
Quarterly Budget Review Statement for the quarter ending 30 September 2021

Responsible Officer: Group Manager Corporate & Commercial (Guy Bezrouchko)

Recommendation

That Council note the results presented in the Quarterly Budget Review Statement as at 30 September 2021 and authorise the variations to the amounts from those previously estimated.

Background

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

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

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

For the information of Council, the original 2021/22 budget was adopted on 17 June 2021 as part of the 2021/22 Operational Plan and the 2017/22 Delivery Program.

Governance

- **Finance**

(QBRs1) Report by Responsible Accounting Officer

The following statement is made in accordance with clause 203(2) of the *Local Government (General) Regulation 2005*.

"It is my opinion that the Quarterly Budget Review Statement of Rous County Council for the quarter ended 30 September 2021 indicates that Council's projected financial position at 30 June 2022 will be satisfactory at year end, having regard to the projected estimates of income and expenditure, the original budgeted income and expenditure and Council's short-term liquidity position."



Guy Bezrouchko
Responsible Accounting Officer

Table 1: Summary of proposed changes whole organisation – September 2021

BUDGET ITEMS	Original Budget 2021/22	2020/21 Carryovers	September	Projected Year End Result 2021/22
			30-Sep-21	
			Quarter	
Operating Income				
Flood	950,100	0	1,129,900	2,080,000
Weeds	1,613,300	0	207,300	1,820,600
Retail	2,905,900	0	0	2,905,900
RWL	771,000	0	0	771,000
Commercial Property	270,900	0	0	270,900
Fleet	80,500	0	0	80,500
Bulk	19,961,700	0	0	19,961,700
TOTAL OPERATING REVENUES	26,553,400	0	1,337,200	27,890,600
Operating Expenses				
Flood	1,713,000	162,700	1,276,500	3,152,200
Weeds	1,611,600	80,000	275,300	1,966,900
Retail	2,982,000	15,500	0	2,997,500
RWL	769,300	0	0	769,300
Commercial Property	381,900	0	0	381,900
Fleet	157,000	0	0	157,000
Bulk	23,247,000	737,500	383,700	24,368,200
TOTAL OPERATING EXPENSES	30,861,800	995,700	1,935,500	33,793,000
OPERATING RESULT	(4,308,400)	(995,700)	(598,300)	(5,902,400)
Exclude Depreciation	7,416,500	0	0	7,416,500
Cash Result	3,108,100	(995,700)	(598,300)	1,514,100
Add: Capital Income	5,766,400	0	(1,686,400)	4,080,000
Less: Capital Expense	36,878,000	803,100	461,500	38,142,600
Add: From/Less: (To) Reserve	31,417,900	1,798,800	2,751,500	35,968,200
Less: Loan Repayments	3,414,400	0	5,300	3,419,700
Estimated Cash Movement	0	0	0	0

June 2021 Budget and carryover adjustments

Council adopted the 2021/22 budget at the June 2021 meeting. As identified in the report, Council also considered three additional staff submissions for software licences and two separate reports which impacted the adopted budget figures as shown in the original report, namely: Rous Cultural, Environment and Information Centre [D21/18829] and Consolidation of Workplace Locations [D21/18920].

Carryover adjustments from 2020/21 totalling \$3,175,800; \$995,700 in operational expenditure and \$2,180,100 in capital expenditure were approved by the Leadership Team. These were distributed to Councillors in August 2021 due to the absence of the Ordinary Council meeting ([Attachment 1](#)).

\$1,377,000 of capital works for Stage 2 of the St Helena 600 mains renewal/augmentation project originally budgeted for 2021/22 has been moved to 2022/23. This is a multiyear project and is anticipated to be completed by December 2022.

As such, \$803,100 in capital expenditure has been reinstated for 2021/22.

The budget movements are shown in the table below:

	Operating Expenditure	Capital Expenditure
Original Budget 2021/22 as per June-21 report	\$30,166,900	\$29,290,500
Add: Software Licences (Staff Submission)	\$106,000	\$100,000
Add: Rous Cultural, Environmental and Information Centre	\$175,000	\$0
Add: Consolidation of Workplace Locations	\$413,900*	\$7,487,500
Adopted Original Budget	\$30,861,800	\$36,878,000
Add: Carryovers 2021/22	\$995,700	\$2,180,100
Less: Carryovers 2022/23	\$0	(\$1,377,000)
Revised Budget including Carryovers 2021/22	\$31,857,500	\$37,681,100

* In relation to the acquisition of the new workplace facility an additional non-cash budget allocation of \$113,900 has been provided to account for depreciation expense during the 2021/22 financial year.

Commentary on proposed adjustments – September 2021 (Table 1)

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

Flood Mitigation Fund

(QBR2) Income & Expenses - Flood

	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income					
Interest Income / Sundry	6,700	0	0	6,700	1,200
Lismore Insurance Reimbursement	4,500	0	0	4,500	0
Operating Contributions	821,000	0	59,900	880,900	254,000
Operating Grants	117,900	0	1,070,000	1,187,900	34,200
Total Operating Income	950,100	0	1,129,900	2,080,000	289,400
Operating Expense					
Administration Expenses	203,600	0	0	203,600	49,900
Building/Depot Expenses	18,100	0	0	18,100	3,100
Fleet Hire Expense	71,600	0	0	71,600	16,700
Training & Staff	0	0	0	0	0
Insurance	4,500	0	0	4,500	0
Salaries & Wages	449,900	0	0	449,900	134,500
Operations Purchases	280,300	162,700	1,276,500	1,719,500	294,800
Depreciation	685,000	0	0	685,000	181,600
Loss on Sale	0	0	0	0	0
Total Operating Expense	1,713,000	162,700	1,276,500	3,152,200	680,600
Operating Result	(762,900)	(162,700)	(146,600)	(1,072,200)	(391,200)
Less Depreciation	685,000	0	0	685,000	181,600
Operating Result Excl. Non Cash	(77,900)	(162,700)	(138,600)	(379,200)	(209,600)
Add Capital Income	0	0	0	0	0
Less Capital Expenses	150,300	0	0	150,300	12,300
Transfer from/(to) Reserve	228,200	162,700	146,600	537,500	221,900
Less Loan Repayments	0	0	0	0	0
Net Cash Movement	0	0	0	0	0

March/April 2021 Flood Event

The March/April 2021 flood damaged two public flood assets owned by Council in the Local Government Area (LGA) of Richmond Valley Council. As this was declared a Natural Disaster Area by the State, Council is eligible for grant funding under the NSW Natural Disaster Essential Public Asset Restoration Guidelines to undertake repairs to these assets. Council is required to carry out the repair/ reinstatement works and then apply to be reimbursed by the NSW Government through their agent, Public Works Advisory.

Council should be able to claim for contractor costs associated with repair/reinstatement works however staff time on the projects and any works deemed as an improvement are not claimable. No claims have been approved at this stage and as such it is not possible to quantify the total amount of revenue to be received.

The two projects are:

- Bungawalbin - this was a repair to the earthen levee following it being breached during the flood event. The work is nearing completion with the estimated final cost being approximately \$215,000. Council is responsible for the first \$27,000 of works carried out and the remaining \$188,000 is expected to be claimed. \$18,400 was expensed in 2020/21 and a budget allocation is required for the expenditure of \$196,600 that is forecast for 2021/22.
- West Coraki – a landslip occurred on the bank of the drain, partially blocking the drain, and impacting a residential house directly above the landslip. Initial investigations and design work were completed, and the quotes for the work obtained under the Local Government Procurement (LGP 420) Major and Minor Civil works panel. Based on the contractors quote, the estimated cost to complete the work is between \$900,000 and \$1,000,000. The project is complicated due to the size of the slip and its proximity to the house.

Staff have been working with the homeowners to progress the project as quickly as possible, due to the impact on their lifestyle and wellbeing. At this stage \$782,000 is expected to be claimed based on the eligible costs. Works totalling \$53,900 have been carried out to date; \$35,500 being expensed in 2020/21 and a budget is required for the contract expenditure of up to \$1,000,000 that will occur in 2021/22 and \$50,000 in consultancy and others costs incurred during construction.

Flood fund operates on a tight budget and holds relatively low funding in reserve and as such this project represents a significant financial and liquidity risk. The flood reserve balance at 30 June 2021 was \$1,099,100 and after accounting for the net cost impact of the two projects above, the estimated flood reserve balance is forecast to reduce to \$561,600 at 30 June 2022. Again, this assumes that the grant funding is received at the amounts identified.

Any works that are carried out and deemed unclaimable under the NSW Natural Disaster Essential Public Asset Restoration Guidelines will have a negative impact on this fund's reserve balance. It is important that this project and the associated claim are completed quickly, so that any claimable funds are not still outstanding at year end. If the claim is not fully received prior to year-end, then a temporary loan may be required from Bulk Fund in order to maintain the Flood Fund reserves until the claim is received.

Given the complicated nature of this project it will be monitored closely by Finance staff and future updates on these projects will be provided via a Quarterly Budget Review Statement submission or a separate report to Council as the works and claims progress.

This adjustment will decrease the forecast operating result.

Operating Income	Grants and Contributions	GC-LEVEE BUNGAWALBIN	\$188,000
Operating Expenditure	Material and Contracts	GC-LEVEE BUNGAWALBIN	(\$196,600)
Operating Income	Grants and Contributions	GC-WEST CORAKI	\$782,000
Operating Expenditure	Materials and Contracts	GC-WEST CORAKI	(\$1,050,000)
Reserves	Flood Fund		\$276,600
		Impact on Cash Surplus	\$0

Coastal Management Plan Scoping Study

This funding was obtained from the Department of Planning, Industry and Environment for the purpose of undertaking a scoping study to assist with the development of a Coastal Management Plan (CMP) for the Richmond River. Council's successful application involves \$100,000 in grant funding, \$30,000 in contributions from constituent councils' and a \$20,000 contribution from Council towards a total project cost of \$150,000. The project is part of the Coastal and Estuary Grant Program – Planning Stream and is due for completion in December 2021.

The contribution funds were received in 2020/21 and are to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers. The grant funding was approved in 2020/21 but will only be received after the project is completed.

This adjustment will increase the forecast operating result.

Operating Income	Grants and Contributions	GC-CMP STUDY	\$30,000
	Grants and Contributions	GC-CMP STUDY	\$100,000
Reserves	Flood Fund	Externally Restricted	(\$130,000)
		Impact on Cash Surplus	\$0

Risk based framework - water quality sampling

The Department of Planning, Industry and Environment contracted Rous County Council for the purpose of monitoring sediment yield from grazing and macadamia sites. The program will use dataloggers constructed by Southern Cross University to better understand sediment and nutrient loads to compare standards of land management within the grazing and macadamia industries. The sampling is also intended to measure past best management practice works against 'business as usual' approaches. Council staff will assist with the installation of sampling equipment and additional analytical support will be provided by Richmond Water Laboratories.

Operating contributions revenue of \$29,900 was received in 2020/21 and is to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers as this funding can only be recognised after sufficiently specific performance obligations have been completed.

This adjustment has no impact on the forecast operating result.

Operating Income	Grants and Contributions	P-RBF WQ	\$29,900
Operating Expenditure	Materials and Contractors	P-RBF WQ	(\$29,900)
		Impact on Cash Surplus	\$0

Weed Biosecurity Fund

(QBRS2) Income & Expenses - Weeds

	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income					
Interest Income / Sundry	10,200	0	0	10,200	13,300
Operating Contributions	825,100	0	0	825,100	206,300
Operating Grants	778,000	0	176,300	954,300	176,400
Private Works Income	0	0	31,000	31,000	0
Total Operating Income	1,613,300	0	207,300	1,820,600	396,000
Operating Expense					
Administration Expenses	327,400	0	0	327,400	77,300
Building/Depot Expenses	19,100	0	0	19,100	3,700
Fleet Hire Expense	155,800	0	0	155,800	43,500
Training & Staff	0	0	0	0	0
Salaries & Wages	934,400	80,000	71,300	1,085,700	229,600
Operations Purchases	147,900	0	204,000	351,900	24,700
Depreciation	27,000	0	0	27,000	7,500
Loss on Sale	0	0	0	0	0
Total Operating Expense	1,611,600	80,000	275,300	1,966,900	386,300
Operating Result	1,700	(80,000)	(68,000)	(146,300)	9,700
Less Depreciation	27,000	0	0	27,000	7,500
Operating Result Excl. Non Cash	28,700	(80,000)	(68,000)	(119,300)	17,200
Add Capital Income	0	0	0	0	0
Less Capital Expenses	85,000	25,000	0	110,000	100
Transfer from/(to) Reserve	56,300	105,000	68,000	229,300	(17,100)
Net Cash Movement	0	0	0	0	0

Frogbit – new weed incursion

This funding was obtained from the Department of Primary Industries for the purpose of providing rapid response treatments to new incursions of the prohibited weed Frogbit (*Limnobium Laevigatum*). Council's successful application involves \$15,000 in grant funding and a \$10,000 in-kind contribution from Council towards a total project cost of \$25,000. The project is part of the NSW Weeds Action Program – State Priority Weeds Coordination and Response.

The grant funding was received in 2020/21 while Council's contribution towards the project is to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

This adjustment will decrease the forecast operating result.

Operating Expenditure	Materials and Contractors	GC-WAP FROGBIT	(\$10,000)
Reserves	Weed Fund	Internally Restricted	\$10,000
		Impact on Cash Surplus	\$0

Parthenium – new weed incursion

Funding was obtained from the Department of Primary Industries for the purpose of first response treatments of new incursions of the Parthenium weed. Council's successful application involves \$15,000 in grant funding and a \$5,000 contribution from Council towards a total project cost of \$20,000. The project is part of the NSW Weeds Action Program – New Weed Incursion – Parthenium Response and was extended due to the NSW bushfires in 2019-20.

The grant funding was received in 2020/21 and \$10,000 is due to be reinstated under Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

This adjustment will decrease the forecast operating result.

Operating Income	Grants and Contributions	GC-WAP PARTHENIUM	\$10,000
Operating Expenditure	Materials and Contractors	GC-WAP PARTHENIUM	(\$20,000)
Reserves	Weed Fund	Internally Restricted	\$10,000
Impact on Cash Surplus			\$0

Miconia – weed eradication

The Department of Agriculture and Fisheries provided this funding for the purpose of performing ground survey work and control services regarding known and potential Miconia weed sites. Council's successful application is 100% grant funded and the total project cost was increased to \$75,000. This project is due to be completed in September 2021.

The grant funding was received in 2020/21 while Council's remaining expenditure on the project is to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

This adjustment will decrease the forecast operating result.

Operating Expenditure	Materials and Contractors	GC-MICONIA	(\$4,000)
Reserves	Weed Fund	Externally Restricted	\$4,000
Impact on Cash Surplus			\$0

Tropical Soda Apple - Engagement Officer

This funding was obtained from the Department of Primary Industries for the purpose of undertake a Tropical Soda Apple landholder engagement program. The project is part of the NSW Weeds Action Program TSA Landholder Engagement Program and is a five-year program due to be completed in June 2025.

A portion of grant funding that was received in 2020/21 and Council's remaining expenditure from 2020/21 is due to be reinstated under Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

This adjustment will decrease the forecast operating result.

Operating Income	Grants and Contributions	GC-TSA ENGAGE OFFICER	\$18,300
Operating Expenditure	Salaries and Wages	GC-TSA ENGAGE OFFICER	(\$40,300)
Reserves	Weed Fund	Internally Restricted	\$22,000
Impact on Cash Surplus			\$0

Tropical Soda Apple - Bushfire Recovery

Funding was obtained from Local Land Services for the purpose of Tropical Soda Apple control works on properties affected by the NSW bushfires in 2019-20. Council's successful application involves \$250,000 in grant funding and a \$22,000 contribution from Council towards a total project cost of \$272,000. The project is part of the Bushfire Recovery Stimulus Program and is due to be completed in December 2021.

The grant funding was received in 2020/21 while Council's remaining expenditure on the project is to be reinstated under the Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

This adjustment will decrease the forecast operating result.

Operating Income	Grants and Contributions	GC-TSA BUSHFIRE RECOVERY	\$148,000
Operating Expenditure	Materials and Contractors	GC-TSA BUSHFIRE RECOVERY	(\$170,000)
Reserves	Weed Fund	Internally Restricted	\$22,000
		Impact on Cash Surplus	\$0

Tropical Soda Apple – Byron Drought Relief (Private Works)

Byron Shire Council provided this funding for the purpose of controlling a 4.8 hectare infestation of Tropical Soda Apple weed in the Byron Shire area and to provide a report of infested properties treated. The total contract is for \$40,000 with \$9,000 being expensed and received in 2020/21.

The remaining funding and expenditure will occur in 2020/21 and is to be reinstated Australian Accounting Standard AASB 15 Revenue from Contracts with Customers.

This adjustment has no impact on the forecast operating result.

Operating Income	Private Works	P-BYRON DROUGHT RELIEF	\$31,000
Operating Expenditure	Salaries and Wages	P- BYRON DROUGHT RELIEF	(\$31,000)
		Impact on Cash Surplus	\$0

Retail Fund

(QBR2) Income & Expenses - Retail

	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income					
Water Sales	2,880,600	0	0	2,880,600	828,900
Interest Income / Sundry	25,300	0	0	25,300	8,700
Operating Grants	0	0	0	0	0
Total Operating Income	2,905,900	0	0	2,905,900	837,600
Operating Expense					
Administration Expenses	223,100	0	0	223,100	38,100
Administration - Bulk Water Cost	1,779,100	0	0	1,779,100	444,400
Building/Depot Expenses	1,600	0	0	1,600	0
Fleet Hire Expense	83,500	0	0	83,500	20,000
Salaries & Wages	555,500	0	0	555,500	137,000
Operations Purchases	138,800	15,500	0	154,300	52,400
Depreciation	200,400	0	0	200,400	53,000
Loss on Sale	0	0	0	0	0
Total Operating Expense	2,982,000	15,500	0	2,997,500	744,900
Operating Result	(76,100)	(15,500)	0	(91,600)	92,700
Less Depreciation	200,400	0	0	200,400	53,000
Operating Result Excl. Non Cash	124,300	(15,500)	0	108,800	145,700
Add Capital Income	0	0	0	0	0
Less Capital Expenses	1,517,700	0	10,000	1,527,700	1,800
Transfer from/(to) Reserve	1,393,400	15,500	10,000	1,418,900	(143,900)
Net Cash Movement	0	0	0	0	0

Smart metering

Council resolved in December 2020 to undertake a two-year project, beginning on 1 July 2021, to install smart meters for its approximately 2,000 retail customers and explore options with the constituent councils. The aim of this project is to overcome the limitations of traditional manual meter reading and provide more and timely information around leaks and also about customer's water use behaviour, to ultimately reduce water consumption. The existing operational budget is no longer required and as such is to be transferred to the smart metering capital project where it can be best utilised.

An adjustment is required to increase capital expenditure in the Retail Water Fund.

This adjustment has no impact on the forecast operating result.

Capital Expenditure	Contractors	CE-S METERS	(\$10,000)
Reserves	Retail Water Fund		\$10,000
		Impact on Cash Surplus	\$0

Richmond Water Laboratory Fund

(QBR2) Income & Expenses - Richmond Water Laboratory

	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income					
Laboratory Sales	766,000	0	0	766,000	157,100
Interest Income / Sundry	5,000	0	0	5,000	1,400
Total Operating Income	771,000	0	0	771,000	158,500
Operating Expense					
Administration Expenses	44,700	0	0	44,700	10,800
Building Expenses	51,000	0	0	51,000	7,000
Fleet Hire Expense	15,500	0	0	15,500	4,300
Salaries & Wages	434,200	0	0	434,200	95,500
Operations - Materials & Contractors	177,500	0	0	177,500	77,100
Operations - Licences/Accreditation	26,200	0	0	26,200	18,900
Operations - Equipment	5,000	0	0	5,000	0
Depreciation	15,200	0	0	15,200	5,200
Total Operating Expense	769,300	0	0	769,300	218,800
Operating Result	1,700	0	0	1,700	(60,300)
Less Depreciation	15,200	0	0	15,200	5,200
Operating Result Excl. Non Cash	16,900	0	0	16,900	(55,100)
Less Capital Expenses	44,100	0	0	44,100	0
Transfer from/(to) Reserve	27,200	0	0	27,200	55,100
Net Cash Movement	0	0	0	0	0

No budget adjustments are required this quarter.

Property Fund

(QBR2) Income & Expenses - Commercial Properties

	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income					
Interest Income / Sundry	9,900	0	0	9,900	2,700
Property Income	261,000	0	0	261,000	57,300
Profit on Sale	0	0	0	0	0
Total Operating Income	270,900	0	0	270,900	60,000
Operating Expense					
Administration Expenses	50,800	0	0	50,800	12,800
Building - Maintenance	108,600	0	0	108,600	45,300
Building - Lease	74,700	0	0	74,700	12,600
Perradenya Estate Operations	64,000	0	0	64,000	0
Salaries & Wages	20,900	0	0	20,900	4,800
Operations Purchases	0	0	0	0	7,600
Depreciation	62,900	0	0	62,900	14,500
Loss on Sale	0	0	0	0	0
Total Operating Expense	381,900	0	0	381,900	97,600
Operating Result	(111,000)	0	0	(111,000)	(37,600)
Less Depreciation	62,900	0	0	62,900	14,500
Operating Result Excl. Non Cash	(48,100)	0	0	(48,100)	(23,100)
Add Capital Income	1,686,400	0	(1,686,400)	0	0
Less Capital Expenses	2,551,000	29,800	0	2,580,800	20,200
Transfer from/(to) Reserve	912,700	29,800	1,686,400	2,628,900	43,300
Net Cash Movement	0	0	0	0	0

Land Development – Perradenya Release 7

The original budget was developed assuming that the Perradenya Release 7 land development would have been constructed and sold in the 2021/22 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. Preliminary works are scheduled to commence during this year however the sale of these lots will not be realised until 2022/23. A budget reallocation is required to move the capital income of \$1,686,400 from 2021/22 to 2022/23.

This adjustment has no impact on the forecast operating result.

Capital Income	Sales of Land	CE-PERRA REL7	(\$1,686,400)
Reserves	Commercial Property Fund		\$1,686,400
		Impact on Cash Surplus	\$0

Fleet Fund

(QBR2) Income & Expenses - Fleet

	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income					
Interest Income / Sundry	80,500	0	0	80,500	16,200
Profit on Sale	0	0	0	0	0
Total Operating Income	80,500	0	0	80,500	16,200
Operating Expense					
Fleet Operations	514,800	0	0	514,800	121,000
Fleet Hire Income	(909,200)	0	0	(909,200)	(226,700)
Salaries & Wages	111,400	0	0	111,400	13,800
Operations Purchases	0	0	0	0	500
Depreciation	440,000	0	0	440,000	83,200
Loss on Sale	0	0	0	0	0
Total Operating Expense	157,000	0	0	157,000	(8,200)
Operating Result	(76,500)	0	0	(76,500)	24,400
Less Depreciation	440,000	0	0	440,000	83,200
Operating Result Excl. Non Cash	363,500	0	0	363,500	107,600
Add Capital Income	0	0	0	0	0
Less Capital Expenses	454,000	0	0	454,000	89,700
Transfer from/(to) Reserve	90,500	0	0	90,500	(17,900)
Net Cash Movement	0	0	0	0	0

No budget adjustments are required this quarter.

Bulk Water Fund

(QBR2) Income & Expenses - Bulk

	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Operating Income					
Water Sales	19,436,400	0	0	19,436,400	4,859,100
Interest Income / Sundry	367,100	0	0	367,100	38,100
Property Income	0	0	0	0	4,800
Operating Contributions	0	0	0	0	5,000
Operating Grants	156,000	0	0	156,000	0
Profit on Sale	2,200	0	0	2,200	0
Total Operating Income	19,961,700	0	0	19,961,700	4,907,000
Operating Expense					
Administration Expenses	535,600	60,000	0	595,600	364,600
Administration - Retail Water Cost	(1,779,100)	0	0	(1,779,100)	(444,400)
Finance Costs	1,659,900	0	(19,600)	1,640,300	28,100
Building/Depot Expenses	919,100	0	0	919,100	102,000
Fleet Hire Expense	568,300	0	0	568,300	126,000
Training & Staff	529,200	0	0	529,200	37,500
Insurance	273,000	0	0	273,000	317,900
Members Expenses	168,600	0	0	168,600	25,200
Salaries & Wages	7,354,100	0	381,300	7,735,400	1,372,600
Operations Purchases	7,032,300	677,500	22,000	7,731,800	893,300
Depreciation	5,986,000	0	0	5,986,000	1,454,800
Loss on Sale	0	0	0	0	0
Total Operating Expense	23,247,000	737,500	383,700	24,368,200	4,277,600
Operating Result	(3,285,300)	(737,500)	(383,700)	(4,406,500)	629,400
Less Depreciation	5,986,000	0	0	5,986,000	1,454,800
Operating Result Excl. Non Cash	2,700,700	(737,500)	(383,700)	1,579,500	2,084,200
Add Capital Income	4,080,000	0	0	4,080,000	276,900
Less Capital Expenses	32,075,900	748,300	451,500	33,275,700	9,567,600
Transfer from/(to) Reserve	28,709,600	1,485,800	840,500	31,035,900	7,403,500
Less Loan Repayments	3,414,400	0	5,300	3,419,700	197,000
Net Cash Movement	0	0	0	0	0

Organisational Restructure Impact on Salaries and Wages

The Rous Structure and Resourcing Review was finalised in August 2021. Changes have been made to resource levels to address requirements identified from internal audit program reviews, being "Work Health Safety Review (February 2020)" and "Procure to Pay Review (March 2021)" as well as the internal customer service review. Also, the review establishes resources to enable Council to fulfill its future objectives including significant capital works forecast over the next ten-years particularly around the Future Water Program 2060.

Recruitment on new positions has commenced and will be ongoing for the next few months while all department and reporting changes will be in effect from 1 October 2021.

The major changes to operating expenditure are discussed below:

- The Future Water Strategy Project Manager position has been moved from operational salaries to capital salaries within the Future Water Program. This represents an operational saving of \$142,000.
- Changes to finance staff positions and the consolidation of finance and procurement staff has resulted in an operational saving of \$112,000. The changes include the removal of the Procurement and Properties Coordinator position, a reduction in the Accountant and Financial Accountant positions, offset by the appointment of the full-time Finance Business Partner four-year term contract position.
- Customer Service staff have been combined with Engagement staff with several position changes adding \$49,900 to operational expenditure. The previous positions of Communications & Engagement Coordinator and Engagement Officer have been replaced with the positions of Customer and Communications Manager and Communications Business Partner.
- Changes to governance staff positions including the addition of the Procurement Advisor position adding \$37,600 in operational expenditure. This is a permanent position and is due to be recruited soon.
- Changes to human resources and payroll staff positions including the addition of the HR Payroll Term Support Officer adding \$77,900 in operational expenditure. The new position is for a two-year term contract and is due to be recruited soon.
- An additional team within People and Performance being the; Innovation and Change Team Leader, Change Behaviour Initiatives Business Partner and Improvement and Performance Business Partner adding \$177,100 in operating expenditure. These positions are all for four-year term contracts and are due to be recruited soon. Where possible these positions will be allocated to capital works projects and as such the additional funding required represents the conservative impact on operating expenditure.
- The additional positions of Reconciliation Liaison Officer; a permanent position to be recruited and Cultural Awareness Training Officer; a one-year term contract position that was recently appointed. These positions are forecast to add \$115,600 in operating expenditure.
- The addition of the Business Support Officer position; a five-year term contract position and the Infrastructure Program Manager; a permanent position to planning and delivery. These positions are both due to be recruited soon and will add \$116,000 in operating expenditure.
- The addition of the Process Engineer; a four-year term contract position to be recruited and the extension of the Graduate Engineer position contract for a further 12 months to operations. These positions are forecast to add \$93,200 in operating expenditure. This position will be allocated to capital works projects if possible and as such the additional funding required represents the conservative impact on operating expenditure.

Overall, these changes and additions are forecast to increase operating expenditure by \$413,300. Changes to forecast operating expenditure for permanent staff positions represents a saving of \$64,800 which is offset by the forecast for staff employed on term contract positions increasing by \$478,100.

This adjustment will decrease the forecast operating result.

Operating Expenditure Reserves	Salaries and Wages Bulk Fund	S-ADMIN	(\$413,300) \$413,300
		Impact on Cash Surplus	\$0

Asset Planning and GIS Officer Labour Hire

In addition to the changes to salaries required by the organisational restructure a budget re-allocation has been identified regarding the Asset Planning and GIS Officer position. This position has been temporarily filled on a labour hire basis for three to four months while recruitment of a permanent staff member occurs. The estimated cost to be transferred to contractors is \$32,000 and has no impact on the forecast operating result.

This adjustment has no impact on the forecast operating result.

Operating Expenditure	Contractors	S-ADMIN	(\$32,000)
Operating Expenditure	Salaries and Wages	S-ADMIN	\$32,000
		Impact on Cash Surplus	\$0

New Borrowings

The original budget for new borrowings allocated \$378,000 for loan interest and \$512,700 for principal repayments based on borrowings of \$13.5M at 2.8%. This loan was executed in June 2021 at an interest rate of 2.68% resulting in reduced interest expenditure and increased principal repayments. Overall, a budget reduction of \$14,300 is required.

This adjustment will increase the forecast operating result.

Operating Expenditure	Borrowings	Loan Interest	\$19,600
Loan Repayments	Borrowings	Principal Repayment	(\$5,300)
Reserves	Bulk Fund	Unrestricted Reserve	(\$14,300)
		Impact on Cash Surplus	\$0

Fosters Spur Shed

In 2019 Council approved via the Quarterly Budget Review Statement for the Quarter Ending 31 December 2018, a budget increase for a second bush regeneration team for a three-year period. This was aimed at increasing the regeneration works at operational sites to improve the standard of these zones and to commence works on previously unworked areas at Fosters Spur.

At the completion of this program, ongoing maintenance of the site will be required into the foreseeable future.

To enable efficient ongoing maintenance of the area, a storage shed is required to house tools and materials required to undertake these works. When complete, all-weather access can be made by boat from the Rocky Creek Dam picnic area, saving approximately 2 hours of 4WD travel each day.

The construction of the proposed 6m x 3m shed will provide a lockable storage facility for the required equipment, chemicals and materials to undertake this work as required without the need for excessive travel. It will also provide staff with an indoor facility to plan daily works, have appropriate breaks and retreat out of the elements when needed.

This adjustment has no impact on the forecast operating result.

Capital Expenditure	Materials and Contracts	CE-Fosters Spur	(\$30,000)
Reserves	Bulk Fund		\$30,000
		Impact on Cash Surplus	\$0

Smart metering

As discussed above in the Retail Water Fund.

An adjustment is required to reduce operating expenditure in the Bulk Fund.

This adjustment will increase the forecast operating result.

Operating Expenditure	Other Direct Costs	P-DM SM	\$10,000
Reserves	Bulk Fund	Assets and Programs	(\$10,000)
		Impact on Cash Surplus	\$0

Nightcap WTP bulk chemical storage

Previously a carryover request from 2020/21 was approved for \$57,800 for the strategic review of this facility with the remaining carryover works moved to 2022/23 for future works. Since that time an opportunity arose to purchase 2 x 21kL self-bunded tanks for the facility, which will deliver an immediate environmental risk reduction benefit. The entire budget from 2020/21 is now required to cover this purchase, and as such an additional \$82,700 has been added to this budget for this purpose.

This adjustment has no impact on the forecast operating result.

Capital Expenditure	Contractors and Materials	CE-CHEM FARM	(\$82,700)
Reserves	Bulk Fund	Assets and Programs	\$82,700
		Impact on Cash Surplus	\$0

St Helena corrosion repairs

This project formed part of the 2020/21 carryovers with \$400,000 originally planned for 2021/22 and the remaining funds of \$338,800 planned for 2022/23 due to the estimated timing of the works. At the time Council staff considered the project's construction risk too great for the works to be completed within 12 months. Since then, the tender for the project has been completed and the contractor has confirmed that they will be able to complete the works within the current 2021/22 year. In addition, a significant construction risk has been mitigated through discussions with the contractor. Council staff capacity and resources have been assessed and are sufficient to manage the project.

As such \$338,800 has been bought forward to 2021/22 to fund the completion of these works.

This adjustment has no impact on the forecast operating result.

Capital Expenditure	Contractors and Materials	CE-CORROSION	(\$338,800)
Reserves	Bulk Fund	Assets and Programs	\$338,800
		Impact on Cash Surplus	\$0

Budget Review for the Quarter Ended 30 September 2021

(QBR3) Capital Budget

	Original Budget 2021/22	2020/21 Carryovers	Recommend Changes for Council Resolution	Projected Year End Result 2021/22	Actual YTD
Capital Funding:					
Capital Grants & Contributions	0	0	0	0	
Internal Restrictions					
- Renewals	11,546,500	859,840	408,960	12,815,300	1,026,000
- New Assets	19,565,100	(56,740)	1,738,940	21,247,300	8,665,700
External Restrictions					
- Infrastructure	0	0	0	0	0
Other Capital Funding Sources					
- Operating Revenue	0	0	0	0	0
- S64 Contributions	4,080,000	0	0	4,080,000	0
Income from Sale of Assets					
- Plant and Equipment	0	0	0	0	0
- Land and Buildings	1,686,400	0	(1,686,400)	0	0
Total Capital Funding	36,878,000	803,100	461,500	38,142,600	9,691,700
Capital Expenditure:					
New Assets					
- Plant and Equipment	498,100	0	0	498,100	89,700
- Office Equipment	110,000	50,000	0	160,000	118,500
- Inventory (Land)	2,490,000	0	0	2,490,000	20,200
- Land and Buildings	7,737,500	0	0	7,737,500	7,542,600
- Infrastructure	14,495,900	(106,740)	52,540	14,441,700	894,700
Renewals (Replacement)					
- Plant and Equipment	0	0	0	0	
- Office Equipment	672,300	0	0	672,300	33,500
- Land and Buildings	26,000	29,800	0	55,800	0
- Infrastructure	10,848,200	830,040	408,960	12,087,200	992,500
Total Capital Expenditure	36,878,000	803,100	461,500	38,142,600	9,691,700

Budget Review for the Quarter Ended 30 September 2021

(QBR54) Cash & Investments

	Opening Balances 2020/21	Original Budget 2021/22	2020/21 Carryovers	Recommend changes for Council Resolution	Projected Year End Result 2021/22
Unrestricted:					
Flood Mitigation	99,000	0	0	0	99,000
Weeds Biosecurity	25,800	0	0	0	25,800
Retail Water	100,000	0	0	0	100,000
Richmond Water					
Laboratories	10,000	0	0	0	10,000
Commercial Properties	100,000	0	0	0	100,000
Fleet	50,000	0	0	0	50,000
Bulk Water	1,043,800	0	0	0	1,043,800
Total Unrestricted	1,428,600	0	0	0	1,428,600
Externally Restricted:					
Flood Grants	197,800	0	0	(30,000)	167,800
Weeds Grants	922,000	0	0	(68,000)	854,000
Weeds Other	0	0	0	0	0
Bulk Water Grants	11,500	0	0	0	11,500
Bulk Water Other	2,950,000	0	0	0	2,950,000
Total Externally Restricted	4,081,300	0	0	(98,000)	3,983,300
Internally Restricted:					
Flood Mitigation	802,300	(228,200)	(162,700)	(116,600)	294,800
Weeds Biosecurity	1,130,900	(56,300)	(105,000)	0	969,600
Retail Water	2,564,100	(1,393,400)	(15,500)	(10,000)	1,145,200
Richmond Water					
Laboratories	399,600	(27,200)	0	0	372,400
Commercial Properties	1,103,400	(912,700)	(29,800)	(1,686,400)	(1,525,500)
Fleet	1,110,100	(90,500)	0	0	1,019,600
Bulk Water					
- Buildings & Structures	187,700	(150,000)	0	0	37,700
- Assets & Programs	30,676,300	(27,209,300)	(1,375,800)	(840,500)	1,250,700
- Employee Leave					
Entitlement	2,264,200	(678,000)	0	0	1,586,200
- Electricity	2,586,900	0	0	0	2,586,900
- Office Equipment & Computer	936,400	(672,300)	(110,000)	0	154,100
- Greenhouse Gas					
Abatement	108,300	0	0	0	108,300
Total Internally Restricted	43,870,200	(31,417,900)	(1,798,800)	(2,653,500)	8,000,000
Total Restricted	47,951,500	(31,417,900)	(1,798,800)	(2,751,500)	11,983,300

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 2005* and Council's 'Investment' policy. Council's bank statement has been reconciled up to and including 30 September 2021.

Reconciliation

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

Cash at Bank (as per bank statements)	5,988,921
Investments on Hand	34,500,000
Reconciled Cash at Bank & Investments	<u>40,488,921</u>

(QBR5) Contractors

Contractor	Contract Details & Purpose	Contract Value (\$)	Comm. Date	Duration of Contract	Budgeted (Y/N)
Hydrosphere Consulting	Preparation of RDMP and Drought Management Plan	91,400	23/08/2021	10 mths	Y
Hunter H2O Holdings	Assessment of Nightcap Water Treatment Plant Chemical Storage	57,800	24/08/2021	4 mths	Y
Bell Invest Trust tas Hybrid Energy Consult Pty Ltd	Smart Metering Project Manager	237,184	9/09/2021	2 years	Y
Ledonne Constructions Pty Ltd	West Coraki Canal Landslip Remediation Works	898,421	30/09/2021	4 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	\$16,327	Y
Legal Fees	\$27,004	Y

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

Consultancies	
Corporate & Commercial - RAP Advisory	\$200
Planning & Delivery – Dam Safety Management System	\$16,127
Legal Fees	
People & Performance – Contract Template Suite	\$20,792
People & Performance - Water Connection Policy	\$5,214
Planning & Delivery – Developer Contributions	\$998

Statement of Expenses for Councillors

Councillor Expenses for the Quarter Ending 30/09/2021 (Q1)

Quarter 1	Other Expenses	Official Business of Council - Travel	Official Business of Council - Professional Development/Training	Total by Councillor (Q1)
Councillor Cadwallader	0	49	0	49
Councillor Cameron	0	0	0	0
Councillor Cook	0	72	0	72
Councillor Ekins	0	0	0	0
Councillor Humphrys	0	0	0	0
Councillor Mustow	0	0	0	0
Councillor Richardson	0	0	0	0
Councillor Williams	0	0	0	0
Total Per Expense Type	0	121	0	121

	Q1	Q2	Q3	Q4	Total by Councillor YTD
Councillor Cadwallader	49	0	0	0	49
Councillor Cameron	0	0	0	0	0
Councillor Cook	72	0	0	0	72
Councillor Ekins	0	0	0	0	0
Councillor Humphrys	0	0	0	0	0
Councillor Mustow	0	0	0	0	0
Councillor Richardson	0	0	0	0	0
Councillor Williams	0	0	0	0	0
Total Per Expense Type	121	0	0	0	121

Budget 2021/22
FY

61,500

This information is provided in accordance with paragraph 6.2 of the 'Payment of expenses and provision of facilities for chairperson and councillors' policy.

(QBR56) Key Performance Indicators

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

	# Performance Indicator		Flood	Weeds	Retail	RWL	Property	Fleet	Bulk	Consolidated	Local Government Bench Mark
1	Operating Performance	2021/22 Budget Review	(1,072,200)	(146,300)	(91,600)	1,700	(111,000)	(76,500)	(4,406,500)	(5,902,400)	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	184.94	49.81	47.80	(28.51)	53.48	1.94	2.62	> 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	-	-	-	-	-	-	1.50	1.76	> 2
		2020/21 Actual	-	-	-	-	-	-	1.56	1.95	
4	Own Source Operating Revenue Ratio	2021/22 Budget Review	1%	1%	100%	100%	100%	100%	83%	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	

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 profit or loss that Council makes from normal operations 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	(\$5,902,400)
	(\$1,594,000)

The increase can be attributed to carry over works (\$996k) reinstated from 2020/21, operating expenses (\$1.502m) and salaries (\$453k) offset by revenue from grant funding (\$1.246m), contributions (\$60k), private works income (\$31k) and a reduction in interest expense (\$20k).

Carryovers / Reinstatements	(\$995,700)
Expenses	(\$1,935,500)
Revenue	\$1,337,200
	(\$1,594,000)

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 \$7.42 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. Due to the timing of loan repayments, the ratio is reduced in the first quarter as the majority of loan repayments occur in the second and fourth quarters.

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 Council's normal practices.

Grant application information

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

Note: all totals are GST exclusive

Grant Name	Fund	Synopsis	Funding Body	Program	Project Length	Total Project Value	Grant Funding	Council Funding	Total Expenditure to Date	Balance of Approved Funds to Spend
New Grants Submissions										
Tropical Soda Apple High Risk Pathways Funding	Weeds	Tropical Soda Apple control in high risk pathways at Grady's Creek and Byrill Creek	North Coast Local Land Services	High Risk Pathways	12 mths	34,580	29,580	5,000	N/A	N/A
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	100,139	49,858
Water Quality Monitoring 2019-22	Flood	Richmond River water quality monitoring project	DPIE	Coastal & estuary grants program	36 mths	199,768	99,884	99,884	116,390	83,378
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	Third year of a four year grant. Each year \$169,200 is available to spend	DPIE	Floodplain management grants scheme	60 mths	676,800	84,600 p.a.	84,600 p.a.	81,239	3,361
Weeds Action Program 2015-20	Weeds	Funding allocated annually	LLS	North Coast weeds action program 2015-20	12 mths	1,378,900	702,000	676,900	135,928	1,242,972
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	-	57,777	3,963
Alligator Weed - Evans Catchment	Weeds	Funded under new weed incursion program	NSW DPI	WAP - New weed incursion	12mths	41,500	32,000	9,500	36,471	5,029
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	-	20,000
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	15,000	10,000
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	145,545	126,455
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	12 mths	96,000	74,000	22,000	73,721	22,279

Legal

In accordance with clause 203 of the *Local Government (General) Regulation 2005*, 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, managers 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.

Attachment:

1. Preliminary 2020/21 End of Year financial summary

Preliminary 2020/21 End of Year financial summary

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

Background

This report provides a preliminary overview of the 2020/21 financial performance of the organisation, detailing the transfers to and from reserve and identifying the works to be carried forward to the 2021/22 financial year.

While the figures and commentary will provide a guide to performance, it is important to note that it is subject to change as end of year accounting adjustments are in progress and the audit has not yet commenced.

It is anticipated that any year-end adjustments will not affect the cash position. Therefore, it is reasonable to adopt the transfers to and from reserves as well as the works carried forward budgets.

The attachment provides a summary of the completed capital works program as at 30 June 2021.

End of Year financial summary

The End of Year financial summary is presented for the whole organisation and then broken down on a Fund basis. Actual income and expenditure are compared to estimates as at the March 2021 quarterly review. The tables summarise the financial performance; accompanying commentary is high level and reflects the preliminary nature of the results.

Whole Organisation

Table 1 shows income and expense for Council. It highlights those preliminary results have generally been better than anticipated with an operating deficit of \$892,300.

Table 1: Whole Organisation Preliminary Financial Results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	25,304,800	25,369,000	(64,200)
Operating expense	26,197,100	29,306,400	3,109,300
Operating result (deficit)	(892,300)	(3,937,400)	3,045,100
Eliminate depreciation	6,560,300	7,107,800	547,500
Eliminate other non-cash transactions	(626,200)	0	
Cash result	5,041,800	3,170,400	1,871,400
Capital income	22,697,500	20,758,200	1,939,300
Loan capital repayment	2,700,800	2,718,500	17,700
Capital expense	13,169,500	19,463,000	6,293,500
Transfer to reserve	11,869,000	1,747,100	10,121,900
Net cash movement	0	0	
Reserve balance	49,380,100	36,751,900	12,628,200

Total operating income was close to forecast budget however some income sources did vary in comparison to budget. For example, less grant income was received than forecast, which mainly related to the Flood Fund. Also, income from retail water sales exceeded forecast budget.

Operating expense is less than forecast budget by approximately \$3.1 million. Most of the variance compared to budget relates to contractors, wages and electricity costs. Several projects have committed funds that require carryover due to projects not being completed in this financial year.

Actual capital income exceeded forecast primarily due to section 64 developer contributions received.

Capital expense was under budget with various projects not completed in the financial year. Later in this report, Council approval is requested to roll the unexpended capital budget forward to the 2021/22 financial year.

As a result, there is a net transfer to reserve of \$11.9 million compared to a forecast net transfer to reserve of \$1.7 million.

Overall, the outcome is reasonable, however an operating loss of \$892,300 was recorded. While this is better than forecast, Council will continue to work towards an operating surplus in coming years.

Flood mitigation fund

The preliminary figures in Table 2 indicate that Flood actual results will vary considerably from forecast with expense being less than anticipated.

The Flood Fund has recorded a preliminary operating loss of some \$955,000. It should be noted that depreciation includes the Lismore Levee (approx. \$380,700) and exclusion of this cost reduces the loss to approximately \$574,300

Table 2: Flood mitigation preliminary financial results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	961,300	1,217,400	(256,100)
Operating expense	1,916,300	2,440,700	524,400
Operating result	(955,000)	(1,223,300)	268,300
Eliminate depreciation	709,600	834,600	125,000
Eliminate other non-cash transactions	6,000	0	
Cash result	(239,400)	(388,700)	149,300
Capital expense	195,700	171,600	(24,100)
Transfer from reserve	435,100	560,300	125,200
Net cash movement	0	0	
Reserve balance	919,600	544,100	375,500

Operating income was very close to forecast budget with the variance primarily attributable to grants.

Operating expense was under forecast budget by \$524,300, this was due to delays in several projects, such as Voluntary House Raising and Water Quality Monitoring, where contractor and other direct costs did not progress in accordance with the figures raised in the budget. However, it should be noted that some of these projects are expected to take several years to be completed.

Capital expense related partially to the renewal and replacement of floodgates and 'heavy' repairs and maintenance work on rural levees. The 'heavy' maintenance work may be relocated to operating expense as part of the end of year accounting adjustments.

The reserve balance of approximately \$919,600 is likely to be needed to finance cash deficits in future years. The long-term financial plan predicts recurrent operating losses and ongoing capital expenditure that will be financed from reserve whilst the operating result is planned to gradually improve over a number of years.

Council's financial statements will recognise a non-cash prior period error in relation to the South Lismore drain asset, which will result in a \$3.1 million reduction to flood mitigation assets. Council's Auditor, Thomas, Noble & Russell (TNR) on behalf of the Audit Office of NSW, requested clarification on the ownership of the South Lismore drain, due to the proposed Lismore Airport Floodway transfer from Lismore City Council (LCC) to Rous County Council (RCC). After consultation with LCC and TNR and using the Statement of Accounting Concepts SAC 4 criteria for the recognition of assets in Financial Statements, it has been determined that ownership of this asset belongs with LCC. This asset was brought on to Council's asset register in 2011, as a prior period error, after a revaluation identified it as forming part of the Lismore levee.

Weed Biosecurity fund

Preliminary figures indicate that Weed Biosecurity has performed better than expected with a preliminary surplus of \$378,500.

Table 3: Weed Biosecurity preliminary financial results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	1,896,500	1,912,700	(16,200)
Operating expense	1,518,000	1,990,100	472,100
Operating result	378,500	(77,400)	455,900
Eliminate depreciation	30,600	20,700	(9,900)
Eliminate non-cash transactions	5,300	0	
Cash result	414,400	(56,700)	471,100
Capital expense	62,600	225,000	162,400
Transfer to reserve	351,800	0	351,800
Transfer from reserve	0	281,700	281,700
Net cash movement	0	0	
Reserve balance	2,074,400	710,400	1,364,000

Operating income is marginally below forecast by \$16,200. This is due to ongoing private works that will be recognised in 2021/22.

Operating expense was approximately \$472,100 below budget forecast. This relates to several grant funded projects (e.g. tropical soda apple and weeds action program), that have commenced and will be completed in 2021/22.

Capital expense was associated with updating the geographic information system (GIS) (data capture system).

The reserve balance of \$2.07 million includes \$730,000 of funds that Council holds on behalf of NSW Department of Primary Industries. These funds will be available to member Councils to develop new systems and tools for coordinated early intervention to prevent or eradicate new weeds and large-scale programs to tackle endemic weeds.

Retail Water fund

Retail Water has performed better than forecast and based on preliminary results will record an operating surplus of approximately \$12,600.

Table 4: Retail Water preliminary financial results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	3,018,800	2,822,000	196,800
Operating expense	3,006,200	3,068,600	62,400
Operating result	12,600	(246,600)	259,200
Eliminate depreciation	202,100	197,400	(4,700)
Eliminate non-cash transactions	1,400	0	
Cash result	216,100	(49,200)	265,300
Capital income	47,200	8,100	39,100
Capital expense	193,500	473,900	280,400
Transfer to reserve	69,800	0	69,800
Transfer from reserve	0	515,000	515,000
Net cash movement	0	0	
Reserve balance	2,771,700	2,034,100	737,600

Operating income exceeded the forecast budget and is comprised of retail water sales, connection fees and water filling station sales. Revenue from retail water sales is the primary contributor to the operating surplus.

Operating expense is 2% below forecast and is due to small labour savings.

Spending on capital works is below forecast, with one project identified for carryover into the 2021/22 financial year.

The reserve is in a sound position to meet future infrastructure upgrades and refurbishments.

Richmond Water Laboratories (RWL) fund

The RWL preliminary operating result is a \$36,600 deficit.

Table 5: Richmond Water Laboratories preliminary financial results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	789,200	749,000	40,200
Operating expense	825,800	765,900	(59,900)
Operating result	(36,600)	(16,900)	(19,700)
Eliminate depreciation	19,400	14,900	(4,500)
Cash result	(17,200)	(2,000)	(15,200)
			0
Capital expense	8,000	47,000	39,000
Transfer from reserve	25,200	49,000	(23,800)
Net cash movement	0	0	
Reserve balance	433,700	409,900	23,800

Income exceeds budget by \$40,200, which is positive given the tight margins with which the Fund operates.

In 2020/21, approximately 59.8% of income was derived from external customers with the remaining income coming from internal (Rous County Council) sales.

Operating expense is \$59,900 over budget, with additional expenditure on salaries, materials and contractors.

Capital expense relates to the replacement of instruments and equipment. The reserve balance of \$433,700 is better than forecast.

Commercial property fund

A loss of \$167,600 is the preliminary result. It is important to note that operating expense includes Perradenya maintenance of approximately \$56,100. This distorts the outcome in the sense that when income is received from sales, it will show as capital income and not be included in the operating result.

Table 6: Commercial Property preliminary financial results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	244,800	254,800	(10,000)
Operating expense	412,400	367,800	(44,600)
Operating result	(167,600)	(113,000)	(54,600)
Eliminate depreciation	56,600	62,000	5,400
Eliminate other non-cash transactions	(3,200)	0	
Cash result	(114,200)	(51,000)	(63,200)
Capital income	3,954,900	3,250,100	704,800
Capital expense	1,592,400	1,952,300	359,900
Transfer to reserve	2,248,300	1,246,800	1,001,500
Net cash movement	0	0	
Reserve balance	2,722,600	2,380,000	342,600

Operating income was close to forecast budget and consists of rental income from leased properties.

Operating expenditure consists of leased properties and Perradenya maintenance expenses. The preliminary result has expenditure in excess of forecast budget by \$44,600. This is primary due to the recognition of two rural buildings identified for demolition.

Construction of the Perradenya land development - Stage 6 comprising of a 20-lot subdivision was completed in 2020/21. All lots were sold, with revenue from sales of \$3.9 million being received in March 2021.

The reserve balance of \$2.7 million is better than forecast.

Bulk Water fund

Overall budget forecasts were quite accurate, and the Fund achieved a preliminary operating deficit of \$163,900, which is \$2.1 million better than forecast.

Table 7: Bulk Water preliminary financial results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	18,309,400	18,311,600	(2,200)
Operating expense	18,473,300	20,579,500	2,106,200
Operating result	(163,900)	(2,267,900)	2,104,000
Eliminate depreciation	5,154,600	5,580,900	426,300
Eliminate other non-cash transactions	(635,700)	0	
Cash result	4,355,000	3,313,000	1,042,000
Capital income	18,695,400	17,500,000	1,195,400
Loan capital expense	2,700,800	2,718,500	17,700
Capital expense	10,778,500	16,179,900	5,401,400
Transfer to reserve	9,571,100	1,914,600	7,656,500
Net cash movement	0	0	
Reserve balance	39,386,500	29,706,500	9,680,000

Most of the operating income is derived from constituent council contributions which amounted to \$17.9 million. Actual income was close to forecast, however continuing low interest rates have contributed to reduced levels of return on investments.

Operating expense was approximately \$2.1 million below budget forecast. This relates to operational savings in electricity and specific project delays identified for carry over.

Capital income relates to section 64 developer contributions (\$5.19 million). This is the Council's second largest income source and loan funding from NSW Treasury (TCorp) of \$13.5 million which was drawn down in June 2021.

Most of the unexpended budget in the capital works program will need to be carried forward to 2021/22. The attachment to this report details all the capital projects and their expense compared to budget. The program predominately relates to the Bulk Water Fund.

The reserve balance of \$39.38 million is better than forecast primarily due to the June draw down of loan funding.

Fleet fund

Fleet operations generated a surplus of \$39,700 with both income and expense under budget. A cash surplus of \$427,100 was achieved once depreciation is eliminated.

Table 8: Fleet preliminary financial results for 2020/21

	2020/21 Actual \$	2020/21 Estimated March Review \$	Variance \$
Operating income	84,800	93,400	(8,600)
Operating expense	45,100	93,800	48,700
Operating result	39,700	(400)	40,100
Eliminate depreciation	387,400	397,300	9,900
Cash result	427,100	396,900	30,200
Capital expense (net of trade-in)	338,800	413,300	74,500
Transfer to reserve	88,300	0	88,300
Transfer from reserve	0	16,400	16,400
Net cash movement	0	0	
Reserve balance	1,071,600	966,900	104,700

Operating income is made up of staff contributions for private lease vehicles and interest revenue earned by the fund and was under anticipated budget.

Operating expense includes all recurrent costs such as repairs/maintenance, depreciation, insurance, registration, fuel etc. less plant hire income. Plant hire income is an internal charge raised against those funds benefitting from the use of the fleet item. The 'expense' is debited to the benefitting Fund in the form of a plant hire rate and the 'income' is credited to Fleet.

Plant hire income presents as a negative expense in Fleet Fund, which explains why total plant expense is only \$45,100. In 2020/21 plant hire income was \$907,000, hence actual operating expense on Fleet was \$952,100 once the internal hire 'income' is excluded.

Operating expenses are under budget by \$48,700 as general operating expenses, including depreciation, were all slightly less than forecast.

Fleet sales and purchases resulted in capital revenue of \$157,900 and capital expense of \$496,700.

The reserve balance of \$1.07 million is better than forecast.

Works carried forward

This section of the report identifies those unexpended budgets that require being rolled forward to the 2021/22 financial year. The projects to which the budget relate are either not complete or in some cases not commenced. The works have been split between operational projects and capital works.

Table 9: Operating Budgets to be carried forward

Project Name	Total (\$)	Comments
Procurement & contract processes review (P-PCPR)	50,000	Engagement of a labour hire arrangement to undertake a number of procurement exercises related to Council's internal audit program "Procure to Pay" is underway. This work will commence in the 2021/22 financial year.
Mains swabbing (P-Pigging)	185,000	A suitably qualified contractor has been engaged and staff are currently working with the contractor to identify appropriate works dates that will have a minimal impact of the surrounding community.
Contract template suite (S-Admin)	26,000	The engaged consultant has undertaken a large amount of work on an updated contract template suite, this will be finalised in August. This work is related to Council's internal audit program "Procure to Pay".
Project officer (GC-WAP09)	80,000	Due to COVID restrictions and staff focus on externally funded projects, Weeds Action Program (WAP) 4.2.1 communicate biosecurity obligations and best practice weed management to landholders and the general community was placed on hold. The carry over funds will be used to employ a project officer for a 12-month period to complete specific targets in this area.
Rileys Hill reshaping (P-Rileys Hill)	5,000	The contractor left the site for a week with the intent of finishing the works before the end of financial year, but heavy rain at the end of June meant that the final rectification works could not take place safely and effectively. The contractor has committed to complete the works as a priority as soon as the ground water levels have dropped enough to provide a safe, dry work site.
Dam Safety Management System (P-DSMS)	80,000	The commencement of the development of Rous's Dam Safety Management System (DSMS) project was delayed while DSMS guidelines from Dam Safety NSW were being finalised. The contract was awarded in early June 2021, all funds are required for completion of the project.
Nightcap Water Treatment Plant Master Plan (P-NCWTP Master)	99,900	Work is substantially underway with the contract awarded in Jan 2021 and is progressing largely on schedule. All remaining funds a required to allow completion of the contract.
CMP 20-25 - Action A5: Water quality monitoring program (P-CMP 20-25 A5)	8,000	This was originally intended to be completed in-house. Unfortunately, with key resources occupied with a focus on our engagement on the RAP, development of a cultural awareness training package and the proposed Lismore Visitor Information Centre lease, this was not able to be completed in 2020/21. The carry-over budget will be rolled up into a small contract to commence in early 2021/22.
CMP 20-25 - Action RC11: Post-bushfire review (P-CMP 20-25 RC11)	5,000	
Coastal Zone Management Plan (P-CZMP)	42,300	A site action plan has been developed for the riparian area north and south of Coraki village. Funds are required to be carried forward to allow the project to proceed.

Project Name	Total (\$)	Comments
CMP 20-25 - Action EC19: ECD River reach plan audit (P-CMP 20-25 EC19)	48,800	River Reach Plans in Emigrant Creek Dam catchment have been largely successful with good landholder up-take and on-ground implementation for priority reaches. On-ground works included weed control, cattle exclusion fencing, vegetation planting and erosion control works. A consultant has been engaged to: (a) review work completed as part of the Emigrant Creek Source River Reach Plan over the past 5-year period; and (b) develop a new River Reach Plan for the upper Emigrant Creek catchment. Preparation of the new River Reach Plan is scheduled for completion by December 2021.
CMP 20-25 - Action WR15: WRS River reach plan audit (P-CMP 20-25 WR15)	49,400	A consultant has been engaged to: (a) review work completed as part of the Wilsons River Source River Reach Plan over the past 10-year period; and (b) develop a new River Reach Plan for the extent of Wilsons River between the Boatharbour Nature Reserve and Eltham. Preparation of the new River Reach Plan is scheduled for completion by December 2021. This will allow December 2021 – July 2022 to prepare Property Site Action Plans for the identified priority locations.
S64 Compliance \ DA Audit (P-S64 Compliance)	17,900	Engagement of a contractor occurred in April 2021, with some work carried out initially. Work was then deferred while the State Government portal for DAs was rolled out. The requested funds will be used to access the impacts of the portal rollover on S64 compliance.
DM - Drought Management (P-DM Drought)	19,200	A new Drought Management Plan is being prepared in 21/22, in conjunction with a new Demand Management Plan. The carry-over funding will provide a contingency to the tight budget for the 2 plans and potentially allow more actions under the existing drought plan to be carried out.
Grant - Coastal Management Plan Scoping Study (GC-CMP Study)	71,100	RCC is coordinating the conduct of a Scoping Study as the first stage in the preparation of the Richmond River Coastal Management Program (CMP). The new CMP must be prepared in accordance with the requirements of the Coastal Management Act 2016 (CM Act), the State Environmental Planning Policy (Coastal Management) 2017 (CM SEPP) and the NSW Coastal Management Manual Parts A and B (the manual). A contractor has been engaged to complete the Scoping Study, with the final plan scheduled to be submitted to Council in February 2022. All funds are required to be carried forward to allow this project to proceed.
Grant - Richmond River Water Quality Monitoring (GC-WQM)	44,300	RCC is renewing the water quality data logger network within the Richmond River Estuary. SCU has been engaged to design, build and operate water quality data loggers which automatically record water quality parameters and transmit results to a dedicated website. Funds are required to be carried forward to allow this project to proceed.
McGettigan lane reticulation extension (S-Water Service)	15,500	A suitable contractor has been selected and contract awarded. However, works will not be completed and invoiced until first quarter of 21/22 financial year.
Wilsons River Source – Private landholders and school sites (S-WRS)	88,300	The original budget allocation was to allow RCC to meet all commitments to private landholders and school sites so that these can be maintained to a standard by contractors that will allow all existing sites to be handed back by end of June 2021. To meet this overall objective, RCC is undertaking follow up bush regeneration and tree planting works on a series of sites within the Wilsons River Tidal Pool sub-catchment that have had previous works undertaken but require additional work to bring them to a standard for handover to the landholders.

Project Name	Total (\$)	Comments
ICT Strategy (P-IT Strategy)	60,000	The original allocation of this budget was to develop and deliver an overall ICT Strategy 21-25. Whilst a number of internal ICT Strategy processes have been completed, finalising the strategy document and additional work around the need, or not, to implement a full ERP system in Council has been scheduled for 2021/21. The budget carry over is requested to be able to fund this piece of work.
Total operating carried forward	995,700	

Table 10: Capital Budgets to be carried forward

Capital Project Name	Total (\$)	Comments
Rural property upgrades (CE-Rural Prop)	29,800	Preliminary work is continuing for the demolition of the two rural property buildings identified as uninhabitable and uneconomical to restore. Regulatory approval and qualified contractor quotations for demolition and disposal are progressing. Once demolition of the properties is complete staff will review agistment options for the land.
Valve renewal (CE-Valve)	51,000	Investigations works were carried out in 2020/21 to identify critical valve for replacement / renewal. A valve on the Lismore 600 was selected. Site inspections to confirm the works were delayed allowing staff across the blue/green teams set up during COVID to inspect the site together to confirm the works required. A preferred contractor has been selected with works proceeding once all the required fittings have been received, and shutdowns can be arranged of the water supply.
Weed Biosecurity - Swan Bay Floodgate/Pipe (CE-WB SB FG)	25,000	Consultants are yet to be engaged to conduct options study. Request for quotes have gone out recently to qualified Consultants to undertake the studies but no formal quotes received yet. Funding to complete works will need to be carried over to 21/22 financial year.
St Helena 600 upgrade - Stage 1 (CE-St Helena 600 S1)	1,019,500	The St Helena 600 is a multiyear capital works program. All funds are required, budgets have been approved by council. It is anticipated that the Stage 1 project will be complete in November 2021.
Bulk Water Filling Station (CE-Filling Station)	26,200	The bulk water fill stations construction has been delayed due to site complexities and the need for additional planning work surrounding road permits. All remaining funds are required to allow engagement of a suitable contractor for the construction.
Catchment Management Plan – High Priority Actions Emigrant Creek River Reach Program (CE-CMP)	5,000	All 2020/21 projects had an end date of 30 June 2021, however delays experienced in 2020/21 (including COVID-19) has meant that some projects are yet to be closed out. Funds are required to be carried forward to allow these contracts to be completed. An additional allocation of \$500/property (totalling \$3,000) has been identified to allow preparation of a handover site maintenance plan for landholders and a final walk-through with landholders as part of capacity development (this was not included in these original contracts but is now a routine inclusion and a worthwhile investment).
Nightcap Water Treatment Plant – Chemical Storage (CE-Chem Farm)	57,800	Investigation of options to upgrade the NCWTP Bulk Chemical Storage facility at a high level are continuing through the NCWTP Strategic Review \ Master Plan project. Funds are required to be carried forward to progress investigations towards concept design and scoping the upgrade project once the outcomes of the Master Plan project are known.

Capital Project Name	Total (\$)	Comments
Disability Inclusion Action Plan (CE-DIAP)	28,500	Contractors have been selected, however works will not be completed and invoiced until 21/22 Financial year. Additional works also identified, and request funds be carried over to cover cost of these works. Expected first quarter of 21/22.
Nightcap Raw Water Jetty Corrosion Repairs (CE-NCWTP Jetty Cor)	300,000	Delays in the completion of the Nightcap Raw Water Pump replacement project flowed onto the jetty corrosion works. A specification and REF have been prepared and tendering will commence during the 4th quarter of the calendar year. The work is essential to complete to extend the life of the raw water jetty.
Nightcap Raw Water Pump Replacement (CE-Raw Pump)	64,200	Works and Contract are practically complete. The outstanding amount to be carried over is the retention amount held under the contract which is due to be paid to the Contractor in October 2021. Funds are requested to process invoices for two valves that are still on backorder and are expected sometime between November and December 2021.
Rocky Creek Dam Destratification System Replacement (CE-RCD Destrat)	90,000	Following preliminary design and investigation work in 2019/20, more detailed investigations into constructability and availability of plant and equipment was carried out during the FY. However, as a result of the two projects that came about due to flood damage in April 2021, work on this project was deferred as the flood projects were more urgent. When additional resourcing is brought on board or the flood projects are completed, this project will recommence. The carry-over of the budget is to complete detailed design, documentation and tendering during 21/22. It is proposed to include the award of the construction work tender in the 22/23 budget process, with commencement in July 2022.
Lismore 600/525 Pipeline Corrosion repairs (CE-ST Helena 600/525)	400,000	This project continues the program of repairs to the above ground trunk main assets. Significant preparation and site investigations have occurred during 2020/21 and the tender was issued 19 July 2021. The carry-over of the budget is essential to allow repairs to the pipeline asset during 21/22.
Nightcap Fibre Pits (CE-NCWTP ICS)	23,000	Funds are required to complete two outstanding items that could not be completed before the end of 2020/21. 1. Installation of a small switchboard and PLC for the Diesel Generator fuel filling system at Nightcap WTP, 2. Replacement of damaged electrical pit lid surrounds and lids around the Nightcap WTP. Concrete pits are on backorder and project has been delayed until later in 2021.
Emigrant Creek Dam Spillway Security Improvements	10,100	A contractor has been engaged but has advised that he will endeavour to complete the work before the end of July 2021. Additional budget required to allow other work outstanding including the installation of security signage to be completed.
Council Business Papers	50,000	This project aims to provide a technology solution to optimise the production of Council business papers and will replace the current manual process. A software solution has been selected and the initial implantation stage is nearing completion. Funds will be used to progress to the next stage and finalise the project.
Total capital carried forward	2,180,100	

1. Attachment: Rous County Council 2020/21 Capital Works

Rous County Council 2020/21 Capital Works

Area	Description	Actual 2021	Budget 2021	% Consumed
CE-BROADWATER 150	Broadwater 150 upgrade	18,521	30,000	62%
CE-BUSINESS PAPER	Electronic Business Papers	61,061	80,000	76%
CE-CHEM FARM	Chemical Farm	22,151	162,600	14%
CE-CMP	Catchment Management Plan - High Priority Actions	7,327	29,600	25%
CE-DEPOT	Depot Upgrade	36,528	132,000	28%
CE-DIAP	Disability Inclusion Action Plan - Priority Actions	8,934	50,000	18%
CE-FWP DUNOOM DAM	FWP - Dunoon Dam	11,562	100,000	12%
CE-FWP MAROM	FWP - Marom Creek WTP/Aville groundwater	45,195	480,000	9%
CE-NCWTP ICS	NCWTP - ICS	198,824	221,800	90%
CE-NCWTP JETTY COR	Nightcap Water Treatment Plant - Jetty Corrosion	0	300,000	0%
CE-PROJECT MGMT	Project Management Software	0	105,000	0%
CE-RAW PUMP	Rocky Creek Dam - Raw Water Pumps	175,818	354,800	50%
CE-RCD DESTRAT	Rocky Creek Dam Destratification	27,826	200,000	14%
CE-ST HELENA600/525	St Helena 600/525 Elevated Main Corrosion Repair	24,147	763,000	3%
CE-ST HELENA600 S1	St Helena 600 Upgrade - Stage 1	5,272,721	6,292,300	84%
CE-ST HELENA600 S2	St Helena 600 Upgrade - Stage 2	3,330,953	4,708,000	71%
CE-TDM	Technical Drawing Management	3,019	26,000	12%
CE-TUNNEL	Tunnel adit	93,988	168,800	56%
CE-VALVE	Valve	0	51,000	0%
CE-DEPOT TR	Depot Upgrade - Trustrums	0	1,000	0%
CE-PERRA REL7	Perradenya - Release 7	8,733	11,300	77%
CE-PERRA WOS	Perradenya - Whole of Subdivision	53,276	119,300	45%
CE-RURAL PROP	Rural Properties upgrades	0	56,000	0%
CE-FILLING STATION	Filling Station	28,966	55,200	52%
CE-RETIC	Reticulation Mains - Grace Rd	0	300,000	0%
CE-S-METERS	Meter Reading Software	0	30,000	0%
CE-RENEWALS	Richmond Water Laboratory - Renewals	3,058	47,000	7%
CE-WB GIS	GIS Data Capture New System	54,243	75,000	72%
CE-WB SB FG	Swan Bay Floodgated Pipe	8,348	150,000	6%
	Works in progress	9,495,199	15,099,700	63%

Rous County Council 2020/21 Capital Works (Ctd)

Area	Description	Actual 2021	Budget 2021	% Consumed
CE-BRUNSWICK S6	St Helena to Brunswick Stage 6	29,781	29,800	100%
CE-BULK	Bulk Meter Renewals	97,184	97,000	100%
CE-CHAMBERS	Rous Administration Building	58,024	58,000	100%
CE-CORROSION	Elevated Main Corrosion Repairs	166,220	169,900	98%
CE-DATABASE	Water Management Database	10,658	10,700	100%
CE-EASEMENT	Easement Creation	1,645	19,800	8%
CE-ECD	Emigrant Creek Dam - Buffer zone fencing	4,556	4,600	99%
CE-ECD ACCESS	Emigrant Creek Dam - Access path to spillway	27,265	27,400	100%
CE-ECWTP OZONE	ECWTP - Ozone System Renewal	21,577	21,600	100%
CE-ECDWTP MISC	ECD Water Treatment Plant Miscell.	12,811	12,800	100%
CE-GREENHOUSE	Greenhouse Gas Abatement	98,525	98,200	100%
CE-INSTRUMENTS DIS	Instruments Distribution	4,240	4,300	99%
CE-INSTRUMENTS EC	Instruments Emigrant Creek Water Treatment Plant	15,802	15,900	99%
CE-INSTRUMENTS NC	Instruments Nightcap Water Treatment Plant	17,041	17,000	100%
CE-IT COMMS	IT Communications	77,819	115,000	68%
CE-IT COMPUTERS	IT Computer Fleet	40,570	51,400	79%
CE-IT FUTURE	IT Future Improvements	4,092	10,200	40%
CE-IT MICROWAVE	IT Microwave Bridge	16,456	50,000	33%
CE-IT SERVERS	IT Servers	129,763	214,200	61%
CE-IT SOFTWARE	IT Software	0	17,100	0%
CE-NCWTP PLC SB	Nightcap Water Treatment Plant - PLC SBs	36,181	36,200	100%
CE-NCWTP WASTE	Nightcap Water Treatment Plant - Waste	92,119	92,200	100%
CE-OZONE DOSE	Nightcap Water Treatment Plant – Ozone	2,906	3,000	97%
CE-RCD SPILLWAY	Rocky Creek Dam Spillway	55,768	55,700	100%
CE-RECORDS CRM	Records / CRM	252,319	259,700	97%
CE-RESERVOIR	Reservoir - Pineapple Rd	30,875	31,000	100%
CE-TINTENBAR 150	Tintenbar 150 water main relocation	9,048	9,000	101%
CE-TRUNK	Trunk Mains - Coraki 225 investigation	33,514	33,500	100%
F-FLEET	Fleet Purchases	338,846	413,300	82%
CE-FMI DUCK	Flood Mitigation Infrastructure - Duck Creek	76,728	64,500	119%
CE-FMI FG MR	Flood Mitigation - Floodgate Large - Medium Risk	38,874	38,800	100%
CE-FMI LG	Flood Mitigation Infrastructure - Lifting Gear	16,451	11,700	141%
CE-FMI LI HM	Flood Mitigation - Levee Inspect and Heavy Maint.	9,580	9,500	101%
CE-FMI UNPLAN	Flood Mitigation - Unplanned replacements/repairs	14,981	12,100	124%
CE-FMI WP	Flood Mitigation Infrastructure - Walking Platform	413	400	103%
CE-PERRA REL6	Perradenya - Release 6	1,530,377	1,765,700	87%
CE-RETIC	Reticulation Mains - Gulgan	12,460	12,500	100%
CE-RETIC	Reticulation Mains - Old Tintenbar	98,176	105,600	93%
CE-RETIC	Reticulation Mains - Woodford	5,548	5,600	99%
CE-RETIC RH	Reticulation Main - Richmond Hill	47,285	47,300	100%
Works completed		3,536,478	4,052,200	87%

Note: The internal salaries for capitalisation budget allocation have been removed from the above totals. All actual expenditure has been journalled to the appropriate capital projects.