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# Quarterly Budget Review Statement for the quarter ending 31 December 2021

*Responsible Officer: Group Manager Corporate and Commercial (Guy Bezrouchko)*

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## Recommendation

That Council note the results presented in the Quarterly Budget Review Statement as at 31 December 2021 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 2021/22 budget was adopted on 17 June 2021 as part of the 2021/22 Operational Plan and the 2017/22 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 December 2021 indicates that Council's projected financial position at 30 June 2022 will be satisfactory at year end, having regard to the projected estimates of income and expenditure, the original budgeted income and expenditure and Council's short-term liquidity position."



Guy Bezrouchko  
Responsible Accounting Officer

**Table 1: Summary of proposed changes whole organisation – December 2021**

BUDGET ITEMS	Original Budget 2021/22	2020/21 Carryovers	September	December	Projected Year End Result 2021/22
			30-Sep-21	31-Dec-21	
			Quarter	Quarter	
<b>Operating Income</b>					
Flood	950,100	0	1,129,900	32,000	2,112,000
Weeds	1,613,300	0	207,300	7,500	1,828,100
Retail	2,905,900	0	0	(8,200)	2,897,700
RWL	771,000	0	0	(3,300)	767,700
Commercial Property	270,900	0	0	(60,500)	210,400
Fleet	80,500	0	0	(9,000)	71,500
Bulk	19,961,700	0	0	(136,000)	19,825,700
<b>TOTAL OPERATING INCOME</b>	<b>26,553,400</b>	<b>0</b>	<b>1,337,200</b>	<b>(177,500)</b>	<b>27,713,100</b>
<b>Operating Expenses</b>					
Flood	1,713,000	162,700	1,276,500	32,000	3,184,200
Weeds	1,611,600	80,000	275,300	(44,400)	1,922,500
Retail	2,982,000	15,500	0	0	2,997,500
RWL	769,300	0	0	0	769,300
Commercial Property	381,900	0	0	0	381,900
Fleet	157,000	0	0	0	157,000
Bulk	23,247,000	737,500	383,700	50,000	24,418,200
<b>TOTAL OPERATING EXPENSES</b>	<b>30,861,800</b>	<b>995,700</b>	<b>1,935,500</b>	<b>37,600</b>	<b>33,830,600</b>
<b>OPERATING RESULT</b>	<b>(4,308,400)</b>	<b>(995,700)</b>	<b>(598,300)</b>	<b>(215,100)</b>	<b>(6,117,500)</b>
Exclude Depreciation	7,416,500	0	0	0	7,416,500
<b>Cash Result</b>	<b>3,108,100</b>	<b>(995,700)</b>	<b>(598,300)</b>	<b>(215,100)</b>	<b>1,299,000</b>
Add: Capital Income	5,766,400	0	(1,686,400)	850,000	4,930,000
Less: Capital Expense	36,878,000	803,100	461,500	(50,000)	38,092,600
Add: From/Less: (To) Reserve	31,417,900	1,798,800	2,751,500	(684,900)	35,283,300
Less: Loan Repayments	3,414,400	0	5,300	0	3,419,700
<b>Estimated Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Commentary on proposed adjustments – December 2021 (Table 1)**

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

## Flood Mitigation Reporting Unit

### (QBR2) Income & Expenses - Flood

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Operating Income</b>						
Interest Income / Sundry	6,700	0	0	0	6,700	2,100
Lismore Insurance Reimbursement	4,500	0	0	0	4,500	4,400
Operating Contributions	821,000	0	59,900	0	880,900	459,300
Operating Grants	117,900	0	1,070,000	32,000	1,219,900	103,800
<b>Total Operating Income</b>	<b>950,100</b>	<b>0</b>	<b>1,129,900</b>	<b>32,000</b>	<b>2,112,000</b>	<b>569,600</b>
<b>Operating Expense</b>						
Administration Expenses	203,600	0	0	0	203,600	99,300
Building/Depot Expenses	18,100	0	0	0	18,100	4,400
Fleet Hire Expense	71,600	0	0	0	71,600	33,500
Insurance	4,500	0	0	0	4,500	0
Salaries & Wages	449,900	0	0	0	449,900	266,700
Operations Purchases	280,300	162,700	1,276,500	32,000	1,751,500	367,500
Depreciation	685,000	0	0	0	685,000	363,500
<b>Total Operating Expense</b>	<b>1,713,000</b>	<b>162,700</b>	<b>1,276,500</b>	<b>32,000</b>	<b>3,184,200</b>	<b>1,134,900</b>
<b>Operating Result</b>	<b>(762,900)</b>	<b>(162,700)</b>	<b>(146,600)</b>	<b>0</b>	<b>(1,072,200)</b>	<b>(565,300)</b>
Less Depreciation	685,000	0	0	0	685,000	363,500
<b>Operating Result Excl. Non Cash</b>	<b>(77,900)</b>	<b>(162,700)</b>	<b>(146,600)</b>	<b>0</b>	<b>(387,200)</b>	<b>(201,800)</b>
Add Capital Income	0	0	0	0	0	0
Less Capital Expenses	150,300	0	0	0	150,300	30,800
Transfer from/(to) Reserve	228,200	162,700	146,600	0	537,500	232,600
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Fish Habitat Action Grant - Coraki Riparian Project

Rous has been advised of its success in obtaining a *Fish Habitat Action Grant* from NSW Department of Primary Industries (DPI) for riverbank restoration work along the Richmond River at Coraki.

The grant known as the *Coraki Riparian Project* forms part of Rous' commitment to improving water quality of the Richmond River through the current Richmond River Coastal Zone Management Plan.

A key feature of the project, at Windsor Park south of Coraki village, is enhancing access to the river and improving fish habitat through a combination of weed control and tree planting along a 1.2 km riparian zone length. Another feature of the project will be improved amenity of existing walking tracks.

The project involves working with First Nations landowners at the site (Bogal Local Aboriginal Land Council and Bundjalung Aboriginal Corporation) and other community stakeholders and will benefit the Richmond River estuary as a whole. Rous will be coordinating work on this project and prepare a restoration plan and oversee onsite works which are due to commence early in 2022.

The project has total value of \$112,200 and will be implemented over a three-year period. DPI will provide funding of \$40,000, with \$32,000 to be received in the current financial year and the balance of \$8,000 in 2022/23.

Rous will contribute matching funding of \$40,000 which is available from Flood Mitigation Reserve which is forecast to have a balance of \$561,600 as at 30 June 2022. Rous and Richmond Valley Council will also contribute \$32,200 (in-kind) through project management and site maintenance over the three-year period.

To account for the cash component of this project for 2021/22, the following adjustment is required:

Operating Income	Grants and Contributions	DPI – Coraki Restoration Project	\$32,000
Operating Expenditure	Materials and Contractors		(\$32,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated to account for the remaining cash component of this project, as per below.

		2022/23	2023/24	2024/25
Operating Income	Grants and Contributions	\$8,000	\$0	\$0
Operating Expenditure	Materials and Contractors	(\$36,000)	(\$6,000)	(\$6,000)
Reserves	Flood Mitigation Reserve	\$28,000	\$6,000	\$6,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Weed Biosecurity Reporting Unit

### (QBR2) Income & Expenses - Weeds

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Operating Income</b>						
Interest Income / Sundry	10,200	0	0	0	10,200	4,600
Operating Contributions	825,100	0	0	0	825,100	412,600
Operating Grants	778,000	0	176,300	7,500	961,800	206,400
Private Works Income	0	0	31,000	0	31,000	11,200
<b>Total Operating Income</b>	<b>1,613,300</b>	<b>0</b>	<b>207,300</b>	<b>7,500</b>	<b>1,828,100</b>	<b>634,800</b>
<b>Operating Expense</b>						
Administration Expenses	327,400	0	0	0	327,400	162,000
Building/Depot Expenses	19,100	0	0	0	19,100	7,500
Fleet Hire Expense	155,800	0	0	15,000	170,800	85,600
Salaries & Wages	934,400	80,000	71,300	40,600	1,126,300	499,700
Operations Purchases	147,900	0	204,000	(100,000)	251,900	60,600
Depreciation	27,000	0	0	0	27,000	13,200
<b>Total Operating Expense</b>	<b>1,611,600</b>	<b>80,000</b>	<b>275,300</b>	<b>(44,400)</b>	<b>1,922,500</b>	<b>828,600</b>
<b>Operating Result</b>	<b>1,700</b>	<b>(80,000)</b>	<b>(68,000)</b>	<b>51,900</b>	<b>(94,400)</b>	<b>(193,800)</b>
Less Depreciation	27,000	0	0	0	27,000	13,200
<b>Operating Result Excl. Non Cash</b>	<b>28,700</b>	<b>(80,000)</b>	<b>(68,000)</b>	<b>51,900</b>	<b>(67,400)</b>	<b>(180,600)</b>
Add Capital Income	0	0	0	0	0	0
Less Capital Expenses	85,000	25,000	0	0	110,000	100
Transfer from/(to) Reserve	56,300	105,000	68,000	(51,900)	177,400	180,700
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Miconia – Weed surveillance and eradication

In December 2021, Rous received notification from Queensland Department of Agriculture and Fisheries (QDAF) that it had been successful in obtaining further grant funding to assist with surveillance and eradication of Miconia weed (*Miconia calvescens*).

The project involves undertaking an annual survey at identified medium and low risk locations, and completing necessary eradication actions, associated engagement activities, undertaking any required trace works and supplying GPS track files to QDAF.

Key to this project is the employment of a Weed Biosecurity Officer that has been identified as an Aboriginal and Torres Strait Islander (ATSI) role. Existing staff will provide assistance during the first year of the project to complete the required milestones by the end of the 2021/22 financial year.

Total funding from QDAF is \$298,000 to be received over a three-year period to 30 June 2024 upon the successful completion of annual milestones. The project is 100% funded by grant funds.

To account for the cash component of this project for 2021/22, the following adjustment is required:

Operating Income	Grants and Contributions	QDAF – Miconia	\$98,000
Operating Expenditure	Salaries, Fleet Expenses and Operational Purchases		(\$98,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated to account for the remaining cash component of this project, as per below.

		2022/23	2023/24
Operating Income	Grants and Contributions	\$99,000	\$101,000
Operating Expenditure	Salaries, Fleet Expenses and Operational Purchases	(\$99,000)	(\$101,000)
	<b>Impact on Cash Surplus</b>	<b>\$0</b>	<b>\$0</b>

### Frogbit – Chinderah infestation

In December 2021, Rous was notified of its success in obtaining further funding from NSW Department of Primary Industries (DPI) to manage and monitor the Frogbit weed infestation discovered near Chinderah.

Frogbit (*Limnobium laevigatum*) is listed as a State-wide prohibited matter and is classified as a high priority weed under the NSW Weed Action Program which is an NSW Government initiative to reduce the impacts of weeds through the implementation of the NSW Invasive Species Plan and the NSW Biosecurity Strategy.

Additional funding from NSW DPI is \$10,000 with the project to be completed by 30 June 2022. There is no requirement for Rous to contribute matching funding. Note: Rous is currently completing an existing project on Frogbit in partnership with NSW DPI.

To account for the cash component of this project for 2021/22, the following adjustment is required:

Operating Income	Grants and Contributions	NSW DPI – Frogbit	\$10,000
Operating Expenditure	Salaries and Operational Purchases		(\$10,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Tropical Soda Apple (TSA) Engagement

Rous has an existing memorandum of understanding (MoU) with Kempsey Shire Council who operate as an administrator for NSW Department of Primary Industries (DPI) to undertake targeted landholder engagement and control activities for Tropical Soda Apple (*Solanum viarum*).

While the MoU agreement covers the five-year commitment to TSA Engagement, funding on a per year basis is subject to an annual agreement by the two parties. Previously additional funding for this project was provided by North Coast Local Land Services (NCLLS) in addition to the funding from DPI.

NSW DPI has confirmed its funding for the financial year at \$35,000 however the previous funding from NCLLS will no longer be provided.

The program involves assisting landowners by conducting additional property inspections across TSA affected areas; providing best practice TSA control advice and raising awareness of the threats of TSA if not managed. The project aims to deliver workshops in targeted areas to providing engagement with identified landholders, encouraging collaboration, co-ordination of control programs and good farm hygiene. This funding will be used to employ a TSA engagement officer for two days per week over a twelve-month period.

For the 2021/22 financial year Rous budgeted for the same level of revenue (\$76,000) to be available as provided in the previous year. As this level of funding will no longer be received the following reduction to both the forecast grant revenue and the operating expenditure for this project is required:

Operating Income	Grants and Contributions	NSW DPI – TSA Engagement	(\$41,000)
Operating Expenditure	Salaries and Wages		\$41,000
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated to account for the reduced level of funding remaining for this project, as per below. A small increase of \$2,000 had been previously forecast for the remaining three years of the program.

		2022/23	2023/24	2024/25
Operating Income	Grants and Contributions	\$43,000	\$43,000	\$43,000
Operating Expenditure	Salaries, Fleet Expenses and Operational Purchases	(\$43,000)	(\$43,000)	(\$43,000)
	<b>Impact on Cash Surplus</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Weeds Action Program 2021-2022

Rous' Weed Biosecurity budget relies heavily on annual funding received from North Coast Local Land Services (NCLLS) through the NSW Weeds Action Program 2020-2025 (WAP).

For 2021/22 the operational budgets were prepared on the assumption of a 9.3% increase on funds received the previous year. Due to a decision by the State Government in October 2021 to reduce the level of investment for weed management this financial year, Council has been advised by NCLLS that there will be a freeze in funding across New South Wales for the 2021/22 financial year.

As such Rous will receive the same level of funding as the previous financial year, a decrease of \$59,500 from the expected amount of \$702,000 to \$642,500. This reduction in revenue is required to be made in the 2021/22 financial year.

The funding agreement requires Rous to contribute a specified amount of additional funds towards the program in accordance with the agreed action plan. This has resulted in a decrease in the agreed Rous commitment of \$51,900 from \$676,900 to \$625,000. When combined with the reduction in expenditure due to the revised grant revenue received this represents a reduction in planned expenditure of \$111,400.

As Rous has several grant funded projects which accommodate existing resource levels, this provides an opportunity to return \$51,900 to the Weeds Biosecurity Reserve.

Operating Income	Grants and Contributions	NCLLS - WAP	(\$59,500)
Operating Expenditure	Salaries and Contractors		\$111,400
Reserves	Weeds Biosecurity Reserve		(\$51,900)
<b>Impact on Cash Surplus</b>			<b>\$0</b>

The Long-Term Financial Plan will be updated to reflect this freeze in funding for the balance of this funding agreement concluding in 2024/25 with an assumed CPI increase from then on. While this is a conservative position to adopt, we will continue to advocate for CPI increases on funding.



## Retail Reporting Unit

### (QBR2) Income & Expenses - Retail

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Operating Income</b>						
Water Sales	2,880,600	0	0	0	2,880,600	1,627,100
Interest Income / Sundry	25,300	0	0	(8,200)	17,100	15,000
<b>Total Operating Income</b>	<b>2,905,900</b>	<b>0</b>	<b>0</b>	<b>(8,200)</b>	<b>2,897,700</b>	<b>1,642,100</b>
<b>Operating Expense</b>						
Administration Expenses	223,100	0	0	0	223,100	92,600
Administration - Bulk Water Cost	1,779,100	0	0	0	1,779,100	889,300
Building/Depot Expenses	1,600	0	0	0	1,600	0
Fleet Hire Expense	83,500	0	0	0	83,500	40,000
Salaries & Wages	555,500	0	0	0	555,500	299,800
Operations Purchases	138,800	15,500	0	0	154,300	83,800
Depreciation	200,400	0	0	0	200,400	163,300
<b>Total Operating Expense</b>	<b>2,982,000</b>	<b>15,500</b>	<b>0</b>	<b>0</b>	<b>2,997,500</b>	<b>1,568,800</b>
<b>Operating Result</b>	<b>(76,100)</b>	<b>(15,500)</b>	<b>0</b>	<b>(8,200)</b>	<b>(99,800)</b>	<b>73,300</b>
Less Depreciation	200,400	0	0	0	200,400	163,300
<b>Operating Result Excl. Non Cash</b>	<b>124,300</b>	<b>(15,500)</b>	<b>0</b>	<b>(8,200)</b>	<b>100,600</b>	<b>236,600</b>
Add Capital Income	0	0	0	0	0	1,400
Less Capital Expenses	1,517,700	0	10,000	0	1,527,700	5,600
Transfer from/(to) Reserve	1,393,400	15,500	10,000	8,200	1,427,100	(232,400)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Interest on Investments

The original budget for investment interest of \$20,200 was based on a forecast average held balance of \$1.3M with a 1.5% rate of return. The actual rate of return has decreased to 0.59% and the portfolio size of funds has held steady at \$1.3M.

Based on these factors and considering anticipated cash flow requirements, the adjusted forecast investment interest for 30 June 2022 is expected to reach \$12,000. A budget reduction of \$8,200 is required to revenue and the Retail Water reserve.

To account for this change in 2021/22, the following adjustment is required:

Operating Income	Investment Revenue	Interest on Investments	(\$8,200)
Reserves	Retail Water Reserve		\$8,200
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Richmond Water Laboratory Reporting Unit

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

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Operating Income</b>						
Laboratory Sales	766,000	0	0	0	766,000	491,100
Interest Income / Sundry	5,000	0	0	(3,300)	1,700	900
<b>Total Operating Income</b>	<b>771,000</b>	<b>0</b>	<b>0</b>	<b>(3,300)</b>	<b>767,700</b>	<b>492,000</b>
<b>Operating Expense</b>						
Administration Expenses	44,700	0	0	0	44,700	23,000
Building Expenses	51,000	0	0	0	51,000	19,200
Fleet Hire Expense	15,500	0	0	0	15,500	10,700
Salaries & Wages	434,200	0	0	0	434,200	202,300
Operations - Materials & Contractors	177,500	0	0	0	177,500	166,500
Operations - Licences/Accreditation	26,200	0	0	0	26,200	19,300
Operations - Equipment	5,000	0	0	0	5,000	1,100
Depreciation	15,200	0	0	0	15,200	9,800
<b>Total Operating Expense</b>	<b>769,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>769,300</b>	<b>451,900</b>
<b>Operating Result</b>	<b>1,700</b>	<b>0</b>	<b>0</b>	<b>(3,300)</b>	<b>(1,600)</b>	<b>40,100</b>
Less Depreciation	15,200	0	0	0	15,200	9,800
<b>Operating Result Excl. Non Cash</b>	<b>16,900</b>	<b>0</b>	<b>0</b>	<b>(3,300)</b>	<b>13,600</b>	<b>49,900</b>
Less Capital Expenses	44,100	0	0	0	44,100	0
Transfer from/(to) Reserve	27,200	0	0	3,300	30,500	(49,900)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Interest on Investments

The original budget for investment interest of \$5,000 was based on a forecast average held balance of \$396,000 with a 1.5% rate of return. The actual rate of return has decreased to 0.59% and the portfolio size of funds remains consistent with the budget balance.

Based on these factors and considering anticipated cash flow requirements, the adjusted forecast investment interest for 30 June 2022 is expected to be \$1,700. A budget reduction of \$3,300 is required to revenue and the RWL reserve.

To account for this change in 2021/22, the following adjustment is required:

Operating Income	Investment Revenue	Interest on Investments	(\$3,300)
Reserves	RWL Reserve		\$3,300
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

Sales are currently tracking above budget and finance staff will review the financial forecast and update the forecast result in the March 2022 QBR2.

## Property Reporting Unit

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

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Operating Income</b>						
Interest Income / Sundry	9,900	0	0	0	9,900	2,900
Property Income	261,000	0	0	(60,500)	200,500	111,500
<b>Total Operating Income</b>	<b>270,900</b>	<b>0</b>	<b>0</b>	<b>(60,500)</b>	<b>210,400</b>	<b>114,400</b>
<b>Operating Expense</b>						
Administration Expenses	50,800	0	0	0	50,800	25,500
Building - Maintenance	108,600	0	0	0	108,600	60,100
Building - Lease	74,700	0	0	0	74,700	36,000
Perradenya Estate Operations	64,000	0	0	0	64,000	31,800
Salaries & Wages	20,900	0	0	0	20,900	9,900
Operations Purchases	0	0	0	0	0	0
Depreciation	62,900	0	0	0	62,900	28,900
Loss on Sale	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>381,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>381,900</b>	<b>192,200</b>
<b>Operating Result</b>	<b>(111,000)</b>	<b>0</b>	<b>0</b>	<b>(60,500)</b>	<b>(171,500)</b>	<b>(77,800)</b>
Less Depreciation	62,900	0	0	0	62,900	28,900
<b>Operating Result Excl. Non Cash</b>	<b>(48,100)</b>	<b>0</b>	<b>0</b>	<b>(60,500)</b>	<b>(108,600)</b>	<b>(48,900)</b>
Add Capital Income	1,686,400	0	(1,686,400)	850,000	850,000	850,000
Less Capital Expenses	2,551,000	29,800	0	0	2,580,800	39,700
Transfer from/(to) Reserve	912,700	29,800	1,686,400	(789,500)	1,839,400	(761,400)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Sale of Investment Property

An unsolicited expression of interest was received regarding the purchase of Council's properties on the corner of 56-60 Carrington Street and 31-33 Conway Street, Lismore NSW 2480 (the 'Old Council Chambers') on 15 April 2021. This was reported to Council in a confidential report along with a recommendation to enter direct negotiations for the sale of these properties together. [D21/18922].

In compliance with Council's 'Land Management' policy, an independent valuation was obtained to establish the current market value of the property. This resulted in a valuation of \$825,000 and a further recommendation that the property be sold for no less than \$800,000.

A strategic review of commercial properties was first reported to Council at its meeting on 20 June 2018 and has been an ongoing consideration for management. Building 1 was purchased by Council sometime during the 1950-60's while building 2 was purchased in the 1980's and the two buildings are connected by means of a common internal stairwell and amenities. Management has assessed the properties as having a limited strategic value to Council.

The sale of the Old Council Chambers settled for \$850,000 on 23 November 2021. For the 2021/22 financial year revenue was forecast at \$81,300 with \$20,800 received prior to the sale, requiring an adjustment to decrease operating revenue by \$60,500.

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To account for this change in 2021/22 on a cash basis, the following adjustment is required:

Operating Revenue	Rental – Investment Properties	Rental Income	(\$60,500)
Capital Revenue	Proceeds from Sale – Investment Properties	Proceeds	\$850,000
Reserves	Commercial Property Reserve		(\$789,500)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

On an accounting basis the sale of this property will result in a gain on disposal of \$50,000 being reported in the financial statements to 30 June 2022. This is due to the sale price of \$850,000 exceeding the assets carrying value of \$795,000 and less professional fees.

This change has been updated in the LFTP to reflect the change to operating revenue and expenditure (for example rates, insurance, and repairs).

The only remaining commercial property asset owned by Council is the building at 20 Conway Street, Lismore.

## Fleet Reporting Unit

### (QBR2) Income & Expenses - Fleet

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Operating Income</b>						
Interest Income / Sundry	80,500	0	0	(9,000)	71,500	29,100
<b>Total Operating Income</b>	<b>80,500</b>	<b>0</b>	<b>0</b>	<b>(9,000)</b>	<b>71,500</b>	<b>29,100</b>
<b>Operating Expense</b>						
Fleet Operations	514,800	0	0	0	514,800	201,300
Fleet Hire Income	(909,200)	0	0	0	(909,200)	(454,100)
Salaries & Wages	111,400	0	0	0	111,400	28,000
Operations Purchases	0	0	0	0	0	1,800
Depreciation	440,000	0	0	0	440,000	170,600
<b>Total Operating Expense</b>	<b>157,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>157,000</b>	<b>(52,400)</b>
<b>Operating Result</b>	<b>(76,500)</b>	<b>0</b>	<b>0</b>	<b>(9,000)</b>	<b>(85,500)</b>	<b>81,500</b>
Less Depreciation	440,000	0	0	0	440,000	170,600
<b>Operating Result Excl. Non Cash</b>	<b>363,500</b>	<b>0</b>	<b>0</b>	<b>(9,000)</b>	<b>354,500</b>	<b>252,100</b>
Add Capital Income	0	0	0	0	0	0
Less Capital Expenses	454,000	0	0	0	454,000	61,200
Transfer from/(to) Reserve	90,500	0	0	9,000	99,500	(190,900)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Interest on Investments

The original budget for investment interest of \$14,000 was based on a forecast average held balance of \$921,000 with a 1.5% rate of return. The actual rate of return has decreased to 0.59% and the portfolio size of funds has remained at \$1.3M due to the extended lead time on acquiring new motor vehicles.

Based on these factors and considering anticipated cash flow requirements, the adjusted forecast investment interest for 30 June 2022 is expected to be \$5,000. A budget reduction of \$9,000 is required to revenue and the Fleet reserve.

To account for this change in 2021/22, the following adjustment is required:

Operating Income	Investment Revenue	Interest	(\$9,000)
Reserves	Fleet Reserve		\$9,000
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

Planned purchases of motor vehicles are experiencing market delays which will be reviewed in the March 2022 QBR2 and updated accordingly.

## Bulk Water Reporting Unit

### (QBR2) Income & Expenses - Bulk

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Operating Income</b>						
Water Sales	19,436,400	0	0	0	19,436,400	9,718,200
Interest Income / Sundry	349,100	0	0	(136,000)	213,100	101,500
Property Income	18,000	0	0	0	18,000	9,800
Operating Contributions	5,000	0	0	0	5,000	5,000
Operating Grants	151,000	0	0	0	151,000	0
Profit on Sale	2,200	0	0	0	2,200	500
<b>Total Operating Income</b>	<b>19,961,700</b>	<b>0</b>	<b>0</b>	<b>(136,000)</b>	<b>19,825,700</b>	<b>9,835,000</b>
<b>Operating Expense</b>						
Administration Expenses	535,600	60,000	0	0	595,600	362,600
Administration - Retail Water Cost	(1,779,100)	0	0	0	(1,779,100)	(889,300)
Finance Costs	1,659,900	0	(19,600)	0	1,640,300	531,400
Building/Depot Expenses	919,100	0	0	0	919,100	257,000
Fleet Hire Expense	568,300	0	0	0	568,300	252,000
Training & Staff	320,300	0	0	0	320,300	107,800
Insurance	273,000	0	0	0	273,000	290,100
Members Expenses	168,600	0	0	0	168,600	44,700
Salaries & Wages	7,454,300	0	381,300	(30,000)	7,805,600	3,341,100
Operations Purchases	7,141,000	677,500	22,000	80,000	7,920,500	2,508,800
Depreciation	5,986,000	0	0	0	5,986,000	3,313,100
Loss on Sale	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>23,247,000</b>	<b>737,500</b>	<b>383,700</b>	<b>50,000</b>	<b>24,418,200</b>	<b>10,119,300</b>
<b>Operating Result</b>	<b>(3,285,300)</b>	<b>(737,500)</b>	<b>(383,700)</b>	<b>(186,000)</b>	<b>(4,592,500)</b>	<b>(284,300)</b>
Less Depreciation	5,986,000	0	0	0	5,986,000	3,313,100
<b>Operating Result Excl. Non Cash</b>	<b>2,700,700</b>	<b>(737,500)</b>	<b>(383,700)</b>	<b>(186,000)</b>	<b>1,393,500</b>	<b>3,028,800</b>
Add Capital Income	4,080,000	0	0	0	4,080,000	2,524,200
Less Capital Expenses	32,075,900	748,300	451,500	(50,000)	33,225,700	11,980,800
Transfer from/(to) Reserve	28,709,600	1,485,800	840,500	136,000	31,171,900	6,450,900
Less Loan Repayments	3,414,400	0	5,300	0	3,419,700	23,100
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Interest on Investments

The original budget for investment interest of \$293,000 was based on a forecast average held balance of \$15M with a 1.5% rate of return. The actual rate of return has decreased to 0.59% and the portfolio size of funds held has remained at \$31.5M but expected to decrease as substantial capital works programs continue.

Based on these factors and considering anticipated cash flow requirements, the adjusted forecast investment interest for 30 June 2022 is expected to reach \$157,000. A budget reduction of \$136,000 is required to revenue and the Bulk reserve.

To account for this change in 2021/22, the following adjustment is required:

Operating income	Investment Revenue	Interest on Investments	(\$136,000)
Reserves	Bulk Water Reserve		\$136,000
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Hydraulic capacity assessment

Funding of \$50,000 was allocated in the 2021/22 financial year to deliver the Integrated Planning & Reporting goal of “Strategy and Planning”, and Activity 2.1.5.4 to “Undertake hydraulic capacity assessment of water distribution network to develop augmentation capital works plan”.

In finalising the tender documentation scope, a need to update the peak day forecast throughout the entire network has been identified. The scope of the project has been expanded to include modelling of other potential treated water sources, relating to the Future Water Project 2060. This has increased the complexity of the analysis and will require additional modelling scenarios to be undertaken, t, additional funds are required to complete this project. The total revised budget has increased to \$100,000.

It is proposed to transfer \$50,000 from available funds in capital works that were originally planned for the destratification system at Rocky Creek Dam and will no longer be needed in the current financial year to fund this project.

To account for this change in 2021/22, the following adjustment is required:

Operating Expenditure	Contractors and Materials		(\$50,000)
Capital Expenditure	Contractors and Materials		\$50,000
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Safety monitoring

In August 2021 Rous implemented a 6-month Get Home Safe Application for staff working in remote and isolated locations. The risks to staff welfare when working in remote locations was identified as a major risk which was confirmed in the results of an external work health and safety audit that was conducted in 2020 as part of Council’s Internal Audit Program. The application utilises devices that can be used by staff to indicate that they need assistance. The system links to an external monitoring company that receive alerts and alarms if the device is activated and then contact the staff member via emergency services. The devices do not require telephone coverage to operate. This program has been extended for a further six months and requires an additional budget allocation.

\$10,000 is requested for this purpose with the funds to be drawn from the salaries budget allocated to the Enterprise Risk Coordinator position, which due to ongoing recruitment activities is currently vacant at the time of this report.

To account for this change in 2021/22, the following adjustment is required:

Operating Expenditure	Other Costs		(\$10,000)
Operating Expenditure	Salaries		\$10,000
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

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## Workforce Management Plan

As part of the requirement to review and update the Integrated Planning and Reporting (IP&R) framework, consultants from Local Government Management Solutions (LGMS) have been engaged to develop the Workforce Management Plan (WMP) for 2022-2025. The WMP is a proactive, three-year strategy (aligned to the Council term) that shapes the capacity and capability of the workforce to achieve Council's strategic goals and objectives. It identifies how future staffing and skills requirements will be met, such as through recruitment, staff progression and development, internal redeployment opportunities and succession planning. The cost to deliver the WMP is approximately \$20,000.

Funds were allocated in the previous financial year for the development of the WMP. Those funds were not subsequently required due to the decision by the NSW State Government to add an additional year to the IP&R framework period, making it a 5-year framework (instead of a 4-year framework). An internal oversight meant that the funds previously allocated were not carried forward in the 2021-2022 financial year. As such, it is proposed that funds to cover the cost of the WMP be drawn from savings in the salaries budget allocated to the Change Team within the People and Performance Group.

To account for this change in 2021/22, the following adjustment is required:

Operating Expenditure	Contractors and Materials		(\$20,000)
Operating Expenditure	Salaries and Wages		\$20,000
<b>Impact on Cash Surplus</b>			<b>\$0</b>

## Waste solids disposal investigation

Since 2006, waste treatment solids from the Nightcap Water Treatment Plant (NCWTP) have been transported to the Three Chain Road Quarry for disposal in an agreement between Lismore City Council and Rous approved under DA02/1139.

On 12 October 2021, Lismore City Council advised that the development consent for quarrying (DA06/599) at Three Chain Road expires on 28 March 2022 and will not be renewed. Lismore City Council also advised that DA04/1139 is considered to rely upon the expiring quarry consent and that disposal of the NCWTP waste treatment solids will not be permitted beyond this date.

Approximately, 2,000 tonnes of waste treatment solids are currently produced by the NCWTP annually with a dry solids content of approximately 18%. The waste solids are collected in skip bins which are transported from the NCWTP to the facility at Three Chain Road under contract with Richmond Waste Services. Rous currently pays a disposal fee to Lismore City Council of \$10 per tonne, and alternatives currently suggested after the 28 March 2022 would be to dispose of the waste at Lismore City Council's landfill facility at a cost of \$344.50 per tonne (ex GST). This would see Rous's annual disposal costs rise from approximately \$20,000 per annum to \$690,000 per annum ex GST.

In late December 2021, Hunter H2O were engaged to undertake an urgent investigation for alternative disposal options for the NCWTP waste solids. Cost to undertake this investigation will be \$35,000 and it is proposed to utilise savings from the NCWTP electricity budget for this project.

To account for this change in 2021/22, the following adjustment is required:

Operating Expenditure	Contractors and Materials	S-NCWTP	(\$35,000)
Operating Expenditure	Contractors and Materials	S-NCWTP	\$35,000
<b>Impact on Cash Surplus</b>			<b>\$0</b>



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### Replacement of steel tanks at Emigrant Creek Dam Water Treatment Plant

An additional \$80,000 in funding will be used to complete the installation of 3 x reinforced polymer liners in the wastewater, filtered and supernatant process water tanks at the Emigrant Creek Dam Water Treatment Plant. Three quotes have been received ranging from \$101,000-\$130,000 (ex GST). The preferred quotation from Australian Liners and Tanks is \$103,912 (ex GST). An additional 20% contingency above the quoted amount is requested as there may be minor corrosion to be addressed once the original liners have been removed. The initial budget allocation was based on verbal advice from suppliers regarding liner supply however this was incorrectly assumed to also include installation costs.

It is proposed to transfer \$80,000 from available funds in capital works that were originally planned for the destratification system at Rocky Creek Dam and will no longer be needed in the current financial year for this project.

To account for this change in 2021/22, the following adjustment is required:

Capital Expenditure	Contractors and Materials		(\$80,000)
Capital Expenditure	Contractors and Materials		\$80,000
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

**Budget Review for the Quarter Ended 31 December 2021**

**(QBR53) Capital Budget**

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
<b>Capital Funding:</b>						
Capital Grants & Contributions	0	0	0	0	0	
Internal Restrictions						
- Renewals	11,546,500	859,840	408,960	(130,000)	12,685,300	2,617,200
- New Assets	19,565,100	(56,740)	1,738,940	80,000	21,327,300	6,975,400
External Restrictions						
- Infrastructure	0	0	0	0	0	0
Other Capital Funding Sources						
- Operating Revenue	0	0	0	0	0	0
- S64 Contributions	4,080,000	0	0	0	4,080,000	2,525,600
Income from Sale of Assets						
- Plant and Equipment	0	0	0	0	0	0
- Land and Buildings	1,686,400	0	(1,686,400)	0	0	0
<b>Total Capital Funding</b>	<b>36,878,000</b>	<b>803,100</b>	<b>461,500</b>	<b>(50,000)</b>	<b>38,092,600</b>	<b>12,118,200</b>
<b>Capital Expenditure:</b>						
New Assets						
- Plant and Equipment	498,100	0	0	0	498,100	75,500
- Office Equipment	110,000	50,000	0	0	160,000	112,900
- Inventory (Land)	2,490,000	0	0	0	2,490,000	26,300
- Land and Buildings	7,737,500	0	0	0	7,737,500	6,850,000
- Infrastructure	14,495,900	(106,740)	52,540	80,000	14,521,700	2,436,300
Renewals (Replacement)						
- Plant and Equipment	0	0	0	0	0	0
- Office Equipment	672,300	0	0	0	672,300	75,000
- Land and Buildings	26,000	29,800	0	0	55,800	0
- Infrastructure	10,848,200	830,040	408,960	(130,000)	11,957,200	2,542,200
<b>Total Capital Expenditure</b>	<b>36,878,000</b>	<b>803,100</b>	<b>461,500</b>	<b>(50,000)</b>	<b>38,092,600</b>	<b>12,118,200</b>

**Budget Review for the Quarter Ended 31 December 2021**

**(QBR54) Cash & Investments**

	Opening Balances 2020/21	Original Budget 2021/22	2020/21 Carryovers	Approved changes Sept Review	Recommend changes for Council Resolution	Projected Year End Result 2021/22
<b>Unrestricted:</b>						
Flood Mitigation	99,000	0	0	0	0	99,000
Weeds Biosecurity	25,800	0	0	0	(8,200)	17,600
Retail Water	100,000	0	0	0	0	100,000
Richmond Water Laboratories	10,000	0	0	0	0	10,000
Commercial Properties	100,000	0	0	0	(3,300)	96,700
Fleet	50,000	0	0	0	(9,000)	41,000
Bulk Water	1,043,800	0	0	0	(136,000)	907,800
<b>Total Unrestricted</b>	<b>1,428,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(156,500)</b>	<b>1,272,100</b>
<b>Externally Restricted:</b>						
Flood Grants	197,800	0	0	(30,000)	0	167,800
Weeds Grants	922,000	0	0	(68,000)	51,900	905,900
Weeds Other	0	0	0	0	0	0
Bulk Water Grants	11,500	0	0	0	0	11,500
Bulk Water Other	2,950,000	0	0	0	0	2,950,000
<b>Total Externally Restricted</b>	<b>4,081,300</b>	<b>0</b>	<b>0</b>	<b>(98,000)</b>	<b>51,900</b>	<b>4,035,200</b>
<b>Internally Restricted:</b>						
Flood Mitigation	802,300	(228,200)	(162,700)	(116,600)	0	294,800
Weeds Biosecurity	1,130,900	(56,300)	(105,000)	0	0	969,600
Retail Water	2,564,100	(1,393,400)	(15,500)	(10,000)	0	1,145,200
Richmond Water Laboratories	399,600	(27,200)	0	0	0	372,400
Commercial Properties	1,103,400	(912,700)	(29,800)	(1,686,400)	789,500	(736,000)
Fleet	1,110,100	(90,500)	0	0	0	1,019,600
Bulk Water				0		
- Buildings & Structures	187,700	(150,000)	0	0	0	37,700
- Assets & Programs	30,676,300	(27,209,300)	(1,375,800)	(840,500)	0	1,250,700
- Employee Leave Entitlement	2,264,200	(678,000)	0	0	0	1,586,200
- Electricity	2,586,900	0	0	0	0	2,586,900
- Office Equipment & Computer	936,400	(672,300)	(110,000)	0	0	154,100
- Greenhouse Gas Abatement	108,300	0	0	0	0	108,300
<b>Total Internally Restricted</b>	<b>43,870,200</b>	<b>(31,417,900)</b>	<b>(1,798,800)</b>	<b>(2,653,500)</b>	<b>789,500</b>	<b>8,789,500</b>
<b>Total Restricted</b>	<b>47,951,500</b>	<b>(31,417,900)</b>	<b>(1,798,800)</b>	<b>(2,751,500)</b>	<b>841,400</b>	<b>12,824,700</b>

**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 December 2021.

**Reconciliation**

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

Cash at Bank (as per bank statements)	5,734,635
Investments on Hand	35,500,000

<b>Reconciled Cash at Bank &amp; Investments</b>	<b>41,234,635</b>
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## (QBR5) Contractors

Contractor	Contract Details & Purpose	Contract Value (\$)	Contract Date	Duration of Contract	Budgeted (Y/N)
KD Bengé & MB Johnson t/as M & K Business Solution	Visitor Information Centre Project	97,000	11/10/2021	12 mths	Y
James Ralph t/as Ralph's Garden Maintenance	Gallans Road Gardens and Ground Maintenance	114,240	15/10/2021	12 mths	Y
Advanced Concrete Engineering Pty Ltd t/as APS	St Helena 600/525 Elevated Main Corrosion Repair	563,600	20/10/2021	7 mths	Y
The Impax Group Pty Ltd	Future Water Program 2060 - bore construction and drilling for new Conveys Lane deep bore at Wollongbar	357,350	20/10/2021	5 mths	Y
Engeny Management P/L t/as Engeny Water Management	Hydrology - Dam Break Consequence Category	74,500	5/11/2021	6 mths	Y
Hunter H20 Holdings Pty Ltd	Future Water Program 2060 - undertake site selection for the water treatment plant for the Alstonville Groundwater Scheme	71,859	10/01/2021	3 mths	Y

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

## (QBR5) Consultancy and Legal Expenses

### Definition of Consultant

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

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	\$88,290	Y
Legal Fees	\$42,611	Y

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

Consultancies	
Corporate & Commercial - RAP Advisory	\$200
Corporate & Commercial - Information Systems Review Start Up	\$3,950
People & Performance – RCEIC Launch Welcome to Country	\$250
Planning & Delivery – Dam Safety Management System	\$74,142
Planning & Delivery – Broadwater PS Concept Design	\$9,748
Legal Fees	
Corporate & Commercial - Purchase Gallan's Road Property	\$4,980
Corporate & Commercial - Sale Carrington Street Property	\$2,448
People & Performance – Contract Template Suite	\$20,792
People & Performance - Water Connection Policy	\$6,552
Planning & Delivery – Developer Contributions	\$998
Planning & Delivery – Future Water Program Cultural Heritage	\$6,841

## Statement of Expenses for Councillors

### Councillor Expenses for the Quarter Ending 31/12/2021 (Q2)

Quarter 2	Other Expenses	Official Business of Council - Travel	Official Business of Council - Professional Development/Training	Total by Councillor (Q2)
Councillor Cadwallader	0	56	0	56
Councillor Cameron	0	0	0	0
Councillor Cook	0	72	0	72
Councillor Ekins	0	0	0	0
Councillor Humphrys	0	0	0	0
Councillor Mustow	0	0	0	0
Councillor Richardson	0	0	0	0
Councillor Williams	0	0	0	0
Councillors To Be Decided*	0	0	1,421	1,421
<b>Total Per Expense Type</b>	<b>0</b>	<b>128</b>	<b>1,421</b>	<b>1,549</b>

	Q1	Q2	Q3	Q4	Total by Councillor YTD
Councillor Cadwallader	49	56	0	0	105
Councillor Cameron	0	0	0	0	0
Councillor Cook	72	72	0	0	144
Councillor Ekins	0	0	0	0	0
Councillor Humphrys	0	0	0	0	0
Councillor Mustow	0	0	0	0	0
Councillor Richardson	0	0	0	0	0
Councillor Williams	0	0	0	0	0
Councillors Yet To Be Decided*	0	1,421			1,421
<b>Total Per Expense Type</b>	<b>121</b>	<b>1,549</b>	<b>0</b>	<b>0</b>	<b>1,670</b>


Budget 2021/22 FY 61,500


\* This represents the cost for two Councillors to attend the Local Government New South Wales conference. The attendees are yet to be decided.

## (QBR6) Key Performance Indicators

In assessing an organisation's financial position, there are several performance indicators that can assist to easily identify whether an organisation is financially sound. These indicators and their associated benchmarks, as stipulated by Office of Local Government, are set out below:

	# Performance Indicator		Flood	Weeds	Retail	RWL	Property	Fleet	Bulk	Consolidated (Whole Organisation)	Local Government Bench Mark
1	Operating Performance	2021/22 Budget Review	(1,072,200)	(94,400)	(99,800)	(1,600)	(171,500)	(85,500)	(4,592,500)	<b>(6,117,500)</b>	Surplus
		2020/21 Actual	(996,969)	182,587	(441,212)	(36,557)	868,066	105,730	(592,588)	<b>(910,944)</b>	
2	Current Ratio	2021/22 Budget Review	56.16	189.31	49.81	47.80	(12.79)	53.03	1.92	<b>2.75</b>	> 1.5
		2020/21 Actual	7.87	45.91	182.68	19.32	22.07	13.12	5.47	<b>6.46</b>	
3	Debt Service Cover Ratio	2021/22 Budget Review	-	-	-	-	-	-	1.46	<b>1.72</b>	> 2
		2020/21 Actual	-	-	-	-	-	-	1.56	<b>1.95</b>	
4	Own Source Operating Revenue Ratio	2021/22 Budget Review	1%	2%	100%	100%	100%	100%	82%	<b>74%</b>	> 60%
		2020/21 Actual	1%	1%	98%	100%	100%	100%	78%	75%	
5	Building and Infrastructure Renewals Ratio	2021/22 Budget Review	0.18 : 1	-	-	-	1.11 : 1	-	2.41 : 1	<b>2.09 : 1</b>	> 1:1
		2020/21 Actual	0.11 : 1	-	-	-	0.00 : 1	-	0.96 : 1	<b>0.86 : 1</b>	

 Projected result meets or exceeds benchmark.

 Projected result does not meet benchmark.

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## Comments on Key Performance Indicators

Please note that comments relate to the consolidated financial indicators.

### 1. Operating Result Before Capital Contributions

The operating result is the surplus or deficit that Council makes from normal operations (including depreciation) excluding expenditure on capital items. A surplus is a positive financial indicator.

*Comment: Council's operating result (deficit) before capital items has increased compared with the original budgeted deficit of \$4,308,400.*

Original Budgeted Deficit	(\$4,308,400)
Projected Year End Result 2021/22	(\$6,117,500)
	<b>(\$1,809,100)</b>

The increase can be attributed to carry over works (\$996K) reinstated from 2020/21, operating expenses (\$1.530M), salaries (\$463K), a decrease in property income (\$60K) and a reduction in interest on investments (\$156K), offset by revenue increases from grant funding (\$1.285M), contributions (\$60K), private works income (\$31K) and a reduction in interest expense (\$20K).

Carryovers / Reinstatements	(\$995,700)
Expenses	(\$1,973,100)
Revenue	\$1,159,700
	<b>(\$1,809,100)</b>

Note: Operating results include depreciation of \$7,416,500 which is non-cash.

### 2. Current Ratio Liquidity

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

*Comment: The above ratio means that for every dollar Council owes in the short term, it has \$2.75 available in assets that can be converted to cash.*

### 3. Debt Service Cover Ratio

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

*Comment: Ratio, as a percentage of ordinary revenue, is consistent with the Long-Term Financial Plan.*

### 4. Own Source Operating Revenue Ratio

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

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

### 5. Building and Infrastructure Renewal Ratio

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

*Comment: The current ratio reflects an above benchmark forecast.*

## Grant application information

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

*Note: all totals are GST exclusive*

Grant Name	Fund	Synopsis	Funding Body	Program	Project Length	Total Project Value	Grant Funding	Council Funding	Total Expenditure to Date	Balance of Approved Funds to Spend
<b>New Grants that have been approved</b>										
Coraki Riparian Project	Flood	Richmond River coastal riparian project at Coraki	DPIE	Fish Habitat Action Grant	12 mths	112,160	40,000	72,160	-	112,160
Miconia 2022-24	Weeds	Miconia weed surveillance and control services in Northern NSW	QLD DAF	Miconia Weed Surveillance	36 mths	298,000	298,000	-	-	298,000
Frogbit	Weeds	Chinderah Frogbit incursion management and monitoring	DPIE	2021-2022 NSW Weeds Action Program – New Weed Incursion	12 mths	10,000	10,000	-	-	10,000
<b>Active Grants That Have Been Previously Reported</b>										
Integrated Water Cycle Management (IWCM) Strategy	Water	Undertake a review of the long-term water security strategy and complete a integrated water cycle management strategy for RCC.	DPIE	Safe & Secure Water Program	12 mths	929,000	151,000	778,000	928,566	434
Coastal Management Plan	Flood	Stage one of the Richmond River Coastal Management program scoping study	DPIE	Floodplain Management Grants Scheme	18 mths	149,997	99,998	49,999	137,345	12,652
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	116,818	82,950
Voluntary House Raising	Flood	Facilitate the voluntary house raising of 2 homes in the Lismore area.	DPIE	Floodplain Management Grants Scheme	12 mths	187,900	187,900	-	60,228	127,672
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.	173,967	110,033
Weeds Action Program 2020-25	Weeds	Funding allocated annually	LLS	North Coast Weeds Action Program 2020-25	12 mths	1,267,500	642,500	625,000	382,784	884,716
Miconia 2018-21	Weeds	Miconia weed surveillance and control services in Northern NSW	QLD Ag & Fisheries	Miconia Weed Eradication	36 mths	61,740	61,740	-	58,624	3,116
Alligator Weed - Evans Catchment	Weeds	Funded under new weed incursion program	NSW DPI	WAP - New Weed Incursion	12mths	41,500	32,000	9,500	41,500	0
Parthenium Weed Rapid Response	Weeds	Rapid response to control prohibited Matter species – parthenium weed	NSW DPI	New Weed Incursion	12 mths	20,000	15,000	5,000	6,149	13,851
2020-2021 NSW Weeds Action Program – New Weed Incursion – Frogbit Rapid Response	Weeds	Support essential first response treatments of new incursions of prohibited weeds	NSW DPI	NSW Weeds Action Program – State Priority Weeds Coordination and Response	12 mths	25,000	15,000	10,000	25,000	0
Bushfire Recovery Stimulus -W2 Strategic Weed Control	Weeds	Control of high priority weeds in the region. Focus on Tropical Soda Apple control in areas that are on fire affected properties or located within high risk pathways.	LLS	NSW Bushfire Recovery Stimulus	12 mths	272,000	250,000	22,000	274,647	(2,647)
North Coast Bushfire Recovery – Delivery of – W1 Tropical Soda Apple Landholder Engagement Project in the North Coast	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	125,511	110,489

**Note:** The additional expenditure on the Bushfire Recovery Stimulus grant is funded by the Weeds Action Program 2020-25.



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**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 2021/22 Operational Plan.