

# COUNCIL MEETING AGENDA

<b>Date</b>	<b>Wednesday, 15 April 2020</b>
<b>Venue</b>	Rous County Council Administration Office, Level 4, 218-232 Molesworth Street, Lismore <i>Please note meeting available remotely via 'Zoom'</i>
<b>Meeting</b>	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

### 4. Apologies and Leave of Absence

### 5. Confirmation of minutes of previous meetings

- i). Ordinary Council meeting 19 February 2020 ..... 1-4

### 6. Disclosure of Interest

### 7. General Manager reports - Nil

### 8. Group Manager Corporate and Commercial reports

- i). Draft Delivery program / Operational plan and 2019/20 Budget ..... 5-88  
*(please also refer to Budget enclosure)*
- ii). Quarterly Budget Review Statement for quarter ending 31 March 2020 ..... 89-115

### 9. Policies

- i). Debt management and financial hardship ..... 116-125
- ii). Public interest disclosures ..... 126-151
- iii). Investments (revised) ..... 152-162

**10. Information reports (cover report)**

- i). Investments – March 2020 ..... 163-169
- ii). Water production and usage February 2020 and March 2020 ..... 170-177
- iii). Audit, Risk and Improvement Committee: meeting update ..... 178-187
- iv). Fluoride plant dosing performance report: January to March 2020 - Q1 ..... 188-195
- v). Reports pending ..... 196-197

**11. Confidential (Move into Closed Council) 198**

- i). Financial assistance for pensioners – section 582 ..... 199-299

**12. Matters of urgency**

**13. Questions on Notice**

**14. Close of business**



Phillip Rudd  
General Manager

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# Rous County Council

## MINUTES OF ORDINARY COUNCIL MEETING

### 19 February 2020

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#### 1. OPENING OF THE MEETING

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Meeting commenced at 1.04pm.

In attendance:

##### Councillors

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

##### Staff

Phillip Rudd (General Manager), Guy Bezrouchko (Group Manager Corporate and Commercial), Andrew Logan (Planning Manager), Helen McNeil (Group Manager People and Performance), Anthony Acret (Natural Resource Management Planning Coordinator – arrived 1.10pm), Adam Nesbitt (Delivery Manager) and Noeline Smith (minute taker).

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#### 2. ACKNOWLEDGEMENT OF COUNTRY

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

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#### 3. PUBLIC ACCESS

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Nil.

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#### 4. APOLOGIES AND LEAVE OF ABSENCE

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Nil.

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#### 5. CONFIRMATION OF MINUTES

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##### i). Ordinary Council meeting 11 December 2019 (182)

**RESOLVED [1/20]** (Cadwallader/Cook) that the minutes of the ordinary meeting held on 11 December 2019 be confirmed as presented.

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#### 6. DISCLOSURE OF INTEREST

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General Manager declared a pecuniary, significant interest in relation to *Confidential Item 12. ii). Annual performance review: General Manager.*

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## 7. CHAIR'S MINUTE

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### i). Annual performance review: General Manager (refer 'Confidential' Item 12)

It was noted that the Chair's Minute to be dealt with during the 'Confidential' section of the agenda.

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## 8. GENERAL MANAGER REPORTS

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### i). St. Helena trunk main augmentation – construction contract (refer 'Confidential' Item 12)

It was noted this report to be dealt with during the 'Confidential' section of the agenda.

### ii). Richmond River Governance and Funding Framework Project (1181/18)

An AMENDMENT was moved (Cadwallader/Cook)

1. Receive and note the Final Report of the *Richmond River Governance and Funding Framework* Project prepared by Alluvium and NCEconomics on behalf of the funding partners (inclusive of Rous County Council).
2. Authorise the General Manager to lodge a submission to the Department of Planning, Industry and Environment, subject to the outcome of a council workshop in March 2020.

On being put to the meeting the AMENDMENT was carried and became the MOTION.

### RESOLVED [2/20] (Cadwallader/Cook)

1. Receive and note the Final Report of the *Richmond River Governance and Funding Framework* Project prepared by Alluvium and NCEconomics on behalf of the funding partners (inclusive of Rous County Council).
2. Authorise the General Manager to lodge a submission to the Department of Planning, Industry and Environment, subject to the outcome of a council workshop in March 2020.

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## 9. GROUP MANAGER CORPORATE AND COMMERCIAL REPORTS

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### i). Retail water customer account assistance (2283/13)

**RESOLVED [3/20]** (Cadwallader/Mustow) 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.

### ii). Quarterly Budget Review Statement for quarter ending 31 December 2019 (2333/13)

**RESOLVED [4/20]** (Cadwallader/Humphrys) that Council note the results presented in the Quarterly Budget Review Statement as at 31 December 2019 and authorise the variations to the amounts from those previously estimated.

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## 10. POLICIES

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### i). Dunoon Dam catchment (for revocation) (172/17)

**RESOLVED [5/10]** (Cadwallader/Mustow) that Council revoke the 'Dunoon Dam Catchment' policy attached to the report and any policy revived as a result of that revocation.

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## 11. INFORMATION REPORTS

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### i). Information reports (1181)

**RESOLVED [6/20]** (Mustow/Cameron) that Council receive and note the following information reports:

1. Investments – January 2020
2. Water production and usage – December 2019 and January 2020
3. Delivery program progress update – 1 July 2019 to 31 December 2019
4. Fluoride plant dosing performance report – Q4 2019
5. Reports/actions pending.

*Cr Richardson left the meeting at 1.54pm.*

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## 12. CONFIDENTIAL

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### MOVE INTO CLOSED COUNCIL

**RESOLVED [7/20]** (Cook/Cameron) that Council move 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.

<b>1. Report</b>	<b>St Helena trunk main augmentation – construction contract</b>
<b>Grounds for closure</b>	Section 10A(2)(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.
<b>Public interest</b>	Public discussion would not be in the public interest due to disclosure of commercial information.
<b>2. Report</b>	<b>Annual performance review: General Manager</b>
<b>Grounds for closure</b>	Section 10A(2)(a) personal matters concerning particular individuals (other than councillors).
<b>Public interest</b>	Public discussion would not be in the public interest due to disclosure of personal information.

### RESUME TO OPEN COUNCIL

**RESOLVED [8/20]** (Mustow/Cameron) that Council resume to Open Council.

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

**i). St Helena trunk main augmentation – construction contract** (9.8.3/1(4))

**RESOLVED [9/20]** (Cadwallader/Cameron) that Council:

1. Accept the tender submitted by Ledonne Constructions Pty Ltd, in the Recommended Tender Amount of \$6,349,475 (ex GST).
2. Delegate approval to the General Manager to approve a variation to construct additional pipe chainage 4400m to 5400m if this is found to be the most cost-effective option on the basis outlined in the report.
3. Approve an additional amount of \$952,400 (being 15% of the contract amount) as contingency for Schedule of Rate items and/or variations due to latent conditions/unforeseen circumstances.
4. Note the attached briefing paper.

*Cr Cook left the meeting at 2.08pm and returned to the meeting at 2.28pm.*

The Chair read to the meeting the following resolution of Council:

**ii). Annual performance review: General Manager** (2659.2)

**RESOLVED [10/20]** (Mustow/Cadwallader) that Council:

1. Note the Performance Review Panel's rating of the General Manager at the annual performance review to 31 December 2019.
2. Agree to the recommended changes to the General Manager's total remuneration package (TRP) as specified in the report.

*Cr Ekins left the meeting at 3.07pm.*

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**13. MATTERS OF URGENCY**

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Nil.

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**14. QUESTIONS ON NOTICE**

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Nil.

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**15. CLOSE OF BUSINESS**

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There being no further business the meeting closed at 3.15pm.

## Draft Delivery program / Operational plan and 2020/21 Budget

(2333.1/19)

<b>Business activity priority</b>	Strategy and planning
<b>Goal 2</b>	Align strategic direction to core functions and sustainability

### Recommendation

That Council:

1. Approve the draft Delivery program / Operational plan and 'Revenue' policy attached to this report, for public exhibition.
2. Note that adjustments approved at this meeting as part of the March Quarterly Budget Review Statement report will be included in the exhibited document as appropriate.
3. At its June 2020 meeting:
  - a) Receive for information, public submissions (if any) lodged during the public consultation process and information about how the submissions have been considered.
  - b) Receive for adoption the final draft Delivery program / Operational plan.

### Draft Budget

This section of the report is presented with the following structure:

- Financial information on the organisation as one combined entity.
- Financial information in respect to each Fund: Flood Mitigation, Weed Biosecurity, Retail Water, Richmond Water Laboratories, Commercial Properties, Bulk Water and Fleet.

It is noted that the Long-Term Financial Plan (LTFP) presented in this report does not include budget adjustments presented to Council as part of the March quarterly budget review (statement see separate report). Those adjustments approved by Council will be included in the LTFP prior to advertising.

The report presents financial information in a consistent format for each of the Funds and the whole organisation. Detailed information is provided on each Fund in terms of assumptions on which the Budget is based, breakdown of the main streams of income/expense/capital expense and capital income.

The transfers to and from reserve represent the net cash movement for the Fund. The transfer to or from reserve is used to balance the cash movement to zero. This results in the cash surplus or loss being retained within the Fund.

### Long Term Financial Plan caveat

The Future Water Strategy is continuing to be progress through investigation works (groundwater resources, water reuse, desalination and a dam). It is anticipated that a report will be ready for consideration by Council in June 2020.

Since approximately 2014 and the completion of the Future Water Strategy, groundwater has been considered the most likely solution. Consequently, financial modelling, including the LTFP, has been premised on the groundwater strategy as satisfying the region's growing water demands until approximately 2060.

The current LTFP still assumes that all groundwater sites will be viable, and that groundwater will be the sole solution to provide a new water source. Based on the available information at the time, this has been a reasonable position to adopt, particularly considering the uncertainty associated with the other options.

The LTFP includes estimates of significant capital expenditure to construct and operate several new groundwater extraction plants (approx. \$50 million from 2024-2029). To finance these costs, the LTFP also includes external borrowings and increases to the contributions required from constituent councils.

Based on recent investigations, it is likely that some of the groundwater sites may be viable while others will not. This means that groundwater can, at best, be only part of the solution and that over the long-term, additional water sources will be required. Further, the anticipated costs to construct the groundwater sites will be more expensive than previously estimated.

This information places significant doubt on the current strategy to rely solely on groundwater and the underlying assumptions in the LTFP. However, from the perspective of the LTFP, at present in the absence of an alternative firm direction the applicable assumption is that groundwater will be the sole solution to the new water source.

It is anticipated that an options report will be presented for Council consideration June 2020. The LTFP will be updated as new information becomes available and subject to Council's decisions.



## The whole organisation

The table below details the forecast Operating Performance of the organisation together with capital movements and estimated cash reserve.

**Table 1: Whole organisation estimated Operating Performance**

Description	2020 Estimate \$	2021 Estimate \$	2022 Estimate \$	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$
Op Income	25,426,800	24,736,700	25,939,900	27,325,400	28,974,400	30,559,500	31,907,500	32,804,100	33,880,700	35,019,000
Op Expense	28,312,300	27,717,200	27,267,200	27,108,500	27,389,700	29,771,800	31,167,100	32,018,900	32,526,200	33,332,100
<b>Operating Result</b>	<b>(2,885,500)</b>	<b>(2,980,500)</b>	<b>(1,327,300)</b>	<b>216,900</b>	<b>1,584,700</b>	<b>787,700</b>	<b>740,400</b>	<b>785,200</b>	<b>1,354,500</b>	<b>1,686,900</b>
Eliminate Depn	6,833,800	7,123,000	7,365,600	7,493,700	7,718,200	7,935,800	8,828,300	9,010,100	9,203,600	9,419,400
<b>Cash result</b>	<b>3,948,300</b>	<b>4,142,500</b>	<b>6,038,300</b>	<b>7,710,600</b>	<b>9,302,900</b>	<b>8,723,500</b>	<b>9,568,700</b>	<b>9,795,300</b>	<b>10,558,100</b>	<b>11,106,300</b>
Capital Income	3,500,000	20,750,100	5,786,400	5,889,400	4,308,000	15,916,000	22,026,000	4,639,000	4,755,000	4,878,000
Loan capital	2,548,300	3,195,900	3,395,800	3,608,300	3,830,800	3,882,700	4,125,600	3,773,900	1,166,600	1,199,500
Capital Expense	17,347,700	22,102,800	19,611,800	4,263,400	16,802,000	20,734,500	27,148,100	10,300,000	11,769,800	14,736,800
Transfer to Res	279,000	686,200	1,669,300	5,933,300	83,400	1,739,400	413,900	443,800	2,413,700	326,400
Trans from Res	12,726,700	1,092,300	12,852,200	205,000	7,105,300	1,717,100	92,900	83,400	37,000	278,400
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Estimated Res \$</b>	25,528,346	25,122,246	13,939,346	19,667,646	12,645,746	12,668,046	12,989,046	13,349,446	15,726,146	15,774,146

Overall, the outlook is positive and sustainable over the medium term. The forecast operating result gradually improves to 2024 prior to more loans being taken up in 2025. The improved operating performance after the first three years is largely attributable to a significant number of one-off operational projects being completed (see narrative in each Fund for more information) and the increased income generated from above CPI increases to Bulk Water Supply contributions.

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## Flood Mitigation

### Flood Mitigation Budget comments

This section provides some basic information on the larger financial elements relating to the Fund. Unless otherwise stated, the estimates refer to the 2021 year.

- Operating Income
  - contribution income amounts to approximately 85% of the total at \$795,000. This includes contributions from constituent councils for Flood and Drainage plus \$50,000 from Ballina Shire Council for the Keith Hall study.
  - maintenance grant of \$84,600 has not been increased by the State government since it was first provided in the 1980s.
  - loan for the Lismore levee will be repaid in 2020 and a contribution from Lismore City for this purpose is not required in 2021.
- Operating Expense
  - wages are estimated at approximately \$475,000.
  - majority of expense relates to maintenance and repair of infrastructure.
- Capital Expense
  - average annual expenditure over the life of the model is approximately \$206,000 exclusive of Lismore Levee.
  - details of works are included in the enclosed attachment.
- Assets/Liabilities
  - infrastructure assets valued at some \$122 million. Assets are in the process of being revalued and the project will be completed this financial year.
  - no net debt and no new borrowings are envisaged.

Flood Mitigation has responsibility for maintaining an extensive network of infrastructure including floodgates, drains and levees. Staffing includes 5.5 full time equivalent.

It is important to note that the Lismore Levee is a large part of the asset base and while the asset resides in the Rous asset register, Lismore City Council is responsible for construction, maintenance and replacement of the Levee. Therefore, it is important to consider the operating result for the Fund exclusive of depreciation associated with the Lismore Levee as it tends to distort the outcome when included.

#### Council contributions

Table 2 shows the projected price path of Flood Mitigation contributions. Note that this excludes contributions in respect of 'Drainage' (ex-Drainage Union Councils) which is predicted to be equal to rate peg increases.

**Table 1: Estimated price path for constituent council flood mitigation contributions**

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029
Percentage Increase	2.60%	12.00%	12.00%	12.00%	12.00%	10.00%	8.00%	5.00%	2.50%

It is proposed that next year's contribution will increase by a percentage aligned to the rate peg adjustment. The current service level agreement requires a rate peg increase for 2021 which is the final year of the current agreement.

The proposed price adjustments commencing from 2022 are quite large on a percentage basis. The intent is to improve the forecast operating result because it is estimated that the Fund will run at a loss and gradually eliminate existing cash reserves.

The following table shows the forecast contributions by the constituent councils (excludes drainage contribution) in a dollar form and the maximum dollar increase per council contribution is \$37,000 in 2025. Over the life of the model, the contribution almost doubles.

Staff are in the process of gathering condition assessment data for the Flood assets. So far, the findings have been positive with assets in a better state than anticipated. If the positive results continue, this may translate to a reduction to forecast capital expense and this may enable a decrease to the forecast contribution increases shown below.

**Table 2: Forecast dollar increase to Council Flood Mitigation contributions**

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029
Percentage Increase	2.60%	12.00%	12.00%	12.00%	12.00%	10.00%	8.00%	5.00%	2.50%
Total Flood contribution	658,200	737,200	825,700	924,800	1,035,800	1,139,400	1,230,600	1,292,100	1,324,400
Total contribution increase	16,800	79,000	88,500	99,100	111,000	103,600	91,200	61,500	32,300
Contribution per Council	219,400	245,700	275,200	308,300	345,300	379,800	410,200	430,700	441,500
Increase per Council	5,600	26,300	29,500	33,100	37,000	34,500	30,400	20,500	10,800

It is acknowledged that the proposed increases are significant, however the income base of the Fund is small and asset base is quite large. If current service levels are to be maintained, based on the current information, the proposed increases are necessary.

The tables below show the council contributions in the current year compared to the proposed 2020/21 contribution for both flood and drainage. The proposed increase from 2020 to 2021 is in line with rate pegging at 2.6%.

**Table 3: Proposed Flood Mitigation council contributions**

	2019/20	2020/21	Increase
Ballina Shire Council	213,800	219,400	5,600
Lismore City Council	213,800	219,400	5,600
Richmond Valley Council	213,800	219,400	5,600
Total	641,400	658,200	16,800

**Table 4: Proposed drainage council contributions**

	2019/20	2020/21	Increase
Ballina Shire Council	38,200	39,200	1,000
Lismore City Council	38,200	39,200	1,000
Richmond Valley Council	3,700	3,800	100
<b>Total</b>	<b>80,100</b>	<b>82,200</b>	<b>2,100</b>

**Flood Mitigation operating performance**

The table below shows the estimated operating performance of Flood Mitigation for ten years including the current year. The table also shows capital movements, reserve transfers and the estimated cash reserve balance at year's end.

**Table 5: Flood Mitigation estimated operating performance**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	1,650,800	931,400	957,600	1,045,400	1,144,800	1,258,100	1,365,700	1,462,600	1,530,200	1,566,600
Operating Expense	3,044,800	2,035,300	1,930,900	1,873,700	1,917,300	1,962,100	2,042,800	2,054,400	2,101,900	2,150,600
<b>Operating Result</b>	<b>(1,394,000)</b>	<b>(1,103,900)</b>	<b>(973,300)</b>	<b>(828,300)</b>	<b>(772,500)</b>	<b>(704,000)</b>	<b>(677,100)</b>	<b>(591,800)</b>	<b>(571,700)</b>	<b>(584,000)</b>
Eliminate Depn	822,300	834,600	847,100	859,800	872,700	885,800	899,100	912,600	926,300	940,200
<b>Cash result</b>	<b>(571,700)</b>	<b>(269,300)</b>	<b>(126,200)</b>	<b>31,500</b>	<b>100,200</b>	<b>181,800</b>	<b>222,000</b>	<b>320,800</b>	<b>354,600</b>	<b>356,200</b>
Capital Income	0	0	0	0	0	0	0	0	0	4,000
Capital Expense	187,800	171,600	150,600	189,600	200,600	195,600	178,600	185,700	192,800	413,700
Transfer to Res	0	0	0	0	0	0	43,400	135,100	161,800	0
Transfer from Res	759,500	440,900	276,800	158,100	100,400	13,800	0	0	0	53,500
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Estimated Res \$</b>	1,097,082	656,182	379,382	221,282	120,882	107,082	150,482	285,582	447,382	393,882

The forecast is for recurrent operating and cash losses that gradually improve and by 2023 a cash surplus is predicted. The improvement is attributable to the increased council contributions and the completion of a number of one-off projects that impact the first few years of the model.

The reserve balance at the start of the 2020 financial year was \$1.85 million and it is forecast to fall to a low of around \$100,000. This is well below a desired level and leaves little margin for error. The 'Reserves' policy proposes a target balance of approximately \$900,000.

In 2020 and 2021 a number of one-off operational projects are proposed. The larger projects and expenditures include (figures are net of grant funding where applicable):

- **2020:** Assets revaluation \$30,000, CZMP study \$70,000, CZMP scoping study \$50,000, Lismore Flood Risk study \$57,000, extra drainage works \$111,000. Total \$318,000.
- **2021:** Keith Hall Study \$50,000, Flood strategic review \$100,000 (additional \$100,000 scheduled for 2022), Riley's Hill reshaping \$25,000. Total \$175,000.

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There is a lot of additional effort intended to be applied to Flood Mitigation that is placing financial pressure on the Fund. However, there are a number of issues outstanding in the Flood Mitigation space and the intent is to resolve them in the next couple of years.

In regard to the forecast operating losses, it is important to note that the figures include the Lismore Levee for which Lismore City Council has certain responsibilities.

Levee depreciation is in the order of \$430,000 and if this amount is deducted from the operating result the forecast will improve, however, it remains that a loss is predicted. i.e. in 2029 for example the estimated loss would be \$154,000 not \$584,000. The outlook is improved but despite some quite significant price increases over the years, a loss is still predicted.

It may be that estimated depreciation will reduce as a result of the asset revaluation and condition assessment data. If this occurs, the forecast operating result will improve. The aim of this model is to achieve a positive cash result whilst maintaining positive reserve balances and avoiding internal or external loans.

## Weed Biosecurity

### Weed Biosecurity Budget comments

This section provides some basic information on the larger financial elements relating to the Fund. Unless otherwise stated, the estimates refer to the 2021 year.

- Operating Income
  - contribution income amounts to 59% of the total at \$809,000. This includes fee for service payments from Kyogle and Tweed Shires \$301,000.
  - grant income is forecast at \$545,000.
- Operating Expense
  - activities are organised into agreed elements of the Weed Action Program (WAP) and this is the way expenditure is applied. Salaries and wages are anticipated to be in the order of \$900,000 which includes 9.8 full time equivalent staff.
  - other expenses includes administration, insurance, depot, fleet and training.
- Capital Expense
  - average annual spend over the life of the model is \$50,000.
  - Details of works are included in the enclosed attachment. Works include \$115,000 for a pipe at Swan Bay which will benefit both Flood and Weeds Fund plus \$150,000 for new GIS software and hardware as the current systems are essentially end of life.
- Assets/Liabilities
  - total fixed assets valued at approx. \$250,000 primarily property and buildings.
  - no debt outstanding and no borrowings are envisaged.

Weed Biosecurity has minimal assets to manage and as such, recurrent income and expense form the primary financial elements of this Fund. There are 9.8 full time equivalent staff which excludes administrative and management assistance.

### Council contributions

Table 6 shows the projected price path for Council contributions which are in line with rate peg increases.

**Table 6: Estimated price path for constituent council contributions**

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029
Percentage Increase	2.60%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%

The projected price path indicates that the Fund is operating comfortably, and little intervention is required in the way of price adjustments. There are of course many assumptions embedded within this forecast, but based on current information, cost of living adjustments is a reasonable position to adopt.

The following table shows the council contributions in the current year compared to the proposed 2020/21 contribution. The proposed increase from 2020 to 2021 is in line with rate pegging at 2.6% and the Service Level Agreements in place with Kyogle and Tweed Shire Councils.

**Table 7: Proposed Weed Biosecurity council contributions**

	2019/20	2020/21	Increase
	\$	\$	\$
Ballina Shire Council	112,600	115,500	2,900
Byron Shire Council	112,600	115,500	2,900
Lismore City Council	148,000	151,800	3,800
Richmond Valley Council	122,400	125,600	3,200
<b>Total contributions</b>	<b>495,600</b>	<b>508,400</b>	<b>12,800</b>
Kyogle Shire Council *	123,500	126,700	3,200
Tweed Shire Council *	169,500	173,900	4,400
<b>Total fees</b>	<b>293,000</b>	<b>300,600</b>	<b>7,600</b>
<b>Total</b>	<b>788,600</b>	<b>809,000</b>	<b>20,400</b>

### Weed Biosecurity operating performance

The Fund has reasonable reserves and is forecast to record recurrent operating surpluses over the medium term. Based on current information the outlook is positive.

Table 8: Weed Biosecurity estimated operating performance

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	1,352,900	1,379,100	1,391,800	1,427,900	1,465,000	1,509,300	1,548,900	1,589,400	1,630,500	1,672,400
Operating Expense	1,637,700	1,425,500	1,381,100	1,417,500	1,454,900	1,493,000	1,532,200	1,572,500	1,613,700	1,656,100
<b>Operating Result</b>	<b>(284,800)</b>	<b>(46,400)</b>	<b>10,700</b>	<b>10,400</b>	<b>10,100</b>	<b>16,300</b>	<b>16,700</b>	<b>16,900</b>	<b>16,800</b>	<b>16,300</b>
Eliminate Depn	20,400	20,700	21,000	21,300	21,600	21,900	22,200	22,500	22,800	23,100
<b>Cash result</b>	<b>(264,400)</b>	<b>(25,700)</b>	<b>31,700</b>	<b>31,700</b>	<b>38,200</b>	<b>38,200</b>	<b>38,900</b>	<b>39,400</b>	<b>39,600</b>	<b>39,400</b>
Capital Income	0	0	0	0	0	0	0	0	0	0
Capital Expense	20,000	225,000	85,000	43,000	0	21,000	0	22,000	44,000	44,000
Transfer to Res	0	0	0	0	31,700	17,200	38,900	17,400	0	0
Transfer from Res	284,400	250,700	53,300	11,300	0	0	0	0	4,400	4,600
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Estimated Res \$	1,316,296	1,065,596	1,012,296	1,000,996	1,032,696	1,049,896	1,088,796	1,106,196	1,101,796	1,097,196

An operating loss is forecast in the first two years of the model. In 2020 there are additional expenses relating to works carried forward from previous years. Also, in 2020 and 2021 the Fund is impacted by the cost of one additional staff member who is on a two-year contract. The remaining years forecast a modest surplus.

It is interesting to note that the fund is very finely balanced, and the addition of a staff member shifts the result from a surplus to a loss. If this were to be a permanent recruitment, the contribution price path may need to be increased over time.

Cash reserves remain strong throughout the life of the model. The 'Reserves' policy has a target balance of \$430,000. There is scope for some project work that could be funded from reserve.

## Retail Water

### Retail Water Budget comments

This section of the report is to provide some basic information on the larger financial elements relating to the Fund. Unless otherwise stated the estimates refer to the 2021 year.

- Operating Income
  - the primary income source is from a facility and usage charge levied on approximately 2,000 customers. The facility charge is estimated to derive \$395,000 and usage income \$1.94 million
  - water sales from filling stations is predicted to be \$375,000.

These income sources contribute 96% of total income for the Fund. The current financial year is forecast to provide significantly more revenue than previous years due to water carters increased revenue due to the prolonged drought and continuing works on the highway upgrade.

- Operating Expense
  - the largest expense for the fund is the purchase of Bulk Water which amounts to approx. \$1.9 million or 60% of total expense. This represents a significant dollar increase compared to previous years because of abnormally high water usage in the 2019/20 period increased the Retail Water Fund share of the region's total consumption (see below for further explanation).
  - other expense includes administration, insurance, and maintenance of infrastructure.
- Capital Expense
  - average annual spend over the life of the model is in the order of \$220,000. This average includes the current financial year which anticipates capital expenditure of over \$800,000.
- Assets/Liabilities
  - total noncurrent assets are valued at approx. \$8.9 million
  - no debt outstanding and no borrowings are envisaged.

#### Price of water

It is important to note that the Retail Fund operates independently of Bulk Water Fund. Rous endeavours to provide water to retail customers at a competitive price that is relative to other Councils in the region. To this end, retail water prices have been increased beyond cost of living rises over recent years. The table below shows the historical per annum price increase for the variable water charge.

**Table 9: Historical price increase to Rous County Council retail customers**

Year	2013	2014	2015	2016	2017	2018	2019	2020
Percentage Increase	13.30%	14.70%	2.70%	2.70%	5.00%	5.00%	5.00%	2.70%

On average, prices have been increasing by approximately 6.4% over the last eight years to improve the sustainability of the Fund. The exception being an adjustment of 2.7% in 2020 which provides a year of respite to customers who have had to absorb significant increases for some time.

**Table 10: Estimated price path for charges to Rous County Council retail customers**

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029
Percentage Increase	4.00%	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

There are two main issues driving future price increases. Firstly, it is anticipated that the cost of the Bulk Water supply will increase by 7% and 6% for a number of years (See Bulk Water section of this report). Retail Water Fund purchases the water off Bulk Water Fund and approximately 60% of all Retail Fund expenses are attributable to the cost of purchasing water.



Secondly, the amount of overheads charged to the Retail Fund for administrative and management support is being monitored. Current modelling indicates that the overheads charge will need to increase for a number of years to achieve an equitable distribution of costs.

The table below compares the Rous Retail Water charges to other councils in the region. The Rous charge is the lowest, however it should be remembered that the level of service provided to Rous customers is less than that provided by the constituent councils to their customers, due to supply network design.

**Table 11: Comparison of regional council 2020 prices for retail water supply**

Comparison of regional pricing	Fixed fee (\$ p.a.)	Usage charge (\$ per kl)	Typical bill (\$ p.a.)
Richmond Valley	161.00	2.45 & 3.73 over 200kl	1,378
Ballina	204.00	2.29 & 3.44 over 350kl	1,160
<b>Rous</b>	<b>168.36</b>	<b>2.43</b>	<b>1,128</b>
Byron	187.00	2.60	1,214
Lismore	287.20	3.91	1,832
<i>Regional median</i>			1,214

*\*Typical bill based on 395kl*

### Retail Water operating performance

The forecast is for a particularly strong surplus in 2020, a loss in 2021 followed by a relatively small recurrent operating surplus.

**Table 12: Retail water estimated operating performance**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	3,500,100	2,804,500	2,908,500	3,042,600	3,181,700	3,338,400	3,493,100	3,654,800	3,824,200	4,001,800
Operating Expense	2,533,600	3,028,300	2,859,300	3,009,500	3,167,100	3,313,300	3,465,500	3,582,400	3,702,900	3,826,300
<b>Operating Result</b>	<b>966,500</b>	<b>(223,800)</b>	<b>49,200</b>	<b>33,100</b>	<b>14,600</b>	<b>25,100</b>	<b>27,600</b>	<b>72,400</b>	<b>121,300</b>	<b>175,500</b>
Eliminate Depn	135,400	197,400	200,400	203,400	206,500	209,600	212,700	215,900	219,100	222,400
<b>Cash result</b>	<b>1,101,900</b>	<b>(26,400)</b>	<b>249,600</b>	<b>236,500</b>	<b>221,100</b>	<b>234,700</b>	<b>240,300</b>	<b>288,300</b>	<b>340,400</b>	<b>397,900</b>
Capital Income	0	0	0	0	0	0	0	0	0	0
Capital Expense	822,900	241,500	118,200	214,900	216,700	125,500	128,400	130,300	134,300	135,300
Transfer to Res	279,000	0	131,400	21,600	4,400	109,200	111,900	158,000	206,100	262,600
Transfer from Res	0	267,900	0	0	0	0	0	0	0	0
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Estimated Res \$</b>	2,196,175	1,928,275	2,059,675	2,081,275	2,085,675	2,194,875	2,306,775	2,464,775	2,670,875	2,933,475

Forecasting income for this Fund is problematic given that it can be particularly variable. The model shows that in 2020 \$3.5 million is forecast whilst in 2021 the prediction is \$2.8 million. As mentioned, the 2020 forecast has been influenced by the drought and highway road works, whilst in 2021 the assumption is for a normal weather pattern and an easing of highway works for water caters.

Operating expenditure in 2021 is abnormally high which contributes to the forecast loss in that year. Expense is inflated because the cost of bulk water will increase by approximately \$400,000 from 2019/20. This is because the Retail Water Fund must pay a greater share of the cost to provide bulk water to the region.

The table below shows regional water consumption over the last two years. Consumption is assessed from March to February.

**Table 13: Regional water consumption**

2018/19 Consumption for 2019/20		Supply Area	2019/20 Consumption for 2020/21	
Kilolitres	% Total sales		Kilolitres	% Total sales
3,263,993	29.15%	Lismore City Council	3,171,566	27.44%
2,623,960	23.44%	Byron Council	2,610,810	22.59%
710,739	6.35%	Richmond Valley Council	675,568	5.85%
3,690,695	32.97%	Ballina Council	3,988,841	34.52%
906,203	8.09%	Rous Retail	1,109,973	9.60%
<b>11,195,590</b>	<b>100.00%</b>		<b>11,556,758</b>	<b>100%</b>

The amount payable is calculated by comparing water consumed by the Retail Water Fund to each of the constituent councils. Each Council and Retail Water must pay their percentage of the total contribution required by the Bulk Water Fund based on consumption over the previous year (March to February) ie; if Retail Water is responsible for 10% of total consumption, it must pay 10% of the total contribution required by the Bulk Water Fund.

The Retail Water Fund was responsible for 8% of total consumption in the current year and in 2020/21 following a period of very high usage from March 2019 to February 2020 (this represents 9.6% of the total). This means that whilst some of the constituent councils recorded higher use than the previous year, the increase by Retail Water was comparatively higher.

Capital expense is reasonably consistent although some backlog works are proposed in 2020 and 2021.

Cash reserves are quite strong. The 'Reserves' policy has a target balance of approximately \$1.5 million. It is important for this Fund to have strong reserves so that it can manage budget variation volatility.

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## Richmond Water Laboratories (RWL)

### RWL Budget comments

The aim of this section of the report is to provide some basic information on the larger financial elements relating to the Fund. Unless otherwise stated the estimates refer to the 2021 year.

- Operating Income
  - essentially all income is derived from fees for service. The largest customer is Bulk Water Fund who account for around 40% of turnover.
  - income is estimated to be \$821,000.
- Operating Expense
  - salaries and wages are estimated at \$484,000 which is 60% of operating expense.
  - Materials and contracts are the next biggest expense at \$165,000.
  - Licences and NATA accreditation are forecast to be \$22,000.
- Capital Expense
  - average annual spend over the life of the model is \$44,000 which is for equipment renewal. There has been very little expense on equipment renewal over recent years so 2020 and 2021 predict larger outlays.
- Assets/Liabilities
  - total non-current assets valued at approx. \$200,000 which relates to equipment.
  - no debt outstanding and no borrowings are envisaged.

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The primary purpose of Richmond Water Laboratories (RWL) is to provide testing services to the Bulk Water Fund. Other services are provided on a commercial basis to Councils, non-government organisations and individuals. RWL has 5 full-time equivalent staff and the intent is to operate on a stand-alone basis.

#### Pricing strategy

RWL operates in a very competitive environment where customer service and price are very important to maintaining clients.

Prices are monitored regularly, and the price path is subject to market forces. From a planning perspective it has been assumed that price increases will approximate cost of living increases.

#### Operating performance

The Fund is forecast to operate quite close to break even and a small positive or negative influence will produce a surplus or loss outcome. Cash reserves are predicted to gradually increase modestly.

**Table 14: Richmond Water Laboratory (RWL) estimated operating performance**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	799,700	821,000	840,400	868,900	890,400	916,600	941,300	970,800	995,100	1,019,700
Operating Expense	799,000	815,900	829,200	853,000	867,400	892,000	897,100	922,300	948,100	964,400
<b>Operating Result</b>	<b>700</b>	<b>5,100</b>	<b>11,200</b>	<b>15,900</b>	<b>23,000</b>	<b>24,600</b>	<b>44,200</b>	<b>48,500</b>	<b>47,000</b>	<b>55,300</b>
Eliminate Depn	12,700	14,900	15,100	15,300	15,500	15,700	15,900	16,100	16,300	16,500
<b>Cash result</b>	<b>13,400</b>	<b>20,000</b>	<b>26,300</b>	<b>31,200</b>	<b>38,500</b>	<b>40,300</b>	<b>60,100</b>	<b>64,600</b>	<b>63,300</b>	<b>71,800</b>
Capital Income	0	0	0	0	0	0	0	0	0	0
Capital Expense	149,400	109,500	24,900	48,900	900	48,000	9,400	13,300	2,300	39,000
Transfer to Res	0	0	1,400	0	37,600	0	50,700	51,300	61,000	32,800
Transfer from Res	136,000	89,500	0	17,700	0	7,700	0	0	0	0
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Estimated Res \$</b>	282,208	192,708	194,108	176,408	214,008	206,308	257,008	308,308	369,308	402,108

A review of administration overheads has identified that RWL should be paying a greater share than is currently being applied. The plan is to increase the overheads distributed to RWL however given the slim operating margins this will be a gradual process.

A strategic review of RWL operations was recently completed. It was identified that if some small expenditure savings can be achieved going forward it will improve the outlook for the Fund. The model includes this assumption with some quite minor reductions to salaries being incorporated.

## Commercial properties

### Commercial properties Budget comments

The aim of this section of the report is to provide some basic information on the larger financial elements relating to the Fund. Unless otherwise stated the estimates refer to the 2021 year.

- Operating Income
  - rental income is estimated at \$253,000 which is 94% of forecast operating income. One rental property in Carrington Street has a subsidised rental arrangement for a limited period.
  
- Operating Expense
  - forecast expense for rental properties is \$176,000 which excludes depreciation and overheads.
  - staff, administration and depreciation expenses amount to approximately \$130,000.
  - operating expense associated with Perradenya is anticipated to be \$63,000.
  
- Capital Income
  - sales income from Stage 6 at Perradenya is expected to be \$3.25 million, received in 2021, whilst stage 7 anticipates income of \$3.4 million to be received over two years in 2022 and 2023.

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- Capital Expense
    - estimated expense on Stage 6 is \$2.3 million in 2020.
    - estimated cost to develop Stage 7 is \$2.4 million in 2021.
  
  - Assets/Liabilities
    - the fund has non-current assets valued at \$5.8 million which includes inventory, properties and buildings.
    - no external debt is outstanding however there is a historical debt of \$5.7 million owed to Bulk Water. This debt relates to the original establishment costs of Perradenya. Additional internal borrowings are forecast in 2020 and 2021 and 2026 onwards.
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The Property Fund includes three different sections:

1. Commercial properties in the Lismore CBD. Two properties are owned and leased by Rous and one of these properties has two lease spaces. The properties are held to provide a commercial rate of return.  
  
Rous is the master lessee of the Administration Office in Molesworth Street. There are two sub leases of that space.
2. Thirteen rural properties with a combined area of some 220 hectares purchased for the Proposed Dunoon Dam. Leases include both residential houses and agistments. The strategy is to hold these properties until the Future Water Strategy is determined.
3. Perradenya Estate is being progressively subdivided and sold as residential allotments.

Dedicated staff time is limited to less than one full-time equivalent staff member.

#### Commercial properties pricing strategy

In respect to property owned by Rous, both the commercial and rural leases are managed by licenced agents who act on Rous' behalf. Lease arrangements look to provide the best commercial advantage to Council.

The sub leases of the Administration Office are managed by Council staff who negotiate arrangements with tenants.

Perradenya Estate is marketed by local agents. The most recent release of 15 lots (Stage 5b) was sold off the plan inspiring confidence to pursue the release of Stage 6 as soon as possible.

#### Commercial properties operating performance

The Fund is forecast to make recurrent operating losses. Rural properties and Perradenya operating expenses contribute to the loss. The forecast improves, although remains a loss, as the Perradenya operating costs decline as the lots are gradually sold.

Exclusive of rural properties and Perradenya operating expenses, commercial properties are a marginal exercise that struggle to achieve a surplus once depreciation, staff time and administration is brought to account.

**Table 15: Commercial properties estimated operating performance**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	269,100	269,200	266,300	303,900	324,800	315,300	294,000	299,600	305,900	312,500
Operating Expense	332,400	367,800	378,200	388,400	408,900	409,700	420,900	364,700	371,500	391,500
<b>Operating Result</b>	<b>(63,300)</b>	<b>(98,600)</b>	<b>(111,900)</b>	<b>(84,500)</b>	<b>(84,100)</b>	<b>(94,400)</b>	<b>(126,900)</b>	<b>(65,100)</b>	<b>(65,600)</b>	<b>(79,000)</b>
Eliminate Depn	38,400	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
<b>Cash result</b>	<b>(24,900)</b>	<b>(36,600)</b>	<b>(49,900)</b>	<b>(22,500)</b>	<b>(22,100)</b>	<b>(32,400)</b>	<b>(64,900)</b>	<b>(3,100)</b>	<b>(3,600)</b>	<b>(17,000)</b>
Capital Income	0	3,250,100	1,686,400	1,686,400	0	3,500,000	0	0	0	0
Capital Expense	3,157,100	2,527,300	100,000	102,700	104,400	5,028,000	28,000	28,000	29,000	30,000
Transfer to Res	0	686,200	1,536,500	1,561,200	0	0	0	0	0	0
Transfer from Res	3,182,000	0	0	0	126,500	1,560,400	92,900	31,100	32,600	47,000
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Estimated Res \$</b>	<b>(2,009,690)</b>	<b>(1,323,490)</b>	213,010	1,774,210	1,647,710	87,310	<b>(5,590)</b>	<b>(36,690)</b>	<b>(69,290)</b>	<b>(116,290)</b>

Perradenya Estate has capital expense associated with construction costs and capital income from the land sales. Over the life of the model, two separate releases are proposed with a total of 40 lots to be sold.

The model anticipates capital expense in 2025 of \$5 million to construct a wastewater reclamation plant. The estimated cost of this plant is difficult to predict, and the LTFP forecast of \$5 million is based on an old assessment. It is this expense that pushes the reserve into a negative position. More detailed technical assessment, cost estimates and likely timing will be obtained to improve the model.

On the positive side, the three large integrated lots are estimated to generate a net return of approximately \$3.5 million.

The reserve is predicted to go negative in 2026 once Perradenya has been completed. As mentioned previously there will also be an internal debt to Bulk Water Fund that will also remain outstanding. As part of the end of year accounting adjustments in 2018/19, Property repaid \$763,000 of the debt to Bulk Water.

Going forward it is proposed that Property will not attempt to repay this loan given that the Property reserve is forecast to be negative without repayments.

In conclusion, staff are in discussion with Lismore City in respect to conditions of the Perradenya consent, particularly in respect to the shared footpath/cycleway (current forecast is \$500K) and the wastewater reclamation plant. Further advice will be provided as this matter progresses.

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## Bulk Water

### Caveat on Long Term Financial Plan

Please refer to the discussion at the start of this report titled 'Caveat on the Long-Term Financial Plan'. While this caveat is relevant to the organisation as a whole, it is specifically relevant to the Bulk Water Fund.

### Bulk Water Budget comments

The aim of this section of the report is to provide some basic information on the larger financial elements relating to the Fund. Unless otherwise stated the estimates refer to the 2021 year.

- Operating Income
  - the primary income source is contributions from constituent Councils with income forecast at \$17.9 million.
  - interest income from funds invested is estimated to return \$440,000. Income from this source will fluctuate as reserves are used to support capital works.
- Operating Expense
  - dams and treatment expense is forecast to exceed \$5.3 million.
  - interest on borrowings will be \$1.8 million.
  - depreciation is estimated at \$5.6 million.
- Capital Income
  - section 64 income is Council's second largest income stream. The amount of income received in any given year can vary significantly depending on the amount of development that occurs in the region. The 2021 forecast of \$4 million is based on previous years and is hopefully conservative. Given the potential impacts of COVID-19, this forecast may turn out to be overly optimistic.
  - external borrowings are proposed in 2021 \$13.5 million, 2025 \$8 million and 2026 \$8 million.

The exact timing and amount of borrowing will be subject to finalisation of the current year's accounts. If for example there are delays in expending the proposed 2020 capital works program, it may afford the opportunity to reduce or delay borrowings.

- Capital Expense
  - forecast capital expenditure over the life of the model amounts to \$144 million. Major projects include:
    - \$50 million for the groundwater sources
    - \$33 million St Helena 300 bulk water main
    - \$8.2 million St Helena 375 bulk water main
    - \$1.7 million Nightcap chemical storage
    - \$6 million Nightcap site services

- Assets/Liabilities
  - the fund has non-current assets valued at approximately \$362 million.
  - debt currently stands at approximately \$24 million.
  - new loans are forecast to be taken up to \$29.5 million over the life of the model.

### Council contributions

Four constituent Councils and RCC Retail Water Fund pay contributions to the Bulk Water Fund based on the previous year's water consumption. One of the key issues for the constituent Councils is having time to include accurate forecasts for the cost of Bulk Water in their Integrated Planning and Reporting frameworks.

The calculation to determine the annual contribution is based on water consumption for the twelve months ending in February. This allows constituent Councils to be advised of their exact annual contribution in early to mid-March each year. This time frame has been chosen to coincide with each Council's annual budget cycle.

The table below shows the forecast percentage increase to contributions to 2029.

**Table 16: Estimated % increase to constituent councils' contributions for Bulk Water**

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029
Percentage increase	7.00%	7.00%	6.00%	6.00%	5.00%	5.00%	3.00%	3.00%	3.00%

The forecast is that greater than cost of living increases will be required for several years. The main issue driving the increase is the large capital works program that is proposed. The largest project being the new groundwater sources at a cost of an estimated \$50 million.

If or when the strategy in respect to the new water source changes the current modelling will be obsolete.

It is considered that given the magnitude of the capital works program over the next decade, the proposed price increases are reasonable. It suggests that the Fund is starting from a position of strength, which is supported by the fact that there is over \$20 million in reserves on hand that have been accumulated in advance for capital works.

It is also relevant to point out that the contribution increases for constituent Councils was confined to the rate peg increase from 2012/13 to 2018/19.

The following table shows the constituent Council contributions in the current year and the proposed contributions in 2020/21.



**Table 17: Proposed Bulk Water constituent council and Retail Water contributions**

	2019/20 \$	2020/21 \$	Movement %	Movement \$
Ballina Shire Council	6,108,700	6,843,500	12.03	734,800
Lismore City Council	5,402,400	5,441,400	0.72	39,000
Richmond Valley Council	1,176,400	1,159,100	(1.47)	(17,300)
Byron Shire Council	4,343,100	4,479,300	3.14	136,200
Retail Water	1,499,900	1,904,300	26.96	404,400
<b>Total</b>	<b>18,530,500</b>	<b>19,827,600</b>	<b>7.00</b>	<b>1,297,100</b>

The above table identifies that while the total increase to income is 7%, there is considerable variance between the entities on a percentage basis. This is attributable to the gross water consumed in each local government area compared to each other and compared to what their relativities were in the previous year. As discussed in the 'Retail' section of this report, consumption by 'Retail Water Fund' has increased by almost 27% in comparison to the previous year.

### Bulk Water operating performance

Apart from the early years of the model, the Fund is forecast to make recurrent operating surpluses.

**Table 18: Bulk Water estimated operating performance**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Estimate \$	Estimate \$	Estimate \$	Estimate \$	Estimate \$	Estimate \$	Estimate \$	Estimate \$	Estimate \$	Estimate \$
Operating Income	17,731,900	18,438,100	19,479,800	20,537,100	21,863,300	23,111,900	24,151,200	24,707,400	25,471,100	26,318,700
Operating Expense	19,856,100	19,950,600	19,796,200	19,475,900	19,485,400	21,615,000	22,724,000	23,440,100	23,707,900	24,265,500
<b>Operating Result</b>	<b>(2,124,200)</b>	<b>(1,512,500)</b>	<b>(316,400)</b>	<b>1,061,200</b>	<b>2,377,900</b>	<b>1,496,900</b>	<b>1,427,200</b>	<b>1,267,300</b>	<b>1,763,200</b>	<b>2,053,200</b>
Eliminate Depn	5,378,700	5,596,100	5,816,700	5,922,600	6,124,500	6,319,200	7,188,500	7,346,700	7,516,300	7,707,800
<b>Cash result</b>	<b>3,254,500</b>	<b>4,083,600</b>	<b>5,500,300</b>	<b>6,983,800</b>	<b>8,502,400</b>	<b>7,816,100</b>	<b>8,615,700</b>	<b>8,614,000</b>	<b>9,279,500</b>	<b>9,761,000</b>
Capital Income	3,500,000	17,500,000	4,100,000	4,203,000	4,308,000	12,416,000	22,026,000	4,639,000	4,755,000	4,874,000
Loan capital	2,548,300	3,195,900	3,395,800	3,608,300	3,830,800	3,882,700	4,125,600	3,773,900	1,166,600	1,199,500
Capital Expense	12,431,900	18,414,600	18,679,100	3,228,000	15,858,000	14,736,400	26,505,700	9,531,400	10,886,400	13,608,800
Transfer to Res	0	0	0	4,350,500	0	1,613,000	10,400	0	1,981,500	0
Transfer from Res	8,225,700	26,900	12,474,600	0	6,878,400	0	0	52,300	0	173,300
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Estimated Res \$</b>	22,075,281	22,048,381	9,573,781	13,924,281	7,045,881	8,658,881	8,669,281	8,616,981	10,598,481	10,425,181

The forecast operating result tends to fluctuate over time. The losses forecast in the period 2020-2022 are influenced by one-off projects. Some of the larger projects on the horizon in this time frame include:

- Finalise bush regeneration works prior to handover \$220,000
- Emigrant Creek Dam pipe analysis \$51,000
- Nightcap Water Treatment Plant masterplan analysis \$350,000
- Trunk main pigging/cleaning \$216,000
- Additional staff for bush regen over three years \$530,000
- Catchment Management Plans audit \$80,000
- Roof safety \$50,000 (related to Greenhouse gas abatement strategy)
- Future Water Strategy \$816,000
- Water management loss plan \$40,000

- Nightcap masterplan \$80,000
- Assess reuse \$35,000
- Drought Management review \$125,000.

There is an extensive list of one-off projects underway which will cost in the order of \$2.6 million. Add to this additional depreciation forecast over the same period of \$690,000 and you have a significant impact on your operating result.

Over time the 7% and 6% increases start to have an affect which improves the outlook. However, the Fund must also cope with new loan repayments for 3 separate loans over the period and in 2025 additional operating expense of \$1.8 million has been added to operate the forecast new groundwater plants.

In summary there is lot of activity in the fund and the model will be subject to change depending on many variables and assumptions that are very likely to be adjusted as new and improved information becomes available.

The cash reserve tends to graduate down as existing reserves are consumed by the St Helena project and external borrowing is required. Further borrowings are required to maintain a positive reserve balance assuming that the groundwater project proceeds.

The 'Reserves' policy has a target balance of approximately \$9 million and it can be seen that in some years, the forecast is less than the target. As mentioned, there are numerous variables at play and it may be that closer to the time, Council may choose to increase or decrease borrowings depending on how the works program is progressing.

## Fleet Fund

### Fleet Fund Budget comments

The aim of this section of the report is to provide some basic information on the larger financial elements relating to the Fund. Unless otherwise stated the estimates refer to the 2021 year.

- Operating Income
  - interest on funds invested and staff contributions for private use of vehicles account for total operating income, forecast at \$93,000.
  - note that plant hire income is viewed as a negative expense.
- Operating Expense
  - total operational expense is expected to be around \$645,000 plus \$400,000 for depreciation. Plant hire income (\$949,000) is calculated to approximately offset anticipated expenses once operating income has been brought to account.
- Capital Expense
  - average annual spend over the life of the model is in the order of \$450,000 which is the net cost of vehicle turnovers. i.e. includes trade value.

The role of the Fleet Fund is to provide all other Funds with fit-for purpose fleet at an economical rental. The Fund manages vehicles, boats, trailers and heavy plant. There are approximately 100 items within the Fleet.

## General Operations

The intent is for the Fleet Fund to operate on a stand-alone basis. All expenses relating to management of the fleet are costed to Fleet Fund including fuel, maintenance, registration, insurance and capital purchases.

Vehicle types and length of service are varied to identify the best approach for Council to minimise the net holding cost. That cost is annualised and recovered from the Fund that uses the item based on hire rates.

The hire rate is designed to generate sufficient internal revenue to keep the fleet well maintained and replaced prior to a loss in service potential. The hire rate does not include any provision for fleet expansion.

## Fleet Fund operating performance

The forecast is for an essentially break-even operating result and a gradual increase in reserves.

**Table 19: Fleet Fund estimated Operating Performance**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	122,300	93,400	95,500	99,600	104,400	109,900	113,300	119,500	123,700	127,300
Operating Expense	108,700	93,800	92,300	90,500	88,700	86,700	84,600	82,500	80,200	77,700
<b>Operating Result</b>	<b>13,600</b>	<b>(400)</b>	<b>3,200</b>	<b>9,100</b>	<b>15,700</b>	<b>23,200</b>	<b>28,700</b>	<b>37,000</b>	<b>43,500</b>	<b>49,600</b>
Eliminate Depn	425,900	397,300	403,300	409,300	415,400	421,600	427,900	434,300	440,800	447,400
<b>Cash result</b>	<b>439,500</b>	<b>396,900</b>	<b>406,500</b>	<b>418,400</b>	<b>431,100</b>	<b>444,800</b>	<b>456,600</b>	<b>471,300</b>	<b>484,300</b>	<b>497,000</b>
Capital Income	0	0	0	0	0	0	0	0	0	0
Capital Expense	578,600	413,300	454,000	436,300	421,400	580,000	298,000	389,300	481,000	466,000
Transfer to Res	0	0	0	0	9,700	0	158,600	82,000	3,300	31,000
Transfer from Res	139,100	16,400	47,500	17,900	0	135,200	0	0	0	0
<b>Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Estimated Res \$</b>	570,994	554,594	507,094	489,194	498,894	363,694	522,294	604,294	607,594	638,594

Plant hire income is treated as a negative expense, so operating expenses are essentially cancelled out by internal hire income. It is important that the Fund does not make a significant profit or loss. Either outcome indicates that the other Funds are being over or under charged and the hire rates are not right.

The modest surplus that is predicted is considered acceptable. The reserve will increase but roughly in accord with the cost of money over time.

## **COVID-19**

Council and businesses (domestic and international) are rapidly assessing the expected short and long term implications of COVID-19. The pandemic has caused significant adjustment to operations for a duration which, at the time of writing this report, is unknown.

The implications for Council may include: capital works delays; reduction in income from developer contributions (by comparison to forecast); and, lower returns from funds invested (by comparison to forecast). Management is and will need to continue to monitor and assess the situation and plan and respond accordingly.

## Proposed changes to the Delivery Program

Outlined in the following tables are the proposed changes (red text) to the Delivery Program for 2020/21 with accompanying commentary explaining the rationale for the proposed change.

### STRATEGY AND PLANNING

**Our goal:** 2. Align strategic direction to core functions and sustainability.

What achieving our goal will look like	How we will achieve our goal	Delivery				Group*	COMMENT
		2017/18	2018/19	2019/20	2020/21		
2.1 Being responsive to the impact of population growth on our core functions.	2.1.1 Develop new Operational Plan (having regard to the actions outlined in the Delivery Program).	Y1	Y2	Y3	<del>Y4</del>	PP	Y4 can be deleted as the action is already catered for at: '2.1.2 Develop new Integrated Planning and Reporting framework'
	2.1.4 Subject to non-viability of key action 2, complete key action 3 of the Future Water Strategy (re-use).			Y3	<del>Y4</del>	PD	Y4 can be deleted as completion of activity is expected by 30 June 2020.
	2.1.5 Determine a position regarding the Future Water Strategy <b>update</b> (following completion of key actions).			Y3	<b>Y4</b>	PD	Minor edit to wording.

What achieving our goal will look like	How we will achieve our goal	Delivery				Group*	COMMENT
		2017/18	2018/19	2019/20	2020/21		
2.2 Strategic partnerships/relationships supportive of our mission and vision.	2.2.3 Understand and evaluate our role as the Flood Mitigation Authority with each of our constituent councils within the Richmond River catchment.				Y4	PD	This is the commencement of a multi-year project to examine our role as the Flood Mitigation Authority, commencing in 20/21 with a discussion with the Constituent Councils where we provide flood mitigation services. Recent evaluations of the Lismore Levee arrangements and our mid/lower Richmond flood mitigation assets has highlighted the need for this top down approach to understanding our purpose.
2.4 Converting strategy into action plans that anticipate and accommodate change and allocate accountability.	2.4.6 Complete operational readiness actions as identified in the Drought Management Plan.	Y1	Y2	Y3	Y4	PD	Delivery timeframe extended to Y4 to enable implementation of continuous improvement actions following lessons learned from water restrictions in 2019.
	2.4.8 Implement physical security review improvements.	Y1	Y2	Y3	Y4	PD	Y4 can be deleted. A further review of the recommendations in the consultant's report is required having regard to other activities / projects planned or underway. e.g Rocky Creek Dam (including Whian Whian Falls) multi-year Master

What achieving our goal will look like	How we will achieve our goal	Delivery				Group*	COMMENT
		2017/18	2018/19	2019/20	2020/21		
							Plan, strategic review of Nightcap Water Treatment Plant.
	<b>2.4.12</b> Staged implementation of IT Strategic Plan.		Y2	Y3	<del>Y4</del>	CC	Y4 can be deleted as it is proposed that an IT Strategic Plan will be developed in Y4 (refer to '2.4.11 Develop IT Strategic Plan'). In the meantime, actions in the ICT Business Plan 2019-21 will continue to be implemented and progress reporting will be provided to the Audit, Risk and Improvement Committee.
	<b>2.4.19</b> Development of Catchment Management Plans for all council water sources (excluding groundwater).			Y3	<del>Y4</del>	PD	Y4 can be deleted (and Y3 added) as completion of activity is expected by 30 June 2020.
	<b>2.4.26</b> Implementation of Maintenance Management Strategy improvement actions.				<del>Y4</del>	PD	New action supporting delivery of recommendations arising from internal audit 'Asset Management Review' performed by Grant Thornton in November 2019.

## INFORMATION AND KNOWLEDGE

**Our goal:** 3. Create value through applying knowledge.

What achieving our goal will look like	How we will achieve our goal	Delivery				Group*	COMMENT
		2017/18	2018/19	2019/20	2020/21		
3.1 We will better utilise the knowledge and expertise of our people and the knowledge embedded in our organisational systems to inform decision-making and enhance transparency, business continuity and resilience.	3.1.7 Develop and implement a compliance and enforcement framework.		Y2	Y3	Y4	PP	Y4 can be deleted as the project has been completed.

## PEOPLE

**Our goal:** 4. Organisational capability through our people.

What achieving our goal will look like	How we will achieve our goal	Delivery				Group*	COMMENT
		2017/18	2018/19	2019/20	2020/21		
4.1 A high performing team enriched through diversity.	4.1.3 Build and attract a diverse workforce.	Y1	Y2		Y4	PP	Addition of Y4 reflects the planned continuation of improvements in recruitment practices.

## PROCESS MANAGEMENT, IMPROVEMENT & INNOVATION

**Our goal:** 6. Continuous improvement through process management and innovative thinking.

What achieving our goal will look like	How we will achieve our goal	Delivery				Group*	COMMENT
		2017/18	2018/19	2019/20	2020/21		
6.1 Recognising and being open to opportunities for improvement through innovation.	6.1.2 Staged digitisation of paper records.		Y2	Y3	Y4	CC	Y4 can be deleted as the activity has been incorporated into the electronic document records management system project.
	6.1.5 Develop a new competency framework.			Y3	Y4	PP	Y4 can be deleted as the project has been completed.
	6.1.7 Develop business case for any proposed non-core business activity to inform decision on whether to proceed with the activity/project.	Y1	Y2	Y3	Y4	CC/PP/ OP/PD	Y4 can be deleted as the project gateway process will be implemented through the Project Management Framework business process.
	6.1.8 Create a performance culture linked to turnaround times for key business processes.	Y1	Y2	Y3	Y4	CC/PP/ OP/PD	Y4 has been added to reflect that this item is an ongoing 'business as usual activity' requiring consistent and year on year investment of effort across the business. The focus areas for 2020/21 is Customer Service, Risk and Compliance and Governance.



## RESULTS AND SUSTAINABLE PERFORMANCE

Our goal: 7. Sustainable performance.

What achieving our goal will look like	How we will achieve our goal	Delivery				Group *	COMMENT
		2017/18	2018/19	2019/20	2020/21		
7.2 Levels of service align with agreed priorities, financial and asset capability and long-term financial plans.	7.2.3 Review water charges having regard to relevant best practice industry guidelines for non-metropolitan water utilities.		Y2		Y4	CC	Y4 can be deleted as the project has been completed.

**Governance**

The *Local Government Act 1993* requires that Council have an annual Operational plan adopted before the beginning of each financial year. The Operational plan is a sub-plan of the Delivery program and includes Council's 'Revenue' policy and proposed Fees and Charges for the relevant financial year it covers.

The proposed Operational plan, the subject of this report, sets out the actions that will be taken in the 2020/21 financial year to achieve the strategies in Year 4 (Y4) of the Delivery program within the 2017/21 Business activity strategic plan (adopted by Council on 21 June 2017; [50/17]).

**Consultation**

If approved, the draft Delivery program / Operational plan (incorporating the 2020/21 Budget and 'Revenue' policy) will be publicly exhibited for at least 28 days and public submissions invited. Advice regarding any public submissions received will be reported to the June 2020 Council meeting.

**Conclusion**

The proposed Budget is based on Council's commitment to deliver at agreed levels of service.

In partnership with our constituent Councils and other stakeholders, Rous County Council can confidently proceed to provide the region with an expected standard of quality and service for Flood Mitigation, Weed Biosecurity and Water Supply (Bulk and Retail).

The proposed Delivery program/Operational plan has been prepared having regard to the 2020/21 Budget and reflects what is contained therein.

Guy Bezrouchko  
Group Manager Corporate and Commercial

Attachment:

1. Draft Delivery program/Operational plan (incorporating the 2020/21 Budget



# Integrated planning and reporting framework

2017/2021

---

- Business activity strategic plan
- Resourcing strategy
- Delivery program | Operational plan



## Acknowledgement of country

We recognise the traditional owners of the land  
and pay tribute to elders past and present.

Version	Purpose and description	Date adopted by Council	Resolution no.
2.0	Endorsed at Council meeting 17 May 2017 for public consultation	17 May 2017	43/17
2.0	Adoption of final Framework	21 June 2017	50/17
3.0	Draft Delivery Program/Operational Plan (incl. Revenue Policy and Budget) endorsed at Council meeting 16 May 2018 for public consultation	16 May 2018	35/18
3.1	Adoption of final Plan	20 June 2018	44/18
4.0	Draft Delivery Program/Operational Plan (incl. Revenue Policy and Budget) endorsed at Council meeting 17 April 2019 for public consultation	17 April 2019	18/19
4.1	Adoption of final Plan	19 June 2019	36/19
5.0	Draft Delivery Program/Operational Plan (incl. Revenue Policy and Budget) endorsed at Council meeting xx/xx/2020 for public consultation.	DRAFT	

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## Who we are

Rous County Council is a county council constituted under the Local Government Act 1993. Our governing body has eight members (consisting of two representatives from each of Ballina, Byron, Lismore City and Richmond Valley Councils) each of whom are appointed for four years.

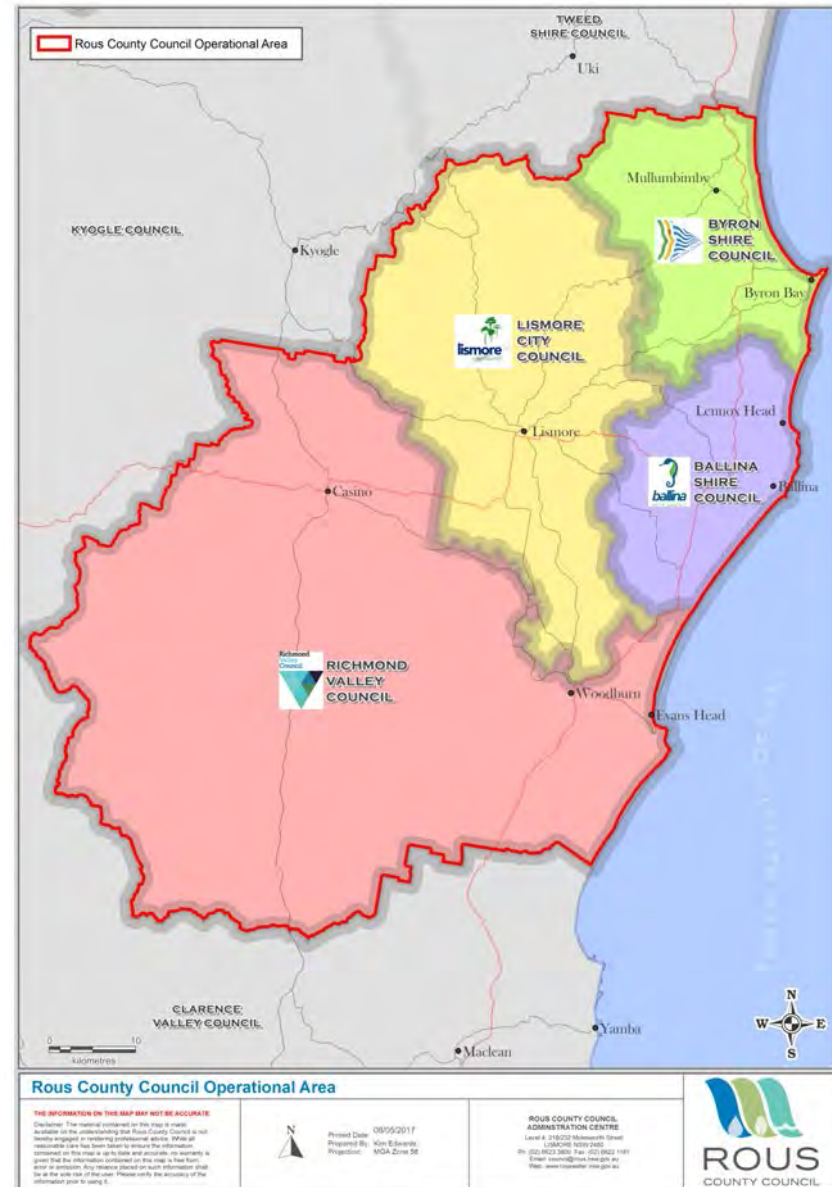
Council meets on the third Wednesday of February, April, June, August, October, and December at 1.00pm. On the third Wednesday of the month when meetings are not scheduled to be held, Council will hold briefings / workshops at 1.00pm, unless, in consultation with the Chair, the General Manager determines that there is no substantial matter required for discussion.

Public attendance at meetings is welcome with 'public access' a standing item on the meeting agenda. A person may address council about any matter included in the business paper for the meeting.

Business papers (excluding confidential content) are available online at: [www.rous.nsw.gov.au](http://www.rous.nsw.gov.au) or in hard copy from our office at Level 4, 218/232 Molesworth Street, Lismore NSW 2480, Monday to Friday between 8.30am and 4.30pm.

We also have a number of committees that inform and support the decision making of the governing body: Audit Risk and Improvement Committee, Reconciliation Action Plan Advisory Group. The membership of these groups is often a combination of governing body members and independent community members.

## Our footprint





## What we do

### Supply water in bulk



We are the regional water supply authority providing water in bulk to the local government areas of Lismore (excluding Nimbin), Ballina (excluding Wardell), Byron (excluding Mullumbimby) and Richmond Valley (excluding land to the west of Coraki). A population of around 100,000 is serviced by this water supply system with the actual area of operations being approximately 3,000km<sup>2</sup>.

The regional supply network includes around 43,000 connections within the reticulation areas of the local government areas that it services and nearly 2,000 retail connections to our trunk main system. Reticulation of the water within the urban centres is the responsibility of our member Councils.

The principal source of our supply network is Rocky Creek Dam, situated 25km north of Lismore near the village of Dunoon. The dam has a storage capacity of 14,000ML.

Other available sources under our control include Emigrant Creek Dam, Convery's Lane and Lumley Park bores in the Alstonville area, as well as bores in the Richmond Valley area.

Our water infrastructure is valued in excess of \$250M. This includes the physical trunk main and pipeline system as well as reservoirs, Rocky Creek Dam, Emigrant Creek Dam, Wilsons River Source, two water treatment plants (Emigrant Creek and Habbie Habib Nightcap) and a range of public access and recreation areas in and around Rocky Creek Dam and Emigrant Creek Dam.

We implement a multi-barrier approach to water quality management – this means that at each stage of the water collection, storage and delivery process we actively manage water quality. Catchment protection is a key barrier in drinking water quality protection - minimising contamination before it reaches the water treatment plant is considered a vital step for reducing drinking water-related health risks. We work with a wide range of catchment partners to improve the quality of water flowing from the catchments areas into our streams and water sources. Our Water and Rainforest Reserve at Rocky Creek Dam is a popular destination that showcases the benefits of long-term commitment to catchment protection and Big Scrub restoration.

## Exercise powers and duties in relation to weed biosecurity



Our goals are to:

- **Exclude** new noxious weeds (prevent them establishing in our region).
- **Eradicate or contain** any new noxious weeds found in our region (eliminate them or stop their spread).
- **Effectively manage** the impacts of widespread invasive noxious weeds species.
- **Build capacity** in our region to help the community, industry and government commit to long-term management of invasive noxious weeds.

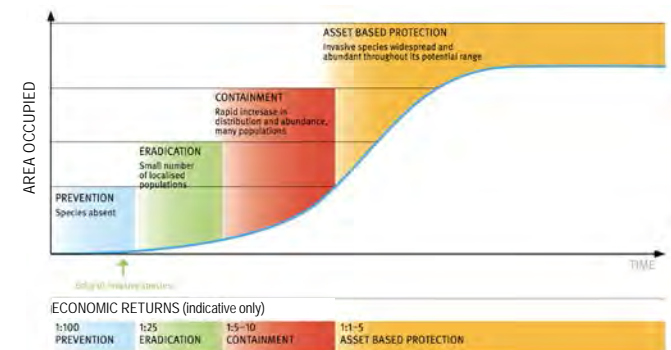
To achieve this we focus on:

- Identification and management of high-risk weed species and how they spread into and within our region.
- Improving our capacity to find new weeds early.
- Ensuring we have the resources and procedures to take rapid strategic control measures against new weeds in our region.
- Directing our resources to where benefits will be the greatest.
- Increasing community commitment and involvement in proactive weed management.

We also deliver weed biosecurity services under a service level agreement arrangement to the councils of Kyogle and Tweed Shire.

### Prioritising biosecurity investments

Generalised invasion curve showing actions appropriate to each stage



\*Invasion Curve sourced from Biosecurity Victoria, Department of Primary Industries, Victoria



## Prevent and mitigate menace to the safety of life or property from floods and natural resource management issues arising therefrom

Our service delivery relates to flood mitigation in the rural environment (not urban areas). Our natural resource management function relates only to the environmental consequence resulting from the operation of this infrastructure on the broad environment.

We are responsible for the construction, replacement and routine maintenance of various flood mitigation infrastructure. This includes floodgates and some rural drains and canals. In addition, we also have a key role in relation to an urban levee designed to protect the central business district of Lismore against a 1 in 10 year flood.

The Lismore levee is a flood mitigation system comprising a 2km concrete flood levee bank. While we own the levee, Lismore City Council is responsible for its maintenance and operation. It is supported by an auxiliary flood mitigation system consisting of: the South Lismore levee which is 5.5km in length and designed to protect the area of South Lismore against a 1 in 10 year flood; a pop-up deflector wall; Browns Creek pump station; and doorway floodgates for some local flood affected businesses. The levee was constructed in 2002 by the former Richmond River County Council at the request of Lismore City Council, with funding provided by Lismore, the Commonwealth and State governments.

We also have a strong interest in activities such as hydrological research, flood surveying and modelling. This enables us to better understand flood behaviours and the impact of flooding on the catchment and floodplain.

As a flood mitigation authority we also partner with our member councils to coordinate the preparation and submission of grant funding applications for agreed regional projects.





1

Business activity strategic plan

# What does Integrated Planning and Reporting mean?



**VISION**  
Thrive and evolve as a valued regional service provider.



**MISSION**  
Partner with our constituent councils to provide quality services that support a sustainable and productive region.



**VALUES**  
Safety  
Teamwork  
Accountability  
Respect



# Integrated Planning and Reporting priorities

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	Leadership	Strategy and planning	Information and knowledge	People	Customers and Stakeholders	Process management, improvement and innovation	Results and sustainable performance
Quadruple bottom line							
Goals	1. Values based leadership and culture.	2. Align strategic direction to core functions and sustainability.	3. Create value through applying knowledge.	4. Organisational capability through our people.	5. Proactive management of relationships with member councils and key stakeholders.	6. Continuous improvement through process management and innovative thinking.	7. Sustainable performance.
Achievement looks like	1.1 Leaders are visible at all levels of the organisation and are supported to effectively lead and drive performance.	2.1 Being responsive to the impact of population growth on core functions. 2.2 Strategic partnerships/relationships supportive of our mission and vision. 2.3 Business activity contributes to local and regional growth and optimal environmental outcomes. 2.4 Converting strategy into action plans that anticipate and accommodate change and allocate accountability.	3.1 We will better utilise the knowledge and expertise of our people and the knowledge embedded in our organisational systems to inform decision-making and enhance transparency, business continuity and resilience.	4.1 A high performing team enriched through diversity. 4.2 A workplace where safety and wellbeing come first.	5.1 Mutual understanding of needs, priorities, expectations, functions, operations, service standards, span of control and influence.	6.1 Recognising and being open to opportunities for improvement through innovation.	7.1 We are recognised as a valued regional service provider and reliable cost effective deliverer of our core functions and operations. 7.2 Levels of service align with agreed priorities, financial and asset capability and long-term financial plans.
Resources required							
Success looks like	<ul style="list-style-type: none"> <li>Improved leadership and management skills.</li> <li>Leaders supported to lead.</li> <li>that are proud, confident and visible at all levels of the organisation.</li> <li>A strong culture that aligns with our Values.</li> </ul>	<ul style="list-style-type: none"> <li>Leadership strategy aligned to Vision, Mission and Values.</li> <li>Informed decision making.</li> <li>Strong relationships between Council and Traditional Custodians and Aboriginal and Torres Strait Islander peoples.</li> <li>Strategy that converts into action.</li> </ul>	<ul style="list-style-type: none"> <li>Getting the most out of our technology and systems.</li> <li>Systems that create efficiencies, consolidate data and enable us to share knowledge easily.</li> <li>Having adequate resources to meet our committed service standards and levels.</li> <li>Rewarding and recognising success and high performer.</li> </ul>	<ul style="list-style-type: none"> <li>Being proud of each other and our great workplace</li> <li>People that are trained and competent to carry out work safely and skilfully.</li> <li>Everyone knowing that 'Safety first' is how we do business; no exceptions - ever - zero harm.</li> <li>Achieving targets on time and on budget.</li> <li>Visibility of team performance (activity v. outcome).</li> <li>Gaining knowledge and learning from experience.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively engaging member councils and key stakeholders.</li> <li>Strong, solution focussed and respect based relationships.</li> <li>Being easy to do business with.</li> <li>Member councils and stakeholders regularly providing honest and timely performance feedback.</li> <li>Feedback is used to achieve continuous improvement.</li> <li>Member councils understanding and accepting the basis for calculating financial contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Process dependencies and interdependencies identified.</li> <li>Innovative thinking in how we do business.</li> <li>A workforce adequate in number and capability to meet agreed levels of service.</li> <li>A sustainable talent pipeline that reflects future business needs.</li> <li>Informed and detailed plans.</li> <li>Innovation and continuous improvement is 'business as usual'.</li> <li>Process management achieves positive and sustained results.</li> </ul>	<ul style="list-style-type: none"> <li>Being a valued regional service provider.</li> <li>Providing quality services that support a sustainable and productive region.</li> <li>A pricing structure reflects sustainable financial management.</li> <li>Services delivered at agreed standards and levels.</li> <li>Performance and results communicated across our organisation and used for learning and continuous improvement.</li> </ul>

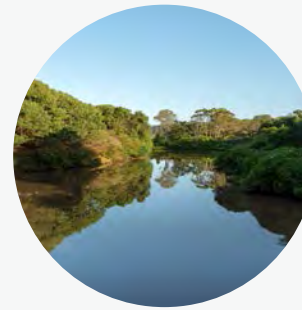
KEY: Social Environmental Economic Governance Money People Assets



# Challenges faced in Integrated Planning and Reporting

Leadership	<ul style="list-style-type: none"> <li>• Accepting and adjusting to change</li> <li>• Prioritising leadership development</li> <li>• Understanding:             <ul style="list-style-type: none"> <li>- the role of leaders in our organisation and the reasons why decisions are made</li> <li>- the difference between leaders and managers</li> <li>- that leadership decisions are not always popular or easy</li> </ul> </li> </ul>
Strategy and planning	<ul style="list-style-type: none"> <li>• External factors beyond our control</li> <li>• Community expectations and understanding</li> <li>• Regional growth and climate change impacts</li> <li>• Being realistic about our capacity to deliver projects</li> <li>• Engagement with private landholders to achieve catchment and natural resource management outcomes</li> <li>• Consistent and proactive delivery of reconciliation actions</li> </ul>
Information and knowledge	<ul style="list-style-type: none"> <li>• Understanding where opportunities exist and where to invest our efforts for the best return</li> <li>• Knowing when it will be most beneficial to buy in expertise to supplement existing knowledge or capacity to deliver projects</li> <li>• Developing an effective reward and recognition program</li> <li>• Identifying where unique skill sets and technical competencies exist and building business continuity in those areas</li> </ul>
People	<ul style="list-style-type: none"> <li>• Combining the functions of three entities</li> <li>• Everyone knowing what they are required to do and are held to account for their performance</li> <li>• Aligning our efforts with our strategic objectives and operational activities</li> <li>• Managing morale in a constantly changing and dynamic environment</li> <li>• Building our brand as an employer of choice</li> </ul>
Customers and stakeholders	<ul style="list-style-type: none"> <li>• Maintaining effective communications</li> <li>• Rapidly adapting to change within current resource capacity</li> <li>• Prioritising member council and key stakeholder relationships</li> <li>• Managing different perspectives and expectations</li> </ul>
Process management, improvement and innovation	<ul style="list-style-type: none"> <li>• Understanding the capability of our technology and systems</li> <li>• Responding to the speed of change and understanding its impacts</li> <li>• Identifying the best-fit solution</li> <li>• Learning from each other and our experiences</li> <li>• Understanding the processes between Branches and handover points</li> </ul>
Results and sustainable performance	<ul style="list-style-type: none"> <li>• Maintaining adequate operational capacity</li> <li>• Building and maintaining the commitment of our partners in the delivery of our activities</li> <li>• Maximising the deployment of existing human resources to achieve optimum productivity</li> <li>• Rapidly responding to changing regulatory requirements</li> <li>• Recognising where our optimum efficiencies are achieved based on cost v. benefit</li> <li>• Maintaining focus on core functions and activities of our county</li> </ul>

## 43 Integrated Planning and Reporting in practice



### Planning for the future

...knowing our purpose and goals and how each person in our workforce contributes to achieving them...

...it is the roadmap to achieving our Vision and Mission...

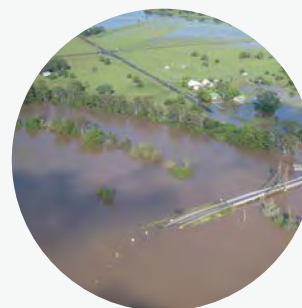
...it sets out what we will do in the long, medium and short term, how we will do it and how we will measure our performance...

### Translating the strategy into action

...the high level strategy is unpacked into specific actions through the Delivery program | Operational plan...

...our strategic priorities are supported by a series of goals or objectives and actions...

...each action is aligned with and designed to contribute to the achievement of a strategic priority...



### Accountability for doing what we say we will

...one of our corporate Values that features heavily in our Integrated Planning and Reporting framework...

...reporting at least 6 monthly to our governing body reveals whether we are on track or not in delivering against our Delivery program and Operational plan...

...if we are on track we need to recognise and celebrate that. If we are not, we need to be honest about that, understand why and do something about it...

# Elements of Integrated Planning and Reporting

## 1 Business activity strategic plan

**Description:**

- Main business activity priorities
- Strategic objectives and strategies for achieving those objectives
- Informed by other key strategies (e.g. Disability Inclusion Action Plan and Reconciliation Action Plan)
- Endorsed by Council
- Covers a period of 10+ years

**Review:** Every 4 years



## 2 Resourcing strategy

**Description:**

### Long term financial plan

- Modelled on a 30 year timeframe; includes projected income and expenditure, balance sheet and cash flow statement; planning assumptions used to develop the Plan; sensitivity analysis; financial modelling; methods of monitoring financial performance

### Workforce management plan

- Modelled on a min. 4 year timeframe; includes human resourcing requirements for the Delivery program

### Asset management strategy and plan

- Modelled on a 20 year timeframe; includes an Asset management policy; Strategy (identifies assets that are critical to Council operations and outline the risk management strategies for these assets; includes specific actions required to improve Council's asset management capability and projected resource requirements and timeframes); Plan (encompasses all the assets under Council's control; identifies asset service standards; contains long term projections of asset maintenance, rehabilitation and replacement costs)

**Review:**  
 Reviewed in detail every 4 years in conjunction with the Business activity strategic plan  
 Updated annually when developing the Operational plan



## 3 Delivery program + Operational plan

**Delivery program portion description:**

- Activities to be undertaken to implement the Business Activity Strategic Plan
- Adopted by Council
- Covers a period of 4 years

**Review:** Every 4 years

**Operational plan portion description:**

- Sub-plan of Delivery program
- Adopted by Council
- Covers a period of 1 year

**Review:** Annual



# Delivering Integrated Planning and Reporting

Integrated Planning and Reporting is a legal requirement under the Local Government Act 1993.



## Planning

The individual elements consist of a long term business plan (Business activity strategic plan), a 4 year Delivery program, a 1 year Operational plan and a Resourcing strategy. The Resourcing strategy consists of a 30 year long term financial plan, 4 year Workforce management plan and a 20 year Asset management strategy and plan.

## Reporting

We publicly report on our achievements and performance in the following ways:

	To whom	When and about what
<b>Annual report</b>	Council Community	<ul style="list-style-type: none"> <li>Once a year.</li> <li>Our achievements in implementing the Delivery program. It includes information about the effectiveness of the principal activities undertaken in achieving the objectives in the Business activity strategic plan.</li> </ul>
<b>State of the Environment report</b>	Council Community	<ul style="list-style-type: none"> <li>Once every 4 years (by 30 November in the year in which an ordinary election is held).</li> <li>A health report on the state of the environment in the local government area relevant to the objectives for the environment established in the Business activity strategic plan. Our next State of the Environment report will be delivered in 2020 as a co-ordinated regional initiative with councils across the north and mid-north coast.</li> </ul>
<b>Progress report on Delivery program</b>	Council	<ul style="list-style-type: none"> <li>At least every six months.</li> <li>Includes our performance in delivering services under Service Level Agreements in place with member councils.</li> </ul>
<b>Quarterly Budget Review Statement</b>	Council	<ul style="list-style-type: none"> <li>Quarterly.</li> <li>A financial health report containing information about financial position in order to enable informed decision making and to ensure that we are on track to meet our objectives, targets and outcomes as set out in the Operational plan. The Code of Accounting Practice and Financial Reporting prescribes the minimum requirements that must be reported.</li> </ul>



## Informing our framework

### *Social justice principles*

The NSW Government's social justice strategy consists of four elements: equity, access, participation and rights. Our business activity strategic plan has been developed having regard for these principles through:

- Targeted consultation and engagement activities focussing on diversity and inclusion (for example, Workforce management plan, Reconciliation action plan, Disability inclusion action plan)
- Literature review of relevant strategies and plans.

### *Lessons learned*

How did we perform under the previous Integrated Planning and Reporting framework? Did we achieve what we set out to? If not, why? What worked? What could we do better next time?

### *What is happening now and what we anticipate for the future*

An important element of any strategic planning activity is to consider the current and future operating context. What is happening now and what is expected to happen in the future from a political, economic, social and technological perspective.

Some significant changes have occurred leading up to the development of this framework including the dissolution of Far North Coast County Council and Richmond River County Council. With the operations and functions of those counties transferred to Rous County Council, the timing of the development of this framework offers a unique opportunity to relaunch our reformed organisation.

Other matters informing our Integrated Planning and Reporting framework include: stakeholder interests and concerns; changes

arising from the Local Government Amendment (Planning and Governance) Act 2016; the potential future formation of joint organisations of councils; the opportunities to explore and progress regional partnerships and initiatives; Future Water Strategy and supply and demand indicators; compliance with the Best-Practice Management of Water Supply and Sewerage Guidelines (August 2007) and the Australian Drinking Water Guidelines.

### *Australian Business Excellence framework operating model*

The Australian Business Excellence framework is an internationally recognised integrated leadership and management system. It is a performance improvement model based on continuous improvement at all levels with a particular leadership focus on sustainable performance. The framework applies concepts from international best practice leadership models that are applicable to private and public sector organisations. We have used the framework as the foundation of our Integrated Planning and Reporting framework.



*Our member council's top priorities as evidenced in their community strategic plans*

**Ballina**

**Priorities**

- Marina infrastructure
- Health of the Richmond River
- Affordable housing

**Priorities that connect us**

- Health of the waterways and the Richmond River

**Byron**

**Priorities**

- Corporate strategy and integrating Disability inclusion action plan into Integrated Planning and Reporting, streamlining planning with every day functions and service provision, focussing on strong financial sustainability, leveraging of opportunities as they arise.
- Community services improvements, focussing on affordable housing and community infrastructure maintenance through community development services and investment in key community asset and infrastructure.

**Priorities that connect us**

- Water usage
- Threat to natural environment posed by noxious weeds

**Lismore**

**Priorities**

- Affordable housing
- Public transport

**Priorities that connect us**

- Growth in terms of demand/ supply of water and location (flood free)
- Wilsons River water quality
- Noxious weeds

**Richmond Valley**

**Priorities**

- Local employment
- Good roads, parks and open spaces
- Economic development
- Communication and advocacy

**Priorities that connect us**

- Flood mitigation
- Bushland
- Waterways
- Noxious weeds



### ***Regional, State and Federal strategy***

- Australia's First Open Government National Action Plan 2016-18
- Australian Signals Directorate: Strategies to Mitigate Cyber Security Incidents
- Australian Work Health and Safety Strategy 2012–2022
- Biosecurity Strategy 2013-2021
- Far North Coast Regional Strategy 2006-31
- Industry and Investment Corporate plan 2015-2019
- National Local Government Workforce Strategy 2013-2020
- Northern Rivers Invasive Plants Action Strategy 2009-2013 (still current)
- Northern Rivers Regional Plan vision to 2020
- NSW 2021 A Plan to make NSW number one
- NSW Economic Development Framework
- NSW Invasive Species plan 2008-2015 (still current)
- NSW Local Government Workforce Strategy 2016-2020

### ***Consultation***

A workshop with council's governing body was held on 15 March 2017 which was an invaluable opportunity to engage with councillors regarding the future direction of the county.

Consultation also occurred with member councils as part of the development of individual service level agreements.

In addition, a public consultation process was undertaken which enabled all interested community members to have input into the Integrated Planning and Reporting framework.



# What we stand for

50

**Mission:** Partner with our constituent councils to provide quality services that support a sustainable and productive region.

**Vision:** Thrive and evolve as a valued regional service provider.



*'Be vigilant and active in identifying risk'*

**Angela Crimmins**  
HR Officer



*'Not just looking out for yourself you are also looking out for the group to provide a quality service'*

**Rhys Oates**  
Dams and Treatment Operator



*'Respect is a lot of things; respect is listening; respect is caring and respect is acting. If you have respect you get trust'*

**David Morgan**  
Construction Labourer



*'Doing what I say I am going to do makes me a better employee and more respected'*

**Kylie Van Der Kolk**  
Bush Regeneration and Weed Control Supervisor



## 2

## Resourcing strategy

- Long term financial plan
- Workforce management plan
- Asset management strategy and plan

# Long term financial plan





# Workforce management plan



# Asset management strategy and plan







3

Delivery  
program |  
Operational  
plan



# LEADERSHIP

<b>Our goal</b>	1. Values-based leadership and culture.					
What achieving our goal will look like	How we will achieve our goal	Delivery				Group*
		2017/18	2018/19	2019/20	2020/21	
1.1 Leaders are visible at all levels of the organisation and are supported to effectively lead and drive performance.	1.1.1 Enhance management and leadership skills.	Y1	Y2	Y3	Y4	PP
1.2 Leaders are responsible for their actions and proactive in building an accountability culture.	1.2.1 Leaders held to account for their performance.			Y3	Y4	PP

## What we will do in Y4: 2020/21

Activity	How we will measure our performance	Budget (\$)	Links to*	Lead
1.1.1.1 Implement leadership program for the Leadership Team.	Improvement in leadership and management skills (assessed before, during and after undertaking the program).	\$	WFMP	GM
1.1.1.2 Leader in Me (LiMe) cohort undertaking activities to drive and support culture transformation.	Current LiMe participants coordinate a specific, self-initiated, whole-of-Rous project that contributes to building a constructive culture, eg. a staff recognition initiative.	\$	WFMP	GM
	Breaking down of organisational silos, e.g. LiMe participants selected from different business units; LiMe cohort buddied with LiMe graduates and new cohort; mentoring with Group Manager from a different functional area; LiMe sessions to be held at a variety of Rous locations.	◆	WFMP	GM
	LiMe graduates and new cohort coordinate and lead an all-staff meeting and/or business unit meetings.	\$	WFMP	GM
	LiMe cohort delivering regular communications to the workforce about program activities, learnings and outcomes.	◆	WFMP	GM

\*Refer to page 44 for acronym key.



Activity	How we will measure our performance	Budget (\$)	Links to*	Lead
1.1.1.2 (continued)	Assess effectiveness of the LiMe program to determine impact and contribution to culture change.	◆	WFMP	HSM
1.1.1.3 Performance planning and management processes include discussion of individual staff member alignment with Council Values.	Individual mission, vision and values discussion held with all staff members at least 6-monthly.	◆	WFMP	HSM
	Record of discussion made by the supervisor and reported to manager upon completion.	◆	WFMP	HSM
1.1.1.4 Participate in the Joint Organisation of Councils as an associate member.	General Manager performing the role of representative on the Natural Resources Management sub-committee and reporting back to the General Manager's group on the sub-committee's operations.	◆	BAU	GM
1.2.1.1 Establish a multi-purpose forum for leaders to connect with each other and operate as a team.	High-performing Leadership Group where members hold each other accountable, monitor performance metrics and work as a team to drive innovation and business improvement.	\$	WFMP	GM

*\*Refer to page 44 for acronym key.*

**Key contributors/lead agencies:**

**Stakeholder**  
Workers

**Regulator**  
Office of Local Government

**Interest group**  
Union organisations

# STRATEGY AND PLANNING

Our goal	2. Align strategic direction to core functions and sustainability.					
What achieving our goal will look like	How we will achieve our goal	Delivery				Group*
		2017/18	2018/19	2019/20	2020/21	
2.1 Being responsive to the impact of population growth on our core functions.	2.1.1 Develop new Operational Plan (having regard to the actions outlined in the Delivery Program).	Y1	Y2	Y3		PP
	2.1.2 Develop new Integrated Planning and Reporting framework.				Y4	PP
	2.1.3 Continue with key action 2 of the Future Water Strategy (groundwater).	Y1	Y2	Y3		PD
	2.1.4 Subject to non-viability of key action 2, complete key action 3 of the Future Water Strategy (re-use).			Y3		PD
	2.1.5 Determine a position regarding the Future Water Strategy update (following completion of key actions).			Y3	Y4	PD
2.2 Strategic partnerships/ relationships supportive of our mission and vision.	2.2.1 Partner with stakeholders to facilitate implementation of the Coastal Zone Management Plan for the Richmond River catchment.	Y1	Y2	Y3	Y4	PD
	2.2.2 Partner with stakeholders for the ongoing development of Flood Management Plans for the Richmond River catchment.	Y1	Y2			PD
	2.2.3 Understand and evaluate our role as the Flood Mitigation Authority with each of our constituent councils within the Richmond River catchment.				Y4	PD
2.3 Business activity contributes to local and regional growth and optimal environmental outcomes.	2.3.1 Implement Reconciliation Action Plan.	Y1	Y2	Y3	Y4	CC
	2.3.2 Develop new Reconciliation Action Plan (informed by the Reconciliation Action Plan Advisory Group) that is endorsed by Reconciliation Australia.		Y2		Y4	CC
	2.3.3 Develop a strategy to reduce greenhouse gas emissions.	Y1				PD
	2.3.4 Implement greenhouse gas abatement strategy.		Y2	Y3	Y4	PD
	2.3.5 Implement enhanced Demand Management Plan.	Y1	Y2	Y3	Y4	PD
	2.3.6 Review effectiveness of energy efficiency measures (Administration building).		Y2			CC
	2.3.7 Review options pre-release Stage 7 of the Perradenya Estate, related to satisfaction of conditions (water reclamation and integrated allotments).				Y4	CC

\*Refer to page 44 for acronym key.



What achieving our goal will look like

How we will achieve our goal

Delivery

**2.4** Converting strategy into action plans that anticipate and accommodate change and allocate accountability.

		Delivery				Group*
		2017/18	2018/19	2019/20	2020/21	
	<b>2.4.1</b> Review Capital Works Plan (major review).	Y1			Y4	PD
	<b>2.4.2</b> Implement Capital Works Plan.	Y1	Y2	Y3	Y4	PD
	<b>2.4.3</b> Implement Disability Inclusion Action Plan.	Y1	Y2	Y3	Y4	PD
	<b>2.4.4</b> Review Disability Inclusion Action Plan.				Y4	PP
	<b>2.4.5</b> Review the Drinking Water Management System.	Y1				PD
	<b>2.4.6</b> Complete operational readiness actions as identified in the Drought Management Plan.	Y1	Y2	Y3	Y4	PD
	<b>2.4.7</b> Assess physical security review audit results and develop implementation plan.	Y1	Y2	Y3	Y4	CC
	<b>2.4.8</b> Implement physical security review improvements.	Y1	Y2	Y3		PD
	<b>2.4.9</b> Establish and embed a consistent and integrated approach to workforce planning.	Y1	Y2	Y3	Y4	PP
	<b>2.4.10</b> Implementation of advanced asset management planning.	Y1	Y2	Y3	Y4	PD
	<b>2.4.11</b> Develop IT Strategic Plan.	Y1			Y4	CC
	<b>2.4.12</b> Staged implementation of IT Strategic Plan.		Y2	Y3		CC
	<b>2.4.13</b> Staged implementation of Catchment Management activities.	Y1	Y2	Y3	Y4	PD
	<b>2.4.14</b> Implement Rous County Council activities as outlined in the Coastal Zone Management Plan for the Richmond River catchment.	Y1	Y2	Y3	Y4	PD
	<b>2.4.15</b> Develop a corporate properties management plan (proposed Dunoon Dam, operational and commercial properties).		Y2	Y3		CC
	<b>2.4.16</b> Service level agreement negotiation for exercise of 2-year option (Tweed Shire Council).		Y2			OP
	<b>2.4.17</b> Service level agreements revised and new agreements in place (constituent councils).			Y3	Y4	OP
	<b>2.4.18</b> Develop Richmond Water Laboratories strategic business options paper.		Y2			CC
	<b>2.4.19</b> Develop Catchment Management Plans for all council water sources (excluding groundwater).			Y3		PD
	<b>2.4.20</b> Review the Drought Management Plan.				Y4	PD
	<b>2.4.21</b> Service level agreement revised and new agreement in place (Kyogle Council).				Y4	OP
	<b>2.4.22</b> Develop new Audit Risk and Improvement Committee internal audit strategy.		Y2			PP
	<b>2.4.23</b> Develop Strategic Plan for targeted flood mitigation research and grants.	Y1		Y3		PD
	<b>2.4.24</b> Implement a targeted weed eradication and control plan.		Y2	Y3	Y4	OP
	<b>2.4.25</b> Develop and implement Procurement, Properties and Fleet Business Plan.			Y3	Y4	CC
	<b>2.4.26</b> Implementation of Maintenance Management Strategy improvement actions.				Y4	PD

\*Refer to page 44 for acronym key.

## What we will do in Y4: 2020/21

60

Activity	How we will measure our performance	Budget \$	Links to*	Lead
2.1.2.1 Develop new Integrated Planning and Reporting framework.	Integrated Planning and Reporting framework adopted (including Resourcing Strategy consisting of Asset Management strategy and plan, Long term financial plan and Workforce Management plan.	\$	AMP; LTFFP; WFMP	GMPP
2.1.5.1 Update on progress of the Future Water Strategy.	Develop and implement a plan for community re-engagement and communication.	\$	FWS	PM
2.1.5.2 Finalise the position regarding the Future Water Strategy update (following consultation on the draft Future Water Strategy update).	Complete the Integrated Water Cycle Management process for the Future Water Strategy update and develop a source water augmentation delivery plan.	\$	FWS	FWSPM
2.1.5.3 Implement the source water augmentation delivery plan.	Implement key actions from the source water augmentation delivery plan.	\$	FWS	FWSPM
2.1.5.4 Undertake hydraulic capacity assessment of water distribution network to develop augmentation capital works plan.	Hydraulic capacity assessment completed and works plan included in 30-year capital works plan.	\$	AMP	SPE
2.2.1.1 Progress implementation of the Coastal Zone Management Plan for the Richmond River catchment through the Coastal Zone Management Plan Implementation Committee.	Facilitate meetings of the Coastal Zone Management Plan Implementation Committee.	\$	CZMP	NRMPC
2.2.3.1 Understand and evaluate our role as the Flood Mitigation Authority with each of our constituent councils within the Richmond River catchment	Undertake individual workshops with senior staff and management of Lismore City, Ballina Shire and Richmond Valley councils.	◆	BAU	PLM
	Outcomes of workshop considered within proclamation context, Long Term Financial Plan implications and Council position.	◆	BAU	PLM
2.3.1.1 Implement Reconciliation Action Plan.	Actions for 2020/21 completed.	\$	RAP	GMCC
2.3.1.2 Complete the Reconciliation Action Plan Impact Measurement Report.	Report to Reconciliation Australia annually on performance against key Reconciliation Action Plan targets to track and measure the broader impact of the Reconciliation Action Plan program.	\$	RAP	GMCC
2.3.2.1 Develop a new Reconciliation Action Plan.	Reconciliation Action Plan endorsed by Reconciliation Australia.	\$	RAP	GMCC
2.3.4.1 Implement Greenhouse Gas Abatement Strategy.	Provide a status report to Council on the progress of implementation of the Greenhouse Gas Abatement Strategy.	◆	GGAS	DM
2.3.5.1 Enhanced Demand Management Plan actions.	Provide an end of year performance report to Council on the progress of the implementation of the Regional Demand Management Plan.	\$	DMP	SPE
	Actively promote the Sustainable Water Partnership Program to targeted customers.	\$	DMP	SPE
	Implement 3 water saving projects identified in the water saving plans.	\$	DMP	SPE

\*Refer to page 44 for acronym key.





Activity	How we will measure our performance	Budget \$	Links to*	Lead
<b>2.3.5.1</b> Continued.	Partner with constituent councils in the development of regional demand management promotional material.	\$	DMP	SPE
	Process all residential rainwater tank rebates within agreed timeframe, aiming for 65 rebates per annum.	\$	DMP	SPE
	Develop and implement a communication and engagement program targeting high residential water users, to support the 160 Litre Challenge.	\$	DMP	SPE
	Develop online home water audit tool, to support the 160 Litre Challenge.	\$	DMP	SPE
<b>2.3.7.1</b> Strategic review of options for integrated lots and water reclamation at Perradenya.	Outcome of review reported to Council.	\$	LTFP	GMCC
<b>2.4.1.1</b> Review of Capital Works Plan.	Plan reviewed in conjunction with the development of the new Integrated Planning and Reporting framework (in particular the Asset management strategy and plan).	\$	AMP	APE
<b>2.4.2.1</b> Implement Capital Works Plan.	Project Management Framework monthly reports completed on time (within 10 days of the end of the calendar month).	◆	BAU	GM
	Key project delivered: Stage 1 - St Helena 600 pipeline.	\$	CWP	DM
	Key project: Stage 2 - St Helena 600 pipeline (contract awarded and construction commenced).	\$	CWP	DM
	Key project delivered: Nightcap raw water pump upgrade.	\$	CWP	DM
	Key project: Perradenya Release 7 (construction contract awarded).	\$	CWP	GMCC
	Key project: Rocky Creek Dam aerator upgrade completed.	\$	CWP	DM
	Key project: Grace Road reticulation renewal completed.	\$	CWP	DM
<b>2.4.3.1</b> Implement Disability Inclusion Action Plan.	Actions for 2020/21 completed.	\$	AMP; LTFP; WFMP	GMPP
<b>2.4.4.1</b> Review Disability Inclusion Action Plan.	Plan reviewed in conjunction with the development of the new Integrated Planning and Reporting framework.	\$	AMP; LTFP; WFMP	GMPP
<b>2.4.6.1</b> Complete Rous' operational readiness actions as identified in the Drought Management Plan.	Review and finalise drought management plan templates, guidelines and resources for non-residential customers.	\$	DMP	PLM
	Prepare a funding submission for Constituent Council consideration for a future temporary staff member within Rous County Council to manage water restrictions and exemption enquiries consistently.	◆	DMP	PLM
	Review and update Drought Management Plan - adopted in August 2016.	◆	DMP	PLM

\*Refer to page 44 for acronym key.

Activity	How we will measure our performance	Budget \$	Links to*	Lead
<b>2.4.7.1</b> Finalise implementation plan and determine priority and budget impact.	Report to the Leadership Team and Council (if required) through Quarterly Budget Review Statement process.	◆	AMS	PPC
<b>2.4.9.1</b> Workforce planning sessions with Leadership Team (for forecasting, assessment, challenge and review, monitoring and succession planning).	Two workforce planning sessions per annum (including review of succession plan and business critical roles).	◆	WFMP	HSM
	Biannual workforce report to Leadership Team.	◆	WFMP	HSM
<b>2.4.10.1</b> Develop revised levels of service and maintenance requirements in consultation with constituent councils based on a review of asset ownership and responsibilities, risk management, asset condition, maintenance, inspection and natural resource management requirements.	Draft of revised service levels and maintenance requirements prepared in advance of future changes to Service Level Agreements.	◆	AMP	GMO
<b>2.4.10.2</b> Determine renewal requirements for flood mitigation assets.	Review and update Capital Works Plan for flood mitigation assets, following preparation of documented process for asset assessment (to be completed following 2.4.10.6).	◆	AMP	APE
<b>2.4.10.3</b> Review and formal adoption of Asset Management strategic documents.	Adoption by LT of Asset Management Policy, Asset Management Strategy, Asset management Plan and Maintenance Management Strategy.	◆	AMP	ASG
<b>2.4.10.4</b> Develop and document process for asset management reporting.	Process developed and reporting underway.	◆	AMP	ASG
<b>2.4.10.5</b> Develop and document processes for the Asset Management System.	An electronic asset management manual accessible to all staff developed with links to processes added as developed.	◆	AMP	ASG
<b>2.4.10.6</b> Undertake strategic review of Nightcap Water Treatment Plant to develop 20-year master plan of renewals and upgrades.	Strategic Review of Nightcap Water Treatment Plant completed, documented and reported to the Leadership Team.	\$	AMP	SPE
<b>2.4.11.1</b> Develop IT Strategic Plan 2021-25.	Adopted by Leadership Team.	\$	ICT SP	ICTM
<b>2.4.13.1</b> Council owned areas of buffer zones/ catchment lands are managed to meet identified objectives for water quality management purposes through ongoing maintenance effort.	Work progresses on Council owned buffer zone lands in line with the Maintenance Management Plan, as evidenced by end of year status report.	\$	BRMMP	WBBRM
<b>2.4.13.2</b> Prepare Rocky Creek Dam (including Whian Whian Falls) multi-year Master Plan.	Master Plan complete and endorsed by Council, including a community values-based assessment of Rocky Creek Dam.	\$	AMS	SPE
<b>2.4.13.3</b> Complete bush regeneration follow-up works on Wilsons River landowner sites and renew landholder agreements to establish a target date of 30 June 2021 for handing over ongoing maintenance.	Achieved.	\$	AMS	NRMPC
<b>2.4.13.4</b> Complete an external audit report on Catchment Management Plan implementation and prepare a 5-year delivery plan.	Achieved.	\$	DWMS	NRMPC

\*Refer to page 44 for acronym key.





Activity	How we will measure our performance	Budget \$	Links to*	Lead
<b>2.4.13.5</b> Year 1 actions from 5-year Catchment Management Plan Implementation Delivery Plan.	Implement catchment education and awareness activities aimed at rural land use, on-site sewage management and stormwater management issues.	\$	DWMS	NRMPC
	Expand 6-monthly pesticide screening to include high risk chemicals.	\$	DWMS	NRMPC
	Assess progress/current condition of Wilsons River River Reach Plan areas and scope/plan additional work for subsequent delivery period.	\$	DWMS	NRMPC
	Assess progress/current condition of Emigrant Creek River Reach Plan areas and scope/plan additional work for subsequent delivery period.	\$	DWMS	NRMPC
<b>2.4.14.1</b> Develop floodgate management plans/protocols for Rous County Council's critical infrastructure sites as identified in the Rous County Council service level agreements (CZMP 4b).	100% of active floodgate management plans reviewed and current.	◆	CZMP	FEO
	Training and active management of all section 355 committee members.	◆	CZMP	FEO
<b>2.4.14.2</b> Rehabilitate very high/high priority riparian restoration sites (CZMP 6a).	Implement riparian improvement works on 1 ha.	\$	CZMP	NRMPC
<b>2.4.14.3</b> Proceed to commence development of a Coastal Management Program (CMP) for the Richmond River estuary.	Stage 1: Scoping study completed.	\$	CZMP	NRMPC
<b>2.4.17.1</b> Service level agreements revised and new agreements in place (consituent councils).	Agreements finalised and signed off.	◆	BAU	GM
<b>2.4.20.1</b> Review Drought Management Plan.	Drought Management Plan reviewed and updated in consultation with constituent councils.	\$	DMP	WSO
<b>2.4.21.1</b> Service level agreement revised and new agreement in place (Kyogle Council).	Agreement finalised and signed off.	◆	BAU	GMO
<b>2.4.24.1</b> Implement a targeted weed eradication and control plan.	Annual review, update, and implement a localised (Rous County Council local government area) weed control plan for reprioritisation of effort to achieve greatest return on investment in line with Regional and State priorities.	◆	Regional priorities	WBBERM
<b>2.4.25.1</b> Implementation of Procurement, Properties and Fleet Business Plan.	Progress reports to Leadership Team regarding implementation of priorities identified in Business Plan.	◆	BAU	PPC
<b>2.4.26.1</b> Implement maintenance planning improvement actions.	Maintenance activities not captured within Confirm identified and management process developed.	◆	AMS/MMS	ASG
	Critical and non-critical maintenance identified with management process within Confirm.	◆	AMS/MMS	ASG
	Defect capture within Confirm improved to include failure modes.	◆	AMS/MMS	ASG

\*Refer to page 44 for acronym key.



Activity	How we will measure our performance	Budget \$	Links to*	Lead
2.4.26.1 Continued.	Options for improved maintenance cost capture investigated.		AMS/MMS	ASG
	Agreed timeframes for attending to service requests and defects reviewed and documented.		AMS/MMS	OEM
	Condition assessment program for asset classes developed.		AMS/MMS	OEM
	Review of planned maintenance activities for asset classes completed.		AMS/MMS	DTEM

*\*Refer to page 44 for acronym key.*

**Key contributors/lead agencies:**

**Stakeholder**

Aboriginal groups  
 Community  
 Disability service providers  
 Landholders and the floodplain community  
 Member councils  
 Roads and Maritime Services  
 Workers

**Interest group**

Australian Government, Department of Communications and the Arts  
 Chamber of Commerce  
 Computer Emergency Response Team Australia  
 CZMP Implementation Committee  
 NSW Department of Industry - Lands  
 Northern Rivers Regional Organisation of Councils  
 Tourism operators  
 Universities and research institutions

**Regulator**

Australian Government, Department of Defence Australian Signals Directorate  
 Australian Government, Department of the Environment and Energy  
 Independent Commission Against Corruption  
 Lismore City Council  
 NSW Audit Office  
 NSW Department of Primary Industries  
 NSW Health  
 NSW National Parks and Wildlife Service  
 NSW Office of Environment and Heritage  
 NSW Office of Water  
 NSW Ombudsman  
 Office of Local Government  
 Office of the Information Commissioner  
 Office of the Privacy Commissioner







# INFORMATION AND KNOWLEDGE

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<b>Our goal</b>	3. Create value through applying knowledge.					
<b>What achieving our goal will look like</b>	<b>How we will achieve our goal</b>	<b>Delivery</b>				<b>Group*</b>
		<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	
3.1 We will better utilise the knowledge and expertise of our people and the knowledge embedded in our organisational systems to inform decision-making and enhance transparency, business continuity and resilience.	3.1.1 Optimise current information management systems and processes.	Y1	Y2	Y3	Y4	CC / PP / OP/PD
	3.1.2 Review and update the Emergency Response Plans.	Y1	Y2	Y3	Y4	OP
	3.1.3 Minimise risks and optimise efficiencies.	Y1	Y2	Y3	Y4	CC / PP / OP/PD
	3.1.4 Maximise the full potential of our workforce.	Y1	Y2	Y3	Y4	PP
	3.1.5 Encourage transparency and an effective risk culture across Council.		Y2	Y3	Y4	PP
	3.1.6 Continually review Council's policies and procedures for suitability and currency.		Y2	Y3	Y4	PP
	3.1.7 Develop and implement a compliance and enforcement framework.		Y2	Y3		PP

## What we will do in Y4: 2020/21

Activity	How we will measure our performance	Budget \$	Links to*	Lead
3.1.1.1 Develop strategies and actions to manage and optimise use of GIS and Asset Information.	Strategy finalised with identified improvement actions.	◆	AMS	ASG
3.1.2.1 Review the Emergency Management Manual, including Emergency Response Plans and supporting appendices to ensure currency.	Achieved.	◆	ERP	GMO
3.1.3.3 Perform security-focused external review of a key Information Technology system.	Results reported to Leadership Team (including actions arising).	\$	BAU	ICTM

\*Refer to page 44 for acronym key.



Activity	How we will measure our performance	Budget \$	Links to*	Lead
3.1.4.1 Identify and provide opportunities for employees to temporarily transfer to other positions in the organisation.	Arrangements for employees to relieve in temporarily vacant positions (including pending the permanent filling of a position, staff absences of >4 weeks and project-based work) are considered prior to a decision to externally recruit or a decision not to backfill.	◆	BAU	HSM
3.1.5.1 Develop a Risk and Assurance Strategy and implementation plan.	Draft reported to the Leadership Team by 30 November 2020 and endorsed by the Audit Risk and Improvement Committee by its first meeting in 2021.	◆	BAU	RISC
	Quarterly report to the Leadership Team on progress against achievement of implementation plan.	◆	BAU	RISC
	Evidence of regular and formalised risk and assurance performance monitoring and review, and risk mapping and scanning activities, engaging all levels of the business.	◆	BAU	RISC
3.1.5.2 Implementation of electronic incident reporting and management (Vault).	Paper based event reporting and management phased out and replaced with Vault event reporting and management by 30 June 2021.	◆	WHSMS	RISC
3.1.6.1 Review of policies and procedures for suitability and currency.	Progress reporting on status of policies and procedures to Audit, Risk and Improvement Committee.	◆	BAU	GO

*\*Refer to page 44 for acronym key.*

**Key contributors/lead agencies:**

**Stakeholder**

Community  
Workers

**Regulator**

SafeWork NSW

**Interest group**

Emergency Services  
Insurers  
Member councils  
Safe Work Australia



<b>Our goal</b>	4. Organisational capability through our people.					
What achieving our goal will look like	How we will achieve our goal	Delivery				Group*
		2017/18	2018/19	2019/20	2020/21	
4.1 A high performing team enriched through diversity.	4.1.1 Measure and improve employee engagement.	Y1	Y2	Y3	Y4	PP
	4.1.2 Invest in employee skill development.	Y1	Y2	Y3	Y4	PP
	4.1.3 Build and attract a diverse workforce.	Y1	Y2		Y4	PP
4.2 A workplace where safety and wellbeing come first.	4.2.1 Implement the Work Health and Safety Management System.	Y1	Y2	Y3	Y4	PP
	4.2.2 External implementation audit of Work Health and Safety Management System.		Y2			PP
	4.2.3 Review and update Work Health and Safety Management System.			Y3	Y4	PP

**What we will do in Y4: 2020/21**

Activity	How we will measure our performance	Budget \$	Links to*	Lead
4.1.1.1 Conduct employee surveys.	Improvement initiatives/actions identified in initial (culture) survey achieved.	\$	WFMP	HSM
	Engagement survey conducted and measured against initial (culture) survey.	\$	WFMP	HSM
	Monthly employee communications using a variety of channels.	◆	WFMP	HSM
4.1.2.1 Identify and provide opportunities for employees to acquire a wider skill set.	Performance review process incorporates employee skills development through informal professional development and training opportunities.	◆	BAU	HSM
4.1.3.1 Develop a promotional video for Employee Value Proposition and organisation (overall).	Video available on website and linked to all job adverts.	\$	WFMP	HSM
	Digital analytics showing number of views and number of links to video clicked.	\$	WFMP	HSM
4.2.1.1 WHS management reporting.	Officers (Leadership Team) informed of WHS performance and accountable for continuous improvement in workplace safety.	◆	WHSMS	RISC
	Wellbeing program implemented and outcomes reported to Leadership Team.	◆	WHSMS	HSM

\*Refer to page 44 for acronym key.





Activity	How we will measure our performance	Budget \$	Links to*	Lead
4.2.1.2 Employee participation in in-house WHS training activities and national safe work month (October).	Program of safety, health and well-being related awareness-raising activities undertaken.	\$	WHSMS	RISC
	All allocated SafetyHub training completed.	\$	WHSMS	RISC
	More than 50% of workforce actively participate in a national safe work month activity.	\$	WHSMS	RISC
4.2.3.1 Progress action plan following WHS internal audit.	Actions prioritised and progress against implementation reported to the Audit, Risk and Improvement Committee.	◆	BAU / WHSMS	RISC
	Work Health and Safety Management System reviewed and updated.	◆	BAU / WHSMS	RISC

*\*Refer to page 44 for acronym key.*

**Key contributors/lead agencies:**

**Stakeholder**

Community  
Workers and their families

**Regulator**

Insurance and Care NSW  
Office of Local Government  
SafeWork NSW  
State Insurance Regulatory Authority

**Interest group**

Insurers  
Safe Work Australia  
Union organisations





# CUSTOMERS AND STAKEHOLDERS

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<b>Our goal</b>	5. Proactive management of relationships with member councils and key stakeholders.					
What achieving our goal will look like	How we will achieve our goal	Delivery				Group*
		2017/18	2018/19	2019/20	2020/21	
5.1 Mutual understanding of needs, priorities, expectations, functions, operations, service standards, span of control and influence.	5.1.1 Document processes for effectively managing customer and other stakeholder relationships.	Y1		Y3	Y4	PP
	5.1.2 Participation in Performance Audits undertaken by the NSW Audit Office.	Y1	Y2	Y3	Y4	CC
5.2 Build and attract a diverse workforce.	5.2.1 Business process and service standards that complement Council's Employee Value Proposition.	Y1	Y2	Y3	Y4	PP

## What we will do in Y4: 2020/21

Activity	How we will measure our performance	Budget \$	Links to*	Lead
5.1.1.1 Provide regular flow of information to key stakeholders promoting Council activity and raising brand value and awareness.	Active social media streams.	\$	CESP	CEC
	Regular review of the function and effectiveness of feedback mechanisms.	◆	CESP	CEC
	Active events calendar to identify appropriate events for stakeholder engagement.	◆	CESP	CEC
5.1.1.2 Assess the effectiveness of the Customer Service Team trial and report recommendations to the Leadership Team.	Final position determined on the Customer Service Team and operation, including performance measures.	\$	WMFP	GMCC
5.1.2.1 Participation in NSW Audit Office performance audit reviews.	Achieved.	◆	CSP	FM

\*Refer to page 44 for acronym key.



Activity	How we will measure our performance	Budget \$	Links to*	Lead
5.2.1.1 Establish service standards for key business processes to optimise attraction and retention.	Vacancies are filled within 90 business days of approval to recruit.	◆	WFMP	HSM
	Less than or equal to 5% turnover for new employees within first 18 months post probation.	◆	WFMP	HSM
	Recruitment and selection activities promote and comply with Equal Employment Opportunity principles.	◆	WFMP	HSM
	As measured through employee pulse surveys, at least 90% of new employees are satisfied with the induction process.	◆	WFMP	HSM

*\*Refer to page 44 for acronym key.*

**Key contributors/lead agencies:**

**Stakeholder**

- Community
- Landholders and the floodplain community
- Member councils
- Retail customers
- Service level agreement customers

**Regulator**

- NSW Audit Office
- Office of Local Government

**Interest group**

- Northern Rivers Regional Organisation of Councils







# PROCESS MANAGEMENT, IMPROVEMENT AND INNOVATION

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<b>Our goal</b>	6. Continuous improvement through process management and innovative thinking.
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What achieving our goal will look like	How we will achieve our goal	Delivery				Group*
		2017/18	2018/19	2019/20	2020/21	
6.1 Recognising and being open to opportunities for improvement through innovation.	6.1.1 Implement an end-to-end agenda and minute technology solution.				Y4	GM
	6.1.2 Staged digitisation of paper records.		Y2	Y3		CC
	6.1.3 Review the relevancy of tests, limits and matrices in reference to customer service level agreements (Richmond Water Laboratories).	Y1	Y2		Y4	CC
	6.1.4 Determine appropriate NATA accreditation (Richmond Water Laboratories).	Y1	Y2		Y4	CC
	6.1.5 Develop a new competency framework.			Y3		PP
	6.1.6 Review procurement process and systems.			Y3		CC
	6.1.7 Develop business case for any proposed non-core business activity to inform decision on whether to proceed with the activity/project.	Y1	Y2	Y3		CC / PP / OP / PD
	6.1.8 Create a performance culture linked to turnaround times for key business processes.	Y1	Y2	Y3	Y4	CC / PP / OP / PD
	6.1.9 Optimise efficiencies in people management processes.		Y2	Y3	Y4	CC / PP
	6.1.10 Audit administration of the Development Servicing Plan for Bulk Water Supply.		Y2			CC
	6.1.11 Implementation of ICT Business Plan 2019-21.				Y4	CC

### What we will do in Y4: 2020/21

Activity	How we will measure our performance	Budget \$	Links to*	Lead
6.1.1.1 Implement electronic Business Paper Agenda and Minute system.	Technology solution implementation phase commenced.	\$	BAU	GM
6.1.3.1 Review scope for Richmond Water Laboratories equipment renewal or purchase, layout changes.	By 30 June 2020.	◆	BAU	RWLM

\*Refer to page 44 for acronym key.



Activity	How we will measure our performance	Budget \$	Links to*	Lead
6.1.4.1 Review Richmond Water Laboratories NATA accreditation and determine business requirements.	All NATA accredited tests reviewed.	◆	BAU	RWLM
6.1.8.1 Review and document Customer Service processes.	Implementation of endorsed recommendations from the Customer Service review.	\$	BAU	GMCC
6.1.8.2 Review and redefine People and Performance Group business processes.	Streamline internal business processes and reduce red tape across functional areas (focus area - Risk and Compliance, and Governance).	◆	BAU	GMPP
6.1.9.1 Implement Human Resources Information Management System (end to end technology solution) to reduce risk and optimise efficiencies.	Technology solution implementation phase commenced.	\$	WFMP	HSM
6.1.11.1 Implement ICT Team action 1 - Well-defined and articulated operating model.	6-monthly status reports to LT.	◆	BAU	CC
6.1.11.2 Implement ICT Team action 2 - Clearly established 'Business as Usual' requirements.	6-monthly status reports to LT.	◆	BAU	CC
6.1.11.3 Implement Corporate action 3 - Content Manager.	Technology solution implementation phase commenced.	\$	BAU	CC
6.1.11.4 Implement Corporate action 4 - CRM.	Technology solution implementation phase commenced.	\$	BAU	CC
6.1.11.5 Implement Corporate action 5 - GIS Improvement Program.	Adopted improvement program by LT.	\$	BAU	PD
6.1.11.6 Implement Corporate action 6 - Asset Information Management System Improvement Program.	Adopted improvement program by LT.	\$	BAU	PD
6.1.11.7 Implement Corporate action 10 - Project Management System.	Technology solution implementation phase commenced.	\$	BAU	GM

*\*Refer to page 44 for acronym key.*

### Key contributors/lead agencies:

#### Stakeholder

Community  
 Member councils  
 Members of the governing body  
 Retail water customers  
 Workers

#### Regulator

National Association of Testing Authorities

#### Interest group

Aboriginal groups  
 Chamber of Commerce  
 Disability service providers  
 Union organisations

# RESULTS AND SUSTAINABLE PERFORMANCE

Our goal	7. Sustainable performance.					
What achieving our goal will look like	How we will achieve our goal	Delivery				Group*
		2017/18	2018/19	2019/20	2020/21	
7.1 We are recognised as a valued regional service provider and reliable cost effective deliverer of our core functions and operations.	7.1.1 Deliver functions and operations according to service level agreements in place.	Y1	Y2	Y3	Y4	OP
	7.1.2 Achieve or exceed financial budget forecast in net profit (Richmond Water Laboratories).	Y1	Y2	Y3	Y4	CC
	7.1.3 Deliver services according to service contracts in place (Richmond Water Laboratories).	Y1	Y2	Y3	Y4	CC
	7.1.4 Release Stage 5 (release 2) of the Perradenya Estate (construction and sale).	Y1	Y2			CC
	7.1.5 Release Stage 6 of the Perradenya Estate.			Y3	Y4	CC
7.2 Levels of service align with agreed priorities, financial and asset capability and long-term financial plans.	7.2.1 Water quality monitoring.	Y1	Y2	Y3	Y4	OP
	7.2.2 Monitor and report on actions to mitigate risk of environmental harm from activities (environmental action list).	Y1	Y2	Y3	Y4	PD
	7.2.3 Review water charges having regard to relevant best practice industry guidelines for non-metropolitan water utilities.		Y2			CC

## What we will do in Y4: 2020/21

Activity	How we will measure our performance	Budget \$	Links to*	Lead
7.1.1.1 Performance report issued to Service Level Agreement parties in relation to delivery of services subject to the agreement.	Copy of performance report issued with Delivery Program report.	◆	DP	GMO
7.1.1.2 Performance report issued to councillors in relation to delivery of services subject to Service Level Agreements as part of communications with general managers.	Copy of performance report issued with Delivery Program report.	◆	DP	GMO

\*Refer to page 44 for acronym key.



Activity	How we will measure our performance	Budget \$	Links to*	Lead
<b>7.1.1.3</b> Identified buffer zone areas that are privately owned or on school land reach 'maintenance standard', and are handed back to their owners.	Work has been carried out to bring affected land to the required standard and buffer zone areas are handed back to landowners for ongoing management.	\$	BRMMP	NRMPC
<b>7.1.1.4</b> Install an active floodgate in Swan Bay to manage nutrient build up.	Long-term solution implemented for weed reduction in Swan Bay.	\$	DP	GMO
<b>7.1.1.5</b> Dam Safety Management System implemented and ongoing reviews and annual report conducted.	Annual report and gap analysis completed for compliance with new <i>Dam Safety Act 2015</i> .	\$	DP	DTEM
<b>7.1.2.1</b> Achieve or exceed adopted financial budget forecast in net profit (Richmond Water Laboratories).	Achieved.	◆	LTFP	RWLM
<b>7.1.3.1</b> Deliver services according to service contracts in place (Richmond Water Laboratories).	Achieved.	◆	RWLSP	RWLM
<b>7.1.5.1</b> Continue to progress design, cost and construction of Perradenya cycle path in negotiation with Lismore City Council.	Construction budget, timetable and way forward considered by Council.	\$	BASP	GMCC
<b>7.2.1.1</b> Water quality monitoring report card for drinking water supply monitoring programs.	Report card produced and provided to NSW Health.	◆	DWMS	GMO
<b>7.2.2.1</b> Report on progress of actions to mitigate risk of environmental harm from activities (environmental action list).	Provide an update report to Council until actions on the action list are closed out.	◆	BAU	APE

\*Refer to page 44 for acronym key.

### Key contributors/lead agencies:

#### Stakeholder

Community  
 Developers  
 Local government service level agreement parties  
 Member councils  
 NSW Land and Property Information  
 NSW North Coast Weeds Advisory Committee

#### Regulator

Australian Government, Department of the Environment and Energy  
 Lismore City Council  
 Local Land Services  
 NSW Audit Office  
 NSW Department of Primary Industries  
 NSW Health  
 NSW Office of Environment and Heritage  
 NSW Office of Water  
 Office of Local Government

#### Interest group

Financial institutions  
 Queensland government  
 Reserve Bank of Australia  
 Special medical groups (hospitals, nursing homes, etc.)  
 The Water Directorate

# Delivery program 2017/18-2020/21

## Operational plan 2020/21

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### Statement of Revenue Policy – 2020/21

This Policy details the basis for the determination of member council contributions and other relevant revenue streams that inform Council’s financial plans. It is designed to ensure funding is available to maintain agreed levels of service and to provide adequate financial capacity for planned capital works and therefore sustainability of services for the region.

This Policy forms part of Council’s long term financial plan, which requires a balance of funds from existing operations, established restricted cash assets, and new sources of revenue including loan funds for those assets required due to growth.

#### Income Bulk water

Bulk water sales revenue from member councils and direct retail customers, is calculated on the gross dollar yield required to fund bulk water supply activities. For 2020/21, the gross dollar yield is \$19,827,600, which is an increase of \$1,297,100 (7.0%) on the previous year.

Supply Area	Proportional Weighting	2020/21 \$
Lismore City Council	27.44%	5,441,400
Byron Shire Council	22.59%	4,479,300
Richmond Valley Council	5.85%	1,159,100
Ballina Shire Council	34.52%	6,843,500
Rous County Council Direct Retail	9.60%	1,904,300
	<b>100.00%</b>	<b>19,827,600</b>

Member councils’ contribution of required revenue is calculated based on prior year consumption.

In 2020/21 the notional price per kilolitre of water charged to member councils and Council’s Retail Water Fund is \$1.72 per kilolitre.

#### Acronym key:

◆	Activity involves staff time and consumable type costs funded through existing operating/recurrent allocations.	APE	Asset Planning Engineer
\$	Activity has a budget allocation.	ASG	Asset System and GIS Development Officer
AMS	Asset management strategy and plan	CEC	Communications and Engagement Coordinator
BAU	Business as usual	DM	Delivery Manager
BASP	Business activity strategic plan	DTEM	Dams and Treatment Engineering Manager
BRMMP	Bush Regeneration Maintenance Management Plan	FEO	Floodplain Engagement Officer
CC	Corporate and Commercial Group	FM	Finance Manager
CESP	Communications and Engagement Strategic Plan	FWSPM	Future Water Strategy Project Manager
CSP	Client service plan	GM	General Manager
CZMP	Coastal zone management plan	GMCC	Group Manager Corporate and Commercial
DIAP	Disability inclusion action plan	GMO	Group Manager Operations
DMP	Demand management plan	GMPP	Group Manager People and Performance
DWMS	Drinking water management system	GO	Governance Officer
ERP	Emergency response plan	HSM	Human Services Manager
FMRSP	Flood mitigation and research strategic plan	ICTM	Information and Communications Technology Manager
FWS	Future water strategy	NRMPC	Natural Resource Management Planning Coordinator
GGAS	Greenhouse gas abatement strategy	OEM	Operations Engineering Manager
ITSP	IT strategic plan	PLM	Planning Manager
LTFP	Long term financial plan	PM	Project Manager
MMS	Maintenance Management Strategy	PPC	Procurement and Properties Coordinator
OP	Operations Branch	RISC	Risk and Compliance Coordinator
PD	Planning and Delivery Branch	RWLM	Richmond Water Laboratories Manager
PP	People and Performance Group	SPE	Strategic Planning Engineer
RAP	Reconciliation action plan	WBBRM	Weed Biosecurity and Bush Regeneration Manager
RWLSP	Richmond Water Laboratories strategic plan	WSO	Water Sustainability Officer
SLA	Service level agreements (member council and other councils)		
WFMP	Workforce management plan		

### Retail customers

In accordance with Independent Pricing and Regulatory Tribunal (IPART) and NSW State Government's 'Best Practice Management of Water and Sewage Guidelines', Council applies the principle of two-part tariff with quarterly meter reading and billing.

For 2020/21, the price per kilolitre will increase by 4% in line with the long term financial plan to \$2.53 per kilolitre. Fixed fee facility charges will also increase by 4%.

### Development servicing plan

Section 64 of the *Local Government Act 1993* allows Council to levy developers with a contribution charge to provide a source of funds devoted to the augmentation program resulting from increased demand.

The Development Servicing Plan for Bulk Water Supply 2016 was adopted by Council at its June 2016 meeting, effective 1 July 2016. The plan is in accordance with the 'best practice' guidelines as issued by the NSW Office of Water.

For 2020/21, in accordance with the plan, the charge increases by \$139 (1.6%) to \$8,872 per Equivalent Tenement.

### Weed biosecurity

Council levies assessments on member Councils based on the following formula, which was adopted in 1994 and confirmed by review in 2003 and 2004. The formula is on the basis of 50% Part A and 50% Part B:

**Part A:** area % + length of roads % + number of rural holdings % + population %.

**Part B:** number of property inspections % + weed control costs %.

Since July 2013 the contribution weighting has been fixed with the contribution amount increased annually by the rate peg percentage which is determined annually by IPART.

Effective 1 July 2016 services for Kyogle and Tweed councils are now provided under a service level agreement. Their fee is based on the same contribution calculation.

For 2020/21, contributions will increase by rate pegging, which is 2.6%. Amounts listed are exclusive of GST.

Service Area	2020/21 \$
Ballina Shire Council	115,500
Byron Shire Council	115,500
Lismore City Council	151,800
Richmond Valley Council	125,600
<i>Kyogle Council*</i>	126,700
<i>Tweed Shire Council*</i>	173,900
	<b>809,000</b>

*\*Service level agreement.*

Council regularly attracts government funding for weed biosecurity. Council considers grant-funding matching requirements on a case by case basis.

### Flood mitigation

Council levies assessments on member Councils based on an even portion of gross revenue.

For 2020/21, contributions will increase by the rate peg, which is 2.6%. Amounts listed below are exclusive of GST.

Service Area - flood mitigation	2020/21 \$
Ballina Shire Council	219,400
Lismore City Council	219,400
Richmond Valley Council	219,400
	<b>658,200</b>

### Ex-drainage union

Council levies assessments on member Councils for works undertaken on ex- drainage union assets, based on the existing contribution amounts, increased annually by the rate peg percentage which is determined annually by IPART.

For 2020/21, contributions will increase by the rate peg, which is 2.6%. Amounts listed below are exclusive of GST.

Service Area - Ex-drainage union	2020/21 \$
Ballina Shire Council	39,200
Lismore City Council	39,200
Richmond Valley Council	3,800
	<b>82,200</b>

Council regularly attracts government funding for flood and estuary related projects. Council considers grant-funding matching requirements on a case by case basis.

### Write offs – rates, charges and debts to Council

The amount above which rates, charges and debts to Council may be written off only by resolution of the Council is fixed at \$1,000.00 (ex-GST). Council delegates to the General Manager the power to write off rates, charges and debts equal to or below this threshold.

### Expenditure

Council's estimated income and expenditure is contained in the attached Appendix titled *Financial Estimates*.

### Borrowings

Council conducts its operations with an approved overdraft limit of \$100,000 provided by the Commonwealth Bank of Australia. This facility is designed to cover short-term liquidity gaps.

Council does not propose to borrow loan funds in the 2020/21 period.

### Fees and charges 2020/21

Factors considered in determining fees and charges include: the cost of providing the service or goods; legislative requirements; market conditions and prices; and whether there is a community service obligation.

Code	Description	
L	Regulatory	A statutory charge set by the government.
Z	Zero Cost Recovery	Priced at 'no cost'; met entirely from general-purpose income.
P	Partial Cost Recovery	Priced to make a considerable (between 50% and 75%) contribution towards the operating costs, both direct and indirect, of providing the good/service. The remainder of the costs are met from general-purpose income.
F	Full Cost Recovery	Priced to make a significant (between 75% and 100%) contribution towards the operating costs, both direct and indirect, of providing the good/service. The remainder of the costs are met from general-purpose income.
M	Market	Priced in accordance with the prevailing market.

### Goods and Services Tax (GST)

The following schedule of fees and charges has been prepared using the most current GST information. The impact of GST on Fees and charges is subject to change by legislation. Fees and charges are shown with GST included where appropriate at the time of writing.

T = Deemed to be taxable and fees/charges include GST

N = Deemed to be non-taxable and fees/charges exclude GST

E = Deemed to be exempt as the fee/charge is not a consideration

Code	Description	GST	2019/20 (\$)	2020/21 (\$)
<b>Property information</b>				
L	Property information certificate (section 603 <i>Local Government Act 1993</i> )		85.00	90.00
F	Property information certificate (section 603 <i>Local Government Act 1993</i> ) URGENCY fee ** # ** Subject to confirmation that service is available # This fee is in addition to applicable certificate fee	E	85.00	90.00
P	Cancellation/min. processing fee (section 603 <i>Local Government Act 1993</i> )		40.00	41.00
<b>Photocopying and printing</b>				
F	Photocopying A4 (black)	E	1.40 per page	1.45 per page
	Photocopying A3 (black)		1.45 per page	1.50 per page
	Photocopying A4 (colour)		1.50 per page	1.55 per page
	Photocopying A3 (colour)		1.55 per page	1.60 per page
<b>Dishonoured payments or direct debits</b>				
F	The dishonour fee charged by financial institutions for dishonoured payments or direct debits may be passed on to the customer where payments have been rejected from the nominated financial institution	N	As charged	As charged
<b>Credit card surcharge</b>				
P	Council is charged a fee based on a percentage of the payment amount by the credit card provider when a payment is made by credit card. Council will raise a surcharge against the credit card user at point of sale to recover costs incurred by Council.	N	As charged	As charged
<b>Conduct money</b>				
F	Subpoena to produce	E	Price on application	Price on application
	Subpoena to attend to give evidence* *Generally, the cost of salary and any additional expenses associated with attendance.		Price on application	Price on application

Government Information (Public Access) Fees and charges						
		Application fee	Other charges	Fee refund	Charge reduction	Fee and charge waiver, reduction or refund
<b>Open access information</b>		No	Photocopying charges as per Fees and Charges schedule.	N/A	N/A	By written application to the General Manager, and based on the circumstances of the case.
<b>Proactive release</b>		No	Photocopying charges as per Fees and Charges schedule.	N/A	N/A	
<b>Informal release (on request)</b>		No	No	N/A	N/A	
<b>Formal access application</b>	<b>Personal information</b>	\$30.00	First 20hrs free then \$30.00/hr thereafter (ss. 64(1) and 67).	Application not dealt with in time (s. 63(1)).  Application invalid (s. 52(5)).	50% discount on processing charges where:  <ul style="list-style-type: none"> <li>Applicant can demonstrate financial hardship (by producing evidence that they hold a Pensioner Concession card, are a full-time student, or a non-profit organisation (including a person applying for or on behalf of a non-profit organisation))(s.65 and clause 9 of Regulation).</li> <li>The information applied for is of special benefit to the public generally (s.66).</li> </ul>	Full waiver of charges will apply where the information is publicly released before or within 3 working days after being given to the applicant.
	<b>Other information</b>	\$30.00 (incl. first hour of processing) (ss. 41 and 64(3)).	\$30.00/hr (s.64(1)).			
<b>Review</b>	<b>Internal review</b>	\$40.00 unless a review of a deemed refusal in which case there is no charge (section 85).	No	If review not decided within specified period (section 86).	N/A	

Legislation references in this table are to the *Government Information (Public Access) Act 2009* and *Government Information (Public Access) Regulation 2009*.

Note: No fee is payable for an external review by the Information Commissioner. Information regarding the applicable fees for review by the NSW Civil and Administrative Tribunal can be obtained by visiting the Tribunal’s website at: <http://www.ncat.nsw.gov.au/> or contacting the Tribunal directly on 1300 006 228.



## General purpose revenues

Code	Description	GST	2019/20 (\$)	2020/21 (\$)
F	Rous retail consumers are levied with a per kilolitre charge (section 399 <i>Local Government Act 1993</i> )	N	2.43	2.53
	Annual facility charge 20mm water meter connection (section 501 <i>Local Government Act 1993</i> )		168.36	175.09
	Annual facility charge 25mm water meter connection (section 501 <i>Local Government Act 1993</i> )		259.86	270.84
	Annual facility charge 32mm water meter connection (section 501 <i>Local Government Act 1993</i> )		428.22	446.52
	Annual facility charge 40mm water meter connection (section 501 <i>Local Government Act 1993</i> )		673.44	699.06
	Annual facility charge 50mm water meter connection (section 501 <i>Local Government Act 1993</i> )		1,050.42	1,090.68
	Annual facility charge 65mm water meter connection (section 501 <i>Local Government Act 1993</i> )		1,775.10	1,848.30
	Annual facility charge 80mm water meter connection (section 501 <i>Local Government Act 1993</i> )		2,693.76	2,799.90
	Annual facility charge 100mm water meter connection (section 501 <i>Local Government Act 1993</i> )		4,209.00	4,373.70
L	Interest on overdue water charges (section 566(3) <i>Local Government Act 1993</i> ) <i>Note: The maximum rate of interest payable on overdue rates and charges determined by the Minister for Local Government will be charged</i>		7.5%	7.5%
F	Restrictor devices – fee to disconnect any restriction device, which may have been installed due to non-payment of account	E	305.00	312.00
L	Pensioner rebate (section 575 <i>Local Government Act 1993</i> )		Refer to 'Description'	
Z	Dialysis machine concession of 200 kilolitres per annum without consumption charges (section 502 <i>Local Government Act 1993</i> )	N	Refer to 'Description'	
	Recognised community organisations charged equivalent of 50% of the facility charge applicable to occupied properties for premises eligible for a rebate of general rates through their respective constituent councils but with all consumption being charged at the standard rate (section 610A <i>Local Government Act 1993</i> )		Refer to 'Description'	

## Operations

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Consumer services				
Code	Description	GST	2019/20 (\$)	2020/21 (\$)
F	Outstanding Notices certificate (section 735A <i>Local Government Act 1993</i> )	E	48.00	50.00
	Outstanding Notices certificate (section 735A <i>Local Government Act 1993</i> ) URGENCY fee ** # ** Subject to confirmation that service is available # This fee is in addition to applicable certificate fee		48.00	50.00
	Backflow device re-registration non-compliance fee (Notice to Comply within 30 days)		103.00	107.00
	Testing of water meter	N	382.00	387.50
	Special meter reading	E	82.00	85.00
	Special meter reading – URGENCY fee***# ** Subject to confirmation that service is available # This fee is in addition to applicable certificate fee		82.00	85.00
	Consumer connection fee for a standard 20mm service (section 608 <i>Local Government Act 1993</i> )		1,185.00	1,200.00
	Consumer activation fee for a standard 20mm service where water meter already connected (section 608 <i>Local Government Act 1993</i> )	N	260.00	266.00
	Consumer activation fee for a standard 20mm service where water meter connection also required (section 608 <i>Local Government Act 1993</i> )		430.00	436.00
	Consumer connection fee equal to the estimated actual cost + 10% to provide other than a standard 20mm service (section 608 <i>Local Government Act 1993</i> )		Price on application	Price on application
	Disconnection fee (section 608 <i>Local Government Act 1993</i> )		142.00	146.00
Reconnection fee (section 608 <i>Local Government Act 1993</i> )	Price on application		Price on application	

Water filling stations				
Code	Description	GST	2019/20 (\$)	2020/21 (\$)
P	Annual permit fee charged to bulk water carrier for potable water (section 501 <i>Local Government Act 1993</i> ). Fee may be pro-rata from approval date. with min. 3 month increments (Non-refundable)	E	631.00	647.00
	Annual permit fee charged to bulk water carrier for non-potable water (section 501 <i>Local Government Act 1993</i> ) Fee may be pro-rata from approval date. with min. 3 month increments (Non-refundable)		631.00	647.00
	Price of water per kilolitre (section 610A <i>Local Government Act 1993</i> )	N	5.75	5.90
F	Filling station access key	E	78.00	80.00

Temporary water supply				
Code	Description	GST	2019/20 (\$)	2020/21 (\$)
P	Special Approved Connections – retail consumers with a temporary connection or, non-payment of capital headworks fee(s), are levied with a per kilolitre charge (section 399 <i>Local Government Act 1993</i> )	N	4.66	4.78

Contract works				
Code	Description	GST	2019/20 (%)	2020/21 (%)
F	Administration charge % – where the GST exclusive value of the construction work undertaken on behalf of other parties or as part of a mains extension which requires a financial contribution by other parties is \$20,000 or less	T	15	15
	Administration charge % – where the GST exclusive value of the construction work undertaken on behalf of other parties or as part of a mains extension which requires a financial contribution by other parties exceeds \$20,000.		10	10

Development servicing charges				
Code	Description	GST	2019/20 (\$ per e.t.)	2020/21 (\$ per e.t.)
P	Bulk Developer charge	E	8,733.00	8,872.00

Water service capital connection fees				
Code	Description	GST	2019/20 (\$ per e.t.)	2020/21 (\$ per e.t.)
P	Bulk Headworks connection fee	E	8,733.00	8,872.00

**Note:** Water Service Capital Connection fees will be reduced by any applicable contribution paid in relation to supply of water through a development approval process.  
**e.t** means equivalent tenement.

Permissible activities on operational land				
Code	Description	GST	2019/20 (\$)	2020/21 (\$)
F	Permit processing fee. Charged in addition to a temporary permit fee (*)	E	172.00	177.00
	Ecotourism – temporary permit fee*		258.00	265.00
	Seed collection – temporary permit fee*		147.00	151.00
	Personal fitness training – temporary permit fee*		97.00	100.00
L	Commercial filming and photography fees will be charged in accordance with the Local Government Filming Protocol under the <i>Local Government Act 1993</i>		Price on application	Price on application
F	Wedding ceremony booking fee	T	176.00	180.00

Recovery of fees under the <i>Biosecurity Act 2015</i>				
Code	Description	GST	2019/20 (\$)	2020/21 (\$)
F	Recovery of fees charged, or costs or expenses incurred, in connection with the exercise of functions by an authorised officer (see section 373 of <i>Biosecurity Act 2015</i> ).	E	COST	COST

# Fees and charges 2020/21 | Richmond Water Laboratories



Richmond Water Laboratories (RWL) is a NATA accredited laboratory and conducts its tests in accordance with AS ISO/IEC 17025:2005. For details of the scope of Richmond Water Laboratories accreditation, please refer to the NATA website: [www.nata.com.au](http://www.nata.com.au)

Suites	2020/21 incl.GST
Faecal Contamination: E.coli	\$49.00
Tank Water Quality: pH, eC, TDS, Fe, Pb, Zn, Cu, Ca, HCO <sub>3</sub> , LSI, Mg, Hardness	\$79.50
Bore Water Quality: pH, eC, TDS, Hardness, Alkalinity, NO <sub>3</sub> , Turbidity, Al, As, Ca, Cd, Cr, Cu, Fe, Mg, Mn, Ni, Zn	\$155.00
Nursery Irrigation Quality: pH, eC, Cl <sup>-</sup> , HCO <sub>3</sub> <sup>-</sup> , Al, Fe, B, Mn, Cu, Na, Zn, Ca, Mg, hardness, NH <sub>3</sub> N, turbidity, SAR	\$158.50
Annual Private Water Supply Quality: pH, TDS, hardness, turbidity, Sb, As, Cd, Ca, Cr, Cu, F <sup>-</sup> , Pb, Ni, NO <sub>3</sub> , NO <sub>2</sub> , Mg, Mn, SO <sub>4</sub>	\$185.00

**Note:** Richmond Water Laboratories reserves the right to offer discounts for routine analysis dependant on the range and volume of samples.

Following are tests and limits of reporting provided by RWL. For further details please contact RWL on (02) 6623 3888; [waterlab@waterlab.com.au](mailto:waterlab@waterlab.com.au); or [www.waterlab.com.au](http://www.waterlab.com.au).

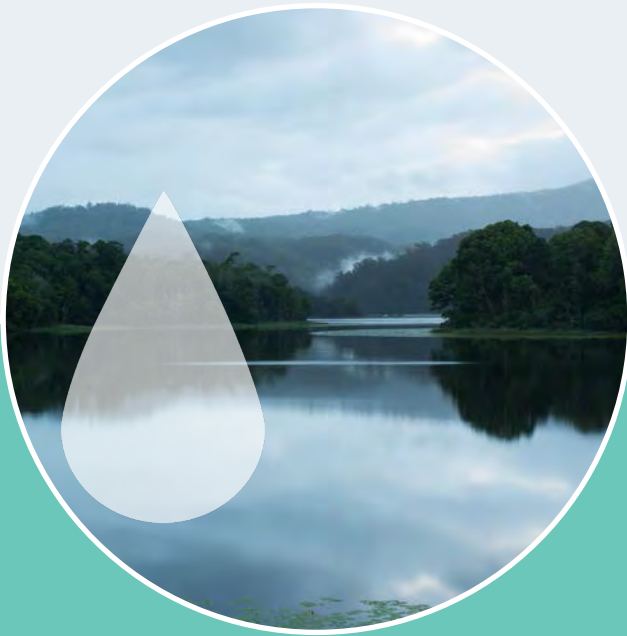
Test description	Limit of reporting
Alkalinity - CO <sub>3</sub> <sup>2-</sup> , HCO <sub>3</sub> <sup>-</sup> , OH & total	0/20/0/20 mg/L
Alkalinity - total as CaCO <sub>3</sub>	20 mg/L
Al, Fe, Mn suite	0.005 mg/L
Biological Oxygen Demand (BOD)	2 mg/L
Ca, Mg & hardness	0.1/0.1/1 mg/L
Ca, Mg, Na, K suite	0.1/0.1/0.15/0.1 mg/L
Chemical oxygen demand (COD)	25 mg/L
Chemical oxygen demand (COD) - dissolved	25 mg/L
Chloride	2 mg/L
Chlorine - free	0.05 mg/L
Chlorine - total	0.05 mg/L
Chlorophyll 'a'	2 mg/L
Colour - apparent	2 Pt-Co units
Colour - true	2 Pt-Co units
Cu, Pb, Zn suite	0.005 mg/L
Data management	per hour

Test description	Limit of reporting
Dissolved oxygen	0.2 mg/L
E. coli	1 MPN/100mL
Electrical conductivity	1 µS/cm
Faecal coliforms	1 MPN/100mL
Fluoride	0.05 mg/L
Hardness	1 mg/L
Heterotrophic Plate Count (HPC)	2 MPN/mL
Langelier Saturation Index#	N/A
Metals in water	0.005-0.01 mg/L
Metals in soil	1-7 mg/kg
Microscopic examination#	POA
Nitrogen - ammonia	0.01 mg/L
Nitrogen - nitrate	0.05 mg/L
Nitrogen - nitrite	0.01 mg/L
Nitrogen - oxidised	0.05 mg/L
Nitrogen - total	0.1 mg/L

Test description	Limit of reporting
Nitrogen - total Kjeldahl	0.1 mg/L
Oil & grease	2 mg/L
pH	pH units
Phosphorus - orthophosphate (reactive PO <sub>4</sub> )	0.03 mg/L
Phosphorus - total	0.05 mg/L
Redox#	mV
Sodium Absorption Ratio# (with Na, Ca, Mg)	calculation
Solids - total dissolved by calculation (TDS)	1 mg/L
Solids - total dissolved gravimetric (TDS)	5 mg/L
Solids - total suspended (TSS or NFR)	1 mg/L
Solids - volatile suspended (VSS)	1%
Sulphate#	1 mg/L
Total coliforms	1 MPN/100mL
Turbidity	0.1 NTU
Urgent analysis#	50% test cost
UV Absorbance @254nm and Transmissivity	0.01 abs & 1 %

# denotes tests not covered under scope of accreditation

## Appendix – Financial Estimates





**Budget forecast summary - consolidated**  
**Delivery program 2020/21 - 2023/24**

	YE 30 June 2021	YE 30 June 2022	YE 30 June 2023	YE 30 June 2024
<b>Operating income</b>				
Flood Mitigation	931,400	957,600	1,045,400	1,144,800
Weed Biosecurity	1,379,100	1,391,800	1,427,900	1,465,000
Retail Water Supply	2,804,500	2,908,500	3,042,600	3,181,700
Richmond Water Laboratories	821,000	840,400	868,900	890,400
Commercial Property	269,200	266,300	303,900	324,800
Bulk Water Supply	18,693,100	19,800,200	20,876,700	22,223,300
Fleet Operations	93,400	95,500	99,600	104,400
	<b>24,991,700</b>	<b>26,260,300</b>	<b>27,665,000</b>	<b>29,334,400</b>
<b>Operating expense</b>				
Flood Mitigation	1,937,200	1,832,900	1,875,800	1,919,500
Weed Biosecurity	1,425,500	1,381,100	1,417,500	1,454,900
Retail Water Supply	3,028,300	2,859,300	3,009,500	3,167,100
Richmond Water Laboratories	815,900	829,200	853,000	867,400
Commercial Property	367,800	378,200	388,400	408,900
Bulk Water Supply	20,058,900	19,906,600	19,588,900	19,601,200
Fleet Operations	93,800	92,300	90,500	88,700
	<b>27,727,400</b>	<b>27,279,600</b>	<b>27,223,600</b>	<b>27,507,700</b>
<b>Operating result</b>	<b>(2,735,700)</b>	<b>(1,019,300)</b>	<b>441,400</b>	<b>1,826,700</b>
<b>Less depreciation</b>	7,127,100	7,369,200	7,497,400	7,721,900
<b>Operating result excluding non cash</b>	<b>4,391,400</b>	<b>6,349,900</b>	<b>7,938,800</b>	<b>9,548,600</b>
<b>Add: Capital income</b>	20,750,100	5,786,400	5,889,400	4,308,000
<b>Less: Loan capital</b>	3,195,900	3,395,800	3,608,300	3,830,800
<b>Less: Capital expense</b>	22,724,800	19,468,800	4,271,400	16,802,000
<b>Reserve funds - increase / (decrease)</b>	<b>(779,200)</b>	<b>(10,728,300)</b>	<b>5,948,500</b>	<b>(6,776,200)</b>



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**ROUS**  
COUNTY COUNCIL



### **Questions or comments?**

To provide your feedback please contact us by:

**email** [council@rous.nsw.gov.au](mailto:council@rous.nsw.gov.au)

**telephone** (02) 6623 3800

**post** Rous County Council

218-232 Molesworth Street

LISMORE NSW 2480

## Quarterly Budget Review Statement for the quarter ending 31 March 2020

(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 31 March 2020 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 of 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.

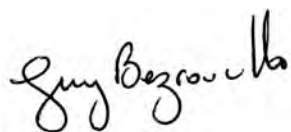
### Governance

#### 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 31 March 2020 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

Table 1: Summary of proposed changes whole organisation – March 2020

BUDGET ITEMS	Original Budget 2019/20	2018/19 Carryovers	September	December	March	Projected year end result 2019/20
			30-Sep-19	31-Dec-19	31-Mar-20	
			Quarter	Quarter	Quarter	
<b>Operating Income</b>						
Flood	1,033,000	0	617,800	0	(263,300)	1,387,500
Weeds	1,352,900	0	0	0	42,000	1,394,900
Retail	2,640,100	0	0	882,700	50,000	3,572,800
RWL	799,700	0	0	0	63,500	863,200
Commercial Property	269,100	0	0	0	0	269,100
Fleet	122,300	0	0	0	0	122,300
Bulk	17,580,900	0	151,000	0	240,100	17,972,000
<b>TOTAL OPERATING REVENUES</b>	<b>23,798,000</b>	<b>0</b>	<b>768,800</b>	<b>882,700</b>	<b>132,300</b>	<b>25,581,800</b>
<b>Operating Expenses</b>						
Flood	2,083,200	208,900	745,800	0	(368,100)	2,669,800
Weeds	1,391,000	246,700	0	0	42,000	1,679,700
Retail	2,485,400	48,200	0	0	50,000	2,583,600
RWL	799,000	0	0	0	52,500	851,500
Commercial Property	332,400	0	0	0	0	332,400
Fleet	108,700	0	0	0	0	108,700
Bulk	18,876,200	220,200	731,000	28,700	(80,000)	19,776,100
<b>TOTAL OPERATING EXPENSES</b>	<b>26,075,900</b>	<b>724,000</b>	<b>1,476,800</b>	<b>28,700</b>	<b>(303,600)</b>	<b>28,001,800</b>
<b>OPERATING RESULT</b>	<b>(2,277,900)</b>	<b>(724,000)</b>	<b>(708,000)</b>	<b>854,000</b>	<b>435,900</b>	<b>(2,420,000)</b>
Exclude depreciaton	6,833,800	0	0	0	0	6,833,800
<b>Cash result</b>	<b>4,555,900</b>	<b>(724,000)</b>	<b>(708,000)</b>	<b>854,000</b>	<b>435,900</b>	<b>4,413,800</b>
Add: Capital Income	6,770,100	0	(20,000)	(3,250,100)	0	3,500,000
Less: Capital Expense	14,677,800	2,070,100	(163,100)	121,300	233,300	16,939,400
Transfer from/(to) Reserve	5,900,100	2,794,100	564,900	2,517,400	(202,600)	11,573,900
Less: Loan Repayments	2,548,300	0	0	0	0	2,548,300
<b>Estimated cash movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Commentary on proposed adjustments – March 2020 (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

### (QBR52) Income & Expenses - Flood

	Original Budget 2019/20	2018/19 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Operating Income</b>							
Interest Income / Sundry	34,100	0	0	0	0	34,100	23,741
Lismore Loan Repayments	65,100	0	0	0	0	65,100	32,459
Operating Contributions	772,200	0	0	0	(20,000)	752,200	556,125
Operating Grants	161,600	0	617,800	0	(243,300)	536,100	0
<b>Total Operating Income</b>	<b>1,033,000</b>	<b>0</b>	<b>617,800</b>	<b>0</b>	<b>(263,300)</b>	<b>1,387,500</b>	<b>612,325</b>
<b>Operating Expense</b>							
Administration Expenses	202,500	0	0	1,100	0	203,600	135,922
Finance Costs	67,700	0	0	0	0	67,700	1,311
Building/Depot Expenses	17,200	0	0	0	0	17,200	7,266
Fleet Hire Expense	68,400	0	0	0	0	68,400	52,055
Training & Staff	7,300	0	0	0	0	7,300	2,025
Insurance	8,800	0	0	(1,100)	0	7,700	3,674
Salaries & Wages	473,900	0	0	0	0	473,900	311,036
Operations Purchases	415,100	208,900	745,800	0	(368,100)	1,001,700	652,989
Depreciation	822,300	0	0	0	0	822,300	526,664
Loss on Sale	0	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>2,083,200</b>	<b>208,900</b>	<b>745,800</b>	<b>0</b>	<b>(368,100)</b>	<b>2,669,800</b>	<b>1,692,942</b>
<b>Operating Result</b>	<b>(1,050,200)</b>	<b>(208,900)</b>	<b>(128,000)</b>	<b>0</b>	<b>104,800</b>	<b>(1,282,300)</b>	<b>(1,080,617)</b>
Less Depreciation	822,300	0	0	0	0	822,300	526,664
<b>Operating Result Excl. Non Cash</b>	<b>(227,900)</b>	<b>(208,900)</b>	<b>(128,000)</b>	<b>0</b>	<b>104,800</b>	<b>(460,000)</b>	<b>(553,953)</b>
Add Capital Income	20,000	0	(20,000)	0	0	0	0
Less Capital Expenses	207,800	0	(13,100)	0	0	194,700	52,246
Transfer from/(to) Reserve	415,700	208,900	134,900	0	(104,800)	654,700	606,199
Less Loan Repayments	0	0	0	0	0	0	0
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Operating grant revenue not yet received

The following Operating grant commentary is provided for information and does not involve any Budget changes.

#### Lismore Levee – Natural Disaster funding

At the time of writing this report, staff were completing the final acquittal for the 2017 Natural Disaster Funding from NSW Public Works Advisory (PWA) via the Office of Emergency Management (OEM). The acquittal amount is already budgeted for under Operating Grants at \$451,500.

Given delays experienced with receiving funds from the acquittals processed to date, funds are not anticipated to be received until late June.

#### Maintenance

Council has a four year funding agreement with the Office of Environment and Heritage (OEH) that contributes \$84,600 annually for maintenance works. These funds are usually received after works are completed, with funding expected in May 2020.



## Operating grants to carry forward to 2020/21

### Voluntary House Raising (VHR)

The \$160,000 funds guaranteed under the OEH 2018/19 Floodplain Management Program for VHR of two new houses will not be spent this financial year. An amended workplan has been lodged (9 March 2020), and staff are currently awaiting its approval.

As no actual funds have been received, it is proposed to remove the budget allocations from this financial year and transfer and reinstate in 2020/21.

Operating income	Grants and contributions	GC-VOLHR	(\$160,000)
Operating expenditure	Materials and contracts	GC-VOLHR	\$160,000
		<b>Impact on cash surplus</b>	<b>\$0</b>

### Coastal Management Program (CMP) Study

The implementation timetable for development of the Richmond River Coastal Management Program Stage 1 Scoping Study has been impeded due to the delay in receipt of advice of being successful in the grant application.

A revised work plan and timetable has been prepared and submitted to the Department of Planning, Industry and Environment (DPIE) and staff are awaiting confirmation of the new timetable.

Issuing of the request for quotation is now expected in May 2020, and it is intended that the successful contractor will be engaged in June 2020 for a 9-12 month project.

Funds will not be expensed in this financial year and are required to be carried forward to allow this work to proceed.

Operating income	Grants and contributions	Grant funds	(\$50,000)
		Contributions	(\$20,000)
Operating expenditure	Materials and contracts	GC-CMP Study	\$100,000
Reserve	Externally restricted	Flood reserve	(\$10,000)
	Internally restricted	Flood reserve	(\$20,000)
		<b>Impact on cash surplus</b>	<b>\$0</b>

### Water quality monitoring

There has been extensive work completed to date on the network design associated with the Richmond River Water Quality Monitoring Project. A critical requirement of the grant was to work with DPIE to ensure consistency with the Marine Estate Management Authority (MEMA) Richmond River Water Quality Monitoring Strategy. Working through this detail has required considerable consultation and field inspections, thus delaying system design and procurement decision-making.

A revised work plan and timetable has been prepared and submitted to DPIE and we are awaiting confirmation of the new timetable before issuing purchase orders, which is expected by May 2020.

Funds are required to be carried forward to allow this 3 year project to proceed.

Operating income	Grants and contributions	Grant funds	(\$33,300)
Operating expenditure	Materials and contracts		\$66,600
Reserve	Internally restricted	Flood reserve	(\$33,300)
		<b>Impact on cash surplus</b>	<b>\$0</b>

### Coastal Zone Management Plan (CZMP)

The CZMP key initiatives planned for 2019/20 include the following two key items:

- (i) Completion of a survey of Dungarubba Canal: RCC is having the canal and associated hydraulic control structures (i.e. culverts, weirs, bridges etc.) surveyed to identify any flow constrictions or impediments - this project is at the quotation stage and will be completed prior to the end of June 2020; and
- (ii) Conduct of a joint riparian improvement project in partnership with constituent councils: this project is still at the discussion stage with constituent councils and may be the subject of a joint funding application however it is intended to issue purchase orders/lodge funding applications prior to the end of June 2020.

Funds will not be expensed in this financial year and are required to be carried forward to allow this work to proceed.

Operating expenditure	Materials and contracts	P-CZMP	\$41,500
Reserve	Internally restricted	Flood reserve	(\$41,500)
		<b>Impact on cash surplus</b>	<b>\$0</b>

## Weed Biosecurity Fund

### (QBR2) Income & Expenses - Weeds

	Original Budget 2019/20	2018/19 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Operating Income</b>							
Interest Income / Sundry	31,600	0	0	0	0	31,600	27,325
Operating Contributions	788,600	0	0	0	0	788,600	592,958
Operating Grants	532,700	0	0		42,000	574,700	490,082
<b>Total Operating Income</b>	<b>1,352,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,000</b>	<b>1,394,900</b>	<b>1,110,365</b>
<b>Operating Expense</b>							
Administration Expenses	283,600	0	0	0	0	283,600	196,642
Finance Costs	4,300	0	0	0	0	4,300	0
Building/Depot Expenses	14,700	5,000	0	(2,500)	0	17,200	10,996
Fleet Hire Expense	136,600	0	0	0	0	136,600	103,089
Training & Staff	19,200	0	0	0	0	19,200	12,406
Insurance	2,200	0	0	0	0	2,200	22
Salaries & Wages	869,400	0	0	2,500	(77,700)	794,200	492,297
Operations Purchases	40,600	241,700	0	0	119,700	402,000	196,520
Depreciation	20,400	0	0	0	0	20,400	15,865
Loss on Sale	0	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>1,391,000</b>	<b>246,700</b>	<b>0</b>	<b>0</b>	<b>42,000</b>	<b>1,679,700</b>	<b>1,027,837</b>
<b>Operating Result</b>	<b>(38,100)</b>	<b>(246,700)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(284,800)</b>	<b>82,528</b>
Less Depreciation	20,400	0	0	0	0	20,400	15,865
<b>Operating Result Excl. Non Cash</b>	<b>(17,700)</b>	<b>(246,700)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(264,400)</b>	<b>98,393</b>
Add Capital Income	0	0	0	0	0	0	0
Less Capital Expenses	20,000	0	0	0	0	20,000	10,285
Transfer from/(to) Reserve	37,700	246,700	0	0	0	284,400	(88,108)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Grant funding

### Weeds Action Program (WAP)

In February 2020, Local Land Services released the 2019/20 WAP funding split for the final year of the five-year grant. In line with the Funding Deed, expenditure is allocated across the 15 objectives as specified in the project plan. These activities relate to the NSW Invasive Species Plan.

The original budget for WAP funds was estimated at \$512,100. The advice now received provides recognition for an increase of \$42,000, bringing total WAP funding for 2019/20 to \$554,000.

Accordingly, operating budgets are required to be adjusted in recognising the actual grant funding received.

Note: \$490,100 has already been received with the remaining \$64,000, expected by the end of April 2020.

Operating income	Grants and contributions	GC-WAP Grant	\$42,000
Operating expenditure	Materials and contracts	GC-WAP Grant	(\$42,000)
		<b>Impact on cash surplus</b>	<b>\$0</b>

**Contract staff**

A reallocation of \$77,700 from salary and wages to contractors is required to meet future commitments for the remainder of the 2019/20 financial year.

Labour hire personnel have been engaged to temporarily fill a vacant position that has arisen from staff being seconded to other roles within Council and planned leave. This has resulted in a budget saving to salary and wages, but an increase to contractors.

This adjustment has no impact on the forecast operating result.

Operating expenditure	Materials and contracts	WAP07	(\$77,700)
	Salary and wages	WAP07	\$77,700
		<b>Impact on cash surplus</b>	<b>\$0</b>

## Retail Fund

## (QBR2) Income &amp; Expenses - Retail

	Original Budget 2019/20	2018/19 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Operating Income</b>							
Water Sales	2,612,400	0	0	882,700	0	3,495,100	3,146,039
Interest Income / Sundry	16,700	0	0	0	50,000	66,700	51,184
Operating Grants	11,000	0	0	0	0	11,000	284
<b>Total Operating Income</b>	<b>2,640,100</b>	<b>0</b>	<b>0</b>	<b>882,700</b>	<b>50,000</b>	<b>3,572,800</b>	<b>3,197,507</b>
<b>Operating Expense</b>							
Administration Expenses	103,700	0	0	0	0	103,700	76,834
Administration - Bulk Water Cost	1,499,800	0	0	0	0	1,499,800	1,124,850
Building/Depot Expenses	500	0	0	0	0	500	580
Fleet Hire Expense	79,900	0	0	0	0	79,900	59,895
Salaries & Wages	563,800	0	0	0	0	563,800	313,994
Operations Purchases	102,300	48,200	0	0	50,000	200,500	132,504
Depreciation	135,400	0	0	0	0	135,400	128,433
Loss on Sale	0	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>2,485,400</b>	<b>48,200</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>2,583,600</b>	<b>1,837,090</b>
<b>Operating Result</b>	<b>154,700</b>	<b>(48,200)</b>	<b>0</b>	<b>882,700</b>	<b>0</b>	<b>989,200</b>	<b>1,360,417</b>
Less Depreciation	135,400	0	0	0	0	135,400	128,433
<b>Operating Result Excl. Non Cash</b>	<b>290,100</b>	<b>(48,200)</b>	<b>0</b>	<b>882,700</b>	<b>0</b>	<b>1,124,600</b>	<b>1,488,850</b>
Add Capital Income	0	0	0	0	0	0	8,100
Less Capital Expenses	672,900	0	0	150,000	0	822,900	177,985
Transfer from/(to) Reserve	382,800	48,200	0	(732,700)	0	(301,700)	(1,318,965)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Investments

The original budget for investment interest of \$14,700 was based on a forecast average held balance of \$590,000 with a 2.5% rate of return. While the rate of return has decreased to 2%, the portfolio size of funds held remains in excess of \$2M.

Based on these factors and considering anticipated cash flow requirements, the adjusted forecast investment interest for 30 June 2020 is expected to reach \$64,700. This is a positive budget adjustment of \$50,000.

It is proposed to utilise these funds to cover additional repairs expenditure that has occurred due to pipe movement relating to drought conditions. This will ensure sufficient maintenance budget is available to year end, under normal circumstances.

Operating income	Interest and investment	Interest on investments	\$50,000
Operating expenditure	Materials and contractors		(\$50,000)
		<b>Impact on cash surplus</b>	<b>\$0</b>



## Richmond Water Laboratory Fund

### (QBR2) Income & Expenses - Richmond Water Laboratory

	Original Budget 2019/20	2018/19 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Operating Income</b>							
Laboratory Sales	792,700	0	0	0	63,500	856,200	621,326
Interest Income / Sundry	7,000	0	0	0	0	7,000	6,819
<b>Total Operating Income</b>	<b>799,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,500</b>	<b>863,200</b>	<b>628,145</b>
<b>Operating Expense</b>							
Administration Expenses	43,300	0	0	0	0	43,300	27,797
Building Expenses	57,400	0	0	0	0	57,400	31,841
Fleet Hire Expense	17,300	0	0	0	0	17,300	13,017
Salaries & Wages	477,000	0	0	(50,000)	0	427,000	261,906
Operations - Materials & Contract	160,200	0	0	50,000	52,500	262,700	247,024
Operations - Licences/Accreditatic	22,400	0	0	0	0	22,400	19,593
Operations - Equipment	8,700	0	0	0	0	8,700	0
Depreciation	12,700	0	0	0	0	12,700	7,682
<b>Total Operating Expense</b>	<b>799,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,500</b>	<b>851,500</b>	<b>608,860</b>
<b>Operating Result</b>	<b>700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,000</b>	<b>11,700</b>	<b>19,285</b>
Less Depreciation	12,700	0	0	0	0	12,700	7,682
<b>Operating Result Excl. Non Cash</b>	<b>13,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,000</b>	<b>24,400</b>	<b>26,967</b>
Less Capital Expenses	149,400	0	0	0	0	149,400	10,582
Transfer from/(to) Reserve	136,000	0	0	0	(11,000)	125,000	(16,385)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Contractors

During the drought, RWL had a customer who was investigating alternative water supply options which created the need for extensive and quite specific testing to ascertain the quality of the water for drinking.

In particular, uranium and radium testing was requested and subcontracted to our contractors with the cost per sample being \$790 per sample. There were approximately 70 samples, each test required 6 to 8 week processing.

A budget adjustment is required to recognise the additional revenue of \$63,500 and corresponding expenditure of \$52,500, with remaining \$11,000 to be transferred to the RWL reserve.

Operating income	Water testing	External testing	\$63,500
Operating expenditure	Materials & contractors	External testing	(\$52,500)
Reserve	Internally restricted	RWL Fund	(\$11,000)
		<b>Impact on cash surplus</b>	<b>\$0</b>

## Property Fund

### (QBR2) Income & Expenses - Commercial Properties

	Original Budget 2019/20	2018/19 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Operating Income</b>							
Interest Income / Sundry	34,000	0	0	0	0	34,000	19,332
Property Income	235,100	0	0	0	0	235,100	160,151
Profit on Sale	0	0	0	0	0	0	0
<b>Total Operating Income</b>	<b>269,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>269,100</b>	<b>179,483</b>
<b>Operating Expense</b>							
Administration Expenses	43,200	0	0	0	0	43,200	32,400
Building - Maintenance	97,600	0	0	0	0	97,600	87,401
Building - Lease	69,500	0	0	0	0	69,500	35,768
Perradenya Estate Operations	61,200	0	0	0	0	61,200	23,163
Salaries & Wages	20,000	0	0	0	0	20,000	14,723
Operations Purchases	2,500	0	0	0	0	2,500	3,420
Depreciation	38,400	0	0	0	0	38,400	42,778
Loss on Sale	0	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>332,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>332,400</b>	<b>239,653</b>
<b>Operating Result</b>	<b>(63,300)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(63,300)</b>	<b>(60,170)</b>
Less Depreciation	<b>38,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,400</b>	<b>42,778</b>
<b>Operating Result Excl. Non Cash</b>	<b>(24,900)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(24,900)</b>	<b>(17,392)</b>
Add Capital Income	3,250,100	0	0	(3,250,100)	0	0	0
Less Capital Expenses	2,908,900	248,200	0	0	0	3,157,100	450,423
Transfer from/(to) Reserve	(316,300)	248,200	0	3,250,100	0	3,182,000	467,815
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No budget adjustments are required this quarter.

Given the current business condition uncertainty surrounding COVID-19, there is a potential impact on receiving rental income and potential payment deferrals and other arrangements that will change the financial forecasts. Staff will monitor carefully during the final quarter of the year.

## Fleet Fund

## (QBR2) Income &amp; Expenses - Fleet

	Original Budget 2019/20	2018/19 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Operating Income</b>							
Interest Income / Sundry	122,300	0	0	0	0	122,300	69,412
Profit on Sale	0	0	0	0	0	0	0
<b>Total Operating Income</b>	<b>122,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>122,300</b>	<b>69,412</b>
<b>Operating Expense</b>							
Fleet Operations	547,000	0	0	0	0	547,000	286,335
Fleet Hire Income	(925,700)	0	0	0	0	(925,700)	(656,720)
Salaries & Wages	61,500	0	0	0	0	61,500	30,860
Operations Purchases	0	0	0	0	0	0	510
Depreciation	425,900	0	0	0	0	425,900	297,190
Loss on Sale	0	0	0	0	0	0	
<b>Total Operating Expense</b>	<b>108,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>108,700</b>	<b>(41,825)</b>
<b>Operating Result</b>	<b>13,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,600</b>	<b>111,237</b>
Less Depreciation	425,900	0	0	0	0	425,900	297,190
<b>Operating Result Excl. Non Cash</b>	<b>439,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>439,500</b>	<b>408,427</b>
Add Capital Income	0	0	0	0	0	0	0
Less Capital Expenses	578,600	0	0	0	0	578,600	50,527
Transfer from/(to) Reserve	139,100	0	0	0	0	139,100	(357,900)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No budget adjustment required.

## Bulk Water Fund

## (QBR2) Income &amp; Expenses - Bulk

	Original Budget 2019/20	2018/19 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Operating Income</b>							
Water Sales	17,030,600	0	0	0	0	17,030,600	12,832,693
Interest Income / Sundry	533,500	0	0	0	240,100	773,600	552,000
Property Income	14,700	0	0	0	0	14,700	13,110
Lismore Loan Repayments	0	0	0	0	0	0	0
Operating Contributions	0	0	0	0	0	0	0
Operating Grants	0	0	151,000	0	0	151,000	0
Profit on Sale	2,100	0	0	0	0	2,100	0
<b>Total Operating Income</b>	<b>17,580,900</b>	<b>0</b>	<b>151,000</b>	<b>0</b>	<b>240,100</b>	<b>17,972,000</b>	<b>13,397,803</b>
<b>Operating Expense</b>							
Administration Expenses	406,600	0	0	0	0	406,600	193,693
Administration - Retail Water Cost	(1,499,800)	0	0	0	0	(1,499,800)	(1,124,850)
Finance Costs	1,603,800	0	0	0	0	1,603,800	656,568
Building/Depot Expenses	2,110,000	0	0	0	0	2,110,000	1,311,167
Fleet Hire Expense	519,800	0	0	0	0	519,800	380,607
Training & Staff	394,700	0	0	0	0	394,700	220,082
Insurance	317,500	0	0	0	0	317,500	252,884
Members Expenses	161,500	0	0	0	0	161,500	89,777
Salaries & Wages	5,806,300	0	(43,000)	0	(67,400)	5,695,900	4,004,630
Operations Purchases	3,677,100	220,200	774,000	28,700	(12,600)	4,687,400	2,360,468
Depreciation	5,378,700	0	0	0	0	5,378,700	3,503,360
Loss on Sale	0	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>18,876,200</b>	<b>220,200</b>	<b>731,000</b>	<b>28,700</b>	<b>(80,000)</b>	<b>19,776,100</b>	<b>11,848,386</b>
<b>Operating Result</b>	<b>(1,295,300)</b>	<b>(220,200)</b>	<b>(580,000)</b>	<b>(28,700)</b>	<b>320,100</b>	<b>(1,804,100)</b>	<b>1,549,417</b>
Less Depreciation	5,378,700	0	0	0	0	5,378,700	3,503,360
<b>Operating Result Excl. Non Cash</b>	<b>4,083,400</b>	<b>(220,200)</b>	<b>(580,000)</b>	<b>(28,700)</b>	<b>320,100</b>	<b>3,574,600</b>	<b>5,052,777</b>
Add Capital Income	3,500,000	0	0	0	0	3,500,000	2,476,358
Less Capital Expenses	10,140,200	1,821,900	(150,000)	(28,700)	233,300	12,016,700	4,223,563
Transfer from/(to) Reserve	5,105,100	2,042,100	430,000	0	(86,800)	7,490,400	(1,757,736)
Less Loan Repayments	2,548,300	0	0	0	0	2,548,300	1,547,836
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Investments

The original budget for investment interest of \$479,900 was based on a forecast average held balance of \$19M with a 2.5% rate of return. While the rate of return has decreased to 2%, the portfolio size of funds held remains in excess of \$30M.

Based on these factors and considering anticipated cash flow requirements, the adjusted forecast investment interest for 30 June 2020 is expected to reach \$600,000. This is a positive budget adjustment of \$120,100.

It is proposed to restrict these additional funds within the Bulk Water assets and programs reserve. By transferring the funds to restricted assets, these adjustments will have no impact on the forecast operating result.

Operational revenue	Interest and investment	Interest on investments	\$120,100
Restricted assets	Internally restricted	Assets and programs reserve	(\$120,100)
		<b>Impact on cash surplus</b>	<b>\$0</b>

## Payroll tax reimbursement

Following the 2016 County Council merger, the issue of payroll tax was identified as an area that should be reviewed. Payroll tax for local government is complicated but, for RCC, the primary rule is that payroll tax is only payable on activities associated with the supply of water.

In 2018 staff commenced a detailed review of payroll tax calculation practices, which indicated that RCC was potentially overpaying on its payroll tax obligations.

As it stood following the merger, payroll tax was being calculated and paid on 100% of salaries for indoor staff despite many of these staff spending significant time on activities such as weeds, flood, property and Laboratory operations, which are payroll tax exempt.

Approximately 15% of time for people engaged in areas such as finance, information services, human resources and management is attributable to non-water related activities. This resulted in an overpayment of tax to the Office of Revenue of approximately \$30,000 per annum.

Revenue NSW agreed with Council's conclusions and ultimately refunded overpayments for 4 years totalling \$120,000.

Going forward there will be an ongoing saving of approximately \$30,000 annually compared to past practices and this saving has been factored into the Long Term Financial Plan from 2019/20.

Prior to providing the refund, Revenue NSW conducted a comprehensive audit on RCC for the past five years on all payroll tax and related transactions, including all payments to contractors and fringe benefits Tax. The audit was a robust test of systems and processes which all passed the review.

There will also be some further improvements to Council systems emanating from the audit, one of which includes the fact that Council can claim tax exemptions relating to labour hire companies, which will represent a further saving to Council's cost of doing business.

The income will improve the forecast operating result and it is proposed to restrict these funds within the Bulk Water assets and programs reserve.

Operating revenue	Sundry revenue	Payroll tax reimbursement	\$120,000
Restricted assets	Internally restricted	Assets and programs reserve	(\$120,000)
		<b>Impact on cash surplus</b>	<b>\$0</b>



## Contract staff

### Communication and Engagement

Labour hire personnel have been engaged to temporarily fill a vacant position. This has resulted in a budget saving to salary and wages, but an increase to contractors.

A reallocation of \$67,400 from salary and wages to contractors is required to meet future commitments for the remainder of the 2019/20 financial year. This adjustment has no impact on forecast operating result.

Operating expenditure	Materials and contracts		(\$67,400)
	Salary and wages		\$67,400
		<b>Impact on cash surplus</b>	<b>\$0</b>

### Bush Regeneration

When the original budget was developed, Council had insufficient staff to fill existing vacancies and it was determined that labour hire would be used until the vacancies could be filled.

All vacancies have now been filled and the contractor budget is no longer required resulting in a budget savings of \$50,000.

It is proposed to return the remaining budget to the Bulk Water asset and projects reserve for future projects.

Operating expenditure	Materials and contracts		\$50,000
Restricted reserves	Internally restricted	Assets and programs reserve	(\$50,000)
		<b>Impact on cash surplus</b>	<b>\$0</b>

## ARC Linkage

These funds are allocated to support an ARC Linkage application with Southern Cross University (SCU), addressing the potential for natural flood mitigation techniques to address catchment water quality, river health and flood mitigation objectives. The application has essentially been completed by SCU, but is still awaiting confirmation from several stakeholders regarding potential involvement. This work is progressing, but advice regarding the success of the application will not be obtained until 2020/21 and so funds need to be carried forward in anticipation that this application is successful.

Operating expenditure	Materials & contractors	ARC Linkage project	\$30,000
Restricted reserves	Internally restricted	Assets and programs reserve	(\$30,000)
		<b>Impact on cash surplus</b>	<b>\$0</b>

## Capital works budgets – new funding

### Greenhouse Gas Abatement

In June 2018, Council resolved [48/18] to adopt the Greenhouse Gas Abatement Strategy. This strategy listed a number of recommendations that focused on short 2018-2020, medium 2021-2025 and long 2026-2030 term goals. Council is in a position to accelerate the implementation of a number of medium term goals.

It is proposed to bring forward \$121,000 from the 2022/23 budget allocation to commence these works.

Capital expenditure	Materials & contractors	Greenhouse project	(\$121,000)
Restricted reserves	Internally restricted	Assets and programs reserve	\$121,000
		<b>Impact on cash surplus</b>	<b>\$0</b>

#### Nightcap Industrial Control System (ICS) network upgrade

The current Industrial Control System (ICS) network at Nightcap Water Treatment Plant and the configuration and layout of this network has been built up and added to over many years. This has resulted in a situation where there is no set standard for cabling or connectivity and the ageing cabling now needs replacement.

The proposed upgrade will improve the resiliency and reliability of the Nightcap ICS network. The ageing copper and fibre cabling will be replaced with new fit for purpose cabling in accordance with industry standards and the current N-Tron ICS switches will be replaced with ICS rated managed network switches that are maintained under support contracts. This will allow for greater connectivity and service coverage of other ICS and Non-ICS devices (PCs, Phones, WiFi).

It is proposed to transfer \$145,000 from the Bulk Fund - assets and programs reserve to capital expenditure to commence these works.

Capital expenditure	Materials & contractors	Nightcap ICS network upgrade	(\$145,000)
Restricted reserves	Internally restricted	Assets and programs reserve	\$145,000
		<b>Impact on cash surplus</b>	<b>\$0</b>

#### **Capital works budgets reallocated from existing capital projects**

##### Mains replacement

There has recently been numerous breaks along a section of 375mm pipeline supplying Ross Street reservoir in Lismore. The pipeline was found to be shallow buried and subject to failure from ground movement. Without intervention the pipeline is likely to break again and may impact the ability to maintain water supply to Lismore. There is currently no capital funding for replacement of the Ross Street 375 water pipeline.

A risk based prioritisation was performed against Ross Street 375 and the currently funded Broadwater 150 to determine the priority for replacement. This process identified the Ross Street 375 replacement as a higher priority than the Broadwater 150 replacement. On that basis it is recommended to use \$80,000 from the Broadwater 150 budget allocation for the renewal of part of the Ross Street 375 pipeline.

Remaining funds in the Broadwater budget will be allocated to replacement of the high priority section of the Broadwater 150 pipeline, being the 700m pipeline inherited from Richmond Valley Council from the Riley's Hill valve pit to Broadwater reservoir. The remainder of the Broadwater pipeline is planned to be upgraded to 250mm in the next 2 years.

Capital expenditure	Materials & contractors	Ross St main	(\$80,000)
	Materials & contractors	Broadwater main	\$80,000
		<b>Impact on cash surplus</b>	<b>\$0</b>

### Rous Administration Office – Chambers and aAudio visual equipment

The 2019/20 original budget contained an allocation for the Rous Administration Office for audio/visual recording for Council meetings:

- *Installation of audio/visual recording equipment and software to meet new meeting Code of Meeting Practice requirements (\$150,000).*

This estimate was based on the costs advised by one of our constituent councils and would have provided full live stream video capability.

Staff are also reviewing operational building requirements for the longer term and are due to update Council on progress and a future plan within the next 12 months.

Given this situation it was decided the most appropriate approach was to implement a minimalist type of equipment solution for the recording of meetings, while still meeting the requirements. This has been achieved for less than \$10,000 and includes additional camera capability to support virtual meetings as well. This provides a saving of \$140,000 to the 2019/20 budget.

Capital expenditure	Materials & contractors	Administration Building	\$140,000
		<b>Impact on cash surplus</b>	<b>\$140,000</b>

### Operational building requirements review project

Staff have undertaken an internal assessment of operational building requirements for the future. This assessment has been conducted to provide a sound basis to ensure future building needs are identified and assessed so as to inform future decision-making. The assessment now requires some external professional input in terms of land use zonings, property valuations and building design and function.

To facilitate these next stages an allocation of \$30,000 is required. It is proposed to utilise the funding identified from additional interest income earned.

Capital expenditure	Materials & contractors	Investment Properties	(\$30,000)
		<b>Impact on cash surplus</b>	<b>(\$30,000)</b>

### Digital Records – Content Manager (CM9) and Customer Relationship Management (CRM)

The 2019/20 original budget contained an allocation to facilitate the identification, selection and implementation of a digital records solution.

As contained in the ICT Business Plan 2019-21, Rous requires a corporate electronic document records management system to improve efficiency and drive effectiveness across the business. The need for a Customer Relation Management (CRM) solution has also been identified.

Regular status updates on this project have been provided to the Audit, Risk and Improvement Committee.

CM9 was chosen directly as Council's proposed electronic records system as it is utilised extensively and with success across all tiers of Government.

iCognition were deemed the preferred vendor to implement Content Manager (CM9) after a targeted Request for Quote (RFQ) process utilising the NSW State Government IT Contract pre-qualification scheme.

An LG Procurement approved external consultant was engaged to prepare specifications for the project, including preparation of relevant procurement documents for the RFQ process, evaluation methodology and demonstration scenarios, and provide advice throughout the RFQ and evaluation process.

This solution provides several enhanced features and packages to enable mobility for our remote staff, customisable workflows and flexible user interface.

Progress has now reached a point where a final product (Content Manager) and business partner contract (iCognition) can be executed and final costs confirmed for budget allocation.

The budget position is as follows:

<b>Digital Records - total project</b>	<b>\$</b>
Original 2019/20 budget allocation	200,000
Less: Already committed	
iPlatinum - Consultancy, documentation and tendering support	(40,000)
Less: Proposed solution	
iCognition - Content Manager license (one-off cost)	(42,500)
iCognition - Content Manager license (per annum \$88,144 - pro rata for 2 months)*	(14,700)
iCognition - Project implementation costs CM9 (various milestone payments)	(110,100)
iCognition - Project configuration costs CRM (various milestone payments)	(30,000)
Rous - Project Management costs to be capitalised	(65,000)
Contingency allocation	(30,000)
Budget allocation shortfall	<b>(132,300)</b>
* costs to be expensed and LTFP operating budgets increased to include annual license cost	

Therefore, the final budget allocation for implementing an electronic documents records management and customer relation management is \$332,300 including contingency and a final budget allocation of \$132,300 is required.

It is proposed to utilise the savings identified from the Council meeting webcasting audio visual project to fulfill this shortfall.

Capital expenditure	Materials & contractors	Digital records and CRM	(\$132,000)
		<b>Impact on cash surplus</b>	<b>(\$132,000)</b>

#### Rocky Creek Dam recreation area

Routine staff inspections have determined that the playground equipment in the Rocky Creek Dam recreation area requires upgrading. The estimated cost to replace the equipment is \$25,000.

It is proposed to fund the \$25,000 from budget savings realised from the construction of the Emigrant Creek Dam boat shed. This project experienced budget savings of \$30,000 due to design changes.

Capital expenditure	Materials & contractors	RCD recreation area	(\$25,000)
	Materials & contractors	ECD Boat shed	\$30,000
Restricted reserves	Internally restricted	Assets and programs reserve	(\$5,000)
<b>Impact on cash surplus</b>			<b>\$0</b>

### Microwave bridges

During the 2018/19 financial year an issue was identified where trees were interfering with Council's microwave bridge network at the Parrots Nest communication tower.

Subsequently, a \$50,000 budget allocation was submitted for design works to build a new communications tower that would not be impacted by trees.

However, Council staff were successful in negotiating the relocation of the affected microwave bridges higher on the existing tower. This action has provided a reliable mid term solution and was achieved at no additional cost.

It is proposed to transfer the \$50,000 to the Bulk Fund office equipment and computer reserve for future capital works.

Capital expenditure	Materials & contractors	Microwave bridge upgrade	\$50,000
Restricted reserves	Internally restricted	Office equipment & computer reserve	(\$50,000)
<b>Impact on cash surplus</b>			<b>\$0</b>

## (QBR3) Capital Budget

	Original Budget 2019/20	2018/19 Carryovers	Approved changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20	Actual YTD
<b>Capital Funding:</b>							
Capital grants & contributions	0	0	0	0	0	0	0
Internal restrictions							
- renewals	7,707,900	1,849,500	0	(28,700)	120,000	9,648,700	3,068,700
- new assets	4,083,900	221,300	(150,700)	2,883,900	113,300	7,151,700	2,128,267
External restrictions							
- infrastructure	0	0	6,900	0	0	6,900	0
Other capital funding sources							
- operating revenue	0	0	(20,000)	150,000	0	130,000	11,424
Income from sale of assets							
- plant and equipment	2,100	0	0	0	0	2,100	0
- land and buildings	2,883,900	0	0	(2,883,900)	0	0	0
<b>Total capital funding</b>	<b>14,677,800</b>	<b>2,070,800</b>	<b>(163,800)</b>	<b>121,300</b>	<b>233,300</b>	<b>16,939,400</b>	<b>5,208,391</b>
<b>Capital Expenditure:</b>							
New assets							
- office equipment	603,000	30,000	0	0	(57,700)	575,300	156,643
- inventory (land)	2,883,900	178,800	0	0	0	3,062,700	449,929
- infrastructure	2,750,000	0	(150,700)	150,000	121,000	2,870,300	1,423,648
- land and buildings	0	0	0	0	0	0	0
- plant and equipment	733,000	12,500	0	0	0	745,500	109,471
Renewals (replacement)							
- land and buildings	77,000	227,800	0	0	30,000	334,800	181,277
- infrastructure	7,630,900	1,621,700	(13,100)	(28,700)	140,000	9,350,800	2,887,423
<b>Total capital expenditure</b>	<b>14,677,800</b>	<b>2,070,800</b>	<b>(163,800)</b>	<b>121,300</b>	<b>233,300</b>	<b>16,939,400</b>	<b>5,208,391</b>



## Budget review for the quarter ended 31 March 2020

## (QBRs4) Cash &amp; Investments

	Opening Balances 2019/20	Original Budget 2019/20	2018/19 Carryovers	Approved changes Sept Review	Approved Changes Dec Review	Recommend changes for Council Resolution	Projected year end result 2019/20
<b>Unrestricted:</b>							
Flood mitigation	99,002	0	0	0	0	0	99,002
Weeds biosecurity	94,487	(10,000)	0	0	0	0	84,487
Retail water	100,000	0	0	0	0	0	100,000
Richmond water laboratories	10,000	0	0	0	0	0	10,000
Commercial properties	100,000	0	0	0	0	0	100,000
Fleet	50,000	0	0	0	0	0	50,000
Bulk water	986,268	0	0	0	0	0	986,268
<b>Total unrestricted</b>	<b>1,439,757</b>	<b>(10,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,429,757</b>
<b>Externally restricted:</b>							
Flood grants	236,375	0	(107,779)	(128,596)	0	10,000	10,000
Weeds grants	132,437	10,000	(142,437)	0	0	0	0
Weeds other	430,259	0	0	0	0	0	430,259
Bulk water grants	0	0	0	0	0	0	0
Bulk water other	2,950,000	0	0	0	0	0	2,950,000
<b>Total externally restricted</b>	<b>3,749,071</b>	<b>10,000</b>	<b>(250,216)</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>3,390,259</b>
<b>Internally restricted:</b>							
Flood mitigation	1,243,219	(415,700)	(101,100)	(6,300)	0	94,800	814,919
Weeds biosecurity	943,513	(37,700)	(69,500)	0	0	0	836,313
Retail water	1,817,175	(382,800)	(48,200)	0	732,700	0	2,118,875
Richmond water laboratories	408,208	(136,000)	0	0	0	11,000	283,208
Commercial properties	1,835,309	316,300	(248,200)	0	(3,250,100)	0	(1,346,691)
Fleet	660,094	(139,100)	0	0	0	0	520,994
Bulk water							
- Buildings & structures	343,698	0	(210,000)	0	0	0	133,698
- Assets & programs	20,150,374	(5,105,100)	(1,691,300)	(430,000)	0	36,800	12,960,774
- Employee leave entitlement	1,871,312	0	0	0	0	0	1,871,312
- Electricity	2,271,797	0	0	0	0	0	2,271,797
- Office equipment & computer	870,533	0	(51,800)	0	0	50,000	868,733
- Greenhouse gas abatement	94,000	0	(94,000)	0	0	0	0
<b>Total internally restricted</b>	<b>32,509,231</b>	<b>(5,900,100)</b>	<b>(2,514,100)</b>	<b>(436,300)</b>	<b>(2,517,400)</b>	<b>192,600</b>	<b>21,333,931</b>
<b>Total restricted</b>	<b>36,258,302</b>	<b>(5,890,100)</b>	<b>(2,764,316)</b>	<b>(436,300)</b>	<b>(2,517,400)</b>	<b>202,600</b>	<b>24,724,190</b>

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**(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 31 March 2020.

**Reconciliation**

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

	\$
Cash at Bank (as per bank statements)	573,239
Investments on Hand	36,763,234
<b>Reconciled Cash at Bank &amp; Investments</b>	<b><u>37,336,473</u></b>
<b>Balance as per Review Statement:</b>	<b><u>37,336,473</u></b>

**(QBR5) Contractors**

Contractor	Contract details & purpose	Contract value (\$)	Comm. date	Duration of contract	Budgeted (Y/N)
Chandler Macleod	ICT Manager - staff	126,645	27/03/2020	12 mths	Y
Quanta Lines	Perradenya electrical & communications	151,600	16/01/2020	3 mths	Y
Willow & Sparrow	St Helena 600 site engineering supervision	80,000	31/01/2020	12 mths	Y
Ledonne Construction	Unara to Eltham Road Reticulation Mains	67,900	15/03/2020	1 mth	Y
Ledonne Construction	St Helena 600 stage 1 construction	6,349,475	25/02/2020	12 mths	Y
BOC Limited	Supply of bulk CO2	1,085,000	13/01/2020	36 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	\$103,497	Y
Legal Fees	\$7,522	Y

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

Legal fees		
	People & Performance – opinion on statutory interpretation	\$2,000
	People & Performance - hiring options LG Act and LG Award	\$5,500
	Operations - penalty notice fees	\$22
Consultancies		
	General Manager – Drinking Water Management System	\$42,944
	General Manager – Flood review	\$25,650
	General Manager - RAP cultural awareness training	\$8,008
	Planning & Delivery – North Lismore plateau hydraulic	\$16,420
	Corporate & Commercial – Flood infrastructure revaluation	\$9,775
	Corporate & Commercial - Name address register specification	\$700

## Statement of expenses for councillors

### Councillor expenses for the quarter ending 31/03/20 (Q3)

	Other expenses	Official business of Council - excluding professional development	Official business of Council - professional development	Total by Councillor (Q3)
Councillor Cadwallader	0	313	0	313
Councillor Cameron	0	52	0	52
Councillor Cook	0	72	0	72
Councillor Ekins	0	0	0	0
Councillor Humphrys	0	0	0	0
Councillor Mustow	0	0	0	0
Councillor Richardson	0	0	0	0
Councillor Williams	0	63	0	63
<b>Total per expense type</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>500</b>

	Q1	Q2	Q3	Q4	Total by Councillor YTD
Councillor Cadwallader	738	5,007	313	0	6,058
Councillor Cameron	0	155	52	0	207
Councillor Cook	1,532	897	72	0	2,501
Councillor Ekins	1,387	811	0	0	2,199
Councillor Humphrys	0	106	0	0	106
Councillor Mustow	0	0	0	0	0
Councillor Richardson	0	0	0	0	0
Councillor Williams	480	2,970	63	0	3,513
<b>Total per expense type</b>	<b>4,137</b>	<b>9,947</b>	<b>500</b>	<b>0</b>	<b>14,584</b>

Budget 2019/20 FY 59,000

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	<b>2019/20 Budget Review</b>	(1,282,300)	(284,800)	989,200	11,700	(63,300)	13,600	(1,804,100)	<b>(2,420,000)</b>	Surplus
		<b>2018/19 Actual</b>	(873,459)	50,845	326,215	81,631	(40,475)	90,853	2,000,165	<b>1,635,775</b>	
2	Current Ratio	<b>2019/20 Budget Review</b>	9.24	3.14	88.76	36.65	(24.93)	28.55	4.41	<b>4.64</b>	> 1.5
		<b>2018/19 Actual</b>	10.16	3.30	30.67	33.20	8.60	59.91	4.03	<b>5.43</b>	
3	Debt Service Cover Ratio	<b>2019/20 Budget Review</b>	-	-	-	-	-	-	2.20	<b>2.76</b>	> 2
		<b>2018/19 Actual</b>	-	-	-	-	-	-	1.79	<b>1.80</b>	
4	Own Source Operating Revenue Ratio	<b>2019/20 Budget Review</b>	7%	2%	100%	100%	100%	100%	84%	<b>79%</b>	> 60%
		<b>2018/19 Actual</b>	3%	2%	97%	100%	100%	100%	78%	<b>76%</b>	
5	Building and Infrastructure Renewals Ratio	<b>2019/20 Budget Review</b>	0.26 : 1	-	-	-	9.99 : 1	-	1.59 : 1	<b>1.48 : 1</b>	> 1:1
		<b>2018/19 Actual</b>	0.05 : 1	-	-	-	0.19 : 1	-	1.49 : 1	<b>1.28 : 1</b>	

## 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	(\$2,420,000)
	<b>(\$142,100)</b>

The increase can be attributed to carry over works (\$724k) reinstated from 2018/19 and operating expenses (\$1.512M) offset by revenue from grant funding (\$769k) and retail water income (\$883k).

Carryovers / reinstatements	(\$724,000)
Expenses	(\$1,201,900)
Revenue	\$1,783,800
	<b>(\$142,100)</b>

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 \$4.66 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

This 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 spend
<b>New Grants that have been approved</b>									
Nil									
<b>Grant variation request pending a determination</b>									
Review of the Lismore FRMP post March 2017 Flood	Flood	Project has experienced a number of unforeseeable setbacks, including OEH scope variation.	DPIE	Floodplain management grants scheme	-	34,734	17,367	-	-
<b>Active Grants that have been previously reported</b>									
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	187,660	628,340
Water Quality Monitoring 2019-22	Flood	Richmond River water quality monitoring project	DPIE	Coastal & estuary grants program	199,768	99,884	99,884	-	199,768
Voluntary House Raising	Flood	Facilitate the voluntary house raising of 2 homes in the Lismore area.	DPIE	Floodplain management grants scheme	160,000	160,000	-	-	160,000
Voluntary House Raising	Flood	Raising of houses as approved and funded by DPIE. Homeowner contributes 1/3.	DPIE	Floodplain management grants scheme	333,056	333,056	-	305,177	27,879
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	-	886,839	(25,632)
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	84,600 p.a.	84,600 p.a.	160,091	69,909
Review of the Lismore FRMP post March 2017 Flood	Flood	Review flood modelling post March 2017 flood event.	DPIE	Floodplain management grants scheme	170,000	80,000	90,000	156,665	13,335
Coastal Management Plan	Flood	Stage one of the Richmond River Coastal Management program scoping study	DPIE	Floodplain management grants scheme	100,000	50,000	50,000	0	100,000
Weeds Action Program 2015-20	Weeds	Funding allocated annually	LLS	North Coast weeds action program 2015-20	921,500	512,100	409,400	700,819	220,681
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	-	19,744	41,996
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

## **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

## Debt management and financial hardship policy

(172/17)

**Business activity priority**

Strategy and Planning

**Goal 2**

Align strategic direction to core functions and sustainability

### Recommendation

That Council:

1. Note the draft 'Debt management and financial hardship' policy attached to this report and:
  - a. Approve public exhibition of the draft policy for a period of 28 days where submissions from the public are invited;
  - b. If no submissions are received or only submissions regarding minor or inconsequential matters are received during the public exhibition period, that the 'Debt management and financial hardship' policy be adopted effective the day after the conclusion of the public exhibition period;
  - c. If submissions are received during the public exhibition period that are not of a minor or inconsequential nature, a further report regarding those submissions and how they have been considered in relation to the draft policy be provided to Council for consideration;
  - d. For the purposes of (b) and (c) above and determining whether a submission is minor or inconsequential the General Manager be authorised to make that assessment.
2. In response to the COVID-19 pandemic:
  - a. Extend payment terms on all retail water accounts from 30 days to 60 days for the March/April 2020 and June/July 2020 billing cycles;
  - b. Suspend debt recovery action until 30 June 2020 at which time the General Manager may review and approve a further extension period or recommencement of such action.

### Background

In November 2018, the NSW Office of Local Government in conjunction with the NSW Department of Justice published a section 23A Guidelines 'Debt Management and Hardship' (Guidelines). The Guidelines outline the information that councils are to take into account in the administration of matters relating to debt management and hardship.

Council does not currently have a debt management and financial hardship policy, however, the Retail Water Customer Account Assistance (RWCAA) policy does cover hardship matters, but only in relation to retail water customers. The main purpose of the RWCAA policy is to provide a framework with uniform and transparent rules for the assessment and determination of requests for account assistance, therefore, it is not the intention to replace the RWCAA policy and associated guidelines.

Debt management processes that Council staff utilise to undertake debt recovery actions are documented, however, these are not publicly available. Over the past 12 months, Council staff have been reviewing current processes, supporting documentation, recent debt matters and best practice in order to develop a policy document and process that will meet the needs of the whole organisation (including Richmond Water Laboratories) and align with the Guidelines.

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- **Proposed ‘Debt management and financial hardship’ policy**

The proposed ‘Debt management and financial hardship’ policy has been developed in accordance with the Guidelines to establish a fair and equitable approach to the recovery of debt, assessment of financial hardship and the circumstances when debt can be considered for write-off.

It is important to understand that this policy is not replacing the legislation on debt management and hardship. The policy is a guiding document, based on the principles set by the State Government, which sets out a “business as usual” approach to debt management and hardship across council’s business units.

- **Hardship or special circumstances**

In the event that a particular case of hardship or special circumstances were to arise in relation to a debt and staff formed the view that strict adherence to the policy would not provide a fair outcome, it is recommended that staff address those matters by way of a separate report to Council.

The report to Council would outline the circumstances and rationale as to why application of the policy was not recommended and provide alternate options in dealing with the debt. These reports would need to consider applicable privacy standards, whether the report should be considered in ‘closed council’ and the ‘precedent value’ which may arise from variation of the policy.

This approach will be updated in detail within procedures and checklists and also included in training for relevant business units.

## **Governance**

### **Legal**

The *Local Government Act 1993* at section 23A provides that the Office of Local Government Chief Executive may from time to time prepare, adopt or vary guidelines relating to the exercise by a council of any of its functions. Council is required to take the Guidelines issued under section 23A into consideration before exercising any of its functions. This policy will only have effect from the date of adoption.

### **Finance**

Finance staff pursue recovery of debts owed to Council and are authorised to establish payment arrangements and extensions with customers. Historically, our debt recovery processes have proved successful, albeit time consuming, with staff time not recovered.

Up until the past few months, Council has not required the services of a debt collection agency. Several matters across the organisation arose towards the end of 2019 and staff engaged a debt collection agency to deal with one matter only.

By adopting the new policy, debt recovery actions after Council has issued reminder notices, will be provided by an external debt collection agency and the subsequent legal costs will be charged against the account of which the debt is owed.

## **COVID-19 response**

Our customers may be experiencing financial difficulties during the current global health crisis and to assist them it is proposed that:

1. Payment terms will be extended from 30 days to 60 days for the March/April 2020 and June/July 2020 billing cycles.
2. Formal debt recovery actions are suspended until 30 June 2020 at which time the General Manager may review and approve a further extension period or recommencement of debt recovery actions.

## **Consultation**

Public consultation of this new policy will be undertaken for a period of 28 days. Although the policy is a recommendation of the NSW Office of Local Government and Council is required to adopt a policy that aligns with the Guidelines, staff recommend public consultation given that Council has not previously used a debt collection agency and our customers will experience changes to our current processes.

The 'Debt management and financial hardship' policy was prepared in consultation with the Governance Officer, Finance Team Leader - Accounts and the Finance Manager.

## **Conclusion**

It is recommended that Council adopt the 'Debt management and financial hardship' policy attached to this report on the basis that at the end of the public consultation period there are no submissions received where staff determine that changes to the policy are required. In addition, Council agree to suspend debt recovery action until 30 June 2020.

Guy Bezrouchko  
Group Manager Corporate and Commercial

### Attachments:

1. NSW Office of Local Government Circular No. 18-39 / 27 November 2018 / A620794
2. Proposed 'Debt management and financial hardship' policy

<b>Circular Details</b>	Circular No 18-39 / 27 November 2018 / A620794
<b>Who should read this</b>	Councillors / General Managers / Financial teams
<b>Contact</b>	OLG Policy Team / (02) 4428 4100 / <a href="mailto:olg@olg.nsw.gov.au">olg@olg.nsw.gov.au</a>
<b>Action required</b>	Council to Implement

### Debt Management and Hardship Guidelines

#### What's new or changing

- The Office of Local Government has issued new Guidelines to ensure best practice debt management and hardship practices in all NSW councils.

#### What this will mean for your council

- As the Guidelines have been issued under section 23A of the *Local Government Act 1993*, councils must take them into consideration before making any decisions relating to debt management and hardship.
- All councils are encouraged to review their revenue management policies and procedures and give consideration to the best practice measures outlined in the Guidelines.

#### Key points

- The Guidelines will ensure councils are responsive to individual and community circumstances, and are open, fair and equitable, and easy to do business with.
- They provide best practice approaches that promote proactive measures to ensure prompt payment and minimise default, as well as how to follow up ratepayers and recover any debts incurred fairly and effectively.
- The Guidelines outline contemporary, flexible practices that councils can implement now to collect revenue, better manage debt and help councils to understand and proactively respond to individuals and groups within their community experiencing hardship.

#### Where to go for further information

The Guidelines are available on the OLG website at:

<https://www.olg.nsw.gov.au/content/debt-management-hardship-guidelines>

Please direct all enquiries to the OLG Policy Team on (02) 4428 4100 or at [olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au)

**Tim Hurst**  
**Chief Executive**  
**Office of Local Government**

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# Policy



## Debt management and financial hardship

Approved by Council: xx/xx/xxxx

To establish a fair and equitable approach to the recovery of debt, the assessment of financial hardship and outline the circumstances when debt can be considered for write-off.

Safety

Teamwork

Accountability

Respect

### Definitions

To assist in the interpretation, the following definitions apply:

<b>Act</b>	<i>Local Government Act 1993</i>
<b>Council</b>	Rous County Council
<b>Customer</b>	<ol style="list-style-type: none"> <li>1. Property owner(s) with a direct retail water service connection with Council, or</li> <li>2. An individual, business, company or government entity who have procured products or services from Council or RWL</li> </ol>
<b>Debt</b>	Monies due and payable to Council or RWL
<b>Default</b>	Failure by a customer to abide by an agreed payment arrangement for the payment of a debt
<b>Financial hardship</b>	Where a customer wishes to pay monies due and payable to Council or RWL but does not have the financial capacity to do so
<b>Payment arrangement</b>	An agreement entered into by Council and a customer for the payment of a debt by instalment amounts paid over a defined period of time
<b>Regulation</b>	<i>Local Government (General) Regulation 2005</i>
<b>RWL</b>	Richmond Water Laboratories

### Background

Council's main functions are providing bulk water supply, weed biosecurity and flood mitigation services to the community. Council also operates a commercial laboratory specialising in sampling and analysis of water quality, a network of retail water filling stations, direct retail water service connections and commercial properties.

Most customers pay monies owed when it falls due. Council acts to collect overdue monies to ensure good financial management and to be fair to the majority of customers who pay promptly within terms.

The Act requires Council to be diligent in the collection and management of public funds, while also making provision for financial assistance to customers experiencing genuine financial hardship.

### Policy statement

Council is committed to the efficient and effective collection of overdue monies and the fair and equitable treatment of customers.

Council will achieve this by:

- acting in accordance with the Office of Local Government Debt Management and Hardship Guidelines
- providing a timely and cost-effective process for the collection of debt;
- ensuring Council staff are trained in appropriate debt recovery, hardship and write-off procedures;
- maintaining fair and respectful dealings with customers and applying the principles of integrity and confidentiality;
- establishing circumstances in which financial assistance will be provided to customers facing hardship pursuant to the provisions of the Act; and
- fulfilling the statutory requirements of the Act and other relevant legislation in relation to the recovery of debt.

## **Financial hardship**

Council will consider customers experiencing financial hardship on an individual basis. Customers will need to confirm in writing the nature of the hardship and the estimated time the hardship will be experienced.

Customers will need to demonstrate a willingness to pay by maintaining contact with relevant Council staff regarding their circumstances and by agreeing to a payment arrangement which will be documented in writing and be issued to the customer.

Where a payment arrangement is requested that is considered unreasonable or uneconomic from Council's perspective to administer, staff may request the customer to:

- attend an interview with Council to assist in the understanding of the issues causing hardship and/or,
- provide supporting documentation from a recognised financial counsellor such as a member of the Financial Counsellors Association or from a recognised accountant such as a member of the Institute of Public Accountants.

In addition to a payment arrangement:

- Customers with a direct retail water service connection with Council should also refer to the Retail Water Customer Account Assistance Policy and Guidelines as they may also be eligible for:
  - Writing off or reducing interest (section 564 and 567 of the Act);
  - Extension of pensioner concession to avoid hardship (section 577 of the Act);
  - Granting of financial assistance due to a concealed or undetected water leak or for the use of water dependent medical equipment (section 356 of the Act); and
  - Abandonment of pensioner rates and charges due to a concealed or undetected water leak (section 582 of the Act)
- Customers who have procured products or services from Council or RWL and have been charged a fee may request for the fee to be reduced or waived in accordance with section 610E of the Act. The General Manager will have delegated authority to make such decisions in accordance with the Act and Regulations.

All customers who request assistance due to hardship will be assessed with the same eligibility criteria.

**Recovery action**

When a customer fails to pay monies owed in full or contact Council to enter into a payment arrangement by the due date of a water account or tax invoice, a reminder notice/letter will be issued. Interest will apply to water accounts in accordance with section 566(3) of the Act.

If by the due date specified on the reminder notice/letter the customer does not pay the monies owed in full, or fails to contact Council to enter into an acceptable payment arrangement the matter will be referred to an external debt recovery agency. In addition, applicable credit accounts and access to products/services will be suspended.

It is the responsibility of the customer to communicate with Council and to ensure that Council's contact details including daytime telephone number and postal address are correct. Where a customer defaults on a payment arrangement for a second time, the matter will be referred to an external debt recover agency.

Recovery actions undertaken by the external debt recovery agency may include:

- Letter of Demand
- Statement of Liquidated Claim
- Default Judgement
- Examinations Summons
- Writ of Execution
- Service of a rent order where the property is tenanted
- Garnishee
- Charge against the land

All legal costs incurred in recovering debts will be charged against the account of which the debt is owed.

Recovery action will continue until such time as the outstanding debt including all legal costs incurred by Council are paid in full, or a mutually agreeable payment arrangement is made with Council to pay the outstanding amount, including legal costs, as per this policy. (Council does not report debts to credit reporting agencies and is under no obligation to assist customers to remove factually correct court judgement history.)

Note: Council reserves the right to:

- no longer extend credit and require payment in advance of any product/service supplied where a credit account has been suspended due to recovery action, including instances where the debt has been repaid in full including all legal costs.
- restrict water supply to customers with a direct retail water service connection in accordance with the Guidelines, to prevent misuse of water and the level of debt owed to Council increasing.

**Write-offs**

The amount above which debts to Council may be written off only by resolution of the Council is fixed at \$1,000.00 (ex-GST). Council delegates to the General Manager the power to write-off debts equal to or below this threshold.

The General Manager sub-delegates the power to write-off debts equal to or below:

- \$500.00 to the relevant Group Manager
- \$250.00 to the Finance Manager.

In accordance with clause 131 of the Regulation rates and charges can be written off under this clause only:

- if there is an error in the assessment, or
- if the amount is not lawfully recoverable, or
- as a result of a decision of a court, or
- if the council or the general manager believes on reasonable grounds that an attempt to recover the amount would not be cost effective.

In accordance with clause 213 of the Regulation a debt can be written off under this clause only:

- if the debt is not lawfully recoverable, or
- as a result of a decision of a court, or
- if the council or the general manager believes on reasonable grounds that an attempt to recover the debt would not be cost effective.

The fact that a charge or debt is written off under clause 131 or 213 of the Regulation does not prevent Council from taking legal proceedings to recover the amount.

A write-off register will be maintained, and an information summary report will be submitted to Council on a bi-annual basis.

### **Informal dispute resolution**

Where a customer owes a debt to Council and disputes the amount charged or outstanding, the customer is required to put the dispute in writing, stating reasons they believe the account to be incorrect. Council will investigate the complaint to determine if the dispute can be resolved informally and shall respond to the dispute in writing in a timely manner.

Council's Feedback and Complaints Handling Policy or the office of the NSW Ombudsman should be referred to for guidance on complaints.

If a customer is actively participating in a dispute resolution process, has made a request for financial hardship that has not yet been determined, or is complying with a payment arrangement made with Council in good faith, debt recovery proceedings and interest charges will be suspended.

Customers are encouraged to access support services to help resolve legal or financial issues and/or negotiate arrangements to manage debt. Community legal centres and financial counsellors provide a mix of social, financial and paralegal advice and advocacy on debt issues.

### **Support services**

Customers suffering financial hardship or require legal support, may find the following organisations of assistance:

- ASIC's Moneysmart  
[www.moneysmart.gov.au](http://www.moneysmart.gov.au)
- Legal Aid NSW  
[www.legalaid.nsw.gov.au](http://www.legalaid.nsw.gov.au)  
Telephone: (02) 6885 4233
- Community Legal Centres NSW  
[www.clcnsw.org.au](http://www.clcnsw.org.au)  
Telephone: 1300 888 529
- Centrelink  
[www.centrelink.gov.au](http://www.centrelink.gov.au)  
Telephone: 13 63 57

- National Debt Hotline operated by Financial Counsellors Association of NSW  
[www.fcan.com.au](http://www.fcan.com.au)  
 Telephone: 1800 007 007

### Appendices

Debt recovery flowchart

### Contact officer

Finance Manager

### Related documents

### Policies

'Retail water customers account assistance' policy

'Privacy management' policy

### Legislation

*Local Government Act 1993*

*Local Government (General) Regulation 2005*

*Privacy and Personal Information Protection Act 1998*

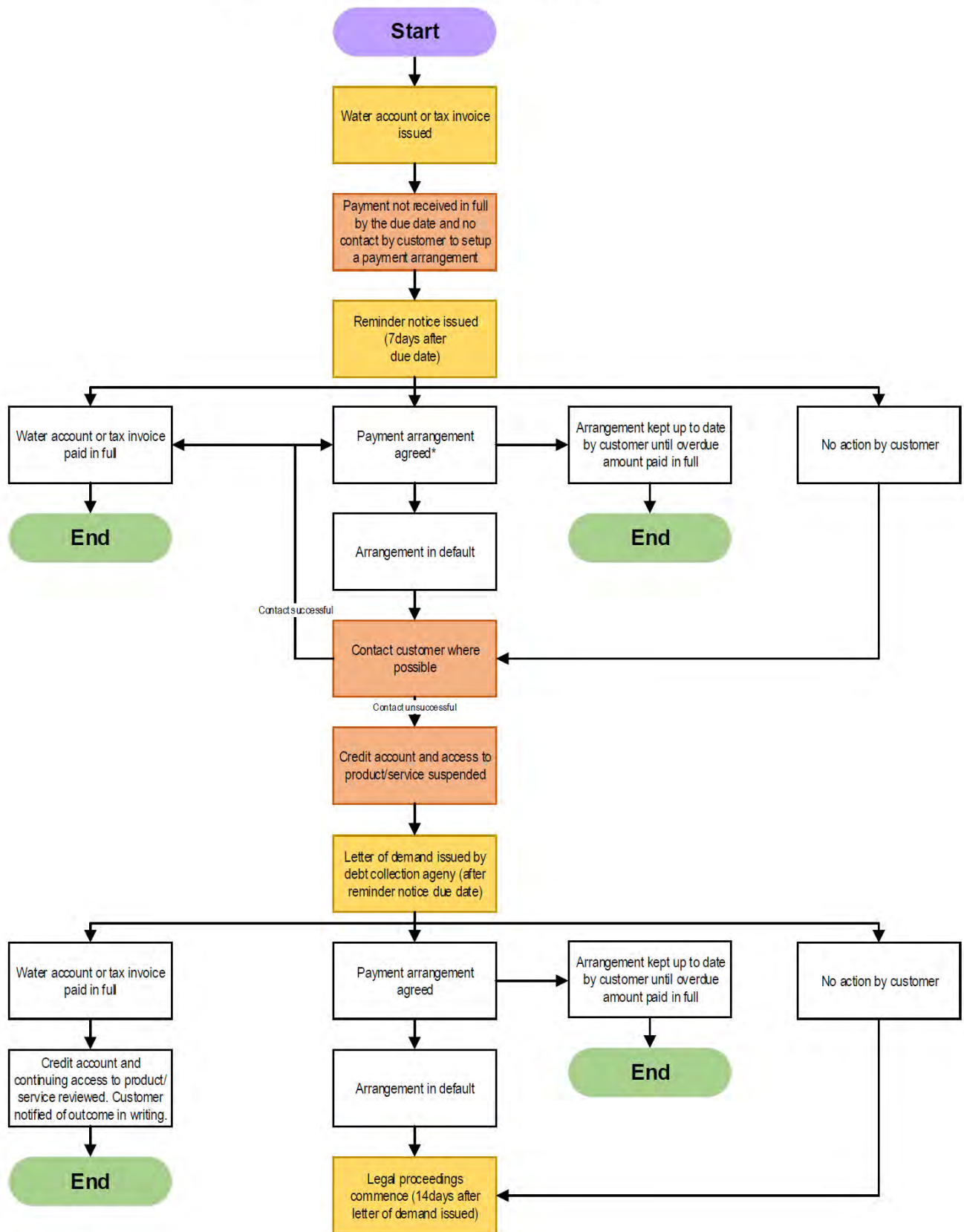
### Other

NSW Office of Local Government Debt Management and Hardship Guidelines

Retail Water Customer Account Assistance Guidelines

<i>Office use only</i>	File no.: 172/13	Next review date: [2 years]	
Version	Purpose and description	Date adopted by Council	Resolution no.

## Debt recovery flowchart



A customer is:

1. Property owner with a direct water service connection with Council, or
2. An individual, business, company or government entity who've procured products or services from Council or RWL.

\* Where a customer defaults on a payment arrangement for a second time, matter to be referred to debt collection agent



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## Public interest disclosures policy

(172)

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<b>Business activity priority</b>	Information and knowledge
<b>Goal 3</b>	Create value through applying knowledge

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### Recommendation

That Council:

1. Revoke the 'Public interest disclosures' policy, at Attachment 2 to this report, and any policy revived as a result of that revocation.
2. Adopt the draft 'Public interest disclosures' policy at Attachment 1 to this report.

### Background

In accordance with the *Public Interests Disclosure Act 1994*, Council is required to endorse a policy which provides for Council's procedures for receiving, assessing and dealing with public interest disclosures.

The current 'Public interest disclosures' policy is a public document, accessible via Council's website. The draft policy attached to this report will also be a public document.

To support the policy and provide further information to staff, an internal Public Interest Disclosure Information Sheet has also been prepared which is intended to be available through the Council intranet site. Council has previously had a Public Interest procedure however, given the legislative nature of the *Public Interest Disclosure Act 1994*, and in reviewing the comprehensive information prepared by the NSW Ombudsman regarding public interest disclosures, more relevant information is provided to staff through a short information sheet referring to the Ombudsman's information, rather than replicating those documents.

In accordance with the Act, Council has maintained a 'Public interests disclosure' policy for many years. The attached draft policy is generally in the same terms as the previous policy, but has been reviewed and updated at section 9 to reflect a change in position titles for staff who are authorised to receive public interest disclosure reports, and to reconfirm Council's commitment to ethical and accountable conduct in relation to its business practices. A copy of the existing policy is provided for reference between the existing and updated versions

### Governance

The policy has been reviewed and updated by Council's risk and compliance team.

### Finance

Not applicable.

### Environment

Not applicable

### Legal

The *Public Interests Disclosure Act 1994* at sections 6D and 6E require Council to have a policy for receiving and managing public interest disclosures. This policy satisfies those requirements.

### Consultation

As the policy has been prepared in accordance with legislation, and does not change any of the existing obligations, protections or rights for staff and Councillors, consultation outside of the Risk and Compliance team is not a requirement for this policy.

## **Conclusion**

Given Council's commitment to ethical and accountable conduct, as well as the legislative requirements for this policy to remain current, it is recommended that the updated policy be adopted.

Helen McNeil  
Group Manager People and Performance

Attachments:

1. Draft 'Public interest disclosures' policy
2. Current 'Public interest disclosures' policy

# Policy



## Public interest disclosures

Approved by Council: xx/xx/xxxx

To establish an internal reporting system for councillors and staff to report wrongdoing without fear of reprisal.

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. To ensure Council maintains its position of trust, it acknowledges

- the faith and trust placed in it by the community and other government entities
- the expectation that Council staff and Councillors perform their duties to the highest standard and in compliance with the law; and
- the need for clear avenue for reporting any activities which fall below the standards of ethical and proper conduct.

Council achieves these objectives by ensuring a system for reporting any conduct or activities of Councillors or staff which does not meet the objectives of the various legislation which governs Council's activities.

The mechanism for reporting any instances of conduct by Councillors or Council staff which falls below the high standards of conduct expected, is established by the *Public Interest Disclosures Act 1994* (the Act) which sets in place a system to support public officials in reporting serious wrongdoing.

This policy is designed to further Council's commitment to transparency and accountability, and the objects of the Act by documenting the reporting system for the making of disclosures about corrupt conduct, maladministration, serious and substantial waste of public money, breach of the *Government Information (Public Access) Act 2009*, and local government pecuniary interest contravention alleged to have occurred within Council.

### Policy statement

Council is committed to a high standard of ethical and accountable conduct and any form of wrongdoing in the workplace will not be tolerated. Councillors and staff who come forward and report wrongdoing are helping to promote Council's Values and the overall good management of Council.

### 1. Application of this policy

This policy applies to:

- Councillors and staff
- Permanent employees, whether full-time or part-time
- Temporary or casual employees
- Consultants
- Individual contractors working for Council.

## 2. Purpose and context of this policy

Council is committed to a high standard of ethical and accountable conduct.

The aim of this policy is to support and further the objects of the Act so as to facilitate disclosure in the public interest, of corrupt conduct, maladministration, serious and substantial waste, government information contravention and local government pecuniary interest contravention by:

- a). enhancing and augmenting established procedures for making disclosures concerning such matters, and
- b). protecting persons from reprisals that might otherwise be inflicted on them because of those disclosures, and
- c). providing for those disclosures to be properly investigated and dealt with.

It should be noted that this policy is not intended to affect the proper administration and management of an investigating authority or public authority (including action that may or is required to be taken in respect of the salary, wages, conditions of employment or discipline of a public official), subject to the following:

- a). detrimental action is not to be taken against a person if to do so would be in contravention of the Act, and
- b). beneficial treatment is not to be given in favour of a person if the purpose (or one of the purposes) for doing so is to influence the person to make, to refrain from making, or to withdraw a disclosure.

This policy is consistent with and complements Council's Code of Conduct and 'Fraud and Corruption Control' policy.

Council has an information sheet for staff that is based on the NSW Ombudsman's guidelines which supports this policy and Council's broad responsibilities under the Act, such as recording and reporting on reports of wrongdoing.

## 3. Organisational commitment

Council is committed to and expects Councillors and staff to make every effort to:

- Facilitate a climate of trust, where Councillors and staff are comfortable and confident about reporting wrongdoing.
- Encourage Councillors and staff to come forward if they have witnessed what they consider to be wrongdoing within Council.
- Keep the identity of the Councillor or staff disclosing wrongdoing confidential, wherever possible and appropriate.
- Protect a Councillor or staff who makes a disclosure from any adverse action motivated by their report.
- Deal with reports thoroughly and impartially and if some form of wrongdoing has been found, taking appropriate action to rectify it.
- Keep a Councillor or staff who makes reports informed of progress with the investigation of the report and the outcome.
- Encourage Councillors and staff to report wrongdoing within the Council, but Council but respecting any decision to disclose wrongdoing outside the Council – provided that disclosure outside the Council is made in accordance with the provisions of the PID Act.
- Ensure Managers and Supervisors at all levels in Council understand the benefits of reporting wrongdoing, are familiar with this policy, and aware of the needs of those who report wrongdoing.

- Provide adequate resources, both financial and human, to:
  - encourage reports of wrongdoing
  - protect and support those who report
  - provide training for key personnel
  - investigate allegations
  - properly manage any workplace issues that the allegations identify or create
  - correct any problem that is identified.

Under the Act, the General Manager is responsible for ensuring that:

- Council has an internal reporting policy (this policy)
- Councillors and staff are aware of the contents of the policy and the protections under the Act for people who make public interest disclosures
- Council complies with the policy and its obligations under the Act, and
- The policy delegates at least one staff position as being responsible for receiving public interest disclosures (Disclosures Coordinator).

#### 4. What should be reported?

Any serious wrongdoing you see within Council that fits one or more of the following five categories:

4.1 Corrupt conduct is the dishonest or partial exercise of official functions by a public official.

For example, this could include:

- the improper use of knowledge, power or position for personal gain or the advantage of others
- acting dishonestly or unfairly, or breaching public trust
- a council official being influenced by a member of public to use their position in a way that is dishonest, biased or breaches public trust.

4.2 Maladministration is conduct that involves action or inaction of a serious nature that is contrary to law, unreasonable, unjust, oppressive or improperly discriminatory or based wholly or partly on improper motives. For example, this could include:

- making a decision and/or taking action that is unlawful
- refusing to grant an application for reasons that are not related to the merits of their application

4.3 Serious and substantial waste of public money is the uneconomical, inefficient or ineffective use of resources that could result in losing or wasting public money e.g. this could include:

- not following a competitive tendering process for a large scale large-scale contract
- having bad or no processes in place for a system involving large amounts of public funds

4.4 Breach of the GIPAA is a failure to properly fulfil functions under that Act. For example, this could include:

- destroying, concealing or altering records to prevent them from being released
- knowingly making decisions that are contrary to the legislation
- directing another person to make a decision that is contrary to the legislation

4.5 **Local government pecuniary interest contravention** is a failure to comply with the requirements of the *Local Government Act 1993* (LGA) relating to the management of pecuniary interests. These include obligations to lodge disclosure of interests returns, disclose pecuniary interests at Council and Council committee meetings and leave the meeting while the matter is being discussed. A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. For example, this could include:

- a senior council staff member recommending a family member for a council contract and not declaring the relationship
- a General Manager an undisclosed shareholding in a company competing for a council contract

When complaints are received by a nominated person set out in Section 9, the complaint will be assessed in accordance with the Act. The nominated person will ensure the requirements under the Act are met, including that the reporter is provided within 45 days after the disclosure with:

- a copy of this policy
- an acknowledgment in writing of the receipt of the disclosure

All other wrongdoing or suspected wrongdoing should be reported to a supervisor, to be dealt with in line Council's relevant policies and procedures. This might include matters such as harassment or unlawful discrimination or practices that endanger the health or safety of staff or the public.

Even if these reports are not dealt with as public interest disclosures, Council recognises such reports may raise important issues. Council will respond to all reports and make every attempt to protect the staff member making the report from reprisal.

## 5. When will a report be treated as public interest disclosure?

5.1 Council will treat a report as a public interest disclosure if it meets the criteria of a public interest disclosure under the Act. These requirements are:

- 5.1.1 the report must be about one of the following five categories of serious wrongdoing – corrupt conduct, maladministration, serious and substantial waste of public money, breach of the GIPAA, or local government pecuniary interest contravention
- 5.1.2 the person making the disclosure must honestly believe on reasonable grounds that the information shows or tends to show wrongdoing
- 5.1.3 the report has to be made to either the General Manager or, for reports about the General Manager the Chair, a position nominated in this policy (see section 9), an investigating authority or in limited circumstances to an MP or journalist (see section 11).

5.2 Reports by staff are not public interest disclosures if they:

- 5.2.1 mostly question the merits of government policy
- 5.2.2 are made with the sole or substantial motive of avoiding dismissal or other disciplinary action.

## 6. How to make a report

A report about wrongdoing can be made in writing or verbally. Written reports are preferred as this can help to avoid any confusion or misinterpretation.



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If a report is made verbally, the person receiving the report must make a comprehensive record of the disclosure and ask the person making the disclosure to sign the record. The Councillor or staff member should keep a copy of that record.

### **7. Can a report be anonymous?**

There may be some situations where a staff member or councillor may not want to identify themselves when making a report. Although these reports will still be dealt with by Council, it is best if the person making the report identifies them self. This allows Council to provide any necessary protection and support, as well as feedback about the outcome of any investigation into the allegations.

It is important to realise that an anonymous disclosure may not prevent you from being identified. If the identity of the person who made the report is not known, it is very difficult for Council to prevent any reprisal action against that person should others identify them. Often it is difficult to effectively assess and investigate anonymous reports.

### **8. Maintaining confidentiality**

Council realises that Councillors and staff may want their report to remain confidential. This can help to prevent any reprisal action being taken for reporting wrongdoing.

Council is committed to keeping the identity of the reporter, and the reported wrongdoing, confidential where this is practical and appropriate. To maintain confidentiality and facilitate an investigation, it may be important to keep both the fact a report has been made and the substance of the report confidential. However, there may be situations where maintaining confidentiality is not possible or appropriate. If confidentiality is unable to be maintained, this will be discussed with the person that has made the report.

If confidentiality cannot be maintained, Council, in consultation with the person that has made the report, will develop a plan to support and as best as possible protect the person from any risks of reprisal.

When reporting wrongdoing, it should only be discussed with those dealing with it. This will include the Disclosures Coordinator and the General Manager. If the report is discussed more broadly, it may affect the outcome of any investigation.

### **9. Who can receive a report within Council?**

Council encourages reports of general wrongdoing to be made to Supervisors. However, the Act requires that for a report to be a public interest disclosure it must be made to certain Public Officials identified by this policy.

The following positions are the only people within Council who are authorised to receive a public interest disclosure:

- General Manager
- Chair
- Disclosures Coordinators – Group Manager People and Performance, and Human Services Manager

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Any supervisor who receives a report that they believe may be a public interest disclosure is obliged to assist the staff member to make the report to one of the positions listed above. The broader responsibilities of those positions are outlined under the Roles and Responsibilities (section 10).

If your report involves a councillor, you should make it to the General Manager.

If your report relates to the General Manager, you should make it to the Chair.

## **10. Roles and Responsibilities**

### **10.1 General Manager**

You can report wrongdoing directly to the General Manager. The General Manager is responsible for:

- deciding if a report is a public interest disclosure
- determining what needs to be done next, including referring it to other authorities
- deciding what needs to be done to correct the problem that has been identified.

The General Manager must make sure there are systems in place in Council to support and protect Councillors and staff who report wrongdoing. They are also responsible for referring actual or suspected corrupt conduct to the Independent Commission Against Corruption. Notification about receipt of a Public Interest Disclosure may also be made to Council's external auditor.

### **10.2 Chair**

If you are making a report about the General Manager, you should make your report to the Chair. They are responsible for:

- deciding if a report is a public interest disclosure
- determining what needs to be done next, including referring it to other authorities
- deciding what needs to be done to correct the problem that has been identified.

The Chair is also responsible for referring actual or suspected corrupt conduct to the Independent Commission Against Corruption. Notification may also be made to Council's external auditor.

### **10.3 Disclosures Coordinator**

The Disclosures Coordinator has a central role in dealing with reports. They receive them, assess them and deal with them, or refer them to other people within Council that can deal with them. This includes notification of Council's external auditor of Public Interest Disclosures received.

The role of Disclosures Coordinator is delegated to the positions of Group Manager People and Performance, and Human Services Manager.

## **11. Who can receive a report outside of Council?**

11.1 Councillors and staff are encouraged to report wrongdoing within Council, but internal reporting is not the only option available. Reports can also be made to:

- An investigating authority (see 11.2 below and section 21 of this policy) and

- 
- A Member of Parliament (MP) or a journalist, but only in the limited circumstances outlined below.

#### 11.2 The relevant investigating authorities for Council are:

- the ICAC - for reports about corrupt conduct
- the Ombudsman - for reports about maladministration
- the Information Commissioner - for disclosures about a breach of the GIPAA
- the Office of Local Government - for disclosures about local councils.

The relevant investigating authority is able to provide advice about how to make a disclosure to them. Contact details for each investigating authority are provided at the end of this policy.

The investigating authority may discuss any such reports with Council. Council will make every effort to assist and cooperate with the investigating authority to ensure the matter is dealt with appropriately and there is a satisfactory outcome. Council will also provide appropriate support and assistance to councillors or staff who report wrongdoing to an investigating authority, if Council is made aware that this has occurred.

#### 11.3 Members of Parliament or journalists

To have the protections of the Act, staff reporting wrongdoing to a Member of Parliament (MP) or a journalist must have already made substantially the same report to one of the following:

- the General Manager
- a person nominated in this policy, including the Chair for reports about the General Manager
- an investigating authority.

Also, Council or the investigating authority that received your initial report must have either:

- decided not to investigate the matter
- decided to investigate the matter, but not completed the investigation within six months of the original report
- investigated the matter but not recommended any action as a result
- not told the person who made the report, within six months of the report being made, whether the matter will be investigated.

Most importantly – to be protected under the Act – if you report wrongdoing to an MP or a journalist you will need to be able to prove that you have reasonable grounds for believing that the disclosure is substantially true and that it is in fact substantially true.

#### 11.4 Other external reporting

If you report wrongdoing to a person or authority that is not listed above or make a report to an MP or journalist without following the steps outlined above, the protections offered under the Act will not apply. This may mean a breach of legal obligations or Council's Code of Conduct – by, for example, disclosing confidential information.

For more information about reporting wrongdoing outside Council, contact the Disclosures Coordinator or the NSW Ombudsman's Public Interest Disclosures Unit. Their contact details are provided at the end of this policy.

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## 12. Feedback to persons who report wrongdoing

A Councillor or staff who report wrongdoing will be told what is happening in response to their report.

When a report is made, the reporter will be given:

- an acknowledgement that the disclosure has been received
- the timeframe for when further updates will be provided
- the name and contact details of the people who will provide updates.

The Act requires that you are provided with an acknowledgement letter and a copy of this policy within 45 days after you have made your report. Council will however attempt to get this information to you within five working days from the date you make your report.

After a decision is made about how the report will be dealt with, Council will send an acknowledgment letter, providing:

- information about the action that will be taken in response to your report
- the likely timeframes for any investigation or other action
- information about the internal and external resources or services available that you can access for support.

Council will provide this information within fifteen working days from the date the report is made. Council will also advise if Council decides to treat the report as a public interest disclosure and provide you with a copy of this policy at that time, as required by the Act.

If a report is made which meets the requirements of the Act but the report was made under a statutory or legal obligation or incidental to the performance of day to day functions or duties, an acknowledgement letter or a copy of this policy will not be provided.

While a report is being dealt with, such as by investigation or making other enquiries, the following will be given:

- information about the progress of the investigation or other enquiries and reasons for any delay
- advice of any decision by Council not to proceed with the matter
- advice if the reporting person's identity needs to be disclosed for the purposes of investigating the matter or making enquiries, and an opportunity to talk about this beforehand.
- Once the matter has been finalised the reporting person will be given:
- enough information to show that adequate and appropriate action was taken and/or is proposed to be taken in response to your disclosure and any problem that was identified
- advice about whether you are likely to be called as a witness in any further matters, such as disciplinary or criminal proceedings.

## 13. Managing the risk of reprisal and workplace conflict

When a councillor or staff member reports wrongdoing, Council will undertake a thorough risk assessment to identify the risk to the person who made the report, of detrimental action in reprisal for reporting, as well as indirect but related risks of workplace conflict or difficulties. The risk assessment will also identify strategies to deal with those risks and determine the level of protection and support that is appropriate.

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Depending on the circumstances, Council may:

- relocate the reporter or the staff member who is the subject of the allegation within the current workplace
- transfer the reporter or the staff member who is the subject of the allegation to another position for which they are qualified
- grant the reporter or the staff member who is the subject of the allegation leave of absence during the investigation of the disclosure

These courses of action are not punishment and will only be taken in consultation with the reporter.

#### **14. Protection against reprisals**

Council will not tolerate any reprisal action against a person who reports wrongdoing.

The Act provides protection for Councillors and staff who have made a public interest disclosure by imposing penalties on anyone who takes detrimental action against another person substantially in reprisal for that person making a public interest disclosure. These penalties also apply to cases where a person takes detrimental action against another because they believe or suspect the other person has made or may have made a public interest disclosure, even if they did not.

Detrimental action means action causing, comprising or involving any of the following:

- injury, damage or loss
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to employment
- dismissal from, or prejudice in, employment
- disciplinary proceedings.

A person who is found to have committed a reprisal offence may face criminal penalties such as imprisonment and/or fines and may be required to pay the victim damages for any loss suffered as a result of the detrimental action. Taking detrimental action in reprisal is also a breach of the Council's Code of Conduct which may result in disciplinary action. In the case of councillors, such disciplinary action may be taken under the misconduct provisions of the LGA and may include suspension or disqualification from civic office.

It is important for councillors and staff to understand the nature and limitations of the protection provided by the Act. The Act protects reporters from detrimental action being taken against them because they have made, or are believed to have made, a public interest disclosure. It does not protect reporters from disciplinary or other management action where Council has reasonable grounds to take such action.

#### **15. Responding to allegations of reprisal**

If you believe that detrimental action has been or is being taken against you or someone else in reprisal for reporting wrongdoing, you should tell your supervisor, the Disclosures Coordinator or the General Manager immediately. In the case of an allegation of reprisal by the General Manager, you can alternatively report this to the Chair.

All supervisors must notify the Disclosures Coordinator or the General Manager if they suspect that reprisal against a staff member is occurring or has occurred, or if any such allegations are made to them. In the case of an allegation of reprisal by the General Manager, the Chair can alternatively be notified.

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If Council becomes aware of or suspects that reprisal is being or has been taken against a person who has made a disclosure, Council will:

- assess the allegation of reprisal to decide whether the report should be treated as a public interest disclosure and whether the matter warrants investigation or if other action should be taken to resolve the issue
- if the reprisal allegation warrants investigation, ensure this is conducted by a senior and experienced member of staff
- if it is established that reprisal is occurring against someone who has made a report, take all steps possible to stop that activity and protect the reporter
- take appropriate disciplinary action against anyone proven to have taken or threatened any action in reprisal for making a disclosure
- refer any breach of Part 9 of Council's Code of Conduct (reprisal action) by a councillor or the General Manager to the Office of Local Government.
- refer any evidence of an offence under section 20 of the Act to the ICAC or NSW Police Force.

If an allegation of reprisal is substantiated, the person alleging the reprisal will be kept informed of the progress and outcome of any investigation or other action taken in response to the allegation.

If you have reported wrongdoing and are experiencing reprisal which you believe is not being dealt with effectively, contact the Office of Local Government, the Ombudsman or the ICAC (depending on the type of wrongdoing you reported). Contact details for these investigating authorities are included at the end of this policy.

## **16. Protection against legal action**

If a public interest disclosure is made in accordance with the Act, the reporter will not be subject to any liability, and no action, claim or demand can be taken against the reporter for having made the public interest disclosure. This disclosure will not have breached any confidentiality or secrecy obligations and you will have the defence of absolute privilege in defamation.

## **17. Support for those reporting wrongdoing**

Council will make sure that staff who have reported wrongdoing, regardless of whether their report is treated as a public interest disclosure, are provided with access to any professional support they may need as a result of the reporting process, such as counselling services.

Access to support may also be available for other staff involved in the internal reporting process where appropriate. Reporters and other staff involved in the process can discuss their support options with the Disclosures Coordinator.

## **18. Sanctions for making false or misleading statements**

It is important all councillors and staff are aware that it is a criminal offence under the Act to wilfully make a false or misleading statement when reporting wrongdoing. Council will not support councillors or staff who wilfully make false or misleading reports. Such conduct may also be a breach of Council's Code of Conduct resulting in disciplinary action.

In the case of councillors, disciplinary action may be taken under the misconduct provisions of the Local Government Act and may include suspension or disqualification from civic office.



## 19. The rights of persons the subject of a report

Council is committed to ensuring councillors or staff who are the subject of a report of wrongdoing are treated fairly and reasonably. This includes keeping the identity of any person the subject of a report confidential, where this is practical and appropriate.

If you are the subject of the report, you will be advised of the allegations made at an appropriate time and before any adverse findings. At this time, you will be:

- advised of the details of the allegation
- advised of your rights and obligations under the Act and the relevant related policies
- kept informed about the progress of any investigation
- given a reasonable opportunity to respond to any allegation made against you
- told the outcome of any investigation, including any decision made about whether further action will be taken against you.

Where the reported allegations against the subject officer are clearly wrong, or have been investigated and unsubstantiated, the subject officer will be supported by Council. The fact of the allegations and any investigation will be kept confidential unless otherwise agreed to by the subject officer.

## 20. More information

More information around public interest disclosures is available on our intranet. Staff can also seek advice and guidance from the Disclosures Coordinator and the NSW Ombudsman's website at [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au).

## 21. Resources

The contact details for external investigating authorities that staff can make a public interest disclosure to or seek advice from are listed below (correct at publication).

### **For disclosures about corrupt conduct:**

Independent Commission Against Corruption (ICAC)  
 Phone: 02 8281 5999  
 Toll free: 1800 463 909  
 Facsimile: 02 9264 5364  
 Email: [icac@icac.nsw.gov.au](mailto:icac@icac.nsw.gov.au)  
 Web: [www.icac.nsw.gov.au](http://www.icac.nsw.gov.au)  
 Address: L21, 133 Castlereagh Street, Sydney

### **For disclosures about serious and substantial waste:**

Auditor-General of the NSW Audit Office  
 Phone: 02 9275 7100  
 Facsimile: 02 9275 7200  
 Email: [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au)  
 Web: [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au)  
 Address: L15, 1 Margaret Street, Sydney 2000

### **For disclosures about breaches of the GIPAA:**

Information Commissioner  
 Toll free: 1800 472 679  
 Facsimile: 02 8114 3756  
 Email: [ipcinfo@ipc.nsw.gov.au](mailto:ipcinfo@ipc.nsw.gov.au)  
 Web: [www.ipc.nsw.gov.au](http://www.ipc.nsw.gov.au)  
 Address: L11, 1 Castlereagh Street, Sydney

### **For disclosures about maladministration:**

NSW Ombudsman  
 Phone: 02 9286 1000  
 Toll free (outside Sydney metro): 1800 451 524  
 Facsimile: 02 9283 2911  
 Email: [nswombo@ombo.nsw.gov.au](mailto:nswombo@ombo.nsw.gov.au)  
 Web: [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au)  
 Address: L24, 580 George Street, Sydney 2000

### **For disclosures about local councils:**

Office of Local Government  
 Phone: 02 4428 4100  
 Facsimile: 02 4428 4199  
 Email: [dlg@dlg.nsw.gov.au](mailto:dlg@dlg.nsw.gov.au)  
 Web: [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au)  
 Address: 5 O'Keefe Avenue, Nowra, NSW 2541

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**Contact officer**

Group Manager People and Performance

**Related documents**

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**Policies**

Code of Conduct  
Feedback and complaints handling  
Fraud control  
Work Health and Safety

**Procedures**

HR Procedures Handbook  
Public Interest Disclosures

**Legislation**

*Local Government Act 1993*  
*Public Interest Disclosures Act 1994*

**Other**

Public Interest Disclosures Information Sheet (internal document)

Draft

**(Current policy)****Attachment 2**

<b>POLICY</b>	Public Interest Disclosures		
<b>AREA</b>	General Manager		
<b>OVERVIEW</b>	To regulate, direct and control action and conduct with respect to disclosures under the <i>Public Interest Disclosures Act 1994</i>		
<b>AUTHORISED COUNCIL</b>	ROUS	RRCC	FNCW
	21/12/2011.	14/12/2011.	22/02/2012.
<b>REVIEW DATE</b>	2 years.		
<b>FILE</b>	172	843	1294

**BACKGROUND**

The *Public Interest Disclosures Act 1994* ('PID Act'), formerly the *Protected Disclosures Act 1994*, sets out the system under which people working in the NSW public sector can make reports about the functioning of the sector in a way that minimises the risk of reprisal. This Policy is designed to support and further the objects of the PID Act by regulating, directing and controlling actions and conduct in relation to making reports about serious wrongdoing alleged to have occurred within Council, for example, corrupt conduct, maladministration, serious and substantial waste of public money, government information contravention, and local government pecuniary interest contravention.

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## 1. Application of this Policy

This Policy applies to:

- Councillors and staff
- Permanent employees, whether full-time or part-time
- Temporary or casual employees
- Consultants
- Individual contractors working for the council

## 2. Purpose and context of this Policy

Council is committed to a high standard of ethical and accountable conduct and as such any form of wrongdoing will not be tolerated. Councillors and staff who come forward and report wrongdoing are helping to promote Council's Values (Integrity, Commitment, Trust, Social Responsibility and Accountability) and the overall good management of Council.

The aim of this Policy is to support and further the objects of the PID Act so as to encourage and facilitate the disclosure, in the public interest, of corrupt conduct, maladministration, serious and substantial waste, government information contravention and local government pecuniary interest contravention by:

- d). enhancing and augmenting established procedures for making disclosures concerning such matters, and
- e). protecting persons from reprisals that might otherwise be inflicted on them because of those disclosures, and
- f). providing for those disclosures to be properly investigated and dealt with.

It should be noted that this Policy is not intended to affect the proper administration and management of an investigating authority or public authority (including action that may or is required to be taken in respect of the salary, wages, conditions of employment or discipline of a public official), subject to the following:

- c). detrimental action is not to be taken against a person if to do so would be in contravention of the PID Act, and
- d). beneficial treatment is not to be given in favour of a person if the purpose (or one of the purposes) for doing so is to influence the person to make, to refrain from making, or to withdraw a disclosure.

This Policy is consistent with and complements Council's Code of Conduct.

Council has an internal Procedure based on the NSW Ombudsman's guidelines which supports this Policy and Council's broad responsibilities under the PID Act, such as recording and reporting on reports of wrongdoing.

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### 3. Organisational commitment

Council is committed to and expects Councillors and staff to make every effort to:

- Create a climate of trust, where Councillors and staff are comfortable and confident about reporting wrongdoing.
- Encourage Councillors and staff to come forward if they have witnessed what they consider to be wrongdoing within Council.
- Keep the identity of the Councillor or staff disclosing wrongdoing confidential, wherever possible and appropriate.
- Protect a Councillor or staff who makes a disclosure from any adverse action motivated by their report.
- Deal with reports thoroughly and impartially and if some form of wrongdoing has been found, taking appropriate action to rectify it.
- Keep a Councillor or staff who makes reports informed of their progress and the outcome.
- Encourage Councillors and staff to report wrongdoing within the Council, but respecting any decision to disclose wrongdoing outside the Council – provided that disclosure outside the Council is made in accordance with the provisions of the PID Act.
- Ensure Managers and Supervisors at all levels in Council understand the benefits of reporting wrongdoing, are familiar with this Policy, and aware of the needs of those who report wrongdoing.
- Provide adequate resources, both financial and human, to:
  - encourage reports of wrongdoing
  - protect and support those who report
  - provide training for key personnel
  - investigate allegations
  - properly manage any workplace issues that the allegations identify or create
  - correct any problem that is identified.

Under the PID Act, the General Manger as the head of Council is responsible for ensuring that:

- Council has an internal reporting Policy (this Policy)
- Councillors and staff are aware of the contents of the Policy and the protections under the PID Act for people who make public interest disclosures
- Council complies with the Policy and its obligations under the PID Act, and
- The Policy delegates at least one staff position as being responsible for receiving public interest disclosures (Disclosures Coordinator).

### 4. What should be reported?

You should report any wrongdoing you see within Council. Reports about the five categories of serious wrongdoing – corrupt conduct, maladministration, serious and substantial waste of public money, government information contravention, and local government pecuniary interest contravention – will be dealt with under the PID Act as public interest disclosures according to this Policy. For more information about each of these categories of serious wrongdoing, see the NSW Ombudsman's guideline 'What should be reported?' (Guideline reference 'B2').

a). Corrupt conduct

Corrupt conduct is the dishonest or partial exercise of official functions by a public official.

For example, this could include:

- the improper use of knowledge, power or position for personal gain or the advantage of others
- acting dishonestly or unfairly, or breaching public trust
- a member of the public influencing a public official to use their position in a way that is dishonest, biased or breaches public trust.

b). Maladministration

Maladministration is conduct that involves action or inaction of a serious nature that is contrary to law, unreasonable, unjust, oppressive or improperly discriminatory or based wholly or partly on improper motives.

For example, this could include:

- making a decision and/or taking action that is unlawful
- refusing to grant someone's application for reasons that are not related to the merits of their application.

c). Serious and substantial waste in local government

Serious and substantial waste is the uneconomical, inefficient or ineffective use of resources that could result in the loss or wastage of local government money. This includes all revenue, loans and other money collected, received or held by, for or on account of Council.

For example, this could include:

- poor project management practices leading to projects running over time
- having poor or no processes in place for a system involving large amounts of public funds.

d). Government information contravention

A government information contravention is a failure to properly fulfil functions under the *Government Information (Public Access) Act 2009* (GIPA Act).

For example, this could include:

- destroying, concealing or altering records to prevent them from being released
- knowingly making decisions that are contrary to the legislation
- directing another person to make a decision that is contrary to the legislation.

e). Local government pecuniary interest contravention

A local government pecuniary interest contravention is a failure to fulfil certain functions under the *Local Government Act 1993* relating to the management of pecuniary interests. These include obligations to lodge disclosure of interests returns, lodge written declarations and disclose pecuniary interests. A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person.



For example, this could include:

- a senior council staff member recommending a family member for a council contract and not declaring the relationship.
- a General Manager holding an undisclosed shareholding in a company competing for a council contract.

f). Other wrongdoing

Although reports about the previous five categories (a-e) of conduct can attract the specific protections of the PID Act, you should report all activities or incidents that you believe are wrong.

For example, these could include:

- harassment or unlawful discrimination
- reprisal action against a person who has reported wrongdoing
- practices that endanger the health or safety of persons.

These types of issues should be reported in line with the Council's procedures:

- Procedure: Lodging and resolving a grievance.
- Procedure: Bullying in the workplace.
- Procedure: Workplace harassment.
- Incident/hazard report.

Even if these reports are not dealt with as public interest disclosures, Council will consider each matter and make every attempt to protect the Councillor or staff making the report from any form of reprisal.

## 5. When will a report be protected?

For a report to be considered a public interest disclosure, it has to meet all of the requirements under the PID Act. These requirements are:

- The person making the disclosure must honestly believe on reasonable grounds that the information shows or tends to show wrongdoing.
- The report has to be made to one or more of the following:
  - General Manager
  - Chair and Disclosures Coordinator – see section 9(b) and (c) of this policy
  - One of the investigating authorities nominated in the PID Act – see section 10 of this policy.

Reports by Councillors and staff will not be considered to be public interest disclosures if they:

- mostly question the merits of government policy, including the policy of the governing body of the council.
- are made with the sole or substantial motive of avoiding dismissal or other disciplinary action.

## 6. How to make a report

You can report wrongdoing in writing or verbally. You are encouraged to make a report in writing as this can help to avoid any confusion or misinterpretation.

If a report is made verbally, the person receiving the report must make a comprehensive record of the disclosure and ask the person making the disclosure to sign this record. The Councillor or staff should keep a copy of this record.

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If you are concerned about being seen making a report, ask to meet in a discreet location away from the workplace.

### **7. Can a report be anonymous?**

There will be some situations where you may not want to identify yourself when you make a report. Although these reports will still be dealt with by Council, it is best if you identify yourself. This allows Council to provide you with any necessary protection and support, as well as feedback about the outcome of any investigation into the allegations.

It is important to realise that an anonymous disclosure may not prevent you from being identified. If the identity of the person who made the report is not known it is very difficult for Council to prevent any reprisal action against that person.

### **8. Maintaining confidentiality**

Council realises that Councillors and staff may want their report to remain confidential. This can help to prevent any action being taken against you for reporting wrongdoing.

We are committed to keeping your identity, and the fact you have reported wrongdoing, confidential. However there may be situations where this may not be possible or appropriate. We will discuss with you whether it is possible to keep your report confidential.

If confidentiality cannot be maintained, we will develop a plan to support and protect you from risks of reprisal. You will be involved in developing this plan. You will also be told if your report will be dealt with under Council's Code of Conduct, as this may mean certain information may have to be tabled at a Council meeting.

If you report wrongdoing, you should only discuss your report with those dealing with it. This will include the Disclosures Coordinator and the General Manager. If you discuss your report more broadly, you may affect the outcome of any investigation.

### **9. Who can receive a report within Council?**

You are encouraged to report general wrongdoing to your Supervisor. However the PID Act requires that – for a report to be a public interest disclosure – it must be made to a public official in accordance with Council's disclosure procedures. For Council, this means this Policy and any supporting procedures.

Any Supervisor who receives a report that they believe may be a public interest disclosure must refer the staff member making the report to one of the positions listed below. The broader responsibilities of these positions are outlined in the Procedure supporting this Policy.

If you are a staff member and your report involves a Councillor, you should make it to the General Manager or the Chair. If you are a Councillor and your report is about another Councillor, you should make it to the General Manager or the Chair.

The following positions are the only positions within Council who can receive a public interest disclosure.

#### **a). General Manager**

You can report wrongdoing directly to the General Manager. The General Manager is responsible for:

- deciding if a report is a public interest disclosure

- determining what needs to be done next, including referring it to other authorities
- deciding what needs to be done to correct the problem that has been identified.

The General Manager must make sure there are systems in place in Council to support and protect Councillors and staff who report wrongdoing. They are also responsible for referring actual or suspected corrupt conduct to the Independent Commission Against Corruption.

b). Chair

If you are making a report about the General Manager, you should make your report to the Chair. They are responsible for:

- deciding if a report is a public interest disclosure
- determining what needs to be done next, including referring it to other authorities
- deciding what needs to be done to correct the problem that has been identified.

The Chair is also responsible for referring actual or suspected corrupt conduct to the Independent Commission Against Corruption.

c). Disclosures Coordinator

The Disclosures Coordinator has a central role in dealing with reports. They receive them, assess them and deal with them, or refer them to other people within Council that can deal with them.

The role of Disclosures Coordinator is delegated to the position of Manager Governance.

## 10. Who can receive a report outside of Council

Councillors and staff are encouraged to report wrongdoing within Council, but internal reporting is not the only option available. If you follow the guidance below, your report can still be a public interest disclosure.

You can choose to make your report to an investigating authority. You can do this first, or at any stage after your initial report to Council. If your report is about the General Manager or the Chair, you should consider making it to an investigating authority.

You can also choose to make a report to a Member of Parliament or a journalist, but only in limited circumstances.

a). Investigating authorities

The PID Act lists a number of investigating authorities in NSW that a Councillor or staff can report wrongdoing to and the categories of wrongdoing each authority can deal with.

In relation to Council, these authorities are:

- the Independent Commission Against Corruption (ICAC) — for corrupt conduct
- the Ombudsman — for maladministration
- the Division of Local Government, Department of Premier and Cabinet — for disclosures about local government agencies
- the Information Commissioner — for disclosures about a government information contravention.

You should contact the relevant authority for advice about how to make a disclosure to them. Contact details for each investigating authority are provided at the end of this Policy.

You should be aware that it is very likely the investigating authority will discuss the case with Council. Council will make every effort to assist and cooperate with the investigating authority to ensure the matter is dealt with appropriately and there is a satisfactory outcome.

b). Members of Parliament or journalists

To have the protections of the PID Act, a Councillor or staff reporting wrongdoing to a Member of Parliament (MP) or a journalist must have already made substantially the same report to one of the following:

- the General Manager
- Chair or Disclosures Coordinator
- an investigating authority in accordance with the PID Act.

Also, Council or an investigating authority that received the report must have either:

- decided not to investigate the matter
- decided to investigate the matter, but not completed the investigation within six months of the original report
- investigated the matter but not recommended any action as a result
- not told the person who made the report, within six months of the report being made, whether the matter will be investigated.

Most importantly – to be protected under the PID Act – if you report wrongdoing to an MP or a journalist you will need to be able to prove that you have reasonable grounds for believing that the disclosure is substantially true and that it is in fact substantially true.

**If you report wrongdoing to a person or an organisation that is not listed above, you will not be protected under the PID Act. This may mean you will be in breach of legal obligations or Council's Code of Conduct – by, for example, disclosing confidential information.**

For more information about reporting wrongdoing outside Council, contact the Disclosures Coordinator or the NSW Ombudsman's Public Interest Disclosures Unit. Their contact details are provided at the end of this Policy.

## 11. Feedback to persons who report wrongdoing

A Councillor or staff who report wrongdoing will be told what is happening in response to their report.

When you make a report, you will be given:

- an acknowledgement that your disclosure has been received
- the timeframe for when you will receive further updates
- the name and contact details of the people who can tell you what is happening.

The PID Act requires that you are provided with an acknowledgement letter and a copy of this Policy within 45 days after you have made your report. Council will however attempt to get this information to you within five working days from the date you make your report.

After a decision is made about how your report will be dealt with, you will be given:

- information about the action that will be taken in response to your report
- likely timeframes for any investigation
- information about the resources available within Council to handle any concerns you may have
- information about external agencies and services you can access for support.

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This information will be given to you within 15 working days from the date you make your report. During any investigation, you will be given:

- information on the ongoing nature of the investigation
- information about the progress of the investigation and reasons for any delay
- advice if your identity needs to be disclosed for the purposes of investigating the matter, and an opportunity to talk about this.

At the end of any investigation, you will be given:

- enough information to show that adequate and appropriate action was taken and/or is proposed to be taken in response to your disclosure and any problem that was identified
- advice about whether you will be involved as a witness in any further matters, such as disciplinary or criminal proceedings.

## 12. Protection against reprisals

The PID Act provides protection for people reporting wrongdoing by imposing penalties on anyone who takes detrimental action substantially in reprisal for them making the public interest disclosure.

**Council will not tolerate any reprisal action against a person who reports wrongdoing.** The criminal penalties that can be imposed include imprisonment or fines. Detrimental action is also misconduct that justifies disciplinary action. People who take detrimental action against someone who has made a disclosure can also be required to pay damages for any loss suffered by that person.

‘Detrimental action’ means action causing, comprising or involving any of the following:

- injury, damage or loss
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to employment
- dismissal from, or prejudice in, employment
- disciplinary proceedings.

### a). Responding to reprisals

Council will act to protect a Councillor or staff who report wrongdoing from reprisals.

When a report is received, we will ensure that a thorough risk assessment is conducted. This will identify any risks to the Councillor or staff who reported the wrongdoing, as well as strategies to deal with those risks.

If you believe that detrimental action has been or is being taken against you or someone else who has reported wrongdoing in reprisal for making a report, you should tell your Supervisor, the Disclosures Coordinator or the General Manager immediately.

All Supervisors must report any suspicions they have that reprisal action against a staff member is occurring, or any reports that are made to them, to the Disclosures Coordinator or the General Manager.

If the Disclosures Coordinator becomes aware of reprisal action against a person who has made a disclosure, they will:

- ensure a senior and experienced member of staff, who has not been involved in dealing with the initial disclosure, will investigate the suspected reprisal
- give the results of that investigation to the General Manager for a decision

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- give the results of that investigation to the Chair for a decision if the allegation of reprisal action is about the General Manager
  - if it has been established that reprisal action is occurring against someone who has made a disclosure, take all steps possible to stop that activity and protect the member of staff who made the disclosure
  - take appropriate disciplinary or criminal action against anyone proven to have taken or threatened any action in reprisal for making a disclosure.

If you report reprisal action, you will be kept informed of the progress of any investigation and the outcome.

The General Manager may issue specific directions to help protect against reprisals. These may include:

- issuing warnings to those alleged to have taken reprisal action against the person who made the disclosure
- relocating the person who made the disclosure or the subject officer within the current workplace
- transferring the person who made the disclosure or the person who is the subject of the allegation to another position for which they are qualified
- granting the person who made the disclosure or the subject officer leave of absence during the investigation of the disclosure.

These directions will only be taken if the person who made the disclosure agrees to it. In relation to Council staff the Disclosures Coordinator must make it clear to other staff that this action was taken in consultation with the staff member and with management support – and it is not a punishment.

If you have reported wrongdoing and feel that any reprisal action is not being dealt with effectively, contact the Ombudsman or the ICAC – depending on the type of wrongdoing you reported. Contact details for all these investigating authorities are included at the end of this Policy.

b). Protection against legal action

If you make a disclosure in accordance with the PID Act, you will not be subject to any liability and no action, claim or demand can be taken against you for making the disclosure. You will not have breached any confidentiality or secrecy obligations and you will have the defence of absolute privilege in defamation.

### **13. Support for those reporting wrongdoing**

Council will make sure that Councillors and staff who have reported wrongdoing, regardless of whether they have made a public interest disclosure, are provided with access to any professional support they may need as a result of the reporting process – such as stress management, counselling services or other professional support.

We have staff who will support those who report wrongdoing. They are responsible for initiating and coordinating support, particularly to those who are suffering any form of reprisal.

All Supervisors must notify the Disclosures Coordinator or the General Manager if they believe a staff member is suffering any detrimental action as a result of disclosing wrongdoing.

### **14. Sanctions for making false or misleading disclosures**



It is important that all Councillors and staff are aware that it is a criminal offence under the PID Act to wilfully make a false or misleading statement when reporting wrongdoing.

### 15. Support for the subject of a report

Council is committed to ensuring Councillors and staff who are the subject of a report of wrongdoing are treated fairly and reasonably. If you are the subject of a report, you will be:

- treated fairly and impartially
- told your rights and obligations under Council's policies and procedures
- kept informed during any investigation
- given the opportunity to respond to any allegation made against you
- told the result of any investigation.

### 16. More information

More information around public interest disclosures is available from the Manager Governance and the NSW Ombudsman's website at [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au) .

### 17. Resources

The contact details for external investigating authorities to whom a public interest disclosure can be made to or from whom advice may be sought are listed below.

#### For disclosures about corrupt conduct:

Independent Commission Against Corruption (ICAC)

**Tel:** (02) 8281 5999  
**Toll free:** 1800 463 909  
**Facsimile:** (02) 9264 5364  
**Email:** [icac@icac.nsw.gov.au](mailto:icac@icac.nsw.gov.au)  
**Web:** [www.icac.nsw.gov.au](http://www.icac.nsw.gov.au)  
**Address:** Level 21, 133 Castlereagh Street  
SYDNEY NSW 2000

#### For disclosures about maladministration:

NSW Ombudsman

**Tel:** (02) 9286 1000  
**Toll free:** 1800 451 524 (outside Sydney metro)  
**Facsimile:** (02) 9283 2911  
**Email:** [nswombo@ombo.nsw.gov.au](mailto:nswombo@ombo.nsw.gov.au)  
**Web:** [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au)  
**Address:** Level 24, 580 George Street  
SYDNEY NSW 2000

#### For disclosures about serious and substantial waste:

Auditor-General of the NSW Audit Office

**Tel:** (02) 9275 7100  
**Facsimile:** (02) 9275 7200  
**Email:** [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au)  
**Web:** [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au)  
**Address:** Level 15, 1 Margaret Street  
SYDNEY NSW 2000

**For disclosures about local government agencies:**Division of Local Government in the Department of Premier and Cabinet

**Tel:** (02) 4428 4100  
**Tel. Typewriter (TTY):** (02) 4428 4209  
**Facsimile:** (02) 4428 4199  
**Email:** [dlg@dlg.nsw.gov.au](mailto:dlg@dlg.nsw.gov.au)  
**Web:** [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au)  
**Address:** 5 O'Keefe Avenue  
 NOWRA NSW 2541

**For disclosures about breaches of the GIPA Act:**Information Commissioner

**Toll free:** 1800 463 626  
**Facsimile:** (02) 8114 3756  
**Email:** [oiinfo@oic.nsw.gov.au](mailto:oiinfo@oic.nsw.gov.au)  
**Web:** [www.oic.nsw.gov.au](http://www.oic.nsw.gov.au)  
**Address:** Level 11, 1 Castlereagh Street  
 SYDNEY NSW 2000

**PROCEDURES**

Disclosures under the *Public Interest Disclosures Act 1994*.

**RELATED PROCEDURES**

Bullying in the workplace.  
 Lodging and resolving a grievance.  
 Workplace harassment.

**LEGISLATION**

*Government Information (Public Access) Act 2009*  
*Local Government Act 1993*  
*Public Interest Disclosures Act 1994*

**RELATED DOCUMENTS**

Code of Conduct  
 NSW Ombudsman, Fact Sheet 4 'Thinking about reporting serious wrongdoing in local government?'  
 NSW Ombudsman, Fact Sheet 6 'Obligations and responsibilities of local government General Managers'.  
 NSW Ombudsman, Guideline B2 'What should be reported?'

**CONTACT OFFICER**

Manager Governance.

<i>Office use only</i>	File no.: 172/13	Next review date: 2 years	
Version	Purpose and description	Date adopted by Council	Resolution no.

## Investments policy (reviewed)

(172/13)

**Business activity priority** Results and sustainable performance

**Goal 7** Sustainable performance

### Recommendation

That Council note this report and re-adopt the existing 'Investments' policy without amendment.

### Background

Council's 'Investments' policy is subject to annual review; it was last reviewed and updated in April 2019. Council's policy incorporates the best practice principles established by the NSW Office of Local Government, namely the Investment Policy Guidelines (May 2010), issued under section 23A of the *Local Government Act 1993* (Director-General's guidelines). The policy also includes specific local guidelines on diversification and application of credit rating risk that Council applies to its process and procedures for investment management.

### Threshold and exposure

The existing policy establishes that the maximum percentage of the portfolio that may be invested with rated Authorised Deposit-Taking Institutions (ADIs) and unrated ADIs is set as follows:

Credit Rating	Maximum % of total investments	Single entity exposure limit
All A categories	100%	20% of Portfolio
All B categories	80%	15% of Portfolio
Unrated ADI	30%	\$1mil

Council's current counterparty risk is considered appropriate and manageable in relation to Council's 'Investment' policy. This view has been formed on the basis that Australian ADIs are soundly managed within the Australian Prudential Regulation Authority frameworks.

A review has been undertaken and the policy setting in managing Council's anticipated cash flow requirements remain appropriate.

### Governance

Section 625 of the *Local Government Act 1993* provides that a council may invest money that is not, for the time being, required by Council for any other purpose. Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.

### Finance

The current policy approach remains appropriate for Rous County Council given the level of investment portfolio.

## External borrowings

Staff have been reviewing all cash management strategies, including options for future external borrowings. TCorp as a funding body is of particular interest because they provide competitive and below market rates.

In the past county councils have been denied access to TCorp as a funding option. County councils have been excluded as they were not required to participate in the Fit for the Future assessment process.

Over recent months Council staff have been in negotiations with TCorp regarding access to funding.

Further advice will be provided as it comes to hand.

## **Consultation**

The current policy has been reviewed by the Finance Manager in combination with consideration of constituent councils' investment policies and guidance from independent investment advisors.

## **Conclusion**

The current policy complies with all regulatory requirements and Council's investment objectives and remains appropriate in the current investment climate. No changes are proposed to the 2019 policy.

Guy Bezrouchko  
Group Manager Corporate and Commercial

Attachment:

1. Current 'Investments' policy

# Policy



## Investments

Adopted by Council: 17 April 2019

To provide guidelines for the investment of Council money safeguarding capital, maintaining sufficient liquidity, maximising interest earnings and legislative compliance.

Safety

Teamwork

Accountability

Respect

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## Background

### 1. Policy objectives

- 1.1 To provide a framework for the investing of Council's funds at the most favourable rate of interest available to it at the time while having due consideration of risk and security for that investment type and ensuring that liquidity requirements are being met.
- 1.2 While exercising the power to invest, consideration is to be given to the preservation of capital, liquidity, and the return on investment:
  - i). Preservation of capital is the principal objective of the investment portfolio.
  - ii). Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio.
  - iii). Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.
  - iv). Investments are expected to achieve a market average rate of return in line with Council's risk tolerance.
- 1.3 This policy only deals with Council's investments with financial institutions and does not consider investments Council may wish to make in other forms of capital, such as property.

## Policy statement

### 2. Legislative authority for investments

All investments are to comply with the following:

- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*
- *Trustee Act 1925*
- *Banking Act 1959 (Cth)*
- Ministerial Investment Order
- Local Government Code of Accounting Practice and Financial Reporting
- Australian Accounting Standards
- Division of Local Government circulars.

### 3. Delegation of authority

Authority for implementation of the 'Investment' policy is delegated by Council to the General Manager in accordance with the *Local Government Act 1993*.

The General Manager or a delegated representative has authority to invest Council's funds. Officers delegated with authority to manage Council's investments shall be recorded and required to acknowledge that they have received a copy of this policy and understand their obligations in this role.

The placement of investments requires a minimum of two signatures from officers with delegated authority to invest surplus funds.

### 4. Prudent person standard

The investment will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolios to safeguard the portfolio in accordance with the spirit of this policy. The matters to which a prudent person shall have regard when making an investment on behalf of another are an attachment to this policy (Section 14C *Trustee Act 1925* (NSW) and Ministerial Order).



It is expected that the skills of officers making investments will include:

- i). An understanding of this policy and associated legislation such that when placing an investment all relevant conditions are considered and weighed-up.
- ii). An understanding of the current positioning of the financial markets, i.e. what is the current 90-day Bank Bill Swap (BBSW) rate and yield curve.
- iii). An understanding of the type of investments in which they are dealing, i.e. investment rate offered, term to maturity and the organisation that is receiving and using the funds. Also the underlying conditions of the transaction that impact risk and reward, including circumstances in which the user of the funds may default in payment of capital and interest.
- iv). An understanding of the institution that will receive and use the funds, including their credit worth, i.e. current Standard and Poors rating/if they are Australian Prudential Regulation Authority (APRA) regulated.

The role of an investing officer will be to:

- i). Avail themselves of current market information and investment options.
- ii). Be aware of Council's current liquidity position and the options that best suit Council in terms of length of the investment.
- iii). In most instances the form of investment shall be a term deposit with an Authorised Deposit-taking Institution (ADI) and the investing officer shall consider at least three quotes from different ADIs. Typically, the investing officer becomes aware of daily rates by telephoning the institution or receiving an email.
- iv). Council's investment placement sheet is completed and then signed by two investment officers. The preferred institution is then advised by telephone or email that they have been successful, and arrangements are made for funds to be transferred as agreed, ensuring that the recipient institution provides Council with appropriate acknowledgement and documentation following their receipt of funds.
- v). Where the form of investment is not a term deposit, the matter shall be discussed between at least two investment officers prior to making a placement.

The investing officer shall maintain an investment register, which shall include:

- i). The source and the amount of money invested.
- ii). Particulars of the security or form of investment in which the money was invested.
- iii). The term of the investment (i.e. placement and maturity dates where applicable).
- iv). If appropriate, the rate of interest to be paid, and the amount of money that Council has earned, in respect of the money invested.

## **5. Conflict of interest**

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the General Manager.

Officers are also required to provide written notice of any private employment or contract work that may conflict with their Council duties in accordance with section 353 of the *Local Government Act 1993*.

Independent advisors are also required to declare that they have no actual or perceived conflicts of interest.

## 6. Ethical investment

This policy is limited in accommodating ethical investment considerations. However, Council will attempt to give preference to financial institutions that do not invest in or finance the fossil fuel industry or other unethical institutions where:

- The investment is compliant with Council's 'Investments' policy.
- The investment rate of interest is favourable to Council relative to other similar investments that may be on offer to Council at the time of the investment.

This information will be sourced from the website [www.marketforces.org.au](http://www.marketforces.org.au) which is an affiliate project of the Friends of the Earth Australia.

## 7. Approved and prohibited investments

7.1 Investments are limited to those allowed by the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government and include:

- i). Any public funds or securities issued by or guaranteed by the Commonwealth, any State of the Commonwealth, or a Territory.
- ii). Any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993*).
- iii). Interest bearing deposits with, or any debentures or bonds issued by, an ADI (as defined in the *Banking Act 1959*) but excluding subordinated debt obligations.
- iv). Any bill of exchange that has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank that has been designated as an ADI by APRA.
- v). A deposit with the Treasury Corporation or investments in an Hour-Glass investment facility of the Treasury Corporation.
- vi). Investments grandfathered under the previous Ministerial Investment Order.

7.2 In accordance with the current Ministerial Investment Order, this policy prohibits any investment carried out for speculative purposes including but not limited to:

- i). Derivative-based instruments.
- ii). Principal only investments or securities that provide potentially nil or negative cash flow.
- iii). Stand-alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

## 8. Risk management guidelines

Council's strategy is to preserve the capital invested by diversifying with different approved financial institutions on the short-term money market (minimum 70% of portfolio to be 12 months or less).

Investments obtained are to be considered in light of the following key criteria:

- i). Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value (considering the time value of money).
- ii). Diversification – setting limits to the amounts invested with a particular financial institution or government authority to reduce credit risk.
- iii). Credit risk – the risk that Council has if an institution fails to pay the interest and or repay the principal of an investment.

- iv). Market risk – the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices.
- v). Liquidity risk – the risk an investor is unable to redeem the investment at a fair price within a timely period.
- vi). Maturity risk – the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities.
- vii). Rollover risk- the risk that income will not meet expectations or budgeted requirement because interest rates are lower than expected in future.

## 9. Liquidity risk parameters

- 9.1 All investments are to be placed with institutions regulated by APRA in accordance with the *Banking Act 1959*, i.e. ADI's; the Local Government Financial Services Pty Ltd or the NSW Treasury Corporation but excluding subordinated debt obligations.
- 9.2 At least three quotations shall be obtained from qualifying institutions whenever an investment is proposed. The best quote of the day will be successful, providing the investment will not breach any parameters contained within this policy, and after allowing for administrative and banking costs.
- 9.3 Not more than 30% of the portfolio can be placed in investments exceeding 12 months to maturity and no investments exceeding three years to maturity.

## 10. Credit risk parameters

- 10.1 Investment portfolio parameters are risk-management tools used to manage credit risk by diversifying the portfolio to avoid a narrow concentration of investments. Investment credit risk parameters are based on credit rating bands as published by the credit rating agencies (e.g. Standard and Poor's, Moody's, Fitch).
- 10.2 Council will use Standard and Poor's long-term credit ratings (or Moody's or Fitch equivalents). The Standard and Poor's ratings are broadly defined as follows:

AAA	Extremely strong capacity to repay
AA+, AA, AA-	A very strong capacity to repay
A+, A, A-	A strong capacity to repay
BBB+, BBB	Adequate protection and adequate capacity to pay

- 10.3 The following credit risk parameters apply to the investment portfolio:

Maximum thresholds – portfolio limits		
Credit rating	Maximum % of total portfolio	Exposure to a single ADI
All A categories	100%	20% of Portfolio
All B categories	80%	15% of Portfolio
Unrated ADI	30%	\$1,000,000

This does not apply to the Commonwealth Bank as this institution deals with Council's transaction banking. Any excess funds that are unable to be invested in Term Deposits or other allowable instruments to allow for cash flow liquidity are placed with the Commonwealth Bank.

## 11. Performance benchmarks

- 11.1 Investment performance will be measured monthly, in relation to both current month and 12-month rolling returns, against the:
- Average 90-day BBSW
  - Earnings to the approved budget.

## 12. Reporting

- 12.1 The *Local Government (General) Regulation 2005* (clause 212) requires a report on investments be presented to Council at each ordinary meeting.
- 12.2 The report to Council will include, as a minimum:
- i). Total value of the portfolio and the balance of the trading bank account.
  - ii). Complete list of all investments in the portfolio.
  - iii). Break-up of the portfolio per institution, showing the rating for each institution and which investments are Australian Government guaranteed or not.
  - iv). Comparison of interest earned to budget for the month and year to date.
  - v). Comparison of weighted average interest rate and 90-day BBSW for the month and year to date.
  - vi). Statement as to whether the investments are in accordance with the *Local Government Act 1993*, Regulation and Council's 'Investments' policy.
  - vii). Commentary on portfolio performance and other matters of interest.
- 12.3 All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

## 13. Threshold breaches

- 13.1 This policy imposes limits and thresholds in relation to the acquisition and holding of investments. However, due to changes in the amount of Council's investment portfolio over time, situations may occur where these limitations or thresholds are breached.
- 13.2 Where limitations or thresholds are breached due to a change in the overall size of the total investment portfolio, or a possible change in ratings of the financial institutions, the following process will apply:
- i). Immediate forced sale of the investments in breach of the limits or thresholds will not be required unless, in the General Manager's opinion, such sale is necessary to protect the value of the overall investment portfolio.
  - ii). Immediate freeze on acquisitions of new investments in the relevant category, until the portfolio can be effectively managed back to align with the requirements of this policy.
  - iii). The objective will be to manage the portfolio back in accordance with the policy limits, within three months from the date the portfolio first exceeds the limit or threshold.

## 14. Investment advisor

The Council's investment advisor must be licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to recommend the most appropriate product within the terms and conditions of the Investments policy. The independent advisor is required to provide written confirmation annually that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

**Contact officer**

Group Manager Corporate and Commercial.

**Related documents****Policies**

N/A

**Procedures**

N/A.

**Legislation**

*Local Government Act 1993*

*Local Government (General) Regulation 2005*

*Trustee Act 1925 (relevant provision extracted – refer to attachment).*

*Banking Act 1959 (Cth)*

**Other**

Ministerial Investment Order

Local Government Code of Accounting Practice and Financial Reporting

Australian Accounting Standards

Division of Local Government circulars.

<i>Office use only</i>	File no.: 172/13	Next review date: Annually	
Version	Purpose and description	Date adopted by Council	Resolution no.
1.0		21/12/2011	106/11
2.0	Annual review	21/11/2012	109/12
3.0	Annual review	19/11/2014	114/14
4.0	Annual review	16/03/2016	19/16
5.0	Annual review, includes merger of three counties	15/03/2017	19/17
6.0	Annual review	16/05/2018	36/18
7.0	Annual review	17/04/2019	25/19

**SECTION 14C NSW TRUSTEES ACT**

NSW legislation website

**14C Matters to which trustee is to have regard when exercising power of investment**

- (1) Without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee must, so far as they are appropriate to the circumstances of the trust, if any, have regard to the following matters:
  - (a) the purposes of the trust and the needs and circumstances of the beneficiaries,
  - (b) the desirability of diversifying trust investments,
  - (c) the nature of, and the risk associated with, existing trust investments and other trust property,
  - (d) the need to maintain the real value of the capital or income of the trust,
  - (e) the risk of capital or income loss or depreciation,
  - (f) the potential for capital appreciation,
  - (g) the likely income return and the timing of income return,
  - (h) the length of the term of the proposed investment,
  - (i) the probable duration of the trust,
  - (j) the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment,
  - (k) the aggregate value of the trust estate,
  - (l) the effect of the proposed investment in relation to the tax liability of the trust,
  - (m) the likelihood of inflation affecting the value of the proposed investment or other trust property,
  - (n) the costs (including commissions, fees, charges and duties payable) of making the proposed investment,
  - (o) the results of a review of existing trust investments in accordance with section 14A (4).
- (2) A trustee may, having regard to the size and nature of the trust, do either or both of the following:
  - (a) obtain and consider independent and impartial advice reasonably required for the investment of trust funds or the management of the investment from a person whom the trustee reasonably believes to be competent to give the advice,
  - (b) pay out of trust funds the reasonable costs of obtaining the advice.
- (3) A trustee is to comply with this section unless expressly forbidden by the instrument (if any) creating the trust.



**LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER**  
(Relating to investments by councils)

**I, the Hon. Barbara Perry MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:**

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation;

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Orders, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Key Considerations

An investment is not in a form of investment notified by this order unless it also complies with an investment policy of council adopted by a resolution of council.

All councils should by resolution adopt an investment policy that is consistent with this Order and any guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet, from time to time.

The General Manager, or any other staff member, with delegated authority by a council to invest funds on behalf of a council must do so in accordance with the council's adopted investment policy.

Councils have a fiduciary responsibility when investing. Councils should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

When exercising the power of investment councils should consider, but not be limited by, the risk of capital or income loss or depreciation, the likely income return and the timing of income return, the length of the term of the proposed investment, the liquidity and marketability of the proposed investment, the likelihood of inflation affecting the value of the proposed investment and the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Dated this 12<sup>th</sup> day of January 2011

  
**Hon BARBARA PERRY MP**  
**Minister for Local Government**

## Investments - March 2020

(59/12)

**Business activity priority** Results and sustainable performance

**Goal 7** Sustainable performance

### Recommendation

That Council receive and note the investments for March 2020.

### 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 31 March 2020.

### Governance

#### Finance

##### RBA cash rate

At the RBA's March meeting, it was decided to reduce the cash rate to 0.25%. The 90-day average bank bill swap rate (BSW) has decreased to 0.53%. The low rate will continue to put pressure on interest yields in the foreseeable future.

##### Total funds invested for March was \$36,763,234

This is an increase of \$1,068,234 compared to the January 2020 figure. This is primarily due to section 64 development contributions received from constituent councils.

##### Return for March was 1.93%

The weighted average return on funds invested for the month of March was 1.93%. This represents a decrease of 19 basis point compared to the January result (2.12%) and is 140 basis points above Council's benchmark (the average 90-day BSW rate of 0.53%) (Refer: Graph D2).

##### Interest earned for March was \$62,065

Interest earned compared to the original budget is \$155,572 in excess of pro-rata budget (Refer: Attachment A). The original budget has been reviewed and the adjusted forecast investment interest for 30 June 2020 is expected to reach \$797,800. An increase of \$50,000 for Retail Water and \$120,100 for Bulk Water will be processed through the March Quarterly Budget Review.

##### Summary of indebtedness as at 31 March 2020

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	\$ 1,294,324	\$ 1,783,159	\$ 5,315,750	\$ 5,020,894	\$ 4,653,896	\$ 4,634,310	\$ 522,103	\$ 23,224,438
Interest Incurred LTD	\$ 1,569,845	\$ 2,058,191	\$ 6,720,784	\$ 6,596,660	\$ 6,813,474	\$ 6,939,848	\$ 312,672	\$ 31,011,473
Principal Outstanding	\$ 705,676	\$ 1,216,841	\$ 4,684,250	\$ 4,979,106	\$ 5,346,104	\$ 5,365,691	\$ 27,897	\$ 22,325,563
Interest Outstanding	\$ 125,856	\$ 240,223	\$ 1,111,119	\$ 1,276,500	\$ 1,555,016	\$ 1,590,694	\$ 889	\$ 5,900,298

Cheque account balance as at 31 March 2020 was \$573,239.

Ethical holdings represent 68.00% of the total portfolio

Current holdings in Ethical Financial Institutions equals \$25,000,000. The assessment of Ethical Financial Institutions is undertaken using [www.marketforces.org.au](http://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 31 March 2020, investments total \$36,763,234 and the average rate of return is estimated at 1.93%.

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

Attachment A

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 Mar 20 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		3.44	1,263,234.34	1.20	1,267.57	14,563.87
Bank of Queensland	BBB+	TD	Yes	17/7/2018	14/7/2020	1.36	500,000.00	3.00	1,273.97	11,301.37
Bank of Queensland	BBB+	TD	Yes	24/7/2018	21/7/2020	1.36	500,000.00	3.00	1,273.97	11,301.37
AMP Bank	BBB+	TD	No	21/8/2018	25/8/2020	1.36	500,000.00	2.95	1,252.74	11,113.01
Bendigo & Adelaide Bank Ltd (Rural Bank Div)	BBB+	TD	Yes	6/11/2018	3/11/2020	2.72	1,000,000.00	2.85	2,420.55	21,472.60
Newcastle Permanent Bldg Soc	BBB	TD	Yes	29/1/2019	19/1/2021	1.36	500,000.00	2.95	1,252.74	11,113.01
Newcastle Permanent Bldg Soc	BBB	TD	Yes	19/2/2019	16/2/2021	1.36	500,000.00	2.95	1,252.74	11,113.01
Newcastle Permanent Bldg Soc	BBB	TD	Yes	8/3/2019	2/3/2021	2.72	1,000,000.00	2.85	2,420.55	21,472.60
Auswide Bank Ltd	BBB+	TD	Yes	9/4/2019	7/4/2020	1.36	500,000.00	2.60	1,104.11	9,794.52
Defence Bank	BBB	TD	Yes	23/4/2019	21/4/2020	1.36	500,000.00	2.60	1,104.11	9,794.52
Bank of Sydney Ltd	UNRATED	TD	Yes	3/5/2019	5/5/2020	1.36	500,000.00	2.55	1,082.88	9,606.16
Auswide Bank Ltd	BBB+	TD	Yes	7/5/2019	28/4/2020	1.36	500,000.00	2.40	1,019.18	9,041.10
Queensland Country CU (formerly ECU Aust)	BBB	TD	Yes	21/5/2019	19/5/2020	1.36	500,000.00	2.40	1,019.18	9,041.10
ME Bank	BBB	TD	Yes	27/8/2019	16/6/2020	2.72	1,000,000.00	1.60	1,358.90	9,556.16
MyState Bank Limited	BBB+	TD	Yes	10/9/2019	2/6/2020	1.36	500,000.00	1.60	679.45	4,471.23
Macquarie Bank Ltd	A	TD	No	13/9/2019	14/4/2020	2.72	1,000,000.00	1.75	1,486.30	9,636.99
Macquarie Bank Ltd	A	TD	No	18/9/2019	21/4/2020	1.36	500,000.00	1.75	743.15	4,698.63
Judo Bank	UNRATED	TD	Yes	17/9/2019	15/9/2020	1.36	500,000.00	2.10	891.78	5,667.12
Judo Bank	UNRATED	TD	Yes	24/9/2019	8/9/2020	1.36	500,000.00	2.20	934.25	5,726.03
AMP Bank	BBB+	TD	No	24/9/2019	22/9/2020	2.72	1,000,000.00	1.70	1,443.84	8,849.32
AMP Bank	BBB+	TD	No	1/10/2019	6/10/2020	2.72	1,000,000.00	1.70	1,443.84	8,523.29
Warwick Credit Union	UNRATED	TD	Yes	15/10/2019	20/10/2020	1.36	500,000.00	1.70	721.92	3,935.62
AMP Bank	BBB+	TD	No	15/10/2019	13/10/2020	1.36	500,000.00	1.60	679.45	3,704.11
The Mutual Bank (Maitland Mutual)	UNRATED	TD	Yes	29/10/2019	27/10/2020	1.36	500,000.00	1.70	721.92	3,609.59
Warwick Credit Union	UNRATED	TD	Yes	1/11/2019	27/10/2020	1.36	500,000.00	1.80	764.38	3,747.95
Australian Military Bank	UNRATED	TD	Yes	1/11/2019	20/10/2020	1.36	500,000.00	1.60	679.45	3,331.51
AMP Bank	BBB+	TD	No	5/11/2019	3/11/2020	1.36	500,000.00	1.65	700.68	3,345.21
AMP Bank	BBB+	TD	No	8/11/2019	12/5/2020	1.36	500,000.00	1.80	764.38	3,575.34
Southern Cross Credit Union	UNRATED	TD	Yes	19/11/2019	26/5/2020	1.36	500,000.00	1.65	700.68	3,028.77
Goldfields Money Ltd	UNRATED	TD	Yes	21/11/2019	17/11/2020	1.36	500,000.00	1.75	743.15	3,164.38
MyState Bank Limited	BBB+	TD	Yes	26/11/2019	23/6/2020	1.36	500,000.00	1.55	658.22	2,696.58
Coastline Credit Union Ltd	UNRATED	TD	Yes	26/11/2019	24/11/2020	1.36	500,000.00	1.75	743.15	3,044.52
Defence Bank	BBB	TD	Yes	3/12/2019	1/12/2020	1.36	500,000.00	1.75	743.15	2,876.71
BankVic (Police Financial Services Ltd T/as)	BBB+	TD	Yes	5/12/2019	30/6/2020	1.36	500,000.00	1.70	721.92	2,747.95
BankVic (Police Financial Services Ltd T/as)	BBB+	TD	Yes	10/12/2019	8/12/2020	1.36	500,000.00	1.75	743.15	2,708.90
AMP Bank	BBB+	TD	No	10/12/2019	9/6/2020	1.36	500,000.00	1.80	764.38	2,786.30

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 Mar 20 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
Macquarie Bank Ltd	A	TD	No	23/12/2019	28/4/2020	1.36	500,000.00	1.60	679.45	2,191.78
AMP Bank	BBB+	TD	No	7/1/2020	7/7/2020	1.36	500,000.00	1.80	764.38	2,095.89
Police Credit Union SA	UNRATED	TD	Yes	14/1/2020	12/1/2021	1.36	500,000.00	1.70	721.92	1,816.44
Police Credit Union SA	UNRATED	TD	Yes	20/1/2020	2/2/2021	1.36	500,000.00	1.70	721.92	1,676.71
The Capricornian Ltd	UNRATED	TD	Yes	21/1/2020	5/1/2021	1.36	500,000.00	1.75	743.15	1,702.05
Bank of Sydney Ltd	UNRATED	TD	Yes	21/1/2020	28/7/2020	1.36	500,000.00	1.85	785.62	1,799.32
Goldfields Money Ltd	UNRATED	TD	Yes	28/1/2020	19/1/2021	1.36	500,000.00	1.65	700.68	1,446.58
Bendigo & Adelaide Bank Ltd (Rural Bank Div)	BBB+	TD	Yes	28/1/2020	4/8/2020	1.36	500,000.00	1.65	700.68	1,446.58
ING Bank Aust Ltd	A	TD	No	3/2/2020	9/2/2021	1.36	500,000.00	1.65	700.68	1,310.96
Summerland Credit Union	UNRATED	TD	Yes	4/2/2020	5/5/2020	1.36	500,000.00	1.60	679.45	1,249.32
Bank of Queensland	BBB+	TD	Yes	4/2/2020	18/8/2020	1.36	500,000.00	1.55	658.22	1,210.27
Gateway Bank Ltd	UNRATED	TD	Yes	10/2/2020	12/5/2020	1.36	500,000.00	1.75	743.15	1,222.60
ING Bank Aust Ltd	A	TD	No	11/2/2020	16/2/2021	2.72	1,000,000.00	1.65	1,401.37	2,260.27
QBank	BBB-	TD	Yes	11/2/2020	11/8/2020	1.36	500,000.00	1.70	721.92	1,164.38
ING Bank Aust Ltd	A	TD	No	18/2/2020	23/2/2021	1.36	500,000.00	1.60	679.45	942.47
AMP Bank	BBB+	TD	No	18/2/2020	25/8/2020	1.36	500,000.00	1.90	806.85	1,119.18
MyState Bank Limited	BBB+	TD	Yes	3/3/2020	9/3/2021	2.72	1,000,000.00	1.65	1,310.96	1,310.96
Macquarie Bank Ltd	A	TD	No	6/3/2020	9/6/2020	1.36	500,000.00	1.70	605.48	605.48
Auswide Bank Ltd	BBB+	TD	Yes	9/3/2020	29/9/2020	1.36	500,000.00	1.60	504.11	504.11
Auswide Bank Ltd	BBB+	TD	N/A	10/3/2020	22/9/2020	1.36	500,000.00	1.60	482.19	482.19
MyState Bank Limited	BBB+	TD	Yes	16/3/2020	15/12/2020	1.36	500,000.00	1.75	383.56	383.56
MyState Bank Limited	BBB+	TD	Yes	17/3/2020	15/12/2020	1.36	500,000.00	1.75	359.59	359.59
Auswide Bank Ltd	BBB+	TD	Yes	3/5/2019	4/5/2021	2.72	1,000,000.00	2.55	2,165.75	19,212.33
Firstmac Ltd	UNRATED	TD	Yes	3/5/2019	11/5/2021	1.36	500,000.00	2.75	1,167.81	10,359.59
Auswide Bank Ltd	BBB+	TD	Yes	8/10/2019	12/10/2021	1.36	500,000.00	1.65	700.68	3,978.08
Auswide Bank Ltd	BBB+	TD	Yes	22/10/2019	19/10/2021	1.36	500,000.00	1.65	700.68	3,661.64
Auswide Bank Ltd	BBB+	TD	Yes	29/10/2019	26/10/2021	1.36	500,000.00	1.65	700.68	3,503.42
MATURED TDs									3,198.77	291,170.82
						<b>100.00</b>	<b>36,763,234.34</b>	<b>1.93</b>	<b>62,064.97</b>	<b>626,347.02</b>

**Total Investment Holdings**

<b>100.00</b>	<b>36,763,234.34</b>	<b>62,064.97</b>	<b>626,347.02</b>
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Total YTD Interest	<b>626,347.02</b>
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Deposits with Australian Deposit-taking institutions (ADI) are Government.

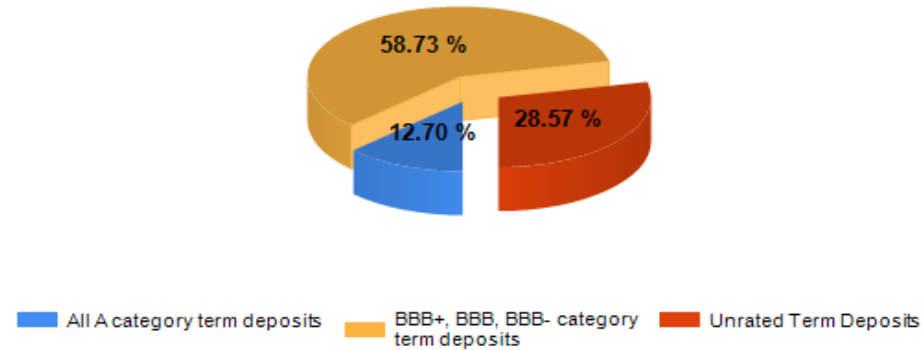
Budget Interest @ 31 Mar 20	<b>470,775.00</b>
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Guaranteed for balances totalling up to \$250,000 per customer, per institution.

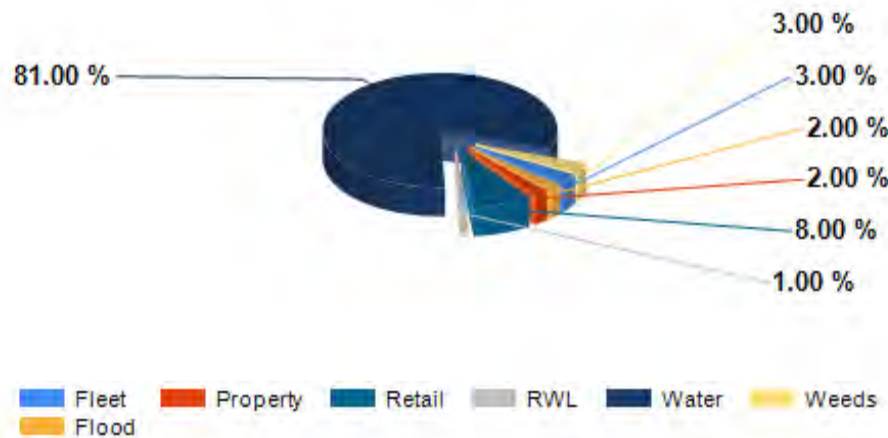
Budget variance	<b>155,572.02</b>
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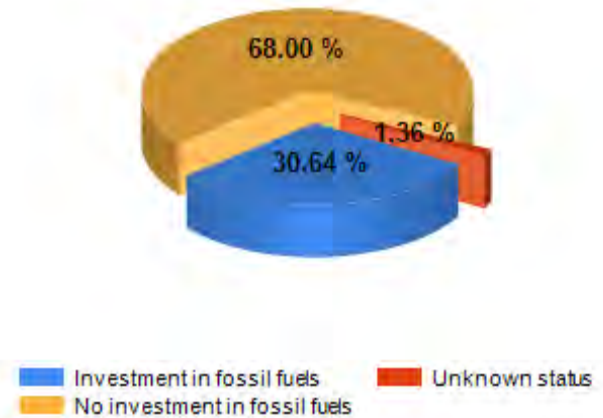
Investment by Type



Investment by Fund



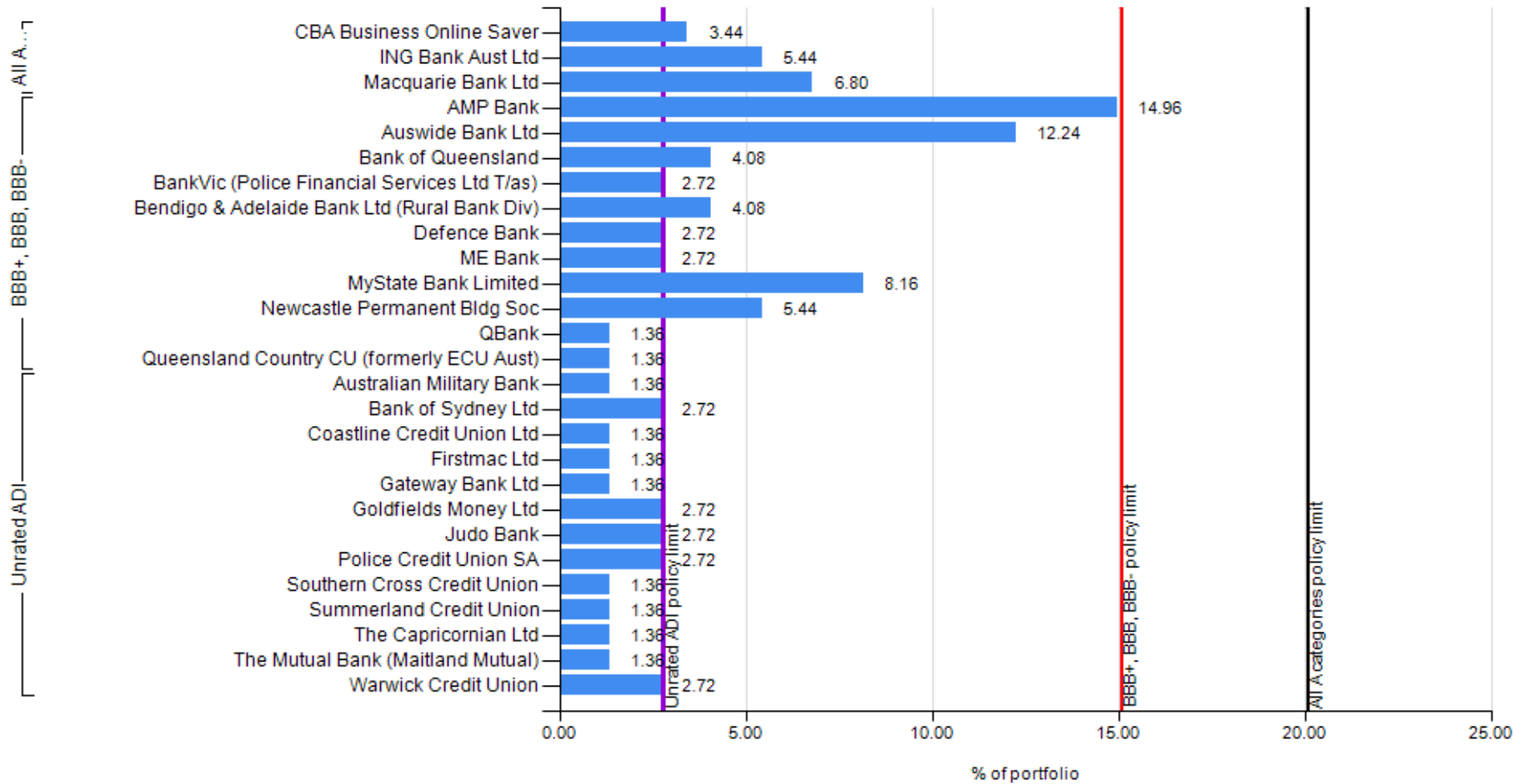
Ethical Investment as a % of Portfolio





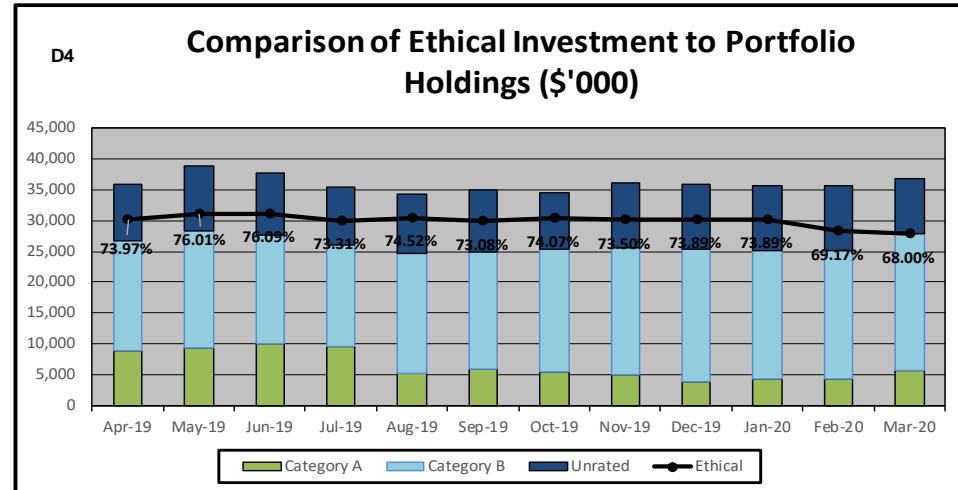
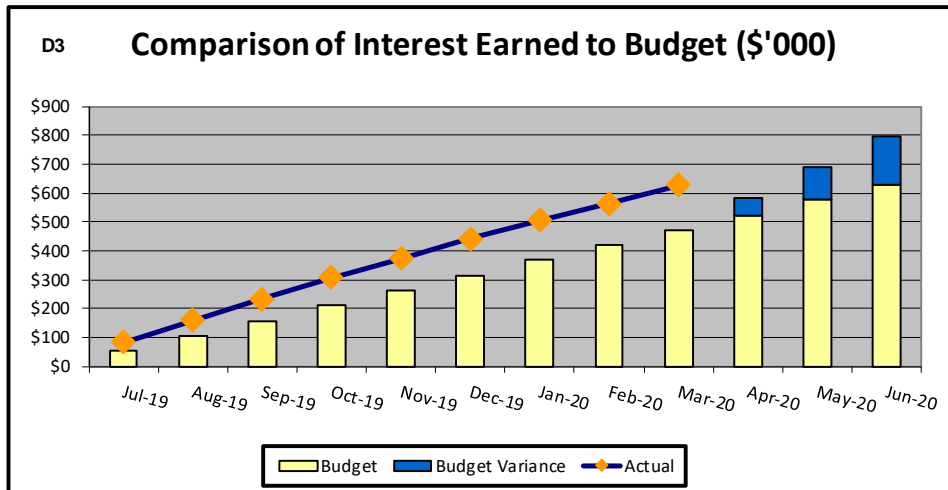
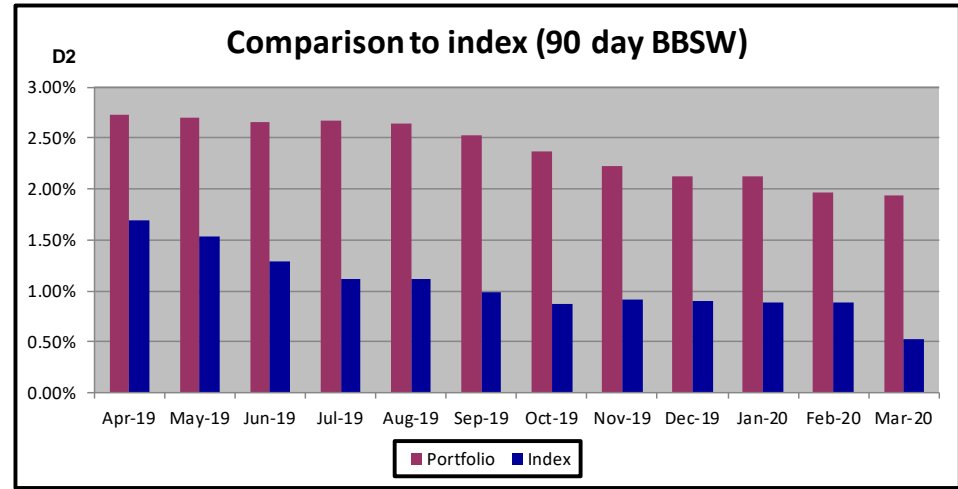
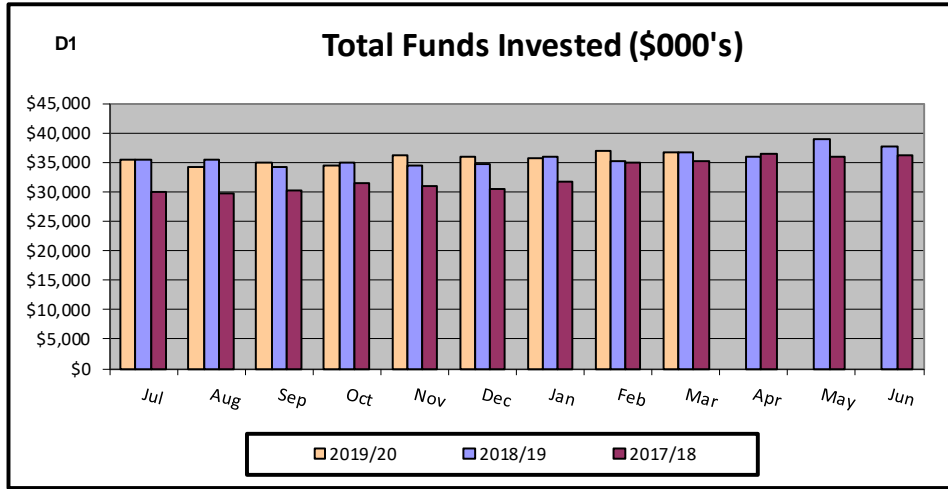
Investment by Institution

Attachment C



Total funds invested - comparisons

Attachment D



## Water production and usage – February 2020 and March 2020

(5/12)

**Business activity priority**

Strategy and planning

**Goal 2**

Align strategic direction to core functions and sustainability

### Background

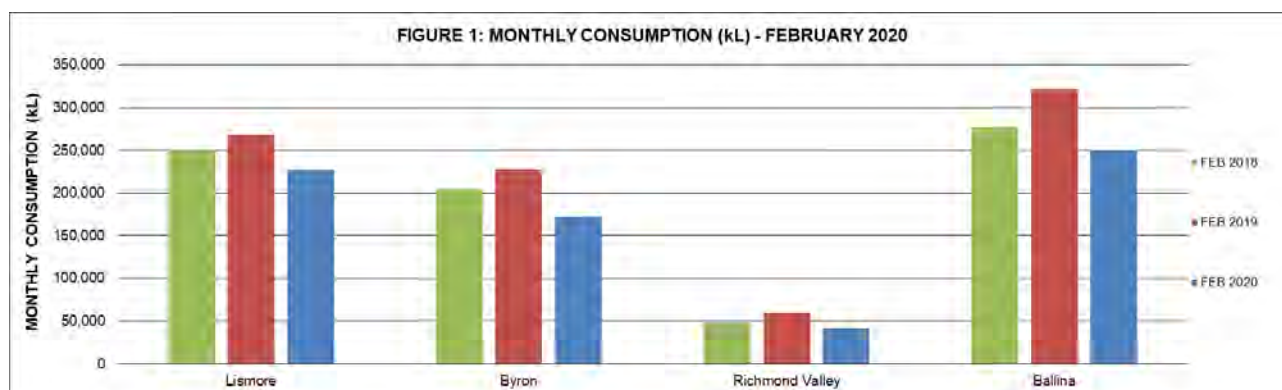
- Summary for February 2020**

The table below is the February 2020 bulk water sales to the constituent councils in kilolitres compared to January 2020 and the corresponding February for 2018 and 2019.

Council	Council area	Feb 2018	Feb 2019	Jan 2020	Feb 2020	Change on previous year %	% of Total
Lismore City Council	Dunoon/The Channon	10,735	13,932	12,460	9,799		
	Clunes	8,122	4,765	4,477	4,398		
	Pineapple Road	526	396	348	409		
	Holland Street	33,451	37,851	38,025	31,011		
	Ross Street	67,924	76,765	75,600	67,661		
	Tullera	1,449	1,416	1,691	1,906		
	No. 4 Reservoir	39,545	61,496	48,642	33,318		
	No. 9 Reservoir	81,917	66,820	78,020	74,978		
	Tanelawn	4,434	4,530	4,327	3,354		
	North Woodburn	647	900	882	610		
	<b>TOTAL</b>		<b>248,750</b>	<b>268,871</b>	<b>264,472</b>	<b>227,444</b>	<b>↓ 15.41%</b>
Byron Shire Council	Bangalow	16,452	14,773	14,943	12,181		
	Byron Bay	42,318	55,079	61,361	43,820		
	Coopers Shoot	82,314	89,486	85,458	60,830		
	Wategos Beach	4,388	4,737	6,491	4,378		
	Brunswick Heads	16,389	16,955	21,997	12,575		
	Ocean Shores	42,496	47,466	49,594	38,642		
	<b>TOTAL</b>		<b>204,357</b>	<b>228,496</b>	<b>239,844</b>	<b>172,426</b>	<b>↓ 24.54%</b>
Richmond Valley Council	Coraki	9,273	10,553	10,270	7,771		
	Woodburn	4,340	5,420	5,598	3,862		
	Broadwater	11,577	13,321	9,112	7,878		
	Evans Head	23,347	30,908	33,613	22,439		
	<b>TOTAL</b>		<b>48,537</b>	<b>60,202</b>	<b>58,593</b>	<b>41,950</b>	<b>↓ 30.32%</b>
Ballina Shire Council	Ballina 375mm main	84,545	64,437	81,990	70,892		
	Lennox Head 200mm main	1,568	1,958	2,919	1,468		
	Basalt Crt 450mm main	129,896	183,145	206,644	120,260		
	Ballina Heights	5,779	6,320	9,390	5,745		
	<b>Sub-Total</b>	<b>221,788</b>	<b>255,860</b>	<b>300,943</b>	<b>198,365</b>		
	Wollongbar 375mm main	56,081	65,925	69,675	52,392		
	Lumley Park Bore	0	0	0	0		
	Converys Lane Bore	0	0	0	0		
	<b>Sub-Total</b>	<b>56,081</b>	<b>65,925</b>	<b>69,675</b>	<b>52,392</b>		
	<b>TOTAL</b>		<b>277,869</b>	<b>321,785</b>	<b>370,618</b>	<b>250,757</b>	<b>↓ 22.07%</b>
<b>TOTAL MONTHLY CONSUMPTION BY CONSTITUENT COUNCILS</b>		<b>779,513</b>	<b>879,354</b>	<b>933,527</b>	<b>692,577</b>	<b>↓ 21.24%</b>	<b>100.00</b>

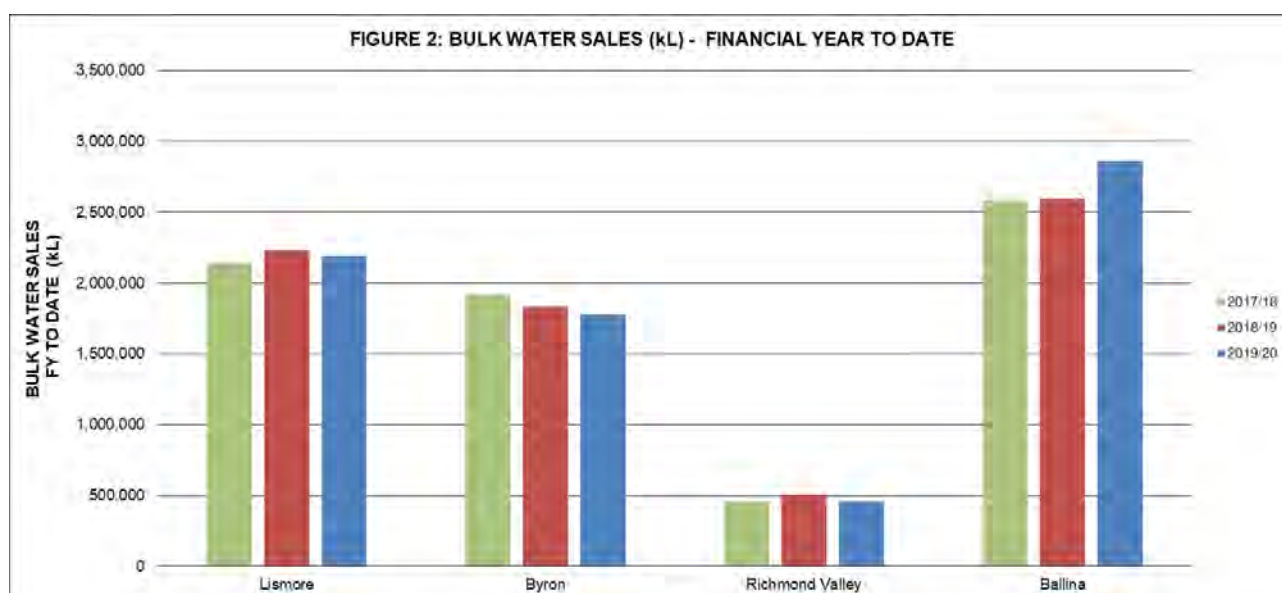
## Monthly consumption by constituents

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 February 2020 averaged 26.039ML. This is a decrease from the January 2020 daily average of 31.452ML. Rocky Creek Dam as at 29 February 2020 was at full capacity.

Source	February 2018	February 2019	January 2020	February 2020	Change on previous year %	% of Total
Rocky Creek Dam	877,864	901,848	865,575	739,205		97.89
Wilson River	3,027	9,057	27,454	0		0.00
Emigrant Creek Dam	0	111,621	81,812	15,915		2.11
Alstonville Plateau Bores	0	0	0	0		
Coastal Sands Bores	0	0	0	0		
<b>MONTHLY TOTAL</b>	<b>880,891</b>	<b>1,022,526</b>		<b>755,120</b>	<b>↓ 26.15%</b>	<b>100.00</b>
<b>CALENDAR YEAR TO DATE TOTAL</b>	<b>2,021,847</b>	<b>2,427,297</b>	<b>974,841</b>	<b>1,729,961</b>	<b>↓ 28.73%</b>	

## New connections

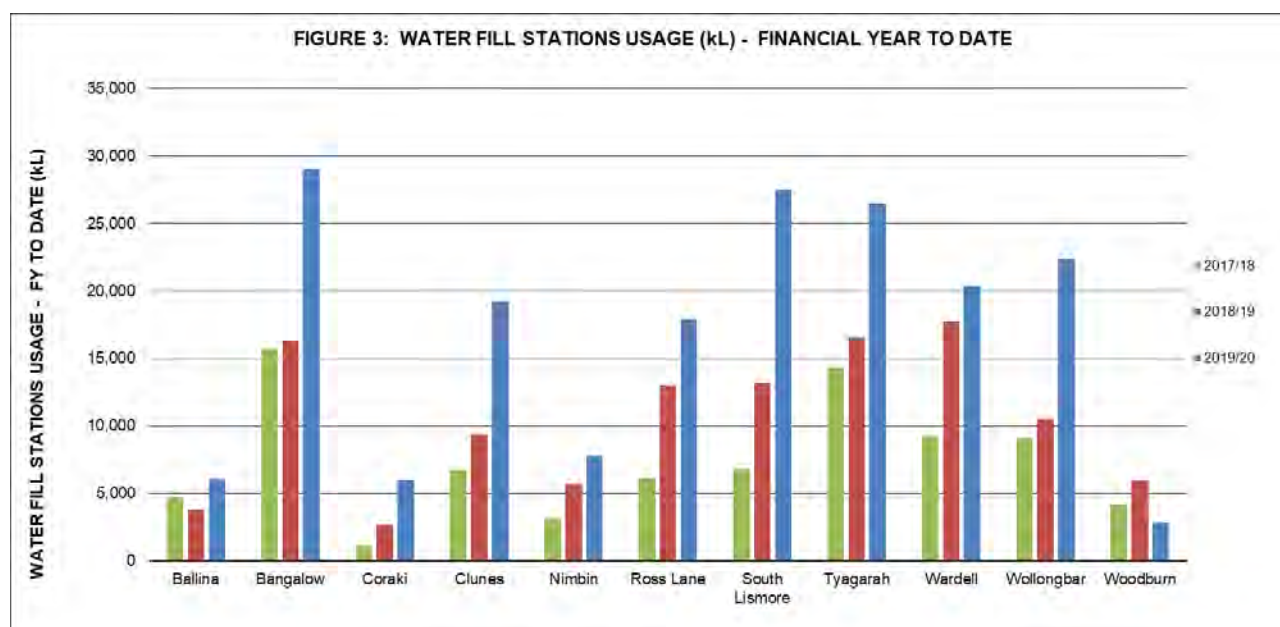
The table below is a summary of the new water connections for each council for the month. The kL/connection/day provides a comparison of the monthly consumption per connection per day.

Supply authority	New connections for month	Calendar year to date total	Total connections	kL/Connection/Day
Lismore City Council	12	20	14,042	0.56
Byron Shire Council	12	76	10,183	0.58
Richmond Valley Council	N/A	2	2,710	0.53
Ballina Shire Council	5	27	15,407	0.56
Rous County Council	0	1	2,123	0.97
<b>TOTAL</b>	<b>29</b>	<b>126</b>	<b>44,465</b>	

## Water fill stations

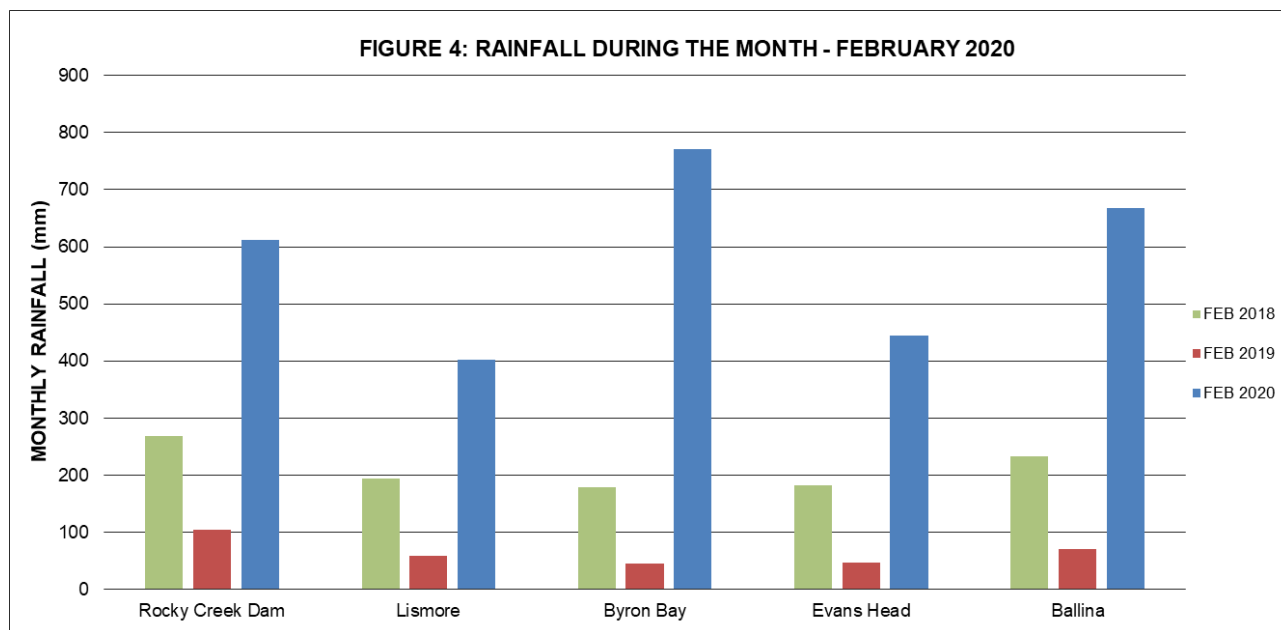
Figure 3 is the usage from the public water fill stations for the financial year to date in kilolitres for each water fill station compared to previous financial years.

Total water usage for the public water fill station network for February 2020 was 1,924kL, a decrease from 13,279kL in January 2020.



**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.



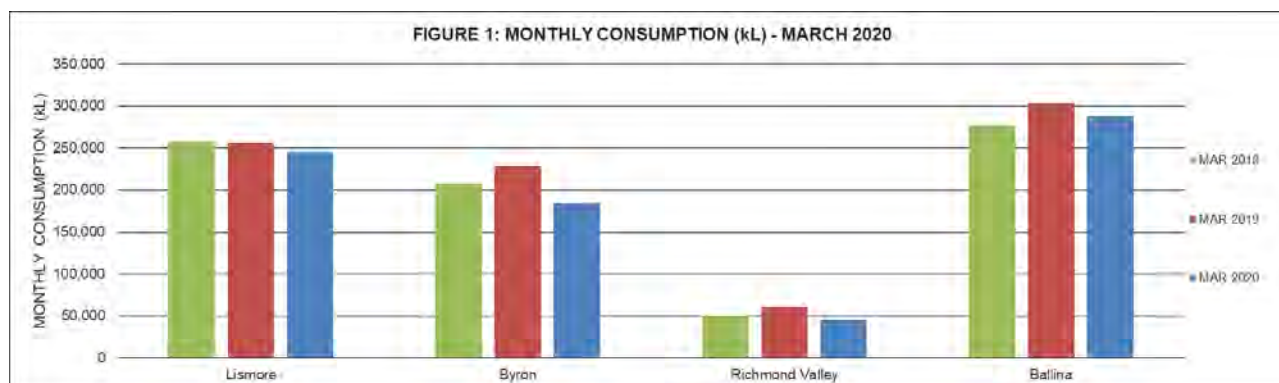
## • Summary for March 2020

The table below is the March 2020 bulk water sales to the constituent councils in kilolitres compared to February 2020 and the corresponding March for 2018 and 2019.

Council	Council area	Mar 2018	Mar 2019	Feb 2019	Mar 2020	Change on previous year %	% of Total
Lismore City Council	Dunoon/The Channon	11,676	11,499	9,799	11,608		
	Clunes	5,952	3,772	4,398	3,895		
	Pineapple Road	694	567	409	413		
	Holland Street	33,958	36,537	31,011	35,048		
	Ross Street	72,388	73,701	67,661	71,614		
	Tullera	1,724	1,368	1,906	1,667		
	No. 4 Reservoir	39,721	55,080	33,318	36,109		
	No. 9 Reservoir	87,290	68,801	74,978	80,361		
	Tanelawn	4,458	3,902	3,354	4,141		
	North Woodburn	639	688	610	685		
	<b>TOTAL</b>	<b>258,500</b>	<b>255,915</b>	<b>227,444</b>	<b>245,541</b>	<b>↓ 4.05%</b>	<b>32.14</b>
Byron Shire Council	Bangalow	17,805	14,796	12,181	13,675		
	Byron Bay	51,071	54,012	43,820	42,854		
	Coopers Shoot	73,538	90,127	60,830	66,055		
	Wategos Beach	5,074	4,240	4,378	5,435		
	Brunswick Heads	15,907	17,260	12,575	13,938		
	Ocean Shores	44,545	48,434	38,642	42,773		
	<b>TOTAL</b>	<b>207,940</b>	<b>228,869</b>	<b>172,426</b>	<b>184,730</b>	<b>↓ 19.29%</b>	<b>24.18</b>
Richmond Valley Council	Coraki	9,778	10,627	7,771	9,030		
	Woodburn	4,424	6,522	3,862	4,298		
	Broadwater	11,246	13,425	7,878	8,215		
	Evans Head	24,548	30,156	22,439	23,697		
	<b>TOTAL</b>	<b>49,996</b>	<b>60,730</b>	<b>41,950</b>	<b>45,240</b>	<b>↓ 25.51%</b>	<b>5.92</b>
Ballina Shire Council	Ballina 375mm main	93,684	78,766	70,892	78,054		
	Lennox Head 200mm main	2,806	2,361	1,468	1,794		
	Basalt Crt 450mm main	117,677	153,960	120,260	140,645		
	Ballina Heights	5,070	7,816	5,745	7,139		
	<b>Sub-Total</b>	<b>219,237</b>	<b>242,903</b>	<b>198,365</b>	<b>227,632</b>		
	Wollongbar 375mm main	58,425	61,025	52,392	60,794		
	Lumley Park Bore	0	0	0	0		
	Converys Lane Bore	0	0	0	0		
	<b>Sub-Total</b>	<b>58,425</b>	<b>61,025</b>	<b>52,392</b>	<b>60,794</b>		
	<b>TOTAL</b>	<b>277,662</b>	<b>303,928</b>	<b>250,757</b>	<b>288,426</b>	<b>↓ 5.10%</b>	<b>37.76</b>
<b>TOTAL MONTHLY CONSUMPTION BY CONSTITUENT COUNCILS</b>		<b>794,098</b>	<b>849,442</b>	<b>692,577</b>	<b>763,937</b>	<b>↓ 10.07%</b>	<b>100.00</b>

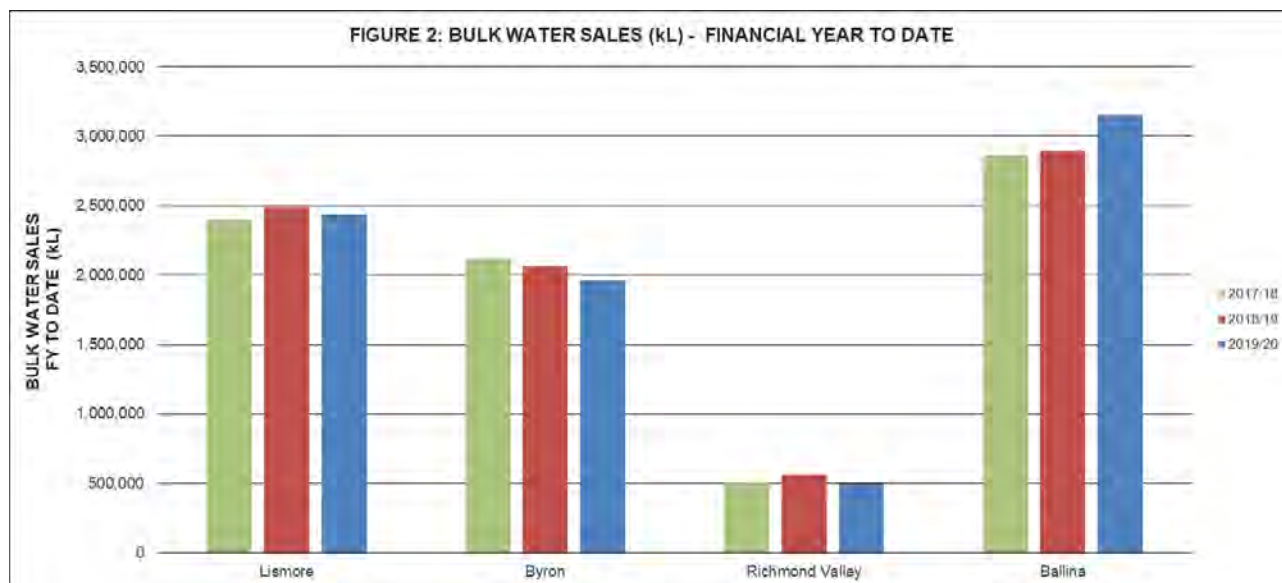
## Monthly consumption by constituents

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 March 2020 averaged 26.02ML. This is a decrease from the February 2020 daily average of 26.039ML. Rocky Creek Dam as at 31 March 2020 was at 99.88% of full capacity.

Source	Mar 2018	Mar 2019	Feb 2019	Mar 2020	Change on previous year %	% of Total
Rocky Creek Dam	877,643	850,090	739,205	800,376		99.22
Wilson River	4,354	20,088	0	0		0.00
Emigrant Creek Dam	3,795	94,253	15,915	6,285		0.78
Alstonville Plateau Bores	0	0	0	0		
Coastal Sands Bores	0	0	0	0		
<b>MONTHLY TOTAL</b>	<b>885,792</b>	<b>964,431</b>	<b>755,120</b>	<b>806,661</b>	<b>↓ 16.36%</b>	<b>100.00</b>
<b>CALENDAR YEAR TO DATE TOTAL</b>	<b>2,907,639</b>	<b>3,391,728</b>	<b>1,729,961</b>	<b>2,536,622</b>	<b>↓ 25.21%</b>	

## New connections

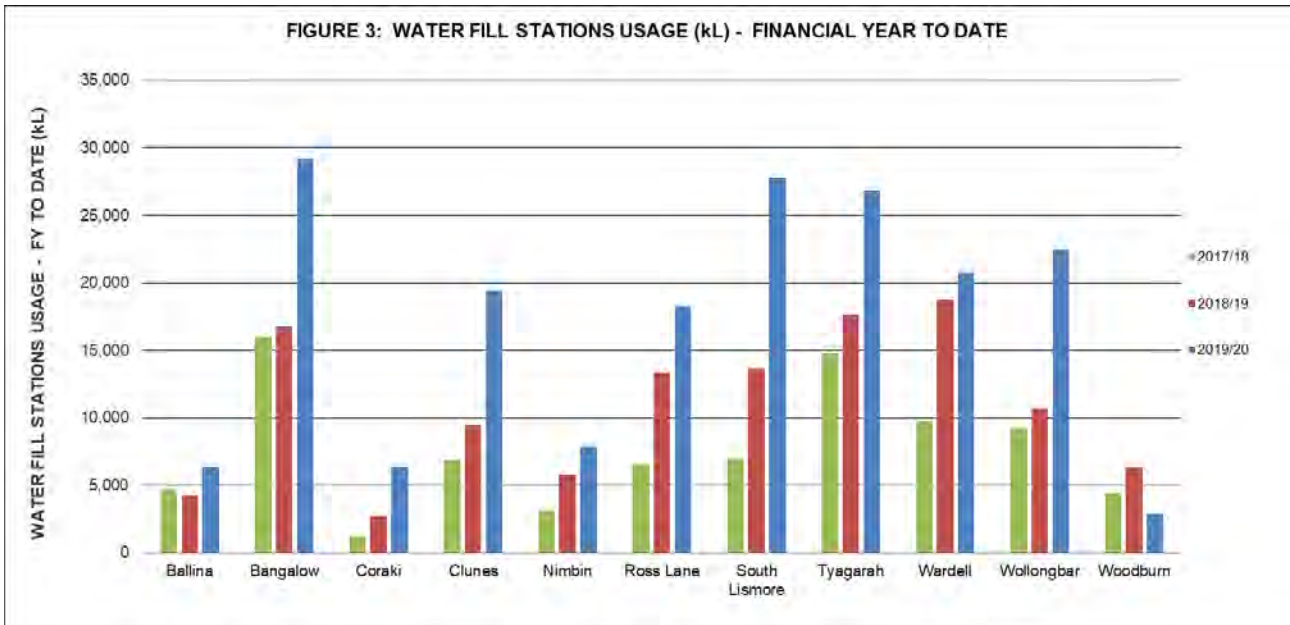
The table below is a summary of the new water connections for each council for the month. The kL/connection/day provides a comparison of the monthly consumption per connection per day.

Supply authority	New connections for month	Calendar year to date total	Total connections	kL/Connection/Day
Lismore City Council	N/A	20	14,042	0.56
Byron Shire Council	25	101	10,208	0.58
Richmond Valley Council	N/A	2	2,710	0.54
Ballina Shire Council	N/A	27	15,407	0.60
Rous County Council	2	3	2,125	0.91
<b>TOTAL</b>	<b>27</b>	<b>153</b>	<b>44,492</b>	

**Water fill stations**

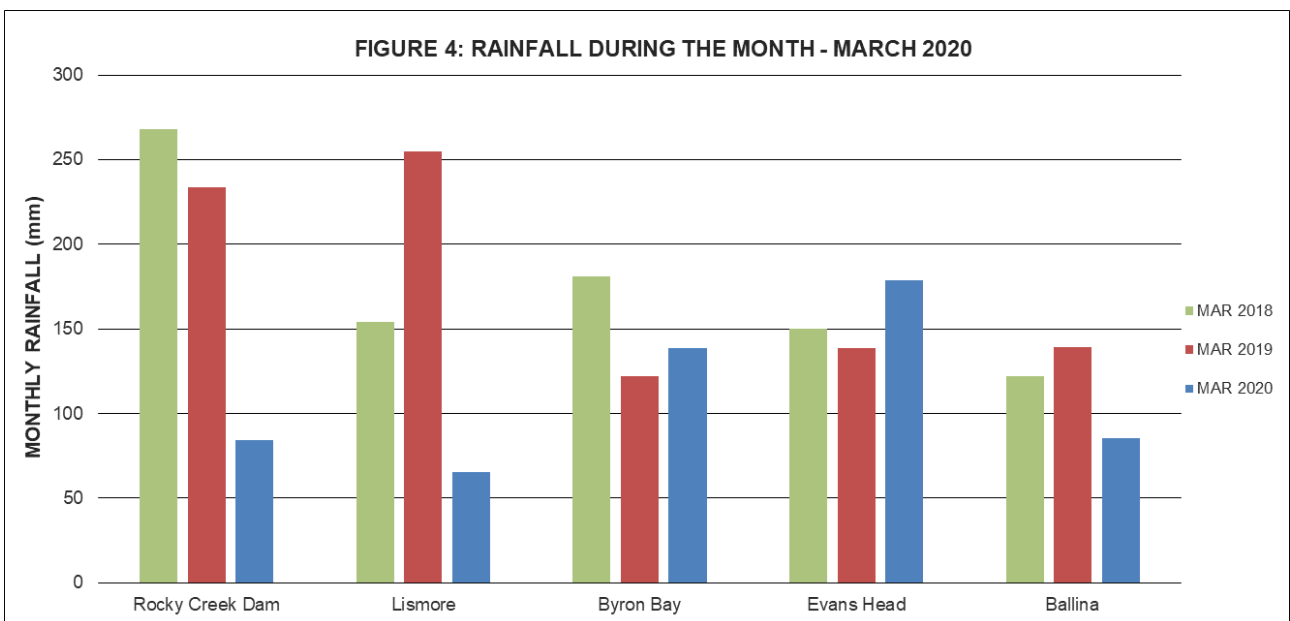
Figure 3 is the usage from the public water fill stations for the financial year to date in kilolitres for each water fill station compared to previous financial years.

Total water usage for the public water fill station network for March 2020 was 2,798kL which is an increase from 1,924kL in February 2020.



**Rainfall by area**

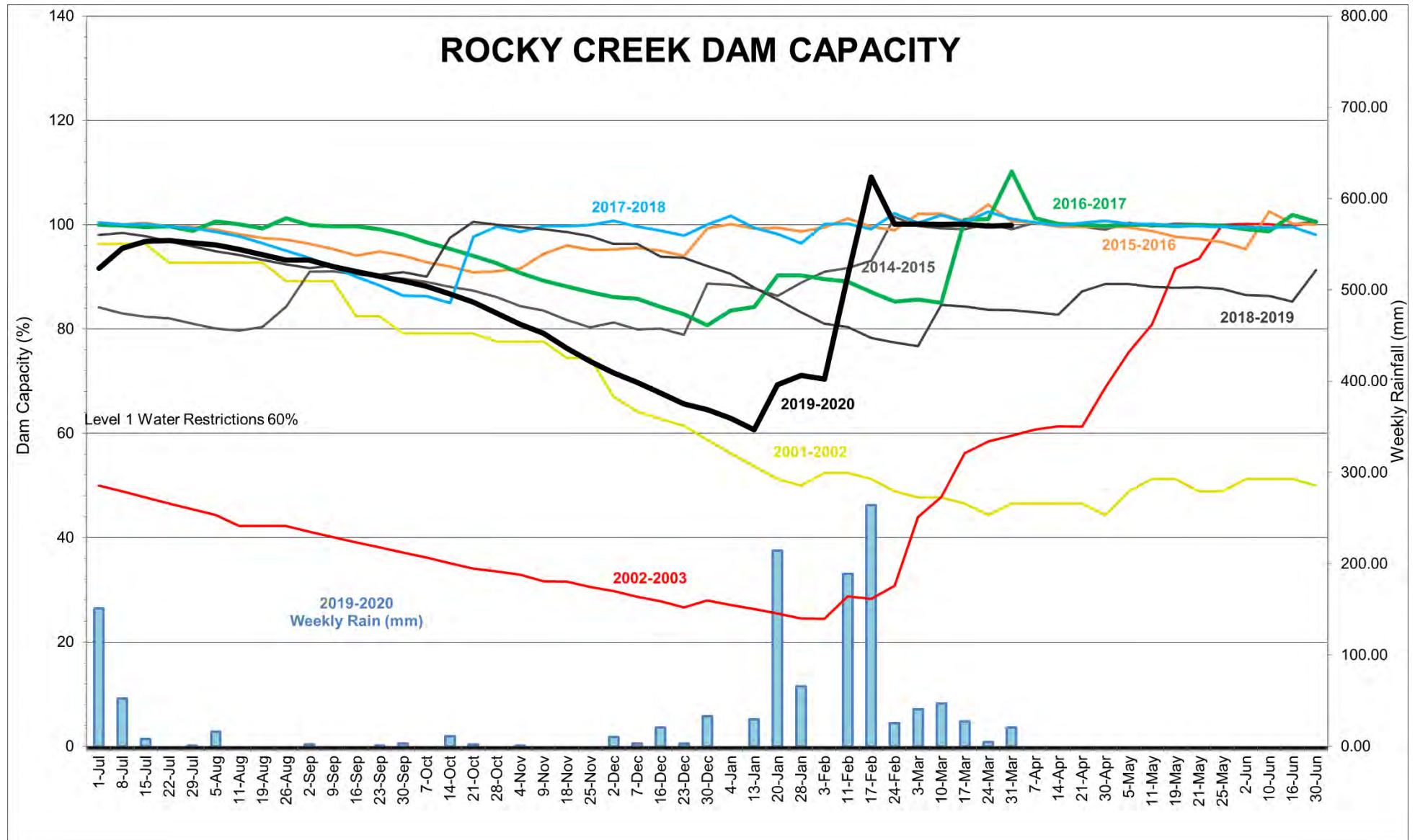
Figure 4 is the monthly rainfall for Rocky Creek Dam and council areas compared to the previous two years.



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.



## Audit, Risk and Improvement Committee – meeting update

(847)

<b>Business activity priority</b>	Strategy and planning
<b>Goal 2</b>	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 23 March 2020.

### Background

The Audit, Risk and Improvement Committee met on 23 March 2020. A copy of the meeting minutes is attached ([1 Attachment](#)).

### Key messages

#### 1. Annual Engagement Plan issued by the Audit Office of NSW for year ending 30 June 2020

Issued by the Audit Office of NSW on 27 February 2020, the Annual Engagement Plan focus areas include:

- New accounting standards
- Revaluation of infrastructure property, plant and equipment (IPPE)
- Assessing the fair value of Council's IPPE
- Information technology general controls
- Capital expenditure.

The Committee were advised that the timetable in the Annual Engagement Plan was designed to meet the Office of Local Government's (OLG) reporting requirements. At that stage the auditors had raised concerns of meeting the 31 October reporting requirement given the Council elections in September. Since then however the Office of Local Government has announced the 12month deferral of elections in response to the COVID-19 pandemic.

#### 2. Management letter (external audit) – progress against completion of action items

The Audit Office of NSW management letter on the final phase of the audit for the year ending 30 June 2019 was reported to the November 2019 Committee meeting. The letter set out 11 issues of which, at the time of writing this report, three have been completed, three are in progress and five have not been started ([Attachment 2](#)).

#### 3. Internal audit

##### a) All actions arising from Council's 2013 Internal Audit Strategy now complete

The final outstanding action from the 2016 Environmental Compliance for Water Quality and Infrastructure internal audit has been completed. The user acceptance testing phase and 'go live' for the water management database (EnviroSys) project occurred in February 2020.

All actions from the 2013 Internal Audit Strategy are now complete.

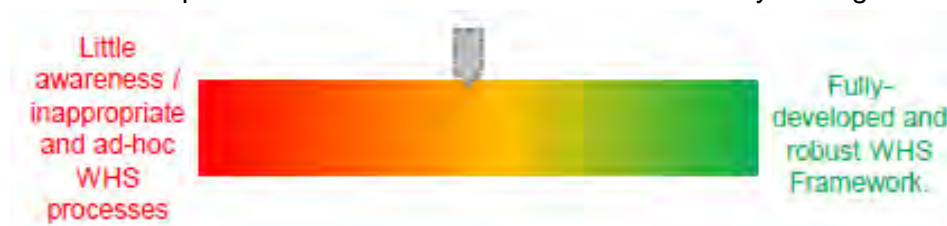


## b) Final report and management responses for WHS review completed

The final audit report including management responses was reported to the Committee. The scope of the audit was as follows:

- Assess compliance with current WHS laws and regulations
- Assess current systems, controls and processes against better practices having regard to size and complexity of Rous County Council
- Perform a gap analysis against ISO 45001
- Review the appropriateness and suitability of WHS information for staff and contractors including the availability and awareness of WHS information.

The overall result was rated as follows primarily due to the audit identifying a lack of consistent implementation of Council's Work Health Safety Management System (WHSMS):



Areas for improvement were identified as:

- Training and induction
- Monitoring
- Reporting Emergency preparedness.

Effective controls already in place were identified as:

- Consultation – multiple mechanisms in place:
  - Dedicated WHS Officer
  - Health and Safety Committee
  - Toolbox meetings
- Task observation, site inspections and KPIs.

### Summary of findings

- **Gap analysis results against the 7 core elements of the ISO 45001**

Clause Summary	Compliant	Partially Compliant	Non-compliant findings	Total
Context	10	1	0	11
Leadership	47	1	0	48
Plan	56	4	3	63
Do Part 1	32	5	5	42
Do Part 2	22	11	1	34
Check	46	7	0	53
Act	21	2	0	23
<b>TOTAL</b>	<b>234</b>	<b>31</b>	<b>9</b>	<b>274</b>



- **Gap analysis 18 Codes of Practice**

#	Code of Practice	Non-compliant findings
1	Managing the risks of hazardous chemicals	4
2	Managing the work environment & facilities	4
3	How to manage & control asbestos in the workplace	2
4	Managing the risk of falls	2
5	Confined spaces	1
6	Construction work	1
7	First aid in the workplace	1
8	How to manage WHS risks	1
9	Managing electrical risks	1
10	Managing the risks of plant	1
11	Welding	Overlap with Item 1
12	Managing noise & preventing hearing loss	0
13	Excavation work	0
14	Hazardous manual tasks	0
15	Labelling or workplace hazardous chemicals	0
16	Safe design of structures	0
17	Safety remove Asbestos	0
18	WHS Consultation Cooperation Coordination	0

Recommendations arising from the audit consist of: 9 in relation to the overall WHS framework and 18 in relation to the Code of Practice gap analysis. Progress against completion of the actions arising from these recommendations will be monitored by Council's contracted internal auditor and reported to each Committee meeting.

**c) Draft Asset Management review report received and preparation of management response underway**

An asset management review was undertaken by Grant Thornton in November 2019. The objectives of the review were to assess the adequacy and effectiveness of Council's internal controls and processes to ensure water supply infrastructure and flood mitigation assets:

- Are renewed and upgraded following a transparent, accountable and evidence-based system
- Maintenance is undertaken in cost effective manner but also to enhance useful life of assets
- Meet the needs of the community
- Budgets are in place and monitored to reduce risk of over expenditure.

The draft report is currently being reviewed by staff and management responses are being prepared. The final report will be furnished to the Committee's May meeting.

**d) Next internal audit to be deferred to 2020/21 – Procure to Pay**

This audit was due to be performed in the second half of 2019/20 however has been rescheduled to 2020/21. The current audit strategy has no audits scheduled to be undertaken in that year.

*Objectives: assess the effectiveness of internal controls and processes in place to ensure Council's Procurement Framework:*

- Promotes value for money
- Encourages competition from suppliers
- Supplier selection is efficient, effective, economical and ethical
- Accountability and transparency in selection and management of suppliers
- Is compliant with applicable policies, procedures, legislative and regulatory requirements (i.e. Tender Guidelines for NSW Local Government)

*Scope: will include a review of the following key elements:*

- Procurement Policies and Procedures
- Segregation of duties across key procurement processing and system enforced user-access
- Delegations of Authority
- Code of conduct training and staff awareness
- Supplier selection and management
- Utilisation and monitoring of preferred supplier panels
- Compliance with Local Government Act 1993 requirements (e.g. transparent tender processes required for high value expenditure on suppliers).
- Review of Gifts register to identify supplier donations
- Analysis of high value and volume suppliers

The specific details of scope of the review will be finalised prior to the review taking place.

The next scheduled internal audit after Procure to Pay will be Project Management in 2021/22.

**4. Information reporting to the Committee**

The following information was furnished to the Committee for information:

- Workers' compensation and WHS performance report 2018/19 – StateCover
- Financial reports from Rous County Council's February 2020 meeting
  - Quarterly budget review statement report
  - Investment report
  - Audit Office of NSW – Report on Local Government 2019 – 5 March 2020
- Performance and process improvement – section 64 developer contributions
- Rous County Council Annual Report 2018/19
- ICT Business Plan 2019-21 update.

**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 23 March 2020. A copy of the minutes from the meeting are attached for information.

Phillip Rudd  
General Manager

## Attachments

1. Minutes from Audit, Risk and Improvement Committee meeting of 23 March 2020
2. Audit Office of NSW final management letter for the year ended 30 June 2019 - issues summary

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# Rous County Council

## Audit, Risk and Improvement Committee Minutes

### Monday, 23 March 2020

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The Chair opened the meeting at 10.00am

In attendance:

Voting Committee:

- Brian Wilkinson (Independent member - Chair) – via Zoom link
- David Yarnall (Independent member)
- Cr Darlene Cook (Council member)

Rous County Council:

- Phillip Rudd (General Manager) – via Zoom link
- Helen McNeil (Group Manager People and Performance)
- Guy Bezrouchko (Group Manager Corporate and Commercial) – via Zoom link
- Andrew Logan (Planning Manager) – via Zoom link
- Geoff Dwyer, TNR – via Zoom link
- Jodie Carter, TNR – via Zoom link

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#### 1. APOLOGIES

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Nil.

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#### 2. ACKNOWLEDGEMENT OF COUNTRY

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

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#### 3. MINUTES OF PREVIOUS MEETING

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Minutes of the meeting held 25 November 2019 were noted as presented.

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#### 4. DISCLOSURE OF INTEREST

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Nil.

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#### 5. STANDARD REPORTS

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**i). Risk Management**

- **Enterprise risk management**
- **Work Health and Safety (WHS)**

**RECOMMENDATION [1/20]** (Wilkinson/Yarnall) that the Audit, Risk and Improvement Committee receive and note the information presented in this report regarding:

1. Enterprise risk management and progress against completion of actions rated 'high' or above in Council's risk register, and

- 
2. Workers' compensation and WHS performance for 2018/19 as reported by StateCover in its annual report to the General Manager.

(CARRIED)

*The meeting agreed to change the agenda order to deal with Item 6 i). Financial Management.*

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## 6. GROUP MANAGER CORPORATE AND COMMERCIAL REPORTS

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### i). Financial management

- **Annual Engagement Plan for year ending 30 June 2020**
- **Management letter (internal audit)**
- **Quarterly Budget Review Statement for quarter ending 31 December 2019**
- **Monthly Investment report – January 2020**

**RECOMMENDATION [2/20]** (Yarnall/Cook) that the Audit, Risk and Improvement Committee receive and note the information presented in the Financial management report – March 2020 regarding:

1. Annual Engagement Plan issued by the Audit Office of NSW for year ending 30 June 2020.
2. Audit Office of NSW Management letter issues, summary of actions.
3. The quarterly budget review report furnished to Council's February 2020 meeting applicable for the quarter ending 31 December 2019.
4. The investment report furnished to Council's February 2020 meeting applicable for the month of 31 January 2020.

(CARRIED)

Geoff Dwyer, TNR and Jodie Carter, TNR left the meeting via Zoom at 10.32am.

*The Committee resumed the normal order of the meeting.*

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## 5. STANDARD REPORTS

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(continued...)

### ii). Governance

- **Internal audit actions – progress reporting**
- **Legislation update**

**RECOMMENDATION [3/20]** (Wilkinson/Cook) that the Audit, Risk and Improvement Committee receive and note the information presented in this report regarding progress against actions arising from internal audits.

(CARRIED)

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iii). **Implementation of Integrated Planning and Reporting framework**

- **2019/20 Delivery program / Operational plan**

**RECOMMENDATION [4/20]** (Cook/Yarnall) that the Audit, Risk and Improvement Committee receive and note the information presented in the report regarding performance in delivery of the 2019/20 Delivery program/Operational plan as reported to Council's 19 February 2020 meeting.

(CARRIED)

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**6. GROUP MANAGER CORPORATE AND COMMERCIAL REPORTS**

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ii). **Financial management**

*This report dealt with earlier in the meeting.*

ii). **Collection of performance data by Council**

**RECOMMENDATION [5/20]** (Wilkinson/Yarnall) that the Committee receive and note this report.

(CARRIED)

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**7. GROUP MANAGER PEOPLE AND PERFORMANCE**

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i). **Other matters**

**RECOMMENDATION [6/20]** (Wilkinson/Yarnall) that the Committee receive and note the report.

(CARRIED)

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**8. CONFIRMATION OF MINUTES**

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i). **Audit, Risk and Improvement Committee meeting minutes 23 March 2020**

**RECOMMENDATION [7/20]** (Yarnall/Cook) that the minutes of the Audit, Risk and Improvement Committee meeting held 23 March 2020 be confirmed.

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**9. NEXT MEETING**

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Monday, 25 May 2020.

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**10. CLOSE OF BUSINESS**

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There being no further business the meeting closed at 11.37am.



**Audit office of NSW management letter issues on the final phase of the audit****Summary of issues**

Issue Detail	Likelihood	Consequence	Risk assessment	Person responsible	Proposed date to be actioned	Status	Comments
1 Absence of a Legislative Compliance Policy	Possible	Medium	Moderate	Helen McNeil	30 November 2020	IN PROGRESS	Staff are currently reviewing the merit of a commercial compliance database software solution to replace the existing excel spreadsheet tool that is in use. If a decision is made to proceed with the purchase of the software solution (which is expected to by the end of February 2020) staff will proceed to design and develop an internal program for compliance monitoring and reviewing.
2 Absence of Fraud Control Plan	Possible	Medium	Moderate	Helen McNeil	30 June 2020	NOT YET STARTED	
3 Fraud health checks not performed	Possible	Medium	Moderate	Helen McNeil	31 December 2020	NOT YET STARTED	
4 Fraud prevention awareness	Possible	Medium	Moderate	Helen McNeil	30 June 2020	NOT YET STARTED	
5 Absence of conflict of interests declaration	Possible	Medium	Moderate	Ben Wilson		COMPLETE	
6 No annual review of code of conduct	Likely	Medium	Moderate	Ben Wilson		COMPLETE	
7 Absence of cyber risk policy / framework	Possible	Medium	Moderate	Kris Greensill	29 February 2020	IN PROGRESS	Management have reviewed the effectiveness of the IT Standards in managing Council's cyber risk. It is likely that changes will be made, either through the administration of IT Standards or specific policies and procedures
8 Absence of a register of cyber incidents	Possible	Medium	Moderate	Kris Greensill	29 February 2020	IN PROGRESS	Management have reviewed the effectiveness of the current register arrangements and will consider changes as per reponse in number 8 above.
9 Updated fraud control policy	Possible	Low	Low	Ben Wilson		COMPLETE	Updated Fraud and Corruption Control Policy was adopted by Council at its meeting on 22 October 2019 (resolution number 82/19).
10 Public to report on alleged fraudulent Council activities	Rare	Medium	Low	Ben Wilson	31 March 2020	NOT YET STARTED	
11 Absence of an asset renewal policy	Likely	Low	Low	Natalie Woodhead	30 April 2020	IN PROGRESS	Exiting Capitalisation Policy is being reviewed and updated to recognise Council's renewal/new processes. A more detailed Asset Management project is being conducted that incorporates whole of Council requirements and needs.

**Review of matters raised in prior year management letters****This matter will be followed up during the 2020 audit.**

Issue	Prior issues raised	Likelihood	Consequence	Risk assessment	Person responsible	Proposed date to be actioned	Status	Assessment of action taken
1	Purchase orders approved after goods or services have been received (confirming orders)	Possible	Medium	Moderate	Samantha Watkins		IN PROGRESS	Procedure documents are currently being updated, further training to be provided once finalised. Management continue to address SW UPDATE 4/2/2020 - Council's Procurement procedure has been updated to be explicit in this regard and communicated to all staff via supervisors and an all staff meeting. A Procurement compliance review process with procedure and checklist is in early stages of implementation. This requires supervisors to audit a percentage of Purchase Orders each quarter against council's procedure. The compliance procedure and procurement procedure are under ongoing review and further updates are likely before the end of the financial year, based on feedback of useability. Council's Procurement policy is also being reviewed and updated alongside the Tenders policy, with anticipated endorsement by Council by June 2020 at this time.

## Audit office of NSW management letter issues on the final phase of the audit

## Summary of issues

Issue Detail	Likelihood	Consequence	Risk assessment	Person responsible	Proposed date to be actioned	Status	Comments
2 Policies and Procedure Framework	Possible	Medium	Moderate	Ben Wilson		IN PROGRESS	<p>All policies and procedures have an assigned review date and it has been identified that many are overdue for review. Personnel changes in recent years have posed a setback in achieving the desired rate of progress in this area. Nevertheless, staff have triaged all Council policies identified for review and continue to work with policy owners to progress the review process. The only action outstanding is to complete the assessment of review timing for policies based on risk. It is expected that this will be complete by the assigned due date. Note that as part of this process, procedures will automatically inherit the parent policy risk rating.</p> <p>It should be noted that in conjunction with this body of work progress is also being made to develop a 'governance hierarchy' to ensure that Council staff are better informed and aware of the role and purpose of policy v. procedure and other supporting documentation. This is an important activity to undertake at the same time as the review process to ensure that all internal key stakeholders can effectively participate in and inform the review process.</p>
3 Procurement	Possible	Medium	Moderate	Samantha Watkins		IN PROGRESS	Procedure documents are currently being updated, further training to be provided once finalised. Management continue to address.
4 Data Breach Framework	Possible	Medium	Moderate	Kris Greensill	31 December 2019	IN PROGRESS	Management have reviewed the effectiveness of the IT Standards in managing Council's Data Breach Framework. It is likely that changes will be made, either through the administration of IT Standards or specific policies and procedures

## Fluoride plant dosing performance report: January to March 2020 - Q1

(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 January to March 2020 - Q1*, 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 report is for the 1 January to 31 March 2020 quarter (Q1).

- **Fluoride plants' performance**

Plant performance is measured against three criteria:

1. Australian Drinking Water Guidelines (ADWG) Health guideline value upper limit of 1.5 mg/L.
2. NSW Health Code of Practice for Fluoridation of Public Water Supplies ('Code') - target over a calendar year that > 95% of **all samples** (dosed water and distribution) are between 0.9 and 1.5 mg/L; and
3. The Code - consistently achieve an overall fluoride dose of between 0.95 to 1.05 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 1.5 mg/L.
2. Monthly 95<sup>th</sup> Percentile results for **all samples** collected (dosed water and distribution) during the quarter are shown in Charts 1, 3, 5 and 7. Results were within the Code's target range of 0.9 to 1.5 mg/L with the exceptions listed below:
  - a) Results at Dorrroughby were low in January and results for Clunes low in February. Both exceptions were due to planned maintenance activities that required each plant to be shut down for a period of approximately two weeks. To prepare for the maintenance activity operators were required to run the plants at lower dosed fluoride concentrations for several weeks prior to each respective plant shut down.
  - b) The Corndale fluoride plant was shut down for the month of March 2020 due to failure of the flow meter as a result of an electrical surge during a storm.
3. Monthly 95<sup>th</sup> Percentile results for **dosed water** at each fluoride plant is shown in charts 2, 4, 6 and 8. Results were within the Code's dosing range of 0.95 to 1.05 mg/L with exceptions listed below:

- a) Results at Dorroughby and Clunes were low during January and February due to planned maintenance activities that required each plant to be shut down for a period of approximately two weeks. To prepare for the maintenance activity operators were required to run the fluoride plants at lower dosed fluoride concentrations for several weeks prior to the respective plant shut down.
- b) The Corndale fluoride plant was shut down for the month of March 2020 due to failure of the flow meter as a result of an electrical surge during a storm.
- c) The 95<sup>th</sup> percentile result for Knockrow January 2020 was 0.941 mg/L which is just below the target level. The low fluoride dose was the result of a minor operational issue which subsequently required the plant to be shut down for maintenance.

### Fluoride deliveries

During Q1, there was one delivery of 5 kg Bottled Sodium Fluoride which was delivered to the Corndale plant. The Fluoride delivery was 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?
IXOM	Sodium Fluoride	07/01/2020	19-064-01	NA	Corndale	960	Yes

### Conclusion

For the period 1 January to 31 March 2020 quarter, the four fluoride plants operated by Council have met the dosing targets prescribed in the Australian Drinking Water Guidelines. Except for maintenance activities carried out at Dorroughby and Clunes during January and February, the four fluoride plants met the target range in the NSW Health Code of Practice for Fluoridation of Public Water Supplies.

Phil Courtney  
[Group Manager Operations](#)

Attachment 1:

- Chart 1 – Clunes Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - All Results
- Chart 2 – Clunes Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - Daily Results

Attachment 2:

- Chart 3 – Corndale Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - All Results
- Chart 4 – Corndale Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - Daily Results

Attachment 3:

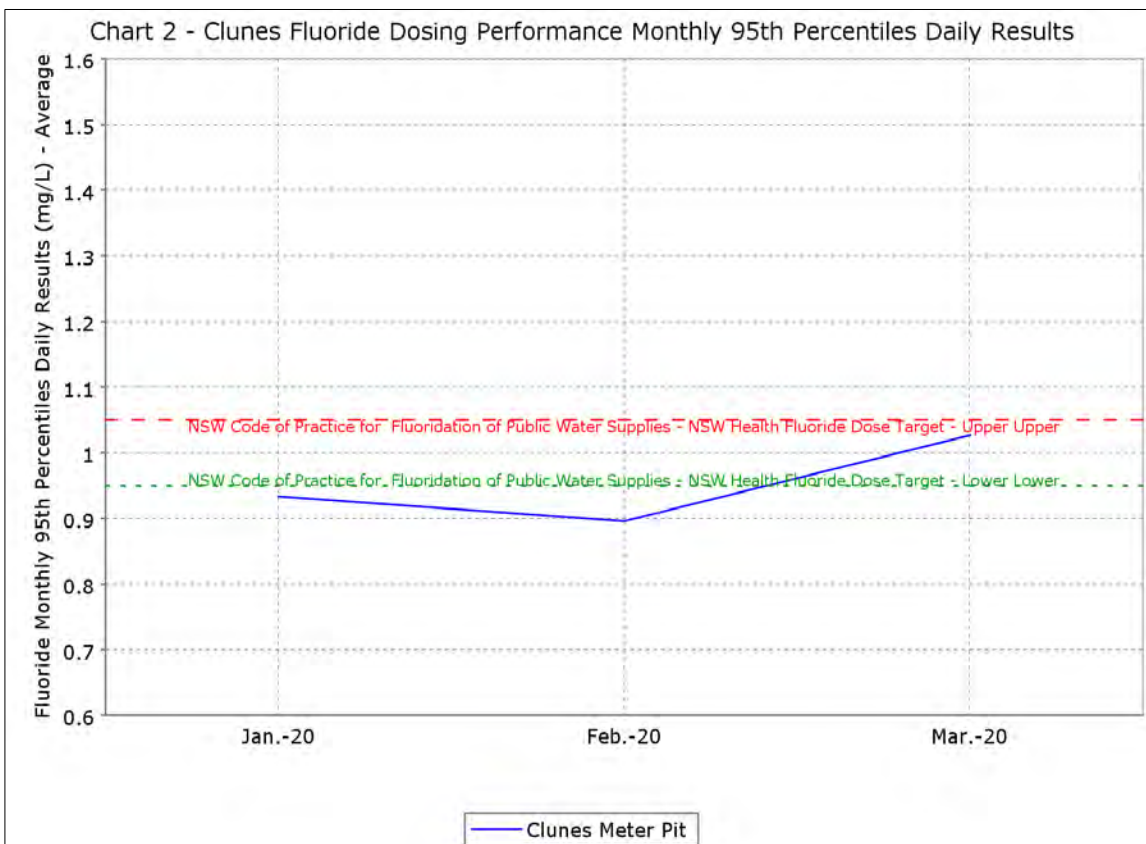
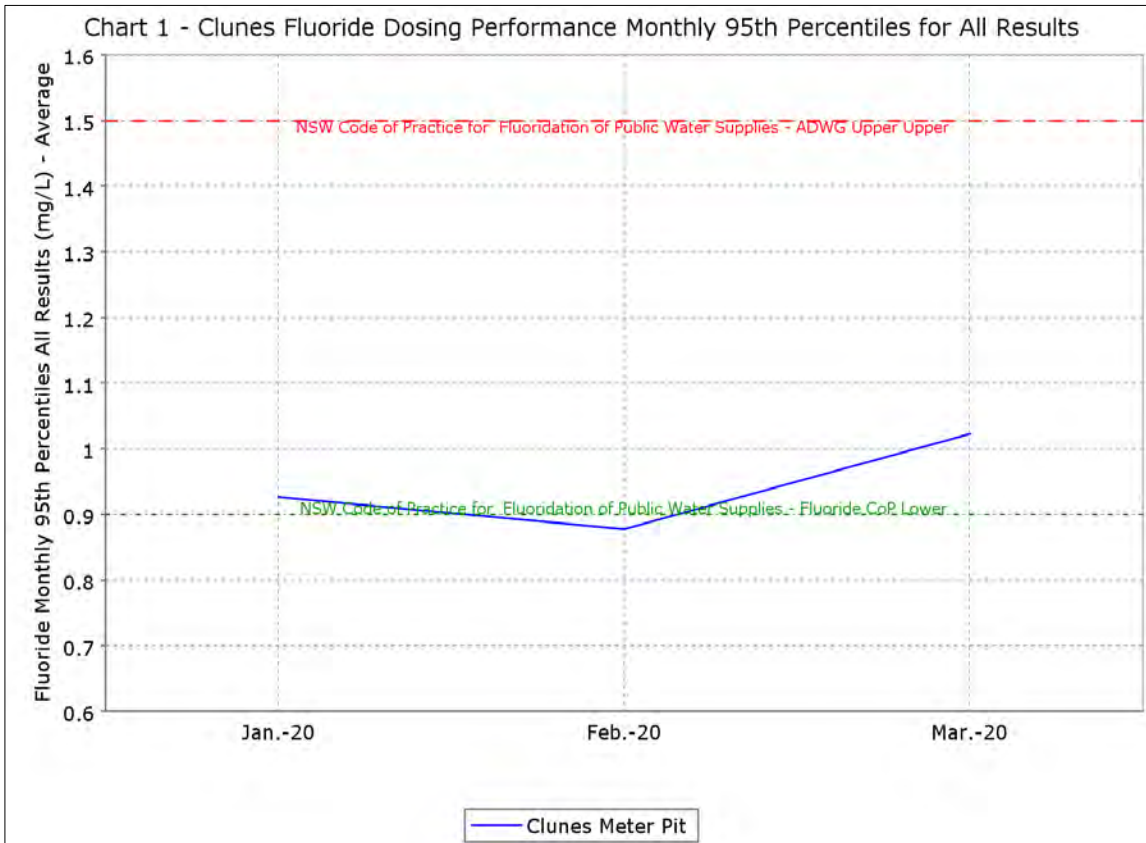
- Chart 5 – Dorroughby Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - All Results
- Chart 6 – Dorroughby Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - Daily Results

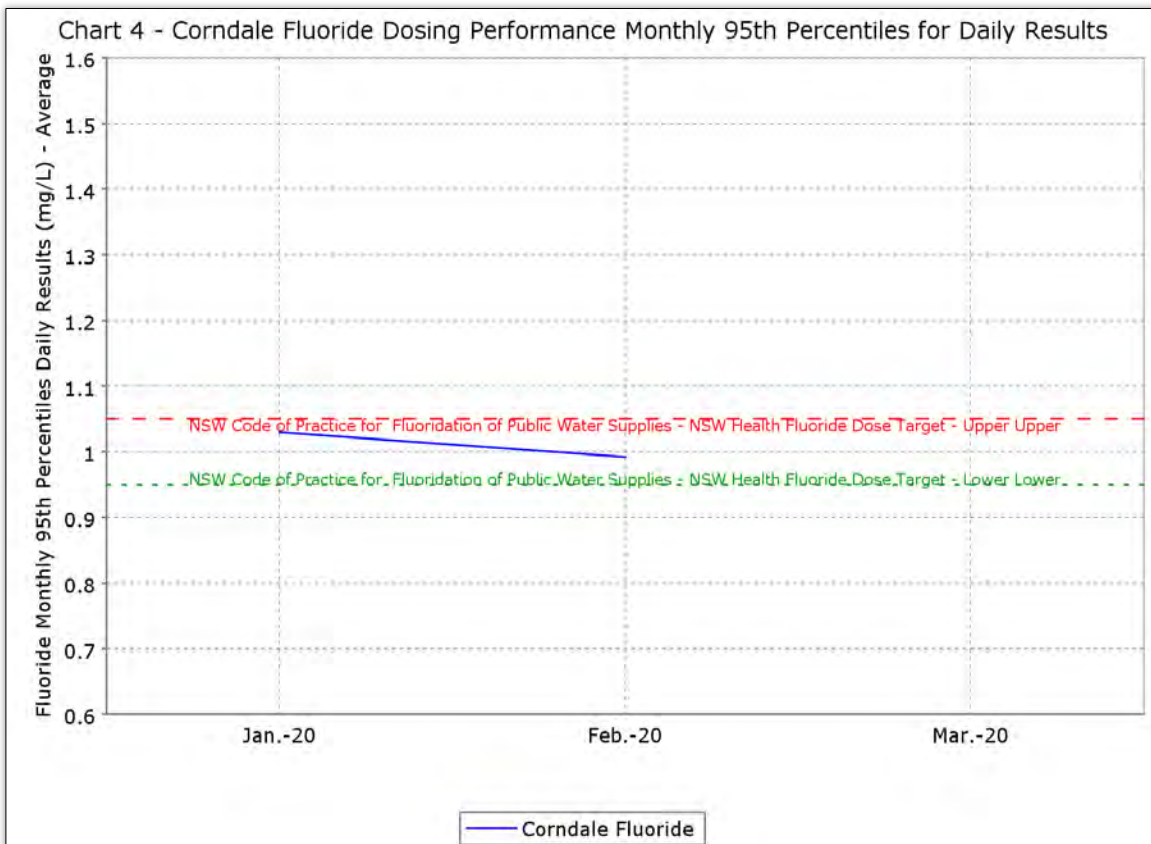
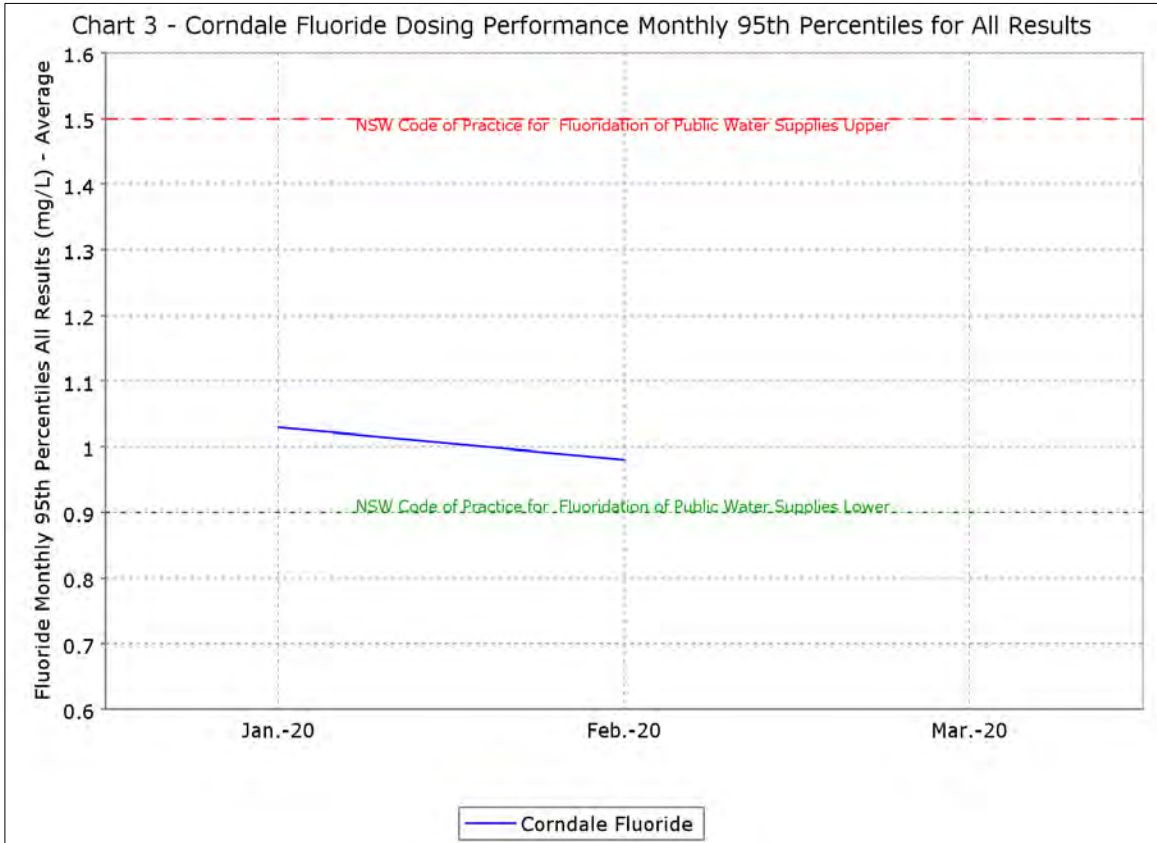
Attachment 4:

- Chart 7 – Knockrow Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - All Results
- Chart 8 – Knockrow Fluoride Plant Dosing Performance – Monthly 95<sup>th</sup> Percentiles - Daily Results

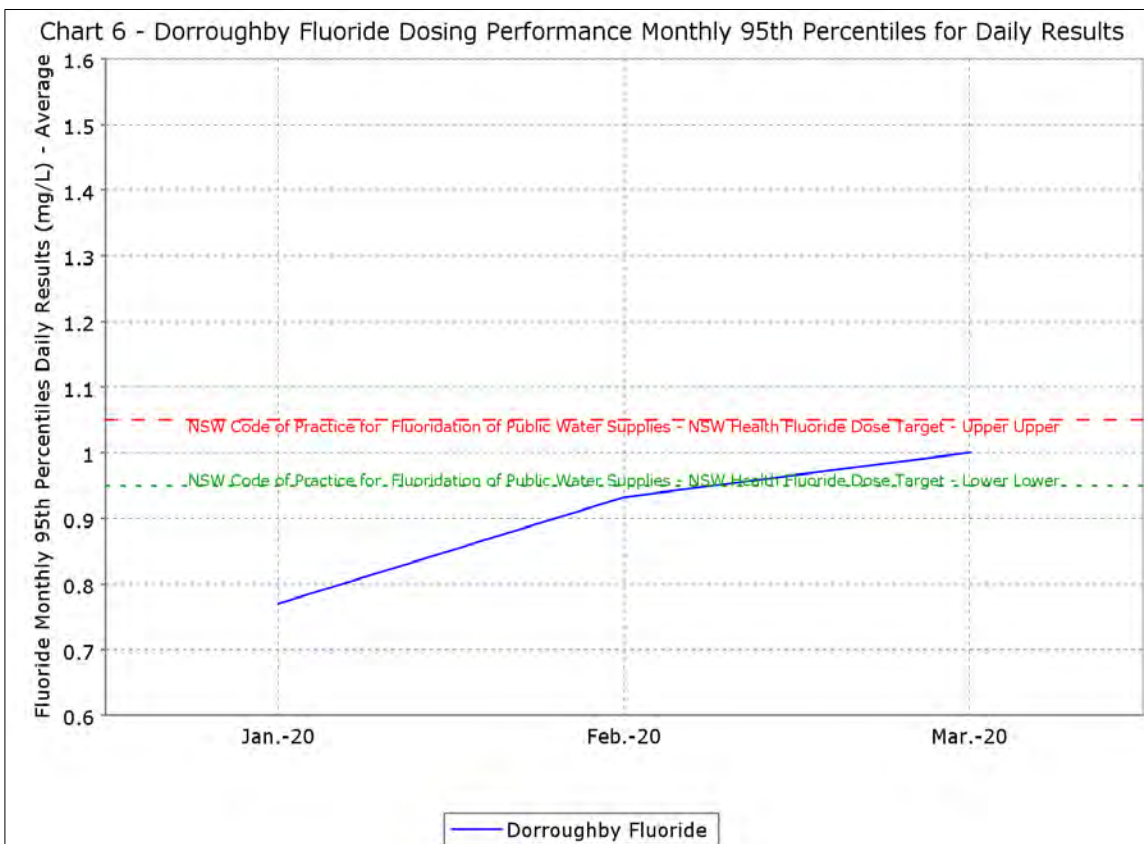
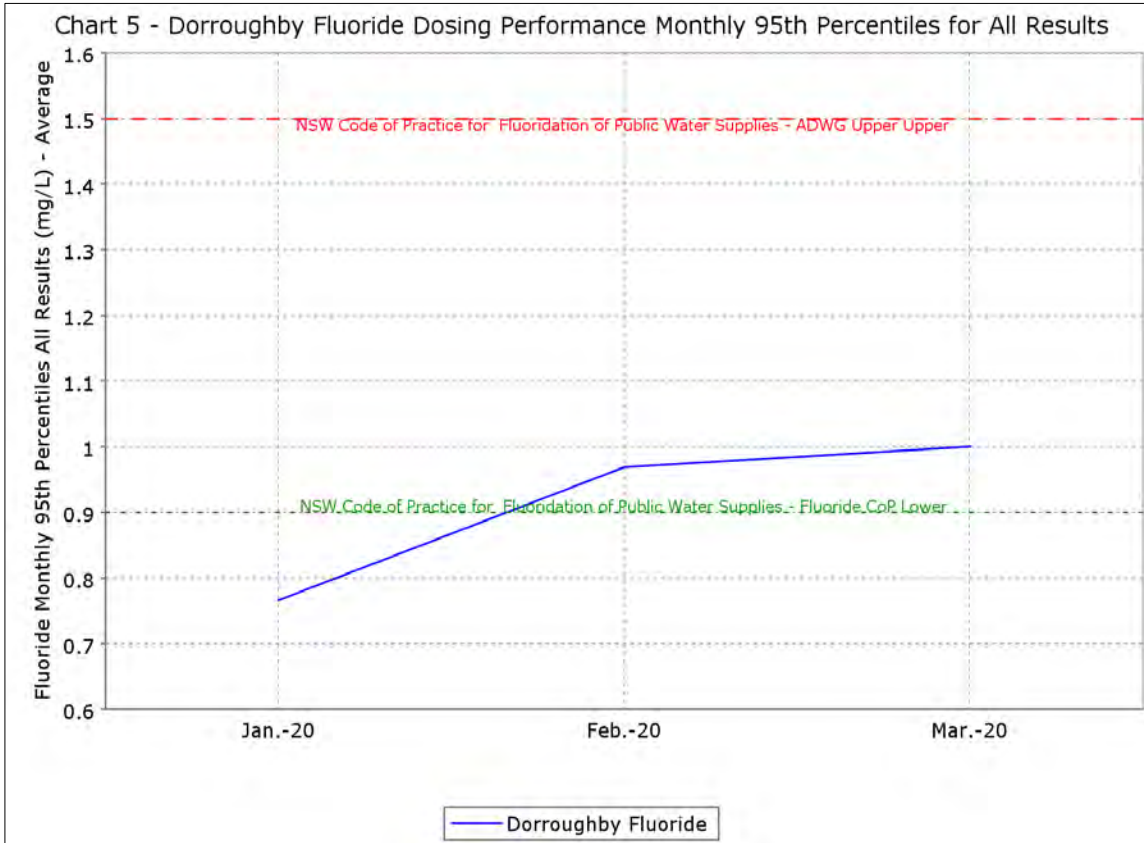
Attachment 5:

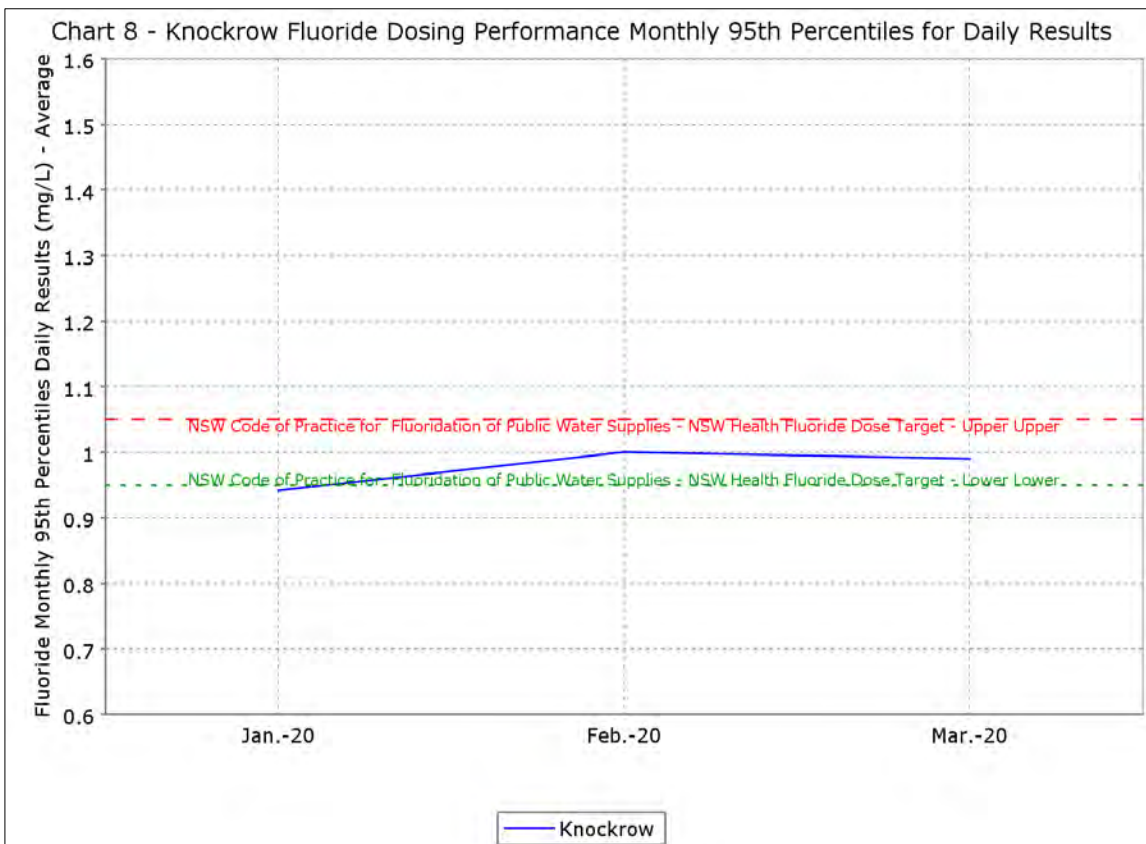
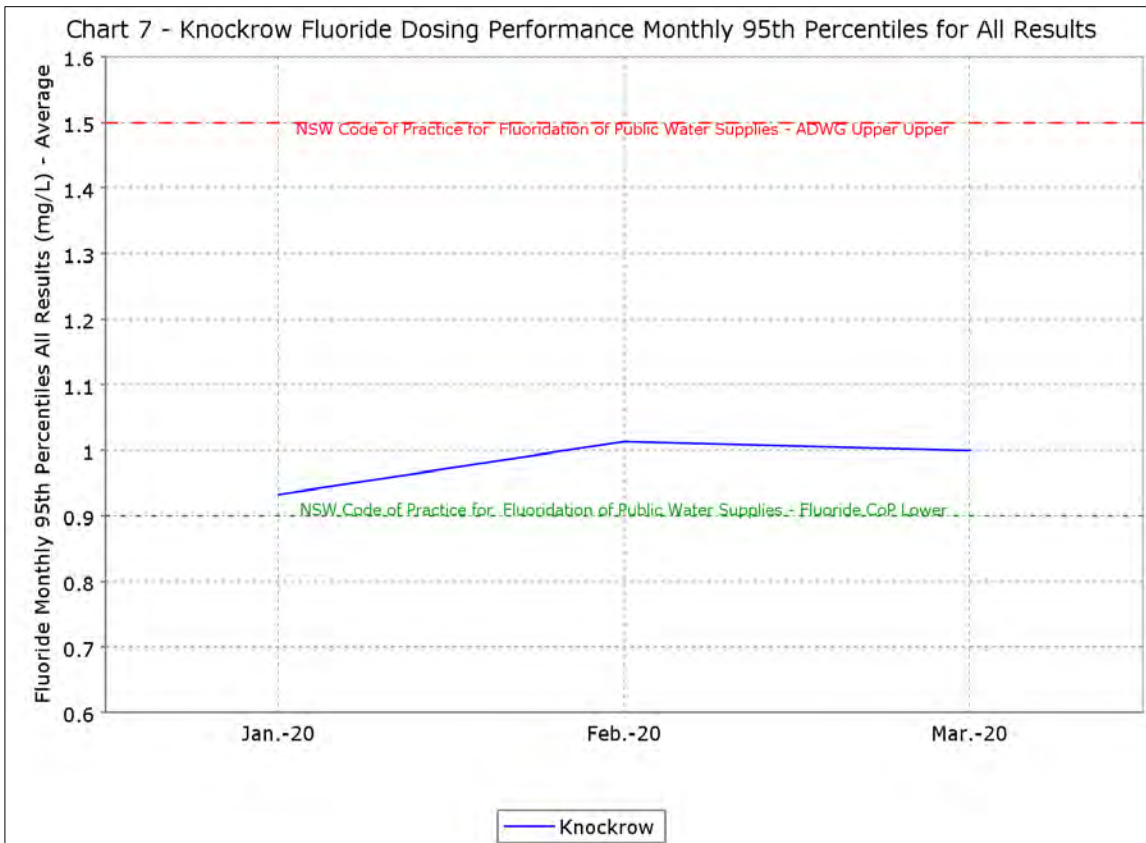
- Certificate of Analysis for Sodium Fluoride batch 19-064-01.











# Result Sheet

**Attachment 5**

Telephone: 03-9565 9888 International: +61-3-9565 9888  
 Facsimile : 03-9565 9879 International: +61-3-9565 9879  
 Web Site: www.hrlt.com.au

**HRL Technology Group Pty Ltd**  
 ABN 89 609 887 327

Unit 4, Level 1, 677 Springvale Road  
 Mulgrave Victoria 3170  
 AUSTRALIA

Date: **2<sup>nd</sup> December '19** File No. **67180025** Report No. **19-1439-20**

To: Name **Chris Howard**  
 Company **IXOM Chemicals**  
 Address **Level 10, 1 Nicholson Street,  
 East Melbourne, Vic 3002  
 Australia**

Fax No. Tel No. **03 9906 3128**

From: Name **Andrew Curry** Tel No. **03 9565 9862**

Number of pages including this page: 2

## ANALYSIS OF SODIUM FLUORIDE POWDER

**Background:** A sample of Sodium Fluoride with Lot # 19-064-01 was sampled by IXOM, then forwarded to the HRL laboratories, for analysis.

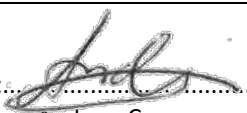
**Analysis :** The analysis for purity, % moisture, sizing and trace element impurity levels (excluding Hg) were determined in accordance with ANSI/AWWA B701-11. The mercury level was determined by cold vapour generation atomic absorption spectrometry.

### Results:

Table 1 presents results for the chemical and physical analysis.

Table 2 presents results for particle size.

Table 3 presents results for the regulated metals in accordance with AWWA B701-11.

Signed:   
 Andrew Curry  
 Analytical Chemist

Approved:   
 Marius Harmse  
 Group Leader – LATS

**Distribution:** Copy 1: Client. Copy 2: HRL Project File.

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The results presented in this report relate exclusively to the samples selected by the client for the purpose of testing. No responsibility is taken for the representativeness of these samples.

QA741H

**Table 1:** – Chemical & Physical Analysis.

Parameter	Unit	Lot # 19-064-01
Sodium Fluoride Content	%	99.8
Moisture	%	0.10

**Table 2:**-Particle Size.

Mesh Size	Unit	Lot # 19-064-01
-20 mesh	%	100.00
+100 mesh	%	12.04
-325 mesh	%	6.90

**Table 3:** Trace Element Analysis.

Element	Unit	Lot # 19-064-01
Al	mg/kg	99
As	mg/kg	<2
Ba	mg/kg	<1
Be	mg/kg	<1
Cd	mg/kg	<1
Co	mg/kg	<1
Cr	mg/kg	<1
Cu	mg/kg	<1
Fe	mg/kg	3
Pb	mg/kg	<2
Mn	mg/kg	<1
Ni	mg/kg	<1
Sb	mg/kg	<1
Ag	mg/kg	<1
Se	mg/kg	<1
Tl	mg/kg	<1
V	mg/kg	<1
Zn	mg/kg	<1
Hg	mg/kg	0.02

## 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.

Meeting	Resolution	Status
20/02/19	<b>Confidential report: Development Servicing Plan for Bulk Water Supply 2016 – request for deferred payment arrangement</b>	
	<p>RESOLVED [13/19] (Mustow/Cadwallader) that Council:</p> <ol style="list-style-type: none"> <li>1. Receive and note this report;</li> <li>2. Approve the request for deferred payment arrangements as set out in the report;</li> <li>3. <a href="#">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</a></li> <li>4. Reject any further consideration of similar requests until point 3. is complete and a policy position is determined.</li> </ol>	Scheduled for review before the expiry of the current Development Servicing Plan in 2021.
21/08/19	<b>Delivery program progress update: 1 January to 30 June 2019</b>	
	<p>RESOLVED [55/19] (Cameron/Ekins) that Council:</p> <ol style="list-style-type: none"> <li>1. Receive and note the report and attachment.</li> <li>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.</li> <li>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.</li> </ol>	COMPLETE (3 and 4). General Manager emailed Councillors 27/09/19 regarding Disability Awareness training, seeking feedback by 31/10/2019. The trialled training package has been rolled out to staff for completion. The release of the training coincided with the 'International Day of People with a Disability', which was on 3 December 2019.

Meeting	Resolution	Status
	<p>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.</p> <p>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>	
<b>11/12/19</b>	<b>Information reports</b>	
	A future report be provided to Council on Perradenya cycleway.	IN PROGRESS. Scheduled with Lismore City Council 19 March 2020 occurred and awaiting a response from Lismore City Council.

Phillip Rudd  
General Manager



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## Confidential matters

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### Recommendation

That Council move into Closed Council to consider the following matters and the meeting be closed to members of the public and press based on the grounds detailed below:

<b>1. Report</b>	<b>Financial assistance for pensioners – section 582</b>
<b>Grounds for closure</b>	Section 10A(2)(b) the personal hardship of any resident or ratepayer.
<b>Public interest</b>	Public discussion would not be in the public interest due to disclosure of personal information.

#### *Section 10A, Local Government Act, 1993:*

A Council may close to the public only so much of its meeting as comprises the receipt or discussion of any of the following:

#### *Section 10A(2):*

- (a). personnel matters concerning particular individuals (other than councillors),
- (b). the personal hardship of any resident or ratepayer,
- (c). information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business,
- (d). commercial information of a confidential nature that would, if disclosed:
  - (i). prejudice the commercial position of the person who supplied it, or
  - (ii). confer a commercial advantage on a competitor of the Council, or
  - (iii). reveal a trade secret,
- (e). information that would, if disclosed, prejudice the maintenance of law,
- (f). matters affecting the security of the council, councillors, council staff or council property,
- (g). advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,
- (h). information concerning the nature and location of a place or an item of Aboriginal significance on community land.

#### *Section 10A(4):*

Council may allow members of the public to make representations to or at a meeting before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.