
Proposed change to ownership - Lismore Levee Scheme

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

Recommendation that Council:

1. Acknowledges that the devastating and widespread impact of the 2022 Floods has highlighted the importance of local government partnering and working cooperatively for the benefit of the community.
2. Note that Lismore City Council has been successful in independently securing grant funding under the Northern Rivers Recovery and Resilience Program for upgrade and improvement works to the Lismore Levee Scheme and that Lismore is seeking to engage with Rous regarding consent to undertake those works.
3. Recognising that the historic role of Rous in urban flood mitigation has changed and having regard to the Lismore Levee Scheme asset renewal, replacement and upgrade works independently completed and planned by Lismore City Council, resolve to transfer the Lismore Levee Scheme to Lismore City Council and enable centralised control, ownership, operation and maintenance by that Council as the local government entity serving the community directly benefited by the Scheme.
4. Invite the Lismore City Council Mayor and General Manager to meet with the Rous Chair and General Manager to negotiate and agree next steps.
5. Confirms its commitment to work with Lismore City Council to ensure no delay to any planned upgrade and improvement works for the Lismore Levee Scheme.
6. Write to relevant funding bodies to request financial assistance to effect the transfer of the Lismore Levee Scheme to ensure no cost is borne by either Lismore City Council or Rous.
7. Revoke point 1(b) of resolution [84/22] arising from Council's meeting of 14 December 2022.
8. Authorise the General Manager to effect all necessary actions associated with and ancillary to the implementation of this resolution of Council.
9. Receive a further update before December 2023.

Background

A report was furnished to Council's 19 April 2023 meeting with an update on plans to progress discussions with the General Manager of Lismore City Council regarding solutions to effectively manage risk associated with the Lismore Levee Scheme. The intention was to confirm a position on the treatment of matters such as asset renewal and strategic planning having regard to:

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

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

In April 2023 a letter was sent to the General Manager of LCC proposing a workshop in June 2023, to be attended by relevant staff and General Managers from across both organisations. The timing of commencement of the new General Manager at LCC has resulted in the workshop not yet being held. Instead both General Managers met in mid-July 2023 and discussed the history of the Lismore Levee Scheme in terms of engineering/assets, finance and governance. The urgency, priority and need to clearly resolve the long-term responsibility for the Scheme was discussed. One of the outcomes of that meeting was agreement on the need to jointly develop an Asset Management Plan to inform future discussions.

The need for a formal position to be adopted on the Lismore Levee Scheme has been accelerated by the announcement in February 2023 of almost \$30M in funding to LCC under the Federal Government's *Northern Rivers Resilience Initiative (NRRRI)*. The NRRRI was recently renamed to the *Northern Rivers Recovery and Resilience Program (NRRRP)*.

The projects nominated by LCC and identified for funding include:

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

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

The need for resolution has been further highlighted following a request from the LCC General Manager in late July 2023, seeking permission from Rous to undertake the NRRRP funded works on the Lismore Levee Scheme. The planned works represent a great outcome for the community and a significant improvement in the resilience of the Lismore Levee Scheme, as it approaches its 20 year completion anniversary.

Comment

With the renewal of most of the Lismore Levee Scheme's electrical and mechanical assets following the 2022 flood, and the significant upgrades proposed under the NRRRP, it is prudent to progress and conclude a position with LCC on the future ownership of the Lismore Levee Scheme. With multiple assets being new and other works planned, the timing is ideal to finalise this matter and ensure that control, ownership, operation and maintenance is centralised with Lismore City Council.

It is important to note that Rous has the option and legal authority to withhold consent to LCC's request to undertake the NRRRP works on the Lismore Levee Scheme. This course of action is undesirable and would result in a poor outcome for the community. As such, it is Rous' preferred position to engage directly with LCC to progress to a final and conclusive outcome with respect to ownership of the Lismore Levee Scheme.

Finance

Not applicable

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

Legal

Refer to [14 December 2022 council meeting agenda](#) item 11.1 - 'Strategic option and management of risk: flood mitigation' report. Council resolved as follows in relation to that report [84/22]:

1. *Endorse the following actions to be taken concurrently:*

(a) Progress action 1.2.2 of the Delivery Program, being a strategic review of flood mitigation function, incorporating data arising from 2022 flood events, and report back with recommendations in relation to Rous's future role in the region; and

(b) Authorise the General Manager to negotiate an interim solution to effectively manage risk associated with Rous's function and operation in urban flood mitigation with respect to the Lismore Levee Scheme (to have effect pending finalisation of (1a)).

2. *Reaffirm action 1.2.2 of the Delivery Program and endorse writing to Ballina Shire Council, Lismore City Council and Richmond Valley Council to advise of the strategic review of Flood Mitigation and that it is expected to be completed by June 2024.*

The resolution operates such that Point 1(b) comes into effect once Point 1(a) is finalised.

Given the timing of the announcement of the NRRRP funding it is proposed that Point 1(b) is no longer appropriate as time is of the essence to reach an outcome on the issue of future ownership of the Lismore Levees Scheme. As a result, it is proposed that Council revoke Point 1(b) of resolution [84/22].

Conclusion

With additional funding granted to LCC to undertake upgrade and improvement works on the Lismore Levee Scheme, Rous has been approach by LCC regarding consent. It is recommended that time is of the essence in securing a commitment from LCC on the future ownership of the Lismore Levee Scheme.