



Ordinary meeting business paper

Wednesday, 19 April 2023

commencing 10.00 am

Rous Administration Centre (L4), 218-232 Molesworth Street, Lismore

In accordance with clause 5.21 of the *Local Government Act 1993*, attendees at today's Council meeting are advised that this meeting is being 'live' streamed (except for the confidential session).

- All speakers should refrain from making any defamatory comments or releasing any personal information about another individual without their consent.
- Council accepts no liability for any damage that may result from defamatory comments made by persons attending meetings. All liability will rest with the individual who made the comments.
- This meeting must not be recorded by others without the prior written consent of the Council in accordance with Council's Code of Meeting Practice.

AGENDA

1. Opening of the meeting

2. Acknowledgement of Country

Rous County Council acknowledges the Traditional Custodians of the land upon which we work and live. We pay our respects to the Elders of the past, present and emerging and acknowledge their continuing connection to Country who will guide us on our shared journey to the future.

3. Apologies and Leave of Absence

4. Confirmation of Minutes of previous meeting

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5. Disclosure of Interest

6. Matters of urgency

7. Notices of Motion / Questions with Notice

Nil.

8. Group Manager Corporate and Commercial reports

8.1 Quarterly Budget Review Statement for the quarter ending 31 March 2023 5 - 27

8.2 Public exhibition: Draft Operational plan (incorporating the 2023/24 Budget and 'Revenue' policy) 28 - 130

9. Group Manager Planning and Delivery reports

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11.2	Gallans Road - Consolidation of workspaces	217 - 260
12.	Close of business	

**MINUTES OF THE ORDINARY MEETING OF ROUS COUNTY COUNCIL HELD
WEDNESDAY, 15 FEBRUARY 2023 AT COUNCIL'S ADMINISTRATION OFFICER, 218-
232 MOLESWORTH STREET, LISMORE**

The Chair opened the meeting at 10.09 am.

In attendance:

Councillors (Voting Committee):

- Cr Robert Mustow, Richmond Valley Council (Chair)
- Cr Sharon Cadwallader, Ballina Shire Council (Deputy Chair)
- Cr Rod Bruem, Ballina Shire Council
- Cr Michael Lyon, Byron Shire Council
- Cr Sarah Ndiaye, Byron Shire Council
- Cr Andrew Gordon, Lismore City Council
- Cr Big Rob, Lismore City Council
- Cr Sandra Humphrys, Richmond Valley Council

Council staff:

- Phillip Rudd, General Manager
- Andrew Logan, Group Manager Planning and Delivery
- Geoff Ward, A/Group Manager Corporate and Commercial
- Jonathan Patino, Finance Business Partner
- Anthony Acret, NRM Planning Coordinator
- Noeline Smith, Executive Assistant
- Luka Taylor, ICT Support Officer
- Robyn Waldron, Observer

Apologies

- Helen McNeil, Group Manager People and Performance
- Adam Nesbitt, Group Manager Operations

1 ACKNOWLEDGEMENT OF COUNTRY

Rous County Council acknowledges the Traditional Custodians of the land upon which we work and live. We pay our respects to the Elders of the past, present and emerging and acknowledge their continuing connection to Country who will guide us on our shared journey to the future.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RESOLVED [1/23] (Cadwallader/Rob) that the Minutes of the meeting 15 December 2022 be confirmed as presented.

3 DISCLOSURE OF INTEREST

Nil.

4 CHAIR'S MINUTE

Nil.

5 NOTICES OF MOTION

Nil.

6 GENERAL MANAGER REPORTS

Nil.

7 GROUP MANAGER CORPORATE AND COMMERCIAL REPORTS

7.1 Quarterly Budget Review Statement for Quarter Ending 31 December 2022

RESOLVED [2/23] (Bruem/Rob) that Council note the results presented in the Quarterly Budget Review Statement as at 31 December 2022 and authorise the variations to the amounts from those previously estimated.

MOVED (Bruem/Gordon) that Rous write to the Federal Minister for Education expressing disappointment regarding the rejection of the bid for the nature-based study (Australian Research Council Linkage) and requesting continuation with the Study.

On being put to the meeting the Motion was Carried.

RESOLVED [3/23] (Bruem/Gordon) that:

1. Council notes the results presented in the Quarterly Budget Review Statement as at 31 December 2022 and authorise the variations to the amounts from those previously estimated.
2. Council writes to the Federal Minister of Education outlining disappointment at the outcome of the ARC research application / bid and strongly recommend that they reconsider their decision not to fund the project.

7.2 Retail Water Customer Account Assistance

RESOLVED [4/23] (Cadwallader/Rob) that Council:

- a) In accordance with section 356(1) of the *Local Government Act 1993* and its 'Retail Water Customer Account Assistance' policy, approve financial assistance as listed in Table 1 of this report.
- b) Receive and note the 'Retail Water Customer Account Assistance Report' will cease to be presented to Council.
- c) Receive and note that a bi-annual financial assistance information report will instead be presented to Council.

8 GROUP MANAGER PLANNING AND DELIVERY REPORTS

8.1 Finalisation of the Scoping Study for the Richmond River Coastal Management Program

RESOLVED [5/23] (Rob/Ndiaye) that Council:

1. Receive and note the submissions report outlining the public exhibition process and outcomes associated with the Scoping Study (Stage 1 of the Richmond River Coastal Management Program).
2. Endorse finalisation of the Scoping Study as outlined in the submissions report.

8.2 Adoption of the Bulk Water Supply and Retail Water Supply Development Servicing Plans

RESOLVED [6/23] (Rob/Bruem) that Council:

1. Note there were no public submissions lodged during the public exhibition period.
2. Adopt the '*Bulk Water Supply Development Servicing Plan*' as tabled at the Council meeting held on 14 December 2022 with implementation of the updated charge from 1 July 2023.
3. Adopt the '*Retail Water Supply Development Servicing Plan*' as tabled at the Council meeting held on 14 December 2022 with implementation of the charge from 1 July 2023.

9 POLICIES

9.1 Policies for Revocation

RESOLVED [7/23] (Cadwallader/Lyon) that Council revoke the 'Community Sponsorship and Donations' policy dated 19 May 2004 attached to this report and any policy revived as a result of the revocation.

10 INFORMATION REPORTS

RESOLVED [8/23] (Humphrys/Cadwallader) that Council receive and note the following reports:

1. Investments – January 2023
2. Water production and consumption – December 2022
3. Debt write-off information summary
4. Delivery program update - 1 July 2022 to 31 December 2022
5. Reports/actions pending
6. Supply of Industrial Control and Integration Support Contract # RCC1122-0014

11 MATTERS OF URGENCY

Nil.

12 CONFIDENTIAL MATTERS

RESOLVED [9/23] (Cadwallader/Humphrys) that Council move into Closed Council to consider the following matter and the meeting be closed to members of the public and press based on the grounds detailed below:

12.1 Supply of Industrial Control and Integration Support - Contract # RCC1122-0014

RESOLVED [10/23] (Bruem/Cadwallader) that Council:

1. Accept the schedule of rates tender submitted by SAFEgroup Automation Pty Ltd for a period of up to 5 years.
2. Approve an upper limit contract value of up to \$750,000 ex GST per year.

13 QUESTIONS WITHOUT NOTICE

Nil.

14 CLOSE OF BUSINESS

Meeting closed at 11.06am

Quarterly Budget Review Statement for the quarter ending 31 March 2023

Responsible Officer: Group Manager Corporate and Commercial (Geoff Ward)

Recommendation

That Council note the results presented in the Quarterly Budget Review Statement as at 31 March 2023 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 2022/23 budget was adopted on 15 June 2022 as part of the 2022/23 Operational plan and the 2022/26 Delivery program.

Finance

(QBRs1) Report by Responsible Accounting Officer

The following statement is made in accordance with clause 203(2) of the *Local Government (General) Regulation 2021*.

"It is my opinion that the Quarterly Budget Review Statement of Rous County Council for the quarter ended 31 March 2023 indicates that Council's projected financial position at 30 June 2023 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."



Jonathan Patino
Responsible Accounting Officer

Commentary on Proposed Adjustments – March 2023 (Table 1)

The following table details proposed budget variations as compared to the original budget and quarterly adjustments. The tables that follow summarise the changes on a reporting unit basis. For reporting purposes, only changes over \$5,000 are individually referenced.

Operating income has increased by \$0.5M, operating expenditure has been reduced by \$1.7M, capital revenue has decreased by \$3.4M and capital expenditure has decreased by \$13.6M resulting in an overall change of \$12.4M to be transferred back to reserves.

Significant Adjustments

- **Capital Works Program**

Management have taken the QBRS and the 2023/2024 budget process as an opportunity to do a detailed review of upcoming capital works. Our capital work program continues to be impacted by delays resultant from the floods and the availability of resources. The review of capital expenditure has been holistic, in that the impact to outer years has also been reviewed and funds have not automatically been transferred to future years.

- **Impact on Reserves as a Whole**

The required changes this quarter will provide a substantial increase to our budgeted reserves, meaning our internal reserves policy position will be met, along with the New South Wales Treasury Corporation loan covenant requirement to hold reserves that equal 6 months of the next financial year's operating expenditure less depreciation.

(QBR2) Table 1: Summary of Proposed Changes Whole Organisation – March 2023

BUDGET ITEMS	Original Budget 2022/23	2021/22 Carryovers	September	December	March	Ref	Projected Year End Result 2022/23
			30-Sep-22	31-Dec-22	31-Mar-23		
			Quarter	Quarter	Quarter		
Operating Income							
Bulk	20,767,100	0	575,700	654,700	1,087,300	BW1, BW2, BW3, BW4	23,084,800
Retail	3,099,200	0	0	0	0		3,099,200
Flood	1,061,600	0	(5,400)	0	0		1,056,200
Weeds	1,618,400	0	293,600	280,800	9,700	WB1	2,202,500
RWL	868,300	0	0	0	(596,800)	RWL1	271,500
Commercial Property	163,500	0	0	0	0		163,500
Fleet	75,000	0	0	174,900	0		249,900
TOTAL OPERATING INCOME	27,653,100	0	863,900	1,110,400	500,200		30,127,600
Operating Expenses							
Bulk	25,617,200	1,176,600	(195,000)	(689,500)	(1,383,500)	BW5, BW6, BW7, BW8, BW9, BW10, BW12, BW14, BW25, BW26, BW27, BW28, BW29	24,525,800
Retail	3,176,500	0	60,000	5,700	0		3,242,200
Flood	1,679,500	79,400	118,600	10,800	(80,500)	FM1, FM2, FM3	1,807,800
Weeds	1,735,400	0	929,100	0	0	WB2	2,664,500
RWL	843,800	0	0	0	(340,000)	RWL2	503,800
Commercial Property	312,600	0	0	0	85,000	P1	397,600
Fleet	75,200	0	0	4,200	0		79,400
TOTAL OPERATING EXPENSES	33,440,200	1,256,000	912,700	(668,800)	(1,719,000)		33,221,100
OPERATING RESULT	(5,787,100)	(1,256,000)	(48,800)	1,779,200	2,219,200		(3,093,500)
Exclude Depreciation	7,813,800	0	0	0	0	BW14	7,813,800
Cash Result	2,026,700	(1,256,000)	(48,800)	1,779,200	2,219,200		4,720,300
Add: Capital Income	32,595,800	0	(25,000,000)	0	(3,372,800)	P3	4,223,000
Less: Capital Expense	26,236,800	10,472,000	(6,479,300)	679,800	(13,568,300)	BW11, BW13, BW15, BW16, BW17, BW18, BW19, BW20, BW21, BW22, BW23, BW24, BW25, RW1, RW2, FM4, FM5, FM6, P2, P4, RWL3, BW30, BW31, BW32, BW33	17,341,000
Less: Loan Repayments	4,488,600	0	(884,000)	0	0		3,604,600
Add: From/Less: (To) Reserve	(3,897,100)	11,728,000	17,685,500	(1,099,400)	(12,414,700)		12,002,300
Estimated Cash Movement	0	0	0	0	0		0

Budget Adjustments required this Quarter

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2022/23)	LTFP (2023/24-2031/32)	
Existing	Interest Revenue	BULK	Operating Revenue	BW1	(500,000)	0	Increased revenue due to high interest rates and cash reserves.
Existing	Northern Rivers Joint Organisation Service Fee	BULK	Operating Revenue	BW2	(35,000)	0	A new agreement began on 1 January 2023.
New	Rous Water Customers Water Security Project Grant Funding	BULK	Operating Revenue	BW3	(502,300)	(1,507,100)	Rous has been successful with obtaining grant funding from the Department of Planning and Environment for the Rous Water Customers Water Security Project under the Safe and Secure Funding. The grant will provide up to \$2,009,400 towards several projects totalling \$8,037,600. The expenditure for these projects has already been included in the budget.
New	Washdown Bay Grant Funding	BULK	Operating Revenue	BW4	(50,000)	0	Successful grant funding of \$49,995 has been approved from the Department of Primary Industries under the 2022-2023 New Weed incursion program for a priority weeds washdown facility.
			Capital Expenditure		0	50,000	Expenditure for the weeds washdown facility will occur next year, and it is capital in nature as an asset is created.
Existing	Cultural Education and Information Centre	BULK	Operating Expenditure	BW5	(55,000)	0	This budget is no longer required (\$20,000 in salaries and \$35,000 in contract works)
Existing	Dam Safety Compliance	BULK	Operating Expenditure	BW6	(50,000)	50,000	Deferred to 2023/24
Existing	Emigrant Creek Water Treatment Plant Strategic Review	BULK	Operating Expenditure	BW7	(190,000)	190,000	Deferred to 2023/24
Existing	Catchment Management Plan Project	BULK	Operating Expenditure	BW8	(40,000)	40,000	Deferred to 2023/24
Existing	RCC Communication Projects	BULK	Operating Expenditure	BW9	(100,000)	100,000	Deferred to 2023/24
Existing	FWP Consultation on Cultural Heritage Dunoon Dam Council Land	BULK	Operating Expenditure	BW10	(175,600)	175,600	Deferred to 2023/24
	FWP Emergency Desalination Investigation		Operating Expenditure	BW10	(140,000)	140,000	Deferred to 2023/24
	FWP IPR Investigations		Operating Expenditure	BW10	(175,200)	175,200	Deferred to 2023/24
	FWP RCD Dead Storage Investigation		Operating Expenditure	BW10	(50,000)	50,000	Deferred to 2023/24
	FWP Wilsons River Emergency Supply Studies		Operating Expenditure	BW10	(100,000)	100,000	Deferred to 2023/24
	FWP Alstonville Groundwater		Capital Expenditure	BW11	(1,450,000)	0	Return to reserves
	FWP Woodburn Existing Bores		Capital Expenditure	BW11	(168,100)	0	Return to reserves

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2022/23)	LTFP (2023/24-2031/32)	
	FWP Woodburn New Bores		Capital Expenditure	BW11	(1,482,300)	0	Return to reserves
	FWP Tyagarah		Capital Expenditure	BW11	(600,000)	600,000	Deferred to 2023/24
	FWP Land		Capital Expenditure	BW11	(3,903,400)	3,903,400	\$200k deferred to 2023/24, \$3,703,400 deferred to 2029/30
	FWP Project Management		Capital Expenditure	BW11	(1,200,000)	0	Return to reserves
Existing	ICT Computer Lease	BULK	Operating Expenditure	BW12	20,000	200,000	Leasing rather than purchasing laptops have led to increased costs
	ICT Microwave Bridges		Capital Expenditure	BW13	15,000	(15,000)	The timeline for this project has changed and \$15k is required from next year's budget to complete works.
	ICT Telephony		Operating Expenditure	BW12	21,100	0	The telephony project is complete. Finance usually capitalises 1st year licensing, however as this is a monthly licensing cost it needs to be an operating expense.
	ICT Telephony		Capital Expenditure	BW13	(57,100)	0	Return of capital set aside for licencing.
New	RWL Transfers to Bulk	BULK	Operating Expenditure	BW14	72,800	160,000	RWL vehicle has been transferred to dams & treatment operations to carry out internal sampling functions while depreciation of equipment and a reduction in internal costs have been transferred to the Bulk reporting unit.
Existing	St Helena 600 Project	BULK	Capital Expenditure	BW15	(1,300,000)	0	This project is approaching completion and the schedule of rates items related to this project have come in under the estimated costs and the remaining amount is to be sent back to reserves.
Existing	Natural Resource Management Flood Water Sustainability Projects	BULK	Capital Expenditure	BW16	(705,000)	705,000	Deferred to 2023/24
Existing	Gallans Road Workplace Consolidation Project	BULK	Capital Expenditure	BW17	(837,800)	837,800	Deferred to 2023/24
Existing	Nightcap Water Treatment Plant PLC SB Upgrade	BULK	Capital Expenditure	BW18	(600,000)	600,000	Deferred to 2023/24
Existing	St Helena 300/525 Elevated Main Corrosion Repairs Project	BULK	Capital Expenditure	BW19	(100,000)	0	The project is nearing completed and will be completed under budget. The remaining funds are to be returned to reserves.
Existing	Byron 200 Mains Renewal	BULK	Capital Expenditure	BW20	(12,600)	12,600	The project planning and design for this year has been completed and the remaining funds will be spent in 2023/24.
Existing	Ross Street 375 Mains Renewal	BULK	Capital Expenditure	BW21	80,000	0	Contract price has returned higher than the original price along with a minor extension of the work in order to provide a better outcome
Existing	Emigrant Creek Water Treatment Plant BAC	BULK	Capital Expenditure	BW22	90,000	0	The cost of this project has increased over and above the original estimates as a result of updated industry estimates to complete this work.

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2022/23)	LTFP (2023/24-2031/32)	
New	Telemetry Replacement Program	BULK	Capital Expenditure	BW23	30,000	0	Schneider Electric have announced an End of Commercialisation date of June 2023 for the SCADA Pack 334e RTU controllers used in councils' telemetry system. Funds will be used to commence a staged replacement program to upgrade the RTU's to the latest model to ensure ongoing operation of the telemetry system.
Existing	Emigrant Creek Dam - Visitor Signage Renewal	BULK	Capital Expenditure	BW24	(15,000)	15,000	Deferred to 2023/24
Existing	Smart Metering Project	RETAIL	Capital Expenditure	RW1	(225,000)	225,000	Deferred to 2023/24
Existing	Reticulation - Richmond Hill	RETAIL	Capital Expenditure	RW2	(210,000)	300,000	The cost of this project has increased over and above the original estimates of \$805k because of recent industry construction price increases and legislative controls required for WH&S. The project will be completed in 2023/24 and due to delays a deferral of funds plus an additional \$90k is required.
Existing	CMP Scoping Study	FLOOD	Operating Expenditure	FM1	(23,600)	0	This project has been delayed. Future year budgets are adequate and as such these funds are to be returned to reserve.
Existing	Fish Habitat Grant Project	FLOOD	Operating Expenditure	FM2	(20,000)	20,000	Deferred to 2023/24
Existing	Coastal Zone Management Plan	FLOOD	Operating Expenditure	FM3	(36,900)	36,900	Deferred to 2023/24
New	Restore Woodburn Depot – Administration and Amenities	FLOOD	Capital Expenditure	FM4	50,000	0	Woodburn depot facility has been confirmed to remain operational for the purposes of flood mitigation and associated floodgate fabrication. As such the facility will be restored to the pre-existing level of service to accommodate general administration and associated staff amenities. This reinstatement has been approved by our insurers and will be reimbursed upon completion
New	Bungawalbin East Levee	FLOOD	Capital Expenditure	FM5	54,500	0	The expenditure to reinstate the levee to its pre-flood condition will be claimed back through NSW Public Works under the Disaster Recovery Funding Arrangements during 2022/23. Receipt of the funds for this is not expected to occur in 2022/23.
New	Lismore Levee Flood Restoration	FLOOD	Capital Expenditure	FM6	1,300,000	0	The Lismore Levee was damaged during the 2022 flood events. Restoration of this asset is currently being undertaken by Lismore City Council who will be invoicing Rous upon completion. These costs are expected to be recouped under Natural Disaster Funding through NSW Public Works.
New	NSW Varroa Mite Response project work for	WEEDS	Operating Revenue	WB1	(9,700)	0	This project involved full cost recovery is available for local governments that were

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2022/23)	LTFP (2023/24-2031/32)	
	Department of Primary Industries					0	able to provide staff for use in the field for surveillance, destruction, and disposal of hives during the varroa response. This project utilised existing staff budgets and is now complete.
Existing	Weeds Action Program Grant Adjustments	WEEDS	Operating Expenditure	WB2	(200,000)	0	This project is now to be completed utilising additional contractors. These movements from wages to contractors are required to ensure that we complete our projects outcomes on time, and to better reflect where our budget is being spent based on issues with sourcing staff. Overall budget impact is nil.
			Operating Expenditure	WB2	200,000	0	
Existing	Additional Costs for Perradenya Estate	PROPERTY	Operating Expenditure	P1	85,000	0	Increased costs (\$50,000 in salaries and \$35,000 in contract works) on the Perradenya estate and the future planned works. Salaries funded from Governance.
Existing	Renewal of Rural Properties Roof	PROPERTY	Capital Expenditure	P2	17,000	0	Rous owns a rural property at 287 Frasers Road. The property has been continuously rented since the purchase. Rous' property managers have inspected the property regularly and Rous has undertaken a reasonable number of routine repairs throughout that time. This has included multiple patching repairs to the roof in various locations. The roof is no longer fit to be repaired and needs full replacement. This is both a safety and amenity requirement. Quotes have been sought and a roofing contractor is engaged and scheduled to undertake these works as soon as practically possible. The quoted cost of the replacement roof is \$29,000. The existing budget only has \$12,000 available, therefore a transfer of \$17,000 from the property reserve is required.
Existing	Perradenya Capital Revenue	PROPERTY	Capital Revenue	P3	3,372,800	(3,372,800)	Deferred to 24/25
	Perradenya Capital Expenditure		Capital Expenditure	P4	(2,200,000)	2,200,000	Deferred to 23/24
Existing	Closure of the Richmond Water Laboratory	RWL	Operating Revenue	RWL1	596,800	0	Budget changes due to the closure of the RLW facility. The sample vehicle, depreciation of equipment and a reduction in internal costs have been transferred back to the Bulk reporting unit.
			Operating Expenditure	RWL2	(340,000)	0	
			Capital Expenditure	RWL3	(50,000)	0	
Existing	Budget Savings Identified						
	Hydraulic Assessment	BULK	Operating Expenditure	BW25	(6,600)	0	This project will be completed with savings which are to be returned to reserve.
	Renewable Energy & Emissions Reduction Plan	BULK	Operating Expenditure	BW26	(40,000)	0	This project will be completed with savings which are to be returned to reserve.
	Salaries	BULK	Operating Expenditure	BW27	(320,000)	0	Salary savings identified due to vacancies.
	IPM Recruitment	BULK	Operating Expenditure	BW28	(15,000)	0	This project was not required, remaining budget to be returned to reserve.
	P-DSP	BULK	Operating Expenditure	BW29	(40,000)		Project is complete, remaining budget to be returned to reserve.

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2022/23)	LTFP (2023/24-2031/32)	
	Hydraulic Assessment	BULK	Capital Expenditure	BW30	(6,500)	0	This project will be completed with savings which are to be returned to reserve.
	ECWTP Site Services	BULK	Capital Expenditure	BW31	(12,000)	0	Project is complete, remaining budget to be returned to reserve.
	Greenhouse Gas Abatement Project	BULK	Capital Expenditure	BW32	(50,000)	0	Project is complete, remaining budget to be returned to reserve.
	Roof Safety	BULK	Capital Expenditure	BW33	(20,000)		Project is complete, remaining budget to be returned to reserve.
					(12,414,700)	5,991,600	

Bulk Water Reporting Unit

(QBR2) Income & Expenses - Bulk								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Operating Income								
Water Sales	20,591,900	0	0	0	0		20,591,900	15,440,700
Interest Income / Sundry	154,800	0	575,700	654,700	535,000	BW1, BW2	1,920,200	1,606,700
Property Income	20,400	0	0	0	0		20,400	15,200
Operating Grants and Contributions	0	0	0	0	552,300	BW3, BW4	552,300	3,000
Profit on Sale	0	0	0	0	0		0	0
Total Operating Income	20,767,100	0	575,700	654,700	1,087,300		23,084,800	17,065,600
Operating Expense								
Administration Expenses	585,500	0	0	0	46,600	BW14	632,100	572,600
Administration - Retail Water Cost	(1,896,500)	0	0	0	0		(1,896,500)	(1,422,500)
Finance Costs	2,305,100	0	(875,000)	0	0		1,430,100	946,000
Building/Depot Expenses	561,300	0	0	0	0		561,300	346,000
Fleet Hire Expense	548,600	0	0	0	9,400	BW14	558,000	402,500
Training & Staff	367,500	0	0	0	0		367,500	234,300
Insurance	385,700	0	0	0	0		385,700	370,800
Members Expenses	168,500	0	0	0	0		168,500	91,600
Salaries & Wages	8,294,100	50,000	(25,000)	30,000	(340,000)	BW5, BW27	8,009,100	5,554,900
Operations Purchases	7,956,900	1,126,600	705,000	(719,500)	(1,116,300)	BW5, BW6, BW7, BW8, BW9, BW10, BW12, BW25, BW26, BW28, BW29 BW14	7,952,700	3,565,100
Depreciation	6,340,500	0	0	0	16,800	BW14	6,357,300	4,704,600
Total Operating Expense	25,617,200	1,176,600	(195,000)	(689,500)	(1,383,500)		24,525,800	15,365,900
Operating Result	(4,850,100)	(1,176,600)	770,700	1,344,200	2,470,800		(1,441,000)	1,699,700
Less: Depreciation	6,340,500	0	0	0	16,800		6,357,300	4,704,600
Operating Result Excl. Non Cash	1,490,400	(1,176,600)	770,700	1,344,200	2,487,600		4,916,300	6,404,300
Add: Capital Income	29,223,000	0	(25,000,000)	0	0		4,223,000	3,767,700
Less: Capital Expenses	21,545,500	9,070,100	(5,703,800)	244,600	(12,304,800)	BW11, BW13, BW15, BW16, BW17, BW18, BW19, BW20, BW21, BW22, BW23, BW24, BW25, BW30, BW31, BW32, RW33	12,851,600	5,938,900
Less: Loan Repayments	4,488,600	0	(884,000)	0	0		3,604,600	2,441,100
Transfer from/(to) Reserve	(4,679,300)	10,246,700	17,641,500	(1,099,600)	(14,792,400)		7,316,900	(1,792,000)
Net Cash Movement	0	0	0	0	0		0	0

Impact on Bulk Water Reserve

The required changes above will result in \$14,792,400 being transferred to the Bulk Water reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will increase to \$21,859,800 which is beyond of the internal reserves policy target of 6 months operating expenditure or \$12,263,000.

Retail Water Reporting Unit

(QBRS2) Income & Expenses - Retail								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Operating Income								
Water Sales	3,088,000	0	0	0	0		3,088,000	2,238,200
Interest Income / Sundry	11,200	0	0	0	0		11,200	12,500
Total Operating Income	3,099,200	0	0	0	0		3,099,200	2,250,700
Operating Expense								
Administration Expenses	2,144,100	0	60,000	0	0		2,204,100	1,637,600
Fleet Hire Expenses	86,400	0	0	0	0		86,400	64,800
Salaries and Wages	495,600	0	0	0	0		495,600	336,100
Operations Purchases	155,800	0	0	5,700	0		161,500	111,500
Depreciation and Amortisation	294,600	0	0	0	0		294,600	196,500
Total Operating Expense	3,176,500	0	60,000	5,700	0		3,242,200	2,346,500
Operating Result	(77,300)	0	(60,000)	(5,700)	0		(143,000)	(95,800)
Less Depreciation	294,600	0	0	0	0		294,600	196,500
Operating Result Excl. Non Cash	217,300	0	(60,000)	(5,700)	0		151,600	100,700
Add: Capital Income	0	0	0	0	0		0	200
Less: Capital Expenses	1,628,100	1,260,100	(853,000)	4,100	(435,000)	RW1, RW2	1,604,300	317,200
Transfer from/(to) Reserve	1,410,800	1,260,100	(793,000)	9,800	(435,000)		1,452,700	216,300
Net Cash Movement	0	0	0	0	0		0	0

Impact on Retail Water Reserve

These required changes above will result in a \$435,000 transfer to the Retail Water reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will increase to \$1,561,300 which is short of the internal reserves policy target of 8 months operating expenditure or \$2,161,500.

Flood Mitigation Reporting Unit

(QBR52) Income & Expenses - Flood								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Operating Income								
Grants and Contributions	1,052,700	0	(5,400)	0	0		1,047,300	702,100
Interest Income / Sundry	8,900	0	0	0	0		8,900	7,400
Total Operating Income	1,061,600	0	(5,400)	0	0		1,056,200	709,500
Operating Expense								
Administration Expenses	211,400	0	0		0		211,400	157,500
Building/Depot Expenses	9,800	0	0		0		9,800	8,200
Fleet Hire Expenses	74,100	0	0		0		74,100	55,400
Insurance	4,700	0	0		0		4,700	0
Salaries and Wages	453,700	0	0		0		453,700	311,800
Operations Purchases	230,500	79,400	118,600	10,800	(80,500)	FM1, FM2, FM3	358,800	119,200
Depreciation and Amortisation	695,300	0	0		0		695,300	559,400
Loss on Sale	0	0	0		0		0	74,200
Total Operating Expense	1,679,500	79,400	118,600	10,800	(80,500)		1,807,800	1,285,700
Operating Result	(617,900)	(79,400)	(124,000)	(10,800)	80,500		(751,600)	(576,200)
Less Depreciation	695,300	0	0		0		695,300	559,400
Operating Result Excl. Non Cash	77,400	(79,400)	(124,000)	(10,800)	80,500		(56,300)	(16,800)
Add: Capital Income	0	0	0		0		0	0
Less: Capital Expenses	182,700	0	0	9,500	1,404,500	FM4, FM5, FM6	1,596,700	116,900
Transfer from/(to) Reserve	105,300	79,400	124,000	20,300	1,324,000		1,653,000	133,700
Net Cash Movement	0	0	0	0	0		0	0

Impact on Flood Mitigation Reserve

These required changes above will result in a \$1,324,000 transfer from the Flood Mitigation reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will decrease to \$458,900 which is short of the internal reserves policy target of 5 months operating expenditure or \$753,300.

Weed Biosecurity Reporting Unit

(QBR2) Income & Expenses - Weeds								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Operating Income								
Grants and Contributions	1,607,300	0	293,600	280,800	9,700	WB1	2,191,400	1,898,900
Interest Income / Sundry	11,100	0	0	0	0		11,100	12,700
Total Operating Income	1,618,400	0	293,600	280,800	9,700		2,202,500	1,911,600
Operating Expense								
Administration Expenses	338,700	0	0	0	0		338,700	255,100
Building/Depot Expenses	13,900	0	0	0	0		13,900	13,900
Fleet Hire Expenses	176,900	0	85,000	0	0		261,900	149,800
Salaries and Wages	1,105,600	0	631,700	0	(200,000)	WB2	1,537,300	850,400
Operations Purchases	69,800	0	212,400	0	200,000	WB2	482,200	186,600
Depreciation and Amortisation	30,500	0	0	0	0		30,500	21,900
Total Operating Expense	1,735,400	0	929,100	0	0		2,664,500	1,477,700
Operating Result	(117,000)	0	(635,500)	280,800	9,700		(462,000)	433,900
Less Depreciation	30,500	0	0	0	0		30,500	21,900
Operating Result Excl. Non Cash	(86,500)	0	(635,500)	280,800	9,700		(431,500)	455,800
Add: Capital Income	0	0	0	0	0		0	0
Less: Capital Expenses	43,000	0	27,500	0	0		70,500	27,200
Transfer from/(to) Reserve	129,500	0	663,000	(280,800)	(9,700)		502,000	(428,600)
Net Cash Movement	0	0	0	0	0		0	0

Impact on Weed Biosecurity Reserve

These required changes above will result in a \$9,700 transfer to the Weed Biosecurity reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will increase to \$2,101,800 which is beyond the internal reserves policy target of 4 months operating expenditure or \$888,200.

Richmond Water Laboratory (RWL) Reporting Unit

(QBR2) Income & Expenses - Richmond Water Laboratory								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Operating Income								
Water Testing	866,000	0	0	0	(595,400)	RWL1	270,600	270,600
Interest Income / Sundry	2,300	0	0	0	(1,400)	RWL1	900	900
Total Operating Income	868,300	0	0	0	(596,800)		271,500	271,500
Operating Expense								
Administration Expenses	74,200	0	0	0	(46,600)	RWL2	27,600	27,600
Building/Depot Expenses	45,800	0	0	0	(24,300)	RWL2	21,500	21,500
Fleet Hire Expenses	16,000	0	0	0	(9,400)	RWL2	6,600	6,600
Salaries and Wages	516,100	0	0	0	(291,700)	RWL2	224,400	224,400
Operations Purchases	171,400	0	0	0	42,100	RWL2	213,500	206,500
Depreciation and Amortisation	20,300	0	0	0	(16,800)	RWL2	3,500	3,600
Loss on Sale	0	0	0	0	6,700	RWL2	6,700	6,700
Total Operating Expense	843,800	0	0	0	(340,000)		503,800	496,900
Operating Result	24,500	0	0	0	(256,800)		(232,300)	(225,400)
Less Depreciation	20,300	0	0	0	(16,800)		3,500	3,600
Operating Result Excl. Non Cash	44,800	0	0	0	(273,600)		(228,800)	(221,800)
Less: Capital Expenses	50,000	0	0	0	(50,000)	RWL3	0	0
Transfer from/(to) Reserve	5,200	0	0	0	223,600		228,800	221,800
Net Cash Movement	0	0	0	0	0		0	0

The RWL was officially closed on 31 October 2022 as per the decision made at the August 2022 Council meeting [Resolution 60/22] and operations ceased on 30 November 2022. Council staff have re-allocated assets and finalised revenue and expenditure related to this activity.

Impact on RWL Reserve

These required changes above will result in a \$223,600 transfer from the Richmond Water Laboratory reserve in the 2022/23 financial year. The projected balance as at 31 March 2023 will decrease to \$33,500 which is short of the internal reserves policy target of 4 months operating expenditure or \$252,000. At 30 June 2023 the remaining funds will be transferred to unrestricted cash reserves with the RWL reserve being closed.

Property Reporting Unit

(QBR2) Income & Expenses - Property								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Operating Income								
Interest Income / Sundry	12,700	0	0	0	0		12,700	9,400
Property Income	150,800	0	0	0	0		150,800	98,400
Total Operating Income	163,500	0	0	0	0		163,500	107,800
Operating Expense								
Administration Expenses	55,600	0	0	0	0		55,600	41,800
Building/Depot Expenses	187,600	0	0	0	0		187,600	126,600
Salaries and Wages	10,500	0	0	0	50,000	P1	60,500	46,700
Operations Purchases	16,300	0	0	0	35,000	P1	51,300	43,300
Depreciation and Amortisation	42,600	0	0	0	0		42,600	36,900
Total Operating Expense	312,600	0	0	0	85,000		397,600	295,300
Operating Result	(149,100)	0	0	0	(85,000)		(234,100)	(187,500)
Less Depreciation	42,600	0	0	0	0		42,600	36,900
Operating Result Excl. Non Cash	(106,500)	0	0	0	(85,000)		(191,500)	(150,600)
Add: Capital Income	3,372,800	0	0	0	(3,372,800)	P3	0	0
Less: Capital Expenses	2,351,200	141,800	0	0	(2,183,000)	P2, P4	310,000	193,400
Transfer from/(to) Reserve	(915,100)	141,800	0	0	1,274,800		501,500	344,000
Net Cash Movement	0	0	0	0	0		0	0

Impact on Property Reserve

These required changes above will result in a \$1,274,800 transfer from the Property reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will decrease to \$1,409,400 which is beyond the internal reserves policy target of 6 months operating expenditure or \$199,000.

Fleet Reporting Unit

(QBR2) Income & Expenses - Fleet								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Operating Income								
Interest Income / Sundry	75,000	0	0	174,900	0		249,900	216,500
Total Operating Income	75,000	0	0	174,900	0		249,900	216,500
Operating Expense								
Fleet Operations	492,900	0	85,000	4,200	0		582,100	399,900
Fleet Hire Income	(926,000)	0	(85,000)	0	0		(1,011,000)	(679,100)
Salaries and Wages	118,300	0	0	0	0		118,300	80,300
Depreciation and Amortisation	390,000	0	0	0	0		390,000	218,800
Loss on Sale	0	0	0	0	0		0	200
Total Operating Expense	75,200	0	0	4,200	0		79,400	20,100
Operating Result	(200)	0	0	170,700	0		170,500	196,400
Less Depreciation	390,000	0	0	0	0		390,000	218,800
Operating Result Excl. Non Cash	389,800	0	0	170,700	0		560,500	415,200
Add: Capital Income	0	0	0	0	0		0	0
Less: Capital Expenses	436,300	0	50,000	421,600	0		907,900	231,900
Transfer from/(to) Reserve	46,500	0	50,000	250,900	0		347,400	(183,300)
Net Cash Movement	0	0	0	0	0		0	0

No changes this quarter.

Impact on Fleet Reserve

Nil.

Budget Review for the Quarter Ended 31 March 2023								
(QBR3) Capital Budget								
	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2022/23	Actual YTD
Capital Funding:								
Capital Grants & Contributions	0	0	0	0	0		0	0
Internal Restrictions								
- Renewals	5,228,200	4,565,400	(698,800)	84,200	(747,100)		8,431,900	3,757,000
- New Assets	14,434,400	5,906,600	(5,780,500)	595,600	(10,638,200)		4,517,900	3,113,500
External Restrictions								
- Infrastructure	0	0	0	0	0		0	0
Other Capital Funding Sources								
- Operating Revenue	0	0	0	0	0		0	0
- S64 Contributions	4,223,000	0	0	0	0		4,223,000	0
Income from Sale of Assets								
- Plant and Equipment	0	0	0	0	0		0	0
- Land and Buildings	2,351,200	0	0	0	(2,183,000)		168,200	0
Total Capital Funding	26,236,800	10,472,000	(6,479,300)	679,800	(13,568,300)		17,341,000	6,870,500
Capital Expenditure:								
New Assets								
- Plant and Equipment	486,300	0	50,000	421,600	(50,000)	RWL3	907,900	231,900
- Office Equipment	21,000	82,600	47,500	107,000	0		258,100	152,400
- Inventory (Land)	2,290,000	106,800	0	0	(2,200,000)	P4	196,800	144,700
- Land and Buildings	1,087,500	550,300	0	0	(837,800)	BW17	800,000	255,600
- Infrastructure	17,123,800	5,166,900	(5,878,000)	67,000	(9,750,400)	BW11, BW15, BW18, BW20,	6,729,300	2,328,900
Renewals (Replacement)								
- Plant and Equipment	0	0	0	46,100	0		46,100	0
- Office Equipment	373,300	274,000	0	0	(42,100)	BW13, BW25	605,200	207,600
- Land and Buildings	61,200	0	0	0	17,000	P2	78,200	48,700
- Infrastructure	4,793,700	4,291,400	(698,800)	38,100	(705,000)	BW15, BW16, BW18, BW19, BW20, BW22, BW23, BW24, RW1, RW2, FM4, FM5, FM6	7,719,400	3,500,700
Total Capital Expenditure	26,236,800	10,472,000	(6,479,300)	679,800	(13,568,300)		17,341,000	6,870,500

Impact on Capital Works Program

The required adjustments above will result in a reduction in capital works of (\$13,568,300) being transferred to reserves reducing the total capital works program for 2022/23 to \$17,341,000. As at 31 March, \$6,870,500 or 39.6% of these works have been completed.

Budget Review for the Quarter Ended 31 March 2023							
(QBR54) Cash & Investments							
	Opening Balances 2022/23	Original Budget 2022/23	2021/22 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2022/23
Unrestricted:							
Flood Mitigation	99,000	0	0	0	0	(99,000)	0
Weeds Biosecurity	25,800	0	0	0	0	0	25,800
Retail Water	100,000	0	0	0	0	0	100,000
Richmond Water Laboratories	10,000	0	0	0	0	0	10,000
Property	100,000	0	0	0	0	0	100,000
Fleet	50,000	0	0	0	0	0	50,000
Bulk Water	1,688,900	0	0	0	0	(1,255,500)	433,400
Total Unrestricted	2,073,700	0	0	0	0	(1,354,500)	719,200
Externally Restricted:							
Flood Grants	424,800	0	0	(124,000)	0	43,600	344,400
Weeds Grants	437,400	0	0	(135,500)	280,800	0	582,700
Weeds Other	0	0	0	0	0	0	0
Bulk Water Grants	1,616,500	0	0	(895,200)	0	552,300	1,273,600
Bulk Water Other	2,950,000	(2,154,000)	0	0	0	0	796,000
Total Externally Restricted	5,428,700	(2,154,000)	0	(1,154,700)	280,800	595,900	2,996,700
Internally Restricted:							
Flood Mitigation	588,000	(105,300)	(79,400)	0	(20,300)	(3,400)	379,600
Weeds Biosecurity	2,140,500	(129,500)	0	(500,000)	0	0	1,511,000
Retail Water	2,914,000	(497,900)	(1,260,100)	(60,000)	(9,800)	435,000	1,521,200
Richmond Water Laboratories	252,300	(5,200)	0	0	0	(223,600)	23,500
Property	1,810,900	915,100	(141,800)	0	0	(1,189,800)	1,394,400
Fleet	1,458,200	(46,500)	0	(50,000)	(250,900)	0	1,110,800
Bulk Water				0	0	0	0
- Buildings & Structures	738,000	0	0	(738,000)	0	0	0
- Assets & Programs	16,440,700	6,448,500	(10,136,700)	(12,544,900)	1,169,600	14,120,100	15,497,300
- Employee Leave Entitlement	2,339,500	0	0	0	0	0	2,339,500
- Electricity	2,610,400	0	0	(2,610,400)	0	0	0
- Office Equipment & Computer	1,473,400	(373,300)	(110,000)	(27,500)	0	(15,000)	947,600
- Greenhouse Gas Abatement	285,800	(154,600)	0	0	(70,000)	50,000	111,200
Total Internally Restricted	33,051,700	6,051,300	(11,728,000)	(16,530,800)	818,600	13,173,300	24,836,100
Total Restricted	38,480,400	3,897,300	(11,728,000)	(17,685,500)	1,099,400	13,769,200	27,832,800

Investment and Cash Bank 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 2021* and Council's 'Investment' policy. Council's bank statement has been reconciled up to and including 31 March 2023.

Reconciliation

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

Cash at Bank (as per bank statements)	8,344,820
Investments on Hand	32,000,000
Reconciled Cash at Bank & Investments	<u>40,344,820</u>

A comparison of the actual cash and investment balance above of \$40,344,820 as at 31 March 2023 to the forecast cash and investment balance of \$28,552,000 as at 30 June 2023, indicates significant spending will need to occur before 30 June 2023 if all forecast works are to be completed .

(QBR5) Contractors

Contractor	Contract Details & Purpose	Contract Value (\$) Excluding GST	Contract Date	Duration of Contract	Budgeted (Y/N)
ACS Equip Pty Ltd	Fishing and Retrieval Services on the Lumley Park Bore Pump	131,633	1/02/2023	3 mths	Y
DWP Australia Pty Ltd	Architecture - Whole Site Development Application	242,800	30/01/2023	12 mths	Y
Ledonne Construction Pty Ltd	Portions 1 & 2 of Richmond Hill Watermain Upgrade	749,313	20/03/2023	4 mths	Y
Steel Mains Pty Ltd	Pipe Supply and Transportation	131,925	28/02/2023	3 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	\$351,000	Y
Legal Fees	\$1,900	Y

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

Consultancies		
	Corporate & Commercial - RAP Advisory	\$8,600
	Corporate & Commercial - Information Systems Strategy Review	\$7,900
	Corporate & Commercial - Debt Advisory Services	\$200
	Corporate & Commercial - Revaluation of Land and Buildings	\$14,500
	Planning & Delivery – Catchment Monitoring Review	\$28,400
	Planning & Delivery – Coraki Riparian Project Revegetation	\$12,600
	Planning & Delivery – Update Rocky Creek Dam Drawings	\$1,500
	Planning & Delivery – Bulk Water Distribution Modelling	\$80,000
	Planning & Delivery – Dam Safety Management System	\$125,800
	Planning & Delivery – Geotechnical Investigations Coraki Landslip	\$53,100
	Planning & Delivery – Emigrant Creek Reach Property Site Actions	\$7,400
	Planning & Delivery – Emigrant Creek Causeway Construction Estimate	\$11,000
Legal Fees		
	Planning & Delivery – Developer Contributions	\$1,000
	Relocation & Properties - Registration of Lease	\$900

Statement of Expenses for Councillors
Councillor Expenses for the Quarter Ending 31/03/2023 (Q3)

Quarter 3	Other Expenses	Official Business of Council - Travel	Official Business of Council - Professional Development/Training	Total by Councillor (Q3)
Councillor Big Rob	0	0	0	0
Councillor Bruem	0	0	0	0
Councillor Cadwallader	0	0	0	0
Councillor Gordon	0	0	0	0
Councillor Humphrys	0	0	0	0
Councillor Lyon	210	0	0	210
Councillor Mustow	0	0	0	0
Councillor Ndiaye	0	137	0	137
Total Per Expense Type	210	137	0	347

	Q1	Q2	Q3	Q4	Total by Councillor YTD
Councillor Bruem	0	0	0	0	0
Councillor Cadwallader	1,326	1,080	0	0	2,406
Councillor Gordon	0	0	0	0	0
Councillor Humphrys	59	112	0	0	172
Councillor Lyon	0	1,085	210	0	1,295
Councillor Mustow	0	0	0	0	0
Councillor Ndiaye	615	0	137	0	752
Councillor Rob	1,095	1,080	0	0	2,175
Total Per Expense Type	3,096	3,357	347	0	6,799

Budget 2022/23 FY 48,600

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 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 (Whole Organisation)	Local Government Bench Mark
1	Operating Performance	2022/23 Budget Review	(751,600)	(462,000)	(143,000)	(232,300)	(234,100)	170,500	(1,441,000)	(3,093,500)	Surplus
		2021/22 Actual	(1,940,000)	421,300	(11,300)	(313,700)	(179,400)	116,500	4,120,800	2,214,200	
2	Current Ratio	2022/23 Budget Review	4.02	5.84	44.54	0.31	2.59	26.20	3.42	3.77	> 1.5
		2021/22 Actual	8.98	6.12	83.31	4.00	3.35	34.04	3.49	4.26	
3	Debt Service Cover Ratio	2022/23 Budget Review	-	-	-	-	-	-	2.28	1.24	> 2
		2021/22 Actual	-	-	-	-	-	-	2.68	1.42	
4	Own Source Operating Revenue Ratio	2022/23 Budget Review	1%	1%	100%	100%	100%	100%	85%	78%	> 60%
		2021/22 Actual	0%	2%	100%	100%	100%	100%	77%	74%	
5	Building and Infrastructure Renewals Ratio	2022/23 Budget Review	0.22 : 1	-	-	-	1.24 : 1	-	1.66 : 1	1.45 : 1	> 1:1
		2021/22 Actual	0.02 : 1	-	-	-	0.00 : 1	-	0.68 : 1	0.62 : 1	

- Projected result meets or exceeds benchmark.
- Projected result does not meet benchmark.

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 surplus or deficit that Council makes from normal operations (including depreciation) 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 \$5,787,100. Due to the existing reserve balances Council has, a conscious decision has been made not to adhere to this benchmark.

Original Budgeted Deficit	(\$5,787,100)
Projected Year End Result 2022/23	(\$3,093,500)
	\$2,693,600

The decrease can be attributed to carry over works (\$1.256M) reinstated from 2021/22, fleet expenses (\$89K) and a reduction in water testing revenue (\$595K) offset by an increase in interest on investments (\$1.109M), grant revenue (\$1,131M), insurance claims (\$829K), a decrease in salaries (\$145K), a reduction in operating expenses (\$544K) and loan financing costs (\$875K).

Carryovers / Reinstatements	(\$1,256,000)
Expenses	\$1,475,100
Revenue	\$2,474,500
	\$2,693,600

Note: Operating results include depreciation of \$7,813,800 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 \$3.77 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.

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 an above benchmark forecast.

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 totals are GST exclusive

Grant Name	Reporting Unit	Synopsis	Funding Body	Program	Project Length	Total Project Value	Grant Funding	Council Funding	Total Expenditure to Date	Balance of Approved Funds to Spend
New Grant Applications Awaiting Outcome										
Rous Regional Water Supply Drought Readiness Project Stage 1 - Woodburn Bore 3 Drought Readiness	Bulk	FWP 2060 - drought contingency water supply at existing Woodburn groundwater bore.	DITRDC	Building Better Regions Fund - Infrastructure Projects Stream Round 6	6 mths	481,300	240,650	240,650		
Langs Hill to Broadwater Water Main Augmentation	Bulk	Replacement of drinking water supply to Broadwater with a larger main.	DITRDC	Building Better Regions Fund - Infrastructure Projects Stream Round 6	6 mths	1,942,700	971,350	971,350		
Parthenium 2023	Weeds	Surveillance, control, site maintenance of high risk properties. Distribution of educational materials.	DPI	New Weed Incursion - Parthenium Weed (Parthenium hysterophorus) Response	12 mths	30,000	20,000	10,000		
Frogbit 2023	Weeds	Expand inspections areas, treatment of Frogbit infestation and follow up treatment	DPI	New Weed Incursion - Frogbit (Limnobiolum laevigatum) Rapid Response	6 mths	30,000	20,000	10,000		
Coastal Management Plan - Stage 2	Flood	Development of the Coastal Management Plan for the Richmond River Estuary - Stage 2	DPE	NSW Department of Planning and Environment Coastal and Estuaries Grants Program. 2:1 funding ratio and contributions from all councils in the Richmond River catchment will make this amount much more affordable.	36 mths	1,038,000	692,000	346,000		
Active Grants										
Voluntary House Raising	Flood	Facilitate the voluntary house raising of 2 homes in the Lismore area.	DPIE	Floodplain Management Grants Scheme	12 mths	187,800	187,800	-	60,228	127,551
Coastal Management Plan	Flood	Stage one of the Richmond River Coastal Management program scoping study	DPIE	Floodplain Management Grants Scheme	18 mths	149,997	100,594	49,999	145,528	4,469
Water Quality Monitoring 2019-22	Flood	Richmond River water quality monitoring project	DPIE	Coastal & Estuary Grants Program	36 mths	199,768	99,884	99,884	146,006	53,762
Flood Maintenance 2018-22	Flood	Fourth year of a four year grant. Each year Council approves spending on this project in excess of the required 1:2 (funding per the agreement \$169,200).	DPIE	Floodplain Management Grants Scheme	48 mths	676,800	84,600 p.a.	84,600 p.a.	133,407	150,593
Coraki Riparian Project	Flood	Richmond River coastal riparian project at Coraki	DPIE	Fish Habitat Action Grant	12 mths	112,160	40,000	72,160	12,904	99,256
Weeds Action Program 2020-25 (2023)	Weeds	Funding allocated annually	DPIE	North Coast Weeds Action Program 2020-25	12 mths	1,267,500	642,500	625,000	1,008,687	258,813
WAP New Weed Incursion – Parthenium Weed Rapid Response	Weeds	Rapid response to control prohibited Matter species – parthenium weed	NSW DPI	New Weed Incursion	12 mths	25,000	15,000	10,000	20,764	4,236
North Coast Bushfire Recovery – Delivery of – W1 Tropical Soda Apple Landholder Engagement Project in the North Coast (5 years)	Weeds	Tropical Soda Apple Landholder Engagement and Compliance Program – delivery of 210 property inspections	LLS & DPI	NSW Bushfire Recovery Stimulus	60 mths	236,000	214,000	22,000	165,515	70,485
Tropical Soda Apple (Riparian/High Risk Pathways)	Weeds	Tropical Soda Apple - strategic and ongoing control in high-risk pathways.	LLS	Small Grants Funding	8 mths	47,750	42,750	5,000	14,183	33,567
Richmond and Wilsons Rivers NSW Flood Mitigation Planning	Flood	This planning project is anticipated to reduce the risk and improve resilience of the community to floods in the natural environment by conducting a comprehensive scan of strategic disaster risks and mitigation options for the Richmond River Catchment.	DISER	Preparing Australian Communities – Local Stream Program	3 years	250,000	250,000	-	-	250,000
High Risk Site Surveillance for Frogbit and Parthenium	Weeds	Flood modelling, surveillance and control works at identified high risk sites for Frogbit and Parthenium weeds.	DPE	NSW Weeds Action Program – State Priority Weeds Coordination and Response	12 mths	16,000	15,000	1,000	11,986	4,014
Miconia 2022-2024	Weeds	Miconia weed surveillance and control services in Northern NSW	QLD DAF	Miconia Weed Surveillance 2022-2024	36 mths	298,000	298,000	-	81,708	216,292
Early Needs Weed Management	Weeds	Early Needs Weed Management Project	LLS	Early Needs Weed Management Program	24 mths	710,000	710,000	-	97,781	612,219
Natural Resource Management Flood Water Sustainability Project Grant	Water	Emergency Repairs Claim	Public Works Advisory	Northern Rivers March 2022 Flood/Water Sewerage Program	24 mths	1,600,000	1,600,000	-	242,279	1,357,721
Varroa Mite Response	Weeds	DPI sought assistance from authorised weed officers during August and September 2022 to help in the Varroa Mite emergency response. Travel, accommodation and catering expenses are reimbursable.	DPI	NSW DPI Varroa Mite Response 2022	2 mths	9,714	9,714	-	9,714	-
Safe & Secure Water Program 2022-2024 (SSWP479) - Tranche 3	Water	Funding for Stage 1 of Rous County Council - FWP2060. Planning, Investigation and Design Project. DPE is funding 25% of the estimated actual project costs.	DPE	Rous Water Customers Water Security Program	15 mths	8,037,600	2,009,400	-	-	2,009,400
Priority Weeds Washdown Facility	Weeds	Funding to support essential programs and treatments of new incursions of prohibited weeds - Priority weeds washdown facility	DPI	2022-2023 New Weed Incursion - Priority Weeds Washdown Facility	12 mths	50,000	49,995	-	-	-

Legal

In accordance with clause 203 of the *Local Government (General) Regulation 2021*, 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 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 2022/23 Operational Plan.

An update will be provided at a future Council meeting regarding a revision of the current 'Financial Reserves' policy (dated 19 June 2019).

Public exhibition: Operational plan (incorporating the 2023/24 Budget and 'Revenue' policy)

Responsible Officer: Group Manager Corporate and Commercial (Geoff Ward)

Recommendation

That:

1. Council endorses the draft Operational plan (incorporating the 2023/24 Budget and 'Revenue' policy) attached to this report, for public exhibition.
2. Council note that adjustments approved at this meeting as part of the March 2023 Quarterly Budget Review Statement report will be included in the exhibited Operational plan as appropriate.
3. If public submissions are made during the public exhibition period, a report be furnished to Council's June 2023 meeting, including staff comment on how the submissions have been considered, for Council to determine a position on endorsement of the Operational plan (incorporating the 2023/24 Budget and 'Revenue' policy).
4. If no public submissions are made during the public exhibition period, the version of the draft Operational plan (incorporating the 2023/24 Budget and 'Revenue' policy) placed on public exhibition, is deemed to be adopted by Council.

Draft 2023/24 Budget

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

- Financial information on the organisation as one combined entity (consolidated).
- Financial information in respect to each Reporting Unit: Bulk Water, Retail Water, Flood Mitigation, Weed Biosecurity, Properties, and Fleet.

It is noted that the 10-year Long-Term Financial Plan (LTFP) presented in this report includes budget adjustments presented to Council as part of the March 2023 Quarterly Budget Review Statement (see separate report). If those adjustments are not approved by Council, the LTFP will need to be revised prior to public exhibition.

The report presents financial information in a consistent format for each of the Reporting Units and the whole organisation. Detailed information is provided on each Reporting Unit in terms of assumptions on which the budget is based, including a breakdown of the main streams of income and expense for both operating and capital items.

The transfers to and from reserve represent the net cash movement for the Reporting Unit. 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 Reporting Unit.

Rous is currently providing administrative services to the Northern Rivers Joint Organisation under a fee for service arrangement.

Long-Term Financial Plan (LTFFP) Caveat

The financial plan incorporates significant expenditure associated with the Future Water Program (FWP). The current LTFFP reflects Council's decision from its February 2022 meeting [5/22] which continues with the basic assumptions as of the July 2021 Council resolution [39/21] but accommodates the change relating to the Dunoon Dam investigation studies.

The FWP estimates within the LTFFP include expenditure to construct and run new and expanded groundwater sites. To finance these the LTFFP includes external borrowings and increases to the contributions required from constituent councils. Future borrowings are significant, and the impact of estimated loan rates are evident in the LTFFP.

The viability and estimated costs of the new water source solutions continues to be investigated. It is likely, that core assumptions will continue to evolve as investigations progress.

Therefore, the LTFFP includes significant assumptions in respect to future capital works which are currently 'proposals' that continue to be actively investigated. The LTFFP is presented based on the available information as of March 2023.

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 Forecast Operating Performance

Description	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$
Operating Income	31,145,700	31,153,500	32,854,000	34,837,300	36,993,700	39,388,000	41,947,700	44,729,000	47,596,600	48,169,800
Operating Expense	38,790,500	38,353,200	40,072,300	41,349,800	43,070,800	45,060,200	46,703,400	47,255,400	47,792,300	47,012,200
Operating Result	(7,644,800)	(7,199,700)	(7,218,300)	(6,512,500)	(6,077,100)	(5,672,200)	(4,755,700)	(2,526,400)	(195,700)	1,157,600
Less: Depreciation	8,305,100	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,569,100	10,723,000	10,853,600
Operating Result Excluding	660,300	1,556,800	1,821,100	2,820,800	3,757,700	4,427,300	5,512,600	8,042,700	10,527,300	12,011,200
Add: Capital Income	4,386,000	7,912,100	7,597,600	7,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
Add: Loan Drawdown	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
Less: Loan Repayment	4,191,300	5,034,700	6,032,200	5,807,400	4,797,600	5,632,100	6,387,100	7,030,600	7,405,800	7,802,000
Less: Capital Expense	25,802,400	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Transfer to Reserve	1,500,000	1,730,000	1,003,000	3,669,300	3,003,500	406,700	2,994,700	2,591,400	877,200	6,117,300
Transfer from Reserve	11,447,400	786,800	0	4,361,000	40,800	1,641,400	49,200	513,300	4,861,200	16,200
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	18,604,600	19,547,800	20,550,800	19,859,100	22,821,800	21,587,100	24,532,600	26,610,700	22,626,700	28,727,800

The outlook depicts an organisation heavily invested in capital works. The operating result in the early years of the LTFP shows losses, with gradual improvements resulting in a surplus in 2032/33. It should be noted that operating losses are considered appropriate given the nature of the organisation and the significant capital works program being undertaken. Further improvements to the operating result would need to be sourced from significant increases to the bulk water price paid by Constituent Council's and would represent a negative impact to their operations. Capital expense over the ten years is forecast to be approximately \$231 million supported by external borrowings of approximately \$180 million. Cash reserves remain relatively stable as funds are applied to capital works and then replenished by new borrowings.

The outlook for the whole organisation tends to be dominated by the Bulk Water Reporting Unit and more detailed information is provided in this section of the report.

Bulk Water

Future Water Program

Modelling indicates that Council requires additional water supply to accommodate population growth and the effects of climate change. Demand will exceed secure yield in 2024. The FWP seeks to secure the regions water supply in the medium term primarily through augmenting the water system with ground water. The table below shows the proposed works program to provide new water sources for the region.

Table 2: Future Water Program Forecast Expenditure

Task/Cost		Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
		Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Alstonville Groundwater	Capital	35,705,000	2,705,000	13,500,000	16,500,000	3,000,000	-	-	-	-	-	-
	Operating	7,518,700	-	-	876,100	893,200	911,100	929,800	948,500	967,100	986,600	1,006,300
Alstonville Groundwater Renewals	Renewals	1,289,400	-	-	-	-	187,100	193,900	200,800	269,900	215,100	222,600
Woodburn Bores	Capital	11,119,900	1,119,900	4,000,000	2,000,000	4,000,000	-	-	-	-	-	-
Tyagarah Groundwater	Capital	50,535,600	600,000	603,000	1,000,000	500,000	10,535,800	22,329,600	8,164,400	6,802,800	-	-
	Operating	5,435,100	-	-	-	-	-	-	1,318,900	1,344,900	1,371,900	1,399,400
	Renewals	582,900	-	-	-	-	-	-	-	-	286,600	296,300
Groundwater Source Land Acquisition	Capital	18,969,800	200,000	3,000,000	-	-	5,520,000	3,941,000	3,703,400	2,605,400	-	-
IPR Investigations	Operating	841,600	565,700	275,900	-	-	-	-	-	-	-	-
Stage 3 Source Planning	Capital	2,293,300	-	-	-	-	-	-	-	2,293,300	-	-
DPR Pilot Scheme	Capital	5,673,000	50,000	-	-	-	2,208,000	2,252,000	1,163,000	-	-	-
	Operating	1,811,200	-	-	-	287,000	292,800	298,800	304,800	310,800	317,000	-
Water Loss Implementation	Capital	1,425,000	475,000	300,000	300,000	350,000	-	-	-	-	-	-
Consultation on Cultural Heritage Dunoon Dam Council Land	Operating	392,000	392,000	-	-	-	-	-	-	-	-	-
Drought Management Planning	Operating	144,000	-	-	-	144,000	-	-	-	-	-	-
Demand Forecasting (incl. Data Acquisition)	Operating	191,700	-	-	45,000	-	-	96,000	-	-	50,700	-
Secure Yield Assessment	Operating	172,000	54,000	-	-	57,000	-	-	61,000	-	-	-
IWCM Strategy Review	Operating	1,404,000	-	221,000	-	-	585,500	597,500	-	-	-	-
Emergency Desalination Investigation	Operating	140,000	140,000	-	-	-	-	-	-	-	-	-
RCD Dead Storage Investigation	Operating	50,000	50,000	-	-	-	-	-	-	-	-	-
Wilsons River Emergency Supply Studies	Operating	100,000	100,000	-	-	-	-	-	-	-	-	-
Richmond Area Coastal Floodplain Alluvial Groundwater Source	Operating	500,000	250,000	250,000	-	-	-	-	-	-	-	-
Other Total Principals Program Costs	Capital	10,050,000	800,000	1,500,000	1,900,000	800,000	1,765,000	1,827,000	822,000	315,000	321,000	-
Totals		156,344,200	7,501,600	23,649,900	22,621,100	10,031,200	22,005,300	32,465,600	16,686,800	14,909,200	3,548,900	2,924,600

Note that the forecasts in the table above have been adjusted to represent the future cost required due to cost of living (CPI) increases.

In the period 2023/24-2032/33 it is proposed to expend approximately \$156 million on Alstonville, Woodburn, and Tyagarah Groundwater systems plus various demand management projects. This estimate includes both operating and capital expenses.

Bulk Water Reporting Unit comments

There is significant activity in this Reporting Unit and the variables and assumptions used in the model are subject to change as new and improved information becomes available.

The aim of this section of the report is to provide some basic information on the larger financial elements relating to the Reporting Unit. Unless otherwise stated the estimates refer to the 2023/24 year.

- Operating Income
 - The primary income source is contributions from constituent Councils with income forecast at \$21.8 million.
 - Interest income from funds invested is forecast to return \$910,100. Income from this source will fluctuate as reserves are used to support capital works.

- Operating Expense
 - Interest on borrowings will be \$2.2 million.
 - Depreciation is forecast at \$6.7 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 County. The 2023/24 forecast of \$4.2 million is based on growth projections derived from historical trends. However, this income source can be volatile and could be influenced by other external factors.
 - External borrowings: the table below shows the proposed borrowings for 2023/24-2032/33. The majority of the loans relate to the FWP.

It should be noted that these forecasts have been prepared under the assumption that these works will be fully funded by Rous (i.e., no additional grant funding).

Table 3: Estimated Borrowings 2023/24 – 2032/33

Year	2024	2025	2026	2027	2028	2029	2030	2031	Total
Amount \$	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	180,000,000
Estimated Rate	7.00%	6.50%	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	5.63%

Interest rates are predicted to decrease over time however it is difficult to predict exactly just what will occur and when.

All loans have been calculated based on a standard principal and interest repayment over 20 years. Rous staff will negotiate loans over longer terms i.e. 30-years if possible.

Given the amount of borrowings proposed the assumptions in terms of rates and loan terms have a significant impact on the LTFP and these assumptions will be fine-tuned annually.

- Capital Expense
Forecast capital expenditure over the life of the model amounts to approximately \$153.1 million. Apart from the FWP detailed above, major projects include:
 - \$7.0 million – Coraki 225 bulk water main renewal
 - \$8.7 million – Knockrow 450 bulk water main
 - \$8.3 million – St Helena 375 bulk water main
 - \$11.1 million – Nightcap Water Treatment Plant Bulk Chemical Storage
 - \$6.1 million – Gallans Road Workplace Consolidation

A detailed list of the capital works program is included in both versions (i.e. concise and detailed) of the Long-Term Financial Plans.

- Assets/Liabilities
 - As at 30 June 2022 the Reporting Unit had assets valued at \$402 million.
 - As at 30 June 2022 debt holdings were \$28.9 million.
 - A new loan of \$15 million is forecast for 2023/24.

Council contributions

Four constituent councils and the Rous Retail Water Reporting Unit pay contributions to the Bulk Water Reporting Unit 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 for this year has been based on water consumption for the eleven months from 1 April to 28 February. Normally the baseline period would be 1 March to 28 February, however March was excluded due to anomalies in water consumption following the 2022 floods.

The table below shows the forecast percentage increase to contributions to 2032/33. The percentage is the total increase including adjustment for inflation.

Table 4: Forecast % Increase to constituent councils’ contributions for Bulk Water

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Cumulative Total
Proposed % Increase	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	1.0%	83.9%

The forecast is for greater than the cost-of-living increases and these will be required for the ten-year LTFP. The main issue driving the increase is the large capital works program and the increase to annual operational costs that comes with the new infrastructure and debt servicing.

It is considered that given the magnitude of the capital works program over the next decade, the proposed price increases are reasonable. The Reporting Unit is starting from a position of strength, which is supported by the fact that at the start of 2022/23 financial year \$40.7 million was held in reserves that have been accumulated in advance for capital works.

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

The following table shows the constituent council contributions in the current 2022/23 financial year and the proposed contributions in 2023/24.

Table 5: Proposed Bulk Water contributions constituent councils and Retail Water

	2022/23	2023/24	Movement	Movement
	\$	\$	%	\$
Lismore City Council	6,430,000	6,542,200	1.74	112,200
Byron Council	4,987,900	5,571,300	11.70	583,400
Richmond Valley Council	1,280,100	1,348,700	5.36	68,600
Ballina Council	7,893,900	8,334,500	5.58	440,600
Rous Retail	1,896,500	2,041,000	7.62	144,500
Total	22,488,400	23,837,700	6.00	1,349,300

The above table identifies that while the total increase to income is 6.0%, 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 relative to the previous year.

Rous Retail consumption is considered to be at a normal level.

Bulk Water Operating Performance

The Reporting Unit is forecast to make operating losses until 2032/33. This occurs because expenses associated with new loans and new groundwater operations increase faster than additional contribution income.

The LTFP has attempted to smooth out Council contributions rather than impose significant increases early in the period. This approach is preferred as it allows the constituent councils and their consumers an opportunity to build the increased expense into their budget over several years.

The Reporting Unit remains sustainable despite the recurrent deficits as external borrowings are used to keep cash reserves at an adequate level. It should be noted that the reserve balances do not meet the internal target of six months operating expenditure throughout the ten-year LTFP. The gradual increase to contributions results in an operating surplus being achieved by 2032/33.

An alternative pricing strategy would be to increase contributions in the LTFP which would result in operating surpluses and less borrowings. This could be achieved by an increase of 30.0% in 2024/25 with future increases set at rate pegging. However, it is noted that such an approach would create a significant burden on retail water customers. This option is not recommended at this stage and has not been discussed with the constituent councils. It is included here for information purposes only.

Table 6: Bulk Water Reporting Unit Forecast Operating Performance

Description	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	24,427,700	24,254,800	25,700,500	27,312,200	29,095,900	31,112,600	33,264,900	35,618,700	38,024,100	38,403,700
Operating Expense	30,132,300	30,468,400	32,144,700	33,191,200	34,733,400	36,437,700	37,702,500	37,970,700	38,139,000	37,223,300
Operating Result	(5,704,600)	(6,213,600)	(6,444,200)	(5,879,000)	(5,637,500)	(5,325,100)	(4,437,600)	(2,352,000)	(114,900)	1,180,400
Less: Depreciation	6,709,100	7,036,600	7,293,700	7,561,400	8,036,300	8,274,000	8,415,400	8,688,400	8,814,200	8,916,200
Operating Result Excluding	1,004,500	823,000	849,500	1,682,400	2,398,800	2,948,900	3,977,800	6,336,400	8,699,300	10,096,600
Add: Capital Income	19,371,000	34,524,000	39,682,000	14,846,000	35,016,000	40,192,000	20,374,000	15,562,000	5,757,000	5,757,000
Less: Loan Repayment	4,191,300	5,034,700	6,032,200	5,807,400	4,797,600	5,632,100	6,387,100	7,030,600	7,405,800	7,802,000
Less: Capital Expense	20,175,300	29,809,100	34,130,700	14,582,000	29,928,100	39,123,000	15,563,400	13,536,700	11,897,600	2,893,600
Less: Internal Loan	0	0	0	0	0	0	0	0	0	0
Add: Internal Loan Principal R	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve	0	1,003,200	368,600	500,000	2,689,100	0	2,401,300	1,831,100	0	5,158,000
Transfer from Reserve	5,491,100	0	0	3,861,000	0	1,614,200	0	0	4,847,100	0

Estimated Cash Reserve \$	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	15,455,800	16,459,000	16,827,600	13,466,600	16,155,700	14,541,500	16,942,800	18,773,900	13,926,800	19,084,800

Operating losses are forecast to 2030/31 before the forecast result improves in 2032/33.

The existing loans for the Wilson’s River Source are completed by 2027/28 which will significantly improve the results. Council is currently repaying just over \$4 million for these loans each year and part of the contribution pricing strategy is to only inflate prices to the level required given that these loans will be fully repaid by 2027/28.

There is significant activity in this Reporting Unit and the variables and assumptions used in the model are subject to change as new and improved information becomes available.

Retail Water

Retail Water Reporting Unit Comments

This section of the report is to provide some basic information on the larger financial elements relating to the Reporting Unit. Unless otherwise stated the forecasts refer to the 2023/24 year.

- Operating Income
 - The primary income source is from a facility and usage charge levied on approximately 2,000 customers. The facility charge is forecast to derive \$475,000 and usage income \$2.3 million.
 - Water sales from filling stations are predicted to be \$407,300. These income sources contribute 91.7% of total income for the Reporting Unit.
- Operating Expenditure
 - The largest expense for the Reporting Unit is the purchase of Bulk Water which amounts to approx. \$2.0 million or 56.4% of total expense.
 - Smart metering and backflow devices are being installed for Retail Water customers.
 - Other expense includes administration and maintenance of infrastructure.
- Capital Expenditure
 - Forecast expense in 2023/24 is \$2.7 million as compared to an average of \$248,100 over the next nine years. 2023/24 includes \$1.8 million on smart metering and backflow devices.
- Assets/Liabilities
 - As at 30 June 2022 total assets were valued at \$13.3 million.
 - There is no outstanding debt, no borrowings are envisaged, however, a temporary transfer of Bulk reserves will be required in 2023/24.

Price of Water

It is important to note that the Retail Reporting Unit operates independently of the Bulk Water Reporting Unit. Rous endeavours to provide water to retail customers at a competitive price that is relative to other Councils in the region having regard to differing service standards as a result of connecting directly into the Bulk network. The table below shows the proposed price path for retail customers. However, future increases are primarily driven by the corresponding cost of bulk water, along with costs associated with smart metering and backflow.

Table 7: Forecast Price Path for Charges to Rous Retail Customers

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	7.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	2.00%

The installation of smart metering and backflow devices represents a significant capital cost which reduces the cash reserve. There is a relatively small number of customers to pay for these services which will see the introduction of a new fee for backflow devices at \$196.00 per annum for 2023/24.

The table below compares the Rous Retail Water charges to other councils in the region. It should be remembered that the level of service provided to Rous' customers is different to that provided by the Constituent Councils to their customers, due to the design of the supply network.

Table 8: Comparison of 2022/23 Prices for Retail Water Supply (20mm Meter)

Comparison of Regional Pricing	Fixed fee	Usage charge	Typical bill (\$ p.a.)	Typical bill (\$ p.a.)
	(\$ p.a.)	(\$ per KL)	based on 200kL	based on 395kL
Lismore*	334.83	4.56	1,247	2,136
Richmond Valley*	189.00	2.88 & 4.38 over 200kL	765	1,619
Byron*	203.00	2.98	799	1,380
Ballina*	224.00	2.52 & 3.78 over 350kL	728	1,276
Rous (2023/24)	201.30	3.04	809	1,402
<i>Regional average</i>			870	1,563

* 2022/23 fees

The 2022/23 fees for Rous were: a fixed charge of \$196.80 and usage charge of \$2.84.

Retail Water Operating Performance

The table below shows the forecast operating result, capital movements and cash reserves for the Reporting Unit.

Table 9: Retail Water Reporting Unit Forecast Operating Performance

Description	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	3,497,700	3,880,700	4,136,800	4,407,200	4,699,800	5,020,300	5,368,100	5,738,100	6,140,300	6,272,400
Operating Expense	3,617,400	4,214,900	4,419,900	4,629,700	4,851,800	5,087,000	5,336,400	5,600,800	5,881,100	5,968,200
Operating Result	(119,700)	(334,200)	(283,100)	(222,500)	(152,000)	(66,700)	31,700	137,300	259,200	304,200
Less: Depreciation	420,200	526,500	534,400	542,400	550,500	558,800	567,200	575,700	584,300	593,100
Operating Result Excluding	300,500	192,300	251,300	319,900	398,500	492,100	598,900	713,000	843,500	897,300
Add: Capital Income	15,000	15,300	15,600	15,900	16,200	16,500	16,800	17,100	17,400	17,700
Less: Capital Expense	2,782,400	297,600	221,000	228,400	233,800	239,300	244,800	250,300	255,900	261,500
Internal Loan	0	0	0	0	0	0	0	0	0	0
Internal Loan Principle Repay	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve	500,000	0	45,900	107,400	180,900	269,300	370,900	479,800	605,000	653,500
Transfer from Reserve	2,466,900	90,000	0	0	0	0	0	500,000	0	0
Estimated Cash Reserve \$	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	507,300	417,300	463,200	570,600	751,500	1,020,800	1,391,700	1,371,500	1,976,500	2,630,000

The forecast is for operational deficits until 2028/29. The Reporting Unit is forecast to have cash surpluses in every year of the LTFP.

The ten-year operating forecast is weaker than would be preferred, particularly regarding the level of cash reserves. The 2023/24 financial year impacts the reserve significantly with the smart metering and backflow device projects accounting for much of the expense.

The reserve is below the internal cash reserve target over the LTFP and will require careful monitoring, particularly given that the primary income source, water consumption, is liable to vary depending on rainfall. The outlook could be improved by higher price increases than those proposed, and it could be argued that this is a reasonable position to take because Rous Retail Water customers currently have the lowest charges in the County. However, this option is not recommended at this stage given the already high increases proposed.

Flood Mitigation

Flood Mitigation Reporting Unit Comments

Flood Mitigation is responsible for maintaining an extensive network of infrastructure including floodgates, drains and levees.

This section provides some basic information on the larger financial elements relating to the Reporting Unit. Unless otherwise stated, the forecasts refer to the 2023/24 financial year.

- Operating Income
 - Contribution income of \$995,800 amounts to approximately 85% of total income. This includes contributions from constituent councils for Flood and Drainage.
 - The maintenance grant of \$84,600 has not been increased by the State Government since it was first provided in the 1980's and unfortunately there appears little likelihood of this grant being increased.
 - Other grants are also received that are less predictable. Examples include natural disaster recovery and strategy plans. The LTFP does not endeavour to predict these grants in future years. The grant conditions typically require the funds to be acquitted via additional expenditure such as contract labour and purchases. Hence the extra income is effectively cancelled out by the extra expenditure.
- Operating Expenditure
 - Wages are forecast at approximately \$490,600.
 - The majority of expense relates to maintenance and repair of infrastructure.
- Capital Expenditure
 - Average annual expenditure over the life of the model is approximately \$253,600.
 - Details of the capital works are included in the enclosed attachment.
- Assets/Liabilities
 - As at 30 June 2022 the Reporting Unit has infrastructure assets valued at \$132.0 million.
 - The Reporting Unit has no net debt and no new borrowings are envisaged, however, if natural disaster funding is not received prior to expenditure reserves may be needed from unrestricted cash.

Council contributions

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

Table 10: Forecast Price Path for Constituent Council Flood Mitigation Contributions

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	10.0%	8.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%

The following table shows the forecast contributions by the constituent councils (excludes drainage contribution) in a dollar format. The maximum dollar increase per council contribution is \$27,500 in 2023/24.

Table 11: Forecast Dollar Increase to Council Flood Mitigation contributions

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Percentage Increase	10.0%	8.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%
Total Flood Contribution \$	908,100	980,748	1,029,785	1,070,977	1,113,816	1,147,230	1,181,647	1,211,188	1,241,468	1,272,505
Total Contribution Increase \$	82,500	72,648	49,037	41,191	42,839	33,414	34,417	29,541	30,280	31,037
Contribution per Council \$	302,700	326,916	343,262	356,992	371,272	382,410	393,882	403,729	413,823	424,168
Increase per Council \$	27,500	24,200	16,300	13,700	14,300	11,100	11,500	9,800	10,100	10,300

It is acknowledged that the proposed increases are significant, however the income base of the Reporting Unit is small, and the asset base is comparatively, quite large. The intent is to improve the cash operating results to ensure that the cash reserve is maintained. If current service levels are to be maintained the proposed increases are necessary to remain sustainable.

The tables below show the council contributions in the current 2022/23 financial year compared to the proposed 2023/24 contribution for both flood and drainage. The proposed increase from 2022/23 to 2023/24 is 10.0%.

Table 12: Proposed Flood Mitigation council contributions 2023/24

Service Area	2022/23	2023/24	Increase
Ballina Shire Council	275,200	302,700	27,500
Lismore City Council	275,200	302,700	27,500
Richmond Valley Council	275,200	302,700	27,500
	825,600	908,100	82,500

Table 13: Proposed Drainage council contributions 2023/24

Service Area	2022/23	2023/24	Increase
Ballina Shire Council	40,300	41,800	1,500
Lismore City Council	40,300	41,800	1,500
Richmond Valley Council	3,900	4,000	100
Totals	84,500	87,600	3,100

Flood Mitigation Operating Performance

The table below shows the forecast operating performance of Flood Mitigation for the ten-year LTFP. The table also shows capital movements, reserve transfers and the cash reserve balance at year's end.

Table 14: Flood Mitigation Reporting Unit Forecast Operating Performance

Description	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$
Operating Income	1,174,200	1,186,700	1,222,500	1,267,800	1,313,400	1,350,600	1,387,200	1,419,100	1,453,500	1,489,700
Operating Expense	1,922,700	1,719,300	1,694,900	1,705,800	1,729,800	1,756,500	1,854,400	1,835,900	1,863,600	1,866,600
Operating Result	(748,500)	(532,600)	(472,400)	(438,000)	(416,400)	(405,900)	(467,200)	(416,800)	(410,100)	(376,900)
Less: Depreciation	705,700	716,300	727,000	737,900	749,000	760,200	771,600	783,200	794,900	806,800
Operating Result Excluding	(42,800)	183,700	254,600	299,900	332,600	354,300	304,400	366,400	384,800	429,900
Add: Capital Income	0	0	0	0	0	4,000	0	0	0	0
Less: Capital Expense	156,400	214,700	164,400	175,100	270,800	296,500	343,200	304,900	304,700	305,500
Transfer to Reserve	0	0	90,200	124,800	61,800	61,800	0	61,500	80,100	124,400
Transfer from Reserve	199,200	31,000	0	0	0	0	38,800	0	0	0

Estimated Cash Reserve \$	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	259,700	228,700	318,900	443,700	505,500	567,300	528,500	590,000	670,100	794,500

Over recent years the Reporting Unit has recorded operating losses and the forecast is that this will continue throughout the ten-year LTFP. The gradual improvement over the life of the model is primarily due to increases to Council Contributions. The increased cost is attributable to additional resources that have been used to improve service levels in recent years.

The forecast is that the reserve will be less than the internal cash reserve benchmark of five months operating expenditure consistently until 2030/31. From this year on the internal cash reserve benchmark is forecast to be met.

It is important to note that the depreciation included in the table above includes the Lismore Levee. The Levee depreciation must be included as the asset is on the Rous asset register. However, Lismore City Council must pay any operational or capital costs associated with the Levee. Therefore, it is more realistic to look at the outcome excluding forecast Levee depreciation of \$393,200 for 2023/24.

Table 15: Flood Mitigation Reporting Unit Operating Result Excluding Lismore Levee depreciation

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Result	(748,500)	(532,600)	(472,400)	(438,000)	(416,400)	(405,900)	(467,200)	(416,800)	(410,100)	(376,900)
Less Lismore Levee Depreciation	393,200	399,100	405,100	411,200	417,400	423,700	430,100	436,600	443,100	449,700
Revised Operating Result	(355,300)	(133,500)	(67,300)	(26,800)	1,000	17,800	(37,100)	19,800	33,000	72,800

In the above table the Reporting Unit does not achieve operating surpluses throughout the ten-year LTFP. The financial outlook of the Reporting Unit needs to be monitored closely as any unplanned expenditure will significantly impact the cash reserves.

An alternative to price increases may be to reduce service levels. However, the current service levels provided by the Reporting Unit indicate that existing assets are being maintained to a satisfactory standard. Staff continue to improve interaction and engagement with landowners serviced by the Reporting Unit.

Therefore, the strategy proposed is to maintain existing service levels and improve the financial performance via price increases. However, this is subject to the review of flood mitigation currently being undertaken as per [84/22] from the December 2022 Council meeting.

Weed Biosecurity

Weed Biosecurity Reporting Unit Comments

This section provides some basic information on the larger financial elements relating to the Reporting Unit. Unless otherwise stated, the forecasts refer to the 2023/24 year.

- Operating Income
 - Contribution income of \$861,500 amounts to 50.0% of the total income. This includes fee for service payments from Kyogle and Tweed Shires \$320,100.
 - Grant income is forecast at \$778,500.
- Operating Expenditure
 - Activities are organised into agreed elements of the Weed Action Program (WAP)
 - Salaries and wages are anticipated to be in the order of \$1,457,400.
 - Other expenses include administration, insurance, depot, fleet and training.
- Capital Expenditure
 - Average annual spend over the life of the model is \$21,100.
 - Details of works are included in the enclosed attachment. Works include GIS equipment renewals and depot upgrades.
- Assets/Liabilities
 - As at 30 June 2022 total assets were valued at \$2.1 million.
 - There is no outstanding debt 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 Reporting Unit.

Council contributions

The table below shows the projected price path for Council Contributions which are in line with rate peg increases.

Table 16: Forecast Price Path for Constituent Council Contributions

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	3.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

The projected price path indicates that the Reporting Unit is operating comfortably, and little intervention is required in the way of price or service delivery adjustments. There are 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 constituent council contributions in the current year 2022/23 financial year compared to the proposed 2023/24 contribution.

Table 17: Proposed Weed Biosecurity council contributions

Service Area	2022/23 \$	2023/24 \$	Increase \$
Ballina Shire Council	118,600	123,000	4,400
Byron Shire Council	118,600	123,000	4,400
Lismore City Council	155,900	161,700	5,800
Richmond Valley Council	129,000	133,800	4,800
Total Contributions	522,100	541,500	
Kyogle Shire Council *	130,100	134,900	4,800
Tweed Shire Council *	178,600	185,200	6,600
Total Fees	308,700	320,100	
Total Contributions and Fees	830,800	861,600	30,800
Total % Increase			3.7%

* Indicates local government areas under a fee-for-service arrangement.

Weed Biosecurity Operating Performance

The table below shows the forecast operating performance of the Reporting Unit.

Table 18: Weed Biosecurity Reporting Unit Forecast Operating Performance

Description	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$
Operating Income	1,722,200	1,610,100	1,588,900	1,603,900	1,617,900	1,638,700	1,660,400	1,682,600	1,704,700	1,726,400
Operating Expense	2,667,100	1,601,900	1,522,200	1,525,600	1,535,200	1,552,600	1,576,700	1,606,700	1,660,100	1,697,100
Operating Result	(944,900)	8,200	66,700	78,300	82,700	86,100	83,700	75,900	44,600	29,300
Less: Depreciation	31,000	31,500	32,000	32,500	33,000	33,500	34,000	34,500	35,000	35,500
Operating Result Excluding	(913,900)	39,700	98,700	110,800	115,700	119,600	117,700	110,400	79,600	64,800
Add: Capital Income	0	0	0	0	0	0	0	0	0	0
Less: Capital Expense	0	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000	20,000
Transfer to Reserve	0	18,700	98,700	88,800	71,700	75,600	97,700	90,400	59,600	44,800
Transfer from Reserve	913,900	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	1,187,900	1,206,600	1,305,300	1,394,100	1,465,800	1,541,400	1,639,100	1,729,500	1,789,100	1,833,900

The Reporting Unit is forecast to record recurrent operating surpluses from 2023/24 onwards which is a positive outlook. Cash reserves remain adequate throughout the life of the model and are forecast to exceed the internal cash reserves benchmark of four months operating expenditure.

Property

Property Reporting Unit comments

The aim of this section of the report is to provide some basic information on the larger financial elements relating to the Reporting Unit. Unless otherwise stated the forecasts refer to the 2022/23 year.

- Operating Income
 - Rental income is estimated at \$159,800 which is 80.8% of forecast operating income.
- Operating Expenditure
 - Forecast expenditure for rental properties is \$164,100 which excludes salaries, depreciation and overheads.
 - Staff, administration and depreciation expenses amount to approximately \$107,500.
 - Operating expense associated with Perradenya is anticipated to be \$50,000.
- Capital Income
 - Sales income from Stage 7 at Perradenya is expected to be \$3.4 million in 2024/25.
 - Forecast income in 2025/26 of \$2.9 million and 2026/27 of \$2.9 million relates to the integrated lots and commercial lots at Perradenya.
- Capital Expenditure
 - Estimated expenditure on Stage 7 at Perradenya is \$2.2 million in 2023/24.
 - Estimated cost to complete the development is \$2.5 million in 2024/25 and \$2.5 million in 2025/26.
- Assets/Liabilities
 - As at 30 June 2022 non-current assets were valued at \$3.1 million which includes inventory, properties and buildings.
 - There is no outstanding debt, however due to the timing of expenditure and sales a temporary transfer of Bulk reserves will be required in 2023/24.

The Property Reporting Unit includes three different sections:

1. Commercial property in the Lismore CBD. A property is owned and leased by Rous to provide a commercial rate of return although this has not been possible since damage sustained in the 2022 flood events. Rous is the master lessee of the Administration Office in Molesworth Street with the current lease due to expire in August 2023. This lease has the option to be extended for another 6 months if required. There are two sub leases of that space for which rental income is received.
2. Thirteen rural properties with a combined area of some 220 hectares were originally purchased for the Proposed Dunoon Dam. Leases include both residential houses and agistments. These properties are currently being held until all investigations relating to the proposed Dunoon Dam are completed.
3. Perradenya Estate is being progressively subdivided and sold as residential allotments.

Property 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.

Property Operating Performance

The table below shows the forecast operating result, capital movements and cash reserve for the Property Reporting Unit.

Table 19: Property Forecast Operating Performance

Description	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$
Operating Income	197,800	105,200	95,300	138,600	164,700	164,500	164,200	163,800	163,400	162,900
Operating Expense	321,600	245,100	198,700	196,400	147,400	146,900	147,500	148,900	149,500	151,300
Operating Result	(123,800)	(139,900)	(103,400)	(57,800)	17,300	17,600	16,700	14,900	13,900	11,600
Less: Depreciation	43,200	43,800	44,500	45,200	45,900	46,600	47,300	48,000	48,700	49,400
Operating Result Excluding	(80,600)	(96,100)	(58,900)	(12,600)	63,200	64,200	64,000	62,900	62,600	61,000
Add: Capital Income	0	3,372,800	2,900,000	2,900,000	0	0	0	0	0	0
Less: Capital Expense	2,266,900	2,568,600	2,569,400	70,200	71,900	73,600	74,400	76,200	76,700	77,200
Transfer to Reserve	1,000,000	708,100	271,700	2,817,200	0	0	0	0	0	0
Transfer from Reserve	2,347,500	500,000	0	500,000	8,700	9,400	10,400	13,300	14,100	16,200
Estimated Cash Reserve \$	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	61,900	270,000	541,700	2,858,900	2,850,200	2,840,800	2,830,400	2,817,100	2,803,000	2,786,800

The Reporting Unit is forecast to make recurrent operating losses. Income from renting rural properties is slightly less than direct expenses (excludes overheads and depreciation) whilst Perradenya operating expenses are included in the operating result, but the income is capital in nature.

Exclusive of rural properties and Perradenya operating expenses, properties is a marginal exercise involving one commercial property and sub-leases of the Molesworth Street administration building. A surplus is difficult to achieve once depreciation, staff time and administration expenses are brought to account. If or when opportunities for sales arise, they would be considered.

The forecast improves in the later years of the model, as the Perradenya operating costs decline once the lots are sold.

Perradenya Estate has capital expense associated with construction costs and capital income from the land sales. Over the life of the model, three separate releases are proposed being stage 7, the integrated lot and a commercial lot. There is a positive cash balance forecast at the end of the ten-year LTFF.

Once the property portfolio excludes Perradenya and Rural properties, Council may take the decision to eliminate the Property Reporting Unit. Any remaining financial transactions including cash reserves would become part of Bulk Water Reporting Unit. The rural properties are located around the previously proposed Dunoon Dam site and as such are connected to the FWP.

Fleet Reporting Unit

Fleet Reporting Unit comments

Unless otherwise stated the forecasts refer to the 2023/24 year.

- Operating Income
 - Interest on funds invested, fuel tax credit rebates and staff contributions for private use of vehicles account for total operating income, forecast at \$126,100.
 - Note that plant hire income is viewed as a negative expense.
- Operating Expense
 - Total operational expense is expected to be around \$764,100 plus \$395,900 for depreciation. Plant hire income (\$1,030,600) 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 \$393,600 which is the net cost of vehicle turnovers. i.e. includes trade value.

The role of the Fleet Reporting Unit is to provide all other Reporting Units with fit-for purpose fleet at an economical rental. The Reporting Unit manages vehicles, boats, trailers and heavy plant. There are approximately 90 items within the Fleet.

General Operations

The intent is for the Fleet Reporting Unit to operate on a stand-alone basis. All expenses relating to management of the fleet are costed to Fleet Reporting Unit 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 Reporting Unit 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 Reporting Unit Operating Performance

The forecast is for an essentially break-even operating result and relatively stable cash reserves.

Table 20: Fleet Reporting Unit Forecast Operating Performance

Description	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$
Operating Income	126,100	116,000	110,000	107,600	102,000	101,300	102,900	106,700	110,600	114,700
Operating Expense	129,400	103,600	91,900	101,100	73,200	79,500	85,900	92,400	99,000	105,700
Operating Result	(3,300)	12,400	18,100	6,500	28,800	21,800	17,000	14,300	11,600	9,000
Less: Depreciation	395,900	401,800	407,800	413,900	420,100	426,400	432,800	439,300	445,900	452,600
Operating Result Excluding	392,600	414,200	425,900	420,400	448,900	448,200	449,800	453,600	457,500	461,600
Add: Capital Income	0	0	0	0	0	0	0	0	0	0
Less: Capital Expense	421,400	580,000	298,000	389,300	481,000	466,000	325,000	325,000	325,000	325,000
Transfer to Reserve	0	0	127,900	31,100	0	0	124,800	128,600	132,500	136,600
Transfer from Reserve	28,800	165,800	0	0	32,100	17,800	0	0	0	0
Estimated Cash Reserve \$	1,132,000	966,200	1,094,100	1,125,200	1,093,100	1,075,300	1,200,100	1,328,700	1,461,200	1,597,800

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 Reporting Unit does not make a significant profit or loss. Either outcome indicates that the other Reporting Units are being over or under charged and the hire rates need to be adjusted.

The cash surplus is designed to approximate depreciation which should be roughly equal to the net annual capital expense. This means that the cash surplus is being reinvested into the fleet in the form of replacing and updating existing fleet items. The reserve will meet its internal cash reserves target of four-month operating expenditure throughout the ten-year LTFP.

Other matters

– Overhead Charges

Financially the organisation is split into different Reporting Units. This is done so that the financial performance and position of each Reporting Unit can be evaluated and policies, practices and pricing strategies can be designed to suit. Further, it is a means of being transparent and minimising cross subsidies between the Reporting Units.

Expenses commonly termed as 'overheads' are charged to Bulk Water Reporting Unit and then distributed to the smaller Reporting Units. These costs include items such as Information Technology, Finance, Human Resources and Governance. Bulk Water Reporting Unit has been accepting a greater share of these costs than is equitable.

Strategies are in place to improve this distribution such as increasing the annual contribution by arbitrary amounts plus cost of living. However, it is a work in progress and it will be some years before it is complete.

– Statement of Revenue policy - 2023/24

Proposed fees and charges for the 2023/24 financial year include: -

- Bulk water sales revenue – an increase of 6.0% to \$2.28 per kilolitre.
- Retail water sales – an increase of 7.0% to \$3.04 per kilolitre for water usage. The fixed facility charges will also increase by 7.0%.
- Developer charges – an increase of 7.5% to \$9,951.00 per equivalent tenement (based on the revised Development Servicing Plans that were adopted by Council in February 2023 [6/23] adjusted for CPI).
- A developed charge for Retail customers of \$384.00 has also been introduced as part of the revised Development Servicing Plans.
- Weed biosecurity contributions – an increase of 3.70% in line with rate pegging.
- Flood mitigation contributions – an increase of 10.0%.
- Ex-drainage union contributions - an increase of 3.70% in line with rate pegging.
- Backflow device annual charge – a fee of \$196.00 (this charge will only be applied on a pro-rate basis after installation and has not increased from last year).
- Property information certificates – no increase to fee of \$90.00 as prescribed by section 603 of the Local Government Act 1993.
- Interest on overdue water accounts – remains at 6.0% as prescribed by section 566(3) of the Local Government Act 1993.
- Other fees have generally increased by CPI of 7.8% or less and in many cases have not been increased at all.

Governance

Council adopted the current Integrated Planning and Reporting Framework in 2022. That Framework is applicable for a 3 year period to 30 June 2025 (not the usual 4 year period) due to various changes implemented by the NSW Government in response to COVID19.

The key themes of the Integrated Planning and Reporting Framework were the product of a range of consultative processes which included input from constituent councils. The themes remain current and applicable for 2023/24:

(i) Sustainable delivery

Delivery priorities include:

- (a) Contributing to the protection and enhancement of our region's environment and natural resources.
- (b) Responding to climate change impacts and reducing our carbon emissions.
- (c) Planning for a water-secure future and responding to the demands of regional population growth.
- (d) Sustainably using our human, financial and other resources through sound business planning and ongoing improvements.

(ii) External relationships

Delivery priorities include:

- (a) Proactive and positive engagement with our constituent councils to support the achievement of shared objectives.
- (b) Building community understanding of the breadth of functions and results that Council delivers across the region.
- (c) Maintaining strong relationships with others to promote positive business, environment and community outcomes.
- (d) Being well-positioned to win Government funding opportunities.

(iii) Our people

Delivery priorities include:

- (a) Forecasting future workforce skill needs and finding solutions to fill skills gaps.
- (b) Further enhancing our leadership culture.
- (c) Crafting opportunities for our staff to learn and develop skills that are needed for achieving our organisation objectives.
- (d) Being an employer our employees are proud to work for.

(iv) Leadership and innovation

Delivery priorities include:

- (a) Confirming our leadership role in the region for water supply, weed biosecurity and flood mitigation.
- (b) Providing a more consistent and cohesive service delivery model to our constituent councils.
- (c) Exploring new technologies and approaches as solutions to addressing service delivery issues.
- (d) Responding proactively to a change regulatory environment.

The actions in the draft Operational plan reflect the themes, delivery priorities and objectives set out in the Integrated Planning and Reporting Framework.

No substantial changes to the Delivery program are recommended. Two minor changes are however recommended:

- 1.4.2: 'Implement Richmond Water Laboratories Strategic Plan': delete Y2 dot (action no longer relevant due to the closure of the laboratory).
- 4.2.1: Reword to reflect the Digital Strategy and Digital Transformation body of work (endorsed by Council at its 14 December 2022 meeting).

Council has until 30 June 2023 to endorse the draft Operational plan and its supporting elements.

Consultation

If approved, the draft Operational plan (incorporating the 2023/24 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 Council's June 2023 meeting. Otherwise, if no public submissions are made, it is proposed that the documents, as placed on public exhibition, be deemed to be adopted.

The proposed changes to the Delivery program are considered minor in nature and do not require public exhibition.

Conclusion

The proposed draft Operational plan (incorporating the 2023/24 Budget and 'Revenue' policy) is recommended to Council for public exhibition.

Attachments:

1. Long-Term Financial Plan 1 July 2023 to 30 June 2033 (concise)
2. Statement of Revenue policy 2023-2024
3. Draft Operational plan 2023-2024
4. Delivery program 2022-2025 (incorporating minor amendments)



Long-Term Financial Plan

1 July 2023 – 30 June 2033

Bulk water | Retail water
Flood mitigation | Weed biosecurity
Property |

Concise version

02 April 2023

Version	Description	Person responsible	Reviewed by	Approved by / Date
0.1	Draft.	J Patino	G. Ward	
0.2	Public Exhibition			
1.0	Endorsed by Council at its meeting 15/06/2023			

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NOTE: Missing table numbers are those tables not relevant to this version of the Long-Term Financial Plan. The full version of the plan can be [found here](#).

1. Introduction

1.1. The Long-Term Financial Plan (LTFP)

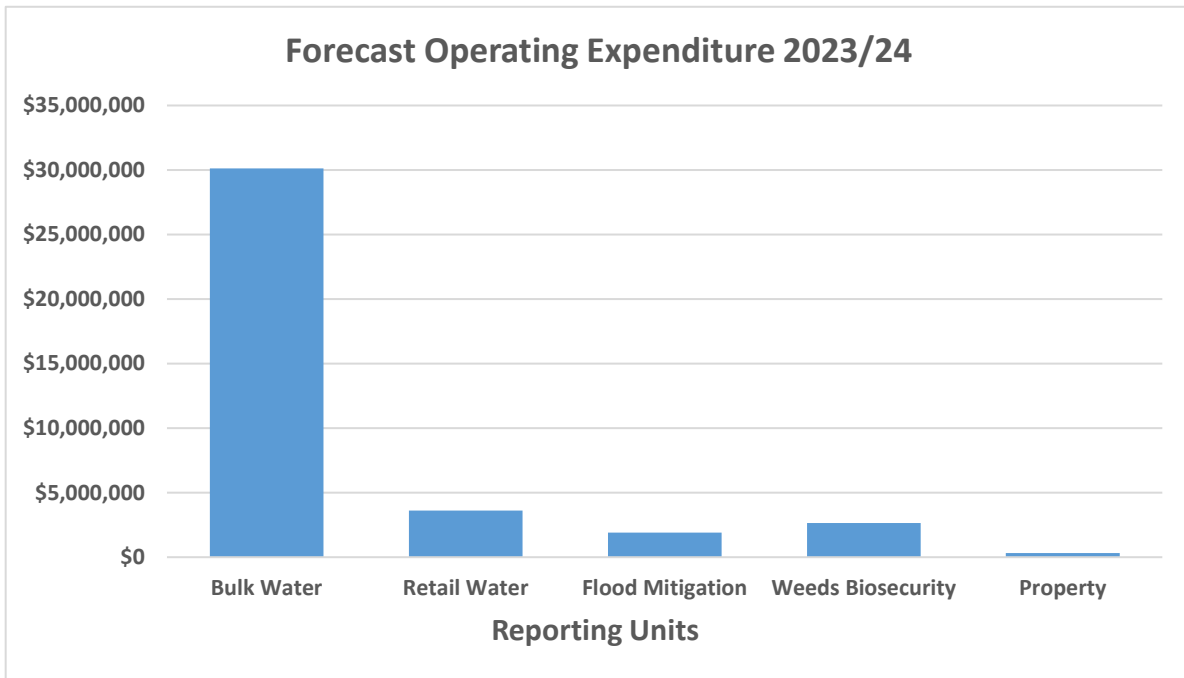
- i. Is a regulatory requirement and forms part of Rous County Council's (Rous) Resourcing Strategy within its Integrated Planning and Reporting (IP&R) Framework.
- ii. Is based on a financial planning period of ten years from 2023/24 to 2032/33. It is relevant to note that Rous also prepare a 30-year financial plan (not presented as part of this document) that provides an intergenerational financial outlook and meets the guidelines of the Integrated Water Cycle Management Strategy (IWCMS) administered by the NSW Department of Planning, Industry and Environment – Water (DPIE).
- iii. Is designed to assist financial decision making. It includes revenue and expenditure forecasts and asset projections, all of which are based on several assumptions.
- iv. Is used to test whether Rous has the financial capacity to satisfy the goals set out in the Business Activity Strategic Plan (part of the IP&R Framework).
- v. Measures short, medium, and long-term sustainability.
- vi. Is expected to identify if there is an unacceptable risk in one or more of these time horizons, with sufficient foresight to enable a remedial strategy to be agreed.
- vii. Is updated annually in conjunction with the Delivery Program and Operational Plan.

2. Rous' financial position

Rous has five distinct reporting units that are combined to form one entity referred to as the consolidated organisation. The 'bulk water reporting unit' is the dominant entity and in a financial sense comprises over 78% of the consolidated organisation.

Graph 1: Forecast operating expenditure 2023/24 shows the forecast operating expenditure of each of the reporting units in the 2023/24 financial year.

Graph 1: Forecast operating expenditure 2023/24



The chart illustrates how the bulk water reporting unit dominates the financial landscape of the consolidated organisation. Therefore it is relevant to note that a summary of the financial position of the consolidated organisation tends to primarily reflect this unit.

Main income source: Constituent council contributions for the supply of bulk water

This income source is considered to be reliable and secure. The contributions payable by each constituent council are calculated based on the previous year’s water consumption. The actual income to be received by Rous in the forthcoming financial year is known by approximately March of the preceding financial year.

The reliable nature of the income allows Rous to plan for sufficient funds to be raised to meet known expenditures, and to create a cash reserve buffer for unexpected financial events. Given the asset-intensive nature of the bulk water business, financial planning is very important.

Expenditure can vary with the main costs relating to labour, chemicals, electricity and maintenance of an extensive array of assets.

Control and management of assets valued >\$690 million

These assets include dams, treatment plants, pipes, land, buildings and plant and equipment. Both financial and operating planning are critical to ensure that essential services are maintained to satisfactory standards.

Main water source is Rocky Creek Dam, but new water sources are needed

Rocky Creek Dam and associated treatment and reticulation infrastructure currently carry no debt. However due to the regional population growth and climate change, Rous will need to invest in new water sources or demand for water will exceed supply.

The LTFP anticipates significant expenditure on new groundwater sources, referred to as the Future Water Program (FWP). Expenditure is currently estimated at \$156 million over the next ten years. The FWP includes years of investigations into the best water source alternatives, increases to the price of bulk water to accommodate external borrowings and research into possible grant funding from higher government tiers.

In summary, it is a challenging time for the organisation both operationally and financially. In addition to managing all existing operations, alternative water supply options and financial management strategies are ongoing. A focus of financial planning is for Rous to continue to meet its service charter and remain financially sustainable into the future.

2.1. Historical financial data

Table 1: Historical performance provides consolidated historical financial information for the three-year period 2019/20, 2020/21 and 2021/22. This information is useful to assess Rous's previous performance and financial position.

Table 1: Historical performance

	Actuals		
	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Operating Result			
Operating Revenue *	25,752	25,340	28,931
Operating Expenditure	27,779	26,251	32,349
Operating Result*	(2,027)	(911)	(3,418)
* Excluding Capital Grants and Contributions			
Cash and Investments			
Total Cash and Investments	35,193	49,380	40,554
Other Balance Sheet			
Infrastructure, Property, Plant and Equipment	490,721	497,086	509,348
Outstanding Loan Principal	21,559	32,358	28,960
Performance Indicators			
Operating Performance Ratio (Benchmark >0.00%)	-8.08%	-4.92%	-9.56%
Own Source Operating Revenue Ratio (Benchmark >60.00%)	81.07%	78.85%	73.82%
Unrestricted Current Ratio (Benchmark >1.50x)	5.24x	7.03x	4.26x
Debt Service Cover Ratio (Benchmark >2.00x)	1.54x	1.59x	1.42x
Cash Expense Cover Ratio (Benchmark >3.00 months)	18.31 months	25.80 months	19.01 months

3. Financial modelling

3.1. Methodology

The LTFP forecasts the ten years from 2023/24 to 2032/33, which meets the requirements of the Office of Local Governments Integrated Planning and Reporting.

The plan presented aims to:

- Determine the funding requirements of both the operational and capital works programs.
- Identify funding sources to meet those funding requirements.
- Document other life-cycle costs associated with system assets and business operations.
- Ensure appropriate levels of cash and liquidity are maintained.
- Forecast the long-term pricing structure.
- Forecast the estimated financial position of the organisation.
- Measure financial performance indicators against industry accepted benchmarks.

The development of this LTFP is continually refined and adjusted to reflect the most current information. Therefore, it is important to note that this document presents the LTFP as at the time of development, being the proposed changes in the Quarterly Budget Review Statement for the quarter ended 31 March 2023.

The estimates shown in the LTFP are expressed in 'future dollars'. This means that the figures in the LTFP are inflated to reflect the actual dollar value that will be received or expended in that year. This is calculated based on the assumed level of inflation based on the Consumer Price Index.

The LTFP is premised on various combinations of historical and current information as well as known and estimated future events.

Example: Where the future cost of electricity needs to be estimated and there are 2 years remaining of a 5-year supply contract, the following approach is taken.

Forecasts for years one and two will be based on historical and current year electricity usage plus price adjustments contained in the contract. Also proposed operational changes, such as a new pump station, will need to be considered. Estimating the cost for year three will require assumptions on pricing contained in the new supply contract and further assumptions on growth or decline of usage.

The accuracy of forecasting contained in the LTFP tends to decline annually as the closer the forecast is to the current day, the more accurate the estimated income or expense. This is because the number of unknown variables reduces annually.

Every effort is made to update the LTFP regularly so that the current base case for each reporting unit and the consolidated organisation is as accurate as reasonably possible at all times.

Due to size and scale, the bulk water supply reporting unit has been selected as the 'host' entity, which accepts all direct costs associated with corporate overheads such as management, finance, information services, human resources, etc. These costs are then apportioned to other reporting units, based on size and scale, existing practice and a sustainable path to full cost recovery.

3.2. How to read the LTFP

This version of the LTFP has been shaped to reflect the primary structure of the organisation on a consolidated basis. A detailed version of the LTFP exists that explores the various functions of the organisation, which are known as reporting units. The detailed version is [available here](#).

The reporting units are:

- Bulk water supply
- Retail water supply
- Flood mitigation
- Weed biosecurity
- Property.

The LTFP can be viewed over three time periods:

1. One-year Operational Plan – 2023/24 budget and is the primary focus (presented in blue in the report tables).
2. Four-year Delivery Program – designated time under the *Local Government Act 1993* that is intended to provide a medium-term financial vision for the organisation (presented in yellow for years two to four in the report tables).
3. Ten-year LTFP – expands on the Delivery Program to provide a broader perspective of where the organisation is heading and what the threats and opportunities may be over ten years (presented in white for the remaining years within this report).

The colour scheme is represented in *Table 6: Colour scheme*.

Table 6: Colour scheme

LTFP category	Time period	Colour scheme
Operational Plan	2023/24	
Delivery Program	2024/25 – 2026/27	
LTFP	2027/28 – 2032/33	

It will be noted that the **net cash movement** (*Table 8: Consolidated organisation operating performance*) forecasts a zero in all years. This is because the annual cash movement is balanced via a transfer to or from reserve. Therefore, the **net reserve movement** indicates whether the cash reserve has increased or decreased over the period.

It is important that the reserve balance for the organisation is sufficient to meet current operating requirements, forward capital works and debt servicing. Adequate cash reserves ensure the necessary liquidity to meet short-term obligations, i.e., creditor payments, loan servicing costs and payroll expenditure.

Further, it is prudent that the cash reserve is at a level that includes tolerance for unforeseen events (budget shocks) that may impact Council's ability to maintain service levels. Council has adopted a ['Financial Reserves' policy](#) that sets a target for a minimum reserve balance for each reporting unit. This policy assists discussion when considering financial strategies and is referred to in different financial reports.

3.3. Budget assumptions

The budget contains numerous assumptions that are embedded within the figures. This document does not endeavour to summarise them all.

Primary assumption: That Rous will continue to function in 2023/24 and beyond in a similar fashion to the current financial year.

Table 7: Main budget assumptions provides a summary of the budget assumptions and presents the forecast price path of the primary income source for bulk water supply, retail water, flood mitigation and weed biosecurity.

The projected price path will have a significant impact on the customers of Rous, namely, constituent councils.

Table 7: Main budget assumptions

Main Assumptions and Projected Price Paths	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Consumer Price Index	103.50%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rate Pegging	100.70%	103.70%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Depreciation Movement	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%
Salary and Wages	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Cost for Retail	106.00%	106.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%
Loan Interest Rate	103.50%	7.00%	6.50%	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Investment Interest Rate	0.60%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Flood Council Contributions	112.00%	110.00%	108.00%	105.00%	104.00%	104.00%	103.00%	103.00%	102.50%	102.50%	102.50%
Weeds Council Contributions	100.70%	103.70%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Council Contributions	106.00%	106.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%
Retail Water	108.00%	107.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	102.00%

3.4. Other assumptions

Cost of living: Assumptions around rate pegging and salary and wages are based on different indices published by the Australian Bureau of Statistics and other financial journals. Consumer Price Index increases have been frozen throughout the LTFP in an effort to reduce operating expenditure. The estimates are updated as new information is received.

Depreciation: The assumption of 1.5% is an approximate average for the useful life of an asset, with only basic intervention, of 66 years. Obviously, the actual lifespan varies depending on the asset and the reality is that the depreciation figures included in the LTFP are primarily based on the depreciation figures used in the annual financial statements. The figures in the financial statements represent the culmination of detailed work, per reporting unit, from individual asset registers.

Loan interest rate: Premised on research with different banks and financial institutions.

Investment interest rate: The rates are taken from the ten-year Commonwealth Bond rate, which provides a market-based prediction of the future.

Contribution price paths: The proposed price path for each reporting unit is determined by assessing the financial performance and position of each 'business'. The aim is to ensure that each business remains financially sustainable over the long term without any reduction to service levels nor any unnecessary accumulation of cash reserves. It is assumed that the constituent council's will be in a position to service their payments to Rous when they fall due.

Future Water Program (FWO): Based on Rous's decision in 2021, the current version of the plan includes new groundwater sources at Alstonville, Woodburn and Tyagarah.

Estimates of capital and operational expense associated with the FWP are continually being refined and modified. Given the scale of expenditure, the updating of these costs is considered to be a major weakness in the LTFP.

This is due to both the high likelihood of financial adjustments being required and the impact of those changes on the organisations financial plan.

Population growth: Most Rous revenue streams are calculated by methods that are independent of growth. However, growth is very important when forecasting developer contribution income and strategic asset expenditure.

Assessing growth for Rous involves research on each constituent council individually as they all have different projections. The results for each council are amalgamated to provide the Rous forecast.

4. Financial Plan

The tables shown in this section of the LTFP are current as of March 2023. The commentary that accompanies the tables is intended to be very general in nature, giving an overview perspective only. A detailed version of the LTFP is [available here](#) and commentary will be contained in the report that accompanies the LTFP when presented to Council.

Table 8: Consolidated organisation operating performance shows the forecast operating performance of the consolidated organisation, including capital movements, reserve transfers and the estimated cash reserve balance at year's end.

Table 8: Consolidated organisation operating performance

Name	Long-Term Financial Plan											
	Current Budget		Operational Plan	Delivery Program								
	2023 Estimate	% Change	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Operating Income												
Flood Mitigation	1,056,200	11.2	1,174,200	1,186,700	1,222,500	1,267,800	1,313,400	1,350,600	1,387,200	1,419,100	1,453,500	1,489,700
Weeds Biosecurity	2,202,500	(21.8)	1,722,200	1,610,100	1,588,900	1,603,900	1,617,900	1,638,700	1,660,400	1,682,600	1,704,700	1,726,400
Retail Water Supply	3,099,200	12.9	3,497,700	3,880,700	4,136,800	4,407,200	4,699,800	5,020,300	5,368,100	5,738,100	6,140,300	6,272,400
Richmond Water Laboratories	271,500	(100.0)	0	0	0	0	0	0	0	0	0	0
Property	163,500	21.0	197,800	105,200	95,300	138,600	164,700	164,500	164,200	163,800	163,400	162,900
Bulk Water Supply	23,084,800	5.8	24,427,700	24,254,800	25,700,500	27,312,200	29,095,900	31,112,600	33,264,900	35,618,700	38,024,100	38,403,700
Fleet Operations	249,900	(49.5)	126,100	116,000	110,000	107,600	102,000	101,300	102,900	106,700	110,600	114,700
Total Operating Income	30,127,600	3.4	31,145,700	31,153,500	32,854,000	34,837,300	36,993,700	39,388,000	41,947,700	44,729,000	47,596,600	48,169,800
Operating Expense												
Flood Mitigation	1,807,800	6.4	1,922,700	1,719,300	1,694,900	1,705,800	1,729,800	1,756,500	1,854,400	1,835,900	1,863,600	1,866,600
Weeds Biosecurity	2,664,500	0.1	2,667,100	1,601,900	1,522,200	1,525,600	1,535,200	1,552,600	1,576,700	1,606,700	1,660,100	1,697,100
Retail Water Supply	3,242,200	11.6	3,617,400	4,214,900	4,419,900	4,629,700	4,851,800	5,087,000	5,336,400	5,600,800	5,881,100	5,968,200
Richmond Water Laboratories	503,800	(100.0)	0	0	0	0	0	0	0	0	0	0
Property	397,600	(19.1)	321,600	245,100	198,700	196,400	147,400	146,900	147,500	148,900	149,500	151,300
Bulk Water Supply	24,525,800	22.9	30,132,300	30,468,400	32,144,700	33,191,200	34,733,400	36,437,700	37,702,500	37,970,700	38,139,000	37,223,300
Fleet Operations (*net of internal income)	79,400	63.0	129,400	103,600	91,900	101,100	73,200	79,500	85,900	92,400	99,000	105,700
Total Operating Expense	33,221,100	16.8	38,790,500	38,353,200	40,072,300	41,349,800	43,070,800	45,060,200	46,703,400	47,255,400	47,792,300	47,012,200
Operating Result	(3,093,500)	147.1	(7,644,800)	(7,199,700)	(7,218,300)	(6,512,500)	(6,077,100)	(5,672,200)	(4,755,700)	(2,526,400)	(195,700)	1,157,600
Less Depreciation	7,813,800	6.3	8,305,100	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,569,100	10,723,000	10,853,600
Operating Result Excluding Non Cash	4,720,300	(86.0)	660,300	1,556,800	1,821,100	2,820,800	3,757,700	4,427,300	5,512,600	8,042,700	10,527,300	12,011,200
Add: Capital Income	4,223,000	3.9	4,386,000	7,912,100	7,597,600	7,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
Add: Loan Drawdown	0		15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
Less: Loan Repayments	3,604,600	16.3	4,191,300	5,034,700	6,032,200	5,807,400	4,797,600	5,632,100	6,387,100	7,030,600	7,405,800	7,802,000
Less: Capital Expense	17,341,000	48.8	25,802,400	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,033,500	0.0	1,500,000	1,730,000	1,003,000	3,669,300	3,003,500	406,700	2,994,700	2,591,400	877,200	6,117,300
Add: Transfer from Reserve	13,035,800	(12.2)	11,447,400	786,800	0	4,361,000	40,800	1,641,400	49,200	513,300	4,861,200	16,200
Net Cash Movement	0		0	0	0	0	0	0	0	0	0	0

Estimated Reserves Whole Organisation

Description	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Estimated Reserves Whole Organisation	28,552,000	18,604,600	19,547,800	20,550,800	19,859,100	22,821,800	21,587,100	24,532,600	26,610,700	22,626,700	28,727,800
Net Reserve Movement	(12,002,100)	(9,947,400)	943,200	1,003,000	(691,700)	2,962,700	(1,234,700)	2,945,500	2,078,100	(3,984,000)	6,101,100

Key points on operating performance

Recent history

An operating loss before capital grants and contributions has occurred in each of the last three years. The different Reporting Units all face challenges, however 'bulk water' and 'flood mitigation' have impacted the negative result to a greater extent than the remaining reporting units.

'Bulk water' is experiencing change associated with a large capital works program that requires more staff, new loans, and additional maintenance expenditure. 'Flood mitigation' has progressed various maintenance projects such that operating expense has exceeded income and resulted in a reduction to cash reserves.

Rous is currently providing administrative services to the Northern Rivers Joint Organisation under a fee for service arrangement.

Ten-year forecast

The forecast is for a continuation of operating deficits for most years of the plan. The result gradually improves as the decade progresses.

There are numerous factors influencing this forecast, but the predominant issue is a need to borrow funds externally to pay for new capital works within 'bulk water'. The plan anticipates raising loans of \$180 million over the next ten years. The price of bulk water is increased to raise funds to repay the debt, however there is a lag where recurrent operating losses are anticipated until revenue reaches a satisfactory level. Cash reserves remain reasonably stable despite funds being applied to capital works and then replenished by new borrowings.

It is not preferable to forecast operating deficits on a recurrent basis, however it is sustainable because income from constituent council contributions for bulk water is elevated to match the new operating and capital expense requirements. Some of the pressure is released in 2028 when the majority of the existing loans expire, which saves approximately \$4 million per annum in loan repayments. The outlook for the whole organisation tends to be dominated by the bulk water reporting unit and more detailed information is provided in that section of the document.

Forecast ratios

That several ratios do not meet the benchmarks predominantly due to the increased costs of the FWP and the associated loan borrowings and a focus on constructing new assets rather than renewing existing assets.

The selected ratios below are from those required by the Local Government Code of Accounting Practice. A definition for each ratio is included in the detailed version of the LTFP [available here](#). Rous's forecast performance against the benchmarks are detailed in *Table 9: Consolidated organisation forecast ratios*.

Table 9: Consolidated organisation forecast ratios

	Long-Term Financial Plan											
	Current Budget		Operational Plan	Delivery Program								
	2023 Estimate		2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Operating Performance Ratio Expressed as a Percentage <u>Operating Income less Operating Expense</u> Operating Income	(10.27)		(24.55)	(23.11)	(21.97)	(18.69)	(16.43)	(14.40)	(11.34)	(5.65)	(0.41)	2.40
Benchmark	>0		>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail		Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Pass
Comment	This benchmark is only met from 2032/33 onwards primarily due to increases in the Bulk Water price path which enables operating revenue to exceed operating expenditure. In the short-term the price path is not high enough to address the additional planned expenditure.											
Own Source Operating Revenue Expressed as a Percentage <u>Operating Income less Grants and Contributions</u> Total Operating Income	94.74		96.69	97.18	97.48	97.61	97.75	97.88	98.01	98.12	98.23	98.27
Benchmark	>60		>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This benchmark is met in every year as Rous' revenue is primarily from non-Grant sources.											
Debt Service Cover Ratio <u>Operating Result excl Loan Interest and Depreciation</u> Loan Repayments Principal/Interest	1.23		0.45	0.61	0.64	0.74	0.91	0.91	0.94	1.06	1.19	1.26
	6,070,400		2,839,600	5,430,600	7,483,900	8,674,400	10,664,600	12,833,200	14,367,100	17,056,200	19,165,600	20,253,300
	4,954,700		6,370,600	8,908,500	11,695,000	11,661,000	11,704,500	14,038,000	15,241,600	16,044,100	16,044,100	16,044,100
Benchmark	>2		>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Fail		Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Comment	This benchmark is not met in any years. Rous' forecast capital expenditure program is significant and is heavily reliant on loan borrowings. Based on the forecast loan borrowings, this ratio can only be improved by obtaining other revenue sources such as grant funding.											
Unrestricted Current Ratio <u>Current Assets less External Restrictions</u> Current Liabilities less Specific Purpose Liabilities	2.16		2.06	1.96	1.93	2.36	2.07	2.16	2.20	1.84	2.20	2.25
	30,978,000		21,109,200	22,132,500	23,217,300	22,608,900	25,656,500	24,412,700	27,444,700	29,611,200	25,717,300	31,910,200
	9,088,700		9,785,100	10,740,400	11,851,900	11,743,500	10,852,600	11,808,200	12,686,800	13,456,500	13,960,300	14,487,700
Benchmark	>1.5		>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5
Result	Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This benchmark is met in every year despite borrowings increasing current liabilities. This ratio is significantly influenced by the forecast loan borrowings.											
Buildings and Infrastructure Renewals Ratio <u>Asset Renewals</u> Depreciation, Amortisation and Impairment.	138.62		129.05	64.44	119.12	60.27	103.48	89.74	25.66	22.67	103.43	31.21
	10,184,820		10,111,050	5,335,000	10,190,750	5,329,000	9,660,800	8,608,800	2,503,000	2,277,600	10,542,800	3,220,050
	7,347,200		7,835,000	8,279,400	8,555,100	8,841,700	9,335,800	9,593,000	9,754,200	10,047,300	10,193,400	10,316,100
Benchmark	>100%		>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Pass		Pass	Fail	Pass	Fail	Pass	Fail	Fail	Fail	Pass	Fail
Comment	The benchmark is achieved in some years and not in others, which is to be expected. Renewal expenditure will vary depending on where each asset is in its life cycle. For example; a very new asset will not require renewal expenditure for many years whereas an aged asset may require almost annual renewal expenditure to keep it at a satisfactory standard. Calculated over the eleven-year period the ratio is 78% which is a fail. Ideally the renewal expense will be closer to 100%. However many of the Rous assets have a lifecycle in excess of 60 years, so you may find renewal expenditure over the following decade will exceed 100%. The ratio provides a useful indication of asset management but it must be considered in conjunction with other asset measures such as condition assessments.											

Forecast balance sheet

That fixed assets, specifically infrastructure assets and borrowings, will increase significantly over the next ten years.

This forecast reflects the FWP and the associated groundwater infrastructure that will be constructed and is primarily funded via borrowings.

The extent of borrowings is extreme given the size of the organisation. The debt cover ratio is a measure of whether the entity is considered to be carrying excessive debt, and the preferred benchmark will not be achieved in the foreseeable future. However the entity is in the midst of a once in a generation infrastructure expansion and will remain financially sustainable as long as the income from constituent council contributions can be adjusted to meet expenditure demands.

Over time the net equity (surplus of asset values over liabilities) of the organisation grows, which reflects, amongst other things, repayment of outstanding loans.

This information is shown in *Table 10: Consolidated organisation forecast balance sheet*.

Table 10: Consolidated organisation forecast balance sheet

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024 Estimate	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate
ASSETS										
Current Assets										
Cash and Cash Equivalents	2,945,400	3,004,300	3,064,400	3,125,700	3,188,200	3,251,900	3,317,000	3,383,400	3,451,000	3,520,200
Investments	14,159,200	15,043,500	15,986,400	15,233,400	18,133,600	16,835,200	19,715,600	21,727,300	17,675,700	23,707,600
Receivables	2,875,100	2,932,600	2,991,300	3,051,000	3,112,000	3,174,200	3,237,600	3,302,400	3,368,500	3,435,900
Inventories	469,000	478,400	488,100	497,900	507,800	422,200	430,700	439,400	448,200	457,100
Other	281,500	287,100	292,800	298,700	304,700	310,800	317,000	323,300	329,800	336,400
Investment Property	34,400	35,100	35,800	36,500	37,200	37,900	38,700	39,500	40,300	41,100
Non-Current Assets Classified as	344,600	351,500	358,500	365,700	373,000	380,500	388,100	395,900	403,800	411,900
Total Current Assets	21,109,200	22,132,500	23,217,300	22,608,900	25,656,500	24,412,700	27,444,700	29,611,200	25,717,300	31,910,200
Non-Current Assets										
Investments	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Receivables	0	0	0	0	0	0	0	0	0	0
Inventories	1,140,300	1,163,100	1,186,400	1,210,100	1,234,300	1,259,000	1,284,200	1,309,900	1,336,100	1,362,800
Infrastructure	511,343,600	535,910,400	564,396,300	570,565,100	591,688,000	621,780,800	628,205,100	632,277,900	634,570,700	627,743,000
Property, Plant and Equipment	25,490,800	26,139,000	26,487,400	26,952,300	27,534,200	28,104,500	28,513,300	28,925,700	29,354,200	29,789,700
Investments Accounted for Using	0	0	0	0	0	0	0	0	0	0
Investment Property	0	0	0	0	0	0	0	0	0	0
Intangible Assets	516,600	526,900	537,400	548,100	559,100	570,300	581,700	593,300	605,200	617,300
Other	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	539,991,300	565,239,400	594,107,500	600,775,600	622,515,600	653,214,600	660,084,300	664,606,800	667,366,200	661,012,800
TOTAL ASSETS	561,100,500	587,371,900	617,324,800	623,384,500	648,172,100	677,627,300	687,529,000	694,218,000	693,083,500	692,923,000
LIABILITIES										
Current Liabilities										
Payables	2,852,900	2,910,000	2,968,200	3,027,600	3,088,200	3,149,900	3,212,900	3,277,200	3,342,700	3,409,600
Contract Liabilities	232,100	236,700	241,400	246,200	251,200	256,300	261,500	266,800	272,200	277,700
Lease Liabilities	51,300	52,300	53,300	54,400	55,500	56,600	57,700	58,900	60,100	61,300
Borrowings	4,191,300	5,034,700	6,032,200	5,807,400	4,797,600	5,632,100	6,387,100	7,030,600	7,405,800	7,802,000
Provisions	2,457,500	2,506,700	2,556,800	2,607,900	2,660,100	2,713,300	2,767,600	2,823,000	2,879,500	2,937,100
Income Received in Advance	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	9,785,100	10,740,400	11,851,900	11,743,500	10,852,600	11,808,200	12,686,800	13,456,500	13,960,300	14,487,700
Non-Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	31,972,800	56,094,700	84,064,900	78,769,200	76,230,300	101,185,100	95,990,300	90,664,800	85,351,500	79,746,000
Provisions	41,400	42,200	43,000	43,900	44,800	45,700	46,600	47,500	48,500	49,500
Total Non-Current Liabilities	32,014,200	56,136,900	84,107,900	78,813,100	76,275,100	101,230,800	96,036,900	90,712,300	85,400,000	79,795,500
TOTAL LIABILITIES	41,799,300	66,877,300	95,959,800	90,556,600	87,127,700	113,039,000	108,723,700	104,168,800	99,360,300	94,283,200
NET ASSETS	519,301,200	520,494,600	521,365,000	532,827,900	561,044,400	564,588,300	578,805,300	590,049,200	593,723,200	598,639,800

Forecast statement of cash flows

That cash levels are significantly impacted by additional loan borrowings (which are required to fund the FWP) and the impact of repaying these borrowed funds.

The forecast predicts how changes in balance sheet accounts and income effect cash and cash equivalents. It provides information that enables users to evaluate the changes in net assets, financial structure (including liquidity and solvency) and the amounts and timing of cash flows to adapt to changing circumstances and opportunities.

This report is particularly useful in assessing the overall health of the forecasts in the LTFFP. Operating activities produce surplus results while investing activities depict a season of significant capital expenditure. The financing activities further highlights the model's reliance on borrowings and the impact of repaying these funds.

This information is shown in *Table 11: Consolidated organisation forecast statement of cash flows*.

Table 11: Consolidated organisation forecast statement of cash flows

Name	2023 Estimate	% Change	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Consolidated												
Cash Flows from Operating Activities												
<u>Receipts</u>												
User Charges and Fees	23,694,900	6.4	25,219,900	27,182,400	29,074,300	31,091,100	33,251,100	35,564,800	38,043,000	40,697,600	43,541,100	44,028,800
Investment and Interest Revenue Received	1,173,900	0.4	1,178,900	858,500	801,900	707,000	640,000	666,200	691,800	767,000	738,500	770,200
Grants and Contributions	8,007,700	8.5	8,686,900	7,268,800	7,445,400	7,670,700	7,904,000	8,134,200	8,371,900	8,611,100	8,858,500	8,912,100
Other	2,485,100	(40.6)	1,476,600	1,448,400	1,316,000	1,316,400	1,294,000	1,298,500	1,295,000	1,295,600	1,296,100	1,296,600
<u>Payments</u>												
Employee Benefits and On-Costs	(11,332,200)	8.5	(12,299,900)	(11,904,400)	(11,910,300)	(11,984,700)	(12,014,600)	(12,234,700)	(12,459,300)	(12,688,500)	(12,923,000)	(13,159,400)
Materials and Services	(15,595,700)	22.3	(19,077,300)	(17,067,200)	(16,882,000)	(17,763,900)	(18,052,400)	(18,245,200)	(19,246,700)	(19,324,100)	(20,077,200)	(19,361,400)
Borrowing Costs	(1,380,000)	58.0	(2,179,800)	(3,874,300)	(5,663,300)	(5,854,100)	(6,907,400)	(8,406,400)	(8,855,000)	(9,014,000)	(8,638,800)	(8,242,600)
Other	1,889,800	8.0	2,041,000	2,183,900	2,336,700	2,500,200	2,675,200	2,862,400	3,062,700	3,277,100	3,506,500	3,541,600
Net Cash Flows from Operating Activities	8,943,500	(43.6)	5,046,300	6,096,100	6,518,700	7,682,700	8,789,900	9,639,800	10,903,400	13,621,800	16,301,700	17,785,900
Cash Flows from Investing Activities												
<u>Receipts</u>												
Redemption of Term Deposits	26,500,000	(34.0)	17,500,000	17,500,000	18,100,000	17,500,000	21,000,000	20,500,000	22,500,000	24,500,000	19,500,000	27,000,000
Sale of Investment Property	0	0.0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Assets	0	0.0	0	3,372,800	2,900,000	2,900,000	0	0	0	0	0	0
Sale of Infrastructure, Property, Plant and Equipment	0	0.0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>												
Acquisition of Term Deposits	(26,500,000)	(34.0)	(17,500,000)	(17,500,000)	(18,100,000)	(17,500,000)	(21,000,000)	(20,500,000)	(22,500,000)	(24,500,000)	(19,500,000)	(27,000,000)
Purchase of Infrastructure, Property, Plant and Equipment	(17,031,000)	38.2	(23,535,500)	(30,922,400)	(34,814,100)	(15,396,800)	(30,957,700)	(40,168,800)	(16,496,400)	(14,436,900)	(12,803,200)	(3,805,600)
Purchase of Real Estate Assets	(310,000)	631.3	(2,266,900)	(2,568,600)	(2,569,400)	(70,200)	(71,900)	(73,600)	(74,400)	(76,200)	(76,700)	(77,200)
Purchase of Intangible Assets	0	0.0	0	0	0	0	0	0	0	0	0	0
Net Cash Flows from Investing Activities	(17,341,000)	48.8	(25,802,400)	(30,118,200)	(34,483,500)	(12,567,000)	(31,029,600)	(40,242,400)	(16,570,800)	(14,513,100)	(12,879,900)	(3,882,800)
Cash Flows from Financing Activities												
<u>Receipts</u>												
Proceeds from Borrowings	0	0.0	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
<u>Payments</u>												
Repayment of Borrowings	(3,604,600)	16.3	(4,191,300)	(5,034,700)	(6,032,200)	(5,807,400)	(4,797,600)	(5,632,100)	(6,387,100)	(7,030,600)	(7,405,800)	(7,802,000)
Transfer to Retail	0	0.0	0	0	0	0	0	0	0	0	0	0
Net Cash Flows from Financing Activities	(3,604,600)	(399.9)	10,808,700	24,965,300	28,967,800	4,192,600	25,202,400	29,367,900	8,612,900	2,969,400	(7,405,800)	(7,802,000)
Net Change in Cash and Cash Equivalents	(12,002,100)	(17.1)	(9,947,400)	943,200	1,003,000	(691,700)	2,962,700	(1,234,700)	2,945,500	2,078,100	(3,984,000)	6,101,100
Cash and Cash Equivalents at Beginning of Year	40,554,100	(29.6)	28,552,000	18,604,600	19,547,800	20,550,800	19,859,100	22,821,800	21,587,100	24,532,600	26,610,700	22,626,700
Cash and Cash Equivalents at End of the Year	28,552,000	(34.8)	18,604,600	19,547,800	20,550,800	19,859,100	22,821,800	21,587,100	24,532,600	26,610,700	22,626,700	28,727,800

5. Capital works program: 10-year forecast

The capital works program is forecast for the current year and the following ten years in combined *Tables 24 to 29: Capital works program*. The current year is taken directly from this year's budget while later years are based on directions from Council and information in Council's asset registers.

As with all aspects of the LTFFP, the program is based on the best information available at the time of preparation. The current elected council cannot bind future councils, so it is quite feasible, indeed likely, that the program will change as Council priorities alter and new information is received.

Tables 22 to 26: Capital works program

Capital Works - Bulk Water Supply	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Trunk										
Broadwater 150 Upgrade (250mm Pipe)		0		2,150,000	0	0	0	0	0	715,000
Byron 200 - Mains Renewal (375mm Pipe)	1,962,600	0	0	0	0	0	0	0	0	0
Converys Lane 150 - Mains Renewal	0	0	0	0	0	0	0	0	0	0
Coraki 225 - Mains Renewal	250,000	0	0	0	3,500,000	3,500,000	0	0	0	0
Valve Replacement	50,000	0	52,000	0	54,100	0	56,200	0	58,500	0
Knockcrow 450	0	0	0	0	150,000	0	0	8,614,000	0	0
Ross St 375 Main	0	0	0	0	0	0	0	0	0	0
St Helena 300/600 Mains Renewal /Augmentation	0	0	0	0	0	0	0	0	0	0
St Helena 300 Upgrade - St Helena 375	0	355,000	0	0	4,000,000	4,000,000	0	0	0	0
St Helena 525 Corrosion Repairs	0	0	0	0	0	0	0	0	0	0
St Helena 525 Wilsons River Crossing Remediation	0	0	0	0	0	0	0	0	0	0
St Helena 525 Wilsons River Crossing Remediation	0	0	0	0	0	0	0	0	0	0
Fluoride Plants	0	0	0	0	0	0	0	0	0	126,500
Instruments - Distribution	6,000	6,000	6,000	6,000	8,000	7,000	7,000	7,000	7,000	7,000
ICS - Wyreema Repeater	0	0	0	0	0	50,000	0	0	0	0
Source										
Rocky Creek Dam										
RCD - Installation of Catchment Signage (Regulatory/Information)	0	0	0	0	0	0	0	30,000	0	0
RCD - Recreation Amenities	0	0	0	0	0	0	0	0	0	0
RCD - Desatratification System	668,500	0	0	0	0	0	0	0	0	0
RCD - Drainage Channel	0	0	0	0	0	0	0	0	0	0
RCD - Installation of New Catchment Gate	0	0	0	0	0	0	0	0	0	0
Emigrant Creek Dam										
ECD - Visitor Signage Renewal/Installation of Catchment Signage (Regulatory/Information)	30,000	0	0	0	0	0	0	20,000	0	0
ECD - Desatratification System	50,000	370,000	0	0	0	0	0	0	0	0
ECD - Renewal of Park Furniture and Boardwalks	15,000	0	0	0	0	0	0	0	0	0
ECD - Installation of New Buffer Zone/Park Fencing (Muscgrave)	0	0	0	0	0	0	0	0	0	0
ECD - Amenities/Buildings	0	0	0	0	0	0	0	0	0	0
ECD - Outflow Monitoring/Causeway	300,000	0	0	0	0	0	0	0	0	0
ECD - Spillway Security Improvements	0	0	0	0	0	0	0	0	0	0
ECD - General	0	0	0	0	0	0	0	0	0	0
ECD - Installation of Real-Time Environmental Monitoring Equipment	0	0	0	0	0	0	0	0	0	33,000
ECD - Source	0	0	0	0	0	0	0	0	0	27,000
Wilsons River Source										
WRS - Low Lift Switchboard Modifications and Shielding	0	0	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station PLC	0	150,000	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station VSD	0	340,000	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station Switchboards	0	150,000	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station Ventilation Fan	0	75,000	0	0	0	0	0	0	0	0
WRS - Low Level Pump Station Vacuum Pump	0	0	0	0	0	0	0	0	0	0
WRS - Low Level Pump Station Backblast Compressor and Filters	0	0	0	0	0	0	0	0	0	0
WRS - Upgrade of Buffer Zone/Park Access Roads	0	0	0	0	0	0	0	0	0	0
WRS - Installation of Real-Time Environmental Monitoring Equipment	0	0	0	0	0	0	0	0	0	80,000
Existing Groundwater										
Water Source - Conveys Lane	0	0	0	0	0	0	0	0	0	0
Water Source - Lumley Park	0	0	0	0	0	0	0	0	0	0
ICS - Lumley Park & Conveys Lane	0	0	0	0	0	0	0	0	0	0
Instruments - Sources	0	0	0	0	0	0	0	0	0	0
Implementation of High Priority CMP Actions	0	0	0	0	0	0	0	0	0	0
Future Water Project 2060										
Marom Creek Construction	0	0	0	0	0	0	0	0	0	0
Alstonville Groundwater	2,705,000	13,500,000	16,500,000	3,000,000	0	0	0	0	0	0
Marom /Alstonville Renewals	0	0	0	0	187,100	193,900	200,800	269,900	215,100	222,600
Woodburn Existing Bores	0	0	0	0	0	0	0	0	0	0
Woodburn New Bores	1,119,900	4,000,000	2,000,000	4,000,000	0	0	0	0	0	0
Woodburn Renewals	0	0	0	0	0	0	0	0	0	0
Tyagarah Groundwater	600,000	603,000	1,000,000	500,000	10,535,800	22,329,600	8,164,400	6,802,800	0	0
Tyagarah Renewals	0	0	0	0	0	0	0	0	286,600	296,300
Groundwater Land Acquisition	200,000	3,000,000	0	0	5,520,000	3,941,000	3,703,400	2,605,400	0	0
Stage 3 Source Planning	0	0	0	0	0	0	0	2,293,300	0	0
DPR Pilot Scheme	50,000	0	0	0	2,208,000	2,252,000	1,163,000	0	0	0
Project Management	800,000	1,500,000	1,900,000	800,000	1,765,000	1,827,000	822,000	315,000	321,000	0
Water Loss Implementation	475,000	300,000	300,000	350,000	0	0	0	0	0	0
Dunoom Dam	0	0	0	0	0	0	0	0	0	0
General										
DIAP Priority Actions	0	0	0	0	0	0	0	0	0	0
Roof Height Safety	0	0	0	0	0	0	0	0	0	0
Corndale Fluoride Sidestream VSD	0	0	0	0	0	0	0	0	0	0
Lower River pH Correction (CO2 and CL2 Dosing Facilities)	210,000	0	0	0	0	0	0	0	0	0
Fluoride Plants	0	0	0	0	0	0	0	0	0	0
Greenhouse Gas Abatement	0	0	0	0	0	0	0	0	0	0
Easements	23,000	24,000	24,000	25,000	26,000	26,000	27,000	27,000	28,000	28,000
Bulk Meters - Renewals	30,000	48,000	25,000	48,000	50,000	53,000	30,000	31,000	39,000	40,000
Unplanned D&T Replacements	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	0
Tools and Equipment (Organisational Wide)	6,000	6,000	6,000	6,000	6,000	20,000	21,000	22,000	9,000	9,000
Fosters Spur Shed	0	0	0	0	0	0	0	0	0	0
Hydraulic Assessment	0	0	0	0	0	0	0	0	0	0
Telemetry Replacement Program	0	0	0	0	0	0	0	0	0	0
NRFWSP - Brunswick	105,000	0	0	0	0	0	0	0	0	0
NRFWSP - Coraki	320,000	0	0	0	0	0	0	0	0	0
NRFWSP - St Helena 500	150,000	0	0	0	0	0	0	0	0	0
NRFWSP - Woodburn	620,000	0	0	0	0	0	0	0	0	0
NRFWSP - WRS	865,000	0	0	0	0	0	0	0	0	0
NRFWSP - IRW	0	0	0	0	0	0	0	0	0	0
In-House Micro-Testing Equipment	0	0	0	0	0	0	0	0	0	0
Woodburn WTP - CO2, Cl2 Design System	0	0	0	0	0	0	0	0	0	0
2 Way Radios	0	0	0	0	0	0	0	0	0	0
Bulk Flood Costs	0	0	0	0	0	0	0	0	0	0
Water Filling Stations	0	0	0	0	0	0	0	0	0	0

Tables 22 to 26: Capital works program (continued)

Reservoirs										
Reservoirs Upgrade - Pineapple Rd		0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - St Helena Roof Refurbishment		0	970,000	0	0	0	0	0	0	0
Reservoirs Upgrade - City View Roof Repairs	272,000	0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - Belvedere Drive		0	0	0	0	0	0	0	27,000	0
Reservoirs Upgrade - Coopers Shoot		0	0	0	0	0	0	0	26,000	0
Reservoirs Upgrade - Knockrow		0	0	0	0	0	0	0	20,000	283,000
Reservoirs Upgrade - Brunswick Heads		0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - High St		0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - St Helena		0	0	0	0	0	0	0	0	0
Reservoir Duplication - St Helena		0	0	0	0	0	0	0	500,000	0
ICS - Distribution Network		0	0	150,000	250,000	150,000	0	0	0	0
Treatment Plants										
Nightcap WTP										
Nightcap WTP PLC SB Upgrade	1,400,000	0	0	0	0	0	0	0	0	0
Nightcap WTP Ozone		500,000	0	0	0	0	0	0	0	0
Nightcap WTP BAC Renewals		0	363,000	0	0	0	0	0	0	0
Nightcap WTP BAC Filter Media Renewal		0	224,000	0	235,000	0	260,000	0	272,000	0
Nightcap WTP Buildings (LED Lighting Upgrades)	15,300	15,600	15,900	0	0	50,000	0	0	0	0
Nightcap WTP Coagulation Dose Pumps		41,000	0	0	0	0	0	0	0	0
Nightcap WTP DAFF	644,000	0	172,000	0	0	4,000	0	4,000	150,000	0
Nightcap WTP Stairs and Corrosion Repairs		0	0	0	0	0	0	0	0	0
Nightcap WTP DAFF Filter Media		0	0	378,000	378,000	0	0	0	0	0
Nightcap WTP Saturator		0	0	0	0	0	0	0	0	0
Nightcap WTP Disinfection		0	0	0	0	0	0	0	0	0
Nightcap WTP Lime pH Correction		0	61,000	0	0	0	0	0	0	0
Nightcap WTP Jetty Corrosion		0	0	0	0	0	0	0	0	0
Nightcap WTP Raw Water Pump		0	0	0	0	0	0	0	0	0
Nightcap WTP Raw Water Structure		0	0	200,000	0	0	0	0	0	0
Nightcap WTP RWJ Corrosion		0	0	0	0	0	0	0	0	0
Nightcap WTP Site Services		0	0	0	0	0	0	425,000	36,000	0
Nightcap WTP Septic Renewal		0	0	0	0	0	0	0	0	0
Nightcap WTP Sludge	58,000	0	0	0	0	0	0	0	0	0
Nightcap WTP Treated Water		0	0	0	0	0	0	0	0	0
Nightcap WTP Wastewater	32,000	33,000	34,000	35,000	36,000	36,000	37,000	37,000	38,000	38,000
Nightcap WTP Bulk Chemical Storage	0	2,500,000	6,500,000	2,100,000	0	0	0	0	0	0
Instruments and Minor Items - NCWTP	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900	30,500	31,000
Emigrant Creek WTP										
Emigrant Creek WTP - ICS		0	200,000	0	0	0	0	0	0	0
Emigrant Creek WTP - Ind Communications Upgrade		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Air System		250,000	0	0	0	35,000	0	0	0	0
Emigrant Creek WTP BAC		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Bisulphite Dosing		0	25,000	0	0	0	0	0	0	0
Emigrant Creek WTP Caustic pH Correction		0	39,000	0	0	0	0	0	0	0
Emigrant Creek WTP CEB		0	41,000	0	0	0	0	0	0	0
Emigrant Creek WTP Coagulation		0	15,000	0	0	0	0	0	0	0
Emigrant Creek WTP Control Systems - Treatment		0	0	0	0	0	0	0	0	50,000
Emigrant Creek WTP Fe/Mn Removal		0	15,000	0	0	0	0	0	0	0
Emigrant Creek WTP Filtered Water		13,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Flootation		13,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP HCl Dosing		24,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Lime pH Correction		15,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Membrane Filtration		150,000	150,000	150,000	0	0	0	0	0	0
Emigrant Creek WTP Outlet Pipe		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Ozone		0	0	0	400,000	0	0	0	0	0
Emigrant Creek WTP Raw Water		0	0	0	0	35,000	0	0	0	0
Emigrant Creek WTP Raw Water		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Service Water		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Site Services		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Steel Tanks		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Sludge		58,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Sludge		0	0	0	50,000	0	0	0	0	0
Emigrant Creek WTP Treated Water		0	0	12,000	0	0	0	0	0	0
Emigrant Creek WTP UF Skid Membranes		0	0	0	0	0	0	0	0	165,800
Emigrant Creek WTP Chemical Storage Area Roof Sheeting	75,000									
Instruments and Minor Items - ECWTP	22,800	23,300	23,800	24,300	24,800	25,300	25,800	26,300	26,800	27,300
Buildings										
Admin Building		0	0	0	0	0	0	0	0	0
Workplace Consolidation	4,087,800	1,000,000	1,000,000	0	0	0	0	0	0	0
Depot Improvements Initiative		0	0	0	0	0	0	0	0	0
Depot Procurement		0	0	0	0	0	0	0	0	0
ICT										
Drawing Management Solution	0	0	0	0	0	0	0	0	0	0
Electronic Business Paper	0	0	0	0	0	0	0	0	0	0
IT - Microwave Bridge	135,200	0	0	0	0	0	350,000	20,000	382,800	20,000
IT - Content Manager Improvement Program	100,000	0	0	0	0	0	0	0	0	0
IT - Computer Fleet	12,000	33,000	47,000	12,000	12,000	33,000	12,000	47,000	12,000	33,000
IT - Fibre Project	0	0	0	0	0	0	0	0	0	0
IT - Servers, Storage and UPS	95,000	165,000	180,000	65,000	90,000	170,000	90,000	165,000	70,000	180,000
IT - Communications	0	90,000	100,000	177,000	63,000	0	202,500	420,500	112,000	0
IT - Security Panel	50,000									
IT - Mobiles	27,000									
IT - Switches	113,000									
IT - Telephony	0	0	0	0	0	0	0	0	0	0
IT - New AV Equipment	30,000									
IT - Intranet	100,000									
IT - BPM Software	50,000									
IT - WiFi	150,000									
IT - Digital Transformation	550,000	1,100,000	650,000							
IT - Future Improvements	11,500	11,500	11,500	12,000	14,000	14,000	14,000	14,000	14,000	0
Inoor Staff Salaries Capitalised	437,700	320,200	313,500	284,200	267,200	272,500	278,000	283,600	289,300	295,100
	20,175,300	29,809,100	34,130,700	14,582,000	29,928,100	39,123,000	15,563,400	13,536,700	11,897,600	2,893,600

Tables 22 to 26: Capital works program (continued)

Capital Works - Retail Water Supply	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Meter Software/Smart Meters	825,000	0	0	0	0	0	0	0	0	0
Backflow	1,000,000	0	0	0	0	0	0	0	0	0
Reticulation	0	148,000	0	156,000	160,000	164,000	168,000	172,000	176,000	180,000
Reticulation Renewal - Planning Carney Place	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Delivery Carney Place	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Planning Muldoon Rd	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Delivery Muldoon Rd	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Planning Richmond Hill Various	0	0	150,000	0	0	0	0	0	0	0
Reticulation Renewal - Delivery Richmond Hill Various	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Kahala Place, Laihana Crescent Place and Kaanapahali Avenue, and Ridgeland Close, Richmond Hill	300,000	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Arthur Road	300,000	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Grace Road	290,000	0	0	0	0	0	0	0	0	0
Water Filling Stations	0	80,000	0	0	0	0	0	0	0	0
Bulk Flood Costs	0	0	0	0	0	0	0	0	0	0
Indoor Staff Salaries Capitalised	67,400	69,600	71,000	72,400	73,800	75,300	76,800	78,300	79,900	81,500
	2,782,400	297,600	221,000	228,400	233,800	239,300	244,800	250,300	255,900	261,500

Capital Works - Flood Mitigation	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Bridges	0	32,000	0	0	0	0	0	0	0	0
Fence	0	3,000	0	0	0	0	0	0	0	0
Floodgate - High/Medium Risk	31,000	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	39,000
Floodgates =<1.2m	0	0	0	0	0	0	0	0	0	0
Handrail	0	0	0	0	0	0	0	0	0	0
Lifting Gear	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	21,000
Pipe - Medium	0	0	0	0	0	0	0	0	0	0
Woodburn Depot Renewals	0	0	0	0	0	1,000	48,000	0	0	0
WQ Data Loggers	0	0	0	0	0	0	0	0	0	0
Levee Inspect and Heavy Maintenance	52,000	54,000	56,000	58,000	60,000	62,000	64,000	66,000	68,000	68,000
Lismore Levee(funded by LCC)	0	0	0	0	0	0	0	0	0	0
Pipe Medium Risk	0	21,000	0	5,000	95,000	115,000	110,000	115,000	110,000	110,000
Unplanned Replacements/Repairs	24,000	25,000	26,000	27,000	28,000	28,000	28,000	28,000	28,000	28,000
Bulk Flood Costs	0	0	0	0	0	0	0	0	0	0
Bungawalbin East Levee	0	0	0	0	0	0	0	0	0	0
Lismore Levee(funded by LCC)	0	0	0	0	0	0	0	0	0	0
Indoor Staff Salaries Capitalised	36,400	33,700	34,400	35,100	35,800	36,500	37,200	37,900	38,700	39,500
	156,400	214,700	164,400	175,100	270,800	296,500	343,200	304,900	304,700	305,500

Capital Works - Weed Biosecurity	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
GIS Equipment Renewals (Toughbooks, PDA's etc.)	0	21,000	0	22,000	19,000	19,000	20,000	20,000	20,000	20,000
GIS Data Capture New System	0	0	0	0	0	0	0	0	0	0
Swan Bay Floodgated Pipe Investigation and Design	0	0	0	0	0	0	0	0	0	0
Depot Upgrades and Maintenance	0	0	0	0	25,000	25,000	0	0	0	0
	0	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000	20,000

Capital Works - Property	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Perradenya Cycleway	0	0	0	0	0	0	0	0	0	0
Perradenya Release 7	2,200,000	0	0	0	0	0	0	0	0	0
Perradenya Whole of Subdivision	0	0	0	0	0	0	0	0	0	0
Perradenya Remaining DA Conditions	0	2,500,000	2,500,000	0	0	0	0	0	0	0
Commercial Lot	0	0	0	0	0	0	0	0	0	0
Conway St Renewals	0	0	0	0	0	0	0	0	0	0
Rural Properties House Removal	0	0	0	0	0	0	0	0	0	0
Rural Properties Unallocated Renewals	39,900	40,600	41,400	42,200	42,900	43,600	44,400	45,200	45,700	46,200
Rural Properties Upgrades	27,000	28,000	28,000	28,000	29,000	30,000	30,000	31,000	31,000	31,000
	2,266,900	2,568,600	2,569,400	70,200	71,900	73,600	74,400	76,200	76,700	77,200

6. Scenario modelling

A number of scenarios have been modelled to inform how significant changes to the forecast assumptions and projects would impact the LTFP.

6.1. Capital grant (\$25M) scenario

What the model forecasts: The impact of Rous receiving a capital grant of \$25.0 million for the FWP. The model is based on the income being received over 3 years, \$8.0 million in 2024/25, \$8.0 million in 2025/26 and \$9.0 million in 2026/27.

What the model means: A reduction in the planned price path to 5% increases from 2024/25 onwards. Alternatively, planned loan borrowings could be reduced from \$180 million to \$140 million if the current price path was maintained. The price path required is shown in *Table 27: Price path – \$25M capital grant scenario*.

Table 27: Price path – Capital grant (\$25M) scenario

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Rous would produce operating deficits across the ten years with estimated reserves of \$21.8 million at the end of 2032/33.

Refer to *Table 28: Consolidated operating performance – Capital grant (\$25M) scenario*.

Table 28: Consolidated operating performance – Capital grant (\$25M) scenario

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Operating Income										
Flood Mitigation	1,192,200	1,205,000	1,239,500	1,283,400	1,327,200	1,364,800	1,401,800	1,434,100	1,469,000	1,505,600
Weeds Biosecurity	1,721,900	1,609,800	1,589,100	1,604,800	1,619,200	1,640,500	1,662,700	1,685,500	1,708,100	1,730,400
Retail Water Supply	3,450,350	3,761,300	3,930,900	4,090,600	4,258,600	4,438,400	4,628,100	4,828,000	5,039,000	5,260,500
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	99,600	85,100	139,100	173,500	173,400	173,300	173,100	172,900	172,700
Bulk Water Supply	22,702,300	23,709,900	24,830,700	25,900,100	27,050,300	28,396,500	29,811,000	31,275,500	32,784,800	34,505,000
Fleet Operations	126,400	115,900	108,200	104,000	96,700	93,100	91,800	92,600	93,500	94,400
Total Operating Income	29,393,550	30,501,500	31,783,500	33,122,000	34,525,500	36,106,700	37,768,700	39,488,800	41,267,300	43,268,600
Operating Expense										
Flood Mitigation	1,865,900	1,719,300	1,693,100	1,704,000	1,730,500	1,757,200	1,855,100	1,836,600	1,864,300	1,867,300
Weeds Biosecurity	2,662,800	1,601,500	1,501,900	1,505,300	1,520,400	1,537,800	1,561,900	1,591,900	1,645,300	1,682,300
Retail Water Supply	3,572,400	4,127,600	4,283,300	4,440,500	4,604,000	4,774,200	4,951,600	5,136,300	5,328,600	5,529,200
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	271,600	195,100	148,700	146,400	152,400	148,900	149,500	150,900	151,500	153,300
Bulk Water Supply	29,685,700	30,465,000	32,175,400	33,274,700	34,890,600	36,660,300	37,997,400	38,345,600	38,602,200	37,573,300
Fleet Operations (*net of internal income)	119,000	128,900	150,400	155,900	161,400	167,000	172,700	178,500	184,400	190,400
Total Operating Expense	38,177,400	38,237,400	39,952,800	41,226,800	43,059,300	45,045,400	46,688,200	47,239,800	47,776,300	46,995,800
Operating Result	(8,783,850)	(7,735,900)	(8,169,300)	(8,104,800)	(8,533,800)	(8,938,700)	(8,919,500)	(7,751,000)	(6,509,000)	(3,727,200)
Less Depreciation	8,288,100	8,739,200	9,021,900	9,315,500	9,816,700	10,081,200	10,249,700	10,550,300	10,703,900	10,834,200
Operating Result Excluding Non Cash	(495,750)	1,003,300	852,600	1,210,700	1,282,900	1,142,500	1,330,200	2,799,300	4,194,900	7,107,000
Add: Capital Income	4,386,000	15,912,100	15,597,600	16,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
Add: Loan Drawdown	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
Less: Loan Repayments	4,191,300	5,034,700	6,032,200	5,807,400	4,797,600	5,632,100	6,387,100	7,030,600	7,405,800	7,802,000
Less: Capital Expense	23,909,800	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,107,100	10,015,700	8,107,900	6,745,500	630,900	167,700	157,400	246,500	258,900	1,205,300
Add: Transfer from Reserve	10,317,950	1,626,000	73,400	47,300	143,000	4,687,200	1,394,300	3,411,800	10,575,300	8,400
Net Cash Movement	0	0	0	0	0	0	0	0	0	0

Estimated Reserves Whole Organisation

Description	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Estimated Reserves Whole Organisation	16,212,100	24,601,800	32,636,300	39,334,500	39,822,400	35,302,900	34,066,000	30,900,700	20,584,300	21,781,200
Net Reserve Movement	(9,210,800)	8,389,700	8,034,500	6,698,200	487,900	(4,519,500)	(1,236,900)	(3,165,300)	(10,316,400)	1,196,900

6.2. NSW Treasury Corporation loans scenario

What the model forecasts: The impacts of forecast interest rates decreasing to the levels on offer from NSW Treasury Corporation.

What the model means: A reduction in the planned price path to 5% increases from 2027/28 onwards. Alternatively, planned loan borrowings could be reduced from \$180 million to \$175 million if the current price path was maintained. The price path required is shown in *Table 29: Price path – NSW Treasury Corporation loans scenario*.

Table 29: Price path – NSW Treasury Corporation loans scenario

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	6.0%	7.0%	7.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Operating results would achieve surplus from 2032/33 onwards, while estimated reserves at the end of 2032/33 would reach \$23.5 million.

Refer to *Table 30: Consolidated operating performance – NSW Treasury Corporation loans scenario*.

Table 30: Consolidated operating performance – NSW Treasury Corporation loans scenario

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Operating Income										
Flood Mitigation	1,192,200	1,205,000	1,239,500	1,283,400	1,327,200	1,364,800	1,401,800	1,434,100	1,469,000	1,505,600
Weeds Biosecurity	1,721,900	1,609,800	1,589,100	1,604,800	1,619,200	1,640,500	1,662,700	1,685,500	1,708,100	1,730,400
Retail Water Supply	3,450,350	3,816,800	4,048,500	4,277,700	4,455,100	4,644,700	4,844,700	5,055,500	5,277,900	5,511,400
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	99,600	85,100	139,100	173,500	173,400	173,300	173,100	172,900	172,700
Bulk Water Supply	22,706,400	24,085,400	25,669,800	27,316,000	28,597,700	30,060,100	31,526,400	33,048,200	34,618,900	36,404,200
Fleet Operations	126,400	115,900	108,200	104,000	96,700	93,100	91,800	92,600	93,500	94,400
Total Operating Income	29,397,650	30,932,500	32,740,200	34,725,000	36,269,400	37,976,600	39,700,700	41,489,000	43,340,300	45,418,700
Operating Expense										
Flood Mitigation	1,865,900	1,719,300	1,693,100	1,704,000	1,730,500	1,757,200	1,855,100	1,836,600	1,864,300	1,867,300
Weeds Biosecurity	2,662,800	1,601,500	1,501,900	1,505,300	1,520,400	1,537,800	1,561,900	1,591,900	1,645,300	1,682,300
Retail Water Supply	3,572,400	4,167,800	4,368,500	4,575,900	4,746,100	4,923,400	5,108,300	5,300,800	5,501,400	5,710,500
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	271,600	195,100	148,700	146,400	152,400	148,900	149,500	150,900	151,500	153,300
Bulk Water Supply	29,460,700	29,751,700	30,899,500	31,814,200	33,114,400	34,382,800	35,532,400	35,777,800	36,090,900	35,126,300
Fleet Operations (*net of internal income)	119,000	128,900	150,400	155,900	161,400	167,000	172,700	178,500	184,400	190,400
Total Operating Expense	37,952,400	37,564,300	38,762,100	39,901,700	41,425,200	42,917,100	44,379,900	44,836,500	45,437,800	44,730,100
Operating Result	(8,554,750)	(6,631,800)	(6,021,900)	(5,176,700)	(5,155,800)	(4,940,500)	(4,679,200)	(3,347,500)	(2,097,500)	688,600
Less Depreciation	8,288,100	8,739,200	9,021,900	9,315,500	9,816,700	10,081,200	10,249,700	10,550,300	10,703,900	10,834,200
Operating Result Excluding Non Cash	(266,650)	2,107,400	3,000,000	4,138,800	4,660,900	5,140,700	5,570,500	7,202,800	8,606,400	11,522,800
Add: Capital Income	4,386,000	7,912,100	7,597,600	7,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
Add: Loan Drawdown	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
Less: Loan Repayments	4,255,600	5,231,600	6,386,100	6,194,500	5,278,300	6,261,200	7,048,100	7,687,600	7,998,100	8,321,500
Less: Capital Expense	23,909,800	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,107,100	2,907,600	1,878,000	3,151,600	3,515,700	224,800	2,370,600	587,200	325,000	5,101,600
Add: Transfer from Reserve	10,153,150	1,610,700	50,000	2,912,400	130,500	1,375,200	28,200	6,000	6,822,200	8,400
Net Cash Movement	0	0	0	0	0	0	0	0	0	0

Estimated Reserves Whole Organisation

Description	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Estimated Reserves Whole Organisation	16,376,900	17,673,800	19,501,800	19,741,000	23,126,200	21,975,800	24,318,200	24,899,400	18,402,200	23,495,400
Net Reserve Movement	(9,046,000)	1,296,900	1,828,000	239,200	3,385,200	(1,150,400)	2,342,400	581,200	(6,497,200)	5,093,200

6.3. Return to cyclical interest rates scenario

What the model forecasts: The impacts of forecast interest rates decreasing to the cyclical levels on offer in previous years.

What the model means: : No changes to the planned price path as long-term cost savings on borrowings are balanced out by a reduction in short-term investment revenue. The price path required is shown in *Table 31: Price path – return to cyclical interest rates scenario*.

Table 31: Price path – return to cyclical interest rates scenario

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	1.0%

Operating results would achieve surplus from 2031/32 onwards, while estimated reserves at the end of 2032/33 would reach \$27.3 million.

Refer to *Table 32: Consolidated operating performance – return to cyclical interest rates scenario*.

Table 32: Consolidated operating performance – return to cyclical interest rates scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,192,200	1,205,000	1,232,400	1,274,900	1,317,500	1,354,100	1,390,700	1,422,400	1,456,200	1,491,400
Weeds Biosecurity	1,721,900	1,609,800	1,576,300	1,590,600	1,603,800	1,623,900	1,644,700	1,665,900	1,687,200	1,708,400
Retail Water Supply	3,450,350	3,816,800	4,043,500	4,272,300	4,517,100	4,782,000	5,065,600	5,369,300	5,694,700	5,756,200
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	99,600	83,600	121,700	141,300	140,600	139,900	139,100	138,300	137,400
Bulk Water Supply	22,702,300	24,066,900	25,488,400	27,128,100	28,931,300	30,953,300	33,116,100	35,460,000	37,892,600	38,285,300
Fleet Operations	126,400	115,900	98,200	93,600	86,900	84,300	83,300	83,600	84,000	84,500
Total Operating Income	29,393,550	30,914,000	32,522,400	34,481,200	36,597,900	38,938,200	41,440,300	44,140,300	46,953,000	47,463,200
Operating Expense										
Flood Mitigation	1,865,900	1,719,300	1,693,100	1,704,000	1,730,500	1,757,200	1,855,100	1,836,600	1,864,300	1,867,300
Weeds Biosecurity	2,662,800	1,601,500	1,501,900	1,505,300	1,520,400	1,537,800	1,561,900	1,591,900	1,645,300	1,682,300
Retail Water Supply	3,572,400	4,167,800	4,368,500	4,575,900	4,795,400	5,027,800	5,274,200	5,535,400	5,812,200	5,898,800
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	271,600	195,100	148,700	146,400	152,400	148,900	149,500	150,900	151,500	153,300
Bulk Water Supply	29,685,700	30,424,800	31,740,200	32,693,400	34,079,700	35,447,900	36,584,200	36,779,000	36,978,900	36,095,300
Fleet Operations (*net of internal income)	119,000	128,900	150,400	155,900	161,400	167,000	172,700	178,500	184,400	190,400
Total Operating Expense	38,177,400	38,237,400	39,602,800	40,780,900	42,439,800	44,086,600	45,597,600	46,072,300	46,636,600	45,887,400
Operating Result	(8,783,850)	(7,323,400)	(7,080,400)	(6,299,700)	(5,841,900)	(5,148,400)	(4,157,300)	(1,932,000)	316,400	1,575,800
Less Depreciation	8,288,100	8,739,200	9,021,900	9,315,500	9,816,700	10,081,200	10,249,700	10,550,300	10,703,900	10,834,200
Operating Result Excluding Non Cash	(495,750)	1,415,800	1,941,500	3,015,800	3,974,800	4,932,800	6,092,400	8,618,300	11,020,300	12,410,000
Add: Capital Income	4,386,000	7,912,100	7,597,600	7,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
Add: Loan Drawdown	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
Less: Loan Repayments	4,191,300	5,034,700	6,139,300	5,942,200	4,987,200	5,927,900	6,714,900	7,368,600	7,716,000	8,080,900
Less: Capital Expense	23,909,800	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,107,100	2,412,900	1,066,300	3,106,100	3,162,700	230,400	3,270,200	2,355,700	387,800	6,264,700
Add: Transfer from Reserve	10,317,950	1,610,700	50,000	3,737,600	172,500	1,255,400	72,700	40,000	4,189,000	43,700
Net Cash Movement	0	0	0	0	0	0	0	0	0	0

Estimated Reserves Whole Organisation

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	16,212,100	17,014,300	18,030,600	17,399,100	20,389,300	19,364,300	22,561,800	24,877,500	21,076,300	27,297,300
Net Reserve Movement	(9,210,800)	802,200	1,016,300	(631,500)	2,990,200	(1,025,000)	3,197,500	2,315,700	(3,801,200)	6,221,000



Statement of Revenue Policy – 2023/24

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 2023/24, the gross dollar yield is \$23,837,700, which is an increase of \$1,349,300 (6.0%) on the previous year.

Supply Area	Proportional Weighting	2023/24 \$
Lismore City Council	27.44%	6,542,200
Byron Shire Council	23.37%	5,571,300
Richmond Valley Council	5.66%	1,348,700
Ballina Shire Council	34.97%	8,334,500
Rous County Council Direct Retail	8.56%	2,041,000
	100.00%	23,837,700

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

In 2023/24 the notional price per kilolitre of water charged to member councils and Council’s Retail Water Fund is \$2.28 per kilolitre.

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 2023/24, the price per kilolitre will increase by 7% in line with the Long-Term Financial Plan to \$3.04 per kilolitre. Fixed fee facility charges will also increase by 7%.

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 Bulk Water Supply and Retail Water Supply Development Servicing Plans were adopted by Council at its February 2023 meeting, effective 1 July 2023. The plan is in accordance with the 'best practice' guidelines as issued by the NSW Office of Water.

For 2023/24, in accordance with the plan, the bulk water charge increases by \$695 (7.5%) to \$9,951 per Equivalent Tenement. The new retail water charge has been set at \$384 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 2023/24, contributions will increase by rate pegging, which is 3.7%. Amounts listed are exclusive of GST.

Service Area	2023/24 \$
Ballina Shire Council	123,000
Byron Shire Council	123,000
Lismore City Council	161,700
Richmond Valley Council	133,800
<i>Kyogle Council*</i>	<i>134,900</i>
<i>Tweed Shire Council*</i>	<i>185,200</i>
	861,600

**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 2023/24, contributions will increase by 10%. Amounts listed below are exclusive of GST.

Service Area - Flood Mitigation	2023/24 \$
Ballina Shire Council	302,700
Lismore City Council	302,700
Richmond Valley Council	302,700
	908,100

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 2023/24, contributions will increase by the rate peg, which is 3.7%. Amounts listed below are exclusive of GST.

Service Area - Ex-Drainage Union	2023/24 \$
Ballina Shire Council	41,800
Lismore City Council	41,800
Richmond Valley Council	4,000
	87,600

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

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 intends to borrow \$15M from an approved financial institution in 2023/24 for the purpose of commencing construction of groundwater sources. Amounts borrowed will be secured by mortgage over the income of Council.

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.

Application of Code of Conduct for Commercial Tenancies

Council will manage requests for rental relief in accordance with the National Cabinet's Code of Conduct for commercial tenancies and as legislated by the NSW Government.

Code	Description	GST	2022/23 (\$)	2023/24 (\$)
Property Information				
L	Property information certificate (section 603 <i>Local Government Act 1993</i>)		90.00	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	90.00	90.00
P	Cancellation/min. processing fee (section 603 <i>Local Government Act 1993</i>)		45.00	45.00
Photocopying and Printing				
F	Photocopying A4 (black)	M	1.45 per page	1.45 per page
	Photocopying A3 (black)		1.50 per page	1.50 per page
	Photocopying A4 (colour)		1.55 per page	1.55 per page
	Photocopying A3 (colour)		1.60 per page	1.60 per page
Dishonoured Payments or Direct Debits				
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
Credit Card Surcharge				
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.	U	As charged	As charged
Conduct Money				
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
Open Access Information		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.
Proactive Release		No	Photocopying charges as per Fees and Charges schedule.	N/A	N/A	
Informal Release (on Request)		No	No	N/A	N/A	
Formal Access Application	Personal Information	\$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"> 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). The information applied for is of special benefit to the public generally (s.66). 	Full waiver of charges will apply where the information is publicly released before or within 3 working days after being given to the applicant.
	Other Information	\$30.00 (incl. first hour of processing) (ss. 41 and 64(3)).	\$30.00/hr (s.64(1)).			
Review	Internal Review	\$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 2018*.

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	2022/23 (\$)	2023/24 (\$)
F	Rous retail consumers are levied with a per kilolitre charge (section 399 <i>Local Government Act 1993</i>)	N	2.84	3.04
	Annual facility charge 20mm water meter connection (section 501 <i>Local Government Act 1993</i>)		189.80	201.30
	Annual facility charge 25mm water meter connection (section 501 <i>Local Government Act 1993</i>)		299.30	318.40
	Annual facility charge 32mm water meter connection (section 501 <i>Local Government Act 1993</i>)		492.75	527.00
	Annual facility charge 40mm water meter connection (section 501 <i>Local Government Act 1993</i>)		770.15	823.50
	Annual facility charge 50mm water meter connection (section 501 <i>Local Government Act 1993</i>)		1,204.50	1,288.30
	Annual facility charge 65mm water meter connection (section 501 <i>Local Government Act 1993</i>)		2,036.70	2,177.70
	Annual facility charge 80mm water meter connection (section 501 <i>Local Government Act 1993</i>)		3,087.90	3,301.30
	Annual facility charge 100mm water meter connection (section 501 <i>Local Government Act 1993</i>)		4,828.95	5,164.30
	Backflow device annual charge		196.00	196.00
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 for the period 1 July to 30 June determined by the Minister for Local Government will be charged.</i>		6.0%	6.0%
L	Restrictor devices – fee to disconnect any restriction device, which may have been installed due to non-payment of account		328.00	354.00
F	Pensioner rebate (section 575 <i>Local Government Act 1993</i>)	N		
L	Dialysis machine concession of 200 kilolitres per annum without consumption charges (section 502 <i>Local Government Act 1993</i>)	N	Refer to 'Description'	

Operations

Consumer Services				
Code	Description	GST	2022/23 (\$)	2023/24 (\$)
F	Outstanding Notices certificate (section 735A <i>Local Government Act 1993</i>)	E	50.00	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		50.00	50.00
	Testing of 20mm water meter	N	388.00	388.00
	Special meter reading	E	88.00	88.00
	Special meter reading – URGENCY fee**# ** Subject to confirmation that service is available # This fee is in addition to applicable certificate fee		88.00	88.00
	Consumer connection fee for a standard 20mm service (section 608 <i>Local Government Act 1993</i>)	N	1,430.00	1,430.00
	Consumer activation fee for a standard 20mm service where water meter already connected (section 608 <i>Local Government Act 1993</i>)		267.00	267.00
	Consumer activation fee for a standard 20mm service where water meter connection also required (section 608 <i>Local Government Act 1993</i>)		437.00	437.00
	Consumer connection fee equal to the estimated actual cost + 10% to provide other than a standard 20mm service to property boundary (section 608 <i>Local Government Act 1993</i>)		Price on application	Price on application
	Disconnection fee (section 608 <i>Local Government Act 1993</i>)		146.00	146.00
Reconnection fee (section 608 <i>Local Government Act 1993</i>)	Price on application	Price on application		
Water Filling stations				
Code	Description	GST	2022/23 (\$)	2023/24 (\$)
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	651.00	675.00
	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)		651.00	675.00
	Price of water per kilolitre (section 610A <i>Local Government Act 1993</i>)	N	6.06	6.28
F	Filling station access key	E	80.00	80.00
F	Filling station pre-paid credit refund fee	E	51.00	51.00
Temporary Water Supply				
Code	Description	GST	2022/23 (\$)	2023/24 (\$)
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	5.00	5.19

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Contract Works				
Code	Description	GST	2022/23 (%)	2023/24 (%)
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	2022/23 (\$ per e.t)	2023/24 (\$ per e.t)
P	Bulk Developer charge	E	9,256.00	9,951.00

Development Servicing Charges				
Code	Description	GST	2022/23 (\$ per e.t)	2023/24 (\$ per e.t)
P	Retail Developer charge	E	N/A	384.00

Water Service Capital Connection Fees				
Code	Description	GST	2022/23 (\$ per e.t.)	2023/24 (\$ per e.t)
P	Bulk Headworks connection fee	E	9,256.00	9,951.00

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	2022/23 (\$)	2023/24 (\$)
F	Permit processing fee. Charged in addition to a temporary permit fee (*)	E	177.00	177.00
	Ecotourism – temporary permit fee*		265.00	265.00
	Seed collection – temporary permit fee*		151.00	151.00
	Personal fitness training – temporary permit fee*		100.00	103.70
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	183.00	183.00

Recovery of Fees under the *Biosecurity Act 2015*

Code	Description	GST	2022/23 (\$)	2023/24 (\$)
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



04.

DRAFT

**Operational
Plan**

2023–2024



Acknowledgement

We acknowledge the importance of tradition, history and culture to Aboriginal people including the existence of unknown stories held by First Nations Peoples. As an organisation that works with water and land, we acknowledge and value Aboriginal and Torres Strait Islander sustainability practices in land and culture and acknowledge our responsibility to work together with the Traditional Custodians of land and waterway areas managed by Rous County Council.

We acknowledge this relationship and deeply value Aboriginal and Torres Strait Islander traditional laws, knowledge and lessons about places and sustainability. Through our reconciliation activities, we aim to restore ecological, cultural, and social values that are unique to our region.

Foreword

On behalf of Rous County Council, I am pleased to present our Operational Plan for 2023-2024.

This Operational Plan describes the actions Rous will undertake in the 2023-24 financial year towards meeting the commitments of our Delivery Program adopted in 2022-23. The Delivery Program is our Council's commitment about what we will do in this council term to achieve the strategic objectives established in our Business Activity Strategic Plan.

This Operational Plan will be resourced through the annual Budget and Statement of Revenue Policy (available on Council's website).

2023-24 will see Rous and the region we serve focusing on recovery and rebuilding following the significant flood events that affected our region in early 2022. While this context shapes our focus and demands our attention, we will remain focused on and committed to our Mission. We will continue to partner with our region's councils to provide the quality services Rous is well known for across bulk water supply, weed biosecurity and flood mitigation, and in doing so, support a sustainable and productive community.

2023-24 will see Rous take a significant step forward in its evolution since 2016 when we saw the functions and

activities of Rous Water, Richmond River County Council and Far North Coast Weeds combined into one entity. As part of that transition, we will progress towards the establishment of a new site at Gallans Road, Ballina. This will enable business efficiencies and service improvements and see more of our staff working together under one roof.

The Future Water Project will also continue to be a priority as we see progress being made to understand the many multi-faceted elements of the various options available. Some of that work will inevitably inform business planning and decisions beyond water security. With the potential for new property assets, such as bores or water treatment plants, there is an opportunity to reimagine our business processes to optimise efficiency, effectiveness and safety across our multiple sites, including Gallans Road.

Positioning Rous to be able to effectively meet the future needs of the region will require transformative change. This is a key challenge given the backdrop of successive years of natural disasters and a pandemic, and the toll that has had on our people and the community. Throughout this Operational Plan are tangible actions designed to build a strong foundation for change - for our people and the business - focusing on our Vision to thrive and evolve as a valued regional service provider.

Phillip Rudd
General Manager

Our leadership team



Phillip Rudd
General Manager



Geoff Ward
*Group Manager
Corporate and Commercial*



Helen McNeil
*Group Manager
People and Performance*



Andrew Logan
*Group Manager
Planning and Delivery*



Adam Nesbitt
*Group Manager
Operations*



Guy Bezrouhko
*Project Manager
Relocation and Properties*



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Level 4, 218-232 Molesworth Street,
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How will the Operational Plan be realised?

See our:

- Annual Budget and Statement of Revenue Policy
- Resourcing Strategy: 2022-2032.

These documents (and reporting of their progress and Rous's performance) can be found on Council's website: www.rous.nsw.gov.au

Version	Purpose and description	Date adopted by Council	Resolution no.
0.1	Draft Operational Plan 2022-2023 endorsed at 11 May 2022 Council meeting for public consultation.	11/05/2022	17/22
1.0	Endorsed by Council at its meeting 15 June 2022.	15/06/2022	28/22
1.1	Draft Operational Plan 2023-2024 endorsed at 19 April 2023 Council meeting for public consultation.	TBC	
2.0	Endorsed by Council at its meeting 21 June 2023.	TBC	

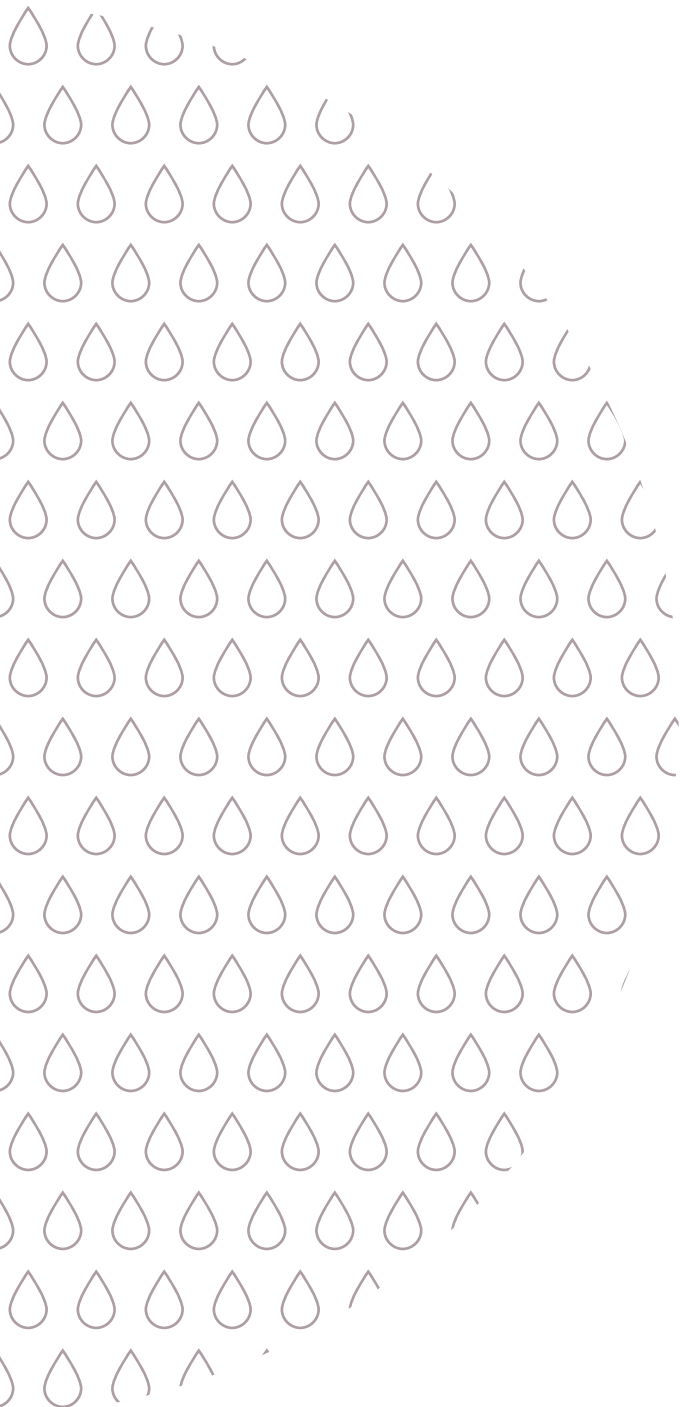
A new annual Operational Plan will be prepared to commence at the beginning of each new financial year.

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Our Mission

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

Our Vision

Thrive and evolve as a valued regional service provider.

Our Values

Staff developed and adopted a set of values that we use as a guide for how we act and behave:

- **Safety** – safety first 24/7
- **Teamwork** – one team, one purpose
- **Accountability** – own it, solve it, achieve it
- **Respect** – be honest, be fair.

About us

Rous is a county council created under the *Local Government Act 1993*, with three core functions that it undertakes for the local councils of the areas within which it operates (known as constituent councils).



Bulk water supply

- Regional water supply authority providing water in bulk to the council areas of Ballina (excluding Wardell), Byron (excluding Mullumbimby), Lismore (excluding Nimbin), and Richmond Valley (excluding land to the west of Coraki).
- Regional supply network includes approximately 40,100 connections within the reticulation areas of the constituent councils, and around 2,030 retail connections to the Rous trunk main system. A population of over 100,000 is serviced by this water supply system with the actual area of operations being approximately 3,000km².
- Principal water supply source is Rocky Creek Dam, situated 25 kilometres north of Lismore near the village of Dunoon.

Weed biosecurity

- Local Control Authority responsible for administering the *Biosecurity Act 2015*, working with landholders and the community throughout the region to address weed biosecurity matters.
- Undertake a wide range of activities to combat the spread of targeted weeds across the local government areas of Ballina, Byron, Lismore and Richmond Valley (including on behalf of Kyogle and Tweed Shire as part of a fee for service arrangement).

Flood mitigation

- Flood Mitigation Authority operating across the Ballina, Lismore and Richmond Valley local government areas.
- Responsible for the construction and replacement of a range of flood mitigation infrastructure, mostly in rural areas, including the routine maintenance of canals and floodgates and related natural resource management activities.

What else do we do?

We have some commercial property interests.

Introduction



This Operational Plan details the activities and actions Rous will undertake during this financial year to achieve our Delivery Program commitments. The Operational Plan identifies the programs, projects, capital works and other activities we will deliver this year within our annual budget.

The Plan is underpinned by the social justice principles of access, equity, participation and rights – ensuring fairness in all that we do.

The themes and direction established in our Business Activity Strategic Plan and Delivery Program flow through to this Operational Plan:

Business Activity Strategic Plan: A snapshot	
Theme	What does it mean? What does it look like?
1. Sustainable delivery	<ul style="list-style-type: none"> • Sustainable service provision in relation to water supply, flood mitigation and weeds management. • Financial sustainability of the organisation (including in relation to its workforce and asset management responsibilities). • Environmental sustainability in relation to our operations. • Planning for and responding to climate change impacts in the environment.
2. External relationships	<ul style="list-style-type: none"> • Relationships Rous has with constituent councils, customers and the broader Northern Rivers community, State and Commonwealth government. • Opportunities for partnerships and collaboration to achieve desired outcomes for our customers and community more effectively and efficiently.
3. Our people	<ul style="list-style-type: none"> • Our workforce – ensuring we have the right people with the right skills in the right place to achieve our objectives within a Values-based culture. • Creating a working environment and a workplace culture where our people value their work and feel valued by the organisation and its customers.
4. Leadership and innovation	<ul style="list-style-type: none"> • Our role as a regional leader. • How we conduct ourselves as an organisation. • How we use technology and apply innovation to be more effective and efficient.

Where are we now?



The table below provides a summary of the operating environment for Rous County Council at the time the Delivery Program was adopted in 2022-23. This Operational Plan is designed to help address the key challenges and opportunities that have been identified and contribute to the achievement of our strategic objectives.

Key themes	Key challenges and opportunities
1. Sustainable delivery	<ul style="list-style-type: none"> • We are seeing climate change impacts, including increases in weed infestations, sea level rises affecting the performance of our flood mitigation assets, and more extreme flood and drought events. • Opportunity to clarify Rous's role in relation to flood mitigation in the context of our relationship with others. • The region's growth will continue to impose pressure on Council's infrastructure. • Opportunities for simplifying and streamlining organisational processes and governance in an increasingly regulated sector. • Risk to water availability if Rous is unable to supply enough water to a growing population (increasing water restrictions may result). • Effective identification and mitigation of uncertainty to ensure Rous can meet its objectives.
2. External relationships	<ul style="list-style-type: none"> • Low level of community awareness and understanding about Rous's role and services. • Opportunity to enhance partnerships with constituent councils to complement each other's work (e.g. through joint planning, stakeholder engagement, resource sharing). • Rous has differing and fragmented roles across its operational footprint. • Opportunity to lead and deliver targeted engagement and education outcomes.
3. Our people	<ul style="list-style-type: none"> • Attraction, retention and succession planning challenges. • Pressure of increased training requirements. • Adequacy and appropriateness of facilities for a growing organisation. • Promote a safety culture supported by effective, efficient and practical safe systems of work.
4. Leadership and innovation	<ul style="list-style-type: none"> • Opportunity to move from just a service provider function to take on more of a regional leadership role for those matters relating to our core business. • There is no centralised funded authority that oversees the health of the Richmond River system. • A revised best practice framework is being developed for water in NSW. • State Government policy lags contemporary approaches to water, and State Government planning does not always align with local strategic planning.

Our Operational Plan

Where do we want to be at the end of this financial year?

(Our financial-year goals.)

How will we get there?

(Our projects, programs, actions and budget considerations.)

How we will know we are on track?

(A measure or indicator that provides a way of assessing whether our projects, programs and actions are effective.)

1. Sustainable delivery



Business priorities include:

- Contributing to the protection and enhancement of our region’s environment and natural resources.
- Taking steps to strengthen our response to climate change impacts and reducing our carbon emissions.
- Planning for future demands as our region’s population grows.
- Sustainably using our available resources.
- Sound business planning and ongoing improvement.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
1.1	A healthy environment				
1.1.1	Environmentally responsible procurement.	Review local supplier relationships and resourcing of specialist procurement arrangements.	At least one in-house preferred supplier panel established.	By June 2024.	Governance and Risk Manager.
1.1.2	Sustainable river system health through natural resource management.	Undertake scheduled 2023-24 actions of the Catchment and Coastal Zone Management plans.	% of scheduled actions completed.	At least 90%.	Catchment and Cultural Awareness Manager.
		Continue to deliver the Active Floodgate Management Program – highlighting the expected improvement to water quality.	(i) All required training of landowner volunteers completed.	By June 2024.	Floodplain Officer.
			(ii) All required plans reviewed and updated.	By June 2024.	Floodplain Officer.
1.1.3	Enhance the region’s biosecurity through combatting the spread of targeted weeds.	Deliver scheduled 2023-24 actions of the Weed Action Plan.	% of scheduled actions completed.	At least 95%.	Weed Biosecurity and Bush Regeneration Manager.
		Liaise with constituent councils about possible Rous role in fee for service weed control in local parks, reserves and roadsides.	Explore opportunities, cost options and discuss with constituents.	By June 2024.	Weed Biosecurity and Bush Regeneration Manager.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
1.2	Responding to climate change				
1.2.1	Achieve carbon neutrality.	Deliver scheduled 2023-24 actions of the Renewable Energy and Emissions Reduction Plan.	% of scheduled actions completed.	At least 90%.	Infrastructure Program Manager.
		Plant trees to contribute to offsetting our carbon emissions.	# of trees planted.	Subject to Plan outcomes.	Catchment and Cultural Awareness Manager. Weed Biosecurity and Bush Regeneration Manager.
1.2.2	We are prepared and able to respond to climate change impacts.	Collate and analyse data to inform the Strategic Review of Flood Mitigation.	Collation and analysis complete.	By June 2024.	Group Manager Planning and Delivery.
		Engage with the NSW Government and other floodplain stakeholders to pursue opportunities and funding to better understand the impacts of a changing climate on the floodplain and the strategic direction.	Discussion paper shared with stakeholders and NSW Government. Written representation to NSW Government agencies made on need for strategic direction on natural resource impact of flood mitigation assets.	By June 2024.	Floodplain Officer.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
1.3	Water security, quality and sustainable consumption				
1.3.1	Short-term water supply demands are able to be met.	Implement project plans for Stage 1 of Future Water Project for Alstonville and Woodburn groundwater schemes.	% of scheduled actions completed.	At least 90%.	Future Water Program Manager.
		Administer residential rainwater tank rebates.	# of rebates processed.	Report by occurrence.	Water Sustainability Officer.
		Monitor water quality to ensure compliance with Australian Drinking Water Guidelines.	# of occasions of non-compliance.	Results meet Australian Drinking Water Guidelines 95th percentile compliance.	Dams and Treatment Manager. Operations Engineering Manager.
		Implement Future Water Project stakeholder communication and engagement plans.	Y1 actions completed.	By June 2024.	Future Water Program Manager.
		Implement a project plan for the planning and investigations of a groundwater scheme at Tyagarah (Stage 2 of the Future Water Project).	% of scheduled actions completed.	At least 80%.	Future Water Program Manager.
		Continue investigations and planning to ensure drought readiness.	Emergency sources determined.	By June 2024.	Future Water Program Manager.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
1.3	Water security, quality and sustainable consumption (continued)				
1.3.2	Source options to meet long-term water supply demands are better understood.	Undertake further investigations of Stage 3 source options to support future decision making.	Study completed.	By June 2024.	Future Water Program Manager.
		Investigate potential to source groundwater from the Richmond Area Coastal Floodplain Alluvial Groundwater Source.	Study completed.	By June 2024.	Future Water Program Manager.
		Undertake studies into purified recycled water and determine a position regarding purified recycled water as a future water security option.	Report to Council.	By June 2024.	Recycled Water Project Manager
		Review and update secure yield assessment with latest data and modelling tools.	Secure yield assessment completed.	By June 2024.	Future Water Program Manager.
1.3.3	Our water supply is valued and used responsibly.	Undertake scheduled 2023-24 actions for the Regional Demand Management Plan.	% of scheduled actions completed.	At least 90%.	Water Sustainability Officer.
		Design a behaviour-change pilot program to understand community attitudes to responsible water use.	Consultant engaged and initial program designed.	By June 2024.	Water Sustainability Officer.
		Develop a Regional Water Education Program.	Program approved by Leadership Team.	By December 2023.	Regional Water Education Officer.
		Implement a Regional Water Education Program.	% of scheduled actions for 2023-24 completed.	At least 80%	Regional Water Education Officer.
		Implement the Water Loss Management Plan.	% of scheduled 2023-24 actions completed.	At least 90%.	Infrastructure Program Manager.
		Continue implementation of smart metering and backflow prevention program for retail customers.	On ground works completed.	By June 2024.	Smart Metering Project Manager.
		Provide an interim update to the Drought Management Plan while investigations continue into future water sources.	Interim Drought Management Plan adopted by Council.	By 30 December 2023.	Water Sustainability Officer.
		Strategic Review of the Emigrant Creek Water Treatment Plant to optimise operations, maintenance, utilisation and production capability.	Study completed.	By June 2024.	Strategic Planning Engineer.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
1.3	Water security, quality and sustainable consumption (continued)				
1.3.4	The region's water supply capacity is enhanced.	Undertake studies into purified recycled water and determine a position regarding purified recycled water as a future water security option.	Report to Council.	By June 2024.	Recycled Water Project Manager.
1.4	A sustainable Council				
1.4.1	Our resources are planned, prioritised and implemented to ensure Rous's sustainability.	Undertake scheduled actions within the 2023-24 Resourcing Strategy.	% of scheduled actions completed - Asset Management Strategy and Plan.	At least 90%.	Asset Management Systems Officer.
			% of scheduled actions completed - Workforce Management Plan.	At least 90%	People and Culture Manager.
		Deliver the 2023-24 Capital Works program.	% of program completed.	At least 80%	Infrastructure Program Manager.
			% of spending achieved.	At least 80% of funds committed or spent.	Dams and Treatment Engineering Manager. Operations Engineering Manager.
		Develop a guiding strategy and plan for the finalisation of Perradenya land development.	Strategy adopted by Council.	By December 2023.	Project Manager - Relocation and Properties.
			Scheduled actions for 2023-24 completed.	At least 90%.	Project Manager - Relocation and Properties.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
1.4	A sustainable Council (continued)				
1.4.2	Rous's revenue stream is strengthened.	Implement the adopted development servicing plans for Bulk Water and Retail Water supplies.	Revenue through developer fees is increased.	5% on 2022-23 levels.	Planning and Development Engineer.
1.4.3	A positive risk management culture is embedded and sustained.	Test emergency response plans and update business continuity plans.	Plans tested and updated.	At least once by June 2024.	Enterprise Risk Coordinator.
		Update Council's annual Risk Management Plan and update Risk Register structure and format.	Plan and register closed.	By June 2024.	Enterprise Risk Coordinator.
		Implementation of the Dams Safety Management System in compliance with Dams Safety Regulation 2019.	Updated operations and maintenance 'manuals' and 'plans' for Emigrant Creek Dam and Rocky Creek Dam.	By December 2023.	Group Manager Planning and Delivery, Strategic Planning Engineer. Dams and Treatment Engineering Manager.
			Complete detailed risk assessments and safety review report for Emigrant Creek Dam.	By December 2023.	
Progressing with detailed risk assessments and safety review report for Rocky Creek Dam.	By June 2024.				

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
1.4	A sustainable Council (continued)				
1.4.4	Ongoing service reviews, audits and business improvements achieve enhanced organisational outcomes.	Complete prioritised service reviews based on recommended focus areas identified by Audit, Risk and Improvement Committee.	# of service reviews completed.	At least 1.	Governance and Risk Manager.
			% of review recommendations implemented.	At least 50% within 12 months of date of recommendation.	
		Progressive implementation of works management system.	Evidence of proactive works allocation and completion.	Upward trend.	Operations Engineering Manager. Dams and Treatment Engineering Manager.
		Progressive updating of Dam Safety Management System documents and plans.	Annual completion of surveillance inspections and updating of dam safety documents and plans as required in the Dam Safety Management System document.	By December 2023.	Group Manager Planning and Delivery, Group Manager Operations. Strategic Planning Engineer. Dams and Treatment Engineering Manager.
			Completion of the Dam Safety Standard reports for Emigrant Creek Dam and Rocky Creek Dam.	By 31 March 2024.	
		Business process capture and re-engineering.	# of processes reviewed that directly relate to the Digital Transformation program.	As per project plan.	Innovation and Change Team Leader.
			Delivery of process efficiency improvements. Measured in time or cost savings; with consideration to risk.	Reduction in time, cost, and/or risk.	Innovation and Change Team Leader.

2. External relationships



Business priorities include:

- Building community understanding of the breadth of functions and results that Council delivers across the region.
- Being well positioned to respond to the diversity of our communities' needs and aspirations.
- Ensuring we proactively and positively engage with our constituent councils so that they understand and support our future direction.
- Maintaining strong relationships with others to promote positive business, environment and community outcomes.
- Being well positioned to win State Government funding opportunities.
- Sound business planning and ongoing improvement.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
2.1 Strong and mutually respectful relationships with our constituent councils					
2.1.1	Effective collaboration and communication with our constituent councils.	Improve relationships with constituent councils' Communications and Engagement teams through regular catch-up events.	Number of events.	At least 2 events.	Customer and Communications Manager.
		Evaluate pricing model methodology.	Update of bulk water methodology to reflect a 2-part (fixed/variable) tariff.	By October 2023.	Finance Manager.
2.2 People across our region understand the work that we do					
2.2.1	Communities across our region are kept informed of Rous's work and have opportunities to engage with us.	Identify target businesses for the Sustainable Water Partnership pilot program.	Spread across target groups.	At least 2 target groups.	Water Sustainability Officer.
		Provide opportunities for engagement through face-to-face activities, social media, website and customer service offerings.	Increase in social media followers.	At least 1,500 in total across all social media platforms.	Customer and Communications Manager.
			# of telephone call-backs received. Increase in website visitation. Use of available online tools, i.e. e-forms, SMS alert registrations, 'report a weed' form, views of Issuu documents.	No target. Report by occurrence.	

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
2.2	People across our region understand the work that we do (continued)				
2.2.1	Communities across our region are kept informed of Rous's work and have opportunities to engage with us.	Monitor Rous website to ensure content complies with WCAG level AA standards.	Compliance.	100%.	Customer and Communications Manager.
		Provide timely and accurate information using appropriate media.	# of media releases. # of social media posts. # of website news articles.	No target. Report by occurrence.	Customer and Communications Manager.
		Support Rous projects and activities through the development and implementation of communication and marketing campaigns.	# of projects and activities supported.	No target. Report by occurrence.	Customer and Communications Manager.
2.3	Our working relationships with political, regulatory and industry stakeholders are effective and achieve results				
2.3.1	Our positive working relationships support the achievement of regional outcomes.	Pursue funding opportunities that support agreed regional objectives where delivery is primarily Rous's responsibility.	\$ value of funding received.	At least \$100,000.	General Manager.
		Actively participate in the Northern Rivers Joint Organisation (NRJO).	% of scheduled meetings attended.	100%.	General Manager.
		Provide end to end support for the Northern Rivers Joint Organisation.	NRJO is compliant with its obligations and services provided within budget allocation.	100%.	General Manager.
2.3.2	Water consuming businesses and industry are engaged to promote sustainable water consumption.	Undertake scheduled 2023-24 actions of the Regional Demand Management Plan.	% of scheduled Rous's actions completed.	At least 90%.	Water Sustainability Officer.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
2.3.3	Local Aboriginal history and culture is respected, and we positively engage with our First Nations communities.	Implement Rous's Reconciliation Action Plan.	Review actions to ensure relevance and currency.	By June 2024.	Catchment and Cultural Awareness Manager.
			Complete scheduled actions.	By assigned due date.	
2.3.4	Local community groups are positively engaged to support the achievement of shared objectives.	Undertake scheduled 2023-24 actions of the Communications and Engagement Strategy.	% of scheduled actions completed.	At least 90%.	Customer and Communications Manager.
2.3.5	Regional collaboration informs policy and innovative approaches to priority issues.	Actively contribute to the Weeds and Pest Advisory Committees as part of our flood and water policy contribution.	# of meetings participated in.	At least 90%.	General Manager.
			Nature of outcomes achieved.	Report by occurrence.	General Manager.
		Collaborate with State and other agencies including Health, Local Land Services, Dept of Primary Industries and Water Services Association of Australia.	Nature of collaboration outcomes.	Report by occurrence.	Weed Biosecurity and Bush Regeneration Manager. Dams and Treatment Engineering Manager. Operations Engineering Manager.

3. Our people



Business priorities include:

- Forecasting future workforce skill needs.
- Being an employer our employees are proud to work for.
- Creating opportunities for our staff to learn and develop skills that are needed for achieving our organisational objectives.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
3.1 Our future workforce requirements are confirmed					
3.1.1	We know our workforce and skills requirements to achieve our Delivery Program commitments.	Develop a Change Management Framework.	% of respondents reporting and understanding of rationale and impact of change through pulse surveys.	Upward trend.	People and Culture Manager. Innovation and Change Team Leader.
3.2 Innovative solutions are applied to addressing skills gaps					
3.2.1	Specialist and hard-to-recruit skills are available to Rous when needed.	Implement Workforce Management Plan actions related to filling hard-to-recruit roles.	% of positions advertised and filled following recruitment process.	At least 90%.	People and Culture Manager.
		Create alternative employment pathways: scholarships, cadetships, graduate or trainee programs.	% of staff are employed via this pathway.	At least 4%.	People and Culture Manager.
		Review, update and expand the visibility of the Employee Value Proposition.	Employee Value Proposition is publicly available.	By 31 December 2023.	People and Culture Manager.
		Complete staff skills and interests inventory through annual performance appraisal process.	Inventory complete.	By 31 January 2024.	People and Culture Manager.
		Ensure succession planning for business critical roles.	Succession plans in place.	By 31 December 2023.	People and Culture Manager.
	Establish a suite of workforce metrics that support managers with workforce planning.	Suite of workforce metrics developed and reporting available to managers.	By 31 December 2023.	People and Culture Manager.	

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
3.3	Leaders at all levels				
3.3.1	Our leaders and emerging leaders are provided with development opportunities.	Implement leadership development actions of the Workforce Management Plan.	% of scheduled actions completed.	At least 90%.	People and Culture Manager.
3.4	We are recognised as an employer of choice				
3.4.1	Our staff are proud to work for Rous.	Recognise and celebrate achievements and staff contributions through regular staff communications.	% of staff who report being proud to work for Rous.	At least 90%.	People and Culture Manager.
			Open rate of internal e-newsletters.	At least 90%	Customer and Communications Manager.
		Implement changes to internal communication with a focus on staff engagement and feedback.	Impact of internal communication initiatives on level of staff engagement and satisfaction.	Upward trend quarter-on-quarter.	People and Culture Manager.
3.4.2	Our workplace is accessible, inclusive and safe.	Develop new Disability Inclusion Action Plan.	Plan finalised and approved.	By 31 December 2023.	People and Culture Manager.
		Coordinate and deliver a NSW Women's Week 2024 event.	Event delivered.	By April 2024.	Customer and Communications Manager.
		Implement Council's Health Safety and Environment policy and systems.	Employee days lost.	0 lost time injuries.	Health Safety and Environment Coordinator.
Incident and hazard reporting.	Upward trend.				
		% of Vault modules implemented.	(i) 100%.	(ii) No paper-based business processes.	

4. Leadership and innovation



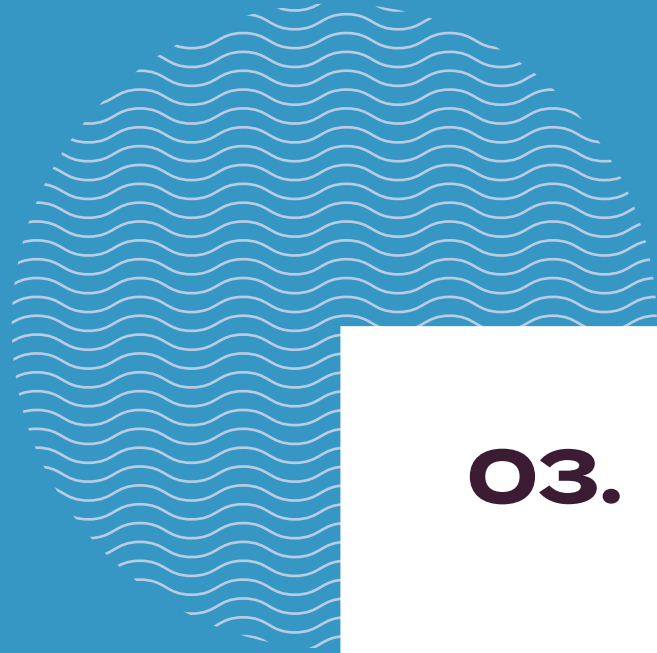
Business priorities include:

- Confirming our role as a regional leader.
- Expanding Rous's role in the region to provide a more consistent and cohesive service delivery model on behalf of our constituent councils.
- Exploring new technologies and approaches to addressing regional issues where Council may contribute to the solution.
- Responding proactively to a changing regulatory environment.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
4.1 Be recognised for leadership in what we do					
4.1.1	Embed reconciliation in Rous's culture through its people and partners.	Undertake scheduled 2023-24 actions of the Reconciliation Action Plan.	% of scheduled actions completed.	At least 90%.	Catchment and Cultural Awareness Manager.
4.1.2	Demonstrate effective leadership through the delivery of our commitments and reporting on our progress and results.	Prepare an annual Operational Plan, Budget and Annual Report to demonstrate Council's progress in achieving its Delivery Program commitments.	2023-24 Operational Plan and Budget adopted.	By June 2024.	Group Manager People and Performance. Finance Business Partner.
			2022-23 Annual Report published.	By 30 November 2023.	Customer and Communications Manager.
		Report on Service Level Agreement implementation and performance.	Reports provided to constituent councils.	6-monthly.	Group Manager Operations.
4.2 Effective use of technology supports the achievement of organisational objectives					
4.2.1	Our business systems and data support us to achieve organisational results.	Deliver enhanced financial budgets actuals reporting.	Timeliness of and access to data through management reporting.	By December 2023.	Finance Manager.
		Commence implementation of digital transformation program.	Adherence to project plan.	Achieved.	Group Manager Corporate and Commercial.

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
4.2	Effective use of technology supports the achievement of organisational objectives (continued)				
4.2.2	Finding and promoting opportunities for technology alignment and compatibility across our region's councils.	Initiate the development of a position paper through the Northern Rivers Information Technology Managers Group.	Position paper completed and reported to LT.	By December 2023.	ICT Manager.
			# of quick wins implemented as a result of the position paper.	At least 1.	ICT Manager.
4.3	We embrace innovation and continually improve the way we do business				
4.3.1	Successful consolidation of Rous administration and depots to achieve business improvements and optimisation.	Develop and implement scope of works for workplace consolidation plan and commence relocation of Gallans Road site..	Obtain regulatory approval.	By August 2023.	Project Manager Relocation and Properties.
			Confirm site plan and project scheduling.	By August 2023.	
			Award construction contract.	By December 2023.	
			Adherence to Project Communication Plan.	Achieved.	
			Project information updates available, timely and accessible to staff, incl. feedback loop pathways in place.	At least 90% open rate for information shared via digital channels (incl. ELMO).	

Ref	Delivery objectives	2023-24 actions	What is being measured	Target	Who
4.3	We embrace innovation and continually improve the way we do business (continued)				
4.3.2	Continuous improvement in our delivery of a bulk water supply.	Report on Service Level Agreement implementation and performance.	Reports provided to constituent councils.	6-monthly.	Operations Engineering Manager.
		Proactively seek feedback from constituent councils on bulk water supply delivery performance.	Performance of Rous bulk water supply delivery.	6-monthly engagement with key contacts at constituent councils.	Group Manager Operations.
4.3.3	Proactive contribution as part of a regional response to flood mitigation.	Actively participate in ongoing flood response initiatives.	Betterment of Rous flood mitigation urban levee asset condition.	Lismore Levee, East Coraki, Woodburn town drain.	Planning and Development Engineer.
			Performance of Rous flood mitigation.	90% of Rous rural floodgate assets at condition score 3 or better.	Operations Engineering Manager.



03.

Delivery Program

2022–2025



Acknowledgement

We acknowledge the importance of tradition, history and culture to Aboriginal people including the existence of unknown stories held by First Nations Peoples. As an organisation that works with water and land, we acknowledge and value Aboriginal and Torres Strait Islander sustainability practices in land and culture and acknowledge our responsibility to work together with the Traditional Custodians of land and waterway areas managed by Rous County Council.

We acknowledge this relationship and deeply value Aboriginal and Torres Strait Islander traditional laws, knowledge and lessons about places and sustainability. Through our reconciliation activities, we aim to restore ecological, cultural, and social values that are unique to our region.

Foreword

On behalf of Rous County Council, I am pleased to present our Delivery Program 2022-2025.

This Delivery Program is a statement of commitment from Council to our stakeholders about what we will deliver during this Council term to achieve the strategic objectives established in our Business Activity Strategic Plan. It was developed during the significant flood events and recovery that affected our whole region in February / March 2022. This catastrophic event and our response to it has reshaped what Council can commit to over these coming years.

Our constituent councils have made clear that they expect Rous to be a key partner in collaborations across the region that will evolve organically over time as part of a flexible approach to the community's flood recovery.

Despite the floods and their impacts, Rous continues to deliver core services in the most efficient and effective way possible to achieve outcomes for our local communities.

Our focus on bulk water supply and weed biosecurity remains firm. The recent major flood events have provided us with an opportunity to review and confirm our important flood mitigation role in the region.

This Delivery Program will be actioned through an annual Operational Plan and Budget and is also supported by Council's longer-term Resourcing Strategy that helps us to prioritise and allocate available resources in the most effective way.

Rous's elected councillors look forward to working across our region to deliver the commitments in this Delivery Program.

Cr Robert Mustow
Chair

Our councillors



Cr Robert Mustow
Chair



Cr Sharon Cadwallader
Deputy Chair



Cr Michael Lyon



Cr Sarah Ndiaye



Cr Big Rob



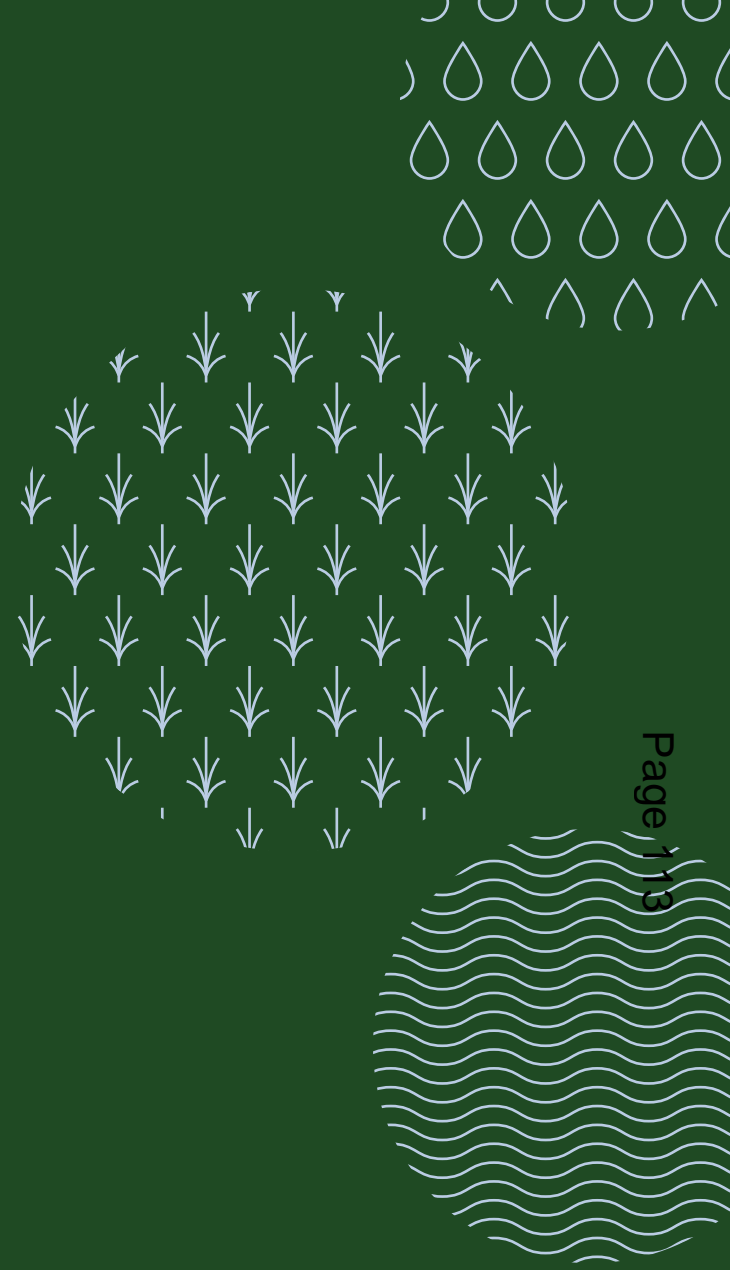
Cr Andrew Gordon



Cr Rod Bruem



Cr Sandra Humphrys





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or by visiting our office:
Level 4, 218-232 Molesworth Street,
Lismore NSW 2480

How will the Delivery Program be realised?

See our:

- Annual Operational Plans and Budget
- Resourcing Strategy: 2022-2032.

These documents (and reporting of their progress and Rous's performance) can be found on Council's website: www.rous.nsw.gov.au

Note: The Delivery Program is required to be for four years. The fourth year of this Delivery Program is indicative only, as it will be the first year of the next Council's term. The next Council will need to confirm its direction, priorities and resource allocations at that time.

Version	Purpose and description	Date adopted by Council	Resolution no.
0.1	Draft Delivery Program 2022-2025 endorsed at 11 May 2022 Council meeting for public consultation.	11/05/2022	17/22
1.0	Endorsed by Council at its meeting 15/06/2022.	16/05/2022	28/22
1.1	Minor amendments to 1.4.2 and 4.2.1.		

The Delivery Program will be reviewed annually as part of the preparation of each annual Operational Plan to confirm that it continues to reflect Rous's commitment to our stakeholders. After the September 2024 local government election, when the Business Activity Strategic Plan is next reviewed, and the incoming governing body confirms its priorities and direction, a new Delivery Program will be prepared.

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Our Mission

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

Our Vision

Thrive and evolve as a valued regional service provider.

Our Values

Staff developed and adopted a set of values that we use as a guide for how we act and behave::

- **Safety** – safety first 24/7
- **Teamwork** – one team, one purpose
- **Accountability** – own it, solve it, achieve it
- **Respect** – be honest, be fair.

About us

Rous is a county council created under the *Local Government Act 1993*, with three core functions that it undertakes for the local councils of the areas within which it operates (known as constituent councils).



Bulk water supply

- Regional water supply authority providing water in bulk to the council areas of Ballina (excluding Wardell), Byron (excluding Mullumbimby), Lismore (excluding Nimbin), and Richmond Valley (excluding land to the west of Coraki).
- Regional supply network includes approximately 40,100 connections within the reticulation areas of the constituent councils, and around 2,030 retail connections to the Rous trunk main system. A population of over 100,000 is serviced by this water supply system with the actual area of operations being approximately 3,000km².
- Principal water supply source is Rocky Creek Dam, situated 25 kilometres north of Lismore near the village of Dunoon.

Weed biosecurity

- Local Control Authority responsible for administering the *Biosecurity Act 2015*, working with landholders and the community throughout the region to address weed biosecurity matters.
- Undertake a wide range of activities to combat the spread of targeted weeds across the local government areas of Ballina, Byron, Lismore and Richmond Valley (including on behalf of Kyogle and Tweed Shire as part of a fee for service arrangement).

Flood mitigation

- Flood Mitigation Authority operating across the Ballina, Lismore and Richmond Valley local government areas.
- Responsible for the construction and replacement of a range of flood mitigation infrastructure, mostly in rural areas, including the routine maintenance of canals and floodgates and related natural resource management activities.

What else do we do?

We have some commercial property interests as well as owning and operating a water laboratory in Lismore (Richmond Water Laboratories).

Introduction



This Delivery Program identifies the principal activities Rous will undertake to perform its functions within available resources.

It is underpinned by the social justice principles of access, equity, participation and rights – ensuring fairness in all that we do.

The themes and direction established in our Business Activity Strategic Plan flow through to this Delivery Program's commitments for this Council's term:

Business Activity Strategic Plan: A snapshot	
Theme	What does it mean? What does it look like?
1. Sustainable delivery	<ul style="list-style-type: none"> Sustainable service provision in relation to water supply, flood mitigation and weeds management. Financial sustainability of the organisation (including in relation to its workforce and asset management responsibilities). Environmental sustainability in relation to our operations. Planning for and responding to climate change impacts in the environment.
2. External relationships	<ul style="list-style-type: none"> Relationships Rous has with constituent councils, customers and the broader Northern Rivers community, State and Commonwealth government. Opportunities for partnerships and collaboration to achieve desired outcomes for our customers and community more effectively and efficiently.
3. Our people	<ul style="list-style-type: none"> Our workforce – ensuring we have the right people with the right skills in the right place to achieve our objectives within a Values-based culture. Creating a working environment and a workplace culture where our people value their work and feel valued by the organisation and its customers.
4. Leadership and innovation	<ul style="list-style-type: none"> Our role as a regional leader. How we conduct ourselves as an organisation. How we use technology and apply innovation to be more effective and efficient.

Where are we now?



The table below provides a summary of the operating environment for Rous County Council in 2022/23, as well as identifying some of the key challenges and opportunities facing Council that the Business Activity Strategic Plan and this Delivery Program help to address.

Key themes	Key challenges and opportunities
1. Sustainable delivery	<ul style="list-style-type: none"> • We are seeing climate change impacts, including increases in weed infestations, sea level rises affecting the performance of our flood mitigation assets, and more extreme flood and drought events. • Opportunity to clarify Rous's role in relation to flood mitigation in the context of our relationship with others. • The region's growth will continue to impose pressure on Council's infrastructure. • Opportunities for simplifying and streamlining organisational processes and governance in an increasingly regulated sector. • Risk to water availability if Rous is unable to supply enough water to a growing population (increasing water restrictions may result). • Effective identification and mitigation of uncertainty to ensure Rous can meet its objectives.
2. External relationships	<ul style="list-style-type: none"> • Low level of community awareness and understanding about Rous's role and services. • Opportunity to enhance partnerships with constituent councils to complement each other's work (e.g., through joint planning, stakeholder engagement, resource sharing). • Rous has differing and fragmented roles across its operational footprint. • Opportunity to lead and deliver targeted engagement and education outcomes.
3. Our people	<ul style="list-style-type: none"> • Attraction, retention and succession planning challenges. • Pressure of increased training requirements. • Adequacy and appropriateness of facilities for a growing organisation. • Promote a safety culture supported by effective, efficient and practical safe systems of work.
4. Leadership and innovation	<ul style="list-style-type: none"> • Opportunity to move from just a service provider function to take on more of a regional leadership role for those matters relating to our core business. • A revised best practice framework is being developed for water in NSW. • State Government policy lags contemporary approaches to water, and State Government planning does not always align with local strategic planning.



Our Delivery Program

Where do we want to be at the end of this Council term?

(our delivery objectives for this term of Council).

How will we get there?

(the functions, activities and resource allocations we will make to achieve our delivery objectives).

How we will know we are on track?

(a measure or indicator that provides a way of assessing whether our functions and activities are effective in achieving their target).

Reporting on our progress

We will report on our progress in achieving our Delivery Program commitments in two ways:

- The General Manager will provide our councillors with six-monthly updates to enable the governing body to monitor progress and performance, and if necessary, make evidence-based adjustments during this Council term.
- Rous will publish an Annual Report by the end of November each year to update our key stakeholders and communities across the region on the progress we have made in delivering on our commitments.

1. Sustainable delivery



Delivery priorities include:

- Contributing to the protection and enhancement of our region’s environment and natural resources
- Responding to climate change impacts and reducing our carbon emissions
- Planning for a water-secure future and responding to the demands of regional population growth
- Sustainably using our human, financial and other resources through sound business planning and ongoing improvements.

● Action for the year. ○ Not an action for the year, or action completed.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
1.1 A healthy environment									
1.1.1	Environmentally responsible procurement.	Revise procurement protocols to ensure environmental impact is taken into consideration in Council’s purchases.	% of purchases made in line with revised procurement protocol.	100%	●	○	○	○	People and Performance.
1.1.2	Sustainable river system health through natural resource management.	Deliver the activities of the Catchment Management and Coastal Zone Management plans.	% of scheduled Rous activities completed on time.	At least 90%.	●	●	●	○	Planning and Delivery.
1.1.3	Enhance the region’s biosecurity through combatting the spread of targeted weeds.	Deliver the activities of the Weed Action Plan and program.	% of scheduled WAP delivered.	At least 95%.	●	●	●	○	Operations.
1.2 Responding and adapting to climate change									
1.2.1	Achieve carbon neutrality.	Develop and commence delivery of our Renewable Energy and Emissions Reduction Plan.	Plan adopted.	By June 2023	●	○	○	○	Planning and Delivery.
			% of scheduled Plan actions completed.	At least 90%.	●	○	○	○	Planning and Delivery.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1	Y2	Y3	Y4	
					22/23	23/24	24/25	25/26	
1.2	Responding and adapting to climate change (continued)								
1.2.2	We are prepared and able to respond to climate change impacts.	Deliver strategic review of Flood Mitigation function, incorporating data arising from 2022 flood events, and confirm Rous's role in the region.	Strategic review finalised and endorsed.	By June 2024.	●	●	○	○	Planning and Delivery.
			Rous's role confirmed.	By June 2024.	●	●	○	○	Planning and Delivery.
1.3	Water security, quality and sustainable consumption								
1.3.1	Short-term (to 2040) water supply demands are able to be met.	Deliver the Future Water Project.	Status of project delivery.	Stage 1 completed by December 2024.	●	●	●	○	Planning and Delivery.
			Stage 2 water sources agreed.	By June 2025.	●	●	●	○	Planning and Delivery.
1.3.2	Source options to meet long-term (beyond 2040) water supply demands are better understood.	Undertake further investigations of Stage 3 sources.	Stage 3 sources understood.	By June 2025.	●	●	●	○	Planning and Delivery.
1.3.3	Our water supply is valued and used responsibly.	Deliver the Regional Demand Management Plan.	% of scheduled demand management activities completed.	At least 90%.	●	●	●	○	Planning and Delivery.
1.3.4	The region's water supply capacity is enhanced.	Commence and progress application process for a demonstration purified recycled water plant.	Application and approval requirements identified.	By June 2025.	●	●	●	○	Planning and Delivery.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
1.4	A sustainable Council								
1.4.1	Our resources are planned, prioritised and implemented to ensure Rous's sustainability.	Maintain and implement the Resourcing Strategy.	% of scheduled resourcing actions completed on time.	At least 90%.					Corporate and Commercial. People and Performance.
			Frequency of plan review.	Annually.					Corporate and Commercial. People and Performance.
1.4.2	Rous's revenue stream is strengthened.	Apply to NSW Treasury Corporation to access borrowing facility.	T-Corp approval status.	Granted by March 2023.					Corporate and Commercial.
		Implement Richmond Water Laboratories Strategic Plan.	Value of sales and revenue.	Increase by 25% by June 2024.					Corporate and Commercial.
		Develop and commence implementation of a Development Servicing Plan for Bulk Water Supply and Retail Water Supply.	Plan status.	Adopted by December 2022.					Planning and Delivery.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
1.4	A sustainable Council (continued)								
1.4.3	A positive risk management culture is embedded and sustained.	Implement Risk Management Framework.	% of scheduled risk. management actions completed.	At least 90%.					People and Performance.
		Review Emergency Response plans.	Frequency of review.	At least once.					People and Performance.
1.4.4	Ongoing service reviews, audits and business improvements achieve enhanced organisational outcomes.	Implement internal and external Audit Program.	% of scheduled audits completed.	At least 80%.					People and Performance.
		Conduct internal audit reviews.	% of scheduled reviews completed.	100%					People and Performance.
		Implement business improvement processes.	% of identified improvements implemented.	At least 80% by end of Delivery Program.					People and Performance.

2. External relationships



Delivery priorities include:

- Proactive and positive engagement with our constituent councils to support the achievement of shared objectives
- Building community understanding of the breadth of functions and results that Council delivers across the region
- Maintaining strong relationships with others to promote positive business, environment and community outcomes
- Being well-positioned to win Government funding opportunities.

● Action for the year. ○ Not an action for the year, or action completed.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
2.1 Strong and mutually respectful relationships with our constituent councils									
2.1.1	Effective collaboration and communication with our constituent councils.	Review and refresh Service Level Agreements (or similar) with constituent councils.	% of SLAs updated.	100% by June 2025.	●	●	●	○	Operations.
2.2 People across our region understand the work that we do									
2.2.1	Communities across our region are kept informed of Rous's work and have opportunities to engage with us.	Deliver the Communications and Engagement Strategy.	% of scheduled comms and engagement activities completed on time.	At least 95%.	●	●	●	○	People and Performance.
2.3 Our working relationships with political, regulatory and industry stakeholders are effective and achieve results									
2.3.1	Our positive working relationships support the achievement of regional outcomes.	Actively participate in the Northern Rivers Joint Organisation.	% of GMAC meetings attended.	100%	●	●	●	○	General Manager.
			Nature of achievements / outcomes related to Rous's business.	Report by occurrence.	●	●	●	○	General Manager.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1	Y2	Y3	Y4	
					22/23	23/24	24/25	25/26	
2.3	Our working relationships with political, regulatory and industry stakeholders are effective and achieve results (continued)								
2.3.2	Water consuming businesses and industry are engaged to promote sustainable water consumption.	Deliver Regional Demand Management Plan.	% of scheduled demand management activities completed.	At least 90%.	●	●	●	○	Planning and Delivery.
2.3.3	Local Aboriginal history and culture is respected, and we positively engage with our First Nations communities.	Deliver the Reconciliation Action Plan.	% of scheduled reconciliation activities completed on time.	At least 90%.	●	●	●	○	Planning and Delivery.
2.3.4	Local community groups are positively engaged to support the achievement of shared objectives.	Deliver Communications and Engagement Strategy.	% of scheduled comms and engagement activities completed on time.	At least 95%.	●	●	●	○	People and Performance.
2.3.5	Regional collaboration informs policy and innovative approaches to priority issues.	Participate in regional forums with key stakeholders to inform local policy.	Number and nature of forums participated in.	At least four per year.	●	●	●	○	General Manager.
			Nature of policy outcomes achieved.	Report by occurrence.	●	●	●	○	General Manager.

3. Our people



Delivery priorities include:

- Forecasting future workforce skill needs and finding solutions to fill skills gaps
- Further enhancing our leadership culture
- Creating opportunities for our staff to learn and develop skills that are needed for achieving our organisational objectives
- Being an employer our employees are proud to work for.

● Action for the year. ○ Not an action for the year, or action completed.

Rtef	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
3.1 Our future workforce requirements are confirmed									
3.1.1	We know our workforce and skills requirements to achieve our Delivery Program commitments.	Refresh and implement the Workforce Management Strategy and action plan taking into account the human resources required by the Delivery Program.	% of scheduled workforce development activities completed on time.	100%	●	●	●	○	People and Performance.
3.2 Innovative solutions are applied to addressing skills gaps									
3.2.1	Specialist and hard-to-recruit skills are available to Rous when needed.	Refresh and implement the Workforce Management Strategy and action plan taking into account specialist and hard-to-recruit skills.	% of scheduled workforce development activities completed on time.	100%	●	●	●	○	People and Performance.
3.3 Leadership is facilitated across the organisation									
3.3.1	Our leaders and emerging leaders are provided with development opportunities.	Refresh and implement the Workforce Management Strategy and action plan having regard to leadership development.	% of scheduled workforce development activities completed on time.	100%	●	●	●	○	People and Performance.

Rtef	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
3.4 We are recognised as an employer of choice									
3.4.1	Our staff are proud to work for Rous.	Refresh and implement the Workforce Management Strategy and action plan to take into account workplace culture and employee satisfaction.	% of scheduled workforce development activities completed on time.	100%					People and Performance.
3.4.2	Our workplace is accessible, inclusive and safe.	Refresh and implement: <ul style="list-style-type: none"> the Workforce Management Strategy the Disability Inclusion Action Plan our Work Health and Safety protocols. 	% of scheduled access, inclusion and safety activities completed on time.	100%					People and Performance.

4. Leadership and innovation



Delivery priorities include:

- Confirming our leadership role in the region for water supply, weed biosecurity and flood mitigation
- Providing a more consistent and cohesive service delivery model to our constituent councils
- Exploring new technologies and approaches as solutions to addressing service delivery issues
- Responding proactively to a changing regulatory environment.

● Action for the year. ○ Not an action for the year, or action completed.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
4.1	Be recognised for leadership in what we do								
4.1.1	Embed reconciliation in Rous's culture through its people and partners.	Deliver Council's Reconciliation Action Plan.	% of scheduled reconciliation activities completed on time.	At least 90%.	●	●	●	○	Planning and Delivery.
4.1.2	Demonstrate effective leadership through the delivery of our commitments and reporting on our progress and results.	Deliver the commitments of this Delivery Program and report annually to our regional community and key stakeholders on our progress and results.	% of adopted Delivery Program delivered.	100%	●	●	●	○	People and Performance.
			# of annual reports published.	3 during this shorter term.	●	●	●	○	People and Performance.
4.1.3	Business efficiencies are achieved through service delivery on behalf of and in partnership with our constituent councils.	Deliver feasibility study and recommendations related to end-to-end water supply and sewerage authority role for Rous.	Status of feasibility study.	Completed by June 2025.	○	○	●	○	General Manager.

Ref	Delivery objectives	Activities to get there	What is being measured	Target	Timing				Lead group
					Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	
4.2 Effective use of technology supports the achievement of organisational objectives									
4.2.1	Deliver business systems and data to optimise organisational efficiency and results.	Digital Transformation Program.	% of scheduled activities completed on time.	At least 90%.	●	●	●	●	Corporate and Commercial.
4.2.2	Finding and promoting opportunities for technology alignment and compatibility across our region's councils.	Identify opportunities for technology alignment with our constituent councils and pursue efficiencies that may arise from these opportunities.	Review constituent council's control systems (hardware and software) and develop a position paper on pursuing opportunities for alignment.	December 2023.	●	●	●	○	Corporate and Commercial. Operations.
4.3 We embrace innovation and continually improve the way we do business									
4.3.1	Successful consolidation of Rous administration and depots, achieving business improvements and optimisation.	Fit out and create a fit for purpose space at Gallans Road, Ballina.	Organisation consolidated to key strategic locations based on masterplan.	Masterplan complete and on ground works underway by June 2023.	●	○	○	○	General Manager.
		Complete a masterplan for consolidation of administration buildings and depots.			●	○	○	○	General Manager.
4.3.2	Continuous improvement in our delivery of a bulk water supply.	Deliver bulk water to our constituents in line with our Service Level Agreements.	% of Service Level Agreement obligations met.	100%	●	●	●	○	Operations.
4.3.3	Proactive contribution as part of a regional response to flood mitigation.	Confirm Rous's flood mitigation role in the region and deliver agreed responsibilities.	% of scheduled flood mitigation activities delivered.	At least 90%.	●	●	●	○	Planning and Delivery.

Update on interim arrangements for Lismore Levee Scheme

Responsible Officer: Group Manager Planning and Delivery (Andrew Logan)

Recommendation

That Council:

1. Note the progress on interim arrangements for the Lismore Levee Scheme.
2. Receive a further update on progress towards resolving the arrangements for the Lismore Levee Scheme before November 2023.

Background

At a workshop in September 2022, Council received an update and introduction to matters relating to the Lismore Levee Scheme and other flood mitigation matters.

At the 14 December 2022 Council meeting, Council received a report regarding a number of activities related to strategic options and management of risk in the flood mitigation area.

It was resolved by Council (84/22) to authorise the General Manager to negotiate an interim solution to effectively manage risk associated with Rous's function and operation in urban flood mitigation with respect to the Lismore Levee Scheme.

The work was to involve engaging with Lismore City Council to confirm a position on the treatment of matters such as asset renewal and strategic planning. This is necessary to minimise existing and future risk and will require, among other things, consideration of:

- (i) Charging methodology and basis
- (ii) Adherence to Australian accounting standards
- (iii) Asset renewal and strategic planning
- (iv) The existing Memorandum of Understanding (MoU) between the former Richmond River County Council and Lismore City Council
- (v) Service Level Agreement
- (vi) Formal conferral and acceptance of delegation
- (vii) Disaster funding arrangements.

The target was to have an agreed position determined no later than 31 March 2023 to inform budget processes and for a report to be provided to Council's April 2023 meeting.

Update

Since the resolution, staff from Rous and Lismore City Council (LCC) have met and letters have been sent to the General Manager of Lismore City Council from the General Manager of Rous County Council. A workshop is being planned to be attended by relevant staff and General Managers from across both organisations to discuss and resolve positions with regard to the Lismore Levee Scheme. The workshop is proposed to be held before 30 June 2023.

The need for a position to be determined on the Lismore Levee Scheme has been reinforced by the announcement in February 2023 of almost \$30M in funding to LCC under the Federal Government's *Northern Rivers Resilience Initiative*.

The projects nominated by LCC and identified for funding include:

- (i) Combined upgrades to increase capacity and resilience of the Lismore Levee Scheme pumps and pump stations (7 projects¹) - \$22,563,809
- (ii) Electrify/install communications and control instruments (SCADA) to replace the tractor pump to remove stormwater from the CBD - \$2,620,651
- (iii) Fibre connect all flood pump stations - \$1,310,326
- (iv) Mechanical trash racks at all 3 major pump station inlets to reduce the risk of rubbish and debris causing damage to pumps - \$3,275,814

This is a significant investment in the Lismore Levee Scheme, almost matching the replacement cost of \$33M (June 2022) for the existing scheme assets.

With this level of funding and investment in the scheme proposed, the Levee scheme's ownership, ongoing funding and risk management arrangements need to be resolved before these upgrade projects commence.

Finance

Not applicable

Legal

Refer to [14 December 2022 council meeting agenda](#) item 11.1 - 'Strategic option and management of risk: flood mitigation' report.

Conclusion

This activity remains a priority for the organisation to resolve and provide clarity to both Lismore City Council and Rous. With the recent announcement of funding to LCC under the Federal Government's *Northern Rivers Resilience Initiative*, the need for progress on the issue has been highlighted.

¹ These 7 projects include levee scheme and sewer pump stations.

Information reports

Responsible Officer: General Manager and Group Managers

Recommendation

That the following information reports be received and noted:

1. Investments – March 2023
2. Water production and consumption – March 2023
3. Final update: close out of Rous Cultural, Environmental and Information Centre
4. Audit Risk and Improvement Committee: meeting update
5. Supply and installation of Smart Meters and Installation of Backflow Prevention Devices Contract # RCC1022-0011
6. Reports/actions pending

Background

Copies of the abovementioned reports are attached for information.

Consultation

The reports have been prepared in consultation with the General Manager, relevant Group Managers and staff.

Attachments

1. Information reports 1-6

Investments - March 2023

Responsible Officer: Group Manager Corporate and Commercial

Recommendation

That Council receive and note the Investments for March 2023.

Background

Clause 212 of the *Local Government (General) Regulation 2021* ('Regulation') and Council's 'Investments' policy require that a report detailing Council's investments be provided. This report has been prepared as at 31 March 2023.

Finance Report

The RBA cash rate is 3.60%

At the RBA's 7th March 2023 meeting it was decided to increase the cash rate by 25 basis points to 3.60%. Global inflation remains very high. The Board have acknowledged it will be some time before inflation is back to target rates. They observe the outlook for the global economy remains subdued, with below average growth expected this year and next. The monthly CPI indicator suggests that inflation has peaked in Australia. Goods price inflation is expected to moderate over the months ahead due to both global developments and softer demand in Australia.

The Board's priority is to return inflation to target. The Board expects that further tightening of monetary policy will be needed to ensure that inflation returns to target and that this period of high inflation is only temporary. In assessing when and how much further interest rates need to increase, the Board will be paying close attention to developments in the global economy, trends in household spending and the outlook for inflation and the labour market.

The 90-day average bank bill swap rate (BBSW) is 3.72%.

Total funds invested is \$40,178,098

This includes term investments and cheque account balance.

Weighted Average Return is 3.51%

This represents an increase of 48 basis point compared to the January 2023 result (3.03%) and is 21 basis points below Council's benchmark (the average 90-day BBSW rate of 3.72%) (Refer: Graph D2 - Attachment D).

Interest earned is \$123,780

Interest earned compared to the original budget is \$294,414 above the pro-rata budget. (Refer: Attachment A).

Cheque account balance is \$210,018

Weel account balance is \$67,311

This is a bank account with Cuscal Limited and is used to hold funds for a prepaid credit card app that is currently being trialled by Rous.

Ethical holdings is \$4,998,155 (12.44% of current holdings)

The assessment of Ethical Financial Institutions is undertaken using www.marketforces.org.au which is an affiliate project of the Friends of the Earth Australia (Refer: Graph D4 - Attachment D).

Legal

In accordance with section 212(1)(b) of the Regulation, the Responsible Accounting Officer (currently the Finance Manager) certifies the investments identified in this report have been made in accordance with section 625 of the *Local Government Act 1993*, section 212 of the Regulation, and the provisions of Council's 'Investments' policy.

Conclusion

A report on investments is required to be submitted to Council. As at 31 March 2023, investments total \$40,178,098 and the average rate of return is estimated at 3.51%.

Attachments

- A. Investment analysis
- B. Investment by type
- C. Investment by Institution
- D. Total funds invested - comparisons
- E. Summary of indebtedness

Investment analysis report

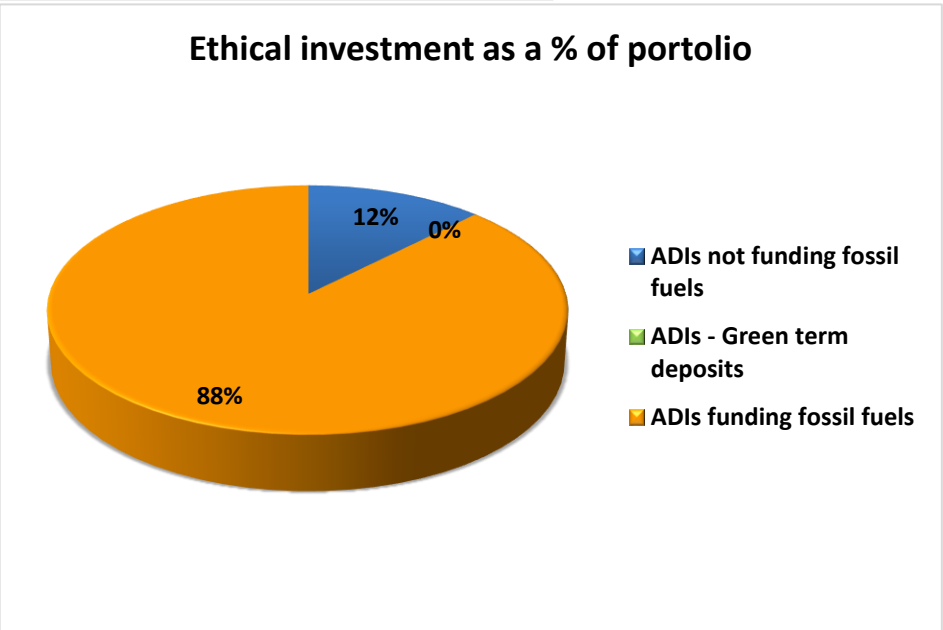
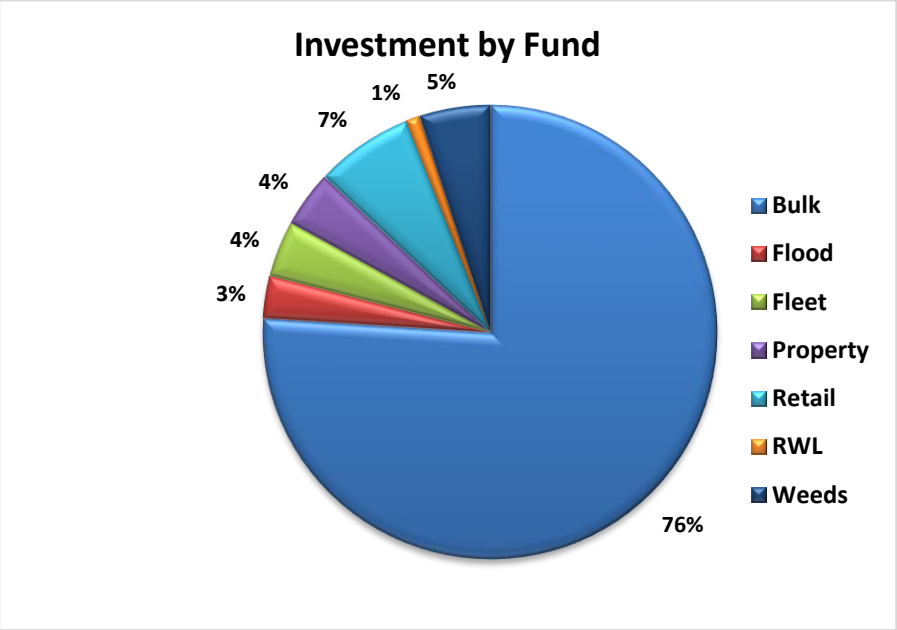
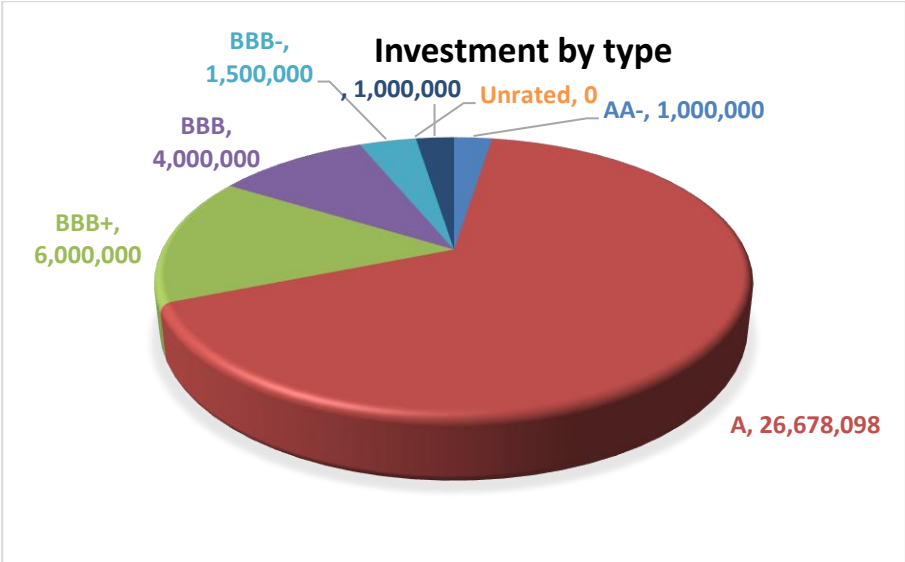
Attachment A

Funds Invested With	S & P Local Long Term Rating	Product Name	Ethical ADIs	Lodgement Date	Maturity Date	% of Portfolio	31 Mar 23 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		20.35	8,178,097.77	1.95	24,369.20	95,456.93
ING Bank Aust Ltd	A	TD	No	5/4/2022	4/4/2023	2.49	1,000,000.00	1.68	1,426.85	12,611.51
Bank of Queensland	BBB+	TD	Yes	19/4/2022	19/4/2023	2.49	1,000,000.00	1.90	1,613.70	14,263.01
MyState Bank Limited	BBB+	TD	Yes	29/4/2022	2/5/2023	2.49	1,000,000.00	2.60	2,208.22	19,517.81
Commonwealth Bank of Australia	AA-	TD	No	29/4/2022	2/5/2023	2.49	1,000,000.00	2.72	2,310.14	20,418.63
Commonwealth Bank of Australia	AA-	TD	No	3/5/2022	2/5/2023	2.49	1,000,000.00	2.74	2,327.12	20,568.77
Commonwealth Bank of Australia	AA-	TD	No	10/5/2022	10/5/2023	2.49	1,000,000.00	3.01	2,556.44	22,595.62
Bank Of Queensland	BBB+	TD	Yes	31/5/2022	6/6/2023	2.49	1,000,000.00	3.20	2,717.81	24,021.92
Commonwealth Bank of Australia	AA-	TD	No	14/6/2022	13/6/2023	2.49	1,000,000.00	3.89	3,303.84	29,201.64
Commonwealth Bank of Australia	AA-	TD	No	28/6/2022	28/6/2023	2.49	1,000,000.00	3.95	3,354.79	29,652.05
ING Bank Aust Ltd	A	TD	No	29/6/2022	4/7/2023	3.73	1,500,000.00	4.00	5,095.89	45,041.10
ING Bank Aust Ltd	A	TD	No	30/6/2022	30/6/2023	3.73	1,500,000.00	4.05	5,159.59	45,604.11
Bank of Queensland	BBB+	TD	Yes	2/8/2022	1/8/2023	1.24	500,000.00	3.85	1,634.93	12,763.01
Westpac Banking Corporation	AA-	TD	No	23/8/2022	23/8/2023	4.98	2,000,000.00	4.13	7,015.34	50,012.60
AMP Bank	BBB	TD	No	13/9/2022	13/9/2023	1.24	500,000.00	4.30	1,826.03	11,780.82
AMP Bank	BBB	TD	No	20/9/2022	19/9/2023	2.49	1,000,000.00	4.50	3,821.92	23,794.52
MyState Bank Limited	BBB+	TD	Yes	27/9/2022	26/9/2023	1.24	500,000.00	4.62	1,961.92	11,771.51
Westpac Banking Corporation	AA-	TD	No	11/10/2022	10/10/2023	2.49	1,000,000.00	4.30	3,652.05	20,263.01
National Australia Bank Limited	AA-	TD	No	18/10/2022	18/4/2023	1.24	500,000.00	3.82	1,622.19	8,634.25
Commonwealth Bank of Australia	AA-	TD	No	18/10/2022	17/10/2023	2.49	1,000,000.00	4.42	3,753.97	19,980.82
Westpac Banking Corporation	AA-	TD	No	25/10/2022	24/10/2023	1.24	500,000.00	4.57	1,940.68	9,891.23
Westpac Banking Corporation	AA-	TD	No	3/11/2022	9/5/2023	2.49	1,000,000.00	4.04	3,431.23	16,492.05
National Australia Bank Limited	AA-	TD	No	10/11/2022	14/11/2023	1.24	500,000.00	4.42	1,876.99	8,597.81
National Australia Bank Limited	AA-	TD	No	15/11/2022	16/5/2023	1.24	500,000.00	4.02	1,707.12	7,544.38
National Australia Bank Limited	AA-	TD	No	22/11/2022	23/5/2023	1.24	500,000.00	4.07	1,728.36	7,247.95

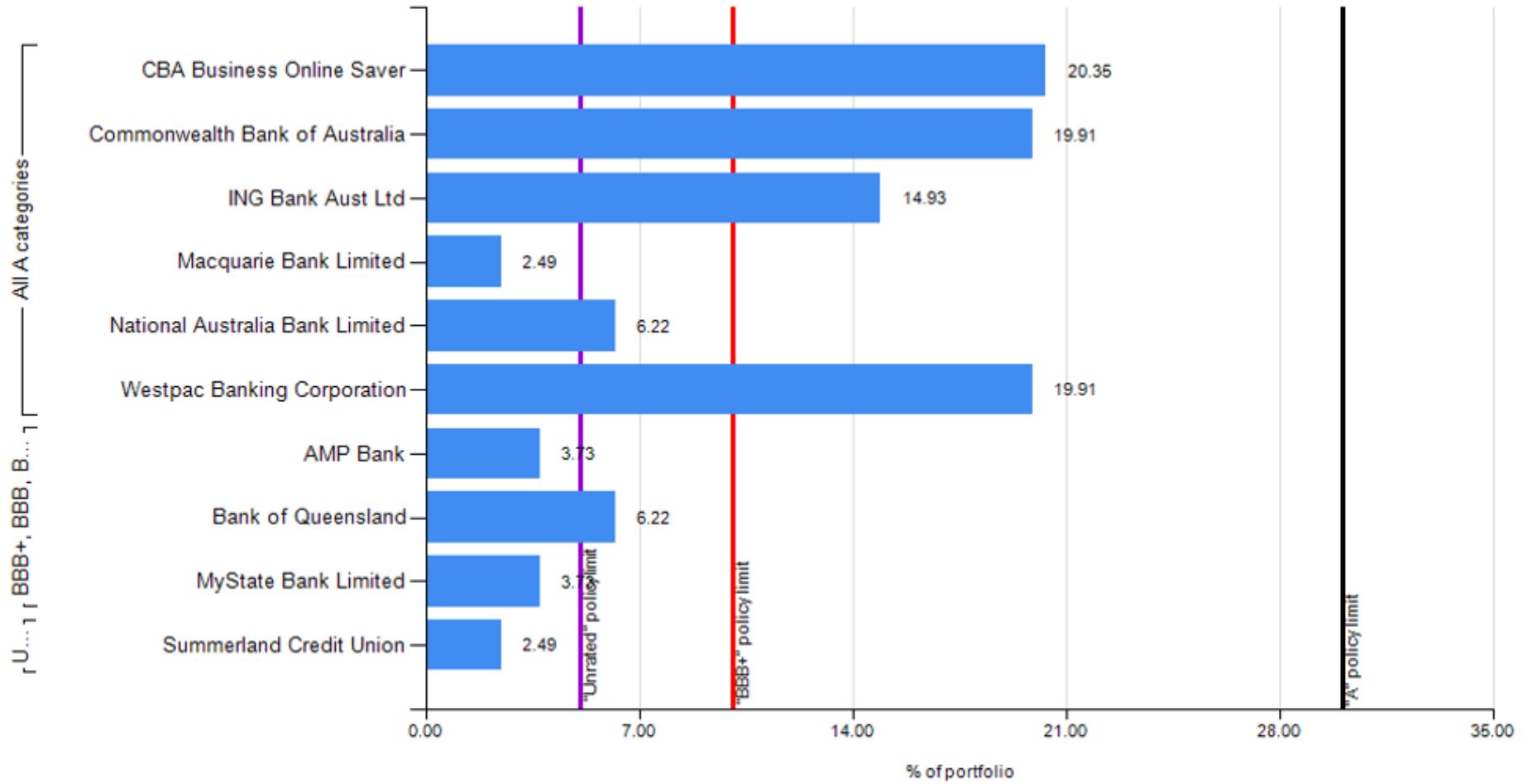
Commonwealth Bank of Australia	AA-	TD	No	22/11/2022	21/11/2023	2.49	1,000,000.00	4.52	3,838.90	16,098.63
Westpac Banking Corporation	AA-	TD	No	29/11/2022	28/11/2023	3.73	1,500,000.00	4.39	5,592.74	22,190.55
Westpac Banking Corporation	AA-	TD	No	6/12/2022	5/12/2023	2.49	1,000,000.00	4.29	3,643.56	13,633.97
National Australia Bank Limited	AA-	TD	No	6/12/2022	6/6/2023	1.24	500,000.00	4.08	1,732.60	6,483.29
Summerland Credit Union	UNRATED	TD	No	13/12/2022	13/6/2023	2.49	1,000,000.00	4.47	3,796.44	13,348.77
Commonwealth Bank of Australia	AA-	TD	Yes	18/1/2023	25/7/2023	2.49	1,000,000.00	4.32	3,669.04	8,640.00
ING Bank Aust Ltd	A	TD	No	8/3/2023	12/3/2024	2.49	1,000,000.00	4.98	3,274.52	3,274.52
Westpac Banking Corporation	AA-	TD	No	8/3/2023	12/9/2023	2.49	1,000,000.00	4.56	2,998.36	2,998.36
Macquarie Bank Limited	A+	TD	No	22/3/2023	19/3/2024	2.49	1,000,000.00	4.69	1,284.93	1,284.93
ING Bank Aust Ltd	A	TD	No	28/3/2023	26/3/2024	2.49	1,000,000.00	4.60	504.11	504.11
MATURED TDs									1,028.77	79,937.53
						100.00	40,178,097.77	3.51	123,780.30	756,121.72
Total Investment Holdings						100.00	40,178,097.77		123,780.30	756,121.72

Deposits with Australian Deposit-taking institutions (ADI) are Government.
Guaranteed for balances totalling up to \$250,000 per customer, per institution.

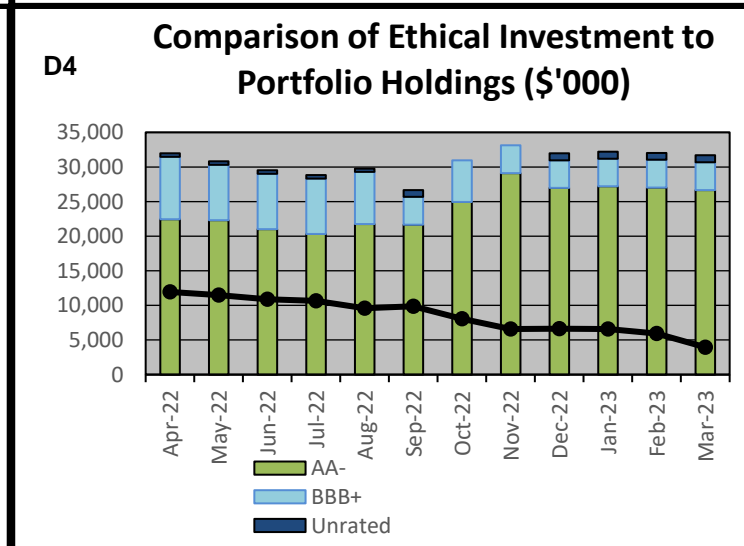
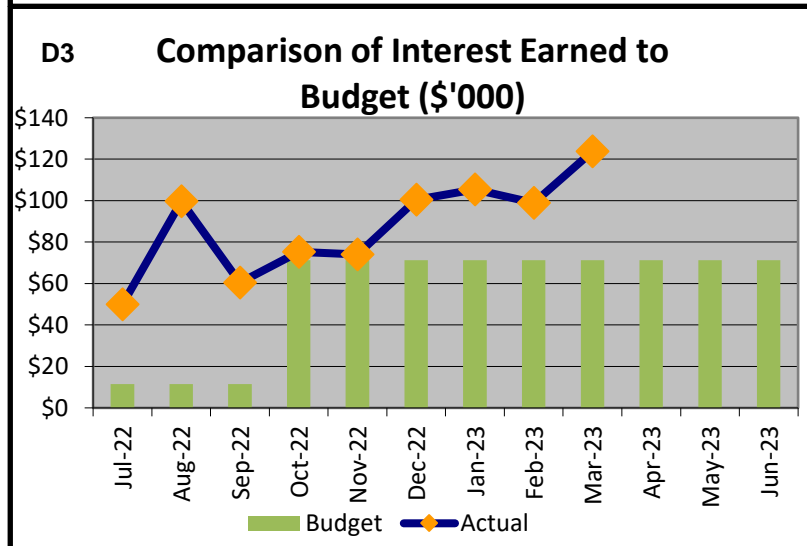
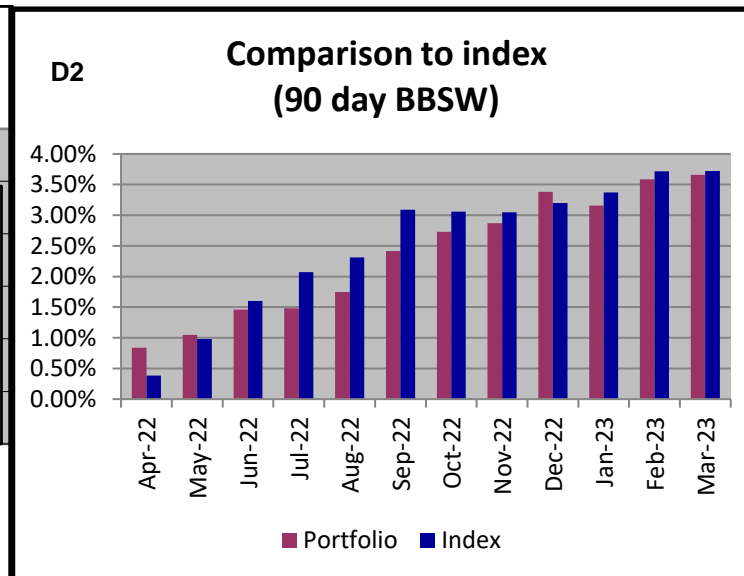
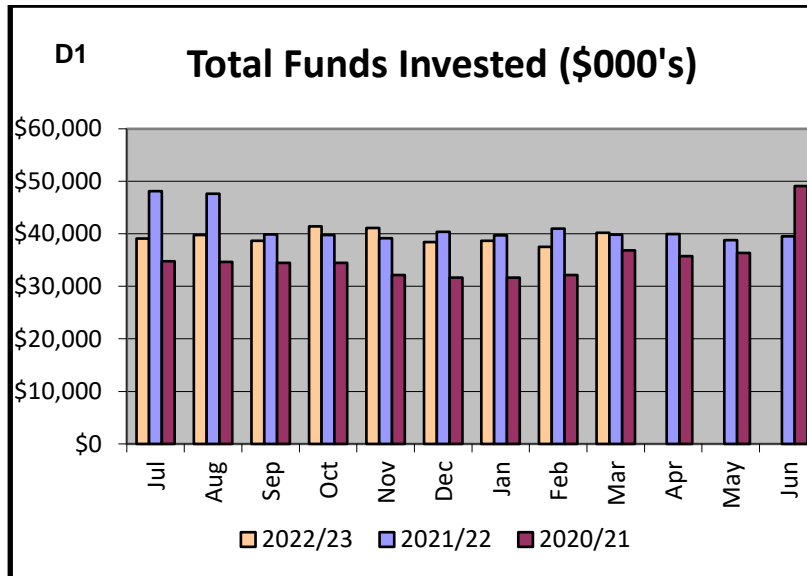
Total YTD Interest	756,121.72
Budget Interest @ 31 March 2023	461,708.00
Budget variance	294,413.72



Investment by Institution



Note: Institutions shown with "BBB+" and in red are in breach of council policy.



Summary of indebtedness

Information	Loan #1	Loan #2	Loan #3	Loan #4	Loan #5	Loan #6	Loan #7	Total
Institution	CBA	CBA	CBA	Dexia	NAB	NAB	Tcorp	
Principal Borrowed	\$ 2,000,000	\$ 3,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 13,500,000	\$ 58,500,000
Date Obtained	9-Jun-04	31-May-05	31-May-06	21-Feb-07	31-May-07	25-Sep-07	7-Jun-21	
Term (Years)	20	20	20	20	20	20	20	
Interest Rate	6.82%	6.25%	6.37%	6.40%	6.74%	6.85%	2.68%	
Date Due	10-Jun-24	31-May-25	31-May-26	21-Feb-27	31-May-27	25-Sep-27	7-Jun-41	
Annual Commitment	\$ 184,785	\$ 264,921	\$ 891,595	\$ 893,507	\$ 917,390	\$ 925,933	\$ 876,390	\$ 4,954,520
Principal Repaid LTD	\$ 1,740,750	\$ 2,395,519	\$ 7,241,630	\$ 6,889,553	\$ 6,474,331	\$ 6,457,066	\$ 782,275	\$ 31,981,123
Interest Incurred LTD	\$ 1,677,774	\$ 2,240,593	\$ 7,469,690	\$ 7,408,975	\$ 7,745,208	\$ 7,894,890	\$ 532,311	\$ 34,969,441
Principal Outstanding	\$ 259,250	\$ 604,481	\$ 2,758,370	\$ 3,110,447	\$ 3,525,669	\$ 3,542,935	\$ 12,717,725	\$ 26,518,878
Interest Outstanding	\$ 17,927	\$ 57,821	\$ 362,213	\$ 464,185	\$ 623,282	\$ 635,653	\$ 3,495,494	\$ 5,656,574

Water production and consumption - March 2023

Responsible Officer: Group Manager Operations (Adam Nesbitt)

Recommendation

That the report be received and noted.

Background

The table below is the March 2023 bulk water sales to the constituent councils in kilolitres compared to the corresponding March sales for 2022 and 2021.

Council	Mar 2021 (kL)	Mar 2022 (kL)	Mar 2023 (kL)	% of Total Sales
Ballina Shire Council	300,961	287,904	304,430	37.16%
Byron Shire Council	191,107	211,050	221,458	27.03%
Lismore City Council	252,099	332,331	242,286	29.57%
Richmond Valley Council	43,128	42,978	51,173	6.25%
TOTAL MONTHLY CONSUMPTION BY CONSTITUENT COUNCILS	787,295	874,263	819,347	

Water usage - all constituent councils

Figure 1 shows the combined monthly bulk water consumption and rainfall at Rocky Creek Dam for the previous two years.

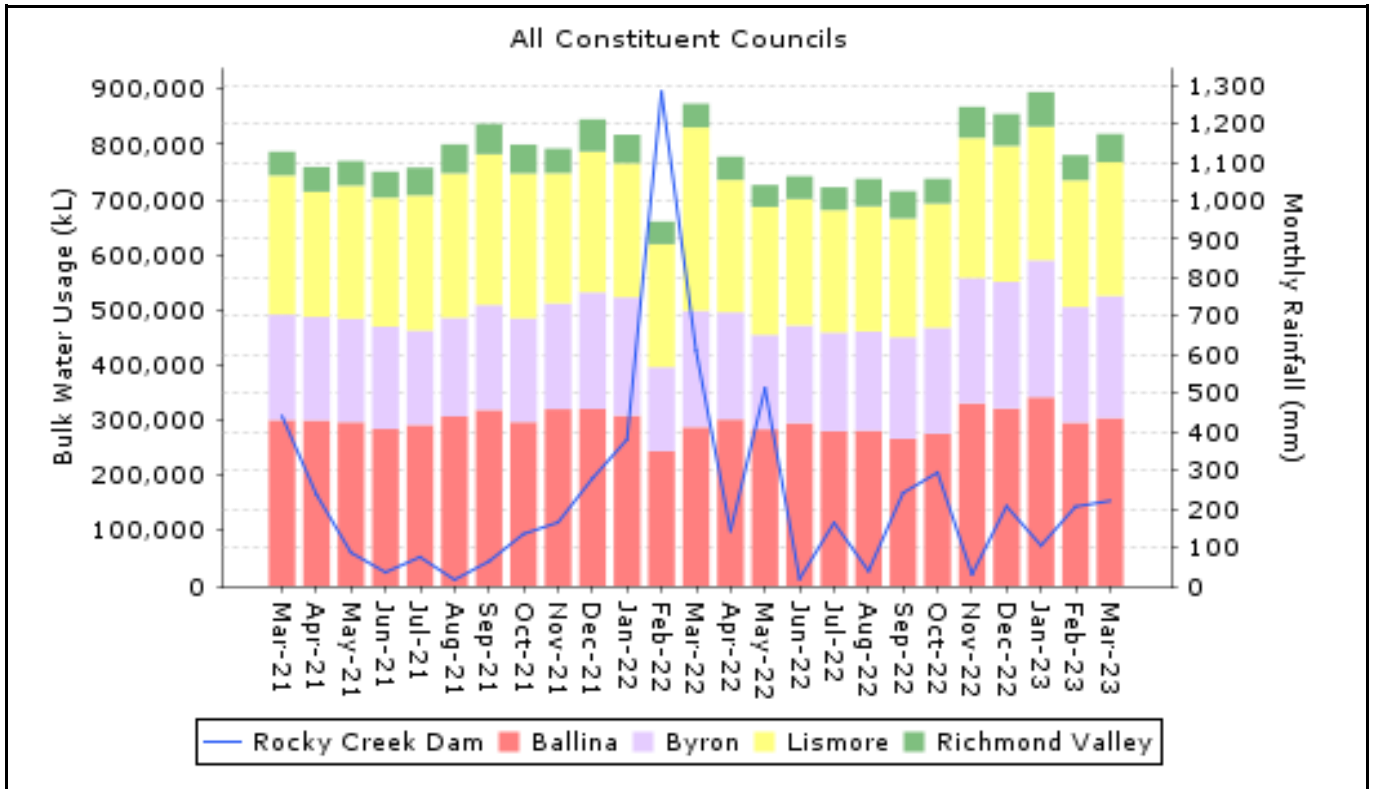


Figure 1: Total monthly consumption by constituent council and rainfall

Figure 2 shows the total bulk water sales for the financial year to date compared with the previous two years.

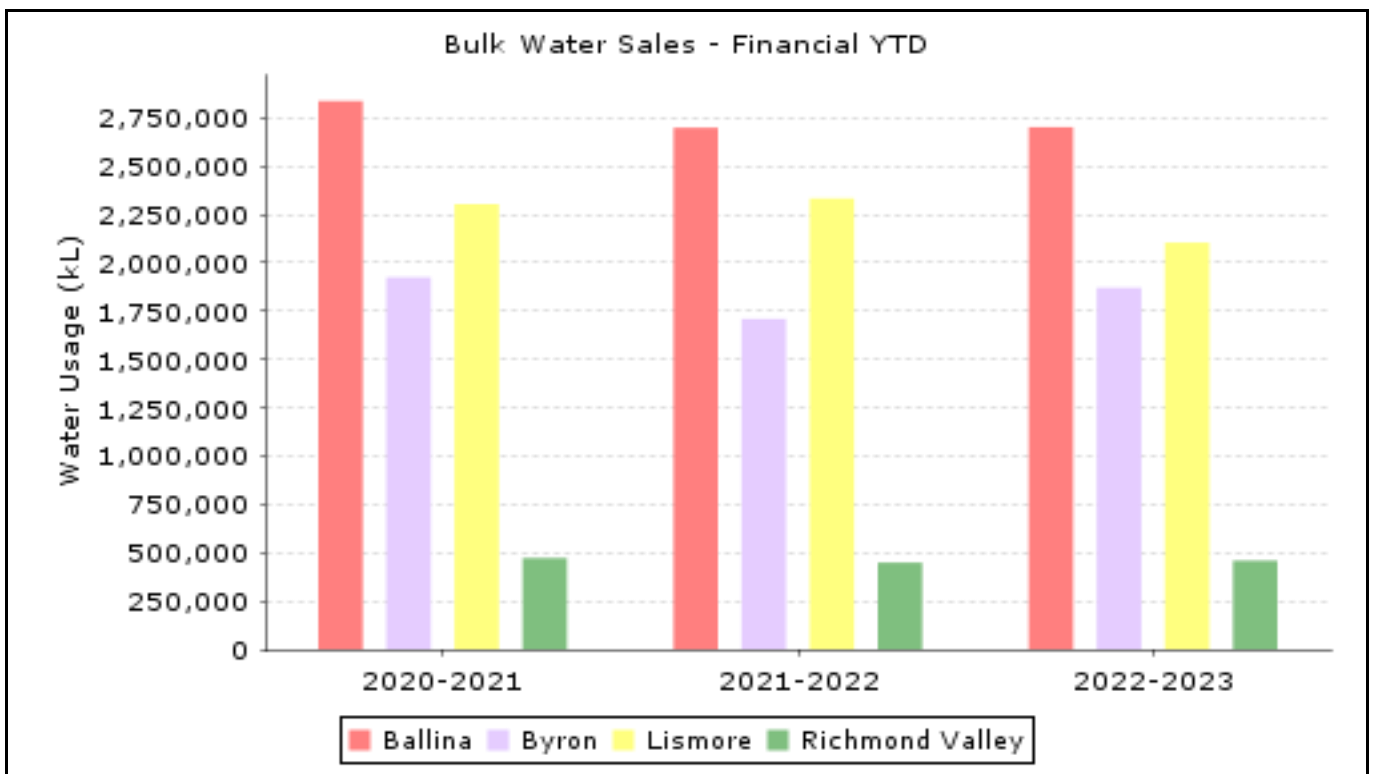


Figure 2: Bulk water sales by constituent council 1 July to 31 March

Figure 3 and 4 shows the total usage of individual commercial water fill stations for the financial year to date compared with the previous two years.

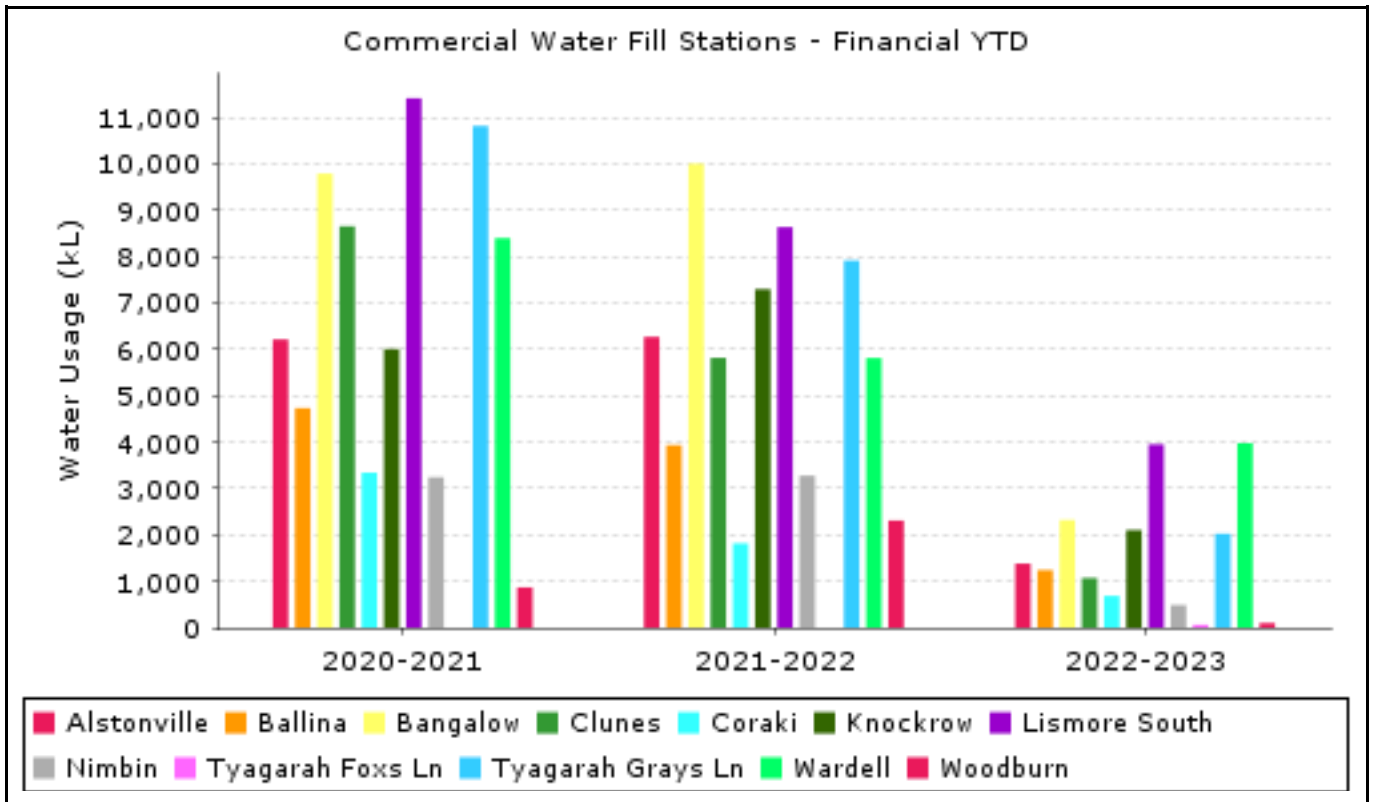


Figure 3: Comparison of commercial water fill stations total consumption 1 July to 31 March

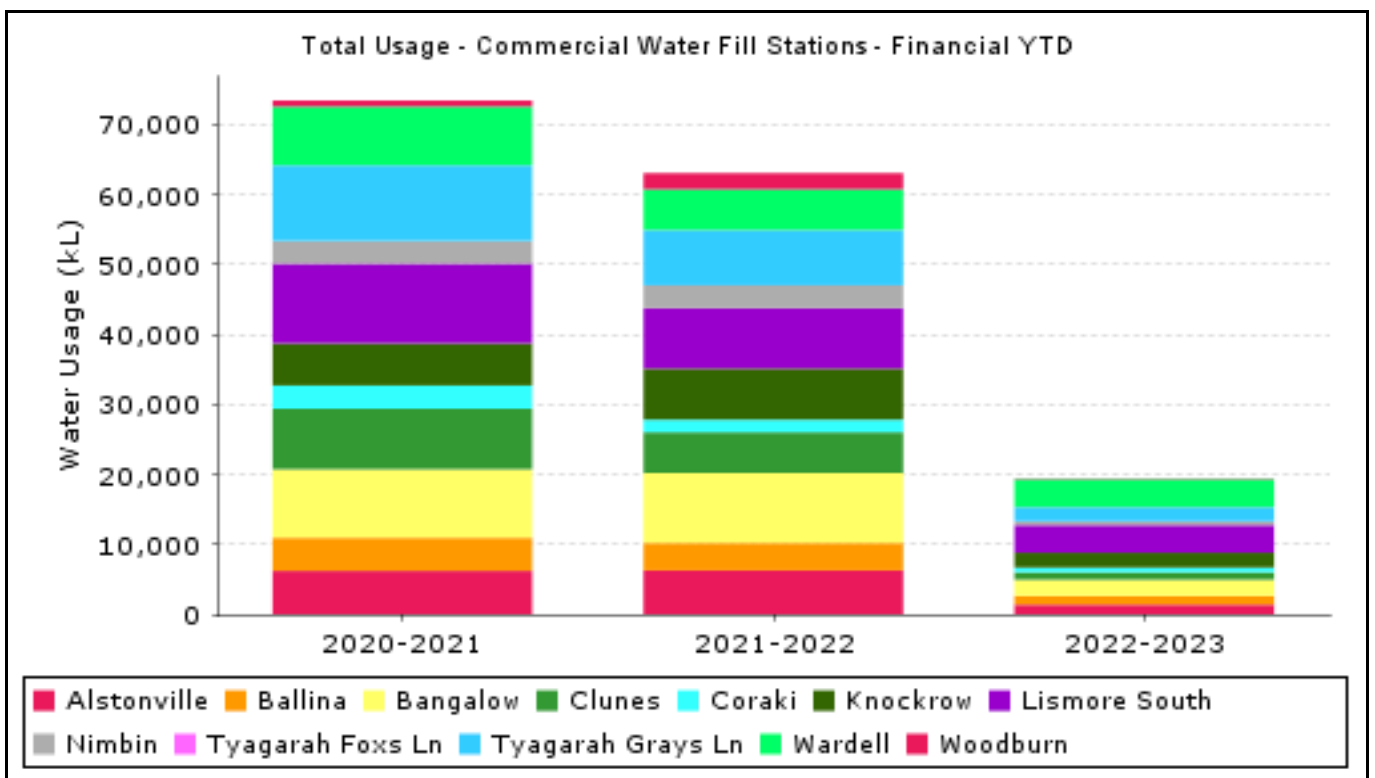


Figure 4: Total usage of commercial water fill stations 1 July to 31 March

Figure 5 shows the combined water fill station monthly consumption for the previous two years. Rainfall data is from the rain gauge at Rocky Creek Dam.

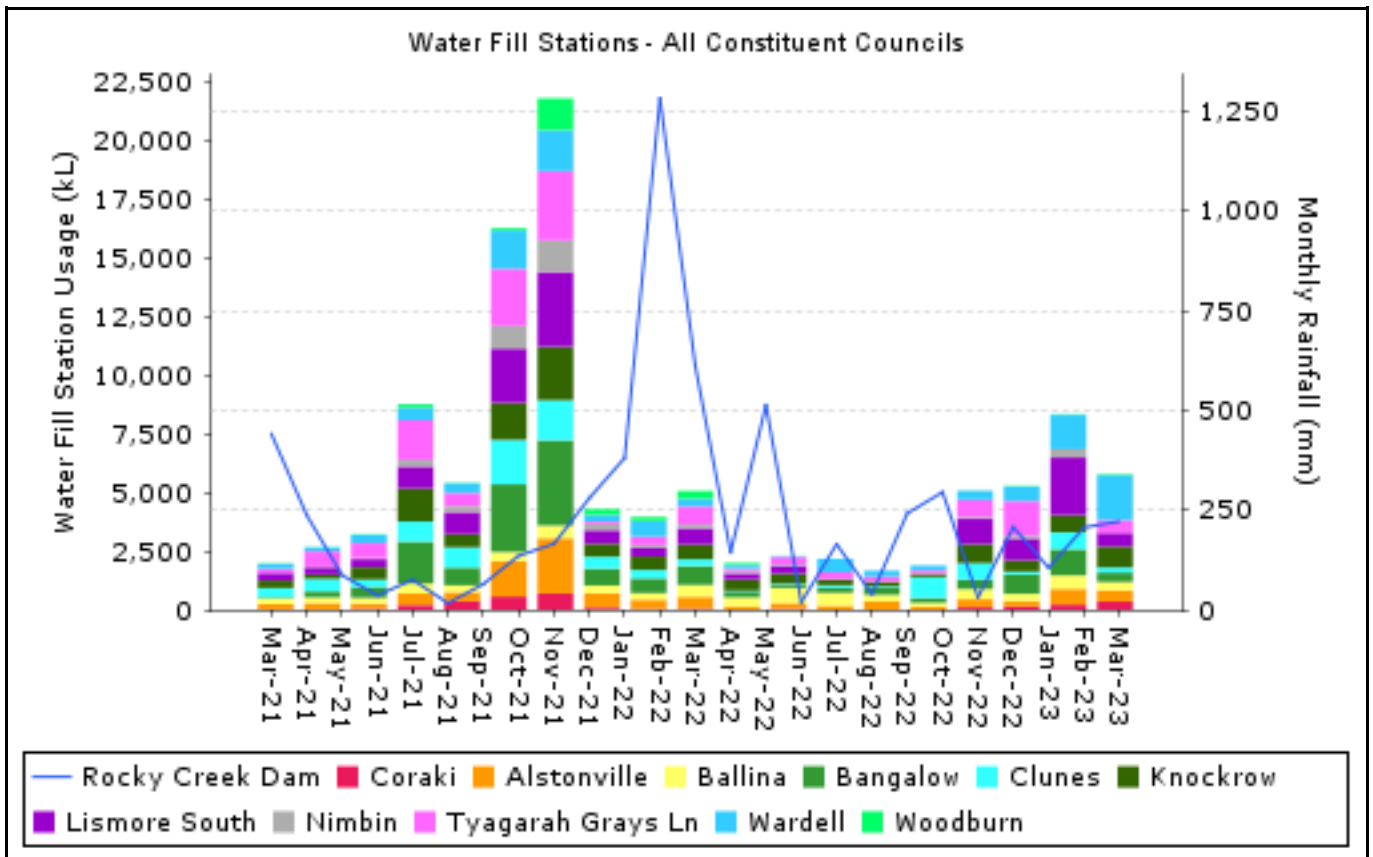


Figure 5: Total monthly consumption for commercial water fill stations and rainfall

Source Contribution

Rocky Creek Dam capacity as of 31 March 2023 was 99.9%
 Emigrant Creek Dam capacity as of 31 March 2023 was 102.6%

Source	March 2023 (kL)		Cumulative total 2022-2023 (kL)	
	Usage	Capacity %	Usage	Capacity %
Rocky Creek Dam	929,302	98.96%	7,932,945	99.28%
Wilson River	0	0.00%	12	0.00%
Emigrant Creek Dam	9,782	1.04%	57,431	0.72%
Alstonville Plateau Bores	0	0.00%	0	0.00%
Coastal Sands	0	0.00%	0	0.00%
	939,084		7,990,388	

Rocky Creek Dam

Figure 6 shows Rocky Creek dam current water level and compares to previous years when levels reached lowest recorded dam level. Rainfall data is for the current financial year only.

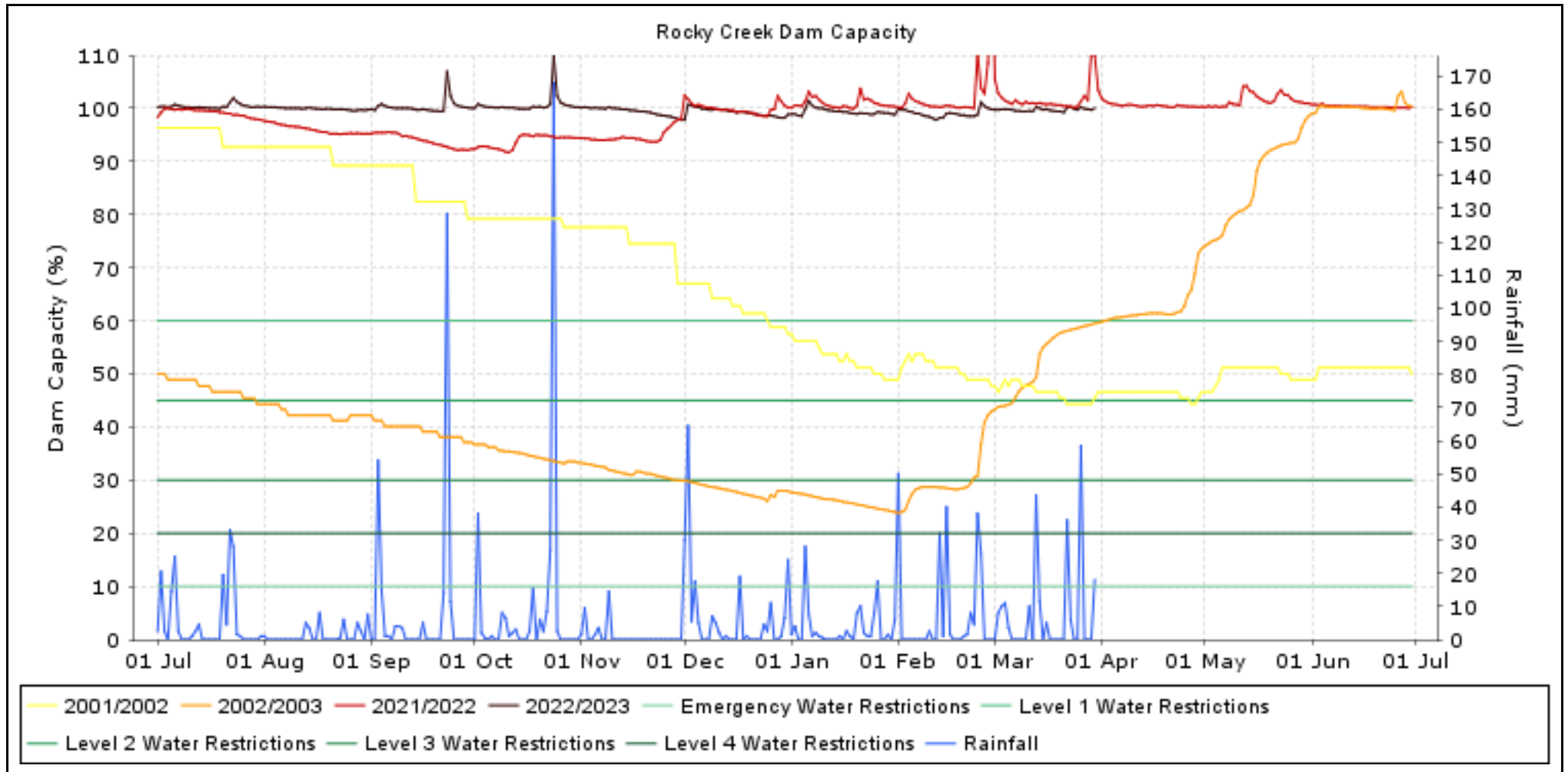


Figure 6: Rocky Creek Dam capacity and rainfall

Emigrant Creek Dam

Figure 7 show Emigrant Creek dam current water level and compares to previous two years. Rainfall data is for the current financial year only.

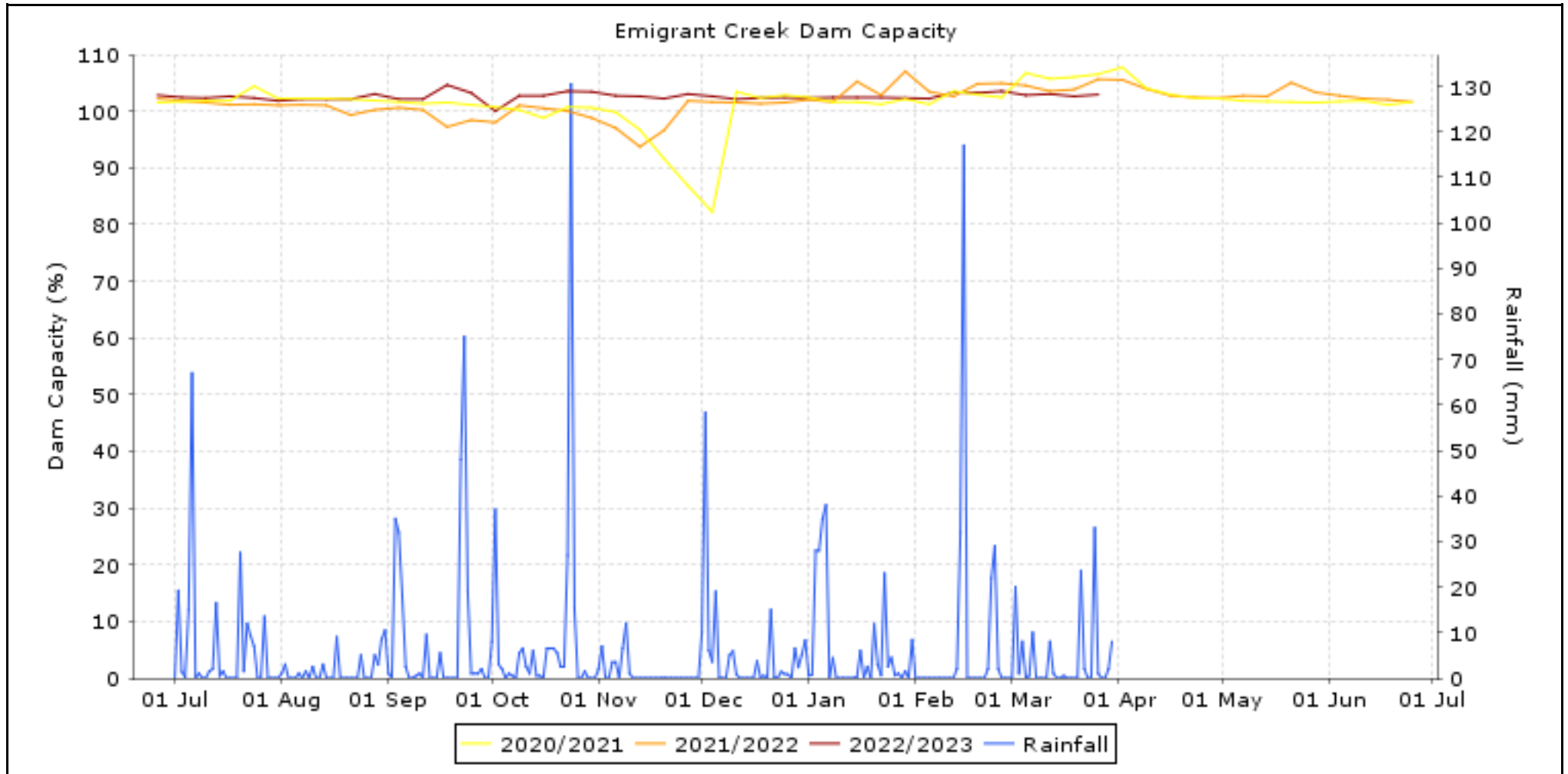


Figure 7: Emigrant Creek Dam capacity and rainfall

Monthly consumption by constituents - Ballina Shire Council

Figure 8 shows the monthly consumption for Ballina Shire Council area for the previous two years. Rainfall data is from Bureau of Meteorology rainfall station Ballina Airport.

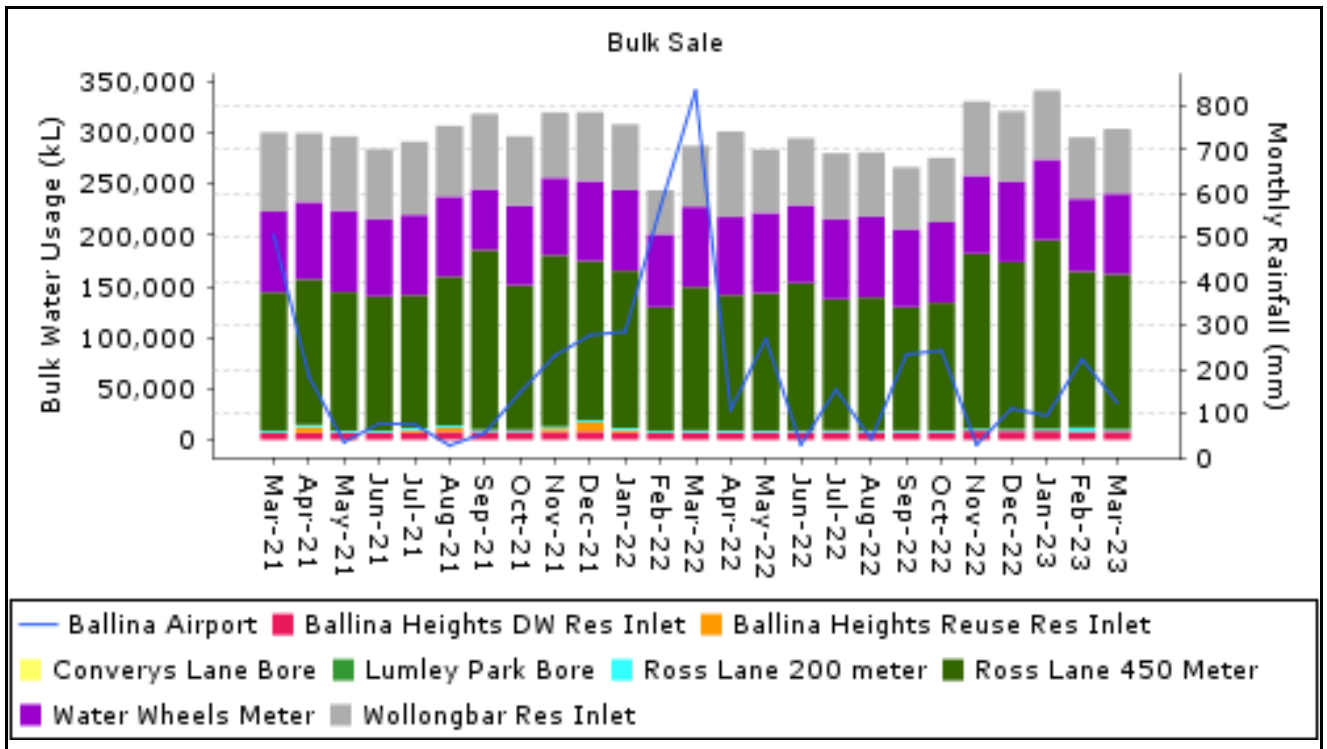


Figure 8: Monthly consumption and rainfall - Ballina Shire Council

Figure 9 shows the monthly consumption for water fill stations for Ballina Shire Council and the rainfall for the previous two years.

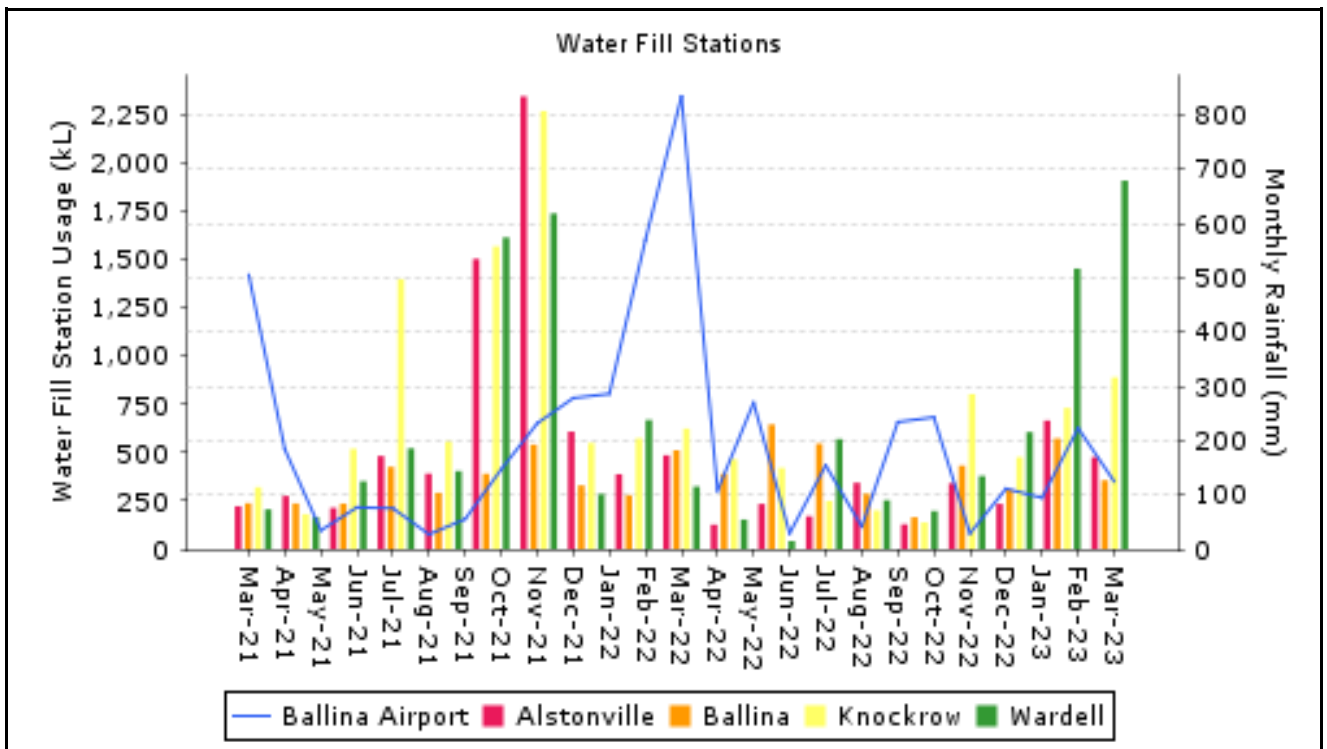


Figure 9: Monthly consumption commercial water fill station and rainfall

Figure 10 shows the total usage of individual commercial water fill stations for the financial year to date compared with the previous two years.

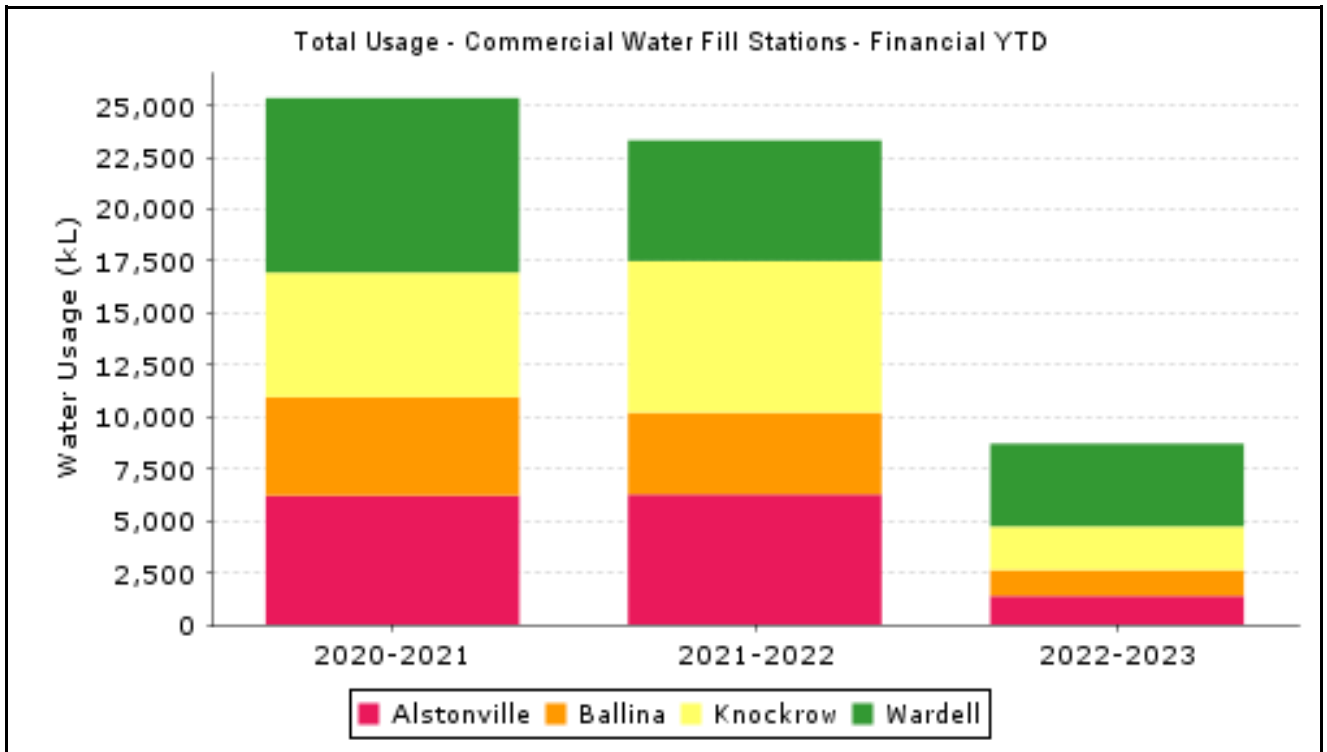


Figure 10: Total usage of commercial water fill stations 1 July to 31 March

Monthly consumption by constituents - Byron Shire Council

Figure 11 shows the monthly consumption for Byron Shire Council area for the previous two years. Rainfall data is from the Bureau of Meteorology rainfall station Cape Byron.

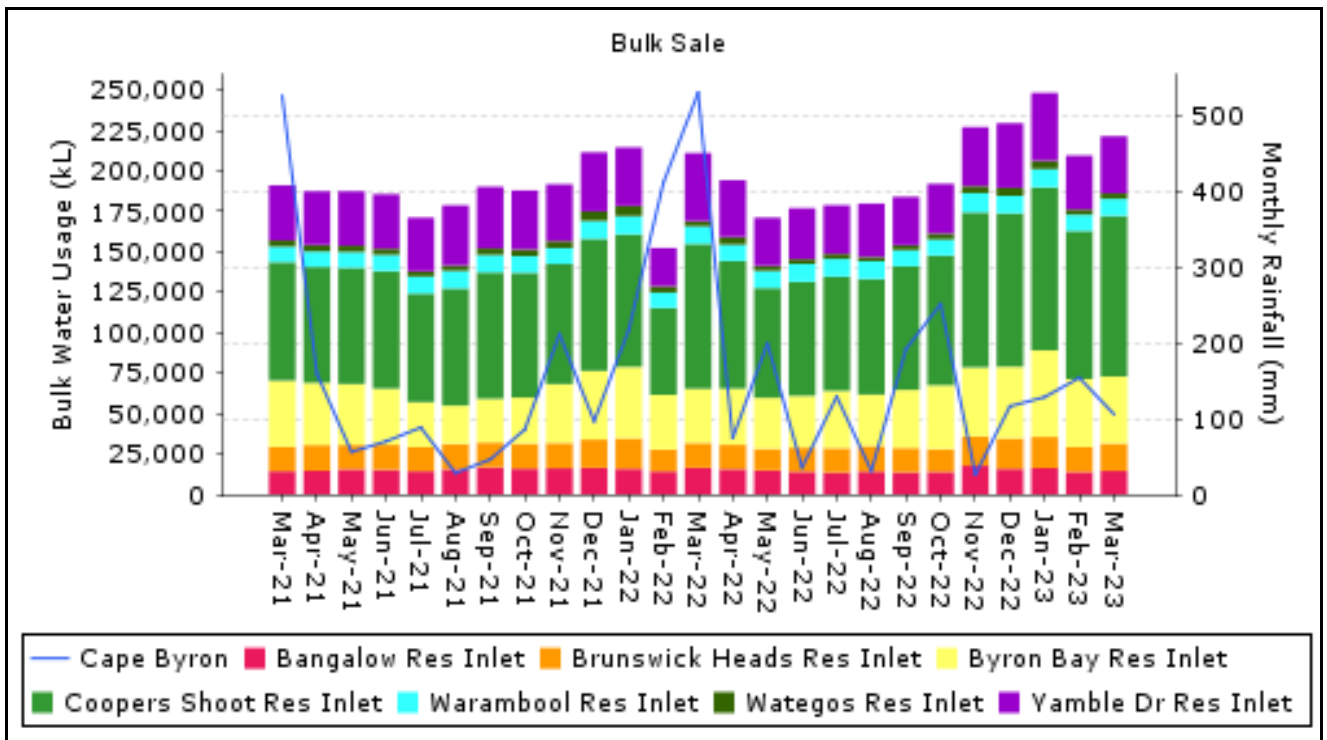


Figure 11: Monthly consumption and rainfall - Byron Shire Council

Figure 12 shows the monthly consumption for water fill stations for Byron Shire Council and the rainfall for the previous two years.

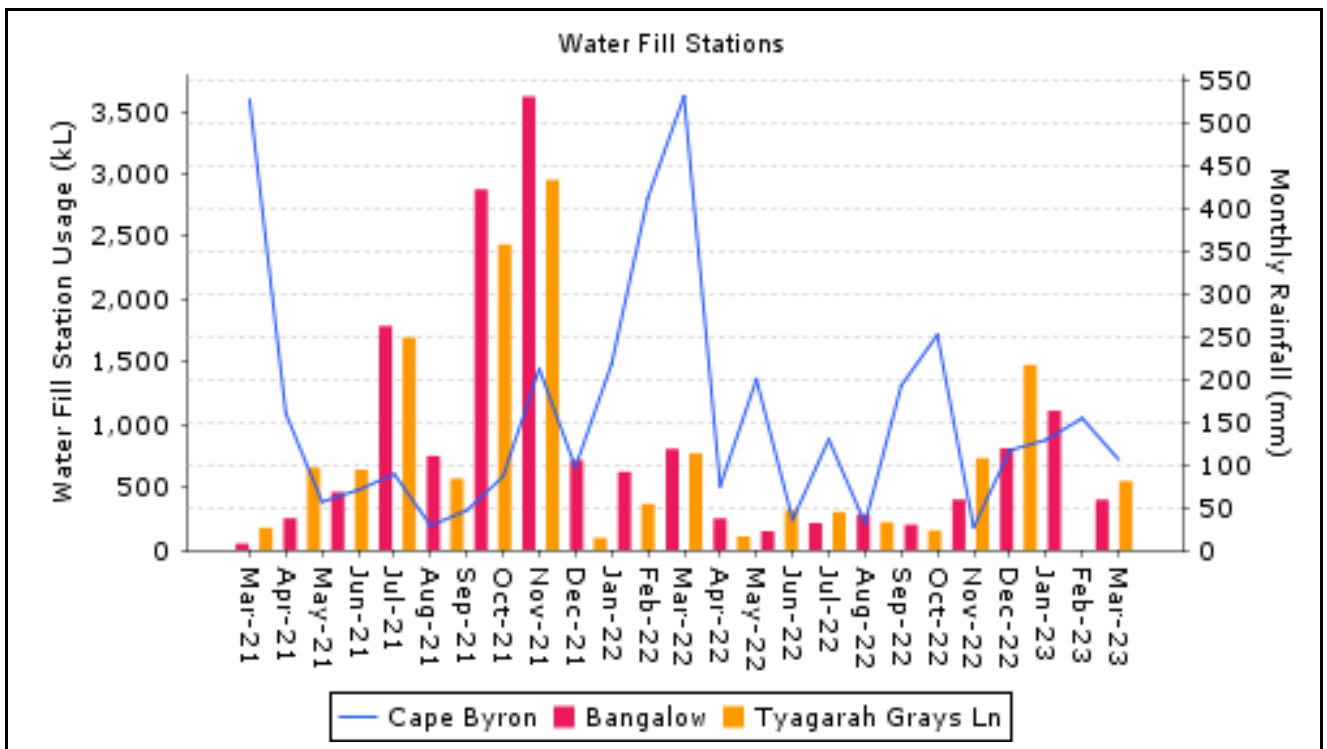


Figure 12: Monthly consumption commercial water fill station and rainfall

Figure 13 shows the total usage of individual commercial water fill stations for the financial year to date compared with the previous two years.

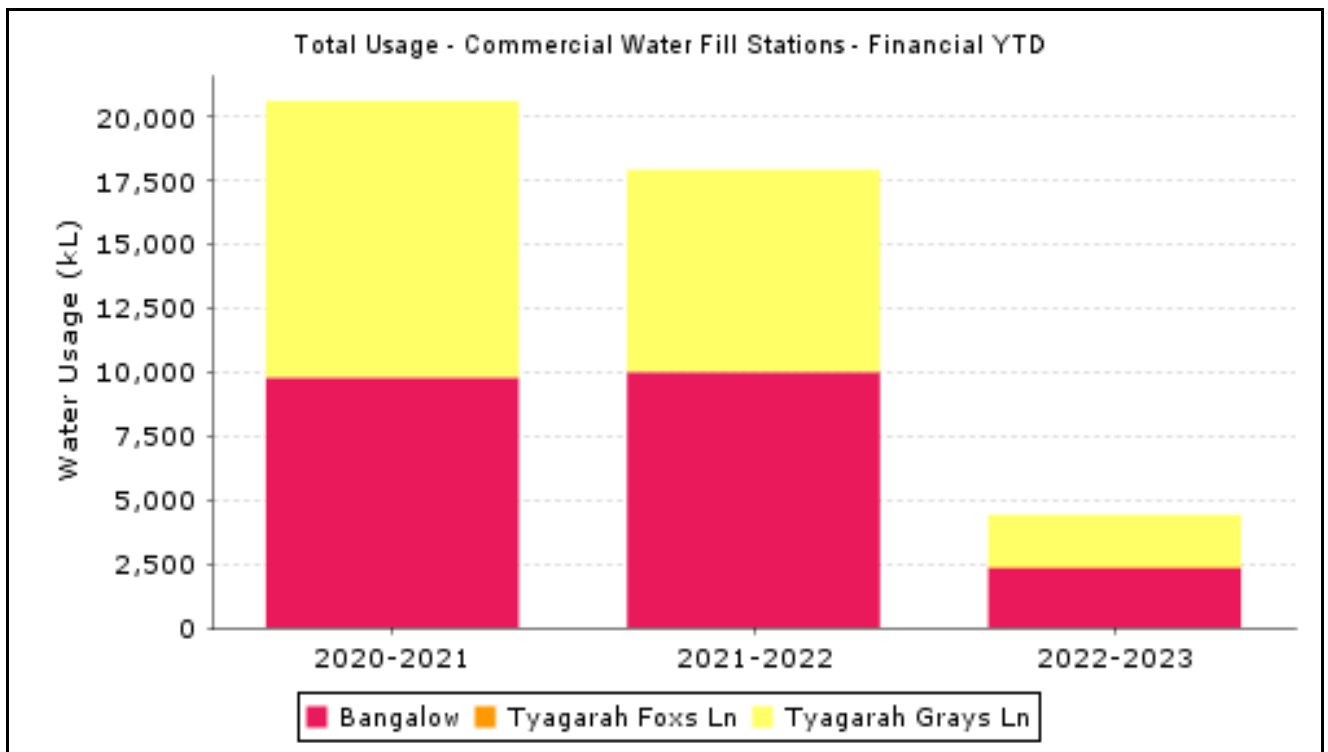


Figure 13: Total usage of commercial water fill stations 1 July to 31 March

Monthly consumption by constituents - Lismore City Council

Figure 14 shows the monthly consumption for Lismore City Council area for the previous two years. Rainfall data is from the Bureau of Meteorology rainfall station Lismore Airport.

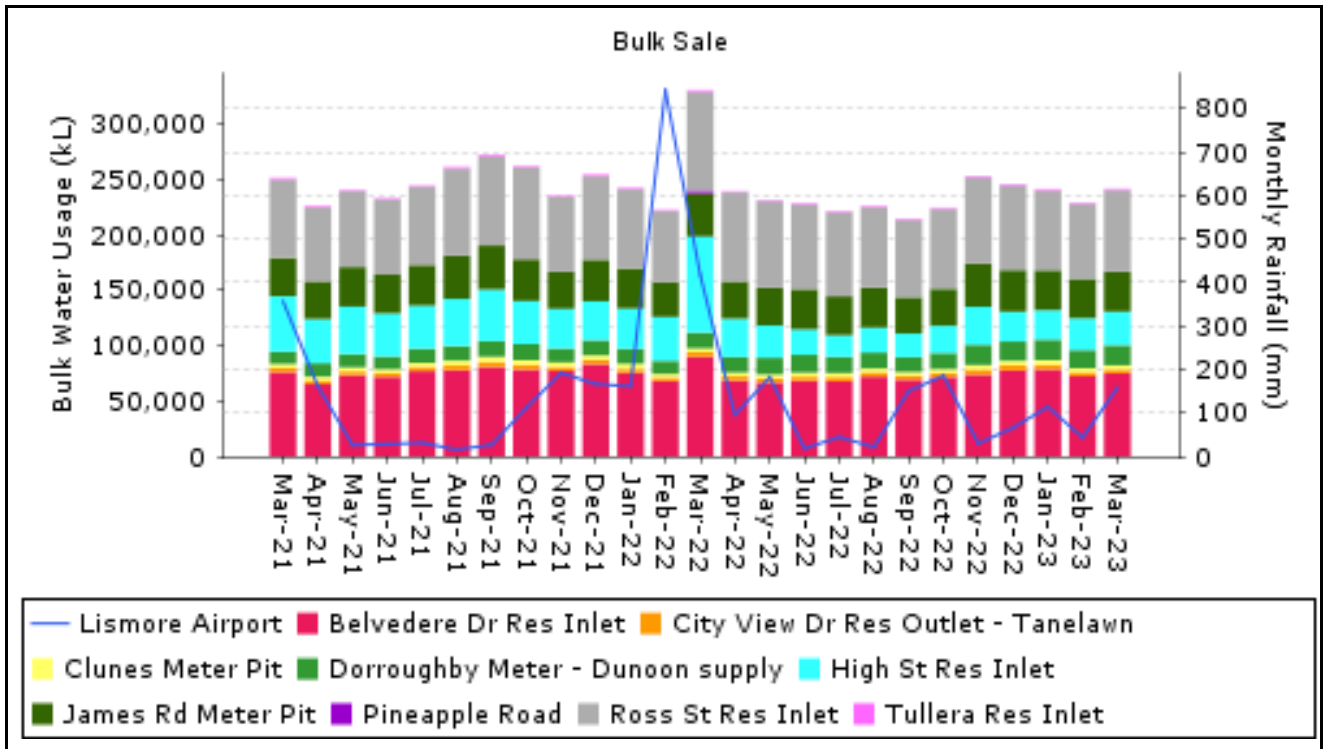


Figure 14: Monthly consumption and rainfall - Lismore City Council.

Figure 15 shows the monthly consumption for water fill stations for Lismore City Council and the rainfall for the previous two years.

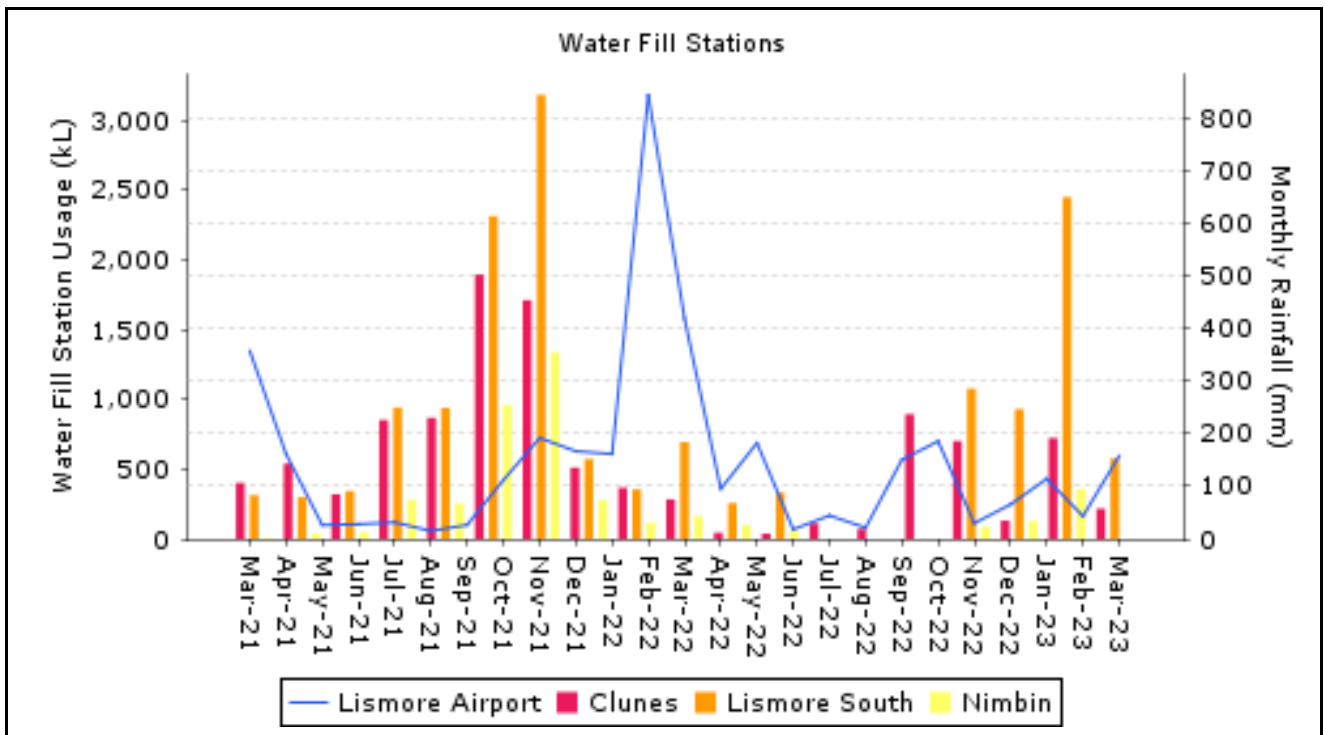


Figure 15: Monthly consumption commercial water fill station and rainfall

Figure 16 shows the total usage of individual commercial water fill stations for the financial year to date compared with the previous two years.

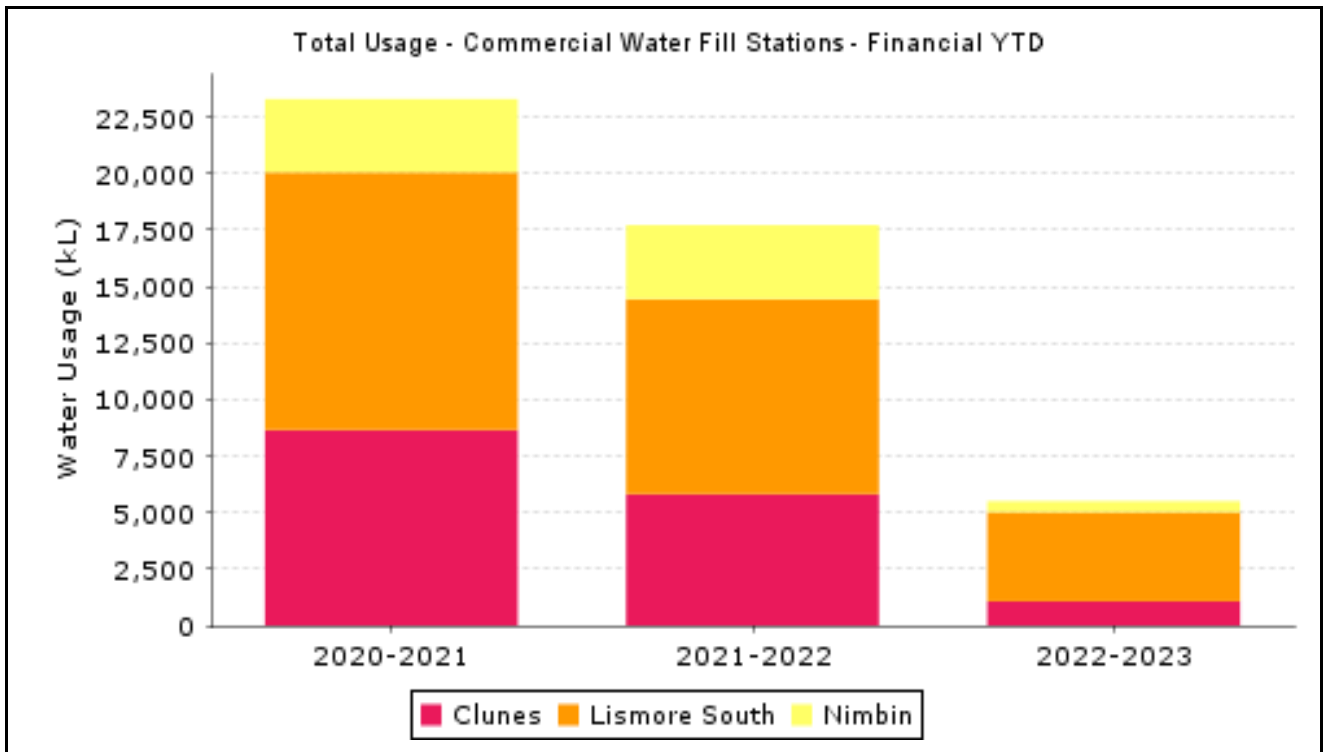


Figure 16: Total usage of commercial water fill stations 1 July to 31 March

Monthly consumption by constituents - Richmond Valley Council

Figure 17 shows the monthly consumption for Richmond Valley Council area for the previous two years. Rainfall data is from the Bureau of Meteorology rainfall station Evans Head.

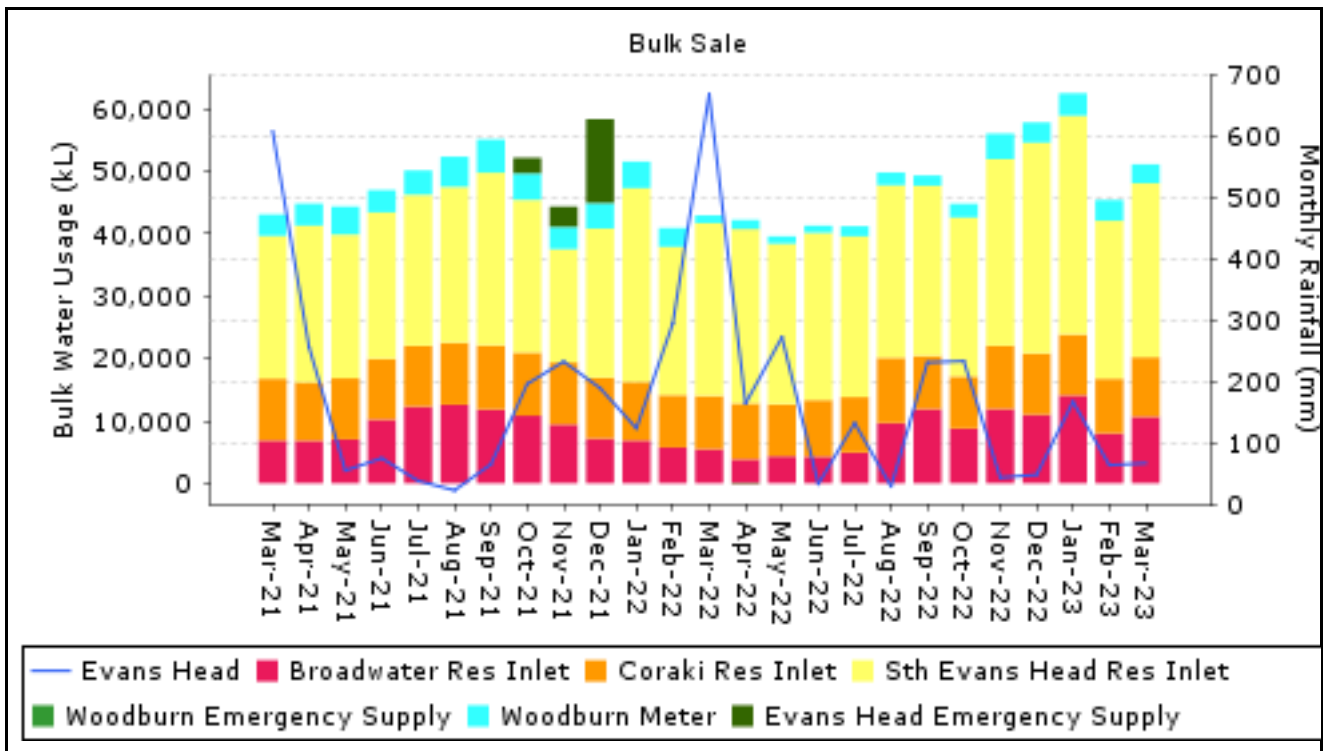


Figure 17: Monthly consumption and rainfall - Richmond Valley Council.

Figure 18 shows the monthly consumption for water fill stations for Richmond Valley Council and the rainfall for the previous two years.

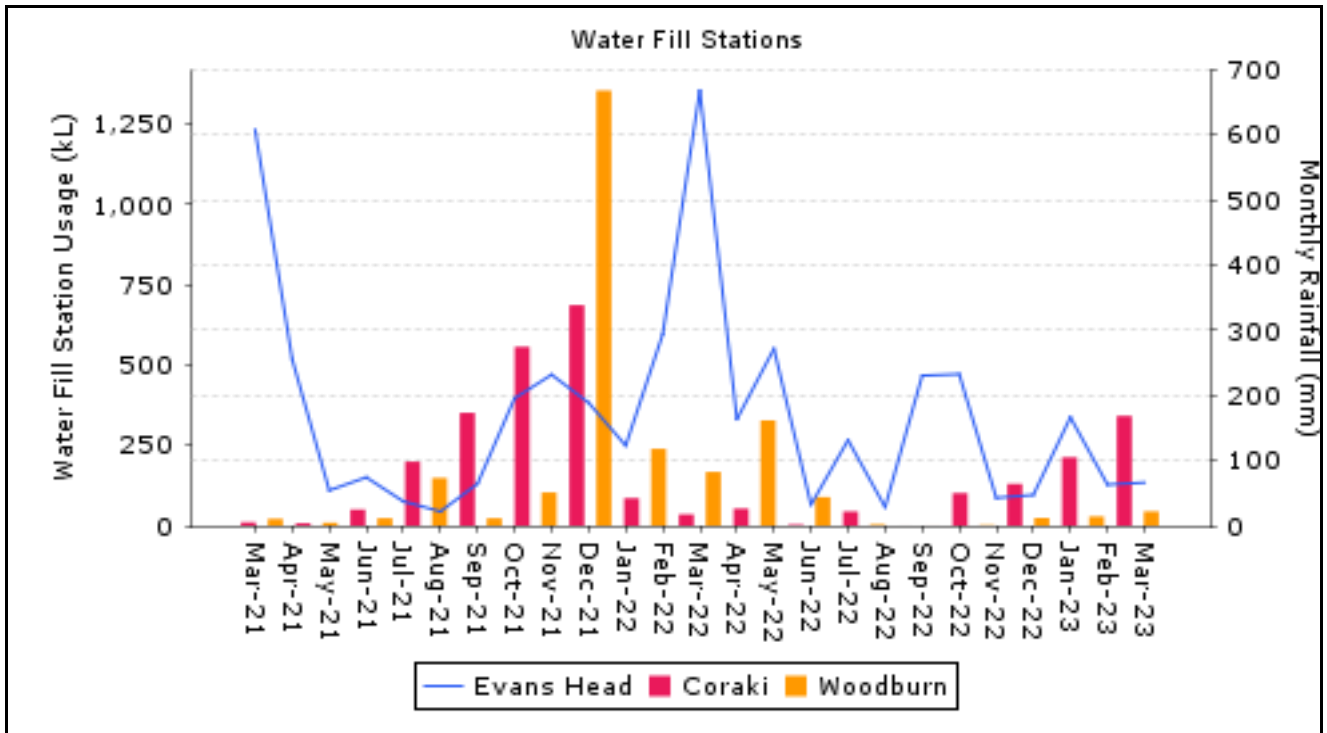


Figure 18: Monthly consumption commercial water fill station and rainfall.

Figure 19 shows the total usage of individual commercial water fill stations for the financial year to date compared with the previous two years.

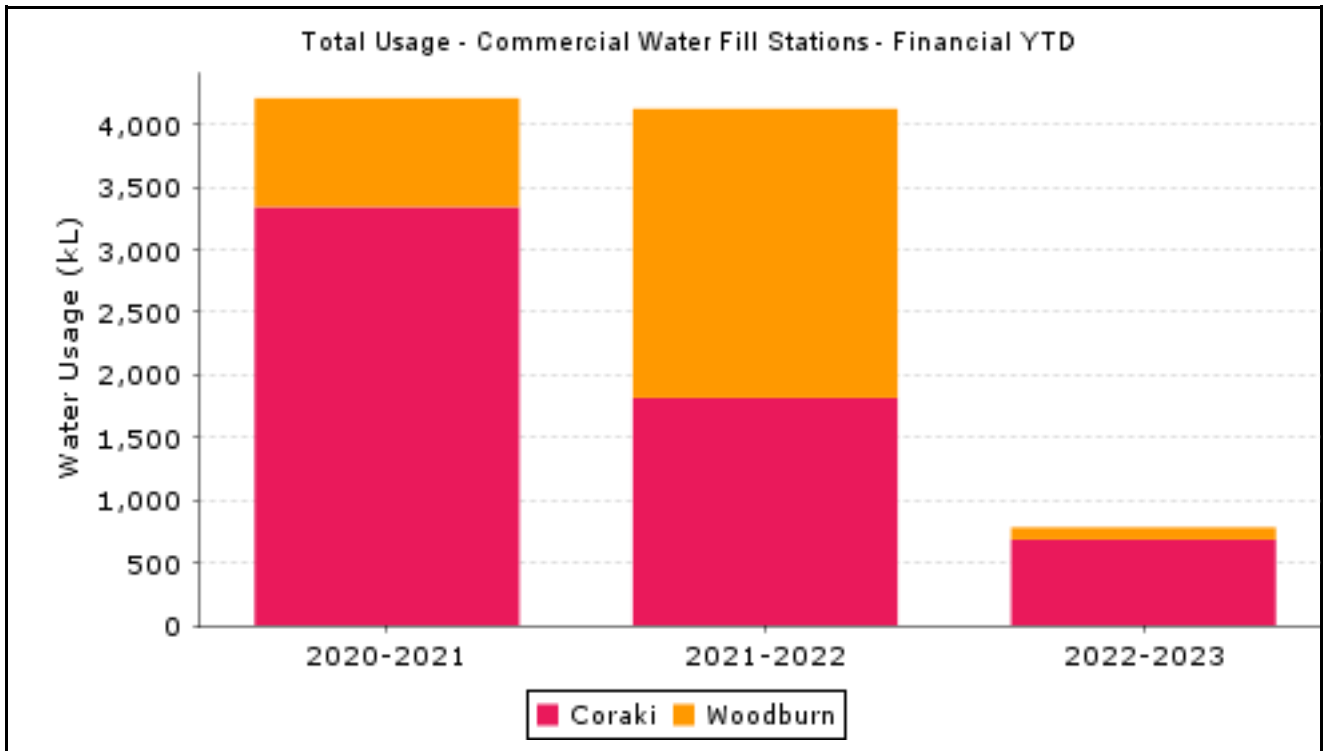


Figure 19: Total usage of commercial water fill stations. 1 July to 31 March

Final update: close out of Rous Cultural, Environmental and Information Centre

Responsible Officer: Group Manager People and Performance (Helen McNeil)

Recommendation

That Council receive and note the content of this report.

Background

Council resolved on 17 August 2022 to receive a further report regarding the outcome of Rous' resolution to terminate the lease from Lismore City Council for the premises at 207 Molesworth Street, Lismore (the former Rous Cultural, Environmental and Information Centre).

Lismore City Council did not object to the lease termination. Refund of the bond was agreed to on 6 February 2023.

Rous continues to support its vision for the former Rous Cultural, Environmental and Information Centre initiative through various activities aligned with the objectives of the Reconciliation Action Plan, and Communications and Engagement Strategy. This includes, as reported to Council at its 14 December 2022 meeting, dual use of the space on level 2 of Rous' Administration Office at 218-232 Molesworth Street, Lismore (previously occupied by the Richmond Water Laboratories and NRMA) by:

- Rous as a modified version of the cultural and engagement activities provided previously at 207 Molesworth Street, Lismore and
- Ngulingah Local Aboriginal Land Council as its operations office (under a non-exclusive license arrangement).

Governance

- **Finance**

There are no financial impacts arising directly from this report. Previous financial matters were addressed in the 17 August 2022 and 14 December 2022 reports.

Note that information is contained within a separate report to this meeting of Council (Quarterly Budget Review Statement report) regarding the return to reserves of a portion of unspent budget associated with the Rous Cultural, Environmental and Information Centre.

- **Legal**

There are no legal impacts arising from this report.

Consultation

Consultation has not been required noting Lismore City Council's agreement to the termination of the lease.

Conclusion

No further action is required in relation to the close out of Rous' occupation of 207 Molesworth Street, Lismore.

Audit Risk and Improvement Committee - meeting update

Responsible Officer: Group Manager People and Performance

Recommendation

That Council receive and note the attached minutes from the Audit, Risk and Improvement Committee meeting of 27 February 2023.

Background

The Audit, Risk and Improvement Committee ('Committee') met on 27 February 2023. A copy of the minutes of the meeting is provided at [Attachment 1](#).

1. Audit

The Committee received an update on staff's progress towards implementing improvement recommendations made by Council's external auditors and internal auditors across the areas of work, health and safety, asset management, procurement, and IT general controls, as well as self-assessed improvement actions relating to emergency management and business continuity planning following the 2022 floods.

2. Financial Management

The Committee received and noted the information presented in the Financial Management Report – February 2023 regarding:

- The Quarterly Budget Review report furnished to Council's February 2023 meeting applicable for the quarter ending 31 December 2022.
- The Investment report furnished to Council's February 2023 meeting applicable for the month of 31 January 2023.

The Annual Engagement Plan issued by the Audit Office of NSW ('AO') for the year ending 30 June 2023 was presented to the Committee by Thomas Noble and Russell ('TNR') as agent for the AO.

3. Performance and improvement initiatives

As reported to Council at its 14 December 2022 meeting, the Committee was provided with the annual statistical summary of all Code of Conduct complaints and public interest disclosures made over the preceding year – refer to the table below:

Office of Local Government	Model Code of Conduct complaints	1 September 2021 – 31 August 2022	0
NSW Ombudsman	Public Interest Disclosures	1 January 2022 – 31 December 2022	0
Independent Commission Against Corruption	Section 11 ICAC Act reports	1 January 2022– 31 December 2022	0

4. Strategy implementation

A copy of the council report on performance against delivery of actions under the Delivery Program/Operational Plan presented to the 15 February 2023 Council meeting was also furnished to the Committee.

5. Health, safety and environment

The Committee was provided with a snapshot of safety incidents and reporting trends between September 2022 – February 2023 indicating a correlation between enhanced engagement/training activities and the modest improvement in rates of reporting.

6. Industrial relations

An overview of the dispute lodged by the United Services Union ('USU') in the Industrial Relations Commission ('Commission') in connection with the relocation of Council worksites to the Gallans Road, Ballina site was provided to the Committee. Further updates will continue to be provided to the Committee while the matter remains in the Commission.

7. Release of mandatory 'risk management and internal audit for Local Government in NSW' guidelines

In September 2019 the Office of Local Government ('OLG') released for discussion its first iteration of the mandatory guidelines – 'Risk management and internal audit for local government in NSW' ('Guidelines').

The Guidelines subsequently went through several rounds of consultation, feedback, and amendment with the OLG inviting final feedback in 2021.

On 19 December 2022 the OLG released [circular 22-41](#) advising the [Guidelines](#) had been approved but remained in draft format. Amendments to the *Local Government (General) Regulation 2021* are required to give effect to various aspects of the Guidelines. Those amendments are expected to occur in early 2023.

These new Guidelines mean that from 1 July 2024, the Committee will need to be composed of one (1) Independent Chair and two (2) Independent Members with an option to include one non-voting Councillor Member.

The incumbent Chair has indicated he will not be seeking reappointment to the position of Chair for a further term. On that basis, a recruitment process is currently underway to source suitable candidates to fill the position of Chair and the additional Independent Member position required to be created under the Guidelines.

The Council will be presented with the results of this process at its June 2023 ordinary meeting and asked to appoint their preferred candidates.

The Committee Charter will also be updated to reflect the new composition requirements at the end of the 2023 calendar year to allow the term of the current Councillor member to expire naturally. As part of endorsing a revised Committee Charter, the Council will need to determine a position on whether to include a non-voting councillor member on the Committee going forward.

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 the 27 February 2023 Audit, Risk and Improvement Committee meeting and other associated matters.

Attachment

1. Audit, Risk and Improvement Committee meeting minutes 27 February 2023.

MINUTES OF ROUS COUNTY COUNCIL AUDIT RISK AND IMPROVEMENT COMMITTEE HELD MONDAY, 27 FEBRUARY 2023 AT COUNCIL'S ADMIN OFFICE, 218-232 MOLESWORTH STREET, LISMORE

The Chair opened the meeting at 10.00 am.

In attendance:

Voting Committee:

- Brian Wilkinson, Independent Member (Chair)
- Andrew MacLeod, Independent member
- Cr Big Rob, Rous Councillor

Rous staff:

- Helen McNeil, Group Manager People and Performance
- Geoff Ward, Group Manager Corporate and Commercial
- Jonathan Patino, Finance Manager
- Lauren Edwards, Manager Governance and Risk
- Joe Yeadon, IT Manager
- John Nasser, Health Safety and Environment Coordinator
- Shirley Whalley, People and Culture Manager

Other attendees:

- Richard Watkinson, Thomas Noble & Russell
- Quentin Wong, Audit Office of NSW

Apologies

- Phillip Rudd, General Manager

1 ACKNOWLEDGEMENT OF COUNTRY

Rous County Council acknowledges the Traditional Custodians of the land upon which we work and live. We pay our respects to the Elders of the past, present and emerging and acknowledge their continuing connection to Country who will guide us on our shared journey to the future.

2 DISCLOSURE OF INTEREST

Nil.

3 MINUTES OF PREVIOUS MEETING

Minutes of the meeting held 28 November 2022 were noted as presented.

4 ARIC SCHEDULE OF REPORTING (STANDING ITEM)

Schedule of Reporting noted as presented.

5 REPORTS

LATE ITEM: Annual Engagement Plan (AEP) for the audit of the Rous County Council's financial statements for the year ending 30 June 2023

5.1 Audit

LATE ITEM: Annual Engagement Plan (AEP) for the Audit of the Rous County Council's financial statements for the year ending 30 June 2023.

RESOLVED [1/23] (McLeod/Rob) that the Committee receive and note the Annual Engagement Plan for the audit of the Rous County Council's Financial Statements for the year ending 30 June 2023.

RESOLVED [2/23] (Rob/MacLeod) that the Audit, Risk and Improvement Committee receive and note the information presented in the report on the:

1. Progress against actions arising from internal audits.
2. Progress against actions arising from external audits.
3. Progress against actions arising from in-house audits.

Annual Engagement Plan for the Audit of the Rous County Council's Financial Statements for the year ending 30 June 2023 (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

Audit report (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

5.2 Financial Management report

RESOLVED (Wilkinson/Rob) that the Audit, Risk and Improvement Committee receive and note the information presented in the Financial Management Report – February 2023 regarding:

1. The Quarterly Budget Review report furnished to Council's February 2023 meeting applicable for the quarter ending 31 December 2022.
2. The Investment report furnished to Council's February 2023 meeting applicable for the month of 31 January 2023.

Financial management report (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

5.3 Performance and improvement initiatives

RESOLVED (Wilkinson/MacLeod) that the Audit, Risk and Improvement Committee receive and note the information presented in the report.

Performance and improvement initiatives (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

5.4 Strategy Implementation: Delivery program/Operational plan - July to December 2022

RESOLVED (MacLeod/Rob) that the Audit, Risk and Improvement Committee receive and note the information presented in the report regarding performance against delivery of the actions of the Delivery program/ Operational plan for the period 1 July 2022 to 31 December 2022, as reported to Council's 15 February 2023 meeting.

Strategy Implementation: Delivery program/Operational plan - July to December 2022 (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

5.5 Health Safety and Environment

RESOLVED (Rob/MacLeod) that the Audit, Risk and Improvement Committee receive and note the information presented in this report regarding Work Health Safety systems, compliance and reviews.

Health Safety and Environment (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

5.6 Industrial Relations Commission

RESOLVED (Rob/MacLeod) that the Audit, Risk and Improvement Committee note the dispute lodged with the Industrial Relations Commission by the United Services Union in relation to Rous' relocation to Ballina, NSW.

Industrial Relations Commission (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

6 OTHER MATTERS

RESOLVED (Wilkinson/MacLeod) that the Committee receive and note the report.

Other matters (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

7 OTHER BUSINESS ARISING

Nil.

8 CONFIRMATION OF MINUTES

RESOLVED (Rob/MacLeod) that the minutes of the Audit Risk and Improvement Committee held 27 February 2023 be accepted as presented.

Confirmation of Minutes (Resolution)		
For	Brian Wilkinson, Andrew MacLeod and Cr Big Rob	3
Against	None	0
Conflict of Interests	None	0
Abstain	None	0
Carried		

9 NEXT MEETING

Monday. 22 May 2023

10 CLOSE OF BUSINESS

There being no further business the meeting closed at 11.10 am.

Supply and Installation of Smart Meters and Installation of Backflow Prevention Devices - Contract # RCC1022-0011

Responsible Officer: Group Manager Planning and Delivery (Andrew Logan)

Recommendation

That Council:

1. Note the selective tendering process that has been undertaken for this contract through an Expression of Interest (EOI) and then selective tender submissions.
2. Authorise the General Manager to enter into negotiations and execute a supply contract with the preferred Tenderer, Nucleus 3 Pty Ltd for the Supply and Installation of Smart Meters and the Installation of Backflow Prevention Devices, including software maintenance for a period of 5 years, to a maximum contract value of \$2,866,239 (ex GST).
3. Approve an additional amount of \$994,139 from the Bulk fund for the overall Smart Metering and Backflow Project budget to take the total Project budget to \$3,559,939.

Background

Following Council's resolution 38/21 at the 21 July 2021 meeting, work has been undertaken to progress the implementation of Smart Metering. Smart Metering is being implemented to facilitate improved engagement and understanding by Council's retail water customers of their water consumption behaviours through provision of more timely information. This information will be available via a mobile App and web portal showing usage and alerts or alarms related to possible leaks, exceeding thresholds set by customers, and other features.

Council's resolution 52/21 at the 21 October 2021 meeting endorsed a revised Backflow policy. The updated policy clarified Council's position on the use of backflow prevention devices to protect the integrity of the water supply and the health and safety of water end-users. It involves installation of a testable backflow prevention devices at sites with 20mm, 25mm and 32mm service sizes, to reduce the risk of pathogen and/or chemical contamination to all customers from backflow, back siphonage and cross connections. These works will ensure that all properties connected to Council's bulk water supply distribution system are compliant with the Australian Drinking Water Guidelines, the Plumbing Code of Australia and the relevant Australian Standards.

At most customer sites, the existing meter service frames are too low to accommodate the new backflow device, so a new standard meter service frame will be installed at all sites serviced with 20 / 25 / 32mm service sizes.

The proposed smart meter solution must interface to Council's existing PropertyWise Billing system to allow bills to continue being issued from that platform.

A two-part, open tender process has been completed, involving Expressions of Interest (EOI) and Request for Tender (RFT) phases, for the procurement of a single supplier to implement the smart metering and backflow prevention project.

The contract includes the following:

1. Smart Metering - Supply, installation, platform establishment and configuration, and commissioning in the first year and all recurring charges for ongoing services and support in years 1 to 5, for all Rous retail customers.
2. Backflow Prevention – Installation and commissioning at nominated sites

The project budget is currently \$2,566,800.

Tenders received

Following evaluation of submissions from the EOI phase that closed in August 2022, four suppliers were shortlisted and invited to participate in the RFT. The RFT opened via the Tenderlink platform on 09 December 2022 and closed on 07 February 2023. Four Tenders were received through Tenderlink before the close of tender, as shown below in Table 1.

Table 1 – Tenderer details

Tenderer	A.B.N.
Nucleus 3 Pty Ltd	94 630 512 202
WaterGroup Pty Ltd	79 121 148 169
Taggle Systems Pty Ltd	64 126 467 847
SC Action Pty Ltd ATF Campbell Family Trust ¹	78 763 607 712

Examination of tenders

Pre-evaluation actions

The tendering process, including the advertisement, receipt, and consideration of tenders, was conducted in accordance with the requirements of Part 7 of the *Local Government (General) Regulation 2021* (the ‘Regulation’).

A Tender Evaluation Plan (TEP) was utilised by the Tender Evaluation Committee, consisting of staff from across Council’s business units. The TEP was consistent with the evaluation criteria advertised in the RFT documents, being weighted price and non-price evaluation criteria based on a **50:50** ratio. The price \ non-price ratio was adjusted from the normal **60:40** approach because the project team considered customer engagement and water education\literacy as key project outcomes, which required more consideration of non-price criteria.

Evaluation of non-price

The information submitted by the Tenderers was evaluated against the specified non-price criteria. The four short-listed tenderers had also participated in the earlier EOI phase which was 100% non-price, with detailed lists of Rous non-price requirements. Key EOI extracts were included in the RFT document. The RFT document advised Tenderers of the weighting applicable to each non-price category. Table 2 (below) shows a high-level summary of non-price criteria used for the evaluation of this RFT.

¹ Trading name:- O’Brien Electrical & Plumbing Lismore

Table 2 – Non-Price Criteria Summary

Non-price criterion	Weighting
Alignment with Rous ICT strategies and requirements: Standard protocols and interfaces, adequate data privacy and cyber security; interface with PropertyWise Billing system; minimum vendor lock-in; expandable to constituent Councils, accommodate future smart sensor / smart city applications.	20%
Program Delivery: Relevant prior experience; project management systems, resources, skills, plans; adequate field resources and capability; Quality-Safety-Environment management systems; adequate plans for customer interactions.	15%
Customer Focus: Availability of Mobile App; Customer (web) Portal; Rous staff portal for customer enquiries; Prior deployments of customer digital experience platform; Resources for Comms Plan / customer notifications / customer interactions and support / on-boarding / service desk / dispute procedures.	15%

The non-price scores were weighted and totalled, as summarised below in [Table 3](#).

Table 3 – Non-Price Scores and Rank

Tenderer	Total non-price score	Rank
Nucleus 3 Pty Ltd	39.55	1
WaterGroup Pty Ltd	34.85	3
Taggle Systems Pty Ltd	36.40	2
SC Action Pty Ltd ATF Campbell Family Trust	26.70	4

Evaluation of price

The lump sums and rates submitted from each Tenderer were evaluated through a benchmarking process to enable an evaluation of the price criteria. Local content was considered but was not consequential in the outcome of the tender evaluation.

Exclusions, Omissions, Qualifications and Departures in Tender Proposals

All four Tenders were generally complete without significant exclusions, omissions, qualifications or departures however only the preferred Tenderer was fully examined in this regard. The only significant exclusion was failing to make provision for estimated CPI increases in years Y2 to Y5, so an estimate of this was made and applied to their Tender price. When the preferred Tenderer's price and total score was still in front after this additional cost was applied, there was no need to investigate and cost the departures and exclusions of the other three Tenderers.

The omissions identified in the Nucleus 3 bid related to not considering / costing the (provisional) satellite sites and not anticipating field audit costs to confirm threads and couplings for the 132 meters (25-200mm) that will be retained and reinstalled into the new meter service frames. These omissions will be negotiated further and resolved prior to contract award.

Normalised price scores

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

The Assessed Tender Amounts were used to calculate (both) the weighted and normalised price scores using the method set out in the Tender Evaluation Plan and to provide an estimate of the total cost payable to the contract in the first five years. The price scores are summarised below in Table 4.

Table 4 – Price Scores and Rank

Tenderer	Weighted price score	Ranking
Nucleus 3 Pty Ltd	50.00	1
WaterGroup Pty Ltd	46.73	2
Taggle Systems Pty Ltd	36.89	3
SC Action Pty Ltd ATF Campbell Family Trust	18.60	4

Selection of the most advantageous tender

Total scores were obtained for each of the Tenders by adding the normalised total non-price score and weighted price score. The total overall scores are summarised below in Table 5.

Table 5 – Overall Scores and Rank

Tenderer	Total normalised non-price score	Weighted price score	Total score	Ranking
Nucleus 3 Pty Ltd	39.55	50.00	89.6	1
WaterGroup Pty Ltd	34.85	46.73	81.6	2
Taggle Systems Pty Ltd	36.40	36.89	73.3	3
SC Action Pty Ltd ATF Campbell Family Trust	26.70	18.60	45.3	4

The Preferred Tenderer has confirmed understanding of scope, contractual obligations and that the Tender Amount reflects all contractual obligations.

The Tender Evaluation Committee is in full agreement that the Tenderer with the highest total score, therefore representing the best value for money, was Nucleus 3 Pty Ltd and that they can complete the required services under this contract satisfactorily.

Estimation of total contract value

The scope of services to be supplied under this contract includes:

- Supply and Install 1,998 smart meters and 132 smart loggers at Rous retail water customer sites.
- Replace 2,112 existing meter service frames with a new standard arrangement that can accommodate backflow devices.
- Install 1,757 backflow devices supplied by Rous, at sites where none currently exist; test and re-install or replace backflow devices that currently exist at 318 additional properties.
- Provide (or provide access to) the wireless network, device management platform, data storage, application software necessary to collect and utilise the smart meter water usage data.
- Provide and interface with Rous Billing software.
- Provide a customer web portal or mobile digital interface, web portal for Rous staff use, and related training and support for Rous staff.
- Essential smart meter and smart logger spares and warranties.
- Utilize a solution architecture that is scalable and could separately accommodate smart water meter and/or other smart device/smart city program rollouts by constituent Councils.

The Total Estimated Contract Cost over 5 years for the Preferred Tenderer Nucleus 3 is \$2,866,239 (excl GST).

Finance

The expected maximum contract value payable to Nucleus 3 over a 5 year period is \$2,866,239 (excl GST), with approximately \$2,513,000 payable in the first 12 months of the project (which will span across budget years 22/23 and 23/24). The remaining \$353,000 is payable as recurring charges over years 2 to 5.

Table 6 - Smart Metering and Backflow Expected Total Project Costs (all excl GST)

Item	21/22	22/23	23/24	24/25	25/26	26/27	27/28	Total
Smart Metering and Backflow Contractor Costs (incl contingencies)	\$0	\$262,000	\$2,250,944	\$80,384	\$86,011	\$91,170	\$95,730	\$2,866,239
Rous Project Management	\$79,040	\$161,680	\$182,441	\$0	\$0	\$0	\$0	\$423,161
Backflow Device and BackflowID platform Purchase	\$0	\$271,539	\$0	\$0	\$0	\$0	\$0	\$271,539
TOTAL	\$79,040	\$695,219	\$2,433,385	\$80,384	\$86,011	\$91,170	\$95,730	\$3,559,939

Legal

As the value of the contract was expected to exceed \$250,000 (incl GST), Council was required under section 55 of the *Local Government Act 1993* to invite tenders in accordance with the tendering provisions of the Regulation prior to entering into contracts.

As outlined in the body of this report, the selective tendering method² was utilised in conformance with the requirements set out in Part 7 of the Regulation.

Should Council authorise the General Manager to negotiate and enter into a contract with the preferred Tenderer, Nucleus 3 Pty Ltd, the details of the contract will be recorded in Council's contracts register available on its website in accordance with *Government Information (Public Access) Act 2009* (NSW).

² Section 166(b) *Local Government (General) Regulation 2021* (NSW)

Conclusion

At the conclusion of the evaluation process for the award of the contract 'RCC1022-0011 Supply and Installation of Smart Metering and Installation of Backflow Prevention Devices', the preferred Tenderer is Nucleus 3 Pty Ltd.

It is recommended that Council authorise the General Manager to enter into negotiations with Nucleus 3 to execute a Contract for the work to a maximum amount of \$2,866,239 (excl GST) and approve an increase in the overall project budget of \$993,139 to take the total Smart Metering and Backflow Project budget to \$3,559,939.

Reports/Actions pending

Responsible Officer: General Manager (Phillip Rudd)

Recommendation

That the report be received and noted.

Background

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

COUNCIL MEETING	COUNCIL RESOLUTION
20/02/19	Report (confidential): Development Servicing Plan for Bulk Water Supply 2016 – request for deferred payment arrangement
	<p>RESOLVED [13/19] (Mustow/Cadwallader) that Council:</p> <ol style="list-style-type: none"> 1. Receive and note this report. 2. Approve the request for deferred payment arrangements as set out in the report. 3. Receive a subsequent report on policy options for deferred payment arrangements having regard to the Development Servicing Plan for Bulk Water Supply and the policy positions of constituent councils. 4. Reject any further consideration of similar requests until point 3. is complete and a policy position is determined.
STATUS	<p>Scheduled for review before the expiry of the current Development Servicing Plan in 2021.</p> <p><u>UPDATE:</u> The scope of work for the development of the new Development Servicing Plan is complete and quotes are being called for the new Plan.</p> <p><u>UPDATE:</u> A consultant was appointed in mid-March 2022 to prepare a new Development Servicing Plan. The new Plan is substantially progressed. A draft Plan will be presented to Council in December 2022.</p> <p><u>UPDATE:</u> Please refer to report in Council meeting agenda 14-12-2022 regarding DSP.</p> <p><u>UPDATE:</u> Draft Bulk Water and Retail Water Development Servicing Plans were placed on public exhibition on 19 December 2022 to 2 February 2023, following endorsement by Council on 14 December 2022. The recommended position for Rous on deferred payment arrangements is to permit deferred payment plans for non-residential developments with forecast or actual demand >2ET, at the discretion of the General Manager. Deferred payment plans are to be offered for a maximum term of 12 months and require provision of a security bond (generally in the form of a bank guarantee) equal to the developer charge payable. Only Rous has the authority to approve deferred payment arrangements for Rous developer contributions including those assessed and collected by the Constituent Councils.</p> <p><u>UPDATE:</u> COMPLETE. DSP was confirmed at Council's meeting 15 February 2023. Letters issued to constituent councils advising in relation to <i>Adoption of updated Bulk Water Supply Development Servicing Plan.</i></p>
COUNCIL MEETING	COUNCIL RESOLUTION
11/12/19	Report: Perradenya cycleway
	RESOLVED a future report be provided to Council.

COUNCIL MEETING	COUNCIL RESOLUTION
STATUS	<p>IN PROGRESS: Workshop presented at September 2020 workshop. Report to Council scheduled for April 2021.</p> <p>DEFERRED: Deferred to new term of Council subject to adoption of the FWP2060 and incorporation into the Long Term Financial Plan. Target December 2021 – June 2022.</p> <p>UPDATE: February 2022 – June 2022.</p> <p>UPDATE: Council site visit and workshop scheduled September 2022.</p> <p>UPDATE: Staff are working with town planning consultants and preparing a report for Council in April 2023.</p> <p>UPDATE: Awaiting third party advice – report anticipated to June 2023 Council meeting.</p>

COUNCIL MEETING	COUNCIL RESOLUTION
11/12/19	Richmond River Cane Growers' Association submission: Review of Tuckombil Canal fixed weir (Letters 118585 / 53238)
STATUS	<p>IN PROGRESS: Staff engaged with RVC staff around their grant application for a Study to update their Richmond River Flood Model (2010). Their grant was successful, and they have commenced procurement of a modelling consultant. Rous has contributed \$10,000 towards the project. One secondary goal for their Study is to consolidate these models along the mid to lower Richmond, including the Evans River Model, the W2B Pacific Highway Upgrades and collect high resolution flood modelling information around the Tuckombil Canal/ upstream.</p> <p>The updated model information will contribute to a future Rous led options study for the Tuckombil Canal. The Cane Growers' Association was advised in April 2020 of the intentions with regards to Richmond Valley Council, and will be updated during December 2020 with the latest information.</p> <p>UPDATE: The work by Richmond Valley Council to update their flood model is progressing well, with modelling expected to be completed within the first quarter of the 21/22 FY. RCC's requirements for the flood modelling around the Tuckombil Canal are expected to be met and reported back during the same period.</p> <p>UPDATE: Council staff received an update on the project from the consultants in early September 2021. The model development is nearing its conclusion and work will commence on modelling scenarios soon.</p> <p>UPDATE: Richmond Valley Council (RVC) staff have advised that the consultants have finalised the flood model and are now in the reporting phase. A draft Study report will go to RVC in the first quarter of 2022.</p> <p>When the flood model is finalised, Rous will be able to consider the results and how a review of the Tuckombil Canal fixed weir would be financed.</p> <p>UPDATE: The February 2022 floods since the last update have meant that the flood model finalisation and reporting to Richmond Valley Council (RVC) have been delayed. A new date for its finalisation is not yet available from RVC. Once the flood model is finalised, Rous will be able to consider the results and how a review of the Tuckombil Canal fixed weir would be financed.</p> <p>UPDATE: The RVC flood model continues to be finalised following the floods. In the meantime, Rous staff continue to discuss the scope of work and funding options, whilst keeping stakeholders informed.</p>

COUNCIL MEETING	COUNCIL RESOLUTION
15/02/2023	Report: Quarterly Budget Review Statement for Quarter Ending 31 December 2022
	<p>RESOLVED [3/23] (Bruem/Gordon) that:</p> <p>1. Council notes the results presented in the Quarterly Budget Review Statement as at 31 December 2022 and authorise the variations to the amounts from those previously estimated.</p> <p>2. Council writes to the Federal Minister of Education outlining disappointment at the outcome of the ARC research application / bid and strongly recommend that they reconsider their decision not to fund the project.</p>
STATUS	COMPLETE. Letter issued to Federal Minister for Education, Hon Jason Clare MP.

Confidential matters

Responsible Officer: General Manager (Phillip Rudd)

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:

Report	Supply and Installation of Smart Meters and Installation of Backflow Prevention Devices Contract # RCC1022-0011
Grounds for closure	Section 10A(2)(d) commercial information of a confidential nature that would, if disclosed: i) prejudice the commercial position of the person who supplied it.
Report	Gallans Road – Consolidation of workspaces
Grounds for closure	Section 10A(2)(d) commercial information of a confidential nature that would, if disclosed: i) prejudice the commercial position of the person who supplied it.

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.

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