

1. Quarterly Budget Review Statement quarter ending 31 December 2022

The results presented in the QBRS were noted and variations were authorised to the amounts from those previously estimated.

The following adjustments were noted:

March 2022 Floods

Rous' insurance policy with Statewide Mutual includes flood cover with a sub-limit of \$2M that applies for property loss and business interruptions. The claim is ongoing and budget estimates have been provided for claims received and expenses to 31 December 2022 including commitments.

In addition to the insurance claim, Disaster Recovery Funding has been claimed. The works associated with this claim continue and will be in addition to the insurance claim which is concurrently being prepared to fund the replacement/renewal of eligible affected assets. Once a formal agreement is in place with NSW Public Works budget estimates will be provided. At present no changes have been made to the budget regarding these works, an update to budget will be presented through the QBRS process when details are available.

Impact on Reserves as a whole

The required changes this quarter will result in an additional \$1,099,400 being transferred to reserves in the 2022/23 financial year. The projected balance as at 30 June 2023 will increase to \$16,137,300 which is short of the internal reserves policy target of 6 months operating expenditure or \$17,470,000. This is an internal policy, rather than one mandated. It should be noted that the loan covenant that exists between Rous County Council and New South Wales Treasury Corporation requires reserves to held that equal 6 months of the next financial year's operating expenditure less depreciation. The projected balance above of \$16,137,300 exceeds this reserve target of 6 months operating expenditure less depreciation or \$14,887,000.

At present Council is unable to meet the internal reserves policy targets for the Bulk, Retail and Flood reporting units based on budget forecasts. It is important to note that this policy is an internal guiding document adopted by Council, not an external requirement. There is a level of inconsistency between the internal policy and the requirements from regulations and external loan caveats. It is proposed that a revised policy will be presented to Council in the near future.

2. Retail Water Customer Account Assistance

In accordance with section 356 (1) of the *Local Government Act 1993* and its 'Retail Water Customer Account Assistance' policy, Council approved financial assistance in the amount of \$5,345.48.

With the addition of section 377 (1A) of the *Local Government Act 1993*, the General Manager is authorised to approve the granting of financial assistance without a resolution from Council. As such the previous practice of presenting applications for financial assistance for Council approval will cease.

Future applications for financial assistance will be determined by the General Manager under delegation dated 17 August 2022. An information report will be provided to Council bi-annually to provide the details of financial assistance granted during the periods 1 January to 30 June and 1 July to 31 December each year.

3. Finalisation of Scoping Study for the Richmond River Coastal Management Program

Preparation of the Scoping Study involved a community input/consultation phase, extensive engagement with catchment stakeholders and a series of workshops with all catchment councils.

The Final Draft Scoping Study was placed on public exhibition for a 3 week period (from 21 November to 16 December 2022) providing the invited stakeholders and the broader community the opportunity to review the Final Draft Scoping Study. The Scoping Study has also been reviewed by internal stakeholders.

Rous and its consultants – in partnership with catchment councils - have completed all requirements of the NSW Coastal Management Manual in relation to the conduct of a Stage 1 Scoping Study. The Scoping Study will be finalised as outlined in the submissions report. Staff will then proceed to lodge the Stage 2 grant application.

4. Adopt Bulk Water Supply and Retail Water Supply Development Servicing Plans

Following consideration of the draft Bulk Water Supply and Retail Water Supply Development Servicing Plans (DSP) at the 14 December 2022 Council meeting, the two (2) draft DSPs were placed on public exhibit via Council's website from 19 December 2022 to 2 February 2023. Council did not receive any submissions.

The developer charges as presented in the DSPs are proposed to be implemented from 1 July 2023 and indexed in accordance with Council's 'Revenue' policy.

3. Policies for revocation

Council agreed to revoke its Sponsorship and Donations policy (dated 2004). Relevant content contained in the policy has been captured within the Regional Demand Management Plan (2023-2026) and there is no longer a business need for the policy in its current form.

4. Information reports

i) Investments – January 2023

- The RBA cash rate is 3.1%. The 90-day average bank bill swap rate (BBSW) is 3.37%.
- Total funds invested is \$38,708,511. This includes term investments and cheque account balance.
- Weighted Average Return is 3.11%. This represents an increase of 14 basis points compared to the December 2022 result (2.97%) and is 26 basis points below Council's benchmark.
- Interest earned for the period is \$105,411. Interest earned compared to the original budget is \$214,045 above the pro-rata budget.
- Cheque account balance is \$176,970.

- Ethical holdings is \$8,000,975 (20.67% of current holdings)

ii) Water production and consumption – December 2022

The table below is the December 2022 bulk water sales to the constituent councils in kilolitres compared to the corresponding December sales for 2021 and 2020.

Council	Dec 2020 (kL)	Dec 2021 (kL)	Dec 2022	% of Total Sales
Ballina Shire Council	341,693	320,883	321,759	37.6%
Byron Shire Council	248,302	211,504	229,497	26.82%
Lismore City Council	273,373	255,149	246,528	28.81%
Richmond Valley Council	58,252	58,421	57,889	6.77%
Total monthly consumption by constituent councils	921,620	845,957	855,673	

iii) Debt write-off information summary and other matters

Council received and noted the report with debts written-off totalling \$18,304.79 for the period 1 July 2022 to 31 December 2022.

The following reports were also provided and noted:

- Reports/actions pending.
- Delivery program update – 1 July 2022 to 31 December 2022

CONFIDENTIAL REPORT

5. Supply of Industrial Control and Integration Support: Contract # RCC1122-0014

Council undertook an open tender process for the procurement of industrial control system integration support services under a schedule of rates contract. The contract term is for one (1) year with an option to extend a further two (2) periods of two (2) years each period. Should the contract continue for the full term of five (5) years the upper limit for the contract value will be \$3.75M ex GST and as such an open tender process was deemed to match the needs of the tender.

Council agreed to accept the schedule of rates tender submitted by SAFEgroup Automation Pty Ltd for a period of up to five (5) years and approve an upper limit contract value of up to \$750,000 ex GST per year.

Council's business paper and draft meeting minutes can be found via the following link:
<https://rous.nsw.gov.au/business-papers-and-meeting-minutes>