

COUNCIL MEETING AGENDA

Date	Tuesday, 22 October 2019
Venue	Rous County Council Administration Office, Level 4, 218-232 Molesworth Street, Lismore
Lunch	12.30pm
Meeting	1.00pm

AGENDA

1. Opening of the meeting

2. Acknowledgement of Country

Council would like to show its respect and acknowledge the Traditional Custodians of the Land, of Elders past and present on which this meeting takes place.

3. Public access

- Adam Bradfield (Thomas Noble Russell / Audit Office) to present the Annual Financial Reports and Audit Report for year ending 30 June 2019

4. Apologies and Leave of Absence

5. Confirmation of minutes of previous meeting

- i). Ordinary Council meeting 21 August 2019..... 1-6

6. Disclosure of Interest

7. General Manager reports

- i). Election of chairperson and deputy chairperson..... 7-18
- ii). Council meeting schedule 2020..... 19

8. Group Manager Corporate and Commercial reports

- i). Annual Financial Reports and Audit Report for year ending 30 June 2019 20-30
- ii). Quarterly Budget Review Statement for quarter ending 30 September 2019..... 31-50
- iii). Retail water customer account assistance 51-52

9. Planning Manager reports	
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ii). Award of Contract: Lismore 900 trunk main corrosion repairs.....	74-93
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ii). Water production and usage – August 2019 and September 2019.....	111-118
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iv). Audit, Risk and Improvement Committee: meeting update.....	127-129
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13. Questions on Notice	
14. Close of business	



Phillip Rudd
General Manager



Rous County Council

MINUTES OF ORDINARY COUNCIL MEETING

21 August 2019

1. OPENING OF THE MEETING

Meeting commenced at 1.02 pm.

In attendance:

Councillors

Keith Williams (Chair), Vanessa Ekins (Deputy Chair), Sharon Cadwallader, Basil Cameron, Darlene Cook, Sandra Humphrys, and Robert Mustow.

Staff

Phillip Rudd (General Manager), Guy Bezrouchko (Group Manager Corporate and Commercial), Andrew Logan (Planning Manager), Helen McNeil (Group Manager People and Performance), Tom Lloyd (Group Manager Operations), Samantha Watkins (Procurement and Properties Coordinator), Natalie Woodhead-Tiernan (Finance Manager), Ben Wilson (Risk and Compliance Coordinator), Anthony Acret (Natural Resource Management Planning Coordinator), Noeline Smith (minute taker).

2. ACKNOWLEDGEMENT OF COUNTRY

Council showed its respect and acknowledged the Traditional Custodians of the Land, of all Elders, on which this meeting took place.

3. PUBLIC ACCESS

Nil.

4. APOLOGIES AND LEAVE OF ABSENCE

RESOLVED [51/19] (Cadwallader/Humphrys) that an apology be received and accepted on behalf of Cr Simon Richardson.

5. CONFIRMATION OF MINUTES

i). **Ordinary Council meeting minutes 19 June 2019** (182/13)

RESOLVED [52/19] (Cadwallader/Mustow) that the minutes of the meeting held 19 June 2019 be confirmed as presented.

6. DISCLOSURE OF INTEREST

Nil.

7. PRESENTATION

Brian Wilkinson, Chairperson (Audit, Risk and Improvement Committee) presented on his report 'Audit, Risk and Improvement Committee Performance Review: period 2018-2019.

Cr Ekins arrived at 1.09pm.

RESOLVED [53/19] (Mustow/Cadwallader) that Council extend its thanks to the Audit, Risk and Improvement Committee Chair, Committee members and staff for their hard work, support and cooperation; and a special thank you to Brian Wilkinson for his attendance and presentation at today's meeting.

8. NOTICES OF MOTION

i). Local Government NSW Annual Conference 2019: Notice of Motion (320)

RESOLVED [54/19] (Cadwallader/Mustow) that Council submit the Notice of Motion (as presented) regarding the NSW Government's Integrated Mining Policy, to the Local Government NSW Annual Conference 2019.

ii). Review of cost/benefit of current and recent insurance arrangements
(To be considered during 'Confidential' section of the meeting).

9. GENERAL MANAGER REPORTS

i). Delivery program progress update: 1 January to 30 June 2019 (2092/10)

RESOLVED [55/19] (Cameron/Ekins) that Council:

1. Receive and note the report and attachment.
2. Acknowledge that sound and effective governance requires that staff and councillors are able to participate fully in work tasks and decision making and that equitable access measures for all are essential for this and that consequently all Delivery Plan Actions be reviewed to determine that equitable access measures reflect this principle.
3. In relation to Action 2.4.3.1, that customers, staff and councillors with a disability be invited to discuss their perspectives in the development of access awareness training.
4. In relation to Action 2.4.3.2, customers, staff and councillors with a disability be invited to participate in the access training provided to staff.
5. In relation to Actions 2.4.3.7/8, a review is initiated to determine the effectiveness of access measures and standards based on the feedback of staff, customers and councillors who use foyers 2 and 4.

ii). Performance review of procurement activities
(To be considered during 'Confidential' section of the meeting).

10. GROUP MANAGER CORPORATE AND COMMERCIAL REPORTS

i). Preliminary 2018-19 end of financial year summary (2333/13)

RESOLVED [56/19] (Cadwallader/Humphrys) that Council:

1. Receive and note the Preliminary 2018/19 end of year financial summary report, acknowledging that it is a preliminary summary prior to end of year adjustments and audit.
2. Approve the transfers to and from reserve as detailed in tables 2 - 8 of the report.
3. Approve the funds to be carried forward as detailed in tables 9 and 10 of the report.

ii). Retail water customer account assistance (2283/13)

RESOLVED [57/19] (Humphrys/Cadwallader) that Council in accordance with section 356 (1) of the *Local Government Act 1993* and its 'Retail Water Customer Account Assistance' policy, approve financial assistance as listed in Table 1 of the report.

11. PLANNING MANAGER REPORTS

i). Proposed ARC Linkage Research project – natural flood management in the Richmond River catchment (1181/18)

RESOLVED [58/19] (Ekins/Cadwallader) that Council:

1. Provide conditional support for the proposed Australian Research Council Linkage Research Grant application.
2. Allocate funds of \$30,000 per year for the 3-year research program.
3. Work together with Southern Cross University to refine the research outline to ensure that it is directly aligned with key strategic initiatives of Rous County Council.

ii). Review of Pesticide Notification Plan (1356/18)

RESOLVED [59/19] (Cadwallader/Humphrys) that Council adopt the draft Pesticide Notification Plan.

Voting against: Cr Cameron

12. POLICIES

i). Human Resources – employment conditions policy (172/17)

RESOLVED [60/19] (Cook/Cadwallader) that Council:

1. Revoke the following 10 policies attached to the report:
 - a). 'Nine-day fortnight' policy (Rous County Council) dated 21 December 2016
 - b). 'Salary system' policy (Far North Coast Weeds County Council) dated 24 October 2007
 - c). 'Salary system' policy (Rous Water) dated 17 October 2007

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- d). 'Review of salary system' policy (Richmond River County Council) dated 6 February 2008
 - e). 'Staff expenses' policy (Far North Coast Weeds County Council) dated 26 November 2003
 - f). 'Recognition of staff service' policy (Far North Coast Weeds County Council) dated 24 October 2007
 - g). 'Fringe benefits tax' policy (Rous Water) dated 19 December 2012
 - h). 'Telephone reimbursement' policy (Far North Coast Weeds County Council) dated 16 December 2003
 - i). 'Staff uniforms (office-based staff)' policy (Rous Water) dated 20 June 2007
 - j). 'Job redesign' policy (Far North Coast Weeds County Council) dated 26 November 2003,

and any policies revived as a result of their revocation.

- 2. Adopt the replacement standalone 'Human Resources – employment conditions' policy.

ii). Policies for revocation

RESOLVED [61/19] (Ekins/Humphrys) that Council:

- 1. Note the report, and in relation to the matter of 'Designated Persons' that only the General Manager is a Designated Person.
- 2. Revoke the following policies attached to the report and any policy revived as a result of the revocation:
 - i). Designated Persons policy dated 22 August 2012 (FNCW);
 - ii). Designated Persons policy dated 16 May 2012 (ROUS);
 - iii). Designated Persons policy dated 8 August 2012 (RRCC);
 - iv). Local Weed Management Plans policy dated 22 February 2006 (FNCW);
 - v). Motor Vehicle Agreement policy dated 27 June 2007 (FNCW); and
 - vi). Rebate to Community Organisations policy dated 15 December 2004 (ROUS).

13. INFORMATION REPORTS

RESOLVED [62/19] (Mustow/Cadwallader) that Council receive and note the following information reports:

- i). Audit, Risk and Improvement Committee Performance Review: period 2018-2019 – Chairperson's report
- ii). Audit, Risk and Improvement Committee: meeting update
- iii). Reconciliation Action Plan (RAP) Advisory Group: meeting update
- iv). Investments – July 2019
- v). Water production and usage – June and July 2019
- vi). Fluoride plant dosing performance report – Quarter 2, 2019
- vii). Reports/actions pending.

Cr Cameron left the meeting at 3.01pm.

14. CONFIDENTIAL

MOVE INTO CLOSED COUNCIL

RESOLVED [63/19] (Cadwallader/Humphrys) that Council moved into Closed Council to consider the following matters and that members of the public and press be excluded from the meeting based on the grounds detailed below:

Report 1	Notice of Motion: Review of cost/benefit of current and recent insurance
Grounds for closure	Section 10A(2)(d) commercial information of a confidential nature that would, if disclosed: (ii). prejudice the commercial position of the person who supplied it.
Public interest	Public discussion would not be in the public interest due to disclosure of commercial information.
Report 2	Financial assistance for pensioners – section 582
Grounds for closure	Section 10A(2)(b) the personal hardship of any resident or ratepayer.
Public interest	Public discussion would not be in the public interest due to disclosure of personal information.
Report 3	Perradenya Release 6 – Award of contract for construction of 20 lot subdivision
Grounds for closure	Section 10A(2)(d) commercial information of a confidential nature that would, if disclosed: (ii). confer a commercial advantage on a competitor of the Council.
Public interest	Public discussion would not be in the public interest due to disclosure of commercial information.
Report 4	Procurement Audit Breach
Grounds for closure	Section 10A(2)(a) commercial information of a confidential nature that would, if disclosed: (a) personnel matters concerning particular individuals (other than councillors).
Public interest	Public discussion would not be in the public interest due to disclosure of commercial information.

RESUME TO OPEN COUNCIL

RESOLVED [64/19] (Cook/Cadwallader) that Council resume to Open Council.

The General Manager read to the meeting the following resolutions of Council:

i). Notion of Motion: Review of cost/benefit of current and recent insurance arrangements

RESOLVED [65/19] (Mustow/Cadwallader) that:

1. Council note the information provided by staff in the response to the Notice of Motion regarding the review of insurance arrangements and that based on the information available at this time, the level of service and benefit provided from membership with Statewide Mutual is satisfactory.
2. Staff continue to monitor Statewide Mutual service level standards and insurance product cost effectiveness, including performing market testing in May 2020 as outlined in the Notice of Motion response.

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3. Council receive a further report detailing options and implications of going to open tender in the future.

ii). Financial assistance for pensioners – section 582

RESOLVED [66/19] (Cadwallader/Cook) that Council in accordance with section 582 of the *Local Government Act 1993* and its 'Retail Water Customer Account Assistance' policy, consider and approve the financial assistance as listed in Table 1 of the report, subject to receipt of valid Water Use Audit Report.

iii). Perradenya Release 6 – Award of Contract – construction of 20 Lot subdivision

RESOLVED [67/19] (Cadwallader/Humphrys) that Council award the contract for Perradenya Estate Release 6 - construction of 20 Lot subdivision to *CivilCS Pty Ltd* for the contract price noted in the report (\$1,639,845.09 incl. GST).

iv). Performance review of procurement activities

RESOLVED [68/19] (Cook/Mustow) that Council receive and note the report.

15. MATTERS OF URGENCY

RESOLVED [69/19] (Cook/Humphrys) that the following matter be considered as a matter of urgency:

Proposed Notice of Motion

RESOLVED [70/19] (Ekins/Cadwallader) that a Notice of Motion (NoM) regarding Voluntary House Raising local funding pool and upfront cost impact to applicants, be submitted to the 2019 Local Government Conference (LGC); the draft NoM be circulated to Councillors prior to submission.

16. QUESTIONS ON NOTICE

Nil.

17. CLOSE OF BUSINESS

There being no further business the meeting closed at 3.50pm.

Election of chairperson and deputy chairperson

(320)

Business activity priority

Strategy and planning

Goals 2

Align strategic direction to core functions and sustainability

Recommendation

That Council proceed with the election of a chairperson and deputy chairperson consistent with the election requirements for chairpersons of county councils in the *Local Government Act 1993* and the *Local Government (General) Regulation 2005* and that:

1. If there is more than one nomination, council resolve the method of election (to be either by preferential ballot, ordinary ballot or open voting); and
2. The result of the election (including the names of those elected) be declared at the meeting and that those elected hold office for one year.

Background

Schedule 8 of the *Local Government (General) Regulation 2005* makes provision for the process for electing a chairperson for a county council. An election for a chairperson is to be held:

- (a) at the first meeting of the county council after an ordinary election of members of the county council, and
- (b) at the first meeting of the county council after each anniversary of that ordinary election until the next ordinary election of members of the county council is held.

The election to which this report relates is as described at (b) above.

A copy of clause 395 and Schedule 8 of the *Local Government (General) Regulation 2005* which prescribe the procedure to be followed to elect the chairperson is attached for information (Attachment 1). A summary of that process is also set out in Attachment 1 (all references cited in the Attachment relate to the *Local Government (General) Regulation 2005*).

Election of a deputy chairperson – local rule

Council's Code of Meeting Practice contains a local rule that makes provision for the election of a deputy chairperson to occur at the same time and in the same manner as the annual election of the chairperson. This local rule is for administrative convenience given that the *Local Government Act 1993* does not make provision for the election of a deputy chairperson (refer to item 6.1 of the Code of Meeting Practice – Attachment 2).

Term of office – chairperson and deputy chairperson

The chairperson holds office for one year, subject to the provisions of the *Local Government Act 1993* (section 391(2) – Attachment 3). The office of chairperson commences on the day the person elected is declared to be elected, being the day of the council meeting at which the election is held by the returning officer (section 391(3)(a)). A vacancy occurs when the person's successor is declared to be elected to the office, or on the occurrence of a casual vacancy in the office (section 391(3)(b)).

By virtue of Council's Code of Meeting Practice these arrangements also apply to the position of deputy chairperson.

LGNSW has advised that a council may not set a shorter period for the term of a member of a county council less than four years as this would breach section 233 of the *Local Government Act 1993*.

Governance

This report has been prepared having regard to the requirements of the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*.

Finance

The fees paid to members (including the chairperson) are in accordance with the 'Chairperson and member fees' policy and budget adopted in conjunction with the 2019/20 Operational plan. The policy provides that the fees payable to the chairperson and members are 100% of the maximum determined by the Local Government Remuneration Tribunal.

Legal

Refer to the 'Background' section of the report.

Consultation

Not applicable.

Conclusion

Council elects a chairperson and deputy chairperson each year. The election process for the chairperson is set out in Schedule 8 of the *Local Government (General) Regulation 2005* and council has determined through its Code of Meeting Practice that that process will also apply for the election of the deputy chairperson.

Phillip Rudd
General Manager

Attachment

1. Summary of election process including copies of clause 395 and Schedule 8 of the *Local Government (General) Regulation 2005*.
2. Code of Meeting Practice (extract of 6.1).
3. *Local Government Act 1993* - section 391(2) – term of office of chairperson

Enclosure:

Nomination forms.

Summary of election process

All references cited in the following tables relate to the *Local Government (General) Regulation 2005*.

General manager (or delegate) is the returning officer	Sch. 8 cl. 2
The general manager (or a person appointed by the general manager) is the returning officer.	
Nominations (Nomination forms enclosed)	Sch. 8 cl. 4
<p>(1) A councillor may be nominated for election as chairperson/deputy chairperson without notice.</p> <p>(2) Nominations must be in writing by two or more councillors (one of whom may be the nominee) and include the nominee's written consent to the nomination.</p> <p>(3) Nominations are to be delivered or sent to the returning officer.</p> <p>(4) The returning officer is to announce the names of the nominees at the meeting at which the election is to be held.</p>	
Resolving method of election	Sch. 8 cl. 5
<p>One nomination The nominee is elected.</p> <p>More than one nomination Council must resolve whether the election is to proceed by:</p> <p>(a) Preferential <i>ballot</i>* (Attachment 1 (Sch. 8 Part 3 clauses 10-13) refer to the green tables below), or</p> <p>(b) Ordinary <i>ballot</i>* or (Attachment 1 (Sch. 8 Part 2 clauses 6-9) refer to the red tables below), or</p> <p>(c) <i>Open voting</i>** (Attachment 1 (Sch. 8 Part 2 clauses 6-9) refer to the red tables below).</p> <p>* <i>ballot</i> has its normal meaning of secret ballot. ** <i>open voting</i> means voting by a show of hands or similar means.</p>	

PREFERENTIAL BALLOT	
• Ballot-papers and voting	Sch. 8 cl. 11
<p>The ballot-papers are to contain the names of all the candidates. Place the numbers '1', '2' and so on against the names listed to indicate the order of preference for all the candidates.</p> <p>An informal ballot-paper is one that has not been initialled on the front by an election official (except where the ballot-paper bears the name of the council), or contains a mark or writing that, in the returning officer's opinion, would enable the elector to be identified (cl. 305(2); cl. 345(1)(b) and (c) and (5)).</p> <p>An informal ballot-paper must be rejected at the count.</p>	
• Count	Sch. 8 cl. 12
<p>(1) If a candidate has an <i>absolute majority</i>* of first preference votes, that candidate is elected.</p> <p>(2) If not, the candidate with the lowest number of first preference votes is excluded and the votes on the unexhausted ballot-papers counted to the person are transferred to the candidates with second preferences on those ballot-papers.</p> <p>(3) A candidate who then has an absolute majority of votes is elected, but, if no candidate then has an absolute majority of votes, the process of excluding the candidate who has the lowest</p>	

PREFERENTIAL BALLOT

number of votes and counting each of his or her unexhausted ballot-papers to the candidates remaining in the election next in order of the voter's preference is repeated until one candidate has received an absolute majority of votes. That candidate is elected.

***absolute majority** in relation to votes, means a number that is more than one-half of the number of unexhausted formal ballot-papers.

- **Tied candidates**

Sch. 8 cl. 13

- (1) If, on any count of votes, there are 2 candidates in, or remaining in, the election and the numbers of votes cast for the 2 candidates are equal - **the candidate whose name is first chosen by lot is taken to have received an absolute majority of votes and is therefore taken to be elected.**
- (2) If, on any count of votes, there are 3 or more candidates in, or remaining in, the election and the numbers of votes cast for 2 or more candidates are equal and those candidates are the ones with the lowest number of votes on the count of the votes - **the candidate whose name is first chosen by lot is taken to have the lowest number of votes and is therefore excluded.**

Count: choosing by lot

Sch. 8 cl. 14

To choose a candidate by lot, the names of the candidates who have equal numbers of votes are written on similar slips of paper by the returning officer, the slips are folded by the returning officer so as to prevent the names being seen, the slips are mixed and one is drawn at random by the returning officer and **the candidate whose name is on the drawn slip is chosen.**

**ORDINARY BALLOT
OPEN VOTING**

- **Marking of ballot-papers**

Sch. 8 cl. 7

An informal ballot-paper is one that has not been initialled on the front by an election official (except where the ballot-paper bears the name of the council), or contains a mark or writing that, in the returning officer's opinion, would enable the elector to be identified (cl. 305(2); cl. 345(1)(b) and (c) and (5)).

An informal ballot-paper must be rejected at the count.

- **Count**

Sch. 8 cl. 8-9

Count: 2 candidates

- (1) If there are only 2 candidates, the candidate with the higher number of votes is elected.
- (2) If there are only 2 candidates and they are tied, **the one elected is to be chosen by lot.**

Count: 3 or more candidates

- (1) If there are 3 or more candidates, **the one with the lowest number of votes is to be excluded.**
- (2) If 3 or more candidates then remain, a further vote is to be taken of those candidates and **the one with the lowest number of votes from that further vote is to be excluded.**
- (3) If, after that, 3 or more candidates still remain, the procedure set out at (2) above is repeated until only 2 candidates remain.
- (4) A further vote is to be taken of the 2 remaining candidates:
 - (a) The candidate with **the higher number of votes is elected.**
 - (b) If the 2 candidates are tied, **the one elected is to be chosen by lot.**

(5) If at any stage during a count under (1) or (2) above, 2 or more candidates are tied on the lowest number of votes, the one excluded is to be chosen by lot.

Count: choosing by lot

Sch. 8 cl. 14

To choose a candidate by lot, the names of the candidates who have equal numbers of votes are written on similar slips of paper by the returning officer, the slips are folded by the returning officer so as to prevent the names being seen, the slips are mixed and one is drawn at random by the returning officer and the candidate whose name is on the drawn slip is chosen.

Result

Sch. 8 cl. 15

The result of the election (including the name of the elected chairperson and deputy chairperson) must be:

- (a) declared to the councillors at the council meeting at which the election is held by the returning officer, and
- (b) delivered or sent to the Director-General and to the Secretary of the Local Government and Shires Association of New South Wales.

Local Government (General) Regulation 2005

Current version for 1 July 2019 to date (accessed 30 September 2019 at 11:28)

[Part 11](#) > [Division 12](#) > [Clause 395](#)

395 Election of chairpersons of county councils

The chairperson of a county council is to be elected in accordance with Schedule 8.

Local Government (General) Regulation 2005

Current version for 1 July 2019 to date (accessed 30 September 2019 at 11:29)

[Schedule 8](#)

Schedule 8 Election of chairpersons of county councils

(Clause 395)

Part 1 Preliminary

1 When election to be held

- (1) An election for chairperson of a county council is to be held:
 - (a) at the first meeting of the county council after an ordinary election of members of the county council, and
 - (b) at the first meeting of the county council after each anniversary of that ordinary election until the next ordinary election of members of the county council is held.
- (2) In subclause (1) (a), *ordinary election of members of the county council* does not include an election held in accordance with clause 1 (2) of Schedule 9 to this Regulation:
 - (a) after the first election of councillors for a newly amalgamated area that is:
 - (i) held in accordance with a proclamation made for the purposes of Division 2A of Part 1 of Chapter 9 of the Act, and
 - (ii) taken by that proclamation to be an ordinary election of councillors, or
 - (b) after an ordinary election of councillors for an area that has been postponed in accordance with the provisions of Part 6A of Chapter 10 of the Act.

2 Returning officer

The general manager of the county council in respect of which an election is being held (or a person appointed by the general manager) is the returning officer.

3 Notification of vacancy

- (1) The general manager of the county council in respect of which an election is being held must give notice of the occurrence of a vacancy in the office of chairperson of the county council to the Director-General and to the general managers of the councils of the areas part or all of which constitute the county council electorate in which the vacancy has occurred.
- (2) The general manager is to do that within 7 days of the occurrence of the vacancy.

4 Nomination

- (1) A member of a county council may be nominated without notice for election as chairperson of the county council.

- (2) The nomination is to be made in writing by 2 or more members of the county council (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.
- (3) The nomination is to be delivered or sent to the returning officer.
- (4) The returning officer is to announce the names of the nominees at the county council meeting at which the election is to be held.

5 Election

- (1) If only one member of the county council is nominated, that member is elected.
- (2) If more than one member is nominated, the county council is to resolve whether the election is to proceed by preferential ballot, by ordinary ballot or by open voting.
- (3) The election is to be held at the county council meeting at which the county council resolves on the method of voting.
- (4) In this clause:
 - ballot* has its normal meaning of secret ballot.
 - open voting* means voting by a show of hands or similar means.

Part 2 Ordinary ballot or open voting

6 Application of Part

This Part applies if the election proceeds by ordinary ballot or by open voting.

7 Marking of ballot-papers

- (1) If the election proceeds by ordinary ballot, the returning officer is to decide the manner in which votes are to be marked on the ballot-papers.
- (2) The formality of a ballot-paper under this Part must be determined in accordance with clause 345 (1) (b) and (c) and (5) of this Regulation as if it were a ballot-paper referred to in that clause.
- (3) An informal ballot-paper must be rejected at the count.

8 Count—2 candidates

- (1) If there are only 2 candidates, the candidate with the higher number of votes is elected.
- (2) If there are only 2 candidates and they are tied, the one elected is to be chosen by lot.

9 Count—3 or more candidates

- (1) If there are 3 or more candidates, the one with the lowest number of votes is to be excluded.
- (2) If 3 or more candidates then remain, a further vote is to be taken of those candidates and the one with the lowest number of votes from that further vote is to be excluded.

- (3) If, after that, 3 or more candidates still remain, the procedure set out in subclause (2) is to be repeated until only 2 candidates remain.
- (4) A further vote is to be taken of the 2 remaining candidates.
- (5) Clause 8 of this Schedule then applies to the determination of the election as if the 2 remaining candidates had been the only candidates.
- (6) If at any stage during a count under subclause (1) or (2), 2 or more candidates are tied on the lowest number of votes, the one excluded is to be chosen by lot.

Part 3 Preferential ballot

10 Application of Part

This Part applies if the election proceeds by preferential ballot.

11 Ballot-papers and voting

- (1) The ballot-papers are to contain the names of all the candidates. The members of the county council are to mark their votes by placing the numbers “1”, “2” and so on against the various names so as to indicate the order of their preference for all the candidates.
- (2) The formality of a ballot-paper under this Part is to be determined in accordance with clause 345 (1) (b) and (c) and (5) of this Regulation as if it were a ballot-paper referred to in that clause.
- (3) An informal ballot-paper must be rejected at the count.

12 Count

- (1) If a candidate has an absolute majority of first preference votes, that candidate is elected.
- (2) If not, the candidate with the lowest number of first preference votes is excluded and the votes on the unexhausted ballot-papers counted to him or her are transferred to the candidates with second preferences on those ballot-papers.
- (3) A candidate who then has an absolute majority of votes is elected, but, if no candidate then has an absolute majority of votes, the process of excluding the candidate who has the lowest number of votes and counting each of his or her unexhausted ballot-papers to the candidates remaining in the election next in order of the voter’s preference is repeated until one candidate has received an absolute majority of votes. That candidate is elected.
- (4) In this clause, *absolute majority*, in relation to votes, means a number that is more than one-half of the number of unexhausted formal ballot-papers.

13 Tied candidates

- (1) If, on any count of votes, there are 2 candidates in, or remaining in, the election and the numbers of votes cast for the 2 candidates are equal—the candidate whose name is first chosen by lot is taken to have received an absolute majority of votes and is therefore taken to be elected.
- (2) If, on any count of votes, there are 3 or more candidates in, or remaining in, the election and the numbers of votes cast for 2 or more candidates are equal and those candidates are the ones with

the lowest number of votes on the count of the votes—the candidate whose name is first chosen by lot is taken to have the lowest number of votes and is therefore excluded.

Part 4 General

14 Choosing by lot

To choose a candidate by lot, the names of the candidates who have equal numbers of votes are written on similar slips of paper by the returning officer, the slips are folded by the returning officer so as to prevent the names being seen, the slips are mixed and one is drawn at random by the returning officer and the candidate whose name is on the drawn slip is chosen.

15 Result

The result of the election (including the name of the candidate elected as chairperson of the county council) is:

- (a) to be declared to the members of the county council at the county council meeting at which the election is held by the returning officer, and
- (b) to be delivered or sent to the Director-General and to the Secretary of the Local Government and Shires Association of New South Wales.

16 By-elections

- (1) Subject to subclause (2), a by-election to fill a vacancy in the office of chairperson of a county council is to be held at the next meeting of the county council occurring after the vacancy occurs.
- (2) No such by-election is to be held if the vacancy occurs after an ordinary election of councillors under Chapter 10 of the Act and before an election of chairperson of the county council in accordance with clause 1 (a) of this Schedule.

Extract from Code of Meeting Practice:**1 The chairperson*****The chairperson at meetings***

6.1 The chairperson, or at the request of or in the absence of the chairperson, the deputy chairperson (if any) presides at meetings of the council.

♠ The chairperson of a county council is elected in accordance with section 391 of the Act, to undertake functions in accordance with section 391A of the Act. As a matter of administrative convenience, Council may elect a deputy chairperson. The election of the deputy chairperson will be conducted at the same time and in the same manner as the annual election of the chairperson.

Note: Clause 6.1 reflects section 369(1) of the Act.

6.2 If the chairperson and the deputy chairperson (if any) are absent, a councillor elected to chair the meeting by the councillors present presides at a meeting of the council.

Note: Clause 6.2 reflects section 369(2) of the Act.

Election of the chairperson in the absence of the chairperson and deputy chairperson

6.3 If no chairperson is present at a meeting of the council at the time designated for the holding of the meeting, the first business of the meeting must be the election of a chairperson to preside at that meeting.

6.4 The election of a chairperson must be conducted:

- (a) by the general manager or, in their absence, an employee of the council designated by the general manager to conduct the election, or
- (b) by the person who called the meeting or a person acting on their behalf if neither the general manager nor a designated employee is present at the meeting, or if there is no general manager or designated employee.

6.5 If, at an election of a chairperson, two (2) or more candidates receive the same number of votes and no other candidate receives a greater number of votes, the chairperson is to be the candidate whose name is chosen by lot.

6.6 For the purposes of clause 6.5, the person conducting the election must:

- (a) arrange for the names of the candidates who have equal numbers of votes to be written on similar slips, and
- (b) then fold the slips so as to prevent the names from being seen, mix the slips and draw one of the slips at random.

6.7 The candidate whose name is on the drawn slip is the candidate who is to be the chairperson.

6.8 Any election conducted under clause 6.3, and the outcome of the vote, are to be recorded in the minutes of the meeting.

Local Government Act 1993 No 30

Current version for 25 June 2019 to date (accessed 30 September 2019 at 11:32)

[Chapter 12](#) ▶ [Part 5](#) ▶ [Section 391](#)

391 The chairperson

- (1) The chairperson of a county council is the person elected to the office of chairperson by the members of the county council from among their number.
- (2) The chairperson holds office for one year, subject to this Act.
- (3) The office of chairperson:
 - (a) commences on the day the person elected to the office is declared to be so elected, and
 - (b) becomes vacant when the person's successor is declared to be elected to the office, or on the occurrence of a casual vacancy in the office.

Council meeting schedule 2020

320/12

Business activity priority

Process management, improvement and innovation

Goal 6Continuous improvement through process management and innovative thinking

Recommendation

That Council determine its meeting schedule for 2020 with meetings to be held at 1.00pm at Rous County Council Administration office on:

- 19 February
- 15 April
- 17 June
- 19 August
- 21 October
- 16 December

Background

Council has previously resolved that meetings be held on the third Wednesday of every second month commencing at 1.00pm. Based on the same approach, meetings for 2020 would be scheduled for:

- 19 February
- 15 April
- 17 June
- 19 August
- 21 October
- 16 December

On the third Wednesday of the month when meetings are not scheduled to be held, Council briefings or workshops will be scheduled as follows (unless, in consultation with the Chair, the General Manager determines that there is no substantial matter required for discussion):

- 18 March
- 20 May
- 15 July
- 16 September
- 18 November

Phillip Rudd
General Manager

Annual Financial Reports and Audit Report for the year ending 30 June 2019

(2196/11)

Business activity priority

Results and sustainable performance

Goals 7

Sustainable performance

Recommendation

That Council:

1. In accordance with section 413 (2c) of the *Local Government Act 1993* and clause 215 of the *Local Government (General) Regulation 2005*, adopt the 2018/19 Audited Financial Reports and "Statement by Councillors and Management" for both the General Purpose Financial Reports and the Special Purpose Financial Reports, with the Chairperson and Deputy Chairperson delegated to sign on behalf of Council.
2. Advertise the presentation of the draft 2018/19 Financial Reports to the public from Monday, 28 October 2019 and invite both inspection and submissions.
3. Forward a copy of the 2018/19 Audited Financial Reports to the Office of Local Government.
4. Present the 2018/19 Audited Financial Reports to the public at Council's 18 December 2019 meeting.

Background

Council's 2018/19 Financial Reports have now been completed and the Auditor's draft report received. In order to comply with the provisions of the *Local Government Act 1993*, the following actions must be implemented to allow for the finalisation of the year end accounts.

Adam Bradfield (Thomas Noble and Russell) on behalf of the Audit Office of NSW will attend Council's meeting on 22 October 2019 and present the report on the audit of Council's accounts for the 2018/19 financial period.

Unless Council requires, it would not be necessary for the Auditor to attend the December Council meeting at which time Council will also deal with any public submissions on the financial reports.

The relevant sections of the *Local Government Act 1993* relating to the preparation of Council's annual financial reports are as follows:

- a) Section 413, 415 and 416 requires a council to prepare financial reports, including Financial Reports and 'Statement by Councillors and Management' for both the General-Purpose Financial Reports and Special Purpose Financial Reports; for each year, and must refer them for audit and be audited by 31 October.
- b) Section 413 requires that the financial reports must be accompanied by a statement of Council's opinion made pursuant to a resolution of Council and signed by the Chairperson, at least one other councillor, General Manager and the Responsible Accounting Officer. The content supporting Council's opinion is prescribed and both forms are attached to this report.
- c) Fix a meeting date to present the financial reports to the public; and
- d) Advertise, for a minimum of seven days prior to the meeting, that the financial reports and the auditor's report are available for public inspection.

Provided Council accepts the financial reports as presented in this report then public advertising in the prescribed format will occur from 28 October to 3 November 2019.

Council, at its next meeting can then publicly present the 2018/19 financial reports.

Financial summary

In addressing the statutory requirements under the *Local Government Act 1993*, Council's Audited Financial Reports together with the Auditor's Report are presented to Council.

Council's Net Operating Result for the financial year ended 30 June 2019 was a surplus of \$2.637M, which includes Capital Income of \$5.671M. This compares to a surplus in 2018 of \$7.228M (including Capital Income of \$5.592M).

Council's financial position remains sound as is demonstrated by the following key financial indicators for the past three years:

	2018/19 (\$000's)	2017/18 (\$000's)	2016/17 (\$000's)
Operating Results			
Operating Result (deficit) before capital amounts	(3,034)	1,636	174
Operating Result adjusted for non-cash items (depreciation, impairment)	2,637	7,228	4,182
Performance Measures			
Unrestricted Current Ratio	5.43 : 1	6.30 : 1	6.08 : 1
Debt Service Cover Ratio	1.80 : 1	2.81 : 1	2.45 : 1
Building and Infrastructure Renewals Ratio	1.27 : 1	0.20 : 1	0.62 : 1
Net Working Capital			
Cash Assets	37,698	36,284	30,820
Plus: Receivables	2,427	1,901	2,656
Less: Payables	(3,959)	(2,367)	(2,562)
Sub total	36,166	35,818	30,914
Indebtedness	24,145	26,571	28,846
Restrictions			
External	3,749	3,411	606
Internal	32,509	29,953	25,341
Total	36,258	33,364	25,947
Equity			
Retained earnings	238,191	235,554	228,326
Asset revaluation reserves	260,722	253,062	244,289
Total Equity (including revaluations)	498,913	488,616	472,615

The underlying operating performance continues to be closely monitored and contained within budget allocations and Council's long-term financial plan.

Major income statement movements - revenue

Bulk water revenue continues to provide the majority of Rous County Council's operating revenue and a steady, reliable cash flow.

Section 64 developer contributions revenue increased by 11.7% when compared to 2017/18, with the majority of contributions received from Ballina and Byron Shires. Refer table below:

Council	2018/19 (\$)	2017/18 (\$)	ET's 2018/19	ET's 2017/18
Totals	5,563,883	4,980,150	675.57	593.57

Section 64 developer contributions received were utilised to fund Council's loan repayments and reduce the amount that is funded from operating revenue and reserves.

Generally operational expenditure was in line with budgeted forecast and provided no material variances throughout the financial year.

Major statement of financial position movements - Assets, revaluation and indexation

Council capitalised \$9.776M assets during the year. Work was completed on the tunnel (\$3.642M), trunk and reticulation main upgrades (\$2.799M), Rocky Creek Dam entrance (\$1.244M), Emigrant Creek Dam anchors (\$703k) and flood mitigation upgrades (\$39k), while other water supply network assets accounted for the majority of the remainder.

The Office of Local Government, through the Local Government Code of Accounting Practice and Financial Reporting Guidelines, has recommended that full revaluations are conducted no later than at five yearly intervals. Council's land and building and infrastructure assets are subject to annual indexation adjustments between the five-year revaluation cycles.

The NSW Department of Primary Industries provides the indexation percentage for water assets and advised that for 2018/19 the percentage was 1.6%. This has increased the value of Council's water and flood infrastructure by \$7.183M.

Taylor Byrne Pty Ltd was engaged to conduct an annual review of Council's land and building and provide an opinion on the escalation of costs relating to buildings as well as market movements in land values. This has increased the value of land and buildings by \$475k, a 4% increase.

Consultation

Not applicable.

Conclusion

Council remains in a sound financial position with cash and investments at satisfactory levels to ensure that all current liabilities can be met when they fall due.

Guy Bezrouchko
Group Manager Corporate and Commercial

Attachment:

1. Auditor-General NSW: Report on the Conduct of the Audit for year ending 30 June 2019

Enclosure:

Rous County Council 2018/19 Financial Statements

Rous County Council

General Purpose Financial Statements for the year ended 30 June 2019

Statement by councillors and management made pursuant to section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

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

- the Local Government Act 1993 (NSW) (as amended) 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 financial 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 22 October 2019.

Cr Keith Williams
Chair

22 October 2019

Cr Vanessa Ekins
Deputy Chair

22 October 2019

Phillip Rudd
General Manager

22 October 2019

Guy Bezrouchko
Responsible Accounting Officer

22 October 2019

Rous County Council

Special Purpose Financial Statements for the year ending 30 June 2019

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*
- Office of Local Government Guidelines *Pricing & 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 Supply and Sewerage Guidelines*.

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

- presents fairly the operating result and financial position for each of Council's declared Business Activities for the year, and
- accord with Council's accounting and other records.
- Present overhead reallocation charges to the water business as fair and reasonable.

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

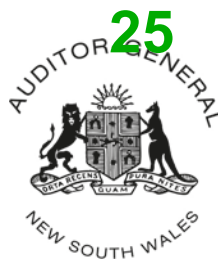
Signed in accordance with a resolution of Council made on 22 October 2019.

Cr Keith Williams
Chair
22 October 2019

Cr Vanessa Ekins
Deputy Chair
22 October 2019

Phillip Rudd
General Manager
22 October 2019

Guy Bezrouchko
Responsible Accounting Officer
22 October 2019



Keith Williams
Chair
Rous County Council
PO Box 230
LISMORE NSW 2480

Contact: Gearoid Fitzgerald
Phone no: (02) 9275 7392
Our ref: D /1821

XX October 2019

Dear Mr Williams

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Rous County Council**

I have audited the general purpose financial statements (GPFS) of Rous County Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2019 \$m	2018 \$m	Variance %
User charges and fees	19.5	18.6	↑ 4.8
Other revenues	2.7	5.6	↓ 51.8
Grants and contributions revenue	7.2	6.9	↑ 4.3
Materials and contracts	8.9	6.9	↑ 29.0
Operating result for the year	2.6	7.2	↓ 63.9
Net operating result before capital grants and contributions	(3.0)	1.6	↓ 287

Council's operating result (\$2.6 million including the effect of depreciation and amortisation expense of \$6.8 million) was \$4.6 million lower than the 2017–18 result. This decrease is largely attributable to the following:

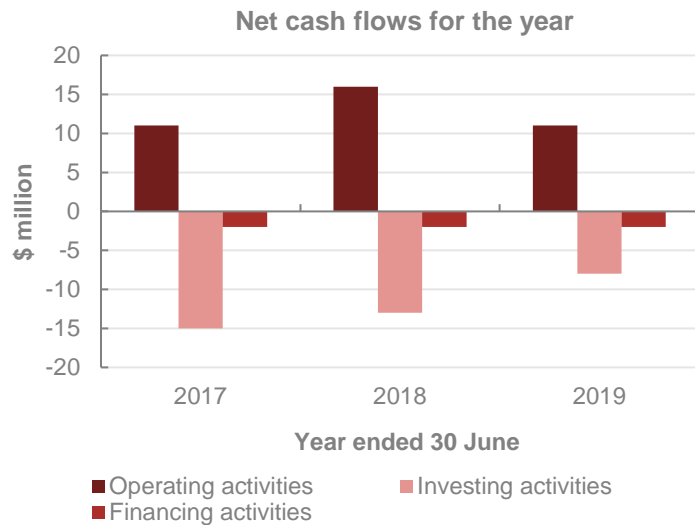
- 51.8 per cent decrease in other revenue due to the settlement of a \$3.0 million compensation claim from highway upgrade works received in the 2017-18 year.
- materials and contracts expenses have increased by 29.0 per cent largely due to increased use of contractors and consultants on Council projects including floodgates and flood levee works resulting from the 2017 flood and work performed on commercial and administration properties.

STATEMENT OF CASH FLOWS

Net cash provided by operating activities decreased as the 2018 year included one-off compensation payment received.

Net cash used in investing activities also decreased. This represents a shift in Council's investment portfolio.

Financing activities have remained consistent over the 3-year period as there have been no major changes in the current borrowing structure.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	3.8	3.4	External, internal and unrestricted cash and investments have remained reasonably consistent with the prior year.
Internal restrictions	32.5	30.0	
Unrestricted	1.4	2.9	
Cash and investments	37.7	36.3	

Debt

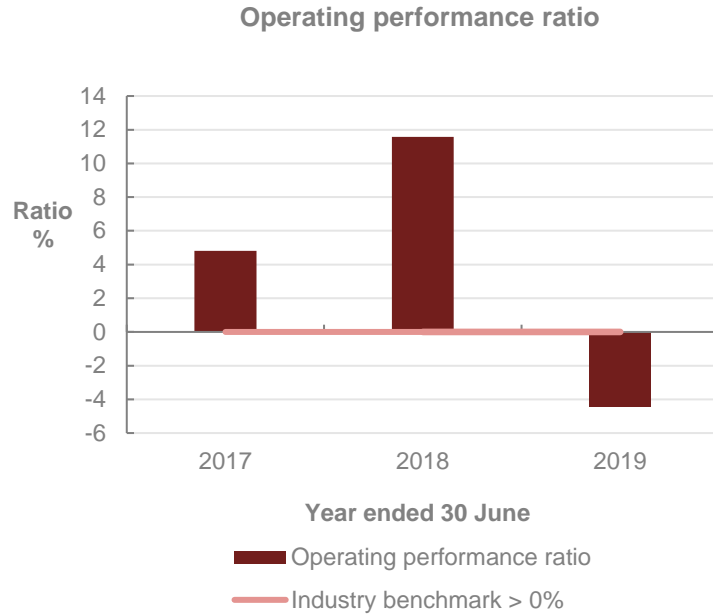
Council has a bank overdraft facility with an approved drawdown limit of \$0.1m, which was unused at 30 June 2019. Council continues to repay borrowings in-line with existing loan agreements.

PERFORMANCE

Operating performance ratio

Council's operating performance ratio fell below the industry benchmark in 2018-19. This has been adversely impacted by Council's negative result before capital items mentioned above. The ratio for 2017-18 also included the one-off compensation claim described above.

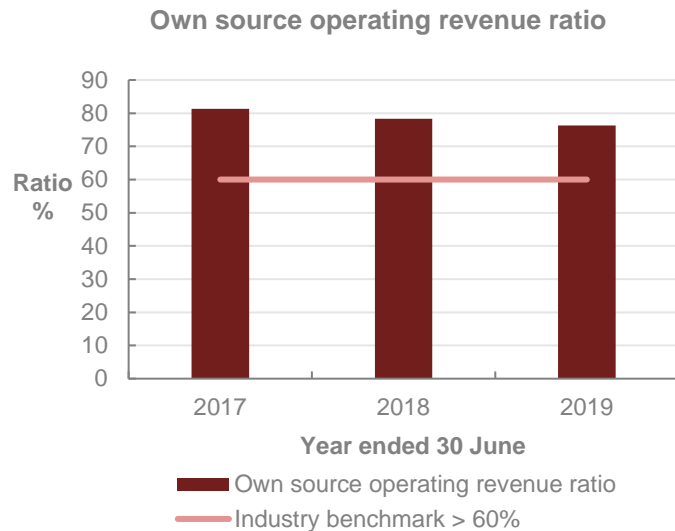
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero per cent.



Own source operating revenue ratio

Council continues to exceed the benchmark for own source operating revenue ratio demonstrating it is not overly reliant on external funding sources.

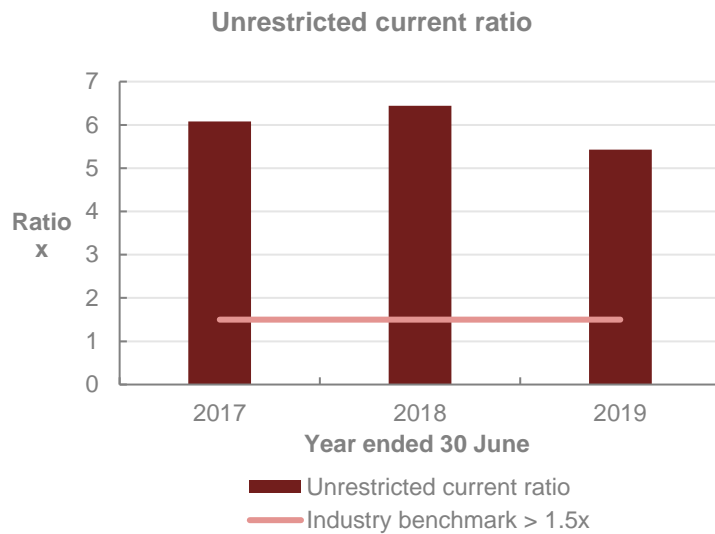
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.



Unrestricted current ratio

Council continues to exceed the benchmark for the unrestricted current ratio as there are limited restrictions in place over Council's current assets. This ratio shows that Council has \$5.52 in current liquid assets for every \$1 of current liabilities

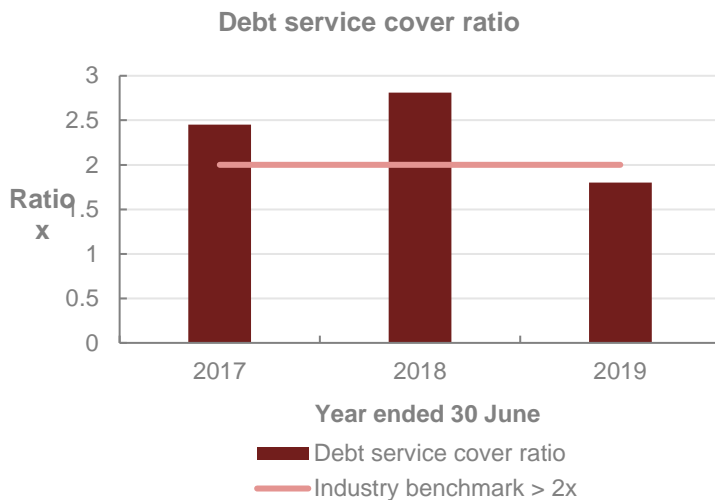
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



Debt service cover ratio

Council's debt service cover ratio has decreased below benchmark in 2018-19. Council has not taken out significant borrowings in the current year and loan repayments have remained consistent with the prior year. The 2019 ratio is largely influenced by the reduced result from continuing operations.

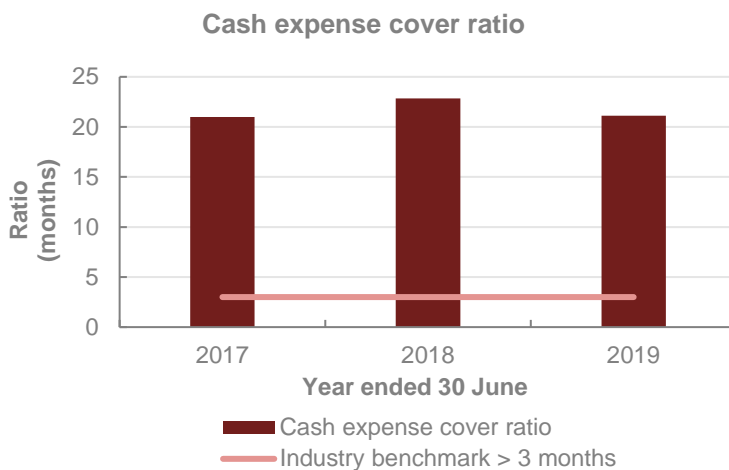
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



Cash expense cover ratio

Council continues to exceed the benchmark for cash expense cover ratio, supported by a strong cash and investment position over the past 3 years.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the former OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

Council's asset renewal expenditure in the 2017-18 year was \$7.5 million (with significant renewals on the St Helena and Nightcap Tunnel projects) compared to \$6.7 million in the 2016-17 financial year.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"> • a simplified model for classifying and measuring financial assets • a new method for calculating impairment • a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 14.</p>

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

Gearoid Fitzgerald
Audit Leader, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Phillip Rudd, General Manager
Brian Wilkinson, Chair of Audit, Risk and Improvement Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Quarterly Budget Review Statement for the quarter ending 30 September 2019

(2333/13)

Business activity priority

Results and sustainable performance

Goal 7

Sustainable performance

Recommendation

That Council note the results presented in the Quarterly Budget Review Statement as at 30 September 2019 and authorise the variations to the amounts from those previously estimated.

Background

The Integrated Planning and Reporting (IP&R) framework sets out minimum standards of reporting that will assist Council in adequately disclosing its overall financial position and to provide sufficient additional information to enable informed decision-making and enhance transparency.

The Quarterly Budget Review Statement (QBRs) is made up of a minimum six key statements:

- (QBRs1) Statement by the Responsible Accounting Officer on Council's financial position
- (QBRs2) Budget Review Income and Expenses Statement
- (QBRs3) Budget Review Capital Budget
- (QBRs4) Budget Review Cash and Investments Position
- (QBRs5) Budget Review Contracts and Other Expenses
- (QBRs6) Budget Review Key Performance Indicators

For the information of Council, the original 2019/20 budget was adopted on 19 June 2019 as part of the 2019/20 Operational Plan and the 2017/21 Delivery Program.

Governance

Finance

(QBRs1) Report by Responsible Accounting Officer

The following statement is made in accordance with clause 203(2) of the *Local Government (General) Regulation 2005*.

"It is my opinion that the Quarterly Budget Review Statement of Rous County Council for the quarter ended 30 September 2019 indicates that Council's projected financial position at 30 June 2020 will be satisfactory at year end, having regard to the projected estimates of income and expenditure, the original budgeted income and expenditure and Council's short-term liquidity position."



Guy Bezrouchko
Responsible Accounting Officer

Summary of proposed changes whole organisation - September 2019

Table 1

BUDGET ITEMS	Original Budget 2019/20	2018/19 Carryovers	September	Projected year end result 2019/20
			30-Sep-19 Quarter	
Operating Income				
Flood	1,033,000	0	617,800	1,650,800
Weeds	1,352,900	0	0	1,352,900
Retail	2,640,100	0	0	2,640,100
RWL	799,700	0	0	799,700
Commercial Property	269,100	0	0	269,100
Fleet	122,300	0	0	122,300
Bulk	17,580,900	0	151,000	17,731,900
TOTAL OPERATING REVENUES	23,798,000	0	768,800	24,566,800
Operating Expenses				
Flood	2,083,200	208,900	745,800	3,037,900
Weeds	1,391,000	241,700	0	1,632,700
Retail	2,485,400	48,200	0	2,533,600
RWL	799,000	0	0	799,000
Commercial Property	332,400	0	0	332,400
Fleet	108,700	0	0	108,700
Bulk	18,876,200	225,200	731,700	19,833,100
TOTAL OPERATING EXPENSES	26,075,900	724,000	1,477,500	28,277,400
OPERATING RESULT	(2,277,900)	(724,000)	(708,700)	(3,710,600)
Exclude depreciaiton	6,833,800	0	0	6,833,800
Cash result	4,555,900	(724,000)	(708,700)	3,123,200
Add: Capital Income	6,770,100	0	(20,000)	6,750,100
Less: Capital Expense	14,677,800	2,070,100	(163,800)	16,584,100
Less: Transfers to reserves	316,300	0	0	316,300
Add: Transfers from reserves	6,216,400	2,794,100	564,900	9,575,400
Less: Loan Repayments	2,548,300	0	0	2,548,300
Estimated cash movement	0	0	0	0

Commentary on proposed adjustments – September 2019 (Table 1)

The following notes detail proposed budget variations on a fund basis as compared to the original budget and quarterly adjustments. For reporting purposes, only changes over \$5,000 are individually referenced.

Flood mitigation fund

(QBR2) Income & Expenses - Flood

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Operating Income					
Interest Income / Sundry	34,100	0	0	34,100	7,900
Lismore Loan Repayments	65,100	0	0	65,100	3,674
Operating Contributions	772,200	0	0	772,200	195,375
Operating Grants	161,600	0	617,800	779,400	0
Total Operating Income	1,033,000	0	617,800	1,650,800	206,949
Operating Expense					
Administration Expenses	202,500	0	0	202,500	46,224
Finance Costs	92,700	0	0	92,700	0
Building/Depot Expenses	17,200	0	0	17,200	4,083
Fleet Hire Expense	68,400	0	0	68,400	17,285
Training & Staff	7,300	0	0	7,300	300
Insurance	8,800	0	0	8,800	3,674
Salaries & Wages	473,900	0	0	473,900	81,636
Operations Purchases	390,100	208,900	745,800	1,344,800	216,829
Depreciation	822,300	0	0	822,300	199,293
Loss on Sale	0	0	0	0	0
Total Operating Expense	2,083,200	208,900	745,800	3,037,900	569,324
Operating Result	(1,050,200)	(208,900)	(128,000)	(1,387,100)	(362,375)
Less Depreciation	822,300	0	0	822,300	199,293
Operating Result Excl. Non Cash	(227,900)	(208,900)	(128,000)	(564,800)	(163,082)
Add Capital Income	20,000	0	(20,000)	0	0
Less Capital Expenses	207,800	0	(13,100)	194,700	27,570
Less Transfer to Reserve	0	0	0	0	0
Add Transfer from Reserve	415,700	208,900	134,900	759,500	190,652
Less Loan Repayments	0	0	0	0	0
Net Cash Movement	0	0	0	0	0

Recognition of approved grants not received in 2018/19

Lismore Levee – March 2017 floods: The Natural Disaster Funding from NSW Public Works Advisory (PWA) via the Office of Emergency Management (OEM) was committed to but not received prior to 30 June 2019. These funds require budgets. The total project is \$861,200. Approved expenditure of \$409,700 occurred in the 2018/19 year. Recognition of the remaining budget of \$451,500 is required.

Operational revenue	Grants and contributions	Lismore Levee – March 2017 flood	\$451,500
Operating expenditure	Materials and contracts	Lismore Levee – March 2017 flood	(\$451,500)
		Impact on cash surplus	\$0

Reinstatement of contribution received in 2018/19

The following contributions have been received in previous years from constituent councils and landholders and require reinstatement.

Operational expenditure	Materials and contracts	Catchment Activity Model	(\$6,300)
		Drainage Union	(\$111,000)
		Lismore Club	(\$6,900)
		Bora	(\$600)
		Mynumi	(\$2,500)
		Suffolk Levee – March 2017 flood	(\$1,300)
Restricted Assets	Externally restricted funds	Transfer from restricted funds	\$128,600
Impact on cash surplus			\$0

New grants

Lismore Voluntary House Raising: Council has received approval from NSW Department of Planning Industry and Environment (DPIE) for two houses under the Voluntary House Raising grant funding. Total project of \$240,000 (\$160,000 grant funds with \$80,000 matching from landholders). Council is not required to contribute funds.

A budget allocation of \$160,000 for revenue and corresponding expenditure is required.

Water Quality Monitoring: Council was advised in July 2019 by DPIE that the grant application for Water Quality Monitoring 2019-22 was successful, with funding of \$99,884 approved over three years. This grant is one to one, requiring Council to contribute matching funds.

A budget allocation was adopted in the original 2019/20 budget, based on previous water quality grant funding (expected funding \$27,000 for 2019/20). The approved funding exceeds the original budget allocation and requires an increase to revenue of \$6,300, expenditure \$12,600 and transfer from reserves \$6,300.

Operational revenue	Grants and contributions	Lismore Voluntary House Raising	\$160,000
		Water Quality Monitoring 2019-22	\$6,300
Operating expenditure	Materials and contracts	Lismore Voluntary House Raising	(\$160,000)
		Water Quality Monitoring 2019-22	(\$12,600)
Restricted Assets	Internally restricted funds	Transfer from restricted funds	\$6,300
Impact on cash surplus			\$0

Lismore Levee – Capital Works

The original 2019/20 budget has an allocation of \$20,000 for capital works for the Lismore Levee, with corresponding revenue to be reimbursed by Lismore City Council. As Lismore City Council determines when works will be undertaken and pays for the works, it is proposed to remove the budget allocation from Council's original budget.

Capital revenue	Grants and contributions	Lismore Levee – Capital Works	(\$20,000)
Capital expenditure	Materials and contracts	Lismore Levee – Capital Works	\$20,000
		Impact on cash surplus	\$0

Weed biosecurity fund

(QBR2) Income & Expenses - Weeds

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Operating Income					
Interest Income / Sundry	31,600	0	0	31,600	9,961
Operating Contributions	788,600	0	0	788,600	197,150
Operating Grants	532,700	0		532,700	0
Total Operating Income	1,352,900	0	0	1,352,900	207,111
Operating Expense					
Administration Expenses	283,600	0	0	283,600	66,011
Finance Costs	4,300	0	0	4,300	0
Building/Depot Expenses	14,700	0	0	14,700	4,207
Fleet Hire Expense	136,600	0	0	136,600	34,314
Training & Staff	19,200	0	0	19,200	8,524
Insurance	2,200	0	0	2,200	0
Salaries & Wages	869,400	0	0	869,400	137,266
Operations Purchases	40,600	241,700	0	282,300	139,144
Depreciation	20,400	0	0	20,400	5,980
Loss on Sale	0	0	0	0	0
Total Operating Expense	1,391,000	241,700	0	1,632,700	395,446
Operating Result	(38,100)	(241,700)	0	(279,800)	(188,335)
Less Depreciation	20,400	0	0	20,400	5,980
Operating Result Excl. Non Cash	(17,700)	(241,700)	0	(259,400)	(182,355)
Add Capital Income	0	0	0	0	0
Less Capital Expenses	20,000	0	0	20,000	0
Less Transfer to Reserve	0	0	0	0	0
Add Transfer from Reserve	37,700	241,700	0	279,400	182,355
Net Cash Movement	0	0	0	0	0

No budget adjustment required.

Retail fund

(QBR2) Income & Expenses - Retail

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Operating Income					
Water Sales	2,612,400	0	0	2,612,400	678,218
Interest Income / Sundry	16,700	0	0	16,700	3,927
Operating Grants	11,000	0	0	11,000	0
Total Operating Income	2,640,100	0	0	2,640,100	682,145
Operating Expense					
Administration Expenses	103,700	0	0	103,700	18,780
Administration - Bulk Water Cost	1,499,800	0	0	1,499,800	374,800
Building/Depot Expenses	500	0	0	500	24
Fleet Hire Expense	79,900	0	0	79,900	19,965
Salaries & Wages	563,800	0	0	563,800	88,983
Operations Purchases	102,300	48,200	0	150,500	40,556
Depreciation	135,400	0	0	135,400	46,617
Loss on Sale	0	0	0	0	0
Total Operating Expense	2,485,400	48,200	0	2,533,600	589,725
Operating Result	154,700	(48,200)	0	106,500	92,420
Less Depreciation	135,400	0	0	135,400	46,617
Operating Result Excl. Non Cash	290,100	(48,200)	0	241,900	139,037
Add Capital Income	0	0	0	0	8,100
Less Capital Expenses	672,900	0	0	672,900	29,315
Less Transfer to Reserve	0	0	0	0	117,822
Add Transfer from Reserve	382,800	48,200	0	431,000	0
Net Cash Movement	0	0	0	0	0

No budget adjustment required.

Richmond Water Laboratory fund

(QBR2) Income & Expenses - Richmond Water Laboratory

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Operating Income					
Water Sales	792,700	0	0	792,700	152,517
Interest Income / Sundry	7,000	0	0	7,000	1,600
Total Operating Income	799,700	0	0	799,700	154,117
Operating Expense					
Administration Expenses	43,300	0	0	43,300	9,606
Building Expenses	57,400	0	0	57,400	8,655
Fleet Hire Expense	17,300	0	0	17,300	4,320
Salaries & Wages	477,000	0	0	477,000	71,148
Operations - Materials & Contract	160,200	0	0	160,200	56,161
Operations - Licences/Accreditatic	22,400	0	0	22,400	19,593
Operations - Equipment	8,700	0	0	8,700	0
Depreciation	12,700	0	0	12,700	3,324
Total Operating Expense	799,000	0	0	799,000	172,807
Operating Result	700	0	0	700	(18,690)
Less Depreciation	12,700	0	0	12,700	3,324
Operating Result Excl. Non Cash	13,400	0	0	13,400	(15,366)
Less Capital Expenses	149,400	0	0	149,400	6,988
Less Transfer to Reserve	0	0	0	0	0
Add Transfer from Reserve	136,000	0	0	136,000	22,354
Net Cash Movement	0	0	0	0	0

No budget adjustment required.

Property fund

(QBR2) Income & Expenses - Commercial Properties

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Operating Income					
Interest Income / Sundry	34,000	0	0	34,000	8,800
Property Income	235,100	0	0	235,100	44,123
Profit on Sale	0	0	0	0	0
Total Operating Income	269,100	0	0	269,100	52,923
Operating Expense					
Administration Expenses	43,200	0	0	43,200	10,800
Building - Maintenance	97,600	0	0	97,600	34,601
Building - Lease	69,500	0	0	69,500	10,577
Perradenya Estate Operations	61,200	0	0	61,200	17,786
Salaries & Wages	20,000	0	0	20,000	4,593
Operations Purchases	2,500	0	0	2,500	0
Depreciation	38,400	0	0	38,400	16,010
Loss on Sale	0	0	0	0	0
Total Operating Expense	332,400	0	0	332,400	94,367
Operating Result	(63,300)	0	0	(63,300)	(41,444)
Less Depreciation	38,400	0	0	38,400	16,010
Operating Result Excl. Non Cash	(24,900)	0	0	(24,900)	(25,434)
Add Capital Income	3,250,100	0	0	3,250,100	0
Less Capital Expenses	2,908,900	248,200	0	3,157,100	21,234
Less Transfer to Reserve	316,300	0	0	316,300	0
Add Transfer from Reserve	0	248,200	0	248,200	46,668
Net Cash Movement	0	0	0	0	0

No budget adjustment required.

Fleet fund

(QBR2) Income & Expenses - Fleet

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Operating Income					
Interest Income / Sundry	122,300	0	0	122,300	23,894
Profit on Sale	0	0	0	0	0
Total Operating Income	122,300	0	0	122,300	23,894
Operating Expense					
Fleet Operations	547,000	0	0	547,000	120,815
Fleet Hire Income	(925,700)	0	0	(925,700)	(219,680)
Salaries & Wages	61,500	0	0	61,500	9,729
Operations Purchases	0	0	0	0	53
Depreciation	425,900	0	0	425,900	113,064
Loss on Sale	0	0	0	0	
Total Operating Expense	108,700	0	0	108,700	23,981
Operating Result	13,600	0	0	13,600	(87)
Less Depreciation	425,900	0	0	425,900	113,064
Operating Result Excl. Non Cash	439,500	0	0	439,500	112,977
Add Capital Income	0	0	0	0	0
Less Capital Expenses	578,600	0	0	578,600	11,403
Less Transfer to Reserve	0	0	0	0	101,574
Add Transfer from Reserve	139,100	0	0	139,100	0
Net Cash Movement	0	0	0	0	0

No budget adjustment required.

Bulk fund**(QBR2) Income & Expenses - Bulk**

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Operating Income					
Water Sales	17,030,600	0	0	17,030,600	4,257,656
Interest Income / Sundry	533,500	0	0	533,500	224,070
Property Income	14,700	0	0	14,700	4,270
Lismore Loan Repayments	0	0	0	0	0
Operating Contributions	0	0	0	0	0
Operating Grants	0	0	151,000	151,000	0
Profit on Sale	2,100	0	0	2,100	0
Total Operating Income	17,580,900	0	151,000	17,731,900	4,485,996
Operating Expense					
Administration Expenses	406,600	0	0	406,600	232,136
Administration - Retail Water Cost	(1,499,800)	0	0	(1,499,800)	(374,800)
Finance Costs	1,603,800	0	0	1,603,800	18,456
Building/Depot Expenses	2,110,000	5,000	0	2,115,000	364,899
Fleet Hire Expense	519,800	0	0	519,800	127,965
Training & Staff	394,700	0	0	394,700	42,525
Insurance	317,500	0	0	317,500	220,374
Members Expenses	161,500	0	0	161,500	25,186
Salaries & Wages	5,806,300	0	(43,000)	5,763,300	1,049,129
Operations Purchases	3,677,100	220,200	774,700	4,672,000	661,987
Depreciation	5,378,700	0	0	5,378,700	1,332,765
Loss on Sale	0	0	0	0	0
Total Operating Expense	18,876,200	225,200	731,700	19,833,100	3,700,622
Operating Result	(1,295,300)	(225,200)	(580,700)	(2,101,200)	785,374
Less Depreciation	5,378,700	0	0	5,378,700	1,332,765
Operating Result Excl. Non Cash	4,083,400	(225,200)	(580,700)	3,277,500	2,118,139
Add Capital Income	3,500,000	0	0	3,500,000	875,171
Less Capital Expenses	10,140,200	1,821,900	(150,700)	11,811,400	2,200,181
Less Transfer to Reserve	0	0	0	0	262,447
Add Transfer from Reserve	5,105,100	2,047,100	430,000	7,582,200	0
Less Loan Repayments	2,548,300	0	0	2,548,300	530,682
Net Cash Movement	0	0	0	0	0

Integrated Water Cycle Management (IWCM) Strategy

At the September 2019 Council workshop, a Future Water Strategy presentation advised that Council had received notification from DPIE that the grant application for the IWCM strategy was successful, under the Safe and Secure Water program. Total project of \$816,000 (\$151,000 grant funds with \$665,000 Council contribution).

It is proposed to fund the \$665,000 contribution from two existing projects (potable reuse \$115,000 and extended ground water \$150,000) with the remaining \$400,000 from the Assets and Programs Bulk Fund Reserve. This allocation is compliant with Council's reserve policy.

Operational revenue	Grants & contributions	Grant income	\$151,000
Operational expenditure	Materials & contracts	IWCM	(\$816,000)
		Potable reuse (existing)	\$115,000
Capital expenditure	Contractors	Extended ground water (existing)	\$150,000
Restricted assets	Internally restricted	Assets & programs Bulk	(\$400,000)
		Impact on cash surplus	\$0

Australian Research Council (ARC) Linkage Program

At the August 2019 Meeting, Council resolved [58/19] to allocate funds of \$90,000 for three years to the Australian Research Council Linkage program.

A budget allocation of \$30,000 is required for Council's first year contribution.

Operating expenditure	Materials and contracts	Contractor	(\$30,000)
Restricted assets	Internally restricted	Infrastructure reserve	\$30,000
		Impact on cash surplus	\$0

Contract Staff

Labour hire personnel have been engaged to temporarily fill a vacancy arising from staff being seconded to another position within Council. This has resulted in a budget saving to salary and wages, but an increase to contractors.

A reallocation of \$43,000 from salary and wages to contractors is required to meet commitments for the remainder of the 2019/20 financial year. This adjustment has no impact on forecast operating result.

Operating expenditure	Materials and contracts	Governance	(\$43,000)
	Salary and wages	Governance	\$43,000
		Impact on cash surplus	\$0

Capital Works

Nightcap Water Treatment Plant raw water pumps

As identified in the October 2019 Council report 'Award of Contract – replacement of raw water pumps and associated electrical works', the existing budget of \$1,417,800 is insufficient to cover the forecast project costs.

It is proposed to transfer funds from two existing capital projects, \$100,000 from Corrosion Works and \$93,000 from Rocky Creek Dam, to increase available contingency for the raw water pump installation contract.

Capital expenditure	Contractors	Raw water pumps	(\$193,000)
		Corrosion (existing)	\$100,000
		Rocky Creek Dam (existing)	\$93,000
		Impact on cash surplus	\$0

Budget review for the quarter ended 30 September 2019

(QBR3) Capital Budget

	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
Capital Funding:					
Capital grants & contributions	0	0	0	0	0
Internal restrictions					
- renewals	7,707,900	1,848,800	0	9,556,700	1,416,834
- new assets	4,083,900	221,300	(150,700)	4,154,500	1,033,789
External restrictions					
- infrastructure	0	0	6,900	6,900	0
Other capital funding sources					
- operating revenue	0	0	(20,000)	(20,000)	0
Income from sale of assets					
- plant and equipment	2,100	0	0	2,100	0
- land and buildings	2,883,900	0	0	2,883,900	0
Total capital funding	14,677,800	2,070,100	(163,800)	16,584,100	2,450,623
Capital Expenditure:					
New assets					
- office equipment	603,000	30,000	0	633,000	15,850
- inventory (land)	2,883,900	178,800	0	3,062,700	21,234
- infrastructure	2,750,000	0	(150,700)	2,599,300	881,893
- land and buildings	0	0	0	0	0
- plant and equipment	733,000	12,500		745,500	114,812
Renewals (replacement)					
- land and buildings	77,000	227,800	0	304,800	0
- infrastructure	7,630,900	1,621,000	(13,100)	9,238,800	1,416,834
Total capital expenditure	14,677,800	2,070,100	(163,800)	16,584,100	2,450,623

Budget review for the quarter ended 30 September 2019

(QBR54) Cash & Investments

	Opening Balances 2019/20	Original Budget 2019/20	2018/19 Carryovers	Recommend changes for Council Resolution	Projected year end result 2019/20
Unrestricted:					
Flood mitigation	99,002	0	0	0	99,002
Weeds biosecurity	94,487	(10,000)	0	0	84,487
Retail water	100,000	0	0	0	100,000
Richmond water laboratories	10,000	0	0	0	10,000
Commercial properties	100,000	0	0	0	100,000
Fleet	50,000	0	0	0	50,000
Bulk water	986,268	0	0	0	986,268
Total externally restricted	1,439,757	(10,000)	0	0	1,429,757
Externally restricted:					
Flood grants	236,375	0	(107,779)	(128,596)	0
Weeds grants	132,437	10,000	(142,437)	0	0
Weeds other	430,259	0	0	0	430,259
Bulk water grants	0	0	0	0	0
Bulk water other	2,950,000	0	0	0	2,950,000
Total externally restricted	3,749,071	10,000	(250,216)	(128,596)	3,380,259
Internally restricted:					
Flood mitigation	1,243,219	(415,700)	(101,100)	(6,300)	720,119
Weeds biosecurity	943,513	(37,700)	(69,500)	0	836,313
Retail water	1,817,175	(382,800)	(48,200)	0	1,386,175
Richmond water laboratories	408,208	(136,000)	0	0	272,208
Commercial properties	1,835,309	316,300	(248,200)	0	1,903,409
Fleet	660,094	(139,100)	0	0	520,994
Bulk water					
- Buildings & structures	343,698	0	(210,000)	0	133,698
- Assets & programs	20,150,374	(5,105,100)	(1,691,300)	(430,000)	12,923,974
- Employee leave entitlement	1,871,312	0	0	0	1,871,312
- Electricity	2,271,797	0	0	0	2,271,797
- Office equipment & computer	870,533	0	(51,800)	0	818,733
- Greenhouse gas abatement	94,000	0	(94,000)	0	0
Total internally restricted	32,509,231	(5,900,100)	(2,514,100)	(436,300)	23,658,731
Total restricted	36,258,302	(5,890,100)	(2,764,316)	(564,896)	27,038,990

(QBR4) Cash and Investments**Investment statement**

The Responsible Accounting Officer certifies that all funds including those under restriction have been invested in accordance with section 625 of the *Local Government Act 1993*, clause 212 of the *Local Government (General) Regulation 2005* and Council's Investment policy.

Cash bank statement

The Responsible Accounting Officer certifies that Council's bank statement has been reconciled up to and including 30 September 2019.

Reconciliation

The YTD cash and investment figure reconciles to the actual balances held as follows:

	\$
Cash at Bank (as per bank statements)	128,016
Investments on Hand	34,894,065
Reconciled Cash at Bank & Investments	<u>35,022,081</u>
Balance as per Review Statement:	<u>35,022,081</u>

(QBR5) contractors

Contractor	Contract details & purpose	Contract value (\$)	Comm. date	Duration of contract	Budgeted (Y/N)
Complete Staff Solutions	Engineering services for select projects	51,864	23/07/2019	400 hrs	Y
Change 2020	Leader in Me program	69,584	23/07/2019	12 mths	Y
JHA Recruitment	Communications staff	105,000	30/07/2019	12 mths	Y
Hydrosphere Consulting	Catchment management audit and implementation plan	72,500	9/08/2019	10 mths	Y
Smith Plant	Levee earth works	169,000	12/08/2019	3 mths	Y
Roofing Craftsmen	Replacement of NCWTP roof	120,570	25/09/2019	2 mths	Y
JHA Recruitment	Human Resources staff	80,000	11/09/2019	12 mths	Y

Note: Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser.

(QBR5) consultancy and legal expenses**Definition of consultant**

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist 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.

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	\$38,185	Y
Legal Fees	\$2,000	Y

Comment: All consultancies and legal expenses incurred to date are within budget allocations. All figures exclude GST.

Legal fees		
	People and Performance – opinion, fluoride advice	\$2,000
Consultancies		
	General Manager – Drinking Water Management System	\$18,965
	General Manager – Flood Review	\$4,350
	Planning and Delivery – North Lismore Plateau Hydraulic	\$14,870

Statement of expenses for councillors
Councillor expenses for the quarter ending 30/09/19 (Q3)

	Other expenses	Official business of Council - excluding professional development	Official business of Council - professional development	Total by Councillor (Q1)	Total by Councillor YTD
Councillor Cadwallader	0	211	2,466	2,677	2,677
Councillor Cameron	0	0	0	0	0
Councillor Cook	0	144	1,387	1,532	1,532
Councillor Ekins	0	0	1,387	1,387	1,387
Councillor Humphrys	0	0	0	0	0
Councillor Mustow	0	0	0	0	0
Councillor Richardson	0	0	0	0	0
Councillor Williams	0	0	480	480	480
Total per expense type	0	355	5,721	6,076	6,076

Budget 2019/20 FY

59,000

Remaining budget

52,924

This information is provided in accordance with paragraph 6.2 of the *'Payment of Expenses and Provision of Facilities for Chairperson and Councillors'* policy.

(QBR56) key performance indicators

In assessing an organisation's financial position, there are several performance indicators that can assist to easily identify whether or not an organisation is financially sound. These indicators and their associated benchmarks, as stipulated by Office of Local Government, are set out below:

	# Performance Indicator		Flood	Weeds	Retail	RWL	Property	Fleet	Bulk	Consolidated	Local Government Bench Mark
1	Operating Performance	2019/20 Budget Review	(1,387,100)	(279,800)	106,500	700	(63,300)	13,600	(2,101,200)	(3,710,600)	Surplus
		2018/19 Actual	(873,459)	50,845	326,215	81,631	(40,475)	90,853	2,000,165	1,635,775	
2	Current Ratio	2019/20 Budget Review	8.19	3.14	59.45	35.28	40.07	28.55	4.39	5.05	> 1.5
		2018/19 Actual	10.16	3.30	30.67	33.20	8.60	59.91	4.03	5.43	
3	Debt Service Cover Ratio	2019/20 Budget Review	-	-	-	-	-	-	2.12	2.44	> 2
		2018/19 Actual	-	-	-	-	-	-	1.79	1.80	
4	Own Source Operating Revenue Ratio	2019/20 Budget Review	6%	2%	100%	100%	100%	100%	84%	77%	> 60%
		2018/19 Actual	3%	2%	97%	100%	100%	100%	78%	76%	
5	Building and Infrastructure Renewals Ratio	2019/20 Budget Review	0.26 : 1	-	-	-	9.99 : 1	-	1.59 : 1	1.48 : 1	> 1:1
		2018/19 Actual	0.05 : 1	-	-	-	0.19 : 1	-	1.49 : 1	1.28 : 1	

Comments on key performance indicators

Please note that comments relate to the consolidated financial indicators.

1. Operating result before capital contributions

The operating result is the profit or loss that Council makes from normal operations excluding expenditure on capital items. A surplus is a positive financial indicator.

Comment: Council's operating result (deficit) before capital items has increased compared with the original budgeted deficit of \$2,277,900.

Original budgeted deficit	(\$2,277,900)
Projected year end result 2019/20	(\$3,710,600)
	(\$1,432,700)

The increase can be attributed to carry over works (\$724k) reinstated from 2018/19 and operating expenses (\$1.477M) offset by revenue from grant funding (\$769k).

Carryovers / reinstatements	(\$724,000)
Expenses	(\$1,477,500)
Revenue	\$768,800
	(\$1,432,700)

Note: Operating results include depreciation of \$6,833,800 which is non-cash.

2. Current ratio liquidity

The current ratio measures Council's ability to pay existing liabilities in the next 12 months. A ratio greater than one is a positive financial indicator.

Comment: The above ratio means that for every dollar Council owes in the short term, it has \$5.06 available in assets that can be converted to cash.

3. Debt service cover ratio

This ratio demonstrates the cost of servicing Council's annual debt obligations (loan repayments, both principal and interest) as a portion of available revenue from ordinary activities. A higher ratio is a positive financial indicator.

Comment: Ratio, as a percentage of ordinary revenue, is consistent with the Long Term Financial Plan. Due to the timing of loan repayments, the ratio is reduced in the first quarter as the majority of loan repayments occur in the second and fourth quarters.

4. Own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. A Council's financial flexibility improves the higher the level of its own source revenue. A higher ratio is a positive financial indicator.

Comment: The above percentage demonstrates that the majority of Council's income is generated from user fees and charges, i.e. water sales.

5. Building and infrastructure renewal ratio

This ratio indicates the rate of renewal/replacement of existing assets against the depreciation of the same category of assets. A ratio greater than one is a positive financial indicator.

Comment: The current ratio reflects Council's normal practices.

Grant application information

The following table provides information on grant applications that have been approved or submitted up to time of preparation of the QBRs. Any grants that may have been approved after that date or that have been applied for, will be covered in future reports. The details of new grants, including grants awaiting a determination, are provided below. A financial update on existing grants has also been provided.

Note: all financial amounts are exclusive of GST.

Grant name	Fund	Synopsis	Funding body	Program	Project value	Grant funding	Council funding	Total expenditure to date	Balance of approved funds to
New Grants that have been approved									
Integrated Water Cycle Management (IWCM) Strategy	Water	Undertake a review of the long-term water security strategy and complete a integrated water cycle management strategy for RCC.	DPIE	Safe & secure water program	816,000	151,000	665,000	0	766,000
Water Quality Monitoring 2019-22	Flood	Richmond River water quality monitoring project	DPIE	Coastal & estuary grants program	199,768	99,884	99,884	0	199,768
Voluntary House Raising	Flood	Facilitate the voluntary house raising of 2 homes in the Lismore area.	DPIE	Floodplain management grants scheme	240,000	160,000	0	0	240,000
Grant applications pending a determination									
Nil									
Active Grants that have been previously reported									
Voluntary House Raising	Flood	Raising of houses as approved and funded by DPIE. Homeowner contributes 1/3.	DPIE	Floodplain management grants scheme	499,584	333,056	0	225,277	107,779
March 2017 Flood - Lismore CBD	Flood	To facilitate the necessary remediation and repairs for flood affected infrastructure as a result of the March 2017 flood.	PWA	Natural disaster relief arrangements program	861,207	861,207	0	609,537	251,670
Flood Maintenance 2018-22	Flood	Second year of a four year grant. Each year \$169,200 is available to spend	DPIE	Floodplain management grants scheme	676,800	338,400	338,400	14,825	154,375
Review of the Lismore FRMP post March 2017 Flood	Flood	Review flood modelling post March 2017 flood event.	DPIE	Floodplain management grants scheme	120,000	80,000	90,000	136,115	33,885
Weeds Action Program 2015-20	Weeds	Funding allocated annually	LLS	North Coast weeds action program 2015-20	921,500	512,100	409,400	66,507	854,993
Seeded Banana	Weeds	Maximise control of seeded banana infestations.	LLS	WAP - New weed incursion	10,000	10,000	-	3,787	6,213
Miconia 2018-21	Weeds	Miconia weed surveillance and control services in Northern NSW	QLD Ag & Fisheries	Miconia Weed Eradication	61,740	61,740	-	16,741	44,999
Alligator Weed - Evans Catchment	Weeds	Funded under new weed incursion program	NSW DPI	WAP - New weed incursion	41,500	32,000	9,500	21,950	19,550
WAP variation Alligator Weed Swan Bay	Weeds	Funding for equipment purchase	LLS	North Coast weeds action program 2018-19	30,000	30,000	-	-	30,000
Aquatic Weeds	Weeds	High Priority aquatic weeds	DPI	State Aquatic Weed Coordination	10,000	10,000	-	5,100	4,900
Community Landcare LGA	Weeds	North Coast Regional strategic weed management plan 2017-22.	NCLLS	Community landcare	120,000	60,000	60,000	-	120,000

Legal

In accordance with clause 203 of the *Local Government (General) Regulation 2005*, Council's financial position is satisfactory having regard to the original estimate of income and expenditure and Council's projected short-term liquidity position.

Consultation

This report was prepared in consultation with the General Manager, managers and relevant staff.

Conclusion

In summary, all budget items other than those identified in the report have performed within the parameters set by Council in adopting the 2019/20 Operational Plan.

Guy Bezrouchko
Group Manager Corporate and Commercial

Retail water customer account assistance

(2283/13)

Business activity priority

Strategy and planning

Goal 2

Align strategic direction to core functions and sustainability

Recommendation

That Council in accordance with section 356 (1) of the *Local Government Act 1993* and its 'Retail Water Customer Account Assistance' policy, approve financial assistance as listed in Table 1 of this report.

Background

Applications for financial assistance in accordance with section 356 (1) under Council's 'Retail Water Customer Account Assistance' policy are tabled below:

Table 1

Account	Property owners	Date application received	Nature of leak	Original water charges due	S356 financial assistance to be approved	Adjusted water charges due after approval
11759-11000-4	Chestnut Park P/L	13-Aug-19	Dislodged old poly pipe fitting in a paddock due to entangled tree roots underground, 60m from the meter and 500m from the house.	\$5,360.94	\$3,131.96	\$2,228.98
10027-12000-4	BJ & BA Kirkwood	6-Aug-19	Water pipe burst, 20mm rural line running from the meter to the house underground approx. 300-400m.	\$2,276.31	\$787.43	\$1,488.88
Total				\$7,637.25	\$3,919.39	\$3,717.86

Governance

Finance

The 2019/20 financial year budget allocation for applications made in accordance with the 'Retail Water Customer Account Assistance' policy is \$25,000.

2019/20 financial year budget	\$25,000.00	<u>No. of applications:</u>
S356 assistance approved financial year to date	\$3,112.41	2
S582 assistance approved financial year to date	\$1,891.26	1
S582 assistance approved since last Council meeting	\$0.00	0
Proposed S356 assistance approval this Council meeting	\$3,919.39	2
Proposed S582 assistance approval this Council meeting	\$0.00	0
Budget remaining 2019/20 financial year	\$16,076.94	

Legal

Section 377(q) of the *Local Government Act 1993* provides that a decision under section 356 to contribute money or otherwise grant financial assistance may not be delegated and that the decision must be made by resolution of Council.

Conclusion

The total value of section 356 financial assistance equates to \$3,919.39 by application of Council's 'Retail Water Customer Account Assistance' policy. It is proposed that Council grant the recommended financial assistance.

Guy Bezrouchko
Group Manager Corporate and Commercial

Award of Contract – replacement of raw water pumps and associated electrical works

(251.12/15)

Business activity priority Results and sustainable performance

Goal 7 Sustainable performance

RECOMMENDATION that Council:

1. Receive and note the report.
2. Approve the transfer of \$100,000 of identified savings from deferred spending on the Lismore 900mm Trunk Main Corrosion Repairs budget and \$93,048 of remaining funds within the Rocky Creek Dam Aerator Renewal budget, to the budget for the replacement of four vertical turbine pumps and associated electrical works at Nightcap WTP.
3. Approve the award of Contract No. 10021851 for the replacement of four vertical turbine pumps and associated electrical works at the Nightcap Water Treatment Plant to EMT Pty Ltd for \$997,734.97 excl. GST, subject to a Variation being issued on Award of Contract for the deletion or modification of a number of contract items, as detailed in this report, for a saving of \$175,002.22, and a revised Contract Price of \$822,732.75 excl. GST.

Background

The raw water pump station is located at Nightcap Water Treatment Plant (WTP) and transfers water from Rocky Creek Dam into the inlet works of the treatment plant. The existing pumps and switchboard were installed when the treatment plant was first constructed in 1992.

The pumps have been regularly overhauled during their 27 year life, however, they have now reached the end of their life. The report on the last pump that was overhauled indicated it was becoming uneconomical to continue to repair and replacement should be considered. Further, the pumps have been experiencing intermittent electrical faults which are difficult to diagnose and impact on the reliability of operations of the plant.

To improve the electrical efficiency of the pump station and increase the flexibility of WTP operations, the upgrade of the raw water pump station will include Variable Speed Drives (VSDs), which will enable the pumps to deliver a wider range of flows into the WTP. This will deliver benefits in high demand scenarios and will alleviate internal treatment process issues relating to rapid changes in flow rates through the WTP.

The tender for the supply and delivery of four vertical turbine pumps for \$452,524 (excl. GST) was awarded to Sterling Pumps Pty Ltd following the April 2019 Council meeting resolution (17/19). The pumps are currently being fabricated and the pump manufacturer has confirmed the delivery date is the first week of December 2019. The pumps are expected to be installed in February/March 2020.

The total project budget is \$1,417,800 excl. GST. The remaining available budget at 25 September 2019 is \$952,432 excl. GST.

Tender

Tenders for the replacement of four vertical turbine pumps and associated electrical works at Nightcap WTP (NSW Public Works Advisory Contract No. 10021851) were called through open tenders on 23 July 2019.

The scope of works included:

- Construction of an extension to the existing switchroom building
- Supply and installation of main control switchboard
- Installation of Variable Speed Drives (VSDs)
- Installation of four vertical turbine pumps

The pre-tender estimate undertaken by Ganden Engineering Consultants for the contract was \$759,250 (excl. GST).

Tenders closed at 9:30am on 27 August 2019. At the close of tender, seven tenders had been received.

An evaluation of the tenders received, conducted with Public Works Advisory (PWA) was based on the following criteria:

- Price 60% (including a local content weighting of 2% capped at \$50K)
- Non Price 40%
 - Proposed project methodology
 - Proposed works program
 - Relevant experience in construction of raw water pump replacement and switchboard installation works
 - Resources offered including subcontractors – resources available to undertake the project
- Satisfactory past performance including satisfactory WHS Management
- Satisfactory financial capacity (check only recommended tenderer)

A copy of the Tender Evaluation Report is included as [Attachment 1](#). The tendered amounts (excl. GST) and evaluation score are as follows:

Tenderer	ABN	Tender Amount	Assessed Tender Amount ¹	Total Score ²	Recommended Tender Amount ³
EMT Pty Ltd	95 166 388 469	\$997,009.97	\$ 989,675.15	87.13	\$997,734.97
Electrical Workshop Pty Ltd	85 118 791 950	\$1,540,091.60	\$1,533,962.31	63.42	
Electromotives Pty Ltd - Conforming	34 117 123 029	\$689,636.36	\$ 686,709.48	77.49	
Electromotives Pty Ltd - Alternative	34 117 123 029	\$683,272.73	\$ 679,673.12	77.78	
Gongues Constructions Pty Ltd	47 103 639 087	\$1,200,000.00	\$1,191,938.18	72.07	
Ledonne Constructions Pty Ltd	68 003 117 717	\$1,425,358.18	\$1,417,449.09	67.15	
Roman Contractors Pty Ltd	48 122 536 770	\$942,449.09	\$ 937,519.40	71.52	

Notes:

1. The 'Assessed Tender Amount' is the Tender Amount plus (or minus) the Assessed Values of qualifications and departures (anomalies) in the tender and any loadings that apply.
2. The 'Total Score' includes the scores for price and non-price criteria.
3. The 'Recommended Tender Amount' is the Tender Amount plus (or minus) adjustments offered by the Preferred Tenderer to withdraw qualifications and departures.

Following the Tender Evaluation, EMT Pty Ltd was the Recommended Tenderer. Their Tender Amount includes an optional amount of \$725 excl. GST for the supply of spare surge diverter, surge filter and transient barriers.

The Tender Amount from EMT Pty Ltd exceeds the pre-tender estimate (\$759,250) and the remaining available budget (\$952,432). On review of the pre-tender estimate provided by Gaden Engineering Consultants, it was clear that the estimate was not in line with current market conditions, as almost all of the tender prices were above the estimate, except for Electromotives'. EMT Pty Ltd's Tender Amount is considered to reflect current market value.

Further review of the estimate against the tendered line items identified the cabling costs and costs for replacement acoustic/weather covers were underestimated. It is therefore considered that the Recommended Tender Amount of EMT Pty Ltd is reasonable.

The project scope was reviewed to identify potential cost savings to reduce the Contract Price to within the available budget. Rous County Council (RCC) contacted the preferred tenderer, EMT Pty Ltd, and sought clarification on the costs savings possible as a result of the proposed changes to scope:

- Modification of Item 4.2 – Supply of Motor Control Centre switchboard and distribution Board. Suggested by EMT Pty Ltd to change the switchboard manufacturer to Elsteel instead of B&R.
- Deletion of Item 4.3 – Supply of four VSDs. RCC to purchase and free issue to the contractor.
- Deletion of Item 4.6 - Supply of Acoustic/Weather Pump Enclosures. The existing enclosures are to be re-used. RCC will undertake further review of the condition of the pump enclosures and may consider their replacement in a later financial year.
- Deletion of Item 4.8 – Supply of air conditioning unit. RCC to purchase and install following completion of contract.

EMT Pty Ltd confirmed the revised Contract Price as a result of these changes would be \$822,007.75 excl. GST. Including the supply of spare surge diverters and filters the revised contract price is \$822,732.75 excl. GST. This is within the current available budget (at 25 September 2019) of \$952,432 excl. GST.

Outside of this current Contract, there are several additional items to be purchased and undertaken to complete this project to an acceptable standard, including:

1. Purchase and free issue of the four VSDs, which were removed from this Contract.
2. Purchase and install air conditioning, which was removed from this Contract.
3. Purchase and free issue of programmable logic controller (PLC) equipment.
4. Engaging SafeGroup to complete PLC and SCADA integration.
5. Council internal project management and labour.

The available project budget is insufficient to cover the forecast project costs when the above items are included.

To ensure sufficient funds and contingency are available to complete the project, the following transfers of budget are proposed:

1. \$100,000 of identified savings by deferring painting work to another financial year, within the Lismore 900mm Trunk Main Corrosion Repairs budget is available to be transferred. There are sufficient remaining funds, including contingency, in the Lismore 900mm Trunk Main Corrosion Repairs budget to allow the repair works to be completed this financial year.

-
2. \$93,048 (as at 25 September 2019) of remaining funds within the Rocky Creek Dam Aerator Renewal budget is available to be transferred.

Options for renewal of the Rocky Creek Dam Aerator are still under investigation and the preferred option for renewal will not be decided until late 2019. Whilst the compressors supplying the aerator system have been assessed as being in poor condition, they are expected to last another 12 months. A new budget submission would be submitted to complete the aerator works for the 2020/21 budget.

These budget movements will be included in the Quarterly Budget Review Statement prepared for Council for the September to December 2019 quarter.

Following these transfers of funds, the revised available budget for the Nightcap WTP – replacement of the raw water pumps and associated electrical works project would be \$1,145,480 (excl. GST).

PWA have recommended that the appropriate method of dealing with the change in the scope of works for the project and resulting price reduction is to let the Contract for the Recommended Tender Amount (\$997,734.97 excl GST) and then initiate a Variation to the Contract for the deletion and modification of contract items as detailed in this report. Correspondence from EMT Pty Ltd confirming the revised contract price and confirming EMT Pty Ltd will accept a negative price Variation on award of contract are attached. The letter of acceptance for the contract would reflect this arrangement. The recommendations at the conclusion of this report reflect this approach.

Subject to the completion of the above actions, the revised Contract Price for EMT Pty Ltd, upon approval of the proposed Variation post award of the Contract, is \$822,732.75 excl. GST.

Financial assessment

Equifax Australasia Credit Ratings Pty Ltd undertook a financial assessment of the preferred tenderer EMT Pty Ltd. The assessment determined an unsatisfactory result. The report recommended that EMT Pty Ltd be declined for the proposed tender with the major factor being the existence of insufficient Net Tangible Assets and low liquidity.

The assessment noted that in July 2018, EMT Pty Ltd was restructured into two separate entities to allow EMT Pty Ltd to focus on water and wastewater projects and EMT OMEC Pty Ltd to focus on pump sales and related services. Accordingly, this reduced the Net Tangible Assets of EMT Pty Ltd.

The PWA criteria is to have Net Tangible Assets greater than 5% of the contract value. This is a measure of liquidity within the company.

In conjunction with PWA, it has been concluded that there are available mitigations and mitigating circumstances which makes the award of the contract to EMT Pty Ltd an acceptable risk.

The tender document requires the Principal to retain 4% of the contract price until completion, or instead of the retention, an unconditional undertaking in the amount of 4% is to be provided by the contractor on commencement, as security. To mitigate the risk to RCC of EMT's Net Tangible Assets and low liquidity, the unconditional undertaking amount in the form of a bank guarantee will be increased to 8% of the Contract Price. This would be reduced to 4% upon completion of work for the duration of the defect liability period. This proposed risk mitigation measure was referred to the NSW Public Works Regional Procurement adviser and determined to be an appropriate

measure. This additional requirement has been successfully utilised for similar types of construction projects managed by PWA.

The contractor will bear all risk for procurement of capital items and payments will be made only for works as completed based on monthly progress claims.

If the contractor were to become insolvent part way through the contract, the risk to RCC is minimal as RCC will have only paid for works completed and the financial costs of re-tendering are adequately covered by the increases in the unconditional undertaking amount recommended by PWA.

EMT Pty Ltd has agreed to the increase to the unconditional undertaking on the awarding of the contract.

The financial assessment information is listed as 'private and confidential' and as a result has been removed from the business paper. A copy of the financial assessment will be made available for Councillors to review at the meeting.

Governance

Finance

Nightcap WTP – replacement of raw water pumps and associated electrical works (as at 25 September 2019)	\$ Amount (Ex. GST)
2019-20 original budget	1,417,800
Proposed Transfer from Lismore 900mm Trunk Main Corrosion Repairs budget	100,000
Proposed Transfer from Rocky Creek Dam Aerator Renewal budget	93,048
Available project budget	1,610,848
Expenditure incurred to 25 Sep 2019 (including supply of pumps)	-465,368
Remaining budget	1,145,480
Expenditure as recommended in this report	-822,733
Purchase and free issue the four VSDs	-77,760
Purchase and free issue programmable logic controller (PLC) equipment	-16,225
Engage SafeGroup to complete PLC and SCADA integration (estimate)	-50,000
Purchase and install air conditioning (estimate)	-5,000
Council internal project management and labour (estimate)	-50,000
Project balance remaining	123,762

The forecast Project Balance Remaining provides for 11% contingency and is considered acceptable at this stage of the project and the scope of work remaining. RCC will continue to work with the preferred tenderer to refine the proposed methodology for pump changeover to investigate if further cost savings are possible while minimising risks to the ongoing operation of the WTP.

Environment

Australian Wetland Consulting Pty Ltd have undertaken a Review of Environmental Factors (REF) for the project. The REF was assessed commensurate to the level of environmental risk of the proposed works and ensures that RCC's obligations under the *Environmental Planning and Assessment Act 1979* have been met.

Legal

The external party project managing the tender process for and on behalf of Council was NSW Public Works Advisory. They have certified, in their capacity as project manager, that the tender process has been conducted in accordance with the requirements of the *Local Government Act 1993* and *Local Government (General) Regulation 2005*.

Consultation

The ranked responses represent the collective and agreed outcomes of the Evaluation Panel. There are no other consultation requirements necessary for this process.

Conclusion

Open tenders were called for the replacement of four vertical turbine pumps and associated electrical works at the Nightcap Water Treatment Plant. Six complying tenders were received and one alternative tender.

EMT Pty Ltd submitted the most advantageous tender. Their Recommended Tender Amount is \$997,734.97 excl. GST, which is above the available remaining budget for the project.

Post-tender discussions with EMT Pty Ltd have reached agreement on the issuing of a Variation on Award of Contract to reduce the Contract Price by \$175,002.22, to \$822,732.75 excl. GST, for the deletion or modification of a number of contract items, as detailed in this report.

The proposed transfer of unspent or remaining budgets on two other projects and the proposed Variation to this Contract result in sufficient funding, including 11% contingency, being available to complete the project.

Andrew Logan
Planning Manager

Attachments:

1. RFT-10021851 Tender Evaluation report (extract).
2. Correspondence with EMT Pty Ltd.

**Tender Recommendation for Local Government:
Construction Works WITH scoring and weighting of non-price criteria**

CONTRACT DETAILS	File No: FILE19/33392.5
CONTRACT NAME:	Nightcap Water Treatment Plant Raw Water Pump Replacement Construction
RFT/CONTRACT NO. :	RFT-10021851
CONTRACT DESCRIPTION:	Replacement of Raw Water Pumps and Associated Electrical Works
TIME FOR COMPLETION:	26 Weeks
PROJECT MANAGING OFFICE:	North Coast Region, Lismore Office
PROCUREMENT SYSTEM:	
Tender Method: (Reg 166)	Open / Expressions of Interest / Pre-registered
Commercial Conditions:	GC21 / MW21 / Mini Minor Works / Other:
Payment Method:	Lump Sum / Schedule of Rates / Lump Sum with Schedule of Rates for Variations
Cost adjustment:	Applicable / Not Applicable
PRE-TENDER ESTIMATE (incl. GST):	\$835,175 at 05/07/2019
CLIENT AGENCY:	Rous County Council
PRINCIPAL IN THE CONTRACT:	Rous County Council
Recommending Officer / Contact No:	Murray Saul / 02 66265 669 / 0412 715 523
RPC/Procurement Adviser / Contact No:	Phil King / 02 66265601 / 0436 689 397

DETAILS OF THE WORK

Rous County Council sought tenders for the replacement of Raw Water Pumps and associated ancillary facilities on the site of the existing water treatment plant Middleton Road, Dorrroughby.

TENDERS RECEIVED

Tenders were called on 23/07/2019 and closed at 9.30 am on 27/8/2019. Seven tenders were received as follows:

Tenderer	A.B.N.	Tender Amount	Tendered Amount (+ Optional Works) ¹	Assessed Tender Amount ²	Total Score ³	Recommended Tender Amount ⁴
EMT P/L	95 166 388 469	\$1,096,710.97	\$1,097,508.47	\$1,088,642.66	87.13	\$1,097,508.47
Electrical Workshop P/L	85 118 791 950	\$1,694,100.76	\$1,696,371.16	\$1,687,358.54	63.42	
Electromotives P/L Conforming	34 117 123 029	\$758,600.00	\$760,900.00	\$755,380.43	77.49	
Electromotives P/L Alternative	34 117 123 029	\$751,600.00	\$753,160.00	\$747,640.43	77.78	
Gongues Const	47 103 639 087	\$1,320,000.00	\$1,320,900.00	\$1,311,132.00	72.07	
Ledonne Const P/L	68 003 117 717	\$1,567,894.00	\$1,570,194.00	\$1,559,194.00	67.15	
Roman Contractors	48 122 536 770	\$1,036,694.00	\$1,037,491.50	\$1,031,271.34	71.52	

Notes:

1. The "Tendered Amount (inc Optional Works)" is the Tender Amount plus the Optional Additional Works
2. The 'Assessed Tender Amount' is the Tender Amount plus (or minus) the Assessed Values of qualifications and departures (anomalies) in the tender and any loadings that apply.
3. The 'Total Score' includes the scores for price and non-price criteria.
4. The 'Recommended Tender Amount' is the Tender Amount plus (or minus) adjustments offered by the Preferred Tenderer to withdraw qualifications and departures.

EXAMINATION OF TENDERS

1. PRE-EVALUATION ACTIONS

The tendering process was required to comply with the *Local Government (General) Regulation 2005* (the *Regulation*).

Council decided to call tenders using the open tendering method, in accordance with clause 167 of the *Regulation*.

The evaluation method included weighted price and non-price criteria with a price:non-price ratio of 60:40. A two envelope system was adopted. Price information was held by an independent officer and not provided to the Tender Evaluation Committee until the evaluation of non-price criteria was completed.

A Tender Evaluation Plan consistent with the *Regulation* and the Conditions of Tendering in the RFT documents was prepared and endorsed by the Tender Evaluation Committee prior to the evaluation of tenders.

Four addenda were issued during the tender period. They included clarifications of the RFT documents and did not change the scope of works.

2. INITIAL EVALUATION

All tenders acknowledged the four addenda that were issued.

Except for the qualifications and departures dealt with in Evaluation of Price, all tenders met the requirements of the RFT documents.

3. EVALUATION OF NON-PRICE CRITERIA

The information submitted by the tenderers was evaluated against the specified non-price criteria, in accordance with the Tender Evaluation Plan. Following Table shows a high-level summary of non-price criteria used for the evaluation of this RFT:

Non-Price Criterion	Weighting
Proposed Project Methodology	10%
Proposed Works Program	10%
Relevant experience in construction of raw water pump replacement and switchboard installation works	10%
Resources offered including subcontractors – resources available to undertake the project	10%

A summary of the scores agreed for the non-price criteria, signed by all members of the Tender Evaluation Committee, is at **Appendix A-1**.

The non-price scores were weighted, totaled and normalized as shown in the spreadsheet at **Appendix A-2**. The total non-price scores are summarised below.

Tenderer	Total normalized non-price score	Rank
EMT P/L	40	1
Electrical Workshop P/L	38.89	2
Ledonne Const P/L	37.78	3
Gongues Const	33.33	4

Roman Contractors	22.22	5
Electromotives P/L (Conforming)	17.78	6
Electromotives P/L (Alternative)	17.78	7

4. EVALUATION OF PRICE

4.1 Examination of Tendered Prices

The tender included Optional Additional Works which the Principal may elect to proceed with as follows; Supply of spare surge diverter, surge filter & transient barriers.

Council has confirmed that funds are available for the Optional Additional Work and has directed Public Works Advisory to include these works in the tender evaluation and recommendation.

The prices tendered in the Schedule of Prices – Lump Sum were compared across all the tenderers. **(Refer to Appendix A-3)** The comparison revealed no difference of concern.

4.2 Assessment of Qualifications and Departures

EMT P/L, Electrical Workshop P/L and Ledonne Constructions P/L contained qualifications and departures (anomalies) and did not fully meet the requirements in the RFT Documents. Clause 178 of the *Regulation* requires Council to accept the most advantageous tender. In order to identify which tender was 'most advantageous' for the specified work, the values of the qualifications and departures were assessed and added to the original Tender Amounts. See the Qualifications and Departures Tables at **Appendix B**.

4.3 Determination of loadings and other assessments

As defined in the Tender Evaluation Plan the Local Content weighting defined in the Tender Documents is to apply.

Based on the Local Content weighting, and the tendered local content percentage of each tenderer, the following adjustment for Local Content has been calculated: -

Tenderer	Local Content Weighting	Tendered Amount	Local Content Percentage Nominated with the Tender	Local Content Discount ⁴	Assessed Tender amount
Electrical Workshop P/L	2% capped at \$50,000	\$1,694,100.76	26.6%	\$9,012.62	\$1,685,088.14
Electromotives Conforming	2% capped at \$50,000	\$758,600.00	36.38%	\$5,519.57	\$753,080.43
Electromotives Alternative	2% capped at \$50,000	\$751,600.00	36.72%	\$5,519.75	\$746,080.25
Gongues Const	2% capped at \$50,000	\$1,320,000.00	37%	\$9,768.00	\$1,310,232.00
Ledonne Const P/L	2% capped at \$50,000	\$1,567,894.00	35.08%	\$11,000.00	\$1,556,894.00
Roman Contractors	2% capped at \$50,000	\$1,036,694.00	30%	\$6,220.16	\$1,030,473.84
EMT P/L	2% capped at \$50,000	\$1,096,710.97	40.42%	\$8,865.81	\$1,087,845.16

Notes:

4. Sample calculation of Local Content Discount for EMT P/L is
 $2\% \times \$1,096,710.97 = \$21,934.22 \times 40.42\% = \$8,865.81$.

4.4 Normalised Price Scores

The tenders were compared on the basis of the Assessed Tender Amounts, calculated by adding the assessed values of qualifications and departures to the original Tender Amounts.

The Assessed Tender Amounts were used to calculate the weighted and normalised price scores using the method set out in the Tender Evaluation Plan, which is incorporated into the spreadsheet at **Appendix A-2**. The price scores are summarised below.

Tenderer	Weighted price score	Ranking
Electromotives (Alternative)	60.00	1
Electromotives (Conforming)	59.74	2
Roman Contractors	49.29	3
EMT P/L	47.12	4
Gongues Const	38.72	5
Ledonne Const P/L	29.44	6
Electrical Workshop P/L	24.52	7

5. SELECTION OF THE MOST ADVANTAGEOUS TENDER

Total scores were obtained for each of the tenders by adding the normalised total non-price score and weighted price score, as shown in the spreadsheet at **Appendix A-2**. The total scores are summarised below:

Tenderer	Total normalized non-price score	Weighted price score	Total score	Ranking
EMT P/L	40.00	47.12	87.12	1
Electromotives (Alternative)	17.78	60.00	77.78	2
Electromotives (Complying)	17.78	59.74	77.49	3
Gongues Const	33.33	38.72	72.06	4
Roman Contractors	22.22	49.29	71.51	5
Ledonne Const P/L	37.78	29.44	67.22	6
Electrical Workshop P/L	38.89	24.52	63.41	7

EMT P/L was requested to withdraw its qualifications and departures, in accordance with clause 176 of the *Regulation*. EMT P/L offered to do so with no change to the original Tender Amount (see EMT P/L's written confirmation at **Appendix C**).

The qualifications and departures of Electrical Workshop P/L and Ledonne Constructions P/L were not assessed as they were not in contention or within 10% of the Lowest Tender Amount.

EMT P/L's Adjusted Tender Amount is 24% above the pre-tender estimate. On review of the Tender estimate it was determined that the allowance for the cabling and pump enclosures were not in line with current market conditions. All the other tender prices were also above the estimate, apart from Electromotives, confirming that EMT P/L's Tender Amount reflects current market values. It is therefore considered that the Adjusted Tender Amount of EMT P/L is reasonable.

The Recommended Tender Amount is \$1,097,508.47 (including GST).

6. COMMENTARY ON THE TENDERER'S CAPABILITY

Referee reports indicate satisfactory past performance by EMT P/L on recent contracts. The Tender Evaluation Committee contacted the referees and obtained additional information that supported the reports provided with the tender.

A financial assessment by Equifax Australasia Credit Ratings P/L failed EMT P/L due to insufficient Net Tangible Assets. **See Appendix D.**

EMT P/L has agreed to increase the Unconditional Undertaking from 4% to 8% of the Contract Award Value on award of the contract. This would be reduced to 4% on Completion. **See Appendix E.**

The Regional Procurement Advisory concurs with the increase in the value of the Unconditional Undertaking. The Client has approved this methodology.

EMT P/L has demonstrated satisfactory Work Health and Safety management and satisfactory environmental management on previous projects. This is recorded in the completed *Checklist for Reviewing Tenderer's WHS Management Performance* and the completed *Checklist for Reviewing Tenderer's Environmental Management Performance*.

The resources proposed for the work have been reviewed and the Tender Evaluation Committee considers EMT P/L capable of completing the contract satisfactorily.

7. MISCELLANEOUS

The tender evaluation process followed the agreed Tender Evaluation Plan.

The tender evaluation process complied with the *Local Government (General) Regulation 2005*.

The tender of EMT P/L offers best value for money.

Rous County Council has confirmed that sufficient funds are available to cover the Recommended Tender Amount and a contingency allowance adequate for variations and other assessed risks.

Materials to be supplied by the Principal can be supplied in time to meet the contract program.

Sufficient of the site is available to meet the requirements in the proposed contract.

Review of Environmental factors has been determined by Rous County Council.

The [Tender Evaluation Checklist](#) has been completed.

8. RECOMMENDATION

It is recommended that:

1. the tender submitted by EMT P/L, in the Recommended Tender Amount of \$1,097,508.47 including \$797.50 for the optional additional works (including GST), be accepted for Contract No. RFT-10021851 for Nightcap Water Treatment Plant Raw Water Pump Replacement Construction.

1) Project Manager / Officer

Refer Trim approval report

S. Prosser
Project Officer

Date

2) Recommending Officer

Refer Trim approval report

M. Saul
Senior Project Manager

.....
Date

3) Reviewing Officer

The tender evaluation process requirements identified in the Tender Evaluation Review Checklist at Attachment 1 have been satisfied, and the Checklist has been signed.

Refer Trim approval report

P. King
Regional Projects Coordinator/Procurement Adviser


.....
Date

4) APPROVED to recommend to the client

Refer Trim approval report

Paul Hay
Regional Director
North Coast Region

Trim Approval Report

	Records Detailed	
	Page	1
	Date	27/09/2019
	Time	7:45:39 AM
	Login Name	Stephen Prosser

DOC19/1005150

RFT-10021851 -Tender Recommendation

Record Number FILE19/33392.5

Last Action Date 27/09/2019 at 7:44 AM

Submission History Action taken by: Hay, Paul. Action: Approved. On: 26/09/2019 10:54:32 AM. Revision: 11.

Instructions: Approved recommendation to award tender From: {paul.hay@finance.nsw.gov.au}.

Action taken by: King, Phil. Action: Endorsed. Sent To: Hay, Paul. On: 24/09/2019 2:43:51 PM. Revision: 11.

Instructions: Paul, I have reviewed and endorse the attached tender recommendation for your approval.

Further I confirm my concurrence with, and sign off, of the Tender Evaluation Review Checklist.

Phil From: {phillip.king1@finance.nsw.gov.au}.

Action taken by: Saul, Murray. Action: Endorsed. Sent To: King, Phil. On: 24/09/2019 2:22:49 PM. Revision: 11.

Instructions: Phil,

Tender Evaluation & Recommendation for your review & endorsement prior to issue to Paul Hay for approval to recommend to Rous County Council client.

Thanks

Murray From: {Murray.Saul@finance.nsw.gov.au}.

Action taken by: Prosser, Stephen. Action: Submitted. Sent To: Saul, Murray. On: 24/09/2019 2:11:14 PM. Revision: 10.

Instructions: Murray, Amendments made resubmitted for your evaluation. Regards

Steve From: {steve.prosser@finance.nsw.gov.au}.

Action taken by: Saul, Murray. Action: Rework Requested. On: 24/09/2019 12:58:16 PM. Revision: 9.

Instructions: Steve,

can you please make the adjustments regarding the inclusion of advice on the Optional Additional Works and resubmit as discussed

Thanks

Murray From: {Murray.Saul@finance.nsw.gov.au}.

Action taken by: Prosser, Stephen. Action: Submitted. Sent To: Saul, Murray. On: 23/09/2019 9:22:37 AM. Revision: 9.

Instructions: Hi Murray, Can you please evaluate this tender recommendation. Any questions please let me know.

Regards Steve From: {steve.prosser@finance.nsw.gov.au}.

End of Report

NSW Department of Finance Services and Innovation

Dataset TRIM

Appendix B

Qualifications and Departures Table:

Contract No: RFT-10021851		Contract title: Nightcap WTP Raw Water Pump					
Name of Tenderer: EMT Pty Ltd		\$1,096,711.00					
No.	Qualification or Departure (Guidance Notes 4, 4a)	Complies with RFT (Note 4b)	Assessed Value of Non-Compliance (Notes 4c, e)	Comment on Assessment (Notes 4d, e)	Preferred Tenderer's Response (Notes 8, 8a, 9, 9a)	Preferred Tenderer's Adjustment (Note 9b)	Recommendation (Note 12)
1	We have provided a project plan that shows execution of this scope into the projected project window of 26 weeks. This is done on the worst case assumption that Council may not be in a position to allow adequate access to works between start November and end February. In effect we will still complete the scope within the project window irrespective. Should limited access be achievable within the restricted period this will shorten the projected lead time to less than the maximum 26 week period.	Yes	\$0.00	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
2	We would like to request that delay costs and liquidated damages or a combination thereof as set out in contract conditions clause 13 & 14 be limited to a total of 5% of	No	\$0.00	Does not comply, and will not be accepted by the client. Its requested you remove this qualifications	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
3	We have received and included the requirements of your addendums 1,2,3 & 4.	Yes	\$0.00	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
4	The enquiry documents required the installation of temporary VSD drives. Please examine our methodology which negates the requirement to have a temporary installation. The VSD placement directly opposite the new MCC-001 also facilitates	Yes	\$0.00	The extension of the switchroom building allows for VSDs to be installed in permanent location negating the need for temporary install. Complies with RFT.	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
5	We have allowed for upgrading of the telemetry system at the existing pumping station.	Yes	\$0.00	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
6	We propose not moving the existing VESDA main control system, but we have allowed for connecting the existing system into the new MCC-001 and integration into the building extension. We note that the existing VESDA system	Yes	\$0.00	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
7	We have included the requested LED lighting along the bridge walkway and the required control switchgear.	Yes	\$0.00	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
8	We have allowed for new signage, including illuminated exit signage and emergency lighting with a test facility.	Yes	\$0.00	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
9	We will remove and reinstall the antenna and mast post the civil completion. The mast will be temporarily relocated during the construction of the control room extension to ensure	Yes	\$0.00	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
10	We have assumed that enquiry drawings provided as generated by GanDen Engineering will be available to us after tender award in a CAD format.	Yes	\$0.00	we have electrical in CAD format. Civil and structural CAD drawings can be provided. Complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
11	We note the MCC-001 system fault level is stipulated at 36kV, MCCBs requested are rated as high 70kA we propose to seek clarity and update any build specifications post award.	Yes	\$0.00	Advice from electrical designer indicates the spec is correct (WSE: We confirm MCC-001 Busbar rating is 36kA and MCCBs breaking capacity are 70kA as standard product from manufacturer) Complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted

67 ATTACHMENT 1

12	We have offered UPS batteries as specified. But we feel that additional capacity may be required. If awarded we will explore your intentions in greater detail and update any build specifications post award.	Yes	\$0.00	Qualification noted however currently does not form part of the RFT, Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
13	We note that pump feed MCCBs in Mcc-001 are specified at 250A. This may be too close to the motors FLC of 226A to allow for run up currents a rating upgrade may be required. Again we will explore your setup intentions in greater detail and update any build specifications post award.	Yes	\$0.00	Advice from electrical designer indicates the spec is correct (WSE: <i>We confirm pumps MCCBs are rated at 250A and they will meet the requirements for 132kw VSD pumps with 218A full load current drawn by VSD from MCC</i>) Complies with RFT.	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
14	We note and have allowed for 240mm power cables between the Main DB and MCC-001 as per the cable schedule (18001-E-132) not 300mm as detailed on the main DB single line (22-16753-E004)	Yes	\$0.00	Advice from electrical designer indicates 240mm cable are correct (WSE: <i>We confirm 2x1C, 240mm, XLPE/PVC per phase as shown on PSA One-line diagram Figure 18 on Page 52 is acceptable.</i>) Complies with RFT. Please remove this	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted
15	A potential saving of approximately \$5K ex GST may be possible by selecting MCC steel work manufactured by 'Elsteel' as an alternative to the preferred B&R enclosures. Note the original main incoming DB is an 'Elsteel' product. The resultant design would appear more aesthetically cohesive.	No	\$0.00	NOTED - could be considered further post award. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn	\$0.00	Accepted

Tender Amount	\$ 1,096,711.00	Tender Amount	\$ 1,096,711.00
Assessed value of qualifications & departures	\$ -	Adjustments	\$ -
Sub-total	\$ 1,096,711.00	Adjusted Tender Amount	\$ 1,096,711.00
Loadings for other matters	\$ -		
Assessed Tender Amount	\$ 1,096,711.00		

Tender Evaluation by:
Name: Steve Prosser

Signature and date: *S. Prosser*

**Appendix C
Q & D Withdrawal**

Stephen Prosser

From: plepora@emtomec.com.au
Sent: Thursday, 5 September 2019 4:46 PM
To: Stephen Prosser
Cc: abejin@emtglobal.com.au
Subject: EMT Qualification Removal - RFT-10021851 Nightcap WTP Raw water Pump Replacement Construction

Hi Steve,

Many thanks for your correspondence regarding the qualifications we made on our RFT-10021851 submission.

I can confirm that our team have reviewed your requests and have agreed withdraw the qualifications. Please see your table below containing the individual withdrawal confirmations.

No.	Qualification or Departure (Guidance Notes 4, 4a)	Comment on Assessment (Notes 4d, e)	EMT Pty Ltd Response 5/9/2019
1	We have provided a project plan that shows execution of this scope into the projected project window of 26 weeks. This is done on the worst case assumption that Council may not be in a position to allow adequate access to works between start November and end February. In effect we will still complete the scope within the project window irrespective. Should limited access be achievable within the restricted period this will shorten the projected lead time to less than the maximum 26 week period.	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
2	We would like to request that delay costs and liquidated damages or a combination thereof as set out in contract conditions clause 13 & 14 be limited to a total of 5% of contract value.	Does not comply, and will not be accepted by the client. Its requested you remove this qualifications	EMT accepts councils request, consider our qualification herewith withdrawn
3	We have received and included the requirements of your addendums 1,2,3 & 4.	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
4	The enquiry documents required the installation of temporary VSD drives. Please examine our methodology which negates the requirement to have a temporary installation. The VSD placement directly opposite the new MCC-001 also facilitates our proposed methodology.	The extension of the switchroom building allows for VSDs to be installed in permanent location negating the need for temporary install. Complies with RFT, please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
5	We have allowed for upgrading of the telemetry system at the existing pumping station.	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
6	We propose not moving the existing VESDA main control system, but we have allowed for connecting the existing system into the new MCC-001 and integration into the building extension. We note that the existing VESDA system does not allow for zone sampling, and we have not allowed for any reprogramming of this system.	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
7	We have included the requested LED lighting along the bridge walkway and the required control switchgear.	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
8	We have allowed for new signage, including illuminated exit signage and emergency lighting with a test facility.	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
9	We will remove and reinstall the antenna and mast post the civil completion. The mast will be temporarily relocated during the construction of the control room extension to ensure continuity of communication.	Noted, complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn

ATTACHMENT 1

10	We have assumed that enquiry drawings provided as generated by GanDen Engineering will be available to us after tender award in a CAD format.	we have electrical in CAD format. Civil and structural CAD drawings can be provided. Complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
11	We note the MCC-001 system fault level is stipulated at 36kV, MCCBs requested are rated as high 70kA we propose to seek clarity and update any build specifications post award.	Advice from electrical designer indicates the spec is correct (WSE: <i>We confirm MCC-001 Busbar rating is 36kA and MCCBs breaking capacity are 70kA as standard product from manufacturer</i>) Complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
12	We have offered UPS batteries as specified. But we feel that additional capacity may be required. If awarded we will explore your intentions in greater detail and update any build specifications post award.	Qualification noted however currently does not form part of the RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
13	We note that pump feed MCCBs in Mcc-001 are specified at 250A. This may be too close to the motors FLC of 226A to allow for run up currents a rating upgrade may be required. Again we will explore your setup intentions in greater detail and update any build specifications post award.	Advice from electrical designer indicates the spec is correct (WSE: <i>We confirm pumps MCCBs are rated at 250A and they will meet the requirements for 132kw VSD pumps with 218A full load current drawn by VSD from MCC</i>) Complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
14	We note and have allowed for 240mm power cables between the Main DB and MCC-001 as per the cable schedule (18001-E-132) not 300mm as detailed on the main DB single line (22-16753-E004)	Advice from electrical designer indicates 240mm cable are correct (WSE: <i>We confirm 2x1C, 240mm, XLPE/PVC per phase as shown on PSA One-line diagram Figure 18 on Page 52 is acceptable.</i>) Complies with RFT. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn
15	A potential saving of approximately \$5K ex GST may be possible by selecting MCC steel work manufactured by "Elsteel" as an alternative to the preferred B&R enclosures. Note the original main incoming DB is an "Elsteel" product. The resultant design would appear more aesthetically cohesive.	NOTED - could be considered further post award. Please remove this qualification	EMT accepts councils request, consider our qualification herewith withdrawn

Regards,

Paul Lepora
EMT Projects

EMT Pty Ltd
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Seven Hills, NSW 2147

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From: Stephen Prosser <steve.prosser@finance.nsw.gov.au>
Date: 5 September 2019 at 10:13:57 am AEST
To: "projects@emtglobal.com.au" <projects@emtglobal.com.au>
Subject: Attention: Paul Lepora - RFT-10021851 Nightcap WTP Raw water Pump Replacement Construction

Hi Paul,

Appendix E
Additional Unconditional Undertaking

EMT Pty Limited
ABN 95 168 388 489
Head Office
1 / 114 Station Rd,
Seven Hills, NSW
Australia 2147
Phone: (02) 9638 8181
www.emtglobal.com.au
projects@emtglobal.com.au

Public Works Advisory, North Coast Region, Lismore

Thursday 19 September 2019

Attention: Mr Steven Prosser
Our Reference: QE1158.C005

Subject matter: Confirmation acceptance 4% unconditional undertaking - RFT 10021851

Construction Nightcap Water Treatment Plant Raw Water Pump Replacement

Many thanks for your correspondence dated 19 September 2019, regarding the need to create an additional unconditional undertaking.

We hereby confirm that EMT if awarded this contract of works is willing to establish a 4%, AUD \$43,868.40 undertaking to be released at the completion of the contract. We understand that this date will be the practical completion date at the successful hand over of works to your satisfaction.

Should you have any further queries regarding our submission please do not hesitate to contact the undersigned.

Yours sincerely,

Paul Lepora
Tendering & Commercial Manager
EMT Pty Ltd
plepora@emtomec.com.au
0416 292 276



Public Works Advisory, North Coast Region , Lismore

Monday 16 September 2019

Attention: Mr Samuel Curran
Our Reference: QE1158.C003

Subject matter: RFT 10021851 - COST REDUCTION STUDY
Nightcap Water Treatment Plant Raw Water Pump Replacement Construction

Many thanks for your recent correspondence dated 13 September 2019, regarding potential project cost savings.

You listed 6 items for consideration as below.

1. Rous to free issue the four VSDs – as per attached (specifically part nos. FC202 160 (160kw VLT Aqua drives), 176F3532 (back channel cooling kits), 176F3522 (back channel blanking plate))
2. Deletion of new acoustic/weather covers and re-use existing covers (assume existing covers do not require any modifications)
3. Elsteel switchboard instead of B&R
4. Deletion of air conditioning unit
5. We will accept cabling to pumps to be temporarily joined and routed above ground to enable construction of the switch room extension, with cabling then to be permanently installed in u/g conduits into the new building
6. Any other potential cost savings you can offer

We have studied your request, please find and study our response as below.

General comment

Obviously our pricing structure tendered is a selling price made up of costs, margin, and a corporate overhead recovery factor. We have removed costs and associated margin from the items being removed from the supply contract but we need to retain some of the apportioned overhead as this cost is not reduced proportionally by a change of supply logic.

Point 1 - VSD Free Issue

- We have removed the cost of the VSD drives, component parts and the associated margin.
- We will need to retain the costing associated with the manufacture the external rear louvers and thru wall ducting, which we allowed for in our cost build up in the project price schedule

Point 2 - Acoustic Covers

- We have removed the manufacturing of the replacement acoustic covers and our associated margin completely on the basis the existing covers are to be re-used.
- We must point out that although the existing covers appear to be in good condition, the internals of these covers have not been assessed by us in any detail and it is reasonably probable that some refurbishment may be required. In terms of this correspondence we assume that this will be evaluated at site and that any such decisions taken in this regard would be considered additional scope.

Point 3 - Elsteel Enclosures.

- Savings offered below include for Elsteel brand MCC001 & DB001 enclosures. All electrical component contents and electrical specifications requirements are to remain unchanged.

Point 4 - Air Conditioning

- Air conditioning and our associated margin removed completely.

Point 5 - Above Ground Cabling

- EMT has already allowed for above ground temporary cabling between the existing pumps and the existing MCC. Please study our methodology.
- Note we have also allowed for a temporary junction / connection kiosk, to provide a safe and clearly identifiable point from which the cables can be extended back to the existing MCC and ultimately sequentially removed from the site reticulation as the new pumps are commissioned. We would recommend this above creating multiple separate cable joints using joint kits.

Point 6 - Other potential cost savings.

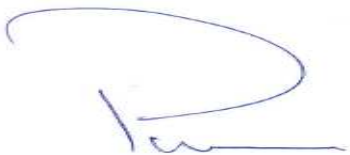
- In reality this physical projects costs are contained within the civil and electrical equipment line items. Limited opportunity for saving is possible due to the scope already being well designed.
- The elephant in the room is the expected close out period surrounding having minimal access across Nov - Feb. Although we have costed for the worst case scenario, as we disclosed. This could perhaps provide us with some opportunity.
- Should the access window be able to be relaxed if conditions allow, particularly towards the end of the project window we may be able to make changes to the methodology to accelerate the completion, which in turn may reduce our site management & site establishment related costs. This is difficult to quantify, against unknown variables. We hold ourselves open to have this conversation should the opportunity arise at that time against the nature of such additional site availability and the remaining scope.

Savings achievable

- | | |
|---|----------------------|
| • Clause 4.2, 4.3, 4.6 & 4.8 Original price tendered including GST | \$ 336,950.61 |
| • Clause 4.2, 4.3, 4.6 & 4.8 Revised price as per above including GST | <u>\$ 144,448.16</u> |
| • Saving achievable Including GST | \$ 192,502.45 |
| • Original Tendered Price total scope <u>including</u> GST | \$ 1,096,710.97 |
| • Revised Contract price <u>including</u> GST | \$ 904,208.52 |

Should you have any queries regarding our submission please do not hesitate to contact the undersigned.

Yours sincerely,



Paul Lepora
Tendering & Commercial Manager
EMT Pty Ltd
plepora@emtomec.com.au
0416 292 276





EMT Pty Limited
ABN 95 166 388 469
Head Office
1 / 114 Station Rd,
Seven Hills, NSW
Australia 2147
Phone: (02) 9838 8181
www.emtglobal.com.au
projects@emtglobal.com.au

Public Works Advisory, North Coast Region , Lismore

Thursday 19 September 2019

Attention: Mr Samuel Curran
Our Reference: QE1158.C004

Subject matter: RFT 10021851 - Acceptability Negative Variation
Nightcap Water Treatment Plant Raw Water Pump Replacement Construction

We thank you for your recent correspondence dated 17 September 2019, regarding the potential project cost savings against the original tendered value as we identified and costed in our letter ref QE1158.C003.

We hereby confirm that should we be awarded this contract, EMT Pty Ltd will accept a negative price variation in accordance with the savings and change in scope aforementioned. All other terms and condition of contract are understood to remain as is.

Should you have any queries regarding our submission please do not hesitate to contact the undersigned.

Yours sincerely,

Paul Lepora
Tendering & Commercial Manager
EMT Pty Ltd
plepora@emtomec.com.au
0416 292 276

Award of Contract - Lismore 900mm trunk main corrosion repairs

(9.14/19)

Business activity priority Results and sustainable performance

Goal 7 Sustainable performance

RECOMMENDATION that Council:

1. Receive and note the report.
2. Approve the award of Contract No. 10023651 for the Lismore 900mm Trunk Main Corrosion Repairs to Advanced Concrete Engineering Ltd for a lump sum price of \$436,540.91 excl. GST.

Background

Between 2016 and 2018, Rous County Council (RCC) undertook corrosion repairs to the elevated sections of a 525mm diameter steel trunk water main to address corrosion at the interface of the steel pipe and the concrete piers and headwalls. Left untreated, the corrosion would ultimately lead to failure of the asset and loss of supply to Constituent Council bulk supply points and rural customers.

Subsequent inspection of similar assets elsewhere in RCC's network identified similar corrosion issues on a 900mm diameter steel main at the head of the water supply network and a section of 600mm diameter steel main supplying water to St Helena and Knockrow reservoirs.

It is proposed to address the corrosion on these pipelines using a similar methodology to that employed on the 525mm corrosion repair works. The methodology has been improved based on lessons learned during the previous works.

The works on the 900mm steel main (known as the Lismore 900mm) have been prioritised for completion during the 2019/20 financial year above that of the 600mm steel main, as the Lismore 900mm is considered a more critical pipe in the network and to avoid potential clashes with the St Helena 600 pipeline construction. The works on the 600mm steel main will be undertaken in the 2020/21 financial year.

Tender

Tenders for the repairs to the elevated sections of the Lismore 900mm steel pipeline (NSW Public Works Advisory Contract No 10023651) were called through open tenders on 1 August 2019. The scope of works in the tender is for repairs to the steel pipeline at every concrete support pier and headwall and an optional work item for re-painting of all elevated sections. A map of the work locations is included as Attachment 1.

The pre-tender estimate, prepared by RCC, was \$646,209.53 (excl. GST) and included the optional painting works. The estimate was based on the previous similar works undertaken on the 525mm steel main.

Tenders closed at 9:30am on 29 August 2019. At the close of tender, three tenders had been received.

An evaluation of the tenders received was based on the following criteria:

- Price 60% (including a local content weighting of 3% capped at \$20K)
- Non Price 40%
 - Proposed project methodology and understanding of the issues
 - Proposed Program
 - Recent experience in undertaking similar projects and that the project was successfully delivered
 - Demonstrated organisational capability experience of proposed personnel
- Satisfactory past performance including satisfactory WHS Management
- Satisfactory financial capacity (check only recommended tenderer)

A copy of the Tender Evaluation Report is included as Attachment 1. The tendered amounts (excl. GST) and evaluation score are as follows.

Tenderer	ABN	Tender Amount	Optional Additional Work	Assessed Tender Amount ¹	Total Score ²	Recommended Tender Amount ³
Advanced Concrete Engineering Pty Ltd	49 146 713 671	\$436,540.91	\$121,432.73	\$630,553.05	100.00	\$436,540.91
Ledonne Constructions Pty Ltd	68 003 117 717	\$908,237.27	\$231,545.45	\$1,121,600.91	68.07	
PPW Services Pty Ltd	62 633 562 615	\$1,762,335.45	Did not provide	\$1,686,730.02	50.28	

Notes:

1. The 'Assessed Tender Amount' is the Tender Amount plus the Optional Additional Work plus (or minus) the Assessed Values of qualifications and departures (anomalies) in the tender and any loadings that apply.
2. The 'Total Score' includes the scores for price and non-price criteria.
3. The 'Recommended Tender Amount' is the Tender Amount plus (or minus) adjustments offered by the Preferred Tenderer to withdraw qualifications and departures.

The optional painting work will not be awarded at this time, in order to allow for the transfer of the budget to other higher priority Council projects. Painting will be undertaken in a subsequent financial year.

The recommended Tender Amount of Advanced Concrete Engineering Pty Ltd is therefore \$436,540.91 excl. GST.

The financial assessment was completed and received by Council on 26 September 2019 and the contractor passed the financial assessment criteria. The financial assessment is 'private and confidential' and is not attached to this report. A copy of the financial assessment will be made available for Councillors to review at the meeting.

Governance

Finance

Lismore 900mm Trunk Main Corrosion Repairs	Amount (Ex. GST)
2019-20 original budget	632,700
Proposed Transfer to Nightcap Raw Water Pump Budget	-100,000
Available project budget	532,700
Expenditure incurred to date	-23,103
Remaining budget	509,597
Expenditure as recommended in this report (Ex GST)	436,541
Council internal project management and labour (estimate)	18,000
Project balance remaining	55,056

The forecast Project Balance Remaining provides 12% contingency for the Contract works and is considered acceptable at this stage of the project and based on our previous experience with this type of work.

Environment

Australian Wetland Consulting Pty Ltd have undertaken a Review of Environmental Factors (REF) for the corrosion repair works. The REF was assessed commensurate to the level of environmental risk of the proposed works and ensures that RCC's obligations under the *Environmental Planning and Assessment Act 1979* have been met.

Legal

The external party project managing the tender process for and on behalf of Council was NSW Public Works Advisory. They have certified, in their capacity as project manager, that the tender process has been conducted in accordance with the requirements of the *Local Government Act 1993* and *Local Government (General) Regulation 2005*.

Consultation

The ranked responses represent the collective and agreed outcomes of the Evaluation Panel. There are no other consultation requirements necessary for this process.

Conclusion

Open tenders were called for the Lismore 900mm Trunk Main Corrosion Repairs project. Three complying tenders were received.

Advanced Concrete Engineering Pty Ltd submitted the most advantageous tender. Their Recommended Tender Amount is \$436,540.91 excl. GST.

The proposed transfer of \$100,000 of identified savings from deferred spending on the painting of the repaired mains, allows for sufficient funding, including 12% contingency, being available to complete the project.

Andrew Logan
Planning Manager

Attachments:

1. Lismore 900mm – works locations.
2. RFT-10023651 Tender Evaluation report (extract).

ATTACHMENT 1



ATTACHMENT 2

CONTRACT DETAILS		File No: 19/126520.5
CONTRACT NAME:	Lismore 900mm dia. Water Pipeline – Repairs to the Elevated Sections	
RFT/CONTRACT NO. :	RFT-10023651	
CONTRACT DESCRIPTION:	Lismore 900mm dia. Water Pipeline – Repairs to the Elevated Sections	
TIME FOR COMPLETION:	26 Weeks	
PROJECT MANAGING OFFICE:	North Coast Region	
PROCUREMENT SYSTEM:		
Tender Method: (Reg 166)	Open Tender	
Commercial Conditions:	MW21	
Payment Method:	Lump Sum with Schedule of Rates for Variations	
Cost adjustment:	Not Applicable	
PRE-TENDER ESTIMATE (incl. GST):	\$727,357.30 at 17/4/19; revised to \$710,830.48 at 27/8/19	
CLIENT AGENCY:	Rous County Council	
PRINCIPAL IN THE CONTRACT:	Rous County Council	
Recommending Officer / Contact No:	Alex Manning / 6626 5620 / 0467 725 231	
RPC/Procurement Adviser / Contact No:	Rowan Howarth / 6586 7812 / 0436 616 740	

DETAILS OF THE WORK

Rous County Council sought tenders for the repairs to the seven elevated Sections of the Lismore 900mm dia. Water Pipeline which are showing signs of corrosion. The repairs are to the headwalls and piers. There was also some Optional Additional Work to paint the entire pipeline.

TENDERS RECEIVED

Tenders were called on 1/8/2019 and closed at 9:30 am on 29/8/2019. Three tenders were received as follows:

Tenderer	A.B.N.	Tender Amount	Optional Additional Work	Assessed Tender Amount ¹	Total Score ²	Recommended Tender Amount ³
Advanced Concrete Engineering Pty Ltd	49 146 713 971	\$480,195.00	\$133,576.00	\$693,608.35	100.00	\$480,195.00
Ledonne Constructions Pty Ltd	68 003 117 717	\$999,061.00	\$254,700	\$1,233,761.00	68.07	
PPW Services Pty Ltd	62 633 562 615	\$1,938,569.00	Did Not Provide	\$1,855,403.023	50.28	

Notes:

1. The 'Assessed Tender Amount' is the Tender Amount plus the Optional Additional Work plus (or minus) the Assessed Values of qualifications and departures (anomalies) in the tender and any loadings that apply.
2. The 'Total Score' includes the scores for price and non-price criteria.
3. The 'Recommended Tender Amount' is the Tender Amount plus (or minus) adjustments offered by the Preferred Tenderer to withdraw qualifications and departures.

EXAMINATION OF TENDERS

1. PRE-EVALUATION ACTIONS

The tendering process was required to comply with the *Local Government (General) Regulation 2005* (the *Regulation*).

Council decided to call tenders using the open tendering method, in accordance with clause 167 of the *Regulation*.

The evaluation method included weighted price and non-price criteria with a price:non-price ratio of 60:40. A two envelope system was adopted. Price information was held by an independent officer and not provided to the Tender Evaluation Committee until the evaluation of non-price criteria was completed.

A Tender Evaluation Plan consistent with the *Regulation* and the Conditions of Tendering in the RFT documents was prepared and endorsed by the Tender Evaluation Committee prior to close of tenders.

Optional Additional Work Items have been included in the RFT because Council advised, prior to the close of tenders, that funds are not available within Council's budget for all the intended work. The total value of Optional Additional Work Items has been limited to 10% of the pre-tender estimate. The Tender Amounts used in the tender evaluation will include the prices submitted for the selected Optional Additional Work Items.

Two addenda were issued during the tender period. They included a change of scope to remove some items no longer required. This scope was the repair of support pier P1.1 and Offtake Tee T2 and was valued at \$16,526.82 (Incl. GST). The pre-tender estimate was therefore revised from \$727,357.30 to \$710,830.48 (Incl. GST) excluding the Optional Additional Work. The Tender Schedules were also re-issued in Addendum 2 to remove these items from the Schedule of Prices – Lump Sum. The pre-tender estimate for the Optional Additional Work was \$56,830.48 (incl. GST).

2. INITIAL EVALUATION

Ledonne Constructions Pty Ltd signed and submitted the Schedule of Technical Information but did not complete the required information. They were not requested to correct this mistake as this would substantially alter the original tender and was therefore not permitted under clause 176 of the *Regulation*. This omission was considered in determining the non-price scoring.

The remaining tenders included the completed schedules required to be submitted with the tender.

Advanced Concrete Engineering Pty Ltd and Ledonne Constructions Pty Ltd acknowledged the two addenda that were issued. PPW Services Pty Ltd acknowledged the Addenda on the Tender Form but did not sign and submit the completed Addenda acknowledgement. Since the Tender Form wasn't sighted until the Evaluation of Price and PPW Services Pty Ltd was not in contention, they were not asked to correct this mistake under clause 176 of the *Regulation*.

Except for the omissions dealt with above and the qualifications and departures dealt with in Evaluation of Price, all tenders met the requirements of the RFT documents.

3. EVALUATION OF NON-PRICE CRITERIA

The information submitted by the tenderers was evaluated against the specified non-price criteria, in accordance with the Tender Evaluation Plan. Following Table shows a high-level summary of non-price criteria used for the evaluation of this RFT:

Non-Price Criterion	Weighting
Proposed project methodology and understanding of the issues	5%
Proposed Program	10%
Recent Experience in undertaking similar projects and that the project was successfully delivered	20%
Demonstrated organisational capability experience of proposed personnel	5%

A summary of the scores agreed for the non-price criteria, signed by all members of the Tender Evaluation Committee, is at **Appendix C**.

The non-price scores were weighted, totaled and normalized as shown in the spreadsheet at **Appendix D**. The total non-price scores are summarised below.

Tenderer	Total normalized non-price score	Rank
Advanced Concrete Engineering Pty Ltd	40.00	1
Ledonne Construction Pty Ltd	25.80	3
PPW Services Pty Ltd	28.41	2

4. EVALUATION OF PRICE

A summary of the Schedule of Prices – Lump Sum is contained in **Appendix A-1** and a summary of the Schedule of Optional Additional Work is contained in **Appendix A-3**.

Due to the large variation in the Tendered amounts, there was a large variation in pricing between the Tenders against individual line items. It was noted that each of the Tenderers listed the same price for similar line items in their submission (e.g. Items 7.2, 7.3, & 7.4 are for the same scope and had the same tendered price from each Tenderer). No anomalies were found in the Schedule of Prices that could have indicated discrepancies or other issues in the RFT Documents

It was noted that PPW Services had submitted the version of the Tender Schedule issued with the original RFT documents, not the schedules provided in Addendum 2. PPW Services Pty Ltd also had a discrepancy where their Tendered Amount was \$36.00 less than the sum of the line items in the Schedule of Prices – Lump Sum. Since they weren't in contention, these discrepancies were not addressed with the Tenderer, and the Tendered Amount was used in the evaluation. PPW Services Pty Ltd also signed and submitted the Schedule of Optional Additional Work but did not complete the required pricing. They were not requested to correct this mistake as this would substantially alter the original tender and was therefore not permitted under clause 176 of the Regulation. Since they weren't in contention, the Optional Additional Work was priced at zero for the evaluation.

4.1 Examination of Tendered Rates for Variations

A summary of the Schedule of Prices – Rates for Variations is contained in **Appendix A-2**.

Similar to the Tendered amounts, there was a large variance in the Tendered Rates for Variations with some higher and some lower than the pre-tender estimate. A review of the tendered rates revealed no differences of concern.

A sensitivity analysis confirmed that the relativity of the tenders is not affected by potential variations, within the expected range (see **Appendix A-2**).

4.2 Assessment of Qualifications and Departures

Each of the tenders contained qualifications and departures (anomalies) and did not fully meet the requirements in the RFT Documents. Clause 178 of the *Regulation* requires Council to accept the most advantageous tender. In order to identify which tender was ‘most advantageous’ for the specified work, the values of the qualifications and departures were assessed and added to the original Tender Amounts. See the Qualifications and Departures Tables at **Appendix B**.

4.3 Determination of loadings and other assessments

Council has adopted a local preference policy for its procurement activities, where the Assessed Tender Amount will include a discount for Local Content based on the following:-

$$= \text{local content weighting (\%)} \times \text{local preference score (\%)} \times \text{total tender price (\$)}$$

The local content weighting (%) is 3% and the local content discount was capped at \$20,000 based on the expected price range of the Tender.

Advanced Concrete Engineering signed and submitted the Schedule of Local Content but did not complete the required information. Therefore, they were given a local preference score of 0% which equated to no local content discount.

On the Schedule of Local Content, Ledonne Constructions indicated that they were a local business within one of the Ballina, Byron, Lismore and Richmond Valley Local Government areas and claimed a local preference score of 69%. However, other information provided in their Tender stated that they were based in Grafton which is outside the Ballina, Byron, Lismore and Richmond Valley Local Government areas. Since they weren’t in contention, the Tenderer was not asked to clarify this and a local preference score of 69% was used in the evaluation. This equated to more than the cap, so a \$20,000 local content discount was used.

PPW Services Pty Ltd nominated a local preference score of 21%. Since they were not in contention, this was not validated and 21% was used in the evaluation. This equated to a local content discount of \$12,212.98.

No other loadings were applicable to any of the tenders.

4.4 Normalised Price Scores

The tenders were compared on the basis of the Assessed Tender Amounts, calculated by adding the Tendered value of Optional Additional Work, the assessed values of qualifications and departures and the discount for Local Content to the original Tender Amounts.

The Assessed Tender Amounts were used to calculate the weighted and normalised price scores using the method set out in the Tender Evaluation Plan, which is incorporated into the spreadsheet at **Appendix D**. The price scores are summarised below.

Tenderer	Weighted price score	Ranking
Advanced Concrete Engineering Pty Ltd	60.00	1
Ledonne Constructions Pty Ltd	42.27	2
PPW Services Pty Ltd	21.87	3

5. SELECTION OF THE MOST ADVANTAGEOUS TENDER

Total scores were obtained for each of the tenders by adding the normalised total non-price score and weighted price score, as shown in the spreadsheet at **Appendix D**. The total scores are summarised below.

Tenderer	Total normalized non-price score	Weighted price score	Total score	Ranking
Advanced Concrete Engineering Pty Ltd	40.00	60.00	100.00	1
Ledonne Constructions Pty Ltd	25.80	42.27	68.07	2
PPW Services Pty Ltd	28.41	21.87	50.28	3

The tenderer with the highest total score was Advanced Concrete Engineering Pty Ltd and since there were no other Tenderers less than 4 points apart (less than 10% of the non-price weighting percentage), their tender was identified as the most advantageous.

Advanced Concrete Engineering Pty Ltd was requested to withdraw its unacceptable qualifications and departures (i.e. to correct the anomalies in the tender), in accordance with clause 176 of the *Regulation*. Advanced Concrete Engineering Pty Ltd responded by stating the reasons why they believed that one of the listed Q&D items regarding the proposed methodology was not a qualification or departure, and this was accepted (see Advanced Concrete Engineering’s written confirmation at **Appendix E-1**). There was subsequently no price adjustment, as shown in the Qualifications and Departures Table for Advanced Concrete Engineering (**Appendix B**), and this is considered reasonable.

Council advised that they did not want to proceed with the Optional Additional Work due to budget constraints.

The Adjusted Tender Amount for Advanced Concrete Engineering, including the removal of the qualifications and departures, and the removal of the Optional Additional Work, is \$480,195.00.

Neither of the other tenders included the same non-compliance characteristics as that of Advanced Concrete Engineering and there was therefore no requirement, under clause 176 of the *Regulation*, to give them an opportunity to vary their tenders in a similar way.

Advanced Concrete Engineering’s Adjusted Tender Amount is 32.4% below the pre-tender estimate. Because this is more than 10% below the pre-tender estimate, Advanced Concrete Engineering Pty Ltd was asked to confirm in writing that it fully understands the nature and extent of the contract work and is satisfied the Tender Amount properly reflects all contractual obligations. Advanced Concrete Engineering’s confirmation is at **Appendix E-1**.

The pre-tender estimate was based on the average of the three Tendered Rates on a previous Contract with similar repair methods for Council with a 20% contingency added. The successful Contractor’s Tendered Rates were substantially less than the average of the submitted tenders. Advanced Concrete Engineering’s Adjusted Tender Amount is therefore considered reasonable and reflects current market values.

The scores were recalculated using the Adjusted Tender Amount of Advanced Concrete Engineering and the tender of Advanced Concrete Engineering is confirmed as the most advantageous.

The Recommended Tender Amount is \$480,195.00 (including GST).

6. COMMENTARY ON THE TENDERER'S CAPABILITY

Referee reports indicate satisfactory past performance by Advanced Concrete Engineering Pty Ltd (formerly Australian Prestressing Structures Pty Ltd) on recent contracts. The Tender Evaluation Committee contacted the referees and obtained additional information that supported the reports provided with the tender.

A financial assessment of Advanced Concrete Engineering Pty is underway by Bentleys and this recommendation is subject to a satisfactory result.

Advanced Concrete Engineering Pty Ltd has demonstrated satisfactory Work Health and Safety management and satisfactory environmental management on previous projects. This is recorded in the completed *Checklist for Reviewing Tenderer's WHS Management Performance* and the completed *Checklist for Reviewing Tenderer's Environmental Management Performance*.

The resources proposed for the work have been reviewed and the Tender Evaluation Committee considers Advanced Concrete Engineering Pty Ltd capable of completing the contract satisfactorily.

7. MISCELLANEOUS

The tender evaluation process followed the agreed Tender Evaluation Plan.

The tender evaluation process complied with the *Local Government (General) Regulation 2005*.

The tender of Advanced Concrete Engineering Pty Ltd offers best value for money.

Rous County Council has confirmed that sufficient funds are available to cover the Recommended Tender Amount and a contingency allowance adequate for variations and other assessed risks.

There are no materials to be supplied by the Principal.

Rous County Council has confirmed that the site is available to meet the requirements in the proposed contract.

Development consents are not required for the works.

The [Tender Evaluation Checklist](#) has been completed.

8. RECOMMENDATION

It is recommended that:

1. the tender submitted by Advanced Concrete Engineering Pty Ltd, in the Recommended Tender Amount of \$480,195.00 (including GST) be accepted for Contract No. RFT-10023651 for Lismore 900mm dia. Water Pipeline – Repairs to the Elevated Section.

Subject to a satisfactory Financial Assessment.

1) Project Manager / Officer

(Refer to TRIM).....
Adam Dowling
Project Manager

.....
Date

2) Recommending Officer

(Refer to TRIM).....
Alex Manning
Project Manager

.....
Date

3) Reviewing Officer

The tender evaluation process requirements identified in the Tender Evaluation Review Checklist at Attachment 1 have been satisfied, and the Checklist has been signed.

(Refer to TRIM).....
Rowan Howarth
Regional Projects Coordinator/Procurement Adviser

.....
Date

APPROVED to recommend to the client

(Refer to TRIM).....
Rowan Howarth
Regional Projects Coordinator/Procurement Adviser

Appendix A: Spreadsheet of Prices

Appendix A-1: Spreadsheet of Prices – Lump Sum

Appendix A-2: Spreadsheet of Prices – Rates for Variations

Appendix A-3: Spreadsheet of Prices – Optional Additional Work

(Attachments available on request)

Appendix A-1: Spreadsheet of Prices – Lump Sum

(Attachments available on request)

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Appendix A-2: Spreadsheet of Prices – Rates for Variations

(Attachments available on request)

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Appendix A-3: Spreadsheet of Prices – Optional Additional Work

(Attachments available on request)

Appendix B: Qualifications and Departures

(Attachments available on request)

Appendix C: Non-price Scoresheet & Summary of Non-price Criteria Meeting

(Attachments available on request)

Appendix D: Score Calculation Spreadsheet

(Attachments available on request)

Appendix E: Post Tender Correspondence

Appendix E-1: Advanced Concrete Engineering Pty Ltd

(Attachments available on request)

Appendix E-1: Advanced Concrete Engineering Pty Ltd

(Attachments available on request)

Policies for revocation and adoption

(172/17)

Business activity priority

Information and knowledge

Goal 3

Create value through applying knowledge

Recommendation

That Council:

1. Revoke the following policies attached to this report and any policy revived as a result of the revocation:
 - i) Removal of Noxious Weeds (Trees) policy (FNCW) dated 4 March 2009;
 - ii) Reward for Information policy (RRCC) dated 13 June 2014;
 - iii) Fraud Control policy (ROUS) dated 21 February 2007.
2. Adopt the proposed policy titled 'Fraud and Corruption Control' policy as attached to this report.

Background

As part of the routine review of Council policies, opportunities for efficiencies and removal of redundant or unnecessary policy documents are being identified.

The following policies have been identified for revocation:

1. Policy revocation: Removal of Noxious Weeds (Trees) policy (FNCW)

Policy purpose: To provide direction on the prioritisation of noxious plants (tree) removal from roadsides and in public spaces in accordance with the *Noxious Weeds Act 1993*.

Rationale for revocation: This policy is redundant as the *Noxious Weeds Act 1993* has been repealed. The Weed Biosecurity and Bush Regeneration Manager has confirmed that the relevant reference document moving forward will be the Rous County Council Local Priority Weed Management Strategy.

2. Policy revocation: Reward for Information policy

Policy purpose: To encourage the general public to furnish information regarding the malicious damage or theft of Council property by offering cash rewards.

Rationale for revocation: This policy was implemented in 2014 as a result of the weir at Tuckombil Canal in Woodburn being vandalised. Prior to that flood gates, data loggers and signage had been stolen. The policy was designed to provide additional capability for Council to assist Police with the investigation of incidents and enforcement action against offenders where sufficient evidence existed to do so.

The policy has been reviewed and it is recommended that it be revoked on the basis that it is a poor policy position for a public organisation to spend public money for the purpose of motivating members of the community to furnish information that relates to the damage or theft of Council property.

3. Policy revocation: Fraud Control policy

Policy purpose: To detail the Council's commitment to an effective strategy to limit potential exposure to internal or external fraud risks.

Rationale for revocation: This policy was identified in Council's Policy Review Schedule as a high priority for review. That review has been completed and found not to meet key elements recommended by the Audit Office of New South Wales for fraud control policies.

A revised policy has been drafted and included in this report for Council to consider as a replacement for the current policy (see below).

The following policy is proposed for adoption:

4. Policy adoption: Fraud and Corruption Control policy

Policy purpose: A statement of commitment confirming that Council will implement and maintain appropriate systems, strategies and processes to minimise the opportunity for and occurrence of fraud and/or corruption. The policy has been revised to align with key attributes identified in the Audit Office's Fraud Control Improvement Kit including risk management principles, formal and consistent investigation processes, training and education, and the development of a Fraud and Corruption Control Plan.

Background

On 20 November 2018 the Office of Local Government released Circular no. 18-37 regarding the Local Government Fraud Control Performance Audit conducted by the Audit Office of New South Wales. Councils' fraud controls were assessed against the Audit Office's Fraud Control Improvement Kit; a document providing guidance and practical advice to help organisations implement an effective fraud control framework.

The review found significant variation between councils in the strength of their fraud control systems and that many councils have substantial room for improvement. Recommendations detailed in the circular included that Councils should review their fraud controls and assess their efficacy against the Audit Office's Fraud Control Improvement Kit.

As an initial step in a comprehensive review of Council's fraud and corruption control framework, an assessment of Council's current Fraud Control Policy was conducted using the checklist resource in the Audit Office's Fraud Control Improvement Kit. The review determined that the current policy did not adequately address the key elements highlighted in the checklist.

Consultation

The proposed Fraud and Corruption Control policy was developed in consultation with the Leadership Group.

The policy was endorsed by the Audit, Risk and Improvement Committee at its meeting of 14 October 2019 and incorporates the feedback of the Committee:

- Include a reference to the 'Public Interest Disclosures' policy;
- Include a definition for 'fraud' and 'corruption'.

Consultation

Policy owners consulted with key stakeholders as noted above in this report. The Risk and Compliance Coordinator reviewed the recommendations received by policy owners and confirms that the revocations are appropriate and will not adversely impact Council's compliance obligations.

Conclusion

Following the review of various Council policies, it is proposed that the 'Removal of Noxious Weeds (Trees) Policy (FNCW)' dated 22 August 2012, 'Designated Persons Policy (ROUS)' dated 16 May 2012 and the 'Fraud Control Policy (ROUS)' dated 21 February 2007, be revoked. Furthermore, to replace the 'Fraud Control Policy (ROUS)' it is proposed that the draft policy titled 'Fraud and Corruption Control Policy' as attached to this report be adopted.

Ben Wilson

Risk and Compliance Coordinator

Attachments:

1. Current Removal of Noxious Weeds (Trees) Policy dated 4 March 2009 – FNCW (for revocation)
2. Current Reward for Information Policy dated 13 June 2014 – RRCC (for revocation)
3. Current Fraud Control Policy dated 21 February 2007 – ROUS (for revocation)
4. Proposed Fraud and Corruption Control Policy (for adoption)

POLICY	Removal of Noxious Weeds (Trees)		
AREA	Administration and Finance.		
OVERVIEW	The destruction and removal of noxious weeds from roadsides and public spaces.		
AUTHORISED BY COUNCIL	ROUS	RRCC	FNCW
	N/A	N/A	04/03/2009
REVIEW DATE	31 March 2012.		
FILE	172	843	1294

BACKGROUND

Council has identified a need for a policy on destruction and removal of noxious weeds from roadsides and public spaces to ensure that any liability is effectively managed.

POLICY

1. Council will assess the potential public risk of all noxious weed control works on a case-by-case basis.
2. Council will not poison or otherwise destroy any noxious weed in a public space where the action may constitute an unacceptable level of public risk.
3. Where Council determines that the destruction of a noxious weed does not constitute an unacceptable level of public risk, Council will use the most appropriate method to control the weed.
4. Where Council identifies a need to destroy noxious weeds on public space managed by a constituent Council, Council will negotiate with that constituent regarding the cost of removal of such weeds. If the constituent Council engages Council to undertake the weed control works, Council will be responsible for the removal of the weeds.
5. Council will continue to provide its constituent Councils with information on weed control activities on roadsides and other public spaces in each Quarterly Report.
6. Where Council undertakes works on private property, Council will advise the landowner/occupier that:
 - a) the poisoning of large trees may lead to a safety issue in years to come; and
 - b) it is the landowner/occupier's responsibility to manage any safety issues.

PROCEDURES

Not applicable.

LEGISLATION

Noxious Weeds Act, 1993.

RELATED DOCUMENTS

Not applicable.

CONTACT OFFICER

Coordinator – Weed Control Services.

Secretarial use only	Policy History	Version 0.1: 04/03/2009
Rous	RRCC	FNCW
Authorised Council: N/A	Authorised Council: N/A	Authorised Council: 04/03/2009

POLICY	Reward for Information		
OVERVIEW	To provide an incentive to the general public for information leading to a conviction about malicious damage to, or stealing of, Council property.		
AUTHORISED BY COUNCIL	ROUS	RRCC	FNCW
	Not applicable.	13/06/2014	Not applicable.
REVIEW DATE	Term of Council.		
FILE	172	843	1294

BACKGROUND

The purpose of this Policy is to encourage the general public to furnish information that results in either the conviction for malicious damage or theft of Council property and/or results in the return of stolen property.

POLICY

Council may offer cash rewards of up to \$5,000 to any person that provides information that leads to the conviction of an offender, or the return of stolen Council property.

To be eligible, members of the public who believe they have information must write to Council, providing:

- their name and contact details; and
- a statutory declaration outlining details of the incident in question, together with the relevant information that may lead to a conviction or recovery of property.

Factors that will be considered include in determining whether to apply this Policy include:

- the value of the damaged or stolen property;
- the detail of information provided;
- the result that the information produces; and
- any other information the General Manager considers relevant.

Note: Any determination of a reward is at Council's absolute discretion. The furnishing of any information will not necessarily result in the payment of a reward under this Policy.

Members of the public who have furnished information to third parties such as Crime Stoppers or the Police are eligible under this Policy, but must provide the above details to Council in order for this to occur.

Applications made under this Policy will be reported to Council at an open meeting unless the requirements of the *Local Government Act 1993* provide that the matter can be considered in closed Council.

Definitions

Council property includes but is not limited to property, equipment, motor vehicles, plant, buildings, signage and barricades.

malicious damage includes but is not limited to graffiti, defacing or damaging council property.

LEGISLATION

Crimes Act 1900.

Local Government Act 1993.

CONTACT OFFICER

General Manager.

Secretarial use only	Policy History	Version 1.0 13/06/2014
Rous Policy No: N/A	RRCC Policy No:	FNCW Policy No: N/A
Authorised Council:	Authorised Council:	Authorised Council:

Rous Water			
POLICY 14.11	Fraud Control		
AREA	Corporate Governance		
OVERVIEW	Details guidelines on Council's commitment to an effective strategy to limit potential exposure to internal or external fraud risks		
AUTHORISED COUNCIL	ROUS	RRCC	FNCW
	21/2/2007		
REVIEW DATE	2 years		
FILE	172	843	1294

POLICY

Policy Statement

Fraud and corruption can be a drain on Council resources and could severely damage its reputation. Council is committed to ensuring that it has in place appropriate strategies to limit the potential exposure to fraudulent or corrupt acts against the organisation.

Definition

Fraud means an intentional dishonest act or omission done with the purpose of obtaining a financial or other benefit by deception. The types of acts or omissions include, but are not limited to, theft, misappropriation, larceny, embezzlement, improper destruction or falsification of accounts or records, bribery, corruption or abuse of office, manipulation of information, causing a loss, or avoiding or creating a liability by deception.

Expectations and Responsibilities

- ♦ *Executive and Line Managers* are responsible for promoting ethical behaviour, identifying potential fraud risks, monitoring and reporting on the effectiveness of fraud strategies and internal controls, ensuring that staff receive appropriate training.
- ♦ *Councillors and all employees* are expected and required to perform their duties with skill, care, diligence, honesty, integrity and impartiality and be scrupulous in their use of Rous Water information, money, property, goods and services. It is the duty of employees to report any corrupt or fraudulent activity coming to their attention.

Strategies and Measures

- ♦ *Structural* – includes sound ethical culture, Council and senior management commitment, assessments of risks, management and staff awareness and fraud and corruption control planning.
- ♦ *Operational* – includes internal controls and audit strategy, detection programs, mechanisms for reporting and dealing with suspected fraud and corruption (including whistleblowers), line manager accountability for control of possible risks, allocation of resources, insurance and pre-employment screening.
- ♦ *Maintenance* – includes review of the effectiveness of control strategies, ongoing monitoring of the ethical culture and review and adjustment of the strategies utilised to control fraud and corruption.

Secretarial use only	Policy History		Version 1.0 21/02/2007
Rous Policy No: 14.11	RRCC Policy No:	FNCW Policy No:	
Authorised Council: 21/02/2007	Authorised Council:	Authorised Council:	

PROCEDURES**LEGISLATION****RELATED DOCUMENTS**

- Council policies: Code of Conduct; Code of Staff Conduct, Computer Systems Usage; Disclosures Under the Protected Disclosures Act 1994; Business Ethics Statement, Risk Management and Complaints Handling.
- Local Government Act & Regulation.
- ICAC “Fighting Fraud: guidelines for state and local government”
- Audit Office of NSW – “Fraud Control, Developing an Effective Strategy” and “Fraud Control Improvement Kit”.
- Australian Standard AS 8001-2003 “Fraud and Corruption Control”

CONTACT OFFICER

General Manager

Secretarial use only	Policy History		Version 1.0 21/02/2007
Rous Policy No: 14.11	RRCC Policy No:	FNCW Policy No:	
Authorised Council: 21/02/2007	Authorised Council:	Authorised Council:	

Policy for adoption

Policy



Fraud and Corruption Control

Approved by Council: XX/XX/2019

To establish Council's commitment to minimising exposure to fraud and corruption risks.

Safety

Teamwork

Accountability

Respect

Background

Rous County Council (Council) is entrusted to manage its assets, people and resources in a responsible, ethical and efficient manner.

This Policy is a statement of commitment confirming that Council will implement and maintain appropriate systems, strategies and processes to minimise the opportunity for and occurrence of fraud and/or corruption.

For the purpose of this Policy, corrupt conduct has the meaning given to it by the *Independent Commission Against Corruption Act 1988*:

- (a) any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority, or
- (b) any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of his or her official functions, or
- (c) any conduct of a public official or former public official that constitutes or involves a breach of public trust, or
- (d) any conduct of a public official or former public official that involves the misuse of information or material that he or she has acquired in the course of his or her official functions, whether or not for his or her benefit or for the benefit of any other person.

Corrupt conduct is, among other things, also any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority and which could involve a range of matters including but not limited to fraud. It also includes conduct that impairs, or that could impair, public confidence in public administration, for example, collusive tendering.

Policy statement

Council is committed to upholding the highest standard of ethical and accountable conduct within its operations and will not tolerate fraudulent or corrupt conduct by any Council official, including Councillors, staff, contractors, volunteers and delegates.

To achieve this, Council will ensure the:

- Development and maintenance of a positive ethical culture supported by appropriate policies, procedures and strategies that prevent fraudulent and corrupt behaviour,

- Implementation of fraud and corruption prevention and mitigation processes and strategies in day to day operations including a Fraud and Corruption Control Plan governing how fraud and corruption risks will be managed,
- Regular review of fraud and corruption risk assessments to identify circumstances in which fraud and corruption could occur,
- Use of formal and consistent procedures for the investigation of allegations of corrupt and fraudulent behaviour,
- Maintenance of processes and procedures that encourage all business dealings with all persons with whom business is conducted including tenderers, suppliers, consultants and contractors are conducted in an impartial manner,
- Ongoing education and training of all Council staff, officers and elected members in relation to their obligations in combating dishonest and fraudulent behaviour including awareness of the avenues available for reporting alleged misconduct.

Contact officer

General Manager

Related documents

Policies

Public Interest Disclosures
Risk Management

Procedures

Gifts, Benefits and Bribes Procedure

Legislation

Independent Commission Against Corruption Act 1988
Local Government Act 1993
Public Interest Disclosures Act 1994

Other

Independent Commission against Corruption (ICAC) resources - various
Rous County Council Code of Conduct
Rous County Council Fraud and Corruption Control Plan

<i>Office use only</i>	File no.:	Next review date: [4 years]	
Version	Purpose and description	Date adopted by Council	Resolution no.
2.0	To replace the 'Fraud Control Policy' and establish Council's commitment to minimising exposure to fraud and corruption risks through a new Policy.	XX/XX/2019	

Information reports

(1181)

Business activity priority	Process management, improvement and innovation
Goal 6	Continuous improvement through process management and innovative thinking

Recommendation

That the following information reports be received and noted:

- i). Investments – September 2019
- ii). Water production and usage – August and September 2019
- iii). Fluoride plant dosing performance report – Q3, 2019
- iv). Audit, Risk and Improvement Committee: meeting update
- v). Reports/actions pending
- vi). Disclosure of Interest 2018/19

Background

Copies of the following reports are attached for information:

- i). Investments – September 2019
- ii). Water production and usage – August and September 2019
- iii). Fluoride plant dosing performance report – Q3, 2019
- iv). Audit, Risk and Improvement Committee: meeting update
- v). Reports/actions pending
- vi). Disclosure of Interest 2018/19

Governance

Finance

Not applicable.

Legal

Not applicable.

Consultation

Consultation has been undertaken with the General Manager, Group Managers and staff.

Conclusion

Copies of the reports listed are attached for information.

Phillip Rudd
General Manager

Investments - September 2019

(59/12)

Business activity priority	Results and sustainable performance
Goal 7	Sustainable performance

Recommendation

That Council receive and note the investments for September 2019.

Background

Clause 212 of the *Local Government (General) Regulation 2005* and Council's 'Investment' policy require that a report detailing Council's investments be provided. This report has been for 30 September 2019.

Governance

Finance

The RBA cash rate decreased

At the RBA's October meeting, it was decided to decrease the cash rate from 1.00% to 0.75%. The 90-day average bank bill swap rate (BBSW) has decreased to 0.98%. This decrease will put further pressure on interest yields in the foreseeable future.

Total funds invested for September 2019 was \$34,894,065

This is a decrease of \$480,873 compared to the July 2019 figure. This is primarily due to a semi-annual loan repayment.

Return for September was 2.52%

The weighted average return on funds invested for the month of September was 2.52%. This represents a decrease of 15 basis point compared to the July result (2.67%) and is 154 basis points above Council's benchmark (the average 90-day BBSW rate of 0.98%) (Refer: Graph D2).

Interest earned for September was \$73,383

Interest earned compared to the original budget is \$76,413 in excess of pro-rata budget (Refer: Attachment A).

Summary of indebtedness as at 30 September 2019

Information	Loan #1	Loan #2	Loan #3	Loan #4	Loan #5	Loan #6	Loan #7	Total
Institution	CBA	CBA	CBA	Dexia	NAB	NAB	CBA	
Principal Borrowed	\$ 2,000,000	\$ 3,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 550,000	\$ 45,550,000
Date Obtained	9-Jun-04	31-May-05	31-May-06	21-Feb-07	31-May-07	25-Sep-07	13-May-05	
Term (Years)	20	20	20	20	20	20	15	
Interest Rate	6.82%	6.25%	6.37%	6.40%	6.74%	6.85%	6.39%	
Date Due	10-Jun-24	31-May-25	31-May-26	21-Feb-27	31-May-27	25-Sep-27	13-May-20	
Annual Commitment	\$ 184,785	\$ 264,921	\$ 891,595	\$ 893,507	\$ 917,390	\$ 925,933	\$ 57,571	\$ 4,135,701
Principal Repaid LTD	\$ 1,228,039	\$ 1,691,478	\$ 5,027,881	\$ 4,743,674	\$ 4,386,815	\$ 4,363,926	\$ 495,087	\$ 21,936,899
Interest Incurred LTD	\$ 1,543,738	\$ 2,017,411	\$ 6,562,856	\$ 6,427,051	\$ 6,621,860	\$ 6,747,266	\$ 310,903	\$ 30,231,085
Principal Outstanding	\$ 771,961	\$ 1,308,522	\$ 4,972,119	\$ 5,256,326	\$ 5,613,185	\$ 5,636,075	\$ 54,913	\$ 23,613,102
Interest Outstanding	\$ 151,964	\$ 281,002	\$ 1,269,047	\$ 1,446,109	\$ 1,746,630	\$ 1,783,276	\$ 2,658	\$ 6,680,686

Note: Council holds a legacy loan on behalf of Lismore City Council for the construction of the Lismore levee in 2005. The loan was established in 2005 with a term of 15 years. Council is reimbursed for semi-annual loan repayments by Lismore City Council. The loan currently has two repayments remaining and will be complete by May 2020.

Cheque account balance as at 30 September 2019 was \$128,016

Ethical holdings represent 73.08% of the total portfolio

Current holdings in Ethical Financial Institutions equals \$26,500,000. The assessment of Ethical Financial Institutions is undertaken using www.marketforces.org.au which is an affiliate project of the Friends of the Earth Australia (Refer: Graph D4).

Legal

All investments are in accordance with section 625 of the *Local Government Act 1993*, clause 212 of the *Local Government (General) Regulation 2005* and Council's 'Investment' policy.

Consultation

Nil.

Conclusion

A report on investments is required to be submitted to Council. As at 30 September 2019, investments total \$34,894,065 and the average rate of return is estimated at 2.52%.

Guy Bezrouchko

Group Manager Corporate and Commercial

Attachments:

- A. Investment analysis
- B. Investment by type
- C. Investment by Institution
- D. Total funds invested - comparisons

Investment analysis report 30 September 2019

Attachment A

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	30 Sep 19 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		5.43	1,894,065.37	1.20	1,803.35	5,930.68
Bank of Queensland	BBB+	TD	Yes	6/2/2018	4/2/2020	1.43	500,000.00	2.85	1,171.23	3,591.78
ING Bank Aust Ltd	A	TD	No	8/2/2018	11/2/2020	2.87	1,000,000.00	2.90	2,383.56	7,309.59
Bendigo & Adelaide Bank Ltd (Rural Bank Div)	BBB+	TD	Yes	13/2/2018	18/2/2020	1.43	500,000.00	2.85	1,171.23	3,591.78
Auswide Bank Ltd	BBB+	TD	Yes	27/3/2018	24/3/2020	1.43	500,000.00	2.77	1,138.36	3,490.96
Bank of Queensland	BBB+	TD	Yes	17/7/2018	14/7/2020	1.43	500,000.00	3.00	1,232.88	3,780.82
Bank of Queensland	BBB+	TD	Yes	24/7/2018	21/7/2020	1.43	500,000.00	3.00	1,232.88	3,780.82
AMP Bank	BBB+	TD	No	21/8/2018	25/8/2020	1.43	500,000.00	2.95	1,212.33	3,717.81
AMP Bank	BBB+	TD	No	2/10/2018	1/10/2019	2.87	1,000,000.00	2.75	2,260.27	6,931.51
MyState Bank Limited	BBB+	TD	Yes	9/10/2018	8/10/2019	1.43	500,000.00	2.70	1,109.59	3,402.74
Police Credit Union SA	UNRATED	TD	Yes	9/10/2018	8/10/2019	1.43	500,000.00	2.90	1,191.78	3,654.79
Warwick Credit Union	UNRATED	TD	Yes	16/10/2018	15/10/2019	1.43	500,000.00	2.75	1,130.14	3,465.75
Railways Credit Union Ltd (T/As Move)	UNRATED	TD	Yes	23/10/2018	22/10/2019	1.43	500,000.00	2.90	1,191.78	3,654.79
Auswide Bank Ltd	BBB+	TD	Yes	26/10/2018	29/10/2019	1.43	500,000.00	2.76	1,134.25	3,478.36
Hunter United Employees Credit Union Ltd	UNRATED	TD	Yes	30/10/2018	29/10/2019	1.43	500,000.00	2.80	1,150.68	3,528.77
MyState Bank Limited	BBB+	TD	Yes	2/11/2018	29/10/2019	1.43	500,000.00	2.80	1,150.68	3,528.77
MyState Bank Limited	BBB+	TD	Yes	20/11/2018	12/11/2019	1.43	500,000.00	2.80	1,150.68	3,528.77
National Australia Bank Limited	AA-	TD	No	4/12/2018	26/11/2019	2.87	1,000,000.00	2.73	2,243.84	6,881.10
MyState Bank Limited	BBB+	TD	Yes	7/12/2018	26/11/2019	2.87	1,000,000.00	2.80	2,301.37	7,057.53
BankVic (Police Financial Services Ltd T/as)	BBB+	TD	Yes	11/12/2018	10/12/2019	1.43	500,000.00	2.95	1,212.33	3,717.81
BankVic (Police Financial Services Ltd T/as)	BBB+	TD	Yes	4/1/2019	17/12/2019	1.43	500,000.00	2.80	1,150.68	3,528.77
Australian Military Bank	UNRATED	TD	Yes	4/1/2019	7/1/2020	1.43	500,000.00	2.76	1,134.25	3,478.36
National Australia Bank Limited	AA-	TD	No	8/1/2019	3/12/2019	1.43	500,000.00	2.70	1,109.59	3,402.74
Queensland Country CU (formerly ECU Aust)	UNRATED	TD	Yes	15/1/2019	14/1/2020	1.43	500,000.00	2.80	1,150.68	3,528.77
The Capricornian Ltd	UNRATED	TD	Yes	22/1/2019	21/1/2020	1.43	500,000.00	2.85	1,171.23	3,591.78
Goldfields Money Ltd	UNRATED	TD	Yes	5/2/2019	28/1/2020	1.43	500,000.00	2.85	1,171.23	3,591.78
Summerland Credit Union	UNRATED	TD	Yes	5/2/2019	4/2/2020	1.43	500,000.00	2.80	1,150.68	3,528.77
QBank	BBB-	TD	Yes	12/2/2019	11/2/2020	1.43	500,000.00	2.85	1,171.23	3,591.78
BankVic (Police Financial Services Ltd T/as)	BBB+	TD	Yes	4/3/2019	25/2/2020	1.43	500,000.00	2.70	1,109.59	3,402.74
Gateway Bank Ltd	UNRATED	TD	Yes	5/3/2019	3/3/2020	1.43	500,000.00	2.70	1,109.59	3,402.74
MyState Bank Limited	BBB+	TD	Yes	1/4/2019	17/3/2020	1.43	500,000.00	2.70	1,109.59	3,402.74
Maitland Mutual Building Society	UNRATED	TD	Yes	2/4/2019	31/3/2020	1.43	500,000.00	2.75	1,130.14	3,465.75
Railways Credit Union Ltd (T/As Move)	UNRATED	TD	Yes	9/4/2019	10/3/2020	1.43	500,000.00	2.60	1,068.49	3,276.71
Auswide Bank Ltd	BBB+	TD	Yes	9/4/2019	7/4/2020	1.43	500,000.00	2.60	1,068.49	3,276.71
Defence Bank	BBB	TD	Yes	23/4/2019	21/4/2020	1.43	500,000.00	2.60	1,068.49	3,276.71
AMP Bank	BBB+	TD	No	23/4/2019	15/10/2019	1.43	500,000.00	2.70	1,109.59	3,402.74

Investment analysis report 30 September 2019

Attachment A

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	30 Sep 19 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
Southern Cross Credit Union	UNRATED	TD	Yes	30/4/2019	19/11/2019	1.43	500,000.00	2.80	1,150.68	3,528.77
Bank of Sydney Ltd	UNRATED	TD	Yes	3/5/2019	5/5/2020	1.43	500,000.00	2.55	1,047.95	3,213.70
Firstmac Ltd	UNRATED	TD	Yes	3/5/2019	5/11/2019	1.43	500,000.00	2.75	1,130.14	3,465.75
Auswide Bank Ltd	BBB+	TD	Yes	7/5/2019	28/4/2020	1.43	500,000.00	2.40	986.30	3,024.66
Queensland Country CU (formerly ECU Aust)	UNRATED	TD	Yes	21/5/2019	19/5/2020	1.43	500,000.00	2.40	986.30	3,024.66
AMP Bank	BBB+	TD	No	4/6/2019	10/12/2019	1.43	500,000.00	2.45	1,006.85	3,087.67
Bendigo & Adelaide Bank Ltd (Rural Bank Div)	BBB+	TD	Yes	18/6/2019	17/12/2019	1.43	500,000.00	2.10	863.01	2,646.58
Bank of Sydney Ltd	UNRATED	TD	Yes	16/7/2019	22/10/2019	1.43	500,000.00	2.25	924.66	2,373.29
ME Bank	BBB	TD	Yes	27/8/2019	16/6/2020	2.87	1,000,000.00	1.60	1,315.07	1,534.25
MyState Bank Limited	BBB+	TD	Yes	10/9/2019	2/6/2020	1.43	500,000.00	1.60	460.27	460.27
Macquarie Bank Ltd	A	TD	No	13/9/2019	14/4/2020	2.87	1,000,000.00	1.75	863.01	863.01
Macquarie Bank Ltd	A	TD	No	18/9/2019	21/4/2020	1.43	500,000.00	1.75	311.64	311.64
Judo Bank	UNRATED	TD	Yes	17/9/2019	15/9/2020	1.43	500,000.00	2.10	402.74	402.74
Judo Bank	UNRATED	TD	Yes	24/9/2019	8/9/2020	1.43	500,000.00	2.20	210.96	210.96
AMP Bank	BBB+	TD	Yes	24/9/2019	22/9/2020	2.87	1,000,000.00	1.70	326.03	326.03
Bendigo & Adelaide Bank Ltd (Rural Bank Div)	BBB+	TD	Yes	6/11/2018	3/11/2020	2.87	1,000,000.00	2.85	2,342.47	7,183.56
Newcastle Permanent Bldg Soc	BBB	TD	Yes	29/1/2019	19/1/2021	1.43	500,000.00	2.95	1,212.33	3,717.81
Newcastle Permanent Bldg Soc	BBB	TD	Yes	19/2/2019	16/2/2021	1.43	500,000.00	2.95	1,212.33	3,717.81
Newcastle Permanent Bldg Soc	BBB	TD	Yes	8/3/2019	2/3/2021	2.87	1,000,000.00	2.85	2,342.47	7,183.56
Auswide Bank Ltd	BBB+	TD	Yes	3/5/2019	4/5/2021	2.87	1,000,000.00	2.55	2,095.89	6,427.40
Firstmac Ltd	UNRATED	TD	Yes	3/5/2019	11/5/2021	1.43	500,000.00	2.75	1,130.14	3,465.75
MATURED TDs									4,504.79	29,993.15
						100.00	34,894,065.37	2.52%	73,382.80	233,337.53

Total Investment Holdings

100.00	34,894,065.37	73,382.80	233,337.53
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Total YTD Interest **233,337.53**

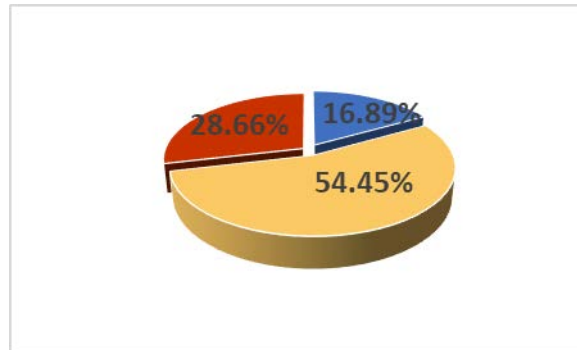
Deposits with Australian Deposit-taking institutions (ADI) are Government.

Budget Interest @ 30 Sept 19 **156,925.00**

Guaranteed for balances totalling up to \$250,000 per customer, per institution.

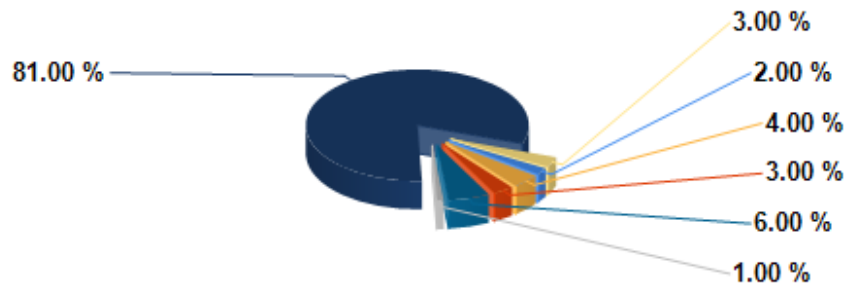
Budget variance **76,412.53**

Investment by Type



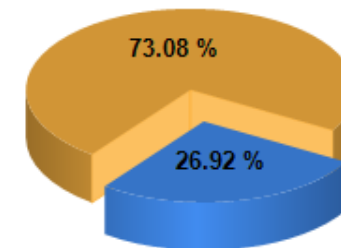
■ All A category term deposits
 ■ BBB+, BBB, BBB- category term deposits
 ■ Unrated Term Deposits

Investment by Fund

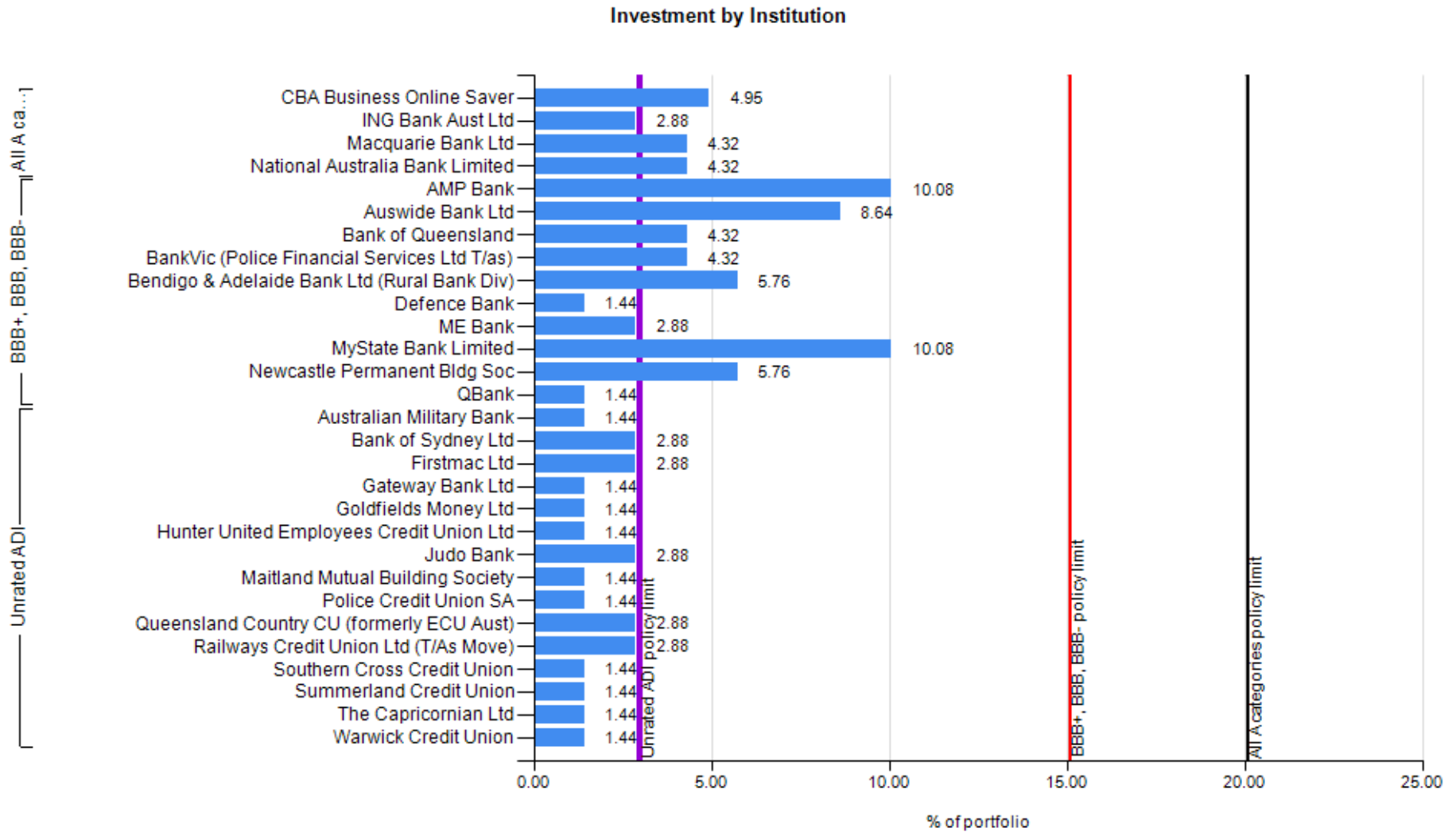


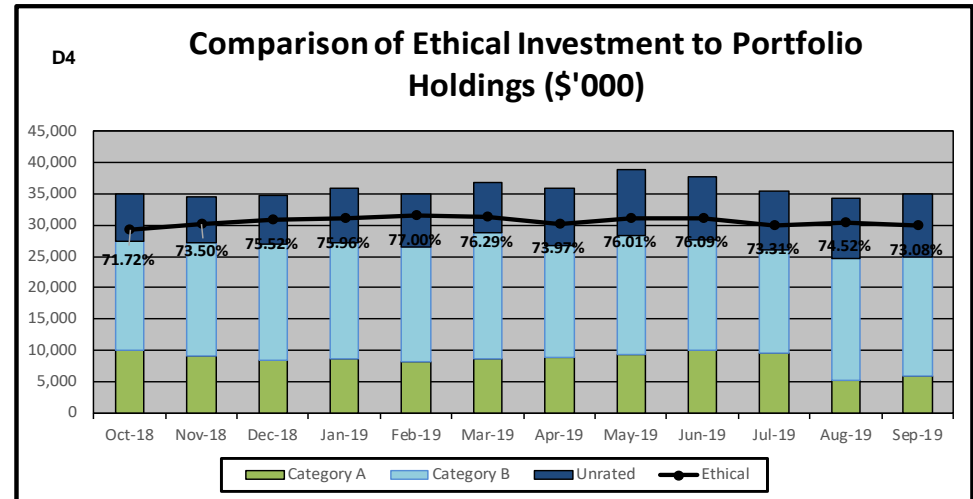
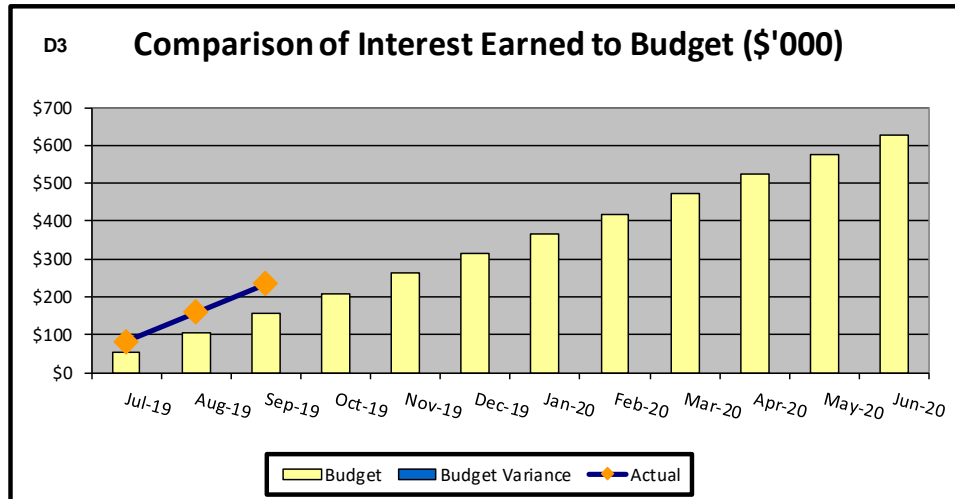
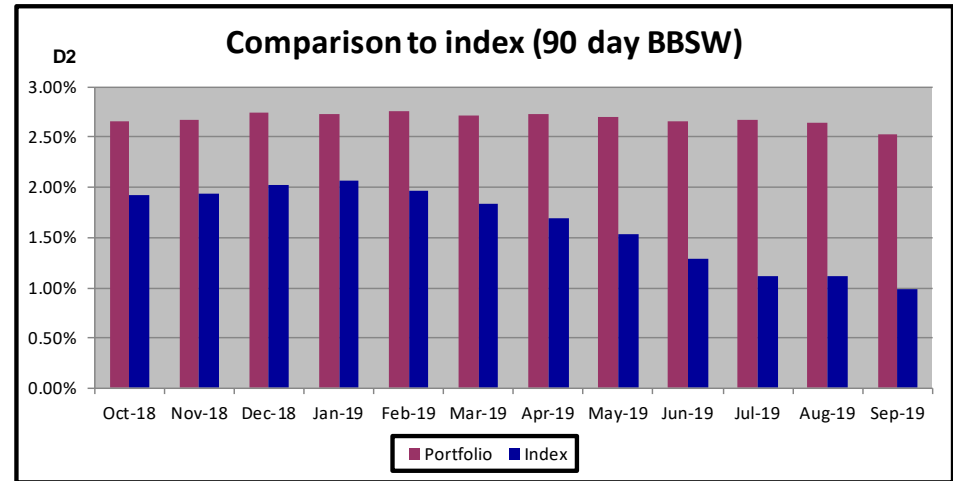
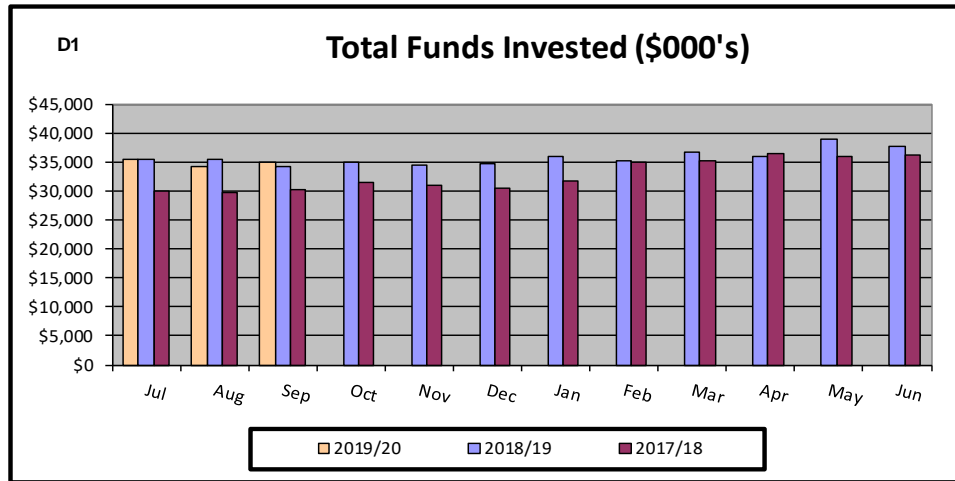
■ Fleet
 ■ Property
 ■ Retail
 ■ RWL
 ■ Water
 ■ Weeds
■ Flood

Ethical Investments as a % of Portfolio



■ Investment in fossil fuels
 ■ No investment in fossil fuels





Water production and usage - August 2019 and September 2019

(5/12)

Business activity priority

Strategy and planning

Goal 2

Align strategic direction to core functions and sustainability

Background

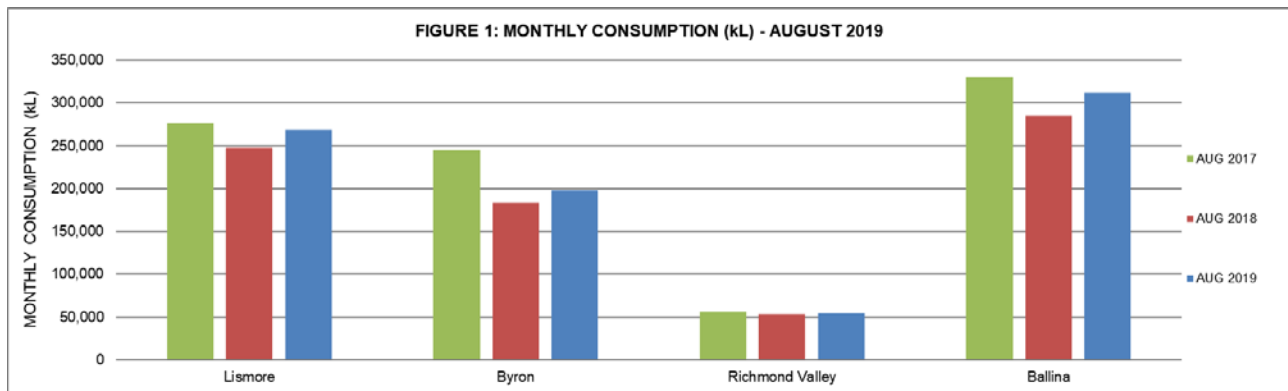
- Summary for August 2019**

The table below is the August 2019 bulk water sales to the constituent councils in kilolitres compared to July 2019 and the corresponding August for 2017 and 2018.

Council	Council area	August 2017	August 2018	July 2019	August 2019	Change on previous year %	% of Total
Lismore City Council	Dunoon/The Channon	15,484	14,620	11,030	11,871		
	Clunes	5,401	3,969	3,659	4,313		
	Pineapple Road	507	388	414	496		
	Holland Street	40,937	34,489	34,786	39,559		
	Ross Street	81,093	68,019	71,004	78,505		
	Tullera	1,515	1,776	1,104	1,302		
	No. 4 Reservoir	30,955	44,642	46,358	46,154		
	No. 9 Reservoir	95,294	74,218	72,375	80,113		
	Tanelawn	5,097	4,574	4,725	5,615		
	North Woodburn	797	725	805	744		
	TOTAL		277,080	247,420	246,260	268,672	↑ 8.59%
Byron Shire Council	Bangalow	18,584	12,662	13,034	15,825		
	Byron Bay	50,004	38,668	46,553	44,171		
	Coopers Shoot	104,837	69,896	75,308	71,272		
	Wategos Beach	4,200	3,079	3,836	4,165		
	Brunswick Heads	18,670	15,216	15,176	17,119		
	Ocean Shores	49,170	44,008	42,754	45,052		
	TOTAL		245,465	183,529	196,661	197,604	↑ 7.67%
Richmond Valley Council	Coraki	9,728	8,852	9,220	9,683		
	Woodburn	4,500	4,419	4,032	4,910		
	Broadwater	13,442	17,891	11,604	11,653		
	Evans Head	27,918	22,237	26,174	27,866		
	TOTAL		55,588	53,399	51,030	54,112	↑ 1.34%
Ballina Shire Council	Ballina 375mm main	93,615	76,994	102,952	92,854		
	Lennox Head 200mm main	4,894	1,778	2,495	2,281		
	Basalt Crt 450mm main	152,714	134,972	114,037	137,201		
	Ballina Heights	10,300	11,668	6,031	12,735		
	Sub-Total	261,523	225,412	225,515	245,071		
	Wollongbar 375mm main	68,636	59,011	59,641	66,520		
	Lumley Park Bore	0	0	0	0		
	Converys Lane Bore	0	0	0	0		
	Sub-Total	68,636	59,011	59,641	66,520		
	TOTAL		330,159	284,423	285,156	311,591	↑ 9.55%
TOTAL MONTHLY CONSUMPTION BY CONSTITUENT COUNCILS		908,292	768,771	779,107	831,979	↑ 8.22%	100.00

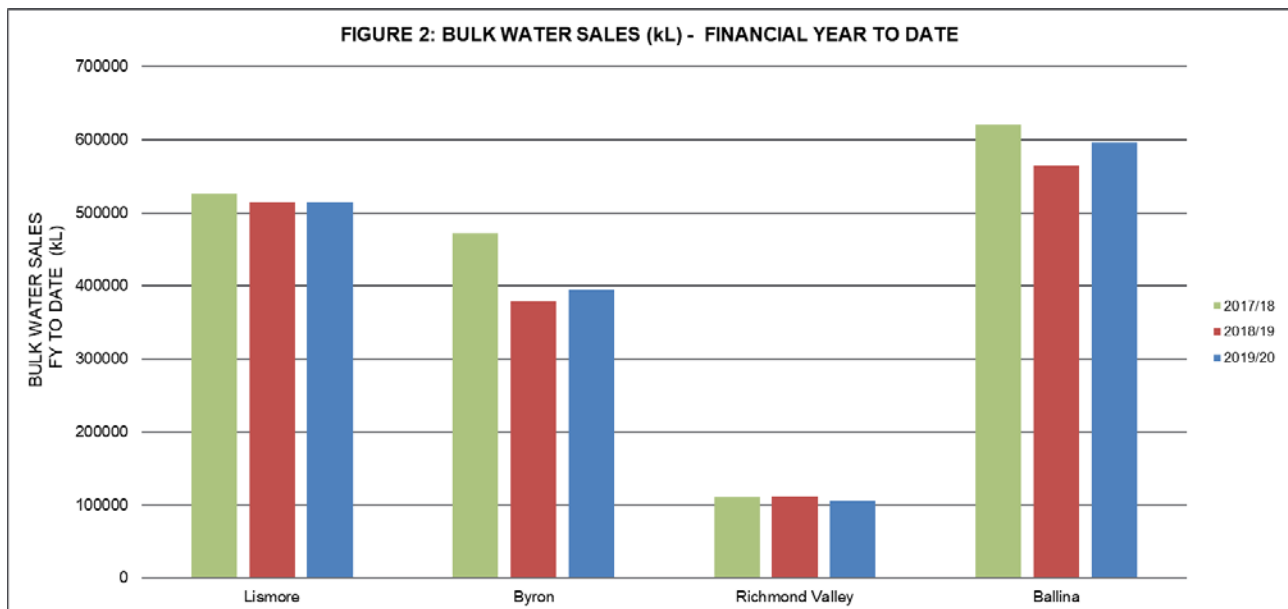
Monthly consumption by constituents

Figure 1 is the monthly consumption for each council area compared to the previous two years.



Sales to constituents – financial year to date

Figure 2 is the bulk water sales in kilolitres to the constituent councils for the financial year to date compared to previous financial years.



Source contribution

The table below is the source contributions in kilolitres for the month compared to the corresponding month of the previous two years.

Daily source usage for August 2019 averaged 29.068ML. This is an increase from the July 2019 daily average of 26.909ML. During August 2019, there were several pipeline breaks on the St Helena 300mm pipeline.

Source	August 2017	August 2018	July 2019	August 2019	Change on previous year %	% of Total
Rocky Creek Dam	988,285	674,527	716,195	627,955		69.69
Wilson River	12,953	320,633	6,948	190,932		21.19
Emigrant Creek Dam	10,587	0	111,046	82,231		9.13
Alstonville Plateau Bores	0	0	0	0		
Coastal Sands Bores	0	0	0	0		
MONTHLY TOTAL	1,011,825	995,160	834,189	901,118	↓ 9.45	100.00
CALENDAR YEAR TO DATE TOTAL	7,468,837	7,497,020	6,803,687	7,704,805	↑ 2.77	

New connections

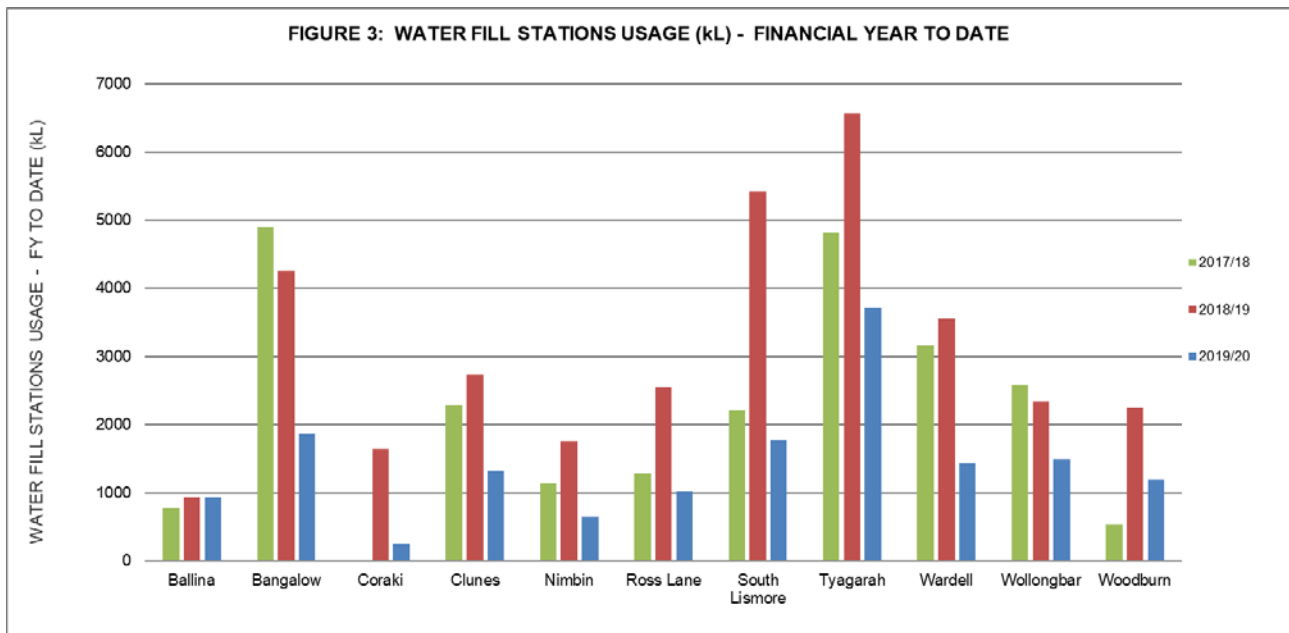
The table below is a summary of the new water connections for each council for the month. The kL/connection/day provides a comparison of the monthly consumption per connection per day.

Supply authority	New connections for month	Calendar year to date total	Total connections	kL/Connection/Day
Lismore City Council	1	40	14,008	0.62
Byron Shire Council	9	59	10,028	0.64
Richmond Valley Council	5	16	2,702	0.65
Ballina Shire Council	26	216	15,300	0.66
Rous County Council	2	8	2,113	0.92
TOTAL	43	339	44,151	

Water fill stations

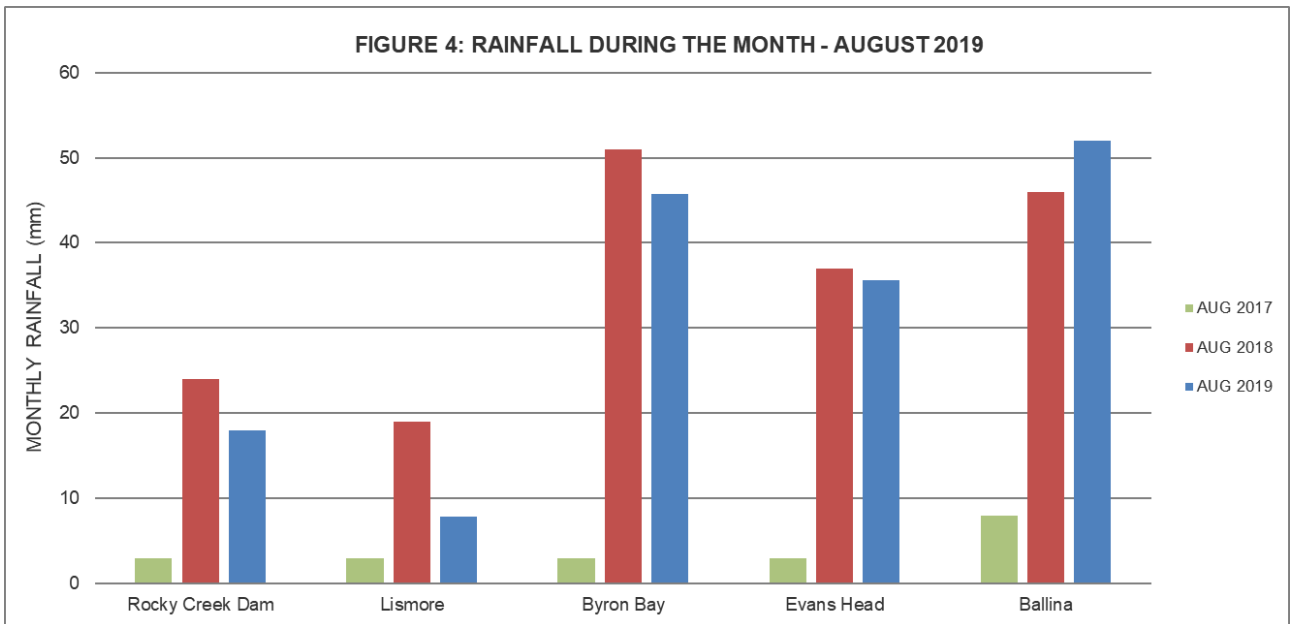
Figure 3 is the usage from the water fill stations for the financial year to date in kilolitres for each water fill station compared to previous financial years.

Total water usage for the water fill station network for August 2019 was 10,082kL, an increase from 5,583kL in July 2019.



Rainfall by area

Figure 4 is the monthly rainfall for Rocky Creek Dam and council areas compared to the previous two years.



Note: The Rocky Creek Dam rainfall reading is from the rain gauge at Nightcap Water Treatment Plant. Other rainfall data is from the Bureau of Meteorology.

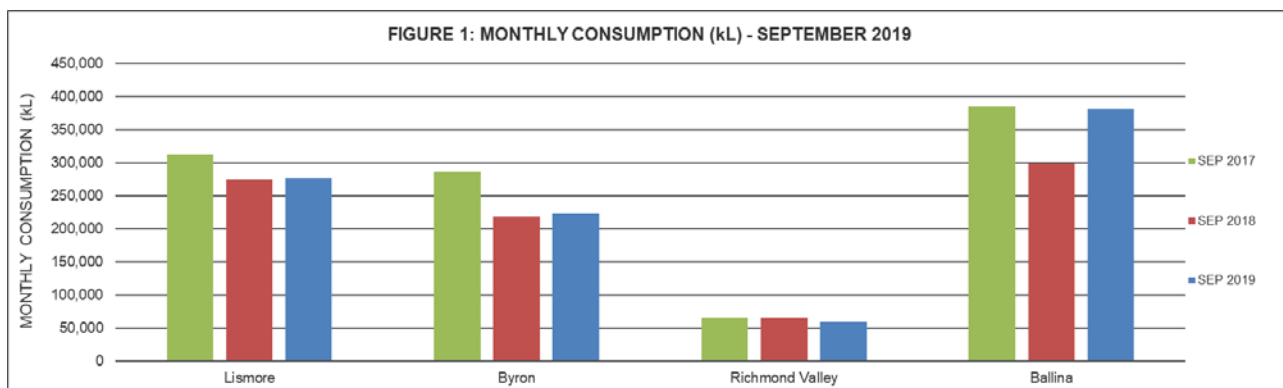
• Summary for September 2019

The table below is the September 2019 bulk water sales to the constituent councils in kilolitres compared to August 2019 and the corresponding September for 2017 and 2018.

Council	Council area	Sept 2017	Sept 2018	Aug 2019	Sept 2019	Change on previous year %	% of Total	
Lismore City Council	Dunoon/The Channon	19,390	12,005	11,871	13,213			
	Clunes	6,258	3,469	4,313	4,743			
	Pineapple Road	549	586	496	550			
	Holland Street	47,688	40,286	39,559	46,103			
	Ross Street	89,215	78,271	78,505	76,215			
	Tullera	1,928	1,534	1,302	1,556			
	No. 4 Reservoir	48,502	43,673	46,154	45,548			
	No. 9 Reservoir	92,053	89,564	80,113	81,833			
	Tanelawn	6,140	5,088	5,615	6,043			
	North Woodburn	868	738	744	778			
	TOTAL	312,591	275,214	268,672	276,582	↑ 0.50%	29.40	
Byron Shire Council	Bangalow	23,200	14,899	15,825	17,266			
	Byron Bay	61,197	50,933	44,171	50,400			
	Coopers Shoot	117,853	84,023	71,272	80,836			
	Wategos Beach	5,324	3,572	4,165	4,577			
	Brunswick Heads	21,413	17,149	17,119	19,087			
	Ocean Shores	57,150	48,027	45,052	51,045			
		TOTAL	286,137	218,603	197,604	223,211	↑ 2.11%	23.72
Richmond Valley Council	Coraki	11,166	10,785	9,683	10,115			
	Woodburn	5,215	5,549	4,910	5,735			
	Broadwater	16,911	20,022	11,653	14,271			
	Evans Head	32,035	28,420	27,866	29,007			
		TOTAL	65,327	64,776	54,112	59,128	↓ 8.72%	6.28
Ballina Shire Council	Ballina 375mm main	90,220	109,853	92,854	93,664			
	Lennox Head 200mm main	2,339	3,091	2,281	2,333			
	Basalt Crt 450mm main	198,114	117,950	137,201	167,639			
	Ballina Heights	11,932	6,482	12,735	43,489			
		Sub-Total	302,605	237,376	245,071	307,125		
	Wollongbar 375mm main	82,466	62,224	66,520	74,819			
	Lumley Park Bore	0	0	0	0			
	Converys Lane Bore	0	0	0	0			
		Sub-Total	82,466	62,224	66,520	74,819		
	TOTAL	385,071	299,600	311,591	381,944	↑ 27.48%	40.59	
TOTAL MONTHLY CONSUMPTION BY CONSTITUENT COUNCILS		1,049,126	858,193	831,979	940,865	↓ 9.63	100.00	

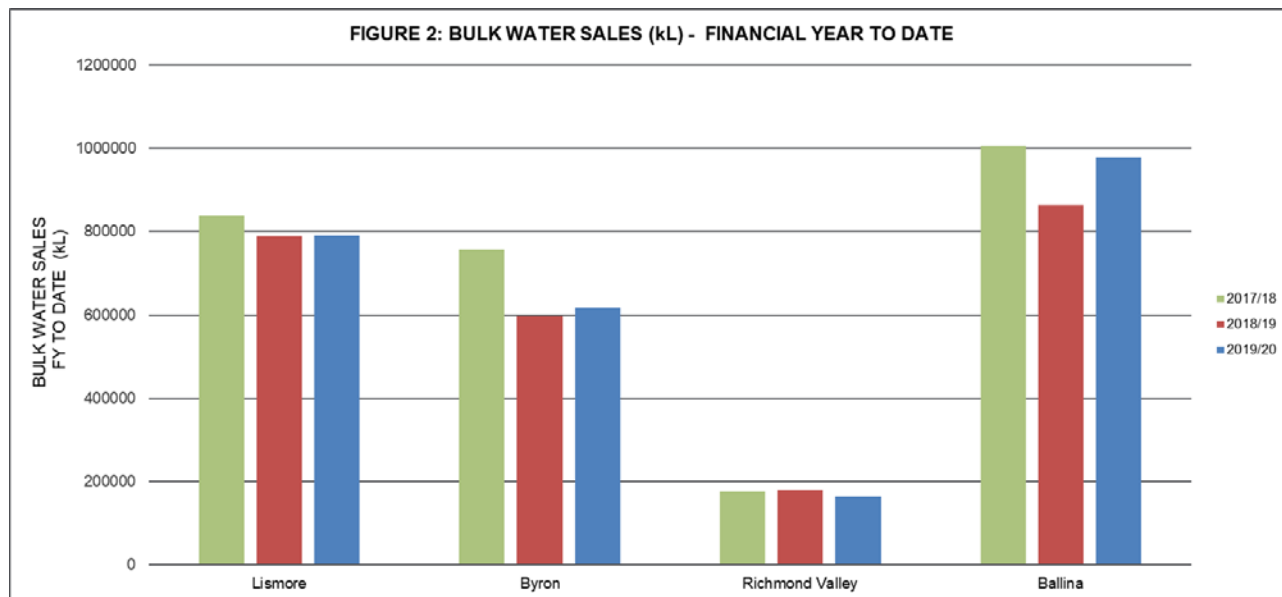
Monthly consumption by constituents

Figure 1 is the monthly consumption for each council area compared to the previous two years.



Sales to constituents – financial year to date

Figure 2 is the bulk water sales in kilolitres to the constituent councils for the financial year to date compared to previous financial years.



Source contribution

The table below are the source contributions in kilolitres for the month compared to the corresponding month of the previous two years.

Daily source usage for September 2019 averaged 37.707ML. This is an increase from the August 2019 daily average of 29.068ML. Rocky Creek Dam as at 30 September 2019 was at 89.18% of full capacity.

Source	Sept 2017	Sept 2018	Aug 2019	Sept 2019	Change on previous year %	% of Total
Rocky Creek Dam	1,074,472	605,938	627,955	469,558		45.10
Wilson River	0	266,784	190,932	438,009		42.07
Emigrant Creek Dam	112,315	0	82,231	133,647		12.84
Alstonville Plateau Bores	0	0	0	0		
Coastal Sands Bores	0	0	0	0		
MONTHLY TOTAL	1,186,787	872,722	901,118	1,041,214	↑ 19.31	100.00
CALENDAR YEAR TO DATE TOTAL	8,655,624	7,497,020	7,704,805	8,746,019	↑ 16.66	

New connections

The table below is a summary of the new water connections for each council for the month. The kL/connection/day provides a comparison of the monthly consumption per connection per day.

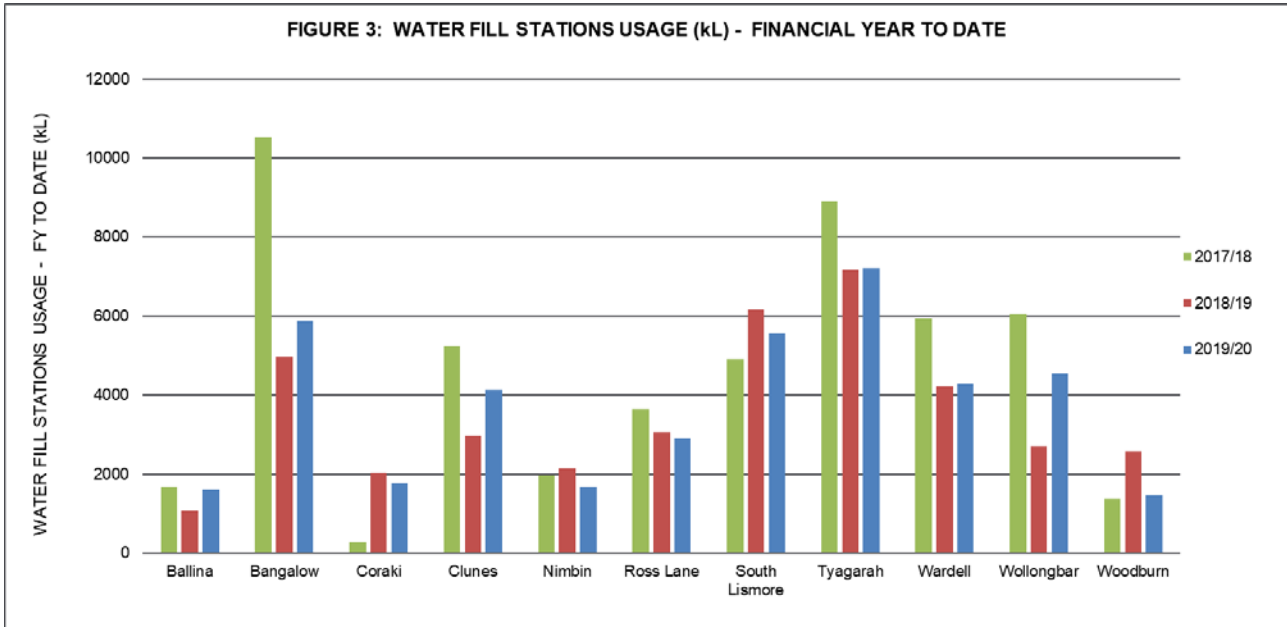
The total connections for Rous County Council decreased during this period due to disconnections. Data from Richmond Valley Council was not available at the time of reporting.

Supply authority	New connections for month	Calendar year to date total	Total connections	kL/Connection/Day
Lismore City Council	1	41	14,009	0.66
Byron Shire Council	40	99	10,068	0.74
Richmond Valley Council	N/A	16	2,702	0.73
Ballina Shire Council	24	240	15,324	0.83
Rous County Council	1	9	2,114	0.95
TOTAL	66	405	44,217	

Water fill stations

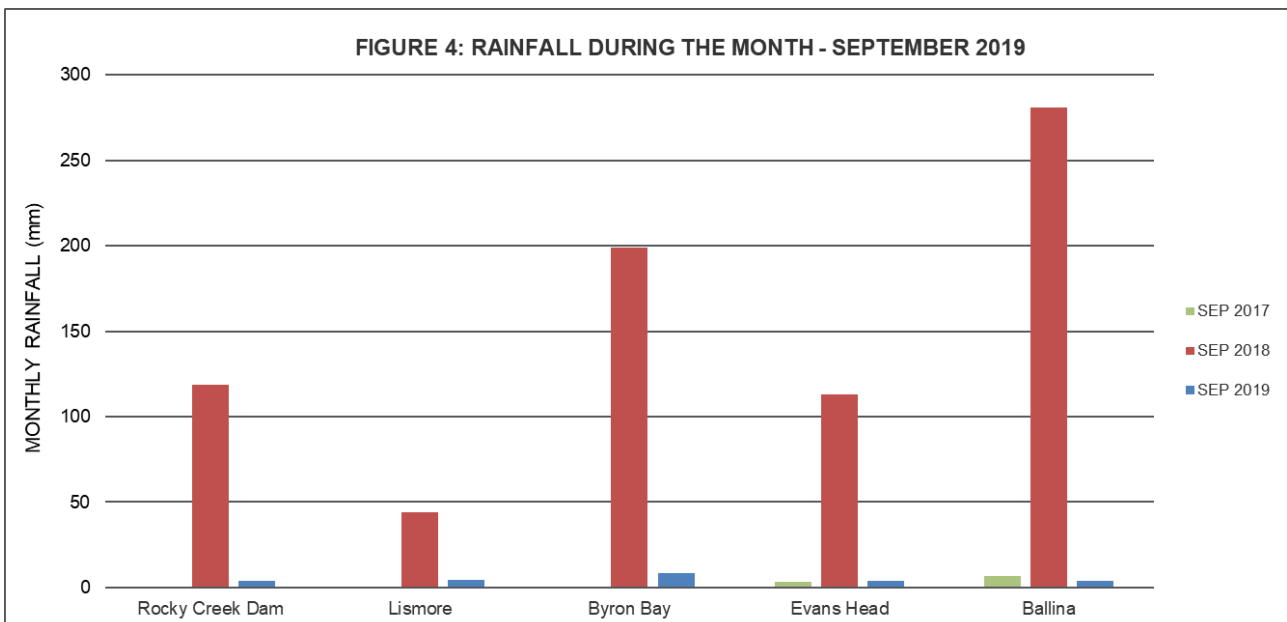
Figure 3 is the usage from the water fill stations for the financial year to date in kilolitres for each water fill station compared to previous financial years.

Total water usage for the water fill station network for September 2019 was 25,392kL which is an increase from 10,082kL in August 2019.



Rainfall by area

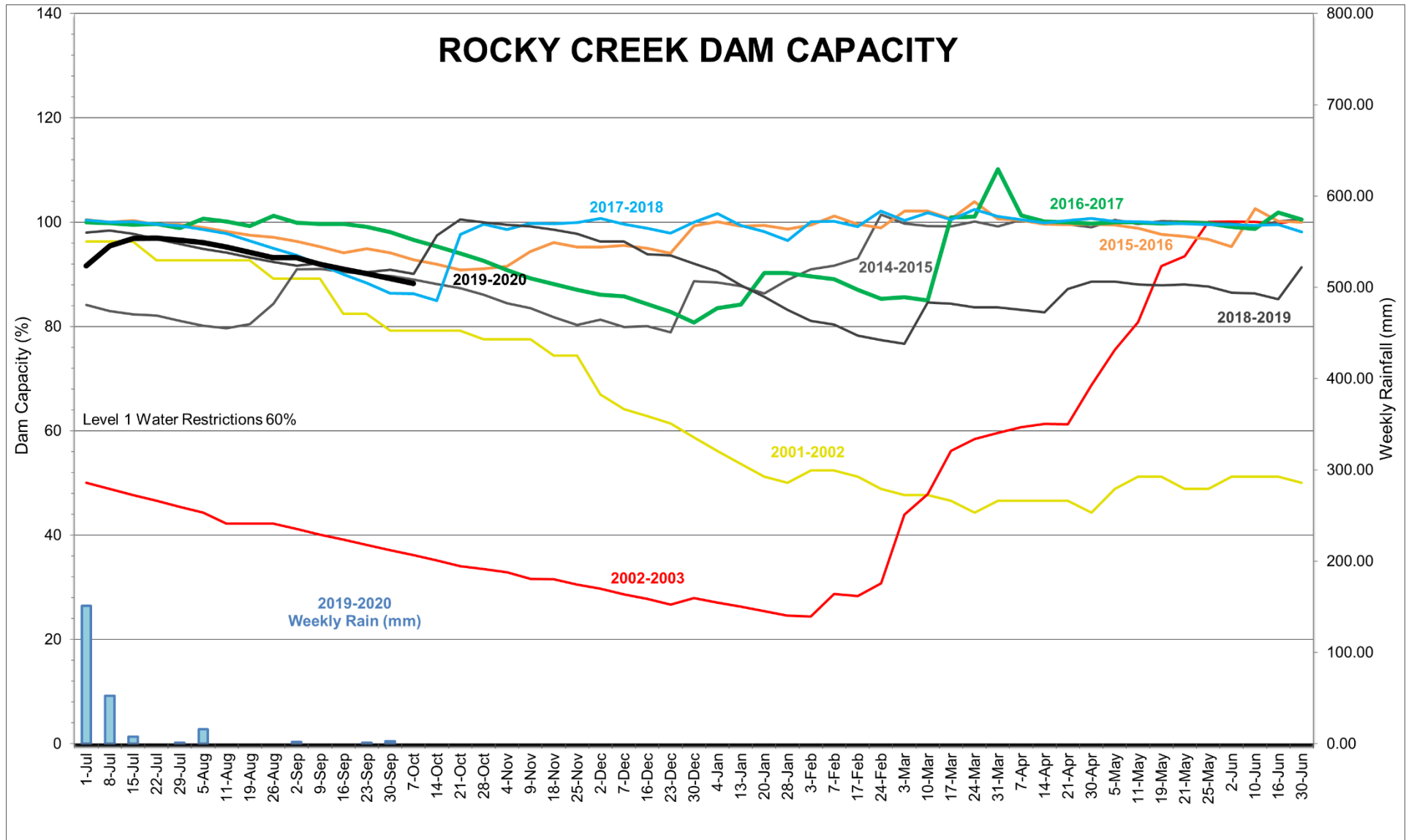
Figure 4 is the monthly rainfall for Rocky Creek Dam and council areas compared to the previous two years.



Note: The Rocky Creek Dam rainfall reading is from the rain gauge at Nightcap Water Treatment Plant. Other rainfall data is from the Bureau of Meteorology.

Andrew Logan
Planning Manager

Attachment: Rocky Creek Dam Capacity.



Fluoride plant dosing performance report - Q3 2019

(150/19)

Business activity priority	Create value through applying knowledge
Goal 3	Information and Knowledge

Recommendation

That Council receive and note the *Fluoride plant dosing performance report for Quarter 3 2019*, which shows the four plants are dosing in accordance with relevant guideline values.

Background

In February 2019, it was resolved (6/19) that Council would receive a fluoride performance report incorporating chemical suppliers testing data and dosing plant performance on a quarterly basis. This is the second report under this resolution and is for the 1 July to 30 September 2019 quarter (Q3).

Fluoride plants' performance

Plant performance is measured against three criteria:

1. NSW Health Code of Practice for Fluoridation of Public Water Supplies ('Code') - target over a calendar year that > 95% of samples (treated and distribution) are between 0.9 and 1.5 mg/L;
2. The Code - consistently achieve an overall dosing of between 0.95 to 1.05 mg/L; and
3. Australian Drinking Water Guidelines (ADWG) Health guideline value upper limit of 1.5 mg/L.

Attachments 1 to 4 are charts presenting the results for each of the four fluoride plants, in comparison to the criteria above.

The results of the analysis of samples collected during the quarter show that:

1. None of the plants have dosed above the ADWG guideline value of 1.5mg/L.
2. Clunes, Corndale, Dorroughby and Knockrow have all operated within the Code's target range of 0.9 to 1.5 mg/L, as demonstrated by the 95th percentile for all sample results.

Fluoride deliveries

During Q3, there was one delivery of Sodium Fluorosilicate which was distributed to the Knockrow and Corndale plants. Fluoride deliveries were supplied and tested in accordance with Council's specifications. A conforming certificate of analysis for the product supplied is included as Attachment 5.

Supplier	Chemical	Date received	Batch no.	Purchase order no.	Delivered to	Total quantity received (kg)	Certificate of analysis received and meets spec?
Axio Operations	Sodium Fluorosilicate	20/09/2019	1917099	PO10477	Corndale	3000	Yes
Axio Operations	Sodium Fluorosilicate	20/09/2019	1917099	PO10477	Knockrow	3000	Yes

Governance**Finance**

Not applicable.

Legal

Not applicable.

Consultation

Not applicable.

Conclusion

For the period 1 July to 30 September 2019, the four fluoride plants operated by Council have met the dosing targets prescribed in the Australian Drinking Water Guidelines and the target range within the NSW Health Code of Practice for Fluoridation of Public Water Supplies.

Tom Lloyd

Group Manager Operations

Attachment 1:

Chart 1 – Clunes Fluoride Plant Dosing Performance – Monthly 95th Percentiles - All Results

Chart 2 – Clunes Fluoride Plant Dosing Performance – Monthly 95th Percentiles - Daily Results

Attachment 2:

Chart 3 – Corndale Fluoride Plant Dosing Performance – Monthly 95th Percentiles - All Results

Chart 4 – Corndale Fluoride Plant Dosing Performance – Monthly 95th Percentiles - Daily Results

Attachment 3:

Chart 5 – Dorrroughby Fluoride Plant Dosing Performance – Monthly 95th Percentiles - All Results

Chart 6 – Dorrroughby Fluoride Plant Dosing Performance – Monthly 95th Percentiles - Daily Results

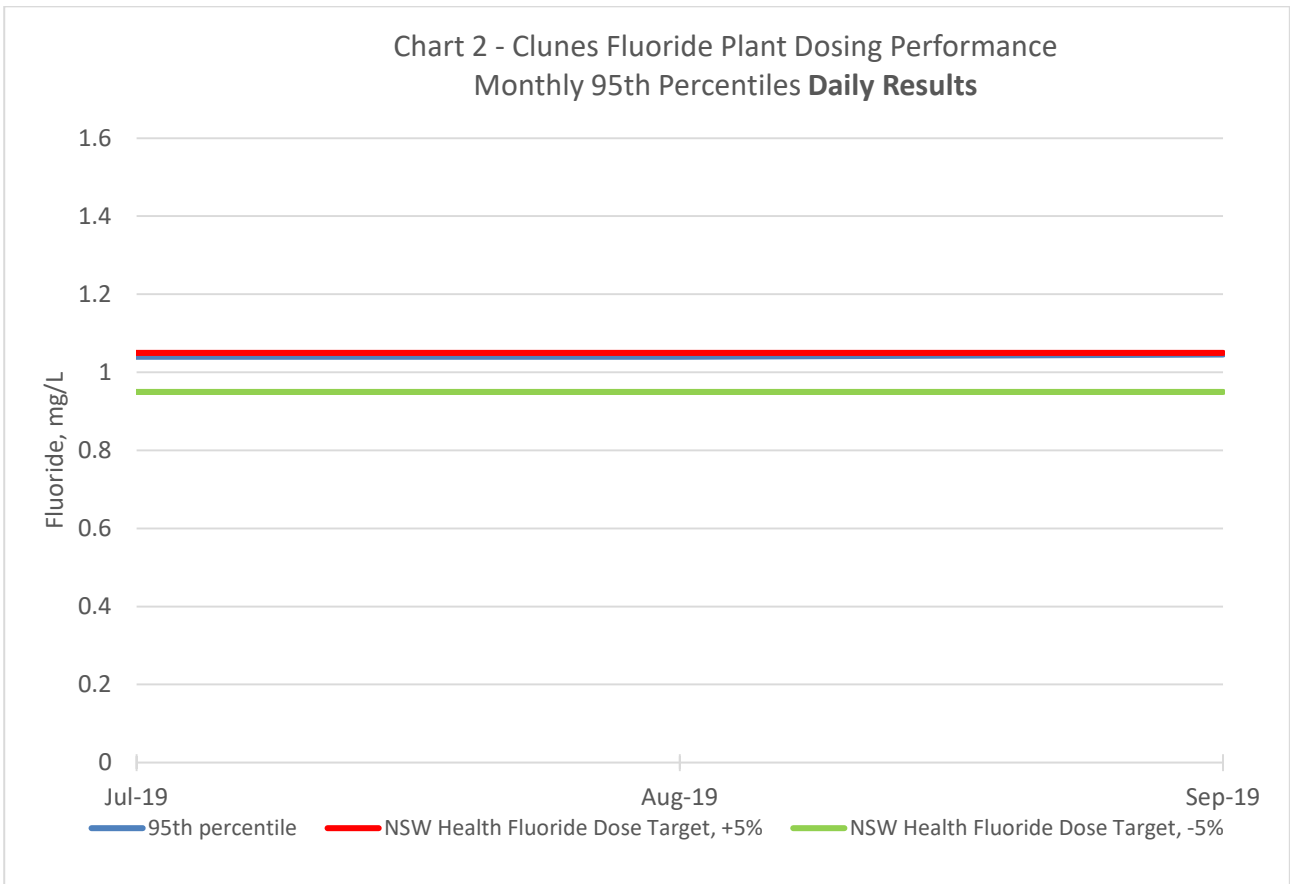
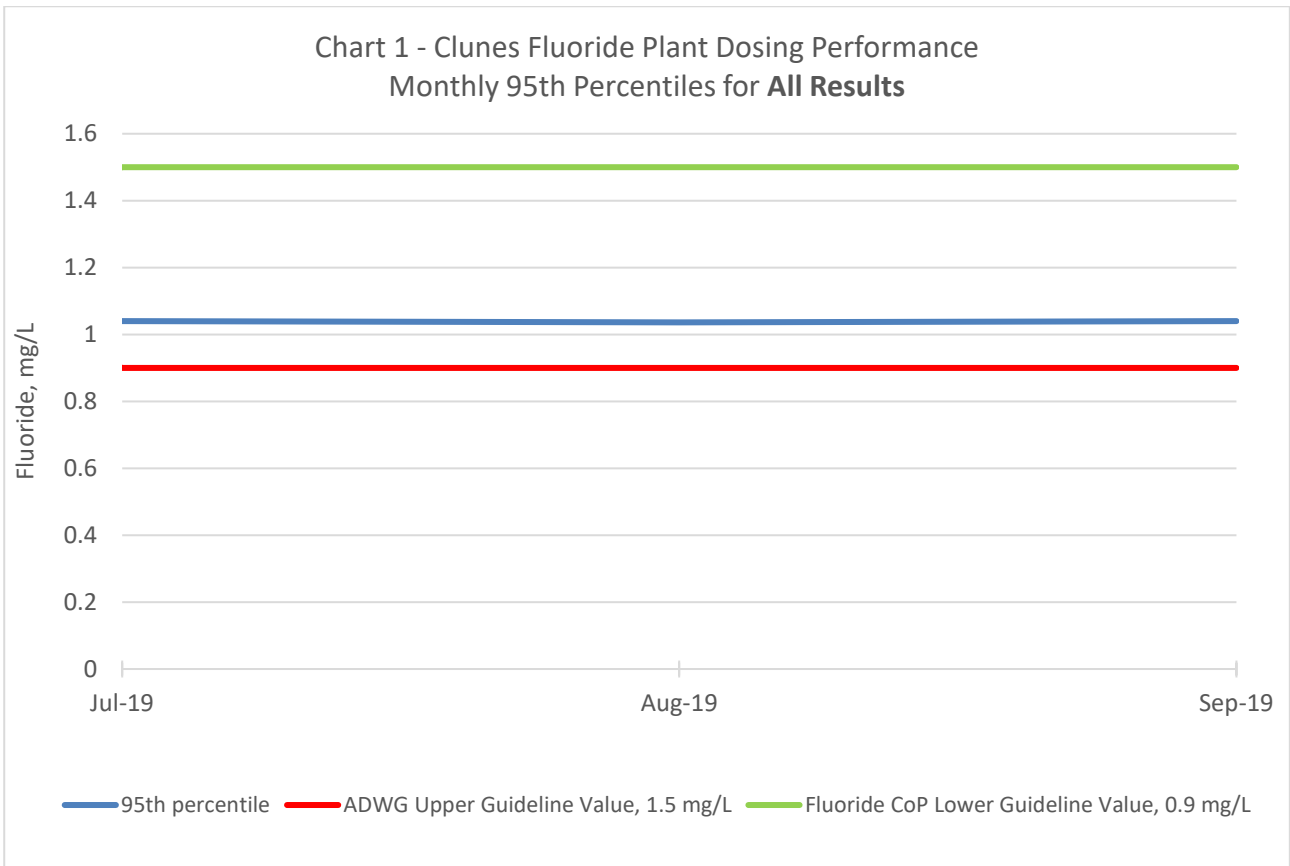
Attachment 4:

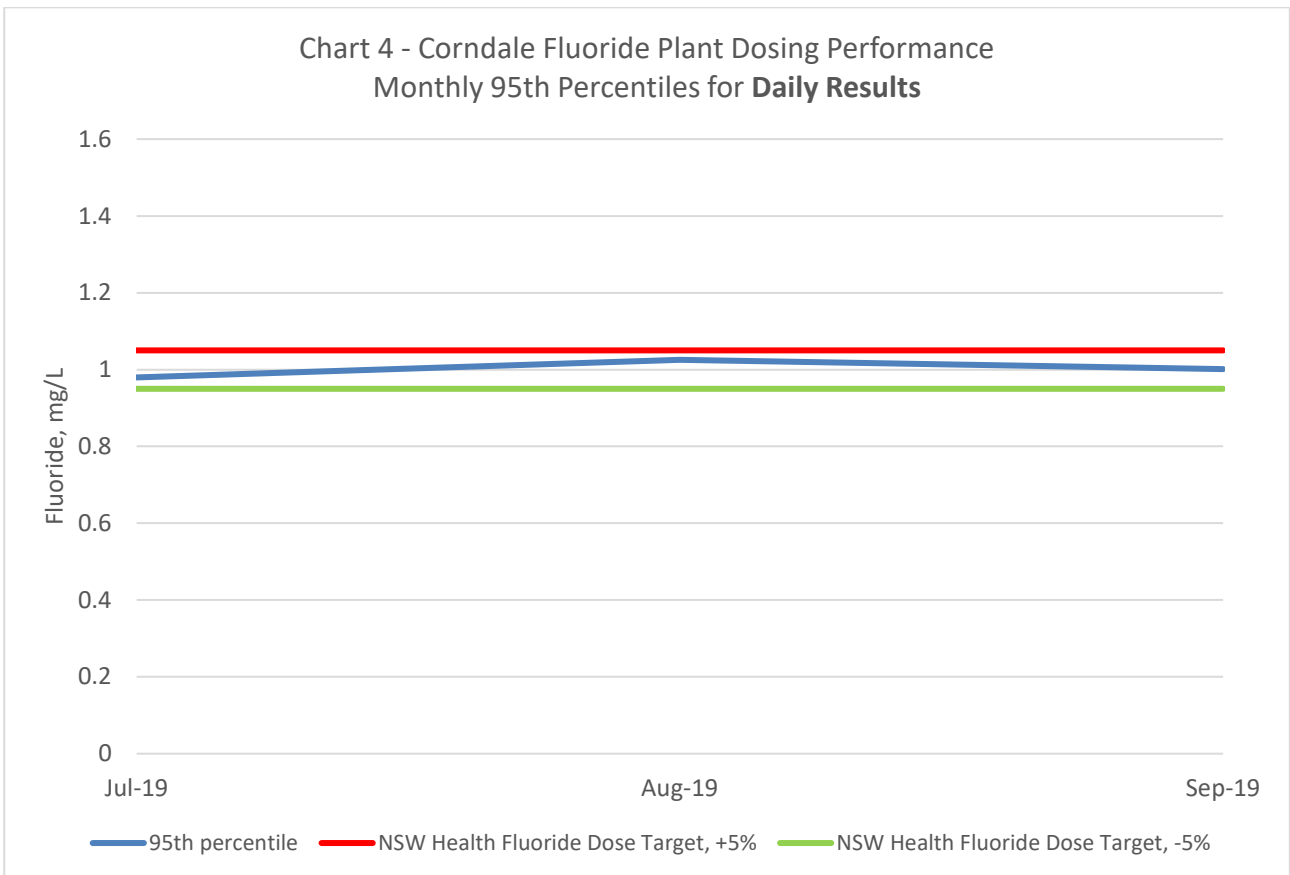
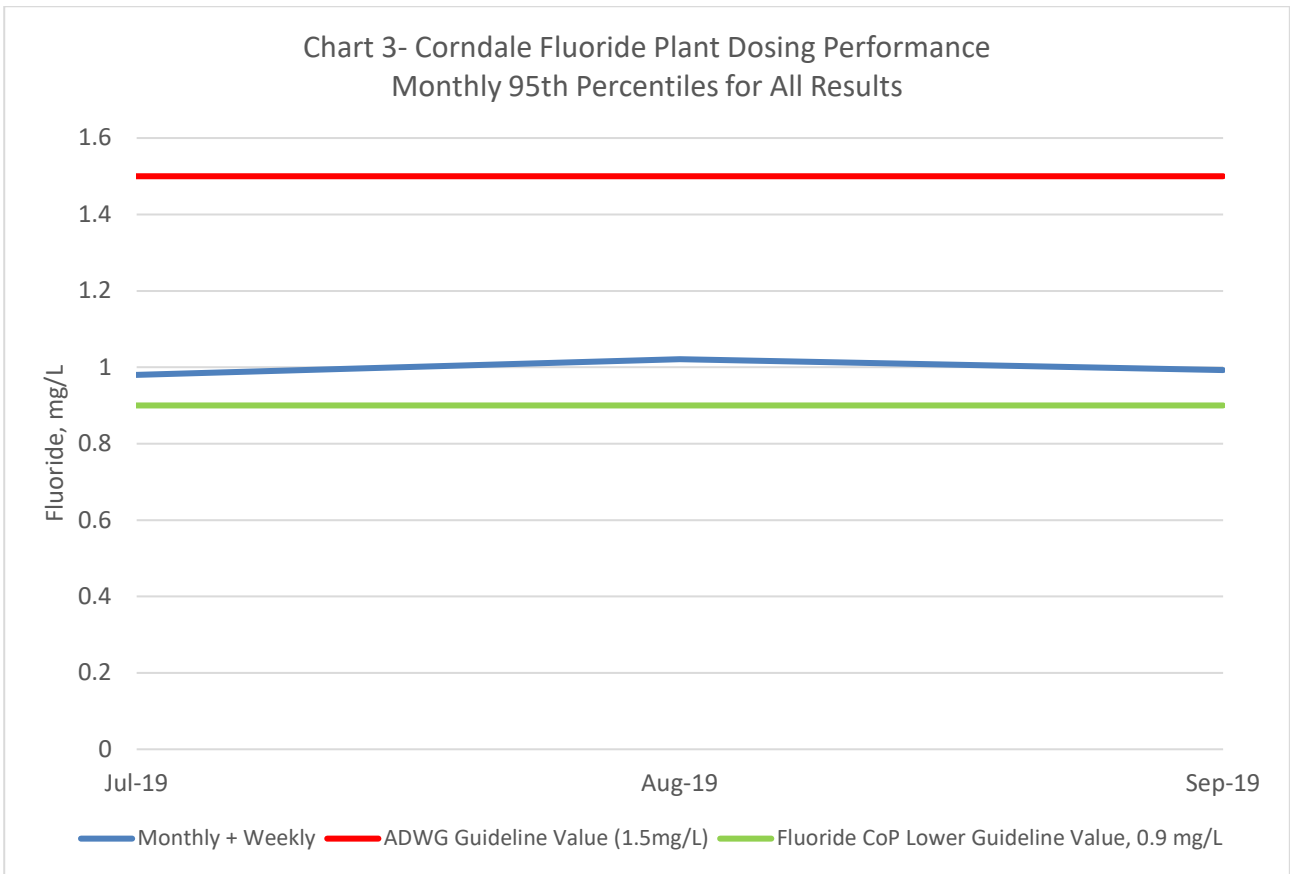
Chart 7 – Knockrow Fluoride Plant Dosing Performance – Monthly 95th Percentiles - All Results

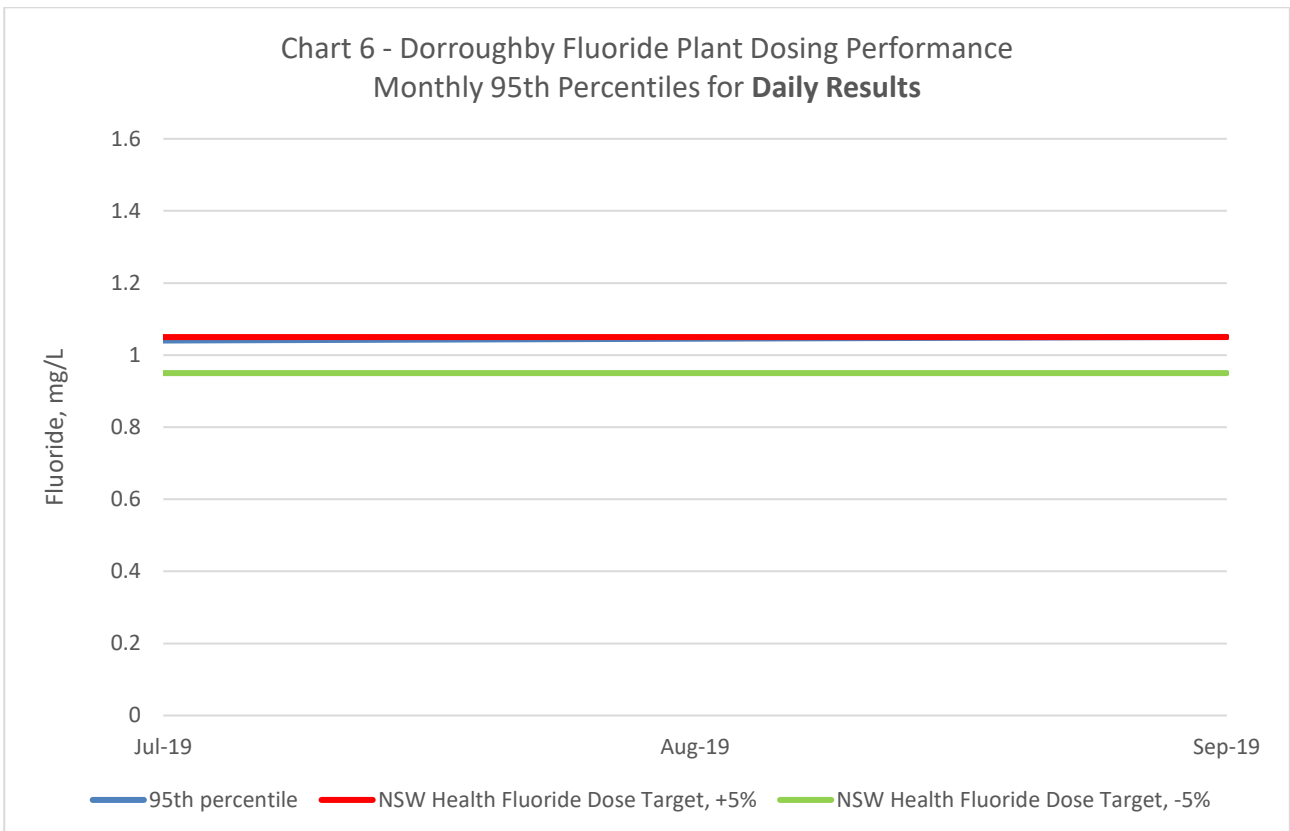
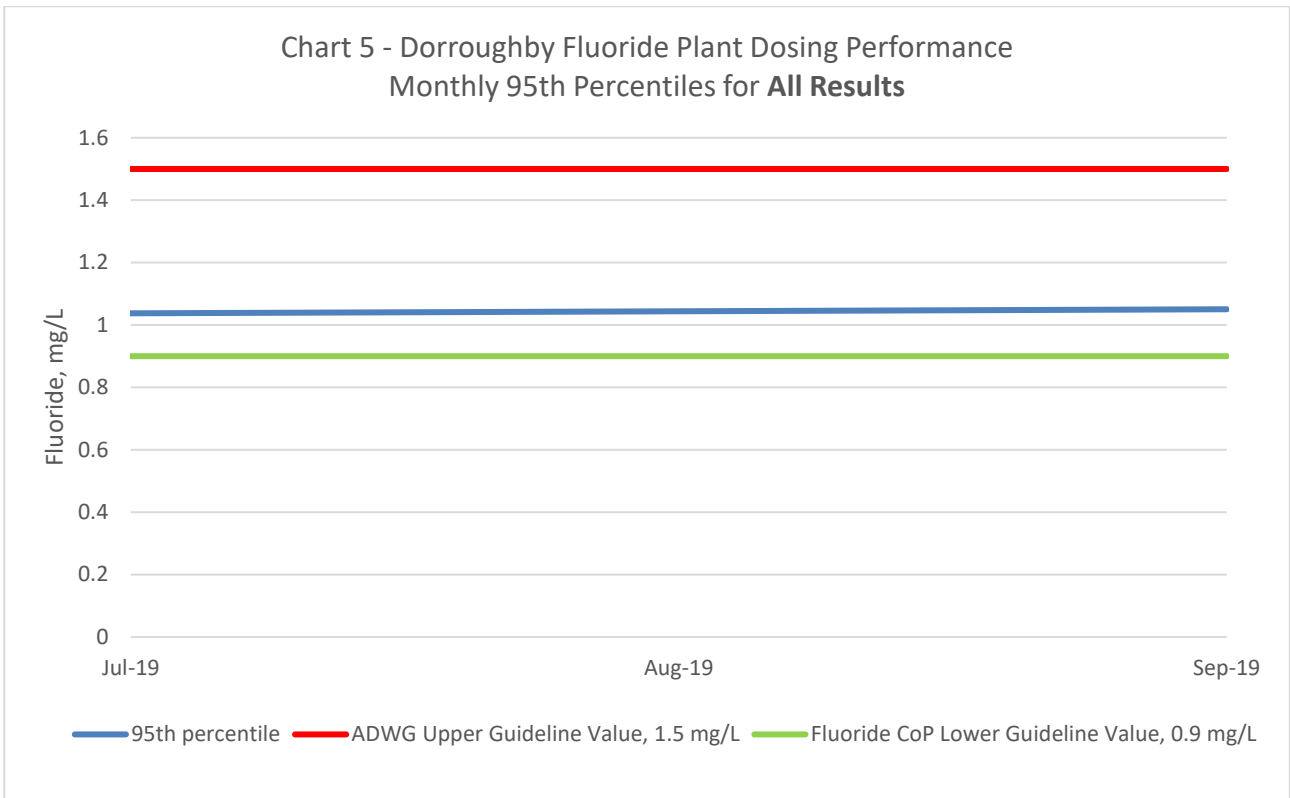
Chart 8 – Knockrow Fluoride Plant Dosing Performance – Monthly 95th Percentiles - Daily Results

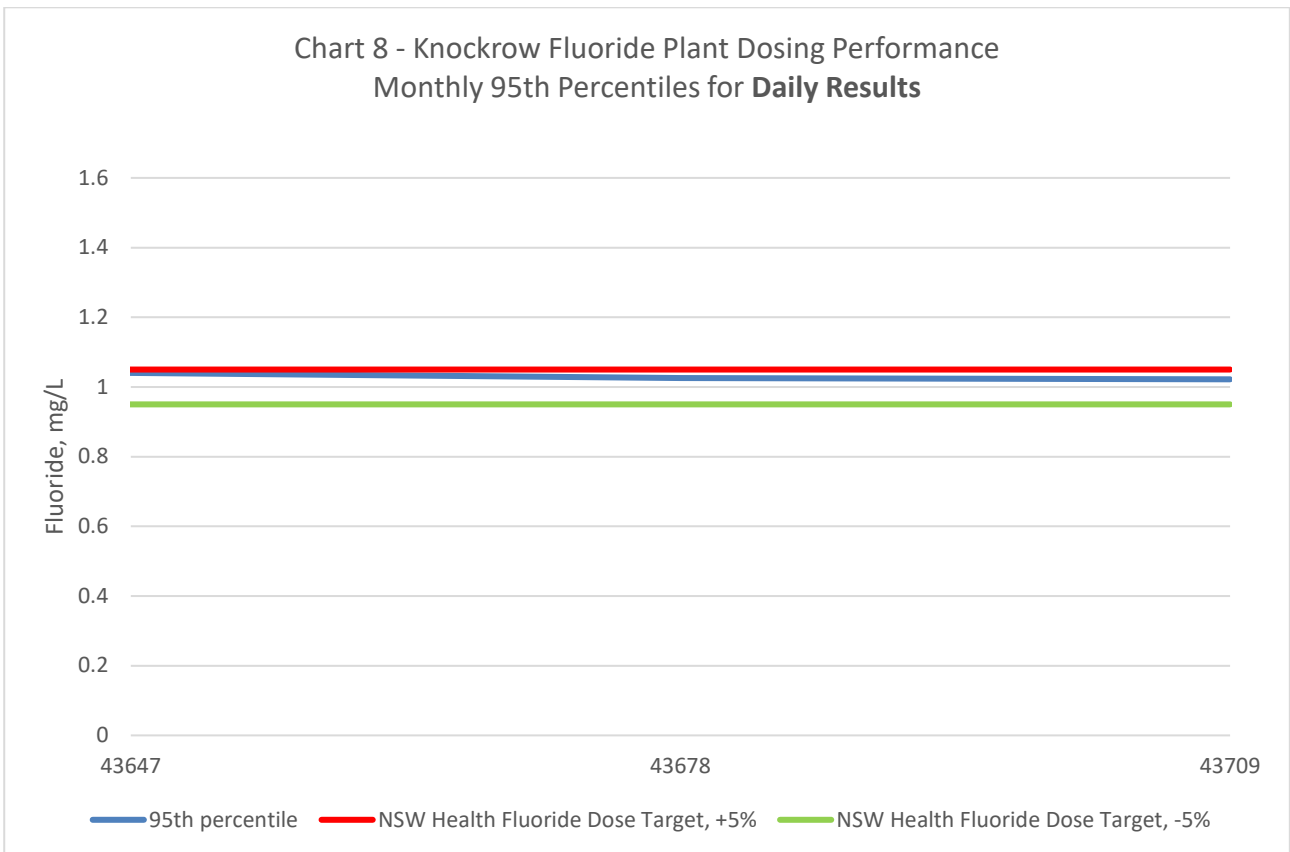
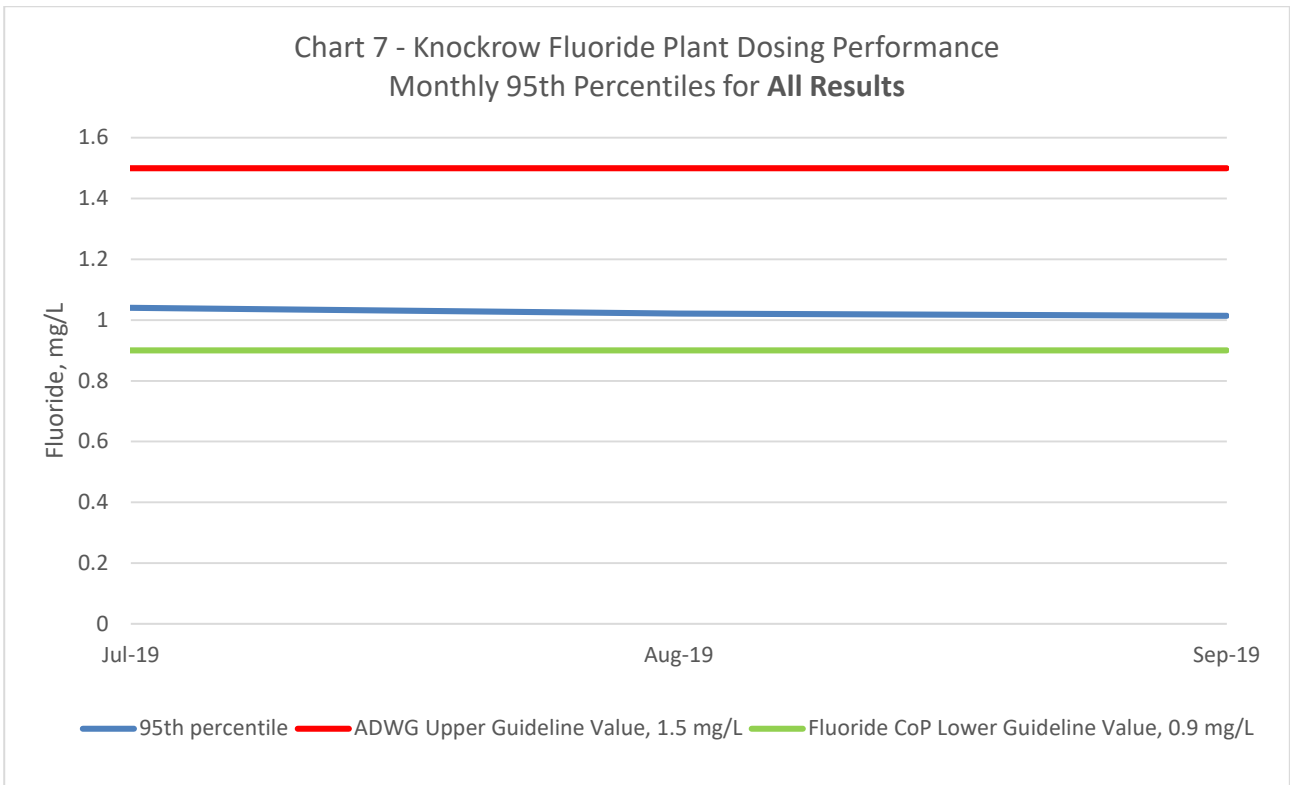
Attachment 5

Certificate of Analysis for Sodium Fluorosilicate batch 1917099









Certificate of Analysis for Sodium Fluorosilicate batch



CERTIFICATE NO.: B814881
ISSUE DATE: 23/08/2019

REVISION NO.: 01 *Proudly AUSTRALIAN*
 This certificate supersedes any previous revisions

CLIENT DETAILS: Devinder Singh
 Axieo Operations (Australia) Pty Ltd
 Level 3, 35 Cotham Road
 Kew VIC 3101

CLIENT REF: 1917099
PRODUCT CODE: AQSFLUGRUL
IGN: 30578

DATE RECEIVED: 12/08/2019
TEST DATE: Sample tested between date received and reported.

CONDITIONS OF SAMPLE: Receipt Temperature: Room Temperature
 Storage Temperature: Ambient

RESULTS OF ANALYSIS:

Test	Method	Unit	B814881-1	Standard Method	Specification	Min/Max Result Standards
Sodium Fluorosilicate	IND031.1	%w/w	98.6	AWWA B702-06	Sec 5.2.5	98% min ✓
Fluoride #	IND031.1	%w/w	59.8	AWWA B702-06	Sec 5.2.5	59.4% min ✓
Water Insoluble Residue	CF090.1	%w/w	0.2	AWWA B702-06	Sec 5.2.3	0.5% max ✓
Moisture (air)	CF005.1	%w/w	0.2	AWWA B702-06	Sec 5.2.4	0.5% max ✓
Antimony (Sb)*	IND041	mg/kg	<2.0	APHA 3500-Sb	Sec 5.2.6	100 max ✓
Arsenic (As)	IND041	mg/kg	<5.0	APHA 3500-As	Sec 5.2.6	100 max ✓
Barium (Ba)	IND041	mg/kg	<1	APHA 3500-Ba	Sec 5.2.6	100 max ✓
Beryllium (Be)	IND041	mg/kg	<1	APHA 3500-Be	Sec 5.2.6	100 max ✓
Cadmium (Cd)	IND041	mg/kg	<0.5	APHA 3500-Cd	Sec 5.2.6	50 max ✓
Chromium (Cr)	IND041	mg/kg	1.1	APHA 3500-Cr	Sec 5.2.6	100 max ✓
Copper (Cu)	IND041	mg/kg	1.2	APHA 3500-Cu	Sec 5.2.6	100 max ✓
Lead (Pb)	IND041	mg/kg	<2.0	APHA 3500-Pb	Sec 5.2.6	100 max ✓
Mercury (Hg)	IND041	mg/kg	<2.0	APHA 3500-Hg	Sec 5.2.6	20 max ✓
Nickel (Ni)	IND041	mg/kg	<1	APHA 3500-Ni	Sec 5.2.6	100 max ✓
Selenium (Se)	IND041	mg/kg	<5.0	APHA 3500-Se	Sec 5.2.6	100 max ✓
Thallium (Tl)*	IND041	mg/kg	<2.0	APHA 3500-Tl	Sec 5.2.6	70 max ✓
Sizing						
40 sieve (0.420mm)		%w/w	99.0	AWWA B702-11	Sec 5.2.2	98% min passing ✓
325 sieve (0.044mm)	CF035.10	%w/w	12.0	AWWA B702-11	Sec 5.2.2	25% max passing ✓

APPROVED

By Andrew at 11:12 am, Aug 26, 2019



The results of the tests, calibrations and/or measurements included in this document are traceable to Australian/national standards. Accredited for compliance with ISO/IEC 17025 – Testing.

NATA Corporate Accreditation No.: 2455

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Symbio Laboratories Pty Ltd

ABN 82 079 445 015

Tel: 1300 703 146

Fax: +617 3219 0333

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- Townsville: 17 Hamill Street, Garbutt QLD 4814
- Melbourne: Unit 36, 640-680 Geelong Rd, Brooklyn VIC 3025
- Sydney: 2 Sirius Rd, Lane Cove West NSW 2066
- Wagga Wagga: Unit 5, 10-12 Koorringal Rd, Wagga Wagga NSW 2650
- Perth: 2/20 Millford Street, East Victoria Park WA 6101



CERTIFICATE NO.: B814881

DEFINITIONS: < : Less than, > : Greater than, [NT] : Not Tested, DWB : Dry Weight Basis, NA: not applicable, RP: Result Pending, - : Not received / requested / tested, ~ : Estimated, TBA: - to be advised, Δ: reference only holding time exceeded

* Test not covered by NATA scope of accreditation

: Result derived from calculation.

Please note: Particle Size Distribution Testing performed by an external subcontracted NATA certified Laboratory.
Accreditation No.:11059 Report No:R19-005-29

Results were reported on an "as received" basis unless otherwise indicated.

Sampling was conducted by the customer and results reported pertain only to the samples submitted.

Responsibility for representative sampling rests with the customer.

Gemma Kuhn, Team Leader
Chemistry (Brisbane)

Page 2 of 2



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Audit, Risk and Improvement Committee – meeting update

(847)

Business activity priority	Strategy and planning
Goal 2	Align strategic direction to core functions and sustainability

Recommendation

That Council receive and note the attached minutes from the Audit, Risk and Improvement Committee meeting of 14 October 2019.

Background

The Audit, Risk and Improvement Committee met on 14 October 2019. A copy of the meeting minutes is attached (Attachment 1).

Key messages

1. Annual Financial Reports and Audit Report for the year ending 30 June 2019

Council's 2018/19 financial reports have been completed and the Auditor's draft report received. These were presented to the Audit, Risk and Improvement Committee and were subsequently endorsed.

The financial reports are routinely presented to the Committee for endorsement prior to being referred to Rous County Council for public exhibition and eventual adoption. Adam Bradfield (Thomas Noble and Russell) on behalf of the Audit Office of NSW attended the meeting and Gearoid Fitzgerald (Audit Office NSW) participated by telephone.

2. Proposed Fraud and Corruption Control policy

A draft copy of the proposed Fraud and Corruption Control policy was presented to the Committee and subsequently endorsed.

The proposed Fraud and Corruption Control Policy is a statement of commitment confirming that Council will implement and maintain appropriate systems, strategies and processes to minimise the opportunity for and occurrence of fraud and/or corruption.

The policy has been revised to align with key attributes identified in the Audit Office's Fraud Control Improvement Kit including risk management principles, formal and consistent investigation processes, training and education, and the development of a Fraud and Corruption Control Plan.

Consultation

This report was prepared in consultation with the Audit, Risk and Improvement Committee Chairperson.

Conclusion

This report provides a summary of the key messages from Council's Audit, Risk and Improvement Committee meeting of 14 October 2019. A copy of the minutes from the meeting are attached for information.

Phillip Rudd
General Manager

Attachment

1. Minutes from Audit, Risk and Improvement Committee meeting of 14 October 2019

Rous County Council

Audit, Risk and Improvement Committee Minutes

Monday, 14 October 2019

The Chair opened the meeting at 10.01am

In attendance:

Voting Committee:

- Brian Wilkinson (Independent member - Chair)
- David Yarnall (Independent member)
- Cr Darlene Cook (Council member)

Rous County Council:

- Helen McNeil (Group Manager People and Performance)
- Guy Bezrouchko (Group Manager Corporate and Commercial)
- Andrew Logan (Planning Manager)
- Ben Wilson (Risk and Compliance Coordinator)
- Natalie Woodhead-Tiernan (Finance Manager)

Also in attendance:

Mr Adam Bradfield, Thomas Noble and Russell
Gearoid Fitzgerald (Audit Office NSW) by teleconference at 10.05am

1. APOLOGIES

Phillip Rudd (General Manager); Cr Basil Cameron; Jarrod Lean, Grant Thornton;

2. ACKNOWLEDGEMENT OF COUNTRY

Council showed its respect and acknowledged the Traditional Custodians of the Land, of all Elders, on which this meeting took place.

3. MINUTES OF PREVIOUS MEETING

Minutes of the meeting held 29 July 2019 were noted as presented.

4. DISCLOSURE OF INTEREST

Nil.

5. PRESENTATION

Adam Bradfield, Thomas Noble and Russell (on behalf of Audit Office of NSW) to present the Annual Financial Reports and Audit Report for year ending 30 June 2019.

The Committee thanked Adam for his attendance and presentation of the Financial Reports.

6. GROUP MANAGER CORPORATE AND COMMERCIAL REPORT

i). Annual Financial Reports and Audit Report for the year ending 30 June 2019

RECOMMENDATION (Wilkinson/Yarnall) that the Audit, Risk and Improvement Committee:

1. Endorse and refer the attached draft 'Annual Financial Statements and the Auditor General NSW report on the conduct of the audit for the year ended 30 June 2019', to Rous County Council for adoption.
2. Receive the draft 'Final Management Letter for the year ended 30 June 2019' issued by the Audit Office of NSW and note that a further report in relation to the 'Management Response' content will be provided to the Audit, Risk and Improvement Committee's 25 November 2019 meeting.

(CARRIED)

7. GROUP MANAGER PEOPLE AND PERFORMANCE REPORT

i). Proposed Fraud and Corruption Control policy

RECOMMENDATION (Cook/Yarnall) that the Audit, Risk and Improvement Committee endorse the proposed policy titled 'Fraud and Corruption Control Policy' as attached to this report.

(CARRIED)

8. CONFIRMATION OF MINUTES

i). Audit, Risk and Improvement Committee meeting minutes 14 October 2019

RECOMMENDATION (Yarnall/Cook) that the minutes of the Audit, Risk and Improvement Committee meeting held 14 October be confirmed.

(CARRIED)

9. NEXT MEETING

Monday, 25 November 2019.

10. CLOSE OF BUSINESS

There being no further business the meeting closed at 11.11am

Reports/actions pending

(1181/12)

Business activity priority

Process management, improvement and innovation

Goal 6

Continuous improvement through process management and innovative thinking

Background

Following is a list of pending resolutions with individual comments provided on current position and expected completion date.

Council meeting	Resolution	Status
20/02/19	<p>Confidential report: Development Servicing Plan for Bulk Water Supply 2016 – request for deferred payment arrangement</p> <p>RESOLVED [13/19] (Mustow/Cadwallader) that Council:</p> <ol style="list-style-type: none"> 1. Receive and note this report; 2. Approve the request for deferred payment arrangements as set out in the report; 3. Receive a subsequent report on policy options for deferred payment arrangements having regard to the Development Servicing Plan for Bulk Water Supply and the policy positions of the constituent councils; and 4. Reject any further consideration of similar requests until point 3. is complete and a policy position is determined. 	Scheduled for review before the expiry of the current Development Servicing Plan in 2021.
20/02/19	<p>Drinking water quality: annual report card</p> <p>RESOLVED [6/19] (Ekins/Cameron) that Council:</p> <ol style="list-style-type: none"> 3. Receive an annual public report card on overall drinking water quality results, including fluoride, commencing for the 2018/19 reporting year. 	Water quality performance report to be included in Council's 2018/19 Annual Report.
21/08/19	<p>Delivery program progress update: 1 January to 30 June 2019</p> <p>RESOLVED [55/19] (Cameron/Ekins) that Council:</p> <ol style="list-style-type: none"> 1. Receive and note the report and attachment. 	

	<ol style="list-style-type: none"> 2. Acknowledge that sound and effective governance requires that staff and councillors are able to participate fully in work tasks and decision making and that equitable access measures for all are essential for this and that consequently all Delivery Plan Actions be reviewed to determine that equitable access measures reflect this principle. 3. In relation to Action 2.4.3.1, that customers, staff and councillors with a disability be invited to discuss their perspectives in the development of access awareness training. 4. In relation to Action 2.4.3.2, customers, staff and councillors with a disability be invited to participate in the access training provided to staff. 5. In relation to Actions 2.4.3.7/8, a review is initiated to determine the effectiveness of access measures and standards based on the feedback of staff, customers and councillors who use foyers 2 and 4. 	<p>GM emailed Councillors (27/09/19) regarding Disability Awareness training, seeking feedback by 31/10/2019.</p>
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Phillip Rudd
General Manager

Disclosure of Interests 2018/19

(320/12)

Business activity priority	Process management, improvement and innovation.
Goal 6	Continuous improvement through process management and innovative thinking.

Recommendation

That Council receive and note the report.

Background

Councillors and designated persons are required under clause 4.21 of the Code of Conduct to lodge a completed Disclosure of Interest within three months of the end of the financial year.

It is also a requirement that the Register of Returns is tabled at the first meeting following the lodgement date. Accordingly, the Pecuniary Interest Returns Register is now tabled as a public record and is available for inspection.

Phillip Rudd
General Manager