



Extraordinary Council meeting business paper

Wednesday, 11 May 2022

commencing 2.00 pm

Invercauld House, 163 Invercauld Road, Goonellabah

Note: This meeting will be recorded and those in attendance should refrain from making any defamatory comments. There are to be no other recordings of this meeting without the prior authorisation of Council.

Phillip Rudd
General Manager

AGENDA

1. Opening of the meeting

2. Acknowledgement of Country

Council would like to show its respect and acknowledge the Traditional Custodians of the Land, of Elders past and present on which this meeting takes place.

3. Apologies and Leave of Absence

4. Confirmation of Minutes of previous meeting

Council Minutes 16 February 2022

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5. Disclosure of Interest

6. Notices of Motion

Nil.

7. General Manager reports

Nil.

8. Group Manager Corporate and Commercial reports

- 8.1 Draft Integrated Planning and Reporting Framework
(incorporating the 2022/23 Budget and 'Revenue' policy)
..... 7 - 229
- 8.2 Quarterly Budget Review Statement quarter ending 31
March 2022 230 - 257

9. Confidential matters

Nil.

10. Matters of urgency

11. Questions without notice
12. Close of business

Rous County Council

MINUTES OF THE ORDINARY COUNCIL MEETING

16 February 2022

1. OPENING OF THE MEETING

Meeting commenced at 10.33am.

Preamble

In accordance with clause 5.21 of the Local Government Act 1993, attendees at the Council meeting were advised by the Chair that the meeting was being live streamed. The following points were noted by the Chair:

- *All speakers should refrain from making any defamatory comments or releasing any personal information about another individual without their consent.*
- *Council accepts no liability for any damage that may result from defamatory comments made by persons attending meetings. All liability will rest with the individual who made the comments.*

This meeting must not be recorded by others without the prior written consent of the Council in accordance with Council's Code of Meeting Practice.

In attendance:

Councillors

Cr Rod Bruem, Cr Sharon Cadwallader, Cr Andrew Gordon, Cr Sandra Humphrys, Cr Michael Lyon, Cr Robert Mustow, Cr Sarah Ndiaye and Cr Big Rob.

Staff

Phillip Rudd (General Manager), Guy Bezroucho (Group Manager Corporate and Commercial), Helen McNeil (Group Manager People and Performance), Andrew Logan (Group Manager Planning and Delivery), Adam Nesbitt (Group Manager Operations), Emma Hunter (Future Water Program Manager), Michael McKenzie (Future Water Planning Manager), Noeline Smith (minute taker) and Luka Taylor (IT Support Officer).

2. GENERAL MANAGER REPORT

i). Election of chairperson and deputy chairperson

RESOLVED [1/22] (Cadwallader/Rob) that Council:

1. Conduct an election for a chairperson and deputy chairperson consistent with the election process for chairpersons of county council in the Local Government Act 1993 and the *Local Government (General) Regulation 2021* and that:
 - i). If there is more than one nomination, council resolve the method of election (to be either by preferential ballot, ordinary ballot or open voting); and
 - ii). The result of the election (including the names of those elected) be declared at the meeting and that those elected hold office for two years.

- Election of chairperson

The General Manager, as Returning Officer, advised the meeting that one nomination for Chair was received, Cr Robert Mustow.

The General Manager declared Cr Mustow elected Chair for the ensuing two years.

- Election of deputy chairperson

The General Manager, as Returning Officer, advised the meeting that one nomination for Deputy Chair was received, Cr Cadwallader.

The General Manager declared Cr Cadwallader elected Deputy Chair for the ensuing two years.

Cr Mustow took the Chair.

3. ACKNOWLEDGEMENT OF COUNTRY

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

4. APOLOGIES AND LEAVE OF ABSENCE

Nil.

5. CONFIRMATION OF MINUTES

i). Ordinary Council meeting 20 October 2021

RESOLVED [2/22] (Cadwallader/Humphrys) that the minutes of the ordinary meeting held 20 October 2021 be confirmed as presented.

6. DISCLOSURE OF INTEREST

Cr Rob declared a non-significant, non-pecuniary interest relating to the cultural heritage report referred to in *Notice of Motion - Dunoon Dam (Item 12)*.

7. GENERAL MANAGER REPORTS

i). Audit, Risk and Improvement Committee – appointment of Councillor Members

RESOLVED [3/22] (Gordon/Humphrys) that nominations for a primary and alternate member on the Audit, Risk and Improvement Committee be sought from Councillors (excluding the Chair).

One nomination was received from Cr Rob for primary member. Nil nominations received for alternate member.

Cr Rob was declared primary member of the Audit, Risk and Improvement Committee. No alternate member was appointed.

ii). Reconciliation Action Plan Advisory Group - appointment of Councillor Members

RESOLVED [4/22] (Ndiaye/Rob) that nominations for the appointment of Councillor Member and alternate Councillor Member as Chair of the Reconciliation Action Plan Advisory Group (RAPAG) be sought from councillors; Chair's duration being for the term of this Council.

One nomination was received from Cr Ndiaye for Chair and one nomination was received from Cr Rob for alternate Chair.

Cr Ndiaye was declared Chair and Cr Rob declared alternate Chair of the Reconciliation Action Plan Advisory Group; duration being for the term of this Council.

8. GROUP MANAGER CORPORATE AND COMMERCIAL REPORTS

i). Quarterly Budget Review Statement for quarter ending 31 December 2021

RESOLVED [5/22] (Bruem/Humphrys) that Council:

1. 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.
2. Council makes representations to State members regarding changes to funding and concerns about local and regional impact on weeds management.

ii). Retail Water Customer Account Assistance

RESOLVED [6/22] (Cadwallader/Ndiaye) that Council in accordance with section 356 (1) of the *Local Government Act 1993* and its '*Retail Water Customer Account Assistance*' policy, approve financial assistance as listed in Table 1 of the report

iii). Southern Cross University – Rising Stars Scholarship program

RESOLVED [7/22] (Rob/Ndiaye) that Council approve the renewal of sponsorship for the Southern Cross University Rising Stars Scholarship program for a total of three (3) one-year scholarships of \$5,000 per annum with the first scholarship to be granted in 2022 and subsequent scholarships offered in 2023 and 2024.

9. INFORMATION REPORTS

RESOLVED [8/22] (Humphrys/Cadwallader) that the following reports be received and noted:

1. Fluoride plant dosing performance: October to December 2021 (*refer to resolution below*)
2. Audit Risk and Improvement Committee: meeting update
3. Environmental Management System action list progress update 2021
4. Debt write-off information summary
5. Investments - January 2022
6. Water production and usage January 2022
7. Reports/actions pending

MOVED a motion (Cadwallader/Bruem) that Fluoride Plant Dosing Performance information reports no longer be included as part of the Council agenda; however dosing exceedances be reported to Council.

On being put to the meeting the MOTION was CARRIED.

RESOLVED [9/22] (Cadwallader/Bruem) that Fluoride Dosing Performance information reports no longer be included as part of the Council agenda; however dosing exceedances be reported to Council.

SUSPENSION OF STANDING ORDERS

RESOLVED [10/22] (Rob/Lyon) that Council suspend standing orders to deal with *Notice of Motion - Dunoon Dam (Item 12)*.

ITEM 12: NOTICE OF MOTION – DUNOON DAM

MOTION moved (Rob/Cadwallader) that Council:

1. Adopt Revision 7 of the Integrated Water Cycle Management (IWCM) Strategy (Attachment 1) and update Revision 7 of the IWCM to reflect the inclusion of Dunoon dam investigations as part of the Future Water Project 2060.
2. Approve the completion of detailed cultural heritage and biodiversity assessments associated with the proposed Dunoon dam in consultation with relevant Traditional Custodians.
3. Defer implementing the resolution associated with the proposed Dunoon dam, resolved by Council at its meeting of 16 December 2020 (resolution [61/20] Item 2), until after Stage 3 options have been determined (Attachment 2).
4. Utilise existing budget allocations for Dunoon dam land management to progress the actions in Item 2.

FORESHADOWED MOTION moved (Ndiaye/Lyon) that Council:

1. Hold a strategic planning workshop with staff exploring the implications of reintroducing the Dunoon Dam for consideration in The Future Water Strategy.
2. Receive a report on the environmental, social and economic impacts of reintroducing the Dunoon Dam as an option in The Future Water Strategy 2060.
3. Receive the report to the next available meeting.

The MOTION on being put to the meeting was CARRIED.

RESOLVED [11/22] (Rob/Cadwallader) that Council:

1. Adopt Revision 7 of the Integrated Water Cycle Management (IWCM) Strategy (Attachment 1) and update Revision 7 of the IWCM to reflect the inclusion of Dunoon dam investigations as part of the Future Water Project 2060.
2. Approve the completion of detailed cultural heritage and biodiversity assessments associated with the proposed Dunoon dam in consultation with relevant Traditional Custodians.

3. Defer implementing the resolution associated with the proposed Dunoon dam, resolved by Council at its meeting of 16 December 2020 (resolution [61/20] Item 2), until after Stage 3 options have been determined (Attachment 2).
4. Utilise existing budget allocations for Dunoon dam land management to progress the actions in Item 2.

Meeting adjourned at 11.35am. Meeting resumed at 11.53am.

RESUMPTION OF STANDING ORDERS

RESOLVED [12/22] (Cadwallader/Humphrys) that Standing Orders be resumed.

10. CONFIDENTIAL REPORTS

Preamble

Chair: We are at the point in our meeting where we have confidential items to consider. In accordance with Section 10A(4) of the Local Government Act, 1993 are there any members of the public who would like to make representations, before any part of the meeting is closed to the public, as to whether the meeting should be closed to consider the items. We have three items to consider. They are:

1. *Retail water customer account assistance*
2. *Duck Creek Weir*

If there are no objections, I call for a mover and seconder to move into Confidential Session.

In accordance with our Code of Meeting Practice, the recording and live streaming of the meeting will be stopped for the Confidential Session. We will resume the Open Session of the meeting after the confidential items are considered, when we will report the recommendations to the Open meeting.

MOVE INTO CLOSED COUNCIL

RESOLVED [13/22] (Cadwallader/Humphrys) that Council move into Closed Council with the press and public excluded from the meeting based on the grounds detailed below:

1. Report	Retail water customer account assistance
Grounds for closure	Section 10A(2)(b) the personal hardship of any resident or ratepayer.
2. Report	Duck Creek Weir
Grounds for closure	Section 10A(2)(d) commercial information of a confidential nature that would, if disclosed: i) prejudice the commercial position of the person who supplied it.

RESUME TO OPEN COUNCIL

RESOLVED [14/22] (Gordon/Cadwallader) that Council move to Open Council.

The Chair advised the meeting is now in Open Council and the resolutions from Closed Council are now publicly available. The General Manager read to the meeting the following resolutions of Council:

i). Retail Water Customer Account Assistance

RESOLVED [15/22] (Bruem/Rob) that Council in accordance with section 582 of the *Local Government Act 1993* and its 'Retail Water Customer Account Assistance' policy, approve financial assistance as listed in Table 1 of the report, subject to receipt of a valid Water Use Audit Report.

ii). Duck Creek Weir

RESOLVED [16/22] (Gordon/Cadwallader) that Council:

1. Note the information provided in the Council report including the attached Acumentis® valuation report dated 2 November 2021.
2. Authorise the Group Manager Planning and Delivery to:
 - (a) enter into direct negotiations for the sale of Uralba Road, Lynwood NSW and Bruxner Highway, Alstonville NSW (being the whole of the land contained within folios 1/927733 and 1/123653) (the 'property'); and
 - (b) accept an offer for the purchase of the property provided the minimum conditions of sale set out in the Council report can be satisfied.
3. Authorise the General Manager and Chair to sign the contract for sale and purchase, and any other necessary documentation under seal to affect the sale and transfer of the property.

11. MATTERS OF URGENCY

Nil.

12. NOTICE OF MOTION / QUESTIONS ON NOTICE

Notice of Motion (Dunoon Dam) dealt with earlier in the meeting.

Questions on Notice - Nil.

13. CLOSE OF BUSINESS

There being no further business the meeting closed at 12.21pm

Public exhibition: Draft Integrated Planning and Reporting Framework (incorporating the 2022/23 Budget and 'Revenue' policy)

Responsible Officer: Group Manager Corporate and Commercial , Guy Bezrouchko

Recommendation

That:

1. Council endorses the draft Integrated Planning and Reporting Framework (incorporating the 2022/23 Budget and 'Revenue' policy) attached to this report, for public exhibition.
2. Council note that adjustments approved at this meeting as part of the March 2022 Quarterly Budget Review Statement report will be included in the exhibited Framework as appropriate.
3. If public submissions are made during the public exhibition period, a report be furnished to Council's June 2022 meeting, including staff comment on how the submissions have been considered, for Council to determine a position on endorsement of the Framework (incorporating the 2022/23 Budget and 'Revenue' policy).
4. If no public submissions are made during the public exhibition period, the version of the draft Integrated Planning and Reporting Framework (incorporating the 2022/23 Budget and 'Revenue' policy) placed on public exhibition, is deemed to be adopted by Council.

Draft 2022/23 Budget

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

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

It is noted that the Long-Term Financial Plan (LTFP) presented in this report does not include budget adjustments presented to Council as part of the March 2022 Quarterly Budget Review Statement (see separate report). Those adjustments, if approved by Council, will be included in the LTFP prior to public exhibition.

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

The transfers to and from reserve represent the net cash movement for the Reporting Unit. The transfer to or from reserve is used to balance the cash movement to zero. This results in the cash surplus or loss being retained within the Reporting Unit.

Long-Term Financial Plan (LTFP) Caveat

The financial plan is significantly impacted by the Future Water Project 2060 (FWP2060). The current LTFP reflects Council's decision from its February 2022 meeting [5/22] which continues with the basic assumptions as of the July 2021 Council resolution [39/21] but accommodates the change relating the Dunoon Dam investigation studies.

The LTFP relies on estimates of significant capital and operating expenditure to construct and run new and expanded groundwater sites. To finance these costs the LTFP includes external borrowings and increases to the contributions required from constituent councils. Future borrowings are significant, and the impact of estimated loan rates are evident in the LTFP.

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

Therefore, the LTFP includes significant assumptions in respect to future capital works which are currently 'proposals' that continue to be actively investigated. The LTFP is presented based on the available information as of April 2022.

March 2022 Flood Events

The LTFP contains limited information regarding the financial impact of the March 2022 flood events. Council staff are still performing damage assessments and preparing both an insurance claim and a natural disaster funding claim.

There are likely to be changes to the budget to accommodate flood related works and this information will be provided to Council in the future when the information is available. Some initial damage estimates are provided in the Quarterly Budget Review Statement Quarter ending 31 March 2022.

Whole Organisation

The table below details the forecast Operating Performance of the organisation together with capital movements and estimated cash reserve.

Table 1: Whole Organisation Forecast Operating Performance

Description	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$
Operating Income	27,603,100	29,517,800	31,102,500	32,808,500	34,848,100	37,005,900	39,270,100	41,734,000	44,427,600	47,253,400
Operating Expense	33,365,200	34,979,100	36,106,300	37,652,300	38,983,500	41,211,400	42,048,700	43,362,700	43,526,600	44,058,800
Operating Result	(5,762,100)	(5,461,300)	(5,003,800)	(4,843,800)	(4,135,400)	(4,205,500)	(2,778,600)	(1,628,700)	901,000	3,194,600
Less: Depreciation	7,813,800	8,308,700	8,685,100	8,967,000	9,259,800	9,760,200	10,023,800	10,191,400	10,349,900	10,495,100
Operating Result Excl	2,051,700	2,847,400	3,681,300	4,123,200	5,124,400	5,554,700	7,245,200	8,562,700	11,250,900	13,689,700
Add: Capital Income	32,595,800	38,671,000	41,024,000	29,682,000	19,846,000	35,016,000	10,196,000	5,374,000	5,562,000	5,757,000
Less: Loan Capital	4,488,600	5,763,600	7,019,400	7,907,700	7,895,600	6,913,200	6,870,200	7,148,100	7,437,500	7,738,800
Less: Capital Expense	26,236,800	39,819,100	36,766,200	27,509,700	16,717,100	36,750,400	13,862,700	3,851,100	5,168,300	12,638,700
Transfer to Reserve	4,676,400	1,157,500	1,979,700	350,500	484,900	159,700	151,400	3,031,400	4,268,900	338,200
Transfer from Reserve	754,300	5,221,800	1,060,000	1,962,700	127,200	3,252,600	3,443,100	93,900	61,800	1,269,000
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	20,309,000	16,244,700	17,164,400	15,552,200	15,909,900	12,817,000	9,525,300	12,462,800	16,669,900	15,739,100

The outlook depicts an organisation heavily invested in capital works. The operating result is poor in the early years but gradually improves to a surplus from 2030/31. Capital expense over the ten years is forecast to be approximately \$219 million supported by external borrowings of approximately \$165 million. Cash reserves fluctuate as funds are applied to capital works and then replenished by new borrowings.

It is not preferable to forecast eight years of operating deficits however it is considered sustainable as income from Constituent Council contributions for bulk water is elevated to match the new operating and capital expenses associated with the FWP2060. Some of the existing pressure on prices is released in 2027/28 when the majority of existing loans expire. The outlook for the whole organisation tends to be dominated by the Bulk Water Reporting Unit and more detailed information is provided in this section of the report.

Bulk Water

Future Water Project 2060

It is appropriate to commence the commentary of Bulk Water Reporting Unit with the FWP2060 because it has a profound impact on the finances of the Reporting Unit. Modelling indicates that Council requires additional water supply to accommodate population growth and the effects of climate change. Demand will exceed secure yield by 2024.

Hence the need for the FWP2060 and associated expenditures. The table below shows the proposed capital works program to provide new water sources for the region.

Table 2: Future Water Project 2060 Forecast Expenditure

Task/Cost		Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
		Cost	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Alstonville Groundwater	Capital	37,588,000	3,522,500	16,861,300	17,204,200	-	-	-	-	-	-	-
	Operating	6,512,400	-	-	-	876,100	893,200	911,100	929,800	948,500	967,100	986,600
Alstonville Groundwater Renewals	Renewals	1,422,000	-	-	-	174,500	180,700	187,100	193,900	200,800	269,900	215,100
Woodburn Existing Bore 3 + WTP	Capital	212,200	212,200	-	-	-	-	-	-	-	-	-
Woodburn New Bores	Capital	2,005,800	885,900	1,119,900	-	-	-	-	-	-	-	-
Tyagarah Groundwater	Capital	49,973,600	973,700	1,103,300	1,125,800	5,741,000	10,535,800	22,329,600	8,164,400	-	-	-
	Operating	4,035,700	-	-	-	-	-	-	-	1,318,900	1,344,900	1,371,900
	Renewals	832,000	-	-	-	-	-	-	-	268,200	277,200	286,600
Groundwater Source Land Acquisition	Capital	18,578,200	4,031,800	5,085,400	5,520,000	3,941,000	-	-	-	-	-	-
IPR Investigations	Operating	811,600	265,200	270,500	275,900	-	-	-	-	-	-	-
DPR Pilot Scheme	Capital	5,745,800	636,600	649,200	2,208,000	2,252,000	-	-	-	-	-	-
	Operating	1,811,200	-	-	-	-	287,000	292,800	298,800	304,800	310,800	317,000
Investigations for Dunoon Dam	Operating	375,600	159,200	216,400	-	-	-	-	-	-	-	-
Demand Management Recurrent Spending	Operating	5,810,500	530,400	541,000	551,800	562,800	574,100	585,600	597,300	609,200	621,400	636,900
Drought Management Planning	Operating	144,000	-	-	-	-	144,000	-	-	-	-	-
Demand Forecasting (incl. Data Acquisition)	Operating	233,700	42,000	-	-	45,000	-	-	96,000	-	-	50,700
Secure Yield Assessment	Operating	172,000	-	54,000	-	-	57,000	-	-	61,000	-	-
IWCM Strategy Review	Operating	1,404,000	-	-	221,000	-	-	585,500	597,500	-	-	-
Other Total Principals Program Costs	Capital	19,171,000	3,118,000	3,010,000	2,858,000	3,480,000	1,655,000	1,765,000	1,827,000	822,000	315,000	321,000
Totals		159,132,600	14,377,500	28,911,000	29,964,700	17,072,400	14,326,800	26,656,700	12,704,700	4,533,400	6,399,600	4,185,800

It is anticipated that these expenditures will assist to provide a secure yield of bulk water that will sustain the county area until 2040. Note that the forecasts in the table have been adjusted to represent the future cost required due to cost of living (CPI) increases.

In the period 2022/23-2031/32 it is proposed to expend approximately \$159 million on Alstonville, Woodburn and Tyagarah Groundwater systems plus various demand management projects. This estimate includes both operating and capital expenses.

One of the costs is \$375,600 to investigate all options for Dunoon Dam and any potential cultural heritage and environmental impacts. As no official decision has been made by Council the LTFP does not include any forecasts to construct the Dunoon Dam at this time.

Further the proposal includes a project titled 'DPR Pilot Scheme' which is for a wastewater reclamation plant.

Bulk Water Reporting Unit comments

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

- Operating Income
 - The primary income source is contributions from constituent Councils with income forecast at \$20.6 million.

- Interest income from funds invested is forecast to return \$67,400. Income from this source will fluctuate as reserves are used to support capital works.
- Operating Expense
 - Dams and treatment expense is forecast to exceed \$6.7 million.
 - Interest on borrowings will be \$2.2 million.
 - Depreciation is forecast at \$6.3 million.
- Capital Income
 - Section 7.11 (formerly Section 64) income is Council's second largest income stream. The amount of income received in any given year can vary significantly depending on the amount of development that occurs in the County. The 2022/23 forecast of \$4.2 million is based on previous years. However, this income source can be volatile and could be influenced by other external factors such as the February/March 2022 floods and COVID-19.
 - External borrowings: the table below shows the proposed borrowings for 2022/23-2031/32. The majority of the loans relate to the FWP2060.

Table 3: Estimated Borrowings 2022/23 – 2031/32

Year	2023	2024	2025	2026	2027	2028	2029	Total
Amount \$	25,000,000	30,000,000	35,000,000	25,000,000	15,000,000	30,000,000	5,000,000	165,000,000
Est Rate	3.50%	3.85%	4.30%	4.50%	4.55%	4.60%	4.70%	

Interest rates are predicted to increase over time however it is difficult to predict exactly just what will occur and when. The assumption has been that rates will increase in line with the Government Bond Rates plus a margin of 2.90%. The forecast rate of 3.50% for 2022/23 is based on recent advice from NSW TCorp. If Rous is unable to borrow from NSW TCorp this rate could be significantly higher.

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

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

Current forecasts do not recommend taking out a single loan facility in 2022/23 that would cover the ten-year program. Despite predicted rate rises this option is significantly more expensive, requiring an increase to the bulk water price path to fund the increased debt servicing costs.

- Capital Expense

Forecast capital expenditure over the life of the model amounts to approximately \$200 million. Apart from the FWP2060 detailed above, major projects include:

 - \$6.0 million – Coraki 225 bulk water main renewal
 - \$8.7 million – Knockrow 450 bulk water main
 - \$8.3 million – St Helena 375 bulk water main
 - \$6.4 million – Nightcap Water Treatment Plant Site Services

A detailed list of the capital works program is included in both versions of the Long-Term Financial Plans.
- Assets/Liabilities
 - As at 30 June 2021 the Reporting Unit had assets valued at \$406 million.

- As at 30 June 2021 debt holdings were \$32.2 million.
- A new loan of \$25 million is forecast for 2022/23.

Council Contributions

Four constituent councils and the Rous Retail Water Reporting Unit pay contributions to the Bulk Water Reporting Unit based on the previous year's water consumption. One of the key issues for the constituent councils is having time to include accurate forecasts for the cost of Bulk Water in their Integrated Planning and Reporting frameworks.

The calculation to determine the annual contribution is based on water consumption for the eleven months from 1 March to 31 January (note: the period normally concludes at 28 February, however, this year the data collection was not possible given the flood event). This allows constituent councils to be advised of their exact annual contribution by mid-March each year. Rous is currently undertaking a review of both its Bulk Water and Retail Water pricing. Any proposed changes to the methodology used will be communicated to constituent councils and elected Councillors. This should occur by the end of September 2022.

The table below shows the forecast percentage increase to contributions to 2031/32. The percentage is the total increase including adjustment for inflation.

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

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Proposed % Increase	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

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

It is considered that given the magnitude of the capital works program over the next decade, the proposed price increases, whilst not desirable, are reasonable. It suggests that the Reporting Unit is starting from a position of strength, which is supported by the fact that at the start of 2021/22 financial year \$40.7 million was held in reserves that have been accumulated in advance for capital works.

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

The following table shows the constituent council contributions in the current 2021/22 financial year and the proposed contributions in 2022/23.

Table 5: Proposed Bulk Water Contributions Constituent Councils and Retail Water

	2021/22 \$	2022/23 \$	Movement %	Movement \$
Lismore City Council	6,011,000	6,430,000	7.0	419,000
Byron Council	4,861,500	4,987,900	2.6	126,400
Richmond Valley Council	1,204,000	1,280,100	6.3	76,100
Ballina Council	7,359,900	7,893,900	7.3	534,000
Rous Retail	1,779,100	1,896,500	6.6	117,400
Total	21,215,500	22,488,400	6.0	1,272,900

The above table identifies that while the total increase to income is 6.0%, there is considerable variance between the entities on a percentage basis. This is attributable to the gross water consumed in each local government area compared to each other and relative to the previous year.

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

Bulk Water Operating Performance

The Reporting Unit is forecast to make an operating losses until 2030/31. This occurs because expenses associated with new loans and new groundwater operations increase faster than additional contribution income.

The Council contributions are increased on a relatively consistent price path over several years rather than one or two dramatic increases early in the period. This approach is preferred as it allows the constituent councils and their consumers an opportunity to build the increased expense into their budget over several years.

The Reporting Unit remains sustainable despite the recurrent deficits as external borrowings are used to keep cash reserves at an adequate level. It should be noted that the reserve balances do not meet the internal target of six months operating expenditure throughout the ten-year LTFP. The gradual increase to contributions results in an operating surplus being achieved by 2030/31.

An alternative pricing strategy would be to increase contributions by a massive amount early in the LTFP which would result in operating surpluses and less borrowings. An increase of 30.0% would be required in 2024/25 to achieve this. This scenario would result in a surplus operating result by 2024/25 with future increases set at rate pegging. However, this approach would create a significant burden (even greater than that proposed) on consumers in a short period at a time when many are particularly vulnerable since the COVID-19 pandemic and February/March 2022 floods. This option is not recommended and has not been discussed with the constituent councils. It is included here for information purposes only.

Table 6: Bulk Water Reporting Unit Forecast Operating Performance

Description	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$
Operating Income	20,767,100	22,041,700	23,379,100	24,791,400	26,504,400	28,324,100	30,242,600	32,346,600	34,666,900	37,104,000
Operating Expense	25,622,300	26,743,600	27,653,700	29,070,200	30,089,900	32,063,800	32,565,400	33,491,600	33,337,400	33,485,100
Operating Result	(4,855,200)	(4,701,900)	(4,274,600)	(4,278,800)	(3,585,500)	(3,739,700)	(2,322,800)	(1,145,000)	1,329,500	3,618,900
Less: Depreciation	6,340,500	6,692,100	7,019,300	7,276,200	7,543,600	8,018,200	8,255,700	8,396,800	8,528,400	8,646,400
Operating Result Excl	1,485,300	1,990,200	2,744,700	2,997,400	3,958,100	4,278,500	5,932,900	7,251,800	9,857,900	12,265,300
Add: Capital Income	29,223,000	34,371,000	39,524,000	29,682,000	19,846,000	35,016,000	10,192,000	5,374,000	5,562,000	5,757,000
Less: Loan Capital	4,488,600	5,763,600	7,019,400	7,907,700	7,895,600	6,913,200	6,870,200	7,148,100	7,437,500	7,738,800
Less: Capital Expense	21,545,500	35,511,000	33,441,800	26,732,400	15,809,500	35,626,200	12,720,500	2,820,800	4,168,900	11,633,500
Less: Internal Loan	1,000,000	250,000	0	0	0	0	0	0	0	0
Add: Internal Loan Princ	87,100	114,400	117,800	121,400	125,000	128,800	132,700	136,700	140,900	145,100
Transfer to Reserve	3,761,300	0	1,925,300	0	224,000	0	0	2,793,600	3,954,400	0
Transfer from Reserve	0	5,049,000	0	1,839,300	0	3,116,100	3,333,100	0	0	1,204,900
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	13,354,500	8,305,500	10,230,800	8,391,500	8,615,500	5,499,400	2,166,300	4,959,900	8,914,300	7,709,400

Operating losses are forecast to 2029/30 before the forecast result improves in 2030/31.

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

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

Retail Water

Retail Water Reporting Unit Comments

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

- Operating Income
 - The primary income source is from a facility and usage charge levied on approximately 2,000 customers. The facility charge is forecast to derive \$443,900 and usage income \$ 2.2 million.
 - Water sales from filling stations are predicted to be \$392,800. These income sources contribute 97.1% of total income for the Reporting Unit.
- Operating Expenditure
 - The largest expense for the Reporting Unit is the purchase of Bulk Water which amounts to approx. \$1.9 million or 59.7% of total expense.
 - Smart metering and backflow devices are being installed for Retail Water customers.
 - Other expense includes administration, insurance, and maintenance of infrastructure.
- Capital Expenditure
 - Average expense in the first two years of the model is \$1 million as compared to \$235,700 over the next eight years. The first two years include \$212,000 on smart metering installation and \$1.2 million on backflow devices installation.
- Assets/Liabilities
 - As at 30 June 2021 total assets were valued at \$12.4 million.
 - There is no outstanding debt and no borrowings are envisaged.

Price of Water

It is important to note that the Retail Reporting Unit operates independently of the Bulk Water Reporting Unit. Rous endeavours to provide water to retail customers at a competitive price that is relative to other Councils in the region. The table below shows the proposed price path for retail customers.

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

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Proposed % Increase	8.00%	7.00%	7.00%	7.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

The main issue driving future price increases is the cost of bulk water. It is anticipated that the bulk water supply will increase by 6.0% and 7.0% for several years (See Bulk Water Reporting Unit section of this report).

The installation of smart metering and backflow devices represents a significant capital cost which reduces the cash reserve. There is a relatively small number of customers to pay for these services which will see the introduction of a new fee for backflow devices at \$196.00 per annum for 2022/23.

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

Table 8: Comparison of 2021/22 Prices for Retail Water Supply (20mm Meter)

Comparison of Regional Pricing	Fixed fee	Usage charge	Typical bill (\$ p.a.) based on 200kL	Typical bill (\$ p.a.) based on 395kL
	(\$ p.a.)	(\$ per kl)		
Lismore	325.92	4.44	1,214	2,080
Richmond Valley	180.00	2.74 & 4.17 over 200kl	728	1,541
Byron	196.00	2.88	772	1,334
Ballina	216.00	2.43 & 3.65 over 350kl	702	1,231
Rous	178.85	2.63	705	1,218
<i>Regional average</i>			<i>824</i>	<i>1,481</i>

Retail Water Operating Performance

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

Table 9: Retail Water Reporting Unit Forecast Operating Performance

Description	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$
Operating Income	3,099,200	3,580,500	3,842,200	4,074,800	4,290,000	4,517,500	4,758,200	5,012,600	5,281,700	5,565,900
Operating Expense	3,176,500	3,645,800	3,928,300	4,108,000	4,318,900	4,542,000	4,778,000	5,027,700	5,291,800	5,572,000
Operating Result	(77,300)	(65,300)	(86,100)	(33,200)	(28,900)	(24,500)	(19,800)	(15,100)	(10,100)	(6,100)
Less: Depreciation	294,600	420,200	451,500	458,300	465,200	472,200	479,300	486,500	493,800	501,200
Operating Result Excluding Non Cash	217,300	354,900	365,400	425,100	436,300	447,700	459,500	471,400	483,700	495,100
Add: Capital Income	0	0	0	0	0	0	0	0	0	0
Less: Capital Expense	1,628,100	497,400	216,700	222,100	227,500	232,900	238,400	243,900	249,400	254,900
Internal Loan	1,000,000	250,000	0	0	0	0	0	0	0	0
Internal Loan Principle Repayments	87,100	114,400	117,800	121,400	125,000	128,800	132,700	136,700	140,900	145,100
Transfer to Reserve	0	0	30,900	81,600	83,800	86,000	88,400	90,800	93,400	95,100
Transfer from Reserve	497,900	6,900	0	0	0	0	0	0	0	0
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	739,100	732,200	763,100	844,700	928,500	1,014,500	1,102,900	1,193,700	1,287,100	1,382,200

The forecast is for operational deficits throughout the ten-year LTFP however, these are sufficiently close to break-even. The Reporting Unit is forecast to have cash surpluses in every year of the LTFP while net cash transfers to reserve are forecast from 2024/25 onwards. This forecast includes significant price increases to achieve these results.

The forecast losses are significantly impacted by higher than CPI increases for bulk water which is the largest operational cost for the Reporting Unit. Retail Water consumed a similar share of regional consumption in 2021 and the bulk water charge is based on the previous year's consumption.

The ten-year operating forecast is weaker than would be preferred, particularly regarding the level of cash reserves. The 2022/23 financial year impacts the reserve significantly with the smart metering and backflow device projects accounting for much of the expense.

Internal loans of \$1 million in 2022/23 and \$250,000 in 2023/24 are required to fund these projects as the Retail Water cash reserves are not able to fund these projects. This loan will be repaid with interest over a ten-year period.

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

Flood Mitigation

Flood Mitigation Reporting Unit Comments

This section provides some basic information on the larger financial elements relating to the Reporting Unit. Unless otherwise stated, the forecasts refer to the 2022/23 financial year.

- Operating Income
 - Contribution income of \$910,100 amounts to approximately 90% of total income. This includes contributions from constituent councils for Flood and Drainage.
 - The maintenance grant of \$84,600 has not been increased by the State Government since it was first provided in the 1980's and unfortunately there appears little likelihood of this grant being increased.
 - Other grants are also received that are less predictable. Examples include natural disaster recovery and strategy plans. The LTFP does not endeavour to predict these grants in future years. The grant conditions typically require the funds to be acquitted via additional expenditure such as contract labour and purchases. Hence the extra income is effectively cancelled out by the extra expenditure.
- Operating Expenditure
 - Wages are forecast at approximately \$456,700.
 - The majority of expense relates to maintenance and repair of infrastructure.
- Capital Expenditure
 - Average annual expenditure over the life of the model is approximately \$245,900.
 - Details of the capital works are included in the enclosed attachment.
- Assets/Liabilities
 - As at 30 June 2021 the Reporting Unit has infrastructure assets valued at \$125.4 million.
 - The Reporting Unit has no net debt, and no new borrowings are envisaged.

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

Council Contributions

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

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

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Proposed % Increase	12.0%	10.0%	8.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.5%	2.5%

The following table shows the forecast contributions by the constituent councils (excludes drainage contribution) in a dollar format. The maximum dollar increase per council contribution is \$29,500 in 2022/23.

Table 11: Forecast Dollar Increase to Council Flood Mitigation Contributions

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Percentage Increase	12.0%	10.0%	8.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.5%	2.5%
Total Flood Contribution \$	825,600	908,160	980,813	1,029,853	1,071,048	1,113,889	1,147,306	1,181,725	1,211,268	1,241,550
Total Contribution Increase \$	88,500	82,560	72,653	49,041	41,194	42,842	33,417	34,419	29,543	30,282
Contribution per Council \$	275,200	302,720	326,938	343,284	357,016	371,296	382,435	393,908	403,756	413,850
Increase per Council \$	29,500	27,500	24,200	16,300	13,700	14,300	11,100	11,500	9,800	10,100

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

The tables below show the Council Contributions in the current 2021/22 financial year compared to the proposed 2022/23 contribution for both flood and drainage. The proposed increase from 2021/22 to 2022/23 is 12.0%.

Table 12: Proposed Flood Mitigation Council Contributions

Service Area	2021/22	2022/23	Increase
Ballina Shire Council	245,700	275,200	29,500
Lismore City Council	245,700	275,200	29,500
Richmond Valley Council	245,700	275,200	29,500
	737,100	825,600	88,500

Table 13: Proposed Drainage Council Contributions

Service Area	2021/22	2022/23	Increase
Ballina Shire Council	40,000	40,300	300
Lismore City Council	40,000	40,300	300
Richmond Valley Council	3,900	3,900	0
Totals	83,900	84,500	600

Flood Mitigation Operating Performance

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

Table 14: Flood Mitigation Reporting Unit Forecast Operating Performance

Description	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$
Operating Income	1,011,600	1,089,100	1,165,200	1,217,700	1,263,000	1,309,500	1,346,400	1,383,200	1,415,300	1,449,000
Operating Expense	1,629,500	1,653,100	1,682,400	1,662,600	1,698,200	1,734,500	1,771,400	1,842,400	1,827,700	1,862,000
Operating Result	(617,900)	(564,000)	(517,200)	(444,900)	(435,200)	(425,000)	(425,000)	(459,200)	(412,400)	(413,000)
Less: Depreciation	695,300	705,700	716,300	727,000	737,900	749,000	760,200	771,600	783,200	794,900
Operating Result Excluding Non Cash	77,400	141,700	199,100	282,100	302,700	324,000	335,200	312,400	370,800	381,900
Add: Capital Income	0	0	0	0	0	0	4,000	0	0	0
Less: Capital Expense	182,700	172,400	218,100	167,800	178,600	274,400	300,200	347,000	308,800	308,600
Transfer to Reserve	0	0	0	114,300	124,100	49,600	39,000	0	62,000	73,300
Transfer from Reserve	105,300	30,700	19,000	0	0	0	0	34,600	0	0
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	456,300	425,600	406,600	520,900	645,000	694,600	733,600	699,000	761,000	834,300

Over recent years the Reporting Unit has recorded operating losses and the forecast is that this will continue throughout the ten-year LTFP. The gradual improvement over the life of the model is primarily due to increases to Council Contributions. Additional resources have been utilised in the Reporting Unit in recent years to improve service levels, but they come at a cost.

The forecast is that the reserve will be less than the internal cash reserve benchmark of five months operating expenditure until 2026/27. From this year on the internal cash reserve benchmark is forecast to be met.

It is important to note that the depreciation included in the table above includes the Lismore Levee. The Levee depreciation must be included as the asset is on the Rous asset register. However, Lismore City Council must pay any operational or capital costs associated with the Levee. Therefore, it is more realistic to look at the outcome excluding forecast Levee depreciation of \$393,200 for 2022/23.

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

	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate
Operating Result	(617,900)	(564,000)	(517,200)	(444,900)	(435,200)	(425,000)	(425,000)	(459,200)	(412,400)	(413,000)
Less Lismore Levee Depreciation	393,200	399,100	405,100	411,200	417,400	423,700	430,100	436,600	443,100	449,700
Revised Operating result	(224,700)	(164,900)	(112,100)	(33,700)	(17,800)	(1,300)	5,100	(22,600)	30,700	36,700

In the above table the Reporting Unit does not achieve operating surpluses throughout the ten-year LTFP. However, a cash surplus is achieved in all years of the ten-year LTFP with a net transfer to reserve in six of those years. The financial outlook of the Reporting Unit needs to be monitored closely as any unplanned expenditure will significant impact the cash reserves

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

Therefore, the strategy proposed is to maintain existing service levels and improve the financial performance via price increases.

Weed Biosecurity

Weed Biosecurity Reporting Unit Comments

This section provides some basic information on the larger financial elements relating to the Reporting Unit. Unless otherwise stated, the forecasts refer to the 2022/23 year.

- Operating Income
 - Contribution income of \$830,800 amounts to 51.3% of the total income. This includes fee for service payments from Kyogle and Tweed Shires \$308,700.
 - Grant income is forecast at \$776,500.
- Operating Expenditure
 - Activities are organised into agreed elements of the Weed Action Program (WAP) Salaries and wages are anticipated to be in the order of \$1,080,300.
 - Other expenses include administration, insurance, depot, fleet and training.
- Capital Expenditure
 - Average annual spend over the life of the model is \$23,400.
 - Details of works are included in the enclosed attachment. Works include GIS equipment renewals and depot upgrades.
- Assets/Liabilities
 - as at 30 June 2021 total fixed assets were valued at \$237,600.
 - There is no outstanding debt and no borrowings are envisaged.

Weed Biosecurity has minimal assets to manage and as such, recurrent income and expense form the primary financial elements of this Reporting Unit.

Council Contributions

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

Table 16: Forecast Price Path for Constituent Council Contributions

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Proposed % Increase	0.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

The projected price path indicates that the Reporting Unit is operating comfortably, and little intervention is required in the way of price or service delivery adjustments. There are of course many assumptions embedded within this forecast, but based on current information, cost of living adjustments is a reasonable position to adopt.

The following table shows the Constituent Council contributions in the current year 2021/22 financial year compared to the proposed 2022/23 contribution.

Table 17: Proposed Weed Biosecurity Council Contributions

Service Area	2021/22	2022/23	Increase
	\$	\$	\$
Ballina Shire Council	117,800	118,600	800
Byron Shire Council	117,800	118,600	800
Lismore City Council	154,800	155,900	1,100
Richmond Valley Council	128,100	129,000	900
Total Contributions	518,500	522,100	
Kyogle Shire Council *	129,200	130,100	900
Tweed Shire Council *	177,400	178,600	1,200
Total Fees	306,600	308,700	
Total Contributions and Fees	825,100	830,800	5,700
Total % Increase			0.70%

Weed Biosecurity Operating Performance

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

Table 18: Weed Biosecurity Reporting Unit Forecast Operating Performance

Description	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate
Operating Income	\$ 1,618,400	\$ 1,643,100	\$ 1,567,400	\$ 1,569,800	\$ 1,605,500	\$ 1,641,500	\$ 1,679,000	\$ 1,716,700	\$ 1,755,400	\$ 1,793,900
Operating Expense	1,705,400	1,648,300	1,583,500	1,557,100	1,593,200	1,630,000	1,667,600	1,705,800	1,744,600	1,785,100
Operating Result	(87,000)	(5,200)	(16,100)	12,700	12,300	11,500	11,400	10,900	10,800	8,800
Less: Depreciation	30,500	31,000	31,500	32,000	32,500	33,000	33,500	34,000	34,500	35,000
Operating Result Excluding Non Cash	(56,500)	25,800	15,400	44,700	44,800	44,500	44,900	44,900	45,300	43,800
Add: Capital Income	0	0	0	0	0	0	0	0	0	0
Less: Capital Expense	43,000	0	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000
Transfer to Reserve	0	25,800	0	44,700	22,800	500	900	24,900	25,300	23,800
Transfer from Reserve	99,500	0	5,600	0	0	0	0	0	0	0
Net Cash Movement	0	0	0	0	0	0	0	0	0	0

Estimated Cash Reserve \$	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	1,801,800	1,827,600	1,822,000	1,866,700	1,889,500	1,890,000	1,890,900	1,915,800	1,941,100	1,964,900

The Reporting Unit is forecast to record recurrent operating surpluses from 2025/26 onwards which is a positive outlook. The operating losses forecast in the first three years of the model are attributable to additional term contract staff expenses.

Cash reserves remain adequate throughout the life of the model and are forecast to exceed the internal cash reserves benchmark of four months operating expenditure.

Richmond Water Laboratories (RWL)

RWL Reporting Unit Comments

Please note that the commentary and the budget forecasts were developed based on the existing plans prior to the March 2022 floods. RWL was significantly impacted by the floods and has been forced to vacate the existing administration building accommodation and temporarily locate at NSW DPI at Wollongbar. Based on the level of reinvestment, insurance cover and capacity to maintain services, the forward financial plans for the RWL are currently under review.

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

RWL provides testing services to the Bulk Water Reporting Unit, other councils, non-government organisations and individuals. The intent is to operate on a stand-alone basis.

- Operating Income
 - Essentially all income is derived from fees for service. The largest customer is Bulk Water Reporting Unit.
 - Testing income is estimated to be \$866,000 which is an increase on recent years.
- Operating Expenditure
 - Salaries and wages are estimated at \$516,100 which is 61.2% of operating expenditure.
 - Materials and contracts are the next biggest expense at \$127,500.
 - Licences and NATA accreditation are forecast to be \$27,000.
- Capital Expense
 - Average annual spend over the life of the model is \$36,000 which is for equipment renewal. A total of \$200,000 has been set aside for 2022/23 and 2023/24 for the potential relocation of the laboratory to the new workplace site in Ballina.
- Assets/Liabilities
 - As at 30 June 2021 total non-current assets were valued at \$246,600.

Pricing Strategy

RWL operates in a very competitive environment where customer service and price are very important factors in maintaining clients.

Prices are monitored regularly, and the price path is subject to market forces. From a planning perspective it has been assumed that price increases will approximately move in line with the cost-of-living increases.

Operating Performance

The Reporting Unit is forecast to operate quite close to break even. Cash reserves are predicted to increase gradually over the ten-year LTFP.

Table 19: Richmond Water Laboratory (RWL) Forecast Operating Performance

Description	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$
Operating Income	868,300	890,700	913,800	937,400	963,300	987,900	1,013,200	1,039,000	1,065,500	1,092,400
Operating Expense	843,800	867,300	891,200	915,600	940,600	966,100	992,200	1,018,800	1,046,000	1,073,800
Operating Result	24,500	23,400	22,600	21,800	22,700	21,800	21,000	20,200	19,500	18,600
Less: Depreciation	20,300	20,600	20,900	21,200	21,500	21,800	22,100	22,400	22,700	23,000
Operating Result Excluding Non Cash	44,800	44,000	43,500	43,000	44,200	43,600	43,100	42,600	42,200	41,600
Add: Capital Income	0	0	0	0	0	0	0	0	0	0
Less: Capital Expense	50,000	150,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Transfer to Reserve	0	0	23,500	23,000	24,200	23,600	23,100	22,600	22,200	21,600
Transfer from Reserve	5,200	106,000	0	0	0	0	0	0	0	0
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	374,000	268,000	291,500	314,500	338,700	362,300	385,400	408,000	430,200	451,800

The primary purpose of RWL is to provide testing services to the Bulk Water Reporting Unit with staff on hand to satisfy routine and non-routine demands as they arise. Ideally RWL will also be commercially competitive and self-sufficient with staff striving to achieve both goals each year.

The forecast shows a Reporting Unit that is quite marginal and small changes can alter the operating result quite significantly. As mentioned, income in 2022/23 is forecast to be more than previous years forecast and if these additional sales do not eventuate it will have a significant impact on the Reporting Unit.

Property

Property Reporting Unit Comments

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

- Operating Income
 - Rental income is estimated at \$150,800 which is 92.2% of forecast operating income.
- Operating Expenditure
 - Forecast expenditure for rental properties is \$137,700 which excludes salaries, depreciation and overheads.
 - Staff, administration and depreciation expenses amount to approximately \$108,700.
 - Operating expense associated with Perradenya is anticipated to be \$66,200.
- Capital Income
 - Sales income from Stage 7 at Perradenya is expected to be \$3.3 million in 2022/23.
 - Forecast income in 2023/24 of \$4.3 million relates to the integrated lots at Perradenya and \$1.5m in 2024/25 is for the commercial lot.
- Capital Expenditure
 - Estimated expenditure on Stage 7 at Perradenya is \$2.3 million in 2022/23.
 - Estimated cost to develop the integrated lots in 2023/24 is \$3 million and the commercial lot in 2024/25 is \$1 million.
 - Cycleway construction is estimated at \$1.2 million in 2024/25.
- Assets/Liabilities
 - As at 30 June 2021 non-current assets were valued at \$1.7 million which includes inventory, properties and buildings.
 - There is no outstanding debt.

The Property Reporting Unit includes three different sections:

1. Commercial property in the Lismore CBD. A property is owned and leased by Rous to provide a commercial rate of return. Rous is the master lessee of the Administration Office in Molesworth Street with a new lease to be negotiated in August 2022. There are two sub leases of that space for which rental income is received. These properties have all been affected by the March 2022 flood events and are currently vacant. Some preliminary budget adjustments have been proposed to account for this in both the Quarterly Budget Review Statement Quarter ending 31 March 2022 and the LTFP for the 2022/23 financial year.
2. Thirteen rural properties with a combined area of some 220 hectares were originally purchased for the Proposed Dunoon Dam. Leases include both residential houses and agistments. These properties are currently being held until all investigations relating to the proposed Dunoon Dam are completed. The LTFP does not include forecast income from the disposal until a firm decision is made.
3. Perradenya Estate is being progressively subdivided and sold as residential allotments.

Property Pricing Strategy

In respect to property owned by Rous, both the commercial and rural leases are managed by licenced agents who act on Rous' behalf. Lease arrangements look to provide the best commercial advantage to Council.

The sub leases of the Administration Office are managed by Council staff who negotiate arrangements with tenants.

Perradenya Estate is marketed by local agents. Staff are looking to take advantage of the current property market and the plan is to complete development and sale of all remaining lots as quickly as possible.

Property Operating Performance

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

Table 20: Commercial Properties Forecast Operating Performance

Description	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$
Operating Income	163,500	192,700	150,100	129,900	131,400	133,200	136,900	139,300	141,700	142,900
Operating Expense	312,600	337,300	269,100	228,400	233,600	167,200	167,800	171,500	175,300	179,000
Operating Result	(149,100)	(144,600)	(119,000)	(98,500)	(102,200)	(34,000)	(30,900)	(32,200)	(33,600)	(36,100)
Less: Depreciation	42,600	43,200	43,800	44,500	45,200	45,900	46,600	47,300	48,000	48,700
Operating Result Excl	(106,500)	(101,400)	(75,200)	(54,000)	(57,000)	11,900	15,700	15,100	14,400	12,600
Add: Capital Income	3,372,800	4,300,000	1,500,000	0	0	0	0	0	0	0
Less: Capital Expense	2,351,200	3,066,900	2,268,600	69,400	70,200	71,900	73,600	74,400	76,200	76,700
Transfer to Reserve	915,100	1,131,700	0	0	0	0	0	0	0	0
Transfer from Reserve	0	0	843,800	123,400	127,200	60,000	57,900	59,300	61,800	64,100
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	2,569,100	3,700,800	2,857,000	2,733,600	2,606,400	2,546,400	2,488,500	2,429,200	2,367,400	2,303,300

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

Exclusive of rural properties and Perradenya operating expenses, properties are a marginal exercise that struggle to achieve a surplus once depreciation, staff time and administration is brought to account. If or when opportunities for sale arose, they would be considered.

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

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

Once the property portfolio excludes Perradenya and Rural properties, Council may take the decision to eliminate the Property Reporting Unit. Any remaining financial transactions including cash reserves would become part of Bulk Water Reporting Unit.

Fleet Reporting Unit

Fleet Reporting Unit Comments

Unless otherwise stated the forecasts refer to the 2022/23 year.

- Operating Income
 - Interest on funds invested, fuel tax credit rebates and staff contributions for private use of vehicles account for total operating income, forecast at \$75,000.
 - Note that plant hire income is viewed as a negative expense.
- Operating Expense
 - Total operational expense is expected to be around \$611,100 plus \$390,000 for depreciation. Plant hire income (\$926,000) is calculated to approximately offset anticipated expenses once operating income has been brought to account.
- Capital Expense
 - Average annual spend over the life of the model is \$404,700 which is the net cost of vehicle turnovers. i.e. includes trade value.

The role of the Fleet Reporting Unit is to provide all other Reporting Units with fit-for purpose fleet at an economical rental. The Reporting Unit manages vehicles, boats, trailers and heavy plant. There are approximately 93 items within the Fleet.

General Operations

The intent is for the Fleet Reporting Unit to operate on a stand-alone basis. All expenses relating to management of the fleet are costed to Fleet Reporting Unit including fuel, maintenance, registration, insurance and capital purchases.

Vehicle types and length of service are varied to identify the best approach for Council to minimise the net holding cost. That cost is annualised and recovered from the Reporting Unit that uses the item based on hire rates.

The hire rate is designed to generate sufficient internal revenue to keep the fleet well maintained and replaced prior to a loss in service potential. The hire rate does not include any provision for fleet expansion.

Fleet Reporting Unit Operating Performance

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

Table 21: Fleet Reporting Unit Forecast Operating Performance

Description	2023 Estimate \$	2024 Estimate \$	2025 Estimate \$	2026 Estimate \$	2027 Estimate \$	2028 Estimate \$	2029 Estimate \$	2030 Estimate \$	2031 Estimate \$	2032 Estimate \$
Operating Income	75,000	80,000	84,700	87,500	90,500	92,200	93,800	96,600	101,100	105,300
Operating Expense	75,100	83,700	98,100	110,400	109,100	107,800	106,300	104,900	103,800	101,800
Operating Result	(100)	(3,700)	(13,400)	(22,900)	(18,600)	(15,600)	(12,500)	(8,300)	(2,700)	3,500
Less: Depreciation	390,000	395,900	401,800	407,800	413,900	420,100	426,400	432,800	439,300	445,900
Operating Result Excl	389,900	392,200	388,400	384,900	395,300	404,500	413,900	424,500	436,600	449,400
Add: Capital Income	0	0	0	0	0	0	0	0	0	0
Less: Capital Expense	436,300	421,400	580,000	298,000	389,300	481,000	466,000	325,000	325,000	325,000
Transfer to Reserve	0	0	0	86,900	6,000	0	0	99,500	111,600	124,400
Transfer from Reserve	46,400	29,200	191,600	0	0	76,500	52,100	0	0	0
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Cash Reserve \$	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	1,014,200	985,000	793,400	880,300	886,300	809,800	757,700	857,200	968,800	1,093,200

Plant hire income is treated as a negative expense, so operating expenses are essentially cancelled out by internal hire income. It is important that the Reporting Unit does not make a significant profit or loss. Either outcome indicates that the other Reporting Units are being over or under charged and the hire rates need to be adjusted.

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

Other Matters

COVID-19

COVID-19 Council continues to assess and monitor the implications of COVID-19. The pandemic has caused adjustments to operations over the last two years. At this stage it appears as though the financial impact has not been significant.

Overhead Charges

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

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

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

Statement of Revenue Policy – 2022/23

Proposed fees and charges for the 2022/23 financial year include: -

- Bulk water sales revenue – an increase of 6.0% to \$2.16 per kilolitre.
- Retail water sales – an increase of 8.0% to \$2.84 per kilolitre for water usage. The fixed facility charges will also increase by 8.0%.
- Developer charges – an increase of 3.5% to \$9,256.00 per equivalent tenement.
- Weed biosecurity contributions – an increase of 0.70% in line with rate pegging.
- Flood mitigation contributions – an increase of 12.0%.
- Ex-drainage union contributions - an increase of 0.70% in line with rate pegging.
- Backflow device annual charge – a new fee of \$196.00 (this charge will only be applied on a pro-rate basis after installation).
- Property information certificates – an increase of \$5.0 to \$90.00 as prescribed by section 603 of the Local Government Act 1993.
- Interest on overdue water accounts – remains at 6.0% as prescribed by section 566(3) of the Local Government Act 1993.
- Other fees have generally increased by CPI of 3.5% or less and in many cases haven't been increased at all.

Governance

As a result of COVID-19 the local government elections scheduled for September 2020 were deferred. The 4-year Integrated Planning and Reporting cycle was consequently extended by 12 months and the following cycle reduced to 3 years. This approach was based on resynching the Integrated Planning and Reporting cycle to 4 years in conjunction with the 2024 local government elections.

The 'planning' portion of the Integrated Planning and Reporting Framework consists of the following components:

- (i) Business Activity Strategic Plan
 - a. Delivery program
 - i. Resourcing strategy
 - 1. Long-term financial plan
 - 2. Workforce management strategy
 - 3. Asset management strategy and plans
 - b. Operational plan (including 'Revenue' policy and proposed Fees and Charges)

The Business Activity Strategic Plan must:

- (i) Identify Council's main business activity priorities covering a period of at least 10 years from when the plan is endorsed, and
- (ii) Establish strategic objectives together with strategies for achieving those objectives, and
- (iii) Be developed having due regard to the community strategic plans of the constituent councils and in consultation with those councils.

The key themes underpinning Council's draft Business Activity Strategic Plan are:

- (i) Sustainable delivery
- (ii) External relationships
- (iii) Our people
- (iv) Leadership and innovation.

These themes were informed by and shaped through a range of consultative processes which included input from constituent councils.

Council has until 30 June 2022 to endorse the draft Integrated Planning and Reporting Framework (incorporating the 2022/23 Budget and 'Revenue' policy). Consideration was given to making application to the Minister for Local Government for an extension of time, having regard to the significant impact of the February/March 2022 floods across the region. This was determined to be unnecessary in the circumstances given progress made on the development of the draft Framework (and supporting elements) prior to the floods.

Consultation

The proposed draft Integrated Planning and Reporting Framework has been prepared following a consultation process with the former and current Rous governing body, constituent council former Mayors and General Managers including senior staff, and Rous staff. While the planned consultation process had to be adapted and modified due to COVID-19 and the floods in

February/March 2022, staff are satisfied that the key themes and objectives set out in the draft Business Activity Strategic Plan have been informed by the feedback received.

Featuring in the Framework are the following key projects and activities which were identified during the consultation process as focus areas:

- (i) Flood recovery
- (ii) FWP2060
- (iii) Flood mitigation governance
- (iv) Richmond Water Laboratories
- (v) Relocation to Gallans Road
- (vi) ICT.

Public exhibition of the Workforce management strategy and Asset management strategy and plans is not a compliance requirement. Nevertheless, staff recommend that these components of the Resourcing strategy be publicly exhibited as they provide important context for the broader Framework.

If approved, the draft Integrated Planning and Reporting Framework (incorporating the 2022/23 Budget and 'Revenue' policy) will be publicly exhibited for at least 28 days and public submissions invited. Advice regarding any public submissions received will be reported to Council's June 2022 meeting. Otherwise, if no public submissions are made, it is proposed that the draft Framework (incorporating the 2022/23 Budget and 'Revenue' Policy) placed on public exhibition, be deemed to be adopted.

Conclusion

The proposed draft Integrated Planning and Reporting Framework (incorporating the 2022/23 Budget and 'Revenue' policy) is recommended to Council for public exhibition.

Attachment:

1. Draft Integrated Planning and Reporting Framework (incorporating the 2022/23 Budget) and Revenue policy



Statement of Revenue Policy – 2022/23

This policy details the basis for the determination of member council contributions and other relevant revenue streams that inform Council's financial plans. It is designed to ensure funding is available to maintain agreed levels of service and to provide adequate financial capacity for planned capital works and therefore sustainability of services for the region.

This policy forms part of Council's long term financial plan, which requires a balance of funds from existing operations, established restricted cash assets, and new sources of revenue including loan funds for those assets required due to growth.

Income *Bulk water*

Bulk water sales revenue from member councils and direct retail customers, is calculated on the gross dollar yield required to fund bulk water supply activities. For 2022/23, the gross dollar yield is \$22,488,400, which is an increase of \$1,272,900 (6.0%) on the previous year.

Supply Area	Proportional Weighting	2022/23 \$
Lismore City Council	28.59%	6,430,000
Byron Shire Council	22.18%	4,987,900
Richmond Valley Council	5.69%	1,280,100
Ballina Shire Council	35.1%	7,893,900
Rous County Council Direct Retail	8.43%	1,896,500
	100.00%	22,488,400

Contribution of required revenue is calculated based on prior year consumption

In 2022/23 the notional price per kilolitre of water charged to member councils and Council's Retail Water Fund is \$2.16 per kilolitre.

Retail Customers

In accordance with Independent Pricing and Regulatory Tribunal (IPART) and NSW State Government's 'Best Practice Management of Water and Sewage Guidelines', Council applies the principle of two-part tariff with quarterly meter reading and billing.

For 2022/23, the price per kilolitre will increase by 8% in line with the Long-Term Financial Plan to \$2.84 per kilolitre. Fixed fee facility charges will also increase by 8%.

Development Servicing Plan

Section 64 of the *Local Government Act 1993* allows Council to levy developers with a contribution charge to provide a source of funds devoted to the augmentation program resulting from increased demand.

The Development Servicing Plan for Bulk Water Supply 2016 was adopted by Council at its June 2016 meeting, effective 1 July 2016. The plan is in accordance with the 'best practice' guidelines as issued by the NSW Office of Water.

For 2022/23, in accordance with the plan, the charge increases by \$313 (3.5%) to \$9,256 per Equivalent Tenement.

Weed Biosecurity

Council levies assessments on member Councils based on the following formula, which was adopted in 1994 and confirmed by review in 2003 and 2004. The formula is on the basis of 50% Part A and 50% Part B:

Part A: area % + length of roads % + number of rural holdings % + population %.

Part B: number of property inspections % + weed control costs %.

Since July 2013 the contribution weighting has been fixed with the contribution amount increased annually by the rate peg percentage which is determined annually by IPART.

Effective 1 July 2016 services for Kyogle and Tweed councils are now provided under a service level agreement. Their fee is based on the same contribution calculation.

For 2022/23, contributions will increase by rate pegging, which is 0.7%. Amounts listed are exclusive of GST.

Service Area	2022/23 \$
Ballina Shire Council	118,600
Byron Shire Council	118,600
Lismore City Council	155,900
Richmond Valley Council	129,000
<i>Kyogle Council*</i>	<i>130,100</i>
<i>Tweed Shire Council*</i>	<i>178,600</i>
	830,800

**Service level agreement.*

Council regularly attracts government funding for weed biosecurity. Council considers grant-funding matching requirements on a case by case basis.

Flood Mitigation

Council levies assessments on member Councils based on an even portion of gross revenue.

For 2022/23, contributions will increase by 12%. Amounts listed below are exclusive of GST.

Service Area - Flood Mitigation	2022/23 \$
Ballina Shire Council	275,200
Lismore City Council	275,200
Richmond Valley Council	275,200
	825,600

Ex-Drainage Union

Council levies assessments on member Councils for works undertaken on ex- drainage union assets, based on the existing contribution amounts, increased annually by the rate peg percentage which is determined annually by IPART.

For 2022/23, contributions will increase by the rate peg, which is 0.7%. Amounts listed below are exclusive of GST.

Service Area - Ex-Drainage Union		2022/23 \$
Ballina Shire Council		40,300
Lismore City Council		40,300
Richmond Valley Council		3,900
		84,500

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

Write Offs – Rates, Charges and Debts to Council

The amount above which rates, charges and debts to Council may be written off only by resolution of the Council is fixed at \$1,000.00 (ex-GST). Council delegates to the General Manager the power to write off rates, charges and debts equal to or below this threshold.

Expenditure

Council's estimated income and expenditure is contained in the attached Appendix titled *Financial Estimates*.

Borrowings

Council conducts its operations with an approved overdraft limit of \$100,000 provided by the Commonwealth Bank of Australia. This facility is designed to cover short-term liquidity gaps.

Factors considered in determining fees and charges include: the cost

Council intends to borrow \$25M from an approved financial institution in 2022/23 for the purpose of commencing construction of groundwater sources. Amounts borrowed will be secured by mortgage over the income of Council.

of providing the service or goods; legislative requirements; market conditions and prices; and whether there is a community service obligation.

Code	Description	
L	Regulatory	A statutory charge set by the government.
Z	Zero Cost Recovery	Priced at 'no cost'; met entirely from general-purpose income.
P	Partial Cost Recovery	Priced to make a considerable (between 50% and 75%) contribution towards the operating costs, both direct and indirect, of providing the good/service. The remainder of the costs are met from general-purpose income.
F	Full Cost Recovery	Priced to make a significant (between 75% and 100%) contribution towards the operating costs, both direct and indirect, of providing the good/service. The remainder of the costs are met from general-purpose income.
M	Market	Priced in accordance with the prevailing market.

Goods and Services Tax (GST)

The following schedule of Fees and Charges has been prepared using the most current GST information. The impact of GST on Fees and Charges is subject to change by legislation. Fees and Charges are shown with GST included where appropriate at the time of writing.

T = Deemed to be taxable and fees/charges include GST

N = Deemed to be non-taxable and fees/charges exclude GST

E = Deemed to be exempt as the fee/charge is not a consideration

M = Deemed to be taxable and fees/charges include GST unless related to an application in which case it is deemed to be non-taxable and fees/charges exclude GST

U = GST treatment is the same as the underlying supply

Application of Code of Conduct for Commercial Tenancies

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

Corporate and Commercial

Code	Description	GST	2021/22 (\$)	2022/23 (\$)
Property Information				
L	Property information certificate (section 603 <i>Local Government Act 1993</i>)	E	85.00	90.00
F	Property information certificate (section 603 <i>Local Government Act 1993</i>) URGENCY fee ** # ** Subject to confirmation that service is available # This fee is in addition to applicable certificate fee		85.00	90.00
P	Cancellation/min. processing fee (section 603 <i>Local Government Act 1993</i>)		41.00	45.00
Photocopying and Printing				
F	Photocopying A4 (black)	M	1.45 per page	1.45 per page
	Photocopying A3 (black)		1.50 per page	1.50 per page
	Photocopying A4 (colour)		1.55 per page	1.55 per page
	Photocopying A3 (colour)		1.60 per page	1.60 per page
Dishonoured Payments or Direct Debits				
F	The dishonour fee charged by financial institutions for dishonoured payments or direct debits may be passed on to the customer where payments have been rejected from the nominated financial institution	N	As charged	As charged
Credit Card Surcharge				
P	Council is charged a fee based on a percentage of the payment amount by the credit card provider when a payment is made by credit card. Council will raise a surcharge against the credit card user at point of sale to recover costs incurred by Council.	U	As charged	As charged
Conduct Money				
F	Subpoena to produce	E	Price on application	Price on application
	Subpoena to attend to give evidence* *Generally, the cost of salary and any additional expenses associated with attendance.		Price on application	Price on application

Government Information (Public Access) Fees and Charges						
		Application fee	Other charges	Fee refund	Charge reduction	Fee and charge waiver, reduction or refund
Open Access Information		No	Photocopying charges as per Fees and Charges schedule.	N/A	N/A	By written application to the General Manager, and based on the circumstances of the case.
Proactive Release		No	Photocopying charges as per Fees and Charges schedule.	N/A	N/A	
Informal Release (on Request)		No	No	N/A	N/A	
Formal Access Application	Personal Information	\$30.00	First 20hrs free then \$30.00/hr thereafter (ss. 64(1) and 67).	Application not dealt with in time (s. 63(1)). Application invalid (s. 52(5)).	50% discount on processing charges where: <ul style="list-style-type: none">Applicant can demonstrate financial hardship (by producing evidence that they hold a Pensioner Concession card, are a full-time student, or a non-profit organisation (including a person applying for or on behalf of a non-profit organisation) - (s.65 and clause 9 of Regulation).The information applied for is of special benefit to the public generally (s.66).	Full waiver of charges will apply where the information is publicly released before or within 3 working days after being given to the applicant.
	Other Information	\$30.00 (incl. first hour of processing) (ss. 41 and 64(3)).	\$30.00/hr (s.64(1)).			
Review	Internal Review	\$40.00 unless a review of a deemed refusal in which case there is no charge (section 85).	No	If review not decided within specified period (section 86).	N/A	

Legislation references in this table are to the *Government Information (Public Access) Act 2009* and *Government Information (Public Access) Regulation 2018*.

Note: No fee is payable for an external review by the Information Commissioner. Information regarding the applicable fees for review by the NSW Civil and Administrative Tribunal can be obtained by visiting the Tribunal's website at: <http://www.ncat.nsw.gov.au/> or contacting the Tribunal directly on 1300 006 228.

General Purpose Revenues				
Code	Description	GST	2021/22 (\$)	2022/23 (\$)
F	Rous retail consumers are levied with a per kilolitre charge (section 399 <i>Local Government Act 1993</i>)	N	2.63	2.84
	Annual facility charge 20mm water meter connection (section 501 <i>Local Government Act 1993</i>)		178.85	189.80
	Annual facility charge 25mm water meter connection (section 501 <i>Local Government Act 1993</i>)		277.40	299.30
	Annual facility charge 32mm water meter connection (section 501 <i>Local Government Act 1993</i>)		456.25	492.75
	Annual facility charge 40mm water meter connection (section 501 <i>Local Government Act 1993</i>)		715.40	770.15
	Annual facility charge 50mm water meter connection (section 501 <i>Local Government Act 1993</i>)		1,116.90	1,204.50
	Annual facility charge 65mm water meter connection (section 501 <i>Local Government Act 1993</i>)		1,887.05	2,036.70
	Annual facility charge 80mm water meter connection (section 501 <i>Local Government Act 1993</i>)		2,861.60	3,087.90
	Annual facility charge 100mm water meter connection (section 501 <i>Local Government Act 1993</i>)		4,471.25	4,828.95
	Backflow device annual charge (charge will be applicable on pro rata basis after installation)		0.00	196.00
L	Interest on overdue water charges (section 566(3) <i>Local Government Act 1993</i>) <i>Note: The maximum rate of interest payable on overdue rates and charges for the period 1 July to 30 June determined by the Minister for Local Government will be charged.</i>	N	6.0%	6.0%
L	Restrictor devices – fee to disconnect any restriction device, which may have been installed due to non-payment of account		317.00	328.00
F	Pensioner rebate (section 575 <i>Local Government Act 1993</i>)	N	Refer to 'Description'	
L	Dialysis machine concession of 200 kilolitres per annum without consumption charges (section 502 <i>Local Government Act 1993</i>)	N	Refer to 'Description'	

Operations

Consumer Services

Code	Description	GST	2021/22 (\$)	2022/23 (\$)
F	Outstanding Notices certificate (section 735A <i>Local Government Act 1993</i>)	E	50.00	50.00
	Outstanding Notices certificate (section 735A <i>Local Government Act 1993</i>) URGENCY fee ** # ** Subject to confirmation that service is available # This fee is in addition to applicable certificate fee		50.00	50.00
	Testing of 20mm water meter	N	388.00	388.00
	Special meter reading	E	88.00	88.00
	Special meter reading – URGENCY fee**# ** Subject to confirmation that service is available # This fee is in addition to applicable certificate fee		88.00	88.00
	Consumer connection fee for a standard 20mm service (section 608 <i>Local Government Act 1993</i>)	N	1,424.00	1,430.00
	Consumer activation fee for a standard 20mm service where water meter already connected (section 608 <i>Local Government Act 1993</i>)		267.00	267.00
	Consumer activation fee for a standard 20mm service where water meter connection also required (section 608 <i>Local Government Act 1993</i>)		436.00	437.00
	Consumer connection fee equal to the estimated actual cost + 10% to provide other than a standard 20mm service to property boundary (section 608 <i>Local Government Act 1993</i>)		Price on application	Price on application
	Disconnection fee (section 608 <i>Local Government Act 1993</i>)		146.00	146.00
	Reconnection fee (section 608 <i>Local Government Act 1993</i>)		Price on application	Price on application

Water Filling stations

Code	Description	GST	2021/22 (\$)	2022/23 (\$)
P	Annual permit fee charged to bulk water carrier for potable water (section 501 <i>Local Government Act 1993</i>). Fee may be pro-rata from approval date. with min. 3 month increments (Non-refundable)	E	647.00	651.00
	Annual permit fee charged to bulk water carrier for non-potable water (section 501 <i>Local Government Act 1993</i>) Fee may be pro-rata from approval date. with min. 3 month increments (Non-refundable)		647.00	651.00
	Price of water per kilolitre (section 610A <i>Local Government Act 1993</i>)	N	6.02	6.06
F	Filling station access key	E	80.00	80.00
F	Filling station pre-paid credit refund fee	E	51.00	51.00

Temporary Water Supply

Code	Description	GST	2021/22 (\$)	2022/23 (\$)
P	Special Approved Connections – retail consumers with a temporary connection or, non-payment of capital headworks fee(s), are levied with a per kilolitre charge (section 399 <i>Local Government Act 1993</i>)	N	4.97	5.00

Contract Works

Code	Description	GST	2021/22 (%)	2022/23 (%)
F	Administration charge % – where the GST exclusive value of the construction work undertaken on behalf of other parties or as part of a mains extension which requires a financial contribution by other parties is \$20,000 or less	T	15	15
	Administration charge % – where the GST exclusive value of the construction work undertaken on behalf of other parties or as part of a mains extension which requires a financial contribution by other parties exceeds \$20,000.		10	10

Development Servicing Charges

Code	Description	GST	2021/22 (\$ per e.t.)	2022/23 (\$ per e.t.)
P	Bulk Developer charge	E	8,943.00	9,256.00

Water Service Capital Connection Fees

Code	Description	GST	2021/22 (\$ per e.t.)	2022/23 (\$ per e.t.)
P	Bulk Headworks connection fee	E	8,943.00	9,256.00

Note: Water Service Capital Connection fees will be reduced by any applicable contribution paid in relation to supply of water through a development approval process.
e.t means equivalent tenement.

Permissible Activities on Operational Land

Code	Description	GST	2021/22 (\$)	2022/23 (\$)
F	Permit processing fee. Charged in addition to a temporary permit fee (*)	E	177.00	177.00
	Ecotourism – temporary permit fee*		265.00	265.00
	Seed collection – temporary permit fee*		151.00	151.00
	Personal fitness training – temporary permit fee*		100.00	100.00
L	Commercial filming and photography fees will be charged in accordance with the Local Government Filming Protocol under the <i>Local Government Act 1993</i>		Price on application	Price on application
F	Wedding ceremony booking fee	T	180.00	183.00

Recovery of Fees under the *Biosecurity Act 2015*

Code	Description	GST	2021/22 (\$)	2022/23 (\$)
F	Recovery of fees charged, or costs or expenses incurred, in connection with the exercise of functions by an authorised officer (see section 373 of <i>Biosecurity Act 2015</i>).	E	COST	COST

Fees and Charges 2022/23 | Richmond Water Laboratories



Richmond Water Laboratories (RWL) is a NATA accredited laboratory and conducts its tests in accordance with AS ISO/IEC 17025:2005.

For details of the scope of Richmond Water Laboratories accreditation, please refer to the NATA website: www.nata.com.au

Suites	2022/23 incl.GST
Faecal Contamination: E.coli	\$52.00
Tank Water Quality: pH, eC, TDS, Fe, Pb, Zn, Cu, Ca, HCO ₃ , LSI, Mg, Hardness	\$85.00
Bore Water Quality: pH, eC, TDS, Hardness, Alkalinity, NO ₃ , Turbidity, Al, As, Ca, Cd, Cr, Cu, Fe, Mg, Mn, Ni, Zn	\$173.00
Nursery Irrigation Quality: pH, eC, Cl ⁻ , HCO ₃ ⁻ , Al, Fe, B, Mn, Cu, Na, Zn, Ca, Mg, hardness, NH ₃ N, turbidity, SAR	\$155.00
Annual Private Water Supply Quality: pH, TDS, hardness, turbidity, Sb, As, Cd, Ca, Cr, Cu, F ⁻ , Pb, Ni, NO ₃ , NO ₂ , Mg, Mn, SO ₄	\$195.00

Note: Richmond Water Laboratories reserves the right to offer discounts for routine analysis dependant on the range and volume of samples.

Following are tests and limits of reporting provided by RWL. For further details please contact RWL on (02) 6623 3888;

waterlab@waterlab.com.au; or www.waterlab.com.au.

Test Description	Limit of Reporting
Alkalinity - CO ₃ ²⁻ , HCO ₃ ⁻ , OH ⁻ & total	0/20/0/20 mg/L
Alkalinity - total as CaCO ₃	20 mg/L
Al, Fe, Mn suite	0.005 mg/L
Biological Oxygen Demand (BOD)	2 mg/L
Ca, Mg & hardness	0.1/0.1/1 mg/L
Ca, Mg, Na, K suite	0.1/0.1/0.15/0.1 mg/L
Chemical oxygen demand (COD)	25 mg/L
Chemical oxygen demand (COD) - dissolved	25 mg/L
Chloride	2 mg/L
Chlorine - free	0.05 mg/L
Chlorine - total	0.05 mg/L
Chlorophyll 'a'	2 mg/L
Colour - apparent	2 Pt-Co units
Colour - true	2 Pt-Co units
Cu, Pb, Zn suite	0.005 mg/L
Data management	per hour

Test Description	Limit of Reporting
Dissolved oxygen	0.2 mg/L
E. coli	1 MPN/100mL
Electrical conductivity	1 µS/cm
Faecal coliforms	1 MPN/100mL
Fluoride	0.05 mg/L
Hardness	1 mg/L
Heterotrophic Plate Count (HPC)	2 MPN/mL
Langelier Saturation Index#	N/A
Metals in water	0.005-0.01 mg/L
Metals in soil	1-7 mg/kg
Microscopic examination#	POA
Nitrogen - ammonia	0.01 mg/L
Nitrogen - nitrate	0.05 mg/L
Nitrogen - nitrite	0.01 mg/L
Nitrogen - oxidised	0.05 mg/L
Nitrogen - total	0.1 mg/L

Test Description	Limit of Reporting
Nitrogen - total Kjeldahl	0.1 mg/L
Oil & grease	2 mg/L
pH	pH units
Phosphorus - orthophosphate (reactive PO ₄)	0.03 mg/L
Phosphorus - total	0.05 mg/L
Redox#	mV
Sodium Absorption Ratio# (with Na, Ca, Mg)	calculation
Solids – total dissolved by calculation (TDS)	1 mg/L
Solids – total dissolved gravimetric (TDS)	5 mg/L
Solids – total suspended (TSS or NFR)	1 mg/L
Solids - volatile suspended (VSS)	1%
Sulphate#	1 mg/L
Total coliforms	1 MPN/100mL
Turbidity	0.1 NTU
Urgent analysis#	50% test cost
UV Absorbance @254nm and Transmissivity	0.01 abs & 1 %

denotes tests not covered under scope of accreditation



Business Activity Strategic Plan
2022-2032

Acknowledgement

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

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

Version	Purpose and description	Date adopted by Council	Resolution no.
0.1	Draft Integrated Planning and Reporting Framework 2022-2032 endorsed at 11 May 2022 Council meeting for public consultation.		

The next review of this document will be after the September 2024 local government election.

You can contact us:

by phone: (02) 6623 3800

by email: council@rous.nsw.gov.au

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

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Our mission

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

Our vision

Thrive and evolve as a valued regional service provider.

Our values

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

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

About us

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

Bulk water supply

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

Weed biosecurity

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

Flood mitigation

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

What else do we do?

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

Introduction

This Business Activity Strategic Plan sets out Rous's strategic objectives and our approach to achieving those objectives.

It has been developed in consultation with Rous's constituent councils and considers the objectives in those councils' Community Strategic Plans. This is to ensure that our strategic direction aligns with the goals of our regional community.

The Plan is underpinned by the social justice principles of access, equity, participation and rights – ensuring fairness in all that we do – and is our broad strategic direction for our planning, priority setting and resource allocation based on:

- where we are now
- where we want Rous to be in ten years' time
- what strategies are needed to reach our goals
- how we will know if we are on track.

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

How will the Strategy be implemented?

- Delivery program: 2022-2025
- Annual operational plans
- Resourcing strategy: 2022-2032

For these documents (and reporting of their progress and Rous's performance) go to www.rous.nsw.gov.au

The planning context

Rous's strategic and business planning occurs within a broader planning context. In developing this Plan (as well as our Delivery program and Operational plan), we considered various external influences.

External influence	Factors that inform our strategic direction and operating environment			
Commonwealth plans and priorities.	<ul style="list-style-type: none"> Australia's long-term emissions reduction plan 2021. 			
State and regional plans and priorities.	<ul style="list-style-type: none"> NSW 2021 – North Coast Regional Plan 2036 (2017). NSW Water Strategy (August 2021). NSW Invasive Species Plan 2018-2021. Draft Far North Coast Regional Water Strategy (October 2020). Net Zero Plan Stage 1: 2020-2030. Northern Rivers Joint Organisation Strategic Regional Priorities 2019-2022. 			
Community Strategic Plans from our constituent local government areas.	Ballina Shire	Byron Shire	Lismore City	Richmond Valley
	<ul style="list-style-type: none"> Community confidence in health of drinking water. Reduced water consumption per capita. Use of recycled water. Coastal zone management for the Richmond River. Healthy waterways. Minimise negative impacts on the natural environment. 	<ul style="list-style-type: none"> Provide continuous and sustainable water and sewerage management. Satisfaction with water supply. Use and reuse of water. Partner to nurture and enhance biodiversity, ecosystems and ecology. Protect the health of our coastlines, estuaries, waterways, and catchments. 	<ul style="list-style-type: none"> [awaiting advice]. 	<ul style="list-style-type: none"> [Preparation of a new Community Strategic Plan deferred for 12 months].

External influence	Factors that inform our strategic direction and operating environment
Northern Rivers Joint Organisation.	<ul style="list-style-type: none"> The Northern Rivers Joint Organisation (NRJO) represents the Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed local government areas. NRJO priorities that have a direct relationship to Rous's business include: <ul style="list-style-type: none"> Sustainable energy, water and waste – For the region to establish itself as a leader in renewable energy production, effective sustainable water management, and innovative approaches to waste management to improve environmental and service delivery outcomes. Biodiverse natural environments – For the biodiversity and health of our waterways, habitats and wildlife to be protected and enhanced to deliver environmental, economic and recreational benefits for current and future generations of residents and visitors.

Australia's long-term emissions reduction plan 2021

The Federal Government's Long-Term Emissions Reduction Plan sets out the responsible, practical steps to be taken over the next 30 years to reduce Australia's emissions to net zero by 2050, while growing the economy and jobs.

The components of the Plan are:

1. Driving down the costs of low emissions technologies.
2. Enabling deployment at scale.
3. Seizing opportunities in new and traditional markets.
4. Fostering global collaboration.

NSW 2021 (North Coast Regional Plan 2036)

In 2017, the NSW Government released the North Coast Regional Plan 2036 as part of NSW 2021, their ten-year plan for the State focussed on rebuilding the economy, providing quality services, renovating infrastructure, restoring government accountability and strengthening local government and communities.

From the range of goals and directions from the Plan, the relevant directions for Rous's functions include:

- Direction 2: Enhance biodiversity, coastal and aquatic habitats, and water catchments.
- Direction 3: Manage natural hazards and climate change.
- Direction 16: Collaborate and partner with Aboriginal communities.
- Direction 18: Respect and protect the North Coast's Aboriginal heritage.

The State Government's **NSW Water Strategy** significantly influences our water supply function. The NSW Strategy identifies seven priority areas that are considering in Rous's strategic planning.

- Priority 1:** Build community confidence and capacity through engagement, transparency and accountability.
- Priority 2:** Recognise First Nations / Aboriginal People's rights and values and increase access to and ownership of water for cultural and economic purposes.
- Priority 3:** Improve river, floodplain and aquifer ecosystem health and system connectivity.
- Priority 4:** Increase resilience to changes in water availability (variability and climate change).
- Priority 5:** Support economic growth and resilient industries within a capped system.
- Priority 6:** Support resilient, prosperous and liveable cities and towns.
- Priority 7:** Enable a future focused, capable and innovative water sector.

The State Government's **NSW Weeds Action Program** establishes the strategic priorities for weed biosecurity activities, and includes objectives from the NSW Invasive Species Plan, including:

- early detection of high-risk weeds through routine inspections and surveillance
- eradication and containment of high-risk weeds through on ground control
- increasing the capacity of the community to identify, report and manage weeds.

Draft Far North Coast Regional Water Strategy (October 2020)

Our vision for the Far North Coast Regional Water Strategy is to support the delivery of healthy, reliable and resilient water resources for a liveable and prosperous region. This means ensuring that the right amount of water of the right quality is available.

The strategies will aim to understand how much water a region will need to meet future demand, identify the challenges and choices involved in meeting needs and set out the actions that can be taken to manage risks to water security and reliability.

A long list of potential options is presented as part of this draft strategy.

The options cover actions, projects, reforms and investments that focus on:

- maintaining and diversifying water supplies
- protecting and enhancing natural systems
- supporting water use and delivery efficiency and conservation
- strengthening community preparedness for climate extremes
- improving the recognition of Aboriginal people's water rights, interests and access to water.

Net Zero Plan Stage 1: 2020-2030

The NSW Government has the objective to achieve net zero emissions by 2050 by creating new jobs, cutting household costs and attracting investment. The Net Zero Plan Stage 1: 2020–2030 sets out how they will deliver on those objectives.

1. Drive uptake of proven emissions reduction technologies that grow the economy, create new jobs or reduce the cost of living.
2. Empower consumers and businesses to make sustainable choices.
3. Invest in the next wave of emissions reduction innovation to ensure economic prosperity from decarbonisation beyond 2030.
4. Ensure the NSW Government leads by example.

The most relevant activity for Rous relates to electric vehicle infrastructure and model availability.

Where are we now?

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

1. Sustainable delivery

Business priorities include:

- Planning for a sustainable future having regard to external drivers such as the demands of regional population growth.
- Responding to climate change impacts and reducing our carbon emissions.
- Contributing to the protection and enhancement of our region's environment and natural resources.
- Ensuring the sustainability of our organisation through sustainable use of our resources, sound business planning and ongoing improvements.

Ref	Strategic objectives	Strategies to get there	What is being measured	Target
1.1	A healthy environment			
1.1.1	Minimise and mitigate environmental footprint.	Business processes in place to ensure consistent consideration of environmental factors in our activities (such as purchasing, planning, delivery of projects, on ground operations).	(i) % of environmental assessments and mitigating measures implemented for projects and on ground operations. (ii) Number of environmental incidents.	(i) 100% (ii) Zero.
1.1.2	Our region's natural resources are sustained through a focus on the health of the Richmond and Wilsons rivers.	(i) Implement Rous's assigned actions under the Catchment and Coastal Zone Management Plans. (ii) Development of the Coastal Management Program for the Richmond River Estuary. (iii) Participate with key stakeholders in joint river health projects such as: - The Tuckean Swamp project - North Creek Coastal Management Program - Floodplain Drainage Studies. (iv) Provide information to support awareness and understanding about healthy river system.	(i) % of scheduled actions completed on time. (ii) Coastal Management Program in place and endorsed by stakeholders and NSW State Government. (iii) % of project goals achieved. (iv) Establish baseline through initial survey.	(i) At least 90%. (ii) By 31 December 2027. (iii) At least 90%. (iv) Upward trend in awareness and understanding of the Richmond River.

Ref	Strategic objectives	Strategies to get there	What is being measured	Target
1.1.3	Rous's work enhances the biosecurity of the region through combatting the spread of targeted weeds.	Deliver Rous's Weed Action Program in collaboration with our partners, and share with our community the outcomes of our work (using weed data to communicate our local weed story).	% of WAP actions delivered.	≥95%
1.2	Responding and adapting to climate change			
1.2.1	Carbon neutrality.	(i) Design, develop and implement Council's Renewable Energy and Emissions Reduction Plan.	(i) % of 2030 goals implemented.	(i) 90%
		(ii) Pursue opportunities to secure grant funding.	(ii) % of project costs met through external funding sources.	(ii) 80%
		(iii) Offset of unavoidable emissions.	(iii) % of renewably-sourced energy.	(iii) 100%
		(iv) Invest in electric fleet vehicles, charged on renewable energy.	(iv) % of total fleet that are electric vehicles.	(iv) Upward trend.
1.2.2	We are prepared for and able to respond and adapt to climate change impacts.	When next updated, the Integrated Water Cycle Management Strategy considers the latest climate forecast data available at the time.	Frequency and severity of water restrictions.	No change on previous decade or downward trend.
1.3	Water security, quality and sustainable consumption			
1.3.1	Water supply demands in the short to medium term (to 2040) are able to be met.	Implement water source projects: <ul style="list-style-type: none"> – Future Water Project 2060 – Asset Management Plan – Capital Works Plan – Drought Management Plan. 	Status of implementation.	Stage 1 operational by end of 2024. Stage 2 operational by 2030.
1.3.2	Water supply demands in the long term (beyond 2040) are able to be met.	Work with relevant stakeholders to reach agreement on Stage 2 water sources, through implementation of: <ul style="list-style-type: none"> – Future Water Project 2060 – Asset Management Plan – Capital Works Plan. 	Agreement reached.	Stage 3 decision by 2030.

Ref	Strategic objectives	Strategies to get there	What is being measured	Target
1.3.3	Water end-users appreciate the value of water as a natural resource and use it responsibly.	Implement the Regional Demand Management Plan (2022 – 2026).	% of Rous's actions completed on time.	90%
1.3.4	Opportunities for enhancing the region's water capacity are realised through greater use of purified recycled water.	(i) Actively participate in industry and government working groups that inform policy and regulation change.	(i) Number of working groups that Rous actively participates in.	(i) At least 3.
		(ii) Seek government approval for a demonstration water recycling plant.	(ii) Status of approval for demonstration water recycling plant.	(ii) Approval granted by 2032.
1.4	A sustainable Council			
1.4.1	Resources required to deliver commitments now and into the future are planned for, prioritised and implemented to ensure Rous's sustainability.	Update, maintain and implement the Resourcing Strategy: – Workforce Management Plan – Asset Management plans – Long-Term Financial Plan.	(i) % of scheduled actions completed on time.	(i) At least 90%.
			(ii) Frequency of review of plans.	(ii) Annual.
1.4.2	Opportunities identified to strengthen Rous's revenue streams.	(i) Secure access to NSW TCorp borrowing facility.	(i) Status of TCorp approval.	(i) Granted by 31 March 2023.
		(ii) Implement Richmond Water Laboratories Strategic Plan.	(ii) Sales / revenue.	(ii) Increase revenue by 25% per annum to 30 June 2024.
		(iii) Develop and commence implementation of a Developer Servicing Plan for Bulk Water Supply.	(iii) Status of Developer Servicing Plan.	(iii) Adopted by end 2022.
1.4.3	Embed and sustain a positive risk management culture.	(i) Implement Risk Management Strategy and Plan (Framework).	(i) Legislative and Australian Standards compliant Framework and % of identified risk treatment and Plan actions completed.	(i) Annual compliance attestation and at least 90% of identified actions completed.

Ref	Strategic objectives	Strategies to get there	What is being measured	Target
		(ii) Review, ensure currency and operability of Emergency Response Plans.	(ii) Frequency of review and testing of plans.	(ii) Plans tested at least once per council term.
		(iii) Implement Audit Program (internal / external).	(iii) Internal audit completion and % of scheduled actions completed within 18 months.	(iii) At least one audit per year, with 80% actions completed.

2. External relationships

Business priorities include:

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

Ref	Strategic objectives	Strategies to get there	Measure	Target
2.1	Strong and mutually respectful relationships with our constituent councils			
2.1.1	Enhancements to regional service delivery are achieved through effective collaboration and communication with our constituent councils.	(i) Agree with our constituent councils on points of engagement for planning, collaboration and delivery.	(i) Status of constituent councils' engagement strategies.	(i) Agreed by December 2022.
		(ii) Seek and enable opportunities for liaison with our constituent councils during the preparation of each Delivery Program.	(ii) Constituent councils' participation in nominated DP development activities.	(ii) 100%
		(iii) Refresh Service Level Agreements (SLAs) or similar mechanism with our constituent councils.	(iii) Status of SLAs with constituent councils.	(iii) Refreshed and agreed by 1 July 2025.
2.2	People across our region understand the work that we do			
2.2.1	Communities across our region are well informed about Rous's work and are provided with opportunities to engage.	(i) Develop and implement a Communications and Engagement Strategy.	(i) Status of Strategy.	(i) Adopted by March 2023.
		(ii) Conduct surveys to determine Rous's brand familiarity across our region, and communities understand the breadth of service delivery.	(ii) % of respondents that recognise the Rous brand and can recall its functions.	(ii) Upward trend (baseline to be established).
2.3	Our working relationships with political, regulatory and industry stakeholders are effective and achieve results			
2.3.1	Our positive working relationships ensure we are appropriately	(i) Contribute to identifying regional priorities for, and influence and inform the direction of the Northern Rivers Joint Organisation with respect to Rous's remit.	(i) Attendance and contribution at General Manager Advisory Committee.	(i) 100%

Ref	Strategic objectives	Strategies to get there	Measure	Target
	supported to achieve regional outcomes.	(ii) Pursue funding opportunities that will support the achievement of our strategic regional objectives.	(ii) Amount of State Government investment in Rous's business.	(ii) Upward trend, at least \$650,000 per annum.
2.3.2	Rous's strategic and leadership role is agreed and understood by our regional stakeholders.	(i) In collaboration with all of Rous's identified stakeholders, confirm governance and service delivery functions across the region.	(i) Outcomes agreed and adopted by all councils.	(i) By June 2024.
		(ii) Complete the Strategic Review of Flood Mitigation across the three constituent council areas, including consideration of the latest climate forecast data available at the time, including rainfall extremes and sea level rise.	(ii) Agreement reached on Rous's strategic and operational remit in flood mitigation.	(ii) By 30 June 2024.
2.3.3	Water consuming businesses and industries across the region are proactively engaged to promote sustainable water consumption.	Implement the Regional Demand Management Plan.	% of allocated budget committed/spent on promotion of sustainable water consumption.	90%
2.3.4	We respect our local Aboriginal history and culture, and work positively to engage our First Nations community.	Implement current Reconciliation Action Plan and engage First Nations people to inform the new Reconciliation Action Plan including exploring and identifying new and innovative opportunities for reconciliation.	% of Reconciliation Action Plan actions completed.	90% by 2024.
2.3.5	Local community groups are positively engaged to promote the achievement of shared objectives.	Implement our Communications and Engagement Strategy.	% of survey respondents who agree strategic objective has been achieved (i.e. local community groups are positively engaged to promote the achievement of shared objectives).	90%

Ref	Strategic objectives	Strategies to get there	Measure	Target
2.3.6	Active collaboration across the region informs policy responses and innovative approaches to priority issues.	Lead or participate in efforts to drive collaboration and innovation to respond to current and emerging issues with key players, including: <ul style="list-style-type: none"> – Dept of Health – Dept of Planning and Environment – Dept of Regional NSW – relevant industry bodies. 	Number of instances where current and emerging priority issues are escalated to key players to help inform policy.	Upward trend (at least one occasion per annum).

3. Our people

Business priorities include:

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

Ref	Strategic objectives	Strategies to get there	Measure	Target
3.1	Our future workforce requirements are confirmed			
3.1.1	Our skills and workforce requirements are known.	Implement our: <ul style="list-style-type: none"> – Workforce Management Plan – Project Management Framework. 	% of projects where skills/people requirements are identified as part of the planning process.	100%
3.2	Innovative solutions are applied to addressing skills gaps			
3.2.1	Specialist and hard-to-recruit skills are available to Rous when they are required.	Implement Workforce Management Plan.	Talent pool developed with external recruitment agencies for identified positions / skills.	Upward trend in establishment of talent pools.
3.3	Leadership is facilitated across the organisation			
3.3.1	Our leaders and emerging leaders are provided with the development opportunities they need to steer Rous into the future.	Implement Workforce Management Plan.	% of staff who participate in leadership development activities.	Upward trend in take up of leadership development training and opportunities.
3.4	We are recognised as an employer of choice			
3.4.1	Our staff are proud to work for Rous.	Implement our: <ul style="list-style-type: none"> – Workforce Management Plan – Communications and Engagement Strategy. 	(i) % of staff who report they are proud to work at Rous.	(i) At least 75%.
			(ii) % of staff who report feeling informed and engaged.	(ii) At least 95%.

Ref	Strategic objectives	Strategies to get there	Measure	Target
			(iii) Recognition and awareness of Rous's achievements (internally and externally).	(iii) Upward trend.
3.4.2	Our workplace is accessible, inclusive and safe.	Implement our: <ul style="list-style-type: none"> – Workforce Management Plan – Disability Inclusion Action Plan. 	% of actions associated with accessibility, inclusion and safety completed.	100% by 2026.

4. Leadership and innovation

Business priorities include:

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

Ref	Strategic objectives	Strategies to get there	Measure	Target
4.1	Be recognised for leadership in what we do			
4.1.1	Embed reconciliation in Rous's culture through its people and partners.	(i) Implement cultural awareness program through trust and empowerment. (ii) Explore and identify new and innovative opportunities for reconciliation.	Cultural competency survey results.	Upward trend.
4.1.2	Realise a regional leadership role through the effective implementation of strategic plans, and reporting on progress and results.	(i) Monitor and report on implementation of our assigned actions under the: <ul style="list-style-type: none"> – Demand Management Plan – Catchment Management Plan – Coastal Zone Management Plan – Weeds Action Plan. (ii) Develop and commence implementation of a Flood Mitigation Strategy.	(i) % of scheduled actions completed on time. (ii) Status of Flood Mitigation Strategy.	(i) At least 80%. (ii) Adopted by 31 December 2026.
4.1.3	Efficiencies related to Rous's core business and economies of scale are achieved through service provision on behalf of and in partnership with our constituent councils.	Investigate appetite for and feasibility of Rous becoming the regional end-to-end water supply and sewerage authority: <ul style="list-style-type: none"> – Confirm support from stakeholders – Conduct feasibility study – Decide Rous role – Commence rollout of revised role. 	(i) Role confirmed. (ii) Planning commenced in response to role confirmation.	(i) By 31 December 2027. (ii) By 31 December 2029.

Ref	Strategic objectives	Strategies to get there	Measure	Target
4.2	Effective use of technology supports the achievement of organisational objectives			
4.2.1	Our business systems and data are better utilised to achieve organisational outcomes.	Refresh and implement our ICT Strategic Plan to achieve business results.	% of actions completed on time and within budget.	100%
4.2.2	Being open to and promoting opportunities and benefits of technology alignment and compatibility across our region's councils.	Utilise the Joint Organisation's General Managers' Advisory Committee to identify technology already in place when applying new solutions.	Technology alignments achieved.	Report by occurrence.
4.3	We embrace innovation and continually improve the way we do business			
4.3.1	Embracing a change mindset and continuous improvement of our processes.	(i) Implementation of a 'Change and Innovation' team (initially for four years), to embed a Business Process Management Framework.	% of operating cost savings compared to 2022 operating costs.	≥10% by 2030.
		(ii) Successful consolidation of Rous sites to realise business efficiencies.		
4.3.2	Continuous improvement in our provision of bulk water supply.	Implement Asset Management Strategy and improvement actions.	% of scheduled actions implemented.	80%
4.3.3	Confirm Rous's strategic position in relation to flood mitigation.	In partnership with other regional stakeholders, develop a digital model for flood that makes use of contemporary data and flood level information.	(i) Rous's flood mitigation role confirmed.	(i) By 30 June 2024.
			(ii) Digital modelling being used to inform Rous work.	(ii) By 30 June 2027.



Delivery Program
2022-2025

Acknowledgement

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

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

Foreword

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

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

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









Despite the floods and their impacts, Rous continues to deliver core services in the most efficient and effective way possible to achieve outcomes for our local communities. Our focus on bulk water supply and weed biosecurity remains firm. The recent major flood events have provided us with an opportunity to review and confirm our important flood mitigation role in the region.

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

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

Cr Robert Mustow
Chair

Our councillors

 <p>Cr Robert Mustow (Chair)</p>	 <p>Cr Sharon Cadwallader (Deputy Chair)</p>	 <p>Cr Michael Lyon</p>	 <p>Cr Sarah Ndiaye</p>
 <p>Cr Big Rob</p>	 <p>Cr Andrew Gordon</p>	 <p>Cr Rod Bruem</p>	 <p>Cr Sandra Humphrys</p>

How will the Delivery program be realised?

See our:

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

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

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

Version	Purpose and description	Date adopted by Council	Resolution no.
0.1	Draft Delivery Program 2022-2025 endorsed at 11 May 2022 Council meeting for public consultation.		

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

You can contact us:

by phone: (02) 6623 3800

by email: council@rous.nsw.gov.au

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

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Our mission

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

Our vision

Thrive and evolve as a valued regional service provider.

Our values

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

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

About us

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

Bulk water supply

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

Weed biosecurity

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

Flood mitigation

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

What else do we do?

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

Introduction

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

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

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

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

Where are we now?

The table below provides a summary of the operating environment for Rous County Council in 2021-22, as well as identifying some of the key challenges and opportunities facing Council that the Business Activity Strategic Plan and this Delivery program help to address.

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

Our Delivery program

- **Where do we want to be at the end of this Council term?** (our delivery objectives for this term of Council).
- **How will we get there?** (the functions, activities and resource allocations we will make to achieve our delivery objectives).
- **How we will know we are on track?** (a measure or indicator that provides a way of assessing whether our functions and activities are effective in achieving their target).

Reporting on our progress

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

- The General Manager will provide our councillors with 6-monthly updates to enable the governing body to monitor progress and performance, and if necessary, make evidence-based adjustments during this Council term.
- Rous will publish an Annual Report by the end of November each year to update our key stakeholders and communities across the region on the progress we have made in delivering on our commitments.

1. Sustainable delivery

Delivery priorities include:

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

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

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

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

Ref	Delivery objectives	Activities to get there	Measure	Target	Timing				Lead group
					Y1	Y2	Y3	Y4	
					22/23	23/24	24/25	25/26	
1.4.4	Ongoing service reviews, audits and business improvements achieve enhanced organisational outcomes.	Implement internal and external Audit Program.	% of scheduled audits completed.	At least 80%.					People and Performance.
		Conduct internal audit reviews.	% of scheduled reviews completed.	100%					People and Performance.
		Implement business improvement processes.	% of identified improvements implemented.	At least 80% by end of Delivery program.					People and Performance.

2. External relationships

Delivery priorities include:

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

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

Ref	Delivery objectives	Activities to get there	Measure	Target	Timing				Lead group
					Y1	Y2	Y3	Y4	
					22/23	23/24	24/25	25/26	
2.3.2	Water consuming businesses and industry are engaged to promote sustainable water consumption.	Deliver Regional Demand Management Plan.	% of scheduled demand management activities completed.	At least 90%.					Planning and Delivery.
2.3.3	Local Aboriginal history and culture is respected, and we positively engage with our First Nations communities.	Deliver the Reconciliation Action Plan.	% of scheduled reconciliation activities completed on time.	At least 90%.					Planning and Delivery.
2.3.4	Local community groups are positively engaged to support the achievement of shared objectives.	Deliver Communications and Engagement Strategy.	% of scheduled comms and engagement activities completed on time.	At least 95%.					People and Performance.
2.3.5	Regional collaboration informs policy and innovative approaches to priority issues.	Participate in regional forums with key stakeholders to inform local policy.	Number and nature of forums participated in.	At least 4 per year.					General Manager.
			Nature of policy outcomes achieved.	Report by occurrence.					General Manager.

3. Our people

Delivery priorities include:

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

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

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

4. Leadership and innovation

Delivery priorities include:

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

Ref	Delivery objectives	Activities to get there	Measure	Target	Timing				Lead group
					Y1	Y2	Y3	Y4	
					22/23	23/24	24/25	25/26	
4.1	Be recognised for leadership in what we do								
4.1.1	Embed reconciliation in Rous’s culture through its people and partners.	Deliver Council’s Reconciliation Action Plan.	% of scheduled reconciliation activities completed on time.	At least 90%.					Planning and Delivery.
4.1.2	Demonstrate effective leadership through the delivery of our commitments and reporting on our progress and results.	Deliver the commitments of this Delivery program and report annually to our regional community and key stakeholders on our progress and results.	% of adopted Delivery program delivered.	100%					People and Performance.
			# of annual reports published.	3 during this shorter term.					People and Performance.

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Ref	Delivery objectives	Activities to get there	Measure	Target	Timing				Lead group
					Y1	Y2	Y3	Y4	
					22/23	23/24	24/25	25/26	
4.1.3	Business efficiencies are achieved through service delivery on behalf of and in partnership with our constituent councils.	Deliver feasibility study and recommendations related to end-to-end water supply and sewerage authority role for Rous.	Status of feasibility study.	Completed by June 2025.					General Manager.
4.2	Effective use of technology supports the achievement of organisational objectives								
4.2.1	Our business systems and data support us to achieve organisational results.	Deliver Information and Communications Technology Strategic Plan to support our processes, planning and operations.	% of scheduled ICT activities completed on time.	At least 90%.					Corporate and Commercial.
4.2.2	Finding and promoting opportunities for technology alignment and compatibility across our region's councils.	Identify opportunities for technology alignment with our constituent councils and pursue efficiencies that may arise from these opportunities.	Review constituent council's control systems (hardware and software) and develop a position paper on pursuing opportunities for alignment.	December 2023.					Corporate and Commercial. Operations.
4.3	We embrace innovation and continually improve the way we do business								
4.3.1	Successful consolidation of Rous administration and	Fit out and create a fit for purpose space at Gallans Road, Ballina.							General Manager.

Ref	Delivery objectives	Activities to get there	Measure	Target	Timing				Lead group
					Y1	Y2	Y3	Y4	
					22/23	23/24	24/25	25/26	
	depots, achieving business improvements and optimisation.	Complete a masterplan for consolidation of administration buildings and depots.	Organisation consolidated to key strategic locations based on masterplan.	Masterplan complete and on ground works underway by June 2023.					General Manager.
4.3.2	Continuous improvement in our delivery of a bulk water supply.	Deliver bulk water to our constituents in line with our Service Level Agreements.	% of Service Level Agreement obligations met.	100%					Operations.
4.3.3	Proactive contribution as part of a regional response to flood mitigation.	Confirm Rous's flood mitigation role in the region and deliver agreed responsibilities.	% of scheduled flood mitigation activities delivered.	At least 90%.					Planning and Delivery.



Operational Plan
2022-2023

Acknowledgement

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

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

Foreword

On behalf of Rous County Council, I am pleased to present our Operational plan for 2022-2023.

This Operational plan describes the actions Council will undertake in the 2022-23 financial year towards meeting the commitments of the Delivery program. The Delivery program is our Council's commitment about what will be delivered during this Council term to achieve the strategic objectives established in our Business Activity Strategic Plan.

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






2022-23 will see Council and the region we serve focusing on recovery and rebuilding following the significant flood events that affected our region in early 2022. While this context shapes our focus and demands our attention, we will continue to deliver our core functions of bulk water supply, weed biosecurity and flood mitigation to support our local communities.

2022-23 will see Rous take a significant step forward in its evolution since being formed in 2016. Council will consolidate its administrative and several depot sites to a single site at Gallans Road, Ballina. This consolidation will enable business efficiencies and service improvements and bring our staff team together under one roof for the first time.

We look forward to continuing to deliver quality services to our communities across the region during 2022-23.

Phillip Rudd
General Manager

Our leadership team

				
<p>Phillip Rudd General Manager</p>	<p>Guy Bezrouchko Group Manager Corporate and Commercial</p>	<p>Helen McNeil Group Manager People and Performance</p>	<p>Andrew Logan Group Manager Planning and Delivery</p>	<p>Adam Nesbitt Group Manager perations</p>

How will the Operational plan be realised?

See our:

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

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

Version	Purpose and description	Date adopted by Council	Resolution no.
0.1	Draft Delivery Program 2022-2025 endorsed at 11 May 2022 Council meeting for public consultation.		

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

You can contact us:

by phone: (02) 6623 3800

by email: council@rous.nsw.gov.au

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

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Our mission

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

Our vision

Thrive and evolve as a valued regional service provider.

Our values

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

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

About us

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

Bulk water supply

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

Weed biosecurity

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

Flood mitigation

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

What else do we do?

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

Introduction

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

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

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

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

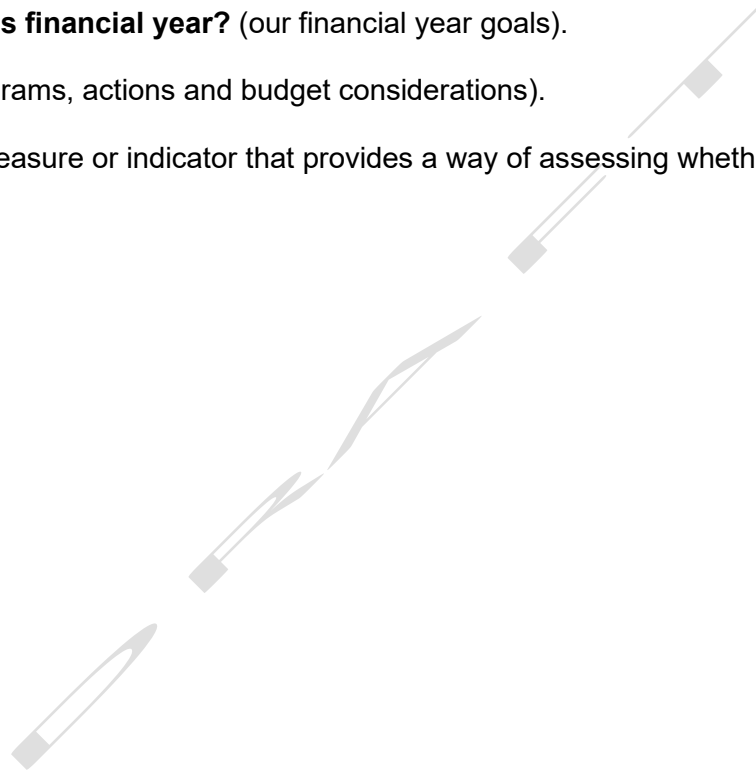
Where are we now?

The table below provides a summary of the operating environment for Rous County Council in 2021/22, as well as identifying some of the key challenges and opportunities facing Council that the Delivery program and this Operational plan help to address, contributing to the achievement of our strategic objectives.

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

Our Operational plan

- **Where do we want to be at the end of this financial year?** (our financial year goals).
- **How will we get there?** (our projects, programs, actions and budget considerations).
- **How we will know we are on track?** (a measure or indicator that provides a way of assessing whether our projects, programs and actions are effective).



1. Sustainable delivery

Business priorities include:

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

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
1.1	A healthy environment				
1.1.1	Environmentally responsible procurement.	Develop a procurement strategy and review existing policy to focus on waste minimisation and environmental impact.	Revised strategy and policy adopted.	By June 2023.	Governance and Risk Manager.
		Review local supplier relationships and resourcing of specialist procurement arrangements.		By June 2023.	Governance and Risk Manager.
1.1.2	Sustainable river system health through natural resource management.	Undertake scheduled 2022-23 actions of the Catchment and Coastal Zone Management plans.	% of scheduled actions completed.	At least 90%.	Catchment and Cultural Awareness Manager.
		Continue to deliver the Active Floodgate Management Program – highlighting the expected improvement to water quality.	(i) All required training of landowner volunteers completed.	By June 2023.	Floodplain Officer.
			(ii) All required plans reviewed and updated.	By June 2023.	Floodplain Officer.
1.1.3	Enhance the region's biosecurity through combatting the spread of targeted weeds.	Deliver scheduled 2022-23 actions of the Weed Action Plan.	% of scheduled actions completed.	At least 95%.	Weed Biosecurity and Bush Regeneration Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
		Liaise with constituent councils about possible Rous role in fee for service weed control in local parks, reserves and roadsides.	Explore opportunities, cost options and discuss with constituents.	By June 2023.	Weed Biosecurity and Bush Regeneration Manager.
1.2	Responding to climate change				
1.2.1	Achieve carbon neutrality.	Prepare Renewable Energy and Emissions Reduction Plan.	Plan development phase completed.	By June 2023.	Strategic Planning Engineer.
		Install solar panels at Nightcap Water Treatment Plant.	Panels installed and operational.	By June 2023.	Group Manager Operations.
		Plant trees to contribute to offsetting our carbon emissions.	# of trees planted.	Subject to Plan outcomes.	Catchment and Cultural Awareness Manager. Weed Biosecurity and Bush Regeneration Manager.
1.2.2	We are prepared and able to respond to climate change impacts.	Collate and analyse data to inform the Strategic Review of Flood Mitigation.	Collation and analysis complete.	By June 2023.	Strategic Planning Engineer.
		Review and identify the challenges to reducing the natural resource impact of flood mitigation assets in a changing climate.	Discussion paper prepared.	By June 2023.	Floodplain Officer.
1.3	Water security, quality and sustainable consumption				
1.3.1	Short-term (to 2040) water supply demands are able to be met.	Undertake scheduled 2022-23 actions of the Future Water Project.	% of scheduled actions completed.	At least 90%.	Future Water Program Manager.
		Administer residential rainwater tank rebates.	# of rebates processed.	Report by occurrence.	Water Sustainability Officer.
		Monitor water quality to ensure compliance with Australian Drinking Water Standards.	# of occasions of non-compliance.	Zero.	Dams and Treatment Manager. Operations Engineering Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
		Prepare and implement a Future Water stakeholder engagement strategy.	Engagement strategy endorsed by Leadership Team and ready for implementation.	December 2022.	Future Water Program Manager.
		Prepare and implement a project plan for the planning and investigations of a groundwater scheme at Tyagarah.	Plan drafted for internal consultation.	By June 2023.	Future Water Program Manager.
1.3.2	Source options to meet long-term (beyond 2040) water supply demands are better understood.	Undertake further investigations of Stage 3 source options to support future decision making.	Study commenced in accordance with project plans.	By June 2023.	Future Water Program Manager.
1.3.3	Our water supply is valued and used responsibly.	Undertake scheduled 2022-23 actions for the Regional Demand Management Plan.	% of scheduled actions completed.	At least 90%.	Water Sustainability Officer.
		Design a behaviour-change pilot program to understand community attitudes to responsible water use.	Consultant engaged and initial program designed.	By June 2023.	Water Sustainability Officer.
		Implement the Water Loss Management Plan.	% of scheduled 2022-23 actions completed.	At least 90%.	Infrastructure Program Manager.
		Continue implementation of smart metering and backflow prevention program for retail customers.	Contractors engaged and on ground works commenced.	By March 2023.	Smart Metering Project Manager.
1.3.4	The region's water supply capacity is enhanced.	Identify a preferred location and concept for a purified recycled water plant.	Preferred location identified with an associated concept.	June 2023.	Recycled Water Project Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
1.4	A sustainable Council				
1.4.1	Our resources are planned, prioritised and implemented to ensure Rous's sustainability.	Undertake scheduled actions within the 2022-23 Resourcing Strategy (financial, asset and human resources).	% of scheduled actions completed.	At least 90%.	Finance Manager (financial actions). Asset Management Systems Officer (asset actions). People and Culture Manager (human resources actions).
		Deliver the 2022-23 Capital Works program.	% of program completed.	At least 80%	Infrastructure Program Manager.
			% of spending achieved.	At least 80% of funds committed or spent.	Dams and Treatment Engineering Manager. Operations Engineering Manager.
1.4.2	Rous's revenue stream is strengthened.	Prepare Development Servicing Plan for Bulk Water Supply, including a review of water charges.	Plan adopted.	By December 2022.	Planning and Development Engineer.
		Update the Business Plan for Richmond Water Laboratories.	Plan completed and endorsed.	By December 2022.	Richmond Water Laboratories Business Manager.
1.4.3	A positive risk management culture is embedded and sustained.	Review the currency and operability of Emergency Response plans following recent major flood events.	Review complete.	By June 2023.	Enterprise Risk Coordinator.
		Update Council's Risk Management Plan and review the Risk Register to respond to outcomes of recent major flood events.	Plan and Register updated.	By June 2023.	Enterprise Risk Coordinator.
1.4.4	Ongoing service reviews, audits and	Complete prioritised service reviews based on recommended focus areas	# of service reviews completed.	At least 1.	Governance and Risk Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
	business improvements achieve enhanced organisational outcomes.	identified by Audit, Risk and Improvement Committee.	% of review recommendations implemented.	At least 50% within 12 months of date of recommendation.	
		Embed a business process management framework to drive continuous improvement.	Process taxonomy completed with clear ownership.	By mid 2023.	Innovation and Change Team Leader.
			Key process improvement opportunities identified.	By end 2023.	Innovation and Change Team Leader.
		Participate in Performance Audits conducted by the NSW Audit Office.	# of audits participated in.	Report by occurrence and outcomes.	Finance Manager.
		Review and align all proactive operational maintenance plans for water and flood assets as part of ongoing improvements to service.	All operational maintenance plans reviewed, updated and implemented.	By June 2023.	Operations Engineering Manager. Dams and Treatment Engineering Manager.

2. External relationships

Business priorities include:

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

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
2.1	Strong and mutually respectful relationships with our constituent councils				
2.1.1	Effective collaboration and communication with our constituent councils.	Undertake a survey with our constituent councils to best understand points of engagement for planning, collaboration and delivery.	Survey completed.	By March 2023.	Customer and Communications Manager.
2.2	People across our region understand the work that we do				
2.2.1	Communities across our region are kept informed of Rous's work and have opportunities to engage with us.	Develop and implement a Communications and Engagement Strategy.	Strategy adopted.	By August 2022.	Customer and Communications Manager.
			% of scheduled actions completed.	At least 90%.	Customer and Communications Manager.
		Identify target businesses for the Sustainable Water Partnership pilot program.	Spread across target groups.	At least 2 target groups.	Water Sustainability Officer.
		Provide opportunities for engagement through face-to-face activities, social media, website and customer service offerings.	Increase in social media followers.	At least 200.	Customer and Communications Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
		Monitor Rous website to ensure content complies with WCAG level AA standards.	Compliance.	100%.	Customer and Communications Manager.
		Provide timely and accurate information using appropriate media.	Number of media releases. Number of social media posts.	No target. Report by occurrence.	Customer and Communications Manager.
		Support Rous projects and activities through the development and implementation of communication and marketing campaigns.	Number of projects and activities supported.	No target. Report by occurrence.	Customer and Communications Manager.
2.3	Our working relationships with political, regulatory and industry stakeholders are effective and achieve results				
2.3.1	Our positive working relationships support the achievement of regional outcomes.	Pursue funding opportunities that support agreed regional objectives where delivery is primarily Rous's responsibility.	\$ value of funding received.	At least \$100,000.	General Manager.
		Actively participate in the Northern Rivers Joint Organisation.	% of scheduled meetings attended.	100%	General Manager.
2.3.2	Water consuming businesses and industry are engaged to promote sustainable water consumption.	Undertake scheduled 2022-23 actions of the Regional Demand Management Plan.	% of scheduled Rous's actions completed.	At least 90%.	Water Sustainability Officer.
2.3.3	Local Aboriginal history and culture is respected, and we positively engage with our First Nations communities.	Review and update Rous's Reconciliation Action Plan.	Review completed and revised RAP adopted.	By June 2023.	Catchment and Cultural Awareness Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
2.3.4	Local community groups are positively engaged to support the achievement of shared objectives.	Undertake scheduled 2022-23 actions of the Communications and Engagement Strategy.	% of scheduled actions completed.	At least 90%.	Customer and Communications Manager.
2.3.5	Regional collaboration informs policy and innovative approaches to priority issues.	Actively contribute to the Weeds and Pest Advisory Committees as part of our flood and water policy contribution.	# of meetings participated in.	At least 90%.	Weed Biosecurity and Bush Regeneration Manager.
			Nature of outcomes achieved.	Report by occurrence.	Weed Biosecurity and Bush Regeneration Manager.
		Collaborate with State and other agencies including Health, Local Land Services, Dept of Primary Industries and Water Services Association of Australia.	Nature of collaboration outcomes.	Report by occurrence.	Weed Biosecurity and Bush Regeneration Manager. Dams and Treatment Engineering Manager.

3. Our people

Business priorities include:

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

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
3.1	Our future workforce requirements are confirmed				
3.1.1	We know our workforce and skills requirements to achieve our Delivery Program commitments.	Review and redesign recruitment strategies and techniques to target hard-to-recruit roles.	Recruitment strategy designed and implemented.	By 31 March 2023.	People and Culture Manager.
3.2	Innovative solutions are applied to addressing skills gaps				
3.2.1	Specialist and hard-to-recruit skills are available to Rous when needed.	Implement Workforce Management Plan actions related to filling hard-to-recruit roles.	% of positions advertised and filled following recruitment process.	At least 90%.	People and Culture Manager.
		Complete staff skills and interests inventory through annual performance appraisal process.	Inventory completed.	By 31 January 2023.	People and Culture Manager.
		In collaboration with constituent councils, identify and implement talent sharing opportunities.	# of talent sharing solutions achieved.	Report by occurrence.	People and Culture Manager.
3.3	Leaders at all levels				
3.3.1	Our leaders and emerging leaders are provided with development opportunities.	Implement leadership development actions of the Workforce Management Plan.	% of scheduled actions completed.	At least 90%.	People and Culture Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
3.4	We are recognised as an employer of choice				
3.4.1	Our staff are proud to work for Rous.	Recognise and celebrate achievements and staff contributions through regular staff communications.	% of staff who report being proud to work for Rous.	At least 90%.	Customer and Communications Manager.
3.4.2	Our workplace is accessible, inclusive and safe.	Undertake the scheduled 2022-23 actions of the Disability Inclusion Action Plan.	% of scheduled actions completed	At least 90%	People and Culture Manager
		Review the Work Health Safety and Environment Management System.	Review completed.	By December 2022.	Health Safety and Environment Coordinator.
		Implement Council's Health Safety and Environment policy and systems.	Employee days lost.	0 lost time injuries.	Health Safety and Environment Coordinator.
			Incident and hazard reporting.	Upward trend.	Health Safety and Environment Coordinator.
			% of Vault modules implemented.	(i) 100%	Health Safety and Environment Coordinator.
				(ii) No paper-based business processes.	

4. Leadership and innovation

Business priorities include:

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

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
4.1	Be recognised for leadership in what we do				
4.1.1	Embed reconciliation in Rous's culture through its people and partners.	Undertake scheduled 2022-23 actions of the Reconciliation Action Plan.	% of scheduled actions completed.	At least 90%.	Catchment and Cultural Awareness Manager.
4.1.2	Demonstrate effective leadership through the delivery of our commitments and reporting on our progress and results.	Prepare an annual Operational plan, Budget and Annual Report to demonstrate Council's progress in achieving its Delivery program commitments.	2023-24 Operational plan and Budget adopted.	By June 2023.	Group Manager People and Performance. Finance Business Partner.
			2021-22 Annual Report published.	By 30 November 2022.	Customer and Communications Manager.
		Report on Service Level Agreement implementation and performance.	Reports provided to constituent councils.	6-monthly.	Group Manager Operations.
4.2	Effective use of technology supports the achievement of organisational objectives				
4.2.1	Our business systems and data support us to achieve organisational results.	Undertake scheduled 2022-23 actions of the Information and Communications Technology Plan.	% of scheduled actions completed.	At least 90%.	ICT Manager.
		Introduce a streamlined timesheet process for 70hr per fortnight staff.	Time spent on timesheet preparation.	At least 50% reduction in time spent by staff.	People and Culture Manager.

Ref	Delivery objectives	2022-23 actions	Measures	Targets	Who
4.2.2	Finding and promoting opportunities for technology alignment and compatibility across our region's councils.	Establish a joint Technology Register with constituent councils to support achievement of procurement savings and efficiencies.	Register in place.	By June 2023.	ICT Manager. Dams and Treatment Engineering Manager.
4.3	We embrace innovation and continually improve the way we do business				
4.3.1	Successful consolidation of Rous administration and depots to achieve business improvements and optimisation.	Finalise consolidation plan and commence relocation to Gallans Road site.	Staff relocation commenced.	By September 2022.	Relocation Coordinator.
4.3.2	Continuous improvement in our delivery of a bulk water supply.	Review and update all operational maintenance plans for bulk water assets.	Number of scheduled actions completed .	All maintenance plans reviewed and updated.	Group Manager Operations.
4.3.3	Proactive contribution as part of a regional response to flood mitigation.	Actively participate and respond to formal inquiries and other studies into the regional floods of 2022.	Responses provided to public inquiries and where invited for non-public inquiries.	At every opportunity.	Group Manager Planning and Delivery.
		Progress discussions with Lismore City Council regarding the long-term arrangements for the Lismore Levee.	Revised draft MOU available for discussion.	By June 2023.	General Manager.



Workforce Management Plan

2022 – 2025

DRAFT Report

April 2022

DRAFT

Version	Description	Person responsible	Reviewed by	Approved by / Date
0.1	Draft.	Alison Montgomery	H McNeil	

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1. Executive summary

Our Workforce Management Plan (WFMP) was created with the active participation of many people in our organisation. It reflects the knowledge, experience and observations of what we need to do in the future to be successful and thrive and evolve as a valued regional service provider. To do this we will need to provide quality services that support a sustainable and productive region. Our role as primary provider of the services of bulk water, weed biosecurity and flood mitigation is critical for the ongoing success of our region.

The WFMP was developed over several months, with staff consultation and data analysis of our organisational structure, workforce data, capabilities and reference to Local Government New South Wales (LGNSW) metrics and analytics reports.

The WFMP development process identified that we require the right people, in the right place, at the right time, and with the right skills and attributes to achieve Rous's business priorities and services.

Our workforce strategies need to be flexible and adaptable to overcome the challenges we face. These challenges include knowledge loss due to an aging workforce, sourcing skilled employees from and across our region, re-skilling and up-skilling our employees (while maintaining business continuity), thriving and evolving in an environment where expected levels and standards of service may vary, and finally, being able to respond to legislative change (e.g., biosecurity and coastal protection).

Our WFMP aims to ensure we have:

- the workforce capability for a productive, sustainable and inclusive future
- the capacity to develop and use the skills of our workforce to meet the needs and aspirations of our constituent councils.

Over the next three years, our WFMP objectives will set out to achieve this vision and address the challenges, we will focus on the following.

- Continued emphasis on developing our leaders and future leaders.
- Continued development and implementation of our capability framework.
- Continued development of a succession planning framework.
- Continued investment in employee skill development.
- Review our remuneration system to ensure it is agile to attract and retain key staff.
- Continued effort in building and attracting a diverse workforce.
- Establishing and embedding a consistent and integrated approach to workforce planning.
- Measuring and improving our employee engagement.
- Managing well any workplace change, including site relocations.

Implementing our WFMP will result in an organisation that provides an exemplar of best practice having regard to our size and scale as a County Council, is highly regarded and is an employer of choice for the local region.

Implementation of our WFMP is the next critical stage. This responsibility rests with our Leadership Team (LT) and Leadership Group (LG) working collaboratively to ensure objectives and timeframes are achieved, with progress to be reviewed regularly with reporting at least every six months.

In our WFMP we will document and detail the initiatives and measures that support our WFMP objectives and the timeframes for defining, designing and planning, developing and implementing and monitoring of those initiatives.

Our WFMP is a dynamic document that is sensitive to our changing environment, both internal and external, to ensure it remains relevant for our business needs. Therefore, the initiatives may also be varied over the three years.

2. What is a Workforce Management Plan?

A WFMP is a key planning document that enables organisations to be appropriately resourced to manage challenges they may face in the future.

An effective WFMP analyses the internal and external environment and identifies future labour needs, including head count, timeframes for key deliverables and skills required to maximise delivery and ensure sustainability.

The primary purpose of our WFMP is to ensure we achieve our mission, vision and goals, through our most valuable resource – our people. With our employees' knowledge, skills commitment and ongoing development, we will achieve our goals and tackle our challenges front on.

3. Our Mission, Vision and Values (Infographic style)

Our Mission

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

Our Vision

Thrive and evolve as a valued regional service provider.

Our Values

As an organisation we have developed and adopted a set of values that we collectively believe in:

Safety – safety first 24/7

Teamwork – one team, one purpose

Accountability – own it, solve it, achieve it

Respect – be honest, be fair.

4. Our preferred culture

We are focused on building a culture of achievement and collaboration.

We want:

- a focus on achievement through working together
- clear purpose and goals
- clear roles and priorities
- innovative thinking to achieve our goals

- awareness of the needs of others
- support and coaching of each other
- a focus on growth and development – Individually and collectively
- adaptability and an openness to change.

5. Our organisation (infographic style)

We are organised to best deliver our core functions and services to our customers.

Our workgroups are currently organised in the following way.

- **General Manager**
- **Planning and Delivery**
 - Strategic Planning
 - Catchment and Cultural Awareness
 - Asset Management
 - Planning and Development
 - Water Sustainability
- **People and Performance**
 - Governance and Risk
 - Customer and Communications
 - Health Safety and Environment
 - People and Culture
- **Corporate and Commercial**
 - Richmond Water Laboratory
 - Finance
 - IT
 - Stores
- **Operations**
 - Water Operations and Trades
 - Weed Biosecurity and Bush Regeneration
 - Flood Mitigation
 - Dams and Treatment

6. Snapshot of our workforce [infographic of metrics]

All data is at 30 June 2021

- 80 full-time staff
- 5 part-time staff
- 5 full-time fixed-term staff
- 1 part-time fixed-term staff
- 7 casual or labour-hire staff.

Total head count: 98

Number of employees in each group:

- General Manager = 9
- Planning and Delivery = 11
- Operations = 44
- People and Performance = 10
- Corporate and Commercial = 24

Number of staff aged 15-25	3
Number of staff aged 26-35	19
Number of staff aged 36-45	26
Number of staff aged 46-55	24
Number of staff aged 56-65	19
Number of staff aged 65+	0

The average age of a Rous employee is 45 years old.

Number of male staff	53
Number of female staff	38
Number of staff – gender unspecified	0
Number of Aboriginal and Torres Strait Islander staff	2

Tenure - Number of staff with 0-5 years	42
Tenure - Number of staff with 6-10 years	15
Tenure - Number of staff with 11-15 years	19
Tenure - Number of staff with 16-20 years	10
Tenure - Number of staff with 21-25 years	2
Tenure - Number of staff with 26+ years	3

The average length of service is 8.5 years, with a turnover rate of 9.89.% - which is slightly lower than the NSW Local Government median (LGNSW Analytics Metrics Survey 2021).

7. Our current environment

As a county council we face many of the same challenges as other councils across NSW in developing our workforce for the future.

Key challenges include:

- shortages of qualified staff
- an ageing workforce
- attracting and retaining the right people, who are the best fit for critical roles
- achieving diversity within the workforce
- leadership capability and capacity
- legislative changes
- increased demands for flexibility by our staff.

Objective	What workshops identified
Objective1 – Leadership development	We will develop leaders that inspire, lead and motivate employees to realise their potential and respond to opportunities and challenges.
Objective 2 – Invest in our workplace	We will attract and retain great people who understand the important part they play in the organisation and are focused on making a positive contribution to the way we do things.
Objective 3 – Improving our employee experience	We will encourage a culture of continuous improvement, personal growth and development to enhance individual and collective performance.
Objective 4 – Workplace change	We will embrace a constructive workplace culture and environment that supports the development of our people to be our best and to create an environment that supports the development of our people to be our best and to create an environment where we understand the need for change and embrace the challenges and opportunities change brings.

Objectives will be assigned to relevant stakeholders within leadership and supervisory groups via their Performance Appraisals in consultation with the People and Culture Manager and Leadership Team.

Objective 1: Leadership development

We will develop leaders that inspire, lead and motivate employees to realise their potential and respond to opportunities and challenges

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
1.Continued emphasis on developing our leaders and future leaders.	1.1 Ongoing implementation of a leadership program.	To ensure leaders have the necessary skills and capabilities to manage the workforce.	X	X	X
	1.2 Develop and implement a supervisory program for supervisors and emerging leaders.	To ensure we invest in our supervisors and emerging leaders and provide them with the capabilities to effectively manage their staff.		X	

Objective 2: Invest in our workplace

We will attract and retain great people who understand the important part they play in the organisation and are focused on making a positive contribution to the way we do things around here.

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
2. Continued development and implementation of our capability framework.	2.1 Review and refine our capability framework.	Ensure our capabilities are current with regard to LGNSW capability framework.	X		
	2.2 Continue to embed the capability framework in position descriptions, performance appraisals, job evaluations and salary structure skill steps.	A clearly understood capability system that underpins all HR practices will provide role clarity and performance expectations across the organisation.		X	X

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
3. Succession planning	3.1 Continued development of a succession planning framework.	Harness the knowledge from those leaving the organisation and embrace transition to retirement practices.	X		
		Identify emerging talent and provide training opportunities for future known vacancies so that existing staff can compete for vacancies with those in the marketplace.	X		
4. Continued investment in employee skill development.	4.1 Enhance the existing orientation and induction programs for new employees, including additional online learning modules.	A programmed approach to inducing new employees ensures a consistent message to all.	X		
	4.2 Review and refine onboarding modules to ensure the program remains current and relevant.				X
5. Review of salary system.	5.1 Review the provisions of the salary system.	Ensure the salary system is flexible enough to pay labour market premiums required to attract staff, and retention payments where required to retain staff.	X		

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
6. Maximise the full potential of our workforce	6.1 Continued emphasis on Rous's culture and values.	Ensure culture and values statements are included in internal communications, measured in performance appraisals and consider implementing within the salary steps.		X	

Objective 3: Improving our employee experience

We will encourage a culture of continuous improvement, personal growth and development to enhance individual and collective performance.

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
7. Continued effort in building and attracting a diverse workforce.	7.1 Create alternative employment pathways: scholarships, cadetships, graduate or trainee/apprentice programs.	Ensure attraction of diverse people to work for Rous via TAFE, university, and employment agencies servicing minor groups (incl. First Nations People and people with a disability).		X	
	7.2 Review, update and expand the visibility of the Employee Value Proposition.	Employee Value Proposition publicly available and promoted.		X	
	7.3 Ensure Council's recruitment and selection techniques and policy is best practice.	Review the recruitment policy and guidelines to ensure it reflects best practice techniques and agility in recruiting our staff.			X
8. Establish and embed a consistent and integrated approach to	8.1 Review the succession plan for business-critical roles.	Promote succession planning as a standard	X		

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
workforce planning.		expectation of manager's workforce planning responsibilities.			
	8.2 Commence a biennial facilitation and review session of the contents of the Workforce Management Plan.	Ensure the Workforce Management Plan becomes an integrated part of the management of employees at Council.		X	
	8.3 Establish a suite of workforce reporting metrics.	Metrics are meaningful and easily able to be measured.	X		
9. Measure and improve employee engagement.	9.1 Undertake employee 'pulse' surveys.	Meaningful surveys of current issues and themes.		X	
	9.2 Conduct an employee engagement survey on a biennial basis.	To allow analysis of trend data, ensure a biennial engagement survey is undertaken.			X
		Facilitate workshops to disseminate the results of the survey and workshop solutions to any areas for improvement identified within the survey.			
10. Review the Flexible Working Arrangements policy.	10.1 Continually evolve flexible working practices that have evolved during the short-term pandemic. Council will be open to exploring flexible working	Embrace a flexible workforce that is agile and able to respond and work well in some positions with a mix of office and working from home arrangements.		X	

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
	arrangements where they are operationally feasible and desirable for employees and Council.				
11. Reward and recognition.	11.1 Develop a reward and recognition program.	Workshop with managers and employees for ideas and concepts that will lead to the development of a formal reward and recognition program, which may be monetary but can also be additional access to learning opportunities, secondment opportunities and the like.		X	X
12. Learning and Development program.	12.1 Review existing training expenditure to ensure Council are maximising the return in training that is both relevant to employees and council.	Review training with the view to redirect the funding for training that is not meeting objectives to be redirected to new and unique learning and development opportunities.	X		
	12.2 Planning sessions conducted on new plant and equipment required in the coming term, and the skill sets required to operate them.	Structured operational planning and training of staff.		X	

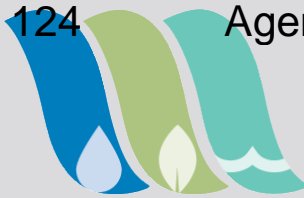
Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
13. Knowledge transfer.	13.1 Develop a formalised knowledge transfer process.	For those who are known well in advance that they are exiting, commence a buddy system with a coworker to ensure all skills and local knowledge is shared and therefore retained within the organisation.		X	
14. Transition to retirement.	14.1 Embrace the concept of staff transitioning to retirement where possible.	Upon application, consideration to be given to transition arrangements, e.g. being able to move to working in a part time capacity for a stated period of time.	X		

Objective 4: Embrace workplace change

We will embrace a constructive workplace culture and environment that supports the development of our people to be our best and to create an environment where we understand the need for change and embrace the challenges and opportunities that change brings.

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
15. Relocation of Council operations to a new facility in Ballina.	15.1 Consult and address any factors mitigating the success of the move.	Effective and meaningful consultation by various methods.	X	X	X
		Decisions made are evidence-based and factual.			
		Greater staff involvement in the early stages.			
		Ensuring relevance and availability of flexible work			

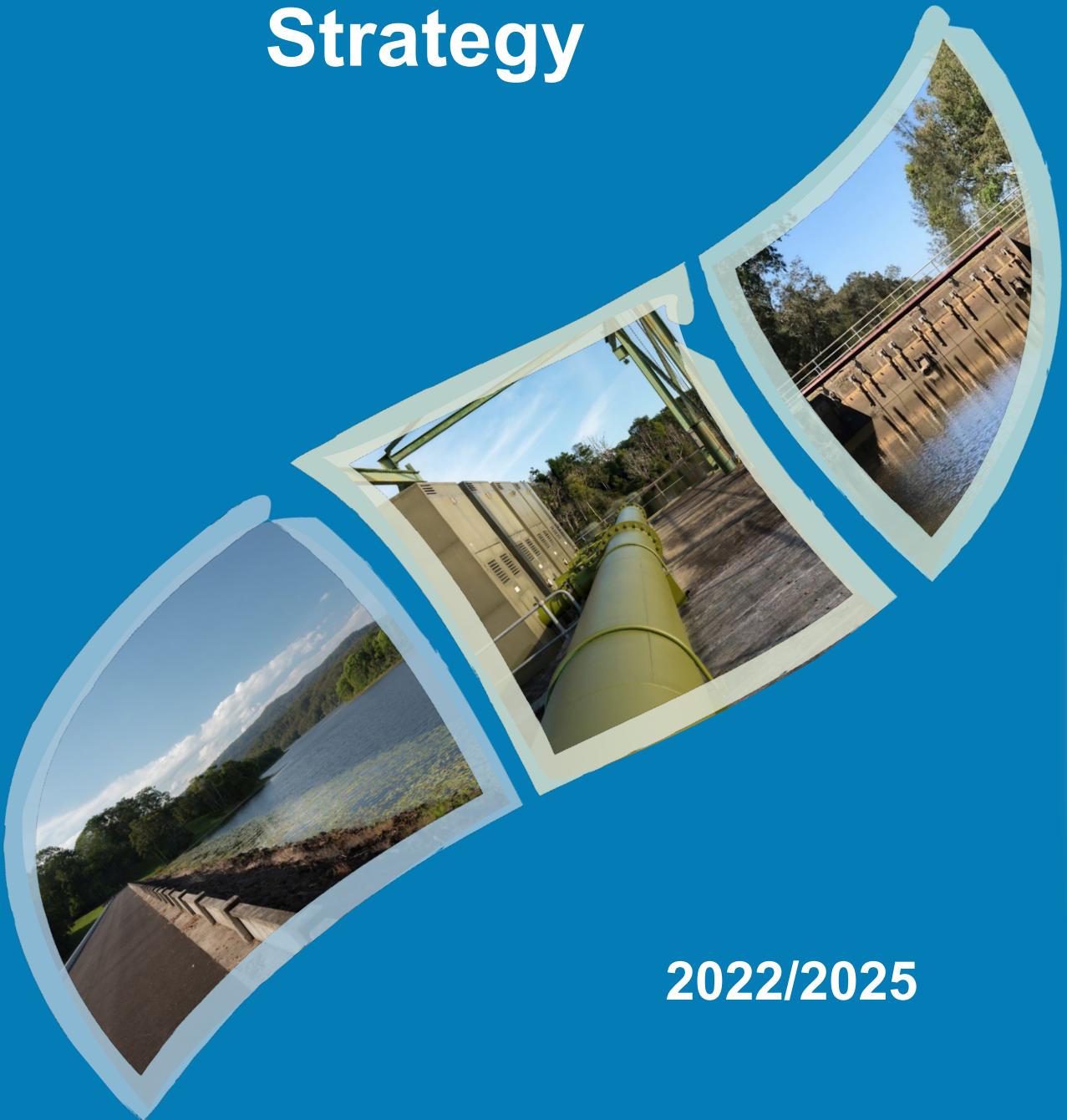
Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
		practices to support the relocation.			
16. Review of organisation structure and resourcing.	16.1 Review of Council's establishment and 'right- size' the organisation where required.	Clear and open communication with staff on the need to review Council structure.			X
		Retrain and redeploy in the first instance where necessary, identifying skills gaps and training opportunities.			
17. Acknowledge change fatigue.	17.1 Manage the ongoing change process, mapping potential change and ensuring the rate of change is able to be accepted by staff.	Effective and meaningful consultation on workplace change.	X		
18. Digitise business processes	18.1 Continue to digitise business processes and refine those already in place.	To enable our people to work effectively and to improve and achieve business outcomes.		X	



ROUS
COUNTY COUNCIL

■ BULK WATER SUPPLY ■ WEED BIOSECURITY ■ FLOOD MITIGATION

Asset Management Strategy



2022/2025

Office use only	File no.:	Next review date: June 2024
Version	Purpose and description	Date
0.1		DRAFT June 2020
1.0	Provides overview of asset management systems and strategic plan for achieving asset management objectives	Adopted by Council 19/08/2020
2.0		DRAFT March 2022

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1 Purpose

This document provides the strategic plan for achieving the asset management objectives of Council. It outlines the role of our asset management system and our long-term approach for managing assets.

2 Asset Management System

2.1 What is Asset Management

The ISO55000 standard defines asset management as the coordinated activity of an organisation to realise value from assets. The realisation of value involves the balancing of cost, risks and performance while achieving the organisation's business objectives.

Value

Asset management does not focus on the asset itself but the value it can provide to the organisation. All assets have actual or potential value to be realised to meet the needs and expectations of stakeholders. Both the tangible and intangible elements of value need to be considered in decision making including:

Risk	Opportunities	Performance of Assets
Financial Costs	Environmental Costs	Social Costs
Cost of Service	Quality of Service	Sustainability
Compliance	Reputation	Safety

Alignment

There should be clear connectivity between an organisation's strategic plan and the asset management activities being delivered. Asset management translates organisational objectives into technical, financial, and operational decisions, plans and activities so that everyone understands how they contribute to achieving success. It considers top down strategies and plans as well as bottom up fact-based realities such as asset capabilities, performance, and constraints.

Understanding the purpose of work activities – why they are needed not just when and how

Leadership

Asset management should be placed as a high importance function within the organisation with leadership and commitment to deliver effectively.

There should be leadership from positions with enough influence and authority to progress the asset management agenda as well as from all levels of the organisation. Leadership should:

Ensure a suitable organisational structure and culture

Set direction and priorities

Ensure thinking and practices cross boundaries between functions

Assurance

A combination of monitoring and auditing of processes and outcomes is necessary to confirm assets and systems are operating as intended. To assure that:

Assets fulfil required purpose

Asset management activities are delivered

Objectives are achieved consistently and sustainably

Lifecycle Activities

Asset management integrates activities across the whole lifecycle of assets:

Identify Need	Plan	Options
Design	Construction	Asset Handover
Operate	Maintain	Monitor
Rehabilitate	Replace	Dispose

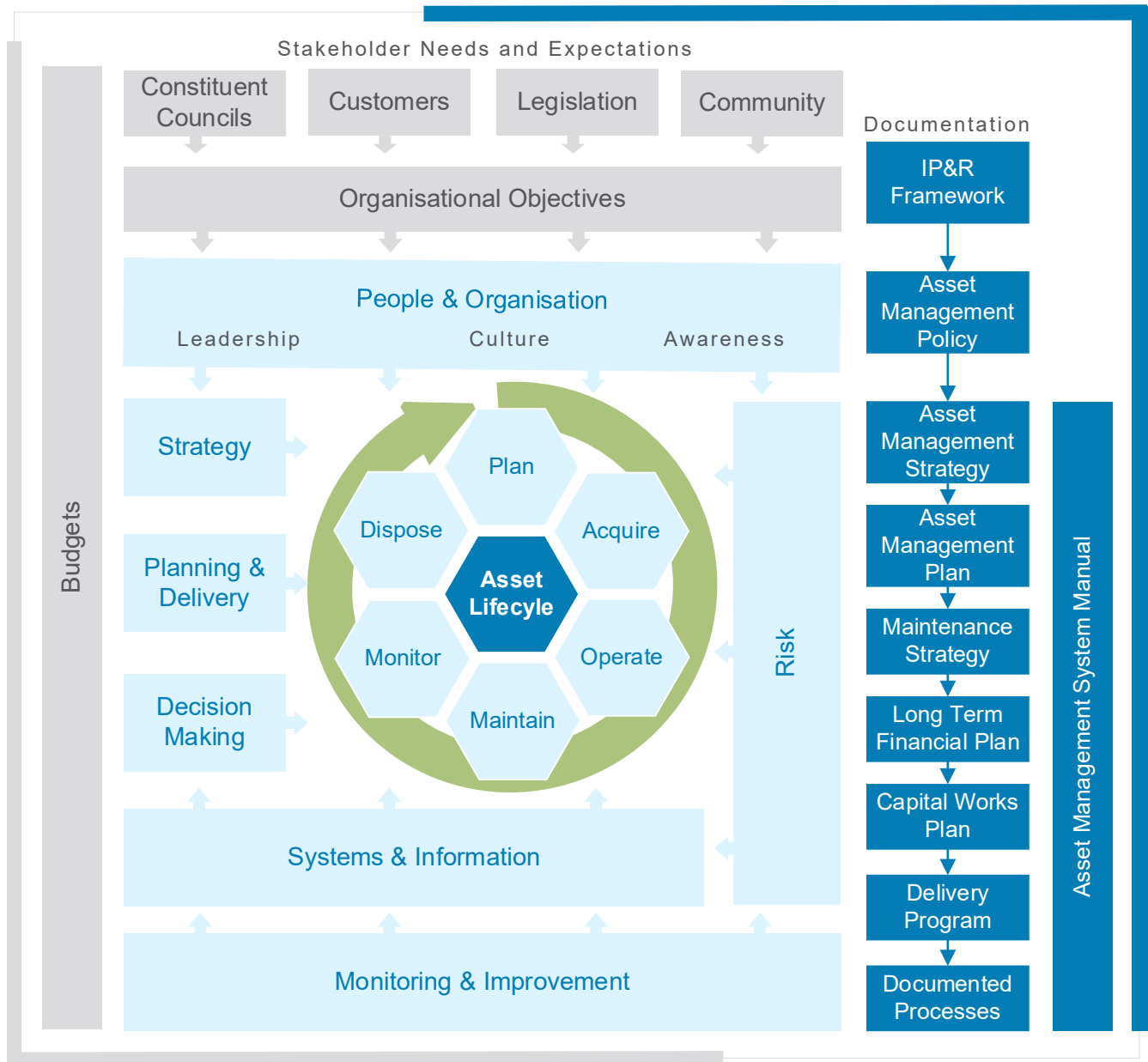
Decision Making

Competent, consistent and optimal decision making is a vital element underpinning good asset management. It should allow the right and best value compromise between competing interests with proportional sophistication provided for in decision making processes from simple to more complex or critical decisions.

2.2 Asset Management System Scope

Our asset management system includes the policies, strategies, plans, documented processes, and activities related to the planning and management of our infrastructure assets as well as the people and systems involved. The diagram below outlines the framework of components and documents involved in our asset management system.

Asset Management Framework



Strategy

This strategy is a high-level strategic document that aims to translate the organisational objectives into asset management objectives and strategies.

Plans

These objectives and strategies are further developed into whole of lifecycle tactical actions through the follow on plans, programs, and processes.

Systems & People

These documents and processes are supported by information systems and our people with a strong focus on continual improvement through monitoring and a dedicated prioritised improvement plan.

3 Our Assets

3.1 Infrastructure Assets

When we talk about assets in this strategy, we are referring to our infrastructure assets. These are:

Physical fixed assets	With a replacement cost > \$5,000 for water assets or > \$1,000 for other asset types	With > 12 months expected useful life
	Any item which falls outside of this is considered a maintenance or operational expense. However, low value maintenance only assets or components may be included in the asset register, these will not be valued, and only included to assist in management of maintenance.	

The following asset types are not covered by this strategy:

IT Assets (excluding fixed assets such as communication towers etc)	Mobile Plant & Equipment i.e. vehicles	Attractive Assets i.e. power tools (low value assets, which are mobile and prone to theft)
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These assets are generally mobile and strategies for managing them are dealt with elsewhere.

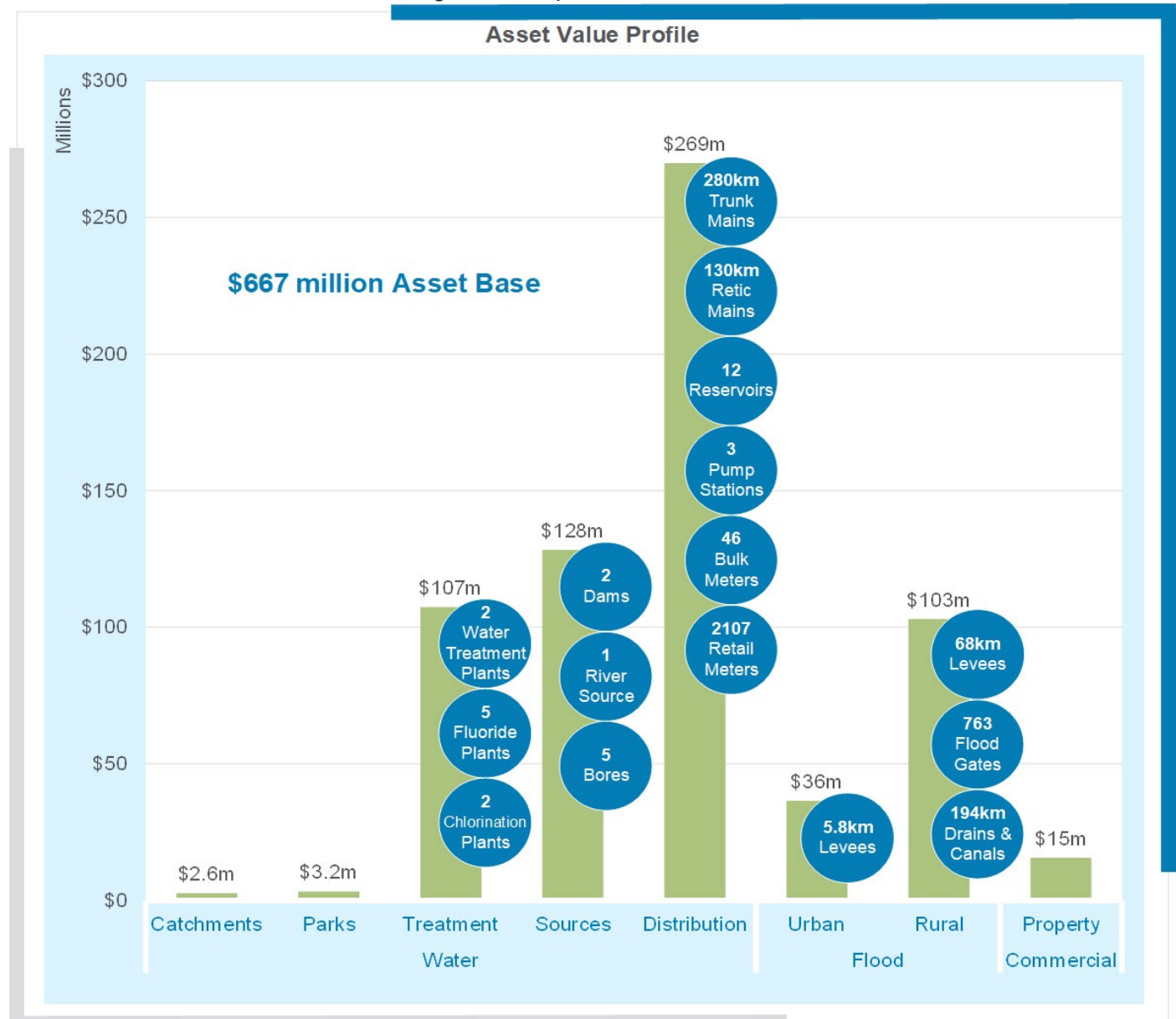


Assets types that are covered by this strategy:

Flood			Water		
Urban			Catchments		
Floodgates	Levees	Buildings	Managed Vegetation	Access Control	Signage
Rural			Source		
Land	Bank Protection	Pump Stations	Bores	Buildings	Dams & Sources
Depots			Treatment		
Floodgates	Levees	Land	Fluoride Plants	Water Treatment Plants	Land
Canals	Drains	Outlets	Distribution		
Pipes	Access Control	Dataloggers	Mains – Trunk	Mains – Reticulation	Reservoirs
Commercial			Meters – Bulk	Meters - Retail	Telemetry
Access Control	Buildings	Land	Re-Chlorination Plants	Pump Stations	Water Filling Stations
Signage	Site Services		Parks & Recreation		
			Access Control	Structures	Signage
			Buildings	Site Services	
			Property		
Access Control	Buildings	Land	Land	Buildings	Access Control
Signage	Site Services				

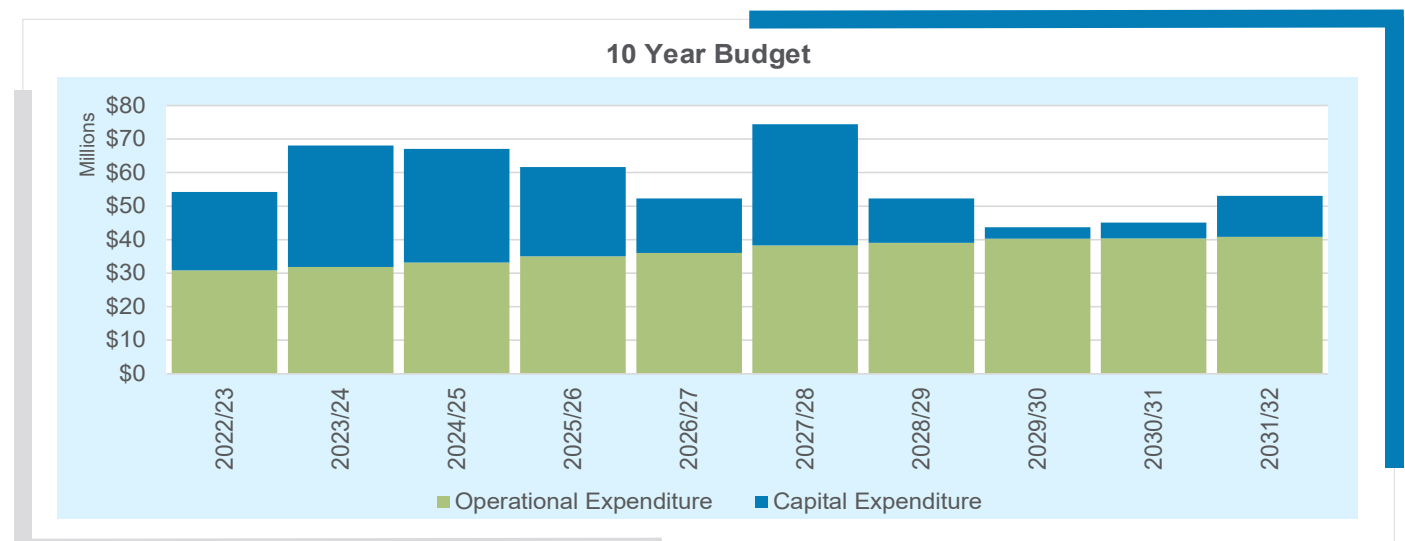
3.2 Asset Value

The infrastructure asset base we manage has a replacement valued of \$667 million as of March 2022.



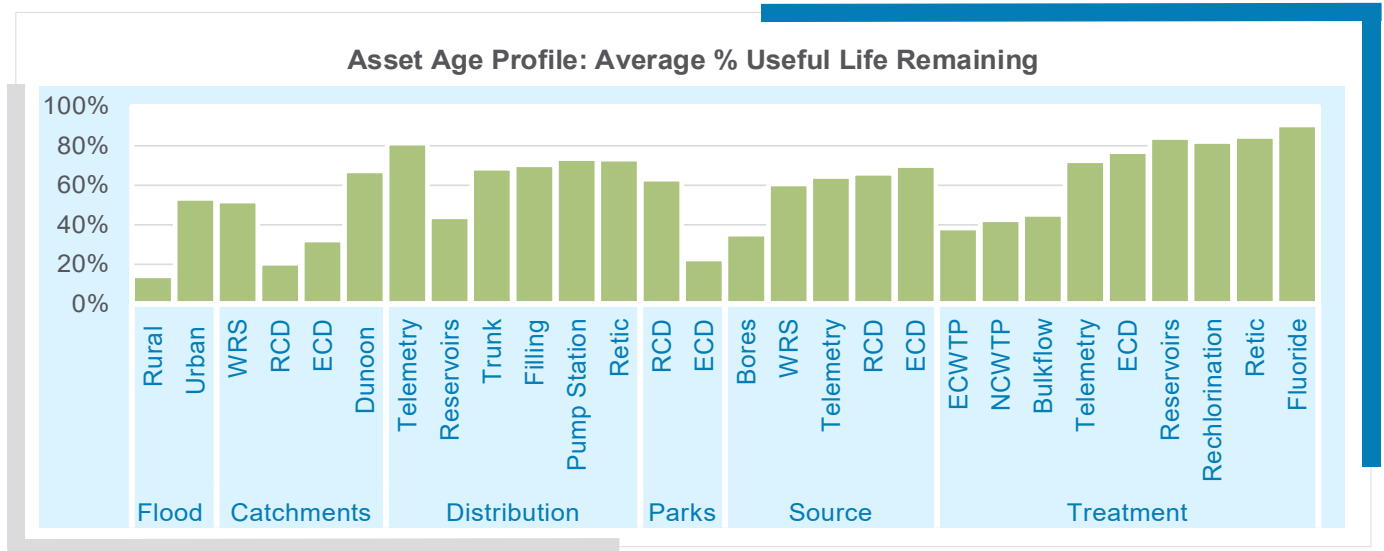
3.3 Funding

The operation, maintenance and renewal of our asset base forms a significant proportion of our annual budget. The graph below shows our projected annual budget for the next ten years.



3.4 Useful Life

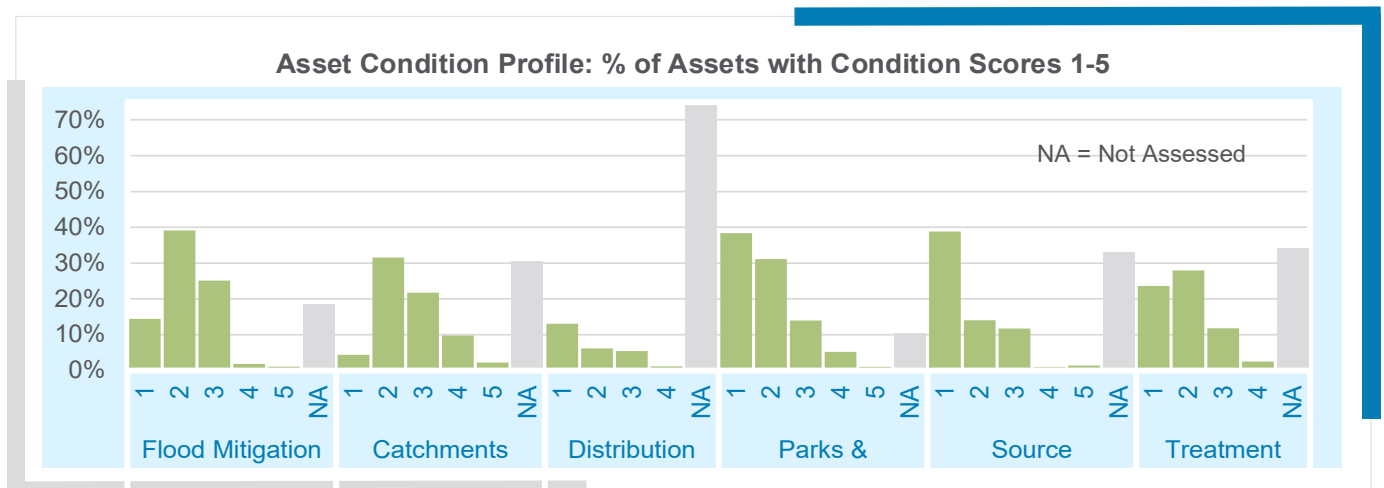
The useful life of an asset is the anticipated timeframe before it is due for renewal. The remaining useful lives of assets should be reviewed regularly. They are a major input into the planning process for managing assets in the long term by forecasting when assets are likely to need increased maintenance, renewal, or replacement in the future. Depreciation is the accounting method of allocating the cost of an asset over its useful life. The useful life and replacement value of an asset are used to calculate yearly depreciation rates. The age and expected useful life of our assets is recorded for each asset within our asset register. The graph below shows the average percentage of remaining useful life for our assets as of March 2022.



3.5 Condition

Condition is a major input into the planning and decision-making process for management of our assets. Assessing the condition of our assets provides information to identify assets in need of maintenance, renewal, or replacement. Up to date condition ratings of assets provides information to determine remaining useful life and inform funding requirements. It also assists in predicting the useful life of asset types through the review of condition and age of assets to understand if our assets are ageing as we expected them to. For example, one asset type may have been given an expected useful life of 10 years, however upon inspection these types of assets remain consistently in good condition when they reach the end of their listed useful life. This may indicate these types of assets could reasonably be given a 15-year life expectancy. This information aids long term planning of future funding requirements.

The condition of each asset is recorded within our asset register. The graph below shows the condition of our assets as of March 2022. A significant number of our assets have not been assessed or have been assessed at a low level of detail. We have developed improvements to how we assess condition as part of our Asset Maintenance Strategy. These improvements will be implemented over the next four years to provide more meaningful data for decision making going forward.



4 Strategy

4.1 Asset Management Mission

Our asset management goals are aligned with Council's overall business objectives outlined in the IP&R:

Sustainable Delivery

External Relationships

Our People

Leadership & Innovation

Organisational Vision, Mission & Values

Vision Thrive and evolve as a valued service provider

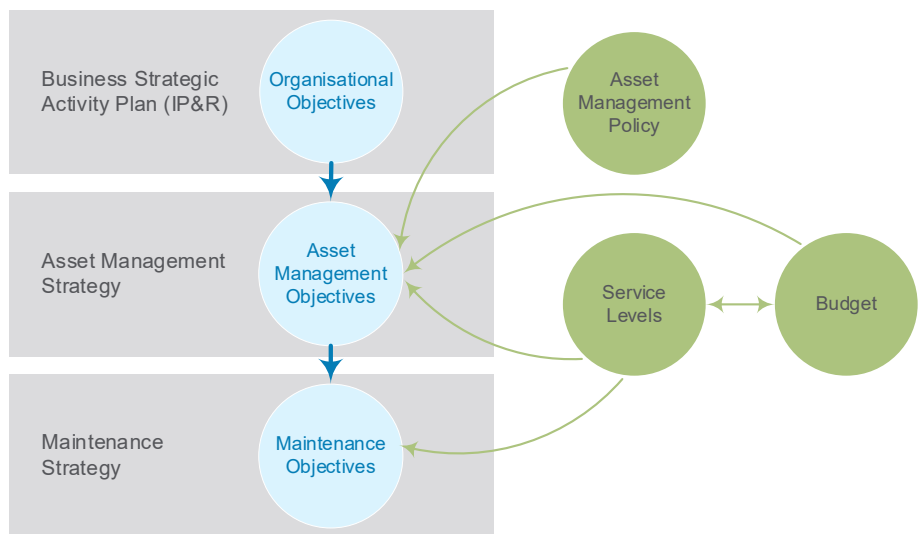
Mission Partner with our constituent councils to provide quality services that support a sustainable and productive community

Values Safety | Teamwork | Accountability | Respect

The key drivers in developing our asset management mission and objectives are our:

- asset management policy
- service levels
- budget

They are aligned with our organisational objectives and further developed within our maintenance strategy



Mission

Our asset management mission is to...

- ✓ deliver affordable, quality services while safeguarding assets for the future,
- ✓ grow internal awareness and capability, and
- ✓ have transparent and accountable processes aligned with industry best practice

We will do this by delivering...

- a reliable, quality service to meet demand now and in the future
- notification and responsive action to minimise interruption of services
- sustainable whole of life value through proactive, prioritised actions
- the resources to meet strategic long-term outcomes from our assets
- evidence of outcomes and the condition of our assets

The objectives we aim to achieve with our asset management system are:

		Deliver affordable levels of service while safeguarding assets for the future.	Grow internal asset management awareness and capability	Have transparent and accountable processes aligned with industry best practice
Sustainable Delivery	Convert strategies and plans into actions to deliver agreed service outcomes that balance cost, risk, and performance of assets	✓		✓
	Embrace a strategic whole of life approach to the long-term management of assets to realise value and delivery of required services now and into the future	✓		✓
	Commit to consistent, evidence based decision-making processes that utilise the knowledge and expertise of our people and the information embedded in our systems	✓	✓	✓
	Assets maintained to a suitable level to meet performance and service requirements	✓		✓
	Responsive action to maximise the time that assets are available within appropriate levels service, and that service requests are attended to in a timely manner	✓		✓
External Relationships	Engage with stakeholders to understand sustainable service expectations and gain trust as a valued service provider for the region	✓	✓	✓
Our People	Develop capable and motivated people with the skills to deliver asset management objectives who take ownership of assets and service outcomes		✓	
Leadership & Innovation	Foster an asset management culture that is accountable, transparent and aligns across the organisation to achieve our business objectives	✓	✓	✓
	Implement a robust asset management system with a focus on continual improvement	✓		✓

4.3 Strategies to Achieve Objectives

We will employ the following strategies over the next three years (2022-2025) to guide our actions, decisions, and improvements to achieve our asset management system objectives:

Asset Management System Objectives		Strategies
Sustainable Delivery	Convert strategies and plans into actions to deliver agreed service outcomes that balance cost, risk, and performance of assets	<ol style="list-style-type: none"> 1. Report on performance of the asset management system to stay accountable for outcomes and track achievements 2. Develop processes and systems to capture the information necessary to effectively and efficiently undertake performance reporting
	Embrace a strategic whole of life approach to the long-term management of assets to realise value and delivery of required services now and into the future	<ol style="list-style-type: none"> 3. Document processes for asset planning to ensure consistent, evidence-based decisions 4. Determine criticality for asset classes and identify high criticality assets to guide prioritisation and management of resources
	Commit to consistent, evidence based decision-making processes that utilise the knowledge and expertise of our people and the information embedded in our systems	<ol style="list-style-type: none"> 5. Develop an Asset Information Strategy to guide how asset information is collected, stored, and accessed 6. Develop an agile decision-making framework with a focus on utilising information and evidence to guide how decisions are made, recorded and who has the authority to make them
	Assets maintained to a suitable level to meet performance and service requirements	<ol style="list-style-type: none"> 1. Report on performance of assets to remain accountable for service outcomes and long-term sustainability of assets 2. Track trends in key performance indicators of service quality, cost and reliability to demonstrate effectiveness of management and operational actions and identify any risks or required improvements
External Relationships	Responsive action to maximise the time that assets are available within appropriate levels service, and that service requests are attended to in a timely manner	<ol style="list-style-type: none"> 3. Ensure planned works are managed to minimise impacts to service levels 4. Respond to unplanned interruptions and defects to minimise impacts to service levels 5. Provide notification to affected customers and stakeholders of interruptions or changes in service to inform them of impacts
	Engage with stakeholders to understand sustainable service expectations and gain trust as a valued service provider for the region	<ol style="list-style-type: none"> 7. Engage with external and internal stakeholders to understand service level expectations 8. Communicate financial and operational implications or limitations to ensure any risks or gains of decisions are understood 9. Promote asset management messaging in internal communications to raise awareness of processes, decisions, and outcomes
Our People	Develop capable and motivated people with the skills to deliver asset management objectives who take ownership of assets and service outcomes	<ol style="list-style-type: none"> 10. Develop an asset management competencies framework that recognises the knowledge and skills required for asset management to guide growth in our people and capabilities 11. Provide an understanding of asset management roles, responsibilities and cross functional relationships to support collaboration and ownership of outcomes
Leadership & Innovation	Foster an asset management culture that is accountable, transparent and aligns across the organisation to achieve our business objectives	<ol style="list-style-type: none"> 12. Address asset management principles in project proposals and when making decisions to support ownership of asset performance outcomes and delivery of business objectives 13. Review of what we said we were going to do against what we accomplished to encourage a culture shift towards more considered forward planning 14. Promote communication and knowledge sharing to understand the impact teams across the organisation have on positive asset management outcomes for the organisation and community
	Implement a robust asset management system with a focus on continual improvement	<ol style="list-style-type: none"> 15. Document asset management processes to deliver consistent outcomes 16. Improve access to systems and information for office and field staff 17. Develop and implement a prioritised improvement plan to continually advance our asset management practises

We have set our objectives to outline what we aspire to achieve with our asset management practices going forward. The strategies are focused on driving improvements to realise these objectives over the coming years. Performance measures have been developed to determine how successfully we deliver our asset management objectives. These are detailed in Section 7 of this strategy.

5 Planning & Delivery

5.1 Planning

5.1.1 Planning Horizons

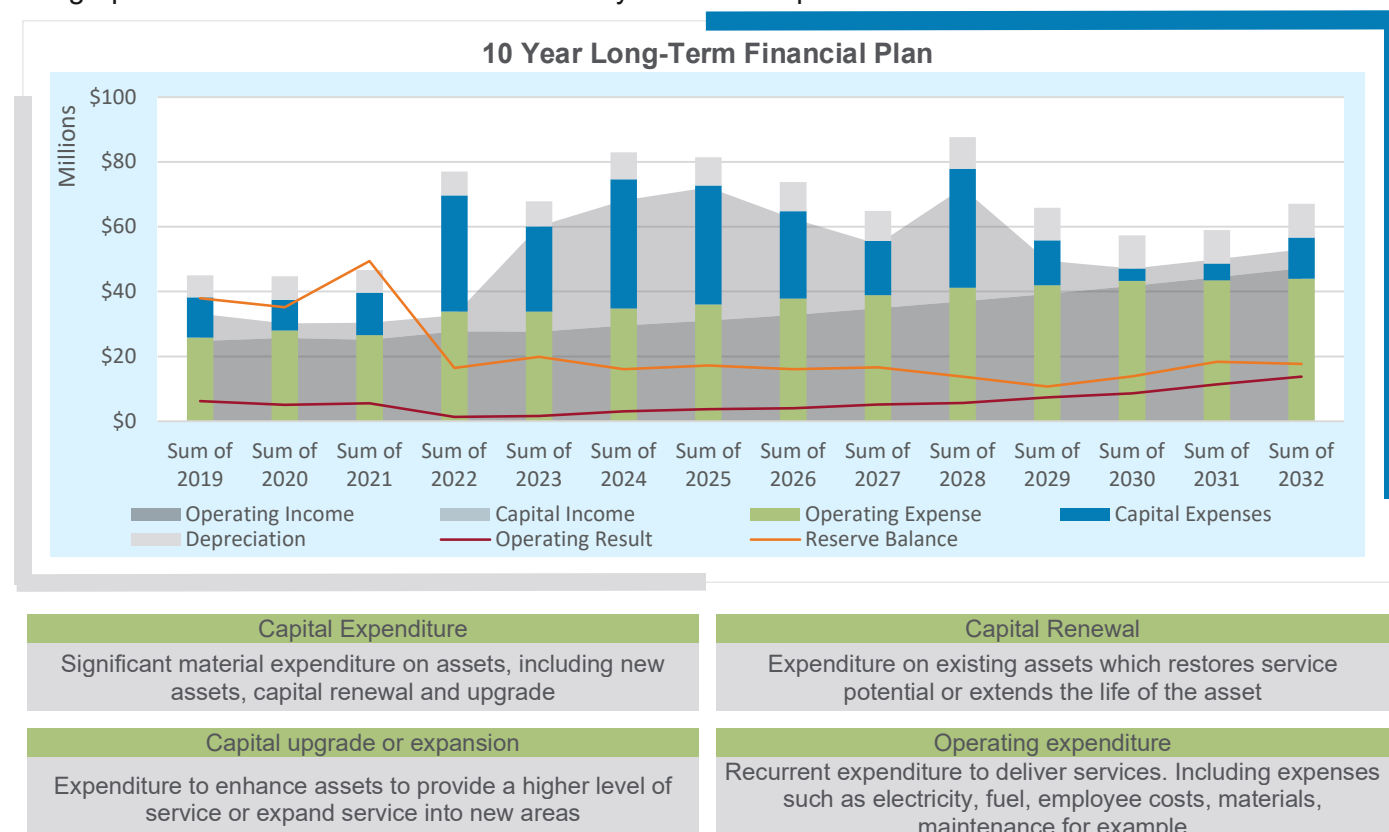
Planning activities and documents cover several planning horizons. In general, longer planning timeframes are less detailed, and short-term plans have undergone review and scoping of requirements, designs and budget requirements. Below is an overview of the planning horizons for our various plans and documents:

	Description	Documents	Reviewed
1 year	Detailed plan of activities & capital works for the upcoming 12 months with projects fully scoped, designed, and budgeted.	Operational Plan	Developed yearly
4 year	Plan for activities and capital works scheduled to be completed over the next four years. These projects may be at varying stages of scoping, design, and budgeting, but have been reviewed and approved.	Delivery Program Asset Management Strategy Maintenance Strategy	Reviewed yearly with major review every four years
10 year	A midterm plan of upcoming capital works over the next ten years. These projects have been reviewed and scheduled with preliminary budgeting from data within the asset register or standard industry costings.	Asset Management Plan Detailed Capital Works Plan	
30 year	A plan of capital works and their expected timeframes over the next 30 years. These projects are based on raw data from our asset register and identified major capital works programs.	IP&R Framework Long Term Financial Plan Capital Works Plan	

5.1.2 Long Term Financial Plan

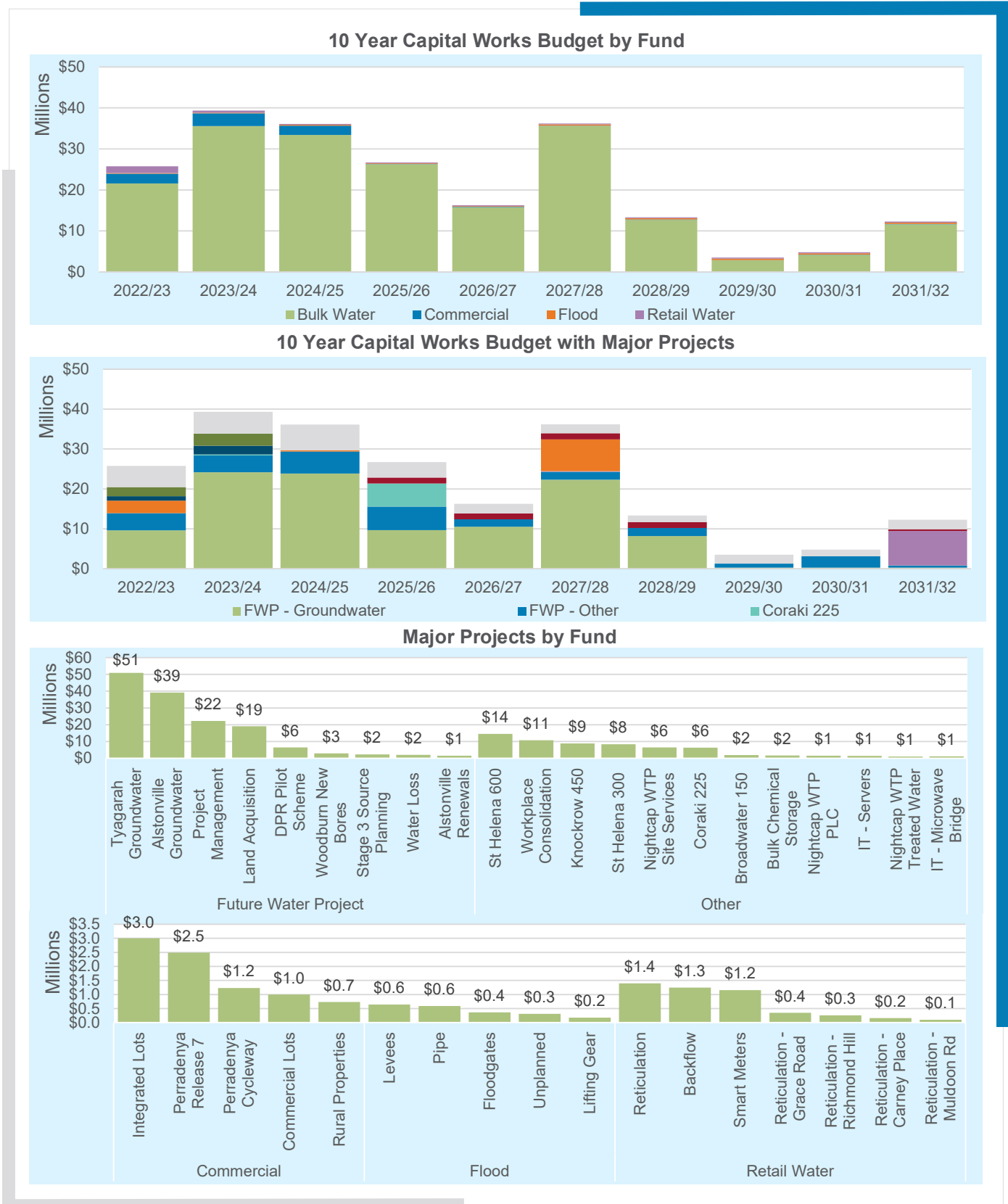
Our long-term financial plan models how we will fund identified capital, maintenance, and operational expenditure over the next 30 years. This plan forecasts funding requirements including expenses, income projections, and trends in our cash reserves. This allows planning to ensure we have the funds to maintain and operate our assets to provide required services to the community and meet future demand for those services. The long-term financial plan is an active document that is reviewed and updated to reflect actual data, changing project scopes, direction, and priorities.

The graph below shows an overview of the 10 year financial plan data as of March 2022:



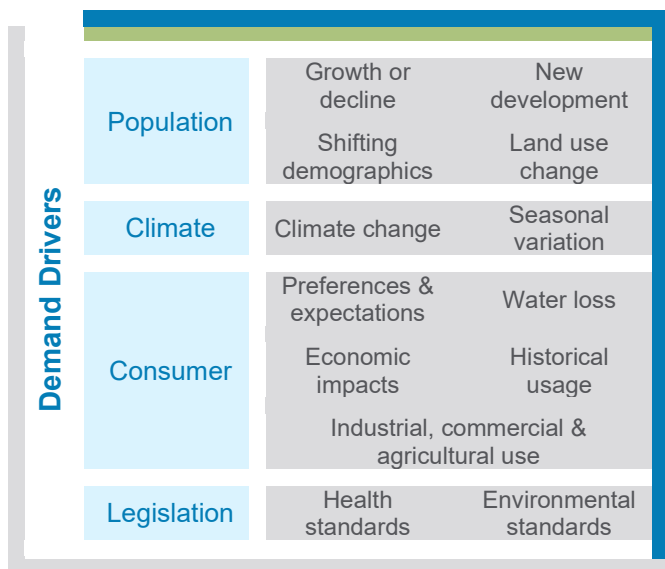
5.1.3 Capital Works Plan

The capital works plan forms part of the long-term financial plan. It outlines upcoming asset renewals, replacements, upgrades, and new asset requirements. These requirements are forecast over 30 years, with more detailed planning across the 10-year and 4-year planning horizons. Projecting capital requirements over the longer planning horizon allows early identification of significant cost projects well in advance. This allows a strategic approach to be taken in planning those projects to ensure adequate funds will be available when needed, or potentially scheduling projects to smooth costs over the planning horizon. The capital works plan is reviewed and updated each year with changing project scope, direction, and priorities. The graph below shows the current 10-year capital works plan and upcoming major projects as of March 2022:



5.1.4 Demand

Understanding the demand for our services is a vital component of asset management. Demand forecasting enables us to predict the future level of demand for our services. This is based on historical trends in usage and modelling of demand drivers into the future. This allows us to plan and identify the best way to meet demand. Demand for services change over time. Below are the drivers that influence the level of demand. Changes to these may increase or decrease demand.



We have undertaken detailed long-term demand forecasting for our bulk water supply. This provides us with data on average annual supply and peak day demand to support decisions on asset service levels and capacity to meet current and future demand. This informs decisions such as allowing

new water connections, building new infrastructure, or upgrading capacity for example.

Demand for our flood infrastructure is largely determined by land use, development, and the management of existing assets. Services provided are routine with some seasonal variation. Impacts of climate change, and changes to land use and expectations of environmental performance may be future drivers in demand for service.

Demand management in water supply incorporates strategies and plans to influence demand with an aim to reduce or shift demand into off peak periods or delay the need for upgrades or new assets. This may include:

Changing consumer behaviour:

Regulation	Incentives	Public Education
e.g. Water usage restrictions	e.g. Rainwater tank rebates	e.g. Water conservation

Changing how we manage our assets:

Asset Solutions	Operational Solutions	Technology Changes
e.g. smart metering, water storage	e.g. managing pump timing, leak detection and management	e.g. telemetry systems, smart metering

Our Demand Management Plan for water supply has been developed to implement strategies to reduce demand on water infrastructure as part of our Future Water Strategy.

5.2 Decision Making

Managing our assets requires robust decision-making methods considering a combination of criteria and thresholds to assess and select the most appropriate option. We are committed to decisions which ensure our assets are managed to meet agreed service levels, performance and legislative requirements while minimising financial costs, risks and environmental impact. Asset management decisions take a whole of life approach in determining the full long-term financial costs of constructing, operating, and maintaining an asset over its expected useful life.

The method of decision making should be proportional to the complexity and magnitude of decision being made. Methods we currently utilise vary from subjective judgement within individual delegation for routine decisions where the impact from error is considered small, to multiple criteria analysis of options with stakeholder engagement for complex and critical decisions.

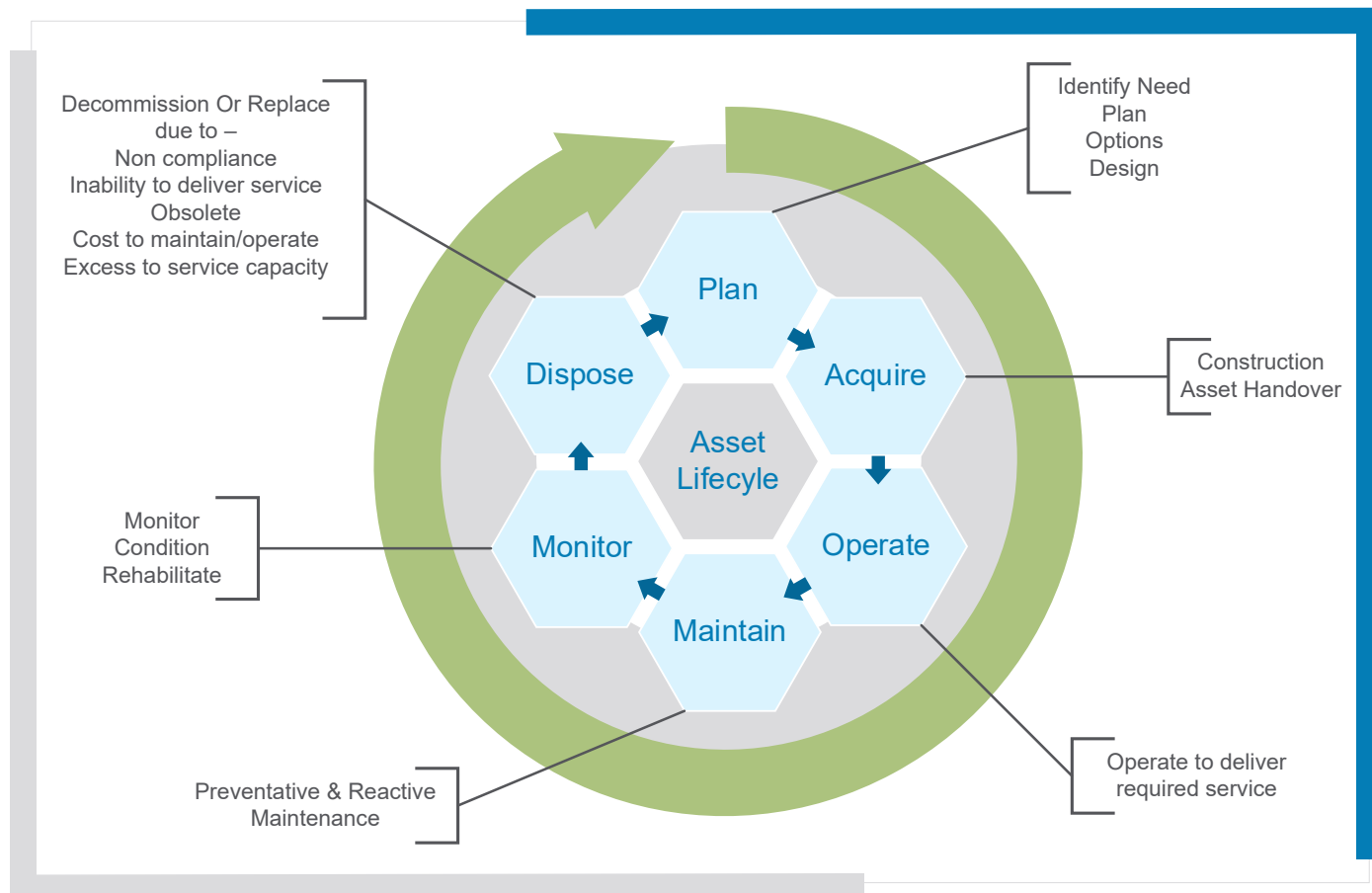
We have identified that a required improvement action is to develop a framework to define processes and decision criteria, how to apply these to decisions of varying complexity and criticality, along with responsibilities, documentation and to communicate the outcomes of decisions.



5.3 Asset Lifecycle Delivery

5.3.1 Lifecycle of assets

Asset management includes the integration of activities across the whole lifecycle of assets. This includes everything from identifying the need for an asset, through planning, acquiring, operating, and disposing of the asset at the end of its life. The diagram below depicts the lifecycle of assets.



The lifecycle of an asset crosses functional areas within Council, requiring coordination of asset management activities. When planning new assets, the costs involved in all stages of its lifecycle are an important consideration in decision making to ensure selection of the best option for long term sustainability. In general, the teams responsible for asset lifecycle activities are:

Stage	Teams
Plan	Our Planning & Delivery team undertakes planning activities to identify the need, determine potential and preferred options, and designing of the final option for new or upgraded assets. These activities require consultation with functional teams from Operations and Finance and other stakeholders who will be involved through the remaining lifecycle of the asset.
Acquire	Our Planning & Delivery or Operations teams are responsible for acquiring or construction of new or upgraded assets.
Operate Maintain	Our Operations team is responsible for the ongoing operation and maintenance of all our assets.
Monitor Dispose	Our Operations and Planning & Delivery teams are responsible for the monitoring of our assets and the decision to decommission or replace assets when they reach the end of their useful life.

5.3.2 Levels of Service

We have service level agreements in place with our Constituent Councils. These agreements detail the service expected from our assets to meet the requirements of Constituent Councils. Our levels of service also need to meet the requirements of other stakeholders, and legislative requirements. Stakeholders involved to varying degrees, and affected either directly or indirectly by our service levels include:

Constituent Councils	Direct Consumers	Indirect Consumers	Rous Staff
Landholders	Community Groups	Catchment Management Groups	Industry Groups

Relevant legislation affecting our services and functions include:

Local Government Act, 1993 and Local Government (General) Regulation 2005	Work Health and Safety Act 2011 and Work Health and Safety Regulation, 2017	Dams Safety Act, 2015 and Dams Safety Regulation 2019	Public Health Act, 2010 and Public Health Regulation, 2012
Environmental Planning and Assessment Act, 1979 and Environmental Planning and Assessment Regulation, 2000	Water Management Act, 2000 and Water Management (General) Regulation, 2018	Fluoridation of Public Water Supplies Act, 1957 and Fluoridation of Public Water Supplies Regulation, 2017	Marine Estate Management Act 2014 and Marine Estate Management Regulation, 2014
Water NSW Act 2014, and Water NSW Regulations, 2013	Fisheries Management Act, 1994 and Fisheries Management Regulation	Biodiversity Conservation Act 2016 and Biodiversity Regulation, 2017	Plumbing and Drainage Act 2011 and Plumbing and Drainage Regulation, 2017
Local Land Services Act 2013 and Local Land Service Regulation, 2014	2019 Protection of the Environment Operations Act, 1997	Coastal Management Act, 2016	Pesticides Act 1999 and Pesticides Regulation, 2017

The following indicators monitor our performance against the service levels for water and flood assets. Further detail can be found in our service level agreement documents.

Water			Flood		
Quantity	Measurement	Continuity	Performance of assets	Environmental impacts	Research & studies
Meet demand projections	Daily recording	Emergency management & continuity of supply procedures	Routine inspections	Meet best practice	Increase understanding & knowledge
Meet peak day demand	Maintenance, calibration & electronic verification of Flow meters		Scheduled maintenance	Inform and provide advice	Flood modelling, risk studies and plans
Maintain daily agreed supply levels			Long term capital expenditure	Active floodgate management	Sharing of information
Quality	Demand	Drought	Regional partnerships	Commitments	
Management system in place	Regional demand management plan in place & reviewed every 4 years	Regional drought management plan in place & reviewed every 4 years	Delivery of Coastal Management Program	Match funding commitments	
Meets Australian drinking water guidelines			CMP Grant applications	Routine inspections	
Monthly reporting			Monitor water quality	Scheduled maintenance	
Notification of Interruptions	Duration of Interruptions	Water Quality Notifications			
Planned & Unplanned interruptions	Planned & Unplanned interruptions	Notification timeframes			
		Monthly reporting			
Access	Level Sensors	Catchments			
Notification of hazards and access restrictions	Annual calibrations of reservoir level sensors	Risk based plans for catchments			

6 Systems & Information

6.1 Systems, Processes & Documentation

We are currently undertaking a project to improve our asset management systems, processes and documentation. Many of our processes are currently undocumented. We aim to improve the consistency and transparency of our asset management by documenting these over the next four years. The tools, systems and documents we currently have in place include:

Confirm Asset register Maintenance program Defects Valuation data Condition data	Confirm Connect Field access to raise and complete maintenance jobs, inspections and defects
MapInfo Spatial location of assets	Policies Asset Management Policy Capitalisation Policy
Strategies Asset Management Strategy Maintenance Strategy Asset Information Strategy*	Plans Asset Management Plan Long Term Financial Plan Capital Works Plan Delivery Plan
Processes Documented procedures & processes*	Plan Registers Asset designs and plans

*  To be Developed

One of our improvement actions includes the development of a digital Asset Management Manual to provide links to the various documents and processes to improve access, visibility and awareness of asset management processes and how they relate to one another.

6.2 Documents

Our asset management system includes a suite of documents that are either already in place or identified to be developed.


6.2.1 Policy

Our asset management policy outlines the principles by which we will manage our assets, and our commitment and expectations for asset management activities and decision making.

6.2.2 Strategy

Our Asset Management Strategy outlines our asset management system, translates organisational objectives into asset management objectives and provides the strategic approach for how we will develop our asset management plans.

Our Maintenance Strategy outlines our approach to maintaining and monitoring our assets. It sets our maintenance objectives and performance measures for maintenance activities.

An Asset Information Strategy  To be Developed outlines how data about assets is managed to ensure it remains current, accurate and complete to properly inform asset management decision making. We currently do not have this documented.

6.2.3 Plans

Our asset management plan details activities to be carried out to manage our assets. The plan provides details on capital investment, operation and maintenance requirements, costs and risks.

Our Capital works plan outlines the assets to be renewed, upgraded or created over the next 30 years. It includes estimated budget requirements and when assets are expected to be required.

Our Long-Term Financial Plan incorporates the capital works plan into detailed modelling of financial scenarios and all other budget considerations for Council over the next 30 years.

Our Delivery Plan covers a four-year period and includes all activities within Council to be delivered to achieve our business objectives, including asset management. It includes a detailed Operational Plan for the upcoming 12months.

6.2.4 Processes

There are numerous processes required to plan, coordinate and deliver asset management activities throughout the asset lifecycle. Documenting these enables knowledge retention and consistency in how processes are applied. While we currently undertake these utilising staff knowledge and experience, they are not formally documented. Some of the major processes include:

Capital Works Planning	Project Prioritisation	Decision Making
Condition Assessment	Intervention Levels	Asset Criticality
Asset Capacity Assessment	Useful Life Review	Asset Valuations
Cost Capture	Asset Risk Assessment	Asset Register Hierarchy
Asset Handover	Asset Addition & Disposal	Asset Data Collection
Performance Monitoring	Maintenance Planning	Defect Reporting

6.3 Information

Asset information is data about physical assets that is used to inform decisions for managing the operation and strategic planning of assets both in the short and long term. This data includes:

Physical asset attributes	Asset history
Documents	Design information
Images	Financial data

Asset information is a key component of asset management and should be managed in a way that reflects this. We have identified a required improvement action to develop an Asset Information Strategy to outline our intent for the management and governance of our asset information. This will review our current approach and systems to managing asset information and development of an improvement plan for how we intend to move forward with maintaining, improving and auditing our data to ensure it remains accurate, complete and up to date. This information may be used for purposes beyond asset management, so should not be managed in isolation.

6.3.1 Asset Information System

We implemented Confirm as our Asset Information System in 2011. This system stores our:

Asset Register	Asset Valuations
Asset Condition Data	Customer Service Requests (related to assets)
Asset Maintenance Program: Inspections Defects Jobs Maintenance History	

Each asset in the register has information stored against it to describe the asset, including attributes such as material, dimensions, installation dates. Maintenance activities are linked to the asset and provide information of what maintenance is to be undertaken and when it is due, along with a history of what has been completed.

6.3.2 Asset Register Structure

Our asset register is structured to store assets against functional areas. This allows a user to search for all assets related to water treatment, the Nightcap treatment plant, or all fluoride plant assets for example.

Catchments		Source	
Emigrant Creek Dam	Rocky Creek Dam	Bores	Telemetry
Wilson River Source	Proposed Dunoon Dam	Bulkflow	Wilson River Source
		Emigrant Creek Dam	Rocky Creek Dam
Treatment		Distribution	
Bulkflow	Rechlorination	Bulkflow	Retic
Emigrant Creek Treatment Plant	Reservoirs	Filling	Telemetry
Fluoride	Nightcap Treatment Plant	Pump Station	Trunk Reservoirs
Parks & Recreation		Property	
Emigrant Creek Dam		Rural	Reservoirs
Rocky Creek Dam		Proposed Dunoon Dam	Retic
		Pump Stations	Rural Flood
		Rocky Creek Dam	Urban Flood
Flood			Wilson River Source
Rural Flood Mitigation			Emigrant Creek Dam
Urban Flood Mitigation			

6.3.3 Information Requirements & Standards

We currently do not have documented information standards or requirements. Physical asset attributes fields for different asset groups such as material or size for example, were developed in 2011 when we implemented Confirm. These provide an indication of the types of information to collect for various asset types. However, there is no guidance provided for what information should be mandatory. This is an area for improvement that should be addressed with development of an Asset Information Strategy.

6.3.4 Managing Data

Our asset information is managed by our Planning & Delivery team who are responsible for entering new assets, updating data, creating and managing maintenance programs within Confirm, and updating plan registers. Responsibility for management of asset information and the processes required will be formally documented as part of our improvement actions going forward.

7 Risk

7.1 Risks & Opportunities

Management of risk is an integral component of all our processes and decision making. Risk is the likelihood of any action or event occurring that could impact our ability to deliver our asset management objectives. It also covers failure to identify and capitalise on opportunities. Risk management involves planning to prevent or reduce the consequences or likelihood of risks occurring. Managing risks related to our assets and asset management system is aligned with our overall organisational risk management approach.

Risk may affect varying activity levels within the organisation. For example:

Corporate	Activity	Operational
Affect the entire organisation	Affect management of activity and associated assets	Specific critical asset, project, or operational risks

Various risk types can also be identified, including:

Planning Risks	Strategic planning Asset management planning	Service level Natural event and environmental
Management Risks	Information Systems	Financial People
Delivery Risks	Procurement Project management	Contract management Communication Natural event and environmental
Physical Asset Risks	Risks common to all assets	Risks associated with specific asset types or individual assets

These risks may be assessed at varying levels of detail depending on context and the nature of their impact

The aim of current risk management policy is to:

Maintain continuity and quality of service	Protect assets	Minimise exposure to fraud and corruption	Minimise legal liability	Minimise loss from unplanned, unexpected events
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Our risk management procedure outlines the process to:

Identify Risk	Analyse Risk	Evaluate Risk	Treat Risk
Identify potential risks – what could happen, where, when and how. Identify causes and sources of risk.	Understand individual risks including sources and causes, identify risk rating by combining consequences and likelihood of occurring	Decisions based on risk analysis of need to treat and priority of treatment implementation	Implement controls to manage risk, assess effectiveness of treatment and determining if residual risk is tolerable
Monitor, review and report			
Monitoring of new and existing risks and controls			

We maintain risk registers to record known risks:

Corporate Risk Register	Records organisational level risks with their consequences, likelihood and risk rating. Records controls that are in place or are to be implemented to reduce risk and who is responsible for implementing these.
Asset Risk Register	A register specifically recording risks relating to assets. This register takes a more detailed look at risk management for assets, assessing risks down to asset types and individual high criticality assets. This register may identify controls that include capital works to mitigate risks. This register has not been maintained and has been identified as an area for improvement.

7.2 Critical Assets

Critical assets are those which have a high consequence of failure or have a significant impact on the achievement of organisational objectives. Criticality may be applied to asset groups or individual assets. Factors that affect criticality can include:

Safety	Environmental Impact	Performance
Regulatory Requirements	Service Provided	Critical Customers

Understanding asset criticality provides context to decision making when prioritising asset management planning, activities and funding. It allows us to target and refine maintenance activities, condition inspection programs and capital expenditure to ensure those assets most critical to providing our services remain operational.

7.2.1 Assessment of Criticality

We have not formally identified our critical assets. We currently rely on broad assumptions, such as larger

water mains are more critical than smaller mains. However, these assumptions have not been documented. Developing formal criticality assessment criteria and applying these to asset types has been identified as an improvement action. Identification of high criticality individual assets or asset systems will also be undertaken.

Once individual high criticality assets have been identified, a more detailed risk analysis can be undertaken to understand probable failure modes and mitigation options.

7.2.2 Managing Critical Assets

Once criticality of our assets is understood, we can use this information to optimise maintenance requirements and frequency, identify critical spares required, prioritise renewal and replacement strategies and options. We can develop intervention levels to inform decisions about when to implement additional maintenance or renew critical assets and prioritise response to failures and defects.

8 Organisation & People

8.1 Organisational Context

8.1.1 Internal & External Business Drivers

Our asset management practices need to meet the demands of changing external and internal environments and expectations. Drivers that affect the context in which we operate our assets include:

External Drivers			Internal Drivers		
Legislative Environment	Commercial Environment	Economic Environment	Corporate Goals	Business Framework	Organisational Culture
Regulatory requirements for asset management and service delivery	Service delivery approach, pricing and charges, affordability and financial restraints	Economic growth, economic efficiency, resource availability	Goals and objectives set by the organisation	Alignment with other management systems across the organisation	Commitment to asset management, integration across functional teams
Social Environment	Natural Environment	Other	Financial Sustainability	Customer Expectations	Other
Benefits and impact on community and businesses now and into future	Environmental sustainability, limiting adverse impacts, climate change	Technological developments, political environment	Long term financial sustainability, funding requirements	Types of customers, what they value, their service expectations, willingness to pay	Governance framework, policies, organisational structure, roles & responsibilities

8.1.2 Stakeholders

The stakeholders affected by our asset management include both internal and external parties, such as:

External Stakeholders	Internal Stakeholders
Constituent Councils, Direct/Indirect Consumers, Landholders (those protected by flood mitigation & those affected by our assets or access to our assets), Community Groups, Government Agencies	Our Councillors, Rous Staff, Functional Teams (i.e. planning, finance, operations etc), Management

8.2 Leadership & Culture

Creating a culture with a commitment to asset management is vital to realise consistent and effective integration and alignment of practices across functional areas of Council. A positive culture and leadership will allow us to strive for continuous improvement in asset management performance and outcomes to meet our objectives.

Leadership sets the direction and priorities for asset management practices. This includes development of both culture and an organisational structure which supports it. Visible senior management commitment to and ownership of asset management is important to ensure it is perceived as a vital part of Council's functions. This requires leadership to be clear about what we are trying to achieve and why it is important.

Our asset management leaders:

Provide direction and support	Set priorities	Innovate
Develop practices and processes	Implement improvements	Communicate and raise awareness
Provide appropriate resources	Collaborate across functional areas	Monitor and review performance

As we improve our asset management practices, we hope to develop a culture that:

Provides a clear vision of where we are going	Offers management support and engagement	Values consistency across the organisation
Breaks down silos and embraces collaboration	Enables clear communication channels	Embraces evidence-based decisions
Plans for the long term	Values processes as well as outputs	Benchmarks itself against best practices
Encourages innovation	Seeks continual improvement	Is proactive rather than reactive
Monitors and reviews performance	Integrates asset and business systems	Values development of staff capability

In general, barriers organisations need to overcome when improving culture include:

History Habits have developed over time	Organisational Silos Lack of information flow and cooperation between functional areas
Loss of Expertise Key staff leaving and taking knowledge with them	Structural Inertia Culture linked to structure and job titles limiting willingness for change
Inconsistency Inconsistent application across organisation	Lack of Clarity Lack of awareness of need for changes
Inactivity Lack of visible progress or long delays weakens support and commitment	Lack of Commitment If management not committed to change neither will staff
Lack of Resources Required resources not available to achieve results	

8.3 People & Competencies

Delivering effective asset management requires a suitable organisational structure with competent and motivated people. It requires people from different functions and disciplines to work closely together, with responsibilities assigned to staff with sufficient influence and authority to progress and implement the asset management agenda.

8.3.1 Roles & Responsibilities

Asset management covers seven key functions:

Policy development	Strategy development
Asset management planning	Implementing asset management plans
Asset management capability development	Risk management & performance improvement
Asset knowledge management	

The responsibility for these functions across our functional areas is summarised below:

Planning & Delivery Policy, Strategy, Planning, Implement Plans, Capability, Risk & Performance, Knowledge Management
People & Performance Policy, Capability, Risk & Performance
Corporate & Commercial Planning, Risk & Performance, Knowledge Management
Operations Planning, Implement Plans, Risk & Performance

8.3.2 Asset Management Competencies

Understanding the knowledge required to undertake asset management roles is necessary to ensure we have competent people in place capable of delivering required outcomes. Development of an asset management competencies framework and applying this to roles across Council has been identified as a required improvement action. Defining these competencies will allow us to develop our people and clearly define roles and responsibilities.

The Institute of Asset Management has developed the following elements for asset management functions, with further competencies under each. These will be used to help develop our Competency Framework.

Policy development	Analyse Policy requirements
	Develop AM Policy
Strategy development	Analyse strategic requirements
	Forecast and analyse future user requirements and demands
	Develop the AM strategy
	Plan the implementation of the AM strategy
Asset management planning	Appraise investment options
	Apply whole life costing principles
	Produce business case for creation and/or acquisition of assets
	Plan for contingencies
	Develop and communicate AM Plan(s)
Implementing asset management plans	Create and acquire assets
	Control operations
	Maintain assets
	Optimise and rationalise assets
	Renew or dispose of assets
Asset management capability development	Develop and deploy AM people and teams
	Develop and deploy suppliers
	Design and manage organisational change
	Shape the AM culture
Risk management and performance improvement	Assess and manage risks
	Assure the quality of AM processes
	Monitor and review progress and performance
	Review and audit compliance with legal, regulatory, ethical and social requirements
	Learn from incidents
Asset knowledge management	Define asset information requirements
	Specify, select and integrate AM information systems
	Make appropriate AM information available for decision making

8.3.3 Awareness & Communication

Communication of asset management objectives, processes and outcomes is important to:

Promote importance of asset management

Raise awareness of requirements & expectations

Improve knowledge

Understand risks

Improve collaboration to achieve outcomes

Share successes and learn from failures

Communication methods and types of information provided will vary for different stakeholders:

Councillors	Constituent Councils
E.g. asset management objectives and strategy, capital works plan, budgets, significant risks or issues, performance	E.g. asset management objectives and strategy, demand forecasting, future financial requirements, service levels, consultation
Asset Management Staff	All Staff
E.g. asset management objectives and strategy, capital works plan, processes, decision making, significant risks or issues, performance, roles & responsibilities, achievements, improvements, collaboration and consultation	E.g. asset management objectives and strategy, impact of work activities on asset management outcomes, performance, achievements
Regulators	The Community
E.g. compliance with regulatory requirements, rates and charges justifications, financial performance	E.g. services provided and standards to expect, useful information, service interruptions, significant achievements

Methods for communications may include:

Reports	Presentations	Documented Processes
Meetings	Website & Social Media	Planning Documents
Media Releases	Newsletters	Strategy Documents

Improvement in how, what and when we communicate information on asset management processes, outcomes and performance has been identified as a required improvement action.

9 Monitoring & Improvement

9.1 Monitoring & Performance

We have developed measures to monitor how our asset management system and assets are performing against our desired asset management objectives.

These performance measures are intended to provide an understanding of the health of our assets and the suitability of our asset management system and processes. The targets set have been identified to provide direction and commitment to improving our performance.

Performance monitoring is a critical input for the improvement process. Failing to meet the targets we have set does not necessarily reflect poor performance but indicates areas for review to identify and direct future improvements.

Further performance measures have been developed and outlined within our Maintenance Strategy. These measures relate to how our maintenance activities are achieving our objectives and sustainably maintaining our assets.

Monitoring of performance against our objectives allows us to gather information to:

Identify when we need to change what we are doing	Determine current & future resource requirements
Evaluate risks & opportunities	Track trends in asset health
Plan & schedule activities	Enable compliance, traceability & transparency
Identify priority areas for spending	Provide information for decision making
Identify improvements in processes	Track sustainability of actions

The performance measures identified in the following section are an initial attempt to develop the means to monitor our asset management system and asset health. An important part of the monitoring process is to report against these performance indicators and review the results.

It is also important to review the measures selected to determine their suitability. This review will be undertaken after we have gathered 2 years' worth of data to determine if:

Our measures are realistic and achievable

If the data can be consistently and accurately collected

Balance the costs and time taken to collect the data against the benefits monitoring provides

This may result in the identification of additional, alternative, or fewer performance measures.



9.1.1 Asset Management System

Asset Management System Objectives	Strategies to Achieve Objectives	Performance Measures	Targets			
			2021/22	2022/23	2023/24	2024/25
Convert strategies and plans into actions to deliver agreed service outcomes that balance cost, risk, and performance of assets	1. Report on performance of assets and the asset management system to stay accountable for outcomes and track achievements 2. Develop processes and systems to capture the information necessary to effectively and efficiently undertake performance reporting	• Reporting process documented	Process developed			
		• Reports produced on time		95%	95%	95%
Embrace a strategic whole of life approach to the long-term management of assets to realise value and delivery of required services now and into the future	3. Document processes for asset planning to ensure consistent, evidence-based decisions 4. Determine criticality for asset classes and identify highly critical assets to guide prioritisation and management of resources	• Capital works planning process documented	Completed		Reviewed	
		• Criticality for all asset classes determined and recorded	Process Developed		Assessed	
		• Individual high criticality assets identified		Assets identified		
Commit to consistent, evidence based decision-making processes that utilise the knowledge and expertise of our people and the information embedded in our systems	5. Develop an Asset Information Strategy to guide how asset information is collected, stored and accessed 6. Develop an agile decision-making framework with a focus on utilising information and evidence to guide how decisions are made, recorded and who has the authority to make them	• Asset Information Strategy developed, and improvement actions progressed	Strategy Completed	25% Improvements Complete	50%	75%
		• Decision making framework implemented		Framework deployed		
		• Increasing trend in number of asset management decisions recorded	Process Developed	25% increase over baseline	50%	75%
		• Increasing trend in evidence provided to support project proposals	Process developed	25% meet requirements	50%	75%
Assets maintained to a suitable level to meet performance and service requirements	7. Report on performance of assets to remain accountable for service outcomes and long-term sustainability of assets 8. Track trends in key performance indicators of service quality, cost and reliability to demonstrate effectiveness of management and operational actions and identify any risks or required improvements	• Maintenance objectives met and reported (detailed in Council's Maintenance Strategy)	Track Trend*	Review performance measures*	Track Trend*	Track Trend*
		• Number of trunk mains breaks per 100km				
		• Number of reticulation mains breaks per 100km				
		• Number of identified failed valves				
		• Trend in condition for asset classes				
		• Useful life remaining to condition				
		• Percentage of assets over or under utilised				

Asset Management System Objectives	Strategies to Achieve Objectives	Performance Measures	Targets			
			2021/22	2022/23	2023/24	2024/25
Responsive action to maximise the time that assets are available within appropriate levels service, and that service requests are attended to in a timely manner	9. Ensure planned works are managed to minimise impacts 10. Respond to unplanned interruptions and defects to minimise impacts 11. Provide notification to affected customers and stakeholders of interruptions or changes in service to inform them of impacts	<ul style="list-style-type: none"> Frequency of Unplanned interruptions 	Track Trend*	Review performance measures*	Track Trend*	Track Trend*
		<ul style="list-style-type: none"> Frequency of planned interruptions per customer 				
		<ul style="list-style-type: none"> Frequency of repeat interruptions per customer (customer affected by more than 1 interruption) 				
		<ul style="list-style-type: none"> Avg duration of unplanned interruption 				
		<ul style="list-style-type: none"> Avg duration per customer affected by unplanned interruption 				
		<ul style="list-style-type: none"> Number of separate unplanned interruptions where duration exceeds 24hours 				
		<ul style="list-style-type: none"> Number of planned interruptions that exceed notified timeframe 				
		<ul style="list-style-type: none"> Avg duration per customer affected by planned interruption 				
		<ul style="list-style-type: none"> Number of planned interruptions where duration exceeds 8 hours 				
		<ul style="list-style-type: none"> Total duration of time above or below SLA notification levels 				
Engage with stakeholders to understand sustainable service expectations and gain trust as a valued service provider for the region	12. Engage with external and internal stakeholders to understand service level expectations 13. Communicate financial and operational implications or limitations to ensure any risks or gains of decisions are understood 14. Promote asset management messaging in internal communications to raise awareness of processes, decisions and outcomes	<ul style="list-style-type: none"> Asset Management included in all new staff inductions 	Induction material developed	100%	100%	100%
		<ul style="list-style-type: none"> Performance outcomes of assets and the asset management system shared annually 		Performance outcomes shared	Performance outcomes shared	Performance outcomes shared
		<ul style="list-style-type: none"> Internal project engagement includes an increase in asset management messaging 	Process developed	25% increase		50%

Asset Management System Objectives	Strategies to Achieve Objectives	Performance Measures	Targets			
			2021/22	2022/23	2023/24	2024/25
Develop capable and motivated people with the skills to deliver asset management objectives who take ownership of assets and service outcomes	15. Develop an asset management competencies framework that recognises the knowledge and skills required for asset management to guide growth in our people and capabilities 16. Provide an understanding of asset management roles, responsibilities and cross functional relationships to support collaboration and ownership of outcomes	• Asset management competencies framework developed			Framework developed	
		• Increasing trend in asset management related professional development undertaken				20%
		• Major asset management roles documented with outline of responsibilities and handover points between roles			Roles documented	
Foster an asset management culture that is accountable, transparent and aligns across the organisation to achieve our business objectives	17. Address asset management principles in project proposals and when making decisions to support ownership of asset performance outcomes and delivery of business objectives 18. Reviewing what we said we were going to do against what we accomplished to encourage a culture shift towards more considered forward planning 19. Promote communication and knowledge sharing to understand the impact teams across the organisation have on positive asset management outcomes for the organisation and community	• Management review of asset management practices and outcomes undertaken by Leadership Team				Review completed
		• Increasing trend in asset related project proposals that specifically address asset management principles		50%		75%
		• Decreasing trend in number of amendments to capital works plan and budget and percentage of capital works completed as proposed	Process Developed Baseline Identified	10% Improvement over baseline	20%	30%
		• Hold meetings with functional teams to discuss reasons for and impacts of process improvements being implemented	Meetings held with 100% of affected teams	Meetings held with 100% of affected teams	Meetings held with 100% of affected teams	Meetings held with 100% of affected teams
Implement a robust asset management system with a focus on continual improvement	20. Document asset management processes to deliver consistent outcomes 21. Improve access to systems and information for office and field staff 22. Develop and implement a prioritised improvement plan to continually advance our asset management practises	• Priority asset management processes documented	Identify processes to be documented	Completed		
		• Non-priority asset management processes documented		40%	60%	80%
		• Number of documents reviewed		5	5	5
		• Staff able to access systems in the field in user friendly manner			Determine best means access	Access enabled
		• Progress in implementing improvement actions	25%	50%	75%	95%

**Until we can establish what the performance of our assets looks like by collecting data, we will track trends in asset performance only. More detailed targets will be developed when this strategy is reviewed in 2024. During this time, we will measure our trends against state benchmarks.*

9.2 Continuous Improvement

We are committed to continually improving the suitability and effectiveness of our asset management practices.

We will do this by monitoring performance of our assets and asset management system, reviewing strategic and planning documents, reviewing documented processes, encouraging suggestions and actively seeking knowledge to improve practices and outcomes. By doing this we will gain an understanding of the gap between where we currently are with our practices and where we would like to be. This will allow us to identify improvement actions to shift our asset management capabilities towards industry best practices. These improvements can then be assessed, prioritised and implemented, followed by monitoring and review of the effectiveness of the actions and identifying further improvements as an ongoing iterative activity.

Section 9.6 of this strategy outlines the prioritised improvement actions we intend to implement over the next four years.

9.2.1 Review

Management Review

Our management reviews are a formal process that provide the opportunity for our senior management to evaluate and improve the suitability and effectiveness of our asset management system. These are undertaken formally every four years as part of the review of our strategic and planning documents.

These reviews are high level and consider our strategic approach and asset management objectives. They address the long-term sustainability of our assets and asset management practices.

Management reviews cover the full scope of asset management practices, including consideration of the following areas:

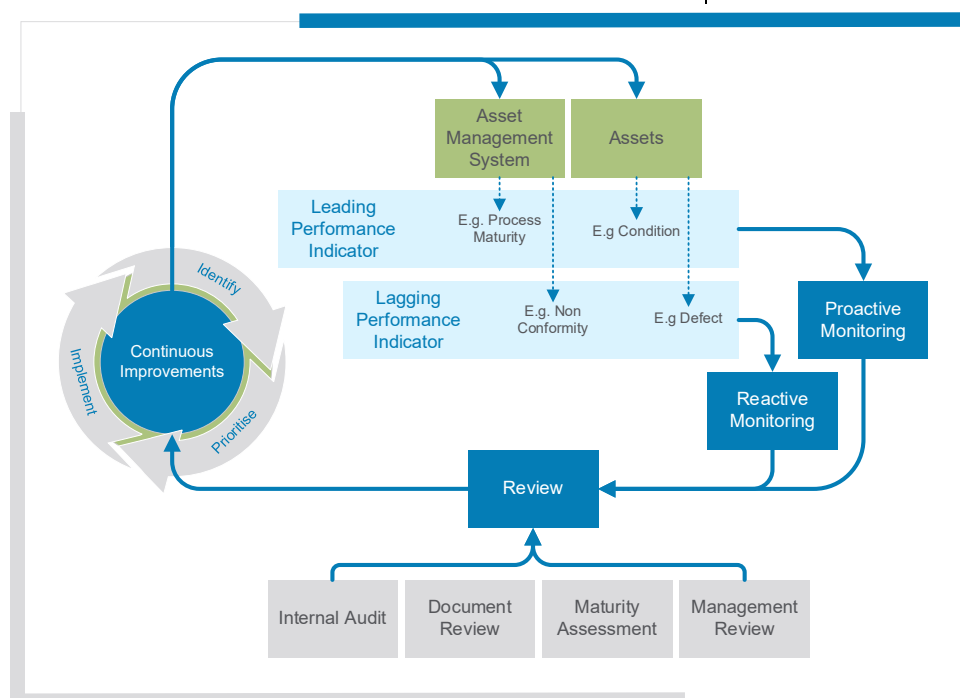
Improvement implementation	Stakeholder requirements
Non-conformities and corrective actions	Performance monitoring
Scope, policy and objectives	Decision making criteria
Resources, roles and responsibilities	Changes to asset portfolio

Document Review

We have identified improvement actions to document our asset management processes. Once these documents are developed, a review program will be implemented to ensure they remain current and to identify improvements. The extent of the review will depend on the criticality of the process being documented, with critical processes undergoing more rigorous review.

Performance Review

Monitoring of performance measures provides input into the review of our systems and processes. Performance reporting will be developed and reviewed to identify opportunities for improvement.



9.2.2 Auditing

Internal auditing provides insight into how well our asset management systems and processes are being implemented and adhered to, and if the intended outcomes are being achieved. This allows us to evaluate the effectiveness of our systems and provides input into the management review and identifying improvements. Development of an internal auditing process, including desired scope of auditing and who will undertake it, has been identified as a required improvement action.

9.3 Maturity

Asset management maturity is an assessment of the capabilities of an organisation in relation to its asset management practices against what is considered best practice in the industry. The aim is to identify strengths, risks and opportunities to prioritise future development and track the progress of implementing improvements.

We have adopted the following maturity scale:

Innocent
No recognition of the need for asset management requirements, and no commitment to improve practices
Aware
Identified the need for asset management, and evidence of intent to progress towards implementing improvements
Developing
Planned means of integration & improvement of asset management systems, demonstration of progression in implementing improvements, resource commitment
Competent
Formally documented system, consistently achieve requirements
Optimising
Demonstration of systematic & consistent optimisation and improvement of asset management
Excellent
Demonstrated leading practices in asset management

9.3.1 Maturity Assessment

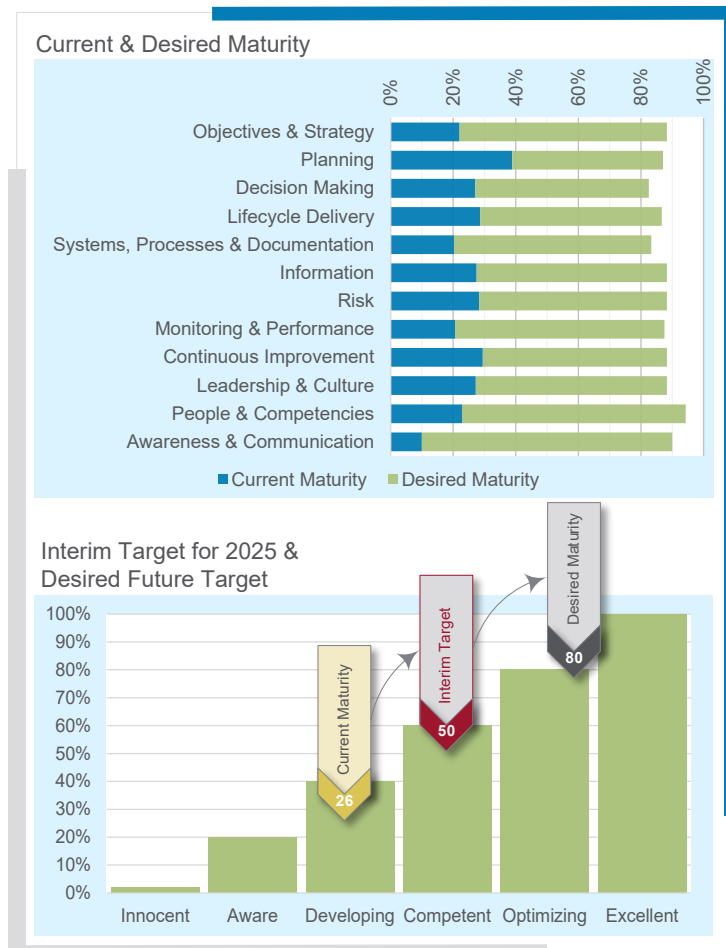
We undertook a self-assessment of our asset management in March 2020 to understand the maturity of our current practices. This provided the insight necessary to direct improvements towards more advanced asset management practices, systems and capabilities. We utilised maturity assessment tools developed by IPWEA and the Institute of Asset Management.

This assessment was completed for each of the following asset management elements:

Asset management objectives & strategy	Asset management planning
Decision making	Lifecycle delivery
Systems, processes & documentation	Information
Monitoring & performance	Continuous improvement
Risk	Leadership & culture
People & competencies	Awareness & communication

We also undertook several workshops with a group of staff heavily involved in asset management to determine Council's current position and identify maturity gaps.

An overview of the results of the maturity assessment are shown below.



9.3.2 Gap Analysis

A gap analysis takes the information from the maturity assessment and develops actions to close the gap between where our asset management practices currently are, and where we would like them to be. We have taken the actions identified to close the maturity gap and developed these into the prioritised improvement plan in the following section.

Further detail of the maturity assessment can be found in the:

Asset Management Maturity Assessment & Gap Analysis March 2020 document

9.4 Improvement Plan

The following actions have been identified to improve our asset management practices over the next four years (2021-2025). These have been developed from the actions identified to close the gaps between our current and desired asset management maturity. Further detail on the actions can be found in the Asset Management Maturity Assessment & Gap Analysis March 2020 document.

These actions have been prioritised based on the:

Complexity of the action		Reliance on data collection or other improvement actions	Budget requirements and available resources	Impact of the action on improving our asset management maturity			
Priority	Improvement Action	Lead	Year				
			21/22	22/23	23/24	24/25	
1	Implement an asset management steering committee	LT	✓				
1	Recruit an Asset Management Improvement Officer	GMPD	✓				
1	Maintenance Strategy Improvement - Condition Assessment	PDE	✓	✓			
1	Develop and document a formal capital works planning process	PDE		✓			
1	Maintenance Strategy Improvement - Maintenance Program Review	DTEM OEM	✓	✓	✓	✓	
6	Maintenance Strategy Improvement - Cost Capture	PDE			✓	✓	
6	Develop reporting on asset management system and asset performance	AMSO		✓		✓	
6	Develop process for identifying asset criticality and assess assets	PDE		✓	✓		
9	Review and update Asset Management Plan	AMSO	✓	✓	✓	✓	
9	Develop and formally document a decision-making framework	PDE		✓	✓		
9	Review and update asset risk register	PDE		✓			
12	Develop and implement an Improvement Plan for Confirm	AMSO	✓	✓	✓		
12	Maintenance Strategy Improvement - Defect Capture	DTEM OEM	✓	✓	✓		
12	Maintenance Strategy Improvement - Review, Reporting & Awareness	AMSO	✓	✓	✓	✓	
15	Document all major asset management processes	AMSO	✓	✓	✓	✓	

Priority	Improvement Action	Lead	Year			
			21/22	22/23	23/24	24/25
15	Implement review, development and reporting of improvements program	AMSO	✓	✓		
15	Review Asset Management Policy	AMSO	✓			
15	Develop an Asset Information Strategy	AMSO			✓	
15	Develop and implement review program for asset management system	AMSO				✓
15	Develop and implement a communication plan for asset management	AMSO		✓		
21	Implement GIS Development and Improvement Plan	AMSO	✓	✓		
22	Develop and document an asset handover process	PDE			✓	
22	Develop an electronic Asset Management Manual	AMSO		✓		
22	Improve storage and access to technical plans, SOPs and other asset related documents	PDE			✓	
24	Develop material on asset management for staff inductions	AMSO HR			✓	
26	Integrate demand analysis with asset planning and decision making	SPE			✓	
26	Maintenance Strategy Improvement - Confirm Processes	AMSO	✓	✓	✓	
28	Embed principles from Asset Management Policy & Strategy into business as usual	LG				✓
28	Develop asset management competencies framework	LT HR				✓
28	Promote development of asset management capability	LT HR				✓
31	Document all minor asset management processes	AMSO			✓	✓
32	Improve field access to asset systems, information and documents	PDE				✓
32	Develop and implement an internal auditing process for asset management system	AMSO				✓

WATER SUPPLY Asset Management Plan 2022-2025

DRAFT March 2022



ROUS
COUNTY COUNCIL

■ BULK WATER SUPPLY ■ WEED BIOSECURITY ■ FLOOD MITIGATION

DRAFT

File no.:	Next review date: June 2025		
Purpose and description	Version	Status	Date
Provides detailed plan for managing Council's water assets to achieve asset management objectives	0.1	DRAFT	10/08/2021
	0.2	FINAL DRAFT	04/03/2022
	1.0	ADOPTED	
Document review and approval			
Name	Action	Initial	Sign off date
Asset Management System Officer	Author	KE	04/03/2022
Dams & Treatment Engineering Manager	Review & Endorse		
Operations Engineering Manager			
Group Manager Operations			
Asset Planning Engineer			
Strategic Planning Engineer			
Group Manager Planning & Delivery			
Finance Manager			
Group Manager Corporate & Commercial			
Leadership Team	Approve		

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DRAFT

1. Executive Summary

This Asset Management Plan provides an overview of how we manage and operate our water assets. Water assets include catchments, sources, treatment, bulk distribution and retail distribution.

Levels of Service

Our level of service objectives cover:

- Quality
- Reservoir service & notification levels
- Demand management
- Continuity of supply
- Monitoring
- Catchment management plans
- Quantity
- Measurement of bulk water supply
- Restriction of supply
- Infrastructure access
- Reporting
- Integrated Water Cycle Management

Risk Management

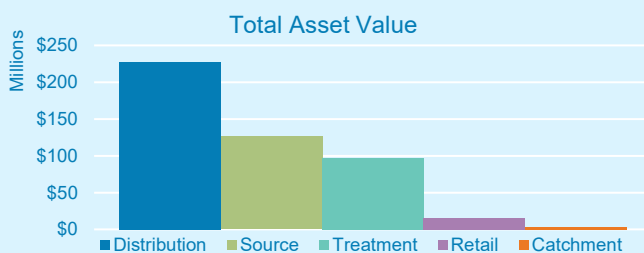
- Critical assets – an improvement action has been identified to improve identification of our critical assets
- Asset, Operational & Environmental risks – high level risks associated with our assets and their operation have been identified

Demand

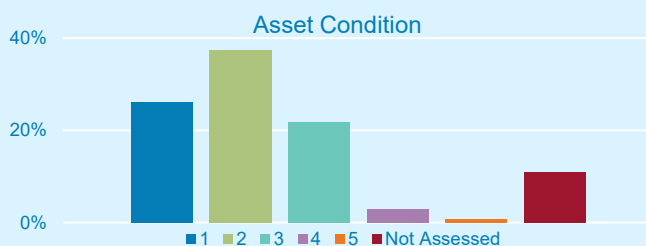
Our demand forecast was updated in 2020 as part of the Future Water Project 2060 to support strategic planning to ensure long-term water supply security for the region. With forecasted population growth, the increase in demand on our drinking water supply is expected to increase by 37% by 2060. Climate forecasts also predict a reduction in available surface water by 22% by 2060. Based on current growth, water supply demand will exceed reliable supply by 2024. The Future Water Project 2060 aims to address this and will result in capital investment for new and upgraded assets and operational changes.

Asset Information

We maintain a water asset base valued at \$469 million across our four constituent councils.



The highest value water assets are currently condition assessed as part of our revaluation process every four years. Approximately half our assets have not been condition assessed, however these are low value assets accounting for around 6% of the total value.



Monitoring & Improvement

We are committed to continual improvement of our asset management practices. A detailed improvement program has separately been identified and documented with implementation of improvement actions underway.

Lifecycle Management

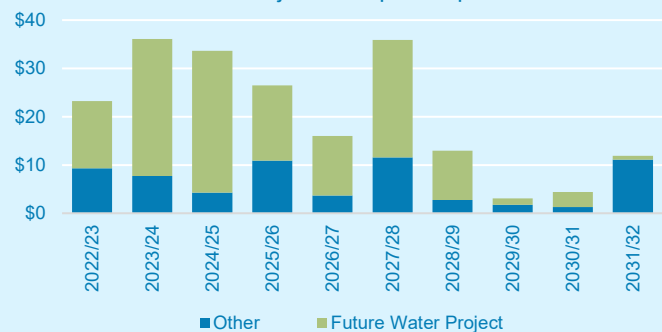
- Operations - Our water assets are operated in a manner that ensures our objectives are achieved at least cost with the impact of breakdowns minimised
- Maintenance - is a combination of planned and reactive. Some planned maintenance activities are recorded in our asset information system, with others recorded by a variety of means. There is currently no planned inspection program in place to identify condition. Defects identified are entered into our asset information system,

10 Year Projected Operations & Maintenance Expenditure



- Capital Works - Asset renewals are undertaken to ensure the continuing reliability of existing infrastructure to deliver its required level of service and to meet increases in demand. There is a significant capital works program over the next ten years with works identified from the Future Water Project 2060.

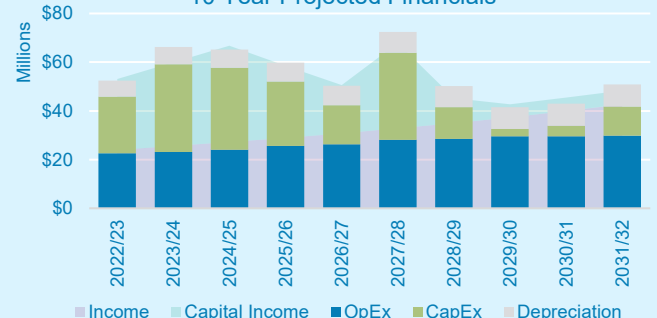
10 Year Projected Capital Expenditure



Finance

We undertake long term financial modelling for our water services on an annual basis to ensure we meet funding requirements of the capital works program and other lifecycle costs associated with operating and maintaining our assets. Our bulk and retail water funds are in a healthy position. Loans will be required to fund the significant capital works required to deliver the Future Water Project over the next ten years. There will also be an increase in operational expenditure to deliver and operate these additional water sources and related assets. Our bulk and retail fund reserves will fall below target balances over the next ten years before beginning to rise again.

10 Year Projected Financials



2. Introduction

2.1. Scope

2.1.1. Purpose of plan

The ISO55000 standard defines asset management as the coordinated activity of an organisation to realise value from assets. The realisation of value involves the balancing of cost, risks and performance while achieving the organisation's business objectives over the entire lifecycle of assets and should have a service delivery focus.

This asset management plan details the actions required to manage our water supply assets to ensure they deliver the required level of service in the most cost-effective manner. The plan documents our current practices regarding the operation, maintenance and identification of capital requirements for the renewal and upgrade of our assets. This plan will identify and provide a summary of:

Required services	Water supply assets
Demand drivers	Asset related risks
Capital works requirements	Operations plan
Maintenance plan	Funds required
Improvement actions	Performance indicators

This asset management plan should be read in conjunction with our:

Relationship	
Business Activity Strategic Plan	Outlines organisational strategic objectives. Links to section 1
Asset Management Policy	Outlines principles, requirements and responsibility for asset management. Links to section 1
Asset Management Strategy	Outlines objectives, practices and improvement actions for asset management. Links to section 1 and 9
Long Term Financial Plan	Links to financial summary and projections in Sections 6 and 8
Capital Works Plan	Links to planned asset renewals, new assets and upgrades in section 6
Service Level Agreements	Links to levels of service in section 3
Delivery Program / Operational Plan	Links to lifecycle management and planned capital works in section 6

2.1.2. Description of assets covered by plan

This plan covers our water infrastructure assets that provide bulk and retail water supply and related services. Full details of asset types, values, condition and age can be found in section 5 of this plan.

Bulk Water Supply	Catchment	Rocky Creek Dam	Emigrant Creek Dam	Wilsons River Source	
	Source	Rocky Creek Dam	Emigrant Creek Dam	Wilsons River Source	Bores Telemetry
	Treatment	Emigrant Creek WTP	Nightcap WTP	Fluoride	Re-chlorination
	Distribution	Trunk Mains	Reservoirs	Telemetry	Pump Stations
Retail Water Supply	Distribution	Reticulation Mains	Fill Stations	Meters	

Assets not covered:

Flood Mitigation

Commercial

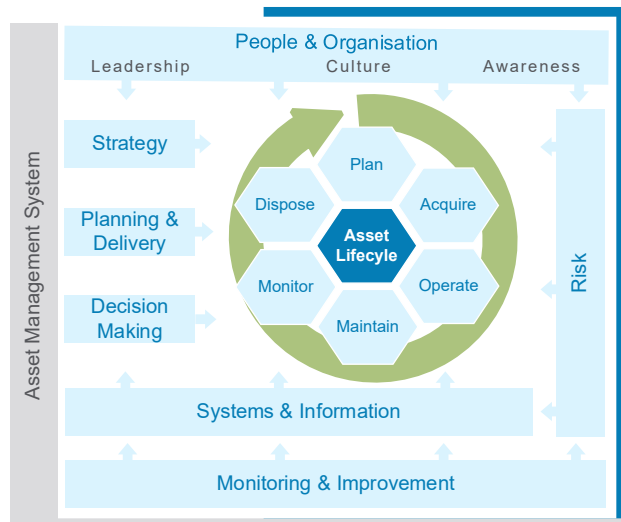
Land & Building

Parks & Recreation

Plant & Fleet

2.1.3. Duration of plan

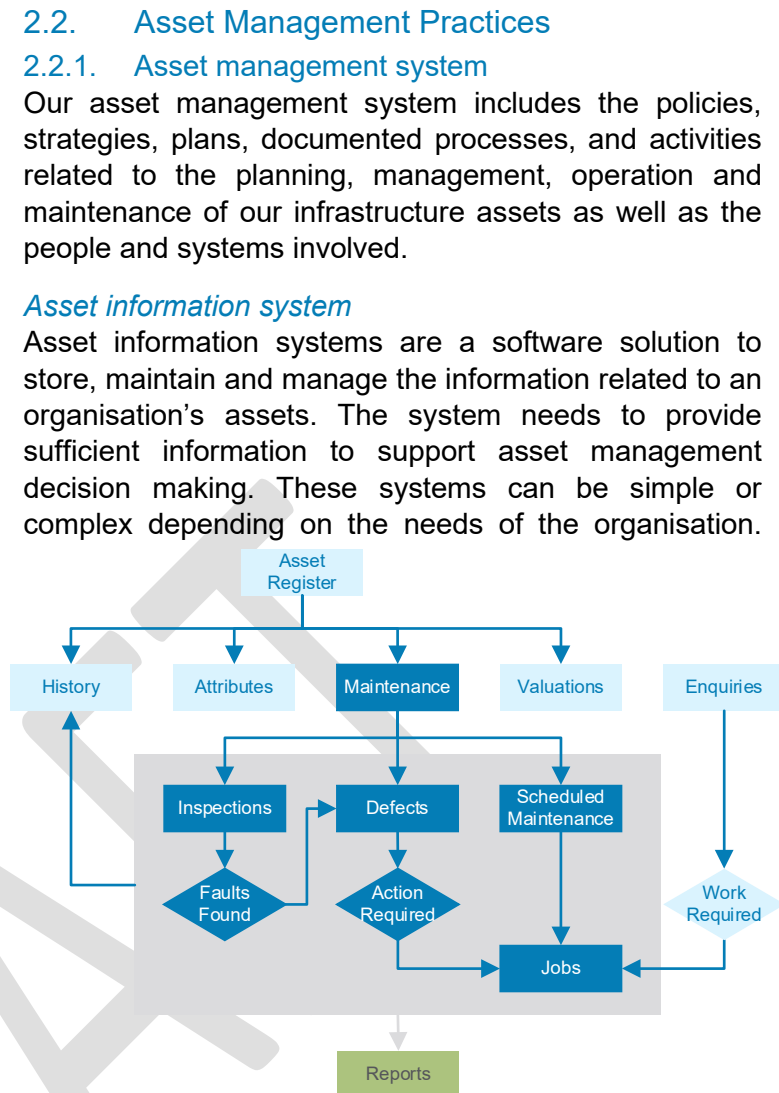
This plan covers a planning horizon of ten years with a major review and update every four years.



Having an effective asset information system is a key component of asset management as it ensures the right information is available to the right users at the right time, allowing them to make decisions to achieve asset management objectives.

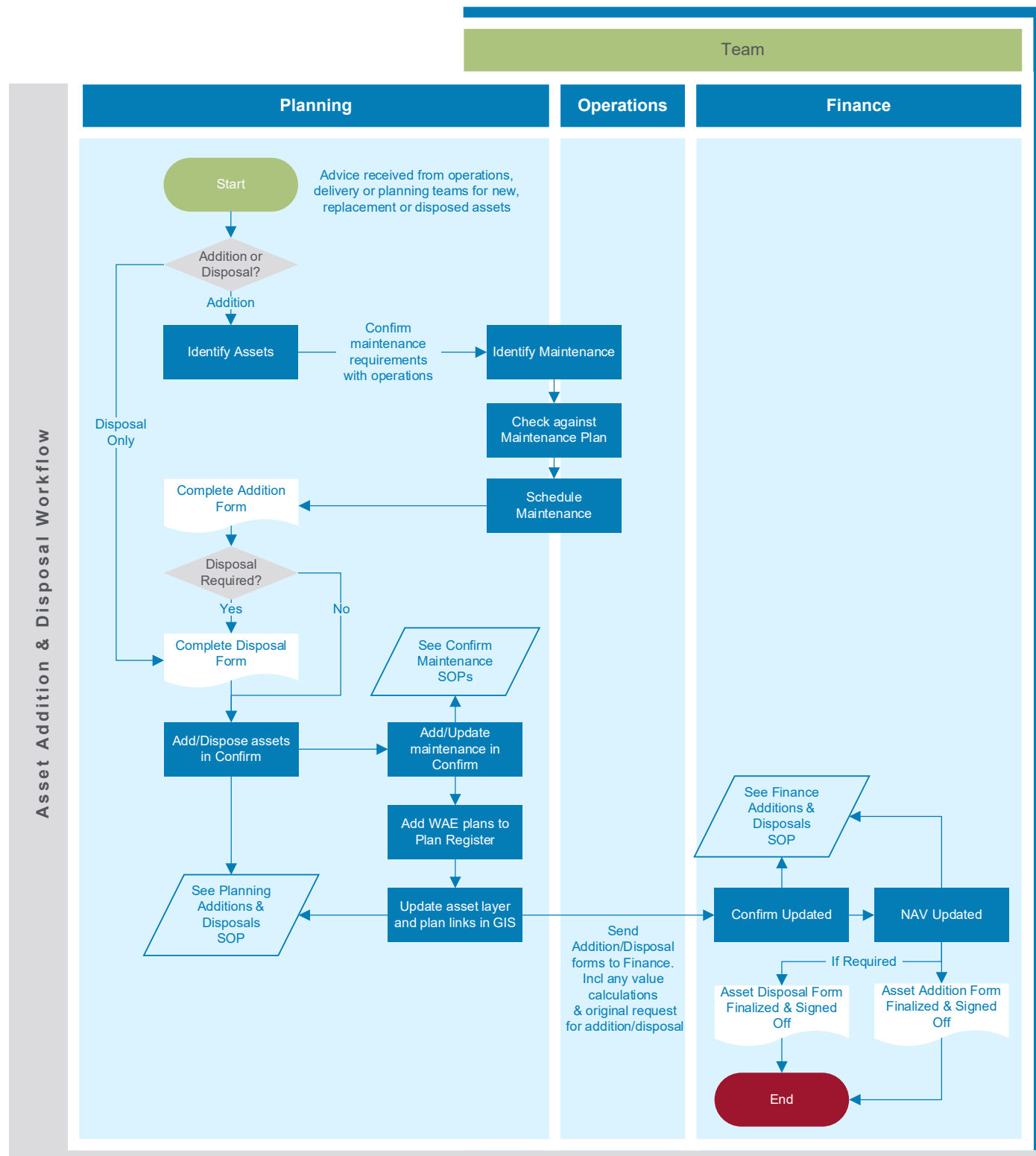
Our corporate asset information system is Confirm, with the Confirm Connect app used within the field. Staff can access and view asset and maintenance data within Confirm, with the Asset Planning team responsible for managing the system. A Confirm Development Plan is in place to guide improvements to the system.

Confirm is utilised for the following functions:



Description	
Asset register	Identifies all discrete fixed infrastructure assets. Includes all attributes necessary to describe and identify assets and their location. E.g. material, age, dimensions. Generally, assets with different useful lives, maintenance regimes or attributes information are separated into discrete assets, e.g. buildings are componentised into roof, sub structure, fixtures & fittings etc. Valuations, maintenance programs and their history are linked to the asset.
Asset valuation	Stores the replacement cost, current fair value, accumulated depreciation of assets, along with history of changes to those values over the lifetime of the asset and annual indexation. Valuation data is exported from Confirm & reconciled against our general ledger within our finance and purchasing system annually.
Inspection programs	Scheduled risk inspections identify defects and are completed in the Connect app on mobile devices in the field. Inspections use defined observation checklists and are scheduled to reoccur at set intervals. Ad hoc inspections may also be undertaken as required. A limited risk inspection program is in place for some water asset types to identify defects. No scheduled condition inspections are undertaken on water supply assets. . Some inspections are also completed and recorded outside of Confirm.
Planned maintenance programs	Maintenance activities that are planned and scheduled with a reoccurring frequency against specific assets. A job is raised with set tasks to be completed and assigned to an action officer when planned maintenance is due. These are completed either in Confirm or the Connect app. A planned maintenance program is in place for some water asset types, largely for our electrical and mechanical fitter staff. Some planned maintenance activities are also recorded outside Confirm.
Reactive maintenance	Maintenance tasks not part of planned reoccurring maintenance. E.g. repairing water main breaks or other defects. Defects for water assets can be raised from inspections or ad hoc in either Confirm or the Connect app, with a job raised for any requiring action. Defects are reviewed by Operations Engineering Manager or Dams & Treatment Engineering Manager. Major defects considered under capital works planning.
Customer service requests	Enquiries or service requests from internal or external sources related to assets. Action officer required to complete task or inspect assets to determine if further action required. E.g. leaking water meter etc. Can be completed in either the Connect app or Confirm.

Addition and disposal of assets from the asset register is carried out following our Asset Addition & Disposal procedure. An overview of the workflow for this process is shown below:



Geographical information systems (GIS) are a software solution for capturing, storing, analysing, querying, displaying and managing spatial data. GIS integrates many types of data, arranged by spatial location and visualised as maps. Understanding the spatial relationships between data provides deeper insight allowing users to analyse and visualise data to communicate, share and access information to make decisions. Our corporate GIS is MapInfo. The spatial location of our assets is managed within MapInfo and linked to the assets within Confirm via a unique asset identifier. Staff have access to view, query and print asset mapping, with the Asset Planning team responsible for managing asset spatial data. A GIS Development Plan is in place to guide improvements to the system.

Finance system

Our accounting and financial management system is Navision, which has a suite of accounting/financial modules to meet our day to day operational and reporting requirements. All capital and operational costs are recorded in this system.

		Description
Capital Expenditure (CAPEX)	New Upgrade Renewal	Relatively large (material) expenditure, which has benefits (service potential), expected to last for more than 12 months. In addition to new assets capital expenditure includes renewal/replacement and expansion/upgrade of existing assets
Operational Expenditure (OPEX)	Operating	Recurrent expenditure such as power, fuel, telephone, employee costs, materials, cleaning, minor equipment, overheads, and depreciation. These costs are the day-to-day expenses associated with providing the service during a year of operations.
	Maintenance & Repair	Maintenance costs for retaining assets in a serviceable condition. Includes planned and reactive maintenance activities and inspections. Excludes rehabilitation or renewal actions which increase the service potential or extend the useful life of the asset.

The Group Manager Corporate and Commercial is delegated with the statutory responsibility as our 'Responsible Accounting Officer'. The Responsible Accounting Officer is responsible for ensuring we have adequate control systems, processes and procedures in place and that these are applied to meet all financial operating and reporting requirements.

The Local Government Act, 1993 sets out the requirements for management reporting, accounting, auditing and financial reporting requirements for Council. The NSW Office of Local Government also issues the 'Local Government Code of Accounting Practice and Financial Reporting', which assists in the interpretation and application of the Act, and the application of Australian Accounting Standards to the audit and financial reporting functions. The Government Code of Accounting Practice and Financial Reporting also provide a mechanism which ensures appropriate accounting policies and practices are undertaken. For infrastructure, significant accounting policies are detailed in the annual financial reports. These include policies on the acquisition of assets, initial asset recognition, subsequent costs, indexation adjustments, asset revaluations, capitalisation thresholds, depreciation and disposal and de-recognition.

The following standards and guidelines have been used in the development of this AMP:

AAS27, 'Financial Reporting by Local Governments', Australian Accounting Standards, June 1996	'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, 2015
Asset Management Guidelines for Water Supply and Sewerage Schemes, Public Works, 1992	'Condition Assessment & Asset Performance Guidelines', Institute Public Works Engineering Australia, 2016

Accounting standards (particularly AASB 116 – Property, Plant and Equipment) require a distinction to be made between expenditure that is consumed immediately in operations and expenditure on physical assets that will provide service over more than one financial year (capitalised assets). Our capitalisation policy sets appropriate thresholds for the capitalisation (recognition) of assets.

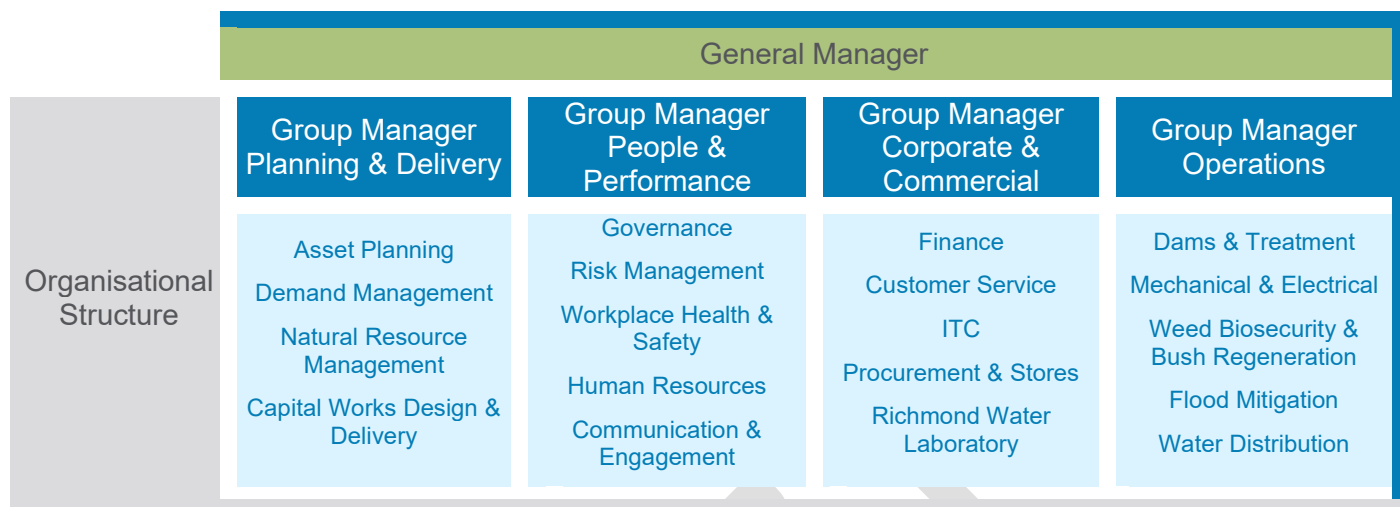
2.2.2. Asset management objectives

Our asset management objectives are outlined below. These objectives come from our Asset Management Policy and Asset Management Strategy and are aligned with our organisational objectives. These objectives guide our asset management activities across Council.

Mission		Objectives	
Our asset management mission is to...	<ul style="list-style-type: none"> ✓ deliver affordable, quality services while safeguarding assets for the future, ✓ grow internal awareness and capability, and ✓ have transparent and accountable processes aligned with industry best practice 	Sustainable Delivery	Convert strategies and plans into actions to deliver agreed service outcomes that balance cost, risk, and performance of assets
			Embrace a strategic whole of life approach to the long-term management of assets to realise value and delivery of required services now and into the future
			Commit to consistent, evidence based decision-making processes that utilise the knowledge and expertise of our people and the information embedded in our systems
			Assets maintained to a suitable level to meet performance and service requirements
			Responsive action to maximise the time that assets are available within appropriate levels service, and that service requests are attended to in a timely manner
We will do this by delivering...	<ul style="list-style-type: none"> – a reliable, quality service to meet demand now and in the future – notification and responsive action to minimise interruption of services – sustainable whole of life value through proactive, prioritised actions – the resources to meet strategic long-term outcomes from our assets – evidence of outcomes and the condition of our assets 	External Relationships	Engage with stakeholders to understand sustainable service expectations and gain trust as a valued service provider for the region
		Our People	Develop capable and motivated people with the skills to deliver asset management objectives who take ownership of assets and service outcomes
		Leadership & Innovation	Foster an asset management culture that is accountable, transparent and aligns across the organisation to achieve our business objectives
This asset management plan will help to achieve these objectives by...	<ul style="list-style-type: none"> Documenting services to be provided, expected service levels and cost of providing services Communicating consequences for service levels where desired funding is unavailable and financial sustainability of services Developing a plan to address key infrastructure requirements 		Document our core bulk and retail water responsibilities and service levels required to meet these responsibilities in consultation with constituent councils. Document the cost to deliver and maintain these service levels.
			Assessment of our assets will provide data required to identify funding requirements and identify any consequences or risks where funding is not available to improve or maintain condition of assets over the long term.
			Review asset data to identify asset renewals required to maintain services, and new or upgraded assets required to meet future demand.

2.2.3. Key stakeholders

Asset management activities are carried out by staff across Council. A summary of our current organisational structure is shown in the diagram below. Responsibility for our asset management strategy and asset management plans resides with our Planning & Delivery group.



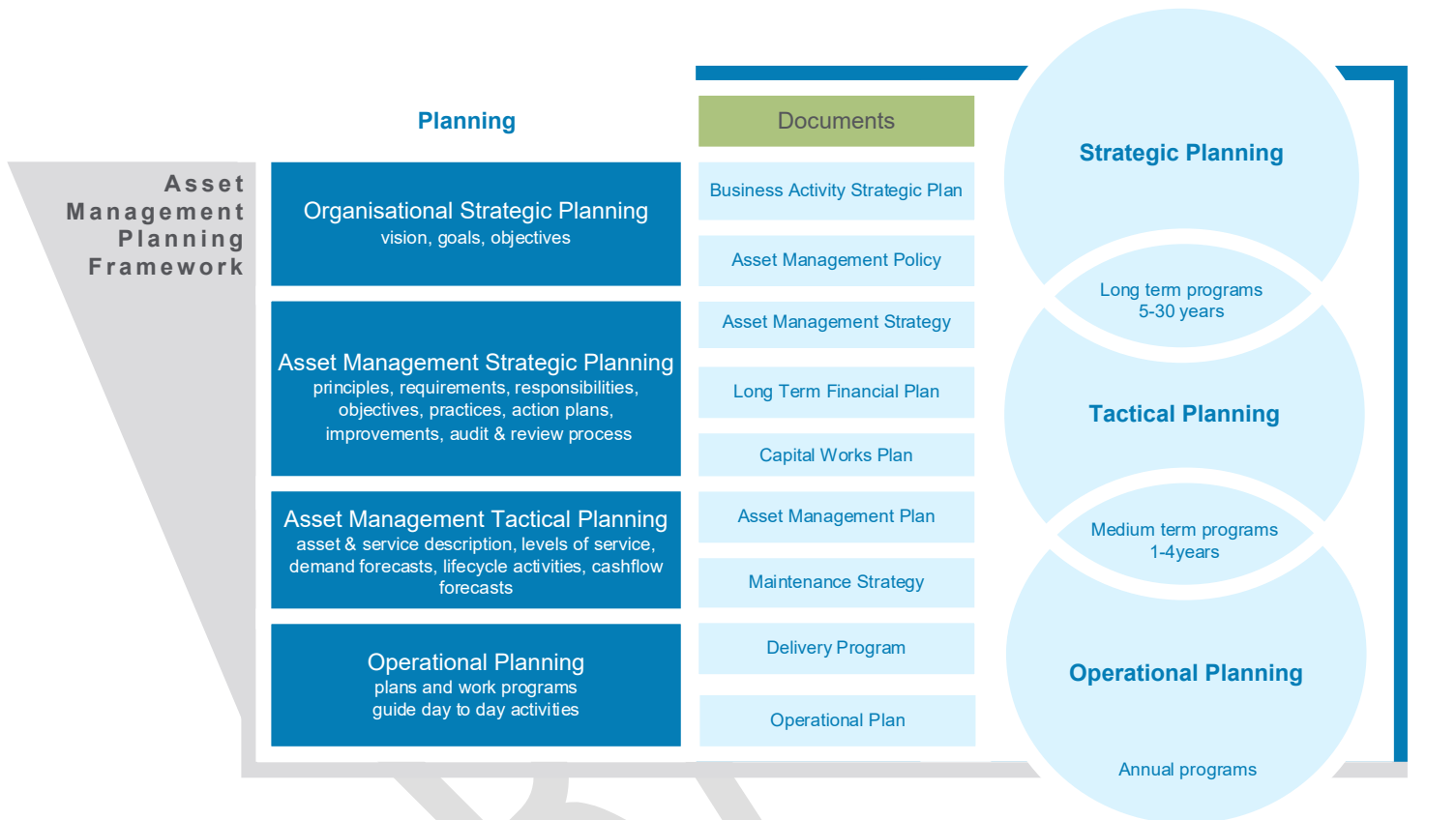
Our water operations team consists of eight staff overseen by the Operations Engineering Manager. The Dams & Treatment Engineering Manager oversees a team of four electrical/mechanical trades staff and a dams and treatment team consisting of eight staff. Strategic planning support and delivery of capital projects is provided by the Planning & Delivery group. Administration support such as Human resources, and finance, are provided by the People & Performance Group and Corporate & Commercial group.

The table below provides an overview of key stakeholders and their role within asset management and development of this plan.

Stakeholders		Role
Internal	Councillors	Adopt asset management plan. Allocate resources through annual budget approval to meet organisational objectives. Ensuring organisation financial sustainability.
	Leadership Team	Determine organisational objectives. Endorse service levels. Oversee allocation of resources. Provide direction and commitment to asset management.
	Planning & Delivery Team	Undertakes planning activities for capital works. Manage the delivery of capital works projects. Manage asset information system (AIS) and data. Assists in the development of maintenance programs and input into AIS. Management of asset management documentation. Determine service levels.
	Finance Team	Manage valuations and financial reporting on assets. Budget allocations.
	Operations Teams	Responsible for the ongoing operation and maintenance of assets, including condition assessment, defect identification and maintenance planning. Deliver minor capital works within areas of speciality. Determine service levels.
	Other Staff	Compliance with asset management practices.
External	Constituent Councils	Input into required service levels and customer value. Provide funding.
	Community	Input into required services and cost prepared to pay for services.
	Regulatory Bodies	Monitoring and compliance. Legislation and regulations guiding asset management and service levels.

2.2.4. Planning framework

This asset management plan is part of a suite of documents that form our asset management system. It has been prepared after a review and update of our previous asset management plan and in accordance with ISO55000 Asset Management Standards and the International Infrastructure Management Manual. It is informed by our Asset Management Strategy which defines our asset management objectives, provides an overview of our asset management system and contains a detailed plan for improvement to our systems, processes and outcomes for asset management as we strive for continual improvement and move towards more advanced asset management practices.



The NSW Government's Integrated Planning & Reporting Framework (IP&R) requires Council to develop a Business Activity Strategy which:

- Outlines our main business activity priorities
- Sets our strategic objectives
- Determines where Council would like to be in 10 years and how we intend to get there

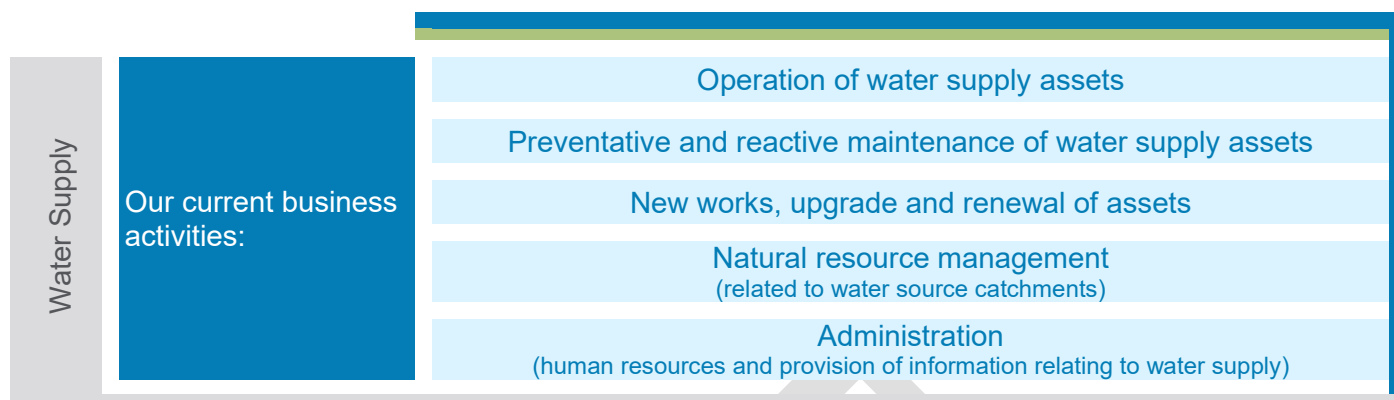
Council is required to develop the suite of documents outlined in the diagram to the right to meet IP&R requirements. We have developed these documents in consultation with our constituent councils. This asset management plan forms part of the IP&R Resourcing Strategy.



2.3. Rous County Council Services

We are responsible for a wide range of physical assets including bulk water supply, retail water supply and flood mitigation infrastructure to deliver our core services. This asset management plan covers assets associated with the delivery of our bulk and retail water services.

2.3.1. Water supply

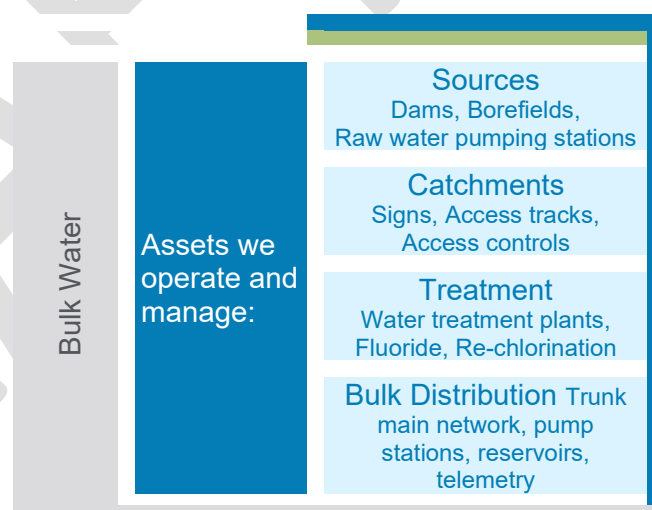


Bulk water supply

We are the regional water supply authority providing bulk potable water to the constituent council areas of Lismore (excluding Nimbin), Ballina (excluding Wardell), Byron (excluding Mullumbimby) and Richmond Valley (excluding land to the west of Coraki). We supply bulk water to our constituent councils, who are then responsible for the reticulation of this water to consumers within their urban centres. The regional water supply network includes around 43,000 connections within the reticulation areas of these constituent councils, servicing a population of around 100,000.

Our principal water source which supplies the network is Rocky Creek Dam, situated 25 km north of Lismore. Our other sources are Emigrant Creek Dam, the Wilsons River Source, Convery's Lane and Lumley Park bores in the Alstonville area.

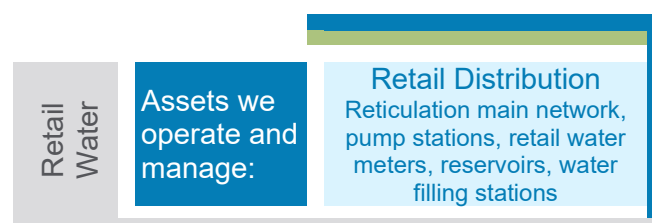
All assets associated with the provision of bulk water supply services are covered by this asset management plan.

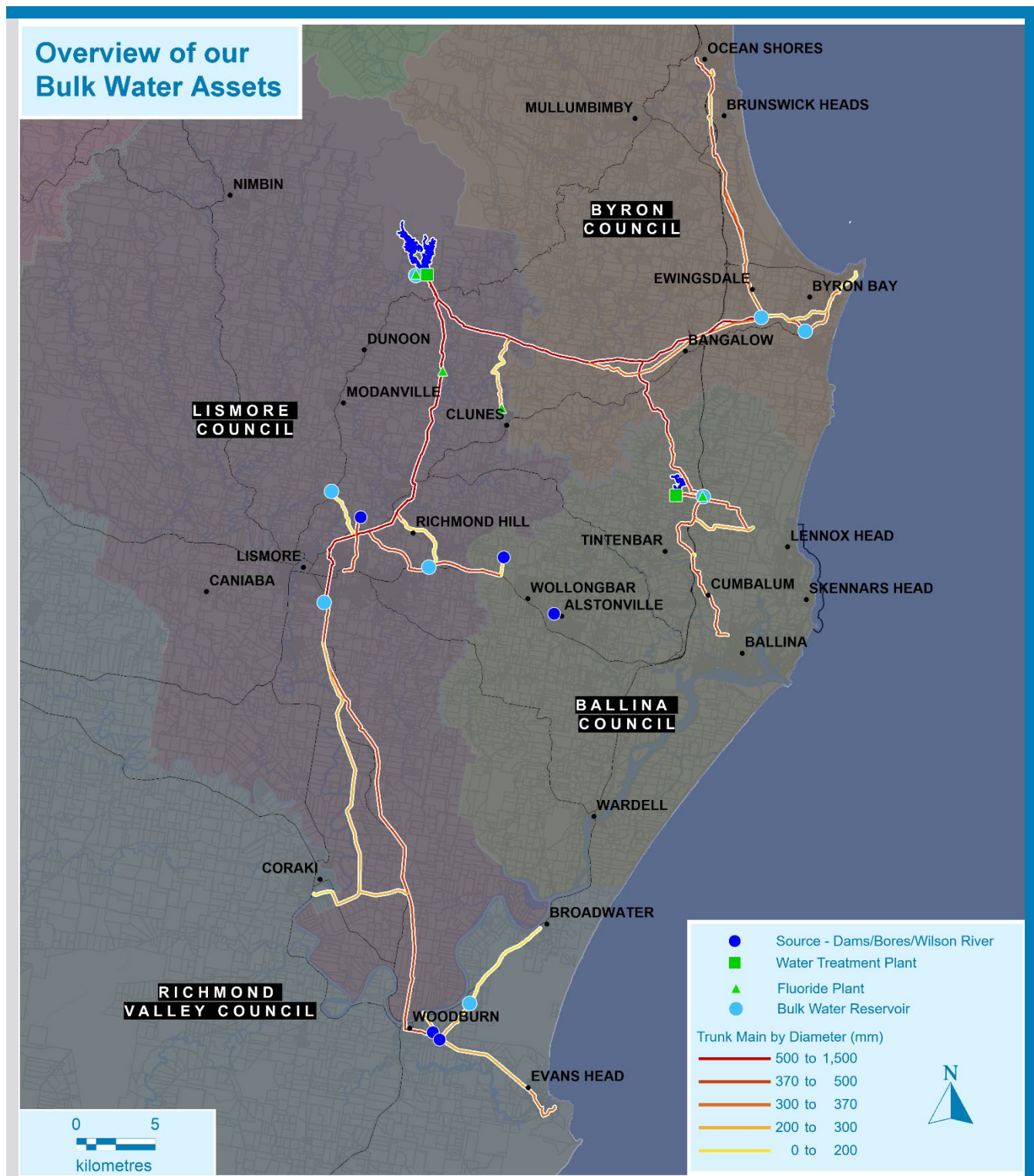


Retail water supply

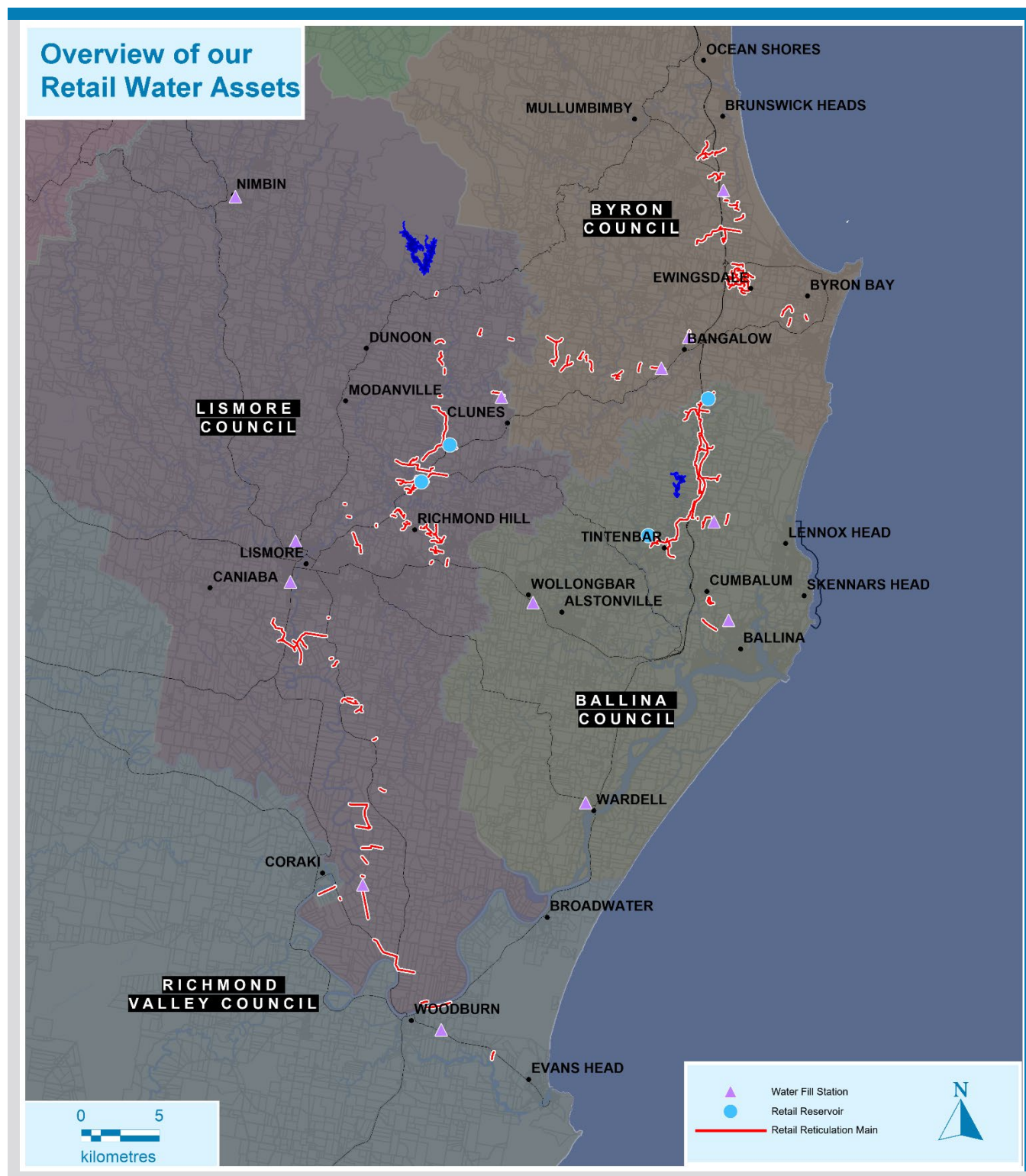
We provide water supply services to just over 2,000 rural and urban connections (retail customers) direct from the bulk supply trunk main system. We also supply water to 11 bulk water fill stations throughout the region available to water carters and two public access water fill stations.

All assets associated with the provision of retail water supply services are covered by this asset management plan.





The map above provides an overview of our Bulk Water Supply Assets.



The map above provides an overview of our Retail Water Supply Assets.

2.3.2. Services not covered by this Plan

Flood mitigation

We are responsible for flood mitigation and related natural resource management within the constituent council areas (excluding Byron). In 1959 we were constituted to exercise the powers and duties for “the prevention or mitigation of menace to safety of life or property from flood”. The powers and duties were amended in 2008 to include natural resource management (NRM) issues arising from flood mitigation activities.

Flood mitigation assets are not included in this asset management plan. They are covered in a separate document: *Asset Management Plan – Flood*.

Weed Biosecurity

We undertake weed management services across the four constituent council areas and are responsible for administering the Noxious Weeds Act 1993 in the region. Weed biosecurity services are also provided to Kyogle Council and Tweed Shire Council under a fee for service arrangement.

Assets associated with our weed biosecurity operations are not included in this asset management plan.

Other

We have a number of commercial activities and investment properties such as the Perradenya Estate, Richmond Water laboratory and other commercial premises (non-core business activities).

Assets associated with our commercial activities are not included in this asset management plan.

3. Levels of Service

3.1. Organisational strategic objectives

As an organisation we have developed and adopted a set of values that we collectively believe in. Our organisation and our people will conduct our day-to-day business in alignment with these values.

Mission, Vision, Values	Our mission	Partner with our constituent councils to provide quality services that support a sustainable and productive region.
	Our vision	Thrive and evolve as a valued regional service provider.
	Our values	Safety: safety first 24/7 Teamwork: one team, one purpose Accountability: own it, solve it, achieve it Respect: be honest, be fair

Activities we undertake, including asset management, are aligned to the priorities outlined in our Integrated Planning & Reporting Framework as outline below:

Integrated Planning & Reporting Priorities	Sustainable Delivery	<ul style="list-style-type: none"> Sustainable service provision in relation to water supply, flood mitigation and weeds management. Financial sustainability of the organisation (including in relation to its workforce and asset management responsibilities) Environmental sustainability in relation to Council's operations Planning for and responding to climate change impacts in the environment.
	External Relationships	<ul style="list-style-type: none"> Relationships Rous has with constituent councils, customers and the broader Northern Rivers community, State and Commonwealth Government. Opportunities for partnerships and collaboration to achieve desired outcomes for our customers and community more effectively and efficiently.
	Our People	<ul style="list-style-type: none"> Our workforce – ensuring we have the right people with the right skills in the right place to achieve our objectives within a Values based culture. Creating a working environment and a workplace culture where our people value their work and feel valued by the organisation and its customers.
	Leadership & Innovation	<ul style="list-style-type: none"> Our role as a regional leader. How we conduct ourselves as an organisation. How we use technology and apply innovation to be more effective and efficient.

3.2. Legislative requirements

There are several legislative requirements we must meet, including Commonwealth and State legislation and regulations. Relevant legislation is summarised in the table below.

Legislative Requirements	Local Government Act, 1993 and Local Government (General) Regulation 2005	This Act provides the legal framework for the system of local government in NSW. Under the Local Government Act, 1993, the responsibility for provision of water supply and flood management services in non-metropolitan NSW is delegated to local councils. This responsibility has been delegated to us by Ballina, Byron, Lismore and Richmond Valley Councils under the act. The Minister for Primary Industries has significant powers under the Act for construction and approval of water supply works.
	Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long term financial plan supported by AMPs for sustainable service delivery.
	Local Government (Water Services) Regulation, 1999	The Regulation supplements the provisions of the Local Government Act 1993 relating to the carrying out of water supply, sewerage and stormwater drainage works by councils and regulates the use of such works.
	Environmental Planning and Assessment (EP&A) Act, 1979	The Act requires that all proposals, activities and functions which are investigated, designed, planned, constructed and operated should be studied during all stages of their environmental impact on the basis of scale, location and performance. Environmental impact assessments may also be required to satisfy Commonwealth legislation processes. The Act provides the basis for the preparation of environmental planning instruments.
	Dams Safety Act, 2015	Dams Safety NSW is the state regulator for dams safety. It is responsible for developing and implementing regulation for effective dam safety management to protect life, property and the environment from dam failures. Under the act we are required to have a Dam Safety Management System based on requirements of AS ISO 55001:2014. Dam owners are required to comply with the Australian National Committee on Large Dams (ANCOLD) Guidelines on the Consequence Categories for Dams (September 2012).
	Public Health Act, 2010	This Act requires drinking water suppliers to establish and adhere to a quality assurance program that complies with the Regulation. The Act gives NSW Health powers with respect to the provision of safe drinking water. The Act was amended to mandate compliance with the "health critical" elements of the Australian Drinking Water Guidelines in regional NSW.
	Protection of the Environment Operations Act, 1997	We are required to exercise due diligence to avoid environmental impact.
	Water Management Act, 2000	This Act provides for the sustainable and integrated management of the water sources of NSW. The Act provides a framework for water sharing plans and environmental flows, sets out bulk water supply regimes, defines local water utility access licences and requires water utilities to levy developer charges.
	Fluoridation of Public Works Supplies Act, 1957	This Act, together with the Fluoridation of Public Water Supplies Regulation, 2002 and the Code of Practice for the Fluoridation of Public Water Supplies, 2002, requires NSW Health approval to add fluoride to a public water supply by a water supply authority.
	Work Health & Safety Act 2011	The Acts places emphasis on risk management and consultation with staff to minimise work related accidents and health impacts. We need to train staff in safety issues and provide a safe working environment and supply equipment to ensure safety. We and our staff may be liable for breaches of these requirements.
	Fisheries Management Act, 1994	The objects of this Act are to conserve, develop and share the fishery resources of NSW for the benefit of present and future generations. Often works associated with water supply structures including dams, weirs, pipelines and extraction points involve works that trigger certain approval requirements under the Act.
	Coastal Management Act, 2016	The new Coastal Management Act communicates the NSW Government's vision for coastal management. The Act reflects the vital natural, social, cultural and economic values of NSW coastal areas and promotes the principles of ecologically sustainable development in managing these values. The legislative and policy framework introduced by the coastal reforms recognises natural coastal processes and the local and regional dynamic character of the coast, and promotes land use planning decisions that accommodate them. The reforms ensure coordinated planning and management of the coast and support public participation in these activities.
	The Australian Accounting Standards	The Australian Accounting Standards Board standards require assets to be valued and reported in the annual accounts, including the depreciation value of assets.

3.3. Stakeholder expectations

We consult with our stakeholders in relation to management of our assets and natural resource management extension activities. We have developed Service Level Agreements (SLA) with our constituent councils that set out service expectations, roles and responsibilities in relation to bulk and retail water supply. These Agreements are reviewed periodically to adapt and respond to changing needs.

3.4. Customer & technical service levels

Our service levels for water supply as agreed with our constituent councils are outlined in the following table. Full details can be found in the SLAs with our constituent councils.

		Performance Indicator
Quantity & security	Integrated Water Cycle Management	<ul style="list-style-type: none"> Facilitate the delivery of the objectives under the Integrated Water Cycle Management Strategy (2021)
	Quantity	<ul style="list-style-type: none"> Bulk supply of treated water to meet demand <ul style="list-style-type: none"> Annual demand in accordance with the projections contained in the IWCM. Peak day demand in accordance with the projections contained in our Long Term Peak Day Demand Forecast 2013 and subsequent revisions. Peak instantaneous demand for sites where bulk supply is direct into constituent councils reticulated network.
	Reservoir service & notification levels	<ul style="list-style-type: none"> Maintain supply to meet agreed daily demand to supply reservoirs Deviations from agreed levels reported
	Measurement of bulk water supply	<ul style="list-style-type: none"> Flow meters are: <ul style="list-style-type: none"> operational at all points of supply. meet or exceed NMI R 49-1 Class 1 accuracy. renewed as per manufacturer's recommendations. electronically verified - 3 yearly for self-verifying, annually for not self-verifying
	Demand management	<ul style="list-style-type: none"> Regional demand management plan in place <ul style="list-style-type: none"> Jointly developed and compliant with NSW Best-Practice Management of Water Supply and Sewerage Framework Sets out roles and responsibilities of all parties. Provide resources & services for the preparation, management and delivery of the plan, including progress reporting. Revise Plan every 4 years.
	Restriction of supply	<ul style="list-style-type: none"> Regional Drought Management Plan in place. <ul style="list-style-type: none"> Jointly developed and compliant with NSW Best-Practice Management of Water Supply and Sewerage. Operational Readiness Actions are complete and/or current. Revised every 4 years.
	Continuity of supply	<ul style="list-style-type: none"> Emergency management and continuity of supply procedures in place. Notification of interruption to continuity of supply – planned 7 days minimum, unplanned maximum 24 hours after incident observed. Duration of interruption to continuity of supply – planned 12 hours duration, unplanned maximum 24 hours after incident observed
	Infrastructure access	<ul style="list-style-type: none"> Safe workplace provided. Instances of planned activities unable to be carried out due to access restriction reported within 7 days
Quality	Quality	<ul style="list-style-type: none"> Supply meets Australian Drinking Water Guidelines Have an approved Drinking Water Management System
	Reporting	<ul style="list-style-type: none"> Notification of departure from agreed water quality targets – E.coli maximum of 2 hours after result received, all other parameters within 24 hours Summary of exceptions notified in monthly report
Catchment	Catchment management plans	<ul style="list-style-type: none"> Develop catchment management plans Implement catchment management plans Implement onsite wastewater management guidelines
Monitoring	Reporting	<ul style="list-style-type: none"> Monthly reports provided by 10th of following month. Annual reports provided within one calendar month of end of reporting period. Incident reports provided at time of incident in accordance with agreed timeframes

4. Demand

4.1. Demand drivers

Several factors have an influence on demand for our water supply. These include:

Population change	Changes in demographics	Climate
Seasonal factors	Consumer preferences and expectations	Economic factors
Industrial and commercial uses	Water loss	Environmental and legislative requirements

4.2. Demand forecast

A long-term water supply demand forecast was developed in 2013. This forecast was updated in 2020 as part of the Future Water Project 2060 to support strategic planning to ensure long-term water supply security for the region. With forecasted population growth, the increase in demand on our drinking water supply is expected to increase by 37% by 2060. Climate forecasts also predict a reduction in available surface water of 22% by 2060. Based on our current growth, our water supply demand will exceed reliable supply by 2024.

		Demand Forecast	Total Connections	Population	Annual Demand (ML)
Demand Forecast	2000	Two decades ago, our regional water supply served a total of 26,000 properties.	26,000	87,000	12,500
	Now	Today our regional bulk supply currently services 41,868 connected residential properties and 5,114 connected non-residential properties	47,000	110,000	11,500
	2060	By 2060, our regional bulk supply is predicted to serve 57,561 connected residential properties (based on estimated lot yields) and 9,361 connected non-residential properties	67,000	150,000	16,000

To meet this forecast increase in demand our future focus is on:

Continued water efficiency and conservation measures	Identifying and preparing new sources of groundwater
Further investigating recycled water systems and sources	Further assessment of desalination plant locations

4.3. Demand impact on assets

Strategies to address the increase in demand on our water supply will impact our assets. These impacts will include changes to how our assets are operated, acquiring new assets, upgrades to existing assets and ongoing demand management actions. Strategic actions to meet future demand for our source water supply are addressed in the Future Water Project 2060. Additional strategic reviews are currently underway to assess the impacts of increased demand on water treatment plants and distributions systems.

4.4. Demand management plan

Our Regional Demand Management Plan (2018) provides details on the demand management strategies to be adopted between 2019 and 2022. Since 1995, demand management actions have helped to reduce water consumption per household in our region by 50%. Demand management remains a future focus. The Demand Management Plan is due to be reviewed and updated in 2022.

5. Risk Management

5.1. Critical assets

Currently our critical assets have not been formally identified. We rely on staff understanding of our assets to determine asset criticality when identifying and prioritising maintenance and capital renewal needs. An improvement action has been identified to identify individual highly critical assets, as well as assessing criticality for each asset type.

5.2. Risk summary

The table below provides a summary of our risk management documents and mechanisms. Further details of identified risks can be found within our enterprise and team risk registers.

		Description
Risk documents and mechanisms	Risk Management Policy	Articulates at a high level ways in which we manage risk across our operations and meet requirements under the Risk Management and Internal Audit Framework for local councils in NSW
	Emergency Management Plan	Describes how we will respond to an emergency. It describes a combination of emergency response, business continuity and recovery processes for our critical business and critical support processes.
	Enterprise Risk Register	Our enterprise risk register identifies strategic, enterprise level risks.
	Team Risk Registers	Currently under development, these registers will record operational risks at a group and team level.
	Asset Risk Register	Identifies potential failure modes of assets, the likelihood of a failure occurring, consequence should it occur and mitigation options to address risks. The asset risk register has not been reviewed or updated since 2013. An improvement action has been identified to review and update this register.
	Annual Risk Management Plan	Provides an overview of the work we do each year to embed and sustain a positive risk culture. This is a new document being introduced in 2021 which records the progress of actions and allocates owners to each action.
	Drinking Water Management Risk Assessments	Assessment of risks specific to management of our drinking water
	Dam Safety Risk Assessments	Assessment of risks specific to management of our dams
	Dam Safety Emergency Plans	Provide information necessary for emergency agencies to manage a downstream evacuation in the unlikely event of a potential failure of a dam
	Catchment Risk Management Plans	Assessment of risks specific to management of our drinking water catchments
	Damastra	Application where WHS incidents are recorded and managed.
	ARIC (Audit, Risk & Improvement Committee)	Operates independently of Council management with the aim to proactively facilitate and promote continuous improvement across Council by challenging traditional approaches. Provides advice and recommendations on matters identified under its Charter. Risk management is one of the matters reviewed by the committee.

5.2.1. Management

The following approaches may be undertaken in response to identified risks.

		Description
Risk Response	Accept	Accept, manage and monitor the level of risk, but take no action to reduce the risk.
	Mitigate	Willing to accept some risk by implementing control processes to manage the risk within established tolerances.
	Transfer	Transfer the risk to a third party (e.g. obtain insurance).
	Avoid	The risk is identified as unacceptable, and action is taken to specifically avoid the risk (e.g. remove a service or cancel project).

5.2.2. Identification

Identified risks are assessed against the following general risk matrix. We have adapted this general risk matrix with tailored consequences for specific purposes such as asset renewal planning or water quality risks.

		Consequence				
Likelihood	Almost Certain Expected to occur in most circumstances. >90% chance that the event will occur once in the next 12 months.	Medium	High	High	Extreme	Extreme
	Likely Will probably occur in most circumstances. 65% - 90% chance that the event will occur once in the next 12 months.	Medium	Medium	High	High	Extreme
	Possible May occur at some point. 35% - 65% chance that the event will occur once in the next 12 months.	Low	Medium	High	High	High
	Unlikely Could occur at some point. 10% - 35% chance that the event will occur in the next 12 months.	Low	Medium	Medium	Medium	High
	Rare May only occur under exceptional circumstances. <10% chance that the event will occur once in the next 12 months.	Low	Low	Low	Medium	Medium
		Negligible	Minor	Moderate	Major	Severe
		Consequence				
Financial Financial loss		Operating blowout of 1%. Reduction in operating profit of >1%.	Operating blowout of 1 - 5%. Reduction in operating profit of 1 - 5%.	Operating blowout of 5 - 10%. Reduction in operating profit of 5 - 10%.	- Operating blowout of 20 - 30%. Reduction in operating profit of 20 - 30%.	Operating blowout of >30%. Reduction in operating profit of >30%.
People / Safety Loss of personnel Decrease in productivity Personal Harm		Adverse impacts result in minimal change to work conditions. No injury or harm to persons.	Staff required to work extra hours resulting in short-term increase in stress levels. Potential for minor injury requiring first aid treatment.	Staff required to work long hours for a sustained period affecting wellbeing & causing unsafe work practices. Potential for injury or illness resulting in medical attention & several days off work.	Sustained longer working hours & heavy workloads resulting in sharp increase in sick leave, unsafe work practices & stress related conditions. Potential long term or serious injury.	Extended working hours & workloads for long periods resulting in breaches of OHS regulations, injuries, extended sick leave, resignations. Potential death, permanent disability or ill-health.
Environmental Environmental damage		Minor effects on biological or physical environment.	Moderate, short term effects but not affecting ecosystem functions.	Serious medium term environment effects.	Very serious long-term environmental impairment of ecosystem functions	Most serious irreversible environment impairment of ecosystem functions.
Legal / Compliance Compliance/legal breach		Minor legal issues.	Minor non-compliance with regulation.	Serious breach of regulation with investigation & report to authority &/or moderate fine possible.	Major breach of regulation. Major litigation.	Loss of licence. Significant prosecution & fines. Very serious litigation including class action.
Reputational / Brand Loss of Reputation		Public complaint retained in-house or dealt with via normal procedures.	Minor adverse local public or media attention or complaints.	Attention from media &/or heightened concern by local community.	Significant adverse national media attention.	Serious public or media outcry.
Strategic Costs exceed budget Failure to attract & retain high quality staff		Localised concern No impact on long term viability.	Detrimental to short term profitability or achievement of current year objectives.	Detrimental to mid-term profitability or achievement of next three years' objectives	Significant long-term impacts. Will require change to strategic direction & objectives.	Business units no longer viable.

6. Asset Information

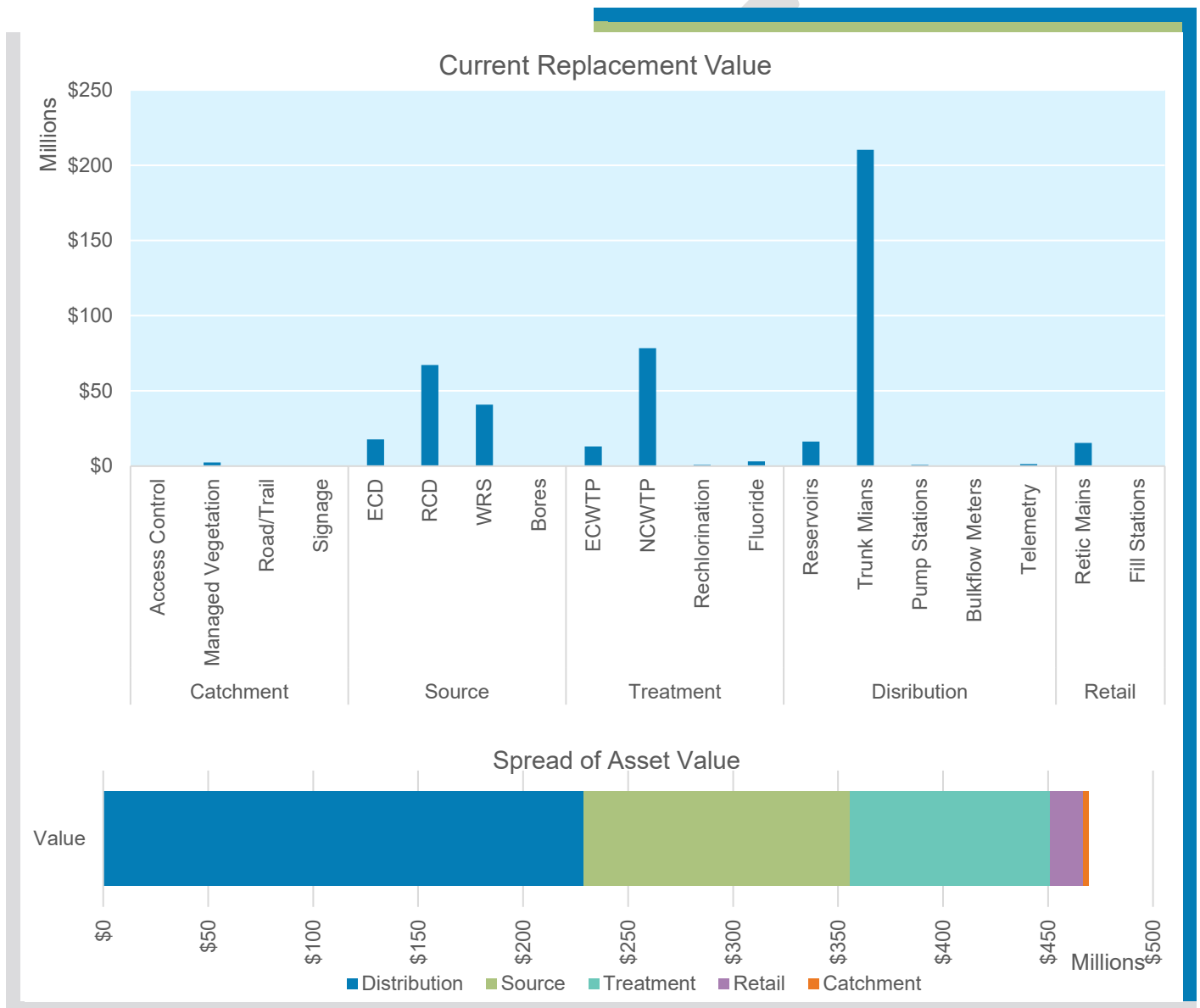
Rocky Creek dam is our primary source of water, and is supplemented by Emigrant Creek dam, the Wilsons River source and groundwater bore sites when required. We manage catchment areas around our water sources to act as a buffer and improve raw water quality. Raw water is treated at Nightcap water treatment plant (at Rocky Creek Dam) and Emigrant water treatment plant. Fluoride and re-chlorination plants also provide treatment across the distribution network. We operate a bulk trunk main and retail reticulation network which supplies water from our treatment plants to the constituent councils and customers across the region.

6.1. Asset value

Asset Types			Description	Current Replacement Value (2021)
Bulk	Catchment	Access Control	Fencing and gates controlling access to catchment areas	\$81,624
		Managed Vegetation	Areas of managed revegetation in catchment areas	\$2,374,436
		Road/Trail	27km of unsealed access trails within catchment areas	\$114,392
		Signage	Signage throughout catchment areas	\$66,267
	Source	ECD	Emigrant Creek Dam	\$17,786,522
		RCD	Rocky Creek Dam	\$67,77,988
		WRS	Wilson's River Source – including low and high lift pumps, 22km rising main to NCWTP and associated assets	\$40,911,871
		Bores	5 groundwater bores	\$505,494
	Treatment	ECWTP	Emigrant Creek Water Treatment Plant	\$13,137,977
		NCWTP	Nightcap Water Treatment Plant	\$78,442,005
		Re-chlorination	4 Re-chlorination dosing plants	\$802,463
		Fluoride	4 Fluoride dosing plants	\$3,139,757
	Distribution	Reservoirs	11 reservoirs and associated assets such as sensors, valves etc. Includes associated assets on 12 Constituent Council owned reservoirs we supply	\$16,333,652
		Trunk Mains	277km trunk main	\$210,188,888
		Pump Stations	Lagoon Grass pump station, Newrybar pumps	\$734,161
		Bulkflow Meters	44 Bulk flow meters	\$515,251
		Telemetry	Telemetry and radio system - 40 sites across the water network	\$1,295,272
	Bulk Total Replacement Value			\$453,708,022

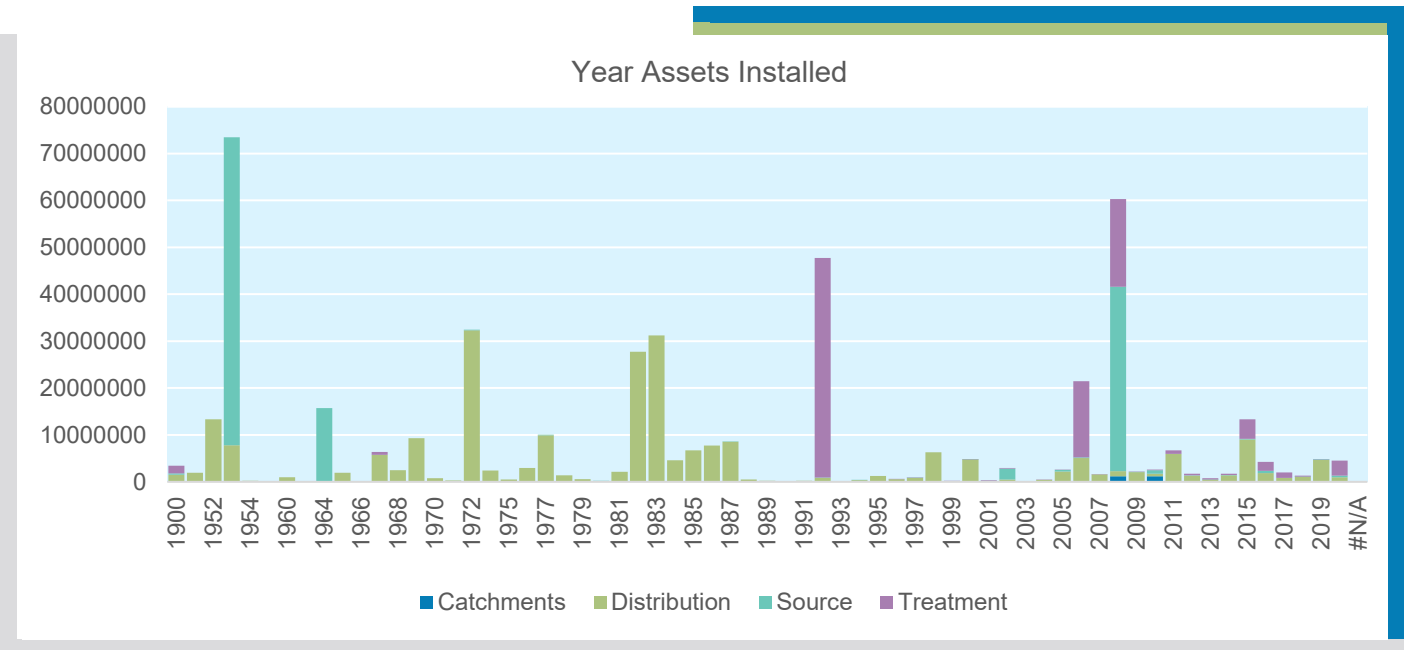
Asset Types		Description	Current Replacement Value	
Retail	Distribution	Retic Mains	139km reticulation mains	\$15,400,393
		Fill Stations	11 water filling stations	\$312,197
	Retail Total Replacement Value		\$15,712,590	
	Water Total Replacement Value			\$469,420,611

The graphs below show the current replacement value for assets spread across water asset types.



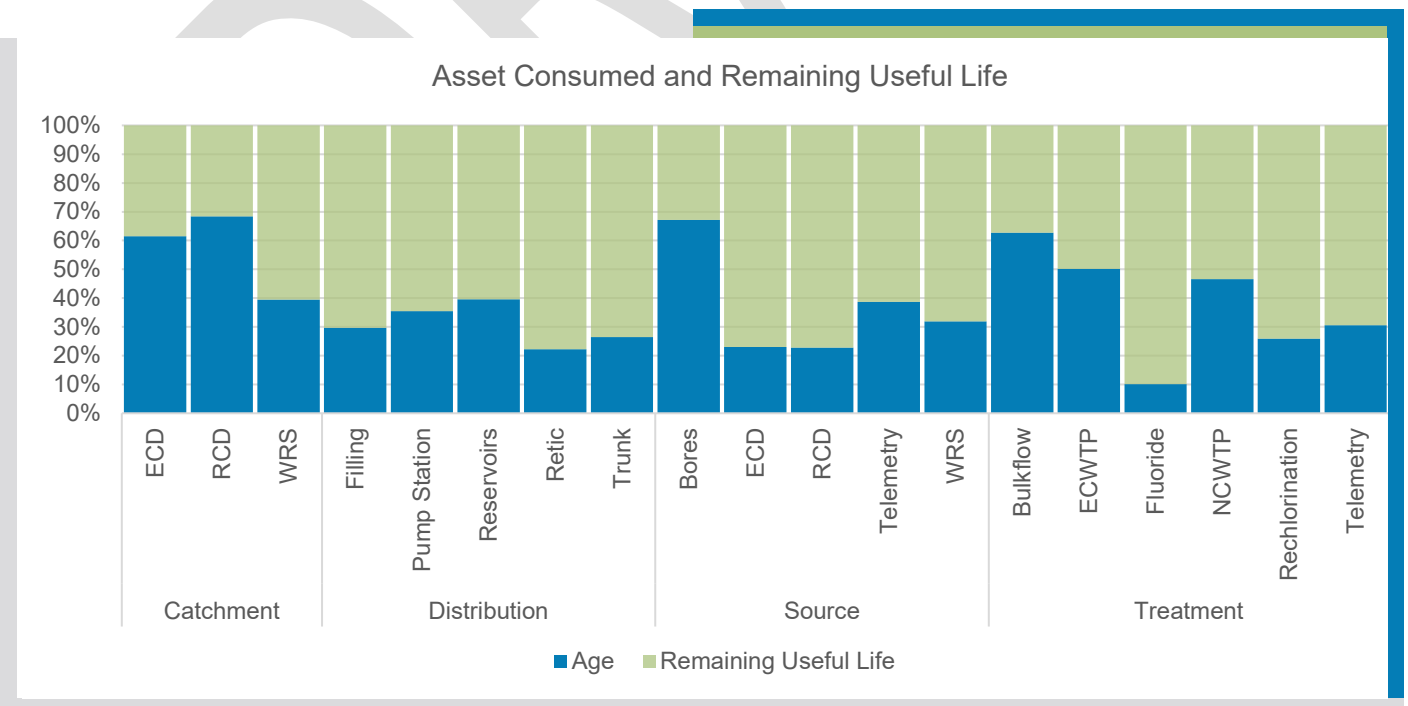
6.2. Asset age

Many water assets have large values and a long useful life. The graph below shows the installation dates for water assets. Major expenditure occurred in 1953 with construction of Rocky Creek Dam, construction of Emigrant Creek Dam in 1964, and Wilsons River Source in 2008. The Nightcap water treatment plant was constructed in 1992 with further augmentation in 2006 and 2008. Much of the distribution main network was constructed though the 1970's and 80's.

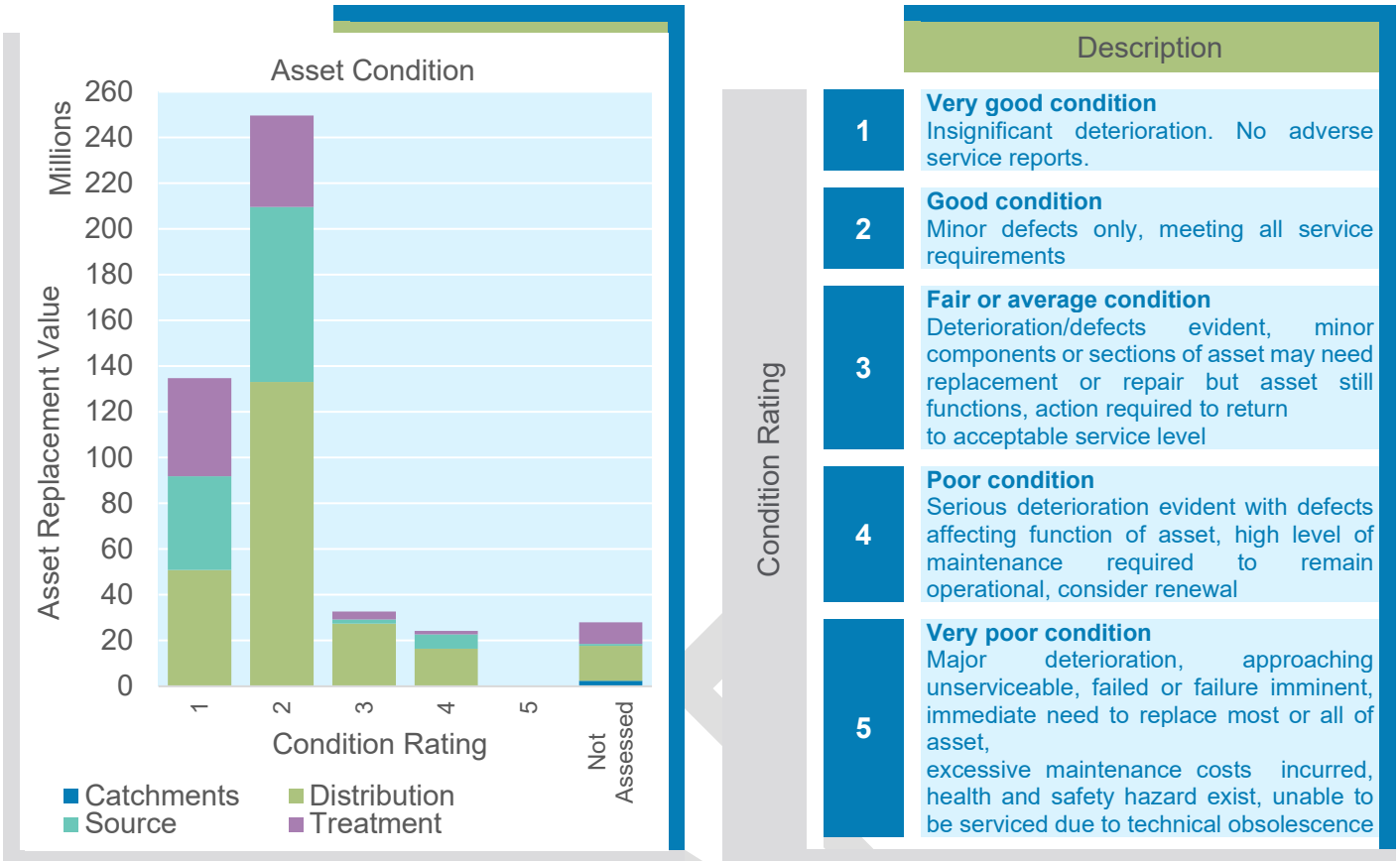


The useful life of an asset provides an indication of the theoretical timeframe before an asset is due to be renewed. Useful life is currently stored within our asset register as the difference between the 'active from' and 'active to' dates. The remaining useful life is the time between the current date and the active to date. There are some discrepancies known with these dates, however it is currently the best data available.

The graph below shows the average current age and remaining useful life for water asset types.

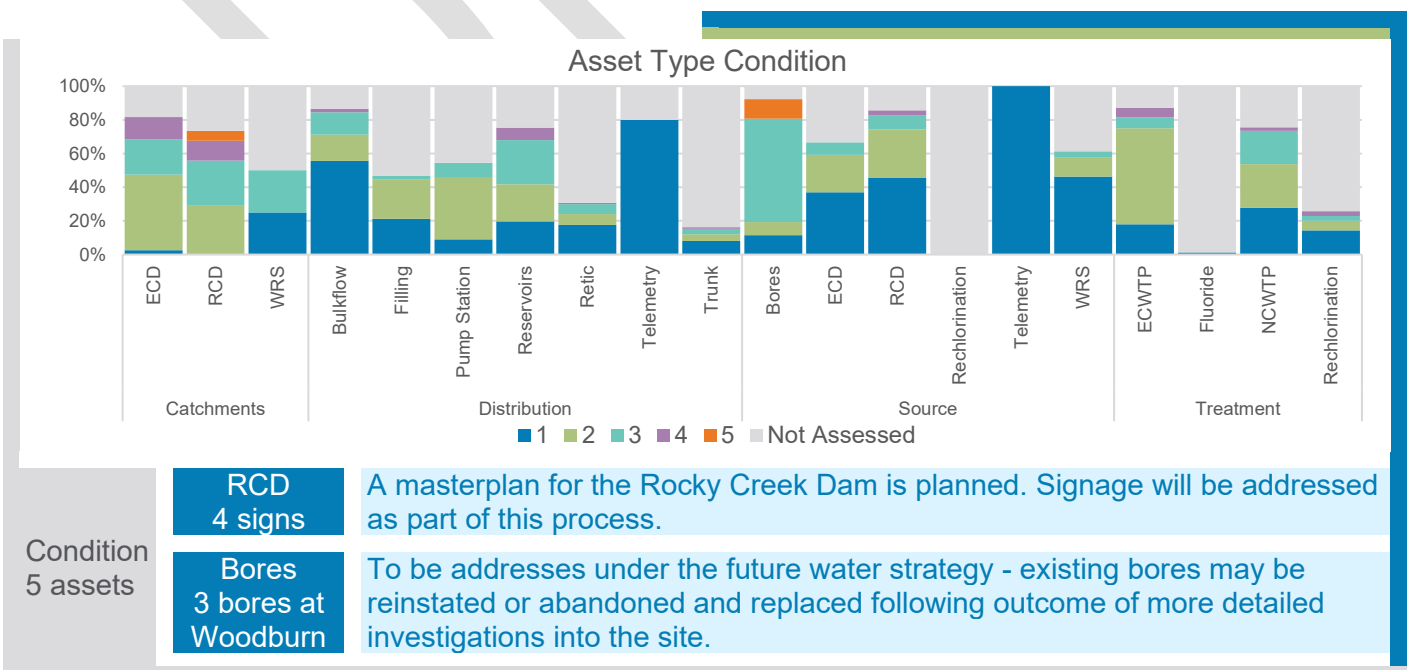


6.3. Asset condition



There is currently no scheduled condition assessment program in place for water assets. Condition is assessed as part of the four yearly revaluation process conducted by external valuers. A strategic review of Nightcap Water Treatment Plant is currently underway (2022) which will include a condition assessment of all treatment assets at the plant. An improvement action has been identified to develop a condition assessment program for all asset types and to improve consistency and reliability of condition assessments including the development of a condition manual and training with staff.

The graph below provides a summary of condition of water assets by type:



6.5. Asset capacity and performance

Currently there are several capital upgrades identified to address capacity issues, including the following trunk main upgrades:

St Helena 300	Knockrow 450
Byron Bay 200	Broadwater 150

A review of the capacity assessment of our water network is currently underway (2022). This is necessary to ensure our data remains up to date and provides an accurate picture of our current assets and their capacity considering changes in demand, sources, operating environment and any other relevant factors.

A strategic review of the Nightcap Water Treatment Plant is also scheduled to be completed in 2022. Part of this review will include an assessment of the plant's capacity

Monitoring and identification of issues with asset capacity in the water network is undertaken by utilising the tools below.

Telemetry	Hydraulic modelling
Inspections	Risk register
Historical data	Expert opinion

For example, changes such as addition of new or upgraded assets or addition of meter connections would be checked against hydraulic modelling in InfoWorks WS Pro to determine the impact of proposed changes on capacity and service. The hydraulic model will be reviewed and updated in 2022 in order to determine deficiencies, and better inform long term infrastructure planning decisions.

7. Lifecycle Management

This section outlines the activities undertaken to manage our assets throughout their entire lifecycle. The lifecycle of assets includes:

Definition of lifecycle activities		Description
Definition of lifecycle activities	Operations	Day to day activities required to ensure the required service is provided.
	Maintenance (planned maintenance)	Activities to maintain the assets and prevent deterioration. Proactive in nature. Includes inspection of assets. For example, equipment services, reservoir inspections
	Repairs (reactive maintenance)	Activities to fix defects, reactionary in nature. For example, repairing a water main break.
	Capital Works	Replacement, renewal, upgrade or addition of new assets. For example, replacing a pump, upgrading a water main with a larger diameter pipe, renewing sheeting on a roof.

Costs throughout the entire lifecycle of assets should be taken into consideration as part of decision-making processes. When assessing options for new assets or optimising maintenance programs it may prove more economical in the long run to select an option with a greater upfront cost but lower ongoing operational costs resulting in a lower entire lifecycle cost for example.

7.1. Operations and maintenance plans

The graph below provides an overview of the operations and maintenance expenditure for water supply (as at March 2022).



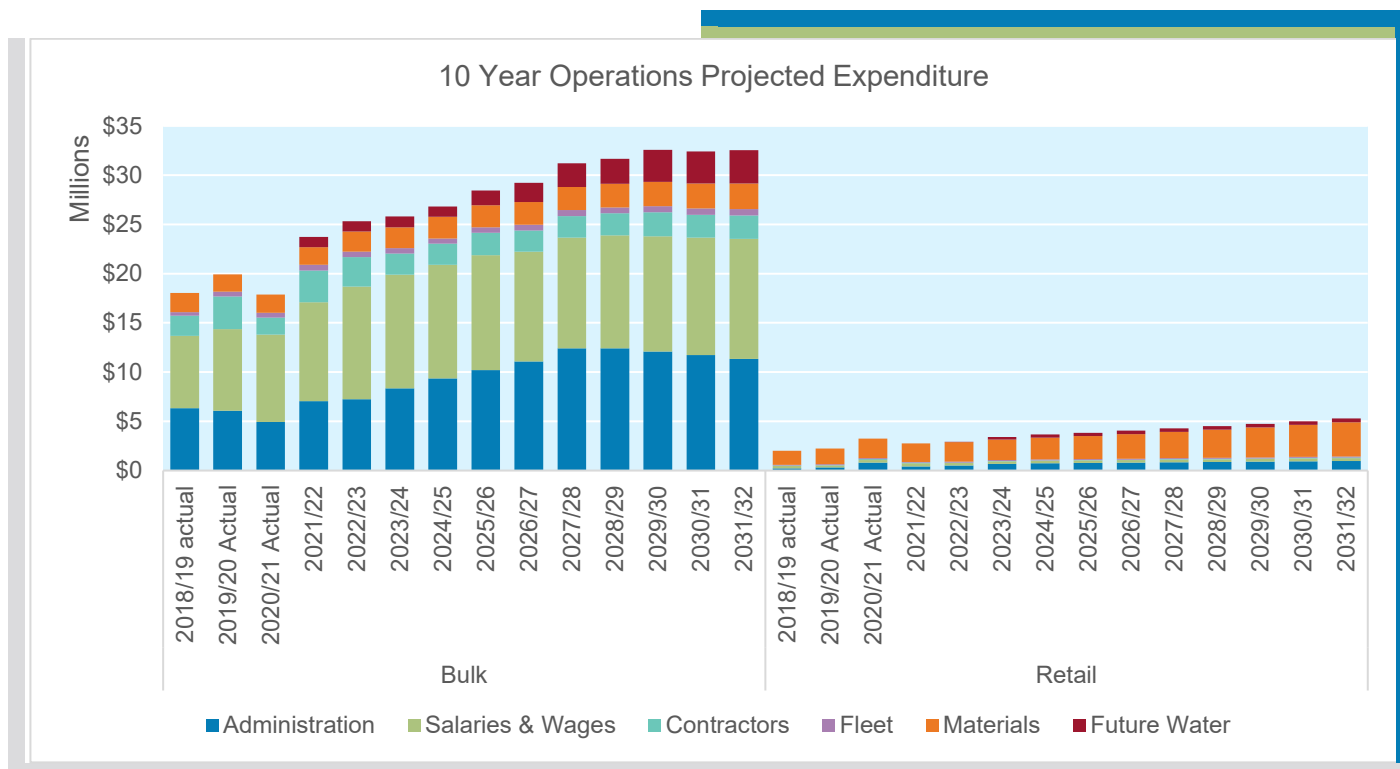
7.1.1. Operations framework

The table below provides some examples of operational activities undertaken on our water assets.

		Description	Examples
Operational Activities	Catchment	Catchment areas we manage for our water sources at Rocky Creek Dam, Emigrant Creek Dam and Wilsons River Source. This includes assets such as access tracks, signage etc.	<ul style="list-style-type: none"> Harvesting seeds from native species Bush regeneration works
	Source	Our water sources at Rocky Creek Dam, Emigrant Creek Dam, Wilsons River Source and bores. This includes assets such as dams, the raw water pumps at Wilsons River, Howards Grass pump station, the rising trunk main from Howards grass to Nightcap WTP, Woodburn bores	<ul style="list-style-type: none"> Water sampling from dam and river Running pump station at Wilsons River Source Dam surveillance
	Treatment	Our water treatment plants - Nightcap WTP and Emigrant WTP. This includes assets from the raw water pumps, raw water mixing tank, flash-mixer, flocculation, saturation, flotation and filtration, ozone disinfection, pH correction residual disinfection, sludge management and disposal to the clearwater storage reservoir. It also includes re-chlorination and fluoride plants within the distribution network and destratification at the dam sources.	Operation and daily rounds at WTPs and Fluoride plants including: <ul style="list-style-type: none"> Sampling On site laboratory testing Calibrations Monitoring chemical levels Orders and procurement Scada monitoring
	Distribution	Distribution network from our water treatment plants to supply our consumers and Constituent Councils. This includes asset such as trunk mains, reservoirs, valves, reticulation mains, water fill stations etc.	<ul style="list-style-type: none"> Scada monitoring Backflow auditing Meter reading Installing new water service connections

7.1.2. Summary of operations expenditure

Below is a summary of actual operational expenditure for water assets from the previous three years and projected expenditure over the next ten years (as at March 2022).



7.1.3. Maintenance framework

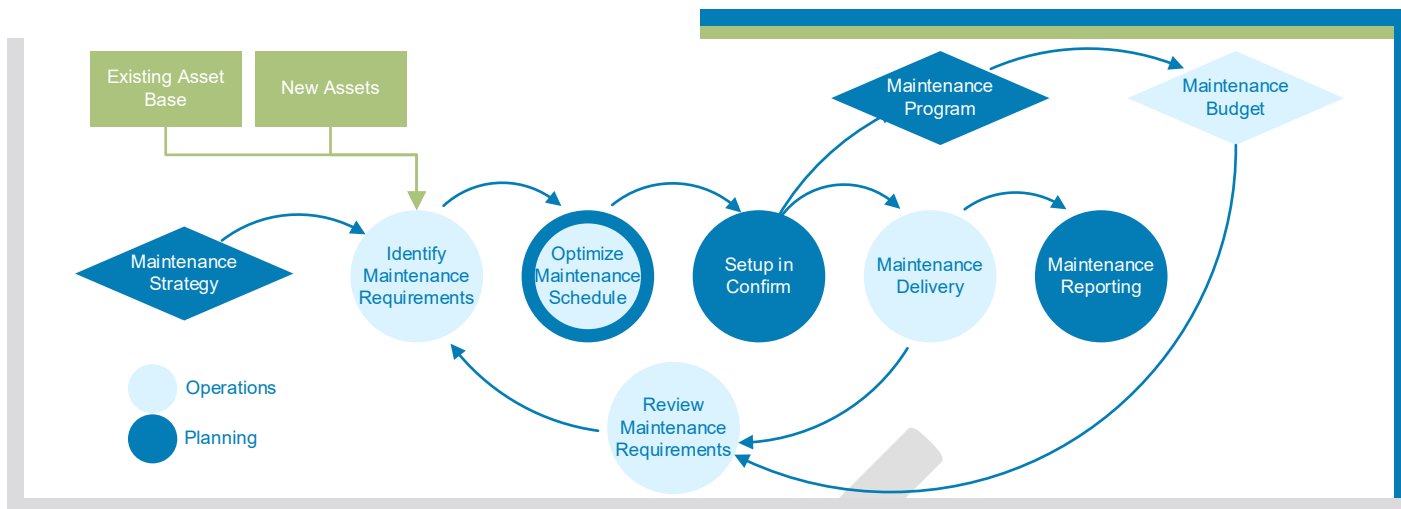
The table below provides examples of maintenance activities undertaken on water supply assets.

		Inspections	Maintenance	Repairs
Maintenance Activities	Catchment	Weekly park inspections	Slashing	Fallen trees, rotting boardwalks
	Source			
	Treatment	Various Electrical/Mechanical Inspections	Equipment services, pump overhauls, calibrations, repainting, cleaning	Leaks, vibration, corrosion, electrical faults
	Distribution	Monthly Reservoir Inspections	Repainting, line clearing	Mains breaks

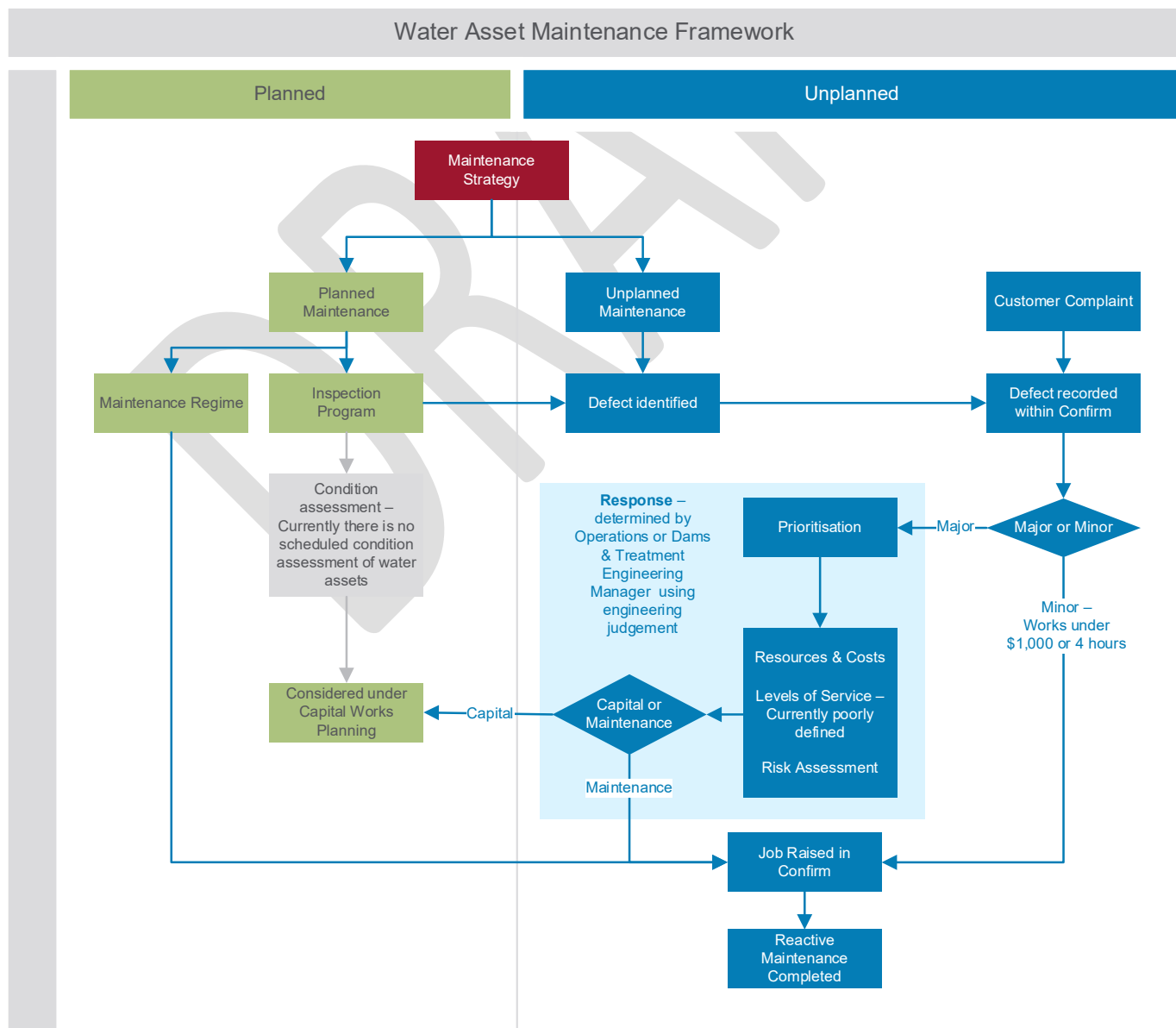
Our Asset Maintenance Strategy discusses our systems and approach to planned and reactive maintenance across the organisation. Our maintenance activities are largely reactive in nature, however, a planned schedule of works undertaken by our mechanical and electrical team and some tasks undertaken by the dams and treatment officers is managed within our Asset Information Management System Confirm. Not all maintenance activities for these teams are managed in Confirm, and maintenance undertaken by our water distribution team is not recorded or scheduled within Confirm.

Planned maintenance programs are currently based on a fixed time cyclic schedule. That is, set tasks are scheduled to reoccur at a set interval, e.g. every 6 months. Condition monitoring and data does not feed into planned maintenance activities. Much of our maintenance is managed reactively, with planned maintenance scheduled for some asset types but not all.

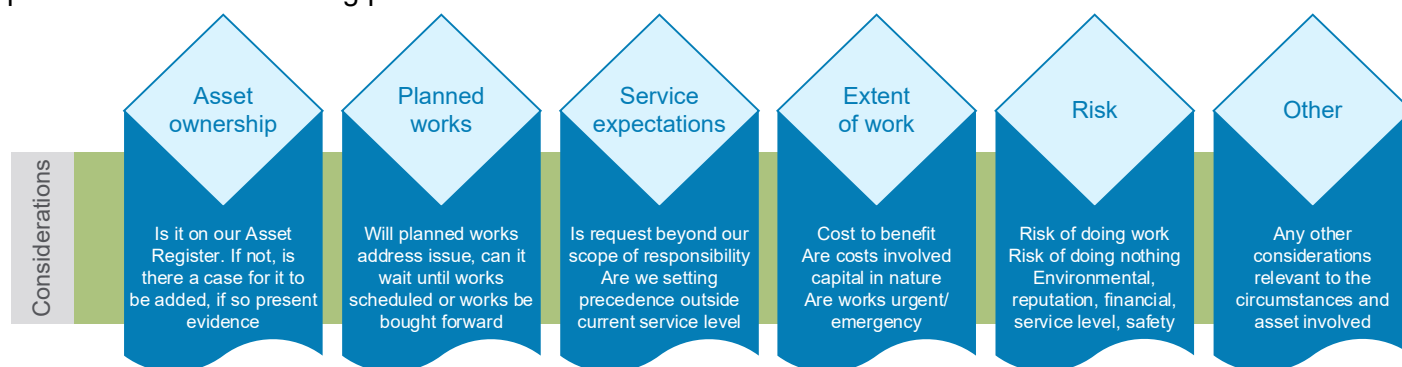
The diagram below provides an overview of how we identify and review planned maintenance requirements.



Defects identified are entered into our asset information system Confirm and referred to the Operations Engineering Manager and Dams & Treatment Engineering Manager to determine suitable response. Only a small number of defects are currently being recorded in Confirm however and improvements in recording of defects is required.

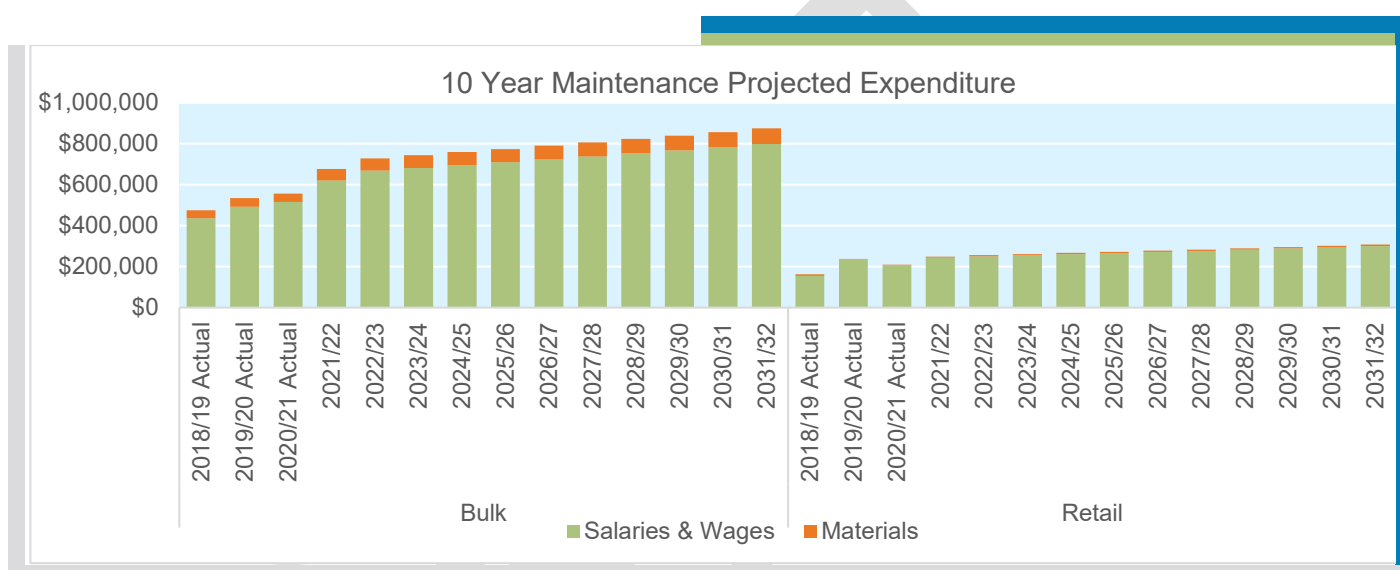


When looking at customer requests and maintenance to rectify defects, the following considerations form part of the decision-making process.



7.1.4. Summary of maintenance expenditure

Below is a summary of actual maintenance expenditure for water assets over the previous three years and projected expenditure over the next ten years (as at March 2022).



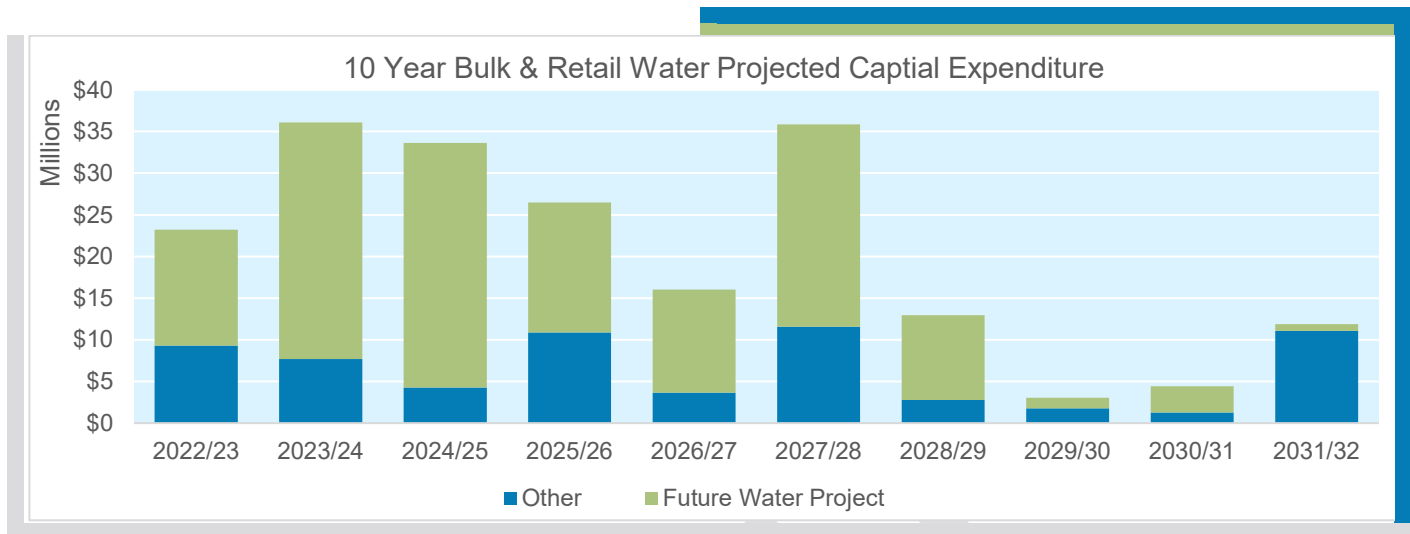
Increases in salaries and wages for maintenance over the last four years has been due to improvements in the reporting and break up of costs between operations and maintenance. Impact on maintenance requirements as a result of changes from the Future Water Project 2060 have not yet been considered and are not reflected in the graph above.

7.2. Capital works

Our long term capital works forecast is based on known major capital works and asset renewals based on asset remaining useful life, condition and current replacement costs from the latest asset valuations. Our annual capital works plan is reviewed and updated each year based on risk based renewal prioritisation, augmentation plans, planned defect remediation, condition of existing assets and budget estimates based on preliminary project design. Requirements for new assets are also identified and included in the capital works plan.

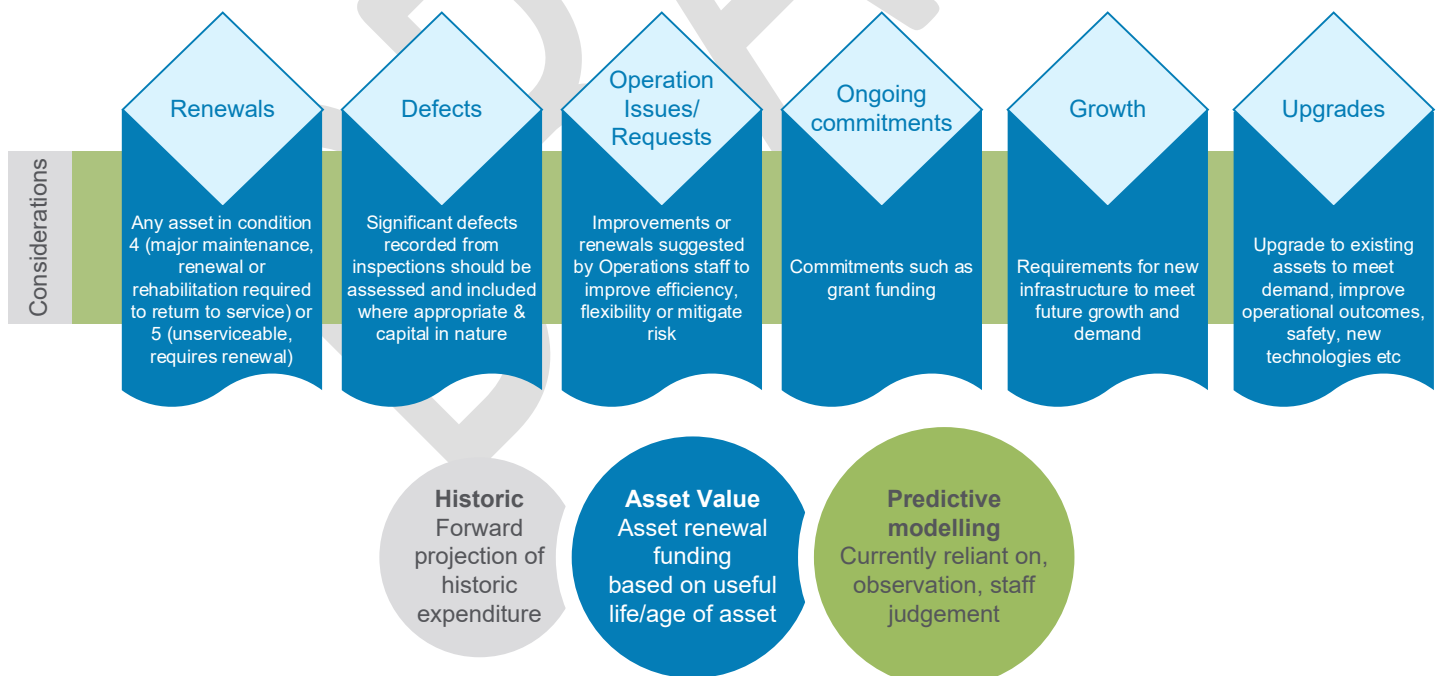
Description		
Capital works include:	Renewal	Works undertaken on or replacement of existing assets to ensure they continue to provide required service levels.
	New	The construction or acquisition of assets that did not previously exist
	Upgrade	Upgrading of existing assets to meet growth in demand or address gaps in service levels. This may be replacing a water main with a larger diameter pipe for example.

We have significant capital works over the next ten years with \$143million for implementation of our Future Water Project to secure our future water supply and \$88million for renewals and upgrades of existing assets.



7.2.1. Renewal/Replacement

Asset renewals and replacements are undertaken to ensure the ongoing reliability of existing infrastructure to deliver its required service. It is major work that does not increase the design capacity but restores, rehabilitates, replaces or renews the existing assets, for example, replacement of an existing water main with the same size, replacement of existing pumps and components with the same capacity, replacement of treatment process units with the same capacity and replacing filter bed material. Our capital works planning process begins in July each year, with budget submissions in November and our annual budget adopted at our June Council meeting in the subsequent year. The following inputs are considered in the capital works planning process:



Renewal strategy

Assets requiring renewal or replacement are identified from estimated remaining useful life as recorded in our asset register, inspections programs, failure history and our risk management process. There are currently no formally defined intervention levels to guide renewal strategies for our water assets. We rely on staff judgement for the best approach depending on individual situations. This may include a run to fail strategy for assets with low criticality and risk, while intervention would occur earlier or redundancy/spares maintained for more critical assets.

Renewal ranking criteria

Renewals are prioritised by assessing proposed works against the following criteria to determine the risk and consequence of the asset failing should the works not be completed:

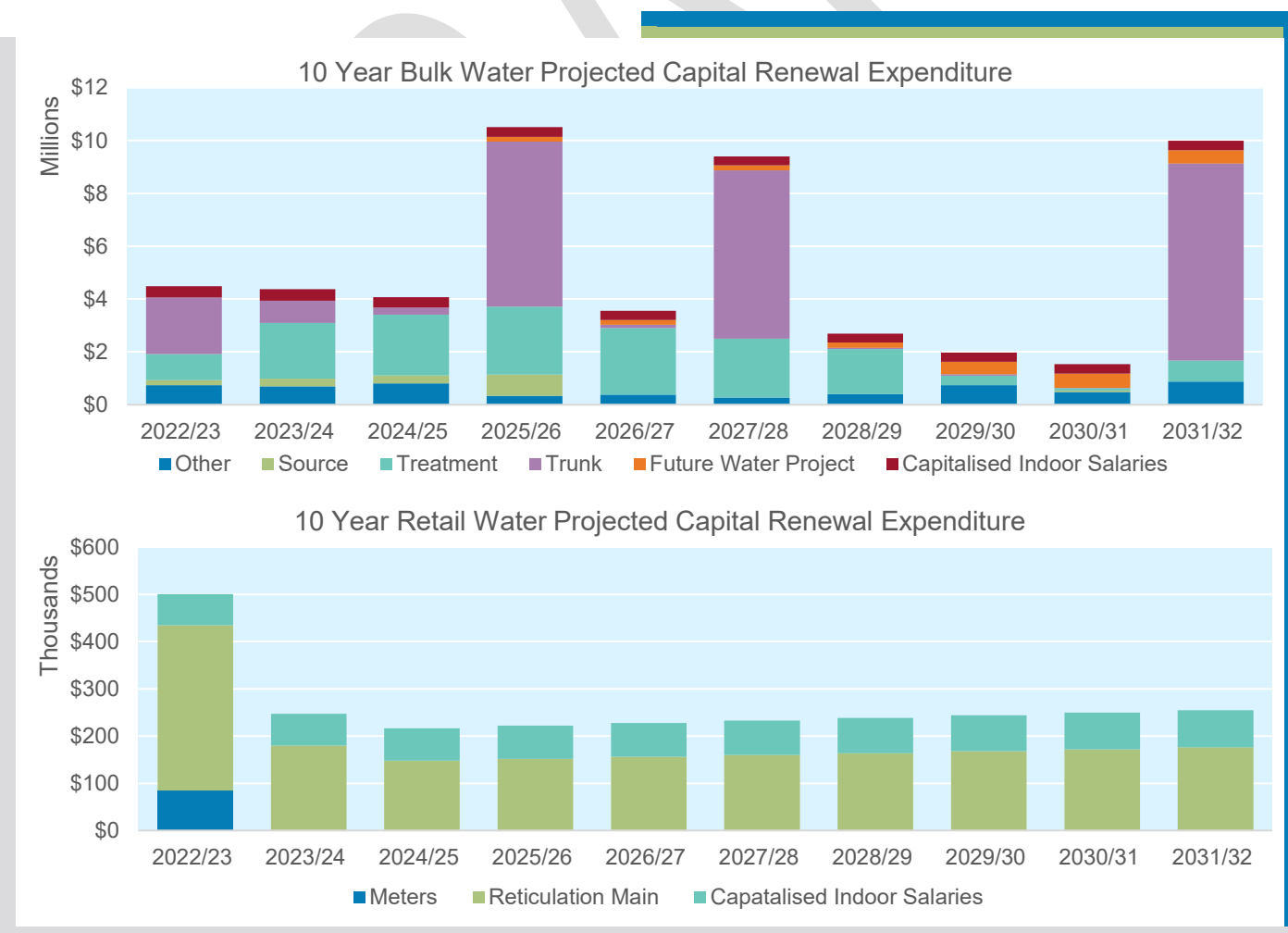
Description	
Safety	The potential for injury to staff or public due to operation or failure of an asset/service
Staff Morale	The subjective assessment of impacts on staff morale from ongoing operational issues
Loss of Service	The ability of the asset to perform its required service
Reputation	Potential for reputational damage/media attention from operation or failure of an asset/service
Redundancy	Are there alternative options to provide service
Water Quality	Impact of ongoing operation on water quality
Environmental	Potential for environmental damage as result of the operation or failure of an asset/service
Third Party Losses	The potential for damage to third parties from non-functional asset/provision of service
Business Cost	The cost to repair/replace the asset so it can provide its required service along with any other incidental costs to business

The impact of each of these criteria are ranked as:

Insignificant	Minor	Moderate	Major	Catastrophic
---------------	-------	----------	-------	--------------

Summary of future renewal expenditure

The graph below provides an overview of our projected expenditure on capital renewals of our water assets over the next ten years (as at March 2022).



7.2.2. Creation/Acquisition/Upgrade plan

The creation of new assets or upgrade of our existing assets is undertaken to meet growth in demand or to address gaps in service level delivery. The requirement for new or upgraded assets is identified from various sources, for example strategic plans such as our IWCM.

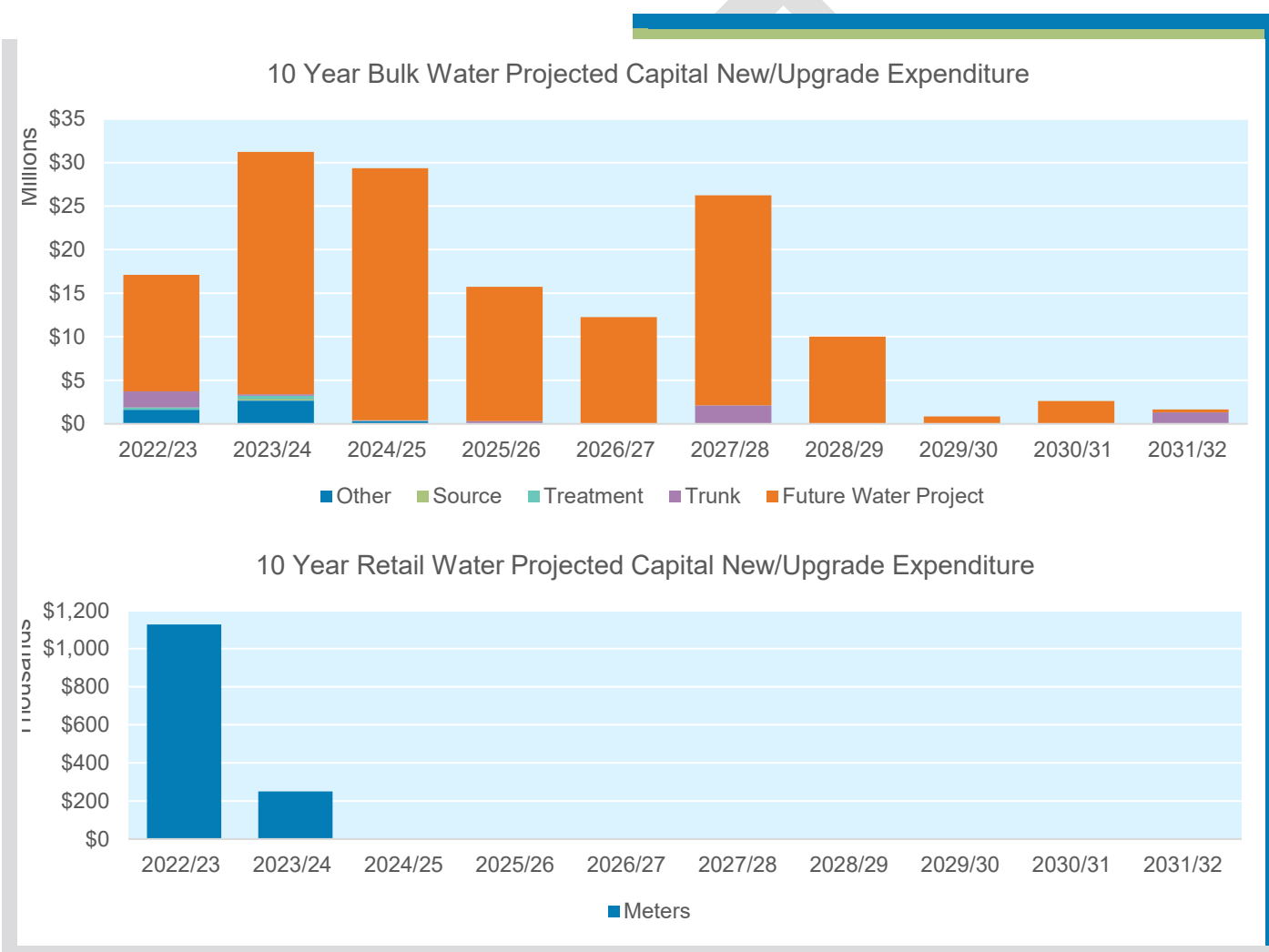
The IWCM is a strategic plan to secure our region a high-quality drinking water supply for future generations, which has identified several capital works projects which will result in the creation of new assets or upgrading of assets.

Capital investment strategy

The requirement for new or upgraded water assets are identified from several sources including strategic planning documents such as our IWCM, demand forecasting and analysis of existing service provision. Proposed capital works are ranked by priority, available funds and scheduled in the capital works plan.

Summary of future upgrade/new assets expenditure

The graph below provides an overview of our projected expenditure on capital new/upgrade works over the next ten years (as at March 2022).



7.2.3. Disposal plan

Disposal includes any activity associated with the disposal of a decommissioned asset. We will dispose of an asset when it becomes uneconomical to maintain and/or replace, or the service it provides is no longer required. Assets identified for disposal will be investigated to determine the required levels of service and the available options for alternate service delivery, if any. Disposal of assets from our asset register requires the approval of the General Manager.

7.2.4. Major works

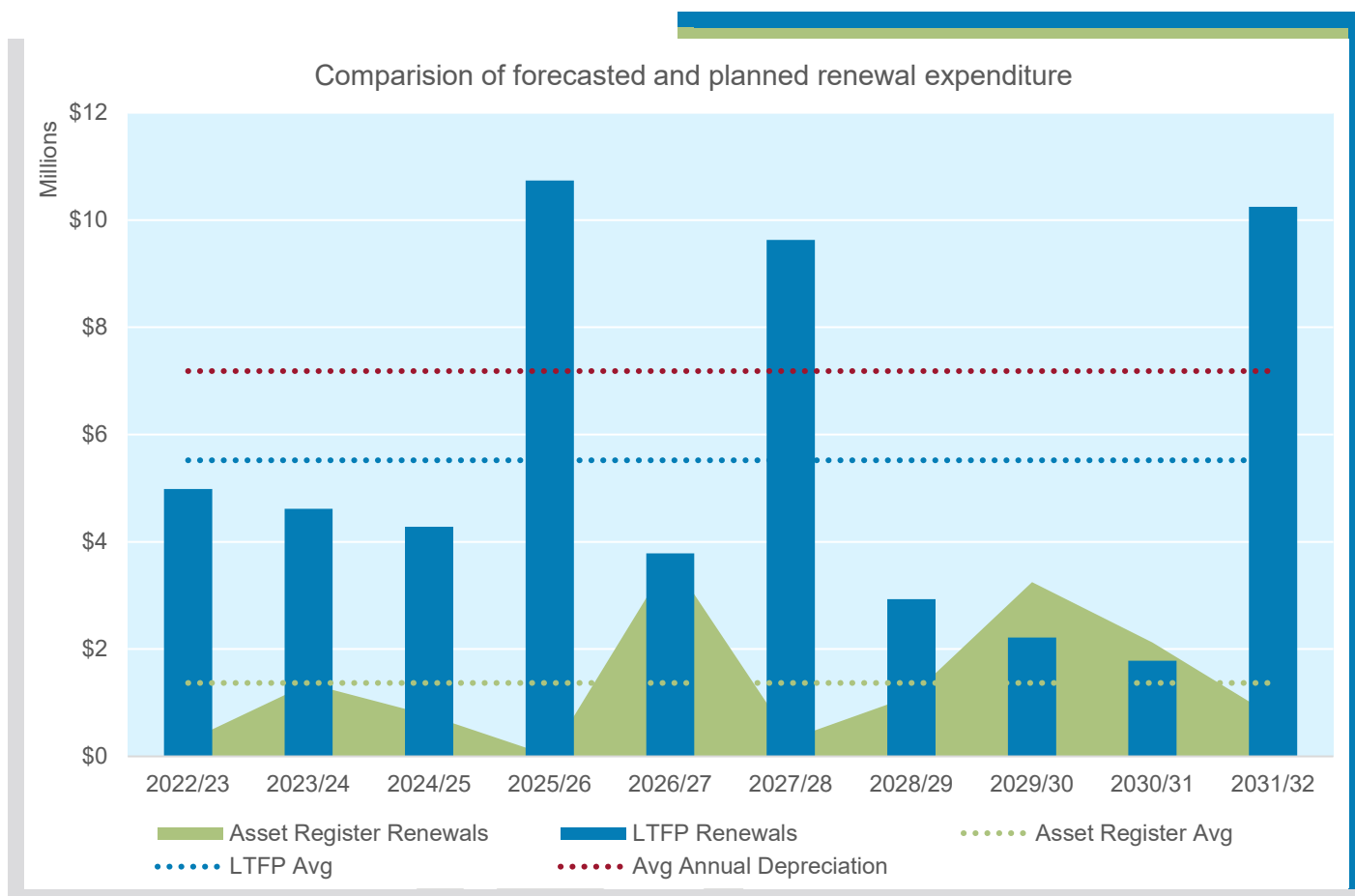
The following major works are included in the projected capital expenditure over the next ten years:

		Works	New/Upgrade	Renewal
Major Capital Expenditure Works	Trunk Mains	Broadwater 150 trunk main upgrade	\$810,000	\$990,000
		Coraki 225 trunk main renewal		\$6,250,000
		Knockrow 450 trunk main renewal	\$1,314,600	\$7,449,400
		St Helena 600 trunk main upgrade	\$7,247,000	\$7,247,000
		St Helena 300 upgrade	\$2,088,750	\$6,266,250
	Nightcap WTP	PLC switchboard upgrade	\$365,750	\$1,097,250
		Nightcap WTP site services renewal	\$6,425,000	
		Treated water renewal	\$1,008,000	
		Bulk chemical storage	\$311,560	\$1,246,240
	Retail	Smart meters (retail)	\$694,800	\$706,800
		Backflow	\$1,250,000	
		Reticulation main renewals		\$2,345,000
	Future Water Project	Water loss implementation	\$1,220,040	\$813,360
		Marom/Alstonville Renewals		\$1,463,000
		Alstonville groundwater	\$39,148,000	
		Woodburn new bores	\$2,873,900	
		Tyagarah groundwater	\$50,909,600	
		Groundwater land acquisitions	\$19,098,200	
		Direct potable reuse pilot scheme	\$6,369,800	
		Project management	\$22,225,000	
		Stage 3 source planning	\$2,293,300	
	Other	Workplace consolidation	\$10,775,000	
		Microwave bridge		\$1,082,800
		Servers, storage and UPS renewals		\$1,396,000

7.3. Service consequences

Our funding is meeting current service level, capital renewal and upgrade requirements.

The graph below depicts the variance between the expected renewal of assets from our asset register data, asset renewals identified in our long-term financial plan and annual depreciation of our water assets (as at March 2022).



The discrepancy between the long-term financial plan and asset register predicted renewals is largely due to inadequacies in internal processes for updating useful lives with our asset register. Impaired assets are currently addressed within our financial system and asset valuation, but useful lives are not updated in the asset register to reflect identified impairment of assets flagged for renewal or upgrade. An improvement action has been identified to address this issue.

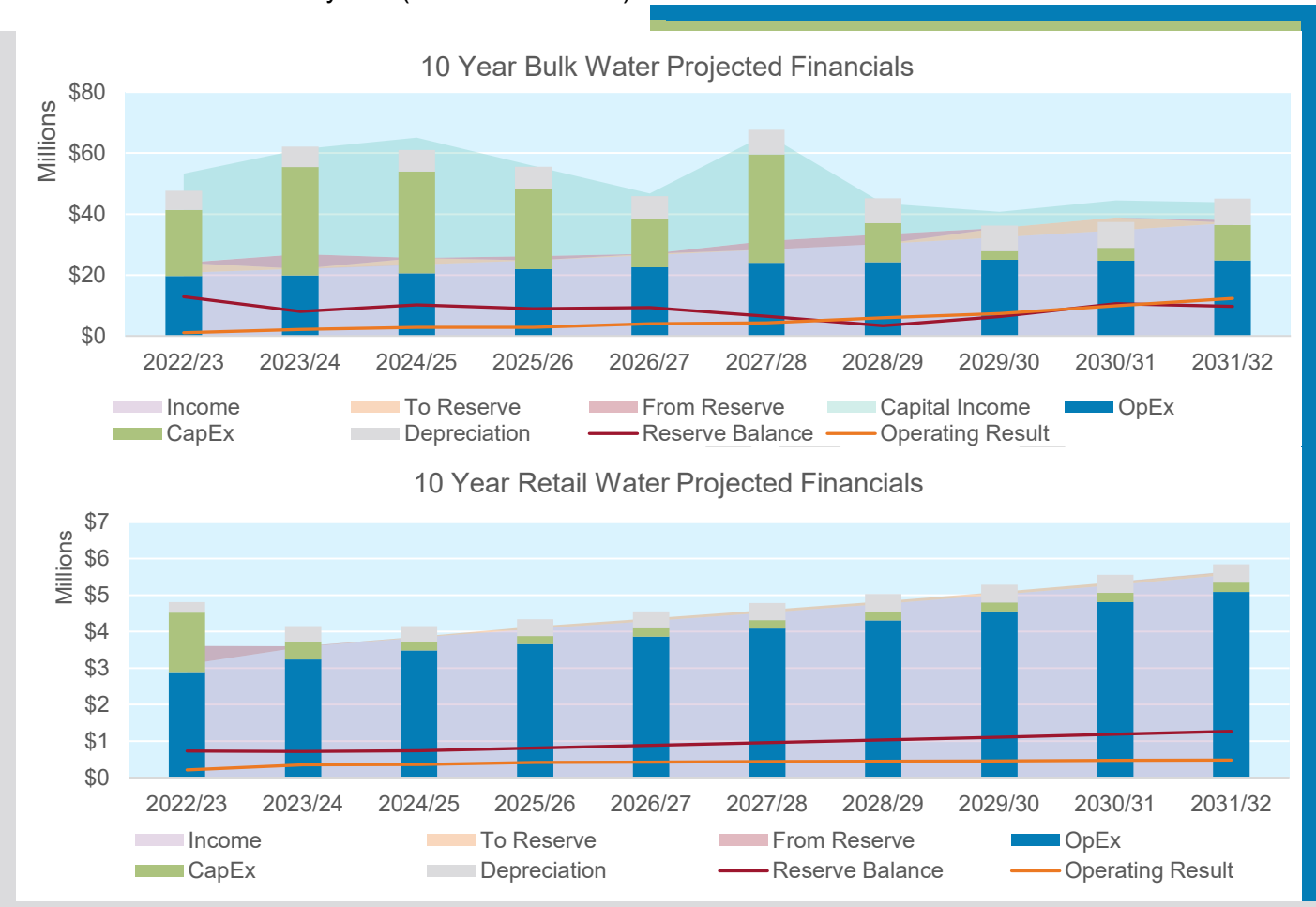
Delivery of the Future Water Project 2060 is critical for securing our water supply into the future and to meet increasing demand. This requires significant capital works projects to be undertaken. Our long-term financial projections show we can meet these needs, however any circumstances that impacts delivery of this project may potentially result in service consequences in the future.

8. Financial Summary

8.1. Financial projections

We undertake long term financial modelling for water supply on an annual basis. The aim of this modelling is to ensure we meet funding requirements of the capital works program and other lifecycle costs associated with operating and maintaining our assets, ensure we maintain an appropriate level of cash reserves and forecast our pricing structure over the long term.

The table below provides a summary of our water supply operating and capital expenses, income and cash reserves over the next 10 years (as at March 2022).



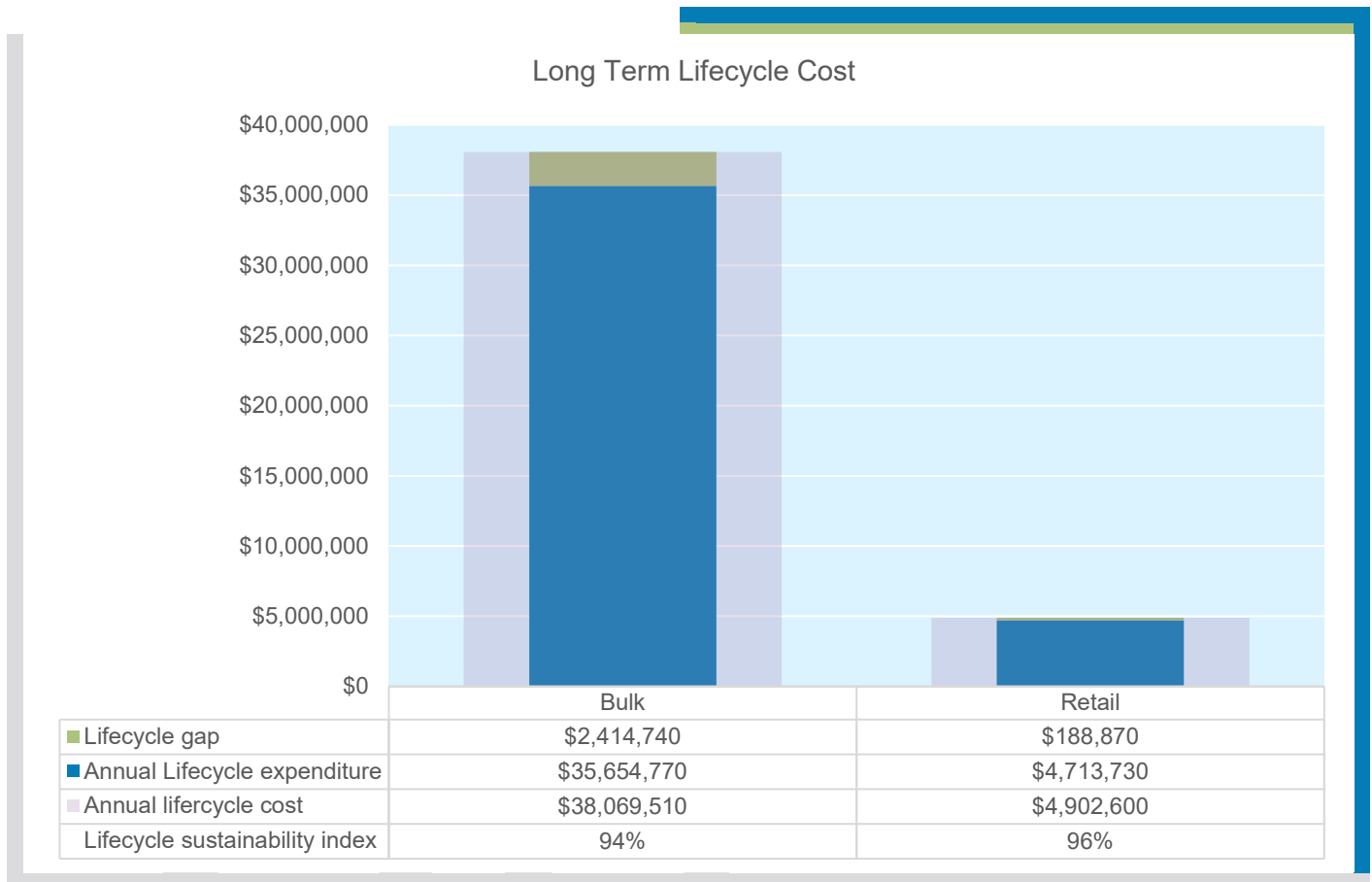
8.2. Financial Sustainability of service delivery

Our bulk water fund is in a healthy position, however significant capital expenditure is required to deliver the Future Water Project over the next ten years. Loans will be taken out to fund this expenditure. There will also be an increase in operational expenditure to deliver and operate these additional water sources and related assets. The cash reserve for the bulk water fund fell from \$40million in 2021 to approximately \$9.5million in 2022. Our target reserve balance for the bulk water fund is 50% of our yearly operation costs (\$12million in 2022). Our bulk fund reserve fell below this target in 2022 and is expected to remain below it for the next ten years before returning above the target in 2033. Current projections show an estimated cash reserve of \$19million in 2033.

Our retail water fund is also in a healthy position, however delivery of the smart metering program in 2022 will lower our cash reserves. Reserves will fall to \$714,900 in 2024 before rising slowly over the next ten years. This will mean our cash reserves for the retail fund will remain well below our target balance for the next ten years (current target balance \$2million).

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure will vary depending on the timing of asset renewals. A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A gap between life cycle costs and life cycle expenditure gives an indication as to whether present expenditure covers the assets that are being consumed each year.

The graph below shows the sustainability of our lifecycle costs for water assets (as at March 2022).



8.3. Funding strategy

Our funding sources are outlined below.

Description			% of Total*
Funding sources	Water Sales - Bulk	Income from sale of bulk water to our constituent Councils	73%
	Developer Contributions	Income from developer contributions toward future bulk water supply	14%
	Water Sales - Retail	Income from sale of water to our retail customers	12%
	Other	Other income such as developer contributions, interest, grants, fees, rental etc.	1%

*average percentage of total funding over next 4 years

Funding for the Future Water project 2060 capital works over the next ten years will be sourced from loans and our reserves.

8.4. Assumptions

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to provide an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- Asset inventory is correct as at 30 June 2020 for the purpose of providing annual depreciation costs for the asset classes and condition assessments
- Maintenance allocations are largely based on maintaining the current level of expenditure
- All cost values are presented in current (2022) dollars

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions:

- Implementation of improved systems for better capture of asset data
- Update and refining the required renewal expenditure based upon improved data within the asset register
- Improving asset inspection and reporting procedures
- Review of the renewals program based on condition and useful life data
- Review of asset renewal profiles and depreciation rates/calculations as improved information becomes available
- Ongoing review and update of the levels of service and the required operating and maintenance regimes

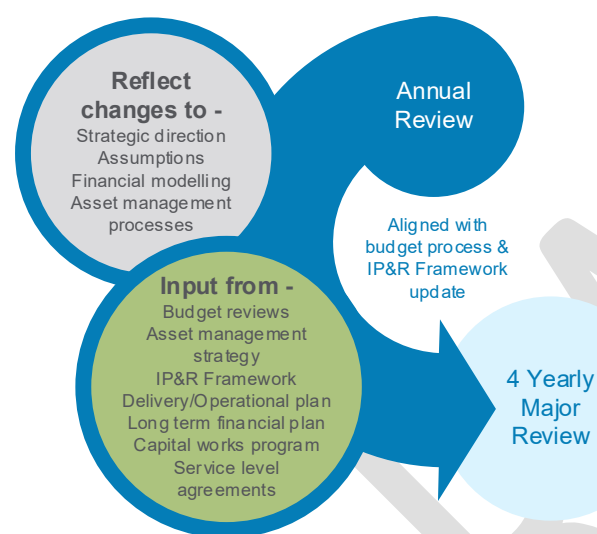
9. Plan Improvement & Monitoring

9.1. Improvement program

Our Asset Management Strategy was adopted by Council in August 2020. It outlines our commitment to continual improvement of our asset management practices. This strategy identified improvement actions to be implemented over the next four years to advance our overall asset management maturity. These improvement actions cover all aspects of our infrastructure asset management across our functional areas and services. A detailed implementation plan is currently being developed to outline the issues being addressed, desired outcomes, indicators of success and general approach to the improvement actions. There is significant work to be undertaken, and part of the monitoring and review process outlined below will include reviewing both the approach and resources required to carry out our improvement plan and adjust implementation of actions as required.

9.2. Monitoring and review

This asset management plan forms part of our overall asset management system. Monitoring and review of the document and outcomes achieved is undertaken as part of our planned review process for the asset management system.



9.2.1. Monitoring and review procedure

Review of our asset management plan will incorporate any changes to our processes from implementing asset management improvement actions, as well as reflecting any financial or strategic direction adjustments or changes to any assumptions the plan is based upon. The updated plan will be presented to Council for formal adoption.

9.2.2. Review Frequency

Our asset management plan will be reviewed on an annual basis. A major review and update will be undertaken every four years in line with our IP&R framework updates.

9.2.3. Performance measures

The performance and outcomes of our asset management, including implementation of this plan is monitored by our Asset Management Steering Committee. Formal performance measures and reporting are currently under development.

9.3. Roles & Responsibilities

The table below outlines the roles and responsibilities for the asset management plan.

Asset Management Plan	Development	Asset Management System Officer	Utilise industry standards to develop and draft the document
	Review	Asset Management Steering Committee Relevant Operations, Planning & Finance staff Leadership Team	Review and provide input on content
	Update	Asset Management System Officer	Complete update of document
	Adoption	Leadership Team Council	Formally adopt the document
	Delivery	Operations, Planning & Finance teams	Deliver the actions outlined in the plan

FLOOD MITIGATION Asset Management Plan 2022-2025

DRAFT March 2022



ROUS
COUNTY COUNCIL

■ BULK WATER SUPPLY ■ WEED BIOSECURITY ■ FLOOD MITIGATION

File no.:	Next review date: June 2025		
Purpose and description	Version	Status	Date
Provides detailed plan for managing Council's flood mitigation assets to achieve asset management objectives	0.1	DRAFT	02/06/2021
	0.2	FINAL DRAFT	24/02/2022
	1.0	ADOPTED	
Document review and approval			
Name	Action	Initial	Sign off date
Asset Management System Officer	Author	KE	24/02/2022
Operations Engineering Manger	Review & Endorse		
Group Manager Operations			
Asset Planning Engineer			
Strategic Planning Engineer			
Group Manger Planning & Delivery			
Finance Manager			
Group Manager Corporate & Commercial			
Leadership Team	Approve		

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1. Executive Summary

This Asset Management Plan provides an overview of how we manage and operate our flood mitigation assets.

Levels of Service

Our level of service objectives are:

- Prevent/mitigate menace to the safety of life and property from flooding
- Natural resource management relating to the environmental consequence of our infrastructure on the broad environment
- Hydrological research, flood surveying, modelling, flood risk management studies and plans
- Partnering with our member councils to deliver agreed regional and local projects, including coordination of the preparation and submission of grant funding applications
- Provide maintenance support to match funding commitments

Risk Management

- Critical assets – we are utilising an initial desktop assessment of our flood assets risk ranking to drive frequency of our inspection program
- Asset, Operational & Environmental risks – high level risks associated with our assets and their operation have been identified

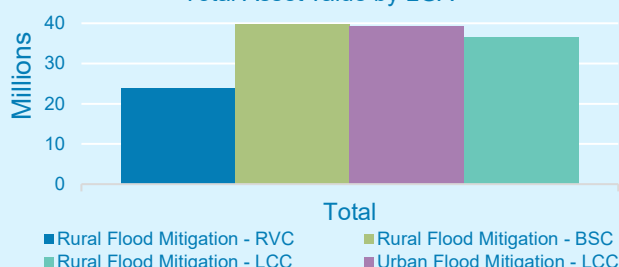
Demand

We currently do not undertake demand forecasting for our flood mitigation assets. Our focus is on maintaining current levels of service of our existing asset base.

Asset Information

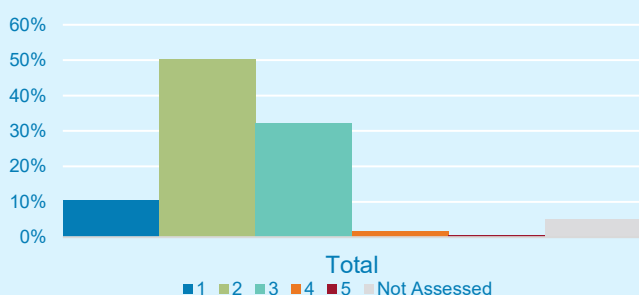
We maintain an asset base valued at \$139 million across three of our constituent councils.

Total Asset value by LGA



An inspection program has been in place since July 2017 to assess the condition of our assets. Over 90% of our flood assets are condition one, two or three.

Asset Condition



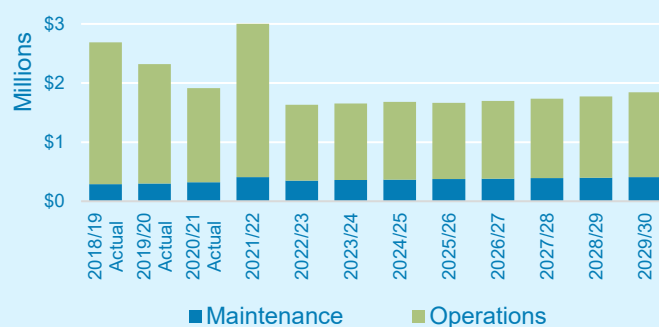
Monitoring & Improvement

We are committed to continual improvement of our asset management practices. A detailed improvement program has separately been identified and documented with implementation of improvement actions underway.

Lifecycle Management

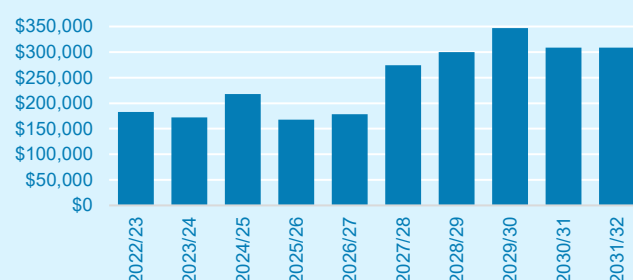
- Operations - Our flood mitigation assets are operated in a manner that ensures our objectives are achieved at least cost with the impact of breakdowns minimised during pre/post flood and normal conditions.
- Maintenance - is currently reactive in nature. An inspection program is in place to identify condition and defects. Defects identified are entered into our asset information system Confirm. There are currently no planned maintenance activities beyond inspections.

10 Year projected maintenance & operations expenditure



- Capital Works - Asset renewals are undertaken to ensure the continuing reliability of existing infrastructure to deliver its required level of service.

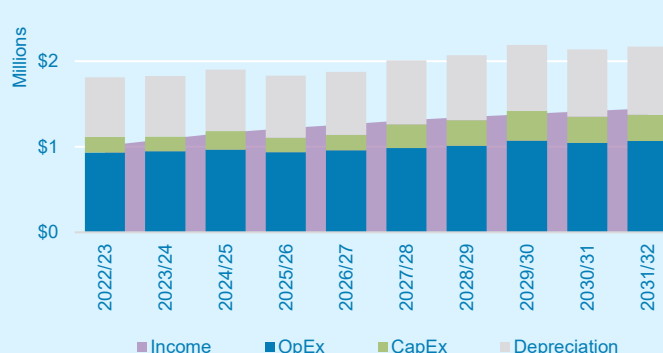
10 year projected capital expenditure



Finance

We undertake long term financial modelling for flood mitigation on an annual basis to ensure we meet funding requirements of the capital works program and other lifecycle costs associated with operating and maintaining our assets. Over recent years, our flood mitigation fund has recorded operating losses, however it has returned to a positive operating result in 2021/22 and is expected to remain positive over the next ten years. This positive result is dependent on adoption of increases to constituent council contributions and no other events occurring which would cause unplanned expenditure.

10 year projected financials



2. Introduction

2.1. Scope

2.1.1. Purpose of plan

The ISO55000 standard defines asset management as the coordinated activity of an organisation to realise value from assets. The realisation of value involves the balancing of cost, risks and performance while achieving the organisation's business objectives over the entire lifecycle of assets and should have a service delivery focus.

This Asset Management Plan (the Plan) details the actions required to manage our flood mitigation assets to ensure they deliver the required level of service in the most cost-effective manner. The plan documents our current practices regarding the operation, maintenance, and identification of capital requirements for the renewal and upgrade of our assets. This plan will identify and provide a summary of:

Required services	Flood mitigation assets
Demand drivers	Asset related risks
Capital works requirements	Operations plan
Maintenance plan	Funds required
Improvement actions	Performance indicators

This Asset Management Plan should be read in conjunction with our:

Relationship	
Business Activity Strategic Plan	Outlines organisational strategic objectives. Links to section 2
Asset Management Policy	Outlines principles, requirements and responsibility for asset management. Links to section 2
Asset Management Strategy	Outlines objectives, practices and improvement actions for asset management. Links to section 2 and 9
Long Term Financial Plan	Links to financial summary and projections in Sections 7 and 8
Capital Works Plan	Links to planned asset renewals, new assets and upgrades in section 7
Service Level Agreements	Links to levels of service in section 3
Delivery Program / Operational Plan	Links to lifecycle management and planned capital works in section 7

2.1.2. Description of assets covered by plan

This plan covers our flood mitigation infrastructure assets. Full details of asset types, values, condition, and age can be found in section 6 of this plan.

		Levees	Floodgates	Canals	Drains	Bank Protection
Flood Mitigation	Rural	Outlets	Pipes & Culverts	Access Control	Weir	Dataloggers
		Levees	Floodgates	Bank Protection	Pump Stations	
	Urban	Pipes	Culverts	Drains	Access Control	

Assets not covered by this plan:

Water Supply

Commercial

Land & Building

Parks & Recreation

Plant & Fleet

2.1.3. Duration of plan

This plan covers a planning horizon of ten years with a major review and update every four years.

2.2. Asset Management Practices

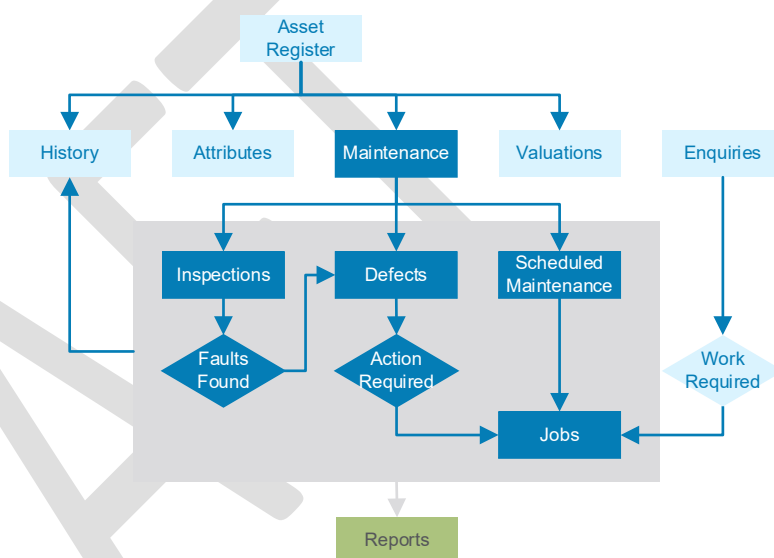
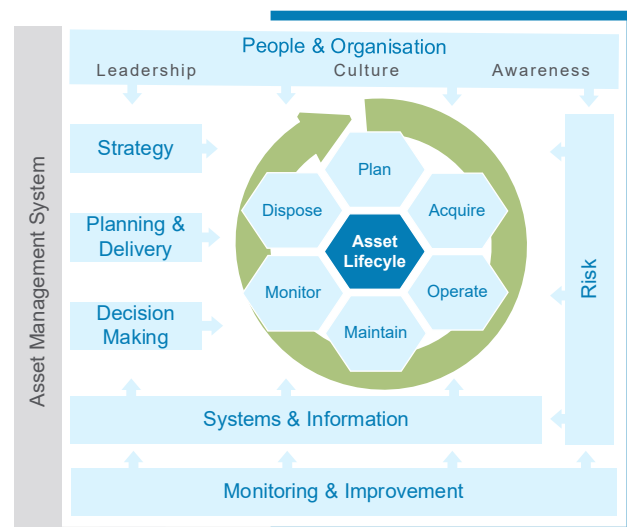
2.2.1. Asset management system

Our asset management system includes the policies, strategies, plans, documented processes, and activities related to the planning, management, operation and maintenance of our infrastructure assets as well as the people and systems involved.

Asset information system

Asset information systems are a software solution to store, maintain and manage the information related to an organisation's assets. The system needs to provide sufficient information to support asset management decision making. These systems can be simple or complex depending on the needs of the organisation. Having an effective asset information system is a key component of asset management as it ensures the right information is available to the right users at the right time, allowing them to make decisions to achieve asset management objectives.

Our corporate asset information system is Confirm, with the Confirm Connect app used within the field. Staff can access and view asset and maintenance data within Confirm, with the Asset Planning team responsible for managing the system. A Confirm Development Plan is in place to guide improvements to the system. Confirm is utilised for the following functions:

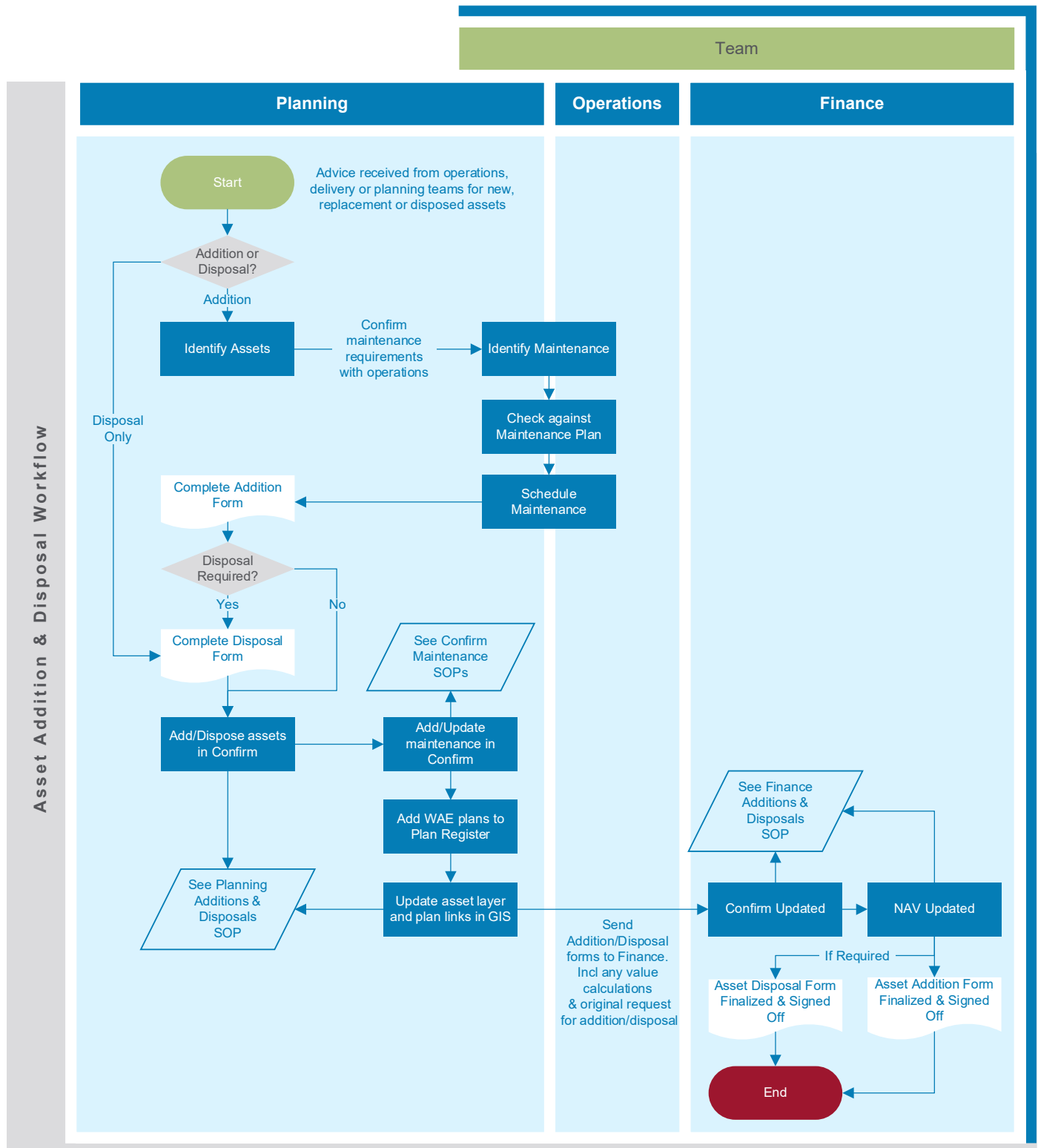


Description

Function

Function	Description
Asset register	Identifies all discrete fixed infrastructure assets. Includes all attributes necessary to describe and identify the assets and their location. Eg material, age, dimensions. Generally, assets with different useful lives, maintenance regimes or attributes information are separated into discrete assets, eg buildings are componentised into roof, sub structure, fixtures & fittings etc. Valuations, maintenance programs and their history are linked to the asset.
Asset valuation	Stores the replacement cost, current fair value, accumulated depreciation of assets, along with the history of changes to those values over the lifetime of the asset and annual indexation. Valuation data is exported from Confirm and reconciled against our general ledger within Navision annually.
Inspection programs	Scheduled inspections determine the condition of our assets and identify defects or risks. Inspections use defined observation checklists and are scheduled to reoccur a set intervals. Ad hoc inspections may also be undertaken as required. An inspection program is in place for the majority of our flood assets. Inspections are completed in the Connect app on mobile devices in the field.
Planned maintenance programs	Maintenance activities that are planned and scheduled with a reoccurring frequency against specific assets. A job is raised with set tasks to be completed and assigned to an action officer when planned maintenance is due. These are completed either in the Connect app or Confirm. Planned maintenance for flood assets are not currently programmed.
Reactive maintenance	Maintenance tasks not part of planned reoccurring maintenance. E.g. repairing a flood gate damaged during a flood or other defects. Defects for flood assets can be raised from inspections or ad hoc in either the Connect app or Confirm, with a job raised for any requiring action. Defects are reviewed by Operations Engineering Manager. Major defects are considered under capital works planning.
Customer service requests	Enquiries or service requests from internal or external sources related to assets. Action officer required to complete task or inspect assets to determine if further action required. E.g. landholder reports blocked floodgate etc. Can be completed in either the Connect app or Confirm.

Addition and disposal of assets from the asset register is carried out following our Asset Addition & Disposal procedure. An overview of the workflow for this process is shown below:



Geographical information systems (GIS) are a software solution for capturing, storing, analysing, querying, displaying and managing spatial data. GIS integrates many types of data, arranged by spatial location and visualised as maps. Understanding the spatial relationships between data provides deeper insight allowing users to analyse and visualise data to communicate, share and access information to make decisions. Our corporate geographic information system is MapInfo. The spatial location of our assets are managed within MapInfo and linked to the assets within Confirm via a unique asset identifier. Staff have access to view, query and print asset mapping, with the Asset Planning team responsible for managing asset spatial data. A GIS Development Plan is in place to guide improvements to the system.

Finance system

Our accounting and financial management system is Navision, which has a suite of accounting/financial modules to meet our day to day operational and reporting requirements. All capital and operational costs are recorded in this system.

		Description
Capital Expenditure (CAPEX)	New Upgrade Renewal	Relatively large (material) expenditure, which has benefits (service potential) expected to last for more than 12 months. In addition to new assets capital expenditure includes renewal/replacement and expansion/upgrade of existing assets
Operational Expenditure (OPEX)	Operating	Recurrent expenditure such as power, fuel, telephone, employee costs, materials, cleaning, minor equipment, overheads, and depreciation. These costs are the day to day expenses associated with providing the service during a year of operations.
	Maintenance & Repair	Maintenance costs for retaining assets in a serviceable condition. Includes planned and reactive maintenance activities. Excludes rehabilitation or renewal actions which increase the service potential or extend the useful life of the asset.

The Manager Corporate and Commercial is delegated with the statutory responsibility as our 'Responsible Accounting Officer'. The Responsible Accounting Officer is responsible for ensuring we have adequate control systems, processes and procedures in place and that these are applied to meet all financial operating and reporting requirements.

The Local Government Act, 1993 sets out the requirements for management reporting, accounting, auditing and financial reporting requirements for Council. The NSW Division of Local Government also issues the 'Local Government Code of Accounting Practice and Financial Reporting', which assist in the interpretation and application of the Act, and the application of Australian Accounting Standards to the audit and financial reporting functions. The Government Code of Accounting Practice and Financial Reporting also provide a mechanism which ensures appropriate accounting policies and practices are undertaken. For infrastructure, significant accounting policies are detailed in the annual financial reports. These include policies on the acquisition of assets, initial asset recognition, subsequent costs, indexation adjustments, asset revaluations, capitalisation thresholds, depreciation and disposal and de-recognition.

The following standards and guidelines have been used in the development of this AMP:

AAS27, 'Financial Reporting by Local Governments', Australian Accounting Standards, June 1996	'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, 2015
Asset Management Guidelines for Water Supply and Sewerage Schemes	Condition Assessment & Asset Performance Guidelines

Accounting standards (particularly AASB 116 – Property, Plant and Equipment) require a distinction to be made between expenditure that is consumed immediately in operations and expenditure on physical assets that will provide service over more than one financial year (capitalised assets). Our capitalisation policy sets appropriate thresholds for the capitalisation (recognition) of assets.

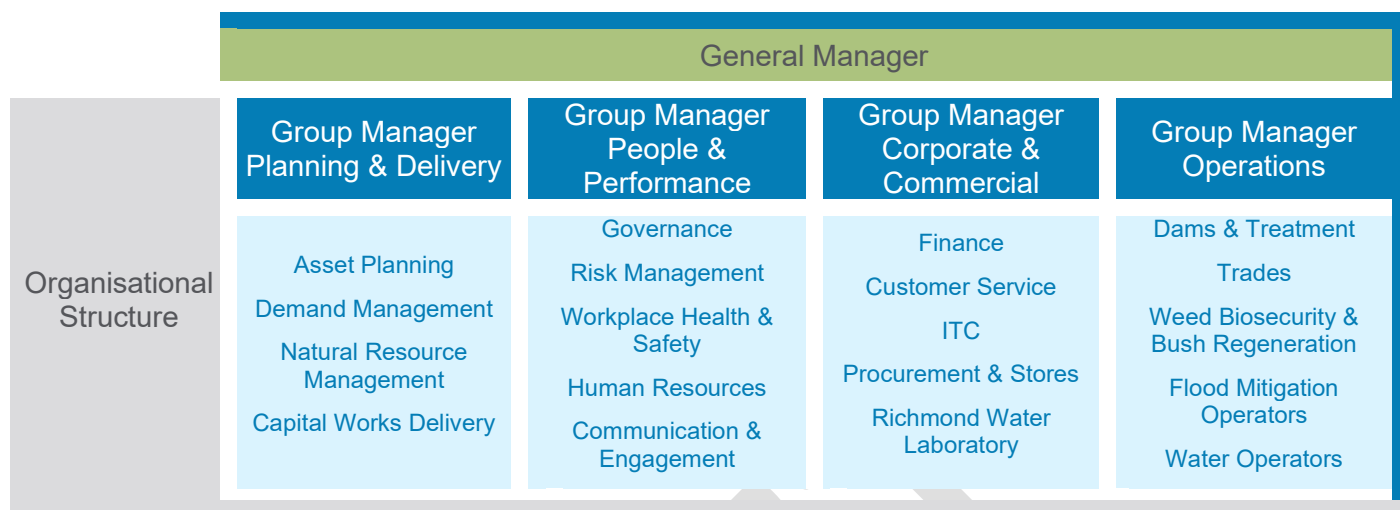
2.2.2. Asset management objectives

Our asset management objectives are outlined below. These objectives come from our Asset Management Policy and Asset Management Strategy and are aligned with our organisational objectives. These objectives guide our asset management activities across Council.

Mission		Objectives	
Our asset management mission is to...	<ul style="list-style-type: none"> ✓ deliver affordable, quality services while safeguarding assets for the future, ✓ grow internal awareness and capability, and ✓ have transparent and accountable processes aligned with industry best practice 	Sustainable Delivery	Convert strategies and plans into actions to deliver agreed service outcomes that balance cost, risk, and performance of assets
			Embrace a strategic whole of life approach to the long-term management of assets to realise value and delivery of required services now and into the future
			Commit to consistent, evidence based decision-making processes that utilise the knowledge and expertise of our people and the information embedded in our systems
			Assets maintained to a suitable level to meet performance and service requirements
			Responsive action to maximise the time that assets are available within appropriate levels service, and that service requests are attended to in a timely manner
We will do this by delivering...	<ul style="list-style-type: none"> – a reliable, quality service to meet demand now and in the future – notification and responsive action to minimise interruption of services – sustainable whole of life value through proactive, prioritised actions – the resources to meet strategic long-term outcomes from our assets – evidence of outcomes and the condition of our assets 	External Relationships	Engage with stakeholders to understand sustainable service expectations and gain trust as a valued service provider for the region
		Our People	Develop capable and motivated people with the skills to deliver asset management objectives who take ownership of assets and service outcomes
		Leadership & Innovation	Foster an asset management culture that is accountable, transparent and aligns across the organisation to achieve our business objectives
This Asset Management Plan will help to achieve these objectives by...	<ul style="list-style-type: none"> Documenting services to be provided, expected service levels and cost of providing services Communicating consequences for service levels where desired funding is unavailable and financial sustainability of services Developing a plan to address key infrastructure requirements 		Document our core flood mitigation responsibilities and service levels required to meet these responsibilities in consultation with constituent councils. Document the cost to deliver and maintain these service levels.
			Assessment of our assets will provide data required to identify funding requirements and identify any consequences or risks where funding not available to improve or maintain condition of assets over the long term.
			Review asset data to identify asset renewals required to maintain services.

2.2.3. Key stakeholders

Asset management activities are carried out by staff across Council. A summary of our current organisational structure is shown in the diagram below. Responsibility for our asset management strategy and Asset Management Plans resides with our Planning & Delivery group.



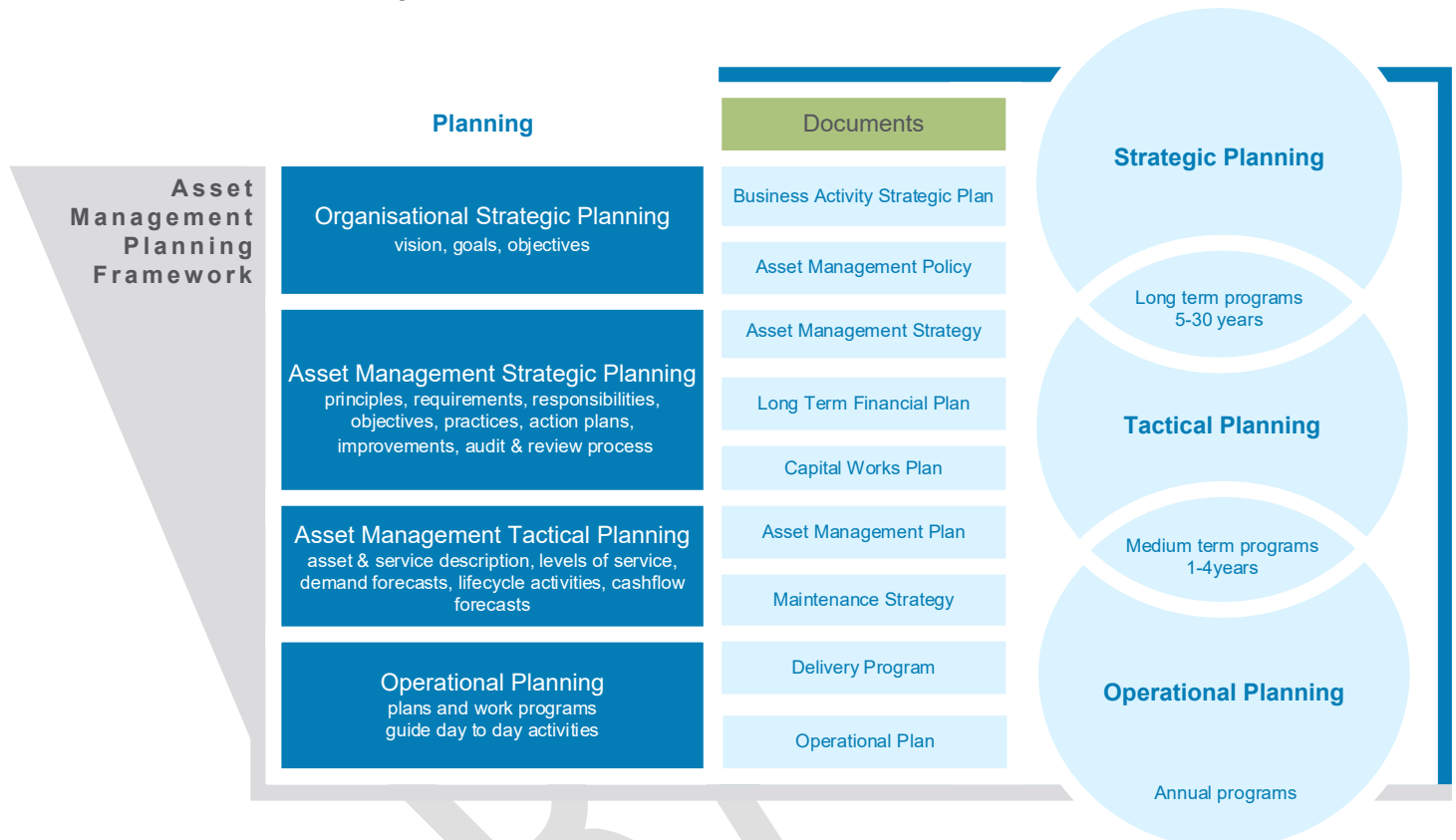
Our flood mitigation team consists of four operators overseen by the Operations Engineering Manager. This team is responsible for undertaking maintenance and operation of our flood assets, including the manufacture and installation of repaired or replacement aluminium floodgates and the delivery of minor capital projects. Strategic planning support, natural resource management, engagement and delivery of significant capital projects is provided by the Planning & Delivery group. Administration support such as human resources and finance are provided by the People & Performance and Corporate & Commercial groups.

The table below provides an overview of key stakeholders and their role within asset management and development of this plan.

Stakeholders		Role
Internal	Councillors	Adopt Asset Management Plan. Liaise with constituent councils on priorities, levels of service, and funding. Allocate resources to meet organisational objectives. Ensuring organisation financial sustainability.
	Leadership Team	Determine organisational objectives. Endorse service levels. Oversee allocation of resources. Provide direction and commitment to asset management.
	Planning & Delivery Team	Undertakes planning activities for capital works. Manage the delivery of capital works projects. Manage asset information system (AIS) and data. Assists in the development of maintenance programs and input into AIS. Management of asset management documentation. Determine service levels.
	Finance Team	Manage valuations and financial reporting on assets. Budget allocations.
	Operations Teams	Responsible for the ongoing operation and maintenance of assets, including condition assessment, defect identification and maintenance planning. Deliver minor capital works within areas of speciality. Determine service levels.
	Other Staff	Compliance with asset management practices.
External	Constituent Councils	Input into required service levels and customer value. Provide funding.
	Community	Input into required services and cost prepared to pay for services.
	Regulatory Bodies	Monitoring and compliance. Legislation and regulations guiding asset management and service levels.

2.2.4. Planning framework

This Asset Management Plan is part of a suite of documents that form our asset management system. It has been prepared after a review and update of our previous Asset Management Plan and in accordance with ISO55000 Asset Management Standards and the International Infrastructure Management Manual. It is informed by our Asset Management Strategy which defines our asset management objectives, provides an overview of our asset management system and contains a detailed plan for improvement to our systems, processes and outcomes for asset management as we strive for continual improvement and move towards more advanced asset management practices.



The NSW Government's Integrated Planning & Reporting Framework (IP&R) requires Council to develop a Business Activity Strategy which:

Outlines our main business activity priorities

Sets our strategic objectives

Determines where Council would like to be in 10 years and how we intend to get there

Council is required to develop the suite of documents outlined in the diagram to the right to meet IP&R requirements. We have developed these documents in consultation with our constituent councils. This Asset Management Plan forms part of the IP&R Resourcing Strategy.



2.3. Rous County Council Services

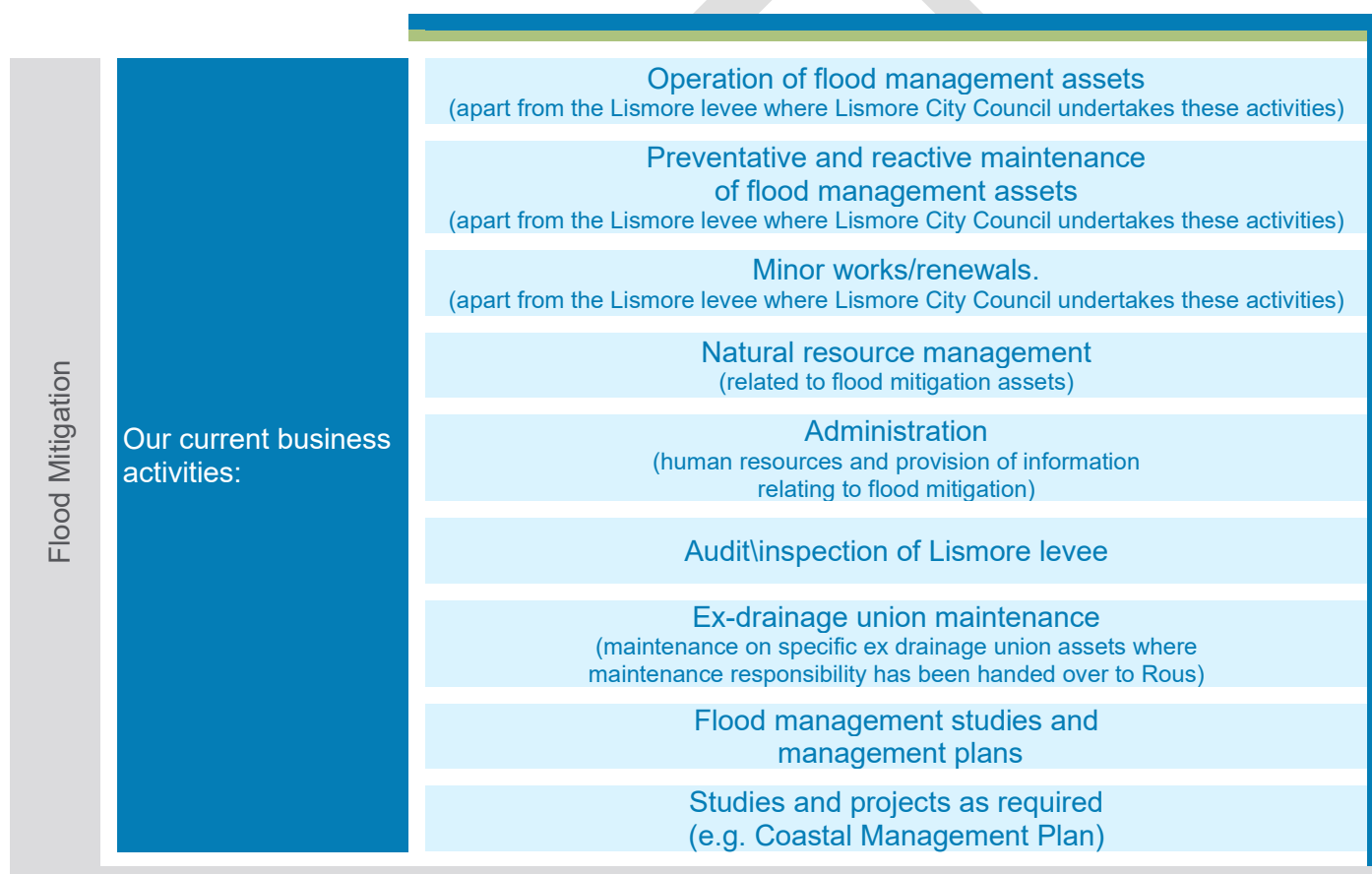
We are responsible for a wide range of physical assets including bulk water supply, retail water supply and flood mitigation infrastructure to deliver our core services. This Asset Management Plan covers assets associated with the delivery of our flood mitigation services.

2.3.1. Flood mitigation

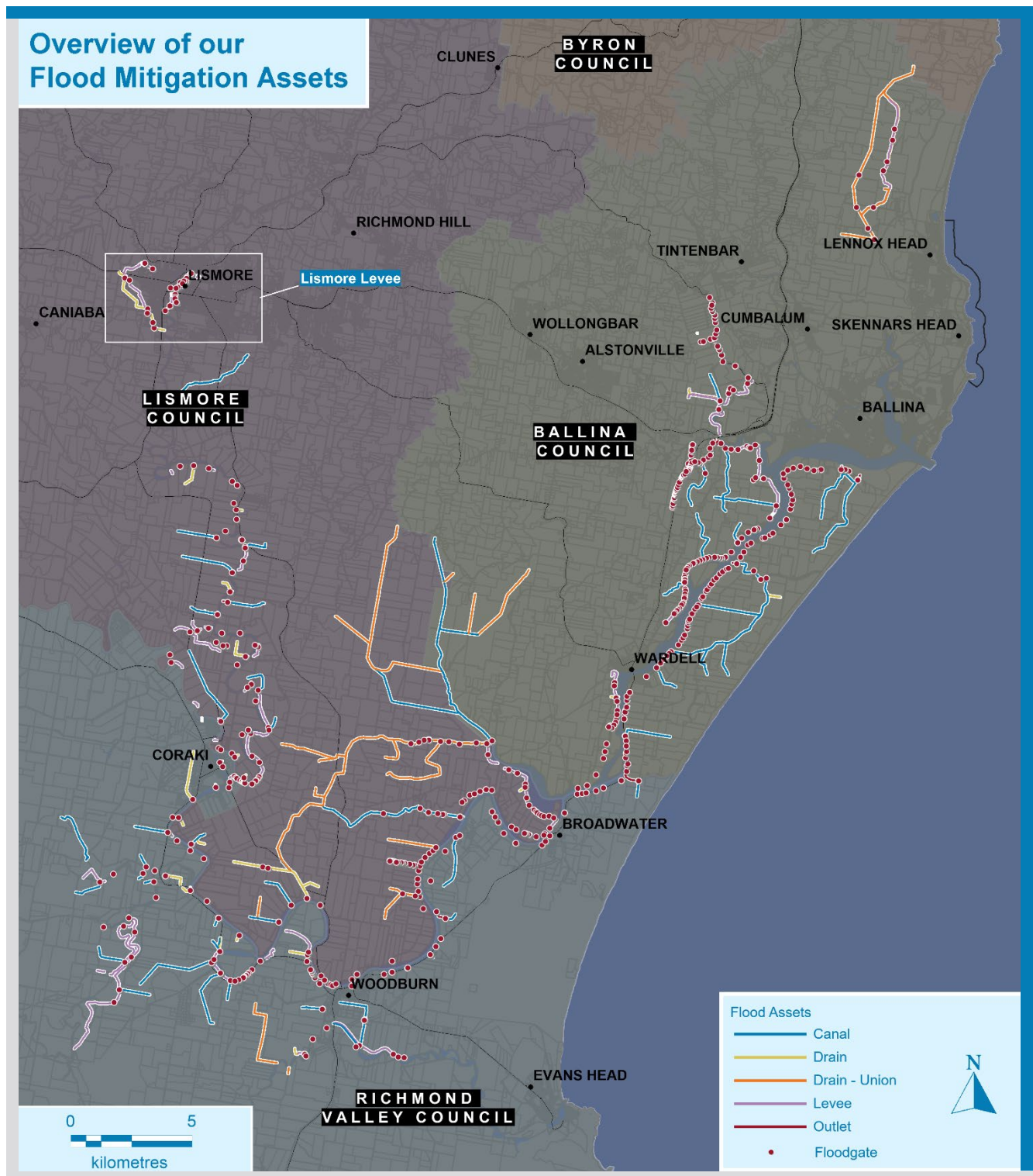
We are responsible for flood mitigation and related natural resource management within the constituent council areas (excluding Byron Shire Council). In 1959 we were constituted to exercise the powers and duties for “the prevention or mitigation of menace to safety of life or property from flood”. The powers and duties were amended in 2008 to include natural resource management (NRM) issues arising from flood mitigation activities.

We receive contributions from the relevant constituent councils to fund delegated responsibilities and for maintenance of flood mitigation assets. The NSW government also provides minor contributions for maintenance of floodgates, drains and levees.

The key activity in the provision of flood mitigation services is the procurement, maintenance, operation, and replacement of our assets.



All assets associated with the provision of flood mitigation services as described in section 6 are covered by this Asset Management Plan.



2.3.2. Service not covered by this Plan

Bulk water supply

We are the regional water supply authority providing bulk potable water to the constituent council areas of Lismore (excluding Nimbin), Ballina (excluding Wardell), Byron (excluding Mullumbimby) and Richmond Valley (excluding land to the west of Coraki).

Bulk water supply assets are not included in this Asset Management Plan. They are covered in a separate document: *Asset Management Plan – Water*.

Retail water supply

We provide water supply services to 2,032 rural and urban connections (retail customers) direct from the bulk supply trunk main system.

Retail water assets are not included in this Asset Management Plan. They are covered in a separate document: *Asset Management Plan – Water*.

Weed Biosecurity

We undertake weed management services across the four constituent council areas and are responsible for administering the Noxious Weeds Act 1993 in the region. Weed biosecurity services are also provided to Kyogle Council and Tweed Shire Council under a fee for service arrangement.

Assets associated with our weed biosecurity operations are not included in this Asset Management Plan.

Other

We have a number of commercial and investment properties such as the Perradenya Estate, Richmond Water laboratory and other commercial premises (non-core business activities).

Assets associated with our commercial activities are not included in this Asset Management Plan.

3. Levels of Service

3.1. Organisational strategic objectives

As an organisation we have developed and adopted a set of values that we collectively believe in. Our organisation and our people will conduct our day-to-day business in alignment with these values.

Mission, Vision, Values	Our mission	Partner with our constituent councils to provide quality services that support a sustainable and productive region.
	Our vision	Thrive and evolve as a valued regional service provider.
	Our values	Safety: safety first 24/7 Teamwork: one team, one purpose Accountability: own it, solve it, achieve it Respect: be honest, be fair

Activities we undertake, including asset management, are aligned to the priorities outlined in our Integrated Planning & Reporting Framework as outline below:

Integrated Planning & Reporting Priorities	Sustainable Delivery	<ul style="list-style-type: none"> Sustainable service provision in relation to water supply, flood mitigation and weeds management. Financial sustainability of the organisation (including in relation to its workforce and asset management responsibilities) Environmental sustainability in relation to Council's operations Planning for and responding to climate change impacts in the environment.
	External Relationships	<ul style="list-style-type: none"> Relationships Rous has with constituent councils, customers and the broader Northern Rivers community, State and Commonwealth Government. Opportunities for partnerships and collaboration to achieve desired outcomes for our customers and community more effectively and efficiently.
	Our People	<ul style="list-style-type: none"> Our workforce – ensuring we have the right people with the right skills in the right place to achieve our objectives within a Values based culture. Creating a working environment and a workplace culture where our people value their work and feel valued by the organisation and its customers.
	Leadership & Innovation	<ul style="list-style-type: none"> Our role as a regional leader. How we conduct ourselves as an organisation. How we use technology and apply innovation to be more effective and efficient.

3.2. Legislative requirements

There are several legislative requirements we must meet, including Federal and State legislation and regulations. Relevant legislation is summarised in the table below.

Legislative Requirements	Local Government Act, 1993 and Local Government (General) Regulation 2005	This Act provides the legal framework for the system of local government in NSW. Under the Local Government Act, 1993, the responsibility for provision of flood management services in non-metropolitan NSW is delegated to local councils. This responsibility has been delegated to us by Ballina, Lismore and Richmond Valley Councils under the act. The.
	Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long term financial plan supported by AMPs for sustainable service delivery.
	Local Government (Water Services) Regulation, 1999	The Regulation supplements the provisions of the Local Government Act 1993 relating to the carrying out of water supply, sewerage and stormwater drainage works by councils and regulates the use of such works.
	Environmental Planning and Assessment (EP&A) Act, 1979	The Act requires that all proposals, activities and functions which are investigated, designed, planned, constructed and operated should be studied during all stages of their environmental impact on the basis of scale, location and performance. Environmental impact assessments may also be required to satisfy Commonwealth legislation processes. The Act provides the basis for the preparation of environmental planning instruments.
	Protection of the Environment Operations Act, 1997	We are required to exercise due diligence to avoid environmental impact.
	Occupational Health and Safety Act 2000 and Rehabilitation Act 1987	The Acts places emphasis on risk management and consultation with staff to minimise work related accidents and health impacts. We need to train staff in safety issues and provide a safe working environment and supply equipment to ensure safety. We and our staff may be liable for breaches of these requirements.
	Fisheries Management Act, 1994	The objects of this Act are to conserve, develop and share the fishery resources of NSW for the benefit of present and future generations. Works associated with flood mitigation structures involve works that trigger certain approval requirements under the Act.
	Coastal Management Act, 2016	The new Coastal Management Act communicates the NSW Government's vision for coastal management. The Act reflects the vital natural, social, cultural and economic values of NSW coastal areas and promotes the principles of ecologically sustainable development in managing these values. The legislative and policy framework introduced by the coastal reforms recognises natural coastal processes and the local and regional dynamic character of the coast, and promotes land use planning decisions that accommodate them. The reforms ensure coordinated planning and management of the coast and support public participation in these activities.
	Water Management Act, 2000	This Act provides for the sustainable and integrated management of the water sources of NSW. The Act provides a framework for water sharing plans and environmental flows, sets out bulk water supply regimes, defines local water utility access licences and requires water utilities to levy developer charges.
	The Australian Accounting Standards	The Australian Accounting Standards Board standards require assets be valued and reported in the annual accounts, including depreciation value of assets.

3.3. Stakeholder expectations

We consult with our stakeholders in relation to management of our assets and natural resource management extension activities. We have developed Service Level Agreements (SLA) with our constituent councils that set out service expectations, roles and responsibilities in relation to flood mitigation. These Agreements are reviewed every four years to adapt and respond to changing needs.

3.4. Customer & technical service levels

Our service levels for flood mitigation activities as agreed with our constituent councils are outlined in the following table.

Objective 1 Prevent/mitigate menace to the safety of life and property from flooding	Desired Achievement:	Provide reliability in the performance of flood prevention/mitigation assets
	Performance Indicator:	Flood mitigation infrastructure in working order
	Service Level Minimum:	Routine inspections, repairs to or replacement of equipment or asset including necessary clearing of vegetation
Measure:		Target:
Provide routine inspections to ensure infrastructure is functioning within expected parameters.		Complete condition assessment and inspection program
Provide scheduled maintenance to ensure infrastructure is functioning within expected parameters.		80% of assets are in satisfactory working order (condition 3 or above)
Renew / replace infrastructure in line with asset management plans / schedules.		No asset is at 'very poor' working order (condition 5) for more than 12 months from date of identification 80% of planned capital expenditure is spent within the financial year
Long term capital expenditure is in line with asset lifecycle planning.		Average annual capital expenditure over 5 years is within 80% of depreciation costs (excluding Lismore Levee)
Mitigate the impact of development on the function of flood mitigation assets		Seek Rous County Council concurrence on the proposed development where the development is in an area which may impact on the functionality of flood mitigation assets and/or the function
Objective 2 Natural resource management relating only to the environmental consequence of operating this infrastructure on the broad environment	Desired Achievement:	Minimise environmental impacts from flood mitigation infrastructure management
	Performance Indicator:	Environmental impacts considered and reasonably mitigated
	Service Level Minimum:	All necessary permits obtained prior to works being carried out
Measure:		Target:
Work will be carried out to best practice.		Rous will undertake or oversee all technical, environmental, heritage and risk assessments, and obtain the necessary consents in accordance with NSW legislative requirements and accepted best practice guidelines. Rous will determine and provide REFs prepared for works in the local government area.
Constituent Council is kept informed of and is provided technical advice on natural resource management issues relating to RCC's flood mitigation assets as required.		Provide technical advice and information on post-flood water quality conditions related to deoxygenation and acid events.
Management of RCC's Active floodgate management program		Active Floodgate Management Plans reviewed and updated and publicly available on Rous County Council's website. Management of landowner volunteer floodgate operator program.
Objective 3 Hydrological research, flood surveying, modelling, flood risk management studies and plans	Desired Achievement:	Participating in the delivery of regional priorities where funded Maximise beneficial and deliverable grant funding opportunities for the region
	Performance Indicator:	Supporting our constituent councils to work collaboratively to deliver on regional priorities
	Service Level Minimum:	Work with constituent councils to identify and agree on regional priorities
Measure:		Target:
Identify opportunities for Rous County Council to add value in increasing understanding and knowledge of flood mitigation systems.		Involvement in at least one project across Rous operational area per annum. Inform Rous County Council of any proposed Hydrological research, flood surveying and modelling. Provide all local and regional flood models to Rous County Council
Preparation and/or update of flood modelling and assessment of flooding impacts, flood risk management studies and plans		Accurate flood modelling and flood impact data, flood risk management studies and plans. Create and maintain a central repository for all local and regional flood models, including managing access to data.
Sharing of Hydrological research, flood surveying, modelling data, studies and plans		Sharing all data, modelling, studies and plans between councils
Objective 4 Partnering with our member councils to deliver agreed regional and local projects, including coordination of the preparation and submission of grant funding applications	Desired Achievement:	Continue to provide technical advice and strategic planning direction.
	Performance Indicator:	Respected regional authority on flood mitigation
	Service Level Minimum:	Maintain and develop flood mitigation knowledge and understanding for the region
Measure:		Target:
Coordinate delivery of Stage 1 of the Coastal Management Program		Deliverables meet the targets in the grant conditions
Coordinate the preparation and submission of a grant application for Stage 2 CMP Implementation		Grant application submitted on time
Implement actions detailed in Council's Delivery program and Operational plans relating to Coastal Zone Management Plan (CZMP) and future Coastal Management Program (CMP)		Annually as per the CZMP and future CMP.
Identify partnerships and/or funding opportunities to implement other agreed regional and local projects		Applications endorsed by participating councils and/or government agencies and submitted on time
Monitoring of water quality within the lower Richmond river catchment for understanding broader catchment processes and impacts		Provide water quality logger data on Rous County council website when available and in line with available funding.
Objective 5 Provide maintenance support to match funding commitments	Desired Achievement:	Private infrastructure maintained in accordance with funding
	Performance Indicator:	Ex-drainage union drains, Mynumi, Bora Creek, maintained to match available funding
	Service Level Minimum:	Account for available funds
Measure:		Target:
Provide routine inspections to ensure infrastructure is functioning within expected parameters		Complete condition assessment and inspection program
Provide scheduled maintenance to ensure infrastructure is functioning within expected parameters.		80% of assets are in 'satisfactory' working order (condition 3 or above) in line with available funding.

4. Demand

4.1. Demand drivers

Demand for our flood mitigation infrastructure is largely determined by the risk associated with potential loss of life and damage to property caused by flooding, land use, development, and the management of existing assets. Services provided are routine with some seasonal variation. Impacts of climate change, and changes to land use, regulation, and expectations of environmental performance may be future drivers in demand for service.

4.2. Demand forecast

We currently do not undertake demand forecasting for our flood mitigation assets. Our focus is on maintaining current levels of service from our existing asset base. However, we support our constituent councils with the performance of hydrological research, flood surveying, flood modelling and the development of flood risk management plans.

4.3. Demand management plan

There is currently no demand management plan in place for our flood mitigation assets.

4.4. Climate change

Climate change is an important consideration for strategic asset planning, particularly in coastal areas where the combined effects of sea level rise and increased extreme weather events are considered key threats. Climate change is predicted to have a significant effect on weather patterns with more intense rain events and longer dry spells, which will change the assessment of flood periodicity. In addition, tidal propagation up the estuary and potential changes in salinity regime may be expected. There may be increasing pressure to reduce saline intrusion into low-lying farmlands. Long-term flood mitigation asset management policies will need to consider the implications of sea level rise and potential salinity increases. The asset management implications of climate change on our asset management have yet to be determined.

5. Risk Management

5.1. Critical assets

A desktop assessment of the risk level of our flood mitigation assets was undertaken in 2017. This assessment assigned a risk ranking to assets of low, medium, or high, and has been used as an initial identification of asset criticality. These risk rankings were used to determine frequency of our condition and risk inspection program that has been in place since 2017. A multi-year strategic review of our flood mitigation function is currently underway. This review will consider further assessment of the function and criticality of our flood assets.

The table below summarises the risk rankings of our flood assets as undertaken in 2017:

Risk criteria	% asset class		
Size of asset eg floodgate diameter (larger = greater risk) Primary or secondary floodgate Protection of buildings based on aerial imagery & best judgement Protecting urban or rural areas	Floodgates	3% high	47% medium 50% low
	Levees	2% high	84% medium 14% low
	Drains & Canals	1 medium	All others low
	Pipes	All low	
	Culverts	57% medium	43% low
	Lismore levee system	All high	

The definition of primary and secondary floodgates is below:

Primary gates	Secondary gates
Connect directly to the river or tributary or provide protection to a levee system. Primary gates will have no other gates downstream and form the main mitigation barrier in flood events	Upstream of a primary gate. They supplement the operation of the primary gates and may be used on branch lines or on minor catchments. Flooding likelihood beyond the secondary gate is reduced as failure of the primary and secondary gate is required.

Assessment of our flood assets was completed against our risk matrix

		Consequence				
		Negligible: Inundation to land with no damage as flood water recedes	Minor: Interruption of grazing land use, with no damage as flood water recedes	Moderate: Damage to cropping land with possible economic loss	Major: Damage to dwellings and/or cropping land with economic loss	Severe: Risk to life and/or property damage including flooding to homes and businesses
Likelihood	Certain to occur: Expected to occur in most circumstances	Low	Medium	High	High	High
	Very Likely: Will probably occur in most circumstances	Low	Medium	Medium	High	High
	Possible: May occur occasionally	Low	Medium	Medium	High	High
	Unlikely: Could happen at some time	Low	Low	Medium	Medium	High
	Rare: May happen only in exceptional circumstances	Low	Low	Medium	Medium	Medium

5.2. Risk assessment

The operation or failure of our assets can potentially result in accident, injury, loss of life or damage to property.

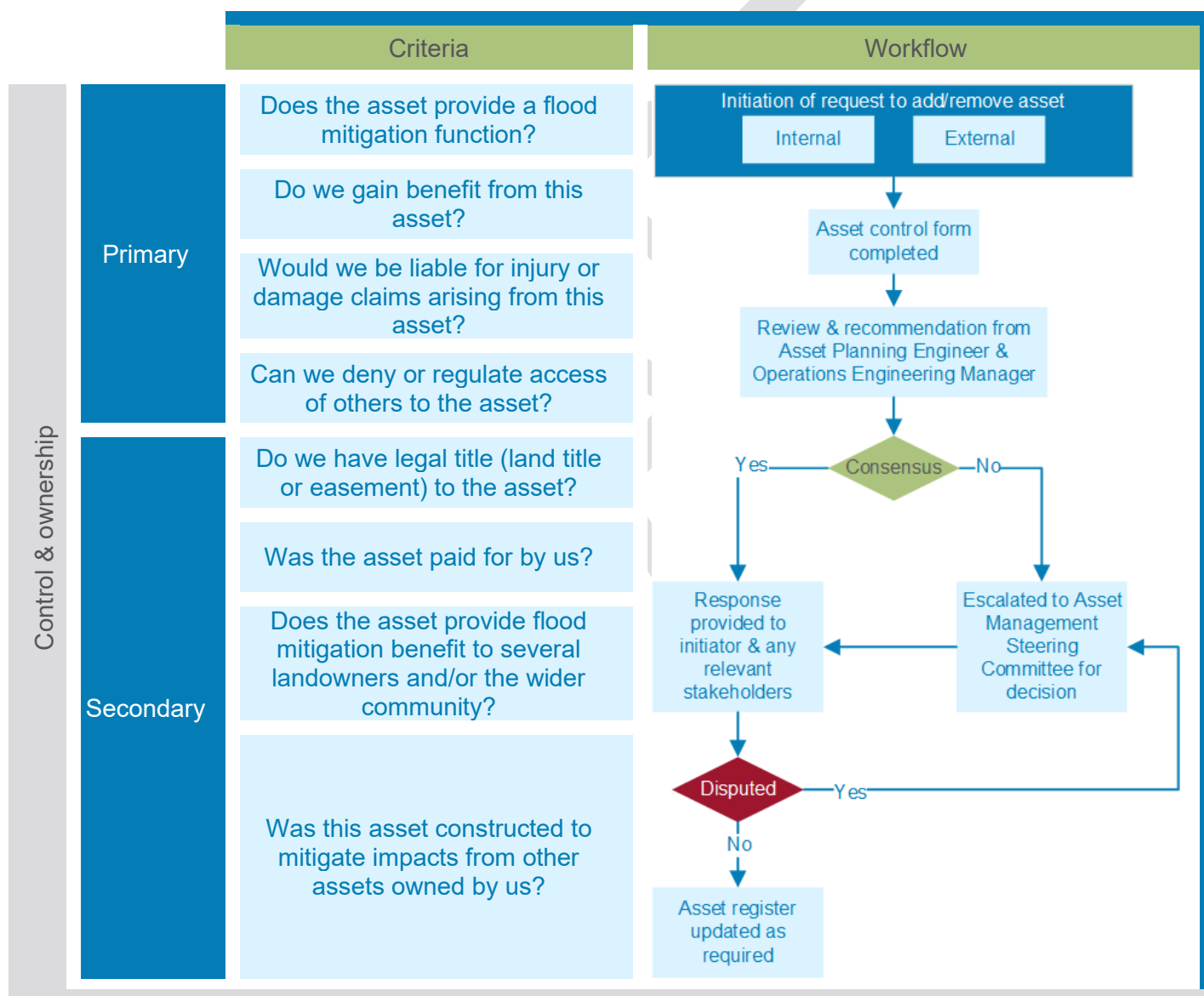
Identified risks:

		Description
Asset Risks	Aquatic weeds	Aquatic weeds in drains/canals can block floodgates preventing opening/closing causing inundation with salt water (if gates cannot close) &/or flooding (if gates cannot open). Build-up of weeds, debris & sediment in drains restricts conveyance of flood flows & may cause overtopping of canals/drains, exacerbating flooding. Similar risks are associated with dysfunctional floodgates and lifting gear
	Slumping of drains	Slumping of drain walls (due to erosion, sedimentation, terrestrial weed growth) modifies the drain cross-section compromising hydraulic capacity of the drain & drain may be unable to adequately convey flood flows & upstream flooding may result
	Slumping of levees	Slumping of the top of levees, reduces the height of the levee & may allow flood flows to overtop the levee & inundate surrounding land.
	Overtopping of levees	Overtopping of levees may cause erosion & potential failure of the levee & inundate surrounding land
	Physical damage	Physical damage to assets may result in inability for asset to operate effectively or asset failure & inundate surrounding land
Operational Risk	Safe access	In order to prevent accident or injury safe access is required to all our assets so staff can undertake operations & maintenance activities. Safe access is also required to actively managed floodgate locations so landholders can adequately access gates, & assets in public areas such as guard rails, handrails, footpaths etc. need to be maintained in safe working
	Lismore levee	While operation of the Lismore levee is currently undertaken by LCC, our exposure to risk, in association with this asset, during a flood is unclear
Environmental Risk	Rotting organic matter	Rotting organic matter creates monosulfidic black ooze (MBO) which when disturbed and transported by flood flows, rapidly deoxygenates water & disrupts the ecology of waterways. MBOs have been associated with fish kills in the Richmond River. Build-up of aquatic weeds causes diurnal fluctuations in dissolved oxygen & provides a source of organic matter for MBO production
	Blocked floodgates	Blocked floodgates can restrict active floodgate management which is necessary to assist with submerging acid sulphate soil & reducing the extent of MBO accumulation behind the floodgate.
	Fish movement	Some floodgates include fish gates which allow fish movement with the tides. Gates blocked with debris prevent upstream/downstream migration of the fish
	Erosion	Erosion of drain banks causes scour, loss or destabilisation of vegetation, increased turbidity & mobilisation of nutrients & contaminants to the river

6. Asset Information

There has been some contention around our ownership of flood mitigation infrastructure on the floodplain. Our current position is that we have maintenance responsibility for those assets currently listed within our asset register, as summarised in section 6.1.

There are other flood mitigation structures on the floodplain beyond this which we do not have any ownership of, or responsibility for. Addition or removal of assets from our asset register is considered on a case-by-case basis with a review of evidence and cause for an asset to fall under our responsibility assessed against set criteria. A form outlining how an asset meets or does not meet these criteria is completed and forwarded to our Asset Planning Engineer and Operations Engineering Manager for review and recommendation. The outcome will be communicated with any relevant stakeholders, such as landowners or suggested owner of the asset, if determined it does not fall under our ownership and responsibility. Any dispute of the decision will be escalated to our Asset Management Steering Committee. If the outcome results in a change to the asset register, our asset addition/disposal process is to be followed.

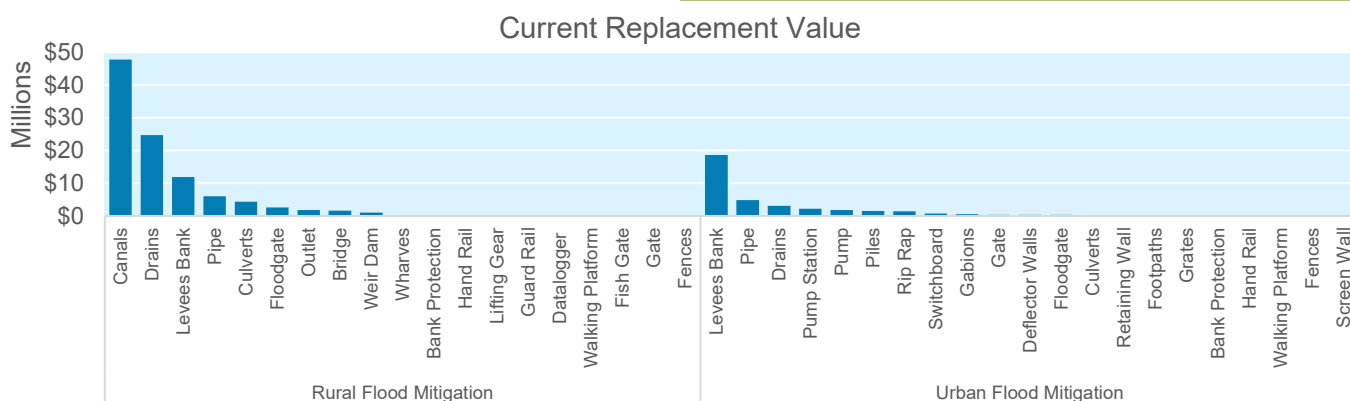


6.1. Asset value

Below is a summary of flood mitigation assets for rural and urban areas (as at July 2020). For the purposes of this classification, rural flood assets are assets that are owned, operated, and maintained by us. Funding for these activities is provided by our constituent councils and state government grants. Urban flood assets are those comprising the Lismore levee system. These urban flood assets are included in our asset register, however the operation, maintenance and renewal of these assets is undertaken and funded by Lismore City Council under a Memorandum Of Understanding (MOU). Urban flood assets remain under on our asset register to allow possible future funding to be more easily accessed from grant sources. The ownership of urban flood assets is under review.

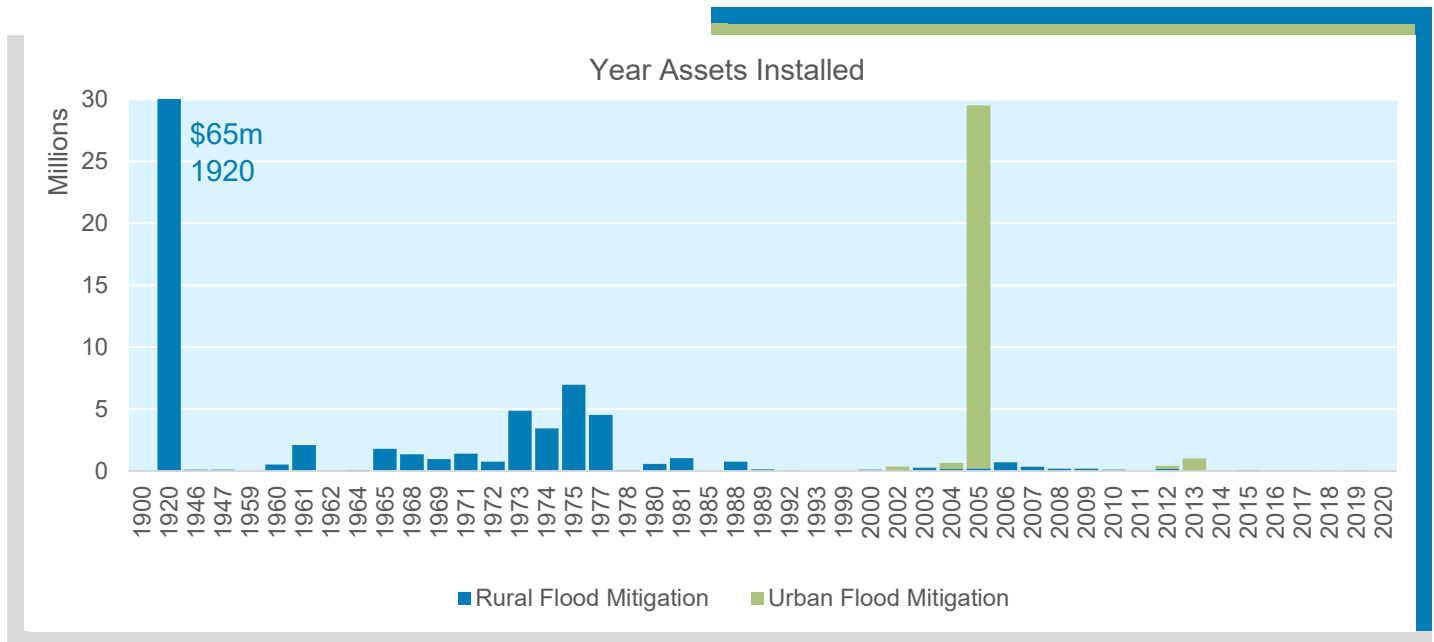
Asset Type		Description	Current Replacement Value
Rural	Earthworks Levees	41 Earthworks levees with a total length of 73km to prevent inundation of land by flood waters	\$11,955,946
	Floodgate	A hinged flap attached to a pipe or culvert to control the flow of flood water. 756 individual gates at 522 floodgate sites, including 100 tidal flushing gates designed to allow a small amount of tidal exchange. Floodgates range in size from 150mm to 3600mm, majority of aluminium construction	\$2,602,380
	Fish Gate	10 floodgates fitted with a window to allow the passage of fish	\$23,568
	Lifting Gear	85 Lifting gear consisting of cable and winch mechanisms to allow the manual opening and closing of floodgates.	\$140,435
	Walking Platform	7 walking platforms which provide safe access to lifting gear or floodgates to allow servicing and operation	\$34,878
	Handrail	53 handrails with a total length of 830m to assist access to floodgates for servicing and operation or prevent falls from flood structures	\$153,720
	Canals	108km of canals used to convey floodwater to river	\$48,702,570
	Drains	16.5km of drains to convey floodwater to river	\$2,728,701
	Ex Union Drains	65km of ex union drains to convey floodwater to river. These drains were originally constructed by drainage unions, but by agreement, are now owned by us with separate maintenance funding from Councils	\$21,119,612
	Outlets	66 outlets with a total length of 3.8km which are open drains between the culvert/floodgate and the river	\$1,852,484
	Pipes	260 drainage pipes with a total length of 4.7km intended to drain water under roads or through levees	\$6,844,684
	Culverts	40 box culverts to drain water under or through roads or levees	\$4,389,901
	Fences	131m rural livestock fencing at three sites	\$19,013
	Bridges	18 bridges for vehicle or stock access across drains and canals	\$982,292
	Guard Rail	6 guard rails with a total length of 181m to prevent vehicles exiting a road or bridge	\$53,823
	Weir	2 weirs to prevent upstream movement of rising tide waters while allowing downstream movement or rising flood waters	\$1,073,314
	Bank Protection	3 areas of bank protection to protect riverbank from erosion with a total length of 1.8km	\$191,634
	Dataloggers	6 data loggers to sample water	\$42,000
	Wharves	Coraki wharf	\$200,000
Total Replacement Value			\$103,110,955

	Asset Type	Description	Current Replacement Value
Urban	Concrete Levee	13 concrete levees with a total length of 1km	\$15,561,471
	Earthworks Levee	13 earthen levees with a total length of 4.7km	\$3,134,646
	Deflector Wall	4 deflector walls with a total length of 85m which are small sections of levee used to deflect water flow away from important infrastructure	\$386,342
	Floodgate	A hinged flap attached to a pipe or culvert to control the flow of flood water. 33 individual floodgates. Floodgates range in size from 300mm to 4200mm	\$371,239
	Road Gate	25 steel floodgates used to close openings in the levee allowing cars and pedestrian through. Are closed during flood events.	\$401,455
	Bank Protection	1 area of bank protection to prevent riverbank erosion with a total length of 251m	\$27,287
	Gabions	2 areas of rock/wire baskets intended to prevent erosion of riverbank covering an area of 2,700 square meters	\$580,949
	Piles	3 areas of piles with a total length of 183m. Interlocking bored piles used as foundation for levee in critical areas	\$1,543,275
	Retaining Wall	2 retaining walls with a total length of 100m to support earth levee around important structures	\$108,627
	Rip Rap	5 areas of rock protection to prevent erosion of riverbanks	\$1,423,173
	Pump Station	6 buildings to house major pumps and associated equipment	\$2,199,260
	Pump	9 pumps used to remove water from inside the levee during wet periods	\$1,786,119
	Switchboard	5 switchboards to control major levee pumps	\$718,791
	Drain	1 drain to convey floodwater with a total length of 3.6km	\$3,137,262
	Pipe	17 drainage pipes with a total length of 706m to drain water under or through roads or levees	\$4,821,912
	Culvert	1 box culverts to drain water under or through roads or levees	\$146,265
	Fences	2 cyclone wire fences with a total length of 53m	\$6,658
	Handrail	6 handrails with a total length of 37m	\$18,888
	Footpath	4 footpaths constructed to protect crest of earthen levee or protect from levee overtopping with a total length of 423m	\$85,498
	Screen	1 screen to protect from debris	\$5,972
	Grates	2 grates to protect from debris from entering pumps	\$31,724
	Walking Platforms	3 walking platform to access assets	\$7,277
Total Replacement Value			\$36,504,088



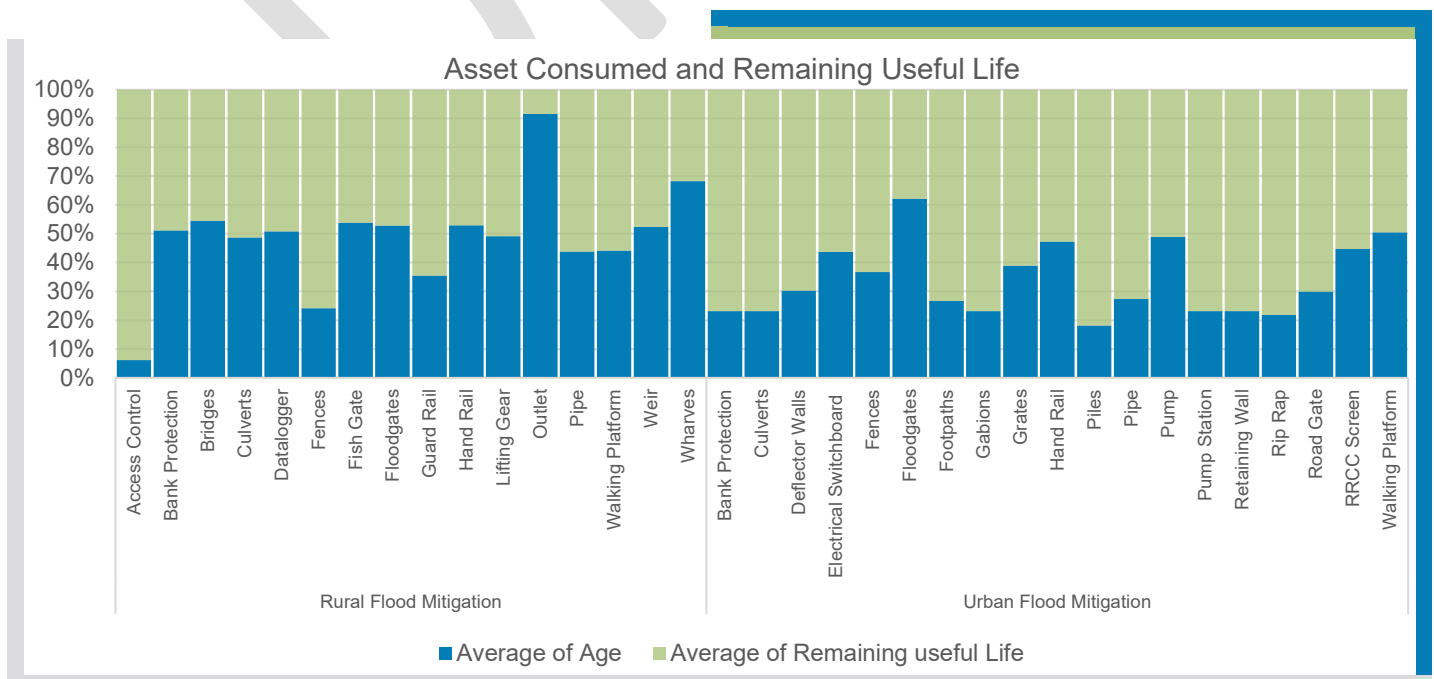
6.2. Asset age

Our asset register records the installation date for most of our flood assets. The construction date is unknown for many of our canal, drain and levee assets, currently an assumed date of 1920 has been adopted for these assets, however it is likely they were constructed after this time. The graph below shows the installation year for our flood assets.

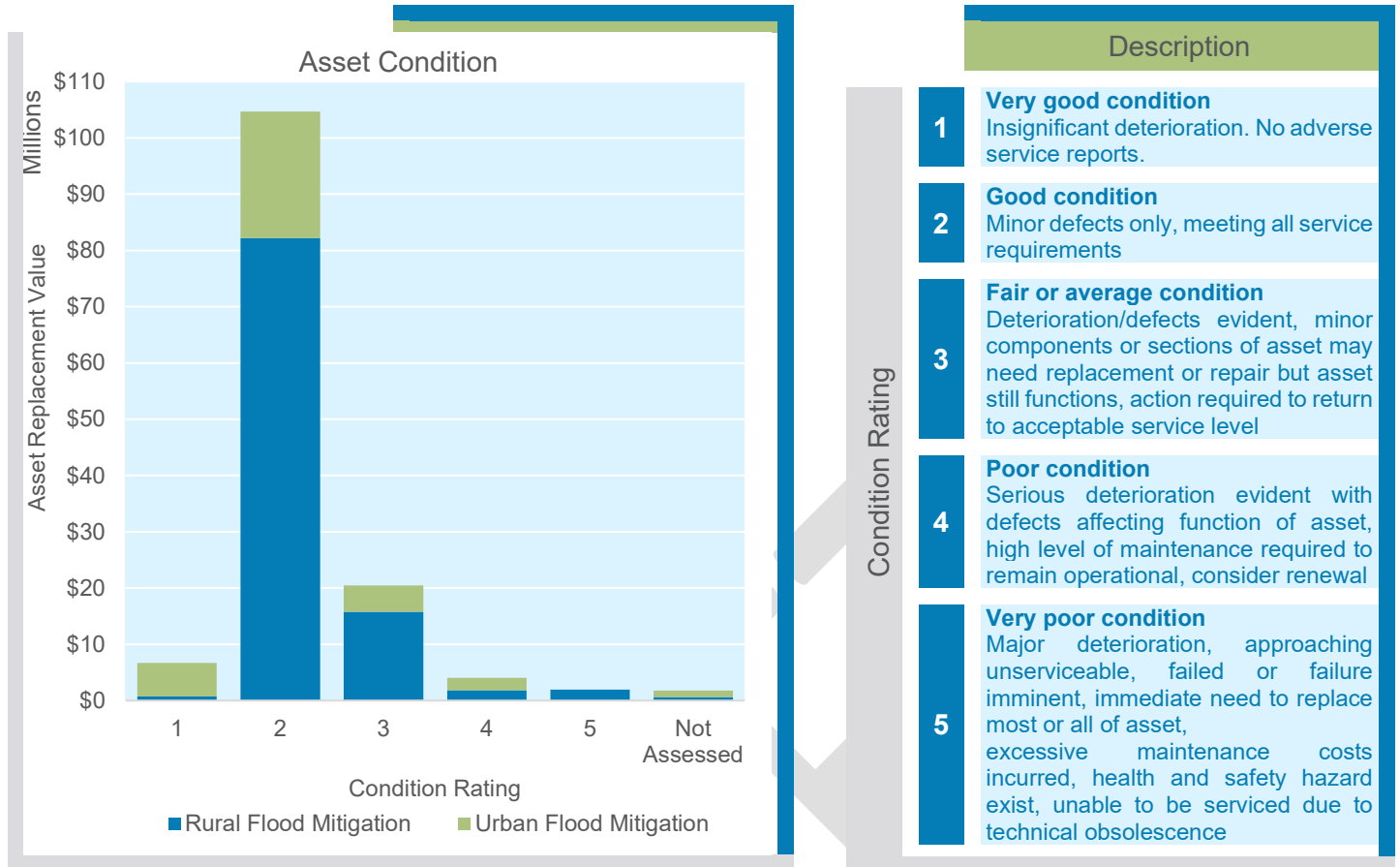


The useful life of an asset provides an indication of the theoretical timeframe before an asset is due to be renewed. Useful life is currently stored within our asset register as the difference between the active from and active to dates. The remaining useful life is the time between the current date and the active to date. There are some discrepancies known with these dates, however it is currently the best data available. The useful life previously adopted for floodgates was identified as unreflective of actual performance, with gates beyond assumed useful life remaining in acceptable condition. As part of the revaluation process in 2020, these were reviewed and a useful life more reflective of actual performance was adopted. Canal, drain & levee assets have been given a useful life of 100 years, due to the unknown installation date being recorded as 1920, these asset types are showing as at the end of their life, however this is not a true reflection of their status.

The graph below shows the average current age and remaining useful life for flood mitigation asset types, excluding canal, drain and levee assets due to the uncertainties surrounding their install dates.

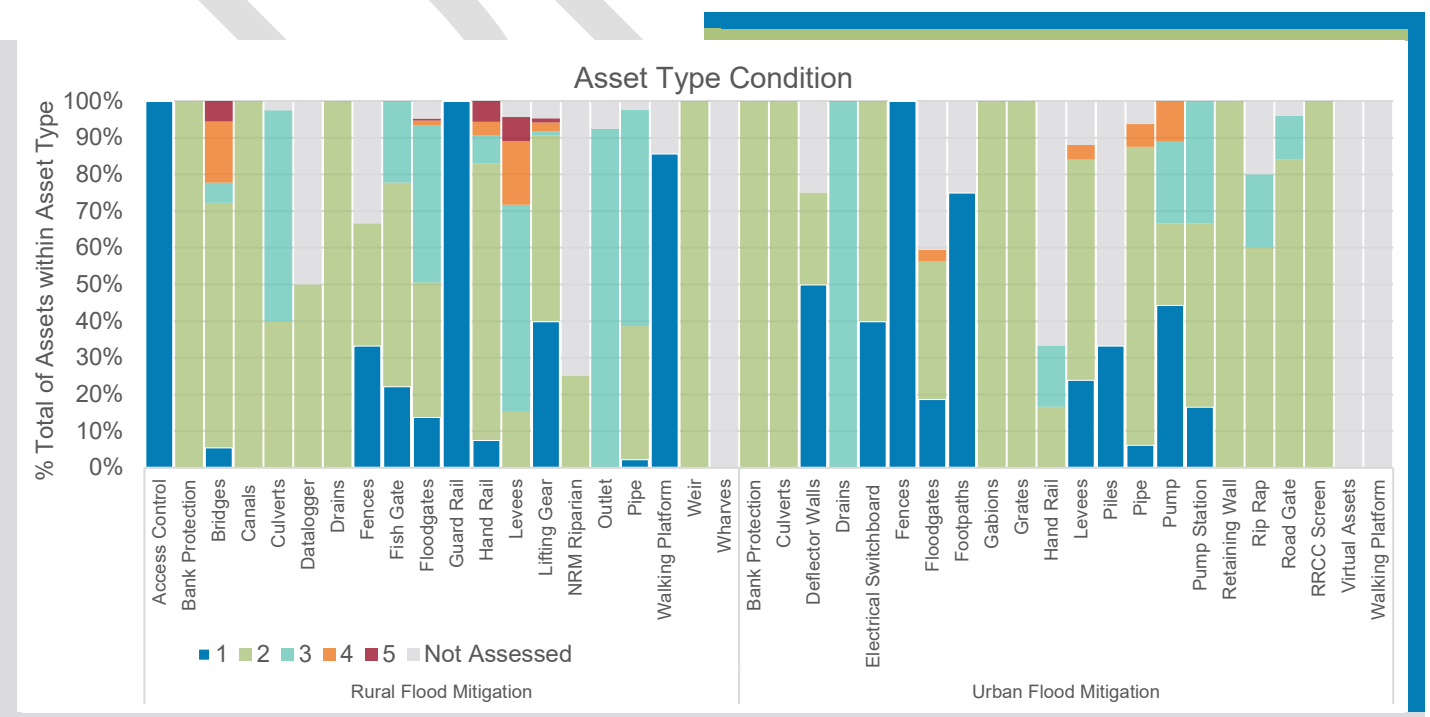


6.3. Asset condition



An inspection program has been in place since July 2017 to assess condition of our flood assets. An audit of the Lismore levee is undertaken in conjunction with Lismore City Council every six months. Rural flood assets are inspected by our Flood Mitigation Team Leader with support from the other flood mitigation operators. The frequency of these inspections is based on the risk level/criticality of the assets. Improvements to the consistency and reliability of condition assessments are ongoing. This includes developing a condition assessment manual and training with staff.

The graph below provides a summary of condition of rural and urban flood assets by types.



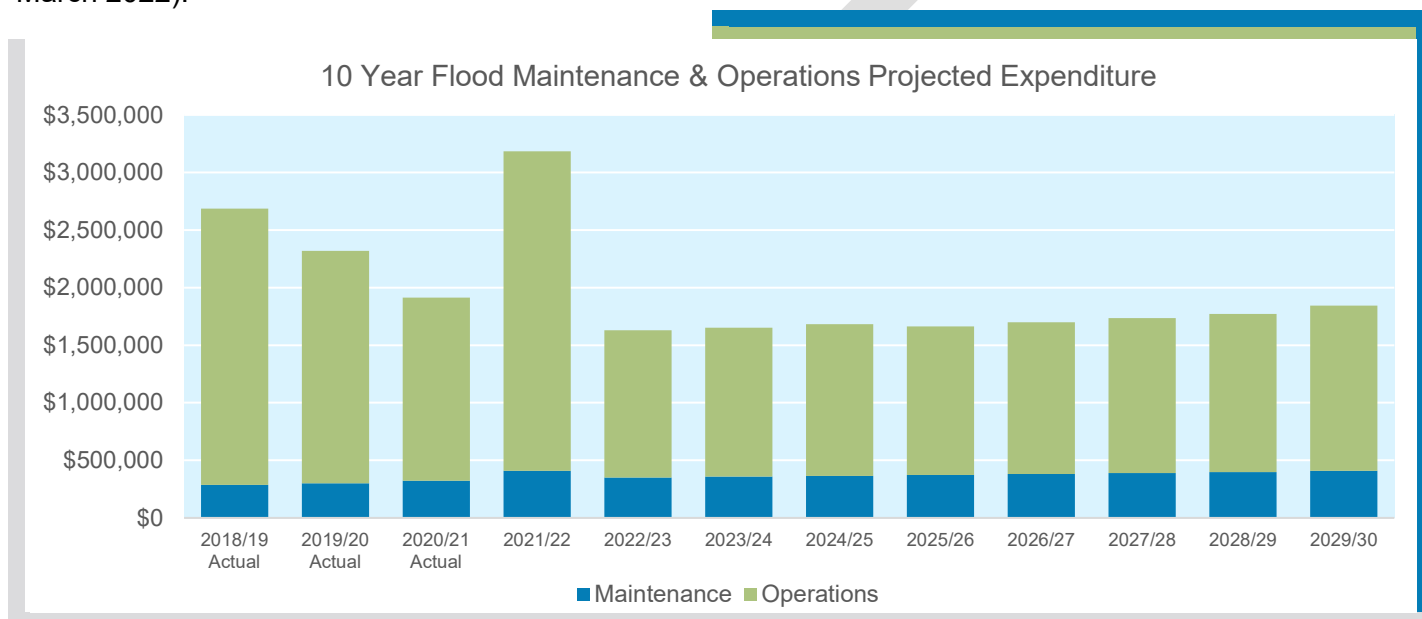
6.4. Asset capacity and performance

The capacity and performance of flood assets is currently not well understood or documented. An assessment of risk and criticality was completed in 2017. This was a desktop assessment, based on the size of floodgates, whether floodgates were primary or secondary, and use of best judgment for whether an asset was potentially protecting buildings based on aerial imagery. Understanding how our assets function, including what level of flood protection they provide, interdependencies with other assets, and what they are protecting, is required to define service expectations and enable assessment of the capacity and performance of our flood assets to meet those requirements. This work is part of the multi-year strategic review of our flood mitigation function which is currently underway.

7. Lifecycle Management

7.1. Operations and maintenance plans

The graph below provides an overview of operations and maintenance expenditure for flood mitigation (as at March 2022).



7.1.1. Operations framework

Our flood mitigation assets are operated in a manner that ensures our objectives are achieved at least cost with the impact of breakdowns minimised. Operational activities for our flood assets are summarised below.

		Normal Conditions	Pre-Flood	Post-Flood
Operational Activities	Actively Managed Floodgates	Open & close as specified in Active Floodgate Management Plans	Close actively managed floodgates	Open actively managed floodgates
	All Floodgates	Monitor water quality as required	Check floodgates operational, prioritising critical gates	Inspect for blockages from flood debris or any damage Monitor water quality or any trapped fish
	Levees Drains & Canals Pipes & Culverts	Activities for these assets tend to fall under maintenance as there are no operational tasks to undertake.		
	Urban (Lismore levee system)	Operation of the Lismore levee system is conducted by Lismore City Council. They are responsible for operation of the floodgates, pumps and associated assets during normal condition as well as pre/during/post flood events.		

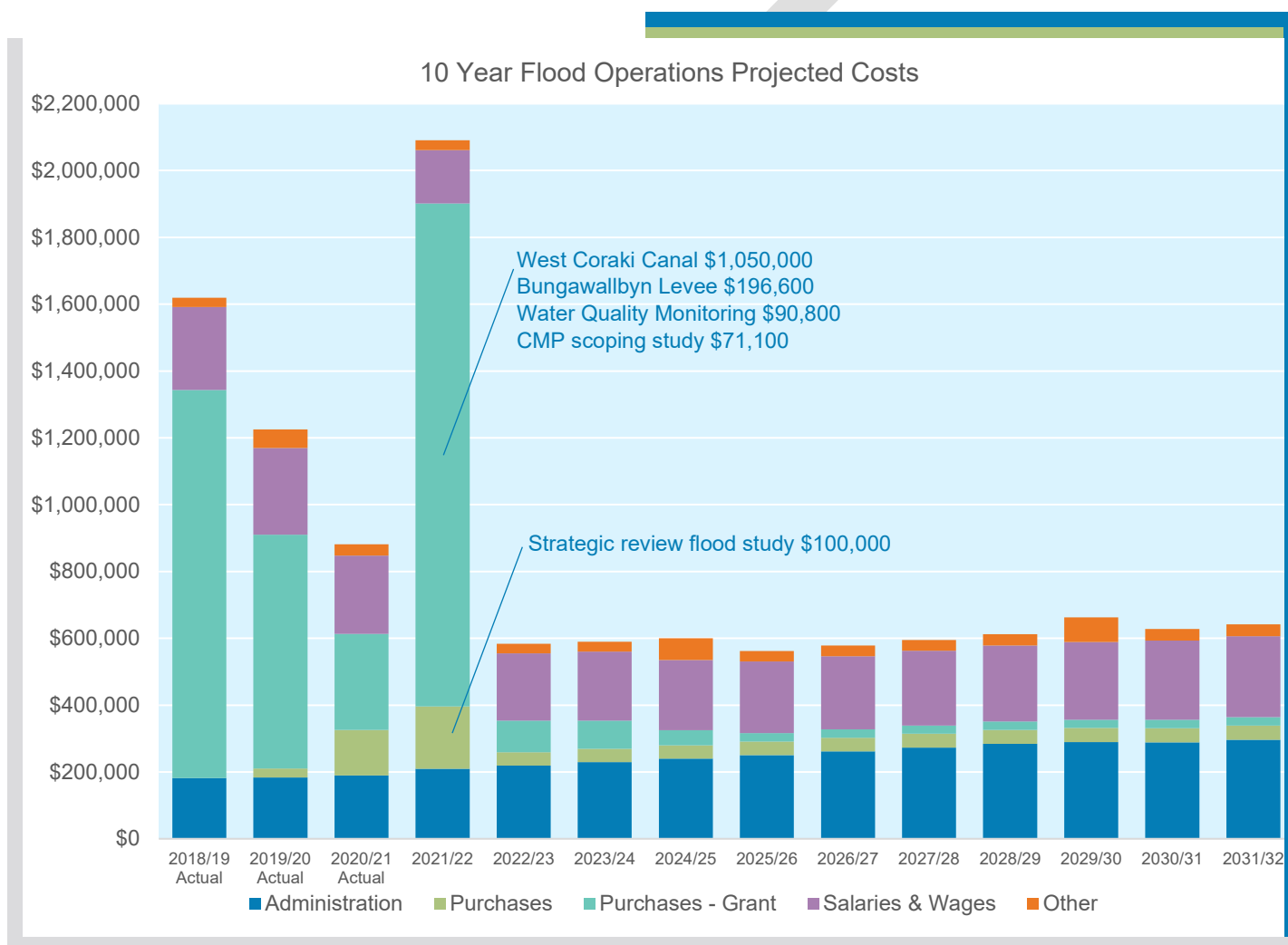
Management of these activities is undertaken with consideration of:

Performance Requirements	Constraints	Normal Operating Rules	Pre/Post Flood Operating Rules	Resources & Costs
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In some situations, our floodgate assets are attached to an asset that is not owned or controlled by us. For example, we have floodgates attached to culverts under roads, where the road and culvert are owned by a constituent council or NSW Transport. In some cases, issues with these assets not owned by us, may impact on the ability of our asset to provide its required service, such as a blocked or broken pipe or culvert. Currently these issues are handled between our operational staff and their equivalent at the relevant organisation involved.

7.1.2. Summary of operations expenditure

Below is a summary of actual operational expenditure for flood assets from the previous three years and projected expenditure over the next ten years (as at March 2022).



Periodically, Council has the ability to access specific grant funding that is not included in the original budget process. By accessing these funds, large fluctuations occur in actual operating expenditure. Grant funded projects included in 'Purchases – Grant' in the graph above that have increased expenditure over the past four years include:

- Natural Disaster Relief Assistance Program – 2017 floods \$1.3million
- Natural Disaster Relief Assistance Program – 2021 floods \$1.2million
- Voluntary House Raising \$285k
- Water Quality Monitoring \$160k
- CMP scoping study \$150k

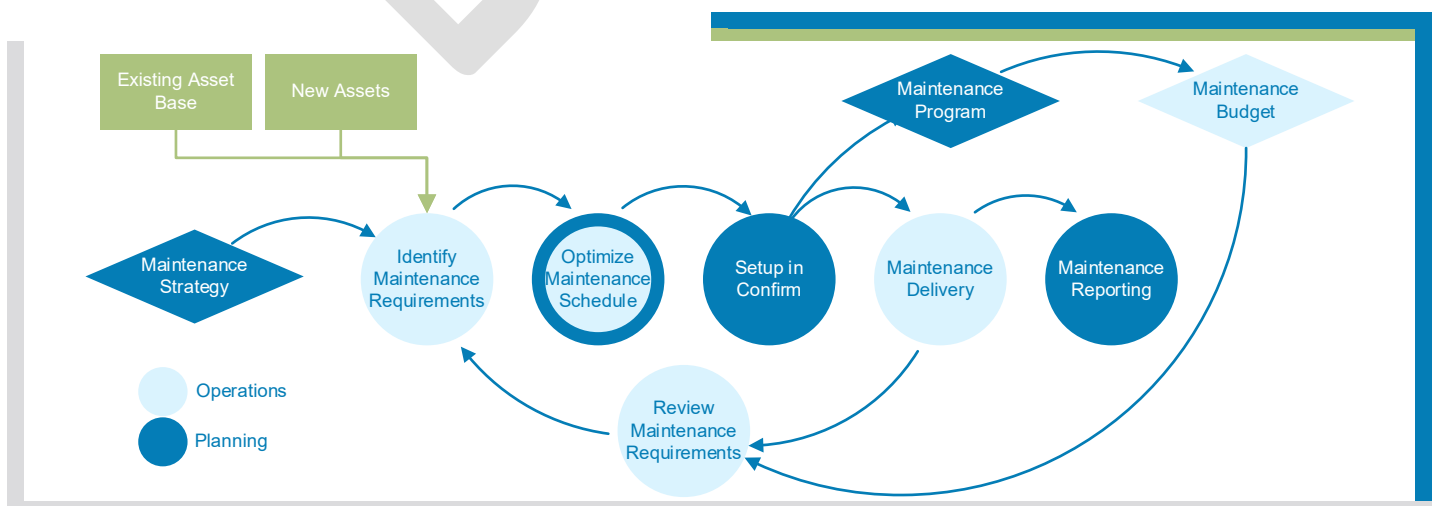
7.1.3. Maintenance framework

Our Asset Maintenance Strategy discusses our systems and approach to planned and reactive maintenance across the organisation. Our flood maintenance is currently reactive in nature. An inspection program is in place for flood assets to identify condition and defects. Defects identified are entered into our asset information system Confirm and referred to the Operations Engineering Manager to determine suitable response. There are currently no planned maintenance activities beyond inspections for our flood mitigation assets.

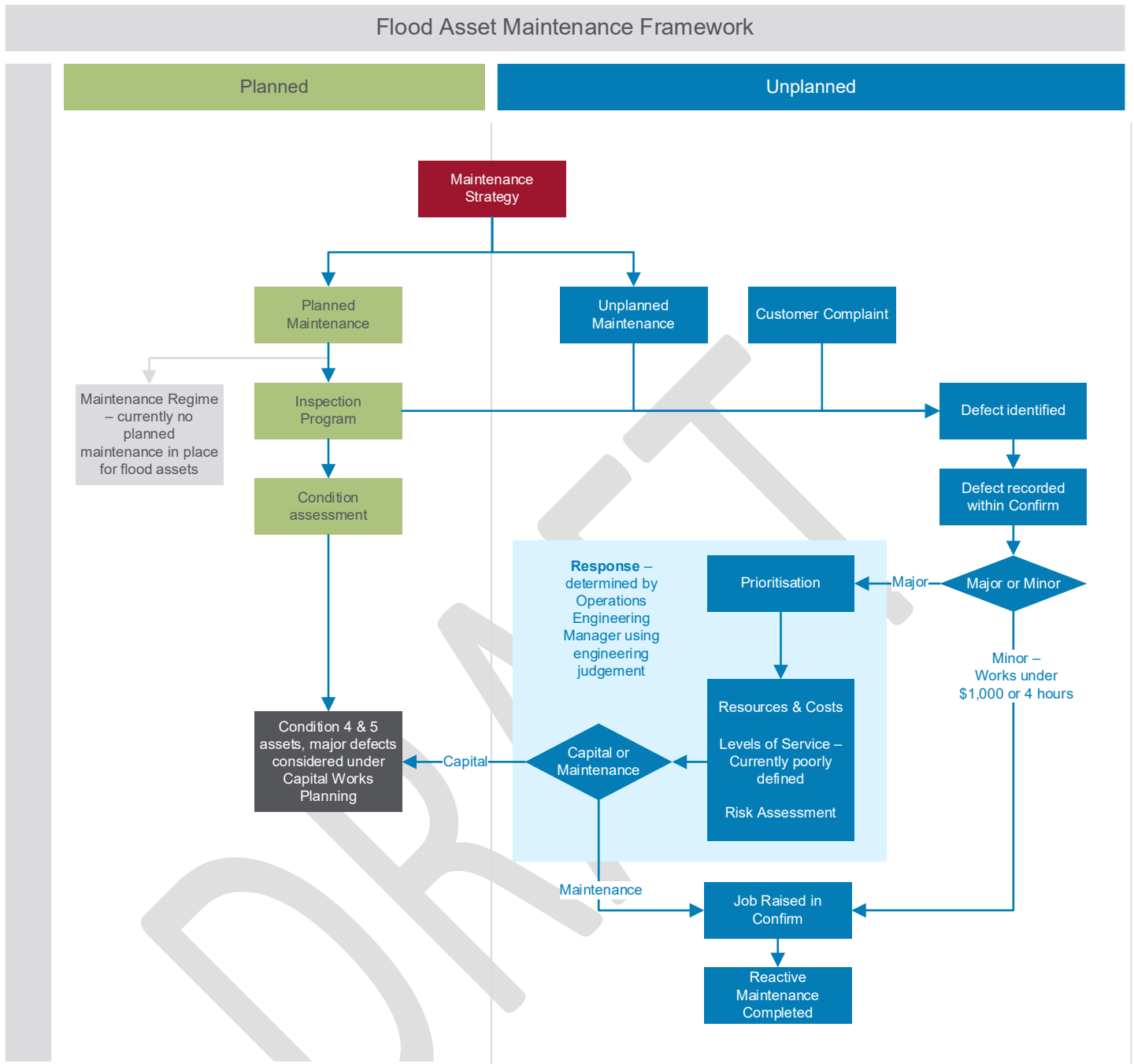
The table below provides a summary of maintenance activities undertaken on flood assets. This list is not exhaustive and other activities may be carried out as required.

		Inspections - Planned Reoccurring schedule managed in Confirm	Repairs – Reactive	Maintenance – Reactive
NA, mowing Maintenance Activities	Floodgates	Risk High Risk – 6 monthly Medium Risk – 2 yearly Low Risk – as needed Active Floodgate Status All actively managed floodgates – monthly	Replacing seals Replacing lifting gear cables, straightening floodgates	Clearing blockages, mowing around headwalls, clearing vegetation, proactive replacement of lifting gear components
	Levees	Condition High Risk – yearly Medium Risk – 2 yearly Low Risk – 5 yearly	Filling holes, animal burrows & other depressions, clearing vegetation	Mowing & slashing
	Drains & Canals	Weeds 6 monthly Condition High Risk – N/A Medium Risk – 2 yearly Low Risk – 2 yearly	Minor bank stabilisation	Mechanical drain cleaning, weed spraying, mowing, slashing & vegetation control
	Pipes & Culverts	Risk High Risk – N/A Medium Risk – 2 yearly Low Risk – as needed	NA	NA
	Urban (Lismore Levee System)	6 monthly condition inspection/audit completed in conjunction with Lismore City Council. Additional inspections after flood events.	All maintenance on the Lismore levee system conducted by Lismore City Council	

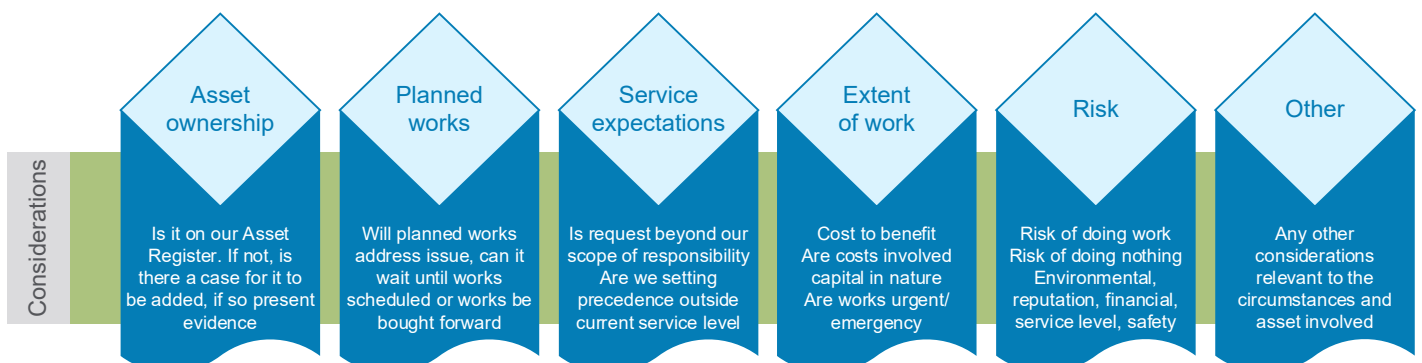
The diagram below provides an overview of how we identify and review maintenance requirements.



The framework below depicts our process for managing maintenance activities.

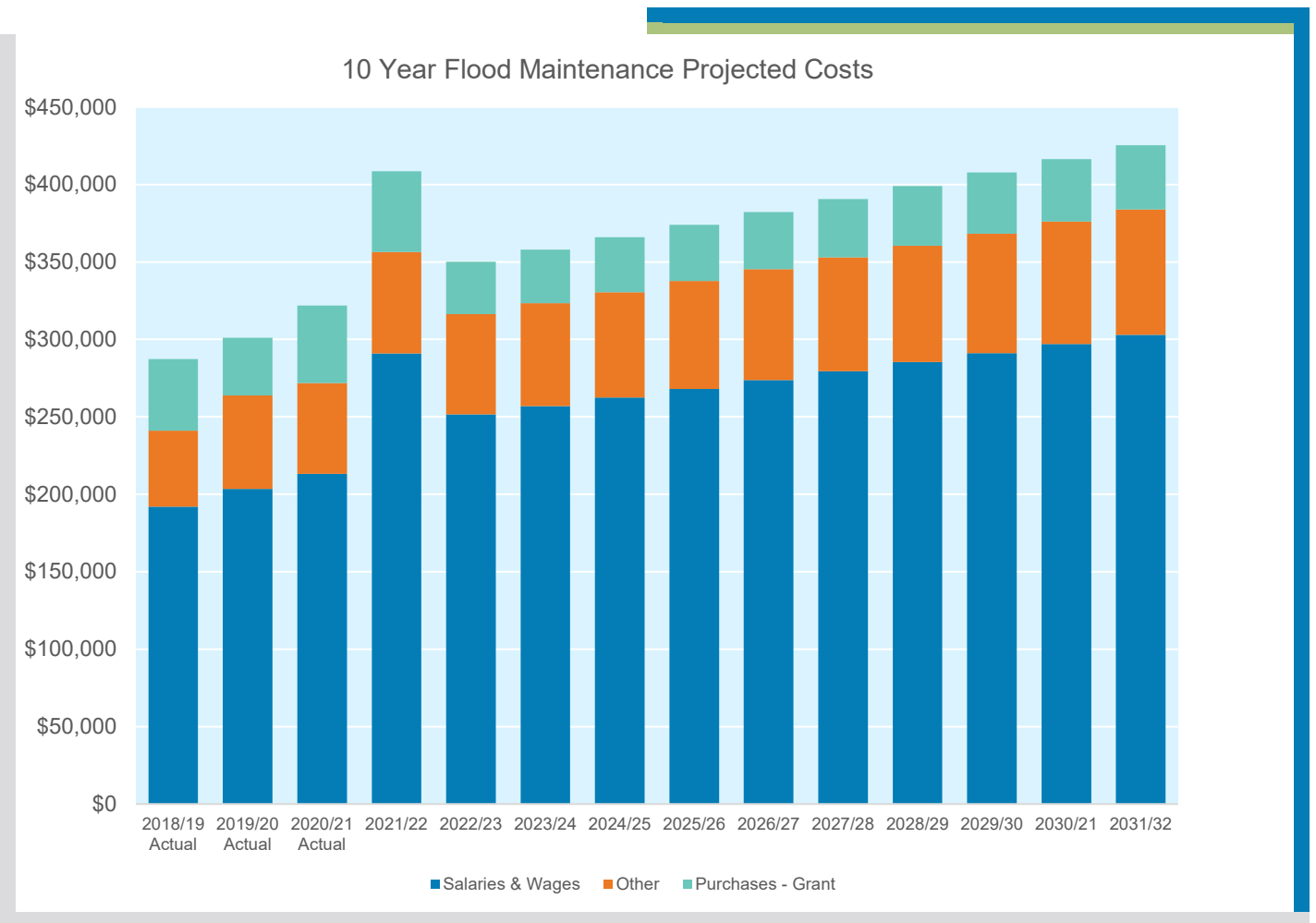


When looking at customer requests and maintenance to rectify defects, the following considerations form part of the decision-making process.



7.1.4. Summary of maintenance expenditure

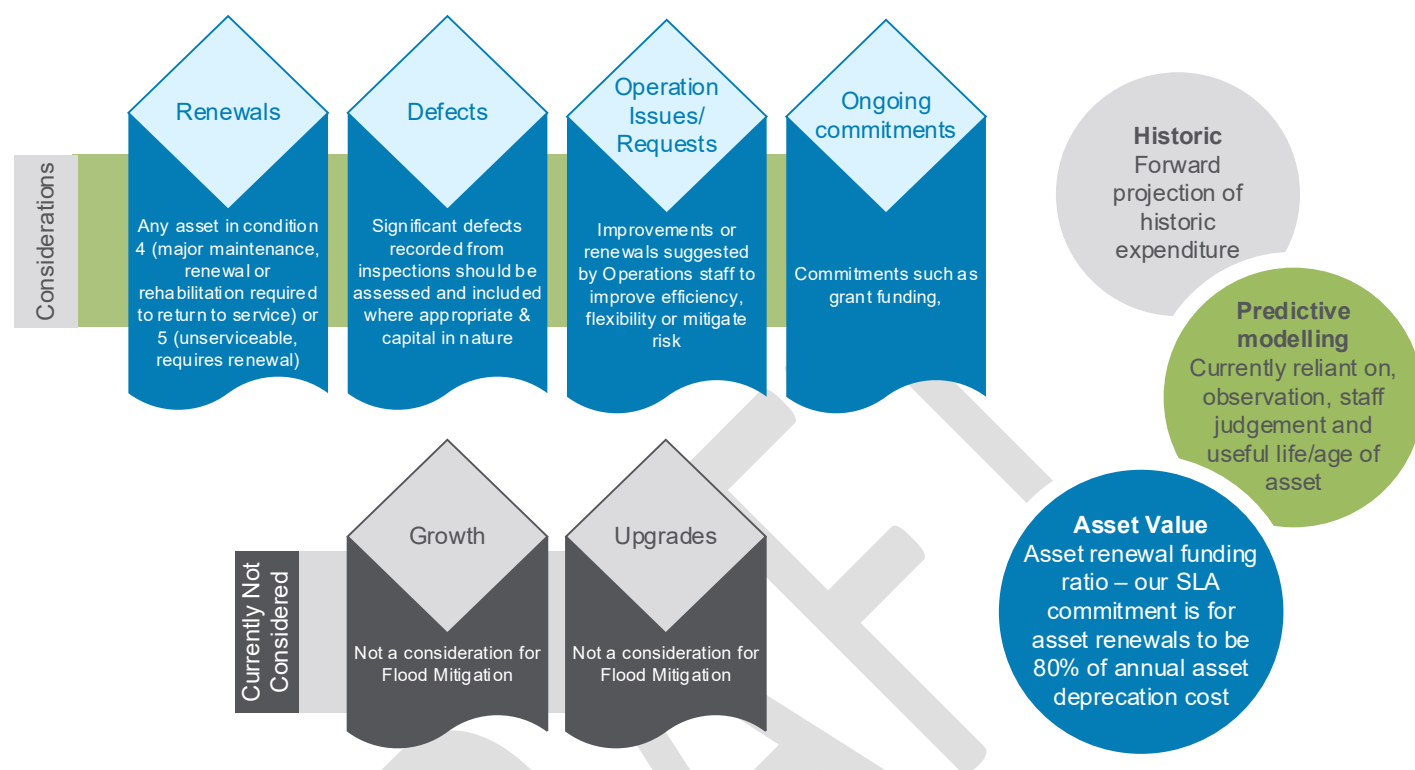
Below is a summary of actual maintenance expenditure for flood assets over the previous three years and projected expenditure over the next ten years (as at March 2022).



7.2. Capital works

7.2.1. Renewal/Replacement

Asset renewals are undertaken to ensure the ongoing reliability of existing infrastructure to deliver its required service. Our capital works planning process begins in October each year, with our 10-year budget adopted at our June Council meeting in the subsequent year. The following inputs are considered in the capital works planning process:



Renewal activities identified for our flood mitigation assets generally consist of the following:

Description	
Renewal Activities	Floodgates Fabrication and installation of replacement floodgates. Replacements undertaken on a priority basis considering age, condition, risk ranking of the floodgate, and in accordance with available budget and resourcing. A lifting gear replacement program is in place to replace lifting beams and galvanising to increase corrosion resistance.
	Pipe & Culverts Installation of replacement pipes and culverts undertaken on a priority basis.
	Levees A 4-year program of works has been identified and prioritised for renewal works on levees based on condition assessments undertaken in 2017. This work includes actions to address low spots, erosion, slumps, holes and vegetation clearing. Much of this work is heavy maintenance that is being capitalised due to the value of the work and extension of the useful life of the assets.
	Drains & Canals There are currently no planned renewal works undertaken on canals or drains.
	Other – eg walking platforms, fencing, handrails etc Replacement of assets such as walking platforms etc is undertaken as they fail or to address safety risks.

Renewal strategy

The table below provides a general summary of the strategies used when planning flood mitigation asset renewals. Approaches may vary depending on individual situations, such as emergency works for example.

Renewal Strategy	
Floodgates	Low Risk - Run to fail Our low risk floodgates are small diameter gates with a low asset value. These gates are replaced as they fail. Replacement stock kept in store to allow fast action in event of a failure
	Medium Risk – asset flagged for intervention when assessed at a condition 4
	High Risk – asset flagged for intervention when assessed at a condition 4.
Levees	Going forward, focus is on preventative maintenance, with renewals largely to address emergency works as result of damage caused by a flooding event
Drains & Canals	Currently no renewal program in place beyond emergency works and works to address significant defects
Other – eg walking platforms, fencing, handrails etc	Low risk – run to fail or rectification of identified safety issue
Pipes & Culverts	Low risk – run to fail

Renewal ranking criteria

Renewals are prioritised by assessing proposed works against the following criteria to determine the risk and consequence of the asset failing should the works not be completed:

Description	
Safety	The potential for injury to staff or public due to operation or failure of an asset/service
Staff Morale	The subjective assessment of impacts on staff morale from ongoing operational issues
Loss of Service	The ability of the asset to perform its required service
Reputation	The potential for reputation damage/media attention from the operation or failure of an asset/service
Redundancy	Are there alternative options to provide service (generally not applicable for flood assets)
Water Quality	Impact of ongoing operation on water quality
Environmental	The potential for environmental damage as the result of the operation or failure of an asset/service
Third Party Losses	The potential for damage to third parties from non-functional asset/provision of service
Business Cost	The cost to repair/replace the asset so it can provide its required service along with any other incidental costs to business

The impact of each of these criteria are ranked as:

Insignificant

Minor

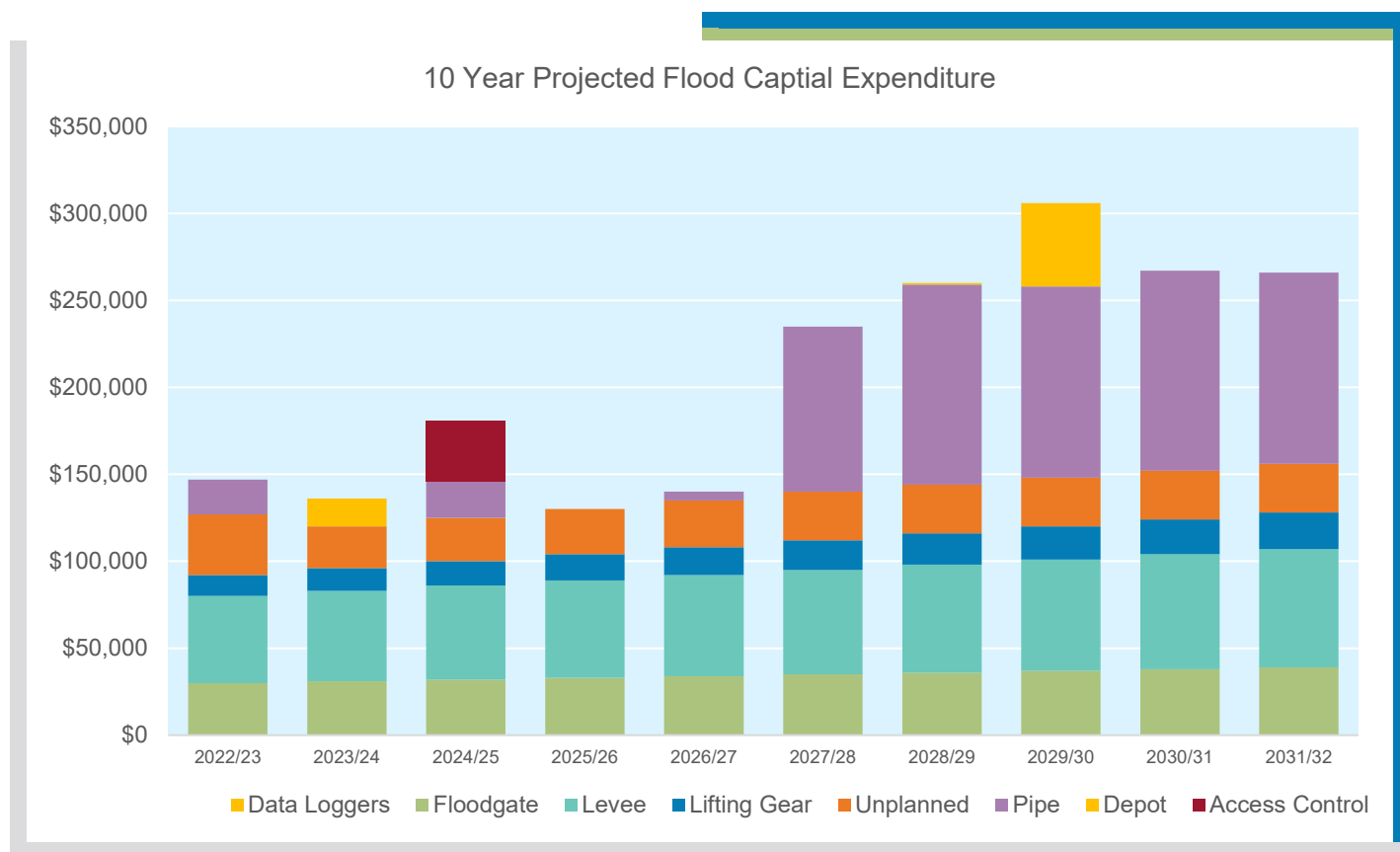
Moderate

Major

Catastrophic

Summary of future renewal expenditure

The graph below provides an overview of our projected expenditure on capital renewals over the next ten years (as at March 2022).



Major works

1. **Unplanned** – an ongoing budget item for unplanned capital renewals is included annually. This budget covers unexpected failures and allows for run to fail of low value/low risk assets.
2. **Levee works program** – in 2017, condition and risk assessments were undertaken on all rural levees. This assessment identified many defects to be addressed. A prioritised program of works has been identified. An ongoing annual budget has been put in place for heavy maintenance to be undertaken on our levees to address impairments.
3. **Pipes and Culverts** – A review of forward capital expenditure against depreciation, and current condition identified a potential funding gap for pipe and culvert assets. Additional expenditure has been included to minimise this gap and improve asset sustainability. Condition assessments will be undertaken in the next two years to prioritise renewals with more accurate cost estimates and timing being developed to replace the nominal forecast expenditure included in the second half of the program.

7.2.2. Creation/Acquisition/Upgrade plan

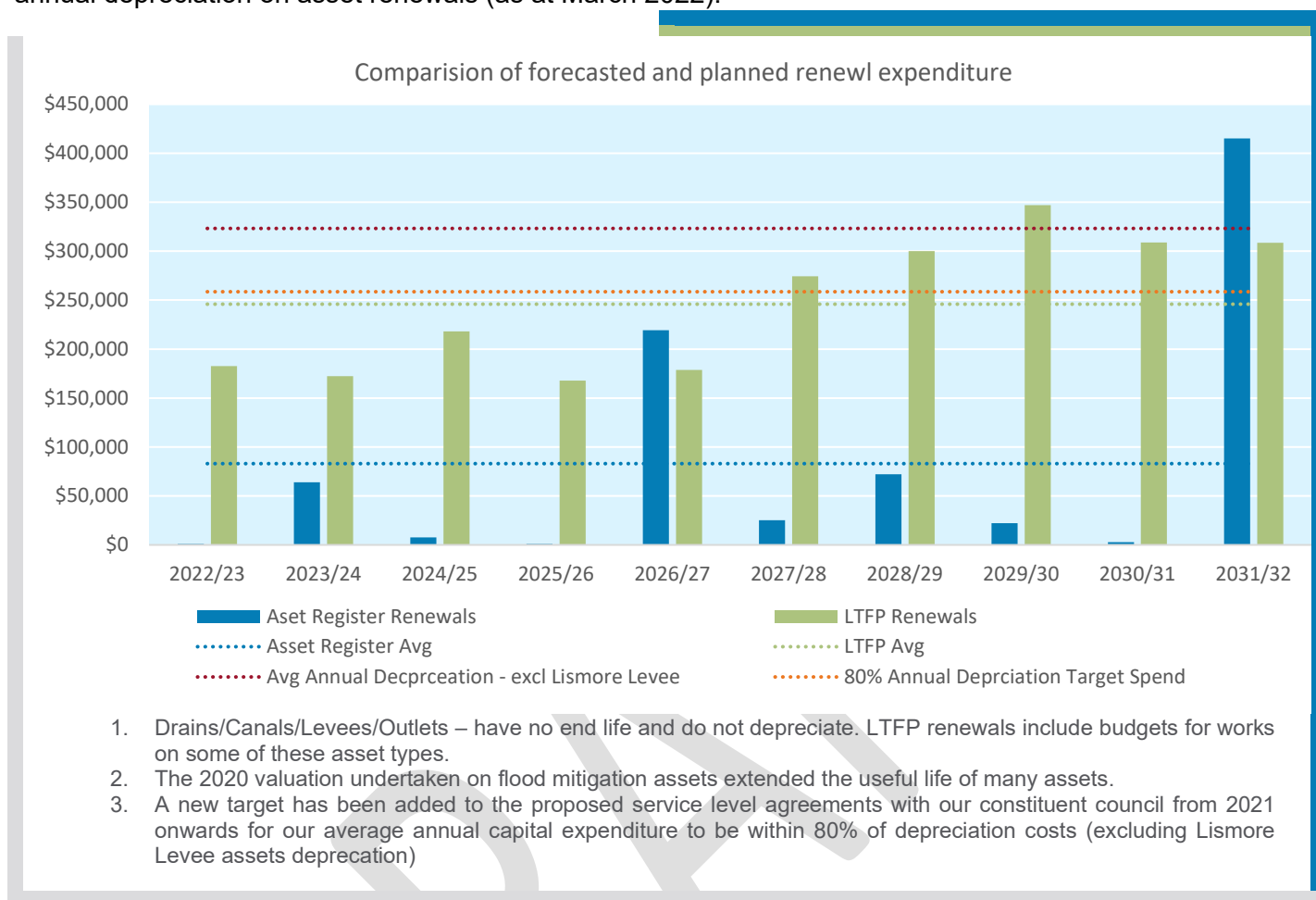
The focus of our flood mitigation function is on maintaining and operating our current asset base and the services they provide. There are no plans for upgrading or creation of new assets.

7.2.3. Disposal plan

Disposal includes any activity associated with the disposal of a decommissioned asset. We will dispose of an asset when it becomes uneconomical to maintain and/or replace, or the service it provides is deemed as no longer required or within our scope of responsibility. Assets identified for disposal will be investigated to determine the required levels of service and the available options for alternate service delivery, if any. Disposal of assets from our asset register require the approval of the General Manager.

7.3. Service consequences

The graph below depicts the variance between the expected renewal of assets from our asset register data, asset renewals identified in our long-term financial plan and our target of spending approximately 80% of our annual depreciation on asset renewals (as at March 2022).



7.3.1. What we cannot do

Our financial reserves for flood mitigation have been in decline over the last few years. To continue to provide the current level of service, an increase in operating income over the next few years will be required to move the fund back into a positive cash result. If this increase does not occur, actions will need to be taken to address shortfalls that will have a consequence on service levels.

Recently, the Keith Hall options study has been funded by accessing grants. Undertaking any similar studies in the future that could provide benefit to the strategic planning and operation of our assets would be reliant on accessing grant funding or other outside income. Projects such as the ongoing strategic review of flood mitigation have been funded by our reserves. These types of projects are currently not funded by our existing income structure.

7.3.2. Service consequence

Our capability to continue delivering current service levels is reliant on increases that have been proposed to the financial contributions from our constituent councils, as outlined in section 8.3. Without this increase, we would need to adjust the level of service we provide as our cash reserves would be depleted by 2023. These adjustments may include reducing staff or lowering spending on asset renewals or maintenance, which would result in ongoing impairment of our assets and have an impact on the service level able to be provided.

7.3.3. Risk consequence

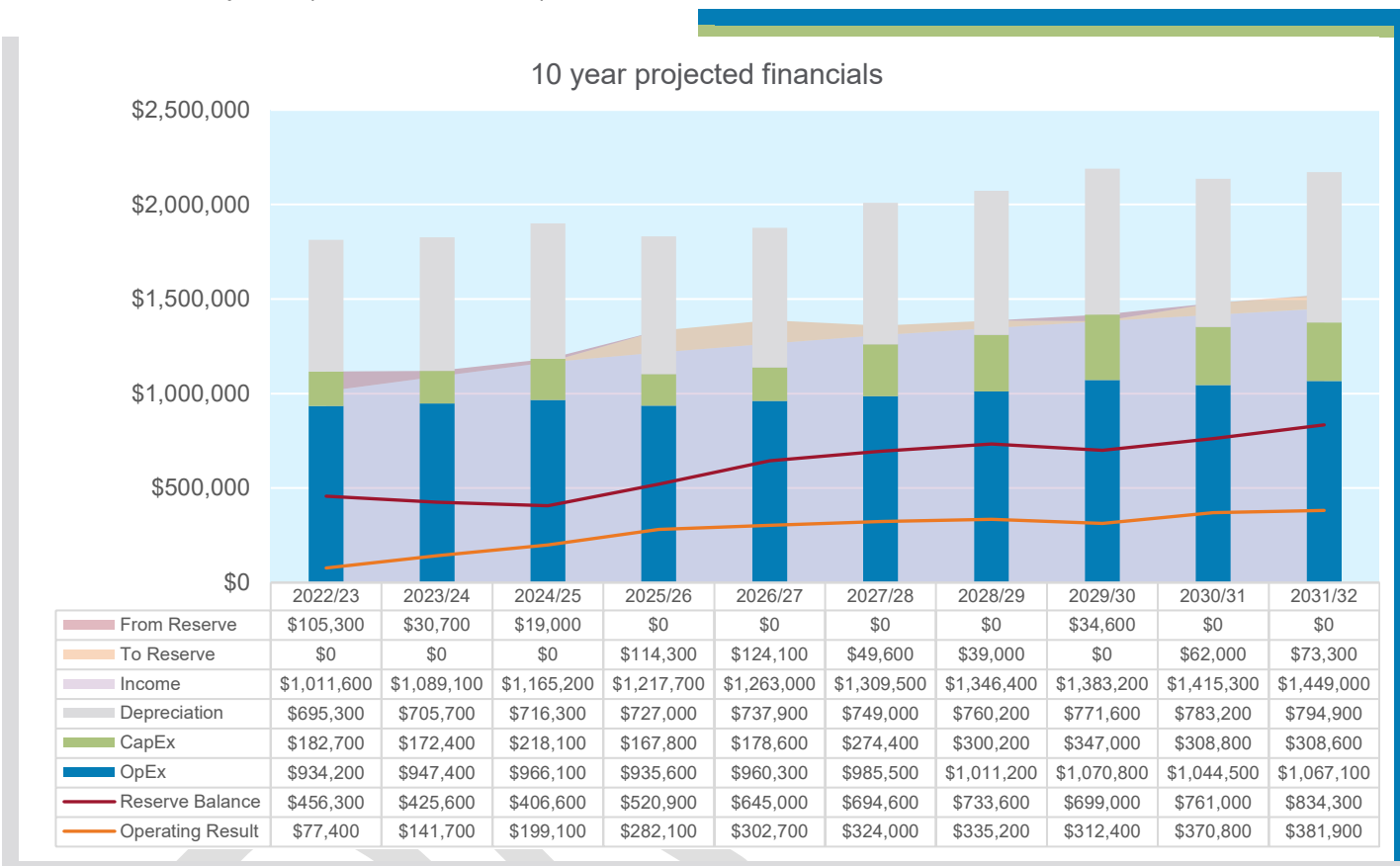
If proposed constituent council contributions are not implemented, the possibility of increased risk due to declining asset health would need to be considered. As assets become impaired due to reduced spending on maintenance and renewals, failure would be more likely.

8. Financial Summary

8.1. Financial projections

We undertake long term financial modelling for flood mitigation on an annual basis. The aim of this modelling is to ensure we meet funding requirements of the capital works program and other lifecycle costs associated with operating and maintaining our assets, to ensure we maintain an appropriate level of cash reserves and forecast our pricing structure over the long term.

The table below provides a summary of our flood mitigation operating expenses, income and cash reserve over the next 10 years (as at March 2022).



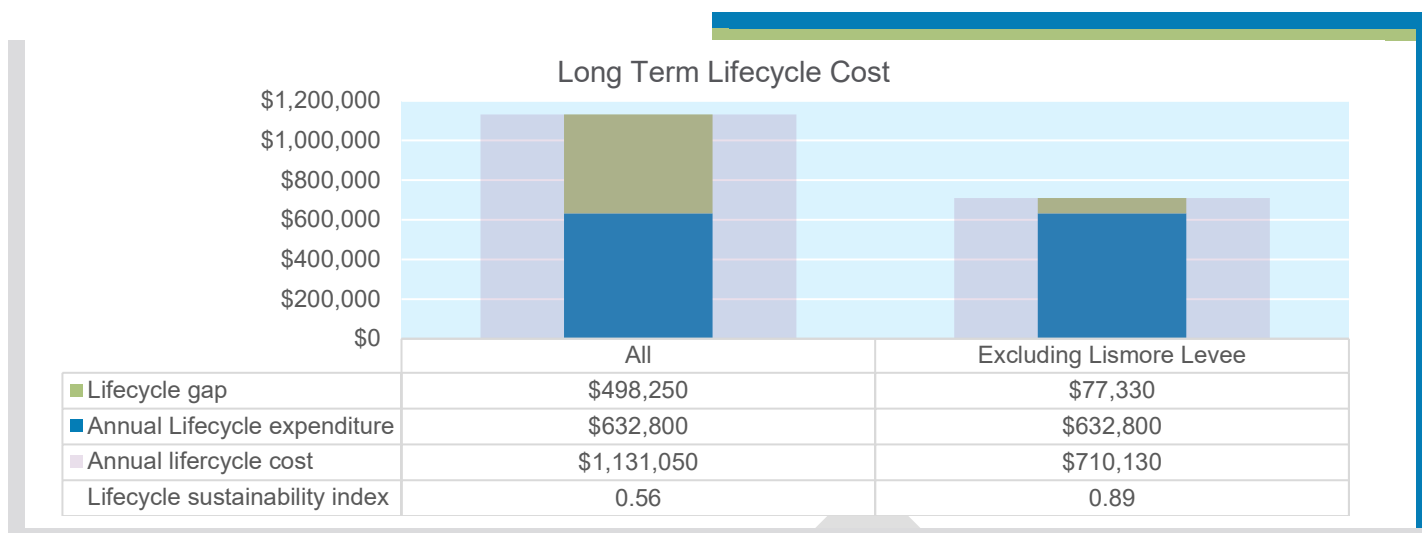
8.2. Financial Sustainability of service delivery

Over recent years our flood mitigation fund has recorded operating losses however it has returned to a positive cash result in 2021/22. This positive result was dependent on adoption of increased constituent council contributions as outlined below. These operating losses have resulted in our cash reserves falling below our adopted cash reserve policy and it is expected to remain below the target reserve balance until 2026/27. Our flood mitigation cash reserve is forecasted to fall from \$2.3 million in 2018 to \$406,600 in 2025, before gradually increasing to \$834,300 in 2032.

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure will vary depending on the timing of asset renewals. A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A gap between life cycle costs and life cycle expenditure gives an indication as to whether present expenditure covers the assets that are being consumed each year.

Ownership and depreciation for the assets comprising the Lismore levee system are included in our asset register, however Lismore City Council fund the operational, maintenance and capital renewal costs of these assets. Therefore, it is more realistic to look at the outcome excluding depreciation of the Lismore levee system.

The graph below shows the sustainability of our lifecycle costs (as at March 2021).



8.3. Funding strategy

Our flood mitigation fund has been under financial pressure. We have a comparatively large asset base to maintain given the level of assured income. Recurrent operating deficits have occurred, and cash reserves are below preferred levels.

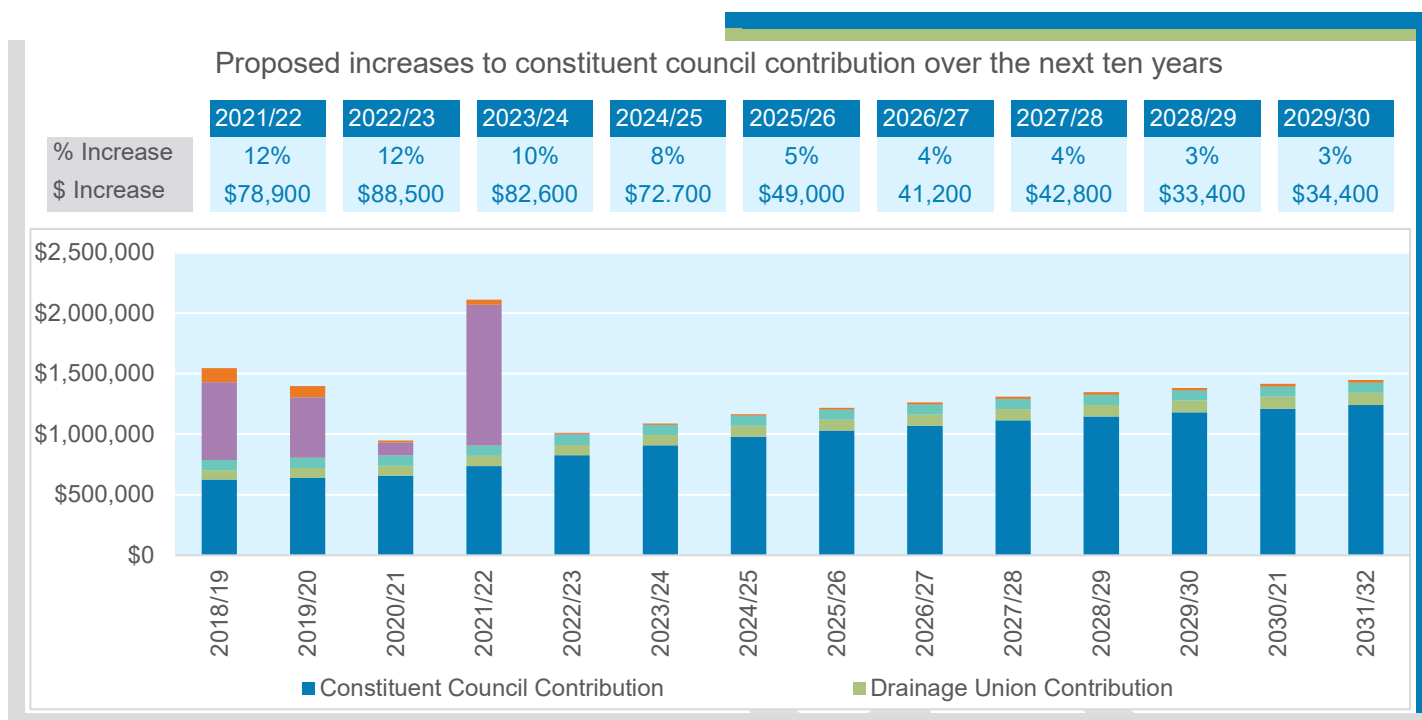
Our funding sources are outlined below.

Description			% of Total*
Funding sources	Constituent Council Contributions	Income contributed by the three constituent councils that benefit from the works and services provided by Flood Mitigation. Each council contributes an equal share.	48%
	Drainage Union Contribution	The constituent councils pay an annual Drainage Union contribution. These contributions are restricted for works on ex-drainage union assets. These contributions are collected by the constituent councils from properties that benefit from ex-drainage union assets that Rous now owns.	6%
	State Government Grant	Annual grant funding from for the State Government for maintenance activities. This grant provides \$84,600 annually. This amount has not increased since the 1980s and is unlikely to increase in the future. It is also provided under a one for one funding arrangement requiring we match funding for the activities covered by the grant.	6%
	Other grant funding	Other grant funding that we may receive, such as grants for voluntary house raising in flood prone areas, to undertake studies, or disaster recovery funding. These grants provide funding for one off agreed works or services. They are not predictable as income in forward forecasts.	36%
	Other income	Includes items such as interest from cash reserves	4%

*average percentage of total funding over last 4 years

Increases in constituent council contributions have been limited to the nominated rate peg cap as determined by the Independent Pricing and Regulatory Tribunal for several years as set out in the previous service level agreements with our constituent councils. To ensure our flood mitigation fund remains sustainable new service level agreements have been developed for 2021-2025 which remove this restriction. A proposed increase in contributions has been communicated with the constituent councils to ensure we can continue to meet service levels for our flood assets into the future. These increases will be split evenly across the three contributing councils. The total constituent councils' contribution in 2022 is \$737,100 and by 2032 the contribution is forecast to be \$1,241,500 (68% increase).

The diagram below depicts the proposed contribution increases beyond cost-of-living indexation (as at March 2021).



8.4. Forecast reliability and confidence

8.4.1. Assumptions

This section details the key assumptions made in developing this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to provide an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- Asset inventory is correct as at 30 June 2021 for the purpose of providing annual depreciation costs for the asset classes and condition assessments
- Maintenance allocations are largely based on maintaining the current level of expenditure
- All cost values are presented in current (2022) dollars

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions:

- Implementation of improved systems for better capture of asset data
- Update and refining the required renewal expenditure based upon improved data within the asset register
- Improving asset inspection and reporting procedures
- Review of the renewals program based on condition and useful life data
- Review of asset renewal profiles and depreciation rates/calculations as improved information becomes available
- Ongoing review and update of the levels of service and the required operating and maintenance regimes

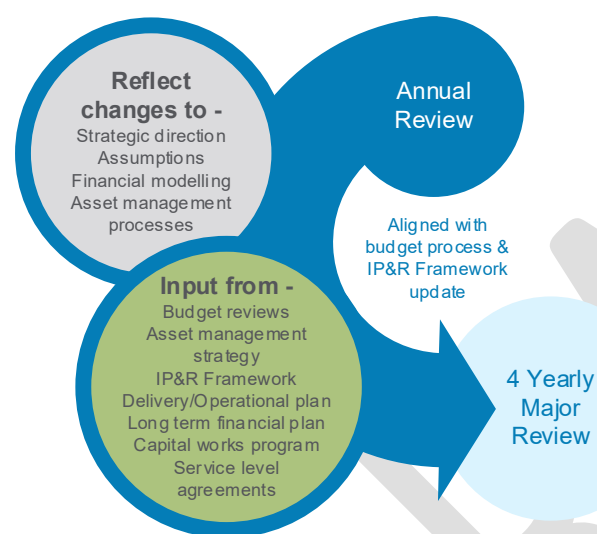
9. Plan Improvement & Monitoring

9.1. Improvement program

Our Asset Management Strategy was adopted by Council in August 2020. It outlines our commitment to continual improvement of our asset management practices. This strategy identified improvement actions to be implemented over the next four years to advance our overall asset management maturity. These improvement actions cover all aspects of our infrastructure asset management across our functional areas and services. A detailed implementation plan is currently being developed to outline the issues being addressed, desired outcomes, indicators of success and general approach to the improvement actions. There is significant work to be undertaken, and part of the monitoring and review process outlined below will include reviewing both the approach and resources required to carry out our improvement plan and adjust implementation of actions as required.

9.2. Monitoring and review

This Asset Management Plan forms part of our overall asset management system. Monitoring and review of the document and outcomes achieved is undertaken as part of our planned review process for the asset management system.



9.2.1. Monitoring and review procedure

Review of our Asset Management Plan will incorporate any changes to our processes from implementing asset management improvement actions, as well as reflecting any financial or strategic direction adjustments or changes to any assumptions the plan is based upon. The updated plan will be presented to Council for formal adoption.

9.2.2. Review Frequency

Our Asset Management Plan will be reviewed and updated on an annual basis. A major review and update will be undertaken every four years in line with our IP&R framework updates.

9.2.3. Performance measures

The performance and outcomes of our asset management, including implementation of this plan is monitored by our asset management steering committee. Formal performance measures and reporting are currently under development.

9.3. Roles & Responsibilities

The table below outlines the roles and responsibilities for the Asset Management Plan.

Asset Management Plan	Development	Asset Management System Officer	Utilise industry standards to develop and draft the document
	Review	Asset Management Steering Committee Relevant Operations, Planning & Finance staff Leadership Team	Review and provide input on content
	Update	Asset Management System Officer	Complete annual update of document
	Adoption	Leadership Team Council	Formally adopt the document
	Delivery	Operations, Planning & Finance teams	Deliver the actions outlined in the plan

Quarterly Budget Review Statement for the quarter ending 31 March 2022

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

Recommendation

That Council note the results presented in the Quarterly Budget Review Statement as at 31 March 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 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 March 2022 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 – March 2022

BUDGET ITEMS	Original Budget 2021/22	2020/21 Carryovers	September	December	March	Projected Year End Result 2021/22
			30-Sep-21	31-Dec-21	31-Mar-22	
			Quarter	Quarter	Quarter	
Operating Income						
Flood	950,100	0	1,129,900	32,000	0	2,112,000
Weeds	1,613,300	0	207,300	7,500	42,800	1,870,900
Retail	2,905,900	0	0	(8,200)	220,000	3,117,700
RWL	771,000	0	0	(3,300)	90,000	857,700
Commercial Property	270,900	0	0	(60,500)	(21,000)	189,400
Fleet	80,500	0	0	(9,000)	22,000	93,500
Bulk	19,961,700	0	0	(136,000)	0	19,825,700
TOTAL OPERATING INCOME	26,553,400	0	1,337,200	(177,500)	353,800	28,066,900
Operating Expenses						
Flood	1,713,000	162,700	1,276,500	32,000	0	3,184,200
Weeds	1,611,600	80,000	275,300	(44,400)	12,800	1,935,300
Retail	2,982,000	15,500	0	0	160,700	3,158,200
RWL	769,300	0	0	0	120,000	889,300
Commercial Property	381,900	0	0	0	(12,000)	369,900
Fleet	157,000	0	0	0	11,000	168,000
Bulk	23,247,000	737,500	383,700	50,000	(5,100)	24,413,100
TOTAL OPERATING EXPENSES	30,861,800	995,700	1,935,500	37,600	287,400	34,118,000
OPERATING RESULT	(4,308,400)	(995,700)	(598,300)	(215,100)	66,400	(6,051,100)
Exclude Depreciation	7,416,500	0	0	0	160,700	7,577,200
Cash Result	3,108,100	(995,700)	(598,300)	(215,100)	227,100	1,526,100
Add: Capital Income	5,766,400	0	(1,686,400)	850,000	0	4,930,000
Less: Capital Expense	36,878,000	803,100	461,500	(50,000)	(2,341,000)	35,751,600
Add: From/Less: (To) Reserve	31,417,900	1,798,800	2,751,500	(684,900)	(2,568,100)	32,715,200
Less: Loan Repayments	3,414,400	0	5,300	0	0	3,419,700
Estimated Cash Movement	0	0	0	0	0	0

Commentary on proposed adjustments – March 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.

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 full extent of this claim is still being assessed. The flood policy excess of \$100,000 will be deducted from the final claim when it is paid.

An insurance assessment of the Lismore Levee assets listed on Rous' insurance is scheduled to be undertaken in early May 2022. While Rous holds the insurance policy for some Lismore Levee assets, Lismore City Council pays the insurance premium cost for those assets calculated on a proportional basis. As such any claim made in relation to those assets that is approved by the insurer will be paid out also on a proportional basis.

Disaster Recovery Funding

Staff are currently compiling the necessary data to catalogue the extent of the damage. Once this is completed, a formal application will be made for Disaster Recovery Funding through NSW Public Works Advisory. This claim will be in addition to the insurance claim which is concurrently being prepared to fund the replacement/renewal of eligible affected assets.

At this stage the full extent of the damage and the funding claim is unknown. The estimates provided below are an indication of the extent of the damage, but it should be noted that this may not represent the entire cost. Council will be updated when the assessments are completed, and the specific information is available.

Expenditure Description	Amount \$ (excl of GST)
Ballina Heights Rotor Actuator	\$12,000
Data Loggers	\$113,900
ICT Equipment	\$53,200
Kyogle Street Depot	\$666,800
Fleet Replacements	\$308,300
Richmond Water Laboratory	\$441,200
Wilsons River Low Lift Pumps	\$2,261,800
Woodburn Depot	\$135,400
Woodburn Reservoir	\$744,000
Woodburn Telemetry	\$15,000
Total	\$4,751,600

The actual costs incurred relating to the March 2022 floods to 31 March 2022 are summarised below:

Expenditure Category	Amount \$ (excl of GST)
Operating Expenditure	\$138,100
Capital Expenditure	\$42,800
Total	\$180,900

Flood Mitigation Reporting Unit

(QBR52) Income & Expenses - Flood

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income							
Interest Income / Sundry	6,700	0	0	0	0	6,700	3,600
Lismore Insurance Reimbursement	4,500	0	0	0	0	4,500	4,400
Operating Contributions	821,000	0	59,900	0	0	880,900	664,500
Operating Grants	117,900	0	1,070,000	32,000	0	1,219,900	103,900
Total Operating Income	950,100	0	1,129,900	32,000	0	2,112,000	776,400
Operating Expense							
Administration Expenses	203,600	0	0	0	0	203,600	148,600
Building/Depot Expenses	18,100	0	0	0	0	18,100	5,300
Fleet Hire Expense	71,600	0	0	0	0	71,600	50,200
Insurance	4,500	0	0	0	0	4,500	4,400
Salaries & Wages	449,900	0	0	0	0	449,900	365,300
Operations Purchases	280,300	162,700	1,276,500	32,000	0	1,751,500	990,000
Depreciation	685,000	0	0	0	0	685,000	538,200
Total Operating Expense	1,713,000	162,700	1,276,500	32,000	0	3,184,200	2,102,000
Operating Result	(762,900)	(162,700)	(146,600)	0	0	(1,072,200)	(1,325,600)
Less Depreciation	685,000	0	0	0	0	685,000	538,200
Operating Result Excl. Non Cash	(77,900)	(162,700)	(146,600)	0	0	(387,200)	(787,400)
Add Capital Income	0	0	0	0	0	0	0
Less Capital Expenses	150,300	0	0	0	0	150,300	35,600
Transfer from/(to) Reserve	228,200	162,700	146,600	0	0	537,500	823,000
Net Cash Movement	0	0	0	0	0	0	0

No budget adjustments are required this quarter.

Note: Grant revenue associated with the April 2021 flood damage (Bungawalbin levee and West Coraki landslip) of \$970K is forecast to be received in the next quarter. Also, further expenditure of \$240K will be brought to account in the quarter.

Impact on Flood Mitigation Reserve

Nil.

Weed Biosecurity Reporting Unit**(QBR52) Income & Expenses - Weeds**

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income							
Interest Income / Sundry	10,200	0	0	0	0	10,200	7,400
Operating Contributions	825,100	0	0	0	0	825,100	618,800
Operating Grants	778,000	0	176,300	7,500	42,800	1,004,600	991,900
Private Works Income	0	0	31,000	0	0	31,000	31,100
Total Operating Income	1,613,300	0	207,300	7,500	42,800	1,870,900	1,649,200
Operating Expense							
Administration Expenses	327,400	0	0	0	0	327,400	240,300
Building/Depot Expenses	19,100	0	0	0	0	19,100	10,100
Fleet Hire Expense	155,800	0	0	15,000	0	170,800	126,700
Salaries & Wages	934,400	80,000	71,300	40,600	0	1,126,300	654,900
Operations Purchases	147,900	0	204,000	(100,000)	12,800	264,700	91,200
Depreciation	27,000	0	0	0	0	27,000	17,600
Total Operating Expense	1,611,600	80,000	275,300	(44,400)	12,800	1,935,300	1,140,800
Operating Result	1,700	(80,000)	(68,000)	51,900	30,000	(64,400)	508,400
Less Depreciation	27,000	0	0	0	0	27,000	17,600
Operating Result Excl. Non Cash	28,700	(80,000)	(68,000)	51,900	30,000	(37,400)	526,000
Add Capital Income	0	0	0	0	0	0	0
Less Capital Expenses	85,000	25,000	0	0	0	110,000	100
Transfer from/(to) Reserve	56,300	105,000	68,000	(51,900)	(30,000)	147,400	(525,900)
Net Cash Movement	0	0	0	0	0	0	0

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. All grant funding is expected to be received by 30 June 2022 with the expenditure occurring over two financial years. Rous will contribute \$5,000 of in-kind funding in the form of staff time for monitoring and reporting.

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

Operating Income	Grants and Contributions	North Coast LLS – TSA	\$42,800
Operating Expenditure	Materials and Contractors		\$12,800
Reserves	Weeds Biosecurity Reserve	Transfer to Reserve	(\$30,000)
		Impact on Cash Surplus	\$0

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

		2022/23
Operating Expenditure	Materials and Contractors, Salaries and Wages	\$30,000
Reserves	Weeds Biosecurity Reserve (Transfer from Reserve)	\$30,000
	Impact on Cash Surplus	\$0

Impact on Weed Biosecurity Reserve

These required changes above will result in a \$30,000 transfer to the Weed Biosecurity reserve in the 2021/22 financial year. The projected balance as at 30 June 2022 will increase by \$30,000 to \$1,931,300 which is beyond the internal reserves policy target of 4 months operating expenditure or \$658,000.

Retail Water Reporting Unit

(QBR52) Income & Expenses - Retail

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income							
Water Sales	2,880,600	0	0	0	220,000	3,100,600	2,391,100
Interest Income / Sundry	25,300	0	0	(8,200)	0	17,100	25,300
Total Operating Income	2,905,900	0	0	(8,200)	220,000	3,117,700	2,416,400
Operating Expense							
Administration Expenses	223,100	0	0	0	0	223,100	141,000
Administration - Bulk Water Cost	1,779,100	0	0	0	0	1,779,100	1,334,200
Building/Depot Expenses	1,600	0	0	0	0	1,600	0
Fleet Hire Expense	83,500	0	0	0	0	83,500	59,900
Salaries & Wages	555,500	0	0	0	0	555,500	396,300
Operations Purchases	138,800	15,500	0	0	0	154,300	100,200
Depreciation	200,400	0	0	0	160,700	361,100	270,800
Total Operating Expense	2,982,000	15,500	0	0	160,700	3,158,200	2,302,400
Operating Result	(76,100)	(15,500)	0	(8,200)	59,300	(40,500)	114,000
Less Depreciation	200,400	0	0	0	160,700	361,100	270,800
Operating Result Excl. Non Cash	124,300	(15,500)	0	(8,200)	220,000	320,600	384,800
Add Capital Income	0	0	0	0	0	0	0
Less Capital Expenses	1,517,700	0	10,000	0	0	1,527,700	7,500
Transfer from/(to) Reserve	1,393,400	15,500	10,000	8,200	(220,000)	1,207,100	(377,300)
Net Cash Movement	0	0	0	0	0	0	0

Water Sales Revenue

Revenue from water sales is trending above budget forecast, indicating an increase of \$220K to total sales of \$3.1M for the financial year.

The impact of the flood on sales, if any, is unknown at this time and will be confirmed through the last quarters meter reading cycle. This will likely include increased requests for financial assistance or write-offs due to damaged infrastructure or hardship.

To account for these changes in the 2021/22 financial year, the following adjustment is required:

Operating Income	Water Sales		\$220,000
Reserves	Retail Water Reserve	Transfer to Reserve	(\$220,000)
		Impact on Cash Surplus	\$0

Depreciation Expense

Depreciation expense has increased more than forecast for 2021/22. In line with planned capital works over the next 2 years, existing reticulation pipelines have had their useful lives reduced and aligned with the forward planned works. This has resulted in an increase to the current financial years depreciation.

It should be noted that Rous' water infrastructure assets are currently being revalued in line with the 5-yearly cycle as mandated by the Office of Local Government's Code of Accounting Practice and Financial Reporting Guidelines.

The revaluation will be ready for review by Rous' external auditors in May 2022. Any further changes to depreciation will be updated in June 2022 to correspond with the end of the financial

year. Changes to the forecast depreciation levels are expected to be reported to Council in the Quarterly Budget Review Statement for the quarter ending 30 September 2022.

To account for these changes in the 2021/22 financial year, the following adjustment is required:

Operating Expenditure	Depreciation		\$160,700
		Impact on Cash Surplus	\$0

It should be noted that depreciation is a non-cash financial component and will not have any effect on the cash reserve.

Impact on Retail Water Reserve

These required changes above will result in a \$220,000 transfer to the Retail Water reserve in the 2021/22 financial year. The projected balance as at 30 June 2022 will increase by \$220,000 to \$1,457,000 which is short of the internal reserves policy target of 8 months operating expenditure or \$2,116,000.

Richmond Water Laboratory (RWL) Reporting Unit

(QBR52) Income & Expenses - Richmond Water Laboratory

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income							
Laboratory Sales	766,000	0	0	0	90,000	856,000	668,500
Interest Income / Sundry	5,000	0	0	(3,300)	0	1,700	2,100
Total Operating Income	771,000	0	0	(3,300)	90,000	857,700	670,600
Operating Expense							
Administration Expenses	44,700	0	0	0	0	44,700	34,000
Building Expenses	51,000	0	0	0	0	51,000	26,800
Fleet Hire Expense	15,500	0	0	0	0	15,500	15,000
Salaries & Wages	434,200	0	0	0	0	434,200	287,900
Operations - Materials & Contractors	177,500	0	0	0	120,000	297,500	231,300
Operations - Licences/Accreditation	26,200	0	0	0	0	26,200	19,300
Operations - Equipment	5,000	0	0	0	0	5,000	1,100
Depreciation	15,200	0	0	0	0	15,200	12,700
Total Operating Expense	769,300	0	0	0	120,000	889,300	628,100
Operating Result	1,700	0	0	(3,300)	(30,000)	(31,600)	42,500
Less Depreciation	15,200	0	0	0	0	15,200	12,700
Operating Result Excl. Non Cash	16,900	0	0	(3,300)	(30,000)	(16,400)	55,200
Less Capital Expenses	44,100	0	0	0	0	44,100	0
Transfer from/(to) Reserve	27,200	0	0	3,300	30,000	60,500	(55,200)
Net Cash Movement	0	0	0	0	0	0	0

Impact of Flood on RWL Forecasts Result for 2021/22

Prior to the main flood event on 1 March 2022 sales were tracking ahead of forecast with costs being managed within budget and resulting in an increase to the net surplus.

The impact of the flood was extensive leaving the laboratory space inoperable with damage to both the premises and equipment. In addition, routine sampling schedules were reduced due to the flood impact on sampling sites and road conditions for March and parts of April.

Short-term arrangements have been implemented utilising space and services available at NSW DPI's Wollongbar site. At the time of writing this report, RWL was negotiating volume/price and rental costs with NSW DPI.

Assuming RWL maintains revenue at 80% of pre-flood sales, it is appropriate to recognise an increase to the budget of \$90,000. However additional contract costs mean that an increase in budgeted expenditure of \$150,000 is also required.

It is important to note that these forecasts do not include restoration or replacement costs, insurance claims or any other grant funding that may be available.

Laboratory and finance staff are assessing the impact of these short-term arrangements on the forecast financial result. Further information will be provided to Council in the future.

To account for these changes in the 2021/22 financial year, the following adjustment is required:

Operating Income	Sales	RWL	\$90,000
Operating Expenditure	Materials and Contractors		\$120,000
Reserves	RWL Reserve	Transfer from Reserve	\$30,000
		Impact on Cash Surplus	\$0

Impact on RWL Reserve

The required changes will result in a \$30,000 transfer from the RWL reserve which is available. The projected balance as at 30 June 2022 will be reduced by \$30,000 to \$349,200 which is short of the internal reserves policy target of 6 months operating expenditure or \$445,000.

Property Reporting Unit

(QBR52) Income & Expenses - Property

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income							
Interest Income / Sundry	9,900	0	0	0	0	9,900	5,300
Property Income	261,000	0	0	(60,500)	(21,000)	179,500	137,000
Total Operating Income	270,900	0	0	(60,500)	(21,000)	189,400	142,300
Operating Expense							
Administration Expenses	50,800	0	0	0	0	50,800	38,100
Building - Maintenance	108,600	0	0	0	0	108,600	71,700
Building - Lease	74,700	0	0	0	(12,000)	62,700	48,000
Perradenya Estate Operations	64,000	0	0	0	0	64,000	40,700
Salaries & Wages	20,900	0	0	0	0	20,900	14,600
Operations Purchases	0	0	0	0	0	0	0
Depreciation	62,900	0	0	0	0	62,900	42,800
Loss on Sale	0	0	0	0	0	0	0
Total Operating Expense	381,900	0	0	0	(12,000)	369,900	255,900
Operating Result	(111,000)	0	0	(60,500)	(9,000)	(180,500)	(113,600)
Less Depreciation	62,900	0	0	0	0	62,900	42,800
Operating Result Excl. Non Cash	(48,100)	0	0	(60,500)	(9,000)	(117,600)	(70,800)
Add Capital Income	1,686,400	0	(1,686,400)	850,000	0	850,000	850,000
Less Capital Expenses	2,551,000	29,800	0	0	(2,290,000)	290,800	33,300
Transfer from/(to) Reserve	912,700	29,800	1,686,400	(789,500)	(2,281,000)	(441,600)	(745,900)
Net Cash Movement	0	0	0	0	0	0	0

March 2022 Flood Damage – Rent Reductions

Several Rous owned and rented properties including the administration building in Molesworth Street, Lismore and the commercial property at 20 Conway Street, Lismore were impacted by the March 2022 flood events.

The main Administration building remains unavailable for occupation by sublease tenants or staff at the present time while repairs are conducted. Rental obligations have been put on hold for the months of March and April 2022 and this has been extended to the current sub-leases on level 2 who have been unable to operate their businesses as usual. The rent received from the sub-lease tenants is included in the Property Reporting Unit and as such the reduction in rent to be received and the associated expenditure is reflected here.

To account for these changes in the 2021/22 financial year, rental income reductions of \$8,400 and \$6,600 respectively (for each sub-lease), offset by a reduction to the building lease expenditure of \$6,300 and \$5,700 (for each sub-lease) and \$3,000 to be taken from funds available in Property reserve:

Operating Income	Rental Revenue	NRMA	(\$8,400)
		ONQ	(\$6,600)
Operating Expenditure	Rental Expenditure	NRMA	(\$6,300)
		ONQ	(\$5,700)
Reserves	Property Reserve	Transfer from Reserve	\$3,000
		Impact on Cash Surplus	\$0

In addition to this the tenants in the commercial property at 20 Conway Street have given notice that they will not be returning to this location leaving the property without a current tenant. The building requires internal repair works and will remain vacant for the foreseeable future. A new tenant will be sought to occupy the building once the repairs are completed however this is unlikely to occur before 30 June 2022.

An adjustment is required to account for the absence of rental revenue of \$6,000 for the remaining four months in the 2021/22 financial year, offset by a reduction to the Property reserve:

Operating Income	Rental Revenue	CONWAY	(\$6,000)
Reserves	Property Reserve	Transfer from Reserve	\$6,000
		Impact on Cash Surplus	\$0

Perradenya Release 7

This budget was previously carried forward with the intention that Perradenya Release 7 land development would be constructed and sold in the 2021/22 financial year. Preliminary works have commenced on obtaining a construction certificate however issues pertaining to tree removal and bushfire considerations require a planning resolution. As a result, construction is now scheduled to begin in the 2022/23 financial year.

Release 7 is the next stage of the Perradenya land development - 20 lots adjacent to Fredericks Road on the north side of the land allotment.

A budget reallocation is required to move the remaining capital expenditure of \$2,290,000 from 2021/22 to 2022/23.

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

Capital Expenditure	Property	Perradenya Release 7	(\$2,290,000)
Reserves	Property Reserve	Transfer to Reserve	(\$2,290,000)
		Impact on Cash Surplus	\$0

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

		2022/23
Capital Expenditure	Perradenya Release 7	(\$2,290,000)
Reserves	Property Reserve (Transfer from Reserve)	\$2,290,000
	Impact on Cash Surplus	\$0

At this stage the budget has forecast sales included however these sales are dependent upon finalising the sales and marketing strategy. This will be monitored through the QBRS processes in 2022/23.

Impact on Property Reserve

The required changes above will result in a \$2,281,000 transfer to the Property reserve in the 2021/22 financial year. The projected balance as at 30 June 2022 will increase by \$2,281,000 to \$1,645,000 which is beyond the internal reserves policy target of 6 months operating expenditure or \$185,000.

Fleet Reporting Unit**(QBR52) Income & Expenses - Fleet**

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income							
Interest Income / Sundry	80,500	0	0	(9,000)	22,000	93,500	74,700
Total Operating Income	80,500	0	0	(9,000)	22,000	93,500	74,700
Operating Expense							
Fleet Operations	514,800	0	0	0	11,000	525,800	289,500
Fleet Hire Income	(909,200)	0	0	0	0	(909,200)	(678,700)
Salaries & Wages	111,400	0	0	0	0	111,400	37,400
Operations Purchases	0	0	0	0	0	0	800
Depreciation	440,000	0	0	0	0	440,000	222,700
Total Operating Expense	157,000	0	0	0	11,000	168,000	(128,300)
Operating Result	(76,500)	0	0	(9,000)	11,000	(74,500)	203,000
Less Depreciation	440,000	0	0	0	0	440,000	222,700
Operating Result Excl. Non Cash	363,500	0	0	(9,000)	11,000	365,500	425,700
Add Capital Income	0	0	0	0	0	0	0
Less Capital Expenses	454,000	0	0	0	0	454,000	61,200
Transfer from/(to) Reserve	90,500	0	0	9,000	(11,000)	88,500	(364,500)
Net Cash Movement	0	0	0	0	0	0	0

March 2022 Flood Damage - Council Fleet

The March 2022 flood events impacted several work sites resulting in the loss of fleet items stored at these locations. Impacted items include motor vehicle utilities (including tools and equipment located in the vehicles), tractors, a forklift, a ride on lawnmower and a marine vessel. These are covered under Rous' motor vehicle (MV) and marine hull (MH) insurance policies.

The excess payable on the MV policy is set at \$2,000 per motor vehicle, however this is capped at \$10,000 per single event. Given that the current losses relate to 8 separate fleet items this mitigates the claim cost by \$6,000. The excess payable on the MH policy is set a \$1,000 per vehicle and one vessel is currently being assessed for total loss.

Several items (particularly trailers) are still being assessed for damage and as such the number of items to be claimed may still increase.

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

Operating Expenditure	Insurance	Fleet	\$11,000
Reserves	Fleet Reserve	Transfer from Reserve	\$11,000
		Impact on Cash Surplus	\$0

Insurance Claims - Council Fleet

Following a motor vehicle accident in December 2021, the vehicle was assessed by insurance with the outcome being that the vehicle was beyond economic repair. The insurance settlement was received in February 2022 for \$22,000.

While this vehicle has not been replaced yet, the staff member has had access to a surplus vehicle from the additional items purchased in response to the need to comply with COVID-19 social distancing regulations.

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

Operating Revenue	Insurance Claim		\$22,000
Reserves	Fleet Reserve	Transfer to Reserve	(\$22,000)
		Impact on Cash Surplus	\$0

Replacement of Fleet

Planned purchases of motor vehicles are taking longer than expected due to market delays in supply. Several fleet items are currently on order with additional orders for the fleet items lost in the March 2022 flood events to be raised soon. There is likely to be a price difference between the cost to replace fleet items and the amount to be received under an insurance claim.

With that in mind the capital expenditure budget for fleet has not been reduced at this stage.

Impact on Fleet Reserve

The required changes above will result in a \$11,000 transfer to the Fleet reserve in the 2021/22 financial year. The projected balance as at 30 June 2022 will increase by \$11,000 to \$1,071,600 which is beyond the internal reserves policy target of 4 months operating expenditure or \$366,000.

Bulk Water Reporting Unit

(QBR52) Income & Expenses - Bulk

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income							
Water Sales	19,436,400	0	0	0	0	19,436,400	14,577,300
Interest Income / Sundry	349,100	0	0	(136,000)	0	213,100	137,800
Property Income	18,000	0	0	0	0	18,000	14,600
Operating Contributions	5,000	0	0	0	0	5,000	5,000
Operating Grants	151,000	0	0	0	0	151,000	0
Profit on Sale	2,200	0	0	0	0	2,200	500
Total Operating Income	19,961,700	0	0	(136,000)	0	19,825,700	14,735,200
Operating Expense							
Administration Expenses	535,600	60,000	0	0	0	595,600	350,300
Administration - Retail Water Cost	(1,779,100)	0	0	0	0	(1,779,100)	(1,334,200)
Finance Costs	1,659,900	0	(19,600)	0	0	1,640,300	837,000
Building/Depot Expenses	919,100	0	0	0	(40,100)	879,000	452,000
Fleet Hire Expense	568,300	0	0	0	0	568,300	378,100
Training & Staff	320,300	0	0	0	(20,000)	300,300	147,000
Insurance	273,000	0	0	0	25,000	298,000	285,700
Members Expenses	168,600	0	0	0	0	168,600	62,200
Salaries & Wages	7,454,300	0	381,300	(30,000)	(40,000)	7,765,600	5,351,000
Operations Purchases	7,141,000	677,500	22,000	80,000	70,000	7,990,500	3,235,100
Depreciation	5,986,000	0	0	0	0	5,986,000	5,098,700
Loss on Sale	0	0	0	0	0	0	0
Total Operating Expense	23,247,000	737,500	383,700	50,000	(5,100)	24,413,100	14,862,900
Operating Result	(3,285,300)	(737,500)	(383,700)	(186,000)	5,100	(4,587,400)	(127,700)
Less Depreciation	5,986,000	0	0	0	0	5,986,000	5,098,700
Operating Result Excl. Non Cash	2,700,700	(737,500)	(383,700)	(186,000)	5,100	1,398,600	4,971,000
Add Capital Income	4,080,000	0	0	0	0	4,080,000	3,043,800
Less Capital Expenses	32,075,900	748,300	451,500	(50,000)	(51,000)	33,174,700	14,074,400
Transfer from/(to) Reserve	28,709,600	1,485,800	840,500	136,000	(56,100)	31,115,800	8,356,700
Less Loan Repayments	3,414,400	0	5,300	0	0	3,419,700	2,297,100
Net Cash Movement	0	0	0	0	0	0	0

March 2022 Flood Damage – Administration Building Lease Rent Reduction

Several Rous owned and rented properties including the administration building in Molesworth Street, Lismore and the commercial property at 20 Conway Street, Lismore were impacted by the March 2022 flood events.

The main Administration building remains unavailable for occupation by sublease tenants or staff. Rous' rental obligations have been put on hold for the months of March and April 2022 and at this stage it is highly unlikely that sublease tenants or staff will return before May 2022. The rental expenditure for the building is in the Bulk Water Reporting Unit and as such the reduction in rent to be received and the associated expenditure is reflected here.

A budget reduction of \$40,100 to rental expenditure, offset by an increase in the Property reserve is required.

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

Operating expenditure	Rental Expenditure		(\$40,100)
Reserves	Bulk Water Reserve	Transfer to Reserve	(\$40,100)
		Impact on Cash Surplus	\$0

Contents Insurance

Following the insurance valuation of Rous' contents last year, declared property values increased by 64.7%. The total declared asset value directly impacts the StateWide Mutual Property Contribution cost. As a result, StateWide's Executive Officer reduced Rous' rate so as not to burden Rous with such a significant increase for the 30 June 2021 to 30 June 2022 Scheme Period and the 30 June 2020-21 Property Scheme adjustment.

Contents Insurance	2021-22 Renewal (incl GST)	2020-21 Adjustment (incl GST)
Original Cost in Renewal Report	\$170,549.61	\$29,778.22
Revised Costs on Invoice	\$148,304.01	\$13,200.00
Reduction from Report	\$22,245.60	\$16,578.22

StateWide's rate review for the 2021-2022 period, and 2020-2021 adjustment revision reduced the cost to Rous by \$38,823.82 incl. GST.

Despite the above there was an increase to Rous' overall insurance premiums and an adjustment of \$15,000 is required.

The increased cost of insurance has been factored into budget estimates for 2022/23 onwards. In addition to this Council staff had made progress toward an external review of property and contents values. This had to be deferred due to the February / March 2022 floods. Having regard to the magnitude of impact from the floods, including the need to bring forward the utilisation of Council's new site at Gallans Road, staff will need to redetermine the most appropriate approach moving forward.

A budget adjustment of \$15,000 is required with the funds recommended to be drawn from the salaries budget allocated to the Enterprise Risk Coordinator position, which has been vacant since late 2021.

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

Operating Expenditure	Insurance		\$15,000
Operating Expenditure	Salaries and Wages		(\$15,000)
		Impact on Cash Surplus	\$0

Workers' Compensation Insurance

Insurance costs have increased as salaries and wages expenditure has increased with the appointment of term contract staff. The increased cost of insurance has been factored into budget estimates for 2022/23 onwards.

\$10,000 is requested for this purpose with the funds to be drawn from the salaries budget allocated to the Payroll Support Officer position, which due to ongoing recruitment activities was recruited in March 2022 which was later than originally planned.

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

Operating Expenditure	Insurance		\$10,000
Operating Expenditure	Salaries and Wages		(\$10,000)
		Impact on Cash Surplus	\$0

Leader in Me (LiMe) Project

Rous' LiMe initiative has delivered significant benefit to staff in the areas of leadership training and professional development. The program was supplemented during the year with a "ReCharge" option designed to offer 1:1 coaching and professional development to participants. As a result, additional funds are required.

\$20,000 is requested for this purpose with the funds to be drawn from the staff training budget, which due to COVID-19 has savings this financial year.

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

Operating Expenditure	Contractors and Materials		\$20,000
Operating Expenditure	Training		(\$20,000)
		Impact on Cash Surplus	\$0

Rous Cultural, Environmental and Information Centre for Lismore Visitor Information Centre

Rous leased the former Lismore Visitor Information Centre from Lismore City Council in 2021. In partnership with First Nations peoples and Lismore City Council, Rous undertook significant work to re-establish the Centre with a focus on reconciliation, cultural awareness and education. The Centre was to provide several different services on behalf of both Councils. The costs to bring the centre to operational capacity have exceeded the original budget by approximately \$15,000.

The Centre was inundated as a result of the March 2022 flood events, with the upper office area being the only space not filled with water. Lismore City Council has not identified the restoration of the site as a current priority.

To fund the proposed budget adjustment, it is recommended that \$15,000 is drawn from savings in the salaries budget allocated to Customer and Communications Manager position, which was filled in January 2022.

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

Operating Expenditure	Contractors and Materials		\$15,000
Operating Expenditure	Salaries and Wages		(\$15,000)
		Impact on Cash Surplus	\$0

Distribution System pH Stability Research Project

Rous has undertaken previous desktop projects to understand and improve the treated water pH stability within the distribution network. Whilst these projects have helped us improve overall water stability across the network there are still a select number of sites where pH issues occasionally arise. Through a 6-month work student placement program in collaboration with Sydney University, a research project is currently underway to undertake further detailed site investigation to identify possible causes of these high pH's within the Rous distribution network and to recommend solutions to solve the issue.

The cost of the project is \$35,000 and it is proposed to fund the project from savings in the unplanned dams and treatment projects budget.

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

Operating Expenditure	Contractors and Materials	pH Stability	\$35,000
Capital Expenditure	Contractors and Materials	Unplanned Dams & Treatment Replacements	(\$35,000)
		Impact on Cash Surplus	\$0

Nightcap WTP Raw Water Jetty Corrosion Repairs

Funding of \$300,000 was allocated in the 2021/22 financial year to deliver corrosion repairs work on the Nightcap WTP raw water jetty.

After calling tenders to perform the work it is noted that the pre-tender cost estimate derived from previous corrosion works undertaken on pipeline projects underestimated the budget requirements for this project. The tenders received to perform the work now inform our budget requirements and the revised budget is \$450,000.

It is proposed to transfer unspent funds from other projects to Nightcap WTP Raw Water Jetty Corrosion Repairs project to fund the increased costs. \$123,000 is available from several projects that will now be completed as part of the Bulk Chemical Storage project which is funded separately and the Unplanned Dams and Treatment Replacement budget which is a reoccurring annual budget that is used for projects when needed.

This adjustment has no impact on the forecast operating result

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

Capital Expenditure	Contractors and Materials	NCWTP Jetty Corrosion	\$150,000
Capital Expenditure	Contractors and Materials	NCWTP Disinfection	(\$54,000)
Capital Expenditure	Contractors and Materials	NCWTP Dose Pumps	(\$38,000)
Capital Expenditure	Contractors and Materials	NCWTP Wastewater	(\$31,000)
Capital Expenditure	Contractors and Materials	Unplanned Dams & Treatment Replacements	(\$27,000)
Impact on Cash Surplus			\$0

Gallans Road Fibre Project

Funding of \$330,000 was allocated in the 2021/22 financial year to deliver the capital works project for IT microwave bridges. It is now proposed that any investment in new equipment be put on hold and part of this existing budget be used to fund installing NBN fibre at Gallans Road.

A redesign of the microwave bridge network is required prior to Rous moving the administration office to the consolidated workplace site at Gallans Road, Ballina. Any work to replace existing antennas could prove to be inefficient and costly unless the network redesign work is completed first. The locations used in the network need to be assessed to ensure that they are suitable for communicating with the new site, otherwise replacements carry an inherent risk of being decommissioned in the near future.

Recently, the March 2022 flood events forced the ICT team to quickly establish an emergency network connection to Gallans Road via expanding the existing microwave bridge network. At present there is no reliable backup available at this site with the current redundancy connection being provided via a 4G modem. This method has enabled Rous staff to work during the aftermath and disruption of the flood events but is not suitable in the long-term. The current microwave bridge antenna will need to be moved in the future to avoid tree growth from blocking the line of site needed for it to work effectively.

The installation of a separate TPG fibre (NBN) internet connection is required to rectify issues with the existing connection. Once installed this will provide Rous with an efficient primary connection source. The combination of a primary fibre connection and a backup microwave bridge link will provide the Gallans Road site with the same network redundancy capacity that is present at the

current administration office in Molesworth Street, Lismore. This project proposal was the subject of consultation between the General Manager, Group Manager Corporate and Commercial and the ICT team and involved consideration of alternative Telstra options.

The cost of the project is \$85,000 and it is proposed to fund the project from savings remaining in the microwave bridges capital budget with \$69,000 needed in the 2021/22 financial year. The remaining funds will be transferred to future years to fund operating costs.

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

Capital Expenditure	Contractors and Materials	Gallans Road Fibre Project	\$69,000
Capital Expenditure	Contractors and Materials	Microwave Bridges	(\$85,000)
Reserves	Bulk Water Reserve	Transfer to Reserve	(\$16,000)
Impact on Cash Surplus			\$0

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 Expenditure	Contractors and Materials	\$5,400	\$5,300	\$5,300
Reserves	Bulk Water Reserve (Transfer from Reserve)	(\$5,400)	(\$5,300)	(\$5,300)
Impact on Cash Surplus		\$0	\$0	\$0

Impact on Bulk Water Reserve

The required changes above will result in \$56,100 being transferred to the Bulk Water reserve in the 2021/22 financial year. The projected balance as at 30 June 2022 will increase by \$56,100 to \$9,649,300 which is short of the internal reserves policy target of 6 months operating expenditure or \$12,207,000.

Budget Review for the Quarter Ended 31 March 2022

(QBR3) Capital Budget

	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Capital Funding:							
Capital Grants & Contributions	0	0	0	0	0	0	0
Internal Restrictions							
- Renewals	12,044,600	859,840	408,960	(130,000)	(120,000)	13,063,400	3,880,600
- New Assets	19,067,000	(56,740)	1,738,940	80,000	(2,221,000)	18,608,200	7,287,700
External Restrictions							
- Infrastructure	0	0	0	0	0	0	0
Other Capital Funding Sources							
- Operating Revenue	0	0	0	0	0	0	0
- S64 Contributions	4,080,000	0	0	0	0	4,080,000	3,043,800
Income from Sale of Assets							
- Plant and Equipment	0	0	0	0	0	0	0
- Land and Buildings	1,686,400	0	(1,686,400)	0	0	0	0
Total Capital Funding	36,878,000	803,100	461,500	(50,000)	(2,341,000)	35,751,600	14,212,100
Capital Expenditure:							
New Assets							
- Plant and Equipment	0	0	0	0	0	0	0
- Office Equipment	110,000	50,000	0	0	0	160,000	128,700
- Inventory (Land)	2,490,000	0	0	0	(2,290,000)	200,000	33,300
- Land and Buildings	7,737,500	0	0	0	0	7,737,500	6,850,000
- Infrastructure	14,495,900	(106,740)	52,540	80,000	69,000	14,590,700	3,319,500
Renewals (Replacement)							
- Plant and Equipment	498,100	0	0	0	0	498,100	100,700
- Office Equipment	672,300	0	0	0	0	672,300	143,900
- Land and Buildings	26,000	29,800	0	0	0	55,800	0
- Infrastructure	10,848,200	830,040	408,960	(130,000)	(120,000)	11,837,200	3,636,000
Total Capital Expenditure	36,878,000	803,100	461,500	(50,000)	(2,341,000)	35,751,600	14,212,100

Budget Review for the Quarter Ended 31 March 2022

(QBR54) Cash & Investments

	Opening Balances 2020/21	Original Budget 2021/22	2020/21 Carryovers	Approved Changes Sept Review	Approved Changes Dec Review	Recommend Changes for Council Resolution	Projected Year End Result 2021/22
Unrestricted:							
Flood Mitigation	99,000	0	0	0	0	0	99,000
Weeds Biosecurity	25,800	0	0	0	0	0	25,800
Retail Water	100,000	0	0	0	(8,200)	0	91,800
Richmond Water Laboratories	10,000	0	0	0	(3,300)	0	6,700
Property	100,000	0	0	0	0	0	100,000
Fleet	50,000	0	0	0	(9,000)	0	41,000
Bulk Water	1,043,800	0	0	0	(136,000)	0	907,800
Total Unrestricted	1,428,600	0	0	0	(156,500)	0	1,272,100
Externally Restricted:							
Flood Grants	197,800	0	0	(30,000)	0	0	167,800
Weeds Grants	922,000	0	0	(68,000)	51,900	30,000	935,900
Weeds Other	0	0	0	0	0	0	0
Bulk Water Grants	11,500	0	0	0	0	0	11,500
Bulk Water Other	2,950,000	0	0	0	0	0	2,950,000
Total Externally Restricted	4,081,300	0	0	(98,000)	51,900	30,000	4,065,200
Internally Restricted:							
Flood Mitigation	802,300	(228,200)	(162,700)	(116,600)	0	0	294,800
Weeds Biosecurity	1,130,900	(56,300)	(105,000)	0	0	0	969,600
Retail Water	2,564,100	(1,393,400)	(15,500)	(10,000)	0	220,000	1,365,200
Richmond Water Laboratories	399,600	(27,200)	0	0	0	(30,000)	342,400
Property	1,103,400	(912,700)	(29,800)	(1,686,400)	789,500	2,281,000	1,545,000
Fleet	1,110,100	(90,500)	0	0	0	11,000	1,030,600
Bulk Water							
- Buildings & Structures	187,700	(150,000)	0	0	0	40,100	77,800
- Assets & Programs	30,676,300	(27,209,300)	(1,375,800)	(840,500)	0	16,000	1,266,700
- Employee Leave Entitlement	2,264,200	(678,000)	0	0	0	0	1,586,200
- Electricity	2,586,900	0	0	0	0	0	2,586,900
- Office Equipment & Computer	936,400	(672,300)	(110,000)	0	0	0	154,100
- Greenhouse Gas Abatement	108,300	0	0	0	0	0	108,300
Total Internally Restricted	43,870,200	(31,417,900)	(1,798,800)	(2,653,500)	789,500	2,538,100	11,327,600
Total Restricted	47,951,500	(31,417,900)	(1,798,800)	(2,751,500)	841,400	2,568,100	15,392,800

Investment and Cash Bank Statement

The Responsible Accounting Officer certifies that all funds including those under restriction have been invested in accordance with section 625 of the *Local Government Act 1993*, clause 212 of the *Local Government (General) Regulation 2021* and Council's 'Investment' policy. Council's bank statement has been reconciled up to and including 31 March 2022.

Reconciliation

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

Cash at Bank (as per bank statements)	6,119,403
Investments on Hand	34,500,000

Reconciled Cash at Bank & Investments	40,619,403
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(QBR5) Contractors

Contractor	Contract Details & Purpose	Contract Value (\$) Excluding GST	Contract Date	Duration of Contract	Budgeted (Y/N)
Iplex Pipeline Systems	Supply pipe and fittings as for Broadwater 150 project	171,700	21/01/2022	14 mths	Y
E3 Advisory Pty Ltd	Future Water Project 2060 procurement and delivery strategy	55,400	4/02/2022	3 mths	Y
RedEye Apps Pty Ltd	Implementation of Engineering Document Management System	85,000	9/02/2022	5 mths	Y
Fletcher Stiles Family Trust trading as Australian Liner & Tanks	ECDWTP Tank Liner Replacements	94,500	17/02/2022	4 mths	Y
Audit Office of New South Wales	Auditing Services for the financial year to 30 June 2022	62,400	9/03/2022	12 mths	Y

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

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

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

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	\$120,700	Y
Legal Fees	\$22,100	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	\$7,900
	People & Performance – RCEIC Launch Welcome to Country	\$300
	Planning & Delivery – Dam Safety Management System	\$102,600
	Planning & Delivery – Broadwater PS Concept Design	\$9,700
Legal Fees		
	Corporate & Commercial - Purchase Gallan's Road Property	\$5,000
	Corporate & Commercial - Sale Carrington Street Property	\$2,400
	People & Performance - Water Connection Policy	\$6,700
	Planning & Delivery – Developer Contributions	\$1,000
	Planning & Delivery – Future Water Program Cultural Heritage Advice	\$6,800
	Operations – Biosecurity Debt Recovery Actions	\$200

Statement of Expenses for Councillors

Councillor Expenses for the Quarter Ending 31/03/2022 (Q3)

Quarter 3	Other Expenses	Official Business of Council - Travel	Official Business of Council - Professional Development/Training	Total by Councillor (Q3)
Councillor Big Rob	0	0	105	105
Councillor Bruem	0	0	105	105
Councillor Cadwallader	0	0	105	105
Councillor Gordon	0	0	0	0
Councillor Humphrys	0	0	0	0
Councillor Lyon	0	0	0	0
Councillor Mustow	0	0	0	0
Councillor Ndiaye	0	0	0	0
Councillor Cameron	0	0	0	0
Councillor Cook	0	0	0	0
Councillor Ekins	0	0	0	0
Councillor Richardson	0	0	0	0
Councillor Williams	0	0	0	0
Total Per Expense Type	0	0	314	314

	Q1	Q2	Q3	Q4	Total by Councillor YTD
Councillor Big Rob	0	0	105	0	105
Councillor Bruem	0	0	105	0	105
Councillor Cadwallader	49	56	105	0	210
Councillor Gordon	0	0	0	0	0
Councillor Humphrys	0	0	0	0	0
Councillor Lyon	0	0	0	0	0
Councillor Mustow	0	0	0	0	0
Councillor Ndiaye	0	0	0	0	0
Councillor Cameron	0	0	0	0	0
Councillor Cook	72	72	0	0	144
Councillor Ekins	0	0	0	0	0
Councillor Richardson	0	0	0	0	0
Councillor Williams	0	0	0	0	0
To Be Refunded*	0	1,421	0		1,421
Total Per Expense Type	121	1,549	314	0	1,984

Budget 2021/22 FY 61,500

* This represents the cost for two Councillors to attend the Local Government New South Wales conference. No delegates were able to attend the conference and a partial refunded is expected to be received prior to 30 June 2022.


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

(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)	(64,400)	(40,500)	(31,600)	(180,500)	(74,500)	(4,587,400)	(6,051,100)	Surplus
		2020/21 Actual	(996,969)	182,587	(441,212)	(36,557)	868,066	105,730	(592,588)	(910,944)	
2	Current Ratio	2021/22 Budget Review	56.16	193.13	58.28	43.64	32.90	53.58	1.93	3.25	> 1.5
		2020/21 Actual	7.87	45.91	182.68	19.32	22.07	13.12	5.47	6.46	
3	Debt Service Cover Ratio	2021/22 Budget Review	-	-	-	-	-	-	1.46	1.80	> 2
		2020/21 Actual	-	-	-	-	-	-	1.56	1.95	
4	Own Source Operating Revenue Ratio	2021/22 Budget Review	1%	2%	100%	100%	100%	100%	82%	75%	> 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	2.09 : 1	> 1:1
		2020/21 Actual	0.11 : 1	-	-	-	0.00 : 1	-	0.96 : 1	0.86 : 1	

 Projected result meets or exceeds benchmark.

 Projected result does not meet benchmark.

Comments on Key Performance Indicators

Please note that comments relate to the consolidated financial indicators.

1. Operating Result Before Capital Contributions

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

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

Original Budgeted Deficit	(\$4,308,400)
Projected Year End Result 2021/22	(\$6,051,100)
	(\$1,742,700)

The increase can be attributed to carry over works (\$996K) reinstated from 2020/21, operating expenses (\$1.743M), salaries (\$423K), insurance expenses (\$25K), a decrease in property income (\$82K) and a reduction in interest on investments (\$156K), offset by revenue increases from grant funding (\$1.328M), RWL sales (\$90K), contributions (\$60K), building/depot expenses (\$52K), private works income (\$31K), insurance claim revenue (\$22K), training expenses (\$20K) and a reduction in interest expense (\$20K).

Carryovers / Reinstatements	(\$995,700)
Expenses	(\$2,260,500)
Revenue	\$1,513,500
	(\$1,742,700)

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 \$3.25 available in assets that can be converted to cash.

3. Debt Service Cover Ratio

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

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

4. Own Source Operating Revenue Ratio

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

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

5. Building and Infrastructure Renewal Ratio

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

Comment: The current ratio reflects an above benchmark forecast.

Grant application information

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

Note: all totals are GST exclusive

Grant Name	Reporting Unit	Synopsis	Funding Body	Program	Project Length	Total Project Value	Grant Funding	Council Funding	Total Expenditure to Date	Balance of Approved Funds to Spend
New Grant Applications Awaiting Determination										
Rous Regional Water Supply Drought Readiness Project Stage 1	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		
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	-		
Active Grants That Have Been Previously Reported										
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	117,107	82,661
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.	211,772	72,228
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	LLS	North Coast Weeds Action Program 2020-25	12 mths	1,267,500	642,500	625,000	567,700	699,800
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	-	58,863	2,877
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	13,279	6,721
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	132,516	103,484
Miconia 2022-24	Weeds	Miconia weed surveillance and control services in Northern NSW	QLD DAF	Miconia Weed Surveillance	36 mths	298,000	298,000	-	1,086	296,914
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	0
Active Grants That Have Not Been Previously Reported										
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	-	47,750

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

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.