - Netball Court Upgrade - Council Contribution	50,000	Revote - Stronger Country Communities Program
130101-1000	Computer projects - Replace Servers, switches and batteries	149,182	Revote - 2021/2022 Program
130100-1000	Computer Projects - Upgrade cyber security infrastructure	100,000	Revote - 2021/2022 Program
139463-1000	Dog Pound - Design Costs	20,000	Revote - 2021/2022 Program
147830-1000	Tingha Caravan Park - Capital Works	53,390	Revote - 2021/2022 Program
146601-1000	New Street Lighting (LED Street Lighting upgrade)	185,390	Revote - 2021/2022 Program
TOTAL CAPITAL PROJECTS - OTHER		788,498	
OPERATIONAL PROJECTS - ROAD SERVICES			
146453-1000	Road Strategies	40,545	Revote - 2021/2022 Program
148420-1000	Special Projects - Minor Road Projects	92,799	Revote - 2021/2022 Program
139300-1000	Heavy Patching Shire Roads	165,791	Revote - 2021/2022 Program
139280-1000	Real Seal Bitumen Mtc - North	58,279	Revote - 2021/2022 Program
139290-1000	Rural Seal Drainage - North	67,977	Revote - 2021/2022 Program
139425-1000	Shoulder Mtc	24,773	Revote - 2021/2022 Program
140250-1000	Drainage Structures - North	85,639	Revote - 2021/2022 Program
141343-1000	Byron Street Tree Pit Investigations	20,000	Revote - 2021/2022 Program
139423-1100	Shoulder Maintenance - Regional Roads	28,992	Revote - 2021/2022 Program
140832-1100	Roundabout-SH12/MR73-(Tingha Bridge Roundabout)	48,978	Revote - 2021/2022 Program
139150-1000	Roadside Growth Control - SRR Clear Zone Protection	99,792	Revote - 2021/2022 Program
148421-1000	Rural Roads Maintenance	284,412	Revote - 2021/2022 Program
147965-1000	Gravel Pit Investigations	6,132	Revote - 2021/2022 Program
146460-1000	Asset Management - Segment Markers	112,950	Revote - 2021/2022 Asset Managemet Program
TOTAL OPERATIONAL PROJECTS - ROAD SERVICES		1,137,059	
OPERATIONAL PROJECTS - OTHER			
137369-1000	Council Contribution to River Bank Clean up	46,534	Revote - 2021/2022 Program
134320-1000	Cultural & Arts Initiatives	145,560	Revote - 2021/2022 Program
148070-1000	Joint Promotions	285,187	Revote - 2021/2022 Program
137050-1000	Other Cultural Activities	31,515	Revote - 2021/2022 Program
147185-1000	Tourism Development - Pioneer Village	29,355	Revote - 2021/2022 Program
147230-1000	Tourism Promotions	35,050	Revote - 2021/2022 Program
147190-4230	Tourism Marketing	29,330	Revote - 2021/2022 Program
132501-1000	Tourism Promotions - Xmas Lighting	20,000	Revote - 2021/2022 Program
159772-1000	Environmental Sustainability Program	152,333	Revote - SCIPF Program
137371-1000	SCIPF - Lake Inverell Precinct	109,000	Revote - SCIPF Program
151131-1000	Building Maintenance Program	151,329	Revote - Building Repairs
134930-1000	Equestrian Council Works	18,975	Revote - 2021/2022 Program
136260-4921	Local Heritage Program (Assistance to Owners)	16,000	Revote - 2021/2022 Program
137336-1000	Off Road Recreational Circuit - Lake Inverell Drive - Landscaping	89,016	Revote - 2021/2022 Program
151130-1000	Remove/Demolish/Decontaminate	40,000	Revote - 2021/2022 Program
147120-4570	Aerodrome Maintenance	49,270	Revote - 2021/2022 Program
140515-1000	Solar Lighting Mtc Program	43,576	Revote - 2021/2022 Program
132400-6610	Donations	18,110	Revote - 2021/2022 Program
151115-1000	Crown Lands Management	45,025	Revote - 2021/2022 Program
132009-1000	Risk Management Activities	44,640	Revote - 2021/2022 Program
132410-1000	Grafton to Inverell	7,420	Revote - 2021/2022 Program
130280-5313	Audit and Risk - Internal Audits	24,515	Revote - 2021/2022 Program
147070-1000	Noxious Weeds	42,790	Revote - 2021/2022 Program
137503-1000	Delungra Hall - Mtc	23,430	Revote - 2021/2022 Program
137100-1000	Inverell Swimming Pool Mtc	66,342	Revote - 2021/2022 Program
146480-1000	Work Health and Safety Program	8,964	Revote - 2021/2022 Program
148030-1000	Industry Promotions, Marketing and Infrastructure	14,560	Revote - 2021/2022 Program
148010-1000	Industrial Development	70,000	Revote - 2021/2022 Program
135020-1000	Youth Indent Committee	8,925	Revote - 2021/2022 Program
TOTAL OPERATIONAL PROJECTS - ROAD SERVICES		1,666,751	
TOTAL GENERAL FUND REVOTES		7,927,934	

BUDGET VARIATIONS - REVOTES			
LEDGER NO.	DESCRIPTION	AMOUNT \$	COMMENT/REASON
WATER FUND			
CAPITAL PROJECTS			
813285-1000	Backflow Prevention Works	928,750	Revote - 2021/2022 Program
813282-1000	Pump station Upgrades	228,395	Revote - 2021/2022 Program
813260-3100	Inverell Water Treatment Plant	1,522,461	Revote - 2021/2022 Program
813220-1100	Mains Replacement	227,567	Revote - 2021/2022 Program
813280-3100	Metering	189,660	Revote - 2021/2022 Program
813290-3100	Other Plant	54,118	Revote - 2021/2022 Program
813342-1000	Reservoirs upgrades	449,702	Revote - 2021/2022 Program
TOTAL WATER FUND REVOTES		3,600,653	
SEWER FUND			
CAPITAL PROJECTS			
907320-3050	Treatment Works -Delungra	100,000	Revote - 2021/2022 Program
907320-3070	Treatment Works -Gilgai	280,000	Revote - 2021/2022 Program
907321-3100	Treatment Works -Inverell (Loan Funds)	1,127,839	Revote - 2021/2022 Program
907272-3100	Treatment Works - Inverell (Telemetry)	33,940	Revote - 2021/2022 Program
907272-3050	Treatment Works - Delungra (Telemetry)	100,000	Revote - 2021/2022 Program
907250-3100	Mains Inverell	357,788	Revote - 2021/2022 Program
907110-1100	Mains Relining	335,278	Revote - 2021/2022 Program
907170-1000	Other Equipment	38,000	Revote - 2021/2022 Program
907270-1000	Pumping Stations	1,478,973	Revote - 2021/2022 Program
TOTAL SEWER FUND REVOTES		3,851,818	
REVOTE SUMMARY			
GENERAL FUND REVOTES		7,927,934	
WATER FUND REVOTES		3,600,653	
SEWER FUND REVOTES		3,851,818	
COMBINED FUND - TOTAL REVOTES		15,380,405	

INVERELL SHIRE COUNCIL FINANCIAL RESERVES

7 September 2022

September 2022

RESERVE TYPE	FINANCIAL RESERVE	PURPOSE	BALANCE 30/6/2021 \$	TRANSFER TO \$	TRANSFER FROM \$	EST BALANCE 30/6/2022 \$	TRANSFER TO \$	TRANSFER FROM \$	EST BALANCE 30/6/2023 \$
EXTERNALLY RESTRICTED RESERVES	Domestic Waste Management	To fund the development, operation, maintenance and capital expenditure waste collection operations	-	1,144,772.26	-	1,144,772.26	64,215.00	-	1,208,987.26
	Water Fund Reserve	To fund the development, operation, maintenance and capital expenditure for Council's water network.	7,652,194.00	532,336.00	30,000.00	8,154,530.00	-	432,500.00	7,722,030.00
	Sewerage Services	To fund the development, operation, maintenance and capital expenditure for Council's sewer network	3,239,774.82	388,724.00	40,000.00	3,588,498.82	-	12,000.00	3,576,498.82
	TOTAL EXTERNALLY RESTRICTED		10,891,968.82	2,065,832.26	70,000.00	12,887,801.08	64,215.00	444,500.00	12,507,516.08
INTERNALLY RESTRICTED RESERVES	Emergency Services Reserve	To ensure that adequate funds are to support emergency service volunteers	379,359.00	-	-	379,359.00	-	-	379,359.00
	Building Infrastructure Reserve	To fund the maintenance and capital improvement/ refurbishments of Councils large building assets	1,058,993.79	20,027.00	-	1,079,020.79	-	-	1,079,020.79
	Community Infrastructure Reserve	To fund the maintenance and capital improvement/ refurbishments of Councils community assets	7,638,263.00	1,766,000.00	-	9,404,263.00	-	-	9,404,263.00
	Economic Development Reserve	To provide funds for strategic projects, land purchase and development and industry and tourism promotions as included in Councils Community Strategic Plan, Delivery Plan, Operation Plan	1,225,559.77	-	-	1,225,559.77	-	-	1,225,559.77
	Transport Infrastructure Reserve	To fund major transport infrastructure projects as identified by Council	6,051,621.00	62,694.00	64,186.00	6,050,129.00	100,000.00	90,000.00	6,060,129.00
	Employee Provisions Reserve	To ensure that adequate funds are available to finance employee entitlements, training and work compensation	1,826,606.46	135,899.00	-	1,962,505.46	-	-	1,962,505.46
	Information Technology Reserve	To fund the replacement and expansion of existing information technology systems and equipment	1,739,344.00	-	-	1,739,344.00	-	-	1,739,344.00
	Plant Replacement Reserve	Cash restricted for use in replacing plant and equipment to enable a continuity of operations to meet the needs and expectations of Council and the community	2,524,935.00	2,116,588.00	2,099,085.00	2,542,438.00	1,852,399.00	1,024,990.00	3,369,847.00
	Financial Risk Reserve	To provide funds to mitigate against financial risks including, unanticipated increase insurance, work compensation, decreases in investment returns	2,067,149.00	406,573.00	150,000.00	2,323,722.00	-	109,000.00	2,214,722.00
	Waste Management Services	To fund the development, operation, maintenance and capital expenditure for Council's waste management facilities including landfill and transfer stations	5,026,256.00	703,475.00	1,115,172.26	4,614,558.74	300,000.00	-	4,914,558.74
	TOTAL INTERNALLY RESTRICTED		29,538,087.02	5,211,256.00	3,428,443.26	31,320,899.76	2,252,399.00	1,223,990.00	32,349,308.76
TOTAL FINANCIAL RESERVES		40,430,055.84	7,277,088.26	3,498,443.26	44,208,700.84	2,316,614.00	1,668,490.00	44,856,824.84	
General Fund - Internally Restricted		29,538,087.02	5,211,256.00	3,428,443.26	31,320,899.76	2,252,399.00	1,223,990.00	32,349,308.76	
General Fund - Externally Restricted		-	1,144,772.26	-	1,144,772.26	64,215.00	-	1,208,987.26	
Water Fund - Externally Restricted		7,652,194.00	532,336.00	30,000.00	8,154,530.00	-	432,500.00	7,722,030.00	
Sewer Fund - Externally Restricted		3,239,774.82	388,724.00	40,000.00	3,588,498.82	-	12,000.00	3,576,498.82	
		40,430,055.84	7,277,088.26	3,498,443.26	44,208,700.84	2,316,614.00	1,668,490.00	44,856,824.84	

INVERELL SHIRE COUNCIL DETAILED FINANCIAL RESERVES BALANCES

7 September 2022

FINANCIAL RESERVE	PURPOSE	BALANCE 30/6/2021 \$	TRANSFER TO \$	TRANSFER FROM \$	BALANCE 30/6/2022 \$	TRANSFER TO \$	TRANSFER FROM \$	ESTIMATED BALANCE 30/6/2023 \$	COMMENTS
EMERGENCY SERVICES RESERVE									
SES Building	SES Building maintenance and refurbishments	168,554.00			168,554.00			168,554.00	
Emergency Services Equipment	SES and RFS Equipment maintenance and replacement	210,805.00			210,805.00			210,805.00	
		379,359.00	-	-	379,359.00	-	-	379,359.00	
BUILDING INFRASTRUCTURE RESERVE									
Library Building	Library Building maintenance and Refurbishments	202,000.00			202,000.00			202,000.00	
Connections Building	Connections Building maintenance and Refurbishments	72,183.61			72,183.61			72,183.61	
Town Hall	Town Hall Building maintenance and Refurbishments	100,000.00			100,000.00			100,000.00	
Other Buildings	Other Building maintenance and Refurbishments	684,810.18	20,027.00		704,837.18			704,837.18	Building Maintenance 254,837.00 Refurbish Tingha Toilets 50,000.00 Council Contribution towards new Dog Pound 400,000.00
		1,058,993.79	20,027.00	-	1,079,020.79	-	-	1,079,020.79	
COMMUNITY INFRASTRUCTURE RESERVE									
Copeton Northern Foreshores (CNFS)	Maintenance and improvements at CNFS	267,419.00			267,419.00			267,419.00	
Inverell Hockey Facility	Field Resurfacing - Provision for Surface Renewal	450,000.00			450,000.00			450,000.00	
Swimming Pools Upgrade/Fencing	Future Upgrades (includes Transfer from Provisions)	6,614,514.00	1,766,000.00		8,380,514.00			8,380,514.00	
Open Spaces Upgrades		110,000.00			110,000.00			110,000.00	
Aerodrome Upgrade/Mtc	Future capital improvements at Inverell Airport	196,330.00			196,330.00			196,330.00	
		7,638,263.00	1,766,000.00	-	9,404,263.00	-	-	9,404,263.00	
WASTE MANAGEMENT RESERVE									
Garbage Depot Land Purchase Etc	Provisions for fund garbage depot land purchases	169,391.00		(91,645.00)	261,036.00			261,036.00	
Garbage Degradation/Rehab.	Rehabilitation Provisions for waste landfills	1,101,134.00	200,000.00	773,658.10	527,475.90	150,000.00		677,475.90	
Waste Infrastructure	Purchase of waste infrastructure in accordance with Council Waste Implementation Strategy	3,158,731.00	353,475.00	354,439.16	3,157,766.84	75,000.00		3,232,766.84	
Waste-Externality Sustainability		597,000.00	150,000.00	78,720.00	668,280.00	75,000.00		743,280.00	
		5,026,256.00	703,475.00	1,115,172.26	4,614,558.74	300,000.00	-	4,914,558.74	
ECONOMIC DEVELOPMENT RESERVE									
Land Purchases	Funding for Strategic Land Purchases	450,000.00			450,000.00			450,000.00	
Industrial Development	Industrial Land Development - Subdivision costs	287,595.00			287,595.00			287,595.00	
Residential Development	Residential Land Development - Subdivision costs	7,309.77			7,309.77			7,309.77	
Strategic Capital Infrastructure Fund	Residual allocations of Council's Strategic Capital Infrastructure Fund	4,450.00			4,450.00			4,450.00	
Strategic Development Fund	Funding for strategic projects	100,611.00			100,611.00			100,611.00	Inverell Community Gardens 65,000.00
Industry/Tourism Promotion	Tourism Brochure, initiatives to support local business	375,594.00			375,594.00			375,594.00	
		1,225,559.77	-	-	1,225,559.77	-	-	1,225,559.77	
TRANSPORT INFRASTRUCTURE RESERVE									
Road Resumptions	Funding for road resumptions	20,000.00			20,000.00			20,000.00	
Gravel Pit Restoration	Funding for gravel pit rehabilitation	236,360.00	31,347.00		267,707.00	50,000.00	45,000.00	272,707.00	
Gravel Pit Restoration -Roads	Funding for gravel pit road access rehabilitation	173,641.00	31,347.00		204,988.00	50,000.00	45,000.00	209,988.00	
Economic Develop/Growth Assets	Tingha Bridge Roundabout	5,621,620.00		64,186.00	5,557,434.00			5,557,434.00	Tingha Bridge Roundabout 2,540,000.00
	Gwydir Highway/Rosslyn Street Roundabout								Gwydir Highway/Rosslyn Street Roundabout 1,000,000.00
	Gwydir Highway/Mansfield St Intersection								Gwydir Highway/Mansfield St Intersection 500,000.00
	Chester Street Renewal - Heavy vehicle route								Chester Street Renewal - Heavy vehicle route 1,000,000.00
	Oliver Street Extension								Oliver Street Extension 26,814.00
	Initial Allocation towards TCRP Stage 3								Initial Allocation towards TCRP Stage 3 490,620.00
		6,051,621.00	62,694.00	64,186.00	6,050,129.00	100,000.00	90,000.00	6,060,129.00	
EMPLOYEE PROVISIONS RESERVE									
Employee Training (Statutory)	Provisions for statutory training	324,896.00	135,899.00		460,795.00			460,795.00	
Employee Leave Entitlements	Restricted - Minimum Statutory Requirement	1,501,710.46			1,501,710.46			1,501,710.46	
		1,826,606.46	135,899.00	-	1,962,505.46	-	-	1,962,505.46	
INFORMATION TECHNOLOGY RESERVE									
Computer/It Systems Upgrades	Replacement of key IT equipment and essential Software upgrades/replacements	1,739,344.00			1,739,344.00			1,739,344.00	
FLEET REPLACEMENT RESERVE									
Plant Replacement	Plant Fleet Asset Renewals, new truck wash and fleet storage shed	2,524,935.00	2,116,588.00	2,099,085.00	2,542,438.00	1,852,399.00	1,024,990.00	3,369,847.00	
FINANCIAL RISK RESERVE									
Workers Comp Insurance	Provisions for increase in workers compensation base on claims history	857,301.00			857,301.00			857,301.00	
Insurance Excess/Self Insurance	Provision for increases in insurance	209,848.00			209,848.00			209,848.00	
Interest Equalisation	Provision to fund unanticipated movements in interest rates	800,000.00	177,737.00	150,000.00	827,737.00		109,000.00	718,737.00	
Local Government Elections	Provision to fund Local Government Elections	0.00	42,970.00		42,970.00			42,970.00	
Emergency Services Levy	Provision for increases in Emergency Services Levy	0.00	160,866.00		160,866.00			160,866.00	
Emergency Management (Fire, Flood, Storm)	Council Contribution towards natural disasters	200,000.00	25,000.00		225,000.00			225,000.00	
		2,067,149.00	406,573.00	150,000.00	2,323,722.00	-	109,000.00	2,214,722.00	
FUND TOTAL		29,538,087.02	5,211,256.00	3,428,443.26	31,320,899.76	2,252,399.00	1,223,990.00	32,349,308.76	
DOMESTIC WASTE MANAGEMENT									
Domestic Waste Management	Restricted - Statutory Requirement	-	1,144,772.26		1,144,772.26	64,215.00		1,208,987.26	Replacement of Garbage Bins and Implementation of FOGO service
DOMESTIC WASTE MANAGEMENT FUND TOTAL		-	1,144,772.26	-	1,144,772.26	64,215.00	-	1,208,987.26	
WATER FUND RESERVE									
Employee Leave Entitlements	Restricted - Statutory Requirement	130,000.00			130,000.00			130,000.00	
Equipment Breakdown	Promoting Better Practice Recommendation	407,940.00	126,506.00		534,446.00			534,446.00	
Revenue Equalisation	Best Practice Guidelines - Funds movements in water sales	1,876,763.00			1,876,763.00			1,876,763.00	
Interest Equalisation	Interest equalisation reserve - funds moves in interest rates	400,000.00	39,251.00	30,000.00	409,251.00		17,000.00	392,251.00	
Future Capital Works	Water augmentation and mains replacement	4,837,491.00	366,579.00		5,204,070.00		415,500.00	4,788,570.00	
WATER FUND TOTAL		7,652,194.00	532,336.00	30,000.00	8,154,530.00	-	432,500.00	7,722,030.00	
SEWERAGE SERVICES									
Employee Leave Entitlements	Restricted - Statutory Requirement	67,000.00			67,000.00			67,000.00	
Interest Equalisation	Interest equalisation reserve - funds moves in interest rates	292,496.00	52,238.00	40,000.00	304,734.00		12,000.00	292,734.00	
Equipment Breakdown	Promoting Better Practice Recommendation	159,078.82	167,986.00		327,064.82			327,064.82	
Future Capital Works	Inverell Sewer Treatment Plant and Pump Station 1 renewal and mains relining	2,721,200.00	168,500.00		2,889,700.00			2,889,700.00	
SEWER FUND TOTAL		3,239,774.82	388,724.00	40,000.00	3,588,498.82	-	12,000.00	3,576,498.82	
TOTAL OF ALL FUNDS		40,430,055.84	7,277,088.26	3,498,443.26	44,208,700.84	2,316,614.00	1,668,490.00	44,856,824.84	
<i>These funds are held as Cash and Investments, primarily as Term Deposits</i>									

5 INFORMATION REPORTS

5.1 BUNDARRA RESIDENTS ASSOCIATION - CORRESPONDENCE

File Number: S13.1.1 / 22/30981

Author: Paul Henry, General Manager

SUMMARY:

Further correspondence has been received from the Bundarra Residents Association. Details are provided below for the information of Council.

RECOMMENDATION:

That the information be received and noted.

COMMENTARY:

The President of the Bundarra Residents Association, Mr Richard Goodall, has provided an update on the Association's efforts on this issue. Mr Goodall states:

'Just an update on where we are at with the proposed realignment of boundaries and our move to Inverell Shire Council.

We have mailed out petitions to all the residents in the expanded area to Cameron's Creek & Abington Creek and still collecting signatures in the township, we have had health issues that have

Slowed things down like everyone else but wanted to let you know we are continuing with our efforts despite Covid and Flu causing us to temporarily stall.

Despite Mayor Robert Bell & councillors passing a motion on 22nd July 2022 to reject our proposal, they have not received any copies of the as yet 'uncompleted petition or proposed boundaries' and so the motion is really a pointless exercise as have no information on which to base their motion.

I note that they have indicated that they have also written to Inverell Shire Council stating that they do not support the relocation of Bundarra & surrounds but until they receive formal documentation from us on which to act it really is a case of putting the cart before the horse.

It is a process and we are not rushing it as we want to get it right and our next step will be to include Adam in discussions with Uralla Shire and yourselves at Inverell Shire. We have had a very positive response from residents to date and they overwhelmingly want to move.

We'll keep you up to date and informed but wanted to reaffirm our intention to move to Inverell Shire Council'.

Mr Adam Marshall has been sent a copy of this letter from the Bundarra Residents Association.

ATTACHMENTS:

Nil

6 GOVERNANCE REPORTS**6.1 GOVERNANCE - MONTHLY INVESTMENT REPORT****File Number:** S12.12.2 / 22/31667**Author:** Robert Kimmince, Manager Financial Services**SUMMARY:**

To report the balance of investments held as at 31 August, 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 31 August, 2022 and an update of the investment environment:

- (a) Council's Investments as at 31 August, 2022;
- (b) Council Investments by Fund as at 31 August, 2022;
- (c) Interest – Budgeted vs. Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 31 August, 2022

Term Deposit Investment Group									
Investment	Borrower	FUND	Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
22/02	Bank of Sydney	General	NR	03-Aug-21	03-Aug-22	0.64%	1,000,000	1,000,000	365
20/05	Bank of Queensland	General	BBB+	03-Sep-19	05-Sep-22	1.80%	1,000,000	1,000,000	1098
20/06	Bank of Queensland	General	BBB+	13-Sep-19	13-Sep-22	1.80%	1,000,000	1,000,000	1096
22/04	Bank of Sydney	Water	NR	17-Sep-21	19-Sep-22	0.63%	1,000,000	1,000,000	367
22/06	Bank of Sydney	Sewer	NR	30-Sep-21	30-Sep-22	0.60%	1,500,000	1,500,000	365
22/07	MyState Bank	General	BBB	01-Oct-21	04-Oct-22	0.50%	2,000,000	2,000,000	368
22/08	AMP BANK	General	BBB+	05-Oct-21	05-Oct-22	0.80%	2,000,000	2,000,000	365
22/25	Westpac Bank	General	AA-	19-Apr-22	19-Oct-22	1.31%	2,000,000	2,000,000	183
22/13	AMP BANK	Water	BBB+	25-Nov-21	25-Nov-22	1.00%	1,000,000	1,000,000	365
22/18	AMP BANK	General	BBB+	07-Dec-21	07-Dec-22	1.00%	2,000,000	2,000,000	365
21/10	Warwick Credit Union	General	NR	22-Jan-21	23-Jan-23	1.00%	1,500,000	1,500,000	731
22/29	Bank of Queensland	Sewer	BBB+	27-May-22	27-Feb-23	2.80%	2,000,000	2,000,000	276
22/05	AMP BANK	General	BBB+	20-Sep-21	20-Mar-23	0.80%	1,000,000	1,000,000	546
22/12	AMP BANK	General	BBB+	25-Nov-21	25-May-23	1.00%	1,000,000	1,000,000	546
22/14	AMP BANK	General	BBB+	25-Nov-21	25-Mar-23	1.00%	1,000,000	1,000,000	485
20/32	Auswide Bank	General	BBB	24-Mar-20	24-Mar-23	1.88%	1,000,000	1,000,000	1095
22/22	Westpac Bank	General	AA-	29-Mar-22	29-Mar-23	1.56%	1,950,000	1,950,000	365
22/26	Bank of Sydney	General	NR	16-May-22	16-May-23	3.10%	2,000,000	2,000,000	365
22/28	AMP BANK	General	BBB+	27-May-22	27-Nov-23	3.30%	2,000,000	2,000,000	549
22/23	ING Bank	General	A	19-Apr-22	19-Apr-23	2.21%	2,000,000	2,000,000	365
22/30	Commonwealth Bank	Sewer	A	07-Jun-22	07-Jun-23	3.42%	1,000,000	1,000,000	365
21/16	National Australia Bank	Water	AA-	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	A	29-Jun-21	29-Jun-23	0.70%	1,000,000	1,000,000	730
21/18	National Australia Bank	Water	AA-	29-Jun-21	29-Jun-23	0.65%	2,000,000	2,000,000	730
23/01	Commonwealth Bank	General	AA-	27-Jul-22	27-Jul-23	4.06%	2,000,000	2,000,000	365
23/02	Commonwealth Bank	General	AA-	27-Jul-22	27-Jul-23	4.06%	2,000,000	2,000,000	365
22/09	National Australia Bank	General	AA-	06-Oct-21	06-Oct-23	0.64%	1,000,000	1,000,000	730
22/10	Westpac Bank	General	AA-	25-Oct-21	25-Oct-23	0.91%	2,000,000	2,000,000	730
22/11	Westpac Bank	General	AA-	25-Nov-21	25-Nov-23	1.28%	1,000,000	1,000,000	730
22/27	Australian Unity Bank	General	BBB	26-May-22	27-Nov-23	3.50%	1,000,000	1,000,000	550
22/15	ICBC - Industrial and Commercial Bank of China	General	A	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	A	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	A	02-Dec-21	04-Dec-23	1.36%	1,000,000	1,000,000	732
22/03	National Australia Bank	General	AA-	27-Aug-21	27-Aug-24	0.85%	2,000,000	2,000,000	1096
22/20	MyState Bank	General	BBB	02-Mar-22	04-Mar-24	1.70%	2,000,000	2,000,000	733
22/21	Bank of Queensland	General	BBB+	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	A	26-Mar-21	26-Mar-24	0.82%	2,000,000	2,000,000	1096
21/13	ICBC - Industrial and Commercial Bank of China	Water	A	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	A	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	A	27-May-21	27-May-26	1.40%	1,000,000	1,000,000	1826
						TOTAL \$	58,950,000	58,950,000	

Floating Rate Notes										
As at Date	Borrower	FUND	Rating	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	Rating	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Principal Value	Current value	Term
31/8/2022	AMP Bank	General	BBB+	28/6/2021	1/06/2022	1/12/2022	1.80%	2,500,000	2,518,514	
Sub Total - Cash Deposits Accounts Investment Group								2,500,000	2,518,514	
Cash Deposit Accounts										
As at Date	Borrower	FUND	Rating	Purchase Date	Last Coupon Date	Maturity Date	Current Yield	Value at beg year	Current value	Term
31/8/2022	Commonwealth Bank	General	A	9/11/2020			0.00%		1,194.88	
31/8/2022	Macquarie Bank	General	AA-	9/11/2020	31/8/2022		1.85%	2,028,504	2,033,461.11	
31/8/2022	Macquarie Bank	Water	AA-	9/11/2020	31/8/2022		1.85%	2,516,481	2,522,630.90	
31/8/2022	Macquarie Bank	Sewer	AA-	9/11/2020	31/8/2022		1.85%	1,508,674	1,512,360.96	
Sub Total - Cash Deposit Accounts							-	-	6,069,648	-

B) Council Investments by Fund 31 August, 2022

Portfolio by Fund	31/07/2022	31/08/2022
General Fund	\$49,000,136	\$48,003,170
Water Fund	\$11,518,866	\$11,522,631
Sewer Fund	\$7,010,104	\$7,012,361
TOTAL	\$67,529,106	\$66,538,162

Council's investment portfolio has decreased in August 2022 by \$990K. This was in respect of normal cash flow movements for receipts collected and payments made during August 2022.

Interest – Budgeted verses Actual Result to Date

	Ledger	2022/2023 Budget \$	Actuals to Date \$	Accrued Interest to Date \$	TOTAL \$
General Fund	128820	510,000.00	72,797.72	125,013.58	197,811.30
Water Fund	812350	84,000.00	-	13,470.14	13,470.14
Sewer Fund	906320	60,000.00	14,421.92	10,176.44	24,598.36
TOTAL		654,000.00	87,219.64	148,660.16	235,879.80

Term deposit interest rates have improved recently with a 12-month term deposit now yielding 3.9-4.1%. Given our strong investment balances, Council is expected to exceed interest revenue targets in 2022/2023. This additional interest received during 2022/2023 will be allocated to special projects during 2023/2024.

C) Investment Portfolio Performance

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 31/08/2022		1.85%	2.460%	1.85%
Term Deposits	1.57%			
Cash Deposit Accounts	1.85%			
180 Day Call Account	1.80%			
Floating Rate Notes	0.00%			

D) Investment Commentary

Council's investment portfolio is currently underperforming when compared to the above benchmarking indexes. The portfolio's underperformance is expected to be temporary given the relatively high level of turnover (around one-quarter of the deposit portfolio is maturing within the next 6 months).

Council's investment portfolio of \$66.5M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

The RBA raised the official cash rate by 50bp to 1.85% in August, the third consecutive 50bp increase. Their statement repeated that "the Board expects to take further steps in the process of normalising monetary conditions over the months ahead", but also added policy "is not on a pre-set path". The RBA is still prioritising achieving a soft landing if inflation expectations remain anchored as they currently believe it to be.

The RBA's inflation forecasts were revised higher with inflation set to peak at 7.75% over 2022, remain high at 4% in 2023 and around 3% over 2024.

Markets are currently pricing in around 7-8 additional rate rises over the next two years (up to 3¾%), against the RBA's neutral setting of 2½%. Fears of a looming global recession have actually seen rate cuts start to be priced in towards the second half of 2023, although this seems unlikely for now.

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 1.63% p.a. at month-end, with a weighted average duration of around 345 days or 11.5 months. Council is well positioned to take advantage of increasing term deposit rates as investments mature.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

6.2 GENERAL & SPECIAL PURPOSE FINANCIAL REPORTS 2021/2022

File Number: S12.11.5 / 22/31840

Author: Robert Kimmince, Manager Financial Services

SUMMARY:

The Draft General Purpose and Special Purpose Financial Reports have been finalised by Council staff. This report recommends Council authorises the referral of these documents to Council's external Auditor for audit.

RECOMMENDATION:

The Committee recommended to Council that:

- i) the report be received and noted;*
- ii) Council's DRAFT 2021/2022 Financial Statements be "referred to audit" in accordance with s413(1) of the Local Government Act 1993.*
- iii) If during the audit process, the NSW Audit Office requires any material changes, or discovers any audit issues that would render the Financial Statements false or misleading in any way, the draft financial statements are to be returned to Council for further consideration.*
- iv) Council record as an opinion of Council, in accordance with s413 (2c) of the Local Government Act 1993, that the draft 2021/2022 annual financial report is in accordance with:*
 - the Local Government Act 1993 (as amended) and the Regulations made there under,*
 - the Australian Accounting Standards and professional pronouncements,*
 - the Local Government Code of Accounting Practice and Financial Reporting, and*
 - presents fairly the Council's operating result and financial position for the year, and*
 - accords with Council's accounting and other records; and*
 - that the Council is not aware of any matter that would render this report false or misleading in any way.*
- v) Subject to no material audit changes or audit issues discovered as a result of the audit process:*
 - i) the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer be authorised to sign the statements as required by s413(2) of the Local Government Act 1993;*
 - ii) Council authorise the General Manager to forward the Financial Statements to the Office of Local Government upon receipt of the Audit Reports from the NSW Audit Office;*
 - iii) Council authorise the General Manager to place the audited Financial Statements on public exhibition and provide notice in accordance with s418(3) of the Local Government Act 1993, that Council will consider the Reports of its Auditors for the year ended 30 June, 2022 at its Ordinary Meeting to be held on Wednesday 23 November, 2022; and*
 - iv) Council present the signed audited Financial Statements to the public at the Ordinary Council meeting to be held on 23 November, 2022 in accordance with s 419 (1) Local Government Act 1993.*

COMMENTARY:

The *Local Government Act 1993* requires Council to prepare each year financial reports and to then refer these reports for audit as soon as practicable after the end of that year.

The 2021-2022 General Purpose Financial Report and Special Purpose Financial Report have been completed and arrangements have been made with Council's independent auditor, Audit Office of New South Wales, to complete the end of year audit.

A draft set of the financial reports will be provided to the Audit Risk and Improvement Committee for review at its September meeting. When the audit is completed the NSW Audit Office will issue a client service report which will be presented along with the audited financial reports to the Audit Risk and Improvement Committee for review.

Copies of the draft primary statements are attached to this report, a full set of statements including notes and special schedules have been supplied for Councillors information via Dropbox.

The audited financial statements and independent auditors report will then be presented to Council and the public at the Ordinary Council Meeting to be held on 23 November, 2022, in accordance with s419 (1) of the *Local Government Act 1993*.

Section 413(2)(c) of the *Local Government Act 1993* requires a Statement, signed by the General Manager, Responsible Accounting Officer, Mayor and one Councillor, to accompany the draft Financial Reports when they are sent to the Audit Office. The form of this statement is specified in the Local Government Code of Accounting Practice and requires Council authorisation.

Staff Certification:

The General Manager, Mr Paul Henry, and the Responsible Accounting Officer, Mr Paul Pay, have both certified that to the best of their knowledge, the General Purpose and Special Purpose Financial Reports have been prepared in accordance with all statutory requirements and believe the reports present fairly the financial position of Inverell Shire Council at 30 June, 2022.

Council Certification:

Before audit certificates will be issued by the Audit Office of NSW, Council must record as an opinion of Council in accordance with the provisions of s413(2)(c) of the *Local Government Act 1993*, (as amended) that Council's Annual Financial Reports/Special Purpose Finance Reports have been prepared in accordance with:

- *the Local Government Act 1993 (as amended) and the Regulations made there under,*
- *the Australian Accounting Standards and professional pronouncements, and*
- *the Local Government Code of Accounting Practice and Financial Reporting, and*
- *presents fairly the Council's operating result and financial position for the year, and*
- *accords with Council's accounting and other records; and*
- *that the Council is not aware of any matter that would render this report false or misleading in any way.*

Legislative Requirements

After the 2021/2022 Financial Statements have been audited, Council must present the signed audited Financial Statements to the public at an Ordinary Council meeting in accordance with Section 419 (1) of the *Local Government Act 1993*. The last possible day to present the financial reports is 5 December, 2022.

Council must also place the audited Financial Statements on public exhibition and provide notice in accordance with Section 418 (3) of the *Local Government Act 1993*, that Council will consider the Reports of its Auditors for the year ended 30 June, 2022. The public notice must provide a minimum of seven (7) days' notice for the public presentation.

It is proposed that the audited 2021/2022 Financial Statements be presented to the public at Council's Ordinary Meeting to be held on Wednesday 23 November, 2022 and that Council make a public notice in the Inverell Times no later than 10 November, 2022.

FINANCIAL ANALYSIS:

A review of Council's cash position at 30 June, 2022 indicates that all Council funds have again finished with a small cash surplus for the 2021/2022 financial year, after transfers to/from Internally Restricted Assets have been considered.

GENERAL FUND

Council has achieved a cash surplus in its general operations of \$2K after net transfers to/from Internally Restricted Assets.

Waste Management Services:

The Waste Management Fund remains in a sound financial position to complete the implementation of the Waste Management Strategy over the coming years.

Council will be aware of the costs incurred in Council taking over the Waste Collection Services, closing landfills, establishing transfer stations and the works undertaken at the Inverell Waste Depot from 2015 to 2020. The Waste Management Internally Restricted Assets have a balance of \$4.6M. Further significant expenditures are planned for 2022/2023, this includes the additional closure of rural landfills. Waste Management charges are expected to generate a transfer to the Waste Internally Restricted Asset of \$300K in 2022/2023 and following years which will help to offset the large expenditures expected in this area.

Domestic Waste Management:

This fund is externally restricted and provides the road side collection of general domestic waste. The fund remains in a sound financial position with sufficient funding available to implement new domestic waste services when required, such as a FOGO (Food Organics and Garden Organics) services. The Domestic Waste Management Externally Restricted Assets has a balance of \$1.1M as at 30 June, 2022.

Plant Fleet:

Council's plant fleet returned an operating deficit of \$347K on a turnover of \$5.4M, after providing for transfers to the Internally Restricted Asset for Plant Replacements. This is the first deficit in the fleet fund for over 15 years and contributing factors include, increased fuel prices, reduced fuel tax credits, increased cost of parts and repairs, and low plant hire revenue due to wet weather. This deficit was funded by Fleet Internal reserves. Plant hire rates increased from the 1 July, 2022 by 16.6% and Council staff continue to monitor price fluctuations on a monthly basis.

Financial modelling has been undertaken which indicates that the plant fleet fund will continue to be sustainable in the long term. The Fleet fund continues to provide a modern fleet at very competitive charge rates.

Investments:

Council's General Fund investments continued to record sound, but lower overall returns in 2021/2022 than in previous years. Council's "Unrestricted Current Ratio" for the Combined Fund remained sound despite the lower overall investment returns.

A review of the Financial Statements indicates that the level of Cash and Investments increased to \$74.76M at 30 June, 2022 up from \$69.6M at 30 June, 2021. Of the \$74.76M in cash and investments at 30 June, 2022 after all restricted funds are removed, only \$3.6M remains as working capital.

The following table is a dissection of Council's Investment Portfolio as at 30 June, 2022.

DISSECTION OF COUNCIL'S AUDITED INVESTMENT PORTFOLIO

30 JUNE 2022

TOTAL AUDITED INVESTMENTS 30 JUNE 2021		\$000
<i>as per Note C1-2</i>		74,763
LESS EXTERNALLY RESTRICTED ASSETS		
Water Funds	Note C1-3	14,040
Sewer Funds	Note C1-3	8,334
Domestic Waste Management Funds		1,145
Bonds & Securities, Developer Contributions	Note C1-3	946
Accounts Payable	Note C3-1	3,854
Contract Liabilities (unspent grants)	Note C3-2	5,515
Revotes for Works in Progress as at 30 June 2022		7,927
sub-total - Externally Restricted Assets		41,761
LESS INTERNALLY RESTRICTED ASSETS		
	Note C1-3	
Emergency Services Reserve		379
Building Infrastructure Reserve		1,079
Community Infrastructure Reserve		9,404
Economic Development Reserve		1,226
Transport Infrastructure Reserve		6,050
Employee Provisions Reserve		1,963
Information Technology Reserve		1,739
Plant Replacement Reserve		2,542
Financial Risk Reserve		2,324
Waste Management Services Reserve		4,615
Financail Assistance Grant		7,049
sub-total - Internally Restricted Assets		38,370
Plus EOFY Grants accrued	Note C1-6	8,933
NET CASHFLOW/WORKING CAPITAL		3,565

The General Fund Interest on investment income was above budget. The additional interest has been transferred to the Interest Equalisation reserve to reduce the impact of future declining interest rates.

In respect of Cash flows, it is noted that outstanding rates and charges decreased by 0.69% across the Combined Fund in 2021/2022. This is an excellent result given the tough economic conditions currently being experienced by rural communities.

Outstanding debtors for State and Federal Government work due at 30 June, 2022, remains over \$8,923K. This is principally as a result of the revised Government Funding Practice of now paying most Grants in arrears with Council having to carry the expenditures in the short term.

Summary:

Overall, Council's General Fund continues to perform strongly, however, significant caution needs to be exercised in Council's decisions in respect of Service Levels, Community funding requests and the addition of any new infrastructure or services. While the Special Rate Variation (SRV) did provide for increased general rates revenues, these revenues can only be applied to those works identified in the SRV approval, predominantly being rural roads maintenance and renewal.

WATER FUND:

Council's Water Fund has finished the year with a cash surplus of \$4K after net transfers to Internally Restricted Assets of \$502K. This is a sound result for the fund and is in accordance with the Long-Term Financial Plan.

The Water Fund returned an "Economic Real Rate of Return" of 1.20% up from 0.84% for 2020/2021. It is a State Government requirement that the fund obtains a positive return on capital invested/assets.

The Water Fund has produced an operating deficit (operational income – operational expenses) of \$723K, this is not to be confused with the total net operating position which includes capital grants and contributions resulting in a net surplus of \$48K. Council had budgeted for a net operating deficit of \$23K before capital grants and contributions.

The contributing factor resulting in this operating deficit was water sales were down by \$719K compared to budget due to the prolonged wet weather.

The Water Fund Interest on investment income was above budget. The additional interest has been transferred to the Interest Equalisation reserve to reduce the future impact of declining interest. Water Fund Cash and Investments at 30 June, 2022 totalled \$14.04M.

Overall, the Water Fund maintains a sound financial position.

SEWERAGE FUND:

Council's Sewerage Fund finished the year with a cash surplus of \$2K after net transfers to Internally Restricted Assets of \$349K.

The Sewerage Fund returned an "Economic Real Rate of Return" of 0.98% and is up from 0.70% for 2020/2021. It is a State Government requirement that the fund obtains a positive return on capital invested/assets.

The Sewer Fund has produced an operating deficit (operational income – operational expenses) of \$20K, this is not to be confused with the total net operating position which includes capital grants and contributions resulting in a net surplus of \$112K. Council had budgeted for a net operating deficit of \$87K before capital grants and contributions.

The main contributing factor to this deficit was the conscious effort to contain increases in sewer charges for the period of the Special Rate Variation. While the operational deficit was not significant, it will form part of considerations when developing the next Operational Plan. Council's Long-Term Financial Plan has the Sewer Fund returning to a small surplus from 30 June, 2023.

The Sewer Fund Interest on investment income was above budget. The additional interest has been transferred to the Interest Equalisation reserve to reduce the future impact of declining interest rates. Sewer Fund Cash and Investments at 30 June, 2022 totalled \$8.33M.

While the Sewer Fund maintains a sound financial position, increases in the Sewer Fund annual charges above inflation will be required in future years to fund the continuing upgrade of the Sewerage System.

PERFORMANCE BENCHMARKS:

The attached table represents Council's key performance benchmarks as at 30 June, 2022.

As shown, Council meets five (5) of the seven (7) benchmarks. Council does not meet the benchmark on the following two (2) ratios:

1. Own Source Operating Revenue.

The Own Source Operating Revenue Benchmark at 50.61% (three-year average) is significantly below the >60% benchmark requirement. Council Own Source Operating Revenue result for 2021/2022 has been significantly impacted by additional grant funding.

Council has historically struggled to meet this ratio; the approved SRV, as shown in 2020 will improve the underlying position where Council can expect to meet the benchmark much more often than not. However, the ratio will continue to be impacted by the amount of grant funding Council receives in a particular year. Even in the longer term, 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%.

Council received approximately \$27M in grant revenue during 2021/2022. The average grant revenue for the previous five years (2015-2020) before the government stimulus for natural disasters was only \$14M.

2. Real Operating Expenditure Per Capita Ratio

This ratio should decrease over time. During 2022 this ratio is negatively impacted by additional one-off operating grants such as Natural Disaster Assistance Grants, Fixing Local Roads, funding for new Gwydir Highway roundabout etc. Ongoing Government stimulus during 2022/2023 as a result of natural disasters will continued to impact this ratio.

RFS RED FLEET STOCKTAKE

On 23 June, 2022 Council received correspondence from Margaret Crawford, Auditor-General for New South Wales, advising Council to undertake a stocktake of the rural firefighting equipment vested to councils.

A stocktake was completed on 26 August, 2022 with the assistance of RFS.

Following this stocktake it was discovered that 18 RFS Red Fleet assets have been omitted from Council's asset register. These include:

- 2 Category 1 trucks (Large fire trucks)
- 4 Category 7 trucks (Mid-size fire trucks)
- 4 Group Vehicles (4x4 utes)
- 7 Small Trailers
- 1 Historic Vehicle (Studebaker from 1944)

The total asset value of the above items is \$1,753M.

Eight of the above vehicles were delivered to Council since 2017 after Council was excluded from the RFS budgetary process.

Council has been liaising with RFS to implement better procedures to record assets as they are delivered. Council staff will also audit the RFS asset register each year prior to the preparation of Council's Financial statement to ensure complete accuracy.

Since this accounting error relates to prior years, that is before 2021/2022, they are corrected retrospectively in the first set of financial statements authorised for issue after their discovery by restating the opening balances of assets, liabilities and equity for the earliest prior period presented. Note G4-1 "Correction of errors" shows the corrections made to Council's opening balances of assets, liabilities and equity.

The inclusion of the assets within Council's Asset System will have minimal impact on Council's financial performance. The primary impact will be an increase in depreciation expense of approximately \$100K per year.

COMBINED FUND:

This is another sound financial result for Council in all funds. It is imperative that a Council delivers an operating surplus on average, so that it can provide funding for asset renewals and upgrades and remain sustainable for the Future.

Overall, Council's other major financial indicators remain sound. Increasing operational costs will continue to pressure Council's capacity to maintain existing services levels and infrastructure. Capacity does exist in the Waste, Water and Sewerage Funds to undertake planned new capital

works in addition to asset renewals. As noted, Council also has the capacity to fully implement its Waste Strategy over the coming years.

LEGAL IMPLICATIONS:

These reports ensure compliance with:

- The *Local Government Act 1993*, (as amended) and the Regulations made thereunder.
- The Australian Accounting Standards and professional pronouncements.
- The Local Government Code of Accounting Practice and Financial Reporting.
- The Department of Water and Energy Practice Management of Water Supply and Sewerage Guidelines.
- NSW Government Policy Statement '*Application of National Competition Policy to Local Government*'.
- Department of Local Government Guidelines '*Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*'.

ATTACHMENTS:

1. Draft Income Statement [↓](#)
2. Draft Statement of Financial Position [↓](#)
3. Draft Cash Flow Statement [↓](#)
4. Draft Statement of Changes in Equity [↓](#)
5. General Fund Ratios [↓](#)
6. GPFS Statement by Councillors and Management [↓](#)
7. SPFS Statement by Councillors and Management [↓](#)

Inverell Shire Council | Income Statement | for the year ended 30 June 2022

Inverell Shire Council

Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022 \$ '000		Notes	Actual 2022 \$ '000	Actual 2021 \$ '000
	Income from continuing operations			
23,067	Rates and annual charges	B2-1	22,929	22,199
4,721	User charges and fees	B2-2	5,155	7,522
468	Other revenues	B2-3	1,172	957
14,307	Grants and contributions provided for operating purposes	B2-4	21,378	17,311
979	Grants and contributions provided for capital purposes	B2-4	6,833	6,771
527	Interest and investment income	B2-5	815	950
122	Other income	B2-6	184	241
(50)	Net gain from the disposal of assets	B4-1	161	—
44,141	Total income from continuing operations		58,627	55,951
	Expenses from continuing operations			
15,106	Employee benefits and on-costs	B3-1	14,549	14,283
14,520	Materials and services	B3-2	20,264	15,202
82	Borrowing costs	B3-3	274	310
12,396	Depreciation, amortisation and impairment of non-financial assets	B3-4	12,694	12,109
847	Other expenses	B3-5	1,141	888
—	Net loss from the disposal of assets	B4-1	—	809
42,951	Total expenses from continuing operations		48,922	43,601
1,190	Net operating result for the year attributable to Council		9,705	12,350
	Gain on boundary adjustments			
—	Gain on boundary adjustments	D3-1	—	—
1,190	Net result for the year		9,705	12,350
1,190	Net result attributable to council		9,705	12,350
211	Net operating result for the year before grants and contributions provided for capital purposes		2,872	5,579

The above Income Statement should be read in conjunction with the accompanying notes.

Inverell Shire Council | Statement of Financial Position | for the year ended 30 June 2022

Inverell Shire Council

Statement of Financial Position

as at 30 June 2022

		2022	Restated 2021	Restated 2020
	Notes	\$ '000	\$ '000	\$ '000
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	7,740	7,561	5,482
Investments	C1-2	15,055	18,519	27,501
Receivables	C1-4	4,429	3,658	4,066
Inventories	C1-5	584	518	485
Contract assets and contract cost assets	C1-6	8,933	4,243	1,394
Other	C1-11	99	447	224
Total current assets		36,840	34,946	39,152
Non-current assets				
Investments	C1-2	51,968	43,566	32,097
Receivables	C1-4	637	559	673
Infrastructure, property, plant and equipment (IPPE)	C1-8	835,959	775,286	767,652
Investment property	C1-9	3,090	3,280	3,280
Total non-current assets		891,654	822,691	803,702
Total assets		928,494	857,637	842,854
LIABILITIES				
Current liabilities				
Payables	C3-1	3,854	2,865	3,049
Contract liabilities	C3-2	5,515	3,545	2,070
Borrowings	C3-3	616	653	626
Employee benefit provisions	C3-4	4,652	4,910	4,551
Provisions	C3-5	208	212	202
Total current liabilities		14,845	12,185	10,498
Non-current liabilities				
Borrowings	C3-3	1,069	1,685	2,338
Employee benefit provisions	C3-4	200	92	87
Provisions	C3-5	6,714	6,891	6,694
Total non-current liabilities		7,983	8,668	9,119
Total liabilities		22,828	20,853	19,617
Net assets		905,666	836,784	823,237
EQUITY				
Accumulated surplus	C4-1	605,316	595,611	583,261
IPPE revaluation reserve	C4-1	300,350	241,173	239,976
Council equity interest		905,666	836,784	823,237
Total equity		905,666	836,784	823,237

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Inverell Shire Council | Statement of Cash Flows | for the year ended 30 June 2022

Inverell Shire Council

Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022 \$ '000		Notes	Actual 2022 \$ '000	Actual 2021 \$ '000
Cash flows from operating activities				
Receipts:				
23,067	Rates and annual charges		23,076	22,419
4,721	User charges and fees		4,199	7,684
527	Investment revenue and interest		840	1,045
15,286	Grants and contributions		25,015	22,544
–	Bonds, deposits and retentions received		144	1,229
590	Other		4,159	4,428
Payments:				
(15,106)	Payments to employees		(14,709)	(14,170)
(10,523)	Payments for materials and services		(22,717)	(18,929)
(82)	Borrowing costs		(274)	(310)
–	Bonds, deposits and retentions refunded		–	(951)
(4,844)	Other		(931)	(780)
13,636	Net cash flows from operating activities	G1-1	18,802	24,209
Cash flows from investing activities				
Receipts:				
–	Sale of investments		23,985	32,000
–	Sale of investment property		168	–
645	Proceeds from sale of IPPE		1,157	800
Payments:				
–	Purchase of investments		(18,869)	(34,468)
–	Acquisition of term deposits		(10,054)	–
(15,628)	Payments for IPPE		(14,357)	(19,836)
(14,983)	Net cash flows from investing activities		(17,970)	(21,504)
Cash flows from financing activities				
Payments:				
(653)	Borrowings and advances		(653)	(626)
(653)	Net cash flows from financing activities		(653)	(626)
(2,000)	Net change in cash and cash equivalents		179	2,079
–	Cash and cash equivalents – beginning of year		7,561	5,482
–	Cash resulting from boundary adjustment		–	–
(2,000)	Cash and cash equivalents at end of year	C1-1	7,740	7,561
–	plus: Investments on hand at end of year	C1-2	67,023	62,085
(2,000)	Total cash, cash equivalents and investments		74,763	69,646

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Inverell Shire Council | Statement of Changes in Equity | for the year ended 30 June 2022

Inverell Shire Council

Statement of Changes in Equity
for the year ended 30 June 2022

	Notes	as at 30/06/22			as at 30/06/21		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		595,611	241,173	836,784	581,508	239,976	821,484
Correction of prior period errors	G4-2	–	–	–	1,753	–	1,753
Restated opening balance		595,611	241,173	836,784	583,261	239,976	823,237
Net operating result for the year		9,705	–	9,705	12,350	–	12,350
Net operating result for the Year		9,705	–	9,705	12,350	–	12,350
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	–	59,177	59,177	–	1,197	1,197
Other comprehensive income		–	59,177	59,177	–	1,197	1,197
Total comprehensive income		9,705	59,177	68,882	12,350	1,197	13,547
Closing balance at 30 June		605,316	300,350	905,666	595,611	241,173	836,784

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

GENERAL FUND PERFORMANCE BENCHMARKS

	BENCHMARK	Benchmark Result	Indicator 2022	Indicator 2021	Indicator 2020
SUSTAINABILITY INDICATORS					
Operating Performance Ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	Greater or equal to break even average over 3 years	✓	7.67%	16.55%	14.71%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions					
Own Source Operating Revenue Ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	Greater than 60% average over 3 years	✗	45.11%	50.40%	55.31%
Total continuing operating revenue ⁽¹⁾					
Building & Infrastructure Asset Renewals ratio					
Asset renewals (Building & Infrastructure ⁽²⁾	Greater than 100% average over 3 years	✓	116.96%	108.56%	130.86%
Depreciation, amortisation and impairment					
INFRASTRUCTURE AND SERVICE MANAGEMENT INDICATORS					
Debt Service Ratio					
Cost of debt service (interest expense & principal repayments)	Greater than 0% and less than or to 20% average over 3 years	✓	1.07%	1.13%	1.38%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions					
Asset Maintenance Ratio					
Actual asset maintenance	Greater than 100% average over 3 years	✓	113.7%	99.8%	100.1%
Required asset maintenance					
Infrastructure Backlog Ratio					
Estimated cost to bring assets to a satisfactory standard	Less than 2%	✓	1.10%	1.20%	1.22%
Carrying value of infrastructure assets					
EFFICIENCY INDICATORS					
Real Operating Expenditure Per Capita Ratio					
Total Expenses from continuing operators ⁽³⁾ deflated CPI/LGCI	A decrease in Real Operating Expenditure per Capita over time	✗	1.4726	1.3786	1.1733
Estimated yearly population					

Notes

- (1) Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.
- (2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/per capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases or increases capacity/performance.
- (3) Excludes revaluation decrements, net loss from disposal of assets & net loss of interest in joint ventures

Inverell Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 28 September 2022.

Paul Harmon
Mayor
28 September 2022

Catherine Dight
Councillor
28 September 2022

Paul Henry
General Manager
28 September 2022

Paul Pay
Responsible Accounting Officer
28 September 2022

Inverell Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2022

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial Reporting*,
- the NSW Office of *Water Best-Practice Management of Water and Sewerage Guidelines*.

To the best of our knowledge and belief, these statements:

- present fairly the operating result and financial position for each of Council's declared business activities for the year
- accord with Council's accounting and other records
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 28 September 2022

Paul Harmon
Mayor
28 September 2022

Catherine Dight
Councillor
28 September 2022

Paul Henry
General Manager
28 September 2022

Paul Pay
Responsible Accounting Officer
28 September 2022