



Ordinary meeting business paper

Wednesday, 17 April 2024

commencing 10.00 am

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

OPENING OF THE MEETING

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.

Please ensure that mobile phones and other electronic devices are turned off or are in silent mode for the duration of the meeting.

STATEMENT OF ETHICAL OBLIGATIONS

In accordance with clause 3.23 of Council's Code of Meeting Practice, councillors are reminded of their Oath or Affirmation of Office made at or before their first meeting of the council made under section 233A of the Act, to undertake their civic duties in the best interests of the people they represent and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act, to the best of their ability and judgement.

CONFLICTS OF INTEREST

Councillors are reminded of their obligations under Council's Code of Conduct to disclose and appropriately manage conflicts of interest in matters being considered at council meetings. All declarations of conflicts of interest will be recorded in the minutes of the meeting at which the declaration was made.

APPLICATIONS TO ATTEND BY AUDIO VISUAL LINK

In accordance with clause 5.18 and 5.19 of Council's Code of Meeting Practice, Councillors may attend and participate in meetings by audio-visual link with the approval of the Council.

Requests by Councillors for approval to attend a meeting by audio-visual link must be made in writing to the General Manager prior to the meeting in question and provide reasons why the Councillor will be presented from attending the meeting in person.

Councillors attending a meeting by audio-visual link are reminded that they must ensure that no other person is within sight or hearing of the meeting at any time that the meeting is closed to the public under section 10A of the *Local Government Act 1993*.

Note: Consistent with clause 5.44 of Council's Code of Meeting Practice, attendance by Council staff at meetings of the Council by audio-visual link shall be with the approval of the General Manager.

Copy of: CODE OF MEETING PRACTICE / CODE OF CONDUCT

AGENDA

1. **Opening of the meeting**
 2. **Acknowledgement of Country**
Council would like to show its respect and acknowledge the Traditional Custodians of the Land, of Elders past and present on which this meeting takes place.
 3. **Apologies and applications for leave of absence or attendance by audio - virtual link**
 4. **Confirmation of Minutes of Previous Meeting**
Meeting held 21 February 2024 1 – 5
 5. **Disclosure of Interest**
 6. **Chair's minute(s)**
Nil.
 7. **Matters of urgency**
 8. **Notices of Motion / Questions with notice**
 9. **Group Manager Corporate and Commercial reports**
 - 9.1 Proposed changes to business rules for Quarterly Budget Review Statement reporting 6 - 7
 - 9.2 Quarterly Budget Review Statement Quarter ending 31 March 2024 8 - 30
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 - 11.2 Tenders Awarded By General Manager under Delegation 126
 - 11.3 Water production and consumption - March 2024 (to follow)
 - 11.4 Audit, Risk and Improvement Committee – meeting update 128 - 134
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12. Confidential matters

13. Close of business

MINUTES OF ROUS COUNTY COUNCIL COUNCIL MEETING HELD WEDNESDAY, 21 FEBRUARY 2024 AT ADMINISTRATION OFFICE, 218-232 MOLESWORTH STREET, LISMORE

1. OPENING OF MEETING

The Chair opened the meeting at 10.14 am.

In attendance:

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

Rous County Council:

- Phillip Rudd, General Manager
- Andrew Logan, Group Manager Planning and Delivery
- Geoff Ward, Group Manager Corporate and Commercial
- Jonothan Patino, Finance Manager
- Robyn Waldron, Executive Assistant

2. APOLOGIES

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

3 ACKNOWLEDGEMENT OF COUNTRY

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

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RESOLVED [01/24] (Cadwallader/Lyon) that the Minutes of the meeting held 13 December 2023 be approved with amendments.

AMENDED 7.1 Proposed Dunoon Dam - acquisition of properties

1. To reconfirm its prior position in relation to acquisition of land in the Proposed Dunoon Dam area as shown in the Attachment 1 and **land of** strategic interest to the Future Water Strategy 2060.

Confirmation of previous minutes (Resolution)		
For	Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob	8
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

5 DISCLOSURE OF INTEREST

Nil.

6 NOTICES OF MOTION / QUESTIONS WITH NOTICE

Nil.

7 GENERAL MANAGER REPORTS

7.1 Election of chairperson and deputy chairperson

RESOLVED [02/24] (Humphrys/Gordon) that Council conduct an election for a chairperson and deputy chairperson consistent with the election process for chairpersons of county councils in the *Local Government Act 1993* and the *Local Government (General) Regulation 2021* and that:

1. If there is more than one nomination, council resolve the method of election (to be either by preferential ballot, ordinary ballot, or open voting); and
2. The result of the election (including the names of those elected) be declared at the meeting, and
3. Those elected hold office until the ordinary local government elections expected to occur in September 2024.

CARRIED that Cr Mustow is elected Chairperson and Cr Cadwallader elected Deputy Chairperson and will hold office until the ordinary local government elections expected to occur in September 2024.

Election of chairperson and deputy chairperson (Resolution)		
For	Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob	8
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

8 GROUP MANAGER PEOPLE AND PERFORMANCE

8.1 Audit, Risk and Improvement Committee - Appointment of Councillor Members

RESOLVED [03/24] (Rob/Bruem) that Council:

1. Revoke the Audit, Risk and Improvement Committee Charter dated 16 December 2020 and any other revisions revived as a result,
2. Approve the revised Audit, Risk and Improvement Committee Charter attached to this report, and
3. Invite nominations from amongst the membership of Council’s governing body (excluding the Chair) for appointment as a non-voting councillor member, and substitute non-voting councillor member, on the Audit, Risk and Improvement Committee for a 2-year term or until a casual vacancy occurs, whichever is the earlier.

CARRIED that Cr Big Rob be appointed the non-voting councillor member on the Audit, Risk and Improvement Committee for a 2 year term or until a casual vacancy occurs, whichever is the earlier.

Audit, risk and improvement committee - Appointment of councillor members (Resolution)		
For	Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob	8
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

8.2 International Women’s Day

RESOLVED [04/24] (Cadwallader/Humphrys) that Council approve Cr Ndiaye to be the MC for the International Women’s Day event.

International Womens Day (Resolution)		
For	Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob	8
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

9 GROUP MANAGER CORPORATE AND COMMERCIAL REPORTS

9.1 Quarterly Budget Review Statement Quarter ending 31 December 2023

RESOLVED [05/24] (Bruem/Rob) that Council note the results presented in the Quarterly Budget Review Statement as at 31 December 2023 and authorise the variations to the amounts from those previously estimated.

Quarterly Budget review Statement Quarter ending 31 December 2023 (Resolution)		
For	Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob	8
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

9.2 Retail Water Debt Write-off

RESOLVED [06/24] (Gordon/Cadwallader) that Council, in accordance with its 'Debt Management and Financial Hardship' policy, approve the write-off of one (1) retail water billing customer's account (10451-10000-1) of \$5,759.01 for Mr MJ Hammer.

Retail Water Debt Write-off (Resolution)		
For	Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob	8
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

10 INFORMATION REPORTS (COVER REPORT)

RESOLVED [07/24] (Cadwallader/Humphrys) that the following information reports be received and noted:

1. Sustainable Water Partner Program Pilot
2. Retail Water Customer Account Assistance Information Report
3. Investments – January 2024
4. Water production and consumption – January 2024
5. Integrated Planning and Reporting Framework
6. Reports/Actions pending.

Information reports (Resolution)		
For	Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob	8
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

11 CLOSE OF BUSINESS

There being no further business the meeting closed at 11.12 am.

Proposed changes to business rules for Quarterly Budget Review Statement reporting

Responsible Officer: Group Manager Corporate and Commercial (Helen McNeil)

Recommendation

That Council note the proposed business rules in relation to the preparation and reporting of the Quarterly Budget Review Statements and authorise the General Manager to implement them as required

Background

The Responsible Accounting Officer is responsible for maintaining a budgeting system that enables the monthly monitoring of Council's actual income and expenditure against its estimated income and expenditure.¹

An opportunity to achieve administrative and business efficiencies in the management and reporting of budget changes was identified as part of the review and development of Council's Cash Reserves policy and Long-Term Financial Plan (LTFP).

These proposed changes are outlined below for Council's information.

Overview

To allow staff more flexibility to make minor budget adjustments, the following business rules are proposed.

- An increase to the reporting threshold in Quarterly Budget Review Statements from \$5,000 to \$10,000.
- Allow budget changes to be made if they are within the financial limits of a previously approved budget item, related to the same cost centre or area of the organisation and are approved by the General Manager. For example, if a project has incurred expenditure of \$40,000 against an existing budget of \$50,000, the remaining \$10,000 could be used for additional works required within that cost centre.
- Allow budget reclassifications where changes to the proposed expenditure has a direct correlation to the same group for administrative purposes. For example, if a staff vacancy exists due to a staff member resigning, an existing budget for salaries could be relocated to fund a temporary appointment under a labour hire agreement.
- Budget increases cannot exceed the amounts approved by Council.

Legal

The Responsible Accounting Officer is required, under the *Local Government (General) Regulation 2021* ('LG Regulation'), to prepare and submit a Quarterly Budget Review Statement ('QBRs') to Council accompanied by a statement as to whether they consider council to be in a satisfactory financial position (with regard to its original budget) and if not, their recommendations for remedial action.²

The business rules proposed above will not prevent or hamper the Responsible Accounting Officer from continuing to discharge their responsibilities under this, and any related, provision/s of the LG Regulation.

¹ [Section 202](#) *Local Government (General) Regulation 2021* (NSW).

² [Section 203](#) *Ibid.*

Consultation

The business rules proposed above formed a component of the presentation delivered by Council's finance staff to the 20 March 2024 councillor workshop.

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

Conclusion

In summary, the proposed business rules are intended to provide flexibility to the General Manager around budget changes during the last quarter of each financial year with a report to be produced for Council.

Quarterly Budget Review Statement for the quarter ending 31 March 2024

Responsible Officer: Finance Manager (Jonathan Patino)

Recommendation

That Council note the results presented in the Quarterly Budget Review Statement as at 31 March 2024 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 2023/24 budget was adopted on 21 June 2023 as part of the 2023/24 Operational plan and the 2022/25 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 2024 indicates that Council's projected financial position at 30 June 2024 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 2024 (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.

Revenue has increased by \$0.1M, operating expenditure has decreased by \$0.5M and capital expenditure has decreased by \$4.9M, resulting in an overall change of \$5.5M to be transferred to reserves.

Significant Adjustments

Capital Works Program

Management have taken the QBRS as an opportunity to review the capital work program and the resources available to complete works. This remains an important focus with a complete review of proposed capital works to be undertaken as part of the annual budget process.

Impact on Reserves as a Whole

The required changes this quarter will provide a substantial increase to our budgeted reserves. The overall internal reserves policy position is still forecast to 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 2024

BUDGET ITEMS	Original Budget 2023/24	2022/23 Carryovers	September	December	March	Ref	Projected Year End Result 2023/24
			30-Sep-23	31-Dec-23	31-Mar-24		
			Quarter	Quarter	Quarter		
Operating Income							
Bulk	28,798,700	0	114,000	620,900	25,700	BW1, BW2, BW3, BW4	29,559,300
Retail	3,512,700	0	0	(153,500)	0		3,359,200
Flood	1,174,200	0	1,546,900	1,574,000	100,800	FM1, FM2, FM3	4,395,800
Weeds	1,722,200	0	0	0	0		1,722,200
Property	197,800	0	140,000	0	0		337,800
Fleet	126,100	0	0	0	0		126,100
TOTAL OPERATING INCOME	35,531,700	0	1,800,900	2,041,400	126,500		39,500,400
Operating Expenses							
Bulk	30,132,300	1,053,500	708,300	(1,017,300)	(560,300)	BW5, BW6, BW7, BW8, BW9, BW10, BW19, BW20, BW21, BW22, BW23, BW24, BW25, BW26, BW27, BW28	30,316,500
Retail	3,617,400	0	(8,500)	0	0		3,608,900
Flood	1,922,700	122,000	133,600	237,500	63,000	FM4	2,478,800
Weeds	2,667,100	113,500	13,300	0	0		2,793,900
Property	321,600	0	82,500	0	10,000	P1	414,100
Fleet	129,400	0	(2,100)	105,000	0		232,300
TOTAL OPERATING EXPENSES	38,790,500	1,289,000	927,100	(674,800)	(487,300)		39,844,500
OPERATING RESULT	(3,258,800)	(1,289,000)	873,800	2,716,200	613,800		(344,100)
Exclude Depreciation	8,305,100	0	0	0	0		8,305,100
Cash Result	5,046,300	(1,289,000)	873,800	2,716,200	613,800		7,961,000
Less: Capital Expense	26,611,600	4,564,500	(5,621,100)	(385,100)	(4,904,600)	BW10, BW11, BW12, BW13, BW14, BW15, BW16, BW17, BW18, BW29, BW30, BW31, BW32, BW33, BW34, RW1, FM2, P1, P2, F1	20,265,300
Add: Loan Funds	15,000,000	0	0	(15,000,000)	0		0
Less: Loan Repayments	4,191,300	0	0	(365,900)	0		3,825,400
Add: From/Less: (To) Reserve	10,756,600	5,853,500	(6,494,900)	11,532,800	(5,518,400)		16,129,700
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 (2023/24)	LTFP (2024/25-2032/33)	
New	Workers Compensation Claims	BULK	Operating Revenue	BW1	(48,000)	0	Workers compensation claim income has been received from StateCover. The related staffing expenses have already been included in the budget and incurred.
New	Flood Insurance Claims	BULK	Operating Revenue	BW2	(235,000)	0	Further flood insurance claims have been submitted with Statewide Insurance, including for the Wilsons River Source Low Level Pump Station repairs, and are expected to be received in the current financial year. The related expenditure has already been incurred and included in the budget.
Existing	Water Security Grant Funding	BULK	Operating Revenue	BW3	757,100	(757,100)	Due to delays in reaching some of the milestones required, some of the grant funding secured from the Department of Planning and Environment under the Safe and Secure Water program is no longer expected to be received in the current financial year. It is hoped that the Department will extend the deadline for the program so that the funding can be received in the 2024/25 financial year when the milestones are met and negotiations are currently ongoing with the Department to this effect.
New	Grant Funding - St Helena Aerial Crossing	BULK	Capital Revenue	BW4	(499,800)	0	Rous has been successful in obtaining grant funding under Phase 2 of the NSW Government's Water and Wastewater Repair and Recovery Program towards flood recovery costs relating to the St Helena DN525 Aerial Crossing. The expenditure on this project has already been included in the budget and incurred.
Existing	Customer Relations Advisor	BULK	Operating Expenditure Operating Expenditure	BW5 BW5	(25,000) 25,000	0 0	The Customer Relations Advisor role is currently being filled through labour hire on a 3-month term contract. The movement from salaries to contractors has an overall budget impact of nil.
Existing	Update Service Level Agreements	BULK	Operating Expenditure	BW6	(20,000)	20,000	A budget of \$20,000 for legal fees to update the Service Level Agreements with Constituent Councils has been approved for the current financial year. This will not now be completed and the fees incurred until next financial year so it is requested that this budget be deferred.
Existing	Future Water Project - Direct Potable Reuse Pilot Scheme	BULK	Operating Expenditure	BW7	(10,000)	10,000	Rous is an inaugural member of the WaterVal scheme and has committed \$5,000 per year for 3 years to support this program which is designed to promote a robust Water Validation methodology for PRW schemes. Therefore, part of the budget of \$15,000 is required to be deferred to the next 2 financial years.
Existing	Future Water Program - Rocky Creek Dam Dead Storage Investigations	BULK	Operating Expenditure	BW8	50,000	0	Rous' Drought Management Plan includes undertaking detailed investigations into accessing dead storage in Rocky Creek Dam. Rous has engaged a consultant to carry out an options assessment, which has now been completed. A preferred solution has been identified and a quote received to develop design and implementation plans for this emergency drought option. An additional \$50,000 is requested from the bulk water reserve so that this next phase of work can be undertaken.

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2023/24)	LTFP (2024/25-2032/33)	
Existing	Demand Management Plan - Behaviour Change Pilot Program	BULK	Operating Expenditure	BW9	(125,000)	125,000	There have been delays with the implementation of this project due to the difficulty in finding a consultant to conduct the research. Following an unsuccessful tender process, Rous staff are reconsidering how to implement the program. It will not now be completed in the current financial year and, therefore, it is requested that the majority of the budget be deferred to FY25.
Existing	Change Management Consultant	BULK	Operating Expenditure Capital Expenditure	BW10 BW10	(175,000) 175,000	0	The cost of the Change Management Consultant (approved in the December 2023 QBRs) is now expected to be capitalised as it is connected to the delivery of the Gallens Road workplace relocation and Digital Transformation projects. There is a nil total budget impact.
Existing	Byron 200 Mains Renewal	BULK	Capital Expenditure	BW11	(1,937,600)	1,937,600	During the tender process for this project, tenderers requested further geotechnical information on drilling depths greater than originally planned. Council staff have decided that there is value in obtaining this geotechnical drilling information as it may offer a cheaper solution and reduce some of the project risk. Construction, which was originally planned for the current financial year, will not now take place until July to September 2024. Therefore, it is requested that the budget, except for the portion required to undertake the geotechnical drilling, be deferred to the 2024/25 financial year.
Existing	Future Water Project - Woodburn Bores	BULK	Capital Expenditure	BW12	(300,000)	300,000	Some of the work on this project planned for the current financial year will not be completed by June 2024. Therefore, \$300,000 of the budget should be deferred to the 2024/25 financial year.
Existing	Rocky Creek Dam Destratification System	BULK	Capital Expenditure	BW13	(464,300)	464,300	Deferred to FY27
Existing	Lower River pH Correction (CO2 and CL2 Dosing Facility)	BULK	Capital Expenditure	BW14	(210,000)	210,000	Deferred to FY26
Existing	City View Reservoir Roof Repairs	BULK	Capital Expenditure	BW15	(272,000)	272,000	Deferred to FY29
Existing	Nightcap Water Treatment Plant PLC Switchboard and Saturator Upgrade	BULK	Capital Expenditure	BW16	(394,000)	394,000	Deferred to FY26
Existing	Nightcap Water Treatment Plant Bulk Chemical Storage	BULK	Capital Expenditure	BW17	(136,100)	136,100	Deferred to FY25
Existing	Telemetry Replacement Program	BULK	Capital Expenditure	BW18	12,000	0	This program has been extended to cover additional reservoir sites due to the continual failure of the old units and, therefore, an additional \$12,000 is requested from the bulk water reserve.
Existing	Lismore Levee Grant Funding	FLOOD	Operating Revenue Capital Revenue	FM1 FM1	1,300,000 (1,300,000)	0	This grant funding through Disaster Recovery Funding Arrangments to cover the cost of work to reinstate the Lismore Levee by Lismore City Council was originally included in the budget as operating revenue. However, this should be capital revenue and this has now been adjusted in the budget.

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2023/24)	LTFP (2024/25-2032/33)	
Existing	RSL Pump Lismore Levee	FLOOD	Operating Revenue Capital Revenue Capital Expenditure	FM2 FM2 FM2	36,000 (36,000) 84,600	0 (84,600) 0	Additional costs being incurred on reinstating the RSL pump portion of the Lismore Levee will be recovered through Disaster Recovery Funding Arrangements and, therefore, the overall budget impact is nil. However, while the expenditure is being incurred in the current financial year, it is not expected that the funding will be received until the 2024/25 financial year. Therefore, a transfer of \$84,600 is requested from the flood reserve to cover this timing difference. The original funding of \$36,000 was included in the budget as operating revenue. However, this should be capital revenue and this has now been adjusted in the budget.
Existing	Flood Grant - West Coraki Levee	FLOOD	Capital Revenue	FM3	(100,800)	0	Rous has been successful in obtaining additional funding under the NSW Natural Disaster Relief Assistance Program towards the cost of restoring the West Coraki Levee damaged in the March 2021 floods. The restoration works have already been completed to restore the levee to its pre-flood condition.
New	Grant Funding - Coraki & Woodburn Town Drains and South & East Lismore Town Drains	FLOOD	Operating Expenditure	FM4	63,000	0	Rous has been successful in obtaining funding under the Emergency Response Fund Northern Rivers Recovery and Resilience Program 2022-23 for 2 projects to improve the condition of the Coraki and Woodburn town drains and to revitalise the South and East Lismore Town Drains. In total, there will be a nil budget impact. However, while the grant funding and most of the expenditure have been included in the annual budget for the 2024/25 financial year, some of the expenditure is expected to be incurred in the current financial year and \$63,000 is requested temporarily from the flood reserve to cover this timing gap.
Existing	Perradenya	PROPERTY	Operating Expenditure Capital Expenditure	P1 P1	10,000 45,000	0 0	Further work is ongoing in this area and an additional \$10,000 is requested from the property reserve for ongoing maintenance and \$45,000 is requested for capital expenditure.
Existing	Vehicle Replacement	FLEET	Capital Expenditure	F1	175,000	(175,000)	As Council is aware, fleet replacement has been operating outside of normal parameters as a result of the supply constraints resultant from Covid and the 2022 flood events. Therefore, it is requested that \$175,000 be brought forward from the 2024/25 budget allocation for fleet replacement to the current year to continue the replacement process which had been delayed due to the factors previously outlined.

New / Existing	Description	Reporting Unit	Category	Ref	Adjustment Amount		Notes
					Current Budget (2023/24)	LTFP (2024/25-2032/33)	
Existing	Budget Savings Identified						
	RCC Branding and Marketing	BULK	Operating Expenditure	BW19	(20,000)	0	Savings have been identified in this project and \$20,000 can be returned to reserve.
	Training	BULK	Operating Expenditure	BW20	(30,000)	0	Savings have been identified in this area and \$30,000 can be returned to reserve.
	Recruitment	BULK	Operating Expenditure	BW21	(15,000)	0	Savings have been identified in this area and \$15,000 can be returned to reserve.
	Leader In Me Program	BULK	Operating Expenditure	BW22	(2,000)	0	This project is not going ahead at the current time and the remaining budget can be returned to reserve.
	Uniforms	BULK	Operating Expenditure	BW23	(9,000)	0	Rous is currently sourcing a new uniform supplier and, therefore, uniforms are not available to indoor staff in the current financial year. Therefore, this budget can be returned to reserve.
	Engineering Document Management System	BULK	Operating Expenditure	BW24	(48,500)	0	This project is complete and the remaining budget can be returned to reserve.
	Unplanned Technical Surveys	BULK	Operating Expenditure	BW25	(51,800)	0	No expenditure has been required under this budget in the current financial year and, therefore, this budget can be returned to reserves. This budget has been reduced significantly for future years in the annual budget process.
	Contractors - Emigrant Creek Dam	BULK	Operating Expenditure	BW26	(14,000)	0	No expenditure has been required under this budget in the current financial year and, therefore, this budget can be returned to reserves. This budget has been removed for future years in the annual budget process.
	Contractors - Planning & Development Engineer	BULK	Operating Expenditure	BW27	(40,000)	0	Minimal expenditure has been required under this budget in the current financial year and, therefore, most of this budget can be returned to reserves. This budget has been reduced significantly for future years in the annual budget process.
	Future Water Program - Indirect Potable Reuse Investigations	BULK	Operating Expenditure	BW28	(50,000)	0	Savings have been identified in this project and \$50,000 can be returned to reserve.
	IT - AV Equipment	BULK	Capital Expenditure	BW29	(13,000)	0	Project is complete, remaining budget to be returned to reserve.
	IT - WiFi	BULK	Capital Expenditure	BW30	(40,000)	0	Project is complete, remaining budget to be returned to reserve.
	IT - Microwave Bridge	BULK	Capital Expenditure	BW31	(5,000)	0	Project is complete, remaining budget to be returned to reserve.
	St Helena Mains Renewal	BULK	Capital Expenditure	BW32	(80,000)	0	Project is complete, remaining budget to be returned to reserve.
	Emigrant Creek Water Treatment Plant BAC	BULK	Capital Expenditure	BW33	(29,400)	0	Project is complete, remaining budget to be returned to reserve.
	Natural Resource Management Flood Water and Sewerage Projects - Public Works Funded	BULK	Capital Expenditure	BW34	(1,409,800)	0	Some of the capital expenditure previously budgeted for these flood repair projects is being incurred by the Department of Public Works and, therefore, \$1,409,800 can be returned to the bulk water reserve.
	Reticulation Renewal - Arthur Road	RETAIL	Capital Expenditure	RW1	(50,000)	0	Project is complete, remaining budget to be returned to reserve.
	Rural Properties Renewals & Upgrades	PROPERTY	Capital Expenditure	P2	(55,000)	0	Renewals and upgrades required for rural properties have been lower than expected and \$55,000 of this budget can be returned to the property reserve.
					(5,518,400)	2,852,300	

Bulk Water Reporting Unit

(QBR2) Income & Expenses - Bulk

	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2023/24	Actual YTD
Operating Income								
Water Sales	21,796,700	0	0	0	0		21,796,700	16,399,200
Interest Income / Sundry	1,103,100	0	0	400,000	283,000	BW1, BW2	1,786,100	1,790,300
Property Income	20,800	0	0	0	0		20,800	15,800
Operating Grants and Contributions	1,507,100	0	114,000	220,900	(757,100)	BW3	1,084,900	71,400
Profit on Sale	0	0	0	0	0		0	0
Capital Income	4,371,000	0	0	0	499,800	BW4	4,870,800	2,817,100
Total Operating Income	28,798,700	0	114,000	620,900	25,700		29,559,300	21,093,800
Operating Expense								
Administration Expenses	755,500	0	20,000	0	(20,000)	BW6	755,500	732,400
Administration - Retail Water Cost	(2,041,000)	0	0	0	0		(2,041,000)	(1,508,200)
Finance Costs	2,259,300	0	0	(1,050,000)	0		1,209,300	790,800
Building/Depot Expenses	612,500	0	(17,600)	0	0		594,900	407,500
Fleet Hire Expense	629,000	0	16,400	0	0		645,400	484,400
Training & Staff	368,200	0	0	0	(26,000)	BW21, BW22, BW23	342,200	172,400
Insurance	385,700	0	26,000	0	0		411,700	373,100
Members Expenses	169,100	0	0	0	0		169,100	93,200
Salaries & Wages	9,040,400	0	101,500	(47,400)	(25,000)	BW5	9,069,500	6,603,000
Operations Purchases	11,244,500	1,053,500	562,000	80,100	(489,300)	BW5, BW7, BW8, BW9, BW10, BW19, BW20, BW24, BW25, BW26, BW27, BW28	12,450,800	5,641,700
Depreciation	6,709,100	0	0	0	0		6,709,100	4,555,900
Total Operating Expense	30,132,300	1,053,500	708,300	(1,017,300)	(560,300)		30,316,500	18,346,200
Operating Result	(1,333,600)	(1,053,500)	(594,300)	1,638,200	586,000		(757,200)	2,747,600
Less: Depreciation	6,709,100	0	0	0	0		6,709,100	4,555,900
Operating Result Excl. Non Cash	5,375,500	(1,053,500)	(594,300)	1,638,200	586,000		5,951,900	7,303,500
Less: Capital Expenses	20,175,300	2,143,300	(3,820,100)	(1,175,100)	(5,104,200)	BW10, BW11, BW12, BW13, BW14, BW15, BW16, BW17, BW18, BW29, BW30, BW31, BW32, BW33, BW34	12,219,200	4,936,200
Add: Loan Funds	15,000,000	0	0	(15,000,000)	0		0	0
Less: Loan Repayments	4,191,300	0	0	(365,900)	0		3,825,400	2,596,300
Transfer from/(to) Reserve	3,991,100	3,196,800	(3,225,800)	11,820,800	(5,690,200)		10,092,700	229,000
Net Cash Movement	0	0	0	0	0		0	0

Impact on Bulk Water Reserve

The required changes above will result in \$5,690,200 being transferred to the Bulk Water reserve in the 2023/24 financial year. The projected balance as at 30 June 2024 will increase to \$18,685,100 which is beyond the internal reserves policy target of 6 months operating expenditure or \$15,158,200.

Retail Water Reporting Unit

(QBR2) Income & Expenses - Retail

	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2023/24	Actual YTD
Operating Income								
Water Sales	3,417,900	0	0	(153,500)	0		3,264,400	2,634,700
Interest Income / Sundry	79,800	0	0	0	0		79,800	24,300
Capital Income	15,000	0	0	0	0		15,000	4,700
Total Operating Income	3,512,700	0	0	(153,500)	0		3,359,200	2,663,700
Operating Expense								
Administration Expenses	2,282,100	0	0	0	0		2,282,100	1,670,800
Fleet Hire Expenses	91,400	0	0	0	0		91,400	69,400
Salaries and Wages	684,300	0	(8,500)	0	0		675,800	500,500
Operations Purchases	139,400	0	0	0	0		139,400	114,300
Depreciation and Amortisation	420,200	0	0	0	0		420,200	194,800
Total Operating Expense	3,617,400	0	(8,500)	0	0		3,608,900	2,549,800
Operating Result	(104,700)	0	8,500	(153,500)	0		(249,700)	113,900
Less Depreciation	420,200	0	0	0	0		420,200	194,800
Operating Result Excl. Non Cash	315,500	0	8,500	(153,500)	0		170,500	308,700
Less: Capital Expenses	3,591,600	1,024,200	0	40,000	(50,000)	RW1	4,605,800	1,832,000
Transfer from/(to) Reserve	3,276,100	1,024,200	(8,500)	193,500	(50,000)		4,435,300	1,523,300
Net Cash Movement	0	0	0	0	0		0	0

Impact on Retail Water Reserve

These required changes above will result in \$50,000 being transferred to the Retail Water reserve in the 2023/24 financial year. The projected balance as at 30 June 2024 will increase to \$275,000 which is short of the internal reserves policy target of 8 months operating expenditure or \$2,405,900. This includes a planned transfer of \$2,000,000 from Bulk Water reserves to fund the smart metering/backflow project.

Flood Mitigation Reporting Unit

(QBR2) Income & Expenses - Flood

	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2023/24	Actual YTD
Operating Income								
Grants and Contributions	1,150,400	0	1,533,100	478,000	(1,336,000)	FM1, FM2	1,825,500	988,500
Interest Income / Sundry	23,800	0	13,800	0	0		37,600	33,500
Capital Income	0	0	0	1,096,000	1,436,800	FM1, FM2, FM3	2,532,800	1,096,000
Total Operating Income	1,174,200	0	1,546,900	1,574,000	100,800		4,395,900	2,118,000
Operating Expense								
Administration Expenses	216,400	0	0	0	0		216,400	165,700
Building/Depot Expenses	9,900	0	0	0	0		9,900	6,500
Fleet Hire Expenses	78,200	0	0	0	0		78,200	58,700
Insurance	4,700	0	1,500	0	0		6,200	6,200
Salaries and Wages	490,600	0	50,500	0	0		541,100	342,300
Operations Purchases	417,200	122,000	81,600	237,500	63,000	FM4	921,300	172,000
Depreciation and Amortisation	705,700	0	0	0	0		705,700	579,600
Loss on Sale	0	0	0	0	0		0	0
Total Operating Expense	1,922,700	122,000	133,600	237,500	63,000		2,478,800	1,331,000
Operating Result	(748,500)	(122,000)	1,413,300	1,336,500	37,800		1,917,100	787,000
Less Depreciation	705,700	0	0	0	0		705,700	579,600
Operating Result Excl. Non Cash	(42,800)	(122,000)	1,413,300	1,336,500	37,800		2,622,800	1,366,600
Less: Capital Expenses	156,400	1,368,000	59,000	0	84,600	FM2	1,668,000	144,200
Transfer from/(to) Reserve	199,200	1,490,000	(1,354,300)	(1,336,500)	46,800		(954,800)	(1,222,400)
Net Cash Movement	0	0	0	0	0		0	0

Impact on Flood Mitigation Reserve

These required changes above will result in a \$46,800 transfer from the Flood Mitigation reserve in the 2023/24 financial year. The projected balance as at 30 June 2024 will decrease to \$632,000 which is short of the internal reserves policy target of 5 months operating expenditure (excluding Lismore Levee depreciation) or \$876,000. This includes a transfer of \$1,283,900 back to Bulk Water reserve.

Weed Biosecurity Reporting Unit

(QBR52) Income & Expenses - Weeds

	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2023/24	Actual YTD
Operating Income								
Grants and Contributions	1,640,000	0	0	0	0		1,640,000	678,200
Interest Income / Sundry	82,200	0	0	0	0		82,200	62,600
Capital Income	0	0	0	0	0		0	0
Total Operating Income	1,722,200	0	0	0	0		1,722,200	740,800
Operating Expense								
Administration Expenses	338,700	0	0	0	0		338,700	266,500
Building/Depot Expenses	13,900	0	0	0	0		13,900	13,200
Fleet Hire Expenses	232,000	0	0	0	0		232,000	174,800
Training & Staff	0	0	0	0	0		0	15,200
Salaries and Wages	1,457,400	54,500	13,300	0	0		1,525,200	1,044,800
Operations Purchases	594,100	59,000	0	0	0		653,100	223,000
Depreciation and Amortisation	31,000	0	0	0	0		31,000	21,600
Total Operating Expense	2,667,100	113,500	13,300	0	0		2,793,900	1,759,100
Operating Result	(944,900)	(113,500)	(13,300)	0	0		(1,071,700)	(1,018,300)
Less Depreciation	31,000	0	0	0	0		31,000	21,600
Operating Result Excl. Non Cash	(913,900)	(113,500)	(13,300)	0	0		(1,040,700)	(996,700)
Less: Capital Expenses	0	0	0	0	0		0	0
Transfer from/(to) Reserve	913,900	113,500	13,300	0	0		1,040,700	996,700
Net Cash Movement	0	0	0	0	0		0	0

Impact on Weed Biosecurity Reserve

Nil for this quarter.

Property Reporting Unit

(QBR52) Income & Expenses - Property

	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2023/24	Actual YTD
Operating Income								
Interest Income / Sundry	36,800	0	140,000	0	0		176,800	27,700
Property Income	161,000	0	0	0	0		161,000	112,900
Capital Income	0	0	0	0	0		0	0
Total Operating Income	197,800	0	140,000	0	0		337,800	140,600
Operating Expense								
Administration Expenses	53,200	0	0	0	0		53,200	40,000
Building/Depot Expenses	187,800	0	14,200	0	10,000	P1	212,000	157,000
Salaries and Wages	11,100	0	68,300	0	0		79,400	5,700
Operations Purchases	26,300	0	0	0	0		26,300	1,700
Depreciation and Amortisation	43,200	0	0	0	0		43,200	58,000
Total Operating Expense	321,600	0	82,500	0	10,000		414,100	262,400
Operating Result	(123,800)	0	57,500	0	(10,000)		(76,300)	(121,800)
Less Depreciation	43,200	0	0	0	0		43,200	58,000
Operating Result Excl. Non Cash	(80,600)	0	57,500	0	(10,000)		(33,100)	(63,800)
Less: Capital Expenses	2,266,900	29,000	(1,860,000)	500,000	(10,000)	P1, P2	925,900	411,900
Transfer from/(to) Reserve	2,347,500	29,000	(1,917,500)	500,000	0		959,000	475,700
Net Cash Movement	0	0	0	0	0		0	0

Impact on Property Reserve

Nil for this quarter.

Fleet Reporting Unit

(QBR52) Income & Expenses - Fleet

	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2023/24	Actual YTD
Operating Income								
Interest Income / Sundry	126,100	0	0	0	0		126,100	109,900
Profit on Sale	0	0	0	0	0		0	61,500
Capital Income	0	0	0	0	0		0	0
Total Operating Income	126,100	0	0	0	0		126,100	171,400
Operating Expense								
Fleet Operations	582,100	0	50,900	105,000	0		738,000	495,300
Fleet Hire Income	(1,030,600)	0	(16,400)	0	0		(1,047,000)	(785,300)
Salaries and Wages	182,000	0	(36,600)	0	0		145,400	80,000
Depreciation and Amortisation	395,900	0	0	0	0		395,900	328,900
Loss on Sale	0	0	0	0	0		0	0
Total Operating Expense	129,400	0	(2,100)	105,000	0		232,300	118,900
Operating Result	(3,300)	0	2,100	(105,000)	0		(106,200)	52,500
Less Depreciation	395,900	0	0	0	0		395,900	328,900
Operating Result Excl. Non Cash	392,600	0	2,100	(105,000)	0		289,700	381,400
Less: Capital Expenses	421,400	0	0	250,000	175,000	F1	846,400	551,500
Transfer from/(to) Reserve	28,800	0	(2,100)	355,000	175,000		556,700	170,100
Net Cash Movement	0	0	0	0	0		0	0

Impact on Fleet Reserve

These required changes above will result in a \$175,000 transfer from the Fleet reserve in the 2023/24 financial year. The projected balance as at 30 June 2024 will decrease to \$586,100 which is beyond the internal reserves policy target of 4 months operating expenditure or \$435,000.

Budget Review for the Quarter Ended 31 March 2024

(QBR3) Capital Budget

	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Ref	Projected Year End Result 2023/24	Actual YTD
Capital Funding:								
Capital Grants & Contributions	0	1,300,000	0	0	0		1,300,000	0
Internal Restrictions								
- Renewals	10,834,730	2,336,485	(867,000)	(925,100)	(4,016,500)		7,362,615	4,705,300
- New Assets	11,405,870	928,015	(4,754,100)	540,000	(888,100)		7,231,685	(747,300)
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	4,371,000	0	0	0	0		4,371,000	3,917,800
Income from Sale of Assets								
- Plant and Equipment	0	0	0	0	0		0	0
- Land and Buildings	0	0	0	0	0		0	0
Total Capital Funding	26,611,600	4,564,500	(5,621,100)	(385,100)	(4,904,600)		20,265,300	7,875,800
Capital Expenditure:								
New Assets								
- Plant and Equipment	0	0	0	0	0		0	0
- Office Equipment	880,000	0	(70,000)	0	(53,000)	BW29, BW30	757,000	105,700
- Inventory (Land)	2,200,000	0	(2,000,000)	500,000	45,000	P1	745,000	271,200
- Land and Buildings	4,087,800	0	0	0	0		4,087,800	910,300
- Infrastructure	8,609,070	928,015	(2,684,100)	40,000	(880,100)	BW10, BW11, BW12, BW14, BW16, BW17, BW32	6,012,885	1,883,300
Renewals (Replacement)								
- Plant and Equipment	421,400	0	23,000	250,000	175,000	F1	869,400	551,500
- Office Equipment	543,700	0	(161,000)	0	(5,000)	BW31	377,700	219,600
- Land and Buildings	66,900	29,000	140,000	0	(55,000)	P2	180,900	140,700
- Infrastructure	9,802,730	3,607,485	(869,000)	(1,175,100)	(4,131,500)	BW11, BW13, BW14, BW15, BW16, BW17, BW18, BW32, BW33, BW34, FM2, RW1	7,234,615	3,793,500
Total Capital Expenditure	26,611,600	4,564,500	(5,621,100)	(385,100)	(4,904,600)		20,265,300	7,875,800

Impact on Capital Works Program

The required adjustments above will result in a further reduction in capital works of \$4,904,600 being transferred to reserves reducing the total capital works program for 2023/24 to \$20,265,300. As at 31 March, \$7,875,800 or 38.9% of these works have been completed while another \$5,500,000 or 27.1% has been committed.

Budget Review for the Quarter Ended 31 March 2024

(QBR54) Cash & Investments

	Opening Balances 2023/24	Original Budget 2023/24	2022/23 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2023/24
Unrestricted:							
Flood Mitigation	99,000	0	0	0	0	0	99,000
Weeds Biosecurity	25,800	0	0	0	0	0	25,800
Retail Water	100,000	0	0	0	0	0	100,000
Property	100,000	0	0	0	0	0	100,000
Fleet	50,000	0	0	0	0	0	50,000
Bulk Water	2,354,000	0	0	0	0	0	2,354,000
Total Unrestricted	2,728,800	0	0	0	0	0	2,728,800
Externally Restricted:							
Flood Grants	416,800	(310,600)	0	23,000	0	1,436,800	1,566,000
Weeds Grants	771,500	(263,500)	0	0	0	0	508,000
Weeds Other	0	0	0	0	0	0	0
Bulk Water Grants	826,000	(826,000)	0	0	57,000	(57,000)	0
Bulk Water Other	2,740,900	(1,380,900)	0	0	0	0	1,360,000
Total Externally Restricted	4,755,200	(2,781,000)	0	23,000	57,000	1,379,800	3,434,000
Internally Restricted:							
Flood Mitigation	445,300	1,111,400	(1,490,000)	331,300	52,600	(1,483,600)	(1,033,000)
Weeds Biosecurity	1,060,700	(650,400)	(113,500)	(13,300)	0	0	283,500
Retail Water	2,610,300	(1,276,100)	(1,024,200)	8,500	(193,500)	50,000	175,000
Property	1,505,500	(1,347,500)	(29,000)	917,500	(500,000)	0	546,500
Fleet	1,092,800	(28,800)	0	2,100	(355,000)	(175,000)	536,100
Bulk Water							
- Buildings & Structures	66,200	0	0	0	0	0	66,200
- Assets & Programs	16,815,200	(5,784,200)	(3,196,800)	5,225,800	(10,458,900)	5,747,200	8,348,300
- Employee Leave Entitlement	2,393,300	0	0	0	0	0	2,393,300
- Electricity	2,610,500	0	0	0	0	0	2,610,500
- Office Equipment & Computer	1,403,600	0	0	0	0	0	1,403,600
- Greenhouse Gas Abatement	284,200	0	0	0	(135,000)	0	149,200
Total Internally Restricted	30,287,600	(7,975,600)	(5,853,500)	6,471,900	(11,589,800)	4,138,600	15,479,200
Total Restricted	35,042,800	(10,756,600)	(5,853,500)	6,494,900	(11,532,800)	5,518,400	18,913,200

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 2024.

Reconciliation

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

	\$
Cash at Bank (as per bank statements)	4,000,747
Investments on Hand	30,500,000
Reconciled Cash at Bank & Investments	34,500,747

A comparison of the actual cash and investment balance above of \$34,500,747 as at 31 March 2024 to the forecast cash and investment balance of \$21,642,000 as at 30 June 2024, indicates significant spending will need to occur before 30 June 2024 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)
CSIRO	Richmond & Wilsons Rivers Flood Mitigation Modelling	199,992	12/01/2024	9 mths	Y
McCarthy Consulting Group Pty Ltd	Private Certifying - Gallans Road Project	50,500	15/01/2024	14 mths	Y
Northrop Consulting Engineers	Engineering Reports for Perradenya Subdivision	75,500	15/01/2024	1 year	Y
R & S Muller Enterprise Pty Ltd	Strategic Review of RCC Flood Mitigation Function	50,000	16/01/2024	1 year	Y
Eco Logical Australia Pty Ltd	Ecological, Bushfire and Arborist Report	245,662	16/01/2024	1 year	Y
Barker Ryan Stewart Northern Rivers Pty Ltd	Surveyor Report for Perradenya Subdivision	60,000	16/01/2024	1 year	Y
GHD Pty Ltd	Richmond Area Coastal Floodplain Alluvial Groundwater Investigations	170,621	31/01/2024	11 mths	Y
Changeworks Consulting Pty Ltd	Change Management Project	174,000	5/02/2024	5 mths	Y
Hunter H2O Holdings Pty Ltd	Wilsons River Emergency Supply Studies	67,370	5/02/2024	4 mths	Y
Electrical Cable & Line Power Services Pty Ltd	Alstonville and Woodburn Groundwater Schemes - Electrical Design for Power Supply	91,280	14/02/2024	6 mths	Y
Stantec Australia Pty Ltd	Rocky Creek Dam Safety Review and Risk Assessment	310,400	22/02/2024	15 mths	Y
Hunter H2O Holdings Pty Ltd	Rocky Creek Dam Dead Storage Investigation	91,031	1/03/2024	3 mths	Y
Rugendyke & Bashforth Contracting Pty Ltd	Tuckombil Levee Flood Repairs	69,607	13/03/2024	3 mths	Y
Audit Office of New South Wales	External Audit for 2023/24 Financial Year	76,200	18/03/2024	7 mths	Y
Alder Constructions Pty Ltd	Letter of Intent - Design and Construction of a Proposed Development at Gallans Road	200,000	19/02/2024	2 mths	Y
Datacom Systems (AU) Pty Ltd	Microsoft Subscription	180,412	20/03/2024	12 mths	Y
McCarthy Consulting Group Pty Ltd	Detailed Design - Gallans Road Project	60,500	27/03/2024	12 mths	Y

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

(QBR5) Consultancy and Legal Expenses**Definition of Consultant**

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	\$846,200	Y
Legal Fees	\$16,800	Y

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

Consultancies		
	Corporate & Commercial - RAP Advisory	42,100
	Corporate & Commercial - IT Strategy	11,100
	Corporate & Commercial - Revaluation of Land and Buildings	7,000
	Corporate & Commercial - Borrowing Capacity Assessment	3,200
	Corporate & Commercial - Content Manager Upgrade	10,500
	People & Performance - International Womens Day Keynote Speaker	1,000
	Planning & Delivery – Coraki Riparian Project Revegetation	17,900
	Planning & Delivery – Dam Safety Management System	384,400
	Planning & Delivery – Modelling Connection Data	4,500
	Planning & Delivery - Renewable Energy Emissions Reduction Plan	3,000
	Planning & Delivery - ECWTP Strategic Review	79,900
	Planning & Delivery - RSL Pump Lismore Levee	4,200
	Future Water Project – Purified Recycled Water for Drinking Investigation	196,000
	Future Water Project – FWP 2060 - Emergency Desalination Investigation	81,400
Legal Fees		
	Easement Matters	8,300
	Legal Services - Lease Variation Molesworth Street	500
	Legal Services - Register Rous Business Name	100
	Legal Services - Sovereign Citizenship	3,600
	Legal Services - Advice on Purchase of Marom WTP	1,300
	Legal Services - Gallans Road for LGA & EPAA	3,000

Statement of Expenses for Councillors
Councillor Expenses for the Quarter Ending 31/03/2024 (Q3)

Quarter 3	Other Expenses	Official Business of Council - Travel	Official Business of Council - Professional Development/Training	Total by Councillor (Q3)
Councillor Bruem	0	204	1,421	1,625
Councillor Cadwallader	0	0	0	0
Councillor Gordon	0	0	0	0
Councillor Humphrys	0	48	0	48
Councillor Lyon	0	0	0	0
Councillor Mustow	0	0	0	0
Councillor Ndiaye	0	81	0	81
Councillor Rob	600	0	0	600
Total Per Expense Type	600	333	1,421	2,354


	Q1	Q2	Q3	Q4	Total by Councillor YTD
Councillor Bruem	0	3,500	1,625	0	5,125
Councillor Cadwallader	0	0	0	0	0
Councillor Gordon	0	0	0	0	0
Councillor Humphrys	0	0	48	0	48
Councillor Lyon	0	0	0	0	0
Councillor Mustow	0	0	0	0	0
Councillor Ndiaye	0	355	81	0	436
Councillor Rob	5,496	0	600	0	6,096
Total Per Expense Type	5,496	3,855	2,354	0	11,704


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	Property	Fleet	Bulk	Consolidated (Whole Organisation)	Local Government Bench Mark
1	Operating Performance	2023/24 Budget Review	(615,700)	(1,071,700)	(264,700)	(76,300)	(106,200)	(5,628,000)	(7,762,600)	Surplus
		2022/23 Actual	(875,000)	22,000	(48,000)	(124,000)	127,000	158,000	(970,000)	
2	Current Ratio	2023/24 Budget Review	(8.38)	2.95	14.29	84.31	2.90	2.38	2.41	> 1.5
		2022/23 Actual	9.88	3.14	61.26	208.52	5.58	3.65	3.99	
3	Debt Service Cover Ratio	2023/24 Budget Review	-	-	-	-	-	0.45	0.35	> 2
		2022/23 Actual	-	-	-	-	-	1.57	1.71	
4	Own Source Operating Revenue Ratio	2023/24 Budget Review	58%	5%	100%	100%	100%	96%	87%	> 60%
		2022/23 Actual	0%	2%	100%	100%	100%	77%	74%	
5	Building and Infrastructure Renewals Ratio	2023/24 Budget Review	2.36 : 1	-	6.90 : 1	4.19 : 1	-	0.46 : 1	0.94 : 1	> 1:1
		2022/23 Actual	0.17 : 1	-	1.49 : 1	0.00 : 1	-	0.95 : 1	0.97 : 1	



 Projected result meets or exceeds benchmark.

 Projected result does not meet benchmark.

(QBR6.2) Key Performance Indicators (including Capital Revenue)

An alternative set of Key Performance Indicators is provided below. This is due to capital revenue from Section 64 Developer Contribution being the second highest revenue source for Council. These indicators differ from those that are stipulated by Office of Local Government.

	# Performance Indicator		Flood	Weeds	Retail	Property	Fleet	Bulk	Consolidated (Whole Organisation)	Local Government Bench Mark
1	Operating Performance	2023/24 Budget Review	1,917,100	(1,071,700)	(249,700)	(76,300)	(106,200)	(757,200)	(344,000)	Surplus
		2022/23 Actual	(875,000)	22,000	(48,000)	(124,000)	127,000	5,333,000	4,205,000	
2	Current Ratio	2023/24 Budget Review	(8.38)	2.95	14.29	84.31	2.90	2.38	2.41	> 1.5
		2022/23 Actual	9.88	3.14	61.26	208.52	5.58	3.65	3.99	
3	Debt Service Cover Ratio	2023/24 Budget Review	-	-	-	-	-	1.42	1.82	> 2
		2022/23 Actual	-	-	-	-	-	2.57	2.62	
4	Own Source Operating Revenue Ratio	2023/24 Budget Review	58%	5%	100%	100%	100%	96%	88%	> 60%
		2022/23 Actual	0%	2%	100%	100%	100%	77%	74%	
5	Building and Infrastructure Renewals Ratio	2023/24 Budget Review	2.36 : 1	-	6.90 : 1	4.19 : 1	-	0.46 : 1	0.94 : 1	> 1:1
		2022/23 Actual	0.17 : 1	-	1.49 : 1	0.00 : 1	-	0.95 : 1	0.97 : 1	

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

Key Performance Indicator Definitions

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.

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.

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.

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.

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.

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										
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										
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	191,718	8,050
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.	676,800	0
Coraki Riparian Project	Flood	Richmond River coastal riparian project at Coraki	DPIE	Fish Habitat Action Grant	12 mths	112,160	40,000	72,160	61,646	50,514
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	-	1,485	248,515
Natural Resource Management Flood Water Sustainability Project Grant	Water	Emergency Repairs Claim	Public Works Advisory	Northern Rivers March 2022 Flood/Water Sewerage Program	N/A	1,600,000	1,600,000	0	687,924	912,076
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 (31.05.24)	8,037,600	2,009,400	0	1,203,658	805,742
Local Water Utility Grants	Water	Regional Leakage Reduction Program – Local Water Utility Grants A maximum total amount of 114,025.00 (GST exclusive) payable in instalments. This is based on 25% of \$456,100.00 (total project costs). If total project costs are less than this, the payment will be adjusted accordingly.	DPIE	Regional Leakage Reduction Program	15 mths (31.05.24)	456,100	114,025	0	126,856	329,244
Weeds Action Program 2020-25 (2024)	Weeds	Funding allocated annually	DPIE	North Coast Weeds Action Program 2020-25	12 mths	1,726,100	642,500	-	883,435	842,665
North Coast Bushfire Recovery – Delivery of – W1 Tropical Soda Apple Landholder Engagement Project in the North Coast (5 years) - YR 2	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	183,186	43,960
North Coast Bushfire Recovery – Delivery of – W1 Tropical Soda Apple Landholder Engagement Project in the North Coast (5 years) - YR 3	Weeds	Tropical Soda Apple Landholder Engagement and Compliance Program – delivery of 210 property inspections	LLS & DPI	NSW Bushfire Recovery Stimulus	60 mths	72,000	37,000	35,000	69,503	11,351
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	23,364	24,386
Miconia 2022-2023	Weeds	Miconia weed surveillance and control services in Northern NSW	QLD DAF	Miconia Weed Surveillance 2022-2024	12 mths	99,000	99,000	0	47,783	51,217
Early Needs Weed Management	Weeds	Early Needs Weed Management Project	LLS	Early Needs Weed Management Program	24 mths	710,000	710,000	0	644,346	65,654

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
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	12m	49,995	49,995	-	-	49,995
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	953	29,047
Frogbit 2023	Weeds	Expand inspections areas, treatment of Frogbit infestation and follow up treatment	DPI	New Weed Incursion - Frogbit (Limnobia laevigatum) Rapid Response	6 mths	30,000	20,000	10,000	13,469	16,531
DPI Endemic 2020-2025	Weeds	Grant - Depart. of Primary Industries - Endemic	DPI	Grant - Depart. of Primary Industries - Endemic	5 years	507,964	507,964	-	-	507,964
Tropical Soda Apple High Risk Pathways	Weeds	Next 12 months -Continue surveillance/control of the Tropical Soda apple in identified high risk pathways	DPI	Tropical Soda Apple High Risk Pathways	12 mths	32,000	30,000	2,000	53	31,947
East Coraki Riparian Project	Flood	East Coraki reserve coastal and estuary implementation program	DPI	2021-22 Coastal and Estuary Implementation Program	3 years	80,000	40,000	40,000	-	80,000
Wilson's River Tidal Pool Riparian - Riparian Restoration	Water	Wilson River tidal pool - riparian restoration (Leedman Property)	DPIE	2023-2024 Coast and Estuary Grants Program - Implementation Stream	3 years	55,860	27,930	27,930	-	55,860
Richmond River Tidal Inundation Assessment	Flood	A tidal inundation assessment for the entire tidal inundation reach of the Richmond River estuary - delineated over two areas, Ballina Shire LGA as one part, and the full extent of tidal zone of the estuary (incorporating Richmond Valley and Lismore City Council LGAs) as the second part	Dept of Climate Change, Energy, the Env and Water	2023-2024 Coast and Estuary Grants Program - Planning Stream	1 year	60,000	40,000	20,000	-	60,000
Richmond River Bank and Condition Assessment	Flood	A riverbank and riparian condition assessment that implements a comprehensive review of existing conditions in the Richmond. Outcomes of the assessment can be used to prioritise investment in future on-ground river restoration works.	Dept of Climate Change, Energy, the Env and Water	2023-2024 Coast and Estuary Grants Program - Planning Stream	1 year	390,000	260,000	130,000	-	390,000
Wilson's River Elevated Crossing Bexhill	Water	Grant - Bexhill Mains Elevated Crossing	DRNSW	Infrastructure Betterment Fund Department of Regional NSW	18 months (30.05.2025)	2,435,000	2,435,000	-	-	2,435,000
Bungawalbyn Levee Rock Armour Repairs	Flood	Investigations and reinstatement of slump levee at Bungawalbyn	Public Works Advisory	Natural Disaster Relief Assistance Program	9 months	237,500	237,500	-	6,275	231,225
Bungawalbyn Creek Flagship Fish Habitat	Water	Restoration of Bungawalbyn Creek to halt erosion and restore fish habitat	DPI	Flagship Fish Habitat Grants	3 years	289,250	138,000	151,250	-	289,250
Water & Wastewater Repair and Recovery Program (Phase 2)	Water	St Helena DN525 Aerial Crossing works under Phase 2 of the Water and Wastewater Repair and Recovery Program	NSW Public Works (Dept Regional NSW)	Water and Wastewater Repair and Recovery Program - Phase 2	N/A	499,823	499,823	-	499,823	-
Wilson River Reach Fish Habitat Action Grant 2023	Water	Boat Harbour Riparian Repair Project	DPIE	Habitat Action Grants	TBC	96,737	40,000	56,737	-	96,737
Unsuccessful grant applications										

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 2023/24 Operational Plan.

Public Exhibition: Operational Plan (incorporating the 2024/25 Budget and 'Revenue' policy)

Responsible Officer: Group Manager Corporate and Commercial (Helen McNeil)

Recommendation

That:

1. Council endorses the draft Operational Plan (incorporating the 2024/25 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 2024 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 2024 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 2024/25 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 2024/25 Budget and 'Revenue' policy) placed on public exhibition, is deemed to be adopted by Council.
5. Subject to any variations arising as a result of '3' above, Council approve external borrowings of \$30M for capital works projects for 2024/25 and authorise the General Manager to negotiate with financial institutions to accept the preferred loan offer including the term and type of borrowing.
6. Council authorise associated loan documentation to be signed by the General Manager (or under seal if required).

Draft 2024/25 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 2024 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.

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 LTFFP incorporates significant expenditure associated with the Future Water Program (FWP). This includes 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 increased bulk water charges to constituent councils (7.0% per annum for the next 3 years). 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 continue.

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 2024.

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	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$	2034 Estimate \$
Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	50,997,600	53,794,600	56,821,400	59,944,400	61,140,400	62,357,900
Operating Expense	36,985,000	35,045,800	37,133,500	37,946,500	38,298,800	37,881,300	38,099,100	40,428,100	40,618,300	40,941,800
Operating Result	1,868,900	5,390,800	3,863,800	5,428,000	12,698,800	15,913,300	18,722,300	19,516,300	20,522,100	21,416,100
Less: Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	10,625,400	14,430,200	13,197,100	15,262,800	22,798,300	26,181,600	29,212,100	30,368,800	31,879,800	33,022,300
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayment	4,256,900	4,661,900	4,350,600	2,605,000	2,255,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400
Less: Capital Expense	36,601,700	17,220,300	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Reserve Transfers	233,200	7,452,000	(2,424,700)	(3,215,300)	1,358,600	(8,284,800)	(17,619,800)	(1,679,100)	22,300	(19,555,300)
Estimated Cash Reserve \$	21,408,800	13,956,800	16,381,500	19,596,800	18,238,200	26,523,000	44,142,800	45,821,900	45,799,600	65,354,900

The outlook depicts an organisation heavily invested in capital works. The operating result includes capital revenue, with forecast deficits until 2028/29 when capital revenue is excluded. 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 \$202.0M supported by external borrowings of \$50M. Cash reserves remain relatively stable until 2029/30 when cash begins to grow.

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

Table 2: Bulk Water Reporting Unit Forecast Operating Performance

Description	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$	2034 Estimate \$
Operating Income	31,058,300	33,171,200	33,359,300	35,362,700	42,607,200	44,995,700	47,594,000	50,253,600	51,254,900	52,274,800
Operating Expense	28,211,300	26,904,200	28,969,400	29,594,400	29,684,300	28,905,300	28,857,500	30,837,500	30,893,200	31,040,100
Operating Result	2,847,000	6,267,000	4,389,900	5,768,300	12,922,900	16,090,400	18,736,500	19,416,100	20,361,700	21,234,700
Less: Depreciation	7,036,600	7,293,700	7,561,400	8,036,300	8,274,000	8,415,400	8,609,100	8,943,700	9,420,300	9,639,800
Operating Result Excl. Non Cash	9,883,600	13,560,700	11,951,300	13,804,600	21,196,900	24,505,800	27,345,600	28,359,800	29,782,000	30,874,500
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayment	4,256,900	4,661,900	4,350,600	2,605,000	2,255,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400
Less: Capital Expense	36,018,000	16,554,700	15,229,200	18,437,400	20,882,900	14,223,100	8,232,300	25,198,600	27,871,700	9,689,500
Reserve Transfers	391,300	7,655,900	(2,371,500)	(3,762,200)	1,941,000	(8,912,900)	(16,622,200)	(542,000)	844,200	(18,287,600)
Estimated Cash Reserve \$	18,293,800	10,637,900	13,009,400	16,771,600	14,830,600	23,743,500	40,365,700	40,907,700	40,063,500	58,351,100

Overview

- The LTFP sees significant additional spending due to the future water program to secure our regions water.
- Over the next ten years the FWP will focus on building bores at Woodburn, a groundwater treatment plant at Alstonville, the Marom Creek water treatment plant, land acquisitions for groundwater and Tyagarah groundwater.
- The focus of the LTFP is to grow the operating surplus over the LTFP period, whilst carefully balancing the amount of borrowings Council takes and the impact of servicing those loans.
- Council has sought to contain operating costs across that timeframe, the main variability arises from salary and wage costs, chemical and electricity prices and work on projects.

Revenue

- The majority of bulk water revenue comes directly from the Constituent Councils. Council has sought to provide surety to those Councils by adhering to the previously advised price path as below.

Table 3: Forecast % Increase to constituent councils' contributions for Bulk Water

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative Total
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%	78.8%

- Council's charging methodology means the allocation to each council is based on the prior year's usage.
- Water consumption increased over the calculation period with Byron and Richmond Valley's proportion of the weighted average charge increasing beyond the 7.0% increase.

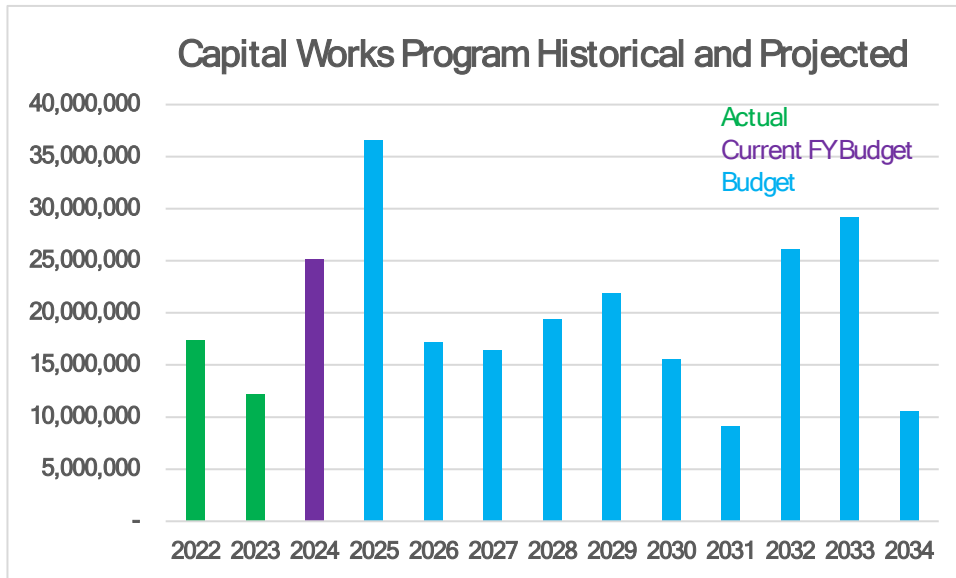
Table 4: Proposed Bulk Water Contributions Constituent Councils and Retail Water

	2023/24 \$	2024/25 \$	Movement %	Movement \$
Lismore City Council	6,542,200	6,873,500	5.06	331,300
Byron Council	5,571,300	6,374,300	14.41	803,000
Richmond Valley Council	1,348,700	1,483,900	10.02	135,200
Ballina Council	8,334,500	8,799,100	5.57	464,600
Rous Retail	2,041,000	1,975,500	(3.21)	(65,500)
Total	23,837,700	25,506,300	7.00	1,668,600

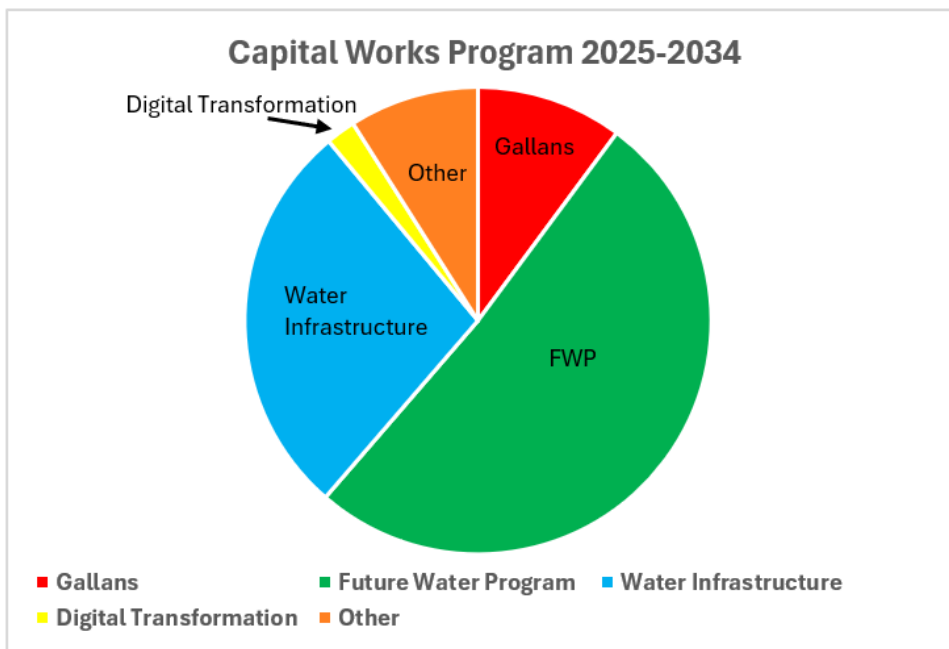
Capital Works

- FY25 capex is significantly higher than other years and includes one-off projects for our new consolidated workplace premises and digital transformation project as well as investment in the future water program.
- Over the next ten years the FWP capex results in a significant cost increase representing \$103.4M or 51.2% of total capital works.

Graph 1: Capital Works Program Historical and Projected



Graph 2: Capital Works Program 2025-2034



Funding

- The scale of the capital works to be undertaken will result in additional borrowings being required over the LTFP period.

- A balance is required between what Council can borrow to fund works and the additional costs required to repay these funds, particularly with current interest rates resulting in financing costs being more expensive than in recent years.

Table 5: Estimated Borrowings 2024/25 – 2033/34

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Amount \$	30,000,000	-	10,000,000	10,000,000	-	-	-	-	-	-	50,000,000
Estimated Rate	6.50%		5.50%	5.00%							5.67%

- 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 a 20 year term.

Retail Water

Table 6: Retail Water Reporting Unit Forecast Operating Performance

Description	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$	2034 Estimate \$
Operating Income	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Operating Expense	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Operating Result	7,700	(165,000)	(47,100)	41,100	144,800	262,900	389,700	534,200	583,300	609,100
Less: Depreciation	526,500	534,400	542,400	550,500	558,800	567,200	575,700	584,300	593,100	602,000
Operating Result Excl. Non Cash	534,200	369,400	495,300	591,600	703,600	830,100	965,400	1,118,500	1,176,400	1,211,100
Less: Capital Expense	168,200	90,800	492,600	94,500	96,400	498,300	100,300	102,300	504,300	106,400
Reserve Transfers	(366,000)	(278,600)	(2,700)	502,900	(607,200)	668,200	(865,100)	(1,016,200)	(672,100)	(1,104,700)
Estimated Cash Reserve \$	641,000	919,600	922,300	419,400	1,026,600	358,400	1,223,500	2,239,700	2,911,800	4,016,500

Overview

- Significant investment has occurred in the retail water business over the last year as Smart Metering and Backflow devices have been rolled out. Costs associated with those projects will be recouped through a charge.
- Otherwise, overall costs are relatively flat.

Revenue

- Water pricing will increase by 8.0%, largely due to the increased cost of bulk water increasing by 7.0%.

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

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	2.00%	2.50%

Flood Mitigation

Table 8: Flood Mitigation Reporting Unit Forecast Operating Performance

Description	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$	2034 Estimate \$
Operating Income	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Operating Expense	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Operating Result	(551,300)	(519,700)	(469,500)	(445,400)	(435,900)	(498,100)	(448,600)	(442,700)	(410,500)	(406,100)
Less: Depreciation	716,300	727,000	737,900	749,000	760,200	771,600	783,200	794,900	806,800	818,900
Operating Result Excl. Non Cash	165,000	207,300	268,400	303,600	324,300	273,500	334,600	352,200	396,300	412,800
Less: Capital Expense	219,500	225,800	236,700	332,600	358,600	405,600	367,600	367,600	368,600	369,700
Reserve Transfers	54,500	18,500	(31,700)	29,000	34,300	132,100	33,000	15,400	(27,700)	(43,100)
Estimated Cash Reserve \$	577,500	559,000	590,700	561,700	527,400	395,300	362,300	346,900	374,600	417,700

Table 9: Flood Mitigation Reporting Unit Operating Result Excluding Lismore Levee Depreciation

	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Operating Result	(551,300)	(519,700)	(469,500)	(445,400)	(435,900)	(498,100)	(448,600)	(442,700)	(410,500)	(406,100)
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	(158,100)	(120,600)	(64,400)	(34,200)	(18,500)	(74,400)	(18,500)	(6,100)	32,600	43,600

Overview

- Council’s Flood Mitigation function operates on a very tight budget, based largely on a State government funding model that was designed pre-1983 and has not seen any increases (not even by CPI) since.
- There have been no material increases to costs, however, additional grant funding has been sought in order to complete more works.
- The Lismore Levee continues to be owned by Council with the depreciation of the asset not being funded.

Revenue

- Contributions will increase by 8.0% as previously agreed with Constituent Councils to make Flood Mitigation more financial sustainable.
- These cost increases are not significant in dollar terms and are vital for this function to continue its core operations.

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

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative Total
Proposed % Increase	4.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	25.0%

Table 11: Proposed Flood Mitigation Council Contributions 2024/25

Service Area	2023/24	2024/25	Increase
Ballina Shire Council	302,700	326,900	24,200
Lismore City Council	302,700	326,900	24,200
Richmond Valley Council	302,700	326,900	24,200
	908,100	980,700	72,600

Table 12: Proposed Ex-Drainage Union Council Contributions 2024/25

Service Area	2023/24	2024/25	Increase
Ballina Shire Council	41,800	43,700	1,900
Lismore City Council	41,800	43,700	1,900
Richmond Valley Council	4,000	4,200	200
	87,600	91,600	4,000

Weed Biosecurity

Table 13: Weed Biosecurity Reporting Unit Forecast Operating Performance

Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Operating Expense	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Operating Result	(161,900)	58,500	197,800	198,800	204,400	204,100	198,300	169,100	156,000	157,500
Less: Depreciation	31,500	32,000	32,500	33,000	33,500	34,000	34,500	35,000	35,500	36,000
Operating Result Excl. Non Cash	(130,400)	90,500	230,300	231,800	237,900	238,100	232,800	204,100	191,500	193,500
Less: Capital Expense	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000	20,000	20,000
Reserve Transfers	151,400	(90,500)	(208,300)	(187,800)	(193,900)	(218,100)	(212,800)	(184,100)	(171,500)	(173,500)
Estimated Cash Reserve \$	665,900	756,400	964,700	1,152,500	1,346,400	1,564,500	1,777,300	1,961,400	2,132,900	2,306,400

Overview

- Council continues to deliver weed biosecurity works throughout the region, to our Constituent Councils and to Kyogle and Tweed on a fee for service arrangement.

Revenue

- Council contributions increase annually with the rate peg %. Since each Council has received an individual rate peg, the lowest increase of 4.6% has been applied.

Table 14: Forecast Price Path for Constituent Council Contributions

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative Total
Proposed % Increase	4.60%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	25.0%

Table 15: Proposed Weed Biosecurity Council Contributions

Service Area	2023/24 \$	2024/25 \$	Increase \$
Ballina Shire Council	123,000	128,700	5,700
Byron Shire Council	123,000	128,700	5,700
Lismore City Council	161,700	169,100	7,400
Richmond Valley Council	133,800	140,000	6,200
Total Contributions	541,500	566,500	
Kyogle Shire Council *	134,900	141,100	6,200
Tweed Shire Council *	185,200	193,700	8,500
Total Fees	320,100	334,800	
Total Contributions and Fees	861,600	901,300	39,700
Total % Increase			4.6%

* Under service level agreement

Property

Table 16: Property Forecast Operating Performance

Description	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$	2034 Estimate \$
Operating Income	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Operating Expense	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Operating Result	(170,800)	(133,400)	(80,300)	5,900	12,300	10,500	7,700	5,700	2,400	700
Less: Depreciation	43,800	44,500	45,200	45,900	46,600	47,300	48,000	48,700	49,400	50,100
Operating Result Excl. No	(127,000)	(88,900)	(35,100)	51,800	58,900	57,800	55,700	54,400	51,800	50,800
Less: Capital Expense	50,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000
Reserve Transfers	177,000	139,900	87,100	1,200	(4,900)	(2,800)	300	2,600	6,200	8,200
Estimated Cash Reserve \$	469,500	329,600	242,500	241,300	246,200	249,000	248,700	246,100	239,900	231,700

Overview

- Council sub-leases the Molesworth Street administration building, has one commercial property in the Lismore CBD, holds rural residential rental properties and the Perradenya estate.

Table 17: Fleet Reporting Unit Forecast Operating Performance

Description	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$	2033 Estimate \$	2034 Estimate \$
Operating Income	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Operating Expense	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Operating Result	(101,800)	(116,600)	(127,000)	(140,700)	(149,700)	(156,500)	(161,300)	(166,100)	(170,800)	(179,800)
Less: Depreciation	401,800	407,800	413,900	420,100	426,400	432,800	439,300	445,900	452,600	459,400
Operating Result Excl. No	300,000	291,200	286,900	279,400	276,700	276,300	278,000	279,800	281,800	279,600
Less: Capital Expense	125,000	298,000	389,300	481,000	466,000	325,000	325,000	325,000	325,000	325,000
Reserve Transfers	(175,000)	6,800	102,400	201,600	189,300	48,700	47,000	45,200	43,200	45,400
Estimated Cash Reserve \$	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	761,100	754,300	651,900	450,300	261,000	212,300	165,300	120,100	76,900	31,500

Overview

- Fleet provides fit-for-purpose fleet including vehicles, boats, trailers and heavy plant at an economical rental to the other Reporting Units. There are approximately 106 items within the Fleet.

Statement of Revenue Policy – 2024/25

Proposed fees and charges for the 2024/25 financial year include: -

- Bulk water sales revenue – an increase of 7.0% to \$2.34 per kilolitre.
- Retail water sales – an increase of 8.0% to \$3.28 per kilolitre for water usage. The fixed facility charges will also increase by 8.0%.
- Developer charges – an increase of 4.2% to \$10,350.00 per equivalent tenement (based on the revised Development Servicing Plans that were adopted by Council in February 2023 [6/23] adjusted for CPI).
- Developer charges for Retail customers – an increase of 4.2% to \$399.00.
- Weed biosecurity contributions – an increase of 4.6% in line with rate pegging.
- Flood mitigation contributions – an increase of 8.0%.
- Ex-drainage union contributions - an increase of 4.6% in line with rate pegging.
- Backflow device annual charge – the existing fee of \$196.00 remains (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 4.1% 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 2024/25:

(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) Creating 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.

Council has until 30 June 2024 to endorse the draft Operational plan and its supporting elements.

Design and artwork for the Operational plan will occur after public exhibition. This approach enables any changes to be easily made prior to the design copy being finalised and published.

Consultation

If approved, the draft Operational plan (incorporating the 2024/25 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 2024 meeting. Otherwise, if no public submissions are made, it is proposed that the documents, as placed on public exhibition, be deemed to be adopted.

Conclusion

The proposed draft Operational plan (incorporating the 2024/25 Budget and 'Revenue' policy) is recommended to Council for public exhibition.

Attachments:

1. Long-Term Financial Plan 1 July 2024 to 30 June 2034 (concise)
2. Draft Operational plan (incorporating the 2024/25 Budget and Revenue policy)



Long-Term Financial Plan

1 July 2024 – 30 June 2034

Bulk water | Retail water
Flood mitigation | Weed biosecurity
Property

Concise version

4 April 2024

Version	Description	Person responsible	Reviewed by	Approved by / Date
0.1	Draft	J. Patino	G. Ward	Council 31/03/2024
0.2	Approved for public exhibition	J. Patino	G. Ward	DRAFT

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NOTE: the full version of the Long-Term Financial Plan can be [found here](#).

1. Introduction

1.1. The Long-Term Financial Plan (LTFP)

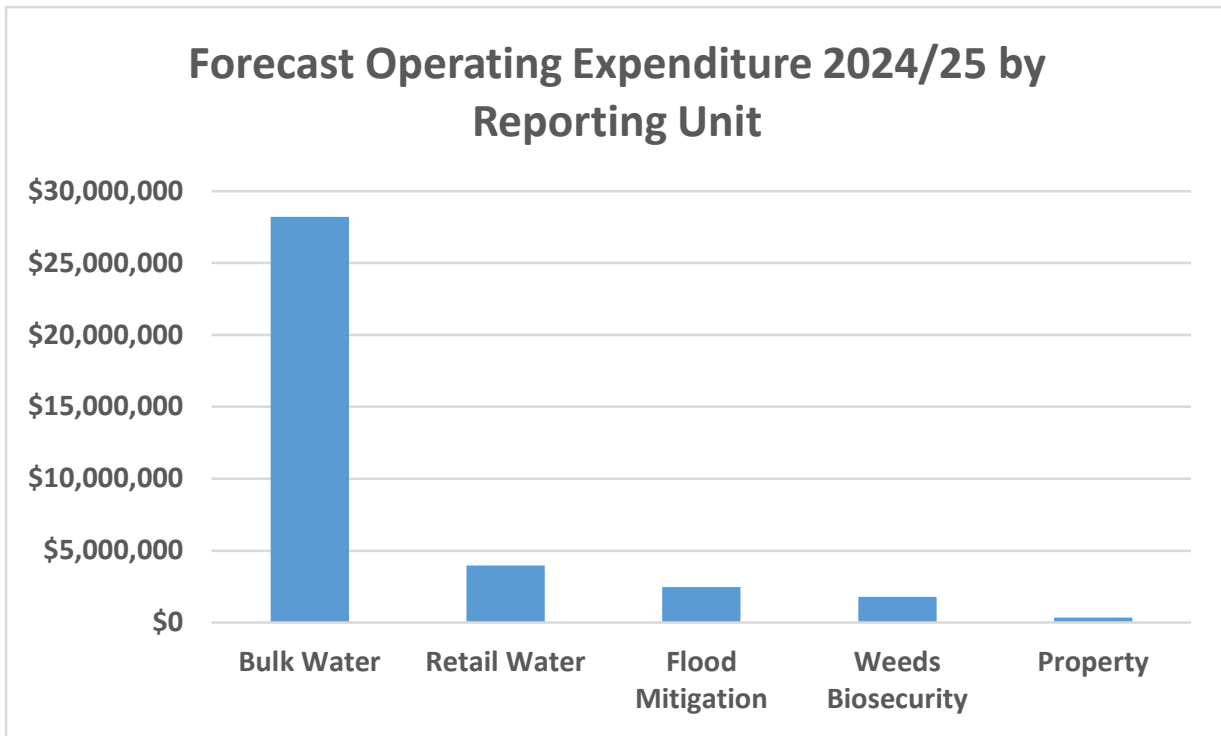
- i. Is a regulatory requirement and forms part of Rous County Council's (Rous) Resourcing Strategy within its Integrated Planning and Reporting (IP&R) Framework.
- ii. Is based on a financial planning period of ten years from 2024/25 to 2033/34. It is relevant to note that Rous also prepare a 30-year 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 76% of the consolidated organisation.

Graph 1: Forecast operating expenditure 2024/25 shows the forecast operating expenditure of each of the reporting units in the 2024/25 financial year.

Graph 1: Forecast operating expenditure 2024/25



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 >\$770 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 \$103 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 2020/21, 2021/22 and 2022/23. This information is useful to assess Rous's previous performance and financial position.

Table 1: Historical performance

	Actuals		
	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)
Operating Result			
Operating Revenue	30,575	34,562	36,088
Operating Expenditure	26,251	31,199	31,883
Operating Result	4,324	3,363	4,205
Adjusted Operating Result excluding Capital Grants and Contributions	(911)	(2,268)	(971)
Cash and Investments			
Total Cash and Investments	49,380	40,554	37,772
Other Balance Sheet			
Infrastructure, Property, Plant and Equipment	497,086	510,498	569,037
Outstanding Loan Principal	32,358	28,960	25,355
Performance Indicators			
Operating Performance Ratio (Benchmark >0.00%)	-4.92%	-5.58%	-0.88%
Own Source Operating Revenue Ratio (Benchmark >60.00%)	78.85%	73.82%	79.50%
Unrestricted Current Ratio (Benchmark >1.50x)	7.03x	4.26x	4.02x
Debt Service Cover Ratio (Benchmark >2.00x)	1.59x	1.65x	1.71x
Cash Expense Cover Ratio (Benchmark >3.00 months)	25.80 months	19.90 months	15.24 months
Performance Indicators (including Capital Revenue)			
Operating Performance Ratio (Benchmark >0.00%)	14.14%	9.73%	11.65%
Debt Service Cover Ratio (Benchmark >2.00x)	2.80x	2.73x	2.71x

3. Financial modelling

3.1. Methodology

The LTFP forecasts the ten years from 2024/25 to 2033/34, 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 adopted changes in the Quarterly Budget Review Statement for the quarter ended 31 March 2024.

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.

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 – 2024/25 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).

Table 2: Colour scheme

LTFP category	Time period	Colour scheme
Operational Plan	2024/25	
Delivery Program	2025/26 – 2027/28	
LTFP	2028/29 – 2033/34	

It will be noted that the **net cash movement** (*Table 4: 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 2024/25 and beyond in a similar fashion to the current financial year.

Table 3: 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 3: Main budget assumptions

Main Assumptions and Projected Price Paths	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Consumer Price Index	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rate Pegging	104.60%	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%
Salary and Wages	102.00%	103.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Cost for Retail	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%	102.00%
Loan Interest Rate	6.50%	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.95%
Investment Interest Rate	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.05%
Flood Council Contributions	108.00%	105.00%	104.00%	104.00%	103.00%	103.00%	102.50%	102.50%	102.50%	102.50%
Weeds Council Contributions	104.60%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Council Contributions	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	102.00%	102.00%
Retail Water	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	102.00%	102.50%

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 based on market-based predictions 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 (FWP): 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.

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 2024. 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 4: 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 4: Consolidated organisation operating performance

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	42,607,200	44,995,700	47,594,000	50,253,600	51,254,900	52,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	50,997,600	53,794,600	56,821,400	59,944,400	61,140,400	62,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,211,300	26,904,200	28,969,400	29,594,400	29,684,300	28,905,300	28,857,500	30,837,500	30,893,200	31,040,100
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	36,985,000	35,045,800	37,133,500	37,946,500	38,298,800	37,881,300	38,099,100	40,428,100	40,618,300	40,941,800
Operating Result	1,868,900	5,390,800	3,863,800	5,428,000	12,698,800	15,913,300	18,722,300	19,516,300	20,522,100	21,416,100
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	10,625,400	14,430,200	13,197,100	15,262,800	22,798,300	26,181,600	29,212,100	30,368,800	31,879,800	33,022,300
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,256,900	4,661,900	4,350,600	2,605,000	2,255,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400
Less: Capital Expense	36,601,700	17,220,300	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	233,200	7,452,000	(2,424,700)	(3,215,300)	1,358,600	(8,284,800)	(17,619,800)	(1,679,100)	22,300	(19,555,300)
Estimated Reserves Whole Organisation										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Estimated Reserves Whole Organisation	21,408,800	13,956,800	16,381,500	19,596,800	18,238,200	26,523,000	44,142,800	45,821,900	45,799,600	65,354,900
Net Reserve Movement	(233,200)	(7,452,000)	2,424,700	3,215,300	(1,358,600)	8,284,800	17,619,800	1,679,100	(22,300)	19,555,300

Key points on operating performance

Recent history

An operating loss before capital grants and contributions has occurred in each of the last three years. Capital revenue through Section 64 contributions is Council's second largest source of revenue and with this revenue included, surpluses have occurred.

The Bulk Water price continues to increase to improve Council's financial performance and allow for the additional capital works associated with the Future Water Program.

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 (excluding capital revenue) until 2028/29.

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 \$50 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 2027/2028 when the majority of the existing loans expire, which results in saving of 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

Several ratios do not meet the Office of Local Government benchmarks predominantly due to the increased costs of the FWP, 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 5: Consolidated organisation forecast ratios*.

Table 5: Consolidated organisation forecast ratios

	Long-Term Financial Plan									
	Operational Plan	Delivery Program			2029	2030	2031	2032	2033	2034
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Rous County Council - Whole of Organisation										
Financial Ratios										
Operating Performance Ratio Expressed as a Percentage	(12.40)	(5.24)	(5.18)	(1.24)	14.70	20.22	24.24	23.98	24.98	25.72
<u>Operating Income less Operating Expense</u>										
Operating Income										
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This benchmark is met from 2028/29 onwards primarily due to the Bulk Water price path which enables operating revenue to exceed operating expenditure.									
Own Source Operating Revenue Expressed as a Percentage	93.12	97.54	97.67	97.80	87.02	87.73	88.41	89.03	89.22	89.41
<u>Operating Income less Grants and Contributions</u>										
Total Operating Income										
Benchmark	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	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	1.07	1.36	1.44	2.18	3.76	4.34	4.85	5.01	5.22	5.37
<u>Operating Result excluding Loan Interest and Depreciation</u>	6,549,900	9,859,400	10,346,200	12,477,800	19,682,100	22,737,300	25,426,200	26,226,500	27,365,900	28,121,100
Loan Repayments Principal/Interest	6,131,300	7,227,700	7,193,600	5,713,200	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300
Benchmark	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This benchmark is met from 2027/28 onwards as existing loans are repaid and operating results improve.									
Unrestricted Current Ratio	2.37	1.81	2.37	2.78	2.58	3.36	5.01	5.04	4.92	6.55
<u>Current Assets less External Restrictions</u>	27,585,100	20,256,700	22,807,600	26,151,500	24,923,900	33,342,500	51,098,700	52,916,900	53,036,500	72,736,500
Current Liabilities Less Specific Purpose Liabilities	11,663,200	11,219,700	9,611,500	9,401,600	9,659,300	9,926,400	10,203,300	10,490,400	10,788,000	11,096,900
Benchmark	>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
Comment	This ratio exceeds the benchmark in all years.									
Buildings and Infrastructure Renewals ratio	48.49	62.01	55.15	78.85	151.60	82.95	22.12	92.05	32.51	20.31
<u>Asset Renewals</u>	4,246,280	5,605,175	5,147,300	7,755,000	15,310,900	8,517,500	2,319,900	9,990,200	3,692,350	2,357,200
Depreciation, Amortisation and Impairment	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Fail	Fail	Fail	Fail	Pass	Fail	Fail	Fail	Fail	Fail
Comment	The benchmark is generally not met due to a focus on new assets. Renewal expenditure varies depending on the life cycle of existing assets which are generally long-lived and do not require renewal in the short-term.									

Table 5a: Select consolidated organisation forecast ratios (total revenue)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
Rous County Council - Whole of Organisation	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios (including Capital Revenue)	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage <u>Operating Income less Operating Expense</u>	4.81	13.33	9.42	12.51	24.90	29.58	32.95	32.56	33.57	34.34
Operating Income										
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This ratio exceeds the benchmark in all years.									
Debt Service Cover Ratio	2.04	2.35	2.23	3.22	4.92	5.55	6.10	6.30	6.56	6.75
<u>Operating Result excluding Loan Interest and Depreciation</u>	12,499,800	16,996,000	16,040,100	18,371,000	25,781,600	29,050,100	31,959,300	32,987,900	34,363,600	35,363,200
Loan Repayments Principal/Interest	6,131,300	7,227,700	7,193,600	5,713,200	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300
Benchmark	>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
Comment	This ratio exceeds the benchmark in all years.									

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.

Council's borrowing capacity has been assessed in developing the plans as infrastructure expansion requires significant investment.

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 6: Consolidated organisation forecast balance sheet*.

Table 6: Consolidated organisation forecast balance sheet

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
ASSETS										
Current Assets										
Cash and Cash Equivalents	6,919,500	6,230,000	6,539,600	6,326,200	6,378,600	6,266,400	6,862,500	6,378,300	6,506,700	5,763,200
Investments	14,489,300	7,726,800	9,841,900	13,270,600	11,859,600	20,256,600	37,280,300	39,443,600	39,292,900	59,591,700
Receivables	4,424,100	4,512,700	4,603,100	4,695,200	4,789,100	4,885,000	4,982,700	5,082,300	5,184,000	5,287,600
Inventories	413,000	421,200	429,700	438,300	447,000	455,900	465,000	474,300	483,700	493,400
Other	0	0	0	0	0	0	0	0	0	0
Investment Property	0	0	0	0	0	0	0	0	0	0
Non-Current Assets Classified as Held for Sale	1,339,200	1,366,000	1,393,300	1,421,200	1,449,600	1,478,600	1,508,200	1,538,400	1,569,200	1,600,600
Total Current Assets	27,585,100	20,256,700	22,807,600	26,151,500	24,923,900	33,342,500	51,098,700	52,916,900	53,036,500	72,736,500
Non-Current Assets										
Investments	0	0	0	0	0	0	0	0	0	0
Receivables	0	0	0	0	0	0	0	0	0	0
Inventories	1,440,300	1,469,100	1,498,500	1,528,500	1,559,100	1,590,300	1,622,100	1,654,500	1,687,600	1,721,300
Infrastructure	575,075,700	581,827,600	589,246,000	599,076,300	611,122,800	616,797,200	615,831,000	631,478,200	649,704,200	649,110,700
Property, Plant and Equipment	31,058,400	31,514,100	32,089,500	32,762,400	33,426,200	33,955,100	34,490,200	35,031,700	35,579,700	36,134,400
Investments Accounted for Using Equity Method	0	0	0	0	0	0	0	0	0	0
Investment Property	0	0	0	0	0	0	0	0	0	0
Intangible Assets	3,431,400	5,064,300	4,864,000	4,659,700	4,451,300	4,238,700	4,021,900	3,800,700	3,575,100	3,345,000
Other	438,500	447,300	456,200	465,300	474,600	484,100	493,800	503,700	513,800	524,100
Total Non-Current Assets	611,444,300	620,322,400	628,154,200	638,492,200	651,034,000	657,065,400	656,459,000	672,468,800	691,060,400	690,835,500
TOTAL ASSETS	639,029,400	640,579,100	650,961,800	664,643,700	675,957,900	690,407,900	707,557,700	725,385,700	744,096,900	763,572,000
LIABILITIES										
Current Liabilities										
Payables	3,743,200	3,818,200	3,894,600	3,972,500	4,051,900	4,133,000	4,215,700	4,300,100	4,386,100	4,473,900
Contract Liabilities	528,500	539,100	549,900	560,900	572,100	583,500	595,200	607,100	619,200	631,600
Lease Liabilities	267,100	0	0	0	0	0	0	0	0	0
Borrowings	4,661,900	4,350,600	2,605,000	2,255,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400	3,048,400
Provisions	2,462,500	2,511,800	2,562,000	2,613,200	2,665,500	2,718,800	2,773,200	2,828,700	2,885,300	2,943,000
Income Received in Advance	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	11,663,200	11,219,700	9,611,500	9,401,600	9,659,300	9,926,400	10,203,300	10,490,400	10,788,000	11,096,900
Non-Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	42,611,200	38,260,700	45,655,700	53,400,600	51,031,100	48,539,900	45,920,700	43,166,200	40,268,800	37,220,300
Provisions	70,400	71,800	73,200	74,700	76,200	77,700	79,300	80,900	82,500	84,200
Total Non-Current Liabilities	42,681,600	38,332,500	45,728,900	53,475,300	51,107,300	48,617,600	46,000,000	43,247,100	40,351,300	37,304,500
TOTAL LIABILITIES	54,344,800	49,552,200	55,340,400	62,876,900	60,766,600	58,544,000	56,203,300	53,737,500	51,139,300	48,401,400
NET ASSETS	584,684,600	591,026,900	595,621,400	601,766,800	615,191,300	631,863,900	651,354,400	671,648,200	692,957,600	715,170,600

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 7: Consolidated organisation forecast statement of cash flows*.

Table 7: Consolidated organisation forecast statement of cash flows

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Consolidated										
Cash Flows from Operating Activities										
<u>Receipts</u>										
User Charges and Fees	27,461,400	29,359,100	31,391,700	33,568,700	35,900,400	38,398,000	41,073,200	43,938,800	44,808,000	45,721,000
Investment and Interest Revenue Received	858,500	801,900	707,000	640,000	666,200	691,800	767,000	738,500	770,200	770,200
Grants and Contributions	10,094,100	9,905,900	8,524,700	8,787,500	14,048,200	14,317,400	14,589,100	14,870,100	15,160,200	15,459,600
Other	1,466,600	1,396,400	1,400,600	1,405,000	1,409,500	1,414,100	1,418,800	1,423,700	1,428,700	1,433,800
<u>Payments</u>										
Employee Benefits and On-Costs	(12,486,600)	(12,547,400)	(12,085,400)	(12,265,300)	(12,435,700)	(12,588,800)	(12,798,300)	(13,041,500)	(13,287,100)	(13,537,800)
Materials and Services	(16,869,700)	(14,033,700)	(16,160,200)	(16,184,900)	(16,396,400)	(15,953,000)	(16,055,000)	(18,113,700)	(17,720,200)	(17,751,500)
Borrowing Costs	(1,874,400)	(2,565,800)	(2,843,000)	(3,108,200)	(2,983,300)	(2,868,500)	(2,747,200)	(2,619,100)	(2,483,800)	(2,340,900)
Other	1,975,500	2,113,800	2,261,700	2,420,000	2,589,400	2,770,600	2,964,500	3,172,000	3,203,800	3,267,900
Net Cash Flows from Operating Activities	10,625,400	14,430,200	13,197,100	15,262,800	22,798,300	26,181,600	29,212,100	30,368,800	31,879,800	33,022,300
Cash Flows from Investing Activities										
<u>Receipts</u>										
Redemption of Term Deposits	15,000,000	8,000,000	10,000,000	13,500,000	12,500,000	20,500,000	37,500,000	39,500,000	39,500,000	60,000,000
Sale of Investment Property	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Assets	0	0	0	0	0	0	0	0	0	0
Sale of Infrastructure, Property, Plant and Equipment	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>										
Acquisition of Term Deposits	(15,000,000)	(8,000,000)	(10,000,000)	(13,500,000)	(12,500,000)	(20,500,000)	(37,500,000)	(39,500,000)	(39,500,000)	(60,000,000)
Purchase of Infrastructure, Property, Plant and Equipment	(34,000,900)	(15,605,000)	(16,369,800)	(19,389,500)	(21,847,900)	(15,472,000)	(9,045,200)	(26,013,500)	(29,089,600)	(10,510,600)
Purchase of Real Estate Assets	(50,000)	(51,000)	(52,000)	(53,000)	(54,000)	(55,000)	(56,000)	(57,000)	(58,000)	(59,000)
Purchase of Intangible Assets	(2,550,800)	(1,564,300)	0	0	0	0	0	0	0	0
Net Cash Flows from Investing Activities	(36,601,700)	(17,220,300)	(16,421,800)	(19,442,500)	(21,901,900)	(15,527,000)	(9,101,200)	(26,070,500)	(29,147,600)	(10,569,600)
Cash Flows from Financing Activities										
<u>Receipts</u>										
Proceeds from Borrowings	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
<u>Payments</u>										
Repayment of Borrowings	(4,256,900)	(4,661,900)	(4,350,600)	(2,605,000)	(2,255,000)	(2,369,800)	(2,491,100)	(2,619,200)	(2,754,500)	(2,897,400)
Net Cash Flows from Financing Activities	25,743,100	(4,661,900)	5,649,400	7,395,000	(2,255,000)	(2,369,800)	(2,491,100)	(2,619,200)	(2,754,500)	(2,897,400)
Net Change in Cash and Cash Equivalents	(233,200)	(7,452,000)	2,424,700	3,215,300	(1,358,600)	8,284,800	17,619,800	1,679,100	(22,300)	19,555,300
Cash and Cash Equivalents at Beginning of Year	21,642,000	21,408,800	13,956,800	16,381,500	19,596,800	18,238,200	26,523,000	44,142,800	45,821,900	45,799,600
Cash and Cash Equivalents at End of the Year	21,408,800	13,956,800	16,381,500	19,596,800	18,238,200	26,523,000	44,142,800	45,821,900	45,799,600	65,354,900

5. Capital works program: 10-year forecast

The capital works program is forecast for the current year and the following ten years in *Table 8: 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 LTFP, 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.

Table 8: Capital works program

	Long Term Financial Plan									
	Operational Plan	Delivery Program								
Capital Works Program	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Bulk Water										
Future Water Program	8,590,000	9,000,000	10,500,000	10,000,000	4,000,000	6,520,000	6,734,300	14,239,200	25,157,600	8,681,300
Gallans Road	19,500,000	1,000,000	0	0	0	0	0	0	0	0
Digital Transformation	2,575,800	1,564,300	0	0	0	0	0	0	0	0
ICT	282,000	338,500	266,000	179,000	217,000	668,500	666,500	590,800	233,000	233,000
Other Bulk Water Capital Works	5,070,200	4,651,900	4,463,200	8,258,400	16,665,900	7,034,600	831,500	10,368,600	2,481,100	775,200
Retail Water										
Reticulation Renewal	0	0	400,000	0	0	400,000	0	0	400,000	0
Other Retail Water Capital Works	168,200	90,800	92,600	94,500	96,400	98,300	100,300	102,300	104,300	106,400
Flood Mitigation										
Flood Mitigation Capital Works	219,500	225,800	236,700	332,600	358,600	405,600	367,600	367,600	368,600	369,700
Weed Biosecurity										
Weed Biosecurity Capital Works	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000	20,000	20,000
Property										
Property Capital Works	50,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000
Fleet										
Fleet Capital Works	125,000	298,000	389,300	481,000	466,000	325,000	325,000	325,000	325,000	325,000
TOTAL	36,601,700	17,220,300	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600

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. No capital grants scenario

What the model forecasts: The impact of Rous receiving no capital grants for future capital works.

What the model means: Forecast grant revenue could be reduced by \$30 million and the current price path could still be maintained. The price path required is shown in *Table 9: Price path – No capital grants scenario*.

Table 9: Price path – No capital grants scenario

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%

No changes would be made to the Bulk Water price path if this scenario eventuated. Rous would produce an operating surplus from 2024/25 onwards with estimated reserves of \$35.4 million at the end of 2033/34.

Refer to *Table 10: Consolidated operating performance – No capital grants scenario*.

Table 10: Consolidated operating performance – No capital grants scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	37,607,200	39,995,700	42,594,000	45,253,600	46,254,900	47,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	45,997,600	48,794,600	51,821,400	54,944,400	56,140,400	57,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,211,300	26,904,200	28,969,400	29,594,400	29,684,300	28,905,300	28,857,500	30,837,500	30,893,200	31,040,100
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	36,985,000	35,045,800	37,133,500	37,946,500	38,298,800	37,881,300	38,099,100	40,428,100	40,618,300	40,941,800
Operating Result	1,868,900	5,390,800	3,863,800	5,428,000	7,698,800	10,913,300	13,722,300	14,516,300	15,522,100	16,416,100
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	10,625,400	14,430,200	13,197,100	15,262,800	17,798,300	21,181,600	24,212,100	25,368,800	26,879,800	28,022,300
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,256,900	4,661,900	4,350,600	2,605,000	2,255,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400
Less: Capital Expense	36,601,700	17,220,300	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	233,200	7,452,000	(2,424,700)	(3,215,300)	6,358,600	(3,284,800)	(12,619,800)	3,320,900	5,022,300	(14,555,300)
Estimated Reserves Whole Organisation										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Estimated Reserves Whole Organisation	21,408,800	13,956,800	16,381,500	19,596,800	13,238,200	16,523,000	29,142,800	25,821,900	20,799,600	35,354,900
Net Reserve Movement	(233,200)	(7,452,000)	2,424,700	3,215,300	(6,358,600)	3,284,800	12,619,800	(3,320,900)	(5,022,300)	14,555,300

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: Savings would be made on finance costs associated with the planned loan borrowings of \$50 million resulting in an improved financial performance. The price path required is shown in *Table 11: Price path – NSW Treasury Corporation loans scenario*.

Table 11: Price path – NSW Treasury Corporation loans scenario

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%

No changes would be made to the Bulk Water price path if this scenario eventuated. Rous would produce an operating surplus from 2024/25 onwards with estimated reserves of \$65.9 million at the end of 2033/34

Refer to *Table 12: Consolidated operating performance – NSW Treasury Corporation loans scenario*.

Table 12: Consolidated operating performance – NSW Treasury Corporation loans scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	42,607,200	44,995,700	47,594,000	50,253,600	51,254,900	52,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	50,997,600	53,794,600	56,821,400	59,944,400	61,140,400	62,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,886,300	26,607,100	28,675,900	29,355,100	29,449,600	28,675,700	28,634,000	30,621,000	30,684,800	30,840,900
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	37,660,000	34,748,700	36,840,000	37,707,200	38,064,100	37,651,700	37,875,600	40,211,600	40,409,900	40,742,600
Operating Result	1,193,900	5,687,900	4,157,300	5,667,300	12,933,500	16,142,900	18,945,800	19,732,800	20,730,500	21,615,300
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	9,950,400	14,727,300	13,490,600	15,502,100	23,033,000	26,411,200	29,435,600	30,585,300	32,088,200	33,221,500
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,730,900	4,746,600	4,431,800	2,666,300	2,311,800	2,421,500	2,536,700	2,657,700	2,785,000	2,918,700
Less: Capital Expense	36,601,700	17,220,300	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	1,382,200	7,239,600	(2,637,000)	(3,393,300)	1,180,700	(8,462,700)	(17,797,700)	(1,857,100)	(155,600)	(19,733,200)
Estimated Reserves Whole Organisation										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Estimated Reserves Whole Organisation	20,259,800	13,020,200	15,657,200	19,050,500	17,869,800	26,332,500	44,130,200	45,987,300	46,142,900	65,876,100
Net Reserve Movement	(1,382,200)	(7,239,600)	2,637,000	3,393,300	(1,180,700)	8,462,700	17,797,700	1,857,100	155,600	19,733,200

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 13: Price path – Return to cyclical interest rates scenario*.

Table 13: Price path – Return to cyclical interest rates scenario

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%

No changes would be made to the Bulk Water price path if this scenario eventuated. Rous would produce an operating surplus from 2024/25 onwards with estimated reserves of \$70.4 million at the end of 2033/34.

Refer to *Table 14: Consolidated operating performance – Return to cyclical interest rates scenario*.

Table 14: Consolidated operating performance – Return to cyclical interest rates scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	42,607,200	44,995,700	47,594,000	50,253,600	51,254,900	52,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	50,997,600	53,794,600	56,821,400	59,944,400	61,140,400	62,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,436,300	26,164,100	28,090,900	28,631,600	28,741,300	27,984,600	27,962,100	29,970,700	30,058,300	30,240,900
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	37,210,000	34,305,700	36,255,000	36,983,700	37,355,800	36,960,600	37,203,700	39,561,300	39,783,400	40,142,600
Operating Result	1,643,900	6,130,900	4,742,300	6,390,800	13,641,800	16,834,000	19,617,700	20,383,100	21,357,000	22,215,300
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	10,400,400	15,170,300	14,075,600	16,225,600	23,741,300	27,102,300	30,107,500	31,235,600	32,714,700	33,821,500
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,878,000	4,886,700	4,612,900	2,885,000	2,515,200	2,607,700	2,703,600	2,803,200	2,906,500	3,013,800
Less: Capital Expense	36,601,700	17,220,300	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	1,079,300	6,936,700	(3,040,900)	(3,898,100)	675,800	(8,967,600)	(18,302,700)	(2,361,900)	(660,600)	(20,238,100)
Estimated Reserves Whole Organisation										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Estimated Reserves Whole Organisation	20,562,700	13,626,000	16,666,900	20,565,000	19,889,200	28,856,800	47,159,500	49,521,400	50,182,000	70,420,100
Net Reserve Movement	(1,079,300)	(6,936,700)	3,040,900	3,898,100	(675,800)	8,967,600	18,302,700	2,361,900	660,600	20,238,100



Statement of Revenue Policy – 2024/25

This policy details the basis for the determination of Constituent 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 2024/25, the gross dollar yield is \$25,506,300, which is an increase of \$1,668,600 (7.0%) on the previous year.

Supply Area	Proportional Weighting	2024/25 \$
Lismore City Council	26.95%	6,873,500
Byron Shire Council	24.99%	6,374,300
Richmond Valley Council	5.82%	1,483,900
Ballina Shire Council	34.50%	8,799,100
Rous County Council Direct Retail	7.74%	1,975,500
	100.00%	25,506,300

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

In 2024/25 the notional price per kilolitre of water charged to member councils and Council’s Retail Water Fund is \$2.34 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 2024/25, the price per kilolitre will increase by 8% in line with the Long-Term Financial Plan to \$3.28 per kilolitre. Fixed fee facility charges will also increase by 8%.

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 2024/25, in accordance with the plan, the bulk water charge increases by \$408 (4.1%) to \$10,359 per Equivalent Tenement. The retail water charge increases by \$16 (4.1) to \$400 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 2024/25, contributions will increase by rate pegging, which is 4.6%. Amounts listed are exclusive of GST.

Service Area	2024/25 \$
Ballina Shire Council	128,700
Byron Shire Council	128,700
Lismore City Council	169,100
Richmond Valley Council	140,000
<i>Kyogle Council*</i>	<i>141,100</i>
<i>Tweed Shire Council*</i>	<i>193,700</i>
	901,300

**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 within the Richmond River Floodplain area based on an even portion of gross revenue.

For 2024/25, contributions will increase by 8%. Amounts listed below are exclusive of GST.

Service Area - Flood Mitigation	2024/25 \$
Ballina Shire Council	326,900
Lismore City Council	326,900
Richmond Valley Council	326,900
	980,700

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 2024/25, contributions will increase by the rate peg, which is 4.6%. Amounts listed below are exclusive of GST.

Service Area - Ex-Drainage Union	2024/25 \$
Ballina Shire Council	43,700
Lismore City Council	43,700
Richmond Valley Council	4,200
	91,600

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 \$30M from an approved financial institution in 2024/25.

Fee Determination

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.

The codes contained in the following table have been adopted to assist in explaining the rationale behind the calculation of fees.

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.

Corporate and Commercial

Code	Description	GST	2023/24 (\$)	2024/25 (\$)
Property Information				
L	Property information certificate (section 603 <i>Local Government Act 1993</i>)		95.00	95.00
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	95.00	95.00
P	Cancellation/min. processing fee (section 603 <i>Local Government Act 1993</i>)		47.50	47.50
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

Code	Description	Application fee	Other charges	Fee refund	Charge reduction	Fee and charge waiver, reduction or refund	
L	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.	
L	Proactive Release	No	Photocopying charges as per Fees and Charges schedule.	N/A	N/A		
L	Informal Release (on Request)	No	Photocopying charges as per Fees and Charges schedule.	N/A	N/A		
L	Formal Access Application	Personal Information	First 20hrs free then \$30.00 for each hour thereafter (ss. 64(1) and 67).	\$30.00/hr for each hour in excess of the initial 20 hours.	Application not dealt with in time (s. 63(1)). Application invalid (s. 52(5)).	A maximum discount of up to 50% 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.
L		Other Information	\$30.00 (incl. first hour of processing) (ss. 41 and 64(3)).	\$30.00/hr (s.64(1)).			
L	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	2023/24 (\$)	2024/25 (\$)
F	Rous retail consumers are levied with a per kilolitre charge (section 399 <i>Local Government Act 1993</i>)	N	3.04	3.28
	Annual facility charge 20mm water meter connection (section 501 <i>Local Government Act 1993</i>)		201.30	215.35
	Annual facility charge 25mm water meter connection (section 501 <i>Local Government Act 1993</i>)		318.40	339.50
	Annual facility charge 32mm water meter connection (section 501 <i>Local Government Act 1993</i>)		527.00	562.10
	Annual facility charge 40mm water meter connection (section 501 <i>Local Government Act 1993</i>)		823.50	879.70
	Annual facility charge 50mm water meter connection (section 501 <i>Local Government Act 1993</i>)		1,288.30	1,376.10
	Annual facility charge 65mm water meter connection (section 501 <i>Local Government Act 1993</i>)		2,177.70	2,328.70
	Annual facility charge 80mm water meter connection (section 501 <i>Local Government Act 1993</i>)		3,301.30	3,529.60
	Annual facility charge 100mm water meter connection (section 501 <i>Local Government Act 1993</i>)		5,164.30	5,522.50
	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>		9.0%	9.0%
L	Restrictor devices – fee to disconnect any restriction device, which may have been installed due to non-payment of account		354.00	369.00
F	Pensioner rebate (section 575 <i>Local Government Act 1993</i>)	N	Refer to 'Description'	Refer to 'Description'
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	2023/24 (\$)	2024/25 (\$)
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	395.00
	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	275.00
	Consumer activation fee for a standard 20mm service where water meter connection also required (section 608 <i>Local Government Act 1993</i>)		437.00	440.00
	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	2023/24 (\$)	2024/25 (\$)
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	675.00	700.00
	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)		675.00	700.00
	Price of water per kilolitre (section 610A <i>Local Government Act 1993</i>)	N	6.28	6.57
F	Filling station access key	E	80.00	80.00
F	Filling station pre-paid credit refund fee	E	51.00	53.00

Temporary Water Supply

Code	Description	GST	2023/24 (\$)	2024/25 (\$)
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	N	5.19	5.43

Contract Works				
Code	Description	GST	2023/24 (%)	2024/25 (%)
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	2023/24 (\$ per e.t)	2024/25 (\$ per e.t)
P	Bulk Developer charge	E	9,951.00	10,350.00

Development Servicing Charges				
Code	Description	GST	2023/24 (\$ per e.t)	2024/25 (\$ per e.t)
P	Retail Developer charge	E	384.00	399.00

Water Service Capital Connection Fees				
Code	Description	GST	2023/24 (\$ per e.t)	2024/25 (\$ per e.t)
P	Bulk Headworks connection fee	E	9,951.00	10,350.00

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	2023/24 (\$)	2024/25 (\$)
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	157.00
	Personal fitness training – temporary permit fee*		103.75	108.00
L	Commercial filming and photography fees will be charged in accordance with the Local Government Filming Protocol under the <i>Local Government Act 1993</i>		Price on application	Price on application
F	Wedding ceremony booking fee	T	183.00	183.00

Recovery of Fees under the *Biosecurity Act 2015*

Code	Description	GST	2023/24 (\$)	2024/25 (\$)
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

DRAFT

Sustainable delivery	External relationships	Our people	Leadership and innovation	Delivery objectives	Activities to get there	Actions	What is being measured	Target	Lead	
				1.1.2 Sustainable river system health through natural resource management.	Deliver the activities in the <u>Catchment Management and Coastal Zone Management plans</u> .	1.1.2.1 Undertake scheduled 2024-25 actions in the <u>Catchment Management Plan</u> .	% of scheduled Rous activities completed.	At least 90%.	CCAM	
							A1: Catchment landholder education and awareness. A2: On-site sewerage management system planning and policy review. A3: Development planning and policy review. A4: Spills and contamination emergency response and notification protocol. A5: Rous catchment water quality monitoring program. A6: Rous catchment surveillance program. A7: Intensive pesticide sampling program. A8: Investigate potentially harmful contaminants. A9: Performance monitoring and review of actions. RC10: Rocky Creek Dam on-going catchment controls. RC12: Rocky Creek buffer zone maintenance. RC13: On-going collaboration with National Parks and Wildlife Service. WR14: Wilsons River Source on-going catchment controls. WR16: River Reach Plan extension. WR17: Wilsons River Source buffer zone maintenance. EC18: Emigrant Creek Dam on-going catchment controls. EC20: River Reach Plan extension. EC21: Emigrant Creek Dam buffer zone maintenance. EC22: Trial farm-based erosion management plan. EC23: Pesticide notification. DD24: Potential Dunoon Dam buffer zone maintenance.			
						1.1.2.2 Undertake scheduled activities in Stages 2-4 of the Richmond River <u>Coastal Zone Management plans</u> (on behalf of Rous, Ballina, Lismore, Richmond Valley and Kyogle councils). Stage 2: Determine risks, vulnerabilities and opportunities. Stage 3: Identify and evaluate options. Stage 4: Prepare, exhibit, finalise, certify and adopt the Coastal Management Program.	% of scheduled activities in Stages 2-4 completed.	At least 90%.	CCAM	
				1.1.3 Enhance the region's biosecurity through combatting the spread of targeted weeds.	Deliver the activities of the <u>Weed Action Plan and program</u> .	1.1.3.1 Deliver scheduled 2024-25 actions in the <u>Weed Action Plan</u> .	% of scheduled WAP actions completed.	At least 95%.	WBBRM	
							1.1.3.2 Deliver weed biosecurity services in accordance commercial fee-for-service arrangements (Kyogle Shire Council, Tweed Shire Council).	% of service level agreement requirements delivered.	100%.	WBBRM
				1.2.1 Achieve carbon neutrality.	Develop and commence delivery of our <u>Renewable Energy and Emissions Reduction Plan</u> .	1.2.1.1 Deliver scheduled 2024-25 actions in the <u>Renewable Energy and Emissions Reduction Plan</u> .	% of listed actions completed.	At least 90%.	IPM	
							Nightcap Water Treatment Plant - solar photovoltaic and battery energy storage system.	Installation completed.	By 30 June 2025.	IPM
							Review opportunities for demand scheduling optimisation on existing assets.	Internally produced report completed.	By 30 June 2025.	SPE
							Investigate the types and number of electric vehicle (EV) chargers to be installed at Gallans Road administration building and other potential priority sites.	Internally produced report completed.	By 30 June 2025.	DEM
							Implement trial program of electric vehicle (EVs) within motor vehicle fleet.	Number of EVs in fleet.	At least 1.	SPE
							Plant trees to contribute to offsetting Rous's carbon emissions.	# of trees planted (for future sequestration on Council land).	4000	HSELM
							# of trees planted (on non-Council land).	2500	WBBRM	
					Implement measures to support the resilience of vegetation against fire.	% of scheduled actions in the Buffer Zone Management Plan completed.	At least 90%.	CCAM		
				1.2.2 We are prepared and able to respond to climate change impacts.	Deliver strategic review of <u>Flood Mitigation function, incorporating data arising from 2022 flood events, and confirm Rous's role in the region</u> .	1.2.2.1 Strategic review of Flood Mitigation function complete.	Review reported to Council and Rous's role confirmed.	By June 2025.	WBBRM	
							1.2.2.2 Progress the transfer the Lismore Levee Scheme to Lismore City Council as per Council resolution [37/23].	Position agreed between Rous and Lismore City Council.	By June 2025.	GMPD
				1.3.1 Short-term (to 2040) water supply demands are able to be met.	Deliver the <u>Future Water Project</u> .	1.3.1.1 Deliver scheduled 2024-25 actions in the <u>Future Water Project 2060</u> .	% of scheduled actions completed.	At least 90%.	FWPM	
							Stage 1 Continue the implementation of the Alstonville groundwater scheme. Continue the implementation of the Woodburn groundwater scheme.			
							Stage 2 Continue the planning and investigations for a groundwater scheme at Tyagarah (Stage 2 of the Future Water Project).			
							General Review Integrated Water Cycle Management Strategy.			
				1.3.2 Source options to meet long-term water supply demands are better understood.	Undertake further investigations of <u>Stage 3 sources</u> .	1.3.2.1 Investigate potential to source groundwater from the Richmond Area Coastal Floodplain Alluvial Groundwater Source.	Initial results available.	By 30 June 2025.	FWPM	
							1.3.2.2 Investigate options to optimise the Wilsons Rivers source licence.	Report on options and feasibility completed.	By 30 June 2025.	FWPM
							1.3.2.3 Undertake Cultural Heritage and Biodiversity Assessments for the potential Dunoon Dam.	Reports completed.	By 30 June 2025.	FWPM
				1.3.3 Our water supply is valued and used responsibly. 2.3.2 Water consuming businesses and industry are engaged to promote sustainable water consumption.	Deliver the <u>Regional Demand Management Plan</u> .	1.3.3.1 Undertake scheduled 2024-25 actions in the <u>Regional Demand Management Plan</u> .	% of scheduled actions completed.	At least 90%.	WSO	
							RES1: Implement behaviour change pilot to understand community attitudes to responsible water use.	Pilot program designed, approved and implemented.	By 30 June 2025.	WSO
							RES2: Implement residential rebate/incentive program.	Number of rainwater tank rebates approved.	Within approved budget.	WSO
								Number of instances of promotional opportunities.	Where participants heard about the program.	WSO
							NRES2: Implement sustainable water partner program; NRES3: Implement audit of Council facilities and operations.	Number of water audits completed for target non-residential users.	Upward trend on previous year.	WSO
								Number of non-residential users that have completed works and accessed a rebate.	Upward trend on previous year.	WSO
								Number of instances of promotional opportunities (program and users).	Upward trend on previous year.	WSO
							DMR3: Reporting of customer data and consumption.	Water loss indicators and targets developed and reporting commenced.	By 30 June 2025.	WSO
							EDU1: Implement education and engagement tools.	Number of education and engagement tools prepared and channels disseminated (where and how many).	Trend compared to previous year.	WSO
								Number of education and engage opportunities delivered.	Trend compared to previous year.	WSO
						Feedback received and level of stakeholder satisfaction as indicated through survey.	Trend compared to previous year.	WSO		

Sustainable delivery External relationships Our people Leadership and innovation	Delivery objectives	Activities to get there	Actions	What is being measured	Target	Lead	
	1.4.1 Our resources are planned, prioritised and implemented to ensure Rous's sustainability.	Maintain and implement the Resourcing Strategy.	1.4.1.1 Undertake scheduled 2024-25 actions in Asset Management Plans as per LTFP and QBRs adjustments.	% of scheduled actions in Capital Works program completed on time and within original budget.	At least 70%.	IPM	
			% of Fleet replacement program completed.	100%.	HSELM FMM		
			Flood mitigation				
			Drains and canals.				
			Floodgate outlets.				
			Floodgate replacement program (high/medium risk).				
			Lifting gear replacement program.				
			Levee inspection and heavy maintenance.				
			Retail water				IPM
			Bulk water filling stations - power supply upgrade.				
			Bulk water - trunk				Various
			Broadwater 150 upgrade (at reservoir).				DE
			Byron 200 - mains renewal - 375.				DE
			Valve replacement program.				DE
			St Helena 300 upgrade - 375.				IPM
			Wilson's River elevated crossing Bexhill.				DE
			Source - Emigrant Creek Dam				
			Outflow monitoring / causeway safety access - construction of retaining wall and causeway.				
			Water - treatment plant - Nightcap				Various
			Nightcap WTP: Main Switchboard and DAFF saturator upgrade.				EPE
			Nightcap WTP: Biological activated carbon turbidity meters and ozone sidestream dosing.				PE
			Nightcap WTP: Biological activated carbon renewals.				IPM
			Nightcap WTP: Wastewater renewals.				IPM
	Bulk chemical storage.				IPM		
	Water - treatment plant - Emigrant Creek				PE		
	Emigrant Creek WTP: Flootation.						
	Emigrant Creek WTP: HCl dosing.						
	Emigrant Creek WTP: Lime pH correction.						
	Water - general				DEM		
	Bulk meter renewal program.						
	Water loss implementation (Rous network).						
	1.4.1.2 Define optimum delivery model for strategic procurement (including regional leverage through the Northern Rivers Joint Organisation).		Model developed and trial implemented.		By 30 June 2025.	GM	
	1.4.1.3 Stores, inventory and fleet business operation review and process re-engineering.		Delivery of process efficiency improvements and improved risk management.	Reduction in time, cost, and/or risk.		HSELM	
	1.4.1.4 Create and embed organisation KPIs / targets and incorporate into performance processes		Key KPI metrics defined and baseline obtained.		By June 2025.	GMTS FM	
	1.4.1.5 Better education and consistency instilled into IP&R process, so staff know where their work fits in terms of broader strategic direction of the business.		Review and enhance internal education and awareness.		By November 2024.	GMOS	
	1.4.1.6 Progress steps to finalise Perradenya development as per Council resolution [42/23].		Application lodged.		By December 2024.	PMRP	
			Action plan informed by application outcome.		By June 2025.	PMRP	
	1.4.1.7 Secure long-term debt financing.		Debt financing facility in place.		By December 2024.	GMTS FM	
	1.4.1.8 Review effectiveness and clarity of Rous's constituting proclamation and identify opportunities for improvement.		Review completed and position paper prepared.		By December 2024.	GMOS	
	1.4.3 A positive risk management culture is embedded and sustained.	Implement Enterprise Risk Management Framework.	1.4.3.1 Enterprise Risk Management Framework in place.	% of the activity plan completed.	100% of phase one. 50% of phase two.	RAS	
	1.4.4 Ongoing service reviews, audits and business improvements achieve enhanced organisational outcomes.	Implement internal and external audit.	1.4.4.1 Complete prioritised service reviews based on recommended focus areas identified by Audit, Risk and Improvement Committee.	# of service reviews completed.	At least 1.	GRM	
				% of review recommendations implemented.	At least 80% within 12 months of date of recommendation.	GRM	
			1.4.4.2 Revise and update internal audit arrangements.	% of scheduled audits completed as per Internal Audit program.	100%.	GRM	
				New internal audit program developed and internal auditor consultant engaged.	By June 2025.	RAS	
			1.4.4.3 Review and update 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 2024.	GMO SPE DTEM	
	2.1.1 Effective collaboration and communication with our constituent councils.	Review and refresh Service Level Agreements (or similar) with constituent councils.	2.1.1.1 Partner with constituent councils in a service review to determine the value and effectiveness of the Service Level Agreement incl. alternative options.	Number of arrangements reviewed and refreshed.	100% by June 2025.	GMO GRM	
			2.1.1.2 Perform a parallel run of alternative pricing methodology.	Completed and a report to Council on results.	By March 2025.	FM	
			2.1.1.3 Governing body induction program revised and effective for onboarding purposes incl. business processes and systems.	Induction program updated.	By August 2024.	GMOS	
	2.2.1 Communities across our region are kept informed of Rous's work and have opportunities to engage with us. 2.3.4 Local community groups are positively engaged to support the achievement of shared objectives.	Deliver the Communications and Engagement Strategy.	2.2.1.1 Provide opportunities for engagement through face-to-face activities, social media, website and customer service offerings.	Increase in social media followers.	At least 3000 in total across all social media platforms.	CCM	
				# of telephone call-backs received. Website visitation. Use of available online tools, i.e., e-forms, SMS alert registrations, 'report a weed' form, views of Issuu documents.	At least 25% upward trend on previous year.	CCM	
			2.2.1.2 Monitor Rous website to ensure content complies with WCAG level AA standards.	Compliance.	100%.	CCM	
			2.2.1.3 Provide timely and accurate information using appropriate media.	Number of media releases. Number of social media posts. Number of website news articles.	≥ 8 per year. ≥ 100 per year. ≥ 20 per year.	CCM CCM CCM	
			2.2.1.4 Support Rous projects and activities through the development and implementation of communication and marketing campaigns.	Number of projects and activities supported.	≥ 8 per year.	CCM	
			2.2.1.5 Implement a new Rous website.	Website delivered according to scope, on time and on budget.	By June 2025.	CCM	
			2.3.4.1 Implement the Branding and Marketing Strategy.	Increase in brand awareness.	Upward trend on baseline survey results.	CCM	
			2.3.4.2 Scope the purpose and design of an engagement space at Ballina Campus site (Gallans Road).	Purpose and design approved, subject to Building B progressing at the same time as Building A.	By September 2024.	CCM	
	2.3.1 Our positive working relationships support the achievement of regional outcomes.	Actively participate in the Northern Rivers Joint Organisation.	2.3.1.1 Provide end to end support for the Northern Rivers Joint Organisation.	Statutory compliance.	100%.	GM	
	2.3.3 Local Aboriginal history and culture is respected, and we positively engage with our First Nations communities. 4.1.1 Embed reconciliation in Rous's culture through its people and partners.	Deliver the Reconciliation Action Plan.	2.3.3.1 Implement Rous's Reconciliation Action Plan.	Complete scheduled actions.	By assigned due date.	CCAM	

Sustainable delivery External relationships Our people Leadership and innovation		Delivery objectives	Activities to get there	Actions	What is being measured	Target	Lead
		2.3.5 Regional collaboration informs policy and innovative approaches to priority issues.	Participate in regional forums with key stakeholders to inform local policy.	2.3.5.1 Actively contribute to the Weeds and Pest Advisory Committees as part of our flood and water policy contribution. 2.3.5.2 Collaborate with State and other agencies including Health, Local Land Services, Department of Primary Industries and Water Services Association of Australia.	# of meetings participated in. Nature of outcomes achieved. Nature of collaboration outcomes.	At least 90%. Report by occurrence. Report by occurrence.	GM GM WBBRM DEM DEM
		3.1.1 We know our workforce and skills requirements to achieve our Delivery Program commitments. 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: (a) the human resources required by the Delivery Program (b) specialist and hard-to-recruit skills.	3.1.1.1 Conduct organisational benchmarking review and provide recommendations to ensure right-sizing of Future Rous (e.g., people structure). 3.1.1.2 Conduct salary system review, develop framework, KPIs and implement recommendations, including the adjustment of salaries and benefits where required. 3.1.1.3 Design the 'future-state' Rous organisational structure based on the right roles skills, capabilities and needs for the future (including rollout and implementation plan). 3.1.1.4 Review, update and expand the visibility of the Employee Value Proposition. 3.2.1.1 Identify and create an organisation-wide succession plan for business-critical roles. 3.2.1.2 Design, develop and implement alternative employment strategies and pathways (e.g., First Nations employment, scholarships, cadetships, graduate or trainee programs.) 3.2.1.3 Conduct capability and competency review, develop framework to support future-state Rous roles, skills and capabilities.	Benchmarking recommendations endorsed. Achieved. Structure designed and endorsed by the Leadership Team. Employee Value Proposition endorsed and visible (internal and external stakeholders). Succession plan identified and inflight for all business-critical roles. Individual measures per alternative employment strategy. New framework endorsed.	By December 2024. By June 2025. By June 2025. By October 2024. By August 2024. By December 2024. By June 2025.	PMPCT PMPCT PMPCT PCM PCM PCM PCM
		3.3.1 Our leaders and emerging leaders are provided with development opportunities.	(c) leadership development.	3.3.1.1 Design and implement Leadership Program (Leadership Team and Leadership Group) to bridge gaps and create cohesion (incl. KPIs). 3.3.1.2 Review and design a 'fit for purpose' learning and development offering to support the future-state Rous culture, skills and capability requirements.	Program in place. Positive shift in employee satisfaction of leadership. System improvements made, processes mapped and implemented.	By December 2024. Upward trend. By June 2025.	PMPCT PCM PMPCT PCM
		3.4.1 Our staff are proud to work for Rous.	(d) workplace culture and employee satisfaction.	3.4.1.1 Design and implement a program to drive desired values, behaviours and increase employee engagement. 3.4.1.2 Identify and implement a suite of People and Culture KPIs to measure, drive desired behaviours and organisational effectiveness. 3.4.1.3 Design and implement an employee engagement strategy to provide a holistic view and purpose of engagement activities and initiatives across Rous. 3.4.1.4 Design and rollout a Rous Change Management Framework (incl. tools and templates) to support change initiatives.	Sentiment rating assessed via pulse surveys. KPIs endorsed and implemented. Sentiment rating assessed via pulse surveys.	Upward trend. By June 2025. Upward trend.	PCM PCM PCM
		3.4.2 Our workplace is accessible, inclusive and safe.	Refresh and implement relevant plans incl. > Disability Inclusion Action Plan > Work Health Safety and Environment protocols.	3.4.2.1 Design and implement a Diversity Equity and Inclusion Strategy. 3.4.2.2 Investigate and implement a sustainable waste management solution for handling contaminated waste that arises from Rous operations. 3.4.2.3 Implement Council's Health Safety and Environment policy and systems. 3.4.2.4 Review and update internal business processes and procedure to promote awareness and consideration of environmental and cultural heritage factors. 3.4.2.5 Implement Health and Wellbeing program. 3.4.2.6 Identify and implement technology solutions or business process improvement to enhance worker safety.	75% of employees are aware of the Change Management Framework and where to access relevant resources 75% of employees are aware of the Strategy. 100% compliance with applicable waste management regional and national environmental regulations. Integrate LTI tracking into BAU procedures. Annual targets set for increased event reporting. Review existing business processes to identify potential environmental impacts (e.g., resource consumption, waste generation, pollution). Assess potential interactions with cultural heritage (e.g., historical sites, indigenous practices, traditional knowledge). Employee engagement in program activities. Absence / sick days data. Instances of technology solutions or business process improvement reducing or eliminating risk to worker health and safety.	By December 2024. By 30 June 2025. 0 lost time injuries. Upward reporting trend year on year. By 30 June 2025. Upward trend year on year. Downward trend by comparison to previous year. By occurrence.	PCM HSELM HSELM HSELM PCM PCM HSELM
		4.1.2 Demonstrate effective leadership through the delivery of our commitments and reporting on our progress and results.	Deliver the commitments of the Delivery Program and report annually to our regional community and key stakeholders on our progress and results.	4.1.2.1 Periodic updates to keep our regional community and stakeholders informed about our ongoing efforts. 4.1.2.2 Report on Service Level Agreement implementation and performance.	Annual report completed. Periodic updates delivered. Reports provided to constituent councils.	By 30 November 2024. Quarterly. 6-monthly.	CCM CCM GMO
		4.1.3 Business efficiencies are achieved through service delivery on behalf of and in partnership with our constituent councils. 4.2.1 Our business systems and data support us to achieve organisational results.	Deliver feasibility study and recommendations related to end-to-end water supply and sewerage authority role for Rous. Review data and transform business systems.	4.1.3.1 Feasibility scope and timing informed by completion of initial work with relevant constituent councils. 4.2.1.1 Implementation of digital transformation - Release 1 and 2. 4.2.1.2 Accurately map and inspect all water supply network assets. 4.2.1.3 Implement QA and QC processes for development servicing plans (Bulk Water and Retail Water). 4.2.1.4 Refresh and update People and Culture policies and procedures to ensure 'fit for purpose' for Future Rous. 4.2.1.5 Streamline and update People and Culture processes to ensure 'fit for purpose' for Future Rous.	Workshop with Rous governing body on work underway or planned. Release 1 - Payroll implemented. Release 2 - Enterprise Resource Planning system design and build complete. % of water supply network assets mapped and inspected. Liable developments are accurately assessed and incur applicable fees. Partner with constituent council in review of development application process. 100% current.	By 31 July 2024. By September 2024. By June 2025. 100% by June 2025. 100%. 1 x Constituent council. By June 2025.	GM GMTS GMTS DEM IPM FM IPM FM PMPCT
		4.3.1 Successful consolidation of Rous administration and depots to achieve business improvements and optimisation.	Consolidate premises.	4.3.1.1 Workplace consolidation.	Complete relocation to Gallans Road project on time and on budget. Implement workplace consolidation options for impacted properties. Recurrent probity reporting.	Achieved. Achieved. Quarterly.	PMRP PMRP PMRP
		4.3.2 Continuous improvement in our delivery of a bulk water supply.	Review and update operational maintenance plans for bulk water assets.	4.3.2.1 Maintenance plans current for all water supply network assets. 4.3.2.2 Finalise commissioning of smart metering across retail water connections. 4.3.2.3 Implement ongoing backflow inspection and maintenance program for retail water connections.	Plans updated and implemented. % of retail water connections with a smart meter installed. % of retail water connections with a backflow device installed receive a site visit and test.	100% by December 2024. 95%. 100% by 30 June 2025.	DEM GMPD GMO
		4.3.3 Proactive contribution as part of a regional response to flood mitigation.	Actively participate in ongoing flood response initiatives.	4.3.3.1 Renewal of Rous flood mitigation urban levee assets under NSW Public Works Levee Assessment and Improvement Program.	Subject to funding, renewal works commenced on levees: Bungwalbin, Tuckombil Canal, South Lismore \ Lismore CBD.	By 30 June 2025.	IPM FMM

Proposed Financial Reserves Policy

Responsible Officer: Group Manager Corporate and Commercial (Helen McNeil)

Recommendation

That Council:

1. Revoke the 'Financial Reserves' policy dated 19 June 2019 and any other policy revived as a result of this revocation, and
2. Approve the revised 'Financial Reserves' policy attached to this report.

Background

Council maintains cash reserves to support business operations and manage situations where revenue or expenses vary from financial forecasts. These cash reserves also ensure Council is able to fund future works and maintain its financial sustainability.

The existing Financial Reserves policy adopted by Council on 19 June 2019 was reviewed as part of Council's ordinary policy review cycle and has been updated with a focus on simplifying the basis for reserves and consolidating case reserves where possible.

Proposed Changes

Cash Reserves:

Cash funds are currently established for: -

- Externally restricted funds – these are raised when legislation dictates that the funds be used for a specific purpose. Reserves are used to isolate these funds to ensure they are only applied for the purpose/s for which they were paid.
- Internally restricted funds - are raised at the discretion of Council and they are used to meet forecast expenditure, and
- Unrestricted funds – these funds can be used for any approved purpose.

Under the revised Financial Reserves policy, the above cash funds will contain the following cash reserves:

	Cash Fund	Cash Reserve/s
1	Externally Restricted	Developer Contributions Reserve
		Unexpended Grants Reserve
		Trust Account Reserve
2	Internally Restricted	Rous as a Whole Reserve
		Bulk Water Reserve - containing notional reserves for: <ol style="list-style-type: none"> a. Employee Leave Entitlement (ELE) Reserve b. Renewable Energy and Emissions Reduction Plan (REERP) – formerly the 'Greenhouse Gas Abatement Reserve'.
		Retail Reserve Water
		Flood Mitigation Reserve
		Weed Biosecurity Reserve

		Properties Reserve
		Fleet Reserve
3	Unrestricted Cash	As above at (2), excluding 'Rous as a Whole'.

The Richmond Water Laboratories (RWL) Reserve identified under the existing policy within the Internally Restricted Cash Fund has been removed from the revised policy as the RWL has now ceased operating.

Cash Reserve Targets

Budget shock targets were reviewed for each cash reserve ('Reporting Unit') within the Internally Restricted Cash Fund. Under the revised 'Financial Reserves' policy, a simplified approach which removes the individual target for each Reporting Unit and combines them into the following targets is proposed:

- Rous as Whole Reserve - 6 months forecast operating expenditure less depreciation
- Bulk Water Reserve – 4 months forecast operating expenditure less depreciation + ELE + REERP
- All other Reporting Units – 4 months forecast operating expenditure less depreciation

Legal

The changes proposed under the revised 'Financial Reserves' policy have been made with regard to the requirements for financial management contained in Part 3, Chapter 13 of the *Local Government Act 1993*.

Regard was also had to the loan covenant requirement for the maintenance of cash reserves at 50% of forecast operating expenditure less depreciation for the next financial year, required under Council's loan arrangements with TCorp.

Consultation

This report was prepared in consultation with the General Manager and relevant finance staff and a summary presented at the March 2024 councillor workshop.

Conclusion

In summary, the financial reserves policy has been revised to consolidate cash reserves and simplify the targeted balance of each cash reserve held.

Forecast cash reserve balances are provided to Council with all budget updates including the Long-Term Financial Plan, Quarterly Budget Review Statements, and end of year carryovers. Actual balances are provided as part of the annual Financial Statements

Attachment:

1. Financial Reserves Policy dated 19 June 2019 (for **revocation**).
2. Revised Financial Reserves Policy (for **approval**).

Policy



Financial Reserves

Approved by Council: 19/06/2019

Council requires cash reserves to facilitate the ongoing provision of services that meet community expectations and agreed service levels with stakeholder Councils.

Safety

Teamwork

Accountability

Respect

Background

Cash reserves are an important part of Council's financial strategy to ensure long term financial sustainability and capacity to provide quality services on an ongoing basis.

This policy provides agreed direction and control in respect to the type of reserves that are required and a target in terms of the amount of cash to be held in each reserve.

Policy statement

Basic financial planning dictates that sufficient funding is available for current operating requirements, capital expenditure and debt servicing. Further, it is prudent to plan for unforeseen events that may impact Council's ability to maintain service levels.

To achieve these aims, reserves are accumulated in a manner that avoids significant fluctuations to the price path of Council's fees and charges and minimises the impact on customers.

The *Local Government Act 1993* provides that Council may apply funds for any purpose allowed by the Act or other Acts except where:

- a) money that has been received as a result of the levying of a special rate or charge may not be used otherwise than for the purpose for which the rate or charge was levied, and
- b) money that is subject to the provisions of the *Local Government Act 1993* or any other Act (being provisions that state that the money may be used only for a specific purpose) may be used only for that purpose.

Council must create a reserve where unexpended funds have to be applied for a particular purpose as required by an Act. Funds held in accordance with legislation are described as 'externally restricted reserves'. Funds held in reserve at the discretion of Council are described as 'internally restricted reserves'.

Policy summary

An outline of this policy is as follows:

- Externally Restricted Reserves - description and purpose of each reserve
- Internally Restricted Reserves - overview and description of the reserves and targets
- Internally Restricted Reserves - description of budget shocks target
- Internally Restricted Reserves - detailed description of the reserve and target
- Policy responsibilities
- Appendix A - Scorecard of actual reserve balances compared to targets.

Externally restricted reserves

Externally restricted reserves are mandatory by virtue of legislation. There is no target reserve balance as they are only raised on an as needed basis.

Reserve name	Developer Contributions Reserve
Restriction type	External.
Purpose	Capital contributions paid by property developers to Council. The auspice for this charge comes from section 64 of the Local Government Act which allows Council to exercise functions under the Water Management Act 2000. The funds are applied to asset expansion works conducted by Council in accordance with the adopted Development Servicing Plan.
Target value	No target - income variable depending on development within the County.
Target rationale	Not applicable.

Reserve name	Trust Account
Restriction type	External.
Purpose	Council requires bonds or security deposits to be paid with development applications and contract works.
Target value	No target - income variable depending development and construction activity.
Target rationale	Not applicable.

Reserve name	Unexpended Grants Reserve
Restriction type	External.
Purpose	Council receives grant funds for specific projects and purposes. It is common that grants will be expended across different financial years and this reserve allows unexpended grant funds to be isolated and retained for expenditure on the project for which the grant was received.
Target value	No target - income variable.
Target rationale	Not applicable.

Externally restricted reserves may be raised within each Fund although typically they will only apply to Bulk Water, Flood Mitigation (unexpended grants) and Weeds Bio (unexpended grants).

Internally restricted reserves

Internally restricted reserves are created at the discretion of Council and they are designed to meet a range of circumstances. The reserves in this policy have principally been created based on the different activities undertaken by Council.

Council operations can be segregated into discreet activities that, to some extent, operate independently of each other. The primary activities, referred to as 'Funds', are Flood Mitigation, Weeds Bio, Retail Water, Richmond Water Laboratories, Commercial Properties, Bulk Water and Fleet Management.

Each Fund has a unique financial strategy and the intent is that the Fund is financially sustainable over the long term. A reserve per Fund enables the cash surplus or deficit of each Fund to be isolated to that Fund and the retention of cash reserves allows that Fund to plan for the future and manage budget shocks.

Each Fund will have one internal reserve only, except Bulk Water. Those Funds with a single internal reserve may use the reserved cash for any purpose relevant to the Fund – it may be related to budget shock or asset improvement for example.

Due to the size and complexity of the Bulk Water Fund, there are six separate reserves:

1. Buildings and Structures Reserve
2. Assets and Programs Reserve
3. Employee Leave Entitlements Reserve
4. Electricity Reserve
5. Office Equipment and ICT Reserve
6. Greenhouse Gas Abatement Reserve.

Other sub reserves may be created to track cash movements, however, they will be incorporated into a nominated reserve for formal reporting purposes. Primarily this will relate to works carried forward and essentially a holding account is required to transfer funds forward to the next year to enable the completion of works that have been approved and funded by Council but not completed at year's end.

Internally Restricted Reserve Targets

Target reserve balances should be viewed from the perspective of a preferred position. In many years the preferred position may not be achievable due to either different Council priorities or financial performance does not enable the target to be achieved. There needs to be a degree of flexibility when considering target reserve balances.

All Funds have one internal reserve only, except Bulk Water Fund which has six reserves. The targets set out in this policy are based on the following:

Reserve Name	Type of Target
Flood Mitigation	Budget Shocks
Weeds BIO	Budget Shocks
Retail Water	Budget Shocks
Richmond Water Laboratories	Budget Shocks
Commercial Properties	Budget Shocks
Fleet Management	Budget Shocks
Bulk Water Combined	Budget Shocks
Bulk Water Buildings and Structures	Arbitrary value based on historical assessment
Bulk Water New & Existing assets	One year of depreciation
Bulk Water Employee Leave Entitlement	A % of the liability based on staff age profile
Bulk Water Electricity	5 months pumping Wilsons River
Bulk Water Office Equipment & ICT	10% of estimated replacement value
Bulk Water Greenhouse Gas Abatement	No target specified
Whole Organisation	Budget shocks

All Funds have a reserve target referred to as the 'Budget Shocks Target'. In respect to Bulk Water Fund, the combined value of all Bulk Water Reserves are compared against the Budget Shocks Target. Bulk Water Fund also has a target for each individual reserve, except the Greenhouse Gas Abatement Reserve.

Budget Shocks Target

It is prudent that each Fund should maintain reserves that are on hand in the event of budget shocks. A budget shocks reserve target will be established that is the minimum desired level for the sum total of all internal reserves for the Fund.

If, for example the budget shocks target indicates that a particular Fund should have \$2 million on hand, the total of all reserves held by the Fund, whether it be for asset renewal, leave entitlements or a specific purpose reserve will preferably be not less than \$2 million. The only exclusion is that reserves that have funds specifically committed, such as a works carried forward reserve, must not be included when calculating whether internal reserves equal the budget shocks reserve target.

The fact that the target represents the minimum level is particularly relevant in respect to those Funds with only one reserve. Flood Mitigation and Retail Water for example have a large number and value of assets to maintain and at different times reserves may need to be accumulated for asset management purposes in excess of the budget shocks target.

The budget shock target is designed to ensure that the business has sufficient funds on hand to function as per normal when events occur, typically unforeseen, that have a detrimental impact on the Fund. For example, income is less or expenses are greater than anticipated.

The target level of the funds on hand will be assessed in accordance with the following guidelines. Each transaction type will be assessed as reliable, moderate or unreliable. The transaction types are:

- Variability of operating income
- Variability of capital income
- Variability of operating expense
- Variability of capital expense.

If a transaction type is assessed as reliable it receives a score of 1, moderate 2 and unreliable 3. Depending on the score for the Fund the target reserve balance will be the equivalent number of months of operating expense. For example, if a Fund is assessed as being completely reliable it will receive a total score of 4 and the target reserve balance will be 4/12ths of annual operating expense for the Fund. If a Fund is assessed as being completely unreliable it will receive a score of 12 and the target reserve balance will be equal to one year of operating expense.

The rationale being that the Fund can continue normal operations for a given percentage of a year by using cash reserves. This length of time will enable a recovery strategy to be put in place such as external borrowings, price increases, cost savings etc.

List of Internally Restricted Reserves

Reserve name	Flood Mitigation Reserve
Restriction type	Internal - There is one internal reserve for the Fund.
Purpose	Isolate cash available to Flood Mitigation to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to five months annual operating expense. Annual operating expense based on the last complete financial year of operations.
Target value	See Appendix A: Scorecard.
Target rationale	Target based on assessment of overall income and expense reliability as per the Budget Shocks Target rationale. See Appendix A for results.

Reserve name	Weed Biosecurity Reserve
Restriction type	Internal.
Purpose	Isolate cash available to Weed Biosecurity to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to four months annual operating expense. Annual operating expense based on the last complete financial year of operations.
Target value	See Appendix A: Scorecard
Target rationale	Target based on assessment of overall income and expense reliability as per the Budget Shocks Target rationale. See Appendix A for results.

Reserve name	Retail Water Supply Reserve
Restriction type	Internal - There is one internal reserve for the Fund.
Purpose	Isolate cash available to Retail Water Supply to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to eight months annual operating expense. Annual operating expense based on the last complete financial year of operations.
Target value	See Appendix A: Scorecard.
Target rationale	Target based on assessment of overall income and expense reliability as per the Budget Shocks Target rationale. See Appendix A for results.

Reserve name	Richmond Water Laboratories Reserve
Restriction type	Internal - There is one internal reserve for the Fund.
Purpose	Isolate cash available to Richmond Water Laboratories to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to six months annual operating expense. Annual operating expense based on the last complete financial year of operations.
Target value	See Appendix A: Scorecard.
Target rationale	Target based on assessment of overall income and expense reliability as per the Budget Shocks Target rationale. See Appendix A for results.

Reserve Name	Commercial Properties Reserve
Restriction type	Internal - There is one internal reserve for the Fund.
Purpose	Isolate cash available to Commercial Properties to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to eight months annual operating expense. Annual operating expense based on the last complete financial year of operations.
Target value	See Appendix A: Scorecard.
Target rationale	Target based on assessment of overall income and expense reliability as per the Budget Shocks Target rationale. See Appendix A for results.

Reserve Name	Fleet Management Reserve
Restriction type	Internal - There is one internal reserve for the Fund.
Purpose	Isolate cash available to Fleet Management to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to 4 months annual operating expense. Annual operating expense based on the last complete financial year of operations.
Target value	See Appendix A: Scorecard.
Target rationale	Target based on assessment of overall income and expense reliability as per the Budget Shocks Target rationale. See Appendix A for results.

Reserve Name	Bulk Water Budget Combined Reserve Value
Restriction type	Internal - There are five internal reserves for the Fund being: Buildings Reserve, Assets and Programs Reserve, Employee Leave Entitlements Reserve, Insurance and Electricity Reserve and ICT/Office Equipment Reserve.
Purpose	Isolate cash available to Bulk Water to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to six months annual operating expense. Annual operating expense based on the last complete financial year of operations. The total of all available reserves is combined to compare to the budget shocks target.
Target value	See Appendix A: Scorecard.
Target rationale	Target based on assessment of overall income and expense reliability as per the Budget Shocks Target rationale. See Appendix A for results.

Reserve Name	Bulk Water - Buildings and Structures Reserve
Restriction type	Internal.
Purpose	Isolate cash for future renewal and replacement of non-commercial buildings and structures.
Target value	\$200,000.
Target rationale	Value intended to be sufficient to assist with emergency works or reduce external borrowing for replacement of assets.

Reserve Name	Bulk Water - Assets and Programs Reserve
Restriction type	Internal.
Purpose	Isolate cash for renewal and replacement of existing assets and to provide for the purchase/construction of a new and expanded asset base.
Target	One year's depreciation.
Target value	Based on the 2018/19 budget - \$5,000,000.
Target rationale	Value intended to be sufficient to assist with emergency works or reduce external borrowing for new or existing assets.

Reserve name	Bulk Water - Employee Leave Entitlement Reserve
Restriction type	Internal.
Purpose	Isolate cash for the payment untaken leave that has been accrued.
Target	Calculated % of the liability based on age of employees.
Target value	Based on the 2016/17 Annual Financial Statements - \$700,000.
Target rationale	Target calculation based on employee's age e.g. if over 60 years then 100% of liability is to be cash funded. If under 45 then 10% is cash funded. See Financial Reserves Procedure for details.

Reserve name	Bulk Water - Electricity Reserve
Restriction type	Internal.
Purpose	Isolate cash for the payment of abnormally high electricity expenses.
Target	Five months of the cost to pump water from the Wilsons River Source.
Target value	Based on peak usage and adjustment for new electricity rates the current estimate to pump water from the Wilsons River for 5 months is \$1,000,000.
Target rationale	Electricity cost to pump water from Wilson's River is very high (approx. \$50,000/week). Hence use of this water source is avoided where possible therefore only minimal recurrent budget for this cost. Reserve target looks to accommodate 5 months of 'extra' pumping to cover a drought scenario.

Reserve name	Bulk Water - Office Equipment and ICT Reserve
Restriction type	Internal.
Purpose	Isolate cash for the replacement and expansion of existing equipment including unforeseen emergencies.
Target	10% of the estimated replacement cost of office equipment and Information Technology hardware and software.
Target value	Current estimated replacement value as determined by ICT Manager is \$5 million hence target value is \$500,000.
Target rationale	The percentage-based target allows the target value to adjust to movement over time and 10% of the estimated replacement cost is considered reasonable to meet both budget shocks and provide seed funding for planned replacements.

Reserve name	Bulk Water - Greenhouse Gas Abatement Reserve
Restriction type	Internal.
Purpose	Isolate cash to enable new energy saving measures to be implemented that will reduce Council's emissions.
Target	No target specified. Variable depending on energy thence dollar savings from energy saving measures implemented.
Target value	No value specified.
Target rationale	Not applicable.

Policy responsibilities

Task	Position/Stakeholder	Frequency
Implementation	Group Manager Corporate and Commercial	Ongoing
Monitoring of policy and completion of scorecard	Finance Manager	Annually
Review of Policy	Group Manager Corporate and Commercial	Once during the term of each Council

Contact officer

Finance Manager.

Related documents

Policies

N/A

Procedures

Financial Reserves procedure

Legislation

Local Government Act 1993

Other

Scorecard.

Office use only	File no.: 172	Next review date: (4 years)	
Version	Purpose and description	Date adopted by Council	Resolution no.
2	Financial Reserves Policy	19/06/2019	42/19

Appendix A: Reserves Policy Scorecard

Date Reviewed:

Jan-19

Internal Reserves compared to Budget Shocks Target									
The target reserve balance is a percentage of the Funds annual operating expenses. The percentage is based on the reliability of the Funds financial transactions. Where the transactions are reliable the reserve target is a lower percentage than if the transactions are unreliable.									
Reliability Assessment									
Reliable	1 month of annualised operating expense as contingency								
Moderate	2 months of annualised operating expense as contingency								
Unreliable	3 months of annualised operating expense as contingency								
Reliability Rating	Flood Mitigation	Weeds Bio	Retail Water	RWL	Commercial Property	Fleet	Bulk Water Combined	Whole Organisation	
Operating Income	1	1	3	2	1	1	1	1	1
Operating Expense	2	1	3	2	1	1	2	2	2
Capital Income	1	1	1	1	1	1	1	1	1
Capital Expense	1	1	1	1	3	1	2	2	2
Reliability Total (in months)	5	4	8	6	6	4	6	6	6
2017/18 Operating Expense	1,642,000	1,266,300	2,201,394	697,000	306,800	901,200	17,883,900	24,898,600	
Reliability Rating	5 over 12	4 over 12	8 over 12	6 over 12	6 over 12	4 over 12	6 over 12	7 over 12	
Target Reserve Balance	684,000	422,000	1,468,000	349,000	153,000	300,000	8,942,000	12,449,000	
Actual Reserve Balance 30/6/18	2,031,300	1,280,700	606,900	346,300	1,208,600	1,417,000	25,982,500	32,873,300	
Result	Pass	Pass	Fail	Fail	Pass	Pass	Pass	Pass	
Bulk Water Reserves and Targets									
Bulk Water Buildings and Structures Reserve									
Target Reserve Balance									200,000
Actual Reserve Balance 30/6/18									637,500
Result									Pass
Bulk Water - Assets and Programs Reserve									
Reserve Target equal to 1 years depreciation									
Target Reserve Balance; based on 2018/19 forecast									5,000,000
Actual Reserve Balance 30/6/18									20,760,400
Result									Pass
Bulk Water - Employee Leave Entitlement Reserve									
Reserve Target is 29% of the accrued liability (see sheet in Wiki 2019/20 LTFP 'employee leave calculation')									
Target Reserve Balance; based on 2018/18 audited statements									513,000
Actual Reserve Balance 30/6/18									1,839,300
Result									Pass
Bulk Water - Electricity Reserve									
Reserve Target is estimated cost of 5 months electricity cost for Wilson's River Source (see Financial Reserves Procedure for calculation)									
Target Reserve Balance; based on Wilsons River historical cost									1,000,000
Actual Reserve Balance 30/6/18									1,968,000
Result									Pass
Bulk Water Office Equipment and Computer Reserve									
Reserve Target is 10% of estimated replacement cost									
Target Reserve Balance; estimated by IT Manager at \$5 million									500,000
Actual Reserve Balance 30/6/18									777,300
Result									Pass
Bulk Water Greenhouse Gas Abatement Reserve									
No reserve target applicable									
Target Reserve Balance									Nil
Actual Reserve Balance 30/6/18									Nil
External Reserves and their balances as at 30/6/18									
Bulk Water unexpended grants									2,963,600
Flood Mitigation Unexpended Grants									353,400
Weeds Bio unexpended grants									93,500

Policy



Financial Reserves

Approved by Council: xx/xx/2024

Council requires cash reserves to facilitate the ongoing provision of services that meet community expectations and agreed service levels with stakeholder Councils.

Safety

Teamwork

Accountability

Respect

Background

Cash reserves are an important part of Council's financial strategy to ensure long term financial sustainability and capacity to provide quality services on an ongoing basis.

This policy provides agreed direction and control in respect to the type of reserves that are required and a target in terms of the amount of cash to be held in each reserve.

Policy statement

Basic financial planning dictates that sufficient funding is available for current operating requirements, capital expenditure and debt servicing. Further, it is prudent to plan for unforeseen events that may impact Council's ability to maintain service levels.

To achieve these aims, reserves are accumulated in a manner that avoids significant fluctuations to the price path of Council's fees and charges and minimises the impact on customers.

The *Local Government Act 1993* provides that Council may apply funds for any purpose allowed by the Act or other Acts except where:

- a) money that has been received as a result of the levying of a special rate or charge may not be used otherwise than for the purpose for which the rate or charge was levied, and
- b) money that is subject to the provisions of the *Local Government Act 1993* or any other Act (being provisions that state that the money may be used only for a specific purpose) may be used only for that purpose.

Council must create a reserve where unexpended funds have to be applied for a particular purpose as required by an Act. Funds held in accordance with legislation are described as 'externally restricted reserves.' Funds held in reserve at the discretion of Council are described as 'internally restricted reserves.'

Policy summary

An outline of this policy is as follows:

- Externally Restricted Reserves - description and purpose of each reserve
- Internally Restricted Reserves - overview and description of the reserves and targets
- Unrestricted Reserves

Externally restricted reserves

Externally restricted reserves are mandatory by virtue of legislation. There is no target reserve balance as they are only raised on an as needed basis.

Reserve name	Developer Contributions Reserve
Restriction type	External.
Purpose	Capital contributions paid by property developers to Council. The auspice for this charge comes from section 64 of the Local Government Act which allows Council to exercise functions under the Water Management Act 2000. The funds are applied to asset expansion works conducted by Council in accordance with the adopted Development Servicing Plan.
Target value	No target - income variable depending on development within the County.
Target rationale	Not applicable.

Reserve name	Unexpended Grants Reserve
Restriction type	External.
Purpose	Council receives grant funds for specific projects and purposes. It is common that grants will be expended across different financial years and this reserve allows unexpended grant funds to be isolated and retained for expenditure on the project for which the grant was received.
Target value	No target - income variable.
Target rationale	Not applicable.

Reserve name	Trust Account
Restriction type	External.
Purpose	Council requires bonds or security deposits to be paid with development applications and contract works.
Target value	No target - income variable depending on development and construction activity.
Target rationale	Not applicable.

Externally restricted reserves may be raised within each Reporting Unit although typically they will only apply to Bulk Water, Flood Mitigation (unexpended grants) and Weeds Bio (unexpended grants).

Internally restricted reserves

Internally restricted reserves are created at the discretion of Council, and they are designed to meet a range of circumstances. The reserves in this policy have principally been created based on the different activities undertaken by Council.

Council operations can be segregated into discreet activities that, to some extent, operate independently of each other. The primary activities, referred to as 'Reporting Units', are Bulk Water, Retail Water, Flood Mitigation, Weed Biosecurity, Properties, and Fleet Management.

Each Reporting Unit has a unique financial strategy and the intent is that the Reporting Unit is financially sustainable over the long term. A reserve per Reporting Unit enables the cash surplus or deficit of each Fund to be isolated to that Reporting Unit and the retention of cash reserves allows that Reporting Unit to plan for the future and manage budget shocks.

Each Reporting Unit will have one internal reserve only. The exception to this will be Bulk Water which will notionally operate some specific reserves that will be included in the overall reserve for reporting purposes. Those Reporting Units with a single internal reserve may use the reserved cash for any purpose relevant to the Reporting Unit – it may be related to budget shock or asset improvement for example.

Internally Restricted Reserve Targets

Target reserve balances should be viewed from the perspective of a preferred position. In many years the preferred position may not be achievable due to either different Council priorities or financial performance does not enable the target to be achieved. There needs to be a degree of flexibility when considering target reserve balances.

All Reporting Units have one internal reserve. The targets set out in this policy are based on the following:

Reserve Name	Type of Target
Whole Organisation	Continuity of operations and loan covenants
Bulk Water	Continuity of operations
Retail Water	Continuity of operations
Flood Mitigation	Continuity of operations
Weeds BIO	Continuity of operations
Properties	Continuity of operations
Fleet Management	Continuity of operations

All Reporting Units have a cash reserve target.

List of Internally Restricted Reserves

Reserve names	Rous as a Whole Reserve
Restriction type	Internal – this relates to Rous overall cash reserves as a whole.
Purpose	Ensure continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to six months annual operating expense less depreciation. Annual operating expense based on the latest estimates.
Target rationale	Target based on operational costs and loan covenants.

Reserve names	Bulk Water Reserve
Restriction type	Internal - there is one internal reserve for the Reporting Unit.
Purpose	Isolate cash available to these Reporting Units to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to four months annual operating expense less depreciation + the notional reserve balances for Employee leave entitlements and renewable

	energy and emissions reduction plan. Annual operating expense based on the latest estimates.
Target rationale	Target based on operational costs + notional reserves.

Reserve names	Retail Water Reserve, Flood Mitigation Reserve, Weed Biosecurity Reserve, Properties Reserve and Fleet Reserve
Restriction type	Internal - there is one internal reserve for the Reporting Unit.
Purpose	Isolate cash available to these Reporting Units to enable a continuity of operations to meet the needs and expectations of Council and the community.
Target	Equal to four months annual operating expense less depreciation. Annual operating expense based on the latest estimates.
Target rationale	Target based on operational costs

List of Unrestricted Reserves

Reserve names	Bulk Water Reserve, Retail Water Reserve, Flood Mitigation Reserve, Weed Biosecurity Reserve, Properties Reserve and Fleet Reserve
Restriction type	Internal unrestricted - there is one internal reserve for the Reporting Unit. These reserves are generated when funds are received but not allocated against expenditure for a specific purpose or where there is a sufficient surplus within the internally restricted reserves to transfer funds to an unrestricted reserve.
Purpose	To ensure adequate cash is held that is not restricted in any way and can be used for any purpose.
Target	Equal to 10% of total cash held.
Target rationale	Target designed to cover any unplanned expenditure.

Contact officer
Finance Manager.

Related documents

Policies
N/A

Procedures
Financial Reserves procedure

Legislation
Local Government Act 1993

Office use only	File no.: 172	Next review date: (4 years)	
Version	Purpose and description	Date adopted by Council	Resolution no.
2	Financial Reserves Policy	19/06/2019	42/19

Risk Management Policy

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

Recommendations

That Council:

1. Revoke the [Risk Management policy](#) dated 17 February 2021 ([Attachment 1](#)) and any other policies revived as a result of the revocation; and
2. Approve the revised policy of the same name outlined in and attached to this report.

Background

Council's policies are continually reviewed for suitability and currency to promote and deliver against Council's commitment to continuous improvement and legislative compliance.

The Risk Management policy outlined below was reviewed as part of the ordinary review cycle and due to recent legislative changes necessitating the making of amendments.

Key Policy Changes

Changes to the *Enterprise Risk Management Framework and Internal Audit function* prescribed under the *Local Government (General) Regulation 2021* are due to come into effect in July 2024. As a result of those changes, Council will be required to manage its strategic and operational risks and implement a risk management framework that is consistent with the current Australian risk management standard, as appropriate for council's risks.

AS ISO 31000:2018 requires a council's approach to risk management to be based on the following eight specific principles to ensure it is effective:

1. *Integrated* – risk management is integrated into all council activities and decision-making processes
2. *Structured and comprehensive* – risk management is a structured and comprehensive process that achieves consistent and comparable results
3. *Customised* – the risk management framework and process are customised to the council
4. *Inclusive* – risk management is inclusive of all stakeholders and enables their knowledge, views, and perceptions to be considered
5. *Dynamic* – risk management is dynamic and able to respond to changes and events in an appropriate and timely manner
6. *Best available information* – risk management decisions are based on the best available information and consider any limitations and uncertainties
7. *Human and cultural factors* – risk management considers human and cultural factors, and
8. *Continual improvement* – risk management is continuously and periodically evaluated and improved through learning and experience

The Office of Local Government (OLG) has provided a risk management policy template which was adopted as part of the revised policy development to simplify the approach to implementing an Enterprise Risk Management (ERM) Framework while meeting the above principles.

The addition of a Business Objective Statement and Risk Appetite have also been included in the final version of the proposed policy. This is aimed to set the tone for the ERM Framework and

provide a strategic direction for risk management which is easy to understand for all stakeholders at council.

Finance

No financial impact was determined during the revision of the Risk Management policy. The benefits of the revised policy intent support council's financial decision making in line with principles 1, 3 and 6 listed above.

Legal

The revised Risk Management policy is not required to be placed on public exhibition prior to being adopted and was tabled internally across the organisation prior to being submitted for adoption.

Consultation

The revised policy was prepared by the Governance and Risk team.

Targeted feedback was sought from across the council through a purpose-built team called the Risky Working Group and the Leadership team. This was to ensure the proposed policy principles were practical and could be applied at council's operational, strategic and compliance levels.

On the 20th of March the draft Risk Management policy was reviewed at the Council Workshop. A discussion on the risk response based on the appetite when assessing an activity ensued. The response was presented as a step-by-step process whereby the assessor would begin with checking if transferring a risk was possible followed by acceptance then avoidance and lastly mitigation. The result of this discussion prompted a second review on how the risk appetite could be practically applied across the council in a way that suits all staff. A linear approach was devised and presented to the Risky Working group shortly thereafter.

The Risky Working group endorsed the linear approach so that the individual, team, or group could choose any of these four aspects as appropriate responses individually or in combination with each other.

This feedback has been incorporated into the revised Risk Management policy.

Conclusion

The Risk Management policy has been reviewed and updated to ensure alignment with legislative and regulatory requirements and Council objectives. The existing policy of the same name is recommended for revocation and the revised policy recommended for adoption/re-adoption by Council.

Attachments

1. Risk Management Policy (**to revoke**)
2. Revised Risk Management policy (**for adoption**)

Policy



Risk management

Approved by Council: 17/02/2021

To articulate, at a high level, the ways in which Rous County Council manages risk across its operations and meets requirements under the Risk Management and Internal Audit Framework for local councils in NSW¹.

Safety

Teamwork

Accountability

Respect

Background

This policy is developed using the NSW Treasury Risk Management Toolkit (the Toolkit) for the NSW Public Sector, which has been recommended for use by the NSW Office of Local Government. The Toolkit is a comprehensive guide to the international risk management standard AS ISO31000 and is designed to support the public sector to develop effective and integrated risk management frameworks and processes.

In 2016, the NSW Government made it a requirement under the *Local Government Amendment (Governance and Planning) Act 1993* that councils have an Audit, Risk and Improvement Committee. This requirement is due to take effect from March 2022. Councils are also required to proactively manage any risks they face under the new guiding principles of the Act.

The NSW Government is consulting on the proposed regulatory framework that will support the operation of these committees, and the establishment of a risk management framework and internal audit function within councils. As such, the policy will be revised as and when the new regulatory framework comes into effect.

Policy statement

Council has a risk management framework modelled on the Australian Risk Management Standard AS ISO 31000:2018. It satisfies [Core requirement 2](#) of the proposed Risk Management and Internal Audit Framework for local councils in NSW².

Council's Risk Management Strategy aims to ensure that risk is managed effectively. This means:

1. Embedding risk management in all organisational activities
 - We need to confirm Council has mechanisms in place to manage risk at all levels of operations.
2. Developing a common understanding of our risks and their management
 - We need to ensure that our approach to managing risk is consistently applied across Council. This requires:
 - An approach that meets the needs of our organisation
 - Strong leadership at all levels
 - Effective communication about risk

¹ This framework is still to be finalised by the NSW Office of Local Government.

² Core requirement 2 is due to be met in 2024.

3. Measuring controls and monitor our risks
 - We need to ensure that our process for managing risk is clearly defined, repeatable and based on appropriate information.
4. Continuously improve risk management practices
 - We need to acknowledge the level of risk management maturity that is current in the Council and understand the level of work required to improve that.

Staff will implement the Risk Management Strategy through a risk management plan (Appendix A) which will be revised annually as well as when significant new risks emerge or due to legislation changes.

Risk Appetite Statement

Council has zero tolerance for death or serious injury and therefore has in place a Work Health and Safety Management System that meets Safe Work Australia and international standards.

Council has zero tolerance for fraud and corruption and subjects our systems and processes to both internal and external audits on a regular basis. Council also promotes the use of confidential reporting services outside the organisation.

Council has a low appetite for risks to its operations and uses an annual risk management plan to evidence and measure the implementation of the Risk Management Strategy.

Council has a positive appetite for innovation across all areas of Council operations. It is accepted that there is a risk when seeking solutions to improve both efficiency and effectiveness of operations in a time of increasing cost pressures and regulation.

Responsibilities

- Councillors

Ensure sufficient resourcing to implement appropriate and effective risk management.

Regularly review and provide feedback on risk management reporting that is supplied via the Audit Risk and Improvement Committee.

- Audit Risk and Improvement Committee

Assist the governing body to fulfil its organisational governance responsibilities through oversight and assurance activities with key support provided by Council's Internal Audit function.

- General Manager

Embed a positive risk management culture across and throughout the organization, promoting and supporting the roll-out of Council's annual risk management plan. Confirm in each annual report whether Council has complied with all requirements of the endorsed Risk Management Plan.

- Group Managers

Manage risks across operational areas they oversee. Support the roll out of the Risk Management Plan and ensure staff have the training and resources they need to identify, assess, and report on risks in their work areas.

- Staff

Abide by Council policies and procedures and proactively provide feedback on effectiveness and suggestions for improvements.

- Contractors and section 355 volunteers

Abide by Council policies and procedures while performing services e.g., Code of Conduct and Work Health and Safety procedures.

Contact Officer

Enterprise Risk Manager

Related documents**Policies**

Code of Conduct

Fraud and Corruption Control policy

Procurement policy

Legislation*Local Government Act 1993 (NSW)***Other**

Business Continuity Plan

Emergency Management Manual and Response Plans

Risk Management procedure

Work Health and Safety Management System

<i>Office use only</i>		Next review date: 2022	
Version	Purpose and description	Date adopted by Council	Resolution no.
1.0	To articulate, at a high level, the ways in which Rous County Council manages risk across its operations and meets requirements under the Risk Management and Internal Audit Framework for local councils in NSW ³ .	17/02/2021	07/21

³ This framework is still to be finalised by the NSW Office of Local Government.

Annual Risk Management Plan

The Plan is an overview of the work we will do each year to embed and sustain a positive risk culture. It is also a point of reference for the General Manager and Audit Risk and Improvement Committee who will receive progress updates throughout the year.

Risk Management Plan 2021*	
Initiative	Task
Risk Management policy	<ul style="list-style-type: none"> - Ensure Council Risk Management Policy and Plan are appropriate for the operating environment. - Include a risk appetite statement in the Policy. - Review the Policy and Plan at least annually and revise as required for legislative changes.
Risk Management roles	<ul style="list-style-type: none"> - Review/revise position descriptions to ensure they reflect risk management roles. - Review/revise delegations to ensure they reflect risk management roles. - Review committee charters to ensure risk management responsibilities are clearly articulated.
Risk Leadership	<ul style="list-style-type: none"> - Ensure Group Managers and the Leadership Group become familiar with the Risk Management policy and Plan.
Risk Management guide	<ul style="list-style-type: none"> - Develop a risk management guide that explains Council risk management processes, including risk assessments. - Test the risk management process using feedback from staff, internal audit and project management risk assurance activities.
Cascade Risk Management process	<ul style="list-style-type: none"> - Create a Strategic Risk Register focused on Council's business objectives and use risk reporting from business groups to develop the register. - Undertake risk assessments of operational objectives for each Team / Group within Council. - Use risk assessments to inform the Internal Audit Plan. - Develop an agreed process for risk reporting at each level of Council management.
Risk Tolerance	<ul style="list-style-type: none"> - Develop risk tolerances during the risk assessment process for Groups.
Integrate Audit and Risk Management	<ul style="list-style-type: none"> - Clarify audit and risk management roles and responsibilities.
Context	<ul style="list-style-type: none"> - Identify legislative and compliance requirements. - Undertake environmental scans (internal and external) focusing on risks to Council operations using the Political. Economic. Social. Technological. Legal. Environmental methodology as a guide. Update the scans on an ongoing basis.

Risk Management Plan 2021*	
Initiative	Task
Risk culture	<ul style="list-style-type: none"> - Undertake an annual risk culture survey, including all staff. - Undertake a Risk Maturity Analysis twice a year and develop strategies to close any gaps using the NSW Internal Audit Office Risk Maturity assessment tool to self-assess.
Risk Management capability	<ul style="list-style-type: none"> - Undertake a risk management training needs analysis and target training as required.
Risk Management communications Plan	<ul style="list-style-type: none"> - Develop a risk management communications plan that includes reporting, risk assessment workshops, training, and internal communications. - Communicate our Councillors' and General Manager's commitment to risk management at regular intervals.

*An operational version of the Plan will be updated throughout the year and used for reporting and attestation purposes.

Policy



Risk Management

Approved by Council: xx/xx/2024

To outline council's objectives and appetite for risk management.

Safety

Teamwork

Accountability

Respect

Background

The purpose of this policy is to express Rous County Council's ('council') commitment to implementing organisation-wide risk management principles, systems, and processes, in accordance with accepted Australian Standards, that ensure the consistent, efficient and effective assessment of risk in all council's planning, decision-making and operational processes.

Policy statement

(a) Risk Business Objective Statement

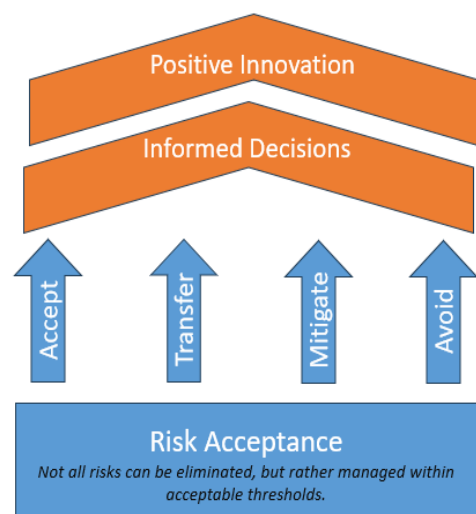
To provide a mechanism for supporting decision making and positive innovation by way of:

- Being able to create *value* and instil a level of *protection* across the Council.
- Having a process that is *customisable* to suit Council's needs.
- *Including and encouraging* stakeholder involvement.
- *Aligning* with Council's strategic and operational aims including regulatory.
- Providing *live* information for decision making.

(b) Risk Appetite Statement

Rous acknowledges that not all risks can be eliminated, but rather managed within acceptable thresholds. The council is committed to applying the following risk strategies wholly or conjunction with each other as appropriate:

- *Accepting* risks that are within the legal and regulatory framework and consistent with its values and objectives.
- *Mitigating* risks that may have a significant negative impact on the community, finances, reputation, safety, or environment.
- *Transferring* risks, where appropriate and feasible, through mechanisms such as insurance, contracts, or partnerships, to external parties better equipped to manage or absorb them.
- *Avoiding* risks that pose an existential threat to the council's ability to fulfill its core functions or undermine public trust.
- Embracing *opportunities* for positive innovation and growth, recognising that calculated risk-taking can lead to creative solutions and improved services for the community.



(c) Roles and Responsibilities

All Staff

All staff are responsible for identifying and managing risk within their work areas. Key responsibilities include:

- being familiar with, and understanding, the principles of risk management
- complying with all policies, procedures and practices relating to risk management
- alerting management to risks that exist within their area, and
- performing any risk management activities assigned to them as part of their daily role.

Managers/supervisors

In addition to their responsibilities as staff members, senior staff/management are responsible for:

- ensuring all staff manage their risks within their own work areas. Risks should be anticipated, and reasonable protective measures taken
- encouraging openness and honesty in the reporting and escalation of risks
- ensuring all staff have the appropriate capability to perform their risk management roles
- reporting to the [general manager/executive officer] on the status of risks and controls, and
- identifying and communicating improvements in [council's/joint organisation's] risk management practices to [council's/joint organisation's] risk management function.

Risk Management function:

Council's risk management function is available to support staff in undertaking their risk management activities.

Audit, Risk and Improvement Committee and Internal Audit function:

To ensure council is effectively managing its risk and complying with its statutory obligations, council's audit, risk and improvement committee and internal audit function is responsible for reviewing the council's:

- risk management processes and procedures
- risk management strategies for major projects or undertakings
- control environment and insurance arrangements
- business continuity planning arrangements, and
- fraud control plan.

Contact officer

Risk and Assurance Specialist

Related documents

Policies

Code of Conduct

Cyber Security

Fraud and Corruption Control

Procurement

Procedures

Business Continuity Plan

Enterprise Risk Management Framework [under development]

Legislation*Local Government Act 1993 (NSW)**Local Government (General) Regulation 2021 (NSW)***Other**

Australian Risk Management Standard AS ISO 31000:2018

[Guidelines for Risk Management and Internal Audit for Local Government in NSW](#)

Office use only	CM link:	Next review date: 4 years	
Version	Purpose and description	Date adopted by Council	Resolution no.
1.0	To articulate, at a high level, the ways in which Rous County Council manages risk across its operations and meets requirements under the draft Risk Management and Internal Audit Framework for local councils in NSW.	17/02/2021	07/21
2.0	Revised to use the Office of Local Government template and incorporate changes developed under the Phase One of the Enterprise Risk Management Framework implementation program.	DRAFT	TBC

Proposed Media and Social Media Policy

Responsible Officer: Customer and Communications Manager

Recommendation

That Council:

1. Revoke the Media Interaction Policy dated 22 August 2007 (Attachment 1) and any policy revived as a result of the revocation.
2. Adopt the Media and Social Media Policy attached to this report (Attachment 2).

Background

In 2022, the Office of Local Government (OLG) developed a Model Media and Model Social Media Policy (the policies) in consultation with councils. The policies were developed to provide a framework to assist councils when dealing with the media. The result was aimed at ensuring that media engagement by councillors and staff is consistent, accurate and professional. It was also designed to provide a structure for the administration of social media platforms and provide a standard of conduct for all council officials who use social media in their official capacity.

The policies were developed by the OLG following two rounds of consultation with the local government sector and is designed to reflect best practice for the industry.

The media environment is rapidly evolving, with digital platforms increasingly becoming the main way people access and consume news and information. There is less reliance on traditional media and platforms to inform the community about priorities, projects, and activities.

Rous is aiming to achieve a balance in distributing information across various media platforms, including print, digital, and broadcast media management. Content is tailored for diverse audiences through the news section on Rous' corporate website and social media posts. Media releases and other information is also shared via constituent council newsletters, and advertising through local radio, television and newspapers.

A comprehensive Media and Social Media Policy has been developed to effectively manage the distribution of information to the community, ensuring authentic and meaningful engagement, with the aim of being Open | Accurate | Timely | Relevant.

The draft policy aims to:

1. Ensure that all communication with the media and broader community is coordinated, consistent, informed, timely, and appropriate.
2. Clearly identify Rous' authorised representatives/spokespersons and ensure proper authorisation and responsibility for supplied comments.
3. Mitigate risks and minimise the potential for miscommunication, inaccurate information, or any other impacts on Rous' reputation.
4. Provide a framework for managing engagement with the community and interest groups on social media, both proactively and reactively.
5. Provide guidance on addressing social media posts that are defamatory, derogatory, or of a bullying, vulgar, abusive, or misleading nature.

The proposed policy is largely reflective of the Model Media and Social Media policies developed by the OLG and seeks to replace the Media Interactions Policy.

Governance

Rous' responsibilities for how information is collected, used, stored, secured and disclosed is governing by legislation. The relevant clauses from the 2022 OLG Model Media and Model Social Media Policy also provide a guide to best practice governance for Council's media and social media communication. That guidance has been used to inform the draft policy.

The policy is designed to complement both the Code of Conduct and our obligation to open access information under Government Information Public Access (GIPA) Act 2009.

Consultation

The content of the policy was informed with input from the Leadership Group, Customer and Communications team, Communications and the Governance and Risk team.

Training will be organised for the relevant staff to familiarise them with the new Media and Social Media policy.

There is no legislative requirement to place the draft policy on public exhibit prior to being adopted.

Conclusion

A review of the current Media Interactions policy has been undertaken and a new policy has been developed in line with best practice and the recently released Model Social Media Policy 2022 and Model Media Policy 2022 prepared by the office of Local Government.

Attachments

1. Media Interactions Policy dated 17 August 2007 – <https://rous.nsw.gov.au/page.asp?f=RES-VZO-26-11-82>
2. Draft Media and Social Media Policy
3. OLG Model Media Policy – <https://www.olg.nsw.gov.au/wp-content/uploads/2022/12/A842229-Model-Media-Policy-Final-RK-TAB-1.docx>
4. OLG Model Social Media Policy – <https://www.olg.nsw.gov.au/wp-content/uploads/2022/05/Model-Social-Media-Policy.docx#:~:text=The%20Model%20Social%20Media%20Policy%20provides%20councils%2C%20county%20councils%20and,media%20in%20their%20official%20capacity>

Policy



Media and Social Media Policy

Approved by Council: xx/xx/2024

To provide a framework for engagement with the media and the use of social media that contributes to the enhancement of Council's reputation.

Safety

Teamwork

Accountability

Respect

Background

Effective media and social media engagement can assist Council to keep the community informed, explain decisions and to promote community confidence in Council and its decisions.

However, engagement via the media and the use of social media also present a variety of challenges and risks, such as:

- maintaining the accuracy, reliability, and integrity of information
- ensuring confidential information is managed appropriately, and
- the increased exposure and risk to reputation where information is not managed appropriately.

It is therefore vital that Council has the right policy framework in place to realise the full benefits, whilst mitigating the risk of engaging with the media and social media.

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DRAFT

Policy statement

Part 1 – Principles

1.1 Council is committed to upholding and promoting the following principles of media and social media engagement:

Openness	An open exchange of information relevant to Council, its stakeholders, and the community is promoted.
Accuracy	Information shared is a source of truth and any inaccuracies are corrected as a priority.
Relevance	Information is informative.
Timely	Provided in a timely manner, and is kept up to date.

Part 2 – Who can engage with the media and social media on Council’s behalf?

The General Manager

- 2.1 The General Manager is the official spokesperson for Council on operational and administrative matters.
- 2.2 The General Manager may delegate to other council staff authority to speak on their behalf where appropriate, (for example, where the delegated staff member has professional expertise regarding the subject matter, or the general manager is unavailable).

Media Coordinator

- 2.3 The General Manager will appoint members of council staff to be Council’s Media Coordinators. The Media Coordinator will be a suitably qualified member of staff.
- 2.4 The General Manager may appoint more than one Media Coordinator.
- 2.5 The Media Coordinator is the lead point of contact for all media enquiries and requests and has primary responsibility for the oversight and administration of Council’s social media platforms.
- 2.6 The Media Coordinator must undertake its key areas of responsibility in accordance with the objectives of this policy and related council procedures.
- 2.7 The Media Coordinator is an authorised user for the purposes of this policy.

Authorised Users

- 2.8 Authorised users are members of council staff who are authorised by the General Manager or Media Coordinator to upload content and engage on social media on Council’s behalf.
- 2.9 Authorised users must undertake their key areas of responsibility in accordance with the objectives and requirements of this policy (refer to Part 5, in particular) and related council procedures.

Council Staff

- 2.10 Council staff must not speak to the media about matters relating to Council unless authorised to do so.
- 2.11 If Council staff receive a media enquiry or they are invited to comment to the media on a matter relating to Council, they must refer the enquiry to the Media Coordinator.
- 2.12 Council staff are free to express their personal views to the media on matters that do not relate to Council, but in doing so, must not make comments that reflect badly on Council or that bring it into disrepute, be dressed in Rous branded clothing or in Rous branded motor vehicles.

Part 3 – Standards of conduct for Council Officials when engaging with the media

- 3.1 Council officials must comply with the Council's code of conduct when engaging with the media or social media in an official capacity or in connection with their role as a council official.
- 3.2 Council officials must not share information or make comments to the media and/or via social media through either direct or indirect mechanisms that:
 - a) are defamatory, offensive, humiliating, threatening, or intimidating to other council officials or members of the public
 - b) contains profane language or is sexual in nature
 - c) constitutes harassment and/or bullying within the meaning of the *Model Code of Conduct for Local Councils in NSW*, or is unlawfully discriminatory
 - d) is contrary to their duties under the *Work Health and Safety Act 2011* and their responsibilities under any policies or procedures adopted by the Council to ensure workplace health and safety
 - e) contains content about the Council, council officials or members of the public that is misleading or deceptive
 - f) divulges confidential Council information
 - g) breaches the privacy of other council officials or members of the public
 - h) contains allegations of suspected breaches of the Council's code of conduct or information about the consideration of a matter under the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*
 - i) could be perceived to be an official comment on behalf of the Council where they have not been authorised to make such comment
 - j) commits the Council to any action
 - k) violates an order made by a court

- l) breaches copyright
- m) advertises, endorses, or solicits commercial products or business.

3.3 When using social media in an official capacity or in connection with their role as a council official (i.e. excluding personal use that is not connected with a person's role as a council official), council officials must:

- a) attribute work to the original author, creator or source when uploading or linking to content produced by a third party,
- b) obtain written permission from a minor's parent or legal guardian before uploading content in which the minor can be identified, and
- c) exercise caution when sharing, liking, retweeting content as this can be regarded as an endorsement and/or publication of the content.

Part 4 – Administration, moderation, and use of social media platforms

Establishment and deletion of Council's social media platforms

4.1 A new Council social media platform, or a social media platform proposed by a Council related entity, can only be established or deleted with the written approval of the General Manager or their delegate.

House Rules

4.2 Council's social media platforms must state or provide an accessible link to the 'House Rules' for engaging on the platform.

4.3 Third parties engaging on Council's social media platforms must not post or share comments, photos, videos, electronic recordings or other information that:

- a) is defamatory, offensive, humiliating, threatening or intimidating to council officials or members of the public,
- b) contains profane language or is sexual in nature
- c) constitutes harassment and/or bullying within the meaning of the *Model Code of Conduct for Local Councils in NSW*, or is unlawfully discriminatory
- d) contains content about the Council, council officials or members of the public that is misleading or deceptive
- e) breaches the privacy of council officials or members of the public
- f) contains allegations of suspected breaches of the Council's code of conduct or information about the consideration of a matter under the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*,
- g) violates an order made by a court
- h) breaches copyright

- i) advertises, endorses or solicits commercial products or business,
- j) constitutes spam
- k) would be in breach of the rules of the social media platform.

Removal or 'hiding' of content

4.4 Where a person uploads content onto a social media platform that, in the reasonable opinion of the moderator, is of a kind specified under clause 4.3 and/or breaches the House Rules, the moderator may remove or 'hide' that content.

4.5 A person may request a review of a decision by a moderator to remove or 'hide' content under clause 4.4. The request must be made in writing to the Media Coordinator and state the grounds on which the request is being made.

4.6 Where a review request is made, the review is to be undertaken by the Media Coordinator or a member of staff nominated by the General Manager who is suitably qualified and who was not involved in the decision to remove or 'hide' the content.

Blocking or banning

4.7 If a person uploads content that is removed or 'hidden' under clause 4.4 of this policy on more than five occasions, that person may be blocked or banned from the social media platform.

4.8 Despite the provisions of this Part 4, where a person uploads content of a kind referred to under clause 4.3, and the moderator is reasonably satisfied that the person's further engagement on the social media platform poses a risk to health and safety or another substantive risk (such as the uploading of defamatory content), an interim block or ban from the platform/all platforms may be imposed on the person immediately.

4.9 Where a person that is the subject of a block or ban continues to engage on a social media platform(s) using an alternative social media account, profile, avatar, etc., a moderator may block or ban the person from the platform(s) immediately.

Use of social media during emergencies

4.10 During emergencies, such as natural disasters or public health incidents, the General Manager and Media Coordinator will be responsible for coordinating media releases/statements on behalf of the Council and managing the content uploaded to Council's social media platforms.

4.11 Council staff, authorised users, and other Council officials must not provide comment or information to the media and/or via social media that is inconsistent with official advice issued by the Council and/or any advice issued by the agency coordinating the emergency response, or agencies supporting the recovery efforts.

Private use of social media

4.12 For the purposes of this policy, a council official's or a council staff's social media engagement will be considered 'private use' when the content they upload:

- a) is not associated with, or does not refer to, the Council, any other council officials, staff, contractors, related entities or any other person or organisation providing services to on behalf of Council in their official or professional capacities, and is not related to or does not contain information acquired by virtue of their employment or role as a council official.

4.13 If a council official chooses to identify themselves as a council official, either directly or indirectly (such as in their user profile), then they will not be deemed to be acting in their private capacity for the purposes of this policy.

Part 5 – Privacy and records management requirements

5.1 Media and social media content created and received by Council and council officials, acting in their official capacity, is a council record and may be subject to information access applications made under the GIPA Act. These records must also be managed in accordance with the requirements of the *State Records Act 1998* and the Council's approved records management policies and practices.

5.2 The PPIP Act and the HRIP Act apply to the use of social media platforms by the Council. To mitigate potential privacy risks, Council will:

- a) advise people not to provide personal information on social media platforms,
- b) inform people if any personal information they may provide on social media platforms is to be used for official purposes,
- c) moderate comments to ensure they do not contain any personal information, and
- d) advise people to contact through alternative channels if they have personal information they do not want to disclose in a public forum.

Part 6 – Complaints

6.1 Concerns or complaints about a contravention of the requirements of this policy can be made by completing the digital [Complaints and Feedback Form](#), found on Council's website, and will be handled in accordance with Council's Customer Feedback, Complaints and Unreasonable Conduct policy.

Contact officer

Customer and Communications Manager

Related documents

Policies

[Code of Conduct](#)

[Customer Complaints, Feedback and Unreasonable Conduct](#)

[Privacy](#)

Procedures[Code of Conduct](#)[Customer Complaints, Feedback and Unreasonable Conduct](#)[Data Breach Plan](#)**Media**[Privacy Management Plan](#)**Legislation**

As outlined in the body of the policy.

Other[Complaints and Feedback Form](#)**Definitions**

Term:	Definition:
Council	Rous County Council
Council Official	Means an elected member of Council's governing body (often referred to as a 'councillor') and a member of any Council Committee, including the Audit, Risk and Improvement Committee.
GIPA Act	means the <i>Government Information (Public Access) Act 2009</i> as amended.
HRIP Act	means the <i>Health Records and Information Privacy Act 2002</i> as amended.
Media	means print, broadcast and online media used for communicating information to the public, including, but not limited to, newspapers, magazines, internet publishers, radio, and television broadcasters
PIIP Act	means the <i>Privacy and Personal Information Protection Act 1998</i> as amended
Social media	broadly defined as online platforms and applications - such as social networking sites, wikis, blogs, microblogs, video and audio sharing sites, and message boards - that allow people to easily publish, share and discuss content

Office use only	CM no. XXXX	Next review date: [4 years]	
Version	Purpose and description	Date adopted by Council	Resolution no.

Information reports

Responsible Officer: General Manager and Group Managers

Recommendation

That the following information reports be received and noted:

1. Investments – March 2024
2. Tenders awarded by General Manager under delegation
3. Water, production and consumption – March 2024 (**to follow**)
4. Audit, Risk and Implementation Committee meeting – 2 April 2024
5. International Women's Day
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 2024

Responsible Officer: Group Manager Corporate and Commercial

Recommendation

That Council receive and note the Investments for March 2024.

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 2024.

Finance Report

BANK ACCOUNT SUMMARY	TOTAL
Cheque Account Balance	\$285,551
Weel Account Balance – Cuscal Ltd (Pre-paid Corporate Cards)	\$36,660
TOTAL	\$322,211

INVESTMENT SUMMARY	TOTAL
Business Online Saver Account Balance	\$3,662,185
Term Deposits with Institutions not supporting the Fossil Fuel Industry <i>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).</i>	\$5,000,000 14.64% of current holdings
Other Term Deposits	\$25,500,000
Total Funds Invested <i>Excluding Cheque Account and Weel Balance</i>	\$34,162,185

OTHER INVESTMENT INFORMATION	TOTAL
<p>Interest Earned</p> <p><i>Interest earned compared to the original budget is \$395,487 above the pro-rata budget. (Refer: Attachment A)</i></p>	\$148,433
<p>Weighted Average Return</p> <p><i>This represents an increase of 18 basis point compared from the February 2024 result (4.70%) and is 54 basis points above Council's benchmark (the average 90-day BBSW rate of 4.34%) (Refer: Graph D2 - Attachment D).</i></p>	4.88%
<p>RBA Cash Rate</p>	4.34%
<p>The 90-day average bank bill swap rate (BBSW)</p>	4.34%

At the RBA's 5th February 2024 meeting (note: the board did not meet in January) the board decided to leave the cash rate unchanged at 4.35%. It was agreed that it was important for the Board's public statement to make clear that inflation had moderated but was still high, and that it was not yet possible to rule in or out further increases in interest rates. Members also agreed on the importance of highlighting the uncertainty surrounding the economic outlook and the need for monetary policy to be driven by developments in relevant data, the outlook for the economy and the evolving risks.

In Australia, financial conditions were considered to be restrictive overall. The tightening of monetary policy had led to a significant rise in household debt payments, which, in combination with other factors, was weighing on disposable incomes and consumption. Required mortgage payments had risen to a historical high as a share of household disposable income. Members noted this share would rise further as remaining low fixed-rate mortgages expire and roll onto higher rates.

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 2024, investments total \$34,162,185 and the average rate of return is estimated at 4.88%.

Attachments

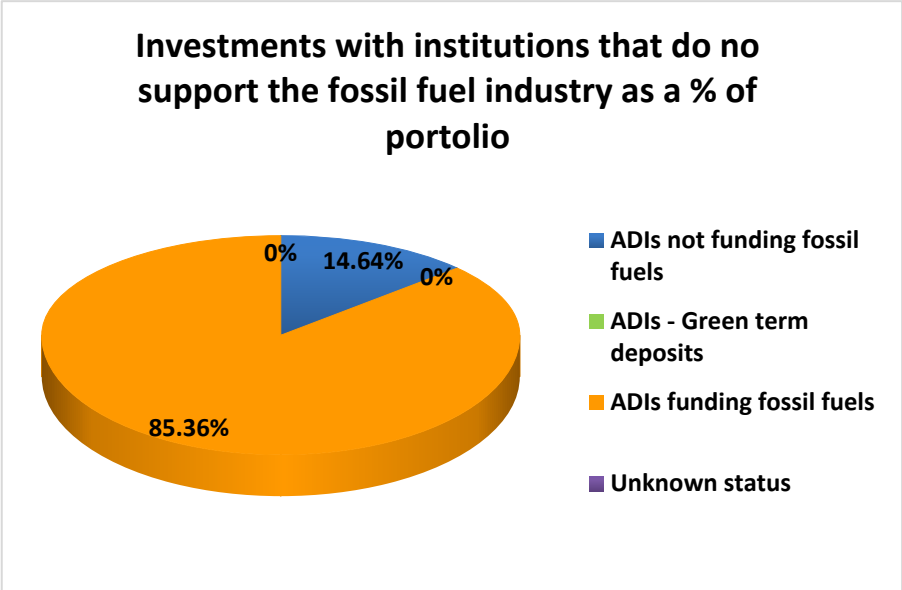
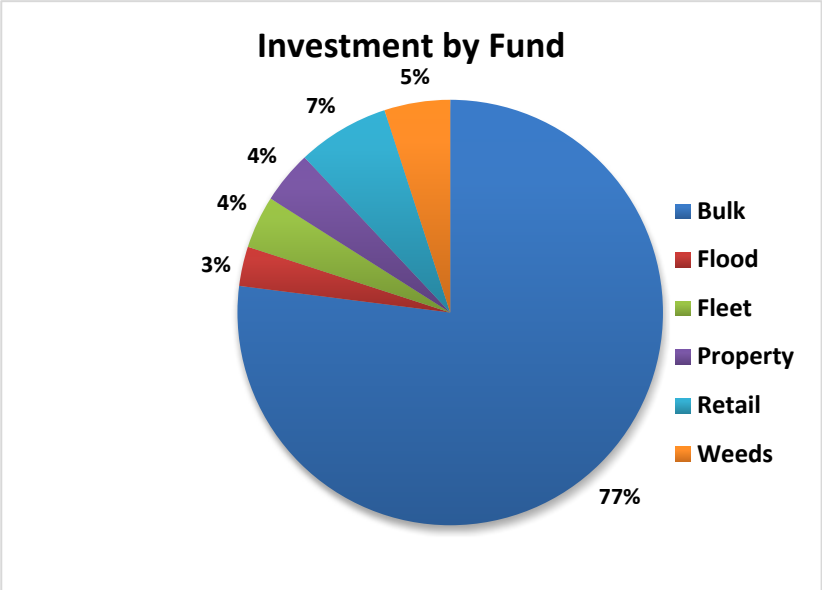
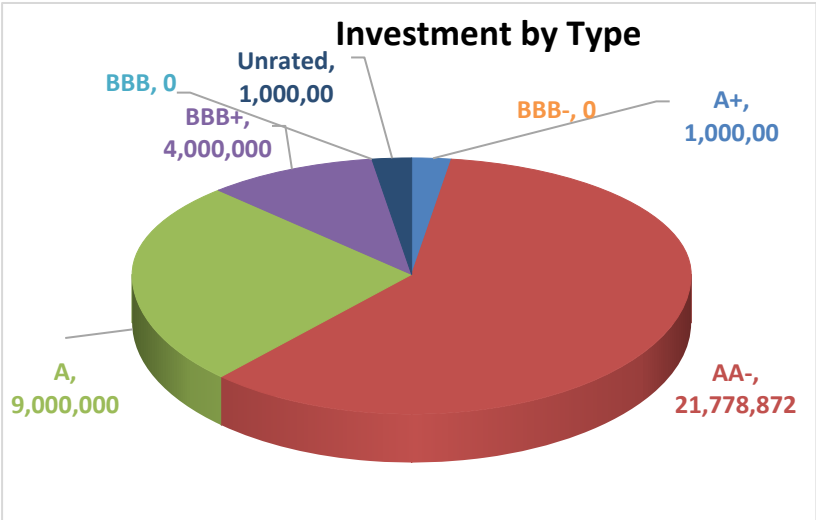
- A. Investment analysis
- B. Investment by type
- C. Investment by Institution
- D. Total funds invested - comparisons
- E. Summary of indebtedness

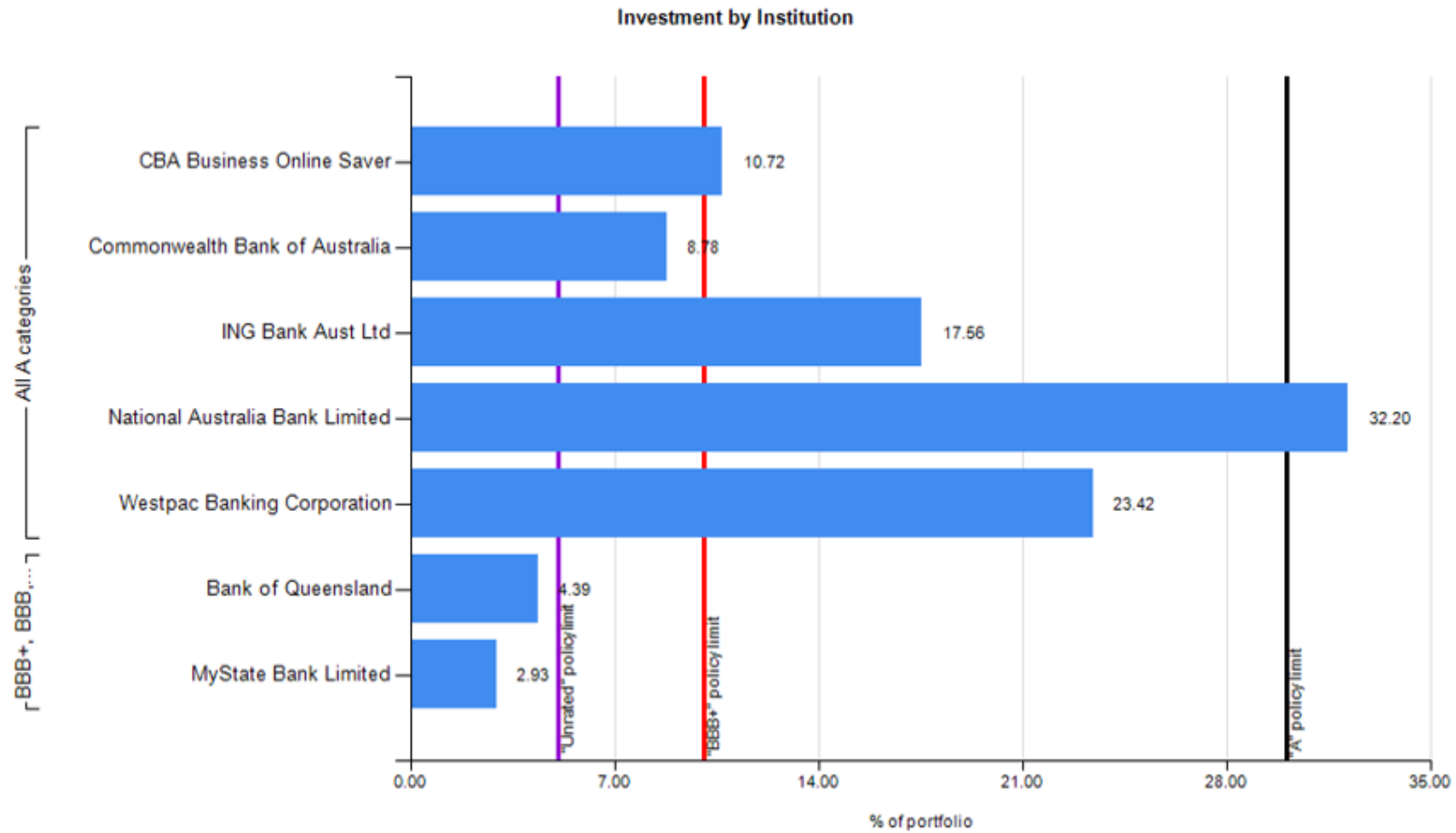
Investment Analysis

Funds Invested With	S & P Local Long Term Rating	Product Name	Not Fossil Fuel ADI	Lodgement Date	Maturity Date	% of Portfolio	31 March 24 Balance	Rate of Return	Monthly Interest	Year-to-Date Interest
CBA Business Online Saver	AA-	CBA-BOS	No	At call		10.72	3,662,185.05	1.95	19,082.15	163,581.57
ING Bank Aust Ltd	A	TD	No	4/4/2023	2/4/2024	5.85	2,000,000.00	4.68	7,949.59	70,520.55
ING Bank Aust Ltd	A	TD	No	27/6/2023	25/6/2024	2.93	1,000,000.00	5.62	4,773.15	42,342.47
ING Bank Aust Ltd	A	TD	No	4/7/2023	2/7/2024	8.78	3,000,000.00	5.67	14,446.85	126,759.45
National Australia Bank Limited	AA-	TD	No	26/7/2023	7/5/2024	2.93	1,000,000.00	5.43	4,611.78	37,191.78
Bank of Queensland	BBB+	TD	Yes	1/8/2023	30/4/2024	1.46	500,000.00	5.40	2,293.15	18,049.32
Commonwealth Bank of Australia	AA-	TD	No	23/8/2023	22/8/2024	5.85	2,000,000.00	5.47	9,291.51	66,539.18
National Australia Bank Limited	AA-	TD	No	13/9/2023	17/9/2024	4.39	1,500,000.00	5.18	6,599.18	42,788.22
National Australia Bank Limited	AA-	TD	No	19/9/2023	17/9/2024	2.93	1,000,000.00	5.22	4,433.42	27,887.67
National Australia Bank Limited	AA-	TD	No	17/10/2023	16/7/2024	2.93	1,000,000.00	5.07	4,306.03	23,196.99
Bank of Queensland	BBB+	TD	Yes	24/10/2023	14/5/2024	2.93	1,000,000.00	5.15	4,373.97	22,575.34
MyState Bank Limited	BBB+	TD	Yes	31/10/2023	4/6/2024	2.93	1,000,000.00	5.22	4,433.42	21,881.10
Westpac Banking Corporation	AA-	TD	Yes	28/11/2023	3/12/2024	4.39	1,500,000.00	5.44	6,930.41	27,945.21
Westpac Banking Corporation	AA-	TD	Yes	5/12/2023	5/9/2024	2.93	1,000,000.00	5.23	4,441.92	16,907.95
National Australia Bank Limited	AA-	TD	No	23/1/2024	22/10/2024	2.93	1,000,000.00	5.12	4,348.49	9,678.90
National Australia Bank Limited	AA-	TD	No	23/1/2024	25/6/2024	2.93	1,000,000.00	5.02	4,263.56	9,489.86
National Australia Bank Limited	AA-	TD	No	30/1/2024	29/10/2024	4.39	1,500,000.00	5.07	6,459.04	12,918.08
Commonwealth Bank of Australia	AA-	TD	No	30/1/2024	2/4/2024	2.93	1,000,000.00	4.62	3,923.84	7,847.67
National Australia Bank Limited	AA-	TD	No	6/2/2024	6/8/2024	5.85	2,000,000.00	5.12	8,696.99	15,430.14
National Australia Bank Limited	AA-	TD	No	6/2/2024	9/4/2024	2.93	1,000,000.00	4.57	3,881.37	6,886.30
Westpac Banking Corporation	AA-	TD	No	13/3/2024	18/6/2024	10.25	3,500,000.00	4.93	8,982.05	8,982.05
Westpac Banking Corporation	AA-	TD	No	26/3/2024	2/7/2024	5.85	2,000,000.00	4.90	1,610.96	1,610.96
MATURED TDs									8,299.73	498,650.96
						100.00	34,162,185.05	4.88	148,432.56	1,279,661.71
Total Investment Holdings						100.00	34,162,185.05		148,432.56	1,279,661.71
									Total YTD Interest	1,279,661.71
								Budget Interest @ 31 March 2024	884,175.00	
								Budget variance	395,486.71	

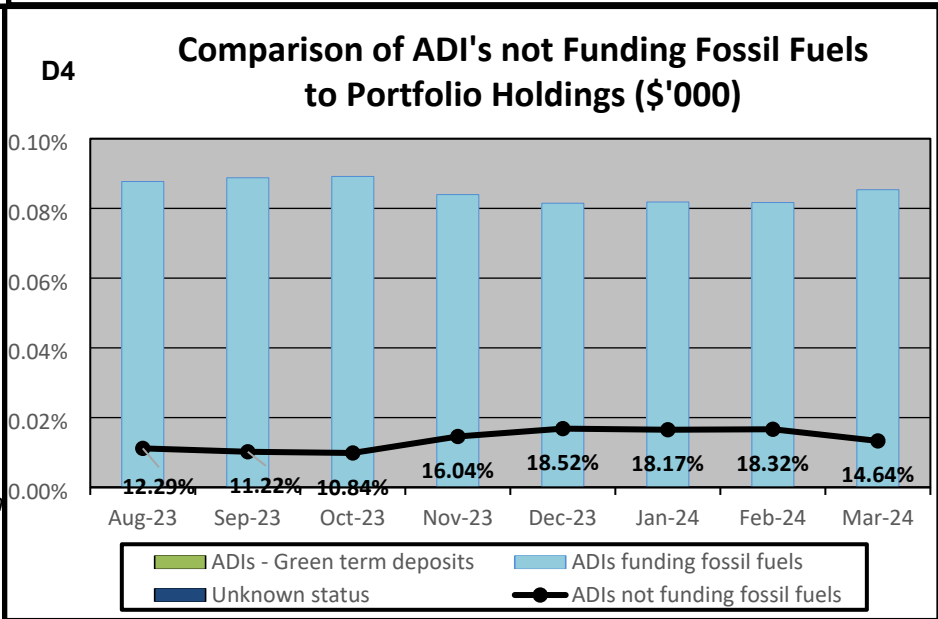
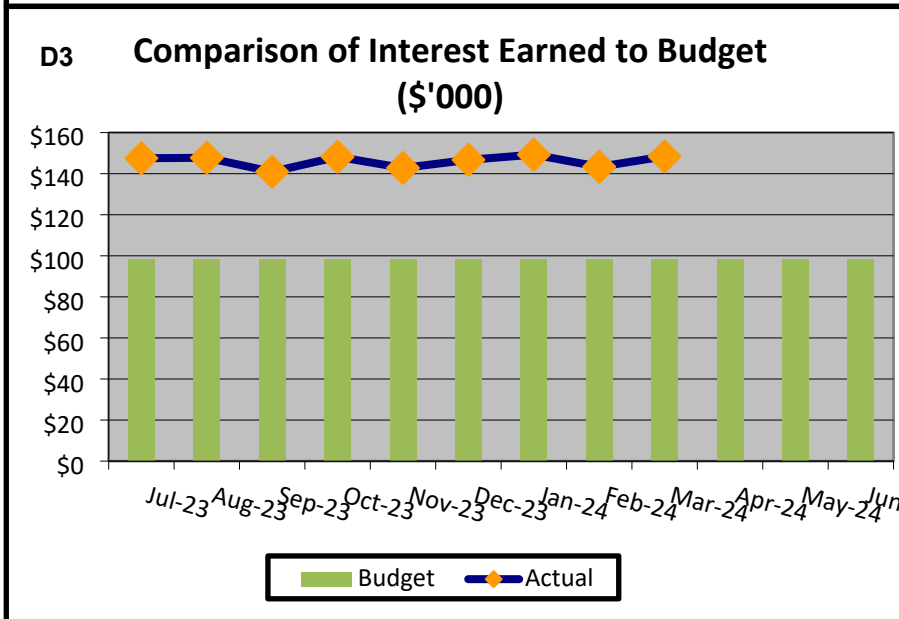
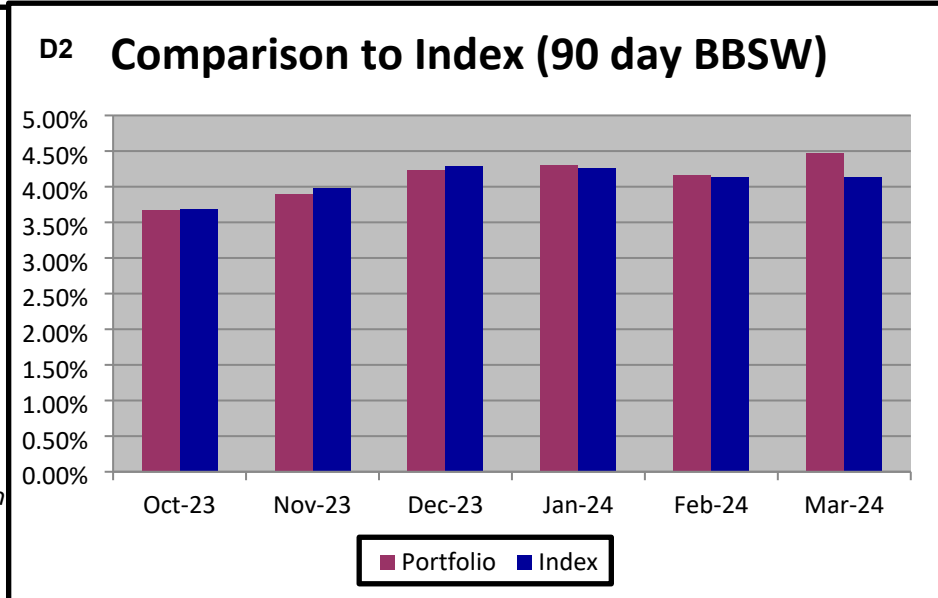
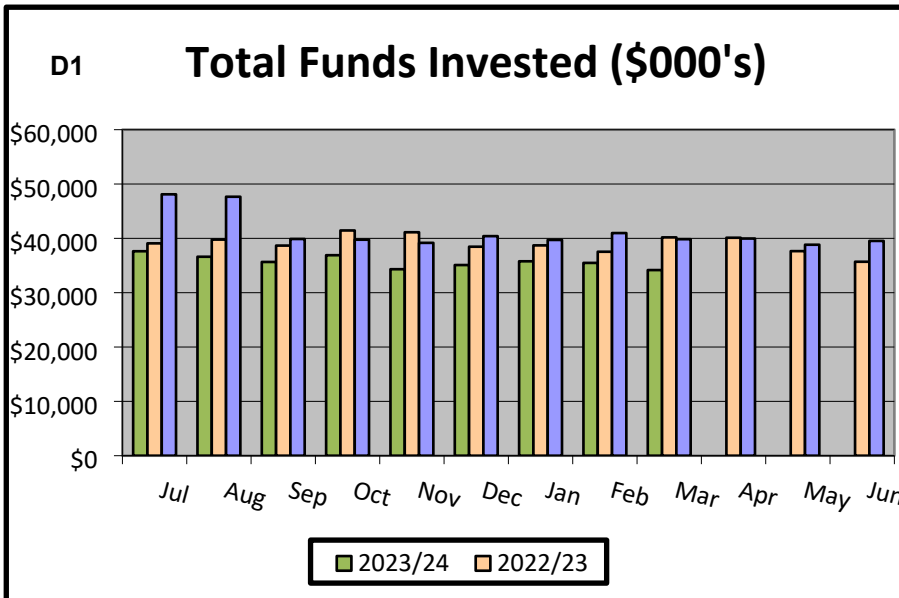
Yes

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





Note: Institutions shown with "" 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	\$ 1,910,646	\$ 2,626,220	\$ 7,968,956	\$ 7,595,346	\$ 7,165,758	\$ 7,152,562	\$ 1,321,418	\$ 35,740,906
Interest Incurred LTD	\$ 1,692,663	\$ 2,274,812	\$ 7,633,959	\$ 7,596,840	\$ 7,971,171	\$ 8,125,327	\$ 869,557	\$ 36,164,329
Principal Outstanding	\$ 89,354	\$ 373,780	\$ 2,031,044	\$ 2,404,654	\$ 2,834,242	\$ 2,847,439	\$ 12,178,582	\$ 22,759,095
Interest Outstanding	\$ 3,039	\$ 23,601	\$ 197,944	\$ 276,320	\$ 397,319	\$ 405,216	\$ 3,158,247	\$ 4,461,685

Tenders Awarded By General Manager under Delegation

Responsible Officer: General Manager

Recommendation

That Council receive and note the information provided in this report on tenders accepted and contracts awarded by the General Manager under delegation during the period 1 January 2024 to 31 March 2024.

Background

In August 2022, Council resolved [48/22] to increase its delegation to the General Manager for the acceptance and award of tenders and contracts valued up to \$1,000,000.00 and to receive ongoing information reports summarising details of these tenders/contracts awarded.

Tenders/Contracts awarded under delegation by the General Manager for the period:

Tender/Contract	Start Date	Initial Value (Incl GST)	Contractors Name	Category
Perradenya Subdivision – New Amending DA – Surveyor Report	16/1/2024	\$ 270,228.20	Eco Logical Australia PL	Consulting/Engineer/ Project Mgmt
Rocky Creek Dam – Risk Rating Assessment & Safety Report	13/3/2024	\$ 310,400.00	Stantec Australia PL	Consulting/Engineer/ Project Mgmt

Governance

In accordance with clause 2(ii) of the Council issued delegation dated 17 August 2022:

(a) all expenditure or tenders/contracts approved by the General Manager must have a Council approved budget allocation available.

(b) only those tenders/contracts that comply with the applicable legislative tendering requirements may be approved by the General Manager.

Comment

Where there has not been a tender accepted and contract awarded by the General Manager under delegation, no report will be furnished to Council.

Conclusion

As required by resolution [48/22] this report is a summary of the tenders accepted and contracts awarded by the General Manager under delegation during the relevant reporting period.

Water production and consumption - March 2024

Responsible Officer: Group Manager Operations (Adam Nesbitt)

To follow under separate cover

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 5 April 2024.

Background

The Audit, Risk and Improvement Committee ('Committee') met on 5 April 2024. A copy of the minutes of the meetings are attached ([Attachment 1](#)).

Key Messages

1. Financial Management

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

- The Quarterly Budget Review report furnished to Council's February 2024 meeting applicable for the quarter ending 31 December 2023; and
- The investment report furnished to Council's February 2024 meeting applicable for the month of 31 January 2024.

The Annual Engagement Plan issued by the Audit Office of NSW ('AO') for the year ending 30 June 2024 was presented to the Committee by Thomas Noble and Russell ('TNR') as agent for the AO.

2. Audit

The Committee received its regular update on staff progress implementing improvement recommendations arising from internal, external, and in-house service audits across the practice areas of ICT, safety, procurement, and emergency management.

During the period December – March 2024, five (5) ICT related recommendations, four (4) internal audit and one (1) external audit, were implemented and closed out by staff.

As at March 2024, 8 Internal Audit recommendations, 1 External Audit recommendation, and 5 In-house Audit recommendations (arising from the 2022 Floods Organisational Debrief) remain in progress.

3. Strategy Implementation

A copy of the council report on performance against delivery of actions under the Delivery Program/Operational Plan presented to the 21 February 2024 Council meeting was furnished to the Committee.

4. Risk and Compliance

The Committee were provided with an overview of the compliance monitoring processes and framework within Council and an update on the actions taken to implement phase one of the Enterprise Risk Management (ERM) review, such as the development of an updated Risk Management policy to be presented for approval to the April 2024 Council meeting.

5. Other Matters

A copy of the Digital Transformation Program (NOVUS) Briefing Paper furnished to the December 2023 Council meeting was provided to the Committee together with a verbal status update.

The results of a gap analysis against the requirements under the new 'Guidelines for risk management and internal audit for local government in NSW' published by the Office of Local Government required to be complied with from 1 July 2024, were provided to the Committee.

The results indicated that, as at March 2024, Council complies with 78% of the new requirements and is on track to uplift the remaining partially compliant components by the new Financial Year.

Conclusion

This report provides a summary of the key messages from the 5 April 2024 Committee meeting.

Attachment

1. Audit, Risk and Improvement Committee meeting minutes 5 April 2024.

**MINUTES OF ROUS COUNTY COUNCIL AUDIT RISK AND IMPROVEMENT
COMMITTEE HELD FRIDAY, 5 APRIL 2024 AT ADMINISTRATION OFFICE, 218-232
MOLESWORTH STREET, LISMORE**

1 MEETING OPENING

The Chair opened the meeting at Time 9.59am

In attendance:

Voting Committee:

- Laurie Lefcourt, Chair (via 'Teams')
- Andrew MacLeod, Independent member
- Raymond Wong, Independent member (via 'Teams')

Non-Voting Committee:

- Cr Big Rob, Rous Councillor

Rous County Council:

- Helen McNeil, Group Manager People and Performance
- Geoff Ward, Group Manager Corporate and Commercial (via 'Teams')
- Jonathan Patino, Finance Manager (via 'Teams')
- Lauren Edwards, Governance and Risk Manager
- John Nasser, Health Safety Environment and Logistics Manager
- Robyn Waldron, Secretary
- Robyn Saurine, Risk and Assurance Specialist

Other attendees:

- Richard Watkinson, Thomas Noble & Russell (via 'Teams')
- Ben Rogers, Thomas Noble & Russell (via 'Teams')

2 ACKNOWLEDGEMENT OF COUNTRY

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

3 APOLOGIES

Phillip Rudd, General Manager
Andrew Logan, Group Manager Planning and Delivery
Quentin Wong, Audit Office of NSW

4 MINUTES OF PREVIOUS MEETING

Copy provided for information.

5 DISCLOSURE OF INTEREST

Nil.

6 ARIC SCHEDULE OF REPORTING

A draft Committee workplan/schedule of reporting was discussed as part of agenda item 8. A revised version of this workplan will be provided in due course.

7 REPORTS

7.1 Audit Office Review update

Richard Watkinson, Thomas Noble & Russell, gave an update on the NSW Audit Office Annual Engagement Plan for council.

RESOLVED (MacLeod/Wong) that the Audit, Risk and Improvement Committee receive and note the information presented by Thomas Noble & Russell.

Financial Management (Resolution)		
For	Laurie Lefcourt, Andrew MacLeod and Raymond Wong	3
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

Richard Watkinson left the meeting at 10.27am

7.2 Financial Management Report

RESOLVED (MacLeod/Wong) That the Audit, Risk and Improvement Committee:

1. Receive and note the information presented in the Financial Management Report – March 2024 regarding:
 - (a) The Quarterly Budget Review report furnished to Council's February 2024 meeting applicable for the quarter ending 31 December 2023.
 - (b) The Investment report furnished to Council's February 2024 meeting applicable for the month of 31 January 2024.
2. Recommend a submission be made to the Office of Local Government and the LGNSW Annual Conference seeking to permit county councils to include capital revenue in the assessment of financial performance.

Financial Management (Resolution)		
For	Laurie Lefcourt, Andrew MacLeod and Raymond Wong	3
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

NOTED: that the draft updated spreadsheet be added to the agenda papers in future.

7.3 Audit

RESOLVED (Wong/MacLeod) That the Audit, Risk, and Improvement Committee receive and note the information presented in this report on progress against actions arising from:

1. Internal audits.
2. External audits.
3. In-house audits.

Audit (Resolution)		
For	Laurie Lefcourt, Andrew MacLeod and Raymond Wong	3
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

NOTED: that future Audit reports will indicate high risk or very high risk by using colour categories.

7.4 Health and Safety Report - verbal

John Nasser gave an update on Rous Health and Safety processes with upgrading systems to improve safety for staff.

Noted A Health and Safety report will be forwarded to the committee and added to the next agenda for information.

7.5 Strategy implementation

RESOLVED (MacLeod/Wong) That the Audit, Risk and Improvement Committee receive and note the information presented in this report regarding performance against delivery of the actions of the Delivery program/ Operational plan for the period ending 31 December 2023, as reported to Council's 21 February 2024 meeting.

Strategy implementation (Resolution)		
For	Laurie Lefcourt, Andrew MacLeod and Raymond Wong	3
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0

Carried

7.6 Risk and Compliance

RESOLVED (Wong/MacLeod) That the Audit, Risk and Improvement Committee receive and note the information presented in this report regarding enterprise risk management and compliance monitoring.

Risk and Compliance (Resolution)		
For	Laurie Lefcourt, Andrew MacLeod and Raymond Wong	3
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

ACTION that Rous management identify a top 5 -10 enterprise risk list, prioritise and how to manage those risks and present at future Audit, Risk and Improvement Committee meetings report.

8 OTHER MATTERS

RESOLVED (MacLeod/Wong) That the Audit, Risk and Improvement Committee:

1. Receive and note this report.

Other Matters (Resolution)		
For	Laurie Lefcourt, Andrew MacLeod and Raymond Wong	3
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

9 NON-STANDARD REPORTS

Nil.

10 OTHER BUSINESS ARISING

Nil.

11 CONFIRMATION OF MINUTES

Audit Risk and Improvement Committee meeting minutes 5 April 2024

RECOMMENDATION (Wong/MacLeod) that the Minutes of the meeting be confirmed as presented.

Confirmation of Minutes (Resolution)		
For	Laurie Lefcourt, Andrew MacLeod and Raymond Wong	3
Against	None	0
Abstain	None	0
Conflict of Interests	None	0
Absent	None	0
Carried		

12 NEXT MEETING: 30 April 2024

13 CLOSE OF BUSINESS

There being no further business the meeting closed at 11.53am

International Women's Day Event

Responsible Officer: Helen McNeil

Report Author: Casie Hughes, Customer and Communications Manager.

Recommendation

That Council receive and note the report.

Background

On 12 March 2024 Rous County Council hosted an event at Invercauld House for International Women's Day. The aim of the event was to both recognise the important contribution of women but also to highlight the on-going issues impacting on women. At Rous, females make up less than half of the workforce and the majority hold traditional female roles. This was the first time that Rous had hosted an event of this type.

The keynote speaker for the event was Rabia Siddique, a retired British army officer and human rights lawyer. Rabia was joined by a panel of Rous staff members, including Helen McNeil (Group Manager People and Performance), Tania Burls (Future Water Program Manager), Chrisy Clay (Flood Mitigation Manager), and Laurie Lefcourt (Chair, Rous Audit, Risk and Improvement Committee). Councillor Sarah Ndiaye, Deputy Mayor of Byron Shire Council and Rous Councillor was the MC for the event.

Following a Welcome to Country conducted by local Bundjalung woman, Maryanne Roberts, Rabia delivered a powerful, challenging and thought-provoking presentation that went for approximately one hour. She used storytelling to recount and share her lived experience with sexual abuse, mental health and war crimes. Systemic sexism and discrimination were a key theme of her presentation, especially in reference to her time in the British military which exemplified her resilience and ability to overcome adversity.

The panel session was an opportunity to highlight some Rous female employees that have worked or currently work in male dominated areas and allowed them to share some of their experiences.

The event has generated many discussions between staff about the challenges for women in the workplace, and Rous hopes to capitalise on this with future initiatives. Rous is dedicated to promoting workplace diversity as outlined in its Workforce Management Strategy objective 7 - Continued effort in building and attracting a diverse workforce. Additionally, Rous is committed to allocating resources for a Diversity, Equity, and Inclusion event in the long-term financial plan, scheduled once every term of council (i.e., every 4 years).

74 people that included a mix of both men and women attended the event. Constituent Councils staff were invited with no charge applied. This included three attendees from Ballina Shire Council, six attendees from Byron Shire Council, two attendees from Lismore City Council, six attendees from Richmond Valley Council.

Finance

In total, the event expenses, including the keynote speaker, amounted to approximately \$10,740, excluding staff costs.

Legal

Not applicable.

Consultation

A post event survey has been distributed to all participants to assist us with improvements for future events.

Conclusion

The International Women's Day event, served as an important occasion to discuss the ongoing challenges confronting women in the workplace. Through engaging presentations and panel discussions, featuring keynote speaker Rabia Siddique, the event stimulated valuable conversations, laying the groundwork for future initiatives aimed at fostering diversity and inclusivity within Rous.

Attachment:

1. Rabia Siddique website: <https://www.rabiasiddique.com/>

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 11-12-2019	
Report	Richmond River Cane Growers Association submission: Review of Tuckombil Canal fixed weir (Letters 118585 / 53238)
	<i>Responsible Officer: Group Manager Planning and Delivery (Andrew Logan)</i>
ACTION	<p>October 2023 – Richmond Valley Council has recently adopted a report on the <i>Richmond Valley Flood Study</i> which includes a new flood model. With this work now finalised, Rous can consider relevant results from this work, the scope of the review of the Tuckombil Canal fixed weir and how the work will be funded as part of a future budget.</p> <p>The scope of work for the review of the Tuckombil Canal fixed weir and a budget will be considered as part of the annual budget process commencing in November 2023 for the 2024/25 year. Council will be able to consider this in April 2024, as part of the draft budget for 2024/25.</p>
COUNCIL MEETING 20-08-2023	
Report	Retail Water Bad Debt Write-off
	<i>Responsible Officer: Group Manager Corporate and Commercial (Geoff Ward)</i>
Resolution	<p>(Ndiaye/Humphrys):</p> <ol style="list-style-type: none"> That Council defers the decision until the February 2024 Council meeting with no interest to be applied to the account during that period. Staff to continue to work with the customer for the debt recovery of \$2,500.
ACTION	<p>Update report to be provided to the February 2024 Council meeting.</p> <p>Client paid Rous the agreed amount as full payment.</p> <p>RESOLVED [06/24] (Gordon/Cadwallader) that Council, in accordance with its 'Debt Management and Financial Hardship' policy, approve the write-off of one (1) retail water billing customer's account (10451-10000-1) of \$5,759.01 for Mr MJ Hammer.</p> <p>Action complete - report furnished to February 2024 Council meeting. Overview of the applicable Policy to be provided at a Councillor workshop (May 2024)</p>
COUNCIL MEETING 13-12-2023	

Report	Proposed Dunoon Dam - acquisition of properties
	<i>Responsible Officer: Group Manager Planning and Delivery (Andrew Logan)</i>
Resolution	(Breum/Cadwallader) that Council: <ul style="list-style-type: none"> a. To reconfirm its prior position in relation to acquisition of land in the Proposed Dunoon Dam area as shown in the Attachment 1 and land of strategic interest to the Future Water Strategy 2060. <p>The terms of such acquisition are to be in accordance with Council's current 'Land Management' policy, Item 4 (Attachment 2), namely:</p> <ul style="list-style-type: none"> b. Acquisition to be upon offer of sale by existing landowner. c. Meets the proposed operational need or strategic objective of the future water strategy 2060. d. Such acquisition costs to be calculated with due consideration to market and strategic value.
ACTION	Report back to Council regarding strategic land purchases for the Future Water Strategy 2060.
Report	Update on interim arrangements for Lismore Levee Scheme
	<i>Responsible Officer: Group Manager Planning and Delivery (Andrew Logan)</i>
Resolution	(Rob/Cadwallader) that Council in addition to previous resolutions on the matter: <ol style="list-style-type: none"> 1. Receive and note this update. 2. Authorise the General Manager to approve access to the Lismore Levee Scheme assets by Lismore City Council (LCC) for the purposes of progressing new asset construction and renewal and upgrade work under the <i>Northern Rivers Recovery and Resilience Program(NRRRP)</i>, subject to LCC's written confirmation that they will assume ownership of the new, upgraded and renewed assets.
ACTION	Receive a further update before end of July 2024.
Report	Staff investigation and response - Notice of Motion "Acquisition of low-lying, high-risk rural floodplain areas"
	<i>Responsible officer: Group Manager Planning and Delivery (Andrew Logan)</i>
Resolution	(Bruem/Ndiaye) that Council adopt the following position regarding the acquisition of low-lying, high-risk rural floodplain areas: <ol style="list-style-type: none"> 1. Acknowledge the challenges associated with coastal riverine floodplain land uses, particularly those relating to the lowest lying land (i.e. less than 1m above mean sea level). 2. Write to the State Government requesting a review of current floodplain land uses and development of a long-term strategic direction on how different areas of the floodplain will be used, acknowledging all stakeholders, including First Nations, interests. <p>This position also be referred to the State and Federal Government seeking funding.</p>
ACTION	Write to the State Government requesting a review of current floodplain land uses as in point (2) and seek funding from State and Federal Government.

