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# Quarterly Budget Review Statement for the quarter ending 30 September 2022

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

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## Recommendation

That Council note the results presented in the Quarterly Budget Review Statement as at 30 September 2022 and authorise the variations to the amounts from those previously estimated.

## Background

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

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

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

For the information of Council, the original 2022/23 budget was adopted on 15 June 2022 as part of the 2022/23 Operational plan and the 2022/26 Delivery program.

## Finance

### (QBRs1) Report by Responsible Accounting Officer

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

"It is my opinion that the Quarterly Budget Review Statement of Rous County Council for the quarter ended 30 September 2022 indicates that Council's projected financial position at 30 June 2023 will be satisfactory at year end, having regard to the projected estimates of income and expenditure, the original budgeted income and expenditure and Council's short-term liquidity position."



Guy Bezrouchko  
Responsible Accounting Officer

**Table 1: Summary of Proposed Changes Whole Organisation – September 2022**

BUDGET ITEMS	Original Budget 2022/23	2021/22 Carryovers	September	Projected Year End Result 2022/23
			30-Sep-22	
			Quarter	
<b>Operating Income</b>				
Bulk	20,767,100	0	575,700	21,342,800
Retail	3,099,200	0	0	3,099,200
Flood	1,061,600	0	(5,400)	1,056,200
Weeds	1,618,400	0	293,600	1,912,000
RWL	868,300	0	0	868,300
Commercial Property	163,500	0	0	163,500
Fleet	75,000	0	0	75,000
<b>TOTAL OPERATING INCOME</b>	<b>27,653,100</b>	<b>0</b>	<b>863,900</b>	<b>28,517,000</b>
<b>Operating Expenses</b>				
Bulk	25,617,200	1,176,600	(195,000)	26,598,800
Retail	3,176,500	0	60,000	3,236,500
Flood	1,679,500	79,400	118,600	1,877,500
Weeds	1,735,400	0	929,100	2,664,500
RWL	843,800	0	0	843,800
Commercial Property	312,600	0	0	312,600
Fleet	75,200	0	0	75,200
<b>TOTAL OPERATING EXPENSES</b>	<b>33,440,200</b>	<b>1,256,000</b>	<b>912,700</b>	<b>35,608,900</b>
<b>OPERATING RESULT</b>	<b>(5,787,100)</b>	<b>(1,256,000)</b>	<b>(48,800)</b>	<b>(7,091,900)</b>
Exclude Depreciation	7,813,800	0	0	7,813,800
<b>Cash Result</b>	<b>2,026,700</b>	<b>(1,256,000)</b>	<b>(48,800)</b>	<b>721,900</b>
Add: Capital Income	32,595,800	0	(25,000,000)	7,595,800
Less: Capital Expense	26,236,800	10,472,000	(6,479,300)	30,229,500
Add: From/Less: (To) Reserve	(3,897,100)	11,728,000	17,685,500	25,516,400
Less: Loan Repayments	4,488,600	0	(884,000)	3,604,600
<b>Estimated Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### June 2022 Budget and Carryover Adjustments

Council adopted the 2022/23 budget at the June 2022 meeting. No staff or external submissions resulted in changes to the adopted budget.

Carryover adjustments from 2021/22 totalling \$14,135,000; \$1,493,000 in operational expenditure and \$12,642,000 in capital expenditure were adopted by Council at the August 2022 Ordinary Council meeting [Resolution 42/22].

Carryovers to 2022/23 totalled \$11,728,000; \$1,256,000 in operational expenditure and \$10,472,000 in capital expenditure while \$2,407,000; \$237,000 in operational expenditure and \$2,170,000 in capital expenditure were carried over to future years.

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The volume of carry-overs and budget adjustments is significant this quarter, this is due to the backlog in assessing the impact of the March 2022 floods and other events on our delivery program, as discussed below.

The budget movements are shown in the table below:

	<b>Operating Expenditure</b>	<b>Capital Expenditure</b>
Adopted Original Budget 2022/23 as per June-22 Report	<b>\$33,440,200</b>	<b>\$26,236,800</b>
Add: Carryovers from 2021/22	\$1,493,000	\$12,642,000
Less: Carryovers Future Years	(\$237,000)	(\$2,170,000)
Revised Budget including Carryovers 2022/23	<b>\$34,696,200</b>	<b>\$36,708,800</b>

## **March 2022 Floods**

### **Background**

The Northern Rivers flood events in March 2022 have had a significant impact on Council's assets and operations. Affected assets include rural levees, infrastructure projects, fleet items, administration building and sub-leases including Richmond Water Laboratories, the rental property at 20 Conway St, and Kyogle Street and Woodburn depots.

### **Insurance Claim**

Rous' insurance policy with Statewide Mutual includes flood cover with a sub-limit of \$2M that applies for property loss and business interruptions. The claim is still being assessed at present and budget estimates will be provided at a future date.

### **Disaster Recovery Funding**

The works associated with this claim are currently underway and will be in addition to the insurance claim which is concurrently being prepared to fund the replacement/renewal of eligible affected assets. Once a formal agreement is in place with NSW Public Works budget estimates will be provided.

### **Other Information**

Significant changes have been made to Council's capital works program for 2022/23 due to the combined impact of carryovers from 2021/22 and ongoing supply issues. In addition to this, potential price increases for electricity and chemicals are likely to put additional pressure on operating budgets in the short to medium term.

### **Commentary on Proposed Adjustments – September 2022 (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.

## Bulk Water Reporting Unit

<b>(QBR2) Income &amp; Expenses - Bulk</b>					
	Original Budget 2022/23	2021/22 Carryovers	Recommend Changes for Council Resolution	Projected Year End Result 2022/23	Actual YTD
<b>Operating Income</b>					
Water Sales	20,591,900	0	0	20,591,900	5,148,000
Interest Income / Sundry	154,800	0	575,700	730,500	166,500
Property Income	20,400	0	0	20,400	4,900
Operating Grants and Contributions	0	0	0	0	0
Profit on Sale	0	0	0	0	0
<b>Total Operating Income</b>	<b>20,767,100</b>	<b>0</b>	<b>575,700</b>	<b>21,342,800</b>	<b>5,319,400</b>
<b>Operating Expense</b>					
Administration Expenses	585,500	0	0	585,500	289,900
Administration - Retail Water Cost	(1,896,500)	0	0	(1,896,500)	(474,500)
Finance Costs	2,305,100	0	(875,000)	1,430,100	283,600
Building/Depot Expenses	561,300	0	0	561,300	89,200
Fleet Hire Expense	548,600	0	0	548,600	136,200
Training & Staff	367,500	0	0	367,500	60,800
Insurance	385,700	0	0	385,700	330,600
Members Expenses	168,500	0	0	168,500	32,300
Salaries & Wages	8,294,100	50,000	(25,000)	8,319,100	1,739,700
Operations Purchases	7,956,900	1,126,600	705,000	9,788,500	893,200
Depreciation	6,340,500	0	0	6,340,500	1,640,700
<b>Total Operating Expense</b>	<b>25,617,200</b>	<b>1,176,600</b>	<b>(195,000)</b>	<b>26,598,800</b>	<b>5,021,700</b>
<b>Operating Result</b>	<b>(4,850,100)</b>	<b>(1,176,600)</b>	<b>770,700</b>	<b>(5,256,000)</b>	<b>297,700</b>
Less: Depreciation	6,340,500	0	0	6,340,500	1,640,700
<b>Operating Result Excl. Non Cash</b>	<b>1,490,400</b>	<b>(1,176,600)</b>	<b>770,700</b>	<b>1,084,500</b>	<b>1,938,400</b>
Add: Capital Income	29,223,000	0	(25,000,000)	4,223,000	961,800
Less: Capital Expenses	21,545,500	9,070,100	(5,703,800)	24,911,800	1,721,600
Transfer from/(to) Reserve	(4,679,300)	10,246,700	17,641,500	23,208,900	(532,800)
Less: Loan Repayments	4,488,600	0	(884,000)	3,604,600	645,800
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Interest on Investments and Debt Advisory Services

The original budget for investment interest of \$219,800 was based on a forecast average held balance of \$36M with a 0.60% rate of return. The Reserve Bank of Australia commenced increasing the cash rate in May, with further increases in June, July, August and September. These increases have had a flow on effect to Council's portfolio, with the rate of return increasing to 1.71% and the portfolio size of funds held remaining in excess of \$36M.

Based on these factors and considering anticipated cash flow requirements, the adjusted forecast investment interest for 30 June 2023 is expected to reach \$757,000. This is a positive budget adjustment of \$537,200.

All remaining funds will be transferred to the Bulk Water assets and programs reserve.

To account for these changes in 2022/23, the following adjustments are required:

Operating Revenue Reserves	Interests on Investments Bulk Water Reserve	Transfer to Reserve	\$537,200
		<b>Impact on Cash surplus</b>	(\$537,200)
			<b>\$0</b>

### Northern Rivers Joint Organisation Service Fees

In May 2022 Rous was appointed to provide financial management services for the Northern Rivers Joint Organisation (NRJO). Also, Rous' General Manager Phil Rudd was appointed to the role of Interim Executive Officer.

The NRJO represents the Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed New South Wales Local Government Areas with representation by the Mayors and General Managers of each Council. The NRJO's role is to facilitate and lead advocacy, political representation, and cooperative action on matters of regional significance.

A cost recovery option has been agreed to rather than a fixed-fee arrangement for these services. Rous has agreed to only charge the NRJO for the expenses incurred and the staff hours spent in relation to the provision of these services. The Executive Officer services will be provided for an interim period until a formal appointment is made. At this stage this is planned for November 2022.

The Interim Executive Officer services have been estimated based on the current hours required to perform the role for the period between 1 July 2022 to 30 November 2022. This has been forecast as 85 hours at a cost of \$8,500. The financial management service fee has been set at an annual cap of up to \$30,000 for three years to 30 June 2025.

To account for this change in 2022/23, the following adjustment is required:

Operating Revenue	Service Fees		\$38,500
Reserves	Bulk Water Reserve	Transfer to Reserve	(\$38,500)
		<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.

		2023/24	2024/25
Operating Revenue	Service Fees	\$30,000	\$30,000
Reserves	Bulk Water Reserve (Transfer to Reserve)	(\$30,000)	(\$30,000)
	<b>Impact on Cash Surplus</b>	<b>\$0</b>	<b>\$0</b>

### Integrated Planning and Reporting

Desktop publishing of the new Integrated Planning and Reporting Framework was performed by Gilimbaa, a small to medium enterprise that is Supply Nation certified. Being Supply Nation certified means that Gilimbaa is 51% or more indigenous owned, managed and controlled. Payment arrangements for the work performed spanned the 2021/22 financial year. Budget savings from the Integrated Planning and Reporting project (incl. desktop publishing) were not carried forward therefore to account for the change a budget adjustment of \$10,000 is required.

It is proposed to transfer available funds from the health, safety, and environment team due to current vacancies.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Contractors and Materials	P-IP&R	\$10,000
Operating Expenditure	Salaries and Wages	P-WHS	(\$10,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Infrastructure Program Manager Recruitment

There are currently two vacancies in the Planning and Delivery team, one of which is the key role of the Infrastructure Program Manager (IPM). Since its creation in 2021, the role has remained unfilled on a permanent basis, despite a recruitment exercise earlier in 2022.

It is proposed to engage an external recruitment specialist to run the recruitment process for the IPM to maximise the opportunities to select the best candidate in a difficult environment for employers. The amount is an estimate of what is likely to be required for the recruitment of two or three positions and is available from savings in salaries.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Consultants	PD-IPM	\$15,000
Operating Expenditure	Salaries and Wages	PD-IPM	(\$15,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Tablet Devices for Operations Staff

As council continues to transition towards mobile computing and away from its reliance on paper based corporate administration systems, appropriate field-based hardware is critical to the success of these programs.

It is proposed to fund the purchase of approximately 20 tablet-based computers and associated accessories for this purpose in both the Bulk Water and Weed Biosecurity Reporting Units. The tablets will be used by staff to access SCADA, Safety Systems, Electronic Drawing Management Databases, Weed Biosecurity management and Mapping tools, Environmental and Laboratory data input systems and numerous other packages as they continue to be developed.

It is expected that these devices will benefit staff through access to timely and accurate data in the field, a reduced administration burden, simplified completion of documents, improved compliance and record keeping. The total cost of these devices is estimated at \$47,500.

For the Bulk Water Reporting Unit, the \$20,000 required is proposed to be taken from savings in the St Helena project.

To account for this change in 2022/23, the following adjustment is required:

Capital Expenditure	Contractors and Materials	CC-IT Computers	\$20,000
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Capital Expenditure	Contractors and Materials	CE-St Helena 600 S2	(\$20,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Broadwater Pipeline Upgrade

This project is to be deferred for 3 to 5 years. The main driver for this project was to increase the water supply into the Broadwater area to meet the peak day demand forecasts. These forecasts have recently been revised downwards and the peak day demand can be met without the new pipeline for up to 5 years, thereby reducing this project's importance against other key projects.

It is proposed that the entire budget of \$610,000 be surrendered to the reserve.

To account for this change in 2022/23, the following adjustment is required:

Capital Expenditure	Contractors and Materials	CE – Filling Station	(\$610,000)
Reserves	Bulk Water Reserve	Transfer to Reserve	(\$610,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Northern Rivers March 2022 Flood Water/Sewerage Program Grant

In June 2022, \$1.6M in grant funding was provided to Council-by the NSW Government under the Northern Rivers March 2022 Flood Water/Sewerage Program. The funding was provided in response to the flood events of March 2022.

This funding will be used to undertake a variety of water infrastructure projects with the total estimated expenditure to be \$2.41M over a three-year period. \$161,000 was spent in 2021/22 with the remaining expenditure to occur in 2022/23 and 2023/24.

To account for these changes in 2022/23, the following adjustments are required:

Capital Expenditure	Contractors and Materials	GC-NRFWSP Brunswick	\$56,400
Capital Expenditure	Contractors and Materials	GC-NRFWSP Coraki	\$383,400
Capital Expenditure	Contractors and Materials	GC-NRFWSP St Helena 600	\$50,000
Capital Expenditure	Contractors and Materials	GC-NRFWSP Woodburn	\$300,000
Capital Expenditure	Contractors and Materials	GC-NRFWSP WRS	\$5,400
Capital Expenditure	Contractors and Materials	GC-NRFWSP IRW	\$100,000
Reserve	Bulk Water Reserve	Transfer from Reserve	\$895,200
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		<b>2023/24</b>
Capital Expenditure	Contractors and Materials	\$1,355,000

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Reserves	Bulk Water Reserve (Transfer from Reserve)	\$1,355,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>



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## Hydraulic Assessment (Infrastructure Upgrade)

Funding of \$108,600 was allocated in the 2022/23 financial year to deliver the project for the hydraulic analysis of the bulk water network.

This project involves undertaking assessments of water balance, water loss indices, the permanent installation of water loss equipment and storage requirements throughout the network. These assessments will be used to inform future infrastructure works aimed at mitigating against operational disruptions and failure/breakage of infrastructure assets resulting in significant water loss.

It is proposed to transfer available funds to both the existing project and a new capital project from the Water Loss Implementation budget as these items are interrelated. This adjustment involves transferring \$30,000 from the capital expenditure program to the operating project which will increase the forecast operating loss by \$30,000.

To account for these changes in 2022/23, the following adjustments are required:

Operating Expenditure	Contractors and Materials	P – Hydraulic Assessments	\$30,000
Capital Expenditure	Contractors and Materials	CE - Hydraulic Assessments	\$35,000
Capital Expenditure	Contractors and Materials	CE - FWP Water Loss Implementation	(\$65,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Coraki 225 Replacement Investigations

This project was intended to decommission a leaking section of the 225mm pipeline and transfer customers to a nearby alternative water main with the construction of a new interconnecting pipeline being required along Bridge St, Wyrallah. The leaking pipeline has since been repaired and the project strategy has been revised to replace the pipeline. This will maintain a dual water supply system which reduces the risk of water supply losses.

A long-term water supply strategy will be prepared this financial year with planned replacement works to be included in the Long-Term Financial Plan in approximately 3-5 years' time. It is recommended that \$100,000 be retained in this budget to complete the strategy and progress the concept design with the remainder of the forecast budget to be surrendered and returned to reserves.

To account for these changes in 2022/23, the following adjustments are required:

Capital Expenditure	Contractors and Materials	CE – Coraki225	(\$150,000)
Reserve	Bulk Water Reserve	Transfer to Reserve	(\$150,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Renewal of Recreation Area Assets at Emigrant Creek Dam

This project was for the renewal of recreational amenities located at Emigrant Creek Dam. The existing assets are in a fair to reasonable condition and no urgent works are required. Considering the volume of other projects that are planned for this year, this project has been reassessed as having a low priority.

It is recommended that the entire \$15,000 budget be surrendered and returned to reserves.

To account for these changes in 2022/23, the following adjustments are required:

Capital Expenditure	Contractors and Materials	CE – ECD Amenities	(\$15,000)
Reserve	Bulk Water Reserve	Transfer to Reserve	(\$15,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Upgrade and Replacement of Emigrant Creek Dam Aeration System

This project was planned to undertake detailed investigations into the replacement of the aeration system and an upgrade of the air scour for the water treatment plant. The reasons for the project were to replace the compressor which is nearing the end of its useful life and incurring increased service costs. This project was also aimed at improving water quality outcomes and efficiencies. Despite this these assets are in an operating and reasonable condition. Considering the volume of other projects that are planned for this year, this project has been reassessed as having a low priority.

It is recommended that the entire \$30,000 budget be deferred until 2023/24 and returned to reserves.

To account for these changes in 2022/23, the following adjustments are required:

Capital Expenditure	Contractors and Materials	CE – ECD Destratification	(\$30,000)
Reserve	Bulk Water Reserve	Transfer to Reserve	(\$30,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		<b>2023/24</b>
Capital Expenditure	Contractors and Materials	\$30,000
Reserves	Bulk Water Reserve (Transfer from Reserve)	\$30,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Water Filling Station

Due to the substantial capital expenditure carryovers adopted by Council, the program for 2022/23 has been reassessed. This project involved the installation of a water filling station at Lagoons Grass and the associated road works however, this project is not a priority and has potential issues regarding flooding. At present the demand for water fill stations is low and as such it is recommended to surrender the original budget of \$91,000 to reserves and reconsider additional water fill stations in times of high demand.

To account for this change in 2022/23, the following adjustment is required:

Capital Expenditure	Contractors and Materials	CE – Filling Station	(\$91,000)
Reserves	Bulk Water Reserve	Transfer to Reserve	(\$91,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

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## Investigations into Wilson River Source Low Lift Pump Station Switchboard Upgrade

This project was planned to upgrade the switchboard utilised at the Wilson River Source Low Lift Pump Station. This site was severely impacted by the March 2022 flood events with the switchboard being rendered inoperable. Works are currently underway to reinstate the switchboard and the upgrade of the switchboard is to be considered as part of reinstatement works.

It is recommended that the entire \$50,000 budget be surrendered and returned to reserves.

To account for these changes in 2022/23, the following adjustments are required:

Capital Expenditure	Contractors and Materials	CE – WRS Switch	(\$50,000)
Reserve	Bulk Water Reserve	Transfer to Reserve	(\$50,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Design and Construction of a Replacement Destratification System for Rocky Creek Dam

The priority of the renewal of the Rocky Creek Dam destratification system has been assessed by Council staff as a lower priority than the immediate flood recovery works. Councils' available resources have been tasked to the flood recovery projects and are unable to complete the replacement of the destratification system this financial year.

It is recommended that \$25,000 is retained in this budget for the finalisation of designs and remaining \$384,500 is deferred to 2023/24 for construction.

To account for these changes in 2022/23, the following adjustments are required:

Capital Expenditure	Contractors and Materials	CE – RCD Destratification	(\$384,500)
Reserve	Bulk Water Reserve	Transfer to Reserve	(\$384,500)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		<b>2023/24</b>
Capital Expenditure	Contractors and Materials	\$384,500
Reserves	Bulk Water Reserve (Transfer from Reserve)	\$384,500
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Implementation of Water Loss Management Plan

Council has recently been successful in participating in a State Government run leakage detection program. Leakage detection is one of the key focus areas of Council's Water Loss Management strategy. The program was highly successful finding 221kL/day of leakage and was fully funded by the State Government (circa \$50,000 value). This has created significant savings in this budget.

Furthermore, Council staff recently engaged consultants to assist in the planning for the implementation of the Water Loss Management Program. This planning phase will identify preferred sites and technologies for additional water and pressure metering, pressure management and leakage detection. This planning phase is expected to be completed by January 2023. Procurement of meters and other equipment and internal planning for on ground works will be undertaken in the first half of 2023.

Due to the current lead time being observed on bulk meters (20-26 weeks) it is unlikely any installation works will be undertaken in 2022/23. It is recommended an amount of \$250,000 from the current year budget be returned to reserves. A budget of \$475,000 is already included in the LTFP for 2023/24 which will be utilised to complete installation works.

It is recommended that \$160,000 is retained in this budget for 2022/23 and the remaining \$250,000 is returned to reserves.

To account for these changes in 2022/23, the following adjustments are required:

Capital Expenditure	Contractors and Materials	CE – FWP-WLI	(\$250,000)
Reserve	Bulk Water Reserve	Transfer to Reserve	(\$250,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Future Water Program 2060

The Future Water Program budget has been adjusted to reflect an achievable program of work in line with the priorities of Stage 1 and focused on the immediate next steps in the planned program of work. To date, budgeting for the FWP has been conservative and based on preliminary, high-level estimates. The FWP budget will be updated from year to year based on project progress, appropriate next steps and updated cost estimates. The adjustments for this financial year allow for progress of land acquisition and further development of planning, design and implementation of Stage 1 priorities and further investigations for Stage 2 & 3 sources, considering the project delays experienced in 2021/22 due to natural disasters.

New budget items have been included to support the implementation of other FWP activities including technical and design work to ensure Council’s drought and emergency water sources are operationally ready. This includes Rocky Creek Dam dead storage, Wilsons River Source emergency operations and temporary desalination. There is also inclusion of a budget to support FWP communication and engagement activities.

To account for these changes in 2022/23, the following adjustments are required:

Operating Expenditure	Contractors and Materials	P-FWP Communications and Engagement	\$300,000
Operating Expenditure	Contractors and Materials	P-FWP Emergency Desalination Investigation	\$200,000
Operating Expenditure	Contractors and Materials	P-FWP RCD Dead Storage Investigation	\$50,000
Operating Expenditure	Contractors and Materials	P-FWP Wilsons River Emergency Supply Studies	\$100,000
Capital Expenditure	Contractors and Materials	CE – FWP Alstonville	(\$2,560,800)
Capital Expenditure	Contractors and Materials	CE – FWP DPR	(\$636,000)
Capital Expenditure	Contractors and Materials	CE – Project Management	(\$1,418,000)
Capital Expenditure	Contractors and Materials	CE – Tyagarah Groundwater	(\$373,700)
Reserve	Bulk Water Reserve	Transfer to Reserve	(\$4,338,500)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Remove Proposed Loan Borrowings

Significant loan borrowings were originally forecast in the adopted Long-Term Financial Plan to complete significant projects particularly regarding the Future Water Project 2060. This included planned loan borrowings of \$25M for 2022/23 based on the forecast levels of capital expenditure and reserves.

RCC's cash position as at 30 June 2022 was \$40.5M which is significantly higher than the forecast of \$16.6M. The capital works program was unable to be completed due to several factors being the March 2022 flood events, supply chain issues and the ongoing impacts of Covid-19. This resulted in \$14.1M in works being carried over (\$11.7M relates to 2022/23) adding additional works to an already substantial capital works program. Staff are in the process of reprioritising both the scope of planned works and the timeframes involved and processes are being improved to eliminate the need for carryovers of this magnitude in the future.

As a result, the proposed \$25M in loan funds is no longer required and it is proposed to defer any future borrowings until 2023/24.

To account for these changes in 2022/23, the following adjustments are required:

Operating Expenditure	Interest on External Borrowings		(\$875,000)
Loan Capital	Principal Repayments on External Borrowing		(\$884,000)
Capital Income	New External Loan Funds		(\$25,000,000)
Reserve	Bulk Water Reserve	Transfer from Reserve	\$23,241,000
		<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.

		2023/24 to 2032/33
Operating Expenditure	Interest on External Borrowings	(\$6,856,400)
Loan Capital	Principal Repayments on External Borrowing	(\$10,733,900)
Reserves	Bulk Water Reserve (Transfer to Reserve)	(\$17,590,300)
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Impact on Bulk Water Reserve

The required changes above will result in \$17,641,500 being transferred from the Bulk Water reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will decrease to \$6,934,300 which is short of the internal reserves policy target of 6 months operating expenditure or \$13,299,400.

## Retail Water Reporting Unit

<b>(QBR2) Income &amp; Expenses - Retail</b>					
	Original Budget 2022/23	2021/22 Carryovers	Recommend Changes for Council Resolution	Projected Year End Result 2022/23	Actual YTD
<b>Operating Income</b>					
Water Sales	3,088,000	0	0	3,088,000	734,800
Interest Income / Sundry	11,200	0	0	11,200	2,600
<b>Total Operating Income</b>	<b>3,099,200</b>	<b>0</b>	<b>0</b>	<b>3,099,200</b>	<b>737,400</b>
<b>Operating Expense</b>					
Administration Expenses	2,144,100	0	60,000	2,204,100	522,300
Fleet Hire Expenses	86,400	0	0	86,400	21,600
Salaries and Wages	495,600	0	0	495,600	123,800
Operations Purchases	155,800	0	0	155,800	42,900
Depreciation and Amortisation	294,600	0	0	294,600	67,100
<b>Total Operating Expense</b>	<b>3,176,500</b>	<b>0</b>	<b>60,000</b>	<b>3,236,500</b>	<b>777,700</b>
<b>Operating Result</b>	<b>(77,300)</b>	<b>0</b>	<b>(60,000)</b>	<b>(137,300)</b>	<b>(40,300)</b>
Less Depreciation	294,600	0	0	294,600	67,100
<b>Operating Result Excl. Non Cash</b>	<b>217,300</b>	<b>0</b>	<b>(60,000)</b>	<b>157,300</b>	<b>26,800</b>
Add: Capital Income	0	0	0	0	0
Less: Capital Expenses	1,628,100	1,260,100	(853,000)	2,035,200	11,500
Transfer from/(to) Reserve	1,410,800	1,260,100	(793,000)	1,877,900	(15,300)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Retail Water Write Off

Council adopted a report for the waiver of retail water customer accounts effected by the February/March 2022 flood event at the Ordinary Meeting in August 2022 [Resolution 50/22].

An additional budget of \$60,000 is required for this purpose.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Write-Offs		\$60,000
Reserves	Retail Water Reserve	Transfer from Reserve	\$60,000
		<b>Impact on Cash surplus</b>	<b>\$0</b>

## Richmond Hill 100 Upgrade

Following a selective tender run through Local Government Procurement, three tenders were received for the project involving the construction of approximately 1000m of 100mm pipeline in Richmond Hill. The tenders were all significantly higher than the pre-tender estimate of approximately \$300,000.

The pre-tender estimate was based on construction costs of previous construction contracts and did not have sufficient allowance to account for the recent significant increases in material and labour costs. The lowest cost tender has withdrawn their tender and the other two tenders are not considered value for money for Council. A revised project budget estimate of \$810,000 has been developed based on the tenders. The project will be re-tendered as an open tender.

To account for this change in 2022/23, the following adjustment is required:

Capital Expenditure	Contractors and Materials	CE – Retic-RH	\$497,000
Reserves	Retail Water Reserve	Transfer from Reserve	\$497,000
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Smart Metering Project - Supply and Installation of ~2,100 Digital Smart Meters and Supporting Software

An Expression of Interest (EOI) for the provision and installation of smart metering on the Rous County Council retail water supply network has recently closed and submissions are being assessed. Preliminary information from respondents indicate significant delays in supply of digital water meters which will cause delays to the delivery of the project. At this stage a Request for Tender is expected to be issued to selected vendors in late 2022 with award of contract in April 2023. The bulk of the installation work is expected to be completed in 2023/24.

It is recommended that \$468,400 is retained in this budget for 2022/23 and the remaining \$600,000 is deferred to 2023/24.

To account for this change in 2022/23, the following adjustment is required:

Capital Expenditure	Materials and Contractors	CE – S-Meters	(\$600,000)
Reserves	Retail Water Reserve	Transfer to Reserve	(\$600,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		2023/24
Capital Expenditure	Contractors and Materials	\$600,000
Reserves	Bulk Water Reserve (Transfer from Reserve)	\$600,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Backflow Devices Project - Installation of ~1,600 backflow devices to Rous customers

Council has recently awarded a tender for supply of backflow devices for an amount of \$237,539.46 excluding GST. The backflow devices are expected to be delivered and paid for before March 2023. The installation of backflow devices across the Rous County Council retail water supply network will be undertaken in conjunction with the roll-out of smart metering which will result in significant efficiency gains and cost savings for Council however the timing of installation is linked to the smart metering contract which as detailed in the smart meter budget commentary above is expected to be awarded in April 2023 with the bulk of installations expected to occur in 2023/24.

It is recommended that \$250,000 is retained in this budget for 2022/23 and the remaining \$750,000 is deferred to 2023/24.

To account for this change in 2022/23, the following adjustment is required:

Capital Expenditure	Contractors and Materials	CE – S-Backflow	(\$750,000)
Reserves	Retail Water Reserve	Transfer to Reserve	(\$750,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		<b>2023/24</b>
Capital Expenditure	Contractors and Materials	\$750,000
Reserves	Bulk Water Reserve (Transfer from Reserve)	\$750,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

### **Impact on Retail Water Reserve**

These required changes above will result in a \$793,000 transfer to the Retail Water reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will increase to \$1,136,100 which is short of the internal reserves policy target of 8 months operating expenditure or \$2,157,700.



## Flood Mitigation Reporting Unit

<b>(QBR52) Income &amp; Expenses - Flood</b>					
	<b>Original Budget 2022/23</b>	<b>2021/22 Carryovers</b>	<b>Recommend Changes for Council Resolution</b>	<b>Projected Year End Result 2022/23</b>	<b>Actual YTD</b>
<b>Operating Income</b>					
Grants and Contributions	1,052,700	0	(5,400)	1,047,300	227,600
Interest Income / Sundry	8,900	0	0	8,900	6,200
<b>Total Operating Income</b>	<b>1,061,600</b>	<b>0</b>	<b>(5,400)</b>	<b>1,056,200</b>	<b>233,800</b>
<b>Operating Expense</b>					
Administration Expenses	211,400	0	0	211,400	53,600
Building/Depot Expenses	9,800	0	0	9,800	3,200
Fleet Hire Expenses	74,100	0	0	74,100	18,500
Insurance	4,700	0	0	4,700	0
Salaries and Wages	453,700	0	0	453,700	114,500
Operations Purchases	230,500	79,400	118,600	428,500	43,700
Depreciation and Amortisation	695,300	0	0	695,300	182,800
<b>Total Operating Expense</b>	<b>1,679,500</b>	<b>79,400</b>	<b>118,600</b>	<b>1,877,500</b>	<b>416,300</b>
<b>Operating Result</b>	<b>(617,900)</b>	<b>(79,400)</b>	<b>(124,000)</b>	<b>(821,300)</b>	<b>(182,500)</b>
Less Depreciation	695,300	0	0	695,300	182,800
<b>Operating Result Excl. Non Cash</b>	<b>77,400</b>	<b>(79,400)</b>	<b>(124,000)</b>	<b>(126,000)</b>	<b>300</b>
Add: Capital Income	0	0	0	0	0
Less: Capital Expenses	182,700	0	0	182,700	100,900
Transfer from/(to) Reserve	105,300	79,400	124,000	308,700	100,600
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Preparing Australian Communities – Local Stream Grant

In May 2022, \$250,000 in grant funding was announced by the Federal Government under the Preparing Australian Communities – Local Stream Program. The funding provided is for Richmond and Wilsons Rivers NSW Flood Mitigation Planning project.

This funding will be used to undertake a comprehensive scan of strategic disaster risks and mitigation options for the Richmond River Catchment to enable the development of a community focused disaster risk reduction and resilience strategy and plan. A technical assessment of options will be used to inform future investments that mitigate risks, build resilience, and increase disaster preparedness for Ballina, mid-Richmond, and Lismore communities.

Grant funding of \$165,000 was received in 2021/22. This funding was originally forecast to be received throughout 2022/23 and 2023/24. The forecast for the remaining revenue and expenditure is as follows: -

<b>Financial Year</b>	<b>Revenue</b>	<b>Expenditure</b>
2022/23	\$0	\$50,000
2023/24	\$70,000	\$185,000
2023/24	\$15,000	\$15,000

To account for the revised revenue forecast in 2022/23, the following adjustment is required:

Operating Revenue	Grants and Contributions	GC-PACL Strategic	(\$50,000)
Reserves	Flood Mitigation Reserve	Transfer from Reserve	\$50,000
		<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.

		2023/24	2024/25
Operating Revenue	Grants and Contributions	(\$105,000)	(\$10,000)
Reserves	Flood Mitigation Reserve (Transfer from Reserve)	\$105,000	\$10,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>	<b>\$0</b>

### Richmond River Water Quality Monitoring Grant

In June 2020, RCC engaged Southern Cross University (SCU) for a 3-year project involving the upgrade of water quality data loggers in the lower Richmond River. Funds have been contributed by RCC as well as the Department of Planning and Environment (Coast and Estuaries Grant).

In the first half of 2021/22, RCC completed renewal of the water quality data logger network within the Richmond River Estuary. As part of this renewal, RCC engaged SCU to design, build and operate water quality data loggers which automatically record water the specified water quality parameters and transmit results to a dedicated website. The data loggers consist of 2 in the Tuckean Swamp (Site 1 and Site 2), one at Rocky Mouth Creek (RMC) – these are being installed at sites that have previously been monitored. New sites were established at North Creek and at Bungawalbyn Creek. Two additional sites were also established at high priority sentinel sites in the Richmond River – at Woodburn and Wardell. SCU has completed reporting on Year 1 of operations under the contract.

All loggers were installed and fully operational prior to the February/March 2022 floods. Unfortunately, the loggers suffered extensive damage and require major repair or replacement. SCU has installed lower-specification temporary dataloggers as an interim step whilst replacement is being considered as part of insurance claim. Our insurers have agreed to replace the 4 dataloggers that were destroyed during the floods, and details of this are currently being finalised.

The remaining income and expenditure is forecast to occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

To account for this change in 2022/23, the following adjustment is required:

Operating Income	Grants and Contributions	DPIE	\$36,600
Operating Expenditure	Contractors and Materials		\$54,400
Reserves	Flood Mitigation Reserve	Transfer from Reserve	\$17,800
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

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## Fish Habitat Grant - Coraki Riparian Project

This 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 and was previously reported to Council as part of the Quarterly Budget Review Statement for the quarter ending 31 December 2021.

A key feature of the project, at Windsor Park south of Coraki village, 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 Bandjalang 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.

Grant funding of \$24,000 was received in 2021/22 with \$8,000 in grant funding and \$64,200 in operating expenditure to be reinstated under the Australian Accounting Standard AASB 1058 Revenue from Contracts with Customers with this funding recognised on receipt of funds.

To account for this change in 2022/23, the following adjustment is required:

Operating Revenue	Grants and Contributions	DPI – Coraki Restoration Project	\$8,000
Operating Expenditure	Contractors and Materials		\$64,200
Reserves	Flood Mitigation Reserve	Transfer from Reserve	\$56,200
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Impact on Flood Mitigation Reserve

These required changes above will result in a \$124,000 transfer from the Flood Mitigation reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will decrease to \$803,200 which is beyond the internal reserves policy target of 5 months operating expenditure or \$782,300.

## Weed Biosecurity Reporting Unit

### (QBR2) Income & Expenses - Weeds

	Original Budget 2022/23	2021/22 Carryovers	Recommend Changes for Council Resolution	Projected Year End Result 2022/23	Actual YTD
<b>Operating Income</b>					
Grants and Contributions	1,607,300	0	293,600	1,900,900	769,300
Interest Income / Sundry	11,100	0	0	11,100	3,000
<b>Total Operating Income</b>	<b>1,618,400</b>	<b>0</b>	<b>293,600</b>	<b>1,912,000</b>	<b>772,300</b>
<b>Operating Expense</b>					
Administration Expenses	338,700	0	0	338,700	84,000
Building/Depot Expenses	13,900	0	0	13,900	4,200
Fleet Hire Expenses	176,900	0	85,000	261,900	48,000
Salaries and Wages	1,105,600	0	631,700	1,737,300	236,200
Operations Purchases	69,800	0	212,400	282,200	59,900
Depreciation and Amortisation	30,500	0	0	30,500	6,700
<b>Total Operating Expense</b>	<b>1,735,400</b>	<b>0</b>	<b>929,100</b>	<b>2,664,500</b>	<b>439,000</b>
<b>Operating Result</b>	<b>(117,000)</b>	<b>0</b>	<b>(635,500)</b>	<b>(752,500)</b>	<b>333,300</b>
Less Depreciation	30,500	0	0	30,500	6,700
<b>Operating Result Excl. Non Cash</b>	<b>(86,500)</b>	<b>0</b>	<b>(635,500)</b>	<b>(722,000)</b>	<b>340,000</b>
Add: Capital Income	0	0	0	0	0
Less: Capital Expenses	43,000	0	27,500	70,500	0
Transfer from/(to) Reserve	129,500	0	663,000	792,500	(340,000)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Tropical Soda Apple – Byron Drought Relief (Private Works)

Byron Shire Council provided this funding for the purpose of controlling a 4.8 hectare infestation of Tropical Soda Apple weed in the Byron Shire area and to provide a report of infested properties treated. The total contract is for \$40,000 and has been received with \$16,400 being expensed to 30 June 2022.

The remaining expenditure will occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Salaries and Wages		\$23,500
Reserves	Weed Biosecurity Reserve	Transfer from Reserve	\$23,500
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### NSW Weeds Action Program - New Incursion Parthenium

Funding was obtained from the Department of Primary Industries for the purpose of first response treatments of new incursions of the Parthenium weed. Council's successful application involves \$15,000 in grant funding and a \$10,000 contribution from Council towards a total project cost of \$25,000. The project is part of the NSW Weeds Action Program – New Weed Incursion – Parthenium Response and was extended due to the NSW bushfires in 2019-20.

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The remaining expenditure will occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 1058 Income of Not-For-Profit Entities.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Contractors and Materials		\$6,300
Reserves	Weed Biosecurity Reserve	Transfer from Reserve	\$6,300
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### **NSW Weeds Action Program – Post Flood Incursion Parthenium and Frog bit**

Additional grant funding was announced from the Department of Primary Industries for the post flood response for both the Frogbit and Parthenium weed. \$15,000 in grant funding has been provided with Council to contribute \$1,000 towards a total project cost of \$16,000. This project will involve flood modelling to identify potential high-risk sites for surveying, undertake high risk site surveillance for new incursions and carry out control works.

The remaining expenditure of \$4,100 will occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 1058 Income of Not-For-Profit Entities.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Salaries and Wages		\$4,100
Reserves	Weed Biosecurity Reserve	Transfer from Reserve	\$4,100
		<b>Impact on Cash Surplus</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 in order 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.

Expenditure from 2021/22 of \$92,600 will now occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 1058 Income of Not-For-Profit Entities.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Salaries and Wages		\$92,600
Reserves	Weed Biosecurity Reserve	Transfer from Reserve	\$92,600
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Grant Funding - Tropical Soda Apple (Riparian/High Risk Pathways)

In March 2022, Rous was notified of its success in obtaining funding from North Coast Local Land Services (LLS) for the strategic and ongoing control of *Tropical Soda Apple in Riparian/High-Risk Pathways*.

Tropical Soda Apple (*Solanum viarum*) is classified as a state-wide prohibited matter. Infestations have been found near riparian zones of waterways and are considered high risk due to the likelihood of the weeds spreading if not contained. The movement of these weeds is attributable to water flow, the impacts of natural disasters and is further complicated by the difficulties in accessing the sites to undertake control work. Inspections and control works are planned to be undertaken at Gradys Creek, Byrril Creek, Tweed River, Tooloom Creek and Simes/Forest Road.

Funding from LLS is \$42,700 with the project to be completed by 1 March 2023. The grant funding is expected to be received and the expenditure completed by 30 June 2023. Rous will contribute \$5,000 of in-kind funding in the form of staff time for monitoring and reporting.

The remaining grant funding of \$12,800 and expenditure of \$33,600 (less \$30,000 already forecast) will occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 1058 Income of Not-For-Profit Entities.

To account for this change in 2022/23, the following adjustment is required:

Operating Revenue	Grants and Contributions		\$12,800
Operating Expenditure	Contractors and Materials		\$3,600
Reserves	Weed Biosecurity Reserve	Transfer to Reserve	(\$9,200)
		<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*).

Whilst 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), however as previously reported to Council at the February 2022 meeting [Resolution 5/22] this additional funding is no longer available.

The remaining expenditure of \$11,500 will occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Salaries and Wages		\$11,500
Reserves	Weed Biosecurity Reserve	Transfer from Reserve	\$11,500
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Tablet Devices for Weed Biosecurity Staff

As council continues to transition towards mobile computing and away from its reliance on paper based corporate administration systems, appropriate field-based hardware is critical to the success of these programs.

It is proposed to fund the purchase of approximately 20 tablet-based computers and associated accessories for this purpose in both the Bulk Water and Weed Biosecurity Reporting Units. The tablets will be used by staff to access SCADA, Safety Systems, Electronic Drawing Management Databases, Weed Biosecurity management and Mapping tools, Environmental and Laboratory data input systems and numerous other packages as they continue to be developed.

It is expected that these devices will benefit staff through access to timely and accurate data in the field, a reduced administration burden, simplified completion of documents, improved compliance and record keeping. The total cost of these devices is estimated at \$47,500.

For the Weed Biosecurity Reporting Unit, the \$27,500 required is proposed to be taken from existing WAP funding.

To account for this change in 2022/23, the following adjustment is required:

Capital Expenditure	Contractors and Materials	CC-IT Computers	\$27,500
Operating Expenditure	Contractors and Materials	WAP	(\$27,500)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Early Needs Weed Management Project (Post-Flood)

In June 2022, Rous was notified of its success in obtaining funding from North Coast Local Land Services (LLS) for the strategic inspection and control of regional high priority weeds on flood affected properties and to provide advice to landowners on best practice weed management.

Due to the severity of the recent flood events and the location of high priority weeds in flood affected areas, the dispersal of high priority weeds into areas previously free of those weeds is highly likely.

As most landowners impacted by the floods do not currently have the capacity to effectively manage weed infestations on their land, assistance to manage high priority weeds whilst also providing identification services and 'best practice' control advice for widespread weeds will be vital. This project will deliver landscape scale support for weed management and control activities on lands that have been impacted by the flood events of 2022.

Funding from LLS is \$710,000 with the project to be completed by 31st May 2024. The grant funding is expected to be received and the expenditure completed by this time. Rous will contribute in-kind funding in the form of staff time for education and awareness raising activities.

The remaining grant funding of \$561,600 and expenditure of \$710,000 will occur in 2022/23 and is to be reinstated under the Australian Accounting Standard AASB 1058 Income of Not-For-Profit Entities.

To account for this change in 2022/23, the following adjustment is required:

Operating Revenue	Grants and Contributions		\$280,800
Operating Expenditure	Salaries and Wages		\$150,000
Operating Expenditure	Contractors and Materials		\$130,000
Operating Expenditure	Internal Fleet Expenses		\$35,000
Reserves	Weed Biosecurity Reserve	Transfer from Reserve	\$34,200
<b>Impact on Cash Surplus</b>			<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		2023/24
Operating Revenue	Grants and Contributions	\$280,800
Operating Expenditure	Salaries and Wages	\$200,000
Operating Expenditure	Contractors and Materials	\$150,000
Operating Expenditure	Internal Fleet Expenses	\$45,000
Reserves	Bulk Water Reserve (Transfer from Reserve)	\$114,200
<b>Impact on Cash Surplus</b>		<b>\$0</b>

### Engagement of Staff for Increased Weed Management Post-Flood

As a result of the recent flood events weed incursions are expected to increase at levels never before experienced in this region. Most of the high priority sites that are managed by RCC have suffered extensive disturbance and movement of these weeds as a result means we currently do not have the capacity to effectively manage both our high priority weed infestations and our roadside weed control programs. In addition to this our education resources need to be replenished as there was a significant amount lost in the floods, as well as new materials to assist landowners with post-flood weed identification and information.

There is a likely risk of RCC not being able to carry out its Local Control Authority functions adequately, which raises the risk to the region that weed infestations will increase substantially and will quickly become unmanageable. By increasing weed biosecurity operations initially, we will significantly reduce these risks as it allows us to target new weed infestations as they germinate.

The total program is budgeted to cost \$1.1M over two financial years and will be funded from WAP grant funding currently held in reserve of \$332,000 and an additional \$768,000 to be transferred from available reserve funds. It is requested to engage two additional Weed Biosecurity Officers and one additional Weed Control team member, as well as necessary vehicles and equipment. \$50,000 that is required for an ATV and Trailer will be detailed in the Fleet Reporting Unit section.



To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Salaries and Wages		\$350,000
Operating Expenditure	Contractors and Materials		\$100,000
Operating Expenditure	Internal Fleet Expenses		\$50,000
Reserves	Weed Biosecurity Reserve	Transfer from Reserve	(\$500,000)
<b>Impact on Cash Surplus</b>			<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		<b>2023/24</b>
Operating Expenditure	Salaries and Wages	\$350,000
Operating Expenditure	Contractors and Materials	\$150,000
Operating Expenditure	Internal Fleet Expenses	\$50,000
Reserves	Weeds Biosecurity Reserve (Transfer from Reserve)	(\$550,000)
<b>Impact on Cash Surplus</b>		<b>\$0</b>

### **Impact on Weed Biosecurity Reserve**

These required changes above will result in a \$663,000 transfer from the Weed Biosecurity reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will decrease to \$1,811,300 which is beyond the internal reserves policy target of 4 months operating expenditure or \$888,200.

## Richmond Water Laboratory (RWL) Reporting Unit

<b>(QBR2) Income &amp; Expenses - Richmond Water Laboratory</b>					
	<b>Original Budget 2022/23</b>	<b>2021/22 Carryovers</b>	<b>Recommend Changes for Council Resolution</b>	<b>Projected Year End Result 2022/23</b>	<b>Actual YTD</b>
<b>Operating Income</b>					
Water Testing	866,000	0	0	866,000	132,900
Interest Income / Sundry	2,300	0	0	2,300	500
<b>Total Operating Income</b>	<b>868,300</b>	<b>0</b>	<b>0</b>	<b>868,300</b>	<b>133,400</b>
<b>Operating Expense</b>					
Administration Expenses	74,200	0	0	74,200	17,100
Building/Depot Expenses	45,800	0	0	45,800	1,700
Fleet Hire Expenses	16,000	0	0	16,000	4,000
Salaries and Wages	516,100	0	0	516,100	52,700
Operations Purchases	171,400	0	0	171,400	107,000
Depreciation and Amortisation	20,300	0	0	20,300	1,800
<b>Total Operating Expense</b>	<b>843,800</b>	<b>0</b>	<b>0</b>	<b>843,800</b>	<b>184,300</b>
<b>Operating Result</b>	<b>24,500</b>	<b>0</b>	<b>0</b>	<b>24,500</b>	<b>(50,900)</b>
Less Depreciation	20,300	0	0	20,300	1,800
<b>Operating Result Excl. Non Cash</b>	<b>44,800</b>	<b>0</b>	<b>0</b>	<b>44,800</b>	<b>(49,100)</b>
Less: Capital Expenses	50,000	0	0	50,000	0
Transfer from/(to) Reserve	5,200	0	0	5,200	49,100
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The RWL is in the process of being permanently closed as per the decision made at the August 2022 Council meeting [Resolution 60/22]. Operations will cease on 30 November 2022. Future updates will be provided about the financial impacts

### Impact on RWL Reserve

Nil.

## Property Reporting Unit

<b>(QBR2) Income &amp; Expenses - Property</b>					
	<b>Original Budget 2022/23</b>	<b>2021/22 Carryovers</b>	<b>Recommend Changes for Council Resolution</b>	<b>Projected Year End Result 2022/23</b>	<b>Actual YTD</b>
<b>Operating Income</b>					
Interest Income / Sundry	12,700	0	0	12,700	2,800
Property Income	150,800	0	0	150,800	17,300
<b>Total Operating Income</b>	<b>163,500</b>	<b>0</b>	<b>0</b>	<b>163,500</b>	<b>20,100</b>
<b>Operating Expense</b>					
Administration Expenses	55,600	0	0	55,600	14,200
Building/Depot Expenses	187,600	0	0	187,600	69,600
Salaries and Wages	10,500	0	0	10,500	6,200
Operations Purchases	16,300	0	0	16,300	1,400
Depreciation and Amortisation	42,600	0	0	42,600	12,600
<b>Total Operating Expense</b>	<b>312,600</b>	<b>0</b>	<b>0</b>	<b>312,600</b>	<b>104,000</b>
<b>Operating Result</b>	<b>(149,100)</b>	<b>0</b>	<b>0</b>	<b>(149,100)</b>	<b>(83,900)</b>
Less Depreciation	42,600	0	0	42,600	12,600
<b>Operating Result Excl. Non Cash</b>	<b>(106,500)</b>	<b>0</b>	<b>0</b>	<b>(106,500)</b>	<b>(71,300)</b>
Add: Capital Income	3,372,800	0	0	3,372,800	0
Less: Capital Expenses	2,351,200	141,800	0	2,493,000	63,400
Transfer from/(to) Reserve	(915,100)	141,800	0	(773,300)	134,700
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No budget adjustments are required this quarter.

### Impact on Property Reserve

Nil.

## Fleet Reporting Unit

<b>(QBR2) Income &amp; Expenses - Fleet</b>					
	Original Budget 2022/23	2021/22 Carryovers	Recommend Changes for Council Resolution	Projected Year End Result 2022/23	Actual YTD
<b>Operating Income</b>					
Interest Income / Sundry	75,000	0	0	75,000	14,600
<b>Total Operating Income</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>75,000</b>	<b>14,600</b>
<b>Operating Expense</b>					
Fleet Operations	492,900	0	85,000	577,900	150,000
Fleet Hire Income	(926,000)	0	(85,000)	(1,011,000)	(228,000)
Salaries and Wages	118,300	0	0	118,300	26,200
Depreciation and Amortisation	390,000	0	0	390,000	77,000
<b>Total Operating Expense</b>	<b>75,200</b>	<b>0</b>	<b>0</b>	<b>75,200</b>	<b>25,200</b>
<b>Operating Result</b>	<b>(200)</b>	<b>0</b>	<b>0</b>	<b>(200)</b>	<b>(10,600)</b>
Less Depreciation	390,000	0	0	390,000	77,000
<b>Operating Result Excl. Non Cash</b>	<b>389,800</b>	<b>0</b>	<b>0</b>	<b>389,800</b>	<b>66,400</b>
Add: Capital Income	0	0	0	0	0
Less: Capital Expenses	436,300	0	50,000	486,300	97,800
Transfer from/(to) Reserve	46,500	0	50,000	96,500	31,400
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Early Needs Weed Management Project (Post-Flood)

As detailed in the Weeds Biosecurity Reporting Unit section of the report, an additional \$80,000 is to be expensed as an internal fleet expense as part of this project.

To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Fleet Hire Income	\$35,000
Operating Expenditure	Fleet Hire Expense	\$35,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		<b>2023/24</b>
Operating Expenditure	Fleet Hire Income	\$45,000
Operating Expenditure	Fleet Hire Expense	\$45,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

### Engagement of Staff for Increased Weed Management Post-Flood

As detailed in the Weeds Biosecurity Reporting Unit section of the report, \$50,000 is required as part of this program to purchase an ATV and Trailer. An additional \$100,000 is to be expensed as an internal fleet expense as part of this project.

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To account for this change in 2022/23, the following adjustment is required:

Operating Expenditure	Fleet Hire Income		\$50,000
Operating Expenditure	Fleet Hire Expense		\$50,000
Capital Expenditure	Fleet – ATV and Trailer		\$50,000
Reserves	Fleet Reserve	Transfer from Reserve	(\$50,000)
		<b>Impact on Cash Surplus</b>	<b>\$0</b>

The Long-Term Financial Plan will be updated as per below.

		<b>2023/24</b>
Operating Expenditure	Fleet Hire Income	\$50,000
Operating Expenditure	Fleet Hire Expense	\$50,000
	<b>Impact on Cash Surplus</b>	<b>\$0</b>

## Impact on Fleet Reserve

These required changes above will result in a \$50,000 transfer from the Fleet reserve in the 2022/23 financial year. The projected balance as at 30 June 2023 will decrease to \$1,461,700 which is beyond the internal reserves policy target of 4 months operating expenditure or \$322,600.

<b>Budget Review for the Quarter Ended 30 September 2022</b>					
<b>(QBR3) Capital Budget</b>					
	<b>Original Budget 2022/23</b>	<b>2021/22 Carryovers</b>	<b>Recommend Changes for Council Resolution</b>	<b>Projected Year End Result 2022/23</b>	<b>Actual YTD</b>
<b>Capital Funding:</b>					
Capital Grants & Contributions	0	0	0	0	0
Internal Restrictions					
- Renewals	5,228,200	4,565,400	(651,300)	9,142,300	1,266,700
- New Assets	14,434,400	5,906,600	(5,828,000)	14,513,000	728,500
External Restrictions					
- Infrastructure	0	0	0	0	0
Other Capital Funding Sources					
- Operating Revenue	0	0	0	0	0
- S64 Contributions	4,223,000	0	0	4,223,000	0
Income from Sale of Assets					
- Plant and Equipment	0	0	0	0	0
- Land and Buildings	2,351,200	0	0	2,351,200	0
<b>Total Capital Funding</b>	<b>26,236,800</b>	<b>10,472,000</b>	<b>(6,479,300)</b>	<b>30,229,500</b>	<b>1,995,200</b>
<b>Capital Expenditure:</b>					
New Assets					
- Plant and Equipment	486,300	0	50,000	536,300	97,800
- Office Equipment	21,000	82,600	0	103,600	17,000
- Inventory (Land)	2,290,000	106,800	0	2,396,800	14,700
- Land and Buildings	1,087,500	550,300	0	1,637,800	106,300
- Infrastructure	17,123,800	5,166,900	(5,878,000)	16,412,700	492,700
Renewals (Replacement)					
- Plant and Equipment	0	0	0	0	0
- Office Equipment	373,300	274,000	47,500	694,800	23,100
- Land and Buildings	61,200	0	0	61,200	48,700
- Infrastructure	4,793,700	4,291,400	(698,800)	8,386,300	1,194,900
<b>Total Capital Expenditure</b>	<b>26,236,800</b>	<b>10,472,000</b>	<b>(6,479,300)</b>	<b>30,229,500</b>	<b>1,995,200</b>

Budget Review for the Quarter Ended 30 September 2022					
(QBR54) Cash & Investments					
	Opening Balances 2022/23	Original Budget 2022/23	2021/22 Carryovers	Recommend Changes for Council Resolution	Projected Year End Result 2022/23
<b>Unrestricted:</b>					
Flood Mitigation	99,000	0	0	0	99,000
Weeds Biosecurity	25,800	0	0	0	25,800
Retail Water	100,000	0	0	0	100,000
Richmond Water Laboratories	10,000	0	0	0	10,000
Property	100,000	0	0	0	100,000
Fleet	50,000	0	0	0	50,000
Bulk Water	1,688,900	0	0	0	1,688,900
<b>Total Unrestricted</b>	<b>2,073,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,073,700</b>
<b>Externally Restricted:</b>					
Flood Grants	424,800	0	0	(124,000)	300,800
Weeds Grants	437,400	0	0	(135,500)	301,900
Weeds Other	0	0	0	0	0
Bulk Water Grants	1,616,500	0	0	(895,200)	721,300
Bulk Water Other	2,950,000	(2,154,000)	0	0	796,000
<b>Total Externally Restricted</b>	<b>5,428,700</b>	<b>(2,154,000)</b>	<b>0</b>	<b>(1,154,700)</b>	<b>2,120,000</b>
<b>Internally Restricted:</b>					
Flood Mitigation	588,000	(105,300)	(79,400)	0	403,300
Weeds Biosecurity	2,140,500	(129,500)	0	(500,000)	1,511,000
Retail Water	2,914,000	(497,900)	(1,260,100)	(60,000)	1,096,000
Richmond Water Laboratories	252,300	(5,200)	0	0	247,100
Property	1,810,900	915,100	(141,800)	0	2,584,200
Fleet	1,458,200	(46,500)	0	(50,000)	1,361,700
Bulk Water				0	
- Buildings & Structures	738,000	0	0	(738,000)	0
- Assets & Programs	16,440,700	6,293,900	(10,136,700)	(12,544,900)	53,000
- Employee Leave Entitlement	2,339,500	0	0	0	2,339,500
- Electricity	2,610,400	0	0	(2,610,400)	0
- Office Equipment & Computer	1,473,400	(373,300)	(110,000)	(27,500)	962,600
- Greenhouse Gas Abatement	285,800	0	0	0	285,800
<b>Total Internally Restricted</b>	<b>33,051,700</b>	<b>6,051,300</b>	<b>(11,728,000)</b>	<b>(16,530,800)</b>	<b>10,844,200</b>
<b>Total Restricted</b>	<b>38,480,400</b>	<b>3,897,300</b>	<b>(11,728,000)</b>	<b>(17,685,500)</b>	<b>12,964,200</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 30 September 2022.

## Reconciliation

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

Cash at Bank (as per bank statements)	3,274,432
Investments on Hand	36,000,000
<b>Reconciled Cash at Bank &amp; Investments</b>	<b>39,274,432</b>



## (QBR5) Contractors

Contractor	Contract Details & Purpose	Contract Value (\$) Excluding GST	Contract Date	Duration of Contract	Budgeted (Y/N)
Bell Invest Trust tas Hybrid Energy Consult Pty Ltd	Smart Metering Project Manager	121,000	14/07/2022	12 mths	Y
Safegroup Automation Pty Ltd	PLC Code and SCADA Integration for NCWTP	52,800	21/07/2022	10 mths	Y
Aust Telecommunications P/L Arrow Voice & Data	Telephony Project Upgrade	74,400	28/07/2022	3 mths	Y
Rugendyke & Bashforth Contracting Pty Ltd	Repairs to Duck Creek Levee	79,400	19/08/2022	24 mths	Y
Australian Valve Group Pty Ltd	Supply of Backflow Devices and Meter Kits	237,500	25/08/2022	8 mths	Y
Aqua Analytics Australia Pty Ltd	Water Loss Management Implementation Plan	54,300	29/08/2022	5 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	\$61,900	Y
Legal Fees	\$1,000	Y

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

Consultancies		
	Corporate & Commercial - RAP Advisory	\$2,400
	Corporate & Commercial - Information Systems Strategy Review	\$7,900
	Corporate & Commercial - Debt Advisory Services	\$200
	Planning & Delivery – Catchment Monitoring Review	\$7,900
	Planning & Delivery – Update Rocky Creek Dam Drawings	\$1,500
	Planning & Delivery – Bulk Water Distribution Modelling	\$18,400
	Planning & Delivery – Dam Safety Management System	\$20,600
	Planning & Delivery – Geotechnical Investigations Coraki Landslip	\$3,000
Legal Fees		
	Planning & Delivery – Developer Contributions	\$1,000

## Statement of Expenses for Councillors

### Councillor Expenses for the Quarter Ending 30/09/2022 (Q1)

Quarter 1	Other Expenses	Official Business of Council - Travel	Official Business of Council - Professional Development/Training	Total by Councillor (Q1)
Councillor Big Rob	0	0	1,095	1,095
Councillor Bruem	0	0	0	0
Councillor Cadwallader	0	0	2,367	2,367
Councillor Gordon	0	0	0	0
Councillor Humphrys	0	59	0	59
Councillor Lyon	0	0	0	0
Councillor Mustow	0	0	0	0
Councillor Ndiaye	0	615	0	615
<b>Total Per Expense Type</b>	<b>0</b>	<b>675</b>	<b>3,462</b>	<b>4,137</b>

	Q1	Q2	Q3	Q4	Total by Councillor YTD
Councillor Big Rob	1,095	0	0	0	1,095
Councillor Bruem	0	0	0	0	0
Councillor Cadwallader	2,367	0	0	0	2,367
Councillor Gordon	0	0	0	0	0
Councillor Humphrys	59	0	0	0	59
Councillor Lyon	0	0	0	0	0
Councillor Mustow	0	0	0	0	0
Councillor Ndiaye	615	0	0	0	615
<b>Total Per Expense Type</b>	<b>4,137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,137</b>


Budget 2022/23 FY 48,600


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

## (QBR56) Key Performance Indicators

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

	# Performance Indicator		Flood	Weeds	Retail	RWL	Property	Fleet	Bulk	Consolidated (Whole Organisation)	Local Government Bench Mark
1	Operating Performance	2022/23 Budget Review	(821,300)	(752,500)	(137,300)	24,500	(149,100)	(200)	(5,256,000)	<b>(7,091,900)</b>	Surplus
		2021/22 Actual	(1,940,000)	421,300	(11,300)	(313,700)	(179,400)	116,500	4,120,800	<b>2,214,200</b>	
2	Current Ratio	2022/23 Budget Review	5.32	5.84	32.86	2.34	4.65	31.87	0.94	<b>1.91</b>	> 1.5
		2021/22 Actual	8.98	6.12	83.31	4.00	3.35	34.04	3.49	<b>4.08</b>	
3	Debt Service Cover Ratio	2022/23 Budget Review	-	-	-	-	-	-	1.50	<b>1.72</b>	> 2
		2021/22 Actual	-	-	-	-	-	-	2.68	<b>2.60</b>	
4	Own Source Operating Revenue Ratio	2022/23 Budget Review	1%	1%	100%	100%	100%	100%	83%	<b>78%</b>	> 60%
		2021/22 Actual	0%	2%	100%	100%	100%	100%	77%	75%	
5	Building and Infrastructure Renewals Ratio	2022/23 Budget Review	0.22 : 1	-	-	-	1.24 : 1	-	1.66 : 1	<b>1.45 : 1</b>	> 1:1
		2021/22 Actual	0.02 : 1	-	-	-	0.00 : 1	-	0.68 : 1	<b>0.62 : 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 \$5,787,100.*

Original Budgeted Deficit	(\$5,787,100)
Projected Year End Result 2022/23	(\$7,091,900)
	<b>(\$1,304,800)</b>

The increase can be attributed to carry over works (\$1.256M) reinstated from 2021/22, operating expenses (\$1.096M), salaries (\$607K) and fleet expenses (\$85K) offset by an increase in interest on investments (\$576K), grant revenue (\$288K) and loan financing costs (\$875K).

Carryovers / Reinstatements	(\$1,256,000)
Expenses	(\$912,700)
Revenue	\$863,900
	<b>(\$1,304,800)</b>

Note: Operating results include depreciation of \$7,813,800 which is non-cash.

Although the local government benchmark is that Council incurs an operating surplus our surplus reserves and the capital nature of our business means it is prudent for us utilise a portion of reserves to fund our operating shortfall rather than recoup additional funding from our constituent councils or borrowings.

### 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 \$1.91 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.*

Although we are not meeting the local government benchmark, we believe our current debt servicing coverage is appropriate and adequate given the size of our borrowings and nature of our business.

### 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.*

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## **5. Building and Infrastructure Renewal Ratio**

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

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

## Grant application information

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

*Note: all totals are GST exclusive*

Grant Name	Reporting Unit	Synopsis	Funding Body	Program	Project Length	Total Project Value	Grant Funding	Council Funding	Total Expenditure to Date	Balance of Approved Funds to Spend
<b>2022/23 New Grant Applications Awaiting Determination</b>										
Rous Regional Water Supply Drought Readiness Project Stage 1 - Woodburn Bore 3 Drought Readiness	Bulk	FWP 2060 - drought contingency water supply at existing Woodburn groundwater bore.	DITRDC	Building Better Regions Fund - Infrastructure Projects Stream Round 6	6 mths	481,300	240,650	240,650		
Langs Hill to Broadwater Water Main Augmentation	Bulk	Replacement of drinking water supply to Broadwater with a larger main.	DITRDC	Building Better Regions Fund - Infrastructure Projects Stream Round 6	6 mths	1,942,700	971,350	971,350		
<b>Active Grants That Have Been Previously Reported</b>										
Voluntary House Raising	Flood	Facilitate the voluntary house raising of 2 homes in the Lismore area.	DPIE	Floodplain Management Grants Scheme	12 mths	187,800	187,800	-	60,228	127,551
Coastal Management Plan	Flood	Stage one of the Richmond River Coastal Management program scoping study	DPIE	Floodplain Management Grants Scheme	18 mths	149,997	100,594	49,999	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	145,484	54,284
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.	121,973	162,027
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
Weeds Action Program 2020-25	Weeds	Funding allocated annually	DPIE	North Coast Weeds Action Program 2020-25	12 mths	1,267,500	642,500	625,000	293,012	974,488
WAP New Weed Incursion – Parthenium Weed Rapid Response	Weeds	Rapid response to control prohibited Matter species – parthenium weed	NSW DPI	New Weed Incursion	12 mths	25,000	15,000	10,000	19,411	5,589
North Coast Bushfire Recovery – Delivery of – W1 Tropical Soda Apple Landholder Engagement Project in the North Coast (5 years)	Weeds	Tropical Soda Apple Landholder Engagement and Compliance Program – delivery of 210 property inspections	LLS & DPI	NSW Bushfire Recovery Stimulus	60 mths	236,000	214,000	22,000	157,814	78,186
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	17,466	30,284
<b>Active Grants That Have Not Been Previously Reported</b>										
Richmond and Wilsons Rivers NSW Flood Mitigation Planning	Flood	This planning project is anticipated to reduce the risk and improve resilience of the community to floods in the natural environment by conducting a comprehensive scan of strategic disaster risks and mitigation options for the Richmond River Catchment.	DISER	Preparing Australian Communities – Local Stream Program	3 years	250,000	250,000	-	-	250,000
High risk site surveillance for Frogbit and Parthenium	Weeds	Flood modelling, surveillance and control works at identified high risk sites for Frogbit and Parthenium weeds.	DPE	NSW Weeds Action Program – State Priority Weeds Coordination and Response	?	16,000	15,000	1,000	11,907	4,093
Miconia 2022-2024	Weeds	Miconia weed surveillance and control services in Northern NSW	QLD DAF	Miconia Weed Surveillance 2022-2024	36 mths	298,000	298,000	-	31,467	266,533
Early Needs Weed Management	Weeds	Early Needs Weed Management Project	LLS	Early Needs Weed Management Program	24 mths	710,000	710,000	0	1,648	708,352
Natural Resource Management Flood Water Sustainability Project Grant	Water	Emergency Repairs Claim	Public Works Advisory	Northern Rivers March 2022 Flood/Water Sewerage Program	?	1,600,000	1,600,000	0	177,876	1,422,124

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**Finance**

As detailed in the body of the report.

**Legal**

In accordance with clause 203 of the *Local Government (General) Regulation 2021*, Council's financial position is satisfactory having regard to the original estimate of income and expenditure and Council's projected short-term liquidity position.

**Consultation**

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

**Conclusion**

In summary, all budget items other than those identified in the report have performed within the parameters set by Council in adopting the 2022/23 Operational Plan.